A WEEKLY COMMENTARY

ON TARGET

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The price of Freedom is eternal vigilance -

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THOUGHT FOR THE WEEK: *"Rightness in politics and economics will not be achieved until the scope, function and authority of human law is resolved. An eminent lawyer, Professor R.W. Chalmers, has succinctly stated the issue: 'Upon that difference – whether or not we place Divine Law in the last resort above the law of the State – depends the whole future of the world.'"*

Quoted by Eric Butler in ***The Essential Christian Heritage***

THE BIG JAPANESE GAMBLE by Eric D. Butler.

The Governor of the Reserve Bank, Mr. Macfarlane, says that Australia could not avoid the effects of the current Japanese credit expansion policy. There will be lower economic growth and slightly higher inflation. Needless to say, the Governor did not explain why the growth of the Australian economy should be affected by what has been described as "Japan's $186 billion gamble" to attempt to stimulate a depressed Japanese economy, currently described as the second largest in the world. Japan has been under growing international pressure for some time, to "liberalise" its economy as a major contribution towards overcoming a deepening international depression. The Japanese have been resisting the international pressure, insisting that the proposed liberalisation would merely add to their own domestic problems. They are, of course, correct, simply because the "globalisation" of the world's economies results in the policies of all nations being affected by the policies of other nations. There used to be an observation that when Wall Street developed a cold the rest of the world caught pneumonia.

The Japanese economy has been suffering its first major depression in 24 years. Prior to this Japan was hailed as having created a "miracle" economy. Like the West Germans, who suffered a crushing military defeat and a massive destruction of its economy, the Japanese were helped back on to their feet by the military victors. There was tremendous scope for reconstruction. The god of "growth" could be pursued with relatively few problems. But the problems were there, even if deep-seated, as pointed out by the more perceptive commentators. Under the system of debt finance, growth can only be achieved by expanding debt. The massive expansion of domestic debt in Japan was masked by the nation's success in the field of exporting. Japan's achievements in the field of exporting enabled it to build up massive export credits which were then invested in other nations. The story is told of the former Japanese soldier turned successful Japanese businessman saying to one of his colleagues, as they acquired more Australian assets, "This is a far easier way to expand the Japanese Empire than fighting one's way through the jungles."

As pointed out in a long suppressed report by the Southampton Chamber of Commerce, at the height of the Great Depression, the policy of attempting to solve internal problems by striving for a "favourable balance of trade" – exporting more than was being imported – could only lead to trade conflicts between nations with the end result being military conflict. There has been growing conflict between the USA and Japan concerning trade, with the USA insisting that the Japanese must make it easier for other nations to export into Japan. While it is not quite clear as yet how the Japanese government is going to finance the proposed budget stimulation, it is certain that it will mean a major expansion of the Japanese money supply. There are to be big handouts for science, education and environmental projects, all designed to increase, if possible, domestic spending. American policy makers are demanding bigger tax cuts than the Japanese are prepared to implement – at least for the time being. But a senior financial analyst says that even if all the emergency measures proposed are implemented the Japanese economy was basically a "write off" for the rest of the financial year.

Responding to the demands of the internationalists that they do more to assist their fellow Asian nations like Indonesia, the Japanese are quoting impressive figures to support their claims that they have made the major contributions towards helping out the failing "Asian tigers". Crushing debt is the major factor in the Asian "melt down.

None of the "experts" discussing the Asian situation are attempting to outline how the debt problem can be constructively handled. It is true that in Japan, as in all Asian nations, billions of dollars of debt have been written off, but this is merely bandaid treatment which does not deal with the core of the problem if there are short term winners under present finance-economic rules, there are long term losers. It is significant that there have been major increases of Australian imports from the Asian nations with the worst economic problems, who are attempting to overcome their problems by lowering the prices of their exports. But all the juggling in the world cannot alter the basic cause of a deepening crisis. In spite of their promises, the Japanese are being told by the internationalists that they are not doing sufficient to halt the collapse throughout the rest of Asia. Robert Rubin of the American Treasury Department has bluntly told the Japanese that they must spend far more than they are proposing. It can be predicted with certainty that if Japan attempts to do what the internationalists are demanding, there will be a political and social revolution in Japan. As these notes are written, Indonesia totters on the brink of such a revolution.

