



# ON TARGET

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*The price of Freedom is eternal vigilance—*

**Vol. 19 No. 7**

Registered by Australia Post — Publication No. VBH 0999

**February 26th, 1982**

Thought for the Week: "An organisation can only grow powerful at the expense of those involved in it, just as a tree can only grow at the expense of its soil."

— C.H. Douglas in "Social Credit".

THE CANBERRA CANCER: While it is probably true that Speaker Sir Billy Snedden was the only one to emerge with any credit from last week's unpleasant Canberra circus, the manner in which Sir Billy was forced to resolve the situation and the torrent of media comment which has followed, have tended to mask the extent of the deepening national crisis. The basic cause of the crisis is not the vulgar abuse which the politicians throw at one another, the clash of personalities, nor the intrigues which take place in the struggle for power. These are all effects, a reflection of a deeper rot. Like every other developed nation, including Japan, Australia is experiencing a disintegration of traditional society because of finance-economic policies which are rigidly imposed even though the result is escalating debt, high taxation, and an inflation which, like a corrosive acid, eats away at the very foundations of stable society.

Developments last week at Canberra were, of course, meat and drink to the political commentators, speculating on whether Mr. Andrew Peacock was about to make his much-discussed bid for the leadership of the Liberal Party, what was the significance of a 15-minute discussion between Sir Phillip Lynch and Mr. Peacock on the back benches, had Mr. Bob Hawke increased his leadership prospects as a result of calling Prime Minister Fraser a liar, without being expelled from Parliament, and had Mr. Fraser attempted to pressure Sir Billy Snedden to change his ruling. One weekend paper quoted Lady Snedden as saying there was a plot to get rid of her husband, this resulting in a libel action against the paper by Sir Billy. But irrespective of who becomes Prime Minister after Mr. Malcolm Fraser, nothing will change, except for the worse, while prevailing economic conventions are persisted with. If people are primarily concerned with "style", they might consider what has changed as a result of replacing the theatrical Whitlam with the boring Fraser. The central thrust of Mr. Fraser's attack on the

Whitlam Government prior to the 1975 Federal Elections, was that his government would provide a much more responsible "management" of the economy. As predicted by the National Director of the League of Rights, Mr. Eric Butler, early in 1976, it was mathematically certain that the Fraser Government must go from disaster to disaster as it followed the same basic policies as the Whitlam Government. Starting before the 1975 elections, Mr. Fraser has on many occasions promised to reduce taxation, reduce unemployment, reduce interest rates, and, of course, reduce inflation. There could be no more damning condemnation of the Fraser Government than the brutal warning from Victorian Liberal Ministers that Mr. Fraser could be undermining any slight chance the Liberal Government has of surviving on April 3rd. The Fraser Government's economic "strategy" is in tatters, and there is worse to come.

Desperate men, particularly politicians who fear that power may be slipping from them, often resort to desperate, and counter-productive measures. Replying to a "Dorothy Dix" Question, Mr. Fraser made an attempt to enter the Victorian election campaign with a crude attack upon Mr. John Cain, Victorian ALP leader. We hold no brief for Mr. Cain, who has provided no evidence that he is going to be any more successful than the Thompson Government in operating under the Canberra financial dictatorship, but a careful reading of what Mr. Cain said concerning two Royal Commissions investigating the Builders' Laborers Federation and the Federated Ship Painters and Dockers Union leaves no doubt that Mr. Fraser seriously misrepresented Mr. Cain. He provided the over-emotional Mr. Hawke with the opportunity to lead a Labor chorus of shouting that the Prime Minister was a liar. Even when confronted with what Mr. Cain did say, the Prime Minister displayed that shallow pig-headed attitude which we warned about early in his first Government, refusing to modify what he said. Some government back-bench Members have left no doubt that they do not believe that Mr. Fraser can substantiate his charge against Mr. Cain. It may be significant that only two of Mr. Fraser's Ministers have publicly supported him, his main ally being Mr. Ian Sinclair who, in view of the strong criticism directed against him by Senator Rae's committee, should have been relieved of his portfolio. The Deputy Prime Minister, Mr. Doug Anthony, no doubt felt he was obliged to say that the Prime Minister had been justified in what he said about Mr. Cain. This was too much for one of Mr. Anthony's own backbenchers, Mr. MacKenzie of N.S.W., who publicly said that Mr. Fraser could not substantiate his allegations. Apart from tending to divert attention away from basic issues, the political storm unleashed by the Prime Minister also tended to obscure the far-reaching implications of the decision by the Australian Democrats to vote against the bills concerning Sales Tax. While the shock, feigned or genuine, expressed by Treasurer John Howard, was understandable, much more significant was the campaign of smearing throughout most of the main media. Even

