

Registered
for posting
as a periodical
Category B.



ON TARGET

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS

The price of Freedom is eternal vigilance—

Vol. 13 No 1

January 21st., 1977.

THOUGHT FOR THE WEEK: "There is perhaps no more convincing single piece of evidence in regard to the existence of conscious, evil, forces energising a continuous policy, than the strenuous and skilful endeavour to present a picture of events and of history, as purely epic. History is crystallised Politics, not disconnected episodes. Where it is possible to identify a continuous organisation, it is safe to postulate a continuous policy, and as every policy besides having a philosophy, has an appropriate mechanism, or form of organisation, it is also safe to conclude that similar mechanisms have similar policies and philosophies, even if one calls itself National Socialism, a second, the Dictatorship of the Proletariat, and a third, the New Deal." - C.H. Douglas in The Big Idea.

CAN FRASER GOVERNMENT MOVE OFF DISASTER COURSE?: The usually reliable Morgan Gallup Poll revealed late last year that an electorate which had reacted violently against the Whitlam Government only twelve months previously, would at a Federal Election probably have defeated the Fraser Government. Early in March of last year we predicted that the Fraser Government was on a disaster course, and that unless it changed financial policies, the end result was inevitable; inflation would continue, unemployment would get worse, and there would be increasing economic chaos and social unrest. We stressed that there was nothing basically wrong with the free-enterprise production system; that what was required was a financial policy which would enable the individual to obtain the full benefits of that production system. We recommended, for a start, that the basic principles of the anti-inflation "Petersen Plan" - a drastic reduction in Sales Tax and the application of consumer price discounts to basic items in the economy - be applied. But the Fraser Government doggedly rejected all aspects of this constructive policy, with Treasurer Lynch taking the incredible step of asking the Treasury bureaucrats to prepare an answer to the "Petersen Plan" for Government Members to send to the growing number

of electors demanding that the plan be adopted. The Treasury answer was in fact a farrago of nonsense and full of self-contradictions. As we predicted, inflation continued and unemployment grew. The Marxists were delighted.

The first Lynch Budget, which did not reduce financial costs by one cent., followed subsequently by massive devaluation, shook the confidence even of those still clinging to the hope that the Government knew where it was going. As 1976 drew to a close there was a mounting volume of criticism from business spokesmen, who were agreeing with Mr. Bob Hawke's proposal that wage increases could be modified by reducing indirect taxes and by cutting income taxes in lieu of some part of prospective wage increases. Well-known rural economist Donath urged that yet another major increase in bread prices, a further stimulus to inflation, be offset by the use of a consumer subsidy on flour. The Australian car industry, concerned about the gloomy prospects of a car sales slump in 1977, has been desperately pressing the Fraser Government for at least a 10 per cent. reduction in the Sales Tax on cars. The existing 27.5 per cent. Sales Tax on new cars is one of the highest in the world.

But 1977 dawned with the Fraser Government rejecting all suggestions for easing the financial cost pressures on industry. The Federal Cabinet met on January 14th., but only to decide on more restriction which can make no contribution towards removing the basic causes of inflation.

In an impromptu interview at the entrance of Parliament House on January 6th., Prime Minister Fraser criticised businessmen for not doing more to revive the nation's economy. He urged a more "aggressive" effort. "They need to go out in an aggressive fashion and capitalise on the opportunities that have been given to them", he said. Mr. Fraser argued that devaluation of the Australian dollar was a "very significant incentive to businessmen." This was too much for many business men who let it be known that they were becoming a little tired of Mr. Fraser's schoolmasterish lectures.

