



ON TARGET

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The price of Freedom is eternal vigilance —

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THOUGHT FOR THE WEEK: "The governance of men rests fundamentally on controlling their access to food, clothing, and shelter, and this control is most readily maintained (for the present) by control of finance, which in the modern world is almost the sole access to the means of existence which are available in abundance. The finance (income) which the individual requires for existence is, almost universally, available only through 'employment', which means that he must do what he is told to do for the most important part of his existence. Thus 'full employment' as an over-riding policy (it is common to all Parties) is a concealed form of slavery. Freedom, on the other hand, is freedom from this necessity made possible by the technological revolution. This sheer abundance, however, threatens the position of the controllers as the absurdity of poverty amidst plenty becomes ever more apparent. And their answer to this threat is, ultimately, the police-state, to which the increasing anarchy of 'democracy' is steadily leading."

- Dr. B.W. Monahan, in The Problems of Poverty

KEATING OUSTS KERIN AS LOW-INFLATION HERO: Former Treasurer Paul Keating yesterday claimed a large slice of credit for Australia's drop in inflation." - Herald-Sun, August 12th.

Now we know: the credit for Australia's 3.4% inflation rate is attributable to the Accord and the Keating economic policies. Paul Keating might just as well, whilst presenting himself with accolades, be given full credit for Australia's national 10% unemployment! This low inflation rate, the lowest for X number of years, will put Australia back in the Big Time. Just watch. According to Mr. Keating Australia is back in the big league, along with Japan and Germany. Well, we say that this is bilge, rubbish. The real reason for the low inflation rate is the recession, and there are many reasons for the recession, most notably the astronomical levels of Australia's overseas debt, upon which we pay out X hundreds of millions in servicing fees, which are ultimately pushed forward into costs and prices.

The greed of the banks in the eighties, again, blew out costs and prices, as they (the banks) literally were throwing bank credit at almost all and sundry. They are now nursing their wounds, in the form of "non-performing" loans. They aren't throwing credit at all and sundry now, in August, 1991.

The lower interest rates? Probably several reasons: a cautious move by the Reserve Bank to try to lessen the recession, and gently give some stimulus to the economy. Under the rules of the Money Game the Treasurer cannot drop interest rates too low, otherwise that foreign capital will "fly" elsewhere; not to Australia.

Paul Keating is unsure concerning Australia's unemployment rate: he's not sure if it will worsen before improvement.

We, ourselves, are quite sure. It will worsen before the arrival of any upturn. Paul Keating isn't sure about interest rates, either. They can always be brought down with realistic monetary policies, which the orthodox people would reject; but that's another story. Mr. Keating wants to "lock inflation in", and that will lower interest rates. Will it, indeed?

Our scenario is different: we have referred recently to the unemployment/inflation seesaw. It will operate in the future, as always. Unemployment UP/inflation DOWN, and vice-versa. Why? Unemployment stems from reduced commercial/industrial activity; and that means reduced cash flows and reduced cash flows mean lower inflation. We say that inflation is a "symptom" of the "normal" operation of our modern finance-economic system. We understand it in detail. History will decide who is right, and we claim that history is on our side. Yes, yes, the Communists used to claim that. But they were wrong, weren't they?

Property: We have mentioned in these pages only recently that there is a mini-recovery taking place in the private residential sector of the property markets. We predicted this months ago. We do not expect this to last: rather do we expect the residential property markets to tumble even further in 1992. We hope we are wrong, of course.

What we believe is happening is that the banks are funnelling credit for private housing from the commercial markets, which are in a state of collapse, into residential housing, but to highly approved borrowers. The estate agents are jumping up and down to "talk up" this mini-recovery, but many will be licking nasty wounds next year, if they are even still in the business. Public confidence is all the go: all must believe that recovery is well under way, now is the time to buy; you may never have this chance again! Buy now. You'll probably be very sorry if you fall for the sales pitch. They don't know anything about the underlying factors steering the economy.

Consumption Tax: This is a really Big Deal! The President of the Victorian Liberal Party, Mr. Michael Kroger, judges the Victorian delegates' vote, over the weekend, for Dr. Hewson's consumption tax,

as around "500 to 7". Does that make it right? Majorities who do not understand issues in detail are more often than not, wrong. The 493 Liberal voters were not voting on the "correctness" of the consumption tax; they were voting in favour of its implementation, correct or not.

We are sure that Dr. Hewson really believes that his consumption tax will lift Australia's economy out of the doldrums, and he and his Liberal colleagues will try to "sell" it to the Australian electorate. We say he's on a loser.

