



Registered
for posting
as a periodical
Category B.

ON TARGET

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS

The price of Freedom is eternal vigilance—

Vol. 10 No. 26

July 5th, 1974

Thought for the Week: "In the sickening slide from freedom to dictatorship, history has repeatedly shown that one characteristic of the 'silent majority' on its way to becoming the 'silenced majority' is its unwillingness to take its enemy seriously. Marx and Lenin both wrote explicitly about their intentions. But few of their intended victims paid any attention". - F. Paul Fromm.

FINANCE-ECONOMIC REALITIES CATCH UP WITH MR. WHITLAM: "Canberra - The Prime Minister (Mr. Whitlam) has supported proposals for a system of regular cost of living adjustments to wages. The idea was spelled out last week by the Minister for Labor and Immigration (Mr. Cameron), who said he hoped it would operate from January 1.

In an address to a national convention of the Industrial Relations Society in Surfers Paradise, Mr. Whitlam also supported Mr. Cameron's suggestion of a yearly conference of all parties to the scheme to adjust wage rises according to productivity. 'We cannot continue to have annual wage and salary increases of the order of 20 per cent.', Mr. Whitlam said. 'Employees seeking these increases are in danger of becoming like squirrels in caged wheels - no matter how fast they run, the wheel (inflation) only goes faster; they still do not advance. It is for this reason that the Government is interested in the idea of some form of regular cost of living adjustments to wages and salaries, or wage indexation. Employees would no longer feel compelled to seek huge increase against inflation if they were offered some real income protection.' - The Age, Melbourne, July 1st.

Mr. Whitlam has said that he is a great admirer of Sir Robert Menzies. Like Sir Robert, he prefers to do a little strutting on the world stage without taking finance-economics too seriously. But he is finding, as did the then Mr. Menzies in 1961, that a failure to solve finance-economic problems can be politically dangerous. The Menzies Government very nearly lost the 1961 elections because of the electoral backlash against the economic dislocation and unemployment resulting from a credit squeeze allegedly designed to defeat inflation. A chastened Mr. Menzies told the Australian electors, "For the past month I have been engaged in an unusual occupation - studying economics." Unfortunately he apparently did not learn much, except that he could re-stimulate the economy with a massive Keynesian deficit budget. This resulted in a re-stimulation of the very inflation he had warned would occur if his opponent, Mr. Arthur Calwell, introduced his promised deficit budget!

Before the recent Federal Elections Mr. Whitlam blatantly claimed that his Government had reduced the inflation rate to less than 10 per cent. In his policy speech, delivered on April 29th, Mr. Whitlam, performing at his television best, painted a glowing picture of the plight of the Australian economy:

"The Australian economy is one of the most buoyant and vigorous in the world. Full employment has been restored. Business activity is at its highest for a decade, company profits are at record levels and business expectations are at an all time high. Through our economy policies and our social security programme, Australia's prosperity is becoming more fairly shared than ever before." Yes, this is what Mr. Whitlam actually said just over two months ago. And with a lofty disdain for his political opponents, he said that "When Mr. Snedden speaks of cutting back on Government spending he means cutting back on schools, on health, on social security. They are the only fields where meaningful cutbacks can be made."

Immediately the elections were safely over, the Whitlam picture started to cloud over. Treasurer Frank Crean said that high interest rates and the credit squeeze would have to be accepted for a long time to come - if inflation was to be curbed. But the high interest rates and the credit squeeze have had no effect on rising prices. And those tariff reductions of 25 per cent, strongly supported by Dr. Jim Cairns, have also failed to curb inflation. But the results for the Australian textile industry have been devastating.

