



ON TARGET

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The price of Freedom is eternal vigilance -

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THOUGHT FOR THE WEEK: *"A problem correctly stated is already half solved."* - C.H. Douglas.

ANOTHER FUTILE CONFERENCE ON UNEMPLOYMENT by Eric D. Butler:

Media commentators have lamented the fact that Prime Minister John Howard was not well enough to attend the special Federal Cabinet Meeting on unemployment. There is no evidence to suggest that Howard would have made any realistic contribution to what has been described as a most "difficult" problem. Reams of paper and hours of time on the electronic media have been devoted to predictions and suggestions being advanced by economic "experts" on what should be done about the situation. While the "experts" all offer a variety of suggestions, all couched in different forms of gobblegook, they are all agreed that any solution to unemployment requires "bitter medicine". But, of course, after having been forced to take the medicine, people will feel much better. Which reminds one of the Irish joke (no racial slur intended!) concerning the owner of a racehorse worried about high feeding costs who decided that the best way to deal with the problem was to condition the horse to living on a little less food each day. But later the horse owner complained that his horse was just getting used to the treatment when he died! Measured in conventional terms, the economic gurus are boasting about how their policies have reduced inflation to a new record low. Little or no reference is made to the soaring bankruptcy and suicide rate. Generally overlooked is that inflation statistics do not measure the decline in quality and quantity of many products. Those who use matches have noticed that under economic rationalism the quality of matches has declined as imported matches have replaced those which used to be produced by the Australian Bryant and May. Recently offered a "Mintie" sweet, the first time in many years, I could not help noticing that the size had been greatly reduced. These examples could be multiplied a hundred times. And official inflation figures do not measure a reduction in quality.

True science depends upon precise definition. Any alleged economic problems cannot be solved in the absence of a correct definition of the true purpose of a production system. If, as the economic "experts" say, the purpose of the production system is to create employment, preferably "full employment" then the solution is simple: scrap all labour-saving equipment. But if the true purpose of production is consumption, to meet the genuine requirements of the individual consumer, there will be a dramatically changed approach to the subject of employment, which is seen as a means to an end, not an end in itself. If the genuine requirements of the consumer can be provided with progressively less human labour, as a result of technology, then it is elementary that some other way will have to be devised to provide the individual with monetary incomes, than through what is termed "work". This observation creates problems for those whose approach to work is moral, not scientific. Over the centuries a number of distinguished Christian leaders have attempted to point out that work for

work's sake is not a true Christian objective. It is unrealistic to misinterpret St. Paul's statement that unless a man does not work, he shall not eat. St. Paul's statement had relevance at the time it was made. But St. Paul had never seen an automated factory with robots turning out production with practically no human labour. And it was Christ who made the more profound statement concerning the lilies of the field. The lilies grow with relatively little human intervention. St. Thomas Aquinas, along with others, grasped the truth that if work is correctly defined as the expenditure of energy, then an enormous amount of work takes place in the world without the expenditure of human labour. There is no realistic answer to what is termed the unemployment problem which does not clearly define the difference between ends and means. If work is defined as the expenditure of energy, then every footballer works much harder in a two hour game than his fellows engaged in a factory. There is a vast difference between the two forms of work; it is basically psychological.

This matter is not merely an academic question; the future of what is left of civilisation depends upon how it is approached. There is an enormous amount of production which could, with considerable real profit to the Australian nation, be undertaken. There is no doubt that some of the projects suggested, such as the building of a completely new national railway system, would in the short term have some effect on the present high level of official unemployment. But those advocating such projects do not appear to realise that with today's technology, large numbers of men are not required to build a nationwide railway system. The adoption of Keynesian-type economics, as currently advocated by Mr. B.A. Santamaria and others, would certainly ease some of the current social pain. But while this is being done it is essential that steps be taken to ensure that a volume of new financial credits reach the people outside the production system. Credits for consumption are required along with credits for production.

A number of steps readily come to mind. The following programme is suggested as a practical limited objective to shift Australia off the present disaster course.

