



ON TARGET

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The price of Freedom is eternal vigilance—

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Thought for the Week : "The most important component of our shiny new modern motor car is the lamb chops, mashed potatoes and roast pumpkin that goes into its production - not forgetting the woman that cooks them". - Harold Hötchkin, Chairman of the Goon Nure (Victoria) Voters Policy Association.

THE FRASER RESIGNATION : "Perhaps the greatest danger of all is the view that the Soviet Union respects the rights of the democracies, her policy is as has always been, to weaken, to change the Governments of countries friendly to the great democracies. These policies have had success. Their purpose is to narrow that part of the world in which men can be free. - Background to Defence - an address by Mr. Malcolm Fraser, the then Minister for Defence to The Australian Institute of International Affairs (Victorian Branch) March 1, 1971.

Mr. Fraser's address quoted from above was a highly realistic document. He expounded on the processes which lead to aggression, and posed the question of where Australia's defence interests started. The quote we have used above is probably the cornerstone of his thinking. He sees the threat in Vietnam and all those other countries now being dragged into the maelstrom of Communist aggression as an exercise in narrowing "that part of the world in which men can be free".

He pointed to the need for realistic preparedness long before the threat became a reality. He drew the parallel of the blindness and inertia which refused to recognise or tell the truth to the British people of Hitler's real designs in the thirties. How they were told only what they wanted to hear.

On the Soviet presence in the Indian Ocean he pointed out that the Soviet had no real interests there other than to establish an intimidatory presence to prepare a threat for a long term objective. This is a realistic assessment and it was stated in unequivocal terms.

Mr. Fraser was not appointed to the Cabinet by Mr. McMahon. Why? In fact his important post of Defence Minister went to Mr. Gorton who may have wished to destroy Mr. Fraser in the first place. It was obvious that prior to the events which led to Mr. Fraser's resignation and the consequent defeat of Mr. Gorton that the press was downgrading Mr. Fraser. He was a "cold, aloof, hard to get on with" person etc. The press have never countenanced a hard liner against Communism. You can talk about it, but the hard-liner is out, and Mr. Fraser was adopting a very hard line for the usual compromising stand of the modern politician. Did Mr. Gorton pick up the line that Mr. Fraser was finished and decide to unload him before he became an embarrassment? He co-operated with the press in not denying the story Mr. Fraser objected to. But Mr. Fraser exerted the strength he had talked about in his March 1 address and turned the tables on Mr. Gorton. Instead of being gradually downgraded and discredited, Mr. Fraser took the initiative.

But the situation still remains that Mr. Fraser, who Mr. McMahon says is a friend of his and is liked by him, has not been returned to his important post, and the man who tried to destroy him is in his place. Perhaps Mr. McMahon, the "very anti-communist" Prime Minister has also got the message that hardliners against the Soviet are out.

MR. HAWKE AND HIS "VICTORY" "It's a socialist plot to impose free enterprise on capitalism".

So goes the caption of the cartoon in The Age, Melbourne March 19. There is a great deal of superficial comment which depicts Mr. Hawke as the saviour of the low income worker, and in forcing big business to capitulate on the question of fixing retail prices a lower cost structure will result for the general populace. Nothing could be further from the truth.

The first thing which needs to be said is that business leaders because of complete ignorance of the factors in financial policy which ensure the growth of inflation and rising costs, which inevitably lead to financial failure of smaller unit enterprises (and not so small, Minisee!) and the growth of monopoly, cannot really diagnose the success of Mr. Hawke. Business leaders are in fact being hoisted on their own petard by Mr. Hawke and the ACTU whose Communist members were the deciding factor in electing Mr. Hawke. Together they have as their final objective the destruction of the free enterprise system and its replacement by collective state socialism.

The basic factors causing inflation and high costs-prices which Mr. Hawke assiduously exploits, are in the credit and financial policies of The Treasury and Reserve Bank. High interest rates, expansion of the credit structure to finance the never ending cycle of increased costs instead of breaking the cycle by using the same funds to finance consumption, are two of the main factors. Neither Mr. Hawke or the leaders of business press for any alteration to the obviously discredited cycle. Mr. Hawke understands the policy and its alternative, business leaders do not. Mr. Hawke will never press for an alteration to such policies as they lead the way toward fulfilling that objective he never loses sight of - power. Many people have asked what makes Bob Hawke tick. The answer seems glaringly obvious.

Mr. Hawke is presented as a highly educated man. He is. He is the product of that form of education which is bringing the western world to the brink of anarchy. His basic philosophy is class warfare and that the issue will be decided in favour of the working class controlling society through State Socialism. Mr. Hawke sees himself as one of the top controllers wielding tremendous power.

Mr. McMahon is getting himself into a corner over Mr. Hawke's move. He cannot take an open stand in favour of the manufacturers without leaving himself open to charges of supporting monopoly fixed price policies. At the same time he is criticising Mr. Hawke, but in the absence of a constructive alternative such criticism lacks conviction. Newspaper editorials and cartoonists are having a field day pointing out that freer enterprise is resulting in Mr. Hawke's present policy. What they don't point out is that in the final results there must be the further destruction of smaller units of the free enterprise system as the artificially depressed profit margins lead to more casualties. The mergers and increasing central control of industry will proceed apace leaving the field to Mr. Hawke and big business. The inevitable result, monopoly control whether through rationalisation with government, trade unions and industry as co-partners, or straight out collective control.

