VIETNAM CONSTANTLY EXERTS a growing influence on Australian national politics, as it does on international relations. The national debate continues; the national division grows deeper. All efforts to stifle, scare or divert the broad opposition movement have so far failed. Threats, new repressive legislation and arrests cannot intimidate the left and radical sector of the peace movement, nor does it succeed in dividing the movement. Quite the reverse; attacks on civil liberties only widen the movement and add new forces to the opposition, as the Queensland student protest dramatically showed.

The full consequences were not foreseen when the government blithely acceded to American pressure and first committed an Australian battalion. They could not believe that the National Liberation Front would be able to stand up to American might, or that massive bombing of the North would fail to crush the national will beneath a ruined economy and a decimated people. Maxwell Taylor, McNamara, Westmoreland—all promised new victory schedules. Australian troops would be a small sacrifice, watering with their blood the tree of the American alliance with all its imagined advantages in investment, trade and a special political relationship and military protection.

Stuck with that fatal decision, the government's position has gone from bad to worse, even though it won a sweeping electoral victory in 1966 by blatant exploitation of color prejudice, fear of Asia and jingo-type "patriotism".

McMAHON'S BUDGET pleased no one, not even the Liberal Party he so blatantly aspires to lead—least of all Bolte, Askin and other Liberal premiers. And the budget was largely pre-determined by the Vietnam intervention. Once launched on that slippery course, there could be less and less freedom of manoeuvre.

In six years military expenditure has grown from $406 million spent in 1961-62 to $1,118 million scheduled for 1967-68, an increase of 175 per cent. War spending now exceeds planned payments to the National Welfare Fund for social services ($1,071 million for this year). Welfare expenditure has in-
increased only 45% in six years—war consumption is increasing four times faster. Payments to the States, $1,347 million, has increased only 69 per cent in the six years despite the growing crisis in education, transport and other state and local government services.

McMahon’s budget must have been even worse—and politically more damaging—but for a certain low cunning in passing the buck to the states. Sir Henry Bolte has set a new precedent, a state income tax. It is magnificently impartial—one cent for every 10 dollars, whether the wage earner receives $2,000 or $20,000, and of course only on wages and salaries, not dividends, expense accounts or other perks.

It is only a tiny tax—so far. But the precedent is set. The tax will certainly stay—and as certainly rise. Other state budgets will certainly add new imposts to the big rises in transport and other costs already forced on most state governments by Canberra’s financial domination and the policies it pursues.

THE TREASURER’S CYNICISM was nowhere more evident than in his justification of the freeze on old-age pensions. Of all the failures to act on social services, this caused the greatest moral revulsion, all the more since the government has been so imprudent, inefficient and supine in face of the still-soaring price of the F111 and other American war equipment. The last has by no means been heard of this scandal, tied as it is to President Johnson and his Texan millionaire associates in General Dynamics. The increase in F111 price alone could pay for a substantial pension increase. The widespread criticism over the pension stayput was sharpened by prodigal spending on VIP aircraft, affronting the egalitarian ethos that still remains strong among Australians, even if it lacks social reality.

The budget underlines the need for a broad movement to demand sweeping reforms in education and in social services—adequate pensions, a national health service, and doubled child endowment (instead of the fraudulent and even insulting window dressing that begins at the fourth child).

This budget again stresses the need for the labor movement to advance and campaign for a new taxation system, tipping the class bias the other way. Taxation falls heaviest upon the working man, and McMahon proved this again by his “concessions”. Who pays $1,200 annually for insurance? Who gains most from increased dependents’ allowances?
Taxation is subtly devised so that the rich can evade taxes while wage earners cannot. Taxation evasion is a flourishing "industry", with accountants, consultants and lawyers earning huge fees for finding new loopholes. Indirect taxes are levied on necessities that rich and poor alike consume.

Perhaps the most glaring iniquity is the continued refusal of governments to tax capital gains. The huge field open for this form of taxation is revealed dramatically in the case of BHP and the oil finds. In a few months, wealth of BHP shareholders has almost trebled, and this extra wealth—coming from exploitation of a national resource—is completely tax-free. Compare this with the wage-earner who obtains a wage rise of $2 a week. Out of that, McMahon takes 50c!

The budget projects a whole range of economic, social, political and moral issues for explanation and action. No matter what levels of action, on whatever issue, all will be related to the Vietnam war, even if the relationship is indirect or even unseen by many who are moved to action.

The Budget speech itself had to refer to the dangers. It said:
Plainly we cannot for long continue to meet anything like the rate of increase of recent years without deep impairment of the economy . . . our mounting external defence costs are another and more serious aspect. Five years ago, our external costs of defence were well under $100 million a year. This year they could rise above $350 million . . . 11 percent, or more of our export earnings.

Yet the government is proceeding helter-skelter along the road to "deep impairment" of the economy, to still greater sacrifices of the urgent national priorities of education, social services and national development. Mounting external costs of war expenditure are the inevitable result of the general political decision to support United States imperialism, and the specific decision to join in its undeclared, unjust war against the Vietnamese people.

