THE HON. MEMBER FOR WANNON, MR. MALCOLM FRASER

The economic stresses on the Government and the problems which the Labor Party has always had because of the divisions within its ranks came to a head in Canberra this week.

The Minister for Defence, Mr. Lance Barnard, who has served in Parliament for 21 years, and who was the Prime Minister's loyal deputy for seven years, has resigned from the Parliament.

His decision has caused both a Cabinet reshuffle in Canberra and a by-election in Tasmania.

The country now has its third Treasurer in seven months. Dr. Cairns is not even being allowed to bring down a budget in his own name.

Mr. Hayden, who forced the Medibank Scheme through Parliament against the protests of the medical profession and of the States is not to be allowed to launch it.

Mr. Cameron, who was Minister for Labour for 2½ years has become, after publicised protestations, the Minister for Science.

The aim is to give the Government something of a new look as Parliament rises for the winter recess, and for the hard slog of budget preparation. But Mr. Whitlam has not succeeded in having new blood brought into his elected Cabinet, apart from one new man.

The changes are thus superficial - part of a progressive barn dance in which ministers and portfolios change partners while going around in circles.

There is no indication that the nation's fundamental economic problems are going to be overcome. These are unemployment and its cause, inflation.
These are the problems that have driven the Government to the wall. Is Mr. Hayden going to win the confidence of businessmen? He has certainly not won the confidence of doctors!

Mr. Cameron's pace-setters are already established policy. The wages spiral which he initiated by pushing up salaries for public servants beyond those of the rest of the community is still going.

The Government sought to give public servants a superannuation scheme with benefits which no other tax payer could hope to enjoy and this legislation had to be amended by the Opposition in the Senate.

The Government has not grasped the taxation problem. In fact, the Prime Minister calculated the systematic rip-off, which is what progressive taxation has become, into his campaign for office. It would not be necessary to announce an increase in taxation to pay for the Government's schemes because inflation and rising wages would lift ordinary wage earners into higher and higher tax brackets.

This is taxation by stealth.

Average weekly earnings which were $85 - $90 two years ago are now $150. Out of every extra dollar the tax payer pays out 50¢.

Today it takes 40¢ to buy a loaf of bread and $3.50 to buy a pizza. What was once the price of a sit-down dinner in a cafe, has become the cost of fish and chips wrapped in paper.

Everyone expects to pay more tax as income rises. But the amount of extra tax which is attributable to the progressive nature of the tax scales alone is for the tax payer on $150 per week, now $500 a year. This is where the deception lies.

This is what is financing the Government's extravagances and destroying incentive, stopping people from buying homes and turning a trip to the supermarket into a time of anxiety.

It is these pressures which are weighing down the Government as they weigh down the family. And it is these pressures which explain the events in Canberra with resignations, reshuffles and open protests from Dr. Cairns at his replacement.
Before the month is out the electors of Bass will have an opportunity on behalf of the rest of the country to pass judgment on the Government.

Although it is a by-election, the issues before the voters of Bass are the national ones of inflation, unemployment and governmental inefficiency and mismanagement.
Library Digitised Collections

Author/s:
Fraser, Malcolm

Title:
Bass by-election, Labor government

Date:
8 June 1975

Persistent Link:
http://hdl.handle.net/11343/40652

File Description:
Bass by-election, Labor government

Terms and Conditions:
Copyright courtesy of Malcolm Fraser. Contact the University of Melbourne Archives for permission requests.