



A WEEKLY COMMENTARY

ON TARGET

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The price of Freedom is eternal vigilance –

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THOUGHT FOR THE WEEK: *"There are only two kinds of social structure conceivable – personal government and impersonal government. Preferring personal government, with its tact and flexibility, is called Royalism. Preferring impersonal government, with its dogmas and definitions, is called Republicanism."*

G.K. Chesterton – *"What's Wrong with the World"*

VICTORIA'S SOCIAL REVOLUTION by Jeremy Lee:

Victoria has to go to an election before the end of the year. Most of the betting is on a safe victory for the Kennett Government. If he succeeds – and if the people let him – Kennett has a privatisation programme in store that will turn his State on its head.

There are more and more signs that the Transurban toll-road programme is running into trouble. If it succeeds it will be the biggest privately-funded infrastructure project in the world – the most ambitious Australian project since the Snowy Mountains scheme.

Everyone driving on the network of freeways approaching the city will pay – every vehicle must carry a transponder known as an e-tag, which will trigger a recording in the overhead gantries spanning the freeways. They won't need to stop or slow down. Their accounts will be automatically deducted with the fee. Transurban not only has to build and operate the system for 34 years, but make it viable. But the scheme is running into trouble. Opinion polls already show that 25 per cent of motorists are planning never to use it. There is an increasingly bad press, particularly about the continual postponement of the opening. Transurban has had to triple its budget for 'marketing' the scheme – from \$5 million to \$15 million.

Confidence has not been boosted by the news that the company looking after the computer side of the operation, Computer Science Corporation, is the same firm which was responsible for developing the combat computer system on the Collins-class submarines, now a major embarrassment to both Coalition and Labor Governments.

Transurban's own literature is hardly likely to endear it to potential users, as it describes the procedure for defaulters:

"Photographs of licence-plate details will identify those who use CityLink without a valid toll account or day pass. Transurban will pass on this information to a government enforcement agency."

SALE OF PUBLIC TRANSPORT: While the \$2 billion CityLink project meanders on with its current problems, the Victorian Government has just completed the sale of all rolling stock on the railways, leased out the stations, rail-lines and other assets, as it contracts out Victoria's entire 1800-kilometre network of metropolitan and country passenger rail services in a complex series of deals. The idea is two-fold: to improve services, and to get people off the roads and onto public transport.

The Australian Financial Review (13/7/99), in a full-page review of the concept, said: ".... Historically, in most States, the Liberal Party has been pro-road while Labor has been pro-public transport. But now Jeff Kennett reckons he can tighten his lock on political power by expanding Melbourne's freeway system with the \$2 billion CityLink tollway at the same time as launching a \$1 billion plus private sector funded investment in public transport. A born-again public transport advocate, the Victorian Premier waxes lyrical about the changes. 'Within the next five years, you're going to see the most wonderful change to the quality of public transport in this State that we will have experienced in our lives, and I don't say that lightly'"

Why do we have a feeling of *deja-vu*? Both Benito Mussolini and Adolph Hitler were noted for the excellent transport systems they developed in the 'thirties. The subsequent price paid in freedom-of-choice was rather high.

A few things need answering. Firstly, if the public transport project shifts large numbers away from motorways, the future for CityLink looks bleak. Secondly, when is the massive sell-off of infrastructure – which Victorian taxpayers have paid for – going to result in Victorian taxes being lowered from the highest level in Australia to the lowest?

If Victorians are successfully forced to comply with this scheme in Melbourne, will the automatic toll system be extended to rural cities and towns? Will the major roads throughout the State be leased out to multinationals on the same basis?

And finally, what happens if Victorians refuse to co-operate in the electronic fleecing operation?

NOTHING BY HALVES: The United States does nothing by halves. Its May Current Account Deficit (imports over exports) was a record, lifting the projected CAD for the year to \$US225 billion (\$A348 billion). President Clinton, like Australian politicians, is playing down the deficit, which has been going on for many years.

But a Washington correspondent in *The Australian Financial Review* (23/7/99) commented: "....The contrary view is that the deficit has been financed by the vast foreign funds flowing into US assets, buoying stock prices, keeping interest rates low and financing over-consumption. But, as in the emerging market crisis of 1997 and 1998, at some point those funds will exit. 'I think [the deficit] is getting into territory where it would be troublesome,' said a senior economist at Goldman Sachs in New York"

Earlier this month a Director of a Capital Management firm, Tim Hughes, wrote in *The Australian* (3/7/99): "The US economy is looking more like a giant fast money scam Twenty years ago Americans spent about \$90 of each \$100 of disposable income and saved the rest.

"Five years ago spending had risen to \$95 for each \$100 of income.

"Data released this week shows that Americans are now spending \$101.20 for each \$100 of income. In other words, American households, as a whole, are not only no longer saving, but are actually running down their past savings to finance today's consumptionAmerican households are into debt like never before. The problem is that this is one great big unsustainable merry-go-round.for as long as all this remains based on unsustainable consumer savings and debt behaviour, it is nothing more than a giant scam and, like all scams, will eventually be found out. The Fed is continuing to do too little too late"

But when? Picking the bursting of the bubble is a gamble in itself. But there are a few who would know ...

Readers will quickly realise how similar America's position is to Australia's – both living off debt to consume, while their industries go under.

Prime Minister Howard is launching another initiative to attract foreign money into Australia. It is the conditioned reflex of someone too nervous or politically-correct to look at an independent use of Australia's constitutional right to run its own money-system.

