



A WEEKLY COMMENTARY

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The price of Freedom is eternal vigilance -

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THOUGHT FOR THE WEEK: "Either an unemployed person is without work, because we are already producing sufficient without his services being required, in which case he is poor because there is an abundance of goods and services available. Or he is in want because the available wealth is difficult to explain away why his services are not being utilised to produce more."

— Crisis Report of The Southampton Chamber of Commerce
Issued during The Great Depression

THE MOUNTING WORLD ECONOMIC CRISIS by Eric D. Butler:

China's recent display of sabre-rattling against Taiwan was based on the belief that apart from a display of military strength, the U.S.A. was extremely unlikely to do much more. The Chinese can also afford to ignore expressions of concern among its Asian neighbours. The reason is very simple. The Chinese are well aware that the rest of the world is increasingly relying upon China to provide vast export markets. But why is China so important? The short answer is that China has an enormous population, certainly in excess of one billion, and is, in spite of a greatly expanded economy, still underdeveloped with the scope for massive industrialisation unprecedented in the history of mankind. A recent article from Japan by a financial "expert" says that, "The booming north-eastern corner of China has enormous potential for Australian exporters to piggy-bank on investments by Japanese and Korean companies, says Australia's general manager for Japan and Korea, Mr. Greg Dodds."

Australia's future as an independent European nation depends upon freeing itself from the internationalist myth that a world economic system can be successfully established. The writer recalls being in the South Korean capital Seoul when the first Korean-manufactured motor car rolled off the assembly line. When asked where the cars were to be sold, the Korean officials promptly said that it was hoped to export most of them. Now comes the news that Indonesia is moving into the car-manufacturing industry, while Malaysia is making much of the development of its industrial base. But the further the Asian nations, including India, industrialise the greater the pressure to try to increase exports in order to sustain domestic economies. Linked with the need, under orthodox finance economics, to export, is the expansion of unemployment resulting from technology. Tens of millions are currently listed officially as being unemployed in the European Economic Community countries. The social problems are becoming horrendous. At the last Summit Conference of the G-7 nations, the politicians and their financial bureaucrats were faced with a demand by the International Monetary Fund that they all expand their economies. The Germans are resisting any monetary expansion, pointing out that this would mean a reduction in their interest rates, and escalation of the dreaded

inflation. Faced with the possible collapse of their banks, and the economy, with resulting mass unemployment, the Japanese have decided on a mass public works programme, spending an estimated 200 billion yen. Housing will be one of the major targets of the economic expansion programme, financed at an interest rate of **less than 1 percent**. It is generally agreed that the Japanese have the "strongest" economy in the world, after the U.S.A.

Because the Japanese have maintained a basically homogeneous racial policy, they are much better placed than the U.S.A., now badly fragmented by multiculturalism, to minimise the inevitable disasters associated with economic expansion under debt finance. But they, like all Asian nations, are being increasingly locked into the growing attraction of the Chinese "miracle". Tensions must grow right throughout Asia as the Chinese economy expands, along with its formidable military machine. And where does this leave Australia? The further Australia is drawn economically into the Asian theatre, the more vulnerable it becomes to external pressures, including that of modifying its immigration policies.

There is a strong case for drastically reducing government bureaucracies throughout Australia, particularly where these involved the unnecessary duplication of State and Commonwealth services, but the privatisation policies of the Howard Government, following the lead of the Victorian Kennett Government, must substantially increase the level of unemployment. With even the banks now stating that technology makes it possible for them to substantially reduce their staffs, there is no way in which an increasingly centralised and, in public utility areas, a replacement of a public utility with an international monopoly, eventually being able to ignore consumers, can offset mass unemployment with all the horrendous social consequences. It is legitimate to ask why it is not possible for Australia to do something along the lines being followed in Japan. And if all Australians, including mothers, are not required to produce what Australians genuinely require, why cannot financial credits be made available to finance the lowering of the retirement age and to provide a social dividend for all those women who believe that they would be making a better contribution to the future of the nation if they could spend full time with their families. Not surprisingly, a comprehensive study has revealed what all commonsense people have known: that the overwhelming majority of mothers are only in the work place because of financial pressure. Australia's future depends upon the adoption of finance-economic policies reflecting physical realities. History is full of examples of nations disappearing as a result of policies defying reality.

ABORIGINAL AUDIT LONG OVERDUE by David Thompson:

The howls of outrage that have greeted the new Minister for Aboriginal Affairs' announcement of an audit of Aboriginal legal services are vibrant with hypocrisy, and those who have been "roting" the Aboriginal affairs purse for years are howling the loudest. The most outrageous thefts of public money will come to light if this investigation proceeds. Many suspicions of such have been harboured over the years, but to utter them in public would risk an accusation of "racism" or "paternalism".

One of those who has long been suspected of misuse of public funding is Mr. Paul Coe, of the N.S.W. Aboriginal Legal Service. It was Mr. Coe who took the trouble to go to the United Nations and demand recognition of Aborigines as a minority group deserving of international status, and requiring "self determination". The Aboriginal legal services have long been at the forefront of demands for separate statehood for Aborigines, and constitute an almost revolutionary wing of the Aboriginal activist "industry".

Mr. Coe has been accused of using the Aboriginal Legal Service (A.L.S.) solicitors in divorce proceed-

ings against his wife, while she had to fund her own legal advice. Coe's sister and uncle are both directors of the legal service, and records apparently show that they authorised payment to Coe without explanation or details of expenditure. In 1994 Coopers & Lybrand's audit of the N.S.W. A.L.S. found **\$1.2 million** in payments to Mr. Coe that seemed to breach the A.T.S.I.C. guidelines. In response, Mr. Coe has accused his own accusers of **racism**.

