A WEEKLY COMMENTARY

ON TARGET

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The price of Freedom is eternal vigilance –

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THOUGHT FOR THE WEEK: *"This comes as no great surprise to those of us who have been following the developing story of the World Trade Centre attacks with a properly sceptical mind. Watching George Bush's face, as he was given the news of the attack (before the impartial eye of a live television camera), in a schoolroom in Florida, I was struck by the way his eyes swiveled round to see if the red light was glowing on the camera (it was).*

"The look of guilt that fleeted across his face recalled to my mind the oral history report by Frances Perkins, Franklin D. Roosevelt's Labor Secretary, who was by chance a witness of the moment when he received the phone call reporting the Japanese attack on Pearl Harbor.

"'Pearl Harbor!?' he exclaimed, as though he had been expecting it somewhere else. She said she had only ever seen that look of profound guilt on FDR's face once before."

From David Irving On Line, May 17th, 2002

THE BUDGET – WHAT A TRUSTY, TRUTHFUL TREASURER WOULD TELL US by Jeremy Lee:

Another Budget: another wave of speculation: another Treasurer's speech under the media spotlight: and another year in which the vast majority of Australians are mystified about the portents.

It is now quite within the abilities of the Federal Government to provide every Australian taxpayer with a well-produced, simple Balance Sheet for the nation, with adequate clarification of each statement. Every public company is required to produce one for the scrutiny of shareholders. Every CEO is also required to face up to a shareholders' meeting and to feel the heat over any shortcomings.

But Treasurer Costello escapes such public scrutiny and, if necessary, censure. As Alan Kohler explained in ***The Australian Financial Review*** (15/3/02):

".... the excellence of the system for the Treasurer is that he does not have to front a board of directors and, with a red face, run through the excuses before waiting judgement. He and his colleagues in Cabinet and in Treasury are entirely unaccountable, to the point where it seems almost churlish, even irrelevant, to dwell on the subject of the 2001-02 Budget, even though the year in question is not even finished.

"Perhaps it is best simply to join the state of constant amnesia, in which the past never exists, and everyone lives for the moment ....."

So if Treasurer Costello was not a party politician with leadership ambitions, and was simply concerned with presenting a Budget which gave as accurate a picture as possible to Australians, he might have said something like this:

"Mr Speaker, Members of Parliament and Taxpayers of Australia.

In presenting this Budget I had better begin by expressing my disappointment that we will be forced to increase direct and indirect taxation by almost $1,000 per taxpayer. This will lift total federal taxation, direct and indirect, to $157.7 billion or, as near as makes no difference, an average $8,000 for each man, woman and child in Australia. Thus, an average two parents and two children will pay just under $32,000 between them. The increase in taxation revenue over last year's estimate is 6% – about twice the official inflation rate.

Of course, the taxes you pay to the States, and the rates you pay your local councils are extra to this.

Why do we need the extra money? Blame it on Osama bin Laden. The world changed on September 11 and you must pay for those changes. We must spend more on defence, refugees and border surveillance. In fact, such costs wiped out last year's budget surplus and this year we'll have a deficit of $1.2 billion.

The picture ahead is not the brightest. Extra taxation will have to be absorbed in prices. We are going to have another blowout in our Current Account Deficit to about $2.4 billion a month, or $80 million a day, which will be added to our foreign debt. It's all the fault of the US, which urges free trade on the rest of us while protecting its own farmers and industries.

We will still have an illusionary growth in Australia, which we have achieved by altering the Gross Domestic Product criteria so that ALL forms of activity – constructive and destructive – are included. The bush fires in New South Wales over Christmas, the rising crime rate which requires extra law enforcement, the legal requirements of the spate of bankruptcies, and defence and border surveillance are all factored into Australia's' GDP 'growth' in which we are among the world's leaders.

The massive increase in household indebtedness, which has doubled in the last 15 years, is worrying, and there may be some pain if interest rates continue to rise. But the growth in mortgage foreclosures will be added to GDP growth. The bright side is that our Trading Banks should do even better than at present.

We've paid off a lot of Commonwealth Government debt by selling national assets into foreign ownership. But we still need to sell the rest of Telstra. We are confident the Nationals will see it our way when it comes to the point of decision.

Although the Australian Tax Office is one of the biggest institutions in the country we are allocating an extra $1.5 billion over 5 years – about $1 million a day – to 'beefing it up' so that we can catch more tax evaders.

Unemployment is an ever-present problem. Again, we have managed to hide its real extent by playing with the figures. Our long-term solution is 'work-for-the-dole'; and we'll add another 8,000 to this category this year.

The one area we WON'T be looking at is the approximate $100 million per day increase in Australia's Money Supply. Mr. John Corzene, formerly of Goldman Sachs, reminded our

Prime Minister in June 1996 that this was 'off limits', being the preserve of the private banks – not to be discussed. Pity. A few credits instead of debts from this area would help me become the 'greatest treasurer in the world'; better even than Paul Keating. But the corporates put a lot of funds into the Party balance sheet. So I'm certainly not one to buck the system. Australians will just keep having to pay the bill for their own National Credit.

All in all, Australia will struggle on this year, with the rich getting richer while the number of poor rises. Not really a pretty picture. But you can be assured the Opposition would be even worse! ....."

