



A WEEKLY COMMENTARY

ON TARGET

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS

The price of Freedom is eternal vigilance –

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THOUGHT FOR THE WEEK: *"We promise to remember always that money is not wealth, but an instrument for the exchange of goods and services, and that the proper use of this instrument is a matter of common concern, a function of government, no longer to be left under the control of private individuals or groups of private individuals. We promise to create an Australia in which, so long as inequalities of wealth exist, the rich shall regard their riches as held in trust for the common good, and the poor shall not lack the means of a decent and dignified and self-respecting life, and shall not live in the shadow of economic fear"*

Professor Sir Walter Murdoch, *STEADFAST*, February, 1941

POVERTY IN AUSTRALIA by Jeremy Lee:

Over the last year there has been an ominous increase in the poverty level in Australia. As the divide between rich and poor grows wider, economic statistics – our "fundamentals", to use a phrase dear to Treasurer Costello's heart – do not reveal the division. A figure that shows "growth" in Australia does not tell us that a diminishing number of Australians benefit from the growth, while others are actually worse off.

Last Christmas, representatives of the Red Cross, Hanover Welfare Services and the Council to Homeless Persons reported a big increase in homelessness. Figures showed a 400 percent increase in homeless families looking for accommodation in a six-month period.

In June, 1998, the Queensland division of ACOSS reported a 100 percent increase in demands from their agencies, leaving them unable to meet the need. Shortly before this report, Melbourne University Press published its report "Australian Poverty – Then and Now". It said: *"On an income measure, the proportion of units in broadly-defined poverty increased by one-third to a total of 30.4 percent in 1996, compared with 20.6 percent in 1973"*

The latest report confirms a worsening situation. Under the heading WELFARE GROUPS SWAMPED, *The Australian*, 5/11/98, reported: *"Rising numbers of low income earners are being turned away from welfare organisations as the community sector struggles to cope with increased levels of poverty."*

*The disturbing findings form part of **Australians Living On The Edge**, a national survey of more than 500 frontline community agencies conducted by the Australian Council of Social Service and audited by A.C. Nielsen. It shows the community sector to be under enormous strain, with 65 percent of agencies reporting increased demand in the past six months. But many people are going away empty-handed, with almost half of agencies recording a rise in the number of clients they have been unable to help ... Of the 348 agencies reporting an increase in demand, 56 percent described themselves as 'stretched at present' and 23 percent as 'not coping' The biggest issues facing the agencies were the 'impact of changes in government policies', 'major funding concerns', and the 'inability to meet client needs'"*

The growing divide between rich and destitute is tacitly acknowledged to be one of the outcomes of globalism. For instance, in a paper given under the auspices of the Australia Unlimited Roundtable (a project devised by **The Australian** newspaper and the Global Foundation), former Federal Department head Michael Costello said: "..... *It is true that globalisation reinforces the tendency of free markets unfettered to make the rich richer and the poor poorer. We are only in the foothills of globalisation and already this is happening. In Australia, for example, the increasing concentration of wealth is well recorded. Relative poverty in the past 20 years has grown from one in five Australians to one in three. But this is not to criticise free markets. To do so would be like criticising a dog for barking*" (**The Australian**, 30/4/98).

Globalism is a project to reshape the world into the exclusive control of a small number of multinational conglomerates and the banks which finance them. It is not, and never has been, a project aimed at alleviating global poverty and hardship for the majority of people. The most pitiable of people are those who claim – or actually believe – that ordinary people will be better off when the final global outcome is achieved. At least people such as Michael Costello "tell it like it is". But those like Prime Minister Howard and his party henchmen, who claim that "globalism will make people better off"; that "down-sizing creates more jobs"; that "foreign-ownership and capital will increase the equity of ordinary Australians"; and that "international decision-making does not reduce national sovereignty" must also believe you can get figs from thistles. It is a form of self-deception against which no evidence can prevail.

RATIONALISING INDUSTRY, *The Courier Mail*, Qld., 4/11/98, reported: "The international boss of Ford has predicted a massive reduction in the motor vehicle industry as part of a global dogfight. Sir Alex Trotman forecast the number of vehicle makers would plunge from about 40 to just six ... The Detroit-based Ford chairman believes two of the six remaining firms will be based in America, two in continental Europe and two in Japan plants throughout the world had 40 percent more production capacity than they needed. They could build at least 19 million more vehicles a year than actually required He did not say who he thought the six survivors would be. But the most likely are Ford and General Motors – which owns Vauxhall in the United States, Volkswagen and Daimler-Chrysler in Europe and Toyota and Honda in Japan"

How many jobs, one wonders, will be lost through reducing the number of car-manufacturers from

40 to six? And what happens to those down-sized in this and similar operations in a world which says you starve if you have no job. Perhaps John Howard and the other leaders who meet round the world can "globalise" the work-for-the-dole scheme!