Cost of the Vietnam force is growing all the time. New US demands have already been served, and the policy of integrating Australia with the American war machine will continually escalate the costs of buying US equipment that is usually quite unsuitable for Australian defence.

Most US equipment the government buys—the F111 above all, but not only that—is designed specifically for aggressive action, not defence. The Pentagon has long been working on weapons and tactics against national liberation movements. The strange fruits of the massive "research" of those scientists, technologists,
and "thinkers" it draws into its service are already seen in Vietnam—napalm, lazy dog, anti-personnel bombs, chemical weapons and gas.

Australian purchases of US equipment is designed for aggression, not defence, aggression that is apparently endless since it is designed to stop the United States and its allies from "losing" Asia.

THIS IS A WICKED WASTE, since Asia never belonged to the United States and cannot be held by it. Western imperialism certainly conquered huge areas of Asia, but the national liberation revolutions that exploded in 1945 irrevocably ended that whole epoch. British, French, Dutch and other empires were overthrown and there is no possibility for a new American empire. Still less can the Australian ruling class aspire to impose their ideas upon its neighbours.

The Vietnamese people prove this every day, so clearly that more and more people call for an end to the war. Every new criminal escalation, justified because this will bring victory nearer, only calls forth new counter-blows and new defeats for the United States. The National Liberation Front is able to strike devastating military blows all over Vietnam, from the Mekong Delta to the 17th parallel.

Every effort of the Americans to legitimise the Saigon regime produces new contradictions and new problems. The farcical "presidential elections" could give only one-third of the "votes" to the Thieu-Ky team, and new political crises are inevitable.

The National Liberation Front has consolidated its political position. In mid-August, the Front held a national Congress from which a powerful appeal was made for national unity and salvation. In striking contrast to the Saigon regime totally dependent upon the Americans for its existence and unable to decide anything without US approval, the Front guarantees genuine national independence and a neutral South Vietnam while reunification is prepared in careful stages. It offers a place in the new Vietnam for people of all classes and beliefs who want to be free of foreign domination.

The NLF Congress appeal will find a ready response in many circles in South Vietnam hitherto only passively opposed to Saigon and the Americans. Significance of the NLF appeal lies in the timing of this important political initiative. The great strength of the NLF's position is its combination of political and military action. Such combination is impossible to the
Americans and Saigon, drawing its power from the genuinely national character of the Front and the fierce determination of Vietnam to be free and independent.

Recognition of the NLF is the essential condition for peace in Vietnam. This in no way detracts from the fact that unconditional ending of American bombing of the North would make peace talks possible, as Pham Van Dong and U Thant have both recently reaffirmed. This indispensable step would open the way to peace negotiations, in which the NLF would have to be a principal party. And indeed this is nothing but the reality which must be recognised—that the NLF does in fact represent the majority of Vietnamese in the South.

It is this reality which cuts through all the miasma of American-Australian official propaganda about Vietnam. It alone can provide rational explanation of the way the powerful United States is unable to achieve victory in an otherwise completely unequal war, whose odds are well expressed in a recent estimate made by the Institute of Strategic Studies. This estimates that the United States is spending $22,500 million a year, forty-five times the cost of the Vietnamese patriots' effort.

It is no exaggeration to say that Vietnam's epic of national liberation, already spread over a quarter-century, is one of the greatest in human history. The Greeks who defeated the Persians at Marathon and Salamis in a decisive war 2500 years ago were neither as outnumbered nor at such a disadvantage in equipment as is the National Liberation Front compared with the Americans.

RADICAL STUDENTS who made the symbolic gesture of support for the Front are expressing much more than the alleged "ratbag" wrong-headedness. They reflect a spreading recognition that the NLF do represent the people of Vietnam, that they cannot be defeated, that the American war—and the Australian part in it—is unjust, immoral and barbarous.

The Holt Government, placed in a sore dilemma, responded as usual, with more repression. Although the 1960 Crimes Act amendments had been passed with this type of situation in mind, Holt could not use them because the war was undeclared and because he was afraid to take the step of "declaring" Vietnam under the Crimes Act, to render it a crime even to criticise the Saigon regime, let alone support the NLF. Instead, new legislation was introduced specifically to deal with the students who had been derided as an insignificant minority.
A massive campaign was mounted to whip up feeling against the students—and the peace movement as a whole—on the grounds that Australian troops had to be backed up, even if there was wide national opposition to their presence in Vietnam. The official manoeuvre was definitely to create a mood of "my country, right or wrong". This has been a resounding flop, since the government is clearly responsible for the presence of Australian troops, and their casualties.

THE GOVERNMENT is specially vulnerable on a matter of national conscience, the oppressed and exploited position of the Aboriginal people. The face-saving manoeuvre of the Referendum has now given the power to the Federal Government but this is useless without the will. And this is notoriously lacking. In the Northern Territory, where Canberra has long had the power, exploitation, maltreatment and downright robbery of the Aborigines continues.