<u>WORLD SHORTAGE OF TIMBER</u>: As the environmental stranglehold is extended throughout the world the latest figures show a growing global shortage of millable timber. In Australia, under sometimes hysterical claims of environmental damage, scores of small sound timber mills with a priceless bank of "know-how" have been forced to curtail their industries or forced out of business altogether. The result is that Australia is now a net importer of milled timber – to the tune of $2 billion a year.

Like everywhere else, as the small Australian industries were forced out, the international 'big boys' have moved in. ***The Australian*** (13/5/02) reported:

".... While foreign investment in domestic wood processing is now worth more than $3.7 billion – with big players such as Weyerhaeuser, Carter Holt Harvey and Hancock Timber among recent arrivals – most of this money is used to upgrade plants rather than build new ones.

"BIS Shrapnel said this meant Australian producers could not harvest and process all available sawlogs.

"As a result, supplies of softwood would increase faster than the industry's ability to process them, Mr. Neufeld said.

"An increasing number of sawlogs will be left standing or exported as unprocessed logs, and Australian producers will forfeit value-added benefits...."

<u>WHO MAKES THE MONEY?</u> Writing about the huge profits once again being made by the Trading Banks, Terry McCrann (***The Weekend Australian***, 11-12/5/02) responded to an argument put forward by NAB's chief, Frank Cicutto, that his bank only made a profit of $1.20 per $100 in assets:

".....As its chief, Frank Cicutto, pointedly asked: who out there would be happy with a $1,200 return on a $100,000 investment?

"Yes (McCrann went on) *but the returns to shareholders are high. All the banks are earning about 20 per cent to shareholding capital. But they are only able to do so because of their unique ability to gear that capital – up to $20 of depositor money for every $1 of shareholder capital....."*

In other words, $20 of "created credit" for every $1 in shareholder capital. It's a licence to print money.

<u>INSURING AGAINST ACTS OF GOD</u>: We've heard of some bizarre insurance claims, such as the young man recently awarded $4 million for striking his head on a Bondi Beach sandbar. But the following takes the cake. It comes from the April/May issue of LEADERSHIP NOW! – the official magazine of the Assembly of God church:

"A woman who broke her arm after falling under the power of God has won $US80,000 from the Long Island, New York church where she was injured.

"Sophie Reitan received the money in a settlement reached last month with Upper Room Tabernacle Ministries in Dix Hills, reported Newsday. *She had sued for $US4 million after being hurt when she attended a women's service in September 1997 and went up to the altar to be blessed.*

"The minister placed his hands on her forehead and she had a religious bodily experience, causing her to fall backward, crashing onto the hard-surface floor, said Attorney Andrew Siben. Reiten needed surgery on her broken left arm ...."

What would, if such arguments are accepted, be the litigation damages in the event of an earthquake, tornado or tsunami? Would Moses have hesitated to part the Red Sea because of possible litigation for "damage to pursuing Egyptian charioteers? As for the "walls of Jericho"

As former High Court Chief Justice Sir Harry Gibbs has said: *"The right to sue for personal injury should be abolished because lawyers had traded their ethical standards for a culture of litigation ..."* (***The Australian***, 15/5/02).

WE MUST OPPOSE GATS by Peter Davis: No doubt your readers are aware the entire crew of the vessel *"Yarra"*, tied up at Port Pirie, have been dismissed and the intention of the Canadian Shipping Lines (CSL) is to employ a cheaper overseas crew.

Later this year the federal Government intends to ratify the General Agreement on Trade in Services. This Agreement has already been signed by our Minster for Foreign Affairs, or Prime Minister, and simply needs the assent of Parliament to be ratified.

Our community needs to know that what is happening in Port Pirie is a minor example of what lies in store for Australia.

The consequence of the GATS is that Multinational companies, like CSL, will have the legal right to bring in foreign workers and to displace Australian jobs. Under the Agreement, the free flow of services (jobs) and capital (money) to the most 'efficient location' will occur. It is inevitable that in our nation of high pay rates, workers' compensation, insurance claims, etc., there will be major inflow of cheap overseas labour displacing thousands of Australian jobs. **It is critical that our people learn of this Agreement and that we instruct our Federal Members of Parliament to oppose this Agreement, thus protecting Australian jobs.**

Note: Peter Davis is doing his bit – have you instructed your Federal Member of Parliament to oppose this Agreement?

ANOTHER ISSUE – 'COUNTER TERRORISM' BILLS by Geoff Muirden: There are real dangers in the way the budget is receiving attention in the Parliament and media, and the ALP is the 'hero' for challenging the budget. All of a sudden they are 'virtuous', making political capital out of their 'concern for the poor people', etc. Sleight of hand.

This is a diversion of attention away from the 'terror bills' and the way the ALP tried to sell us out by agreeing to 'amend' them so they are 50 percent Stalinist not one hundred percent Stalinist, whereas, anyone who had a love for liberty would reject them as intolerable.

The enemies of freedom have no intention of giving up and during this 'diversion' are doubtless working out worthless 'amendments' that will preserve the spirit of the terror bills, which will be presented as if they were 'acceptable'. This political sideshow should not numb our concern and awareness of the dangers.

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