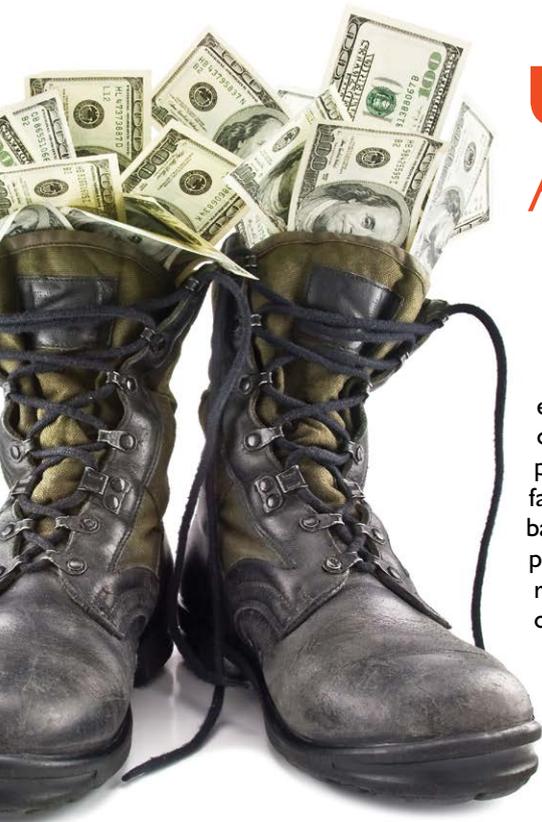


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SEEK THE TRUTH AND SERVE HUMANITY



US WAR ON TERROR: AN IMPERIALIST EXERCISE

EDITORIAL

It is a truism that the first casualty of war is truth. This applies more than ever today when our country is once more pressed into a war far from our shores, based on a flimsy official pretext, with the real reasons deliberately obscured.

When is a war not a war? The Prime Minister, when committing us to action again in Iraq said, 'It is not strictly

accurate to refer to the military engagement as a "war", because Australia is acting against an insurgency in support of the legitimate government of Iraq'.

Important issue here: are we acting 'in support of the legitimate government of Iraq?' The Iraqis themselves seem confused over this, with the newly elected Iraq foreign minister, Ibrahim al-Jaafari, saying he was 'absolutely against foreign military bases and the presence of foreign military forces'.

In this Clayton's war, will there be more civilian deaths on our hands? Asked about the possibility of civilian casualties, Prime Minister Tony Abbott said it was not possible to prevent them. ... 'when you are conducting combat operations you can never guarantee that there will be no collateral damage' – collateral damage being a euphemism for dead bodies.

We have embraced another aggressive war with abhorrent eagerness at the behest of a US with clear imperialist aims that have nothing to do with justice or freedom or democracy but everything to do with control over the resources of other nation states.

We have embraced another doubtful war without exploring the effects on civilian communities, the wishes of the people so invaded or even how long the hostilities will last. The Prime Minister said he didn't have a time span.

Even David Kilcullen, the Australian counter-terror expert, said this week that an open-ended conflict was a 'concern' and Australia 'should be pushing for a pretty definite end [date]' to any new Iraq conflict, though he's been an active supporter and advisor of failed, US-led policies in Iraq and Afghanistan for years.

We have embraced another doubtful war without our Parliament discussing the issue or having the opportunity to express their concerns with their electorates.

How is it that this government is prepared to impose savage cuts on our programs because of a 'deep budget crisis' but can always find the billions of dollars to fight other people's wars?

Have we learned nothing from our involvement in Vietnam, Iraq and Afghanistan, where we wasted billions of dollars in taxpayers money with no appreciable result except the dead (both ours and theirs), our soldiers traumatised for the rest of their lives, the slaughter of men, women and children and the destruction of ancient infrastructure and culture.

Who benefits from these constant invasions of sovereign nations by the US and their eager cohorts? Not the people of the invaded nation, not the people of the invading nation, not the men and women who are sent in to slaughter the population. There are beneficiaries, of course: the industries of war, the arms manufacturers, the conquering conglomerates of death. The Stockholm International Peace Research Institute (SIPRI) measures annual military spending for most of the world's armed countries. According to SIPRI, the US spent \$618 billion on its military last year, more than three times the \$171 billion budget of second-place China. Based on SIPRI's 2013 data these are the countries with the largest military budgets.

We give the final word to Michael Ignatieff, *New York Times*, 28 July 2002:

'America's entire war on terror is an exercise in imperialism. This may come as a shock to Americans, who don't like to think of their country as an empire. But what else can you call America's legions of soldiers, spooks and special forces straddling the globe?' ■

FREE THE CUBAN FIVE

By **SUE SHEPHERD**, with a
contribution from RICHARD STONE

On Monday 11 August, Adelaide was privileged to hear the words of Cuban visitor Aili Labañino-Cardosa as part of a national speaking tour. Aili is the daughter of Ramón Labañino, one of the Cuban Five, a group of Cuban men unjustly imprisoned in the United States for over 15 years. Accompanied by Jorge Trujillo, a representative of the Cuban Embassy in Canberra, Aili was co-hosted by the Construction, Forestry, Mining and Energy Union (CFMEU), the Maritime Union of Australia (MUA) and the Australia Cuba Friendship Association to rally support for her father and the other two of his compatriots who remain incarcerated against the appeals of people around the world for their release.

Since the Cuban Revolution took place on 1 January 1959, the US has been opposed to a free Cuba. Successive US administrations have actively financed and supported Cuban exile groups in terrorist actions within Cuba which have caused over 3,000 deaths and 2,000 serious injuries. Actions have included laying bombs in a children's playground and shopping centres, spreading dengue fever amongst the population and blowing up a Cuban airline in 1976, killing 73 people.

