



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 idea has become established that the preservation of international peace and order may require that force be used to compel a nation to conduct its affairs within the framework of an established world system. The most modern expression of this doctrine of collective security is in the United Nations Charter... Many persons believe that enduring peace cannot be achieved so long as the nation-state system continues as at present constituted. It is a system of international anarchy."*

– "Brave New Schools" by B. Kotos

"...it is most frequently in the family that children are infected with nationalism by hearing what is national extolled and what is foreign disparaged... As long as the child breathes the poisoned air of nationalism, education in world-mindedness can produce only rather precarious results."

"Towards World Understanding", UNESCO Document, 1950's

CHICKENS COMING HOME TO ROOST by Jeremy Lee:

To say that Australia faces a new political ball-game is to put it mildly! The anger everywhere is palpable. It is bizarre that coalition members of parliament are surprised. But it goes to show how out of touch they are.

The front-page headline in *The Weekend Australian* (March 3-4) proclaimed ECONOMY ON THE BRINK OF RECESSION. It gave the usual series of indicators: Business capital expenditure down 5.2%; Home building down 12.8%; Exports down 2.2%; Retail sales, in the quarter covering the Christmas period, up 1.8%, following a drop of 3.3% in the September quarter; and a further 24,700 people out of work.

Nowhere do these statistics deal in the human side of what is happening – family breakdowns, stress and illness, loss of hope and vision and human misery. It is left to welfare agencies to tell us that they are overwhelmed with human casualties, and that we now have thousands of families hard put to place food on the table.

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Elections sharpen the political mind wonderfully. Even though voting has been robbed of genuine choices, it provides an opportunity to strike savagely at complacent fat-cats and self-satisfied politicians.

The sorts of political swings we have seen recently in Western Australia and Queensland, the dismal polls for the Coalition in the coming bi-election in the Federal seat of Ryan, and the abysmally low esteem generally in which the Liberals and Nationals are held, indicate contrition at the Federal election later this year.

The non-productive pork-barrelling which is the stock-in-trade of frightened politicians is obvious. At every opportunity they spout a list of good things they have done – hand-outs to rural areas, more spent on roads, better telephone services, etc., etc.

It doesn't seem to have occurred to political do-gooders that such promises *increase* rather than *reduce* the anger. What use is more money spent on country roads to rural voters who think twice before starting their cars? What use is a better phone system to customers who are wondering how to pay the last phone bill? What everyone wants – the one thing that politicians cannot bring themselves to arrange – is an increase in effective purchasing power in peoples' pockets. This means being able to meet the cost of living and have some money left over. The politicians want anything that is left over so that they can do good to you, and climb in your estimation. They genuinely believe they can spend your money better than you can.

YOUNG VOTERS DON'T BOTHER: The Australian Electoral Commission is launching an initiative to persuade eligible young voters to enrol. *The Sydney Daily Telegraph* reported that fewer than half – 46% – of 18-year-olds had bothered to enrol for the coming Federal election: ".... *Reasons for low enrolment ranged from apathy to ignorance and alienation from our political system AEC research in 1998 found that while young people were alienated from politics, they still felt strongly about certain 'political issues' such as the environment, education and employment.*"

Which leads to the obvious conclusion that many young people see no connection between the issues that concern them and the results which come from politicians. In other words, politicians do not solve issues!

THE ONE-AND-A-HALF CENT DROP IN THE BUCKET: The tiny drop in the petrol excise of 1.5 cents a litre, delivered with a lot of breast-beating and humble pie by our noble Prime Minister, is so little and so late that it has failed to gain for him the gratitude he expected. It has been swallowed up as soon as it was delivered.

Terry McCrann (*Weekend Australian*, 3-4/3/01) put his finger right on the issue: "*Good politics would have seen John Howard cutting the petrol excise by at least 3 cents – or even 5c – a litre. Better politics would have seen him do it eight months ago on GST day.*"

"Good policy – and not exactly bad politics – would have been to cut by 5c at the very least, and arguably as much as 10c. Surplus fetishists take note that it would slash the Budget surplus. Today's and tomorrow's.

"Today's, as a much more appropriate and effective stimulus to the slowing economy than relatively small interest rate cuts. And one that zeroed in precisely on a serious blow to the economy – the sharp rise in world oil prices.

"Tomorrow's, to stop future governments spending our money – unwisely, to buy our votes, or both.

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"To make it worse, we then had to put up with the man who will now probably never be king pumping out pompous, portentous garbage. As if the \$800 million out of a \$180,000 million budget will force him to slash and burn around the fiscal landscape.....

"....talking about what it might do to the Budget surplus is meaningless without disclosure of what the additional revenue that will flow to the Federal Government from the GST.

"'Honest' John Howard and 'Pretender' Peter Costello quite deliberately had the mid-year Budget update two months earlier than it needed to be, so they wouldn't 'know' what the GST windfall looked like being. Then they could 'discover' the windfall running into the May Budget, to fund their – now desperately needed – voter bribes..... it just goes from dumb to dumber"

The average voter may not have all McCrann's figures at his fingertips. But he can certainly recognise sheer political rorting when he sees it. Neither Howard nor Costello have been forgiven. What it will take to turn round the Coalition's fortunes is anyone's guess.

