A WEEKLY COMMENTARY

ON TARGET

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The price of Freedom is eternal vigilance –

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THOUGHT FOR THE WEEK: *"The neglect, indeed the rejection, of wisdom has gone so far that most of our intellectuals have not even the faintest idea what the term could mean. As a result, they always tend to try and cure a disease by intensifying its causes. The disease having been caused by allowing cleverness to displace wisdom, no amount of clever research is likely to produce a cure.*

"But what is wisdom? Where can it be found? Here we come to the crux of the matter; it can be read about in numerous publications but it can be found only inside oneself. To be able to find it, one has first to liberate oneself from such masters as greed and envy.

"The stillness following liberation – even if only momentary – produces the insights of wisdom which are obtainable in no other way."

"Small is Beautiful: a study of economics as if people mattered" by E.F.Schumacker, 1973

"FREE TRADE"? or "FAIR TRADE"? by Jeremy Lee:

The Hobart conference of the A.L.P. included a much-publicised battle between Kim Beazley and the head of the Australian Metal Workers' Union, Doug Cameron, representing a conflict over Free Trade versus Fair Trade.

Cameron pointed, quite rightly, to the loss of big sectors of Australia's manufacturing sector, and the loss of tens of thousands of jobs. He pointed to the disabling effect of imports from countries with wages as low as 30 cents an hour, and in some cases child-labour components.

He was answered by Shadow Treasurer Simon Crean with what seemed unanswerable logic: "If Australia protects local industries, our export partners will apply sanctions against Australian exports."

As far as Crean and Beazley were concerned, this was the end of the matter. They clearly believed that Labor should continue with the "bi-partisan" policy of Globalism and Free Trade currently adopted by the Coalition.

Implicit in this position is the view, now never questioned, that Australia – and in fact all nations – live or die by exports; to coin an old phrase, "Export or Perish".

Once this is accepted, one must turn a blind eye to all else. The domestic economy must be forced and cajoled into export mode at any price, even the destruction of local industries not specifically geared to export.

Neither 'free trade" or "fair trade" can offer a solution to this problem unless the mechanism of debt finance is dealt with, and there is no indication that either Beazley or Cameron understand this (or if they do, they are steering well away from it).

In 1933, a group of experienced businessmen and manufacturers in England produced a report dealing with the basic premises of the Beazley/Cameron argument. The Southampton Chamber of Commerce produced a report which gained wide attention nationally and internationally, despite a complete boycott by the mainstream media. This is how they described the problem:

" .... we are witnessing the bitter economic struggle for markets between nations of varying standards of living. Nations with the higher standards find themselves fighting a losing battle, and they are obliged to counter the effects in the political field. Thus we see countries arming in the face of a world desire for peace, and scheming for securing a balance of power with other nations. So the situation develops towards the culmination of the economic struggle among nations, namely, war...."

Elsewhere, the Report continued:

" ....It is being further suggested that national central banks should be made completely independent of control by national governments, so that any such centralised world hierarchy of finance would form a World Government with complete power over communities ...."

The Southampton Chamber of Commerce Report continued by offering some alternative financial policies which would remedy the situation, making possible peace between nations and prosperity in home markets.

The Report was subsequently brought before the Annual Meeting of the Association of British Chambers of Commerce, where, according to one member Mr. L.D. Byrne, it met *"strong opposition from the Association's Executive who brought in prominent bankers and economists to support them ...."*

Despite this fact, *" .... Requests for copies poured in from every part of Britain and the world – from Canada, the United States, Australia, New Zealand, as well as several European and Asian countries – necessitating reprint after reprint of the report over the years that followed ...."*

Apparently, neither Mr. Beazley or Mr. Doug Cameron have come across it! Yet it offers the sane answer to both their difficulties.

(The Southampton Chamber of Commerce Report, 1933, available from League bookshops, $4.00 posted.)

TOBIN – THE INTERNATIONAL "DEBIT-TAX": Australia and New Zealand have failed to stop a United Nations feasibility study of the Tobin Tax, the inspiration of Professor James Tobin, a Nobel Prize Winner for Economics in 1972.

The proposal was steered through a special gathering of the General Assembly of the U.N. in Geneva, attended by 7,000 people in early July by former Australian Federal Member John Langmore, now a director of the U.N's. social policy and development commission. While a Federal Member, Langmore was the spokesman for "Parliamentarians Global Action" which started life as "Parliamentarians for World Order".

