



# ON TARGET

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*The price of Freedom is eternal vigilance—*

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Thought for the Week: "Without faith, we are constantly in danger of being overwhelmed by adversities, With faith, we unite ourselves with the deep stream of the Eternal's purpose and meaning, and are thereby enabled to accomplish the impossible."

- Chiang Kai-shek, the famous Chinese Nationalist leader.

WIDENING CREDIBILITY GAP FOR FRASER GOVERNMENT: The shock resignation of Mr. Eric Robinson from the Fraser Ministry - and now his shock reinstatement - does not signify a cleavage on basic policy issues. There is nothing in Mr. Robinson's career to indicate that he is not wedded firmly to finance-economic orthodoxy. There are, of course, other factors. Clearly the shrewd Mr. Robinson believed that the time had come to dissociate himself from a Government whose credibility is continuing to slip. Mr. Robinson was looking ahead in the political-party power game, as is, of course, Foreign Minister Peacock.

Obviously quite a deal of pressure has been brought to bear on Mr. Robinson to bring on his recantation: however, in our opinion the damage of the resignation has been done, and is not undone by Mr. Robinson's change of tactic - rather is the damage made worse, and Mr. Robinson's own credibility jeopardised.

Prime Minister Fraser's major speech in the Federal Parliament last week was designed to try to rally back-bench Members and to persuade the electors that better times are just ahead. But, as we have constantly pointed out, under financial policies which generate increasing debt and require a high level of taxation, Mr. Fraser is doomed to have his major predictions contradicted by events. His past predictions on unemployment and a number of issues have been proved wrong. Before the 1977 elections Mr. Fraser promised lower taxes and a reduction of 2 per cent in interest rates. After a fractional decrease in interest rates, they are on the increase again. Mr. Fraser refuses to give a firm assurance that interest

rates will not increase further.

Mr. Fraser continues to make much of a reduction of the inflation rate, but it has now stuck at approximately 8% - a rate which a few years ago would have been described as catastrophic - and we predict that Australians are now going to see the rate start to increase again. The big increase in food prices is an indication of the shape of things to come. It is true that those primary producers who have managed to survive the depressed conditions of the past five or six years, are now obtaining comparatively higher prices. The only contribution the Government can claim it has made to these higher prices, is policies of destruction, such as the shooting of cattle. But surviving primary producers have in many cases huge debts to service, there is a backlog of maintenance - and taxation. Even more vital is the increase in production costs as high inflation continues. Our advice to surviving primary producers is to make every effort to consolidate because they are fooling themselves if they believe that their future is now assured. Their relief is temporary.

Higher food prices must, under present financial policies, play a major part in furthering the inflation spiral. It is incredible that the politicians cannot see that under present financial policies, any temporary benefit by one section of the community is at the expense of other sections. The result is social conflict, ending in the type of situation now existing in Great Britain. Who would have ever thought that the British, naturally a tolerant people, would reach the stage where strikes, resulting from inflation, would even result in sick people in hospitals being victimised. Every industrialised nation is suffering the same basic problem. Mr. Fraser and his apologists are now trying to shift their propaganda to blame other countries if the high Australian inflation rate continues and increases. But their policies are the basic cause.

Mr. Fraser predicted last week that "1979 is the year in which the fruits of our policies will become steadily apparent; a year in which the economy will take a further step on the road to recovery." The temporary rural situation, some increase in activity in some sectors of the metal industry, and the comfortable life style being enjoyed by the Canberra bureaucracy, doesn't alter the fact that unless there is a change in basic financial policies, starting with a drastic reduction in taxation and interest rates, and the use of new credits to reduce basic prices, the general situation must deteriorate, not improve. Unless Mr. Fraser changes course, his credibility will become so low as the year progresses that we would not be surprised to see a major challenge to his leadership before the year is out.

ARE THE BELLS ALREADY TOLLING FOR THE AYATOLLAH? "Iranian extreme Left-wingers today called a protest rally at Teheran University in the

major public challenge to Muslim leader Ayatollah Khomeiny's Government." - The Sun (Melbourne) Feb. 24th.