These actions were a direct attempt to destabilise the Cuban Revolution. In response, the Cuban government chose a non-violent response to defend itself legitimately. As part of this effort, the Cuban Five – Gerardo Hernández, Ramón Labañino, Antonio Guerrero and brothers Fernando and René González – were sent to Miami with the mission of infiltrating the terrorist groups to gain inside knowledge and prevent future attacks.

It was when the Five discovered plans to assassinate then President Bill Clinton that the successful operation faltered. A folio of evidence was put together and delivered to the FBI, who responded by arresting the anti-terrorists on the 12 September 1998 on charges of conspiracy to commit espionage. This was despite the fact that none of the Five had ever carried or used weapons or harmed anyone.

The men were held in solitary confinement for 17 months, even though US legislation limits the practice to 60 days. They were unable to communicate with lawyers, family or each other during this time. In 2001, they were given the longest sentences for espionage ever recorded in US history without any proof that they had been a risk to national security. At the time, crimes of espionage were liable for prison terms of 4 to 6 years. The Cuban Five were sentenced to extreme prison terms on the suggestion that they might commit espionage at some time in the future.

René González was sentenced to 15 years; Fernando González 19 years; Antonio Guerrero received a life sentence plus 10 years; Ramón Labañino life plus 18 years and Gerardo Hernández, two life sentences plus 15 years. The Five had exposed criminal activity within US jurisdiction and uncovered covert US foreign policy objectives against Cuba. Adversaries within the Pentagon and in Washington view the exposure of their dirty works as a 'threat to US interests'.

For the nearly 16 years since their arrest, the case of the Cuban Five has been subject to legal wrangling. In 2005, the 3rd Circuit Court of Atlanta recommended overturning the convictions due to their having no sound legal basis. In spite of this, the US government decided not to overturn the sentences, a devastating blow to the men and their families.

In 2009, the 11th Circuit Court requested that the judge from the 3rd Circuit Court reduce the sentences of three of the five on the grounds that they were excessive. René and Fernando were released after having served their sentences and are now back in Cuba. However, the judge refused to reduce the sentences of the other three. Antonio is currently serving 22 years in a prison in Florida, Aili's father Ramón is serving 30 years in Kentucky, while Gerardo continues to serve his double life sentence plus 15 years in maximum security in California.

On the day of the re-sentencing the judge questioned why in 2001 she was asked to give the maximum sentences possible while she was now being asked to reduce them. The prosecutor replied that international pressure was presenting the US judicial system in a bad light. This underscores the importance of the 300 solidarity committees in Cuba, the US and around the world in continuing to apply pressure for the release of the remaining three prisoners.

The United Nations committee on arbitrary detention has declared the sentences illegal, while Amnesty International issued declarations in favour of the Five in 2007. Various church organisations in the US have supported the claims of injustice against the Five, along with the Union of Lawyers, and Presidents of five Latin American countries have declared solidarity with them.

President Obama has not spoken publicly about the case, but supporters of the Five believe this is a critical time as the end of his term draws near and he has nothing to lose by releasing them. The Five do not seek a pardon, as they will not apologise for something they did not do.

In the broader context, the treatment of the men at the hands of the US remains an outrage. It clearly shows the duplicity of US foreign policy, and how decision-makers in

Washington and the Pentagon act towards others regarded as obstacles to their diplomatic and military objectives.

Major diplomatic initiatives are currently taking place in Canberra with the aim of gaining support to increasingly militarise the whole Asia-Pacific region, creating regional hubs for US interests. The plans have the general aim of containing and encircling China due to the perceived threat they hold to US objectives. It is against this background that expressing any effective form of dissent becomes more and more difficult.

Solidarity with Cuba therefore has become more important than ever. Cuba has successfully resisted US global positions and incredible pressure to abandon the Revolution through blockades and trade embargos. In its isolation, Cuba remains a standard-bearer of challenge and resistance to 'US interests' and all that that entails. It has a long and proud history of resistance and support for oppressed people the world over.

On the 12 September, the three remaining incarcerated members of the Cuban Five will complete 16 years in prison, 16 years away from their families and the country they continue to support wholeheartedly. The Five have all been granted the status of 'Heroes of the Revolution', the highest honour available in Cuba, in recognition of the sacrifice they have made for their people. They are completely committed to the ideals of the revolution and have the total support of the Cuban government.

Aili spoke with great emotion of the price paid by the families of the Five through the long years of incarceration. Visas to visit the US are only granted once or twice a year, and it was 5 years before the first visits were granted. With daughters aged 1, 6 and 11 when he was arrested, this caused significant hardship to Ramón's family, but they are unwavering in their support for and pride in him. Viva the Cuban Five and Viva Cuba! ■

Source: *Adelaide Voices* Sept/Nov 2014

The end of *history*?

The short, strange era of human civilisation would appear to be drawing to a close.

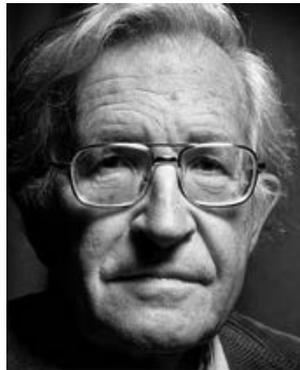
BY **NOAM CHOMSKY**

The likely end of the era of civilisation is foreshadowed in a new draft report by the Intergovernmental Panel on Climate Change (IPCC), the generally conservative monitor of what is happening to the physical world.

