A WEEKLY COMMENTARY

ON TARGET

• NEWS HIGHLIGHTS
• BACKGROUND INFORMATION
• COMMONWEALTH AFFAIRS

The price of Freedom is eternal vigilance –

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THOUGHT FOR THE WEEK: *"In every introductory text-book of economics there appears what is by now a classic quotation from Adam Smith's 'Wealth of Nations'. It has to do with the division of labour in the manufacture of pins. Adam Smith eulogises the process: 'Each person, therefore, making a tenth part of forty eight thousand pins... But if they had all wrought separately and independently... they certainly could not each of them have made twenty, perhaps not one pin in a day.'*

"Whether Ruskin had this passage in mind I do not know, but he also comments upon the manufacture of pins by such division of labour, but for him it is not the pins which are ground down and polished, but men; men alienated from their labour, giving birth to nothing; so that not so much as a single pin is theirs as an extension into time and space of their innate spiritual purpose..."

"An Outline of Distributism" by Anthony Cooney from "Triumph of the Past", January, 2001

THE THUNDERBOLT HAS STRUCK by Jeremy Lee:

"When a thunderbolt strikes it is too late to consult the Book of Dates" said Confucius. The election results in Western Australia and Queensland may well have sealed the fate of the Howard/Anderson Coalition. Whatever inducements they now introduce to woo back electors will be seen to be exactly what they are – bribes which could easily have been introduced much earlier.

Only a week before the Queensland debacle Treasurer Costello was adamant that changes to the Business Activity Statement were impossible. Seven days later sweeping changes are under way. Will this be enough to appease hundreds of thousands of furious small business proprietors? It's doubtful. Most will see the previous refusal to compromise as sheer "bastardry". And if there is a 'far-too-late' reduction in petrol excise, it will simply add to the bitterness that the government could well have acted last year without reducing its anticipated revenue.

At the time of writing the Liberal Party has only two seats in Queensland – less than One Nation's three, and half the number of Independents. The National Party has less than half its previous tally and is trying to regroup. It's a case of the "walking dead".

The major question now is the implications for the Federal election due before the end of the year. It is worth recalling that the Federal Coalition did not receive any sort of mandate at the last election, least of all to introduce a Goods-and-Services Tax.

The Bulletin of February 20th, which was on the news-stands just before the Queensland election, made this point:

" .... At the last Federal election in November 1998, Howard's Liberals received the lowest vote in percentage terms of any Federal Liberal Party aside from that of Billy McMahon in 1972, when Gough Whitlam swept to power. Howard's Liberals received just 33.89% of first preference votes in the House of Representatives. At the same time, the Coalition partner, the Nationals, received the lowest vote in its history: 5.29%. Kim Beazley's Labor Party got 40.1% of the primary votes, which happens to be more than the ALP received in 1990 when Bob Hawke's Labor government clung to power.

"What these figures mean is that Howard's Coalition lost a swag of votes to One Nation (which picked up 8.43% of the vote without winning a single Lower House seat) but managed to stay in government because in crucial seats, One Nation's preferences propped it up ....

Since that time One Nation has been obliterated, divested of its financial base, and than resurrected. Considering this course of events its vote in Western Australia and Queensland has been remarkable. Also remarkable has been the vote for other minor parties and independents – all of which when added together bodes ill for the Federal Coalition. Consider the figures:

One Nation gained 9.55% of the vote in Western Australia, and in Queensland, 21% of the votes in the 39 seats where it stood, compared with 27% in the same seats in the last election. In the last Federal election – before the GST and the petrol price fiasco – it gained 8.43%.

In the Victorian State election, 7.4% of the vote went to Independents. In Queensland, on top of the One Nation vote, 7.9% went to Independents.

But another minor party did surprisingly well. Although we don't have the Green figures for WA, they scored five seats in the Upper House in that State. In Queensland the Greens, with none of the publicity which went One Nation's way, scored 7.3% of the vote.

Thus, in the Queensland election, One Nation, the Greens and Independents between them took almost one-quarter of the vote. The implications are staring both Howard and Beazley – let alone John Anderson – in the face. A new factor now confronts both State and Federal elections – the haemorrhaging of a growing percentage of votes away from the major parties.

A major casualty has been the Democrats. Meg Lees' flirtation with John Howard, which allowed the GST to slip through, has exacted a high price for that party.

The key to the Federal election will be the Senate. If any of the minor parties can put together credible Senate teams in each State, the first signs of a returning democracy may appear. Queensland, with a rampant Labor Party dominating the Legislative Assembly, will rue the day it lost its Upper House – the only government in Australia without a bi-cameral system.

