



# ON TARGET

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*The price of Freedom is eternal vigilance—*

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August 20th, 1976.

Thought for the Week: "When experience is not retained - infancy is perpetual." - George Santyana.

FRASER GOVERNMENT IN DEEP TROUBLE: Was there ever a Government which has so squandered its own potential, and the mandate with which it entered office, as the current Commonwealth Government? A brief review of events since the last budget makes significant reading. Just under 12 months ago, the third Labor Treasurer in a year brought down a budget which promised to wreck Australia. A taxation increase of over \$3,000 million was planned, with the biggest planned Deficit in the nation's history on top - a deficit of \$2,798 million. This budget was the final socialist edifice in an incredible progression which had lifted the nation's direct and indirect taxes from \$8,500 million in 1972, to \$17,500 million three years later. Quite correctly, the Opposition at that time warned of the disaster which would follow the implementation of such a budget - and on this pretext set in motion the events which led to the most explosive election in Australia's history. The implications of that election will be with us for a long time yet. One of the most significant events - although least reported - prior to the Governor-General's intervention on November 11th, was the Labor Caucus meeting convened to deal with the matter of Whitlam's tactic of deliberate confrontation in October. Caucus opinion was not, as might be supposed, solidly behind Mr. Whitlam. A significant sector, led by the acid-tongued left-winger, Senator Wheeldon from Western Australia, argued for an acceptance of the Senate's refusal to pass the Supply Bill, and acceptance also of the inevitable swing which would result in the ensuing election. It should not be supposed that Wheeldon was a sudden defender of the Senate. It was merely a matter of tactics. His argument centred round his statement that a Fraser Government would have no solutions to the economic deterioration. After a short period in the wilderness, Labor would return with a vengeance. The well-known journalist, Mr. Alan Reid, reported the Caucus meeting in The Bulletin (October 25th, 1975). It was only by the narrowest of margins that Whitlam managed to carry Caucus with him.

The new Fraser Government could have refuted the Wheeldon prediction only by successfully challenging the socialist financial policies which have subverted and distorted the free enterprise system and Federation. By Christmas 1975, however, the new Government had accepted the very budget which it had used as the pretext for the election. An inevitable series of disastrous results have flowed from that decision. In early March, industry was faced with finding \$2,500 million in extra wages as a result of the 6 $\frac{1}{2}$ % wage increase. A couple of weeks later there was a 9 $\frac{3}{4}$ % increase in the price of steel. By April the Deficit had doubled to \$4,500 million. A further wage increase of \$1,200 million was granted in early May.

Under Treasurer Lynch - or more correctly, under the same Treasury officials who managed the Whitlam economy - there has been a growing squeeze in an attempt to counter this situation. The results, quite predictably have substituted the worst unemployment in Australia since the great Depression for the frightening inflation rate which prevailed last year. But it must be stressed that even this sort of action cannot dam up the inflation tide for more than a few months at most: Australia now faces the prospect of half a million unemployed by Christmas, and a spate of inflationary pressures as the repressed cost pressures of the past eight months break loose.

Labor spokesmen already smell the heady scent of a come-back in the air. Senator James McLelland, writing in the Australian of August 9th, said: "...If the electorate can be persuaded to give Labor another try (and I believe the impending catastrophes of the Fraser Government make this feasible) it can surely be persuaded to give such a government power to carry out its programme, rather than settling for a re-run of 1974 and 1975. In that event the Governor-General would become an irrelevant ribbon-cutter and fair opener, such as everybody regarded him before November 11, 1975...."

By a refusal to grapple with the real Achilles heel of anti-socialist governments - the Marxist monopoly of economic theory, and its dominance over Treasuries and Exchequers - the Fraser Government promises to emulate the Conservative Government in Britain, and the Liberals in Canada - presiding over the intensification of a socialist revolution, mouthing anti-socialist platitudes as it does so.

THE FRASER 'VOLTE-FACE': A feature of a decaying Western world is leaders who "change with the times". What was white yesterday becomes black today, and red tomorrow.

