



A WEEKLY COMMENTARY

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The price of Freedom is eternal vigilance –

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THOUGHT FOR THE WEEK: "The world may be moving inexorably toward one of those tragic moments that will lead future historians to ask, why was nothing done in time? Were the economic and policy elites unaware of the profound disruption that economic and technological change was causing working men and women? What prevented them from taking the steps necessary to prevent a global social crisis?"

– Ethan B. Kapstein in the prestigious and influential bi-monthly publication, *Foreign Affairs*, May-June 1996

"BLACK HOLE" ECONOMICS by Eric D. Butler:

Last week confirmed the writer's view that John Howard would enjoy one of the shortest political honeymoons in Australian history. His proposed draconian gun control programme has resulted in bitter internal national divisions with the possibility that the Coalition Government will collapse as a result of a growing National Party grassroots revolt against many of the Howard Government's policies. Last week's Premiers' Conference provided further dramatic evidence of growing national divisions. The immediate cause of the division between the Commonwealth and the States was the demand by the Howard Government that the States make a substantial contribution towards the Commonwealth Government's alleged deficit of \$8 billion dollars – the much publicised "black hole" which the Howard Government claims that it discovered when it came to office. Talk of "black holes" is a manifestation of the type of black magic finance under which all governments, both Federal and State, operate. Federal Treasurer Costello, along with Prime Minister Howard, has bluntly said that the States must help to share some of the "pain" necessary for "gain". The reality is, of course, that the Federal Government and its economic gurus are demanding that the States and Municipal Governments either increase their taxes and charges, or drastically reduce their services.

The type of language used by the States in opposing the Howard-Costello package was like the kettle calling the pot black. Premier Jeff Kennett and his colleagues imposed a series of increased financial charges while cutting services – all allegedly designed to fill the "black holes" – budget deficits – they claimed to have discovered when they came to office. Because they are infected with the same virus of financial orthodoxy – including a worship of globalism and "privatisation" – the State are in no position to question Howard and Costello about their "black hole". They could make a start by asking just how this "black hole" of \$8 billion came about. Who created the alleged "budget deficit" in the first place? What was it spent upon? If it was borrowed from the Reserve Bank, then what interest

charges was it carrying? But perhaps it was borrowed from some other source than the Reserve Bank? And what does it really matter if the Federal Government runs on a deficit?

What is clear, and the Australian people generally are going to find this out very shortly, is that their standard of living is going to be further reduced. The Federal Government is using its centralised financial power to force the States and Municipal Governments to impose what is a deflationary financial policy. One immediate result is going to be greater pressure from the Trade Unions for increased wages. But as history has demonstrated, increased wages are merely a palliative. Trade Union leaders are also guilty of failing to face the question of credit creation and control. Australia is a wealthy nation in terms of natural resources. While its industrial base has been badly damaged by "economic rationalism" and internationalism, a reversal of present policies would soon see a national regeneration, with adequate basic requirements for everyone. No-one should live in poverty.

Unless present internationalist policies are reversed, mounting chaos and social disorder are certain. Is it possible that the internationalist power groups who have been primarily responsible for promoting economic rationalism, are themselves starting to realise that they have promoted a monster which could also devour them? It is generally agreed that *Foreign Affairs*, from which this week's **Thought for the Week** is quoted, is the journal promoting the views of the different internationalists like The Trilateral Commission. It is therefore not without significance that an article by Ethan Kapstein could appear warning that continuation of present policies are going to be disastrous. Kapstein writes that "The global economy is leaving millions of disaffected workers in its train. Inequality, unemployment, and endemic poverty have become its handmaidens". Kapstein fears that unless corrective policies are adopted, "Populists and demagogues of various stripes" will emerge.

National Socialism in Germany and Fascism in Italy were the major results of the Great Depression, a depression which only ended with the advent of the Second World War. For nearly 50 years the economies of the Western world were sustained in part by preparing for war against a Soviet Union which was being sustained by the Internationalists. The collapse of the Soviet created a changed, but not basically different situation. Yeltsin is the chosen agent of the internationalists as they pour massive credits in to Russia in an endeavour to bring the Russians into the global economy. The result has produced a regeneration of the Communist Movement, whose leaders now ironically call themselves nationalists urging a type of Keynesian credit expansion policy.

The world picture tends to confirm Ethan Kapstein's fears. A major international crisis is fast developing. By returning to its history's cultural, political and constitutional roots, Australia could, in the famous words of the great British Prime Minister Pitt, save itself by its own exertions and the rest of the world by its example. It would be the greatest folly to look to John Howard and his colleagues for salvation. They should be left looking for their "black hole" while the nation sets about creating an "Australia First" movement to shift them off the present disaster course.

GOVERNMENT BY PRESS RELEASE AND BULLET-PROOF VEST by David Thompson:

In order to prevent market exploitation of privileged financial information, governments have traditionally made budget decisions in strict secrecy, before announcing them to Parliament. Under the orthodox financial rules, budget decisions often penalise some sectors of the community to the advantage of others. When this occurs, Ministers and even backbench Members of the governing party are expected to then expend every effort to "sell" unpalatable budget decisions to their unfortunate constituents. The failure to properly represent the interests of constituents is usually excused (by politicians) as the necessity to place the national interest first.

The extension of this principle to other issues apart from budget decisions is a development of great significance. Last week the Treasurer, Mr. Costello, announced (with overbearing glee) that he had decided to withdraw sales concessions on motor cars from State Governments. This was essential in order to address the "black hole" in the budget. The Premiers were not consulted until the next day, when Costello was forced into an embarrassing reversal.

