

Citizens Electoral Council of Australia

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Independent Political Party

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Hockey's Intergenerational Report nightmare proves 'garbage in, garbage out' —transform the future through economic development

The Australian Treasury's five-yearly Intergenerational Report (IGR), a projection of Australia's socioeconomic future for the next four decades, is pretty grim—and completely useless.

It is not grim in an honest way that acknowledges that current policy is leading Australia into GFC Mk II, a New Dark Age and thermonuclear WWIII. Instead it grimly projects Australia is going to slowly wither and die, in order to justify brutal austerity of the sort that plans to rip \$23 billion from aged pensioners over the next eight years.

The IGR projects Australia's population will continue to disproportionately age to the point where there will be forty thousand centenarians by 2050 with inadequate superannuation; consequently there will be no tax breaks, since more than half the population will need at least a part-pension. This will lead to income tax 'bracket creep' (where wages increase with inflation but tax brackets move more slowly or not at all) that will eventually have half the workforce paying 45 per cent of their wage to the treasury; household purchasing power will decline, business profits will fall and economic growth will stagnate.

In short, the IGR projects exactly the kind of entropic decay you always get when you extrapolate from a set of data derived from an *already collapsing* economic system. Statistical long-range economic forecasts like IGRs, even with the best of intentions (which Hockey's austerity agenda is not), are as useless as climate models, or udders on your average bull. Usually, since Thomas Malthus's 1798 *An Essay on the Principle of Population* to the present, they are designed to justify pre-determined policy.

Imagine instead that the patriots of 'old Labor' had remained in power for a generation after WWII, and their vision for post-war economic reconstruction had been carried through. Here's how Sydney Harbour Bridge engineer Dr John J.C. Bradfield's expressed this vision in 1941:

"To populate and develop Australia, we must spend money to make money. The money spent would all be for labor and materials of Australian origin. Australia has over 2,000 million acres of land of which under 10 percent are alienated. An expenditure... in well thought-out schemes throughout Australia during the next 40 years would greatly increase the value of our heritage and add the population we need to hold what we have. To do this we should endeavour to have a population of 40 millions say 50 years hence [i.e. by 1991-Ed.]... Australia eventually should easily accommodate 90 million people, 30 per square mile."

What would Australia look like now? What would be the basis of an IGR, in that case? Certainly Australia would not be the wasteland of today, where, for instance, according to

Indigenous Affairs Minister Nigel Scullion in *The Australian* of 2 March, Australia is so undeveloped that 76 per cent of the country, approximately 5,769,018 km², has "no economy", instead containing only 60 "remote communities" with an aggregate population of just 37,000!

Bradfield, who designed a grand water diversion scheme to harness the floodwaters of north Queensland and divert them into the fertile but semi-arid plains of central-west Queensland, exemplified the thinking that can transform Australia's future, even today. He wrote, "Australia needs to adopt a long range constructive policy to develop, populate and defend itself. Australia must control her own economic independence, not London. A rejuvenated inland, creating employment and settling a population in comfortable circumstances would be one part of such a long range policy. The nation without vision perishes, but the heart and mind of any vigorous people responds to the dream of its national destiny and will endeavour to make full use of its heritage."

In other words, Australia's (and mankind's) future depends on the sovereign decisions and creativity of human beings—something no statistician with a computer model can predict.

Tragically, Bradfield's scheme, and most of the other schemes planned by the Department of Post-War Reconstruction, were squashed when Chifley's Labor lost office, along with Labor's hard-fought national bank, the Commonwealth Bank, which Labor intended to finance these projects using national credit. The person most instrumental in suppressing this vision was Dr HC "Nugget" Coombs, who bankers'-boy Menzies appointed as inaugural governor of the Reserve Bank when he legislated to destroy the Commonwealth Bank in 1959. Coombs' appointment represented the re-assertion of a banking dictatorship over Australia, once boasting he was a member of "the international freemasonry of central bankers". He was proud of his role in scrapping the post-war reconstruction projects, because it served his hatred of human beings, of which he once said, "The whole [human] species [has] become itself a disease. ... [T]he human species [is] like a cancerous growth reproducing itself beyond control."

Australia's collapsing economic system today, and its projection into the future, is the legacy of the post-WWII triumph of the ideology of Coombs et al., over the vision of 'old Labor'. If Australians want to change the future projected in the IGR—which they can—they should join the CEC's fight to: revive the Curtin/Chifley/Bradfield vision for developing Australia, which will create hundreds of thousands of productive jobs in an economy based on agro-industrial production, and an expanded tax base that will easily support pensioners; and restore the institution of a National Bank that can provide the credit to make it happen.

Australia Urgently Needs a *Glass-Steagall* Separation of Banks

Citizens Electoral Council Petition to Federal Parliament

TO THE HONOURABLE THE SPEAKER AND MEMBERS OF THE HOUSE OF REPRESENTATIVES

This petition of the Citizens Electoral Council of Australia draws to the attention of the House the threat facing Australia's banking system from the deepening global financial crisis, which puts at serious risk the bank deposits of the Australian people, and essential banking services for the real economy.

Australia is now vulnerable because our banking system is concentrated in just four banks, which between them hold the overwhelming majority of deposits and provide the majority of banking services, but which have dangerously exposed themselves to shocks in the global financial system, including through nearly \$20 trillion in derivatives speculation.



We therefore ask the House to take immediate action to protect deposits and essential commercial banking services, by enacting strict banking separation as did U.S. President Franklin Roosevelt's Glass-Steagall Act 1933. Glass-Steagall split deposit-taking, standard commercial banks from Wall Street's speculative investment banks, creating entirely separate entities under different roofs, thus successfully protecting the U.S. banking system until Glass-Steagall's repeal in 1999. We ask the House to apply the Glass-Steagall principle to Australia through legislation to divide each of the four major banks into two parts:

- 1) normal commercial banks as per Glass-Steagall standards, and
- 2) institutions involved in investment banking and other forms of speculation. Banks that speculate will then do so with their own money and at their own peril, with no government protection whatsoever.

Name	Signature	City/Town/State*	Phone*	Email*
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2.				
3.				
4.				

Please post back to CEC Australia, PO Box 376 COBURG VIC 3058 *Voluntary information



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For a free copy of the CEC's brand new pamphlet, *Glass-Steagall NOW!*, which includes a detailed exposé of the criminal fraud inherent in the derivatives trade that all of Australia's major banks are heavily involved in, call toll-free **1800 636 432**, or send this coupon to:

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