



A WEEKLY COMMENTARY

ON TARGET



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The price of Freedom is eternal vigilance -

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THOUGHT FOR THE WEEK: *"Perhaps no modern writer (such as Herman Daly) has contributed more high-quality work... to a critical understanding of his discipline. His criticism of orthodox economics is that it comprehensively and consistently commits the 'fallacy of misplaced concreteness'... In other words this fallacy involves theoreticians forgetting the level of abstraction involved and mistaking the model for reality... The ignorance of biophysical reality in the orthodox economic assumption that man-made capital is a near-perfect substitute for natural capital is an example.*

"In our opinion, cosmopolitanism and economic globalism also embrace the fallacy of misplaced concreteness. Operating with abstract philosophical and economic models of 'one world', it is assumed that the actual world, and indeed even extant nations, will operate in accordance with the model. This... is simply not so."

- "Healing a Wounded World" by J. Smith, G. Lyons & G. Sauer-Thompson, 1997

IMF PATS OZ ON THE BACK by Jeremy Lee:

As October opened the World Bank and the International Monetary Fund held their annual meetings in Washington. As usual, it was like a military operation, with 20,000 demonstrators pitted against armoured police, razor wire, chemical sprays, etc.

As a token gesture towards protesters the IMF's managing director, Horst Kohler, called for efforts to make globalisation work for the world's poorest citizens. "My message to our critics and the protesters this weekend is straightforward," he said. "We share many of your concerns about globalisation, the benefits of which have not been equally shared round the world. But the objective should not be less globalisation, but better globalisation." (*Sydney Morning Herald*, 28/9/02)

Well, that should be balm to the souls of the destitute! We can't imagine why the demonstrators, soothed by such obvious sincerity, did not immediately go home!

Perhaps a clue can be gleaned from the IMF's latest report on Australia. Veteran economist Ross Gittins, writing in the weekend edition of the *Sydney Morning Herald* (28-29/9/02), under the headlines "CARROT FOR THE RICH AND STICK FOR THE POOR IS NOT REFORM", said that the IMF was highly satisfied with Australia's initiatives over the past few years, including:

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"... broad fiscal consolidation (getting rid of the Budget Deficit), implementation of a transparent framework for fiscal policy (the Charter of Budget Honesty), adoption of inflation targeting, broad structural reforms in product and labour markets, and external trade liberalization (cutting protection), have established a sound foundation for the Australian economy.

"This solid base, combined with appropriate discretionary monetary and fiscal policy actions, helped Australia to sustain strong economic growth despite the substantial external shocks stemming from the Asian financial crisis and the synchronized slowdown in the world economy in 2001...."

Now we can see where Peter Costello gets his rich stock of clichés!

However, the IMF is still not satisfied that Australia has done enough. The major priority is to:

"....'enhance incentives to work, save and invest' by reforming the personal income tax system so all the changes we made as part of the GST package just two years ago don't rate apparently.

"No (Ross Gittins added), the further change we need 'in particular' is to cut the top tax rate, which applies to incomes in excess of \$60,000 a year.

"'The top marginal tax rate at 47 percent kicks in at a relatively low income level (one that is about two times median income) and is high relative to the corporate income tax rate, which has been reduced to 30 percent,' the IMF explains.

"'This disparity has distorted economic behaviour by creating substantial incentives for tax avoidance. The (IMF) staff recommends that efforts be made to bring the top marginal tax rate down over time to a level in line with the corporate income tax rate and that the income threshold at which it applies be raised substantially.'

"So this is the IMF's 'magic bullet' – the single change that would really transform our economy. Let's look at it.

"What's being adopted is a hugely expensive tax cut, but one limited to just the roughly 10 percent of taxpayers that earn over \$60,000. So someone on \$100,000 a year would get a saving of \$6,800 a year"

At the other end of the scale, however, low-income Australians are getting too much:

"... As for industrial relations, the main problem is that our minimum wages 'remain very high in Australia relative to other advanced economies'. If they were lower this would 'enhance employment prospects for low-skilled workers'.

"So there you have the IMF's expert analysis of our economy's remaining woes. The first part of our problem is that our rich are motivated solely by money, so they must be given the carrot of huge tax cuts.

"Our poor, on the other hand, are lazy and utterly unmotivated by money, so they should be given more stick to get them off their backsides....."

Whew! No wonder the IMF is the darling of the world's poor! The globalist way to close the gap between rich and poor!

THE CAUSES OF TERRORISM: A few of our more courageous journalists are suggesting Australian leaders should do more to identify why there is such a venomous hatred of the West, providing a spawning ground for terrorism. Geoffrey Barker (*Australian Financial Review*, 21/10/02) concluded his article with this comment:

".... Hill and Howard would do well to read the British Government's 2000 White Paper on globalisation.

It warns that without action to reduce poverty and ignorance, to give hope to the oppressed and the dispossessed, the curses of war and terrorism will increasingly stalk the earth."

While the IMF continues with its present policies of guarding the Barons of Bankruptcy, and defending their monopoly control of the world's mortgage, there is little chance of eradicating terrorism.