Labor spokesmen have made much of the Prices Justification Tribunal to curb inflation. As we observed when introduced, this Tribunal can only rubber-stamp increases which industry can readily demonstrate are necessary to recover increased costs. Failure to grant adequate increases can only produce more bankruptcies. And so the Tribunal has had no alternative but to ratify an 8.7 per cent increase in the price of BHP steel. In handing down the BHP decision, Mr. Justice Williams said he was greatly concerned by the size of the price increase. But, he said, "This is the inescapable result of the very large increase in wages and other costs which the companies have incurred mainly as a result of factors beyond their control." Note that there are costs other than wages. Now Australian aluminium producers are to seek a 12 per cent price increase. Because steel and aluminium are the main materials used in modern industry, the big increases must be multiplied through the many stages of production, the result being an acceleration of consumer prices.

Mr. Whitlam's call for wage restraints, Mr. Clyde Cameron's confession that unemployment would grow, and Mr. Crean's stubborn insistence on a continuing credit squeeze and high interest rates, all add up to the fact that the Whitlam Government is in deep trouble. Communist Trade Union leaders have clearly indicated the shape of events to come. Mr. J. F. Halfpenny of the Amalgamated Metal Workers' Union has bluntly rejected the Whitlam appeal for wage restraints. Mr. Halfpenny states that "It appears that the Labor Government wishes to pursue the traditional methods associated with the Liberal Party to solve the problem of inflation and rising prices. It is meaningless to suggest that unions exercise wage restraint when prices, taxes and other charges are having such a disastrous effect on the wages of workers and their families." Mr. Halfpenny hammers the Marxist theme that it is the "speculators" and "profiteers" who are responsible for inflation. Mr. Laurie Short, secretary of the Federated Ironworkers' Association, reacted to the Whitlam call by saying that Canberra's "fat cats" should give a lead "if the thinner cats are expected to follow."

Irrespective of how the Whitlam Government operates within the framework of current finance-economic policies, the stage is being set for the greatest convulsion ever seen in Australia in peacetime. Present policies must generate increasing inflation. Even a period of massive unemployment would only slow it down. The Communists and their allies must be the major victors while the different sections of the community blame one another, in the process increasing social friction. Mr. Whitlam is digging his own political grave and the hard-line pro-Marxists in the Labor Party will push him into it when they

feel the time is opportune. The biggest tragedy of the deteriorating situation is that, with the exception of Queensland Premier Bjelke-Petersen, not one spokesman for the Liberal and Country parties has come forward with a practical anti-inflation policy. Some of their statements are inane and inflammatory - just what the Communists welcome.

A two-point anti-inflation policy of complete abolition of Sales Tax and the use of consumer subsidies would immediately start to reverse inflation. As we have shown consistently, the finance required for a worthwhile reduction in the cost of living would be much less than the amount of new money being created to finance accelerating inflation. As a final comment we suggest that Mr. Anthony and his Country Party colleagues be asked to explain why they complain that the Whitlam Government's abolition of a subsidy on country petrol and superphosphate will increase the costs of the primary producer - i.e. a subsidy lowers the cost of production and keeps food prices lower than would otherwise be the case - while opposing a consumer subsidy for example on a loaf of bread and a pound of meat. Surely increased purchasing power via lower prices for the wage-earners' wife is the answer to the demands on the Communists for still higher wages?

WHAT IS THE FUTURE OF ASIO?: "Someone in the Federal Government was leaking secret ASIO files, a former Liberal Attorney-General, Senator Greenwood said last night. He said the documents were being circulated to damage him. 'It's the sort of intimidation to which I have been subjected', Senator Greenwood said on Channel Nine. 'That is, if you don't shut up, we'll deal with you. That has come to me from at least one Labor Minister', he said." - The Sun, Melbourne, July 1st.

The Communists and their numerous dupes, along with those starry-eyed theorists who refuse to believe in the existence of any Communist threats, have worked over many years to have Australia's Security and Intelligence Organisation destroyed. They now appear to be close to success. The "leaking" of ASIO documents to The Bulletin has demonstrated that the organisation is not capable of protecting its own security, raising questions about the reliability of some of ASIO's own officials. The ASIO document on Dr. Jim Cairns did not tell informed people what they did not already know about his Marxist-oriented background, but its publication did produce an immediate reaction from Mr. Whitlam, who said he would proceed immediately for the investigation promised before the last Federal Elections. This investigation will no doubt provide a field-day for those working to discredit ASIO.

