



ON TARGET

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The price of Freedom is eternal vigilance—

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Thought for the Week: "Many crooks in a big way are Saviours, although through the ages, at long intervals, there have been Saviours who were not crooks. These latter can generally be identified by the fact that they were unpopular until a long time after their, in the main violent death. But we are not now concerned with them...The technique of this saviour business is simple and was well understood by Robin Hood, who took all you had and gave you back your car fare. Modern Chancellors of the Exchequer, beginning with Mr. Lloyd George who took nine pence from us all and gave some of us fourpence back, subject to tax, regard it as the core of Finance. Generalised, the idea is to arrange an intolerable situation, and save you from it at the cost of accepting one barely tolerable. You are threatened with going all the way to Moscow, if you don't agree to go half way to Moscow."

— C.H. Douglas in "Programme for the Third World War"

THE ACCELERATING BREAK-UP OF CIVILISATION: As far back as 1924, that remarkable British genius, C.H. Douglas, predicted that if orthodox finance-economic policies were persisted with, total debt must increase, taxation imposed as an instrument of control, with inevitable inflation. The misdirection of the economy must result in enormous waste. Marxism would feed on the growing discontent of people. Unless prepared to challenge centralised control of credit creation, Conservative Governments were doomed to fight a series of rearguard futile battles. The end result would be the collapse of yet another Civilisation. Douglas predicted that the crisis of Civilisation would be reached during the lifetime of those living. In recent years other distinguished thinkers have also expressed the view that Western, Christian Civilisation was disintegrating, the most notable of these being Malcolm Muggeridge and Alexander Solzhenitsyn.

Last week's headlines provided striking evidence of the acceleration of the process of disintegration. In its national wage case comments the Federal Arbitration Commission said that wage indexation was "at the brink" and clearly indicated that its task had become impossible.

Mr. Fraser's reaction to growing industrial unrest is to recommend the old Fabian-Socialist policy of the States referring all industrial powers to the Commonwealth. The only comment necessary is to ask how is the Commonwealth using the powers it already has? Consider the state of Telecom! And how does the Commonwealth use its power over financial policy? It has imposed a policy of crushing taxation, while last week the States were told that there was to be a savage reduction in their loan funds for works projects in 1979-80. Prime Minister Fraser and little Sir Echo, John Howard adopted a "take-it-or-leave-it attitude" towards the State Premiers. So much for the spirit of the "New Federalism"!

Then on top of all their other worries, Australians last week heard that there was an oil crisis which was going to get worse. Not only was there to be a further substantial increase in prices, but Australians might have to have rationing. Increased oil prices are also a reflection of inflation everywhere. When Mr. Fraser and his colleagues refer to the effects of increased Arab oil prices on inflation, they should be reminded that they were responsible for increasing the price of petrol in Australia by approximately 14 cents a gallon in the last Federal Budget.

Mr. Fraser and Mr. Howard make much of their commitment to "responsible economic management", which is even more important than keeping solemn pre-election promises. But with all the alleged managerial expertise at Canberra, Mr. Fraser was not able to foresee the current oil crisis. If he had, he would have encouraged a comprehensive and constructive energy programme in Australia. He has belatedly said that the Commonwealth fleet of cars and trucks will be converted to use LPG. The Sales Tax is to be removed to make it less expensive to convert. All of this and more could have been done years ago. Those dreadful South Africans, whom Mr. Fraser dislikes so much, have led the world in producing low grade coal and within a few years will be producing the bulk of their own requirements from coal.

This is not the place to deal with the energy question in depth. But it is important to grasp the following basic truths. There has been an enormous waste of energy, much of it derived from oil, by over-driving economies, not to produce what is genuinely required by individuals, but to provide "full employment" and to export vast quantities of production to obtain a "favourable balance of trade". How much oil will be used to drive Australian agricultural equipment devoted to producing grain for Communist China? Australia's natural gas is being exported. While inflationary financial policies are persevered with, every producer is under a type of financial whip. Australia has an abundance of energy sources to provide for the proper requirements of 15 million people. What would happen if the rest of the world sunk beneath the sea tomorrow? Australians would

then be forced by reality to face the truth that with much less effort, much less energy, they could adequately feed, clothe, house themselves and provide all the amenities of civilised life. There would, of course, have to be a change of financial policy.

