



ON TARGET

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS

The price of Freedom is eternal vigilance —

Registered By Australia Post — Publication No. VBH 0999

Vol.28, No.35

September 18th, 1992

THOUGHT FOR THE WEEK: "...Whether it be by accident or design, the world is moving from a financial tyranny which has both the elements of breakdown and has also been found out to another tyranny, a tyranny of administration.....the setting up of an entire State which can say, 'You shall do so and so'. 'You shall have such and such rations'. 'You shall live in such and such a house; you shall work such and such hours'. 'You shall be taught such and such things'. 'And any deviation from those laws which we lay down for you will be penalised by either starvation or by all the rigors of the law!'"

- C.H. Douglas (1934)

POLITICAL FERMENT IN NEW ZEALAND: Mr. Eric Butler reports from Auckland, New Zealand, at the conclusion of a lecturing and fact-finding tour of the South Island. This week he is in the North Island:

New Zealanders are astonished when told that after a short visit to New Zealand, Australian Opposition leader Dr. John Hewson and several of his senior Coalition colleagues have told Australians that the policies of the New Zealand National Government, including the General Services Tax (G.S.T.), have been successful and that Australia should follow down the same road on which New Zealand is travelling. The reality is that while Big Business and financial speculators, the paper shufflers, have improved their situations as a result of the "Free Market" programme initiated by Labour Treasurer Roger Douglas, and continued by the Bolger Nationalist Government, the standard of living of the great majority of New Zealanders has been steadily reduced. It continues to fall.

If Dr. Hewson and his colleagues had not confined themselves to the plush offices of Big Business and Government Ministers, and had gone out to meet with ordinary New Zealanders, they would, for example, have discovered that the pensioners have been so outraged by the Bolger Government policies that the Grey Power movement has developed into a powerful national protest movement led in some areas by former outstanding supporters of the National Party. I shared a platform in Invercargill with a Grey Power leader, standing for Municipal Govern-

ment on the Citizens' Initiative and Referendum (C.I.R.) policy, who had until his retirement been a widely respected businessman and strong supporter of the National Party. Like thousands of similar men throughout New Zealand, this man has left the National Party in disgust. He was critical of both Labour and National, observing that they were both following the same programme.

Also on the platform in Invercargill was Independent candidate Philip Jones, whose late father Norman Jones had represented Invercargill as a National Party member. Philip Jones was close to his father and grew up in the National party. But he has had enough of a party which is following in the footsteps of the Labour Party and "selling out" New Zealand. The debt structure continues to escalate under the Bolger Government as it did with their Labour predecessors. As at July 24th, total debt stood at \$62 billion, consisting of \$22 billion government debt and \$40 billion private debt. The official figures show that unemployment continues at over 11 percent, but the real figure is almost certainly higher. Like their counterparts in Australia, sections of New Zealand business organisations are complaining that they can not survive on the "level playing field" where they are threatened by a flood of cheap imports. During a survey of one supermarket in Richmond, I was struck with the large number of products from Communist China.

The growing political ferment throughout New Zealand reflects the widespread dissatisfaction with the Bolger Government's programme. Support for the C.I.R. concept continues to grow, even inside the ranks of the National Party. Forced out of the Bolger ministry because he publicly criticised the Bolger Government's programme, high profile National Party Member Winston Peters, from Tauranga, enjoys a public opinion rating far in excess of Prime Minister Bolger, who currently cannot score even double figures. The next New Zealand elections will certainly see a major fracture of orthodox party politics.

WILL THE OPPOSITION DESTROY ITSELF?

It is clear that opinion polls on voting intentions are now not to be trusted, as voters are either deliberately lying about their intentions, or using the polls as a "clayton's by-election" opportunity to savage Government and Opposition alike, knowing that such opportunities cannot actually change governments. However, the results from some of last week's polls are certainly of no comfort to Dr. Hewson's Opposition. At a time when the most odious of Governments should be politically dead - as all agree is the case with the Victorian Government - Keating's administration is receiving substantial comfort from the polls. It should be of the greatest concern to Coalition strategists that, although Labor's stocks are not rising, the Opposition's

electoral stocks are clearly falling. In fact, one poll even showed Keating to be the preferred Prime Minister! As ascerbic Senator Peter Walsh was overheard to remark of the Opposition, "the dopey b.....s could lose the election after all".

In a week when the weakness of Opposition alternative policies was further exposed, Malcolm Fraser made the telling point that the Opposition had permitted itself to become the subject of political controversy. The press is beginning to depict Hewson as a genuinely radical economic reformer. But this means that Hewson, by proposing radical change in a depression, is becoming increasingly regarded with uncertainty, even fear, by a nervous electorate. This is a tremendous dilemma for the Opposition. They have repeatedly committed themselves totally to the G.S.T., but failed to convince the electors. On the trade/protection issue, Hewson has locked himself into a radical position from which he cannot retreat. It is out of the question for the Liberals to replace Hewson, who now seems inclined to dig himself into a political bunker, and make his inflexibility into a political virtue of determination.

