A WEEKLY COMMENTARY

ON TARGET

• NEWS HIGHLIGHTS
• BACKGROUND INFORMATION
• COMMONWEALTH AFFAIRS

The price of Freedom is eternal vigilance –

Print Post Publication Number 381667 00258

Vol.37, No.10 March 23rd, 2001

THOUGHT FOR THE WEEK: *"...As far as I can judge, two strongly held opinions are widely shared in the West: that during the last few years democracy has unquestionably been established in Russia... and that effective economic reforms have been adopted to foster the creation of a free market, to which the way is now open. Both views are mistaken...*

"Democracy in the arguable sense of the word means the rule of the people – that is, a system in which the people are truly in charge of their daily lives and can influence the course of their own historical fate. There is nothing of the sort in Russia today...There exists no legal framework or financial means for the creation of local self-government; people will have no choice but to achieve it through social struggle. All that really exists is the government hierarchy, from the President and national Government on down..."

– Aleksandr Solzhenitsyn, ***"What Kind of 'Democracy' is this?" NYTimes***, January 4th, 1997

THE DEMEANING SPECTACLE OF GROVELLING by Jeremy Lee:

This is being written 24 hours before polling begins in the Ryan by-election. Ryan, the safest seat in the Liberal portfolio, looks like being lost to Labor, and the prospect has the politicians frantic!

The Prime Minister has been reduced to door-knocking in the electorate with a desperate plea to erstwhile Liberal voters not to give Labor a chance. In one televised incident the cameras caught someone ramming a banana into Mr. Howard's pocket. While it was suggested by a naive reporter that this was to stave off his hunger-pains, the symbolism of the act was grasped by most viewers. The Treasurer, smirk working overtime, is still officially denying Australia is in recession. The obvious hope of Prime Minister and Treasurer is that the third quarter will show the economy picking up again, in time for a triumphant Coalition victory as the year draws to a close. Forget the blood on the floor; just look at the fundamentals!

Peter Costello has a lot to answer for. Prior to the Coalition victory in 1996 he was in charge of the "debt-bus" – an electoral gimmick decrying the growth of Australia's foreign debt. It has more than doubled since he took office. He also attacked Labor for the poor level of the dollar, with justification. At that time it was above 70c. Currently, it has slipped below 50c.

The trouble with the boom/bust cycle created by a debt-driven financial system is that it is perceived entirely differently by economists, politicians and ordinary people. To the politicians it is merely a game. The trick is to "catch the right wave", timing elections to coincide with the "boom", and leave the Opposition floundering with the "bust". The trick, also, is to be as draconian as possible in the early stages of incumbency, so that there is a surplus "war-chest" of excess taxes with which to bribe the voter at the next election.

In the process, more and more ordinary people are stranded, gasping, half-drowned and destitute, on the beach. Politicians don't give a fig for the casualties – unless there is some political advantage to be extracted from doing so.

The "boom" swing which follows a "bust", designed simply by sufficient inducements for people to borrow more money, does nothing to resurrect the casualties. The bankruptcies and broken lives are permanent. A degrading form of conditional welfare, or work-for-the-dole, now catering for a massive section of the Australian community, is offered like manna from heaven to the "un-deserving" by an increasingly authoritarian and puritannical government, which enacts endless legislation administered by swollen, impersonal bureaucracies to control, direct and "guide" the lives of the afflicted. Government becomes despotic and people become servile. As many who can contract out try to do so. But 'escape routes' are blocked, like the sets of foxes fleeing the hounds.

The final result is a Minister for Employment who insists that the majority are unemployed through their own fault, are lazy, and that a little starvation would force them out in search of the jobs that are there. The Abbott of Scrooge Castle is the final star-chamber judge over the lives of broken men, women and children.

AUSBUY ASKS THE QUESTIONS: The latest edition of Ausbuy, which dispassionately lists Australian-owned and Foreign companies in a way which makes it easy for shoppers to select Australian owned-and-made, features gold-medallist Susie O'Neill on the back cover, with Dick Smith on the front. It runs a thought provoking little quiz for readers:

(1) Which of these companies is Australian-owned? *(a) Australian Pensioners' Insurance; (b) Ansett; (c) Rosella; (d) Bundaberg Rum.* Answer: None.

(2) How much of the average supermarket trolley contains foreign-owned products? *(a) 25%; (b) 50%; (c) 85%; (d) soon to be 90%.* Answer: (c) + (d)

(3) How much has nett foreign debt risen since Costello took over as Treasurer in 1996? *(a) 25%; (b) 40%; (c) over 45%.* Answer: (c) ABS 5302/44

(4) True or False? In 1976 (Just after Bill McMahon) Australia's nett foreign debt was $3,133 million.

(5) In 1996 (just after Paul Keating) Australia's nett foreign debt was $193,170 million.

(6) In 1999 (in the middle of Peter Costello) Australia's nett foreign debt was $230,129 million, or $12,240 per person. By September 2000 it was $294,455 million. Answer: (4), (5) and (6) are all true.

(7) Taking into account the geographical size of land mass, population and natural resources; in terms of foreign debts, which country is the worst performing economy? *(a) Australia; (b) Thailand; (c) Argentina; (d) Brazil.* Answer: (a)

(8) In 1998/99 Australia had huge deficits in its trading with two countries. Which countries were they" *(a) USA and UK; (b) France and Cuba; (c) Canada and Taiwan.* Answer (a): USA $19 billion, UK $6 billion. (ABS 5363/33)

(9) Why are more and more Australian companies being taken over by foreign companies?