The root of the matter is the inflationary financial policies of the Federal Government, which neither free enterprise or Mr. McMahon challenge. Too many of Mr. Hawke's fellow spirits with similar educational background occupy the sensitive positions in The Treasury and The Reserve Bank.

LESSONS FROM CANADA'S MOUNTING ECONOMIC PROBLEMS : Mr. Eric Butler reports from Western Canada :

In spite of recent large sales of wheat to Red China, Canadian wheatgrowers are faced with increasing financial problems, a fact which Australian wheatgrowers might profitably consider before they get carried away with the claim that they can solve their problems by Australia recognising Red China. Since visiting the Western Canadian rural areas last year, it is obvious that the rural crisis is deepening. In spite of the Federal Government's anti-inflation programme, the price level continues to rise, and primary producers are caught in the same cost-price squeeze affecting Australian primary producers. The deepening rural crisis is affecting the smaller towns, while even in the bigger cities there is a growing awareness that stripping the rural communities of a big percentage of their people must increase the problems of the growing "human ant heaps".

The Canadian Federal Government's programme for solving the Canadian rural crisis is exactly the same as the "reconstruction" programme of the Canberra planners: elimination of the "uneconomic" units and amalgamation of those primary producers regarded as economic. Legislation before the Canadian House of Commons at present clearly indicates the intention of the Ottawa planners to bring the whole of Canadian agriculture under increasing central control. Canadian Minister for Agriculture H.A. Olson has been much franker on the move towards increasing Government control of agriculture than are politicians at Canberra. Operating under the whip of increasing inflation, primary producers everywhere have so dramatically expanded production that, failing a change in financial policies to enable them to be able to enjoy the greater economic independence and freedom which should be their reward, they will eventually be brought not only under centralised national control, but under international control, with each country being allocated its quota of permitted production.

One of the more realistic contributions to the growing Canadian debate on the rural crisis has come from British Columbia Agriculture Minister Cyril Shelford, who has observed that "Telling farmers they should be more efficient is an exercise in futility. . . . Farmers have increased their productivity 5.5 per cent a year - compared to all other industry with a maximum increase of 2.5 per cent". While British Columbia fruit growers are concerned about the competition from Australian fruit exports, they are also worried that if the United Kingdom joins the European Economic Community they will lose one of their valuable export markets. There is also mounting friction between Canada's primary producers in different parts of the nation. A spokesman for the Manitoba graingrowers has complained that Eastern Canadian farmers' representatives support the Federal Government's legislation "because they are frightened stiff of the prairie potential to outproduce them both physically and economically".

An ugly development in the Canadian rural debate, and one which has been canvassed by a few in Australia, is the use of "farm power" to force higher prices by withholding primary production from the market, in the same way that wage earners withhold their labour during a strike. Spearheading this type of radical approach is the National Farmers' Union, pressing for one centrally controlled farmers' organisation which could engage in "collective bargaining". Farmers who are prepared to consider blackmailing consumers are playing right into the hands of those working to destroy the independence of the primary producer. The truth is that the existing number of Canadian farmers can, with less production per farmer, more than satisfy the requirements of Canadian consumers. What is required is a financial policy to enable this to be done, and the present degree of decentralisation of the population to be at least maintained. Canadian farmers are faced with the same battle as Australian farmers: to use their political leverage to protect their own independence and in the process to demonstrate to

the rest of the community what is necessary. Their major target for attack must be inflation, a destructive policy which has been "sold" as "inevitable" and the only alternative to deflation. Mr. John A. Boyd, Toronto resident director of a Vancouver - based finance company states that "Inflation appears preferable to unemployment as a government policy". Businessmen who accept this viewpoint are lending their support to a policy which, if persevered with, will continue to erode the foundations of the free-enterprise economic system.

Asked during a Calgary TV interview where I suggested a start might be made to end inflation without disrupting the free enterprise economy, I observed that President Nixon had introduced a Fabian Socialist-type deficit budget of \$15 billion. This enormous expansion of new money would come into existence through a book entry by the Federal Reserve Board. But it would come into existence as an interest-bearing debt owed by the American people, even though the real wealth of the American people was the only reality giving the new money any value. The total effect would be more inflation. I suggested that the \$15 billion could just as easily be brought into existence as a credit against the American people's wealth, issued at the cost of administration, and used to lower the whole price structure through a policy of consumer discounts. The \$15 billion would be progressively cancelled out of existence as the American people met their existing debt burden. The only logical reason for objecting to this policy is that those controlling financial policy do not want to halt inflation nor do they wish people to start getting out of debt.

If the farmers and other members of the rural communities of the free world can successfully challenge the policy of inflation, they can yet save what remains of the free world.

QUEENSLAND AND NORTHERN NSW SUPPORTERS

Dinner and Seminar to be held in Toowoomba on May 28 and 29. The Dinner at the Range Motel, the Seminar at Harristown High School. The theme of the Seminar "The Family Farm", has guest speakers, Eric Butler, Peter Bennet and Mrs. D. E. Phelps. Send a Donation of \$4.00 for the Dinner to Mrs. J. Luscombe, Box 17, Alderley, Queensland, 4051.

Book Now.

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