



ON TARGET

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS

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The price of Freedom is eternal vigilance—

Vol. 14 No. 20

June 16th, 1978.

Thought for the Week: "Even if we are spared destruction by war, our lives will have to change if we want to save life from self-destruction. We cannot avoid revising the fundamental definitions of human life and human society. Is it true that man is above everything? Is there no superior spirit above him? Is it right that man's life and society's activities have to be determined by material expansion? Is it permissible to promote such expansion to the detriment of our spiritual integrity?"

- Alexander Solzhinitsyn at Harvard University graduation ceremony last week.

TAX REVOLT UNDER WAY: "Has the tax revolt started? From the Australian point of view, the breakthrough in California this week is no bigger than a man's hand on the horizon; but that cloud could blow up into an anti-tax hurricane and sweep across the Western world." - Editorial in The Weekend Australian, June 10-11.

Close observers of the American political-scene have been aware for some time that there has been a growing smouldering of anti-tax feeling which could burst into open conflagration at any time. Last week the taxpayers of California rejected, in a massive two-to-one referendum decision in favor of what was known as "Proposition 13" increased property taxes. This means a cut of \$7000 million in State Government revenues. The taxpayers' revolt has been a severe blow to California Governor, Mr. Edmund Brown, Jr., who initially was scathingly critical of "Proposition 13". But the dramatic anti-tax vote has forced him to agree that the voice of the taxpayers must be heard. Mr. Brown is campaigning for re-election as State Governor!

Making use of their constitutional rights, over one million Californian taxpayers provided the signatures necessary to force "Proposition 13" to a ballot.

Symptomatic of the American tax-revolt is the action by twenty three

States seeking a constitutional amendment to forbid deficits in the Federal Budget. If 11 more State Legislatures do the same, a constitutional convention could be convened to write such an amendment. Any Federal Government deprived of the right to run deficit budgets would either have to consider a major change in current financial policies or preside over a major finance-economic collapse. There is no evidence that revolting American taxpayers are primarily concerned about changing financial policies. But by demonstrating their deep feelings by uniting to say to their political representatives, "We have had enough high taxation", they could contribute towards such changes.

Australians can follow the American lead by writing, for a start, to abolish the most inflationary of taxes, Sales Tax. Being a fixed percentage tax, the Federal Government automatically obtains increasing Sales Tax revenue with every new increase in prices. Canberra's Sales Tax "take" is now approaching \$2000 million a year. There is adequate time between now and the next Federal Budget, scheduled to be presented on August 15th, for Australian taxpayers to make it clear that Sales Tax must go.

BEEF AND "BULL DUST" ECONOMICS: We appreciate the earthy comment of the Melbourne butcher who in a television programme last week suggested that Prime Minister Fraser get the "bull dust" out of his eyes and his feet in the sawdust. The butcher was reacting to a question suggesting that butchers might welcome the higher price of beef. The reality of the beef question highlights the tragedy of current finance-economic policies. The genesis of the beef drama can be traced back to continuing inflation. When the wool industry was first hit by low prices and rising costs - the "cost-price squeeze" - the "experts" said that the answer was "reconstruction". There were allegedly unlimited world markets for beef. Federal National-Country Party leader Doug Anthony was one of those who expressed this view. We disagreed, and issued an appropriate warning. But hard-pushed primary producers did not listen. Beef production was increased. Many incurred large debts to buy stock at inflated prices. Four years ago disaster overtook the beef industry as it had overtaken the wool industry earlier.

The initial reaction to the collapse of beef prices with a short-lived boon for the housewife, was a substantial increase in the consumption of beef in Australia. But continuing inflation made it financially impossible for butchers to hold prices at the earlier low level. As prices increased so did consumption fall. Compared with overseas prices, Australian consumers were certainly obtaining some of the cheapest meat in the world. This helped the Fraser Government in its campaign to bring the inflation rate down. But it was at the expense

of the desperate beef producers. Thousands of Australian beef producers have been forced from their properties, or have had to live under the most humiliating circumstances, over the past four years. Even a well-established grazier like Prime Minister Fraser has admitted that he needed his Prime Minister's salary to subsidise his beef production.

