



ON TARGET

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS

The price of Freedom is eternal vigilance—

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Thought for the Week: "To abstract the ballot from the fabric of democratic life and set it up as supreme and absolute can never give assurance of effecting any good whatsoever. It is the spirit of a democratic people that counts, the spirit expressing itself in the Constitution that gives unity and harmony to its life. The ballot of itself is not an instrument of infallibility, and to suppose that counting ballots will always of necessity ensure the best of all possible worlds is to surrender to mythology."

- John Farthing in "Freedom Wears a Crown".

THE TAXING QUESTION: Mr. Bill Hayden may have increased his electoral prospects by having the "wealth tax" issue buried last week, but he has left unanswered the question of how a Labor Government would finance its version of a "managed economy". Mr. Hayden talks vaguely about making taxpayers more "honest", but Treasurer John Howard has been talking about doing this for years, during which period increasing numbers of taxpayers have found new ways of avoiding the taxmaster. The only sound law is that which has the widespread respect and support of the individuals it affects. Increasing numbers of people have decreasing respect for a political system which enables politicians and senior bureaucrats to plunder the public purse in a most revolting manner while at the same time preaching "restraint". Unlike the politicians, whose pensions are insulated against inflation, pensioners are finding that as inflation continues, they are increasingly being brought within the scope of the taxing system. Many single age pensioners without dependents are now being forced to pay income tax, and it is estimated that by the end of this year nine out of every ten single age pensioners on the maximum rate will be paying tax. With the abolition of tax indexation, and the continuing wage increases primarily resulting from inflation, increasing numbers are moving into the second taxable income bracket of 46 c in the dollar. But not even the resulting increase in taxation by stealth is producing any sign of tax relief by Prime Minister Fraser. Quite the contrary.

Almost immediately following the news that once again Treasurer John Howard was faced with another budget "blow out" with a big increase in the projected deficit, both Mr. Howard and Mr. Fraser started to make it clear that there was no sign of tax relief in sight, not even in the coming August budget. Mr. Fraser has completely changed his optimistic tune of a few months back, and Australians are being warned of "tough decisions" ahead. The 1982 budget will, unless sufficient political pressure can be generated, see an INCREASE in total taxation, with a greater emphasis on indirect taxation. This will prepare the way for an easing of direct taxation, without a revenue loss to the Government, as a "sweetener" before the next Federal Elections. But, as Robert Burns observed, there can be a slip between the cup and the lip. Major electoral set backs in the Lowe by-election and the Victorian State Elections, would produce convulsions inside the Federal Liberal Party.

Irrespective of how taxation is juggled, and irrespective of the label of the politicians, total taxation must continue at high levels under present financial policies. The increasingly convulsed economies of the West are signalling greater disasters immediately ahead. Desperate attempts to keep these economies operating through astronomical debt expansion, are merely aggravating the basic problem. Total taxation could easily be reduced by cutting interest rates to the point where they were a genuine service charge for those creating and administering the nation's credit, and by the issue of new credits, not as debts, but as credits direct into the hands of individuals via price subsidies. No informed person disputes that in order to finance increased wages, new credits are created by the banking system. The issue of these new credits, plus the interest charges, via wages simply keeps the inflation spiral moving ever upwards. It is an insult to commonsense to dispute that if new credit can be created to finance inflation, the same credits could be used to reverse inflation. Unfortunately commonsense is limited and there are those who have a vested interest in using debt and high taxation, including the hidden taxation called inflation, to create conditions which can be exploited to advance totalitarian programmes.

However, as C.H. Douglas said, the great majority of people only move under the pressure of events. We confidently anticipate considerable movement in the not far distant future! For that reason we are vitally concerned at present with ensuring that a sufficient number of people are adequately equipped with knowledge and understanding to assist their fellows when events have convinced them that they must change direction. The following books are strongly recommended at present, to be read and studied in the following order: "Money-Fact and Fiction", by D. Malan, 80 cents; "The Creation and Control of Money", 60 cents; "A Programme for Reversing Inflation",

by Eric D. Butler, 80 cents; "Alternative to Disaster", by Dr. Bryan Monohan, 80 cents; "Freedom and Inflation", by Dr. Bryan Monohan, \$1; "The Just Tax", by Dr. Geoffrey Dobbs, \$1. All these prices include postage. We are offering these as a package for \$3.50, this reducing postage on the individual booklets.

