A WEEKLY COMMENTARY

ON TARGET

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The price of Freedom is eternal vigilance –

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THOUGHT FOR THE WEEK: *"In my council-school days, in London, I was mistaught that Australia was first colonised by British 'convicts', and consequently regarded the first Australians I met, in France, with awe and respect. So subtle is the poison which still runs in our veins from those times.*

"For what was the crime for which many of these men who were shipped overseas were convicted? That they sought to defend their ancestral right to live, work and eat!

"By no twisting of the human code did they do wrong. They were of our best..."

– ***"Lest We Regret"***, Douglas Reed, 1943

THE COLD, UNACCOUNTABLE CORPORATE STATE by Jeremy Lee

With the so-called collapse of Communism we are now supposedly in the thralls of unlimited Capitalism. The new god is the free market, directed without making it obvious to the masses by the high priests of international banking.

What has emerged, behind the facade of the democratic process, is a centrally-directed corporate state, run by vast bureaucracies which design their own regulations. It is impossible to track down the desk where the buck stops.

The individual wades without direction through a swampy mass of legislation, now directed to controlling every facet of his life. The latest takes us right back to one of the main reasons for Magna Carta in 1215 – the imminent design of 'national guidelines' for the collection of firewood!

Politicians like John Howard and his coterie are at liberty to fashion their own fame or notoriety, so long as they implicitly acknowledge certain paradigms beyond which they may not venture. They can give lip-service to national sovereignty so long as they don't exercise it; no independent use of the National Credit, for instance; no challenge to international treaties and conventions, even when these are directly opposed to the wishes and interests of the people.

To exercise this vast, faceless bureaucratic empire, the main feature is taxation, taken to levels of punitive dictatorship.

Michael Warby of the Institute of Public Affairs, in the latest issue of Agenda, sums it up:

"....In the real Australia, Prime Minister John Howard presides over a higher level of Commonwealth expenditure per Australian than any previous PM: twice that under the last McMahon Budget, more than 50 percent higher than the last Whitlam Budget, a third higher than the last Fraser Budget, 16 percent higher than the last Hawke Budget, though a mere 3 percent higher than the last Keating Budget.

"The increase in revenue per head has been even more striking, being also twice that of the last McMahon Budget, but 70 percent higher than the last Whitlam Budget, almost 50 percent higher than the last Fraser Budget, more than a third higher than the last Hawke Budget and 16 percent higher than the last Keating Budget.

"The fiscal rectitude of the Howard Government has been primarily purchased, not through expenditure cuts, but via revenue increases and reductions in the growth of spending, with expenditure per head dropping in only one year (1997-98). Even then, the 2.9 percent drop per head was more than wiped out by the 5.5 percent increase in expenditure per head the following year ....

"The real Australia is a more regulated society now than it was at the beginning of the reform period. As a rough indication, the eight years from 1990 to 1997, a period marked by no great national emergency, saw the Commonwealth Parliament pass more pages of legislation than the period from 1901 to 1980 .... The intrusive ambit of regulation expanded across a range fields; notably environmental law, health regulation, corporation law, tax law and the aforementioned areas of ancillary employment law ...." (***The Australian Financial Review***, 9/1/2001).

It is certain that no party in any of the coming elections this year will stand on a platform of repealing unnecessary laws and winding back pervasive government. Big government, taxes and regulations are gods of the new and sorry age in which we live.

The ultimate society is that it is considered wise and prudent to tax more and spend less; the difference being the "Budget Surplus", which waits to be worshipped in the Holy of Holies – the Inner Sanctum in the Multinational Temple.

BOAT PEOPLE SAGA CONTINUES: The issue of illegal immigrants, now a festering sore in Australia's side, continues. How many perish in transit, how many arrive undetected, and how many more are on the way, nobody knows.

The Bulletin (16/1/2001) told us:

"Two boats containing scores of Middle East refugees landed at Christmas Island off the West Australian coast. The federal government revealed that 4,174 boat people arrived without authority on 75 boats in 1999-2000, a 354% increase on the previous year. At present, almost 1,700 illegal immigrants are being held in detention centres as the government announced it will upgrade security at the centres, installing 12m reinforced metal fencing."

That should fix it! So no doubt Finance Minister John Fahey will 'outsource' the contracts to build heavier fencing round the detention centres run by a multinational – which employs and trains its guards under international law.

Immigration Minister Ruddock has just been in the Middle East, during which time it was discovered that a sophisticated racket counterfeiting Australian visas was flourishing, openly advertised in local papers. But Mr. Ruddock says everything's under control!

THE BURGEONING BANKRUPTCY INDUSTRY: As *On Target* recorded last year, the Government fully anticipated that up to 25 percent of small businesses would crash as a result of the GST. This was explained by one ATO official as "getting rid of the riff-raff".