"Government by press release" seems to have reached its highest form in the Prime Minister's proposed firearms legislation. Again, this was simply imposed, and Ministers and backbenchers alike are expected to stump their electorates to 'sell' the Howard demands as being "in the national interest". But government by press release seems to leave something to be desired when the Prime Minister of Australia is forced to appear for the first time ever before Australian people in a bulletproof vest in order to "sell" his ideas, as was the case in Sale on Sunday. Surely this demonstrates something, even to Mr. Howard?

MAJORITY RULE: There is no doubt that Howard's appearance in Sale to "explain" his gun controls was a completely wasted effort. But a number of significant points emerged from the episode. First, it is quite clear that protesters in both Sale and Sydney care little for Mr. Howard's "fine print". They understand the principle: they aren't to be trusted by Mr. Howard. Mr. Howard can "explain" until he is blue in the face; he will merely further aggravate a bad policy decision.

Second, and even more damaging, a "**conservative**" Prime Minister demonstrates that he neither properly understands **nor cares about** the unique Australian heritage of representative government. When interviewed after the Sale debacle, Howard, obviously a little shaken by his reception, shrugged off the encounter as "democracy". This is democracy he said. "If my judgement of what is in the country's best interests turns out to be wrong at the next election, then so be it."

This is an incredibly lame approach from a Prime Minister. John Howard, who has been in the Parliament for over 20 years, cannot be unaware that Australia is not, technically, simply a "democracy". "Democracy" implies a form of majority rule in which the interests of minorities have to be submerged in "the national interest". This is not the Australian tradition of "a fair go". This is precisely why the Australian political system is based upon **representative government**. If "this is democracy" is the best justification Howard can make for the gun control fiasco, then he is condemned out of his own mouth.

The final significant admission that came from the aftermath of the Sale meeting was that Mr. Howard now reveals **why he will not back down** on gun controls. The reason that he will not shift from a hopeless position is that having cemented himself into position (by press release) he now believes **he would lose more by backing down, than by sitting tight**. This is the reason that "government by press release" is such a poor principle for making decisions. It is a principle of totalitarianism, rather than of the free society. That the general character of the Howard Government responds more to "government by press release" rather than representative government, is cause for alarm. The technique ignores any constitutional checks and balances on centralised power, and is the hallmark of the police state.

FURTHER DRACONIAN CONTROLS: In contrast to Mr. Howard's preferred method of government, those who oppose his dictatorial gun control measures are responding to their electorate. For example, the Federal National Party Member for Capricornia (Queensland) Mr. Paul Marek is defying the Party hierarchy. *"My employers – the voters – believe personal protection is a genuine reason to own a firearm . . . I will be voting according to the views of my employers,"* he said. Others, like Bob Katter and Mrs. De-Anne Kelly, take a similar view.

One Queensland State M.P. who also risks National Party wrath to represent his electors is Mr. Bill Baumann, from the Gold Coast seat of Albert. Following a fiery meeting addressed by Katter on the Gold Coast, it is clear that both Borbidge and Baumann felt the heat. Baumann now threatens to resign from the Party over the firearms issue, and sit with Independent Liz Cunningham. But the best Mr. Borbidge can do is whinge about public pressure in general, and Katter in particular.

The indications that the gun control issue can only lead to more totalitarian controls continue to surface. In the attempt to make hopeless regulations work, more and more controls on the individual are required. Mr. Lindsay Ford, Chairman of the Firearms Consultative Committee, said last week that mandatory jail sentences for owners of illegal firearms and a national "dob-in" campaign would be required to supplement the registration of firearms if the measures were ever to reduce firearms homicides.

Mr. Ford confirms that registration of guns is hopeless. Gun registration sounded a wonderful idea, but in practise it had led to few, "if any", crimes being solved, he said. He also confirms that it is not permit holders who abuse firearms and that most multiple homicides are committed by people who hold weapons illegally. Without draconian new penalties and the "dob-in" campaign, the vast numbers of illicit guns will never be accounted for. Howard appears to be prepared to opt for draconian penalties. He may be wise to keep his bulletproof vest.

SCUTTLE THE HONOURS FOR THE UNGRACIOUS: Like Mr. Martin Ferguson and Ms. Jocelyn Scutt, Susanna De Vries received a letter from the Governor-General's private secretary back in March, asking if she were able to accept an award in the Queen's Birthday Honours list. De Vries graciously accepted, probably in the full knowledge that the Queen had little knowledge of her existence up until that point, and that the award recognition by her Australian peers of personal achievement of benefit to the entire community.

Ms. Scutt, however, having accepted her Order of Australia (in writing) then proceeded to make a farce out of the recognition by refusing to accept it while Australia remained a monarchy. By grudgingly accepting her A.O. "on behalf of all the women before me who were never recognised for their work" simply compounds the farce, and delivers a patronising insult to almost all women as well. Does Ms. Scutt represent all women with her immature views on the monarchy?

Martin Ferguson's decision to accept his own award "because my wife talked me into it" is equally infantile. Ferguson also patronises his former colleagues and union members when he purports to accept an Order of Australia on behalf of "the union movement". Since when did the Queen honour "the union movement"? If Ferguson thought the union movement would benefit from an honour from the Queen, he could easily have applied to Her Majesty to patronise the movement with her Royal honorific: "The Royal Australian Council of Trade Unions". It is difficult to think of anything more ridiculous.

The truth is that the ties between the honours awarded on her birthday and the Queen herself are faint at best. The grandstanding in which Ms. Scutt and Mr. Ferguson have indulged is anything but honourable. Such behaviour degrades the honours for all other worthy recipients who have the personal grace to accept in the spirit in which they are offered. The behaviour of Scutt and Ferguson simply further enhance the view that the republican movement is riddled with petty-minded idealogues with inferiority complexes that are expressed in the ultimate form of cultural cringe. Unless we can revert to genuine imperial honours that mean something to the recipients, Whitlam's Australian Honours system should be abolished.