A WEEKLY COMMENTARY

# ON TARGET

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*The price of Freedom is eternal vigilance*

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**THOUGHT FOR THE WEEK:** *"A stranger to our University, observing that undergraduates were inside their colleges before midnight, might believe that he had discovered a law of human nature – that there is something in the nature of the undergraduate which compels him to seek the protection of the college walls before the stroke of twelve. We must undeceive him, and point out that the law has a quite different source – the college authorities.*

*"Should he conclude then that the law is altogether independent of undergraduate nature? Not necessarily. Careful research would reveal that the law depends on considerable antecedent experience of undergraduate nature. We cannot say that the twelve o'clock rule is not based on undergraduate nature; but it is not based on it in the way the stranger assumed."*

– Sir Arthur Eddington *"The Philosophy of Physical Science"*.

**MEDIA SINS CATCH UP** by Jeremy Lee:

With the centralisation of media power on a global basis, a diminishing number believe in the integrity of journalists. The recent debate about commentator John Laws and the Australian Bankers' Association, while not yet fully investigated, has not improved media image.

It was the American writer, Theodore Dreiser, who wrote in 1942: *"The American Press with a very few exceptions, is a kept press. Kept by the big corporations the way a whore is kept by a rich man."* A 'managed' press seems even more obvious in 1999. The Internet may change all that. In the Iraq "Desert Storm" war, and even more so in Kosovo, more and more were seeking alternative reporting on the 'Net, and it was surprising to find both quantity and quality of news which never appeared in the mainstream media.

This is beginning to translate into a decline in both readership and television viewing. Godfrey Hodgson, director of the Reuters Foundation in Oxford, UK, included these comments in an in-depth article in ***The Australian Financial Review*** (30/7/99):

*". . . Newspaper readership is declining in Britain . . In the US it is falling more sharply. Within newspapers 'serious' news, rather than comment, features or sport, seems least attractive to readers.*

*"It is the same with television audiences. In the US, the combined audience of the Big Three networks (CBS, NBC and ABC) has fallen from over 90 percent in 1976 to less than 60 percent in 1996. As recently as 1970, international news took up 45 percent of the time on US network news. In 1995 – the*

*last time anyone counted – it was less than 14 percent and is probably less than 10 percent today, except during bursts of international concern such as the Gulf War.*

*"But in Britain neither newspapers nor television reported an increase in audience during the Kosovo conflict, despite the huge resources committed and the dramatic, instantaneous coverage of events..."*

Journalists react to this growing indifference by seeking more and more sensationalism. The intrusions into personal tragedies and accidents become increasingly salacious. The search for 'scapegoats' is more like a witchhunt and linked, one suspects, to the ever-growing 'compensation' industry. The media is too often a self-appointed public prosecutor, opinion-maker and political director than in the days when mature journalists were humble enough to seek to be objective.

**THE IMAGE OF THE BANKS:** Readers may be astounded to learn that the latest Morgan Poll, reported in ***The Bulletin*** (3/8/99) found: *"Banks remain Australia's least popular industry, despite the Australian Bankers' Association's unconventional attempts at improving the industry's public image . . . Asked to nominate industries 'doing a poor job for Australia', 44% of Australians nominate banks, compared with only 6% in 1983 . . . "*

Wonder why? The survey was carried out in May and June, before the news of the Laws allegations hit the headlines.

It doesn't seem to have affected bank profits. ANZ will reportedly make $1.5 billion after tax this year, while NAB is reportedly heading for $3 billion.

**GLOBALISM RAMPANT:** On April 30th last year (1998) ***The Australian*** carried a report of a speech by Michael Costello as part of the paper's *Australia Unlimited* project. Costello's views were almost unbelievable, even to those who know what's going on. They included the following extracts: *"Globalisation is here to stay. Political movements round the world have no choice but to grapple with the new problems it poses for them. . . . It is true that large global corporations now have at their disposal the command, control, communications and intelligence capability previously the preserve of the military, enabling them to direct and control from the centre in real time . . . It is true that if we thought overseas competition in manufacturing was tough, we haven't seen anything yet . . . It is true that the very existence of the modern nation-state will be challenged by globalisation as never before. After all, a global corporation's patriotism is for company, not country . . . . What price national sovereignty? . . . It is true that globalisation reinforces the tendency of the free markets unfettered to make the rich richer and the poor poorer. We are in the foothills of globalisation and already this is happening . . . "*

Michael Costello, a former Senior Public Servant, certainly believes what he preaches! ***The Bulletin*** (3/8/99) reported: *". . . Michael Costello has walked away from a six-figure income as deputy managing director at the Australian Stock Exchange to work for practically zip for Kim Beazley . . . "*

**ANOTHER VIEW OF OUR TRADE DEFICIT:** Seemingly as night follows day, June followed the previous months with another current-account-deficit – $1.5 billion, or $2 million an hour over the 30 day period.