It is not pleasant to contemplate the thoughts that must be passing through the mind of the Owl of Minerva as the dusk falls and she undertakes the task of interpreting the era of human civilisation, which may now be approaching its inglorious end.

The era opened almost 10,000 years ago in the Fertile Crescent, stretching from the lands of the Tigris and Euphrates, through Phoenicia on the eastern coast of the Mediterranean to the Nile Valley, and from there to Greece and beyond. What is happening in this region provides painful lessons on the depths to which the species can descend.

The land of the Tigris and Euphrates has been the scene of unspeakable horrors in recent years. The George W Bush-Tony Blair aggression in 2003, which many Iraqis compared to the Mongol invasions of the 13th century, was yet another lethal blow. It destroyed much of what survived the Bill Clinton-driven UN sanctions on Iraq, condemned as 'genocidal' by the distinguished diplomats Denis Halliday and Hans von Sponeck, who administered them before resigning in protest. Halliday and von Sponeck's devastating reports received the usual treatment accorded to unwanted facts.



One dreadful consequence of the US-UK invasion is depicted in a New York Times 'visual guide to the crisis in Iraq and Syria': the radical change of Baghdad from mixed neighbourhoods in 2003 to today's sectarian enclaves trapped in bitter hatred. The conflicts ignited by the invasion have spread beyond and are now tearing the entire region to shreds.

Much of the Tigris-Euphrates area is in the hands of ISIS and its self-proclaimed Islamic State, a grim caricature of the extremist form of radical Islam that has its home in Saudi Arabia. Patrick Cockburn, a Middle East correspondent for *The Independent* and one of the best-informed analysts of ISIS, describes it as 'a very horrible, in many ways fascist organization, very sectarian, kills anybody who doesn't believe in their particular rigorous brand of Islam.'

Cockburn also points out the contradiction in the Western reaction to the emergence of ISIS: efforts to stem its advance in Iraq along with others to undermine the group's major opponent in Syria, the brutal Bashar Assad regime. Meanwhile a major barrier to the spread of the ISIS plague to Lebanon is Hezbollah, a hated enemy of the US and its Israeli ally. And to complicate the situation further, the US and Iran now share a justified concern about the rise of the Islamic State, as do others in this highly conflicted region.

Egypt has plunged into some of its darkest days under a military dictatorship that continues to receive US support. Egypt's fate was not written in the stars. For centuries, alternative paths have been quite feasible, and not infrequently, a heavy imperial hand has barred the way.

After the renewed horrors of the past few weeks, it should be unnecessary to comment on what emanates from Jerusalem, in remote history considered a moral centre.

Eighty years ago, Martin Heidegger extolled Nazi Germany as providing the best hope for rescuing the glorious civilisation of the Greeks from the barbarians of the East and West. Today, German bankers are crushing Greece under an economic regime designed to maintain their wealth and power.

The likely end of the era of civilisation is foreshadowed in a new draft report by the Intergovernmental Panel on Climate Change (IPCC), the generally conservative monitor of what is happening to the physical world.

The report concludes that increasing greenhouse gas emissions risk 'severe, pervasive and irreversible impacts for people and ecosystems' over the coming decades. The world is nearing the temperature when loss of the vast ice sheet over Greenland will be unstoppable. Along with melting Antarctic ice, that could raise sea levels to inundate major cities as well as coastal plains.

The era of civilisation coincides closely with the geological epoch of the Holocene, beginning over 11,000 years ago. The previous Pleistocene epoch lasted 2.5 million years. Scientists now suggest that a new epoch began about 250 years ago, the Anthropocene, the period when human activity has had a dramatic impact on the physical world. The rate of change of geological epochs is hard to ignore.

One index of human impact is the extinction of species, now estimated to be at about the same rate as it was 65 million years ago when an asteroid hit the Earth. That is the presumed cause for the ending of the age of the dinosaurs, which opened the way for small mammals to proliferate, and ultimately modern humans. Today, it is humans who are the asteroid, condemning much of life to extinction.

The IPCC report reaffirms that the 'vast majority' of known fuel reserves must be left in the ground to avert intolerable risks to future generations. Meanwhile the major energy corporations make no secret of their goal of exploiting these reserves and discovering new ones.

A day before its summary of the IPCC conclusions, *The New York Times* reported that huge Midwestern grain stocks are rotting so that the products of the North Dakota oil boom can be shipped by rail to Asia and Europe.

One of the most feared consequences of anthropogenic global warming is the thawing of permafrost regions. A study in *Science* magazine warns that 'even slightly warmer temperatures [less than anticipated in coming years] could start melting permafrost, which in turn threatens to trigger the release of huge amounts of greenhouse gases trapped in ice,' with possible 'fatal consequences' for the global climate.

Arundhati Roy suggests that the 'most appropriate metaphor for the insanity of our times' is the Siachen Glacier, where Indian and Pakistani soldiers have killed each other on the highest battlefield in the world. The glacier is now melting and revealing 'thousands of empty artillery shells, empty fuel drums, ice axes, old boots, tents and every other kind of waste that thousands of warring human beings generate' in meaningless conflict. And as the glaciers melt, India and Pakistan face indescribable disaster.

Sad species. Poor Owl. ■

NOAM CHOMSKY

Noam Chomsky is Institute Professor & Professor of Linguistics (Emeritus) at the Massachusetts Institute of Technology, and the author of dozens of books on US foreign policy. He writes a monthly column for *The New York Times* News Service/Syndicate.

