A WEEKLY COMMENTARY

ON TARGET

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The price of Freedom is eternal vigilance –

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THOUGHT FOR THE WEEK: *"Hellenic-deductive 'myths' pervade our historiography. For example, there is the Myth of State, in which a 'nation' is treated as a giant person: 'Germany wishes to absorb Slovenia... Hungary looks eagerly for the return of her lost possessions north of the Danube, and would be glad to seize Croatia as well. Italy wants Dalmatia... Bulgaria covets Yugoslav Macedonia. Between her internal divisions and her greedy allies how can Yugoslavia hope to hold together?'*

"'The countries named,' comments Robertson, 'covers a vast area of Europe and embrace millions of people. [Yet] how glibly these futile personifications roll off the tongue!' In standard European histories, we read that 'Rome' or 'France' or 'Spain' fought battles that were actually (till modern times) fought on the field 'by fewer men than go to an English football match and Saturday afternoon'. In practice, so reluctant were men to fight that armies could not have been kept on the field without recourse to the lash and the hangman's rope."

– "Review of Dr. Tom Robertson's *Human Ecology*" by Michael Lane, 2002

MERRILY SKIPPING THROUGH THE RUINS by Jeremy Lee:

We have followed Prime Minister John Howard's recent foreign excursions with horrified fascination. He didn't actually kiss President Bush (although he *did* plant a hearty smack on the cheek of Italian President Silvio Berlesconi) but his genial *bonhomie* to all and sundry made many Australians queasy. Some of his remarks were beyond reason and reality – for instance, his boast that the Australian economy was better than at any time he could remember. He might well make a journey through the ranks of Australian small businesses, or debt-laden households. He might ask why, for instance, Australia still loads its massive foreign debt with continued imports, which are well ahead of our exports.

He might consider the future of our farming industries, faced with another drought and prices lower than the cost of production. He might have a look at Australia's health industry, with doctors and nurses on strike, and urgently-needed beds being shut down.

And he might consider at length the despair amongst Australia's youth, fuelled by the lack of creative job opportunities, which has led to the massive drug trade and the tragic suicide figures.

But what does such evidence matter when you are hugging and kissing your way round the world like some Liberal Party version of Skippy the kangaroo, patting yourself on the back when someone doesn't do it for you? John Howard basks in the reflection of his self-created aura like a 'surfie' on a sort of global Bondi beach. And more and more Australians are picking it. If there was any sort of genuine opposition, Howard and his mates would be a 'goner'. But Meg Lees and Natasha Stott-Dispoja are no more capable of making a dint than Simon Crean. While they refuse to honestly criticize the debt system under which we operate, they can do no more than re-arrange the furniture on the deck of the Titanic. What a sorry mess!

COOKING THE PUBLIC BOOKS: We can wring our hands at the accounting scandals now being revealed round the world as economies stumble and the gambling bubble bursts. But what about our public accounts? We have dealt in recent issues that the deceptive nature of the Costello budget. But it now transpires that he made two further glaring omissions. Firstly, there was no mention of GST revenue in the Budget. As it is going to the States, Costello claims, it is not really a Commonwealth tax! So the stated Commonwealth tax revenue is vastly understated.

Now comes evidence of some 'figure-fudging' over defence. Under the heading "COSTELLO 'LEFT WAR COST OUT OF BUDGET'", ***The Australian*** (11/7/02) reported:

"It was one of the more incredible claims of the 2001 election campaign – a war commitment that would not cost the federal budget a cent for the first eight months.

"Now it has been revealed that the true cost, which would have sent the budget perilously close to a deficit just before last year's poll, was not investigated by the bureaucrats until after the election ...."

What's more, Treasurer Costello made false claims about the situation:

" ....'If there are additional requests we would look at those at the time, but in terms of factoring all the military hardware and the hours and wages and all of that, that is factored into this budget,' he said. After the election, it was revealed the bill for 2001-02 would be $320 million, with the budget $1.2 billion in deficit ..."

One suspects that if Costello was an executive for HIH or Enron he would now be answering questions before some keen-eyed interrogators.

SMALL BUSINESS UNDER THE HAMMER: Even major media pundits are now questioning the glowing economic picture which is the boast of Mr. Howard. Robert Gottliebsen has written a couple of articles pointing out that Australian small businesses are facing a tougher environment than anything they have ever experienced. There are thousands of highly qualified IT specialists chasing non-existent jobs, despite the fact that the government is still wooing highly qualified IT experts as suitable migrants.

Gottliebsen's columns in ***The Australian*** evoked scores of replies from small businessmen in desperate circumstances. Not a few blame the GST as a core reason for their crisis.