What should the Howard government do now? With a combined tax-take (Commonwealth and States) exceeding \$12,000 per head of population (\$48,000 for the average mum, dad and two kids), it is absolutely obscene to be running a budget surplus when the country is in recession. A budget deficit has often been used before to turn from recession. A budget deficit now should be spent on tax reduction with the intention of putting purchasing power back into Australia's pocket.

But, as John Corzene, former head of Goldman Sachs, made clear to newly elected Prime Minister John Howard on June 6th, 1996, in the biggest gathering of international financiers ever held in Australia, budget deficits are *verboten*. By accepting this edict, Howard effectively stifled any sovereign use of Australia's nation credit. Treasurer Costello, a board member of the International Monetary Fund, has done nothing to restore Australia's financial sovereignty.

GROWING CRISIS ALARMS GLOBALISTS: Although the Multilateral Agreement on Investments was officially put on the back-burner, the flow of global capital has hardly faltered. *The Australian Financial Review* (Weekend, 24-25/2/01) carried an article by Lenore Taylor under the heading CLOBAL GAIN FOR THOSE WHO PLAY THE GAME which said: "A staggering \$US1.3 trillion (\$2.48 trillion) flowed round the world in 2000 to finally settle in a new investment home, according to a survey released by The Economist magazine's economic intelligence unit. It calculates that even with the US-led economic slowdown, another \$US700 billion will migrate from one nation to another this year in the increasingly borderless world of global capital"

This has led to widely-conflicting views which weren't so evident a few years ago. The report's editor, Mr Laza Kekic, argues that, despite world-wide protests, there is no alternative to the "economic liberalism" of the moment. On the other hand: "For the prominent sociologist Professor Ulrick Beck, speaking to a packed auditorium at the London School of Economics, the phenomenon of the nation State being usurped by the illegitimate and unanswerable forces of global capital was so overwhelming as to necessitate a redefinition of the whole way sociologists think about power"

It says something for the turnaround in thinking that such views could be expressed at the London School of Economics, originally endowed by Sir Eenest Cassels as "the training ground for the future socialist state". The eradication of national sovereignty has for a long time been fostered by the London School of Economics.

A "PEOPLES' BANK" IN NEW ZEALAND: Giving his reasons for initiating a "peoples' bank" in New Zealand: "... We've become a colonial outpost,' the Deputy Prime Minister, Mr. Jim Anderton, told *The Australian Financial Review*. 'If a bank is in New Zealand hands, you can talk to people who have their allegiance in this country and who live here and are susceptible to the normal accountability mechanisms of New Zealanders. If the people are actually in Melbourne or Sydney, or London, how do you get hold of them?'"

What did he mean?

"...The four main Australian banks now dominate the industry, and the only New Zealand-owned bank among 18 banks registered is the Taranaki Savings Bank, owned by a community trust.

"As in Australia, branches have closed and fees have risen. Since 1993, the number of branches has fallen from 1,510 to 866, while commercial and business bank charges have risen nearly 30 percent over a similar period" (*The AFR*, 20/2/01)

It was also reported that the four Australian banks were "... not happy about the latest scenario".

EUROPEAN UNION AND COMMON LAW by Antonia Feitz:

The European Court of Justice ruled yesterday that the European Union can lawfully suppress political criticism of its institutions and of leading figures, sweeping aside English Common Law and 50 years of European precedents on civil liberties. The EU's top court found that the European Commission was entitled to sack Bernard Connolly, a British economist dismissed in 1995 for writing a critique of European monetary integration entitled *The Rotten Heart of Europe*.

The ruling stated that the commission could restrict dissent in order to "protect the rights of others" and punish individuals who "damaged the institution's image and reputation". The case has wider implications for free speech that could extend to EU citizens who do not work for the Brussels bureaucracy.

The court called the Connolly book "aggressive, derogatory and insulting", taking particular umbrage at the author's suggestion that Economic and Monetary Union was a threat to democracy, freedom and "ultimately peace".

However, it dropped an argument put forward three months ago by the advocate-general, Damaso Ruiz-Jarabo Colomer, which implied that Mr. Connolly's criticism of the EU was akin to extreme blasphemy, and therefore not protected speech.

Mr. Connolly, who has been told to pay the European Commission's legal costs, said the proceedings did not amount to a fair hearing. He said: "We're back to the Star Chamber and Acts of Attainder: the rights of defendants are not respected or guaranteed in any way; the offence of seditious libel has been resurrected."

Mr. Colomer wrote in his opinion last November that a landmark British case on free speech had "no foundation or relevance" in European law, suggesting that the European Court was unwilling to give much consideration to British legal tradition.

Mr. Connolly now intends to take his case to Europe's other court, the non-EU European Court of Human Rights in Strasbourg.

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