WHAT OF THE FUTURE? Veteran economist John Kenneth Galbraith, in a recent article on the world economy as we approach the end of the millennium, was guarded in his comments. Like all economists, Galbraith has often been mistaken in his predictions. However, he offered some points to ponder – *The Australian* (18/7/99): *"....I'm cautious about prediction. But some things are definite. When you hear it being said that we've entered a new era of permanent prosperity with prices of financial instruments reflecting that happy fact, you should take cover. Let us not assume that the age of slump, recession, depression is past."*

"I come to two pieces of the unfinished business of the century and millennium that have high visibility and urgency. The first is the large number of the poor, even in the richest of countries and notably in the US. Once the impoverished were scattered over the countryside. Now, everywhere, they are in the great cities."

"The answer or part of the answer is rather clear. Everybody should be guaranteed a decent basic income. A rich country such as the US can well afford to keep everybody out of poverty"

So can Australia – the richest per capita nation in the world, with one-third of its population below the poverty line!

Galbraith carefully evaded the source of a "decent basic income". From taxes paid by those working? That's the basis of the ailing welfare state.

It should be provided from the "new money" created each year, which the Trading Banks now unjustly claim as their own. Until an examination is objectively made of this possibility, there are no answers that have not been tried – and failed.

MONEY AT ONE PER CENT: For the past ten years one small section of the Australian community has been able to borrow money from the Reserve Bank at one percent interest. It's an intriguing story, explained by Terry McCrann in *The Weekend Australian* (10-11/7/99): *"In 1989, Australian gold producers were presented with the ultimate free lunch."*

"As the Reserve bank was pushing up its official cash interest rate to 18 per cent, they were able to walk in a special door at the very same Reserve bank and effectively borrow all the money they wanted at 1 per cent."

"For the past ten years they have made an absolute meal of it – and who could blame them? It made irrefutable sense for individual producers and underwrote the dramatic expansion of the gold industry...."

The story is interesting. Three entrepreneurial banks – Macquarie, Rothschild and Mace-Westpac – invented what became known as gold loans. They borrowed gold from the Central Bank, which was quite happy for a one-percent-return on gold in its vaults otherwise earning nothing. The borrowers immediately sold the gold on the spot market, invested the proceeds at 18 per cent, and contracted to pay futures prices to miners at a 15 percent premium, paying the money to gold-miners who had millions of ounces locked in the ground, but were cash-strapped. The loan was literally to be repaid

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in gold as it was mined – and paid for at the futures price. As the gold was repaid to the "middlemen-banks", they simply replaced what had been taken from the Reserve Bank's vaults, and made a completely no-risk profit on the deal! Everybody – Reserve Bank, private banks and miners – were happy.

At the same time, tens of thousands of farmers and small businesses, forced to pay the murderous 18 per cent official interest rate and upwards, went to the wall. If they had got the same one-per cent deal received by Macquarie and the Rothschilds, they'd still be there.

SA MAN BEING INVESTIGATED FOR ALLEGED WAR CRIMES by Betty Luks:

It was reported in the *Adelaide Advertiser* (21/7/99) that Mr. Antanas Gudelis, naturalised (1958) Australian citizen from Lithuania, is being investigated for "war crimes" by authorities in his former homeland. Mr. Gudelis' lawyer, Ms. Leni Palk, said the allegations were strenuously denied. The authorities in Lithuania are reported to have announced a prosecution investigation was under way, based on information gathered by judicial officers and by the Nazi-hunting Simon Wiesenthal Centre in Geneva.

If charges are laid **the Lithuanian authorities may seek Mr. Gudelis extradition** even though under Lithuania's laws a trial can be held in absentia. Australia does not have an extradition arrangement with Lithuania and a spokesman for the Justice Minister, Senator Vanstone, said applications from non-treaty nations were considered on a case-by-case basis. Reference was made in the news item to the "suspected" war criminals previously charged under the Australian War Crimes Act, Mikolay Berezowsky, Heinrich Wagner and Ivan Polyukhovich.

Mr. Berzowsky was charged – but there was "insufficient evidence for a trial"; Mr. Wagner was also charged, but the charges were later withdrawn "because of ill-health". Mr. Polyukhovich went to trial, his committal hearing commenced October 28th, 1991, and he was **found not guilty** in a Supreme Court trial in May, 1993. Former Lieutenant-Governor, Sir Walter Crocker, took part in a picket during the early days of the hearing, claiming the case was being driven by hatred and revenge.

In a letter written to the now defunct *Adelaide News* (19/12/1991), Dr. Fred Toben, now incarcerated in a prison in Mannheim, Germany, awaiting trial for "defaming the memory of the (holocaust) dead" on his website – **in Australia** – warned *"It seems to me that the trials are being used to embody in our national laws a mind-set which will make it a criminal offence to deny the controversial matter of the Holocaust."* Prophetic?

Canadian barrister Douglas Christie warned Australians before the "war crimes" trials began that the trials would impact on our system of law and international politics and law. The Australian War Crimes legislation is selective, not impartial as law should be; it applied to a particular theatre of war within a certain time-frame. It is international law versus a sovereign nation's law and will establish the legal convention, the practice, of **the trial of any one national of any country in any other country**. It will be world justice, world government.

Justice Minister Senator Amanda Vanstone is reported to have said no request for the extradition of Mr. Gudelis has yet been received by her department. Will the Lithuanian/Australian community take up the defence of this 88-year-old Adelaide pensioner? I hope so.

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