



ON TARGET

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The price of Freedom is eternal vigilance —

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Thought for the Week: "A continuous supply of money is associated, inseparably, in the minds of the vast majority of the population, with employment. It is my opinion that no solution to the present profoundly disquieting situation, which pervades the whole world, will ever be reached until a sufficiently influential body of opinion can be brought to examine this relationship, not as a moral relationship, but as a practical device for carrying on the world's business, to be rejected or retained only as it serves that end. In other words, employment is not an objective of a co-operative production system - it is an incident, a by-product."

- C.H.Douglas in "The Breakdown of The Employment System".

ROBBING PETER TO PAY PAUL: The central feature of the Hawke Government's "mini-budget" is to take money from one section of the community to give it to another section. There is no proposal to increase total purchasing power in the community, which is only possible by a change in present financial policies. Mr. Hawke and his colleagues are just as obsessed with the "deficit" as was the previous set of politicians. It is not surprising therefore to find that most of the champions of financial orthodoxy have accepted the "mini-budget" as "responsible", one which will eventually produce desirable results. Numbered amongst those who had kind remarks for the Hawke programme was former Prime Minister and Federal Treasurer Sir William McMahon, who generously said that he was not upset at losing the over-70 pension he has been drawing. Sir William retired with a cash hand-out of approximately \$500,000! And, of course, he enjoys all the benefits paid to ex-Prime Ministers.

While no one will be too upset about the McMahons of our society losing pensions which are only small change compared with total income, they are only a small section of society. The big losers in the "mini-budget" are the middle class, who have been progressively squeezed in all countries by all governments. The Middle Class in Australia includes plumbers, farmers, electricians, carpenters, small businessmen and others who are generally self-reliant and responsible. The average wage-earner is the one who is going to feel

the pressure of the government's "social justice" programme. It is true that there will be a stimulus to the housing industry, although it remains to be seen how many can afford to buy houses in a depressed economy. The pain of being unemployed has been fractionally eased. But telephone charges will be increased along with travel costs.

When the then Mr. Robert Menzies was forming the Liberal Party, he spoke of the importance of the middle class. He said back in 1942 that "The middle class carries the responsibility for the homes of the nation. It is the middle class, more than any other, which provides the intelligent ambition which is the motive power of human progress. Ambition, effort, thinking, risk taking in business and readiness to serve are not only the design and objective of self-government but are the essential conditions of its success. This class provides more than perhaps any other the intellectual life which marks us from the beast; the life which finds room for literature, for the arts, for science, for medicine and the law. Yet in parliament no policy is pursued which is designed to help the thrifty or to encourage independence."

During the period of post Second World War expansion, a succession of Menzies Governments enabled a relatively strong middle class to develop. But the very financial policies pursued, with inevitable debt expansion, growing taxation and inflation, increasingly eroded this section of Australian society. Under orthodox financial policies the escalating erosion continued. The Hawke Government has taken over where the Fraser Government left off. The result must be an increasing polarisation of society and the centralisation of power.

The Hawke Government has demonstrated beyond all argument that it is slavishly following the dictates of financial orthodoxy. Its budget in August will, on present indications, provide a further demonstration. We are hopeful that now that it has been demonstrated that there is really only one party in Australia, the Financial Party, there will be a groundswell of revolt against financial policies which generate increasing debt, both domestic and international, with inevitable taxation increases and continuing inflation.

We look forward to a growing questioning of the Deficit Dogma; why is a deficit as such a bad thing. What would happen if the deficit were written off tomorrow? What if the deficit, irrespective of whether it is \$9000 million or less, were distributed in the form of the abolition of Sales Tax, the financing of consumer price discounts, and adequate retiring salaries, as a right, to all those prepared to retire from the production system at an earlier age? These and similar questions must be asked and answers demanded.