As we have previously commented, ASIO officials are human beings like everyone else, and far from infallible. One former agent for ASIO was advised that it might not be desirable to be too close to the Australian League of Rights - they were a little "extreme". Some of the University graduates recruited in recent years have brought with them the liberal outlook so prevalent today in most Universities. They tend to share the attitude of those American Central Intelligence Agency officials who have fostered the view that some form of Socialism is the answer to Communism. The report on Dr. Cairns was not very impressive, while the report published in last week's Bulletin, in which the League of Rights was commented upon, sounded like a Peter Samuels assessment. He also has charged that the League is "obsessed" with a "conspiracy syndrome," and that its activities are a threat to parliamentary democracy. We would have thought that a member of ASIO at least believed that there is a Communist conspiracy. Otherwise why have a Security and Intelligence Organisation? We find it interesting that Mr. Peter Samuels of The Bulletin has been the recipient of "leaked" ASIO documents.

The documents which Mr. Whitlam has made available this week at his press conference, with the assurance of the Director-General of ASIO that there was no confidential information in the documents, appear from press reports to cover many matters which we would expect an Intelligence and Security Organisation to examine. But the main purpose of the Whitlam exercise appears to be designed to further the campaign to discredit ASIO and to enable its critics to charge that it has been used as an anti-Labor political instrument.

The basic question to be asked concerning the future of ASIO, is what is the current reality about Communism. If, as the Whitlam Government implies, Communism as a threat only exists today in thinking of "cold war warriors" then why have an Intelligence and Security Organisation at all? If ASIO is to be maintained by the Whitlam, or Cairns Government, then it might well be used as a political instrument against opposing the Government. For our own part, we believe that Australia needs an effective security and intelligence organisation more than ever. But the "leaking" of documents suggests that the present organisation is unreliable and should be drastically re-organised, or, failing this, abolished until such time as a sounder Government is elected at Canberra.

BIG RESPONSE TO LEAGUE ACTIVITIES.

The response to the League of Rights' National Director Mr. Eric Butler, in South Australia last week is typical of what is happening all over Australia.

As the finance-economic crisis deepens, there is a growing upsurge of new interest. Mr. Butler's literature sales were exceptionally heavy. Literature sales were \$90 at the Adelaide Conservative Speakers' Club, addressed by Mr. Butler on Friday evening. On Saturday afternoon and evening he conducted one of the best Social Dynamic Schools yet held in Adelaide. Business and professional men were in attendance.

The Wimmera (Victoria) Regional Dinner of the League was held last Friday night, with a splendid attendance and keen enthusiasm. Federal Country Party Member Mr. R. King was present as a guest. Mr. Edward Rock gave a powerful address. Mr. Horton Davies, Chairman of the Christian Institute, responded to the toast to the League.

BRIEF COMMENTS: "The success of Keynesian economic policies implemented by Western Governments after World War II has rather diverted attention from questions concerning the equity in distribution of the fruits of economic growth." This gem of nonsense is offered to senior students of economics by Mr. Keith Stevenson, lecturer in method of economics at the School of Education, University of Melbourne in The Age, Melbourne, July 1. The truth is that Keynesian economics, "pump-priming" economies by large quantities of debt-finance, paved the way for the crisis now affecting all Western Governments.

The Whitlam Government's snide campaign against the Commonwealth Federation of States has been taken a stage further with the issue of new \$1 and \$2 notes with all references to the Commonwealth deleted. The Whitlam Government is determined, irrespective of how electors may vote at referendums, to eliminate the States.

"On Target" is published by The Australian League of Rights, G.P.O. Box 1052J, MELBOURNE. 3001
Subscription rate: \$5.00 per annum: \$9.00 for two years. W. & J. Barr (Printers) Pty. Ltd.
