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The price of Freedom is eternal vigilance—

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Thought for the Week: "Institutions are means to an end, and I do not think that it is too much to say that the elevation of means into ends constitutes an unforgivable sin, in the pragmatic sence that it brings upon itself the most tremendous penalties that life contains".

- C.H. Douglas.

PRIME MINISTER FRASER'S "CURE": "Perth - The Federal Government did not need economists or other people to tell it how to solve Australia's economic problems, the Prime Minister, Mr. Fraser said. He said the Government knew how to solve the problem.... Before the last federal election the coalition parties had said it would take a full three years to get the economy back on a sound footing and there was nothing now to alter that view. Mr. Fraser said the next budget would be reasonable and restrained."

- The Sun (Melbourne), May 14th.

The report above refers to a Perth radio and T.V. talk-back programme in which Mr. Fraser appeared. It creates the impression that Mr. Fraser is becoming nettled by the self-evident fact that his Government's finance-economic policies are failing disastrously. Mr. Fraser continues to repeat his excuse about "the damage done by three years of extravagance by the Whitlam Labor Government." Time and time again we dealt with the destructive Whitlam policies, but pointed out that in spite of the damage done to the economy by the Whitlam Government's financial policies, the Australian free-enterprise production system was easily capable of providing Australians with all the goods and services they required. The increase in unemployment and bankruptcies currently taking place in Australia is not the result of the Whitlam "extravagance" but because of the financial policies of the Fraser Government.

Producers, both primary and secondary, know that their basic problem is inadequate consumer demand. This lack of demand is not so much a question of a lack of money, but one of the progressive dilution of the value of money as a result of progressive inflation. In his Perth

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"talk-back" programme Mr. Fraser resorted once again to a piece of plain dishonesty by claiming that "the underlying rate of inflation has dropped from 16 per cent. to 10 per cent. in 12 months." It would be interesting to know which public relations adviser thought up the term "the underlying rate of inflation". The only rate of inflation consumers know about is that which they are faced with when they make a purchase. And they have not noticed any reduction in the inflation rate.

The Fraser Government's "cure" for inflation is to keep pressing for a reduction in effective purchasing power in the hands of the people. Mr. Fraser indirectly admitted this in Perth when he said that "It would be irresponsible to give people tax cuts if they added to inflationary pressures." But it is commonsense that if, for example, Sales Tax on basic items in the economy are reduced, not only does this immediately reduce prices and thus increase purchasing power, but the reduction in prices of basic items must be reflected in lower CPI figures and thus ease the pressure for increased wages. While this limited policy is but a first step towards the type of financial reform required to halt any further progress down a disaster course, it is a step which, once taken, could lead to other steps.

We predicted at the beginning of 1976 that the Fraser Government was embarking upon a disaster course. Events have confirmed our warning. We predict once again that if Mr. Fraser arrogantly rejects the sound and constructive suggestions made by men like the Queensland Premier, Mr. J. Bjelke-Petersen, and a growing number of businessmen, his "cure" is going to destroy his own Government. We are not unduly concerned about Mr. Fraser destroying himself, but we are concerned about the far-reaching implications for Australia. This is why the Fraser "cure" must be opposed with a mounting wave of public opinion which will force a change.

BASIC FUND SURGES FORWARD: The League of Rights guarantees to make a dollar go further than any other political movement in Australia. The volunteer spirit has been demonstrated once again by the young man who came forward to provide most of the transport for the Pat Walsh tour. Using his own car, he drove to Northern N.S.W. (distributing referendum brochures on the way) to meet Mr. Walsh and drive him through N.S.W. and Victoria, and then across to South Australia and back to Victoria. This spirit has also manifested itself in support for the League's Basic Fund. There has been a magnificent last minute surge for the fund, led by one South Australian supporter, R.B., giving \$1,000 and \$500 from a Victorian, F.D. 24 others have joined to push the grand total from \$40,661 to \$43,152. With approximately 6 weeks

to go to the end of the League's financial year, we have no doubt that the remaining \$2000 will be contributed.