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the cartoonists joined in the anti-Chipp smear. Prominent Zionist Sam Lipski delivered himself of a poisonous attack in a Melbourne radio commentary. Are the Zionists afraid that their hero Fraser is about to fall? There was a sickening editorial in "The Australian" which in essence said that while "The Australian" had opposed the Sales Tax Legislation, they could not approve of what Senator Chipp and his colleagues were doing. Our reservations about the Australian Democrats are on the record, but we must say that the anti-Democrat critics appear to have a hidden motive in charging that Senator Chipp and his colleagues are just as cynical about breaking promises as are the major parties. There is a vast difference between breaking promises to reduce taxes, for example, and admitting, as Senator Chipp did, that he and his colleagues had made an error of judgement when they said they would vote for the Sales Tax legislation if it were returned unamended to the Senate. In making what was no more than a statement of intention, Senator Chipp could not be making a pre-election promise as no elections were involved. For once, a change of mind by a group of politicians HAS BENEFITTED THE TAXPAYERS.

But perhaps the real crime of the Democrats is that they have demonstrated that the Senate can be an effective part of the government of the Commonwealth of Australia, as the Constitution says it should be. We have maintained for many years that the Senate is a major bastion against the ever-increasing drive for centralised power at Canberra. It does provide a division of power, and with power divided, there is some prospect of electors being able to exert some influence at Canberra. For this reason all attempts to reduce the power of the Senate must be opposed. It is ironic that in voting with the Democrats and Independent Harridine to block the Sales Tax legislation, the very Labor Senators who seek to reduce the power of the Senate are in fact increasing its standing in the eyes of the electorate. And we must not forget that, had a Labor Government brought down the type of Sales Tax legislation produced by the same Treasury "experts" advising Mr. Howard, Liberal and National Party Senators would have welcomed the support of a minority group to oppose it! Such is party politics.

HYPOCRISY ABOUT TAX CUTS: Immediately Prime Minister Fraser and Treasurer John Howard were faced with the reality of defeat on the Sales Tax issue, they started to insult the intelligence of the Australian people by claiming that loss of the projected Sales Tax revenue would not only destroy their budget "strategy", but would make it impossible to implement their promises to cut taxes. Even some of the media found this hypocrisy too much for them, pointing out that failure to pass the Sales Tax legislation would have only a fractional effect - perhaps \$200 million - on total estimated budget receipts of over \$40,000 million. Mr. Howard and his "advisers" have, in spite of all their claims to expertise in "managing" the economy, once again been shown to be completely incompetent even to implement their own

"strategy". Even with the loss of the projected Sales Tax revenue, there has been another major "blow out" in Mr. Howard's budget, and he will end the financial year with a deficit of at least \$600 million. This deficit will have to be created in the normal manner, as an interest-bearing debt against the real credit of the Australian people.

The cynicism of Prime Minister Fraser and Mr. Howard concerning tax cuts, was graphically demonstrated on television last week by Mr. Eric Risstrom of the Taxpayers' Association. Because of the inflation its own policies have produced, the Federal Government will quietly take an extra %5.5 THOUSAND MILLION next year from personal taxation. At what is decided to be the most politically opportune time, Mr. Fraser will announce a "tax cut", the reality of which will be a reduction only in the rate of the taxation rip-off. The rip-off will continue, as it has over the six years since the Fraser Government has been in office. It can only be described as a breath-taking confidence trick for a Prime Minister to go on television and tell the Australian people that with a certain increase of over five BILLION in direct taxation next year, a loss of an estimated \$200 million from Sales Tax makes it very difficult to cut taxes. The very people, the lower income earners, who would have been hit hardest by the projected Sales Tax legislation, are going to be hit hardest by income tax increases.

Not only are no real tax cuts being contemplated, but John Howard is desperately attempting to dodge the question of how much further interest rates are going to rise. Australia is now about to enter the most explosive period in post-Second World War history. Merely changing the politicians is not going to avoid the greater disasters ahead. What is essential is a change of policy, one which will constructively reduce taxation, interest rates and inflation. A reading of - "The Money Trick" (\$1.35 posted) will show what can be done.

THE VALUE OF THE BASIC FUND: The Sales Tax campaign demanded that brochures be subsidised, telegrams sent and numerous phone calls made. The annual Basic Fund enables the League to participate in vital campaigns. Planning ahead is imperative. Help us to do so by joining those who have already contributed. Last week 13 supporters contributed \$1018, taking the total to \$36,543. Only \$8,500 to go.

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ON TARGET is published and printed by the Australian League of Rights, 273 Little Collins St., Melbourne. Subscription rate \$12 p.a. posted.