A WEEKLY COMMENTARY

ON TARGET

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The price of Freedom is eternal vigilance –

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THOUGHT FOR THE WEEK: *"I can imagine someone saying: 'This is another Hidden Hand theory.'... Every theory of events which has any soundness must at the present time be a 'Hidden hand' theory, because events are not controlled by Voting or Parliamentary Debate, but by Finance. A theory is neither more nor less likely to be true because it appears to be romantic, nor does it necessarily involve conscious turpitude on the part of, e.g., statesmen. If you train a man from youth, you can make him honestly believe anything, and I can assure you that there are very few 'accidents' in the rise to power of public men...'*

"There is no fundamental difference between 'Rationalization' as sponsored by Lord Melchett and Sir Herbert Samuel, and Nationalization as sponsored by the Socialist Party, and I believe the propaganda in regard to them comes from the same source. They are both of them policies for reducing the individual to an impotent unit in an overwhelmingly powerful mechanism."

– C.H. Douglas in ***"Warning Democracy"***

MARK LATHAM – DOES IT MATTER? by Jeremy Lee:

The coverage given in the major media to Crean's demise and Latham's ascendancy has rivalled that attending the onset of the Iraqi war. The speculation, arguments, assessments and predictions is unbelievable. It seems almost churlish to suggest that it will of itself have little bearing on Australia's immediate future.

The most telling interview I saw was on the street in the adjoining electorate to Werriwa – which Latham holds – that of MacArthur. The indifference of those interviewed was marked. They might just as well have been asked to comment on the Melbourne Cup. Not one policy was discussed. A few had heard that Latham was a 'larrikin' – anything as an alternative to the bland, boring, deceitful politics of the moment.

Ominously, spokesmen for "the establishment" felt they could work with Latham. It was felt that any deviation from a corporatised Australia could be controlled whoever was leader.

If there is any expectation for a man like Latham it lies in the hope that he will attack sacred cows. But there seems little likelihood. His party faithful will adjust uneasily behind him, settle a few personal scores, hire a new consulting firm to create a new 'image' and we're back to square one.

If Latham was to offer any hope of a real alternative, he would say something like this:

"Ladies and Gentlemen – I'm not all that worried whether Labor wins or loses the next election – certainly not enough to stop me saying what I think. So here goes:

- My assessment of President Bush was accurate. He has been a disaster. I deplore the Howard Government's decision to paper over all the cracks in the Western Alliance and pretend that all is well. The Iraqi war has made things worse – not better.
- I believe no Australian Government can continue to ignore a widespread expression of conviction from ordinary Australians. A large majority was opposed to the Goods-and-Services Tax. An equally large majority was opposed to Australia's participation in the Iraqi war. An even bigger majority do not want to see a lucrative Telstra sold. We now urgently need a mechanism of some sort, a check and balance, to ensure Government truly reflects the desires of Australian people. This is not the case, and a managerial style of government that believes it knows best is one step away from dictatorship.
- There is a clear conviction in the Australian community that too much of our economy is foreign owned. The Government knows this, or it would publish a detailed analysis of the proportion of the Australian economy that is in foreign hands, and how much flows out of our economy in the way of interest and dividends annually.
- A large majority of Australians now know that the official employment figures published are well below the real position. Therefore, I will ensure that the figures provided are divided into "Full-time", "Part-time", and "work for the dole". We will also have figures for those who want work but have given up looking for it.
- We need a far better measurement for our economy than "GDP, growth and exports". These do not give an accurate description of the divide between rich and poor, the number below the poverty line, the number of homeless and those on the lower end of the wage-scale where even two incomes do not meet necessary costs.
- I am ashamed of an Australia where it is now conceded that home-ownership will be beyond the reach of young Australians in the future. It is an admission of failure and wrong direction, and must be reversed.
- I strongly believe that Australian jobs should be a priority, and that passing Australian labour across to low-wage nations is wrong. Likewise, I believe Australian-owned-and-controlled industries should have precedence over overseas workforces in Australian government contracts and private enterprise.
- I believe we must-re-think the current position, nationally and globally, where all human activity and progress depends entirely on debt-creation, now in private hands. Australia, in parts of its history, has shown that this is not true.
- I believe that we should aim to re-establish the small, family-owned farm and the growth of rural communities. Despite our small population, we are amongst the most centralized from a population point of view in the world. The loss of our farmers and the weakening of our hinterland has been short-sighted and callous.
- I believe that families are the best environment to raise children; but families with adequate income, rather than impoverished. The children of today are the Australians of tomorrow.
- I do not believe we can continue trying to "borrow our way" into the future. Therefore, Ill be opening a national debate, and a Government inquiry, into alternative ways of financing Australia.

I believe everything I have outlined once existed in the traditional policy of the Australian Labor Party. I believe a return to these policies, and a return of a stronger say to ordinary Australian men and women is more important that winning the next election. I will demand that my Labor colleagues commit themselves *personally* on the points I have outlined, and commit themselves *personally* as to where they stand. The days of the anonymous backbencher and the film-star approach to party leaders has gone too far, and now threatens the democratic process. If we fail, I will accept responsibility, as will my colleagues. If we win, it will be because we have the genuine support of Australians, rather than simply a slick image."

With such a statement, we'd *really* have a genuine election for once!

A MATTER OF INTEREST: The latest figures show that household debt as a percentage of income has climbed to the outrageous level of 134 per cent. Nothing like it has been seen in Australia's history. Household savings were a negative -2.2 per cent! In other words, Australia's households are slipping behind, and borrowing to live.