NEEDED NOW MORE THAN EVER: VOICES FOR NEGOTIATION AND PEACE

By **ANNE SGRO**

With so much violence, death and destruction in the world, we are being increasingly polarised into 'goodies and baddies' (to paraphrase Tony Abbott), into evildoers and defenders of freedom and democracy. The 'Team Australia' rhetoric covers about anything that the Abbott government wants to promote, including greater restrictions on citizens and fomenting suspicion and distrust. It borders on the obviously ridiculous when even the Scots come in for criticism for campaigning for independence. But there is a serious side. Extreme fundamentalist ISIS is undoubtedly bloodthirsty and committing crimes against humanity in the Middle East. But the United States has been quietly dropping bombs from unmanned drones for years – into Pakistan, Yemen and elsewhere. A recent ABC Foreign Correspondent program (15.7.14) showed the devastating effects still today of the secret US bombing of neutral Laos 40 years ago. Cluster bombs that carpeted the area then are still killing and maiming Laotians today. Cutting off heads is ghastly; so is remote control bombing.

Can we put a brake on the momentum of the armaments industry? Can we urge our governments to stop the violence and seek peaceful negotiation – in Gaza, Iraq, Syria and elsewhere? Now more than ever we need strong voices for peace and non-violence.

Source: *Union of Australian Women September Newsletter*

CUTTING AUSTRALIA OFF FROM THE WORLD



We are often unaware of the importance of the ABC's international services to countries in our region and to Australians working or travelling overseas.

Nic Maclellan, a correspondent for *Islands Business* magazine, reported comments of Miranda, a member of Futuna Island's community disaster committee: 'We rely a lot on Radio Australia when there's a cyclone coming. We have no telephone on this side of the island and we often can't hear Radio Vanuatu.'

Director of the Myer Melanesia Program at the Lowy Institute, Jenny Hayward Jones, has written that domestic news broadcasters across the Pacific are shrinking and in some cases subject to political control.

Some Pacific island populations rely on Radio Australia to report about not only international news but events in their own country.

International broadcasting is a relatively cheap means to increase awareness of our nation and build positive relations with people in other countries, with all the flow-on effects that has for trade and diplomacy. It reaches beyond political leaders and diplomats – to the people of other countries.

The ABC has secured Australia's broadcasting presence in our region by providing trusted programming and a reliable service over many years – commencing with Radio Australia in 1939, and expanding to television and online.

An important part of the service has been original content produced by ABC staff who have extensive knowledge and contacts, and a deep cultural understanding of their part of the region.

Tragically, the outstanding work of ABC International and past public expenditure is set to be squandered.

Unable to hand Australia Network (AN) to Murdoch/News Corp-backed Sky News for now, the Government has simply shut down Australia's international television service provided by the ABC and stopped its funding.

Key functions of Australia Network and Radio Australia have been merged in recent years. With the ABC's annual budget for international broadcasting now reduced by 60 per cent (from \$35 to \$15 million) and with about 80 jobs to be axed, Radio Australia services are also being cut.

Radio Australia programs *Asia Pacific*, *Asia Review*, and *Mornings* will be scrapped, leaving no dedicated Asian program. There will be less original non-English programming. Programs like the flagship *Pacific Beat* will continue, but without specialist Pacific reporters. Instead, more of its content will be sourced from the domestic ABC.

Correspondents that will disappear from the ABC's Asia Pacific News Centre, which serviced Australia Network and Radio Australia, include Delhi, Jakarta and Beijing.

Their demise will affect local audiences too. The loss of experienced Pacific correspondent Sean Dorney will impact on the breadth and depth of the reports that Australia gets

about important happenings in our region.

The ABC Act hasn't been changed.

The ABC is still required to transmit news, current affairs, entertainment and cultural programs 'to countries outside Australia' in order to 'encourage awareness of Australia and an international understanding of Australian attitudes on world affairs' and 'enable Australian citizens living or travelling outside Australia to obtain information about Australian affairs and Australian attitudes on world affairs.'

By simply defunding Australia Network to shut it down the Government has circumvented the scrutiny of the Senate on a matter of significant national importance.

It's unbelievable that any government with the long-term interests of the nation at heart would scale back international broadcasting in its own region.

Other governments are vying for the influence that international broadcasting affords. China, for example, is increasing its broadcasting investment in the Pacific.

The axing of Australia Network appears to be an effort to curry favour with Rupert Murdoch, whose News Corp media outlets campaigned for the Coalition in the last election.

News Corp-backed Sky News has lobbied relentlessly for Australia's international television service to be handed over to it, along with public funds. However, the Government cannot proceed to the next step of funding Sky News to provide the service without the support of the Senate.

INTERNATIONAL BROADCASTING IS OF SUCH STRATEGIC IMPORTANCE THAT NO GOVERNMENT IN THE WORLD, EXCEPT AUSTRALIA, HAS SOUGHT TO OUTSOURCE ITS SERVICE.

