In answer to questions early this week, the Treasurer, Dr Cairns, put himself in direct contradiction to the Prime Minister concerning the nature of economic problems. On the 27th January, Mr Whitlam was reported to have said from Adelaide:

"You cannot blame Vietnam for the inflation in the Western world.

"You cannot blame the Oil crisis for the inflation in Australia. You cannot blame the takeovers and the currency rates for inflation in Australia now.

"You have to place the blame on wage claims.

"What has happened in the past 12 months is that profits have been reduced very greatly in every form of activity.

"Wage claims in the past 12 months have so greatly reduced the profitability of employers that they have ceased to employ.

"As long as wage demands continue to cut profit then there is going to be unemployment.

"Every excessive increase in income for one man takes the job of another."

Dr Cairns on the other hand, in answer to a question, said that the present condition of the economy is a condition of recession, as it is around the world, as it is a result of the same conditions applying in every country. They apply in the United States and Europe and in Australia just as much.

Dr Cairns plainly believes that we are experiencing world-wide problems as a result of events overseas. The Prime Minister made it plain that he did not blame overseas events, that he blamed events within Australia. The Prime Minister is of course correct, but as the economic situation worsens, I believe there will be an increasing attempt on the part of the government to try and suggest that economic difficulties are caused from overseas.

What's happened to unemployment

There seems to be a strange apathy in the community about unemployment. When we were in government, if unemployment rose much above 100,000, we would be kicked all around the world and accused of the most grievous crimes.
Now unemployment is standing significantly over 300,000 or 5% and what happens? The trade unions are largely silent on the subject - the President of the A.C.T.U. does not say much, and the government tries to pretend unemployment does not exist.

It is true that a small minority of those unemployed do get very great benefits under the Income Maintenance Scheme which gives people put out of work as a result of tariff cuts a very greatly added advantage against those put out of work from other causes. Some are also helped in the re-training scheme, but these two schemes only help a minority, and in relation to total numbers, a small minority.

Rural Unemployment

A very significant part of unemployment occurs in non-metropolitan areas. About 115,000 of 300,000 come from outside the great capital cities. Some of the policies of the government have particularly hit rural industries: the textile, clothing and footwear industries are in difficulties, the superphosphate industry is grinding to a standstill, and the sheep and beef industries are in a tragically serious situation.

With Ian Sinclair I raised these questions in a debate in parliament last week. One thing that concerned me specifically was a need for the government to continue support for wool marketing after June 1975. I believe that this could make a difference of $2 a head for sheep and that it would bring people back into the wool market. At the moment they are hanging out of the market believing that they might be able to buy wool cheaper after the 30th June.

People should not be concerned about the increase in wool stocks because current wool stocks are about the average of the last 10 years. They are being held by the corporation rather than the speculator and I think that is preferable. The general tax payer also must understand that the wool industry is paying very fully for the funds made available for the wool - it is no gift made available from the government or tax payer.

The Third World

A number of things have occurred in Question Time in parliament which have not been adequately reported. In the first week of parliament in reply to a question the Prime Minister blamed the United States for being the principle party breaking the Paris Agreements concerning Vietnam. He said that he had made it quite plain that South Vietnam should do more to carry out the Paris Agreements which were meant to bring peace to South Vietnam and which are over two years old.

The Prime Minister made no mention of North Vietnam, of Russian and Chinese supplies pouring into North Vietnam and down to the South, and
of the North Vietnamese army of over 300,000 men in South Vietnam.

On the 18th February he was asked another question on the subject and the Prime Minister replied that he had complained to the government of South Vietnam. He failed to mention any complaint to the North Vietnamese government in Hanoi to which Australia is now accredited.

This is consistent with the track the Prime Minister has taken over the last 2 1/2 years. Where there is an opportunity he casts blame on the United States or the United Kingdom and does what he can to promote Russia and China and their allies. The Prime Minister's march to the Third World has been a very rapid one.