The consumption tax has proved most inflationary in the U.K., Canada, and, more recently, in New Zealand.

One sales pitch is that the consumption tax will "gather in" those taxpayers who are now escaping the taxman's net by way of various manipulations understood by clever accountants. Apparently all the loopholes have not been closed off, and probably never can be.

The "rationale" seems to be that those smart enough to beat the tax system as it now operates will be "picked off" by the consumption tax on that new Jaguar, the pricy French costume for Madame, those extra bottles of Scotch for that important weekend conference, etc., etc. How about the consumption tax on Joe Smith's more simple needs? It is not enough for Dr. Hewson to claim that less direct income tax will be claimed by the Tax Office: we say the ordinary wage and salary earner will be hit harder than he is being hit now. Mr. Eric Risstrom, of the Taxpayers' Association, has criticised the consumption tax strongly; and he has forgotten more about taxation than Mr. Peter Reith will ever know (Shadow Treasurer)!

Next Federal Election: First half of next year, 1992; more likely than not. Why?

Really, the Labor chieftains might think it smart to go for an election to take advantage of the Liberals' plight in selling their consumption tax. For heavens' sake: who wants another tax NOW? Another reason. Mr. Hawke could well knock off Paul Keating for keeps if he "led" Labor into yet another triumphant election: the all-conquering hero!

AND, another election triumph for Hawke could well strengthen his chances of being appointed, or voted, Australia's first President, in 2001. He wouldn't be too old, then.

The Scenario ahead: Our crystal ball isn't working at the moment. But, probably the 1992 Federal Election/probably an electoral win by the Federal Coalition - but a disappointing win/the entry into the Federal Parliament of a small number (maybe only 2-3) Independents.

THE ASIAN INVASION STEPPED UP (from David Thompson): According to a report released last week, the proportion of Asian-born people in Australia's migrant intake increased from 38% in 1988/89 to 47% in 1989/90. These figures, released by the Bureau of Immigration

Research, simply serve to confirm the view that selective immigration now clearly favours Asians over European migrants, and that it is a result of a deliberate policy to change the demographic face of Australia going into the next century.

Within this Asian immigrant category, the largest group came from South-East Asia (Vietnam, Malaysia and the Philippines), but the North East Asian category grew most dramatically. North East Asian migration (mainly from Hong Kong, China and Taiwan) made up only 3% of the programme in 1981/82, compared with 14% in 1989/90.

Comments from ACTU Secretary, Bill Kelty, that Australia will inevitably become an Asian nation also confirm the charge that the ALP and others propose to set policies to see that this occurs. As with republicanism, there is nothing "inevitable" about the Asianisation of Australia in the absence of a policy for this to take place. Kelty and others openly declare this vision for the future of the country, as did Mr. Bill Hayden when he was in Parliament. It is quite acceptable for such people to declare their vision, but it is quite unacceptable that others are bludgeoned into silence with the charge that their vision for the future of the country cannot be declared because it is "racist".

THE COLONIAL CRINGE MENTALITY: Predictably, Kelty's comment, coinciding with the figures on the migrant intake, has sparked a strong response. The ALP backbench Member for Kalgoorlie, Mr. Graeme Campbell, who has already warned of Brixton-style race riots, has described the Kelty comment "unmitigated rubbish", saying: "Australia is well regarded in parts of Asia precisely because it is not Asian. It is the non-threatening Western technology country ... Bill Kelty might like to see us as part of Asia, but I don't want my kids working for Korean wages. What Kelty is saying is that we are becoming a colony of Asia."

Others made similar comments, including Mr. Bruce Ruxton of the Victorian RSL, who called for a referendum on whether we should become an Asian country. Sydney broadcaster Mr. Ron Casey also rejects the vision of a Eurasian Australia: "I don't agree with that. I am not saying that I don't want Asian migrants, but I am against the presumption by leaders like Kelty that we have to become 'Asianised' politically to be accepted as trading partners. That is not logical, and is not on..."

THE MULTICULTURAL PRICE: The financial cost of the effort to force multiculturalism on Australians has been calculated in a study of multiculturalism which one reviewer called "a scathing attack on the policy, unlikely to be matched in its ferocity for some time". This refers to Stephen Rimmer's book "The Cost of Multiculturalism". According to Mr. Rimmer, the exact cost of multiculturalism is unknown, because massive public opposition to the policy in the late 1980s forced governments to institutionalise it - "by formalising the power of the multicultural lobby to monitor and influence policy formulation and implementation within the bureaucracy. Thus multicultural policies are determined in an undemocratic and secretive manner, by hidden committees and organisations..."

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