It is no secret that the Communist apparatus in Iran pulled out all the stops to back the "revolution" of the Ayatollah and his strong Moslem following among Iran's population: the "spontaneous" demonstrations, the street fighting, the guerrilla activity - all aided and abetted, if not actually organised by local Communists. It is indeed ironical that Communists should go flat out to aid a "religious" revolution: but that is what they did - in order to bring on a socialist proletarian revolution: the Communist dialectic at work again!

There have been reports that Moscow is grooming its own Iranian Ayatollah, to be pulled out of the hat at the appropriate moment - and this Ayatollah will be painted a nice shade of red. The Ayatollah Khomeiny could find himself in much the same sort of position as did General Spinoza, of Portugal, who toppled the old-guard, anti-Communist Government - with the aid of the Communists strategically placed throughout the Portuguese Establishment, only to find himself a refugee in Brazil in double-quick time as the Communists came within an ace of making the Portuguese "revolution" their own. Significantly, the newspaper report mentions that the (Communist) guerillas have ignored the Ayatollah's demand that they surrender weapons seized from the army. Communists never, never surrender any power, nor the instruments of power if they can possibly avoid it. The Communist "line" in Iran will probably now be that the Ayatollah Khomeiny has "betrayed" the Iranian people's revolution (the last thing that the Kremlin wants is an upsurge of religious fervour: it has large Moslem minorities of its own!) so the civil tumult is intended to continue; there will be frantic in-fighting behind the scenes for control of the police and the army, with a distinct possibility of civil war. A propaganda campaign against the old Ayatollah (perhaps as a tool of Western Imperialism) could be mounted, and THEN the Kremlin would dust off their own specially-moulded Ayatollah and plant him in Teheran, along with all the cooing noises which Moscow can make when on the warpath. The outcome is intended to be a Kremlin puppet Government in Iran. This may not happen, but the Kremlin intends that these are the types of events that will happen. Much will depend on the true religious following of the Ayatollah Khomeiny: he is the linchpin in the immediate future.

BRIEF COMMENTS: Mr. Al Grassby, Commissioner for Community Relations (\$36,000 plus a year) is recommending Andrew Campbell's smear work "The Australian League of Rights - A Study in political extremism and subversion", as a "useful reference" on the League. We have

received a report that when challenged recently at a meeting concerning the questions put to him by Mr. Eric Butler through "The Age" Melbourne, Mr. Grassby pretended he had not seen them. But when put to him, he expressed opposition to a national referendum on immigration, but said when he next stood for Parliament Mr. Butler should stand against him! The truth is that Mr. Grassby is being paid by the Australian taxpayers and is promoting policies which the great majority oppose. The latest Gallup Poll shows that 54% of Australians even want a reduction in the number of Vietnamese refugees. A further 30 per cent said Australia should admit only the present planned number.

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While Mr. Fraser strains to get as much publicity as possible with his tut-tutting to the Chinese because of their invasion of Vietnam, his deputy, Mr. Doug Anthony, insists that trade with Communist China must not be interrupted. What a state of affairs when the Deputy Prime Minister of a so-called anti-Communist Government criticises one section of the local Communists who want to boycott Communist China. The same Government strongly supports economic sanctions against Rhodesia, fighting for its life against Communist-backed aggression.

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In his weekly radio chat to his electorate (Wannon) Mr. Fraser reinforced his intention to press on with his Government's economic policies. These policies, we are assured ... "are ultimately the only policies that can keep us on the road to prosperity and higher employment". We have expressed the opinion many times in these pages that Mr. Fraser is whistling in the dark. Perhaps Mr. Fraser has really convinced himself that if only the Government can hold the line, then the economic strategy of the Treasury "experts" will work out - employment will rise, interest rates fall and inflation fall also. The precise opposite is occurring. Not only is unemployment at a record level since the Depression, but inflation will rise again, as will interest rates. We notice that jobs are disappearing apace as the new technology develops, both in industry and commerce (computerisation is wiping out jobs for example, in the banking and insurance worlds). We notice that the inflation rate in the U.S.A. now tops 11%. We notice that automation in the new 4-cylinder engine plant to be built at a cost of \$200 million by General Motors Holden in Australia will cut something like 200 jobs out of existence. We wonder whether Mr. Fraser has pondered any of these realities.

BASIC FUND: Now stands at \$39,169. Let's fill it quickly!

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