A WEEKLY COMMENTARY

ON TARGET

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The price of Freedom is eternal vigilance –

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THOUGHT FOR THE WEEK: *"Almost the highest attribute of man is 'judgment', the exercise of choice. Far more than learning, it moulds the character and shapes the abilities, and there is no more conclusive proof of the essentially Satanic origin and nature of Socialism than its insidious and all pervasive attack on the powers of judgment and choice. We believe that it is far more this frustration of judgment than the positive hardship of the present tyranny, which is sapping the man-hood of the nation. Judgment is a faculty requiring constant exercise; and it is being killed by strangulation. 'Shopping' for the love of which women used to be gently derided, was an outlet for this vital instinct. Observe the queues of weary women waiting for what the shopkeeper deigns to give them. They are starved of 'choice'."*– C.H. Douglas, February 15th, 1947, ***"The Development of World Dominion"***

RECOVERY? OR A NATIONAL FUNDING CRISIS? by Jeremy Lee:

The Federal Government and its economic spokesman Treasurer Costello are fond of telling us how well Australia compares with the rest of the world, with one of the fastest 'growth' rates in the OECD. After a few years of privatization and the selling of national assets, federal government debt is lower than for a long time and we've had a period of more modest interest rates.

How come, then, that we have insurance firms toppling over, medicos who refuse to work because of lack of cover, hospitals teetering on the edge of calamity, universities facing intractable budget blow-outs, ambulance services only partially operating? While this is going on, we have further government hand-outs to foreign multinationals to keep operating in Australia so that, even though the profits go out of the country, Australians can still obtain jobs from foreign companies in their own land.

The current medical crisis is a case in point. With the collapse of United Medical Protection following HIH, thousands of neuro-surgeons have, temporarily one hopes, ceased work while some sort of 'rescue operation' (using tax revenue) is launched.

But the crisis in health and medicine is not new. It has been building for years. The key factor as in every other stressed sector, is the accumulation of debt. Three years ago ***The Sydney Morning Herald*** (17/12/99) reported: *"The cash crisis in the State's hospitals has worsened, with debts rising almost 15 percent to a record $387 million in the last financial year and businesses in some areas forced to wait up to two-and-a-half months for payment.*

"In addition, the NSW Auditor-General, Mr. Bob Sendt, found there had been further difficulties since June, with a blowout in the time taken to pay bills.

"Mr. Sendt warned that many health area services, particularly in rural areas, remained stuck in a cycle of using Health Department loans to try to pay bills on time.

"'Unless there is some strategy in place to improve the relevant areas' financial operations, these loans simply substitute one financial obligation for another,' he said....."

One year later six general surgeons at the John Hunter Hospital in Newcastle resigned because they were instructed to cut surgery by 45 percent due to a "budget blowout". ***The Sydney Morning Herald*** (9/2/00) said: *" ....the director of general surgery, Dr. Stanley Chen, said the surgeons had been performing only what was absolutely necessary .... 'We are not prepared to take any further cuts from our current level. It's the bare minimum at which we can provide the services we have to provide ...'"*

The crisis cut right across the board by the first part of this year (2002). Overrun hospitals were working out ways to keep patients away. ***The Sydney Morning Herald*** (7/3/02) told its readers: *"Major Sydney Hospital emergency departments are closing their doors to ambulances carrying all but the most critically ill patients for up to five hours a day.*

"The worsening hospital over-crowding crisis is exposed by Health Department figures ....

"Emergency departments in Sydney were partially closed for 5642 hours in the six months to December – nearly double the shutdown times for the same period in 2000 ...."

Although health is currently in the spotlight, every sector is feeling the pinch. Australia's venerable university system, which has turned out outstanding academics in all fields in times past, is scrambling and competing for the Almighty Dollar. ***The Sydney Morning Herald*** (15/4/02) reported: *"More than a quarter of universities do not have enough money to make ends meet, the Federal Government's latest report on the status of Australia's troubled education sector shows.*

"The report indicates 10 of the nation's 38 public universities recorded 'negative operating margins' in 2000. Just five were in the same position in the previous year....."

So what's the result? Universities, like the beset legal profession, hang out their shingles and tout for commercial business in a way that trivializes their customary standards. The overseas student is prized above Australia's own young people, simply for commercial reasons.

Every sector is under stress. The Defence system, with a pitifully small number of active servicemen, is continually scratching for resources. Research and Development has been cut to a degree where the nation's best brains seek better opportunities overseas. Maintenance on Local Government infrastructure is hundreds of billions of dollars in arrears. While there is a universal feeling that taxes are too high and punitive, from every quarter hands are held out for an increased budget allocation.

Politicians, of course, revel in the situation which appears to have no answer. "Where's the money to come from?" is the stock answer to the most justified plea for financial resources, or the most angry complaint about initiative-stifling-taxation. Their art is not to allocate where there are most needs, but where there are the most votes.

But there is never any genuine questioning of a budgetary system that places large segments of the economy into conflict and stagnation. The idea that taxation is the only source of public expenditure is played to the extreme. But nobody dares question the $100 million freshly-created money that is added to the money supply *each 24 hours!* This is outside accepted discussion, being the private domain of a small cartel of rapacious trading banks. Their job is to extend their loan base as far as possible, whether to a public hospital, a prestigious university, or a lowly couple wanting their own home. And then to maintain a permanent, interest-yielding debt structure that delivers them the fattest profits possible through boom or bust, without ever considering the cost in human misery.

And no politician dares question the system. Their job is to tax as high as possible, and then allocate the handouts.

