



# ON TARGET

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*The price of Freedom is eternal vigilance* —

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Thought for the Week: "The idea that anyone should have a right to vote on any question irrespective of their responsibilities, or their willingness to accept responsibility for their action, is fundamentally dishonest, and by no stretch of the imagination can such a vote be called democratic, just, or reasonable."

James Guthrie in Our Sham Democracy

GOVERNMENT PREPARES FOR NEW TAX ASSAULT: As we look at the Fraser Government's public relations campaign to try to condition the Australian tax-payers to accept the Value Added Tax (VAT) we are reminded of Alexander Solzhenitsyn's famous question "Is it possible for one group of people to learn from the bitter experiences of other people, or do they first have to suffer the same experience?" The British people, particularly the business people can tell any interested just what a nightmare VAT is for those who have to operate the tax. By its very nature, it must contribute towards continuing high inflation.

The announcement that the Government is investigating several new taxes, including VAT, means that Prime Minister Fraser has already decided that a new indirect tax will be imposed - probably within the next twelve months - if the public does not react against the proposal in the strongest possible manner.

Federal Treasurer Howard has attempted to placate alarmed tax-payers by stating that no "overall taxation" on income is proposed. But those with long memories recall that any new form of taxation, however "moderate", becomes progressively heavier. Mr. Fraser is known to favour increases in indirect taxes in an attempt to keep direct taxation down. Governments generally prefer indirect taxation because it is felt that the taxpayer has little idea of what taxation he is paying as compared with direct taxation.

The victims of tax oppression should note that there is no suggestion that the overall level of taxation should be REDUCED! They should carefully heed what the Labor shadow Treasurer, Mr. Willis, has to say. He told the National Conference of Labor Economics in Brisbane last week that "public education" was necessary to win public acceptance of the need for higher taxes, these higher taxes being necessary to increase Government spending to overcome the current depression. The Socialist dogma has always been that the best type of Government is that which taxes most and spends the most. But basically the Fraser Government agrees with the Socialist view point, only that Mr. Fraser is proposing that the States increase the taxes!

The State Premiers should now be having a long hard look at Mr. Fraser's "New Federalism". We warned what it meant right from the beginning; that it was a clever perversion of genuine federalism, under which the States would be responsible for their own financial policies. The proposed shift to increase indirect taxation while, at best, not increasing direct taxation, will ensure that the States obtain less from the Federal Government. The States are now being forced into a situation where they have only three alternatives: they can increase their own taxes, even perhaps imposing their own Income Tax, and pay the political price; increase their own overseas borrowing (although this is still controlled by the Federal Government), thus increasing the debt burden for their citizens; or, they can challenge the Federal Government's monopoly of credit policy by exploring how to use their constitutional powers to establish their own State banking systems.

If the States are forced to increase indirect taxation, these will contribute towards maintaining high inflation. If they cannot obtain new credits, then growing unemployment is certain. As we have said repeatedly, along with every other industrialised nation, Australia is progressively being driven into a revolutionary situation under present finance-economic policies. The first challenge to the Fraser Government's proposed new tax changes is a demand that the Sales Tax be abolished in the coming Federal Budget. The best form of defence is offence.

BRIEF COMMENTS: Mr. Al Grassby and his supporters, who constantly receive good publicity in the media, have insisted that the great majority of Australians favour the creation of the "multi-racial" society. Those who disagree are abused as a minority of "racist bigots". The findings of the latest Gallup Poll on the subject of non-European immigration are a slap in the face for the multi-racial advocates. 80% of Australians are against taking more migrants than at present from Asia and Africa. Only 16% say that Australia should

take more. 77% are opposed to special preference to people from Vietnam. Country people generally are more opposed to non-European immigration than city people. The biggest majorities against migrants from Asia and Africa are in Queensland (87%) and Western Australia (90%). These findings confirm our own assessment. The coming nation-wide campaign by the League on the immigration question will enable electors to express their views. It is time that the great majority of Australians opposed to multi-racialism, make their views known to their paid political servants.

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In preparing Australians for the latest increase in postal charges, the Government Monopoly, Australia Post "leaked" the suggestion at one stage of its Public Relations campaign, that the cost of an ordinary letter could go to 24 cents. When eventually it was announced that the new cost was 20 cents, much was made of the fact that this was a comparatively small increase, less than the inflation rate of the three years since the last increase. But Australians were not told of the steep increases in the cost of overseas postage: 25 per cent.

Like Telecom, Australia Post is financed by loans from the Federal Government - i.e. by taxpayers' money - upon which 7% interest is charged. This is a major reason for the outrageously high cost of a postal service which has progressively deteriorated. Government Members of the Federal Government should be asked how do they justify making taxpayers pay interest on their own taxes.

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Speaking in Bangkok, Thailand, last week-end, Labor leader Hayden said that a Labor Government would speed up the intake of Indo-China refugees. Clearly Mr. Hayden is not concerned about representing the views of the overwhelming majority of the Australian people on immigration. Mr. Hayden's promise should not be forgotten when the next Federal Election takes place.

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Prime Minister Fraser has made another of his pledges. In his weekly radio broadcast to his electorate, Mr. Fraser said last week-end that the Prices Justification Tribunal inquiry into the beef industry would mean assured and stable returns for cattlemen and a better deal for housewives. Mr. Fraser said, "For some time now the Government has been concerned about returns to the beef producer. While Cattlemen have been receiving poor average prices at the saleyard, abattoirs and processors have been accused of making inordinate profits." This type of loose talk will be music in

the ears of the Socialists who constantly claim that it is the "wicked middle man" who is the cause of high prices to the consumer.

Mr. Fraser's PJT inquiry into the beef industry will not result in his pledge being fulfilled. To be of any real value, it would have to show how much final costs are inflated by the Government's taxation policies.

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Although Sir Reginald Wright did manage to publicise the Federal Government's attempt to quietly pass legislation enabling Members - particularly Ministers - to dip deeply into the public purse upon retirement, the Government, supported by the Opposition, went ahead. Now the Government has engaged in another cynical move.

Prime Minister Fraser rejects increased salaries for Ministers (most of these would be lost by increased taxation) while placating back-bench Members by telling them they can take an increase. The Labor Party is supporting the increases. Former Victorian Member of Parliament, John Lechte, writing in The Age (Melbourne) of June 30th, commented: "It is notorious that politicians of all parties are welded together in a great unanimity at the mere mention of more money. When I heard deputy Labor leader Bowen pathetically trying to justify the increases, I wanted to vomit. That grizzled old cynic, the late Hon. W.H. Everard, told me in the Liberal Party room in 1948: 'Grab all you can, son. The public has a short memory.' So it was with some diffidence we younger members were soon recipients of a whole 650 pounds a year before tax with no extraneous allowances to boost so magnificent a salary." (Our emphasis).

BASIC FUND SUPPORT CONTINUES: Late support for the Basic Fund, formally closed on June 20th, has resulted in a further \$913 being contributed by 27 supporters. This belated support is greatly appreciated and will be credited to the 1978-79 Basic Fund, which will be opened later in the year.

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