But, in spite of all the evidence of growing disaster, the various "experts" are insisting that everything will turn out well after the necessary "reforms" have been imposed by the International Monetary Fund. Former Australian Prime Minister Paul Keating has no doubt that Indonesia will come through the present crisis. ***The Age***, Melbourne, of March 24th, quotes Keating as saying that while there were problems, Indonesia has been too severely punished by the IMF. Australia, says Mr. Keating, must stand firm with Indonesia. Keating offers little that could be termed practical. But, in spite of the fact that attempts to integrate the Australian economy with the Asian economies have been disastrous, Paul Keating says that "Australia must have a deep and continuous commitment to Asia". Australia as a nation must, of course, work towards developing the best possible relationships with its Asian neighbours. But this cannot be achieved unless Australia puts its own house in order and demonstrates that as a sovereign nation it has solved its own problems. The first and major step must be a break with the deadly philosophy of internationalism. Every step towards internationalism is a step in the wrong direction. Right around the world centralisation is proving disastrous. But every new disaster results in a call for still more centralised power. Prime Minister John Howard envisages another Asian "economic miracle" with Australia the "Big Apple" of the Asian region!

One "expert" on Asian affairs, Greg Sheridan of ***The Australian,*** says that "Asia desperately needs Japan to become a leader". But for over a quarter of a century, Japan has been held up as the leader pointing the way forward. Now we are told that Japan has let everyone down. It was the great Chinese sage Confucius who said that it was no use running harder if you were on the wrong road. Some of us have tried to warn about blindly following the Japanese lead. At a recent New Zealand conference, Sir Alan Walker, former economic adviser to British Prime Minister Thatcher, claimed that the crisis in Japan was such that only massive and radical reform could save the nation. This would entail privatisation, shut downs and unemployment on a scale never previously seen in Japan. Such a development would create global shockwave, with a worsening of the whole Asian situation. The globalists have reduced Australia to a situation where over 20 percent of Australian exports go to Asia. The time is short for Australia to take the same step of starting to retreat from an Asian trap which could spell the end of Australia's independence. Unlike Japan, Australia cannot afford to gamble with its future. NOW is the time to end a gamble doomed to failure.

PRIVATISING REPRESENTATIVE GOVERNMENT by David Thompson:

The sale of the rest of Telstra should not have come as a surprise to Australians; under the philosophy of economic rationalism in a global economy, everything is for sale sooner or later. It is simply a matter of how far governments dare to go in the face of community resistance, and how good their propaganda machinery happens to be.

While originally the 'privatisation' of the power system seemed novel, we have known of private telecommunications systems in countries like the United States, and privatised water and sewerage systems elsewhere for many years. Although foreign to our traditions of public infrastructure being in public hands, it does appear possible to make such innovations work, even if the emphasis shifts from serving consumers to satisfying shareholders.

But a number of other privatisation attempts are much more alarming. It has been suggested that the defence services can be privatised, as can many aspects of the police forces and even the prison systems. Recent news of riots and lock-outs in a private Victorian prison have drawn attention to private prisons in Australia. Again, private prisons in the United States are not new. In fact, as the United States increases the pace of "globalisation", reaping the 'benefits' (unemployment, social service dependency, crime, etc,) has led to new growth industries, as the politicians promised that it would. Except the new growth industries are in areas like household security, law enforcement and private prisons.

Statistics from the United States indicate that a new record has been achieved in prison populations. There is now ten percent of the male work force in US prisons, a staggering figure that is made up mainly of black inmates. No wonder the construction and running of private prisons is a growth industry. Australia is obviously attempting to catch up to the US as fast as possible.

One attraction of owning and operating a prison is that is provides a 'captive workforce', which can be paid extremely low wages with little prospect of resignations, strikes or pay disputes. In the US, most prisons are used as industrial 'sweat-shops', much to the frustration of legitimate business, which has no hope of competing with the low-wage prison work-force. Thus, as the US globalises, the unemployed pass through the New World Order processing works.

First they go onto social security (if they qualify, if not, proceed straight to step two). Next, boredom or poverty tempt the new underclass into crime of some sort, which brings the law enforcement and court services into play (privatised or not) which leads eventually to prison. Here, the victim is put back to work again, except that he has no say in conditions, wages, hours, etc. at all. The franchisee of the prison might even be a company for which the victim previously worked, if it managed to survive!

