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The price of Freedom is eternal vigilance—

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Thought for the Week: "...if democracy is to mean anything, it must be taken in its concrete senses, related to concrete situations, and defended with a clear knowledge of its proper uses and proper limits. To do the opposite is to court disillusionment, violent reactions, and threats to democracy itself."

— Jacques Barzun in "Darwin, Marx, Wagner"

A DEFLATIONARY BUDGET: If we had ever harboured any doubts about Prime Minister Fraser and Treasurer John Howard being finance-economic illiterates, they have been completely dispelled by their attempted defence of their 1979 Budget. Even after making allowances for the double-talk, the truth is crystal clear that the realities of finance-economics are beyond the comprehension of Mr. Fraser and Mr. Howard. The double-talk concerns the claim that the Government is now a tax-reduction Government. The facts are simple and beyond dispute. Contrary to promises made before the last Federal Elections, the Fraser Government substantially increased taxation in the 1978 Budget, including the imposition of a 2.57 per cent income tax surcharge. This surcharge was to be imposed only for twelve months. That was the promise. But in the Mini-Budget of March the taxpayers were told that the surcharge would not be removed as promised. Primarily as a result of an electoral backlash and mounting pressure from back-bench Members, the Government now announces that the surcharge will be removed, not now as promised, but in December. Belatedly removing what was originally described as a temporary tax is now described as a tax-reduction! Not only have all other savage tax increases been continued, but a new and insidious form of taxation has been imposed through massive price increases for oil. These price increases are playing a major part in forcing inflation up.

We were amongst those who believed that Prime Minister Fraser and his colleagues at least had enough political sense to use their big increases in oil revenue to offer at least some short-term tax relief

as a prelude to an early election. But it now appears clear that there will be no Federal Elections before July 5th of next year, which is the first Saturday on which there could be an election for both the Senate and the House of Representatives. One of Mr. Fraser's arguments for the early, 1977 Federal Elections was that the electors had indicated that they wanted both elections to be held together. And there was also the claim that the Government required a new mandate to complete the task of completing the economic recovery that allegedly was taking place. Amongst other promises, inflation, unemployment and interest rates would all fall. Now Mr. Fraser says that he and his colleagues were too "optimistic" and that all they had done was to give the projections of their economic "experts". If this is the case, then it merely provides more evidence of the appalling ignorance of Mr. Fraser and his colleagues, and their gullibility concerning what their "experts" tell them.

The main thrust of Mr. Howard's Budget speech was designed to convince people that taxpayers would have more take-home pay after December 1st, when the 2.57% surcharge would be removed. But those who took the trouble to read the fine print in the Treasury papers read that "Aggregate real household disposable income could be even a little lower in 1979-80, as a whole, than 1978-79." Appearing on Michael Wilesee's Channel 7 programme, Prime Minister Fraser said that "I don't expect real incomes to improve." With inflation set to soar past 10 per cent, and the Government refusing to honour its promise on tax-indexation, it was easy for Mr. Eric Risstrom, Secretary of the Taxpayers' Association, to demonstrate that taxpayers would be worse off next year, with people on lower incomes suffering the most.

In his attempt to defend the Budget, Deputy Prime Minister Doug Anthony blundered (in typical fashion) into revealing the Government's view that wages are too high. This view has, of course, been put by the Government in its persistent attempts to have the Arbitration Commission refuse to have wage increases fully indexed to cost-of-living increases. The Budget is, in spite of the few crumbs we predicted, a deflationary one. A small belated degree of justice has been granted old age pensioners with the six-monthly indexing of their pensions. But even the Government concedes that unemployment could get worse. With inflation rising the value of the present meagre unemployment allowances is further eroded. The young will be the worst sufferers. It can be confidently predicted that the crime rate will increase.

The new "frank" and cautious attitude of Mr. Fraser and his colleagues can have little or no effect on the low electoral support for the Government while the overall finance-economic situation

continues to deteriorate. Much has been made of the lower projected deficit figure, in spite of the fact that in recent years the actual deficit has far exceeded estimates. Treasurer John Howard has made the incredible statement to members of the Melbourne Chamber of Commerce that the Government had kept its "essential promises", "such as the attack on inflation." But at the same time Mr. Howard has to concede that inflation is escalating. Mr. Howard's statement on inflation is on a par with his comment that unemployment would be reduced when more jobs were available! Prime Minister Fraser says that the projected reduction of the inflation rate to 5 per cent would have been reached if it had not been for the higher beef and oil prices. This is an indirect admission of our claim that part of the temporary reduction in the inflation rate was the result of the desperate beef producers subsidising prices for several years. As the big increase in oil prices, these have been imposed by the Government itself. But presumably Mr. Fraser does not understand the implications of the policies he imposes.