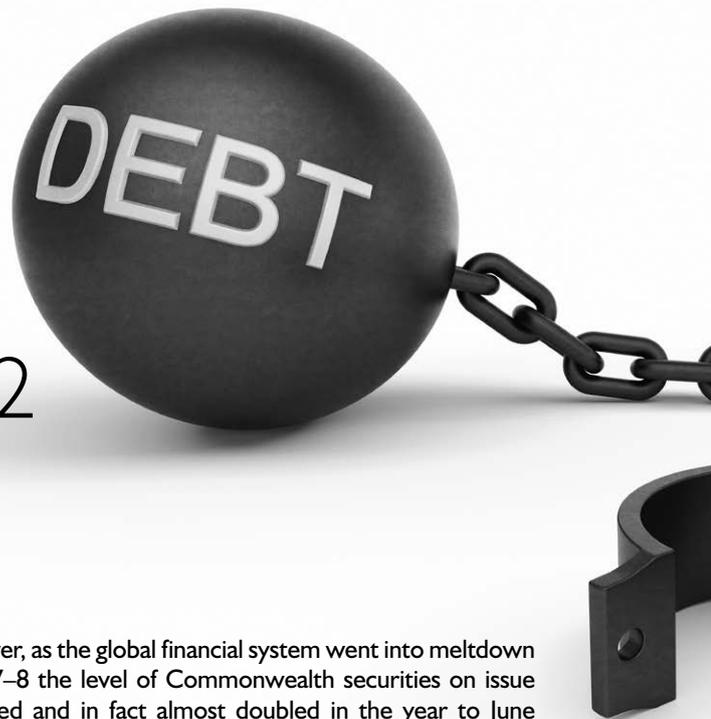
And after a botched tender process in which the Murdoch media was securing and reporting leaks that favoured Sky News, the last Labor government legislated for Australia's national public broadcaster to remain the provider of Commonwealth-funded international broadcasting.

We must continue to remind the Government of the foolishness of its decision to cut international broadcasting and urge that it be reversed. And we must stop Australia's national interests from being handed over to the Murdoch dynasty. *The World* (screened domestically on the ABC's News 24 channel and overseas) is one program that will suffer from the loss of Australia Network funding. Highly respected journalists Zoe Daniel and Jim Middleton have been axed from the program and are reported to be facing redundancy.

Ensure that all opposition senators know you want them to vote against any attempt to change legislation to allow Australian international broadcasting to be outsourced. ■

Source: News & Views, Newsletter of ABC Friends, Issue 45/Winter 2014

Thinking about debt in Australia PART 2



By **Rob Watts** RMIT University

WHICH GOVERNMENT CRANKED UP THE DEBT?

When ALP PM Keating lost the federal election to the Coalition under Howard in 1996, about \$110 billion of Commonwealth debt (i.e. bonds and notes) had been issued as part of the Labor government's policy program to lift the country out of the 1991–93 recession. At that time, Commonwealth securities represented nearly 21% of the country's GDP. In the 2013 financial year it was 17%.

By the time Coalition PM Howard was voted out of office more than a decade later, the Coalition had returned the budget to surplus and lowered the ratio of CGS to GDP to 5.4%. The Coalition claimed in its 2006–7 budget that 'As a result of 10 years of strong economic management, net debt was eliminated in April 2006.' Even during periods of surplus, the AOFM will issue securities in order to maintain liquidity in the bond market meaning gross debt is never entirely eliminated. Running a budget in surplus means the government can pay interest on its CGS liabilities from its surplus. When the budget is in deficit, interest is paid from government borrowings.

When Labor's Kevin Rudd took over as prime minister in 2007 there was \$59 billion in Commonwealth securities on issue. Under Rudd, the ratio to GDP continued to fall for another three years hitting the lowest point of the past 30 years.

Commonwealth securities as a proportion of GDP under Labor governments, 2006 to 2013

Date	\$ billion	% of GDP
Jun-06	59.1	5.4
Jun-07	58.2	4.9
Jun-08	60.4	4.7
Jun-09	101.1	8.1
Jun-10	147.1	11.4
Jun-11	191.3	13.7
Jun-12	234	5.9
Jun-13	257.4	17

Source: Australian Office of Financial Management

However, as the global financial system went into meltdown in 2007–8 the level of Commonwealth securities on issue increased and in fact almost doubled in the year to June 2009. It has continued to rise as successive deficits have been recorded. When the Abbott government came to power in September 2013 there was \$270 billion in Commonwealth securities on issue.

The growth in public debt reflected the impact of the financial crisis of 2007–8 on the economy at that time and the economic stimulus policies the Labor government implemented to counteract the global financial crisis. Any public debt that accrues during the term of a particular government reflects the state of the local and international economies and is also affected by policy decisions made by previous governments.

However, we also need to think about the relationship of debt to what we want governments to spend our money on and how much of our money they want to take by way of tax. Here is one very big problem: Australians want governments to keep on spending but we do not want to increase our level of taxation.

In a post-budget speech on 20 May 2014 Treasury Secretary Martin Parkinson produced a chart showing that every budget over the 12 years from June 1998 loosened fiscal policy, that is, increased spending and decreased tax revenue. Of those, 10 budgets were delivered by the Coalition and included eight years of income tax cuts.

Australians need to understand that this is one of the most serious policy problems that a government representing the interest of all Australians needs to fix: we need to raise more taxation revenue to support a major reinvestment in the Australian way of life and we need to spend what we spend in ways that are socially and environmentally beneficial and sustainable.

That is one response to the so-called problem of 'public debt'. The other side of the coin of debt is, however, much more worrying because this goes to the level and kind of private debt.

THE BIG PICTURE (II): PRIVATE DEBT

Firstly, and to be very clear, the private sector is the largest contributor to Australia's foreign debt. The private sector is responsible for 80.5% and 75.0% of Australia's gross

... AFTER MAKING ADJUSTMENTS TO REMOVE THE EFFECT OF GENERAL PRICE INFLATION, THIS IS THE HIGHEST LEVEL OF HOUSEHOLD DEBT FOR THE PAST 25 YEARS.



and net foreign debt respectively. This is an increase of 1.7% and 3.1% of gross and net foreign debt respectively since the March 2013 quarter. The private sector gross and net foreign debts as a per cent of GDP have increased since March 2013, and the public sector gross and net foreign debts have decreased since March 2013. Combined, this has resulted in Australia's total gross foreign debt (aggregate of the public and private sectors) as a proportion of GDP increasing by 4.7% since March 2013 to 100.2 per cent of GDP. Australia's total net foreign debt as a proportion of GDP has increased 3.1 percentage points since March 2013 to 54.0 per cent of GDP.

