



ON TARGET

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS

The price of Freedom is eternal vigilance—

Registered by Australia Post — Publication No. VBH 0999

Vol. 23 No. 20

May 30th, 1986

Thought for the Week: "It now seems unfortunate that people from Europe were encouraged to migrate to Australia in such numbers when there was adequate work for them to do in the reconstruction of European cities. In their place, workers from previously colonial areas were employed, these people preferred migrating to Europe and Britain rather than remain in their own countries under their own national rulers. Germany, France, Canada and Britain now have a 'colour problem'. To meet this new situation new laws have been devised, not to keep immigrants out, but to stifle any opposition to the developing social strife. The UN is foremost in advocating programmes to oppose the new 'racist' attitude."

- Dr. J.C.A.Dique, in Immigration - The Quiet Invasion (1985)

KEATING'S CAN OF WORMS: "The Federal Treasurer, Mr. Keating, today is expected to stand firm on the proposed fringe benefits tax on company cars in the face of strong opposition from leading Labor Party figures, business leaders and the Australian Democrats".

- The Australian, May 26th.

What the Hawke Government has now to do; and any Commonwealth government in Australia must also do (including a government led by Mr. John Howard), is to scrape the very bottom of the national tax barrel for moneys to fund the escalating overseas debt, the Social Security Frankenstein, and other tax-eating monsters.

What seems to escape the economic pundits when pontificating upon the worsening state of the economy is that, quite simply, the more moneys that are ripped off taxpayers by way of various official imposts, are moneys that will not be spent by Australians on goods and services. Treasurers (not only Mr. Keating, whose star is setting!) are given to "vain imaginings": they are confident they can fleece the taxpayer, and then whip him into working harder and spending more. The many millions locked away in savings deposits in Australia are a worry; if only these deposit-holders would have confidence and spend these millions into circulation, the economy graph would show a surge upwards.

Australians seem to be doing this anyway, as bank deposits are

falling.

Certainly, people in Australia don't have great confidence in the economy, but they are being forced to spend some of their deposits (if they are lucky enough to have bank deposits) just in order to live from week to week. Any housewife knows well that prices are continually increasing - from her weekly forays into the supermarkets. A large jar of yeast extract or peanut-butter, which may last a family 2-3 months, will show a marked price increase over this period; not just one or two cents.

If the Australian Democrats don't play ball with Mr. Keating, then Mr. Hawke may be forced into a double-dissolution "to get rid of them". In spite of the bravado of Senator Chipp, we think that his Party could lose much electoral support in the event of a double-dissolution of the Commonwealth Parliament because of the new proportional representation quotas which will apply to the filling of the Senate positions. The Democrats would have actually to improve their performance to hold their present strength. We doubt that they could do that. Their demise, in such an event, is probable. It's all a considerable electoral risk, but Mr. Hawke is a punter (he loves the Turf) - and he might have a go. We agree with Dr. Katherine West that the Bill of Rights issue is a political "sleeper" which could be "activated" to haunt the Government. Indeed, general opposition to it is mounting. We observe now that the Bishops of the Catholic Church in Australia are firming, considerably, in their opposition to the Bill of Rights. The Bill of Rights issue will also react against the Democrats. Let us always remember that Senator Janine Haines said that her complaint against the Bill of Rights is that it doesn't go far enough. She could well remember this for the rest of her life, herself!

DEBT ROCKS THE CRADLE; by Neil G. McDonald

"Recently, our first grandson was born.

"Within a day, he was showered with appreciation, birthday cards, clothing, and toys for the next awakening months.

Out of proportion to his birth-weight of 6 pounds and ten ounces was his share of the National Debt, which, legally, he will have to carry. Figure wizards, unable to stop the merry-go-round, estimate that Australia is \$78 billion 'in the red'.

"That works out at \$20,000 for each family. Little Lachlan's slumbering shoulders will have to bear one third of this burden - just for a start. Then, like a weight lifter, his load will increase as borrowing and interest puts Australia into the pawnshop of hidden wheelers and dealers, "Australia, 'the Lucky Country', is physically embarrassed with abundance. Despite 'go slows', strikes, and quotas, there is no shortage of anything except the financial symbols which reflect prices and purchasing power.

"instead of being in a 'seventh heaven', Australia is declining into a seventh hell: seventh on the list of nations with the world's highest foreign debts. Australia is worse off than Algeria, Indonesia, and the

"ON TARGET"

May 30th, 1986

Page 2 (79)

much-maligned South Africa and almost on the low level of the Soviet Union. In three years our debt has doubled. With payment impossible, due to heavy interest added to borrowings; baby Lachlan will owe at least \$15,000 by his third birthday.

"Blessed with slumber, he faces the future with optimism - unaware that he could be personally liable for \$200,000 on his 21st birthday.