With obviously no overall improvement in the situation as a result of the Budget, it can be predicted now that the Government's only hope of survival - apart from some bad mistakes by the Labor Party - is a Mini-Budget early next year which will offer a temporary respite to hardpressed taxpayers and hopefully restore electoral confidence. But a policy of salvation for Australia requires a major reduction in total taxation as a first step in a much more comprehensive programme. It is to be hoped that Premier J. Bjelke Petersen, who has expressed his displeasure with the latest Howard Budget, will now carry through his threat to lead a nation-wide tax revolt which will end with Government backbench Members at Canberra telling Mr. Fraser and the "experts" that enough is enough.

SEVERE RSL CRITICISM OF PRIME MINISTER: The Victorian Branch of the RSL has accused Prime Minister Malcolm Fraser of supporting racist African dictatorships. The RSL charges that Mr. Fraser had made a vicious attack on the white people of Zimbabwe-Rhodesia and that his inverted racism was nauseating. The RSL State President, Mr. Bruce Ruxton, has written letters of complaint to the League's national headquarters and asked that they be forwarded to Mr. Fraser. As reported recently, the recent annual conference of the Victorian Branch of the RSL unanimously carried a resolution demanding that the Fraser Government recognise Zimbabwe-Rhodesia immediately and also lift sanctions. Mr. Ruxton points out that "All the black states of Africa are brutal and bloody dictatorships or one party governments." Mr. Ruxton continued, "The only objection the black African states have to Zimbabwe-Rhodesia's government under

Bishop Muzorewa is that there are white people in the government. Mr. Ruxton said that Mr. Fraser did not realise what the "man in the street thinks about our treatment of Rhodesia. The grand air tour of Africa either by the Prime Minister on his own, or his Foreign Minister on his own, gives rise to the thought that the white race is being discriminated against, and that Australia condones the actions of some of the most brutal black dictators on earth."

Mr. Ruxton charged that Prime Minister Fraser also carries his discrimination to the Defence Service Homes Loan when he grants 'old soldiers' a \$15,000 maximum loan, but gives Aborigines \$35,000 maximum housing loans at 2 per cent."

In a criticism of Mr. Aderman, Minister for Veterans' Affairs, for not attending the Victorian RSL conference, Mr. Ruxton said, "If his performance does not improve it will be total war by the RSL here in Victoria. He should also be reminded that the atmosphere of discontent toward his Government by ex-servicemen in Victoria is at an all-time high."

Mr. Bruce Ruxton's robust language provides refreshing evidence that the voice of real Australia has not been silenced. Those who risked their lives in the defence of their nation and what it was founded upon are providing much more effective leadership than that of the Canberra politicians.

BRIEF COMMENTS: In his sell-the-budget address to Sydney businessmen last week, Deputy Prime Minister Doug Anthony pointed out that Australia had no energy crisis because it had massive reserves of coal, gas, uranium and oil. He said, "And if we don't discover further oil reserves in the more usual form, we've got good prospects of developing Rundle's large oil-shale deposits." The whole energy crisis is, as we have pointed out, a gigantic hoax designed to impose financial policies to increase central control over the individual. The only crisis concerning energy is financial and political. And contrary to the latest "line" by the Government, the major cause of Australian inflation is inside Australia: the financial policies of the Government.

The Australian (August 27th) has an excellent editorial, viz. "The Complexocrats Have Taken Over". Referred to are "Economists, accountants, the lawyers, the bureaucrats - the complexocrats - who took over and created the Age of Confusion." The Australian continues: .. "As soon as government becomes big and complicated, Qangos sprout, extra departments grow, new sub-sections are seeded when the complexocrats take over." Qangos are government-funded, usually statutory bodies, the purpose of which is often debatable, and the effectiveness of which is highly debatable.

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