



A WEEKLY COMMENTARY

ON TARGET

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS

The price of Freedom is eternal vigilance –

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THOUGHT FOR THE WEEK: *"It is folly to put all your eggs in one basket."*
– Ancient Proverb.

THE QUEENSLAND POLITICAL REVOLUTION by Eric D. Butler:

If, as we were told a long time ago, confession is good for the soul, I readily admit that I was not quite accurate in my prophecy of last week concerning the Queensland elections. While predicting that the major political parties would experience a major electoral backlash, I was astonished by the extent of that backlash. Pauline Hanson's One Nation Party was the main beneficiary of that backlash, winning more seats than anyone anticipated. As these comments are being written, the composition of the next Queensland State Government has yet to be finalised, while an in depth analysis of voting figures has yet to take place. But it can be said without qualification that **all** the major political parties suffered electorally as a result of the anger of electors who feel that they have been betrayed by those parties. The National Party clearly suffered the most, a reflection of the deep sense of betrayal in rural Queensland.

As yet there is no evidence that the Queensland election results have affected Prime Minister John Howard's thinking concerning the timing of the next Federal elections. There is certainly no evidence that there are to be any major policy changes. A most important article in *The Weekend Australian* of April 13th-14th reveals that John Howard is not his own man and that he is committed to the implementation of policies which can only result in his political demise. *The Weekend Australian* report, entitled FIGHT BACK, is based upon an "exclusive interview" with John Howard by *The Australian's* political editor Dennis Shanahan, who writes that in the dying days of the Queensland campaign, John Howard and his colleagues were working on a strategy to undermine electoral support for Pauline Hanson's One Nation. The Shanahan article says that "Howard admitted to the difficulty of being in government in a globalised economy where there is a loss of sovereignty and a weariness with change, and (where) simplistic answers win the hearts of the hardpressed". John Howard is quoted as saying that he had no choice but to continue as he was. "There is always a discontent with the prevailing political establishment and somebody new always has some super-

ficial attraction. We are going through globalistaion; there is a lot of economic change. There are a lot of people knocked around by it and who feel threatened by it and I understand that."

John Howard said, "I am openly on a campaign to listen to and engage the decent supporters of the One Nation movement. I want to talk to them. I understand." These veiws were expressed before the Queensland elections, which clearly have had a most sobering effect on John Howard and his advisers. Initially National Party leader Tim Fischer indicated that he was jolted by the Queensland result, but later reverted to the "line" that while there would be some "fine tuning" of existing policies, there would be no u-turns. But several NSW National Party MPs are bluntly saying that there have to be some major changes on issues like multiculturalism. There is a growing grassroots revolt among National Party supporters everywhere throughout Australia. Victorian National Party leader and Deputy Premier Pat Macnamara is reflecting this result with his refusal to endorse Premier Kennett's anti-Hanson campaign. As in other States, the Victorian National Party leader knows that without One Nation preferences, the future is bleak for Victorian National Party MPs, both State and Federal.

While John Howard, Peter Costello and Fischer doggedly hold that there is no real alternative to the course they are following, they are accepting the philosophy of economic determinism which, they may be astonished to know, has been the basic philosophy of Marxism, a philosophy which is still prevalent in spite of the collapse of formal Communism. Australia's allegedly conservative political leaders are telling the Australian people that they have lost control of their own destiny. Which clarifies the basic issue now confronting the Australian people. A warning from the Wall Street international giant, Citibank, that Australia would be on a danger course if it turned its back on internationalism, is an indication of the type of international pressure being applied to the Howard Government. In attempting to make a decision concerning the next Federal Election, John Howard is caught between the proverbial hard rock and a hard place. The natural tendency of John Howard is to attempt to play for time on major issues. Thus the view of those who believe that Howard will leave making a decision on the elections until the last possible minute. But as Peter Costello knows, the effects of globalism, particularly in Asia, must increasingly affect the Australian economy. And the longer the delay, the greater the momentum of the revolt movement which burst on to the Australian scene last weekend.

The massive Queensland protest vote of June 13th is similar to the revolt which swept Paul Keating out of office. The Kirner Labor Government was swept from office by an electorate which had come to hate that woman sometimes dubbed as "Mother Russia". The protest swept the disastrous Kennett to office. If a Queensland Liberal Party poll exit survey is accurate, the great majority of those who voted for One Nation had little idea what were the policies of the Party. Clearly they were angry people who wanted to hit out against those whom they felt had betrayed them. In this type of climate Australia First leader Graeme Campbell, sidelined by the media which provided Pauline Hanson with millions of dollars of free publicity, could not expect to make much progress, although Australia First candidates performed with considerable distinction, making a contribution to bringing together a cohesive and informed movement which will play the decisive role as the real battle for Australia's future gets under way.

It will not be long before the grave deficiencies in the One Nation movement will become obvious as some of its successful candidates take their seats in the Queensland Parliament. What is

required at the moment is the long view of the Australian scene, with concentration upon quality rather than a quantity which is at the mercy of a sensation seeking mass media. This does not deny that Pauline Hanson has been a most successful catalyst for a major shift in the Australian political scene. There are several excellent candidates in the ranks of the One Nation movement. But the battle now unfolding is going to require far more ability than what is offering at the moment. I remain satisfied that in the long run, Graeme Campbell offers the most outstanding qualities required to provide Australia with at least a fighting chance of surviving the international war against nationalism.

