



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: "We sit by and watch the Barbarian, we tolerate him; in the long stretches of peace we are not afraid. We are tickled by his irreverance, his comic inversion of our old certitudes and our fixed creeds refreshes us; we laugh. But as we laugh we are watched by large and awful faces from beyond; and on these faces there is no smile."
- Hilaire Belloc.

FURTHER DISINTEGRATION OF FRASER STRATEGY: The temporary uplift in Christmas spending tends to mask the reality of the accelerating disintegration of the Fraser's Government's finance-economic strategy. The Cabinet shuffle of last week was a type of desperate cosmetic exercise, a "well-let's-do-something" approach. Apart from indicating who are Prime Minister Fraser's golden-haired boys, and that the Fraser-Street nexus is being strained, the shuffle does nothing to touch the basic problems eroding the Government's electoral support. Not only will unemployment soar in the New Year, but the present high inflation rate will continue, possibly even start edging upwards again. The great majority of Australians will be far from impressed to know that during Mr. David Rockefeller's visit to Australia, where he was the personal guest of Mr. Fraser, the man whose Chase Manhattan Bank has done so much to provide the Communists with credits, said that he supported Mr. Fraser's anti-inflation policy. Mr. Rockefeller agrees that this type of policy must produce increased unemployment. Having mastered the technique of credit creation, Mr. Rockefeller does not have to worry about his own personal well-being. And as he has eulogised the criminal Communist regime which has murdered millions of Chinese, he is not likely to be concerned about young Australians crucified because of the type of anti-inflation policy he endorses.

We have previously predicted that Treasurer Howard's projected budget deficit would prove as inaccurate as Treasurer Lynch's projected deficit. Already it is certain that our prediction will prove

correct. Indications at present are that the deficit will be at least \$500 million greater than projected. It could be higher. But Mr. Howard will be forced to admit that he has failed to hold the Budget deficit below \$3000 million as promised. Which raises the taxation menace. If the Government insists that it must attempt to hold the Budget deficit below \$3000 million in the next Budget, then under present financial policies it will have no alternative but to break yet one more promise: to remove the increase in direct taxation imposed only as a "temporary" sur-charge in the last Budget.

The only way out of this embarrassing dilemma for the Government is to impose a heavy increase in indirect taxation. While this would enable the Government to claim that it had kept its promises, it would also intensify the financial-economic crisis. Reacting to the growing pressure from retailers and their customers opposing the imposition of a retail tax to replace the Sales Tax, Treasurer Howard has maintained that the Government has not yet made a decision. But the unelected Government, the Treasury, is pressing for the change. But the pressure from the electorate is so great, and growing, that nervous back-bench Members are opposing the proposal. As we have consistently warned, the Fraser Government was digging its own political grave by pursuing financial policies mathematically doomed to failure.

What can the Government do? Under present financial policies it has no real alternatives. Further increases in taxation would be economically and politically disastrous. Or, attempting to stimulate the economy by an increase in new credits through a bigger Budget deficit would very quickly escalate the inflation rate. As we pointed out last week, the threatening deeper crisis of next year can only be averted by Government action which will substantially increase consumer purchasing power without increasing financial costs and generating increasing inflation. This can be achieved by obtaining an immediate fall in a wide range of prices with the complete abolition of the most inflationary Tax, Sales Tax, coupled with an expansion of new credit, as a credit against the nation's vast real credit, its productive capacity, for the cost of administration. Part of the new credits to be used to generate a big increase in defence, and the balance to finance a system of consumer price discounts for basic items in the economy.

The type of policy we suggest would not solve all Australia's problems but it would be a first step off the disaster course on which Australia is proceeding. Just as the mounting anti-taxation campaign is now starting to cause apprehension amongst the Government's back-bench Members, so will the growing electoral pressure start to cause a major break of the Government's ranks when the holiday season is past and grim realities have to be faced in the New Year.

BRIEF COMMENTS: No reasonable Australian will object to the principle of Federal politicians and those associated with the operations of the Federal Parliament being provided with adequate facilities in which to work. There is no shortage of adequate building materials and skilled workmen. But Senator Don Chipp, with his ear closely attuned to the anti-Fraser mutterings of the electorate, makes the point that it seems "imprudent" to spend \$151 million to "improve the comfort of ministers and politicians" when there are many problems confronting the nation, one being unemployment. Many young married Australians would no doubt prefer to have the \$151 million invested in housing.

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The Olympic Games have become Big Business and Big politics, with unfortunate taxpayers everywhere being called upon to finance what are becoming propaganda extravaganzas. The Games nearly bankrupted Montreal. Los Angeles had second thoughts about how to meet the astronomical cost of hosting the Games in 1984 until President Carter guaranteed that the American Treasury - that is the American taxpayers - would guarantee the cost. Veteran columnist, Douglas Wilkie makes the sensible suggestion that instead of different countries trying to outbid one another, the Games should be returned permanently to Greece, where they originated. The rest of the world could make a contribution to finance first-class stadium and accommodation for athletes and officials. A symbolic site would be Plataea, near Athens, the place where the ancient Greeks saved Western Civilisation when they defeated a Persian assault.

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Generally unnoticed was the report by the Senate Constitutional and Legal Committee on Aborigines and Torres Strait Islanders on Queensland reserves, presented to Prime Minister Fraser just before the Commonwealth Parliament went into recess. The report argues that the Commonwealth has the constitutional power to take over the running of any aboriginal community and can acquire the land they are on. The Senate Committee of six members - Senator Alan Missen, well-known for his strong anti-Bjelke-Petersen stance, being one of the Liberals on the committee, - claims that there is no point in attempting to cooperate with the Queensland Government, and that the Commonwealth should take unilateral action. If Prime Minister Fraser heeds the Senate's report, he will have to engage in direct confrontation with Premier J. Bjelke-Petersen's Government. Such a confrontation can only assist with the progressive disintegration of the Fraser Government.

Foreign Minister Peacock is attempting to position himself to move to the leadership of the Liberal Party. He has declined two offers by Mr. Fraser to move from Foreign Affairs to a domestic portfolio. While Mr. Peacock has made it clear that he is a strong devotee of the "New International Economic Order", could it be that he also realises that if he maintains Foreign Affairs he will not be associated with the finance-economic failures of the Fraser Government? The public opinion polls are steadily worsening for the Fraser Government.

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In the welter of words following the publication of Sir John Kerr's book, "Matter for Judgment", one basic fact is ignored: The Commonwealth of Australia is a Federation of equal and sovereign States and the Commonwealth Parliament consists of the House of Representatives, the Senate and the Crown. In his comment on Sir John Kerr's book, Labor leader Hayden clearly indicates that he rejects the role of the Senate as defined by the Federal Constitution.

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BASIC FUND SUCCESS A "MUST": During the last few weeks the League has paid out over \$3000 for paper supplies, most of these being required for the special edition of "Electors' Voice", much of it devoted to the "New International Economic Order" story, and for the publication of adequate supplies of the two books of the moment, "Upon That Mountain" by Jeremy Lee and "Fleeced" by Barbara Treloar. There is a "feed back" as the League's literature pours into the community, but first we must invest the money to achieve this. This is why the Basic Fund is an absolute "must" - to ensure that the League is capable of meeting every emergency. There are going to be plenty next year! Since last week 10 readers have pledged or donated \$507, taking the total to \$22,545. We would appreciate a flood of Christmas presents in the form of contributions. With a handfull of supporters providing over half the Fund, there should be no difficulty in the great majority contributing the balance. Can we hear from YOU immediately?

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Page 4 (185)

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