The last figures for the farm sector showed an average farm debt of $252,000 in 2000. Since then, farmers have slipped further behind due to the drought, with the loss of crops and the cost of feeding stock wrapping more debt round their necks. The number of farmers continues to fall. Every quarter-of-one-percent increase in interest rates adds a further direct cost of $631 to the average farm. What a Christmas present! And they can expect more next year/

The Australian Financial Review (4/12/03) reported:

".... Australian Bureau of Statistics figures show the household savings ratio – which was minus 2.2 per cent in the September quarter – has been negative for the past year and a half, although the September result was an improvement from the March and June quarters.

"Treasurer Peter Costello said the shift was partly due to an improvement in farmers' incomes, which had been pulling the figure down during the drought.

"But use of personal credit still rose 12.9 per cent in the year to September and household debt was now equivalent to about 134 per cent of household disposable income.

"On the latest statement on monetary policy released last month, the Reserve Bank of Australia confirmed that 'households increased their borrowing to finance consumption'...."

Which raises the obvious question: Isn't it foolish to believe that inflation can be contained by raising costs and sending thousands of Australians into bankruptcy?

The argument is that such a policy places a restraint on borrowing. In the process it is an acknowledgement that the economy stands or falls on the rate that people can borrow money. But high interest rates also attract overseas funds looking for a place to profit.

Over the last year there has been a drastic fall in the value of the $US, as its current account deficit and massive debt-money creation has taken it to dangerous levels. Nearly every economy has seen its currency rise against the Greenback. The highest rise has been that of the South African rand, which has risen over 35 per cent. Australia has followed with 25%, and then Botswana (24%), New Zealand (23%), Canada, (21%), Brazil (20%), Chile (17%), Sweden (16%), The Euro, (15%) and Denmark (15%). As the American dollar continues to fall, all sorts of nervous investors, who have held their surpluses in Greenbacks, are looking for somewhere else to put their money. If it becomes a rush, the US will look very sick indeed.

Australia has been openly told to expect a further interest rate hike in February. That will be enough to break thousands with big debts, including many who gambled on investment properties when it seemed they would never lose value.

Exporters, already hit hard by the rise in the value of the Australian dollar, will be further penalized by higher interest rates. Exports will suffer, while imports will boom because we can temporarily buy more with our dollar. Living on imports will extend our foreign debt further – and so on, and so on, until somebody decides that Australia's current account deficit and its foreign debt make it a risky venture. Investment funds will leave Australia's shores as quickly as they are now leaving the United States. That's when we'll see the bare bones of our real economy. It won't be a pretty sight!

How would Mark Latham suggest we handle such a scenario? John Curtin would have had some idea. One wonders whether modern Labor politicians know anything of their own history.

AND WHILE THE PEOPLE SLEPT – INQUIRY INTO AN AUSTRALIAN REPUBLIC: The Australian Monarchist League's chairman, Phillip Benwell, has notified us the Senate Legal and Constitutional References Committee have now issued their discussion paper regarding their "Inquiry into an Australian Republic". The closing date for lodgement of submissions is the March 31st, 2004. The paper can be obtained from: **http://www.aph.gov.au/Senate/committee/legcon_ctte/republic03/index.htm** or, if this link fails, go to the main Senate page at **www.aph.gov.au/Senate** and click on to Senate Legal and Constitutional Committee and then to "Inquiry into an Australian Republic" or by phoning (02) 6277 3560 or e-mailing **legcon.sen@aph.gov.au**

Mr. Benwell writes: The Australian Monarchist League is in the process of preparing its submission and would appreciate any comments you may care to make. We are also preparing a submission to the Government regarding their proposals to amend Section 57 of the Australian Constitution. My letter to our members is set out below. With every good wish for the Festive Season. Yours sincerely, Philip Benwell, National Chairman, Australian Monarchist League.

AND – RESOLVING DEADLOCKS: The most immediate concerns we have regarding constitutional change come not from Labor or the Democrats, but from the Howard Government itself. Probably preparing for an early Federal Election, **the Government has given only until the December 31st, 2003, for responses to be made to their 51-page discussion paper called "Resolving Deadlocks" in which they outline their proposals to amend Section 57 of the Australian Constitution. The Government canvasses two options:**

- The first of which is to remove the requirement in the event of a deadlock between the Representatives and the Senate to go to the People at a Double Dissolution but instead to go direct to a Joint Sitting of both the Representatives and the Senate where the majority of the Government would be used to pass legislation earlier blocked by the Senate.
- The second option is to hold a Joint Sitting immediately following the return of a Government at a General Election.

Unlike most other 'Westminster' style democracies, Australia's Constitution is based on the power to implement change or resolve deadlocks in the Parliament being held in the hands of the People and not the Parliament itself.

If the Parliament had the power the Howard Government is seeking, Gough Whitlam would have been able to pass all his legislation and Paul Keating would probably have made us into a republic by now. (emphasis added...ed)

Copies of the Government's discussion paper "Resolving Deadlocks" can be obtained from: Constitutional Change Legal and Culture Branch, Dept. of the Prime Minister and Cabinet, 3-5 National Circuit, BARTON, ACT, 2600. Phone: (02) 6271 5530. e-mail: **constitutionalchange@pmc.gov.au** Or visit the web-site **www.pmc.gov.au**

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