The Tobin Tax proposes a 0.25% tax on all international financial transactions, to finance U.N. redistribution programmes.

The idea was applied on a national scale by Dr. Mahathir of Malaysia a couple of years ago to a chorus of disapproval from many, including John Howard. Howard's complaint was that it should only be applied by consensus among nations – not by individual action.

The Tobin Tax is a perversion of the eminently sensible Debit Tax proposals, where a national tax of about the same percentage, applied each 24 hours at the central clearing house of financial institutions in Australia, could replace all other direct and indirect taxes at State and Federal level (including, obviously, the G.S.T.).

The Tobin Tax would, on the other hand, be the first international global tax, weakening national parliaments and the democratic process.

WORLD BANK AND WORLD HUNGER: On August 15th another global crisis conference will be held in Canberra – scientists, policy-makers and academics gathering under the auspices of the Crawford Fund, a non-governmental organisation with World Bank affiliations.

The reason for the meeting is to consider growing food and water shortages round the world. ***The Australian*** (1/8/2000) reported:

"....Already, 500 million Asians do not have enough to eat and the U.N. estimates that by 2015 about 680 million people worldwide will be without sufficient food to meet their basic nutritional needs ...."

It is somehow difficult to reconcile these pictures with the fact there is a current glut of grain in the world, as there is of sugar. Australian dairy farmers are leaving the land in thousands, and we have recently seen – once again – apple trees being bulldozed out of the ground.

The problem is not a production one, it is a distributive problem, whose answers lie in the area of money.

WHO REMEMBERS JON CORZENE? It was former head of Goldman Sachs, Jon Corzene, who was selected by the gathering of international bankers in Sydney in early June 1996 to specify to newly-elected Prime Minister John Howard the conditions the bankers required to continue bankrolling Aiustralia.

It wasn't long after that Corzene was head-hunted out of Goldman Sachs – perhaps by someone a tad more ruthless? But not before Corzene picked up a neat 4.4 million Goldman Sachs shares, valued at a modest $US400 million. (Another beneficiary was Goldman Sachs Australian rep. Malcolm Turnbull).

John Corzene recently won the Democratic nomination to run for the U.S. Senate for New Jersey. He spent $35 million of his own money – which worked out to $142 for every vote he gained.

Such is the democratic process in the U.S.

MUGABE AND THE 'RED CARD' TREATMENT: We really like the novel method developed in Zimbabwe to show opposition to Mugabe's brutal dictatorship – a simple plastic red card. A regular feature in the game of soccer – fanatically followed by Africans in many countries – the 'red card' is shown to erring players by referees as a sign they must leave the field.

The Australian (1/8/2000) gave this picture:

" .... When Mugabe stepped out of the ceremonial 1936 Bentley 10 days ago to open parliament, he was greeted by thousands of little red cards flashed at him by M.D.C. supporters.

"When the anthem was played three weeks ago before the start of the ill-fated football match between Zimbabwe and South Africa, the packed terraces of the 65,000-capacity National Sports Stadium twinkled with red cards.

"The first million cards, the same dimensions as the original wielded by football referees, are in such demand that the M.D.C. is having three million more produced. ...."

We can think of a few Australian politicians who deserve the red-card treatment; and it would look so colourful on television!

GAS-EMISSIONS: There's a lot of rhetoric and social-manipulation round the issues of gas-emissions and global warming. But for some strange reason the government turns a blind eye when a solution appears.

In the February edition of ***The New Times Survey*** we reported on an air-powered vehicle being developed in Mexico, where 40,000 Zero Pollution taxis and urban delivery vehicle are being produced.

Here in Australia a hybrid Holden EC Commodore has been developed which relies on an electric, fuel-efficient motor to drive the generator that charges the battery. It has the capacity to commercially develop cars that will reduce gas-emissions by 70 percent. Within cities, the reduction will be about 92 percent. We understand one will be running in Sydney, on duty during the Olympics.

Current estimated price will be about $40,000 above comparable petrol vehicles.

I was recently one of a group that visited a pollution-free motor developed in Brisbane. The incredibly simple motor had only one moving part, designed to be wear-free. The linear engine drives a single shaft back and forth, shifting a magnet through coils, capable of producing almost costless electricity with a lifetime of use.

Ideal for small communities or single households, the concept has the potential to make the "grid" obsolete. But lack of venture capital raises a question-mark over its future.

An Environment Minister would be seeking means of subsidising the production of such innovations into commercial reality, instead of issuing the never-ending stream of controls which hog-tie those with initiative.

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