The Prime Minister's views on China are a case in point. In a statement he made as Minister for the Army during the Vietnam War, Mr. Fraser was quite specific about China's role. Referring to the Korean war, Mr. Fraser said: "...North Korea, aided and helped by Communist China,

attacked South Korea in their tens of thousands. The United Nations branded these two countries as aggressors and United Nations forces were organised to withstand this communist aggression, and as a result South Korea is free.... In South Vietnam the tactics are different but the purpose is the same...."

After the Whitlam visit to China, Mr. Fraser strongly attacked the new policy of co-operation with China. The Courier-Mail (Qld.) (8/1/73) reported: "Australia could be heading for alignment with the Chinese Communist world, Mr. Malcolm Fraser, M.H.R. said last night. "In five weeks the Prime Minister (Mr. Whitlam) has moved Australia's foreign policy from one concerned with freedom and independence in South-East Asia to one showing sympathy with North Vietnam and belligerence to the United States," he said. Peking's diplomats would be given a warm welcome, he said. Logic suggested that the present policies of snarling at the U.S. and sympathy for North Vietnam would lead first to non-alignment and then to alignment with the Chinese. "It may be that only public objection and repugnance will prevent this course," Mr. Fraser said. "The harm to Australia's trade, to rural export industries, to a great meat industry, will be important enough if Mr. Whitlam continues these policies. The real harm is to the basic security of Australia, of which the Labor Party has no understanding."

And yet the man who spoke those words was in Peking to make even more far-reaching concessions than Mr. Whitlam within six months of gaining office. Public objection and repugnance has had little impact on Mr. Fraser.

THE DAIRY DISASTER: Kenneth Graham, the perceptive writer on rural topics for The Bulletin, wrote an article on December 20th, 1975, condemning the socialisation of the Dairy Industry in New South Wales. In an article headed "Agriculture's Benign Socialism", he described the activities of the N.S.W. Dairy Industry Authority thus: "Heaven help the dairy farmer who decides to act in a competitive free enterprise way. He is hounded mercilessly by the Authority until he wilts and delivers milk to the Board or goes out of production. The family on the N.S.W. North Coast who tried to buck the system is a very good example. North Coast and Riverina and Victorian farmers are contemplating entry into the Sydney whole milk zone which at present is the preserve of a select few. A Liberal-Country Party State Government which is supposed to extol competition, is actively discouraging a move which would give the housewife cheaper milk of the same quality....."

The subsequent State election showed that milk cost more in Sydney than anywhere else in Australia, and that amongst the small number of

dairy farmers who had "cornered" the Sydney market, were five Ministers in the Liberal-Country Party State Government, some with quotas grossing as much as \$185,000 per year. This, and other practices, such as a programme to amalgamate Local Government authorities, resulted in a change of Government, with a Wran Labor Government now in office.

Evidence conclusively shows that there is widespread consumer resistance to dairy products in Australia, with a bigger and bigger percentage of the butter market likely to go to margarine. If Australia's consumption of dairy products were lifted to the New Zealand level, the Dairy Industry - or what's left of it after 90,000 dairy farmers have been forced out in 20 years - would be incapable of meeting local demand.

Now Mr. Ian Sinclair, Minister for Primary Industry in a supposedly anti-socialist Fraser Government, is attempting to introduce a nationwide socialist marketing scheme along the lines of the N.S.W. marketing Authority. The very first step is the imposition of a compulsory levy on the remaining dairy farmers - without their consent - to finance a new bureaucracy estimated to cost \$4.5 million.

Queensland's dairy farmers have angrily told Mr. Sinclair that they will not pay the levy. His reply is that they will pay whether they like it or not ... just like taxation. But he is obviously hoping that the majority of Australia's dairymen will submit quietly. So it is a matter of will - the will that Solzhenitsyn stresses is the main requirement of the West against creeping socialism and centralism.

The solution to the dairy disaster is an immediate programme to relieve dairy farmers of inflated production costs, coupled with a price discount scheme as advocated by Premier Bjelke Petersen, to retrieve and expand the domestic market. But if Mr. Ian Sinclair has his way, the Dairy Industry will have a dose of socialism instead.

(For a detailed explanation of the Dairy crisis, the Institute of Economic Democracy's June Enterprise provides some startling facts - 20 cents posted, I.O.E.D., Post Office, Kingstown, via Armidale NSW 2350)

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