A key feature of private debt is household debt.

At the end of last year, total household debt was a staggering \$1.84 trillion (\$1,840,000,000,000), equating to \$79,700 for every Australian. To put this in context:

- Total household debt is three times more than total public debt of around \$623.6 billion.
- Australian households now have household debt of \$1.84 trillion in an economy that is only worth \$1.5 trillion.

Worse, and even after making adjustments to remove the effect of general price inflation, *this is the highest level of household debt for the past 25 years.*

Again, to be clear, household debt doesn't have very much to do with credit card debt.

CREDIT CARD DEBT

While credit card debt is relatively common, the amount owed tends to be small in comparison with other forms of household debt. In real terms (i.e. in 2011–12 dollars), the average amount of credit card debt owed by households who had net credit card debt was around \$4,300 in 2003–04, \$4,900 in 2005–06, and \$5,300 in both 2009–10 and 2011–12.

Although credit card interest rates are relatively high, credit card debt can be short term and does not necessarily incur interest charges. An interest-free period on the purchase of goods and services is a common feature of credit cards. In addition to deferring payment without interest penalty, there may be other advantages to purchasing goods and services with a credit card (e.g. free travel insurance or 3-months product protection).

THE GROWTH IN HOUSEHOLD DEBT IS RELATED TO HOUSING DEBT

Data from Australia's national accounts at the end of 2013 showed that three-quarters (75%) of all household debt was housing debt. This hasn't always been the case. In 1990 housing debt accounted for less than half (47%) of all household debt.

The total housing debt of Australian households was \$1.89 trillion in May 2014, equivalent to \$79,000 for every person living in Australia at that time. After making adjustments to remove the effect of general price inflation (giving a real comparison), this was almost as high as it had been at any time in the previous 25 years, and more than six times what it had been in 1988 (\$9,300 in 2013 dollars). It was also significantly higher than what it had been in 2007 (\$49,100 in 2013 dollars).

DEBT COMPARED WITH ASSETS

Rising household debt has been only partly matched by the increase in the value of household assets. Over the past 25 years household debt has increased nearly twice as fast as the value of household assets. Expressed as a percentage of the value of household assets, household debt increased from just under 11% at the end of September 1988 to nearly 21% at the end of 2011 before easing a little to below 20% at the end of 2013.

DEBT COMPARED WITH INCOME

Income is an important consideration when deciding on a household's capacity to make loan repayments in full and on time. Household debt increased more rapidly than household income from early in 1993 until the middle of 2007. In the 1980s the average Australian household had debts totalling around 40% of their disposal income, that is, income after tax. In December 1986, for example, the ratio was 43%. However, just twenty years later in December 2006 the ratio had increased to 152%, an increase of 2.5 times. Since mid-2007 (and the GFC), household debt has tended to rise in line with household income. At the end of 2013 the amount that households owed was 177% of the amount of disposable income households received during 2013.

A LOOMING CRISIS?

The size of Australia's household debt compared with its income (household debt to income ratio) is not just high in historical terms – it is also high when compared with the household debt to income ratios of the G7 countries (i.e. Canada, France, Germany, Italy, Japan, UK and USA). For example, in 2012 Australia's household debt level was equivalent to 1.73 times Australia's 2012 gross disposable household income, whereas household debt in both Italy and Germany was less than a year's worth of gross disposable household income (at 82% and 93% respectively).

(In contrast, other household debt per person increased at a much slower rate than housing debt between 1988 (\$8,600 in 2013 dollars) and 2007 (\$20,400 in 2013 dollars). In real terms, other household debt per person has remained below the level reached in mid-2007 just prior to the onset of the global financial crisis (GFC).

We do need to worry about the level and scope of housing debt. We are facing a combination of factors, including rising unemployment, the likelihood that interest rates will rise, that high risk mortgages will default and that the housing bubble will be pricked sooner or later. Sound familiar?

There is a housing price bubble. The underpinning factor that 'explains' this dramatic increase in the ratio of housing debt to disposable income is housing affordability that has skyrocketed since the early 2000s. House prices in May 2014 stood at 4.3 times annual income and 28 times annual rent, both within a fraction of their historic high points in 2003 and again in 2010.

Interest rates are low. The recent decision by the Reserve Bank to leave the rate of interest at 2.5% no doubt came as a relief to Australians with mortgages. But this situation will not continue. Interest rates will rise. Consumer groups like Choice are now warning that borrowers are being offered new home loan products that create huge financial risks for the individual.

Unemployment is rising, and at 5 August 2014 hit the highest level in 12 years, passing the 7% rate.

The only saving grace at the moment is that over 72 per cent of Australian household debt is owed by households in the top 40 per cent of the income distribution and they have a greater capacity to manage their liabilities and to meet them than people in the lower part of the income distribution, which is where much of the lending in America before the financial crisis went after 1998.

The next year could see major economic trouble and a lot of distress. This would occur if a combination of factors came together like:

- the RBA deciding to increase interest rates
- reductions in the value of the \$A
- mounting unemployment triggering increasing mortgage defaults
- the economic impact on our economy as exports to China begin to taper off (or China faces a debt crisis)
- and a pricking of the current house price bubble.

In this case Australians could be in for a rough ride. However, the possibility of a household debt-fuelled crisis is just one possibility. We face many more pressing political challenges and issues. Some commentators like Slavoj Žižek insist we have already arrived at the 'end times'. Žižek insists the four horsemen of the apocalypse are already riding – and they are riding in formation. Žižek is pointing to the combination of impending ecological catastrophes, economic derangement like the global financial meltdown of 2008–9, the biogenetic revolution and its impact on human identity, and social divisions leading to an explosion of protests and revolutions worldwide.