POLITICAL DOUBLE-STANDARDS: One of the great myths of Australian political history is that on November 11th, 1975, a conspiracy was responsible for unconstitutionally removing Prime Minister Whitlam from office. Not only was Mr. Malcolm Fraser involved, along with the then Chief Justice of the High Court, Sir Garfield Barwick, but, according to some, the American Intelligence Agency. Even Mr. Bill Hayden eventually said he had started to believe there could have been a conspiracy. We mention this matter because Labor's Shadow Attorney-General, Senator Gareth Evans, has recently indicated that the ALP is considering the possibility of blocking Supply. Senator Evans is a vicious critic of the Australian League of Rights and, while strong on "constitutional reform", is strongly against having a referendum on major issues like immigration. In a speech in the Senate on March 1, 1979, Senator Evans said concerning the concept of electors having the power to initiate referendums, "Attractive though it is maybe, for any democrat to favour the idea of the people making the decisions, the fact is that it is just no longer possible, if indeed it ever was possible, for the people to be aware of all the factors that are necessary to sensibly determine an issue." Obviously Senator Evans believes that he and his colleagues are much more competent to make decisions for the people.

Further in his address Senator Evans indicated why he distrusts electors having a direct say on major issues: He laments that fact "that only eight out of the 40 referendums that have been held to change the Australian Constitution have been agreed to." The truth is that the instincts, if not the understanding, of the Australian people have been sufficiently sound to refuse to support proposals which, in the main, have been designed to increase the power of the Central Government. Senator Evans and those who think as he does may not like it, but the Australian electors have a very low opinion of them, and feel that they already have too much power.

Senator Evans himself says that the Senate has too much power, which should be limited. But now he infers that all the talk about "principle" concerning the 1975 affair, can be swept aside if necessary to serve the Labor Party. The Senate of 1975 had the constitutional power to block Supply in order to force an election. As we reported at the time, Senator Lionel Murphy, as leader of the ALP Opposition in the Senate in 1967, had insisted that there was no tradition that the Senate could not use its constitutional power. On

June 18, 1970, the same Senator Murphy said that "The Australian Labor Party has acted consistently in accordance with the tradition that we will oppose in the Senate any tax or money Bill or other financial measure whenever necessary to carry out our principles and policies..."

The essence of the Senate situation is that when an Opposition can check a Government in the Senate, on an issue it feels is electorally popular, it tends to do so. That is what the Coalition parties did in 1975. Now that Labor can, in association with Independent Senator Harridine and the Democrats, check the Fraser Government, it does the same. There is, of course, much talk about "principle", but that is primarily for party political purposes. What has been demonstrated is that when there is a division of political power, the individual can gain some small crumbs of benefit. If this division results in the iniquitous Howard Sales Tax legislation being thrown out, electors should be grateful that the Senate is an effective part of the Federal system of Government and resist any attempts to weaken the Senate's powers.

BRIEF COMMENTS: Mr. Andrew Peacock exploited the announcement of the CPI increase with a call for tax cuts. The same Mr. Peacock voted for Mr. John Howard's last Budget. If Mr. Peacock wishes to display some real leadership, let him join with the courageous Bruce Goodluck from Tasmania against Mr. Howard's iniquitous Sales Tax legislation.

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Advocating what can only be described as inverted racism, Dr. Robert Runcie, Archbishop of Canterbury, says it's time for a black Bishop in England. Are there any blacks qualified to be Bishops? The call for blacks to be introduced into places of authority, including the police, merely because there are many blacks living in England, is a manifestation of a deep disease.

BASIC FUND: 22 supporters have moved the Basic Fund ahead by \$1,873, taking the total to \$34,938. Only just over another \$10,000 required. Let's have one big push from the great majority who still have not contributed. Donations do not need to be large - although these welcomed! What is required is a flood.

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