



A WEEKLY COMMENTARY

ON TARGET

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS

The price of Freedom is eternal vigilance –

Print Post Publication Number 381667 00258

Vol.35, No.3

January 30th, 1999

THOUGHT FOR THE WEEK: *"It seems, therefore, that we shall have to fight the old battles all over again, and force our rulers to sign a new Magna Charta. Unless the private individual can secure for himself some protection for his wife and family against the confiscation of their home, and we can attain an opportunity to acquire some culture and leisure, then I cannot see what advantage we are getting from our much-proclaimed 'advances' in science, invention and education. It appears, too, that the vast amount of mechanical skill and encyclopaedic knowledge we are acquiring has no connection with what was once called wisdom."*

James Guthrie, *Our Sham Democracy* (1946)

SALVAGING THE REPUBLICAN DISASTER by David Thompson:

The first real week of political activity since the holiday period has been dominated by the painful realisation by republicans that it is not "in the bag", as they arrogantly predicted after the Constitutional Convention just a year ago. It has become very clear that the republican cause is in reverse, with little public interest in the issue, and even opinion polls showing plummeting support. One of the most startling features of the polls is the fall in republican support in the younger age groups.

We can expect every effort to ensure that the drive towards the republic is "cranked up" again. This must be led by the news media, overwhelmingly republican, and now almost overwhelmingly foreign-controlled. As we previously warned, prepare for a media blitz. We will certainly see it this week with events surrounding Australia Day, and every effort made to portray republicanism as "nationalistic" and "patriotic". For the first time in 50 years, nationalism and patriotism (under their new definitions) will become "acceptable". The constitutional vandals, such as Turnbull, Wran, Vizard, etc., will be reinvented as "patriots". "Treason doth never prosper, what's the reason? For if it prosper, none dare call it treason."

Every effort is now being made to salvage the republican cause to avert an impending disaster, which could see republicanism swept aside for another 20 years. In the scramble to avert disaster, no tactic is too low, including an attempt to mislead the voters. It is now being openly suggested that the referendum question be "as simple as possible" so people can "understand it". So simple, in fact, that it is downright deceptive.

Republicans are now calling on the Treasurer, Mr. Costello, to pull his weight as a declared republican, and use his influence in Cabinet. What is required of Costello is an undertaking that he will move

heaven and earth in Cabinet to ensure that the referendum question consists of the vague, motherhood question along the lines of "Would you prefer to have an Australian as Head of State?" No reference to the scrapping of the Crown, no question about reserve powers, no mention of the myriad of specific constitutional changes required to achieve this smooth sleight-of-hand.

Whatever leverage is available is being bent upon the republican "dissidents" – people like Ted Mack and Phil Cleary, who cannot stomach the "pseudo-republican Turnbull model" and who demand direct election of a president. Almost every newspaper editorial in the country is urging Mack and Cleary not to split the republican vote; "let's get the republic first, and if it doesn't work, we can fix it up"!

A new group is being hastily cobbled together, "Conservatives for the republic", to give the impression that there is a deep-seated desire among "conservatives" for the republic, that has simply never been expressed previously. Just what is "conservative" about radical and even dangerous constitutional vandalism has not been explained.

As yet, little real pressure has been placed on the republicans by monarchists. But they know they can expect this to come in force from all quarters, and that they will have to withstand the sort of savaging that people like Bruce Ruxton are capable of. Last week he gave them a sample: "The debate in the republican movement has degenerated into a vicious, ugly argument conducted by rabid over-educated packs of opportunists, bloodsucking bludgers, pseudo-academics, actors, television stars, sporting personalities, patrons of the arts and professional ethnic urgers of all races," he said.

The republican path ahead is still strewn with obstacles. Treasurer Costello's campaigning for the republic is more likely to be a distinct disadvantage. Here is the man who is attempting to impose the dreaded GST upon us, and next he wants a republic. In an environment where the press is deeply distrusted, an aggressive republican press campaign is certain to generate resentment.

ABORIGINAL REVOLUTION BOILING UP: In further attempts to salvage the republican charge, all non-essential baggage is to be cut away. The aboriginal industry responded with anger and dismay when informed last week that the push to re-write the Preamble to the Constitution, including a recognition of aborigines as "prior occupants", was to be abandoned. It was too vulnerable to scare campaigns, and confused the issue, the republicans claimed. The activists are furious, and swear retribution. It is unlikely that the aboriginal industry will campaign against the republic, but there are plenty of other avenues for reprisals. For example, the suggestions of boycotting the Olympics and campaigning against Australian "human rights abuses" received additional support.

Perhaps the most revealing (and alarming) development is the growing determination within ATSIC to demand a referendum of aboriginal people on the question of a treaty with Australia, and the possibility of "a separate aboriginal government". This is an issue that former Communist Geoff McDonald warned about over a decade ago. His book, *"Red Over Black"*, became a best-seller, but one of his central warnings, that the revolutionaries were aiming for a separate black state in Australia, was ridiculed.

As we go to press, ATSIC Chairman Mr. Gatjil Djerrkura is expected to use Australia Day addresses to demand a treaty, and a referendum at the time of the forthcoming ATSIC elections. The question of separate aboriginal government is likely to be pushed onto the political agenda.