Certainly we cannot underestimate the scale of these challenges. To them I think we need to add some other basic challenges.

We are clearly facing a digital displacement revolution grounded in robotics, artificial intelligence and 3D printing that is set to transform the basic relations between labour and capital and to radically diminish the need for unskilled and cheap labour everywhere.

It is clear too as Oxfam, the OECD and Thomas Picketty have all shown recently that we are facing down dramatic changes in the scale and scope of economic inequality of a kind we have not seen since the early 20th century.

Finally, it is pretty plain too that perhaps the biggest challenge we face is actually working out how to make sense of these and other challenges we cannot yet see, and how we will ensure we have the political capacity to engage with these challenges and come out at the other end of them in better shape than we are currently in.

We find ourselves in a policy and political context that needs urgent renovation across many dimensions. We need a thoroughgoing renovation of our political culture. Australia has an immature democracy characterised by a weak to non-existent regard for basic human rights like freedom of expression and freedom of assembly. That immaturity is marked too by the thin and impoverished band of political alternatives and ideas on offer. There is widespread apathy and cynicism on the part of too many Australians confronted by daily news of corruption, public services that don't work so well, incompetence and by parties and their leaders who seemingly no longer care what we think or want. The time is well and truly arrived for a new political movement and a new vision and program for our time and people. ■

Rob.watts@rmit.edu.au

Unitarian E-Newsletter

The Melbourne Unitarian Church has decided to move into the digital world by launching an E-Newsletter every two to three months that will bring you up-to-date information and comment from home and around the world. If you would like to be part of our exciting E-Newsletter, please send an email to us at admin@melbourneunitarian.org.au and we will add you to our growing database. If, on receipt or at any point you decide you no longer wish to receive the newsletter, you can easily unsubscribe.

BREAK THE SILENCE: A WORLD WAR IS BECKONING



*Why do we tolerate the threat of another world war in our name?
Why do we allow lies that justify this risk?*

The scale of our indoctrination, wrote Harold Pinter, is a 'brilliant, even witty, highly successful act of hypnosis', as if the truth 'never happened even while it was happening'.

Every year the American historian William Blum publishes his 'updated summary of the record of US foreign policy' that shows that since 1945 the US has tried to overthrow more than 50 governments, many democratically elected; grossly interfered in elections in 30 countries; bombed the civilian populations of 30 countries; used chemical and biological weapons; and attempted to assassinate foreign leaders.

In many cases Britain has been a collaborator. The degree of human suffering, let alone criminality, is little acknowledged in the West, despite the presence of the world's most advanced communications and nominally freest journalism. That the most numerous victims of terrorism – 'our' terrorism – are Muslims, is unsayable. That extreme jihadism, which led to 9/11, was nurtured as a weapon of Anglo-American policy (Operation Cyclone in Afghanistan) is suppressed. In April, the US state department noted that, following Nato's campaign in 2011, 'Libya has become a terrorist safe haven'.

The name of 'our' enemy has changed over the years, from communism to Islamism, but generally, it is any society independent of Western power and occupying strategically useful or resource-rich territory. The leaders of these obstructive nations are usually violently shoved aside, such as the democrats Muhammad Mossedeq in Iran and Salvador Allende in Chile, or they are murdered like Patrice Lumumba in the Congo. All are subjected to

a Western media campaign of caricature and vilification – think Fidel Castro, Hugo Chávez, now Vladimir Putin.

Washington's role in Ukraine is different only in its implications for the rest of us. For the first time since the Reagan years, the US is threatening to take the world to war. With eastern Europe and the Balkans now military outposts of Nato, the last 'buffer state' bordering Russia is being torn apart. We in the West are backing neo-Nazis in a country where Ukrainian Nazis backed Hitler. Having masterminded the coup in February against the democratically elected government in Kiev, Washington's planned seizure of Russia's historic, legitimate warm-water naval base in Crimea failed. The Russians defended



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themselves, as they have done against every threat and invasion from the West for almost a century.

But Nato's military encirclement has accelerated, along with US-orchestrated attacks on ethnic Russians in Ukraine. If Putin can be provoked into coming to their aid, his preordained 'pariah' role will justify a Nato-run guerrilla war that is likely to spill into Russia itself.

Instead, Putin has confounded the war party by seeking an accommodation with Washington and the EU, by withdrawing troops from the Ukrainian border and urging ethnic Russians in eastern Ukraine to abandon the weekend's provocative referendum. These Russian-speaking and bilingual people – a third of Ukraine's population – have long sought a democratic federation that reflects the country's ethnic diversity and is both autonomous and independent of Moscow. Most are neither 'separatists' nor 'rebels' but citizens who want to live securely in their homeland.

Like the ruins of Iraq and Afghanistan, Ukraine has been turned into a CIA theme park – run by CIA director John Brennan in Kiev, with 'special units' from the CIA and FBI setting up a 'security structure' that oversees savage attacks on those who opposed the February coup. Watch the videos, read the eye-witness reports from the massacre in Odessa this month. Bussed fascist thugs burned the trade union headquarters, killing 41 people trapped inside. Watch the police standing by. A doctor described trying to rescue people, 'but I was stopped by pro-Ukrainian Nazi radicals. One of them pushed me away rudely, promising that soon me and other Jews of Odessa are going to meet the same fate ... I wonder, why the whole world is keeping silent.'