JOB CREATION NOT INCLUDED: One of the last great railway extensions is under way in Australia, the link between Alice Springs and Darwin. The idea is that, when completed, Darwin will become Australia's Asian Gateway.

The railway will extend 1420 km (about 850 miles in the old language). The project started in April 2001, and by July this year (15 months) 304 km of track had been completed, 921 km of corridor had been cleared, 747 km of embankment built, 591 km of the capping layer completed and 30 of the 97 bridges built (*AFR*, 10/10/02)

583,000 of the two million required concrete sleepers, and half the two million tones of ballast have been produced.

And how many does this giant project directly employ? About 1,200 people. Australia's gang of four major banks "downsize" more than that each year.

In contrast to the Transcontinental railway built during World War I, which was Australian financed, built and owned, the Alice-Darwin venture is being built by a foreign consortium, the Asia Pacific Transport company, made up of Halliburton KBR, Barclay Mowlem, the John Holland Group, Macmahon, Australian Railway Group and SANT. The consortium will own and operate the railway for 50 years before handing it back to the South Australian and Northern Territory governments.

The name Halliburton rings a bell. Isn't that the company in which Vice President Dick Cheney is a major stock-holder, and which, it has been alleged, he rorted when on the board?

While we're on the question of unemployment rates, John Quiggin (*AFR*, 12/9/02) commented:

"... Taking both official unemployment and disability support into account, Australia's current performance on unemployment is best described as mediocre to poor. Official rates of 6 percent unemployment, bad as they are, do not tell the whole story. About 400,000 Australian men of working age are receiving disability or sickness benefits. This is about 6 percent of the working age population, compared with less than 2 percent in the late 1960s Adding the 300,000 extra disability beneficiaries to the official count of 370,000 unemployed, we get an unemployment rate of about 12 percent for males. And this does not count those who have taken advantage of early access to the age pension, or have no income at all"

So we need a minimum of at least another 300 Alice-to-Darwin railways to soak up the unemployment. And even that would only do it for about three or four years!

Or perhaps we can put them all to work in the Australian Tax Department, helping the IMF programme for future prosperity!

AN AGE OF SECRECY AND PROPAGANDA: Speakers at the Melbourne Press Club's journalism conference castigated suppression of information and government secrecy, according to Barclay Crawford (*AFR*, 10/10/02):

*"... The editor of **The Australian**, Michael Stutchbury, said the 'rising culture of secrecy' was the biggest issue facing journalism. He said the media needed to become more pro-active in countering the 'spin masters' in the Government and private sector Freedom of Information is becoming a sick joke – one Victorian newspaper sought travel costs of federal MPs but was advised it would have to pay \$1 million for the information.*

"The Director of ABC News and Current Affairs, Max Uechtritz, told the conference spin doctors in government and business were 'weapons of mass distraction'.

"There has never been so many of them who are so well paid and well trained", he said, describing spin as the cocaine of politics.

"Not only were there far more public relations advisers than journalists, but many journalism-trained policy advisers were part of the government. The best example was Bob Carr's Labor Government, whose poaching operation had stripped the press gallery.

"The Education Department is a mini newsroom of former experienced media identities," Uechtritz said.

"A recent survey of public relations workers found that one in four admitted to lying on the job. 'I wonder what percentage of those lied in their response,' he added."

Ah, well! It all helps to provide "full employment". But it sounds more like the old Lenin School of Political Warfare that a sincerely-committed government in a free society.

AN INDIVIDUAL'S DEEDS: An Asian university student living in Melbourne, recently killed two of his classmates and wounded others, and has been charged with murder. We do not absolve this individual from his actions by calling it by another name.

What about the Individual Decisions taken by the Ruling Elite?

Why do we absolve the ruling elite from their actions just because they say they do it in the 'name of Australia' or 'the war on terrorism' or 'good versus evil'?

What of the State terrorism carried out by the Indonesian military, with the full knowledge and collusion of Australian governments? We dignify these foul deeds by other names.

John Pilger is right to say ("Australian Government Lethal Hypocrisy", October 17th, 2002):

- The Australian military, is, in effect, an extension of the Pentagon.
- For 40 years Australian governments colluded with state terrorism in Indonesia.
- In Indonesia, Australians, together with their American counterparts, have secretly resumed training the Indonesian military, which in the world cup of terrorism, is the undisputed champion.
- Australian ships operate with the American fleet in the Gulf, enforcing an embargo against Iraq, which has led to the unnecessary deaths of more than 600,000 Iraqi children.

How can individual politicians be absolved of decisions taken, whilst members of governments, which the end result is wholesale bloodshed and deaths, yet the young Asian student is made responsible for his act?

The politicians may not have fired the guns or dropped the bombs, but it was the decisions made by them which set the war machines in motion resulting in the deaths and destruction.

The idea that even kings are responsible, as kings, for their actions was once understood and accepted by the British peoples. It is the concept of personal responsibility and the idea is interwoven into the concept of kingship.

C.H. Douglas warned us: There is no such thing as an effective 'national responsibility,' it is pure abstractionism under cover of which oppression and tyranny to individuals, which would not be tolerated if inflicted by a personal ruler, escape effective criticism. ("Social Credit")

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