



ON TARGET

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS

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The price of Freedom is eternal vigilance—

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Thought for the Week : "The way to crush the middle class is to grind them between the millstones of taxation and inflation."
-- Lenin.

SOME QUESTIONS ON INFLATION : "But if the Government is actually spending taxpayers' money as he (Mr. Risstrom) argues, how could this cause inflation?"

-- from a Letter to the Editor, The Herald (Melbourne) June 22nd.

The writer of this letter, which made some very telling points indeed, was replying to comment on the economy made by Mr. Eric Risstrom, the Federal Secretary of the Australian Taxpayers' Association. As we reported in the June 15th issue of ON TARGET, Mr. Risstrom said that income taxes should be increased at the coming August Budget to counter the strong inflationary trend in the economy. Mr. Risstrom, of course, was thinking along orthodox economic lines, viz. that 'excess' purchasing power be 'tapped' and siphoned off (via taxation) so as to reduce 'demand pressure' on goods and services and so 'curb' the inflationary pressures which are forcing prices up.

The writer of the quoted letter goes on:- "Taxation is supposed to transfer money from one pocket to another, and therefore could not increase the supply of money, as Mr. Risstrom thinks. "... "The truth is, however, taxation is not the real source of money for government spending at all. It is simply the means by which a government gets money to repay the banks which created and loaned the money in the first instance."

"Mr. Risstrom admits this when he says that there could be a Budget deficit of \$2000 million this year. How could the Government spend more than it got from taxation if there were not another source?"

"Also why did the Government issue Treasury Notes to the sum of \$1400 million, as in March last, if not as security for its loans from the banks?"

..... "The only solution is to see money simply as a mechanism to distribute goods - and when consumer goods are in abundance, as at present, money should be used as a consumer price subsidy. This would give us lower prices; the opposite of inflation."

This letter puts forward the key points of our own thinking; and we believe that the consumer subsidy mechanism, financed out of Government-created credit is presently the only technique which will realistically put a brake on the menace of inflation. The writer of the letter is a Mr. C.A. Haythorpe, of North Balwyn, Victoria.

Those who wish to delve more deeply into the techniques of modern banking and credit creation are enjoined to read "It's Time They Knew" (62 cents, post free) and "The Creation and Control of Money" (37 cents, post free) available from all League offices.

HEY! BIG SPENDER : "The new Federal Government's style of getting things done is to create new

commissions and committees. . . . So far the total of new commissions, committees, and enquiries is 47, " -- The Advertiser (Adelaide) June 22nd.

The federal bureaucracy is literally exploding as the writer of the article, Mr. Barrie Dunstan, observes, many of the bodies created should disappear once they complete their investigations and report, but several will become statutory bodies and a permanent part of the bureaucratic apparatus.

Some of these new bodies include the Council for the Arts, the proposed Health Commission, the Social Welfare Commission, the Urban Centres Group, the Schools Commission, and the Pre-Schools Committee. The Schools Commission advocates (now accepted by Cabinet) Federal assistance totalling \$660 million.

The proposed Prices Justification tribunal, which Canberra hopes to have functioning before the Budget is brought down; and the purpose of which is to become a piece of heavy artillery in the battle against inflation, will cost the Government approx. \$1 million yearly to operate.

Mr. Dunstan asserts that there are embryonic commissions not yet born at Canberra's 'midwifery clinic' (socialist obstetricians only) and that it is impossible to estimate the costs of all these. However a poignant note is struck: - "But there are enough straws in the wind to suggest that committees beget commissions, and commissions beget more boards."

As an example, the Australian Council for the Arts will have seven separate boards when it is officially created by legislation. There is no evidence that the numbers on the Government pay-roll decrease in those cases where the particular function of a branch of the Public Service disappears. For instance, the Department of Labour no longer has the 'National Service' administration (abolished) but staff are being shunted into other avenues, such as more inspectors to police and enforce industrial awards. When Papua-New Guinea achieves 'independence', there will be a shift of staff from the Department of External Territories to the Department of Foreign Affairs, as New Guinea will be a new 'nation'. And so it goes on.

ENGLISH JOURNAL PREDICTS REPUBLICAN AUSTRALIA: "Australia will become a republic within ten years." -- The Australian, June 26th.

The Australian was quoting the English journal "The Economist" which put out a special large entitled "Gough Whitlam's Australia",

The supplement makes a host of observations concerning the present Australia, and Australians, many of which we certainly would not agree with. The Economist has it that the issue of Australia's links with the British Crown is not really emotional. The Heritage campaign, now being conducted by the Australian Heritage Society, proves that the exact reverse is the case. The British Crown is a very emotional issue indeed to most Australians.

The Economist again asserts that Mr. Whitlam will get his way over the ending of appeals to the Privy Council, and in the control of the nation's off-shore areas. That remains to be seen: what The Economist does not even begin to understand is that a growing grass-roots movement of politically educated men and women of integrity, quite foreign to the thinking of the political party marionettes, is now emerging on the Australian scene - the result of quarter of a century of courageous activity by a mere handful of dedicated men and women with both a mission and a vision. We can't expect that The Economist would know this: but it will! As for Mr. Whitlam, we consider that our assessment of political realities is second to none, anywhere; and we wouldn't care to predict even the outcome of the present Parliament, let alone eventualities ten years removed.

The Herald (Melbourne) in its report on the Supplement (June 25th) does not mention the republican aspect at all, but confines itself to the economic indications; notably inflation, which it (The Economist) says could become positively alarming in 1974. We would have to agree with this; for the reasons which we are frequently explaining in these pages.