The crunch would not start with the GST introduction, but would really start to bite in the period it was applied. The second BAS is due in February, with big cash-flow problems for businesses.

Bankruptcies in Australia are already increasing dramatically. ***The Advertiser*** (Adelaide, 13/1/2001) gave this picture:

"More than 500 South Australians have been declared bankrupt in the past three months and the nation's largest accounting body has warned the situation will worsen.

"Insolvency Trustee Service of Australia figures show 545 South Australians were declared bankrupt between October and December last year – a 5.6 percent increase on September 2000's figures .....

"The SA bankruptcy figures in the 1999-2000 financial year was 2,529, compared with 23,306 nationally.

"CPA Australia's SA insolvency spokesman, Mark Hall, said yesterday the rise was only the beginning of stormy times for businesses

"'Things are going to get worse. Small business have got all their annual leave payments to make, and in February the GST payment is due,' Mr. Hall said.

"'There's going to be a lot of pressure on small businesses which may lead to some closing down and employees losing their jobs, which would further increase the bankruptcy figures....'"

The figures for national bankruptcies quoted by ***The Advertiser*** were:

1994/95: 14,132. 95/96: 17,340. 96/97: 21,830. 97/98: 24,408. 98/99: 26,376. 99/00: 23.306
Although there had been a slight drop in the last year, Mr. Hall anticipated the worst was yet to come.

SUPERANNUATION INDULGENCE: A Brisbane reader has drawn our attention to another Senate Select Committee inquiry – this time into "Commonwealth Public Sector and Defence Force Unfunded Superannuation Funds and Scemes". Submissions must be made before January 29th.

Few people realise what a large bill hangs over them. ***The Chronicle*** (Toowoomba, 11/11/2000) commented:

" ....A report on the contributions to the Parliamentary Superannuation Fund of five retired federal politicians indicates that, collectively, they contributed $628,546 (an average of $125,700) and upon leaving Parliament the total payout to the same five politicians was $10,890,000 (an average payout of $2,178,000. Not bad bikkies for a few terms in Parliament!

"Total payouts in this instance exceeded total contributions by almost $10.25 million. No worries, no doubt, the taxpayers of this country footed the bill for the balance ...."

When it comes to the Public Service as a whole the figure is awesome! ***The Weekend Australian***, 15-16/5/99) reported:

" .... *page 15 of the Budget Statement No. 4 gives the first estimate of the superannuation bill for past and present federal public servants. $69.1 billion this financial year, growing to $72 billion in 2002-3.*"

That equates to an unfunded bill, next year, hanging over our heads, of about $3,800 per head of population ($15,200 for the average dad, mum and two kids) to ensure the retirement comfort of 300,000 or so public servants.

Our reader asks "How is this to be paid?" Under current orthodoxy, from future taxation. He asks, why should not the government, as it is authorised to do by the Constitution and banking legislation, draw upon and monetise the Public Credit, rather than continuing the practice of allowing private-sector banks to lend us the money, to be taxed, as we saw in the first article above, at evermore onerous rates, to pay out a small minority of Australians who have ensured themselves enormous benefits at the expense of the rest?

It seems a fair question, but somehow or other we doubt whether The Select Committee on Superannuation and Financial Services will include such a creative possibility in the submission they must make to Parliament by the last sitting day in March 2001.

RUSSIA SKIPS PAYMENT OF OLD SOVIET DEBT:

Russia won't make its first-quarter payments this year on the billions of dollars of debt owed to nations known collectively as the Paris Club, a government spokesman was quoted as saying Thursday (January 4th), according to an Associated Press report.

But the decision "does not mean and has nothing to do with a declaration of default," the Interfax news agency quoted Gennady Yezhov, spokesman for Finance Minister and Deputy Prime Minister Alexei Kudrin, as saying. "A decision on the former USSR's debts will be found after an International Monetary Fund (IMF) mission comes to Moscow in late January or early February," he said.

The government information department later said that Russia plans to pay the amount scheduled for this year, the news agency ITAR-Tass reported.

Russia owes about $48 billion, racked up by the Soviet Union, to the Paris Club countries, a group of industrialised nations that includes the United States. The debt was defaulted on in the 1991 collapse of the Soviet Union, and again in the August 1998 financial crisis when the ruble's value plunged.

Russia owes about $3.5 billion in interest payments on the debt this year, and the missed first-quarter payment amounts to about $1.5 billion.

Russia's total foreign debt, including to the Paris Club, is about $148 billion. The huge amount is an impediment to the nation's development. The IMF failed to reach an agreement with Russia last month on new loans – *From* Neil Baird's website.

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