A wider survey by Peter Switzer (***Australian Financial Review***, 8/7/02) said the advertising sector, clothing, restaurants and catering, tourism and rural small businesses were all under threat. There had been a big jump in bankruptcies, which looked like escalating.

The disaster was flowing over onto home owners. Robert Guy (***Australian Financial Review***, 9/7/02) said:

"The growing financial strain on many Australians has been highlighted by the latest bankruptcy data, showing a 166 per cent jump in the number of debt agreements over the past financial year .... Given recent record levels of household debt, including credit card debt, and in an environment of increasing interest rates, the danger signs from today's figures are ominous ...."

Household debt, in fact, has risen from $267 billion to $580 billion in the seven years to June 30th this year Every quarter-of-a-percent rise in interest rates puts an additional $1.4 billion in charges onto the backs of householders in Australia per year – or $28 million a week.

HOLLOW BUSH: With his popularity falling, and congressional elections looming closer, President Bush has been forced to address the growing corporate scandal in Wall Street. In the process he has left himself and Deputy-President Dick Cheney open to some uncomfortable probings.

Bush made a high-sounding speech which was desperately short of specific action. He said:

" .... We've learned of CEOs earning tens of millions of dollars in bonuses just before their companies go bankrupt, leaving employees and retirees and investors to suffer. The business pages of American newspapers should not read like a scandal sheet. .... High profile acts of deception have shaken peoples' trust. Too many corporations seem disconnected from the values of our country. These scandals .... have hurt the stock market. And, worst of all, they are hurting millions of people who depend on the integrity of businesses for their livelihood and their retirement ...." And much more in a similar vein. But while more and more Americans are asking whether Bush himself was one of the "greedy CEOs" he is now condemning, when he broke the law over the company Harken Energy in the early nineties, there is obviously more and more scepticism over his right to condemn others. More are also aware how Enron financed Bush's election campaign and the Republican Party.

It is now impossible for high-sounding words to halt the slide in the American economy. It is a question of chickens coming home to roost. As America slides it will drag others down with it. One of those will be Australia, with its massive debts, largely foreign-controlled corporate sector, and continually inflating trade deficit.

As an example, is Bush prepared to pursue, and punish if necessary, his own Vice President Dick Cheney? And how does he do so without exposing himself in public?

And there's another aspect, which also applies to Australia. It was put thus, by Thomas Bray, writing in ***The Wall Street Journal***, 9/7/02):

When it comes to cooking the books, corporate America has nothing on the public sector. It would be interesting to see the reaction if the White House insisted that federal bookkeepers and executives were held to the same standards as those in the private sector ..... In the private sector, the workings of the *marketplace at least exert a crude discipline on failed ideas. Its mechanism for doing so is called bankruptcy. In the public sector, lawmakers often reward failure with a redoubling of effort – and money.".*

<u>MECHANISED MILKING</u>: It takes a special person to be a dairy farmer. A cow waiting to be milked knows nothing about public holidays, Christmas breaks, head colds or hangovers. Come wind or weather, that cow is waiting to be delivered of her load.

Now comes news that an entirely automated robotic dairy has been working successfully in New Zealand. Not only are the milking cups attached to the cow for the right length and time, but she is ushered into the dairy and out again onto controlled pastures. Transponders, like those that place surveillance on cars on Melbourne's toll-ways, survey each cow as she enters and leaves the dairy, and measures her milk supply and butterfat yield The process has involved the re-design of the dairy but, once in place, the movements of the cow regulate the response from the robotic process.

Human beings still have to provide spasmodic maintenance and check the health of the animals. After a few days getting used to the new system, the animals were quite contented and placid, queueing up to enter the dairy at the right time. Eventually, each cow will personally decide her own time schedules to be milked.

If applied commercially in New Zealand, it will displace some 25,000 workers in the dairy industry, saving about $200 million in wages.

<u>The current argument</u>: 25,000 people thrown out of work into poverty. Government must "create new jobs" for people to continue living. Increase taxes on dairy owners to pay benefits to those out of work. The taxes result in higher, not lower, milk prices.

<u>The Social Credit argument</u>: There's just as much milk as before, with less effort in milking and processing. Surely, nobody should be worse off for this development, least of all the displaced milkers. It's a question of *<u>incomes</u>* – NOT jobs! What about the "wages of the machine", re-shaped into a "dividend" for all New Zealanders? And NOT out of taxes. (The article was in the IT section of ***The Australian***, 9/7/02)

All of which leads to some very improper poetic thoughts:

It's really rather scary!
No more kissing Mary,
Down behind the dairy!

Robots milking Daisy
Make us very lazy.
Has the world gone crazy?

And if they make a "robot-bull",
Life will then be very dull!
(Although a baby "robot-calf"
Would give us all a hearty laugh!)

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