IS THE DEPRESSION ENDING? Those who lived through the Great Depression of the thirties will recall how with regular monotony the "experts" predicted that the nations were about "to turn the corner" to prosperity. The belated British re-armament programme under Neville Chamberlain and the New Deal Fabian Socialist policies of the Roosevelt Government in the United States, provided some relief from the Depression. But it was only when war started and all restraints on money creation were pushed aside to meet the grim realities of the situation, that the millions of unemployed disappeared.

We are reminded of the thirties as from time to time reports appear claiming that there are "signs" that the American economy is "recovering". But now comes the report from the American Chamber of Commerce, stating that "economic recovery in the 1983 first quarter was weaker than previously believed, with post-tax corporate profits falling sharply in the period". The American steel industry remains badly depressed, with the United Steelworkers' Union launching a national advertising campaign warning against the importing of British steel. Any minimal improvement in the American situation is the result of an expansion in the rate of credit creation by the Federal Reserve Board. Under present financial rules any expansion in the rate of money creation must inevitably result in an increase in the inflation rate. And if money creation is increased to the stage where America's economy is operating to full capacity, with no unemployment, it can be predicted with complete certainty that the stage will be set for the most destructive trade war in history, with America feverishly attempting to export huge surpluses to other countries which are even now attempting to deal with the question of what to do with surplus production.

Being both a logical, but emotional people, the French are reacting to the policy of Socialist austerity imposed by the Mitterand Government, are violently reacting against suffering and poverty amidst plenty.

The truth is that the industrialised nations are now at the end of the road they have been travelling on for years. There are only three major possibilities: A major military conflict, the use of the Third World as a type of bottomless sink down which to pour production while attempting to build the New International Economic Order, both of these ending in disaster on a scale which dwarfs the imagination, or a major reform of finance-economic policies. It is now a race between these alternatives. There is no real answer to the international recession under present finance-economic policies.

BRIEF COMMENTS: The Thatcher government appears set to win the British elections on June 9, primarily because there is no genuine alternative. A reduction of the British inflation rate to 4 per cent is hailed as a great achievement. Not so long ago an inflation

rate of 4 per cent was regarded as disastrous. If it is true that there is an increase in British economic activity, then it is certain as the sunrise that the inflation rate will start rising again. But, of course, that will be after the elections!

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Publicity concerning alleged low standards of health among Aborigines must be regarded as a preliminary to an attempt by the Hawke Government to extend its powers over the States.

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"The Age", Melbourne, sometimes referred to as the Flinders St., Edition of the Communist "Tribune", provides Mr. Richard Alston, chairman of the Australian Council for Overseas Aid, with space in its issue of May 21st, to extoll the virtues of the second Brandt Commission Report. The essence of which is that unless the basic features of the New International Economic Order are soon accepted, there will be a major global crisis. Dr. Henry Kissinger is quoted as endorsing the main thesis of the Brandt Commission Report: that the West must make available enormous resources to prevent a collapse in the developing nations.

Essential reading is "Upon the Mountain", by Jeremy Lee. Price: \$2.00 posted.

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With the Federal Elections out of the way, Moscow-trained Mr. John Halfpenny, Victorian Secretary of the Amalgamated Metalworkers' and Shipwrights' Union, has been accepted as a member of the Australian Labor Party. When Mr. Halfpenny left the Communist Party in 1979, he said in an interview with "The Age", Melbourne, "I have not abandoned or retreated from my commitment to socialism but then I believe I can probably make a bigger contribution in other ways." Mr. Halfpenny will continue to preach Marxism, the Labor Party providing him with a much wider platform than he had in the Communist Party.

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In announcing his decision to lift all trade and cultural sanctions against the Soviet Union, Prime Minister Hawke said he was not prepared to continue the hypocritical stance of the Fraser Government concerning some sanctions while condoning trade. Will Mr. Hawke adopt the same attitude towards South Africa, or will he be practising the very hypocrisy he condemns concerning the Soviet Union?

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