The analysis by two economists, Frank Gelber and Peter Jones of BIS Shrapnel, ***Australian Financial Review*** (30/7/99) is realistic and sobering: *". . . The chronic current account deficit is the fundamental long-term strategic issue facing Australia. Our exports, mainly primary products, do not generate* *enough income to pay for manufactured imports and debt servicing. The manufacturing sector is too small. A structural imbalance is the cause of Australia's problems concerning CAD/debt and other external liabilities.*

*"Unless government addresses this core problem, that is, encourages a re-building of the industrial bases, Australia will slide from one CAD crisis to another and slip down international league tables of competitiveness, living standards and overall economic performance.*

*Manufacturing industry has been run down in the cause of 'the level playing field', or in line with Australia's claimed GATT/WTO obligations.*

*"But our competitors offer generous forms of industry assistance to foster and develop their domestic industries against overseas competition . . .*

*"Successive government policies have diminished the capacity of great sections of manufacturing industry to compete with overseas competitors, with severe and largely unrecognised consequences . .*

*"Successive years of trade deficits have swollen net external debt to about 40 percent of GDP compared with less than 10 percent in the early 1980s . . . The effect, of course, is more foreign ownership of Australian companies and real estate . . ."*

This is the sort of analysis Kim Beazley needs if he is to offer a genuine alternative to the present disaster.

**THE AGONY OF RUSSIA:** Dads are used to handing their kids a few bucks for a present on Mum's birthday. They don't expect to collect either principal or interest.

In the case of international loans there's some difference. The International Monetary Fund has just lent Russia a further $A7 billion. A previous 1996 loan of about the same amount has still not been accounted for. There is some evidence that it ended up in a foreign subsidiary of the central bank Fimaco, based in the Channel Islands.

According to Moscow correspondent Sheryle Bagwell in ***The Australian Financial Review*** (30/7/99): *". . . The $US4.5 billion loan will go towards paying off the $23 billion that Russia already owes international financial institutions (IFIs) such as the IMF – which means the money will not even leave Washington. Indeed, the new loan is roughly equivalent to the repayments Russia was obliged to make on its debts to the IFIs this year. . ."*

These ludicrously crass and corrupt games between politicians and bankers have done nothing to assuage the misery and starvation in Russia. This is well illustrated in the comments sent to us by a veteran reader and former Shire President in Victoria, Cedric Turner:

**February 9th, 1992:** US Congress establishes World War Foreign Debt Commission. Britain owes $4 billion; France $8 billion; Italy $1.6 billion.
**October 22nd, 1923:** German Mark slides to 40 billion Marks per 1 US dollar. US dollars buying up whole streets.
**Friday, July 23rd, 1999:** RUSSIA: Cannibalism is commonplace in Russia as people struggle to buy enough food (***Herald-Sun***).

These three news items, picked at random, emphasise the power of the banks over the life-and-death struggle of the people. In over 70 years it doesn't change – only the strategy and, maybe, a different scenario.

One would think there'd be some confirmation – or otherwise – of cannibalism in Russia, and the blame apportioned by the International Human Rights Commission. There's no shortage of lamb or other foodstuffs – just the money to buy it. To apportion blame would involve the IMF; and nobody stands up to them!

The variety of controls exercised by the IMF and World Bank, and the private banking corporations behind them over the nations of the world (as demonstrated in the 'twenties and 'thirties right down to the present time) amounts to the ultimate arsenal that can, and will, blow the world apart. The question is not how, but when. The scenarios are endless. Stock market crashes, devaluation (remember the German mark?), rampant inflation, the scenarios are endless.

We know (and are repeatedly told) *"He who controls the credit of a nation directs the policies of governments."* This is why it makes no difference at all which Party becomes the government. The same policies are continued. The Liberal, National and Labor leaders of this world come and go without a ripple in a small pond.

**December 27th, 1945:** The International Monetary Fund and the International Bank of Reconstruction and Development (the World Bank) were born on this day, when 28 nations ratified the Bretton Woods Agreement. Currently, these are the same banks heavily involved in the shifting worldwide meltdown, causing such havoc as cannibalism and all the perversions spawned by poverty.

Did they tell Howard to bring in the GST?

**REFRENDUM ANTAGONISMS SHARPEN:** ***The Australian's*** religious correspondent, James Murray, in a rather woolly article with a strong republican bias (30/7/99), included the following question: *". . . The argument that the sovereign, being unelected, can rise above the clashes and contentions of politics is persuasive. But who, in fact, does royalty represent?"*

Mr. Murray has missed the point completely. It is those who stand for elections, seeking votes and fighting opponents who "represent". The matter was well put by the late Yehudi Menuhin, in his autobiography *Unfinished Journey*: *"The Monarchy . . . commands a loyalty owing nothing to power. Power must always be partisan; it belongs to money or the military, to Republican or Democrat, left or right, capital, labour or bureaucrat – to those in power. To have a 'non-power' above power seems to me to be the ultimate safeguard."*

What we risk was well explained by David Flint in ***The Bulletin*** (3/8/99): *". . . Unlike any other democratic republic in the world, the president in the Keating-Turnbull republic would hold office at the whim of the prime minister. Imagine a football game where the referee is about to rule against the home team and the captain sends him off. As Liberal legend Reg 'Toecutter' Withers claimed: 'Under the Constitution, it'll be easier for the prime minister to sack the president than his driver.'*

*"This part – the key point of this republic – won't even appear in the question. We are being offered not only a politician's president, but one who will be the prime minister's poodle . . ."*

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