The 'Beatty factor' played a key part in the Queensland election. Beazley would be foolish to believe that the same will apply to him.

With regard to Howard, the former Liberal leader John Hewson – who met his own Waterloo over the GST – recently remarked:

"Refusing to remedy mistakes is not leadership, it's dictatorship. Accepting peoples' views is not weakness, it's democracy."

THE MEDIA PARTY: With a few exceptions, the media has not covered itself with glory in the Queensland and WA elections. Neither did the polls.

The sort of myopic and jaundiced views among many journalists was evident in an article headed AS GOOD AS IT GETS FOR REGIONAL AUSTRALIA by Alan Mitchell (***Australian Financial Review***, 19/2/01):

"Unfortunately for regional Australia and the National Party, this is as about good as it gets.... The only hope for improvement is glacial progress made at the World Trade Organisation, which Pauline Hanson and her supporters seem to think is a threat to Australian interests.

"Rural producers' terms of trade will continue their long-term decline. Farmers will have to keep raising productivity. Small inland towns will continue to shrink under the pressure of rising farm labour productivity, technological change, and the drift of the population to a few major inland cities and the coast.

"And regional Australia – like the rest of the nation – will have to respond to the unrelenting pressures of international competition.

"That's what the rationalisation of government services has largely been about. It's what competition policy is about. Everyone has to get more efficient."

How does one contend with such thinking? Behind this view that "efficiency" has replaced "free choice" is the belief that the only purpose for the human being is economic production.

But Alan Mitchell's scenario sums up what faces Australia. And the National Party which claims to represent both past and future casualties, cannot muster the fortitude to challenge and expose it for what it is - the demise of a free, decentralised and democratic nation.

THE AUSTRALIAN DOLLAR: Last November the Australian dollar hit an all-time low of US50.70 cents. Since then it has climbed by five cents before dropping again to the current level of between 52 and 53 cents.

Why? ***The Australian Financial Review*** (Weekend, 17-18/2/01) told us: *"....The resumption of the $A decline is likely to generate concerns at the Reserve Bank. On Thursday, it said in its monthly bulletin that it had intervened in the foreign exchange market to support the dollar for the fifth month running during January.*

"At the same time, daily turnover of the $A in foreign exchange markets was declining. This was partly due to general disinterest in Australia as an investment destination ...."

So we've been "propping up the dollar" by buying it on foreign exchange markets with our reserves. No nation can continue to do that for too long.

THE MULTINATIONAL TAKEOVER OF WORLD TRADE: The startling fact that United States corporations are selling twice as much overseas through their foreign subsidiaries as from exports has been revealed in the latest statistics from the International Trade Commission. The reason, according to the report is because the US had spent almost $US1 trillion ($A1.8 trillion) by 1998 acquiring foreign businesses, mostly in other industrialised nations. Sales by US-owned foreign affiliates topped $US1.9 trillion by 1997 while exports from home-based corporations were less than half that amount.

A lot of the trade was between the parent corporations and their foreign affiliates. The ***AFR*** (16/2/01) said:

" ....In 1997, exports from US parents to their foreign affiliates totalled 23.8 percent of all US exports, worth more than $US220 billion ..... The ITC report says US firms invest abroad mainly due to better market access, lower labour costs and better access to resources or to a labour force with a particular skill."

None of this altered the fact that in the year 2000 the US trade deficit was a record $US415 billion.

SPREADING THE GLOBAL MESSAGE: Apparently shaken by the world-wide opposition to globalisation, the government fears we are not getting the message. ***The Age*** (Victoria, 7/2/01) reported:

"... after the rowdy S11 protest last September, the Federal Government has launched a public awareness program to tell schoolchildren that free trade and globalisation are the keys to Australia's economic prosperity.

"Trade Minister Mark Vaile and World Trade Organisation chief Mike Moore yesterday launched a two-year program to educate children on the benefits of free trade.

"The campaign, designed by Austrade and the Department of Foreign Affairs, will be part of a $60 million program to counter the anger directed at global free trade institutions.

"Mr. Moore, a former New Zealand Labor leader, said most people were ignorant of the WTO's role, blaming it for the world's economic woes."

Somehow, the article omitted to tell us that Mike Moore is a member of the Fabian Society, a member of "Parliamentarians for Global Action" and the author of a book entitled ***"The Pacific Parliament"***, which forecast a Pacific Union along the lines of the European Union.

The fact that a man with such a background has joined forces with a National Party Minister speaks volumes for the complete loss of direction in Australia's so-called 'conservative' forces.

Sixty million dollars' worth of brainwashing – of *our* children, with *our* money!

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