BREATH OF FRESH AIR! Compulsory preferential voting ensured a reduction in the number of Independents in the House of Representatives in the recent election. Peter Andren, Independent Member for Calare – now the only Independent in the House of Representatives – offered some refreshingly different views in an article in *The Australian* (5/11/98): *"Australians are tired of party politics and of broken 'core' and 'non-core' promises. They are sick of the rorts and the rhetoric. They are fed up with being left out of the democratic process, of not having a choice. While the parties and the media have largely concentrated on the closeness of the October 3rd Federal election, they have missed the point. The major parties received record low votes and the final 'two-party' result does not reflect the will of a million voters As in 1996, I ran a simple campaign based on back-to-basics, grassroots representation. I promised to work hard, to speak up, and to serve the electorate, not a party The party machines have forgotten that politics is not just about choosing a government. Politics is also about representation and elections are essentially about choosing local members"*

Peter Andren explained how he was able to judge each issue in Parliament on its merits, voting accordingly. He did not vote on anything he had not researched in detail. He consulted widely with his electorate. He would not be like *".... party members filing into the House when the division bells ring and asking the nearest Independent what the hell the vote is all about"*.

This, and much more commonsense, was contained in Peter Andren's article. Compared to the usual party hacks, he sounds like a breath of fresh air!

BANK THREATENS TO LEAVE AUSTRALIA: The National Australia Bank, with a net profit of some \$2.5 billion this year, is Australia's biggest company. It is closely followed by Westpac, ANZ and Commonwealth Banks. However, only about half the Bank's profits were made in Australia. The National-Australia Bank is not a national Australian bank at all – it is an international bank in the full sense of the word. It owns four regional banks in Britain and Ireland, plus an extensive US operation.

Australian rules of the moment won't allow any mergers between "the gang of four", in what is generally called the "Four Pillars" policy. But that's not good enough for the National Australia Bank, which would like to take over the ANZ. Managing Director Don Argus – who will head the ailing BHP next year – has impatiently demanded the rules are changed to allow mergers between the four. If not, he says, NAB may be forced to relocate its headquarters offshore. *The Australian* (6/11/98) reported: *"..... Argus also points out that NAB is Australia's biggest single taxpayer, passing \$1.2 billion to the Treasury last year. If it has to relocate to either the UK or the US, then Treasury will lose around \$300 million of that revenue. There would also be balance of payments implications, if NAB began repatriating dividends to its new domicile. New Zealand is an extreme example of this phenomenon. It does not have one domestically owned bank. Its most profitable sector adds around \$1 billion in capital outflows to its current account deficit While Howard and Costello believe there are no*

votes in removing four pillars, they had better believe there will be plenty of angry voters around once the consequences of a shift offshore of some of our remaining global companies hit home"

If ever there was a case of political blackmail by a multinational, here it is. Have we really reached the stage where we measure our survival in terms of the sweeteners and inducements we are prepared to offer to keep multinational corporations on Australian soil? Can it really be said that the statesmanship of yesteryear, which was determined to keep Australia for Australians, and devised constitutional and financial policies for this purpose, no longer exists?

An Australian leader really worth his salt would bluntly tell National Australia Bank to go wherever it wants. A "peoples' bank" will be resurrected to compete with the global transnationals, providing cheaper and better services for Australians, and winning back the share of bank services which the globalists are threatening to take with them.

THREATENING JAPAN: Ms. Charlene Barshevsky, US Trade Representative, threatened Japan on the eve of the APEC talks in Malaysia. *The Courier Mail* (Qld., 4/11/98) said: "..... Japan needed to stimulate domestic demand, clean up its banking crisis, open its markets to imports and deregulate its economy in order to recover from recession, she said Japanese officials say the fishing and forestry sectors of their own economy are facing hardships that rule out any tariff cuts that would increase Japan's imports of such goods"

This is unheard-of stuff! Fancy Japan refusing to cut tariffs in the interests of its own producers! One can hardly imagine Australian leaders suggesting we should cut, for instance, imports of Canadian and Danish pork products in the interests of Australian pork producers.

Almost on cue and two days later, Australia issued its own warning to Japan, in identical terms. Under the heading WARNING TO JAPAN ON APEC, *The Australian Financial Review* (6/11/98) reported: "Australia has issued Japan with a strong warning that its failure to endorse an APEC plan to fast-track trade reform could see other countries in the region backsliding on commitments to open their markets. The warning came during bilateral meetings in Canberra yesterday between Australia's Foreign Minister, Mr. Alexander Downer, and Japan's Foreign Minister, Mr. Masahiko Komura"

Poor Japan! Whenever Australia threatens anyone on world trade, it pulls out its most savage Samurai warriors! It used to be Dr. Neil Bluett, who once threatened Europe, no doubt causing fear and trepidation. Now it's Alexander Downer.

Personally, we believe Japan has every right – and a lot of commonsense – to put its own producers first. If only Australia would do the same.