- (1) Reduce the retiring age to 55 with an adequate non-means tested pension system.
- (2) Offer an expanded child welfare system to all mothers willing to leave the workforce to devote themselves full time to their homes and children.

The implementation of these two steps alone would make it possible for more young people to be engaged in the production system.

- (3) An expanded defence system with an apprenticeship system which would equip those doing their military training to be subsequently employed in private industry. Vast social as well as economic benefits would result.
- (4) Adequate protection for all Australian industries which can readily produce what Australians need.
- (5) A major investment in conservation projects which would make it possible for all farmers to participate in such projects without a loss of financial income.
- (6) A tightening up on all those foreign investments into Australia which undermine Australian industries.
- (7) A reduction in immigration and a closing down of all multicultural schemes financed by the Australian taxpayers.
- (8) Young Australians who refuse to co-operate in the suggested programme should have their welfare payments reduced.

The suggested programme will not solve immediately all of Australia's problems. But it would start to shift Australia off the present disaster course. And it would provide hope for the futures.

STATES BOUND TO CANBERRA'S CHARIOT-WHEELS by David Thompson:

The recent High Court decision striking down the N.S.W. tobacco franchising fees has created an urgent dilemma for the States. The Court ruled that the State taxes were unconstitutional, and could only be levied by the Commonwealth. Deputy Prime Minister Fischer seeks to emphasise that **this is the States' problem**, not the Commonwealth's, but the truth is that this is a national problem.

The decision effectively means that the States have instantly lost something like 20% of their revenue base, which must be recovered somehow. The Commonwealth's offer to collect the tax for the States, and then distribute it to them is an extremely messy answer, because the Constitution insists that the Commonwealth treat the States equally. So Canberra must collect, say, fuel tax at an identical level in each State, even although Queensland levies no State fuel tax. In Queensland, the fuel taxes collected by Canberra must then be repaid to the fuel retailers. Messy.

However, the longer-term implications for the States are much more significant. The High Court decision **again** confirms the general drift of powers from the States **to the Commonwealth**. Federal politicians are saying that the Court's decision was not something that they welcome, because they are faced with sorting out the mess. We can be assured that they will "sort it out" in a way that continues to centralise power in Canberra.

CANBERRA'S "SOLUTION": It is almost certain that the Howard administration, searching for any excuse to introduce G.S.T. as soon as possible, despite pre-election promises not to do so in the first term, will seize upon the High Court's decision. Only the G.S.T. can solve the problem, they will argue. The decision is out of our hands, they will plead. It's the High Court's fault, they will say. The W.A. National Party immediately called for a G.S.T.

Canberra's answer, however, is no answer at all. It does not solve the States' primary problem, which is **not a financial problem**, but **a problem of the balance of power**. If this question of the balance of Commonwealth-State powers could be properly resolved, then the States would be able to solve their own financial problems, and accept responsibility for whatever measures they take. The power imbalance emerged almost immediately after Federation. One of the "founding fathers", Sir Alfred Deakin, issued a prophetic warning in 1901, saying that the Constitution left the States *"legally free, but financially bound to the chariot wheels of the Central government . . . Our Constitution may remain unaltered, but a vital change will have taken place in the relations between the States and the Commonwealth. The Commonwealth will have acquired a general control over the States, while every extension of political power will be made by its means, and go to increase its relative superiority"*.

This is exactly what will result from this High Court decision, because the States have no mechanism with which to protect themselves. The G.S.T. is no solution at all, because even if it merely replaces existing State excise duties, the financial dominance of the Commonwealth is further confirmed.

NO INDUSTRY POLICY – CRISIS OF CONFIDENCE: A number of private surveys have emphasised what is already known by those who work at the grassroots of Australian politics. But the intellectual and political "elites" have been shocked to learn that Australians, in general, have little confidence in economic and industry policy.