PRESSURE MOUNTS FOR CHANGE ON TARIFFS: Naturally, the Prime Minister is marshalling every political skill to exploit the Opposition's dilemma. To date, Keating has not been forced to sacrifice any policy positions to make political mileage. Ever with an eye for vanity, and determined to secure his position in history, Keating is resisting mounting pressure from groups like the A.C.T.U. to give ground on tariffs. He wishes to be remembered as the Treasurer/Prime Minister who successfully internationalised the Australian economy. Nevertheless, he is even more anxious to keep his job, and there is now a better chance that the A.L.P. will retreat on tariffs than will the Opposition. If it comes to a choice between his place in history and power, he will certainly choose power, taking his chances on opportunities to re-write history later!

CRACKS IN COALITION UNITY: An important feature of Coalition campaign strategy must be "discipline". As trade spokesman Ian McLachlan, a former Sheffield Shield cricketer, has remarked, a team divided loses. But while every effort is made to present a united front to a suspicious electorate, cracks are appearing already. In Victoria, back-bencher Ken Aldred, a man of considerable courage, has strongly criticised the "Rambo-like" approach to tariffs. In South Australia, Steele Hall is publicly warning that the tariff policy could destroy the motor industry - of vital importance to South Australia. Former National Party leader Ian Sinclair is publicly criticising Dr. Hewson for failing to "sell" the zero tariff policy, and Mr. Hendy Cowan, National Party leader in W.A., makes the same criticism over the G.S.T.

In addition to this, the Queensland Sugar Industry is still threatened

by tariff cuts, and the revelation last week that the North American Free Trade Agreement will give Mexican sugar-growers preference on the U.S. market increases pressure on the Opposition. The Queensland Nationals, while they did not have the courage to cross the floor and vote against Coalition policy on tariffs, are highly vocal. Dr. Hewson proposes to 'discipline' them in the Party room. Cane-growers must be sacrificed for "unity" with the Liberal Party.

In the present highly volatile state of Australian politics, enormous opportunities open up for innovative grassroots campaigners. The result of the next Federal election is becoming more uncertain. Independents could yet have a key role in the next Parliament.

EUROPE AND A WORLD CENTRAL BANK:

The French referendum this weekend could decide the future of the European Community as a sovereign political and economic entity. The French are being asked to support the Maastricht Treaty - effectively a "constitution" for a united Europe. A "yes" vote leads to European Monetary Union: the adoption of a common currency, and each country submitting to European "co-ordination" of their budgets, debt, exchange rates, bond yields, interest rates, etc. Even if the French narrowly vote "yes" as observers expect, there is rising resistance to 'Maastricht' in Britain.

Mr. Major must push a Bill through the House of Commons committing Britain to the Maastricht Treaty, against strong and growing Conservative Party opposition. Baroness Thatcher continues to campaign for a referendum, and one Midlands M.P. recently accused Mr. Major of running away from a debate and of a "major deceit". The British are under European pressure to raise interest rates, as the value of the pound is weakening.

According to Andrew Clark, reporting from Europe for the Sun-Herald (13/9/92), European financial markets were in chaos last week over doubts about monetary union. He reported, in addition, that "the \$US-deutschmark interest rate differential is now more than 6 percent. Last week Euromarkets (went crazy). Swedish interest rates catapulted to 75%, the Italian Government announced emergency measures, paving the way for a siege economy. Britain intervened to defend sterling, and Finland devalued its markka by more than 15 percent. All were reacting to the collapse of their currencies, and fears that the current structure, the German-led European Monetary System might collapse".

THE I.M.F. MOVES IN: In the European chaos, the International Monetary Fund has injected a new note. It calls on Germany, Japan and the U.S. to move toward "reform of the global monetary system" to bolster economic growth. The I.M.F. wants major changes in the U.S., Japan and Germany. In its annual report, it hints that these include overhauling the world's monetary system, in which market-driven changes in exchange rates should be controlled, and a new Bretton-Woods-type conference that could perhaps produce a world central bank. This, of course, advances the programme for international controls, and the establishment of the global financial dictatorship. The experience of Europe is merely a regional forerunner of what is envisaged for the globe.

Electoral Comment authorised by
Eric D. Butler, 145 Russell Street, Melbourne, 3000

"ON TARGET" is printed and published by the Australian League of Rights, 145 Russell Street, Melbourne. Subscription \$30 p.a.
Telephone: (03) 650 9749 Fax: (03) 650 9368