During the past four years every suggestion for a constructive policy which would lower prices to the consumer by price discounts, in conjunction with a policy of lowering the financial costs of the producer, was rejected, not only by the politicians and their "expert" advisers, but by the very organisations allegedly set up to represent the producers. Even that "radical" organisation, the Cattlemen's Union, could think of nothing more constructive than to blame the wicked middleman and his "excessive profits", while telling consumers that they had to be prepared to pay more. Official Government policy was to finance the destruction of beef herds, not to finance increased consumption.

Eventually the policy of sabotage resulted in North American beef producers drastically cutting production to the point where there was a sharp increase in prices, this inevitably contributing to a new upsurge in the inflation rate in the United States. At this point President Carter, who declined to see Prime Minister Fraser personally, threw the desperate Mr. Fraser a small bone in the form of an announcement that America would permit bigger imports of foreign meat. As a result of declining Australian beef production, together with drought-breaking rains which have enabled producers to hold stock they otherwise would have sold, together with the American news, has had the effect of increasing prices to Australian beef producers. This improvement, however, can only help offset the continuing higher costs and enable those heavily in debt to hold on for a little longer. It is too late for those already financially destroyed.

But the higher prices to consumers must have a major affect on beef consumption, which can be expected to decline still further, while also giving the inflation rate a new impetus. As for the butchers, the higher beef prices must, as pointed out by the earthy butcher we have quoted, result in an increasing number of butchers going bankrupt. This is already happening. But the housewife is going to find that a drastic reduction in the number of those "exploiting middlemen" is not going to bring the price of meat down. The history of the beef industry highlights for all with commonsense to see, the criminal madness of a financial policy which makes it certain that one section can only benefit, temporarily, at the

at the expense of another section. Australia as a nation has already paid dearly for the beef crisis. And unfortunately there is no genuine solution in sight under present debt, high taxation and inflationary financial policies. Beef producers should unite with consumers to force a change in present inflationary financial policies, thus providing genuine benefits for all.

BRIEF COMMENTS: A valued Queensland supporter writes: "I believe that in your support of the Queensland Premier you are backing the wrong horse." There is a serious misunderstanding. As we have said time and time again, we have only supported Mr. Bjelke-Petersen on those issues where he has given what we consider constructive leadership. We well understand the strong feelings of ex-servicemen concerning the granting of Queensland territory for a Japanese tourist complex, and believe that the Premier and those who support him, have made a major mistake on this issue. We are strongly opposed to Socialist boards. The Premier's biggest mistake at present is in accepting the view that Queensland must pawn itself to international debt merchants in order to develop its own resources. We trust, however, that the Premier will maintain his opposition to Sales Tax and other iniquitous policies. Our critics can rest assured that we will never encourage the view that we can place our complete faith in any political leader. We know from long experience what can happen to politicians!

CLOSING THE BASIC FUND GAP: Slowly but surely supporters are taking the Basic Fund towards the target of \$45,000. We appreciate the sentiments of one veteran supporter who, expressing a view held by others, suggests that rather than have the Fund fail to reach its target, he and others who have already given, should make up any deficiency. But there is no need for this, as large numbers have still not contributed. One good supporter, about to make a last-minute contribution, said recently, "It is unfortunate reality, but we Australians are a casual lot. Keep flogging us, please, and we will come good. I know this is exasperating, but do not lose faith in us." No we haven't! Last week 16 supporters contributed \$643, taking the total to \$43,743. As our football supporters would say, "We are now well within kicking system of the goal." One big kick now and we are there.

All Northern N.S.W. and Queensland contributions to Mr. Jeremy Lee, Kingstown, via Armidale, NSW. Balance to Box 1052J, GPO, Melbourne.

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Page 4 (84)

ON TARGET is published and printed by The Australian League of Rights
273 Little Collins St., Melbourne. Subscription rate \$10 per annum
posted.