If that $100 million new money each 24 hours was *credited* to Australians instead of being *charged at interest*, it would work its way through the system, finally canceling out an equivalent debt. As each sector found its aggregate debt receding, it would begin to emerge with better services for lower costs. This in turn would allow genuine tax reductions. The overall result would be a more productive economy without the threat of higher interest rates.

But the private trading banks would scream, and corporate donations to political parties would drop alarmingly!

FOREIGN OWNERSHIP – MOPPING UP: As this is written the good ship *SS Yarra* has changed course from Adelaide for Port Pirie because it fears possible union-sponsored-demonstrations in the South Australian capital. Why? The Australian company which owns the ship has announced its intention to re-register the ship under the flag of the Bahamas. It's a simple procedure. As a private company there is no law against such an action.

Having done so it no longer comes under the maritime law which sets minimum pay and conditions for Australian seamen. It will sack its Australian crew and fly in a new crew from the Ukraine. Ukrainian seamen are prepared to work for much lower wages, and do not have to pay taxes in Australia. Neither does the company.

The Australian shipping industry has warned long and loud that such a precedent will result in the destruction of our maritime industry. We agree. It is so outrageous it brings the blood to the boil.

But in the language of globalism, where the highest output from the lowest wages is the way to go, this is a "smart" move, and entirely in keeping with the advice given by Foreign Minister Alexander Downer and his Department of Foreign Affairs and Trade to Australian IT companies to make their bases in India, where costs are lower and wages are cheaper.

What future for Australia and its current retreat from a reasonable standard of living with such 'leadership'? To Australians concerned for their country and future generations this is betrayal.

FREE TRADE? OR FREE EXPLOITATION? Japanese Prime Minister Junichiro Koizumi has made it clear there will be no "free trade" as far as Japanese agriculture is concerned. Japan wants to keep its farmers. The US Congress has passed the massive subsidy programme for US farmers, despite its trumpeting of the free trade agenda. It has also put up barriers against steel imports, and will be taken before the World Trade Organisation. There may be a few crumbs for Australia from time to time – so long as we uncritically support Bush's "war against evil" wherever that may take us. Iraq? North Korea? Iran? The destruction of the Palestinians? It's not for us to ask. "Ours not to reason why. Ours but to do and die".

THE FAVOURED FEW: In contrast to its parsimony to Australian industries and services, the Australian government falls over itself to hand tax-grants to multinationals.

Back in 1989 Australia handed $35 million to Eastman Kodak because it threatened to close up shop and go to Brazil. It promised to stay in Australia for five years and save the 800 jobs that would otherwise be lost.

The brave John Howard – at that time in Opposition – roasted Keating's move: *"....At that time John*

Howard staunchly opposed the deal, describing it as corporate 'blackmail'. He told Button in a television debate: 'There are hundreds of companies that say, if only the Government can give us a few million, we'll give them back billions. I just think that what you're doing is opening up a Pandora's Box for others to come and blackmail'" (***The Sydney Morning Herald***, 13/12/97).

But when he took office as Prime Minister, John Howard went even further than the Keating Government. Out came a new official policy: *" .... Howard's industry policy statement is a wholehearted declaration of Australia's willingness to bid keenly in what has been characterized by some academics as a 'global auction' for investment from multinational companies The process will be overseen by Australia's new Strategic Investment Co-ordinator, Bob Mansfield, who has held chief executive posts with McDonalds, Optus and John Fairfax. He will advise the Government on the 'possible use of incentives for particular projects'. Investors will have a direct line to the PM ....While these undefined investment incentives could be paid to local companies, the promotion of the package is distinctly geared towards foreign investors. The industry statement says these incentives reflect the 'increasingly mobile' nature of world capital."*

"The statement explains: 'The Government will, however, consider the provision of investment incentives, in limited and special circumstances. Such incentives could include grants, tax relief, or the provision of infrastructure services. They will be considered on a case-by-case basis ....'

"Australia has one of the highest levels of foreign corporate ownership in the world, and this means that much of the 'value-added' work is done offshore. A 1992 study by the now defunct Economic Planning Advisory Committee (EPAC) predicted a rise in the proportion of foreign-owned corporations from 33 percent to about 50 percent by the first decade of next century ..... The emphasis on foreign investors has angered some local manufacturers who say the Government is showing more interest in attracting new firms at the expense of existing ones ....." (***Sydney Morning Herald***, 13/12/97). In fact, foreign corporate ownership was much higher than anticipated – over 90 percent.

Could ever a sellout be better explained? It had only been some eighteen months earlier – on June 7th, 1996 – that the newly-elected John Howard had faced the biggest gathering of investment bankers ever held in Australia in Sydney, where Mr. John Corzene, at that time chairman of Goldman Sachs, *"a former central banker, was asked by the group to specify* (to Prime Minister Howard – *Ed*) *conditions for what he called the 'inherently blunt process that leaves many worthy initiatives without resources ....'"* (***The Australian Financial Review***, 7/6/96).

And so the handout to foreign multinationals continued, while Australian industries went to the wall. In 1999 $100 million to Comalco for its Gladstone operation. Comalco has since been bought by one of the most powerful and ruthless global multinationals, Rio Tinto.

And the latest, $75 million ($35 million from the Commonwealth and $40 million from the South Australian government) to the Japanese Mitsubishi company. It will, we're told, save 800 jobs. But Australian companies also employ people. No handouts or tax incentives for them.

Currently, South Pacific Petroleum is seeking help to keep its Gladstone oil shale project alive. It has one big disadvantage; it's Australian owned.

Think on these things as the last vestiges of an Australian-owned Australia are mopped up, by permission of a Government that hasn't got the guts to stand for Australia.

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