"No school teacher is likely to explain why the interest bill increases more rapidly than the foreign debt itself. But orthodox economists explain that Australia must export or perish. Little Lachlan will never become a Rhodes scholar if he questions why prosperity depends upon exporting more products than are imported. The 'wizards' will allay his fears.... 'The overall level of debt is not important ... capacity to pay is our vital need.

"Will Lachlan and his generation have the capacity to pay during his lifetime?

"No way ... for payment would require a miracle, and would then release them from the financial chains which fetter their freedom. "Children of the next generation will incur personal debts with future purchases of motor cars and houses.

"These products will have been produced with available materials and payment of wages. Yet, the final payment is pushed into the future. If default occurs, the item of purchase is surrendered or the bailiffs called in.

"What will happen when Australia eventually runs out of credit? Lachlan and his ambitious young hopefuls will find that compulsory taxation instalments will rise from one quarter to one third of income; and then to one half. Indirect taxation will remove any surplus.

"Unless their concern and curiosity have not been dulled by a confetti of distractions - video, drugs, and other modes of escapism - they will succumb like the frogs which allow water to come to the boil slowly, instead of taking immediate evasive action.

"Challenge to perpetual debt bondage will not come from any of Australia's political parties. It will require one or more unique individuals to by-pass standard schooling and analyse the reasons why abundance cannot be distributed without impossible debt.

"hopefully, somewhere, gathering strength in the comfort of cradle or cot, is a prophet in the mould of C.H. Douglas, the Scottish engineer who detonated the bomb of external debt with the truth that everything physically possible must be financially possible."

VITAL ADMISSION CONCERNING AMALGAMATIONS: The battle concerning the Victorian Cain government's programme for Municipal Council amalgamations is swinging against the Government, with Mr. Stuart Morris, Chairman of the Local Government Commission, now conceding that ratepayers could have a say by way of referenda. The Bendigo Advertiser of May 1st quotes Mr. Morris as having said in answer to questions that residents of areas recommended for re-structure by the local Government Commission will be able to demand a referendum

on the proposal. "If the vote was overwhelmingly against the proposal, I have no doubt that politicians, being politicians, would take note of the result and not proceed", he said. He instanced what had happened at Traralgon, where a referendum had shown residents of the city and shire were strongly against a proposal for their amalgamation and that no action had been taken since to bring about a change.

While Mr. Morris' admission is interesting, we strike a note of caution. Following the Traralgon vote, Minister for Local Government Simmonds said that it was irrelevant. Mr. Morris says that the Commission's proposals would provide for "new municipalities", and that a demand for a referendum would have to be made by at least 10 per cent of the residents of the new area. Socialist Simmonds had hoped that in the poll he ordered for Traralgon, the much bigger City vote would swamp the smaller Shire vote in favour of amalgamation, one of the enticements being that this would reduce rate increases, the Shire having much lower rates than the city. But sufficient City voters "saw through" the Government's trickery.

WORLD FARM CRISIS: Business Review Weekly (Feb 28, 1986) devoted its feature article to the world-wide crisis in agriculture. "The worst is yet to come and there is very little that governments can do about it," it said:

On the Beef front it went on: "... The European Commission's most recent projection of the exportable beef surplus in 1991 is ... 200,000 tonnes. The Bureau of Agricultural Economics says it seems "extremely conservative." Its view is that the figure could be more like 500,000 to one million tonnes, which was the Commission's projection before the introduction of milk production quotas in 1984 ...

Of dairy surpluses it said: "... Huge stocks held by EEC and US authorities are expected to dominate the international market for dairy products through-out the 1980s, even though both have introduced measures to reduce milk production ... EEC exports of main dairy products have more than doubled since the early 1970s, accounting for almost the entire growth of world market sales. Even so, the "butter mountain" peaked at 1.2 million tonnes 15 months ago ... The situation prompted huge sales at giveaway prices to Middle East countries and the Soviet Union in contravention of the minimum prices contained in the International Dairy Arrangement ... Though slightly embarrassed at the resulting fuss, the EC claimed that because the product was more than a year and a half old, it could no longer be regarded as "butter". It obtained an 18-month exemption ... allowing it to sell butter at prices below the agreed minimum of \$1000 a tonne..."

The article went on to say that Australia had only been able to retain its wheat market in Egypt by offering Egyptian students free university scholarships, and building three huge wheat silos (90,000 tonne capacity) free for the Egyptians. It pointed out that the U.S. currently has a stockpile of 48 million tonnes of wheat, equivalent to about three years' production in Australia.

"ON TARGET" is printed and published by The Australian League of Rights, 145 Russell Street, Melbourne. Subscription rate \$20 p.a. posted.