On January 7th. Mr. Fraser called on Liberal Party members to do more to promote Government policies. This was during an address to the Young Liberal movement convention at Wagga, N.S.W. Echoing Mr. Whitlam, Mr. Fraser said that the Government had "communication problems". Mr. Whitlam used to urge his followers to go out and explain to the electors how beneficial his Government's policies were. But all the sophisticated "communication" in the world will not make disastrous policies acceptable to electors. If the Fraser Government and its Treasury "experts" persist in imposing current financial policies,

Australia will be in a state of near-revolution long before the year ends. The League of Rights is confident that this threat can be avoided by all sections of the community uniting to demand that Members of Parliament constructively start to reverse inflation by slashing Sales Tax and other indirect taxes, and by applying consumer discounts on those basic items in the economy used to adjust wages. Treasury bureaucrats who claim that they do not know how to finance such an anti-inflation programme should be "pensioned off" immediately.

It is now clear that only a united effort by the Australian people is going to force the Fraser Government off the disaster course on which it is travelling.

THE BASIC FUND: Naturally enough, there was some slackening off in the response to the League of Rights' Basic Fund over the holiday period. But the total has now passed the half-way, with nearly \$23,000 donated or pledged. 1977 will be a year of the greatest challenge the League has had to face. Regrettably the great majority of people only move under the pressure of events. But there will have to be advice and guidance to ensure that movement is in the right direction. This is what the League alone offers. But it must be fully equipped. Please ensure that the second half of the Basic Fund is subscribed as soon as possible. All Northern N.S.W. and Queensland contributions should be sent to Mr. Jeremy Lee, Kingstown, via Armidale, N.S.W. The balance to Box 1052J., G.P.O., Melbourne.

BRIEF COMMENTS: Mr. Jimmy Carter convinced many American electors that the reduction of massive American unemployment required tax cuts and increased Government spending. Under orthodox financial rules, this will result in a new record Budget deficit. It will also inevitably further stimulate inflation. Increased Government spending increases the power of Big Government over the individual. Genuine anti-Socialist Governments would enable consumers to obtain access to new financial credits via consumer discounts instead of through Government spending. Consumers could then freely decide what production was required from a free, competitive enterprise system. There would be genuine economic democracy.

x x x

In spite of Mr. Fraser's optimism about the alleged benefits of devaluation, there is no evidence that the volume of Australian exports of wool, wheat, coal and iron ore is going to increase during 1977. Any benefits to exporters will be quickly wiped out by continuing inflation. There may be some slight increases in beef prices for those

cattlemen who have managed to survive, the result of the slaughter policy which has drastically reduced Australia's cattle population, and more sales to Russia. But this is all. The 1976 fall in grain prices will not be reversed, the major reason being a massive international increase in grain production. Estimates put the increase at 7 per cent. for 1976. Unless the Federal Government introduces financial policies to ease the cost burden which is driving thousands of primary producers from their properties, the Australian rural crisis must continue to deepen. This is a national disaster affecting all Australians.

x x x

The widespread national publicity of the criticism of the Queensland Premier, Mr. J. Bjelke-Petersen, by retiring Young Liberal Movement President Mr. Chris Puplick, was an extension of the mounting anti-Petersen campaign which became particularly vicious during the latter part of last year. We anticipate an intensification of this campaign during what will be a most critical year for the Queensland Premier. One of the major purposes of this campaign is to destroy Mr. Bjelke-Petersen at the next Queensland State Elections. The Premier's biggest handicap is the Fraser Government's disastrous finance-economic policies. He must continue to divorce himself from those policies and use his constitutional powers to take further initiatives such as the abolition of Death Duties. Even a modified consumer discount policy for a limited period would prove a "winner."

x x x

It is no secret that a number of Australians, along with volunteers from the U.S.A. and other non-Communist countries are serving in the Rhodesian armed forces. The great majority of these men are not mercenaries, but men who believe that the defence of Rhodesia is defence of what is left of the Free World against Communism. Mr. W. Hayden, Opposition spokesman on Defence, claims that if the Fraser Government is condoning recruitment of Australians for the Rhodesian army "It would further undermine our credibility and our standing in international affairs with the Third World countries." Mr Hayden ignores the fact that some of the Third World countries are giving aid and comfort to the Communist assault on Rhodesia. Presumably this is quite in order by Mr. Hayden and his fellow ALP Members.