Russian-speaking Ukrainians are fighting for survival. When Putin announced the withdrawal of Russian troops from the border, the Kiev junta's defence secretary – a founding member of the fascist Svoboda party – boasted that the attacks on 'insurgents' would continue. In Orwellian style,

propaganda in the West has inverted this to Moscow 'trying to orchestrate conflict and provocation', according to William Hague. His cynicism is matched by Obama's grotesque congratulations to the coup junta on its 'remarkable restraint' following the Odessa massacre. Illegal and fascist-dominated, the junta is described by Obama as 'duly elected'. What matters is not truth, Henry Kissinger once said, 'but what is perceived to be true'.

In the US media the Odessa atrocity has been played down as 'murky' and a 'tragedy' in which 'nationalists' (neo-Nazis) attacked 'separatists' (people collecting signatures for a referendum on a federal Ukraine). Rupert Murdoch's Wall Street Journal damned the victims – 'Deadly Ukraine Fire Likely Sparked by Rebels, Government Says'. Propaganda in Germany has been pure cold war, with the Frankfurter Allgemeine Zeitung warning its readers of Russia's 'undeclared war'. For Germans, it is an invidious irony that Putin is the only leader to condemn the rise of fascism in 21st-century Europe.

A popular truism is that 'the world changed' following 9/11. But what has changed? According to the great whistleblower, Daniel Ellsberg, a silent coup has taken place in Washington and rampant militarism now rules. The Pentagon currently runs 'special operations' – secret wars – in 124 countries. At home, rising poverty and haemorrhaging liberty are the historic corollary of a perpetual war state. Add the risk of nuclear war and the question begs: why do we tolerate this? ■

13 May 2014

This article first appeared in the Guardian, UK

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from our readers



Dear Unitarians

The following message came through from my friends at the 'Red Fox', Berlin, with the request of passing it on to you.

I was interested to learn that you deal with the situation in Russia because that is my area of expertise.

Best wishes

Vera Butler

Dear friends

We have the urgent desire to express our sincere feelings of humanitarian solidarity concerning all your publications concerning the defence of world peace in general, your coverage of events in the context with the Ukrainian crisis in particular.

We admire your courage defending Russia against the infamous slander and brutal Western threats. We – your antipodes in Europe – share entirely your deep-thinking considerations.

Warm greetings by your readers in the former German Democratic Republic and all people connected with us in the East and West and around the globe.

Dr Klaus Steiniger

Editor-in-Chief, Monthly Magazine 'RotFuchs', Berlin

Dr Vera Butler

WORLD WAR I – A PREVENTABLE TRAGIC BLUNDER

As part of the current centenary commemorations of World War I, the September 2014 edition of the RSL's Victorian magazine 'Mufti' recommended for reading *The War that Ended Peace* (Profile Books Ltd) by Oxford University's History Professor Margaret MacMillan. This scholarly 699-page work provides a comprehensive analysis of the social, economic and political circumstances and events that led in 1914 to World War I (or 'The Great War'). The conflict degraded Western Christian civilisation to its core, ended European political and economic supremacy, destabilised the political landscape of Europe and allowed the United States of America to assume 'World Super Power' status.

MacMillan's message seems clear. No compelling reasons existed in 1914 for the quarrelling nations of Europe, namely the empires of Britain, France and Tsarist Russia plus Japan against those of Austro-Hungary, Germany and Turkey, to resort to war. People's living standards had steadily improved over the years through socioeconomic and political reforms. Moreover, profound scientific and technological innovations, better health care and education promised a bright future, particularly for the people of Western Europe. Commercial rivalry, suspicion, mistrust and fear between opposing sides could have been settled diplomatically through sensible negotiations, a willingness to compromise and a genuine desire for peace.

Regrettably, the ruling classes of the day (incorporating aristocratic elites, except in France) lived in cloud cuckoo land and allowed this war to happen. Driven by greed, continuing insatiable colonial ambitions, prejudice and a sense of divine infallibility, they naively assumed a future war to end swiftly with substantive economic and territorial gains to flow to them and their supporters. The possibility was never envisaged that the awesome destructive power of modern weaponry and the recruitment, presumably for national defence, of millions of conscripts and adventure-seeking volunteers (e.g. Russia's army, the world's largest in 1914, numbered 5 million men) could unleash the unprecedented carnage that unfolded.

The impacts of irrational decisions by governments and of two dubious politically-binding military alliances (that divided rather than united the nations of Europe), as well as the influence of a largely ignorant public, brainwashed through relentless negative propaganda, ultimately silenced the voices of reason and stifled diplomacy. As a result, around 30 million young men were killed or scarred for life on the battlefields of Europe and the Middle East and untold billions of dollars wasted during 1914–18. Sadly, Australia's share in this appalling statistic was 215,451 casualties equating to 52% of all enlisted personnel or 4.4% of the total population.

Fred Neumann, Vic

The Editor

Enclosed herewith my cheque for subscription to your journal as well as a small donation that I hope will help in some way to ensure that I and all your readers will continue to be enlightened and inspired by the message of truth and hope for the future that each edition brings.

T Kennedy, Vic

The Editor

Enclosed is my subscription for the *Beacon*. Apologies re lateness as we have been overseas.

We attended a service at the Essex Unitarian Church, London, and told them about your work and about the *Beacon*. They extend their best wishes to you, as does the Unitarian Fellowship at Kirribilli, Sydney.

Enclosed is my gift to Mr Geoff Bradbury.

Best wishes

C Whatmough, NSW

Dear Editor

How lucky are we to have this wonderful journal to expose the cruelty and evil that takes place throughout the world (your country included). Your constant exposure of Israel's reactionary role in world affairs is 'top class'.

Good luck and thank you.

K Coupe, Vic

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