The A.N.O.P. polling company has found that there is a strong conviction that Australian manufacturing is in its death throes, and that parents fear for their children's futures. The report of this study says that "the community kneejerk reaction to the issue of tariffs is to freeze or increase them as it believes that there is no international playing field".

This A.N.O.P. survey identifies strong community support for other recent reports which call for a more interventionist industry policy in order to protect industry and increase employment.

Yet another study, commissioned by advertising agency Clemenger, identifies increasing resentment about political changes, a deep concern about the inequalities, unfairness, and betrayal of trust in society.

Both reports echo the points made repeatedly by people like Australia First leader Graeme Campbell, who claims that the party which has the best industry policy, will become the "natural government" of Australia. The A.N.O.P. report, commissioned for the Metal Trades Industry Association, reveals that Australians are fully aware that manufacturing is moving offshore and raw material and ideas are leaving the country for little return. "Despite these negative perceptions, manufacturing is regarded as being vital to Australia's economic growth and health. The community is calling for a revitalised manufacturing industry, particularly in provincial Australia. However, the community judges that the reverse is happening and sense that manufacturing industry is at 'make or break' point."

All these reports do is tell us what we already know. Graeme Campbell and Pauline Hanson have been talking about it for more than a year. The real question is, **what is to be done about it?** Why have such sentiments eluded press and politicians for so long? Is Mr. Howard listening? Are his trade and industry ministers (Fischer and Moore) interested? Or will they blindly hold to suicidal policies until the electorate revolts? We might not have to wait long to find out.

FRENCH FIREARMS LAWS: One point of serious concern that emerged from the W.A. State Seminar was that of the right to self defence with a firearm. The new national firearms policy leaves no room for this, regarding the ownership of firearms for self defence as unnecessary, and even dangerous. French gun laws, however, are vastly different. *The Australian Shooters Journal* (August 1997) published the following: "*In France, on a firearm certificate renewable each five years, the private citizen is allowed to have one fourth category handgun with fifty cartridges for home defence, pursuant to a police background check. This can be in any non-military calibre from .22 to .44 Magnum. The handgun cannot be moved outside the house. Sometimes a second handgun is allowed for a secondary house.*" Last month State police ministers rejected any changes to the draconian new Australian gun laws. In fact, they also agreed to support new laws under which health workers other than doctors could inform police when there was doubt about a person's fitness to own or use firearms. There was no report of any discussion about what might be done to protect people from incompetent or poorly-qualified health workers.

THAI KING TAKES A HAND: The recent financial uncertainty in Thailand again illustrates the influential role of monarchy. As the Thai financial system began to unravel, with a "run" on Thai banking institutions, and International Monetary Fund intervention, King Bhumibol Adulyadej called in the Prime Minister to account for the chaos. The King's intervention in political matters is rare, but when he does intervene, as he did in the 1992 riots, in which the army was brutally putting down student protests, such intervention is decisive. In that case, the King forced General Suchinda to resign, and hold an election. The fact that the King is prepared to call upon his prime ministers to account for their actions makes him one of the most effective monarchs in any functioning "democracy". It also makes him one of the most popular monarchs in the world, since his subjects are aware that their sovereign represents **their sovereignty**, and regards it as important.

ASIAN GAMBLING PROBLEMS: Last week's reports in *On Target* concerning the strong influence of Asian gamblers on various casinos is confirmed by subsequent reports. According to press reports (*The Weekend Australian*, 9/8/97), Angela Chan from the Ethnic Communities Council of N.S.W., heavy gambling among Asians was largely anecdotal. However, research for the Sydney Harbour Casino shows that 60 percent of its clientele is Asian. It is estimated that people of Asian origin contribute at least half of Sydney Casino's annual revenue of \$400 million. A Sydney Harbour Casino spokesman said that there were "clearly more patrons of Asian origin than there were people of Asian origin in the community". As yet, no answers have been put forward to the problem of Asian gangs predominating in increasing crime in the vicinity of casinos. Perhaps this is another of the unforeseen "benefits" of multiculturalism.