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The price of Freedom is eternal vigilance —

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THOUGHT FOR THE WEEK: "All government without the consent of the governed, is the very definiton of slavery." - Jonathan Swift.

THE COMING VICTORIAN CONSTITUTIONAL CRISIS: It is not surprising that the sudden return of Mr. Jeff Kennett as leader of the Victorian Liberal Party has been warmly approved by an overwhelming majority of Victorian electors. Victorians generally have probably suffered more than any other Australians over the past 12 months. With the whole nation in the grip of a deepening recession, non-Victorians may find this hard to believe. But there has been a combination of factors which has produced the Victorian situation.

First, as a highly industrialised State, there is the impact of the effects of the Hawke Government's policy of "internationalising" the Australian economy; second, there are devastating effects of the Cain Government's failure to prevent the Pyramid Building Society collapse; third, there has been the loss of hundreds of millions in Government-promoted ventures; and, fourthly, a Fabian-Socialist dominated Government has, in education and other fields, led Australia in introducing some of the most trendy and socially destructive programmes in Australian history. Even Labor officials at the grassroots level have expressed alarm at what has been happening.

The amazing January 4th Melbourne rally, triggered by the emotional call from Warracknabeal's Danny Johnson, was a measure of the pent-up frustration of Victorians. One of the most significant events at the Melbourne rally was the scathing personal attack on Liberal leader Alan Brown by one of the marchers, who asked Brown where he had been hiding for so long and in most lurid language charged that Brown lacked the courage (this is a polite "translation" of what was actually said) to force the Kirner Government to the polls immediately. Alan Brown was clearly badly shaken by this experience and did appear afterwards to be raising the possibility of the Upper House being used to force an early election. But as with the Pyramid disaster, it was former Liberal leader Jeff Kennett who was saying the type of things which Victorian electors wanted to hear.

Without directly challenging Alan Brown, Jeff Kennett made it known that he would not be adverse to blocking Supply in the Upper House, where the Opposition parties have a majority, in order to force the Kirner Government to face electors who, when they have a vote, will certainly annihilate the Labor Government.

Alan Brown, the "nice guy", son of a coalminer who had been a staunch Labor supporter, was elected to replace Jeff Kennett after Kennett did what most political observers thought impossible: allowed the battered Cain Labor Government to survive. Kennett's style and bad gaffes created enough doubt in the minds of the electors to enable the Cain Government to be returned with the flimsiest of majorities. But Alan Brown, and his backers in the Liberal Party, never managed to relate to the mood of the Victorian electors, who wanted a different type of leadership. And so Jeff Kennett, probably a little wiser and more matured, has staged one of those political comebacks which provide the political journalists with the type of material which fills pages.

But Jeff Kennett has a long haul ahead. First, assuming that he can persuade his colleagues to block Supply, this must inevitably result in a major constitutional crisis. Sections of the media will re-cycle myths about the Sir John Kerr affair and there will be an orchestrated campaign to discredit Jeff Kennett's "defiance of convention". Those promoting this view will almost certainly be supported by the State Governor, Dr. McCaughey, appointed by John Cain after he had forced the late Sir John Murray to resign in a most disgraceful manner. Sir Brian Murray was a traditionalist, disliked by the Fabian Socialists of the Victorian Government. Dr. McCaughey can only be described as a liberal and anti-tradition. He is on record as saying that he disagrees with the action taken by Sir John Kerr in 1975, arguing that the Crown's representative is to "advise and consent".

If Dr. McCaughey has not changed his views, it is possible to envisage a situation in which, in the absence of an Upper House support for Mrs. Kirner may well attempt to follow the Whitlam lead, and attempt to obtain finance to continue hoping that the crisis will result in Jeff Kennett and his colleagues losing their nerve. But irrespective of what happens, it is hard to envisage the Kirner Government surviving until the next scheduled State elections, late next year.

While we have little confidence that a Liberal-National Party Coalition can solve the basic problems confronting the State, we believe that the Fabian-Socialist Labor Governments have been so disastrous that there is no alternative but to demand that Mrs. Kirner goes as quickly as possible. Hopefully, the quick dismissal of the Kirner Government would start to ease the rot gripping the State.