MR. CHIPP'S POLITICAL RED HERRING; Aided by considerable media cover Mr. Don Chipp's initiative in forming a new political party has been nicely timed to take advantage of a political situation in which the electoral stocks of the Fraser Government slump almost daily, while there is no great enthusiasm for another period of Labor Government. We are not surprised by developments. While it is true that the "trendies" and confused idealists of the Australia Party and Senator Steele Hall's Liberal Movement are well to the fore in the Chipp Party, we do not share the view of those who have argued that the new party will be little more than the same people under a new name, and that it has little chance of recruiting sufficient electoral support to challenge the established parties. Unless there is a dramatic change in the policies of the Fraser Government, we must agree with Mr. Chipp's view that his new party could win seats in the Senate at the next Senate Elections.

Mr. Chipp's political record is such that, if he is to be the leader of the new party, the creation of this party must be regarded as a dangerous political red-herring, diverting attention from the all-important question of policies. Australia desperately needs new policies at present, not new political parties. Mr. Chipp has been on the wrong side on most major issues during his political career. Mr. Chipp says he resigned from the Liberal Party on a question of principle. We would be much more impressed with Mr. Chipp's claim if he had resigned his seat in Parliament to re-contest it. If Mr. Chipp had been given a portfolio in the Fraser Government, we have little doubt that instead of forming a new party, he would have been a yes-man like the rest of Fraser's Ministers, several of whom, for example, have taken pro-Rhodesian stances in the past but who now support a Government pledged to destroy Rhodesia.

As Mr. Chipp's new party proposes to enter Parliament via the Senate, it is instructive to note that Mr. Chipp has not uttered one word of warning concerning the far-reaching implications of the Fraser Government referendum proposals. Our hope is that the next Senate Elections will see sufficient Australians ignoring the red-herring offered by Mr. Chipp and his colleagues, and insisting upon electing to the Senate a number of representatives pledged to support the independence of the Senate, and to press for constructive financial policies which will move Australia away from the even greater disasters threatening.

BRIEF COMMENTS: If the Fraser Government had insisted upon implementing the original proposals for its proposed Industrial Relations Bureau, there is little doubt that the end result would, in the words of Mr. Robert Hawke, been "massive economic dislocation". In any confrontation with the Government on the issue, even moderate trade unionists would become militant and be manipulated by the Marxists. Mr. Hawke is working skilfully to project himself as a moderate and reasonable man, and to force the Fraser Government into the position of appearing to be actively seeking confrontation with the Trade Unions. Mr. Hawke is being increasingly accepted by some short-sighted business leaders as a man who could lead a more responsible Labor Government. The same type of leaders "fell" for Dr. Jim Cairns. Bob Hawke is a declared Socialist. He is a Republican. Prime Minister Fraser could keep him out of office indefinitely by the simple process of constructively reversing inflation, using the basic principles of the "Petersen Plan". The basic cause of strikes and industrial unrest would be removed.

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Writing in his new book, E.G. Whitlam on Australia's Constitution, Mr. Gough Whitlam confirms our warning that the Fraser Government's cynical and short-sighted referendum proposals suit the Fabian Socialists' long-term strategy. He writes: "There is no doubt in my mind that Labor will be the long-term beneficiary from the passing of these referendums."

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Once again the press headlines have featured alleged threats of military conflicts between the Soviet Union and Red China. The Soviet Union has gone to considerable trouble to prove that the Red China is preparing for war against the West as well as against the Soviet. The Soviet urges the West to join with it to "contain" China. Charges of "warmongering" between the Soviet and Chinese Communist leaders are but part of the use of dialectics to confuse the West.

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The new concerted move by the Carter Administration and the British Socialist Government to "solve" the Rhodesian situation, and American Vice-President Mondale's insistence that South Africa also accept "majority rule", is further confirmation of the growing international campaign against Southern Africa. During this week a UN-sponsored conference on Rhodesia and South-West Africa has been held in the Soviet base of Mozambique. The "show-down" moves closer.

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