When objecting to an investigation of the misuse of public funds, Aboriginal Social Justice Commissioner Dick Dodson accused the Government of "paternalism", and dragging Australia back to the 1960s. The new Minister, Mr. Herron, has insisted on greater efforts at financial accountability, and that public money should be directed more to solving health, education and housing problems. Mr. Dodson responds with the ludicrous suggestion that **indigenous health cannot be improved without "land rights"**.

But there is no evidence that Aboriginal health, education or housing has improved after enormous slabs of land have been set aside for "Aboriginal" use under various land rights legislation, or the Native Title Act. In fact, with the huge sums of money that have been hurled at the Aboriginal "problem", little of substance has been achieved – except that the lawyers like Mr. Coe and various anthropologists and bureaucrats that feed on the Aboriginal "industry" have done very well indeed!

If there is to be any realistic attempt at "reconciliation", Aboriginal leaders themselves need to ensure that the massive public funds set aside for "Aboriginal" purposes actually do some good. Cries of "racism" at the least hint of criticism only reduce any chances of "reconciliation". One of the greatest mistakes of all has been to allocate money to "Aborigines", rather than to disadvantaged individuals, who can be required to exercise personal responsibility for the results.

The Aboriginal culture shows a natural bias towards collectivism, but this is no reason that taxpayers' funds should be wasted on a collectivisit system that **does not work**. It can almost be likened to Western aid to the Soviet Union – not only were most of the funds mis-spent, but those who the funds were intended to benefit never got the benefits. Instead, such funds were used to shore up a power structure that exploited those it was supposed to represent.

WHY BOTHER HOLDING ELECTIONS? *"Alexander Downer gave a speech yesterday which Paul Keating or Gareth Evans could easily have given, and the message was clear . . . Although he claimed to list a few differences of emphasis between the Coalition and Labor, in fact almost every line of Downer's speech . . . could have been delivered by Evans . . ."* Greg Sheridan, Foreign Editor, *The Australian*, April 12th, 1996.

It may be significant that Mr. Downer was addressing the Foreign Correspondents Association in Sydney, assuring "The Press" that one of their sacred cows – a close association with "Asia" – was in safe hands. With evident satisfaction, Sheridan, who has consistently exhibited a strongly pro-Asia bias, concluded with the comment that *"the new government is following almost exactly the same policies as the old. In foreign policy, that's a good sign"*.

It is quite obvious that Mr. Howard's Ministers, particularly Mr. Downer, have been careful to bend over backwards to reassure the politically correct who wield a powerful pen like Mr. Greg Sheridan, that they are not "racist". Downer's experience at the hands of the press when he was Leader of the Opposition has not been forgotten. His address to a League Seminar seven years previously was used to accuse him of "racism" and even "anti-Semitism", which a wounded Downer denied vigorously. "Image" is all, in politics.

But does the purification of Mr. Downer's "image" necessarily coincide with the best interests of Australia when it comes to matters of policy? There is no suggestion that Australia should snub its Asian neighbours, but perhaps, as we fall over ourselves to ingratiate ourselves with Asian countries, we might spare a thought for our other allies, who, after all, are not unimportant in matters concerning trade, military arrangements, or even cultural and historical relationships.

As yet, little has been done to convince Australian voters that they have a "different" government to that led by Mr. Keating, except the "form" of leadership. In the long term, the "form" is relatively unimportant alongside the substance. Will financial policies change under Mr. Costello? Will the Coalition remain mesmerised by "economic rationalism"? Will the external affairs power continue to be abused? Will Mr. Howard's domestic policies follow the example of his foreign policy: indistinguishable from the A.L.P.'s? If the substance of Mr. Howard's administration – *political policies* – turns out to be no different than that of A.L.P. administrations, then what is the point of holding elections at all?

Recommended reading: *The Third Wave – Australia and Asian Capitalism*, by Ted Wheelwright and Abe David. \$15.00 posted from all League Book Services.

HOWARD GOVERNMENT "WIELDING THE AXE": If the Prime Minister's cost-cutting exercise, which has sent waves of panic through the public service unions, is to be taken seriously, close attention needs to be given to South Australian Premier Dean Brown's suggestion last week. When releasing the agenda for the meeting between State and Territory leaders, Brown pointed out that many Federal activities duplicated services already provided by State Governments. If this duplication was eliminated, about \$300 million could be saved, according to Brown.

It is significant that Brown's estimates were based on duplication of services in only three areas: health, education, planning and urban development. The question is, which tier of government would give up responsibility for such functions? Federal Ministers will undoubtedly argue that a national approach to such issues would provide a more "efficient" service, and that the Commonwealth should exercise these responsibilities.

However, State Governments will argue the opposite. The truth is that **all the above services** are rightfully the province of the States. The Constitution confers **no responsibilities** on the Commonwealth in the areas of health, education, planning and urban development. Every one of these functions was exercised by the States long before the Commonwealth came into existence. A study of the architecture, for example, in Mr. Brown's capital of Adelaide, shows that the most attractive buildings in the city were almost all built **before Federation**. The same is true of the remaining colonial architecture in other cities. Is the Commonwealth claiming it could improve on this if it were to take over responsibility for urban development? Or planning?

To suggest that the duplication of services should be abolished is simply common sense. But to suggest that the Commonwealth, rather than the States should be responsible for State functions not only undermines the States, but hands over more power to Commonwealth bureaucrats isolated from the results of their efforts.