NEW STEEL MILL FOR NEWCASTLE by Jeremy Lee:

The Newcastle Steel Works commenced operations during World War I. It was started by one of the then great Australian icons, BHP. Ever since it has provided for much of the nation's steel requirements in war and peace. Newcastle steel was used during the building of the transcontinental railway, financed by Australia and wholly Australian-owned.

Today BHP is a financial cot-case. Some years ago it abandoned its traditional role and became a transnational. It ventured into coal, oil and minerals, as well as building steel mills in North and South America and Asia.

The Asian meltdown has hit BHP particularly hard. Oil is at one of its lowest prices ever. The world is awash with cheap steel, often from Third World mills built through western aid. BHP sold its huge coal mines in Queensland after coal came under intense pressure. Japan is still seeking further cuts to what are give-away prices of Australian coal.

Seeing the giant BHP reeling drunkenly from disaster to disaster, a number of competitors have sought to capitalise – chiefly the Smorgon family, which moved out of meat-processing a few years ago and is now building mini-steel mills, using scrap as a main feed stock. They are reckoning on a recovery in steel sooner or later, and if BHP continues on its present disastrous course, the possibility of Australia's main, historic producer no longer in the arena.

The latest news is of a joint venture in a new Newcastle stainless steel industry between Boulder Group NL and Australian Overseas Resources Ltd., each having a 40 percent stake. *The Australian Financial Review* (19/1/99) said:

"... International bankers have already expressed interest in financing the debt portion of the project which will be about \$187 million ..."

In charge of marketing the products will be the German steel trader Thyssen.

EVERYBODY'S GUESSING: In two remarkable articles, written in Queensland's *Courier-Mail* over January 19th and 20th, economist Terry McCrann warned of an approaching financial disaster. His first article stated:

"Be warned. Be seriously warned. The chances of some form of global financial catastrophe are rising rapidly. Forget about the 'Y2K problem'. We have to survive the increasingly likely 'Y1999K problem' first. ... It is ... possible to see certain types of financial catastrophe tipping either the world economy or our own local economy into recession. ... It's much easier to call the increasing chances of 'some sort' of financial disaster than to detail exactly what will, and when it might, happen. There are just too many disasters-in-waiting now brewing."

"They include the Brazilian meltdown and the really ominous bankruptcy of one of China's top financial houses. Plus, crucially, the crazy boom in American Internet stocks which makes all previous 'irrational exuberance' on the share market look like prim conservatism. Any one of these – plus some other problems like Japan's continuing financial crisis – could develop into a fully-fledged catastrophe. And then who knows what might happen ... The risks are clearly financial volatility"

with exchange rates and interest rates fluctuating wildly and the increasing risk of a United States stockmarket crash. The risks are of more Brazils, more bank losses, more Chinese collapses – maybe even the 'Chinese shoe' finally dropping, and, most ominously, financial institutions going belly-up in America. . . . The biggest domestic problem we (i.e. Australia) face is our exploding current account deficit (i.e. the continually-growing foreign debt). That, even with a relatively buoyant world economy it will head head through \$30 billion this year and next. And if the world economy stumbles . . . ?"

In his second article, on January 20th, McCrann continued, under the heading THERE'S A DISASTER WAITING TO HAPPEN, BUT WHAT . . . AND WHEN? He added:

" . . . In our own domestic case, the better disaster analogy is probably a tidal wave. That, as 1987 showed, we would probably get a sort of warning when we woke up to news of the disaster about to hit. The other difficulty of prediction flows from precisely what's causing the concern: there are just so many potential disasters bubbling away out there. It's impossible to know which one or group might prove the one(s) to trigger the broader global spiral. Although clearly one stands out: Wall Street. . . Wall Street replaying 1987, or even worse, would not only have a savage direct impact across America, but fairly obviously take us all along for the bumpy downhill ride . . . In highlighting what a remarkably good year we had last year, and we most seriously did, it has been overlooked how close we still came to potential disaster . . ."

There's a lot in McCrann's policy-beliefs that we don't share. Only some Australians had a good year in 1998 – by no means all. Many suffered grievously. Nor do we believe the way out of this disaster can be achieved by Federal Reserve chief Alan Greenspan's decisions about interest rates and credit restrictions.

The League of Rights has always stressed that there is no physical reason for Australia to suffer catastrophe. To the contrary, it is providentially equipped to provide all its citizens with food, clothing and shelter of the highest standard. It has no reason to be a debtor-nation. It has more than enough raw materials and commodities at its disposal to provide all Australians with a high quality of life, peace and happiness. What it needs is leaders who start from an understanding of this physical reality, prepared to reject foreign "snake-oil" which leads us onto false, disastrous paths.

But McCrann's analysis of the potential disaster is correct.

SIR HUMPHREY FIDDLING . . . WHILE AUSTRALIA BURNS: *The Australian Financial Review* (19/1/99) reported:

"The Federal Government's top public servants could receive pay rises of up to \$30,000 in March, as a result of a Remuneration Tribunal recommendation yesterday.

"The proposal brings the salary of the most senior Commonwealth departmental heads – the secretaries of the departments of Prime Minister and Cabinet, Defence and Treasury – to \$276,000 . . . a further 10 to 12 percent pay increase will also be paid in March 2000 . . ."

Politicians' salaries are, of course, also decided by the Remuneration Tribunal. Whether this means that politicians receive an automatic pay rise the article did not say.