Instead of seeing the present general crisis in Australia, the same type being experienced by all other industrialised nations, as an opportunity to change the basic policies which have produced the crisis and to see himself as a leader of a pioneering nation prepared to co-operate to show the rest of the world the way away from the threatened complete chaos, Mr. Fraser reacts by opting for the very policies of more Government control which he says he detests. We are not surprised to learn that the Fraser Government is considering the establishment of a Government-owned oil company similar to Petro-Canada established by Fabian Socialist Pierre Elliot Trudeau.

Unless the backbench Members of the Federal Government can revolt against both the present Prime Minister and the policies he is imposing, then many of them are on the way to political extinction, along with the Fraser Government. The Budget will be probably the last chance for the backbench Members to force a change. But if they don't they will help confirm the prediction made by Douglas over 50 years ago concerning Conservative Governments.

NEW ZEALAND IN THE CRUNCH: Mr. Jeremy Lee, National Secretary of The Australian Institute of Economic Democracy, sends a further report from New Zealand.

The two fantastically beautiful and fertile islands of New Zealand are being pulverised by some of the most savage financial reprisals imaginable.

All truck owners now have, sealed into their axle hubs, with dire penalties for tampering, meters which record every wheel revolution and yard travelled. A mileage allowance must be bought with cash before the vehicle moves. The Post Offices are the "mileage-controllers" in this farcical concept.

New Zealand's budget deficit is bigger per capita than Australia's. To meet this deficit, and an overseas' debt which has tripled in the last three years, Muldoon has just brought in a massive range of sales tax increases on 150 items never taxed before. Included in the original package was a tax impost on home made boats and caravans of 20 per cent. This was removed almost immediately, in the face of the universal outcry, to create an illusion of sympathy, allowing the tax on commercial firms to remain unscathed. The caravan and boat industry is now in ruins.

The man on the land is in dire straits, with a huge drop in per capita income of 38 per cent. To compound his misery, a complex edifice of statutory marketing boards is being erected. In April the news was announced that a 14 storey building would be built in

Wellington to house the New Zealand Wool Board, costing over \$8 mil. The Board is no doubt hoping to pay for this by expansion into the China market, now described as a new eldorado for woolgrowers. The Meat Board spent on administration and promotion more than \$2.50 for every living New Zealander, and ended up \$3 million in the red in a year where promotion for beef on world markets is nonsensical. The Meat Board Budget was raised in the usual levies and charges ripped from producers' pockets.

Like Australia, the Poultry Board is the most tyrannical of all. A huge levy is exacted from the 600 producers in New Zealand, most of it used to subsidise cheap export prices for egg surpluses, while New Zealand consumers suffer dearer and dearer eggs.

The "New Zealand Herald" on March 19, reported a top-level delegation from the International Monetary Fund, compiling a "secret dossier" on New Zealand's international credit rating. This has now been described by West Germany as "the worst amongst western nations." On top of all this, the energy crisis is being escalated into the position where it is the most talked about issue throughout the country. No petrol is available anywhere on Saturdays and Sundays. Each motorist, in addition, has a sticker on his car nominating one week day on which he may not buy petrol. The Minister for Energy, Mr. Birch, announced two days ago that New Zealand was considering the possibility of being the first nation in the world to produce gasoline from natural gas. New Zealanders have been incredulous when I have mentioned that there is a small refinery, built for half a million dollars, which has been doing exactly this for a number of years at Roma in Queensland. On the same day it was also announced that New Zealand will spend \$32 million importing diesel-electric locomotives from Communist Hungary. Why half that sum is not spent on the local production of locomotives capable of using abundant New Zealand coal, as was once the case, is a question increasingly asked in New Zealand. All this sounds miserable and negative. But if the folly of the government finally changes the frightened and despairing mood of New Zealand into grit, determination and inventiveness, New Zealand is going to be a force to be reckoned with. I believe the League's programme - a breath of fresh air in modern New Zealand - is being carried out in the right place at the right time, by the right man in David Thompson.