Ironically, the Federal Labor strategists believe that the Kirner Government is such a political liability that they would prefer to see it replaced by a Kennett Government long before the next Federal elections, with a Kennett Government demonstrating that it has no answers to the State's problems. Jeff Kennett must not only strive to win government as quickly as possible, but immediately tackle the problem of the deeply entrenched Fabian-Socialist bureaucracy left by the Kirner Government. History has demonstrated that merely replacing one set of politicians with another set does not inevitably mean changes for the better.

However, whatever happens, it can be predicted with certainty that Victorian politics are going to be most interesting in the immediate future.

LESSONS FROM ABROAD: A survey of what is happening in other English-speaking countries shows that irrespective of the label of governments, they are all plagued with the same disasters. A report from Washington says that every part of the American economy now confirms that the U.S.A. is in recession. While Bush administration spokesmen are attempting to act like soothsayers, expressing the view that the recession will "bottom" shortly and that "recovery" will then start, other commentators are not so optimistic.

From the U.K. comes a report that not only is the recession deepening, but that it is expected to become much worse, with the almost heretical view that a Conservative Government will have to resort to deficit financing in an endeavour to overcome the crisis. The Canadians have discovered the hard truth that "Free Trade" has not solved their economic problems, but only worsened them. Swept to office with an avalanche majority, the Bolger Government in New Zealand provides chilling evidence of how a change of government can actually worsen an already serious situation. It is hard to name a government which has lost electoral support so rapidly as has the New Zealand National Government. Finance Minister Ruth Richardson is another dedicated devotee of "free market" economics. Reports say that she is backed by both the Treasury and the Reserve Bank.

The problem with the "Free Marketeers" is that they do not adequately define what they are talking about. Put in the simplest possible terms, a market is a number of people with money in their pockets. Unless there is adequate money in people's pockets, to buy what has been, or can be, produced, then how is it possible to talk about a "free market". The reality is that the more highly industrialised any nation becomes, the less adequate the flow of purchasing power to consumers over any given period of time. Financial inflation is the inevitable result of attempting to make the economic system work with debt finance. But the orthodox cure for inflation, one which has the backing of the International Monetary Fund and similar bodies, is the type of policies now being applied in Australia, New Zealand, the U.K. and the U.S.A. All four countries now have a falling

inflation rate, but the price is deepening recession. In an attempt to avoid major social as well as economic disasters, eventually there will have to be an expansion of more debt finance. This will result in further inflation.

In an era of computerised "smart bombs", is it not possible to operate an economic system in which individuals can always buy at a profitable price what they have produced, without either inflation or recessions? The answer has been known for over 70 years, when it was first demonstrated by the British engineer-economist C.H. Douglas, and was partially applied during the Second World War with a system of consumer discounts. The result was little or no inflation for years. Obviously there are powerful groups who do not want a solution; they want to exploit crises to advance a programme of centralised power on a global scale.

BRIEF COMMENTS: A retired physician, Dr. Trevor Lloyd Davies, and a theologian described only as Margaret, have claimed in the latest edition of the Journal of the Royal College of Physicians that Jesus Christ was more likely to have been resuscitated than resurrected. Needless to say, this view has resulted in expressions of scepticism and rejection among Christian Church spokesmen. We draw attention to the item merely to demonstrate how it is regarded as permissible to express doubts concerning the life and death of Christ, but that anyone who doubts the allegations concerning the gassing of six million Jews is violently attacked. It is a crime in Germany and France to express doubts about the Jewish Holocaust. Christians might ponder on the fact that the Jewish Holocaust is apparently more sacred than the life of Christ.

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The World Planners are not going to be too happy about the compromise agreement between Soviet leader Gorbachev and his arch opponent, Boris Yeltsin. In an attempt to retain his position, Gorbachev has been forced to make concessions to the de-centralist philosophy of Yeltsin, allowing for greater self-determination for the Soviet Republics. In order to end the wave of crippling strikes in the Soviet mines, Gorbachev was also forced to backtrack on proposed price rises and a new sales tax. Great historical moves are clearly being made in the Soviet Union. Gorbachev is demonstrating that he is the master politician, although his future remains far from secure.