



ON TARGET

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS

The price of Freedom is eternal vigilance —

Registered By Australia Post — Publication No. VBH 0999

Vol.27, No.21

June 7th, 1991

THOUGHT FOR THE WEEK: "There are several basic misconceptions about socialism which it is advisable to clarify before we go any further. The first of these is that socialism is about people, which is not quite true, as socialism is principally about power. The second belief is that socialist ideals and principles have grown out of the needs and sufferings of the humble and under-privileged. This is also wrong. Socialism is a bureaucratic system of authoritarian control, imposed from the top downwards, not from the bottom upwards. Most of its ruling hierarchy live pampered lives, far from the sweat of the factory floor, or the dust and bustle of the market place."

James Gibb Stuart, in The Mind Benders (1978)

FALL OUT FROM THE KENNETT OFFENSIVES: Jeff Kennett continues to dominate the headlines in Victorian politics. As we have said previously, Jeff Kennett is not our favourite politician. He is like a loose cannon rolling around the deck of H.M.A.S. Victoria, with no certainty where he might strike next. But he was returned to the leadership of the Victorian Liberal Opposition as a reflection of a widespread Victorian frustration concerning the Victorian Kirner Government. A number of factors have produced a deep public resentment of the Kirner Government and a degree of impatience with the low-key leadership of Mr. Alan Brown. The election of Jeff Kennett increased the anticipation of electors that they would be given the opportunity to censure the Victorian Labor Government. It should be noted that if a version of the Swiss constitutional system had been in place, electors would have had the opportunity to take direct action by recalling selected Labor Members of Parliament. But in the absence of such a mechanism, Jeff Kennett set about trying to force the Kirner Government to resign.

Now it is legitimate to express concern about Jeff Kennett's tactics, but they have been designed to channel the Victorian electors' feeling of frustration. The feeling of frustration is so deep that Kennett had to at least create the impression that he was doing everything possible to force an early election at which the electors might have a say. In principle, retrospective legislation is reprehensible. We pointed this out when the Fraser Government used retrospective legi-

slation designed to deal with alleged tax rorts. But it should be noted that Labor has on occasions used retrospective legislation, the Hawke-Keating Government thus using retrospective legislation to make major retrospective changes to the superannuation funds of workers.

Jeff Kennett's unorthodox tactics have produced some interesting and highly significant "fall out". As pointed out by James Guest, M.L.C., in a letter to The Australian on May 30th, retrospective legislation is reprehensible when the person it could affect is unable to do anything about it. But in the Kennett proposal concerning the loss of superannuation payouts, Labor Members of Parliament had the choice of avoiding the proposed legislation's impact by simply resigning. The whole question of superannuation payouts to politicians has at least been brought out into the open, with most of the public learning for the first time that they were making the biggest contribution. Responding to critical comments by Federal Liberal colleagues, Jeff Kennett said their reactions were "predictable", making the significant comment that "We have called into question the club-like atmosphere that exists in parliaments around Australia". It is this "club-like" approach which has produced until now almost complete unanimity among politicians on how to dip into the public purse. Members of Parliament do not have contracts of employment, as some are suggesting, but statutory rights to benefits they have fixed for themselves. Mr. James Guest, in the letter already quoted, says that "the last major improvement in M.P.'s. superannuation benefits were made retrospective, yet not a single M.P. complained". Jeff Kennett may have unwittingly brought into the public limelight the whole question of parliamentary salaries, superannuation and other payments by the taxpayers.

But even more significant is the threat by Federal Attorney-General Duffy to use the External Powers to quash any scheme concerning superannuation introduced by a Victorian Liberal-National Government. The Age of May 29th quotes Mr. Duffy as saying that the Federal Government would have to act because of its obligations under the United Nations International Covenant on Political and Civil Rights. This warning confirms what we have been saying concerning the misuse of international conventions to override the Federal Constitution. The issues raised by Jeff Kennett concern the electors of the State of Victoria. There has been much loose talk about democracy, but if there is any semblance of democracy left in Victoria, then the will of the Victorian electors should prevail, not some U.N. convention. This is a matter to which Jeff Kennett and his colleagues might address themselves. It should be made a major election issue.

It can be legitimately argued that Jeff Kennett is opportunistic and displaying a desire for instant power. But the clear mood of the Victorian electors is that they want to rid themselves of a Government which they believe to have been the most disastrous in the State's history. Should the Kirner Government use the all-powerful privileges committee to try Jeff Kennett, they will help to confirm the view that it is determined to cling to power at all costs, to increase those superannuation payouts just a little more.

