Apart from handouts to business, the one item of expenditure that is certain to rise in the Fraser government's first budget is spending on arms.

The increase is substantial, and the subject merits more attention than the left has so far given it.

Last year's "defence" estimate was $1.8 billion, and in the coming year it will be about $2.2 billion. This will increase, according to Defence Minister Killen's projections, to about $2.9 billion (at constant prices) in 1980, to make up the total of $12 billion over five years - if it is not further increased in the meantime.

This increase in annual expenditure from 1976 to 1980 is steeper than the increase from the beginning of our Vietnam involvement to its peak in 1969-70.

Not only the amount, but the purpose of this expenditure should be examined. All expenditure is linked in some way or other with political aims, but in the case of arms spending, the link is particularly direct and intimate.

Everyone is in favor of defending the country against external aggression (a few Quislings excepted), but not everything labelled "defence expenditure" has that objective.

Lenin, in his denunciations of imperialism and its wars, was fond of quoting the famous German military theorist, Karl von Clausewitz to the effect that "war is the continuation of politics by other (that is, forcible) means."

Dr. Kevin Foley, Liberal member of the Victorian upper house and part-time consultant to the Defence Department is hardly a Clausewitz, but he expressed the same thought when he told a summer school at the University of Western Australia last January that the "... single reason for our non-rational, ad hoc, disjointed and almost certainly less than desirable defence force, is the failure of governments to provide defence planners with a clear unequivocal statement of defence objectives", resulting in "serious cases of waste, goldplating, the selection of inappropriate weapons and such like .... we are buying performance we don't need, and in the process, pricing ourselves out of the market.

"There is nothing in logic nor in common sense to suggest that irrespective of the way in which threats might change over time, they will always be most appropriately deterred or defeated by weapons from higher levels of technology.

"Such an approach is absurd in the extreme for it suggests there is no need to monitor the international environment - all one needs to do is start with 'enough' of everything and then merely buy the new models.

... "The recent and tragic Vietnam war has clearly illustrated that high technology is not always the answer."

(Financial Review, July 26.)

One wonders whether BHP's chairman, Sir Ian McLennan, who is also chairman of the Defence (industrial) Committee, and vice-chairman Sir Charles McGrath of Repco Ltd. and Mr. N.F. Stevens of Blue Circle Southern Cement, Patrick Corporation and other companies have the disinterestedness to reject the "high technology" approach should that be indicated by a realistic assessment of Australia's position.

Dr. Foley does not spell out his scenario of "real requirements". Nor does the flood of colorful inanities from Defence Minister Killen help much in clarifying the actual "international environment" of Australia when he can solemnly proclaim a direct "Russian threat" and then deny it ("amplify" was the word he used) all in the space of a few hours.

Prime Minister Fraser has been more explicit, spelling out a foreign and defence policy which goes right against the analysis of the experts of the bureaucracy. They, in discounting external threats in the foreseeable future are not "progressives", but realists.

Their 1975 Defence Report recognised that "... a threat to be real requires a combination of military capability, motive and opportunity .... No regional power has, or is likely to, acquire for a number of years the capability that might..."
require a substantial Australian defence response".

The same thoughts were repeated after the Fraser government took over, with defence chief Sir Arthur Tange saying in February that it was highly improbable" that Australian forces would be engaged with allies overseas in the foreseeable future.

It is no news that Fraser is reactionary. But he is also "ideological" in a way that leads him away from realism. He sees himself, according to reports, as a kind of new Churchill from the antipodes, sounding the tocsin to rally the faithful against the "Russian menace".

Had he the "gift to see himself as others see him", he might admit to being a kind of Edna Everage or, perhaps, Bazza McKenzie of foreign and defence policies, chundering forth his spleen, the while indulging in delusions of grandeur.

He says bluntly that the judgments of his Chiefs of Staff and Departmental heads in Defence and Foreign Affairs "do not represent the present assessments of this Government".

And suits his deeds to his words.

Hence the build-up of naval facilities at Cockburn Sound (WA) and the opening of these and other facilities to US nuclear and nuclear-armed ships; retention of US bases and the addition of an Omega base; support for the US build-up at Diego Garcia and through the Indian Ocean (among other things buttressing the South African apartheid regime); accelerated betrayal of East Timor and support for butcher Suharto; the declaration that Australia is "back on the track" with the US, ready for new adventures against the advances of national liberation and socialism; eagerness for export of minerals, especially uranium with its war potential.

In all, an exceedingly dangerous policy. Expensive too in money terms, and potentially in Australian lives.

Every cent of "defence" expenditure in support of such a policy should be opposed, in the interests both of social welfare and the economy, and the long term security of Australia.

Such opposition should be matched by development of support for an independent foreign policy for Australia, which in today's conditions means a policy of non-alignment, and specifically:

- No foreign bases
- The Pacific and Indian Oceans to be zones of peace
- Support for the self-determination of other nations - especially East Timor
- Opposition to the mining and export of uranium

The government's final Medibank deal also serves political and social aims as well as directly economic ones.

At great administrative cost, it maintains the private funds. It imposes a steep levy which most will find more than matches their tax indexation "gains" (and which workers will continue to resist, for example by demands that the bosses pay it). It will result in the rundown of "public sector" health care, the hospitals and doctor training. It will give full scope to the greed of the majority of private doctors, whose fees will continue to escalate way beyond inflation rates, requiring higher levies in the future.