NATIONAL DIRECTOR IN HARD-DRIVING CAMPAIGN

Aided by his full time colleagues and team of volunteers, League National Director Eric Butler, is setting an example to all supporters in a hard-driving campaign aimed at getting the maximum impact. Following a League supporters' meeting in Melbourne on Monday, May 28, Mr. Butler drove north to speak at the second annual Regional Dinner of the Murray (Victorian) supporters on May 30. The following night was Wellington, N.S.W. On Saturday June 2, he presented a Paper at the Queensland Annual State Seminar, and spoke in the evening at the Annual Dinner. Both functions were in Toowoomba and we are informed, reached a new high-water mark in League attendances and enthusiasm. On Sunday, June 3, Mr. Butler provided a comprehensive report to State Annual Action Seminar. The following night, Monday, June 4, he was the guest speaker at the Brisbane Conservative Club. Successful meetings then followed in Kingaroy, Dalby and Tara. He was flown to Western Queensland for the week-end of Saturday 9 and Sunday 10. A highly successful luncheon meeting in Morven on the Saturday was followed with a major break-through into Charleville in the evening. St. George on the Sunday was another major success. Monday evening saw a small house meeting on the Darling Downs, then driving southwards, meetings at Tamworth on Tuesday, June 12 and Wellington on June 13. On Tuesday, June 19, Mr. Butler met the heavy demands of Gippsland team led by that persistent campaigner, Mr. Don Auchterlonie. A Morwell businessmen' luncheon (another major triumph) a League Regional Council meeting in the afternoon and a public meeting in the evening. Back to Melbourne at late hour after meeting. On Thursday June 21, Friday June 22, Saturday June 23 and Sunday June 24, Mr. Butler conducted, non-stop, two Adelaide Anti-Subversion Schools, the highlight being the new people, many of them young, present. Mr. Butler was on his feet lecturing for 16 hours in Adelaide. He flew back to Melbourne on first plane last Monday morning and after attending League office drove over 200 miles to a Tallangatta (Victorian) meeting in evening. On Tuesday he addressed Lutheran College students at Walwa. Wednesday night was League organisational meeting in Melbourne. Tomorrow, Saturday, June 30, he addresses West Australian supporters at 9.30 a.m. Next Monday he opens a short South African campaign with a meeting near Durban.

He will over the coming weeks be providing exclusive reports for League journals, as well as for other publications, from Southern Africa, Western Europe and the United Kingdom.

CANBERRA CRACKS THE WHIP : HAMER DOESN'T MAKE IT HAPPEN: "The State Government yesterday backed down in its fight with the Federal Government over the Commonwealth-States housing agreement."
-- The Age (Melbourne) June 26th.

How often have we said that "the man who pays the piper calls the tune". The Victorian
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Minister for Housing, (Mr. Vance Dickie) was full of fight as recently as a few weeks ago: he was breathing fire at Canberra, and the Federal Minister of Housing, Mr. Leslie Johnson. Now the inexorable pressure has been applied - the financial thumb-screw has been tightened on Mr. Dickie and the Victorian Parliament - and the result: the Victorian (and New South Wales and Queensland) parliament(s) have 'accepted' the five year agreement. In Mr. Dickie's own words - "We are being blackmailed." Noble language indeed, guaranteed to heighten the prestige of parliament in the eyes of the admiring elector.

We don't have any wish to unfairly criticise Mr. Dickie: he has done his best under the circumstances, and he did put up a good showing. This is just a further demonstration that the position of the States is perilous: they are to be broken on the wheel of Federal finance - only the re-attainment of their financial sovereignty can save them. This means the return to them of their taxing powers.

Mr. Dickie stated that Victoria had no choice but to sign the agreement because they would otherwise have to pay 6½% interest on loan money from the Commonwealth, Under the agreement just signed the States will pay 4%. There you have it. Blackmail is the correct word!

We do not think that the unhappy situation is ameliorated by Mr. Dickie's threats and warnings that he will find loopholes in the Agreement, and that the Commonwealth will, in any event, be unable to police the Agreement because of the sheer burden of Federal bureaucracy. This shows him up in a less than favourable light. As he has been forced to sign the Agreement, as a man of integrity he must be seen to honour it; not talk wildly about 'finding loopholes', with a keen eye on his electorate.

Whilst on the power of the purse, The Age (Melbourne) June 26th, reports that Victoria's academics are to get backdated pay increases - and that the Federal Government will make a profit of nearly \$1 million on the increments.

Under the Commonwealth-States agreement on tertiary education Victoria will pay \$6.7 million of the increases totalling \$10.3 million. The Commonwealth will pay \$3.6 million, but will recover \$4.5 million through taxation, as the academics' salaries will rise into higher taxation brackets. Mr. Hamer, the Victorian Premier, has rightly said that it actually pays the Commonwealth to have such an increase in the salaries of academics, and that he intends to raise the injustice of this at the imminent Premiers' Conference in Canberra. We do not anticipate that Mr. Whitlam will be shedding any tears over the plight of the States, but, on the contrary, will satisfy himself with a Socialist smile!

Adelaide Conservative Club Formed: At the conclusion of Mr. Eric Butler's most successful Anti-Subversion Schools in Adelaide last week-end, it was enthusiastically decided to follow the lead of Brisbane and Perth in establishing a Conservative Club, meeting regularly on a monthly basis. These Clubs form an intermediate step between Schools and hard-core Action Groups. Supporters find it easier to persuade friends to attend a Dinner function than a meeting. After hearing a speaker, those present are invited to participate in some form of action. Books are on sale. The Adelaide Conservative Club will meet regularly on the last Friday in each month. The first Dinner will be next month when it is hoped that a well-known General Practitioner will put the case for the doctors in their struggle with the Canberra Socialists. Further details will be provided through League journals.

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