The Opposition has, in our opinion, wisely decided not to consider blocking Supply until the Government brings down the main budget, by which time the Government will have served the minimum of three years required by the State Constitution. The Opposition should use its majority in the Upper House to block Supply, this leaving the Governor with no alternative to calling an election, which should be held by December at the latest. There is plenty of scope for constructive action by Victorian League supporters.

THE MONEY-STRUGGLE IN THE U.S.S.R. (from Jeremy Lee): We have previously reported on the intervention of the World Bank and the International Monetary Fund in the power-struggle between the Kremlin and the satellite States in the Soviet Union.

On May 8th, the Financial Review reported:

"The newly-established European Bank for Reconstruction and Development will play a selective role in helping the countries of eastern and central Europe adopt market economies and will focus its efforts initially on such areas as privatisation and economic restructuring... Senior bank officials have said that the E.B.R.D. intends that its offices in the area should become the prime sources of on-the-spot advice for governments in the region ... Initially, it will co-operate and co-finance projects with multilateral institutions such as the World Bank and the European Investment Bank....."

On May 16th, the Financial Review reported:

"Just when Soviet political leaders and economic officials had begun to express confidence that they were stabilising the administration of economic policy, U.S. officials claimed this week to have uncovered a "secret deal" between the Soviet President, Mr. Gorbachev, and the republics over revenue-sharing. The significance of this week's U.S. speculation is that if there has indeed been a "secret deal" to allow the republics to control the earnings from exploitation of such resources as coal, oil, gas, gold, diamonds, timber, grain and fibre, the central Government would lose the export revenues necessary to service its foreign debt. This would represent a dramatic reduction in the Soviet Union's capacity to meet the new credit commitments it is seeking and would undercut negotiations planned this week in Moscow for additional U.S. credits for grain imports ..."

By May 20th, the Financial Review, under the heading "GORBACHEV MAKES SECRET APPEAL TO G 7", reported:

"President Gorbachev has made a secret appeal to the Group of Seven leading industrial nations for extensive financial and technical support in return for a root-and-branch reform in the Soviet Union.

The plan was disclosed by Mr. Grigory Yavlinsky, a former deputy prime minister of the Russian Federation, who has emerged as an informal mediator between Mr. Gorbachev, the leader of the Russian Parliament Mr. Boris Yeltsin, and Western financial institutions. This unprecedented initiative, if followed through, would mean that economists from the World Bank, the International Monetary Fund and other institutions would directly work on the reforms with the Soviet officials.

Mr. Yavlinsky said he had drafted a letter from Mr. Gorbachev to the G-7 two weeks ago which proposed the integration of the Soviet Union into the world economy

Mr. Gorbachev is certainly walking a tightrope, while being shot at by a number of different groups; the "captive nations", and their spokesman, Boris Yeltsin, who want their own sovereignty restored; the old-guard red centralists, including the army, which appear to want a crack-down and a return to central dictatorship - and the international banking fraternity, represented by their cats-paw - the International Monetary Fund and the World Bank, who know it doesn't matter who the figurehead is in the Soviet Union so long as the bankers control the pursestrings. Gorbachev's actions indicate that money talks loudest. He should soon be eligible for another Nobel Prize ...

(end of Jeremy Lee item)

BRIEF COMMENT:

Defence documents released by the U.S.A. Justice Department security office revealed that the former President of Panama, now held in custody awaiting trial in the U.S.A., was "the C.I.A. man in Panama", controlling a \$U.S.11 million slush fund. Noriega, with C.I.A. backing, sent Exocet missiles to Argentina for use against British ships in the Falklands war in 1982. The documents claim that, in spite of the pro-British public stance of the Reagan Administration, the C.I.A. "was concerned that Argentina's forces ... would be crushed". The Justice Department deleted sections of the material covering details of Noriega's contacts with President Bush, who had been head of the C.I.A. from 1976-77.

THE CANBERRA DRAMA: As we go to press the Hawkeating "affair" has not been settled. Our comment is that both are political history, anyway, as Federal "Labor" is finished. There could well be an early Federal election.

"ON TARGET" is printed and published by The Australian League of Rights, 145 Russell Street, Melbourne. Subscription \$25 p.a.