A minor but revealing "regulation" is that the Territory dental service precludes the use of local anaesthetics for Aborigines, and sets the daily quota of 100 Aborigines for each dentist visiting a mission.

The Aboriginal struggle is reaching new levels, and can force change if it receives enough support. The historic strike of Aboriginal stockmen is still having its repercussions. Aboriginal pastoral workers are now to receive equal pay, and the Gurindji are still demanding rights to their tribal lands occupied by Vestey's.

The stage is set for action, but the Government is concerned only with appointing a commissioner and deciding what to do. The time has arrived for action to force the Government's hand.

THE HAWKS STRIKE OUT in fury at their inability to suppress these movements, desperate at the exposure of the immorality of their position and erosion of their credibility. Their answer is to become more virulent, shriller and more hawkish. The logic of their position is best expressed by the not always logical W. C. Wentworth, who has extended his anathema against traitors from Communists, fellow travellers, the ALP and the trade unions, to his own colleagues, who support trade with China.
A much more influential member of the government soon showed that not only the unbalanced Mr. Wentworth was capable of such violence. Mr. McMahon opened the Liberal campaign for Capricornia with an intemperate attack upon Labor candidate Dr. Everingham. Using religious beliefs, or lack of them, Mr. McMahon pretended a spurious concern for unity of the labor movement that, he suggested, would be undermined still further if Dr. Everingham were elected. Trumpeting that this was all the more dangerous since national unity was needed more than ever, McMahon revealed the deep concern of the government for the national division that persists and deepens.

This division finds expression in unexpected quarters, including government parties. The Basic Industries Group still remains a deep source of division between Liberal and Country Parties, and there is not much doubt that Mr. McMahon and the extremist group around him have more than one finger in this pie. The political drift away from the government already evident as its policies become more openly reactionary and its administration more inefficient, will only sharpen these difficulties.

NEW POSSIBILITIES FOR CHANGE are evident in this fluid situation. The labor movement, with its potential and actual allies, can exert a decisive influence if an all-front political offensive is launched against the government. Such an offensive would necessarily hinge upon opposition to the Vietnam war, but would extend across the whole spectrum of issues, political, economic and moral, that confront Australian society today.

This needs a new labor unity, a new vision of the possibility of joining a united labor movement with new left and radical trends. It needs a new spirit of offensive of deeper challenges to modern capitalism and the contemporary expressions of its injustices, inhumanity, and underlying inability to meet human needs today. Some idea of the possibilities, and the problems of building such a movement were revealed at important national conferences of the labor movement held in August. The Federal Labor Conference and the Congress of the Australian Council of Trade Unions each expressed new trends, the latter much more strongly.

As expected, the Federal Labor Conference was a compromise. Mr. Whitlam and those forces supporting him (in the Party and outside it) obtained much less than the sweeping changes in foreign policy and organisation they demanded. Yet they
achieved something, and pin their hopes on 1969 to get more. On the other hand, the strong working class and trade union influence on the ALP was again demonstrated, and the left was able to keep the initiative in ideas and policy, at least in most cases.

The ACTU Congress, analysed elsewhere in this issue, was a surprise to many and a deep disappointment to the Establishment. Whereas the numbers seemed to assure a further move to the right, the outcome was an important re-orientation to the left. Many immediate and particular problems and issues were the direct levers for this change, but the deeper causes lie in changes in the workforce, in clearer understanding of the challenge to unionism from state-monopoly capitalism, and in revulsion from the poverty of ideas and lack of dynamism of the old-line reformist right. The trade union movement wants a new direction, a break out from the labyrinth of arbitrationalist legalities, a revitalised, modernised and militant unionism.

It would be a mistake to over-estimate the positive trends evident at both these conferences, yet certainly the most important task for the left is to use these as the springboard in mounting the new offensive against monopoly capital and its government on the industrial, political and ideological fronts.

THIS YEAR’S first issue of U.S. NEWS AND WORLD REPORT must have caused as much embarrassment at the Pentagon as Mr. Salisbury’s Hanoi Reports. Witness this passage from its analysis of the end-of-1966 position in Vietnam.

“U.S. prestige is suffering as a third-rate Asian country foils the earth's mightiest power ... In the steaming jungles and rice fields of this small Asian Nation, the world's superpower, the U.S. — today finds itself stalemated by relatively minor military forces of an elusive enemy. There seems to be little for the U.S. to show in the way of firm results after six years of escalating war”.

“The cost of this war to the U.S. already is immense and growing greater, with no victory—or even evidence of decisive progress—in sight”

IN AN ARTICLE published on October 2nd, 1966, concerning the C.I.A., reference was made to the magazine Encounter. As a result of a complaint from Encounter, we published an apology and paid its legal costs. In view of recent events, Encounter has now agreed to refund these costs to the Sunday Telegraph.

(The Sunday Telegraph, 16/7/1967)