DUMPING THE DOLLAR by David Thompson:

Although there is a temptation in Australia to "blame" the fall in the value of the currency on "global hedge funds", this would be a mistake. It is almost certain that the hedge funds – the jackals of "the market" – have taken the opportunity to profit, exacerbating the volatility of the Australian dollar, but the responsibility for the currency uncertainty is ours.

In an interview with journalists from *The Australian* when it became evident that One Nation would poll heavily in Queensland, Mr. Howard acknowledged the "difficulty of being in government in a globalised economy where there is a loss of sovereignty and a weariness with change". He is quoted as saying "Everyone would like to go out and graze for a few years, but we can't, **we have no choice.**" (*Weekend Australian*, 13/6/98 – our emphasis).

But this is a monumental cop-out, prompted by the brain-washing programme that has developed over the last 25 years in preparation for the present state of world trade, which is almost completely "globalised". The truth is that we did have, **and still have**, a choice about our economy and our trading arrangements. This is what sovereignty is all about.

It was never "inevitable" that Australia worship at the shrine of global finance. This was a choice taken first by Mr. Whitlam and never rejected by Mr. Fraser, when it should have been. It was embraced even more enthusiastically by Hawke, and then Keating. When his chance came, Mr. Howard meekly toed the correct "line", either out of intellectual laziness, political expediency, or a failure of courage to fight the battles that people like Pauline Hanson and Graeme Campbell are teaching him **can be fought**.

The deregulation of the Australian financial system was the white flag of surrender to "The Market". The fact that it was run up the national mast by Hawke and Keating is irrelevant now; Mr. Howard never contemplated lowering the white flag, and going to war with the internationalists. As a result, Australians have little control over the value of their currency.

The fact that Australian trade is so dependant on Japan and other Asian economies like Korea, China, etc., means that we are locking our domestic economy into the fortunes of these other economies. Now that Japan is in "recession", the American bankers are not confident that the Australian economy can quickly find new markets to replace those exports upon which our balance of payments depend. So they sell the Aussie dollar.

Although the Reserve Bank has so far used the first of the only two tolls left to protect our

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currency, it was quickly forced to retreat in the face of waves of selling of the currency. The Reserve spent \$4 billion buying our own currency on world markets, but could not stem the rout. The remaining tool that Mr. Costello claims will not need to be used is that of rising interest rates. Since he is adamant that it will not be used, Australians should prepare themselves for interest rate hikes. The first have been announced already. And the value of the dollar has not yet "stabilised".

FUNDING THE SNAKE-OIL: History may record that one of the greatest political contributions made by the Independent Member for Oxley was the demise of Prime Minister Howard's goods and services tax. Hanson has expressed herself as "against" the GST, with little explanation for her opposition, except that it is a burden upon small business and pensioners. In the end, her reasons may be unimportant, as the prospect of Mr. Howard and Treasurer Costello campaigning for a new tax in the kind of election environment that pervaded Queensland last week now appears quite ludicrous. The possibility of a similar environment in the next six months for a Federal campaign should horrify Mr. Howard. Unless he contemplates political suicide, Mr. Howard must somehow avert the prospect of campaigning on a GST.

Apart from an impossible electoral environment, Mr. Howard appears to be fashioning a rod for his own back with the programme for "explaining" the GST to the electorate. Press reports indicate that the Treasurer has invited advertising agencies to outline how they would prosecute a **\$10 million campaign** to convince us of the merits of the tax. This would appear to be political dynamite in the hands of a smart campaign director for the ALP, since the \$10 million is **our tax money** to start with. Why should we pay – not only involuntarily, but quite resentfully – for the snake-oil that will foist this new tax on us? This must be a gross misuse of public funds. If Mr. Costello and his Prime Minister propose to persuade Australians on the GST, let them do so in the Parliament or in press interviews, without tacking it onto our tax bill.

NERVOUS NSW NATIONALS: The State Conference of the NSW National Party has been nervously assessing the Queensland election result, in the full knowledge that it is an early-warning signal for them, as well as for Mr. Howard and Mr. Fischer. The NSW Government must face the electors next year, as the terms of office are fixed. The rout of the Queensland Coalition has emphasised the problem facing the NSW Nationals: their own Liberal Party Coalition partners.

The NSW Liberals were attempting to maintain the holier-than-thou line that One Nation must be placed last on every how-to-vote ticket published by the Party. Mr. Ian Armstrong, National Party leader in NSW, is of the opinion that this would wreak the same kind of destruction on the National Party vote in NSW as it has in Queensland. Better to place as much distance as possible between the Liberals and the National Party on the question of One Nation.

ERIC BUTLER TO ADDRESS MELBOURNE CONSERVATIVE SPEAKERS' CLUB
on Monday, July 13th. His subject: *The Significance of the Queensland Elections.*