DISCRIMINATING AGAINST MULTINATIONALS: The only real question in the new era of rationalist economics is how far it can eventually go. The ultimate is to privatise representative government itself, which means the formerly sovereign nation can go directly from 'freedom' to the national concentration camp in one quick move. This is really what can be achieved by the Multilateral Agreement on Investment (MAI). It has been described as "the new constitution of the global economy", or as a "bill of rights for the multinational corporation".

The fact of the matter is that many multinationals (even apart from banks) have budgets that rival those of nations. In his "Triumph of the Past" (March 1998) Michael Lane notes that General Motors now has a bigger budget than the government of Denmark; Toyota surpasses Norway, Wal-Mart tops Poland, Ford exceeds South Africa, Mitsubishi and Unilever outsize Indonesia and Vietnam. The hundred biggest economies in the world are now equally divided between businesses and governments.

The problem confronting the multinationals is that where governments still retain some shreds of sovereignty, they can discriminate against multinationals. This is obviously 'unfair', so the OECD is negotiating the MAI to eliminate the discrimination of nations against multinationals. The negotiations for the treaty began in secret in 1995. But this is not when the process really began.

Right back in 1976 (the year after the Lima Declaration was agreed by UNCTAD) federal parliament launched an inquiry into the implications for Australia of the New International Economic Order. The report of the inquiry in February 1980 discussed the conflict of interests between transnational corporations (TNCs) and sovereign nations. It notes that the UN had formed a 48-member Commission on Transnational Corporations in 1975, (of which Australia was a member) to form a conde of conduct for TNCs. At about the same time, a Code on Multi-National Enterprises was being formed by the OECD.

Later in 1980, the Minister for Foreign Affairs, Mr Peacock, delivered a speech in which he referred to the conflict between TCNs and sovereign nations. Peacock announced that Australia would be reviewing its 'policy on multilateral consideration of matters relating to TCNs'. It is clear that the Australian and international bureaucracies have been studying this issue ever since the Whitlam years, when the major assault on trade barriers took place. The development of policy on national sovereignty has been a long-running matter, conducted mainly in secret, and only now being revealed to the victims:- ordinary people.

THE COMING REFUGEE FLOOD: A new analysis of opinion polls by Murray Goot of Macquarie University, "Add Migrants and Stir" confirms what those who work at the grass-roots of Australian politics already understand. That is, that Asians are still the least popular migrants, and that the expectations of 'old Australians' about multiculturalism are much different to the delivered results. The majority of Australians still worry about how Asian migrants will assimilate, and that the priority towards English-speaking is too low.

On the other hand, the study notes that there is, and always has been an overwhelming support for multiculturalism. But the reasons for supporting multiculturalism seem to be very mixed. It appears that the support for multiculturalism has been on the basis of the variety of food, music, dance, etc, that it is expected to deliver. That is, the expectations from multiculturalism have not been met by results like the failure to prefer English-speaking migrants, that Asians prefer to live together in certain suburbs or locations, and that they are slow to assimilate. It seems to be still the case that Australians prefer migrants from England, Ireland, western and northern Europe.

If Australians still harbour unrealistic expectations of the multicultural society, it is urgent that they revise their expectations before the next wave of immigrants descend upon us. So far the plight of the Indonesians has been glossed over relatively lightly by the Australian press. Reports in the international press should be sounding loud warnings to Australian authorities who could find themselves completely unprepared for the flood of Indonesian refugees that are likely to be descending on Australia.

If as many as, say 500,000 Indonesian refugees were to arrive in Australia's north during this year, what action would the Australians take? These are clearly desperate people, but are not strictly "refugees" seeking asylum from political persecution. Rather they are economic migrants who, out of desperation, are taking the illegal route to Australia to escape starvation. There may be a fine line between these classifications of fleeing Indonesians, but the Australian response is still far from clear.

In Malaysia, the "refugees" have made it abundantly clear that they will not return to Indonesia to starve. Last week riots in Malaysian refugee camps resulted in buildings destroyed and a number of deaths, because Indonesians refused to be repatriated.

Malaysian police are prepared for strong action against illegal migrants. In a letter to the New Straights Times, the Malaysian Lieutenant-General of security forces proposed that a state of emergency be declared, and extra powers be given to the security forces to deal with illegal landings "where opening fire to stop a boat or to turn it around may be necessary". (***Weekend Australian***, 29/3/98).

The result of this is that increasing attention will be given to the route to Australia to the south. Will Australian forces open fire on the boats, as our Asian neighbours appear prepared to do? What will Australia do about the coming flood of refugees?

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