(a) *Government policy;* (b) *it's not a free market;* (c) *No reason in particular;* (d) *Australia is balancing out its increasing foreign debt by selling off our assets.* Answer: mainly (d)

(10) Australia has only maintained its high standard of living by selling off its assets. As a result of this foreign takeover of our companies, land and public utilities, what is our total debt liability *(a) $150,000 million;* *(b) $250,000 million;* *(c) $350,000 million.* Answer: (c) (i.e. over $18,000 per person)

(11) Just after World War II Australia had the highest per capita standard of living. What is it now? *(a) still at the top;* *(b) top 20 to 30* *(c) 30 t0 40* Answer: (c)

The latest figure we have seen for Australia's foreign liabilities is $404,000 million, but that was before the latest plunge in the dollar below 50c. The figures compound almost as we look at them. Given the fact of Australia's huge natural advantages (cited by the World bank in a survey in 1995 as the richest country in the world per capita), Australia must also be the worst governed to squander our heritage in this appalling way. If it's any comfort, Robert Mugabe has probably done worse! But not much!

GUTNICK'S EMPIRE COLLAPSES: Beneficiaries as wide apart as Australian Rules Football and Ariel Sharon and the settlers in the West Bank in Israel will rue the collapse of Joseph Gutnick's mining empire. His companies Centaur Mining and Exploration Ltd and Centaur Nickel P/L have been placed into receivership. Whether this will affect Gutnick's private company, Edensor Nominees, remains to be seen.

Apparently the debt crisis which has overwhelmed Gutnick has been caused by using the forward selling of gold from Central Mining and Exploration to prop up Centaur Nickel. The gold had been sold through Chase Manhattan, and the forward selling outstripped the company's entire gold production. By a coincidence, just before the receivership was announced, shares rose from a low of 16.5c to 53 cents – a rise of over 300 percent. ***The Australian Financial Review*** (15/3/01) reported:

" .... *Most of the trades in the stock in the past three weeks were by day-traders who have long regarded Joseph Gutnick as the Harry Houdini of the mining industry.*

"He epitomises optimism and there were rumours that Joe had found a buyer for Cawse, Joe had done a deal with Twiggy (i.e. Andrew Forrest ed.) *whereby Anaconda Nickel Ltd. took over Centaur, and finally that giant South African group Anglo would make a scrip bid first for Anaconda then do the same for Centaur. None appears to have been true ....."*

THE TRUTH ABOUT THE 'STOLEN GENERATION': A battle of words has broken out between the refreshingly-different columnist in ***The Herald Sun***, Andrew Bolt, and La Trobe University academic Dr. Robert Manne.

The 'spat' has been caused by a full-page article by Bolt a couple of weeks ago, in which he showed that Aboriginal leader Lois O'Donoghue had not been one of the "stolen generation" forcibly removed from her parents, but had been voluntarily released by her white father .

Bolt's apparent position is that the case for the "stolen generation" has been grossly over-stated. ***The Australian MEDIA supplement*** (23/3/01) reported: *"..... Manne and Bolt have been locked in a public feud since Manne wrote an opinion piece in The Age on March 5 accusing Bolt of not* *supporting Sorry Day and wanting to replace it with Gratitude Day. Bolte wrote to the letters page of The Age to challenge this but the paper did not print his letter. So Bolt published an edited version in his own column last Thursday ..... Manne says Bolt is just one of a small number of conservative writers who are seeking to rewrite the history of the stolen generations ....."*

Whatever else is said, there is ground to suggest that the "Stolen Generations" report under the authorship of former High Court judge Sir Ronald Wilson omitted considerable counter-evidence that should have been included. If the line taken by courageous journalist Andrew Bolt offends other reporters who have simply taken Wilson's report at face value, so be it. How good it would be to re-establish a fearless, objective media in Australia, capable of putting all sides in an argument.

A FAIR GO FOR THE ISLAND – DE-AMALGAMATION? by Betty Luks:

A public meeting has been called in Cowes, Victoria, for March 30th to discuss the issue of Local Government reform. It was announced in the Phillip Island & San Remo *Advertiser*, *"...the people are no longer prepared to tolerate the adverse effect of amalgamation of councils on Phillip Island."* Organisers say the meeting has been called:

- In the realisation that there is a large and simmering cross section of discontent about the delivery of council services on the Island within the Bass Coast Shire.
- In the belief that democratic processes have been seriously eroded since amalgamation of the councils.
- To create the opportunity for residents and ratepayers to express their point of view on this issue:

The final point made is:

- And in the belief that amalgamation of councils has been a dismal, costly and destructive failure on Phillip Island.

Significantly ***The Advertiser*** reports, *"The organisers come from all sides of the political spectrum and represent a diverse range of organisations and age groups... "* and interestingly, *"most supported the concept of municipal amalgamation when it was first introduced at the end of 1994. But they now judge amalgamation to be a failure, which has robbed Phillip Island of its assets, its pride, its voice, and the resources and structures built up by the community over a long period of time to suit the Island's specific needs..."*

Oh! How we agree with them when they say, "People power can make a difference!"

We will keep a watch on the progress of this move to de-amalgamate the council in Cowes and on Phillip Island.

Note: In South Australia politicians are so far off the mark Bob Such (former Liberal) Independent MP has called for the amalgamation of *all* the metropolitan councils!!! He thinks investors would look on us more favourably and we would have the chance of more investors investing in the State! God save us from these men!

"ON TARGET" is printed and published by The Australian League of Rights, 145 Russell St., Melbourne.
Postal Address: GPO Box 1052J, Melbourne, 3001. Telephone: (03) 9650 9749, Fax: (03) 9650 9368.
Subscription $40.00 p.a.