The Sydney Morning Herald, deservedly not noted for its rapport with workers and unions, concluded an editorial on the subject with these words:

"In a few months' time, Medibank will almost certainly be half-dismantled and replaced by a hybrid administrative monstrosity. The Government deserves the unpopularity it will reap." (July 23).

Granny's concern is that the government, in pursuing its philosophy and ideology of promoting private enterprise and profit by ditching the idea of social responsibility, even in the welfare field, is carrying things to lengths which could prove politically dangerous to the government itself, and by spin-off to the system as a whole.

Social responsibility in the field of health insurance became well-established in the few months in which the old Medibank operated (with no levy, financed out of general taxation). The ABC's public opinion poll revealed that 56 per cent of people (including 48 per cent of Liberal voters and 66 per cent of Labor voters) were satisfied with the old Medibank, while only 21 per cent (33 per cent of Liberal voters and only 8 per cent of Labor voters) thought the new Fraser Medibank was better.
Medibank is not, of course, a “socialist” measure. Nor is it even a health scheme. It does not tackle the failures of modern medicine which result largely from the idea that there is a “magic bullet” drug or smart operation for every illness and a disregard of the social factors. Modern medicine is curative (and not very good at that) instead of preventive. It reinforces the idea so many doctors have that they can play god and treat patients as broken down machines and/or morons, and receive exorbitant fees.

But the fact that Medibank, in its short life, established the idea of social responsibility, is an important starting point for development of socialist ideas and of a coalition of action against Fraser. The coming budget, indeed, may see new attacks on the principle of social responsibility even in a field like education in which it is so well established. It will certainly continue the assault in areas such as child care where acceptance of at least a measure of social responsibility is crucial for the liberation and equality of women.

Similarly, the cuts in funds for the ABC are not just for the sake of “elimination of waste” and to promote “efficiency” as proclaimed by new Chair(hatchet)man Bland, of penal powers and national service (conscription) fame. It is closely related to the Libs’ hatred of a news, information and entertainment source at least partially independent of them and of the privately owned media which shares the Libs’ social philosophy and has its profits eroded by ABC competition.

Then, on the revenue side, the decision to phase out, over three years, the export levy on coal ($6 a tonne on coking coal and $2 a tonne on steaming coal - worth up to $140 million a year) will increase the deficit which the government says it wants to reduce, requiring further cuts in welfare to achieve). But no matter, it enriches their multinational friends and rivets their “rip, tear and drag” philosophy onto our resources and the environment.

The export trade reaps the coal companies $2,000 million a year, while the wages paid in the industry are only $250 million and the capital expenditure and equipment is relatively less than in many other industries. Particularly is this so in the open cuts, where the Miners’ Federation says the levy should be higher so the easily won coal does not all finish up in Japan, leaving us with the less accessible and more expensive.

And the lifting of the levy can’t be just a response to immediate trading difficulties due to the recession - or does the government expect the recession will still be with us in three years’ time?

The above economic issues (there are plenty more) show that economics is not a “neutral” subject, like, say, mathematics. It is true that liars can figure, and that many figures are used for dubious purposes. But three children are still three, whether they come from a rich or a poor family. Four workers are still four, whether they have a job or are unemployed.

Economics, however, has a great deal indeed to do with whether children are rich or poor, workers employed or unemployed.

As the economic crisis has developed, more and more students of economics at universities have become aware that their subject is intensely political and social, whatever front of “impartiality” is put on by some of their professors, and however much the discipline is squeezed into apparently neutral mathematical equations (“econometrics”).

The demand, therefore, particularly at Sydney University, for a political economy unit or department, is another welcome expression of concern at what the capitalist economy does to people, a concern which is burning deeply into the consciousness of workers and social movements in the harsher world outside.

It is an important reinforcement for the wide debate about the economy which is going on in all classes and which will find a focus in the coming budget.

But, as the discussion above shows, it is a political and social, as well as an economic, debate.

More from necessity than choice, perhaps, many workers who previously saw no further than their wage packet are now confronting and sometimes taking action about other and wider issues. This greatly worries the ruling class, as seen in their persistent efforts to rubbish the national Medibank strike.

One criticism from this quarter, however ill-intentioned, should be accepted: the need for far more preparation and consultation with the
rank and file - who themselves rightly demand this.

But on the issue of the strike being "political", their criticism should be treated with the contempt they deserve. The way they talk, one would think they would support a national strike in favor of full indexation adjustment for wages, for example, because it would be "industrial", not "political", and therefore legitimate.

Not bloody likely.

When unions pursue industrial claims, better wages and conditions, they are told "Don't be selfish, be responsible, think of society as a whole". When they take action on matters of social responsibility such as Medibank, the export of uranium or (in earlier times) BHP's export of pig iron to Japan, they are told "Mind your own business, which is the wages and conditions of your members".

They want it both ways.

And they should get it both ways.

The "leading role of the working class" in social change, which is undisputed theoretically among Marxists, can only gain practical expression when the workers and their organisations show not only that they are bonny fighters in their own interests, but also that they, rather than the present rulers represent the interests of the nation and society as a whole.

The budget, which raises basic political and social, as well as economic issues is an arena of struggle, embracing both debate and action, which can help formation of such a social vision.

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