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SEEK THE TRUTH AND SERVE HUMANITY

EDITORIAL

PROPAGANDA and the language of DECEIT

The word 'propaganda' to many people sounds like an old-fashioned word from a bygone era. In the words of Media Lens, it evokes images of the Nazis in WW2, particularly Reich minister of public enlightenment and propaganda, Joseph Goebbels.

We would argue that the prophesising of George Orwell in 1984 has been more than realised.

Consider the following:

- The word 'democracy' is now almost a rhetorical term.
- Peace is 'perpetual war'.
- 'Global' is 'imperial', with sub-clauses such as 'responsibility to protect' (R2P).

Even 'austerity' is the imposition of extreme capitalism on the majority and the gift of socialism on the rich.

John Pilger describes it as 'An ingenious system under which the majority service the debts of the few'. He went on to say, 'How much longer must we subject ourselves to such an "invisible government"'? This term for insidious propaganda, first used by Edward Bernays, the nephew of Sigmund Freud and inventor of modern public relations, has never been more apt. 'False reality' requires historical amnesia, lying by omission and the transfer of significance to the insignificant. In this way, political systems promising security and social justice have been replaced by "piracy", "austerity" and "perpetual war": an extremism dedicated to the overthrow of democracy. Applied to an individual, this would identify a psychopath. Why do we accept it?'

Indeed, propaganda repeated ad nauseam via a largely complicit monopolised media tends to appeal to the most basic of human emotions, namely fear, selfishness and prejudice – in a word, the 'lowest common denominator'. None of us is immune but we are all responsible in seeking the truth no matter where that leads and then acting on that truth. Perhaps the old Socrates axiom that the 'unexamined life is not worth living' could be extended to the unexamined mind lacking the capacity to transcend instinct and desire and to make conscious, ethical choices.

In the limited space we have in the *Beacon* we have tried to provide insight and information that aid those who are seeking the truth on important issues such as war and peace, racial and religious intolerance, refugees, etc. British journalist Robert Fisk suggests that the media is responsible for the infantilisation of debate on important issues and that stupidity is on the rise in our age of enlightenment. Fisk may well be right in the short term, but we prefer the more optimistic words of Howard Zinn, when he said:

'We were not born critical of existing society. There was a moment in our lives (or a month, or a year) when certain facts appeared before us, startled us, and then caused us to question beliefs that were strongly fixed in our consciousness – embedded there by years of family prejudices, orthodox schooling, imbibing of newspapers, radio and television. This would seem to lead to a simple conclusion: that we all have an enormous responsibility to bring to the attention of others information they do not have, which has the potential of causing them to rethink long-held ideas.' ■

A talk given at the church by **OWEN BENNETT**, Youth Unemployment Coalition, on 15 February 2015

AUSTRALIA IS IN THE MIDDLE OF AN **UNEMPLOYMENT CRISIS**

Going by the official figures released for January 2015, 795,000 people in Australia are unemployed (6.4%), the highest national rate of unemployment for 13 years.

But this figure does not tell the whole story.

1. *It does not show that just under half of those unemployed are between the ages of 15–24 (361,100), bringing the national youth unemployment rate to 16.1% (more than three times the total average).*
2. *It does not show that over 200,000 unemployed people are over the age of 50 – a 40% increase since 2010!*
3. *It does not show that there are over 1.2 million underemployed people competing against the unemployed for jobs.*
4. *It does not show that going by the latest figures for job vacancies, there are only 152,700 job vacancies. When you consider that there are over 2 million underemployed and employed people competing for these jobs, this means there are more than 13 applicants for each job vacancy!*
5. *It does not show that the rate of unemployment benefit is about half of what is needed to live above the poverty line, or that Newstart has not increased in real terms since 1994.*
6. *It does not show that one in four people collecting unemployment benefits has a significant disability and has over the last few years been pushed onto Newstart from the Disability Support Pension or that there are 100,000 single parents who have also been forced onto the starvation rate of Newstart.*
7. *And lastly, it does not show that long-term unemployment has, over the last few years, doubled to 500,000 – or that the average time spent unemployed, according to the Australian Council of Social Services, is 4 years.*

So how has the government responded to this unemployment crisis that has been slowly building in Australia over the past decade?

Has the Coalition tried to increase the rate of jobs available?

No. In fact they have done the opposite and have been systematically slashing jobs in the public service. Since being elected, 100,000 Australians have become unemployed. Even the government's election promise to create 2 million jobs over the next decade is actually below the rate of expected employment growth!

Has the Coalition tried to take responsibility for its failure to create enough jobs by introducing a fair welfare system?

No. Instead, the Coalition has introduced the most wide-ranging series of attacks ever launched on the Australian welfare state since it was introduced in 1945.

Rather than attempting to fix this unemployment crisis, the Federal Government has launched an unprecedented range of attacks against the unemployed, pensioners, the disabled and families.

But most of you already knew about this.

The question that confronts us today is **WHY** and **WHAT** can we do about it?

Let's first look at the question of why successive governments – both Labor and Liberal – have been forcing more and more people onto the starvation rate of the Newstart entitlement.

While the government has repeatedly told us that all these cuts are necessary in order to balance the budget, this is a lie.

The real reason is far more sinister.

By forcing hundreds of thousands of people on to the starvation rate of Newstart, what the government is effectively doing is making unemployed people so desperate, so impoverished, that they would be willing to accept almost any work at any conditions. For the last two decades, this strategy has placed a strong downward pressure on wages and conditions. As a direct result of this, today the growth of real wages has fallen to its lowest rate for 17 years!

It's no coincidence that it was 17 years ago when John Howard first introduced the punitive Work for the Dole program and began an ongoing assault against the unemployed and the welfare state.

Seen from this perspective, the ongoing attacks against the unemployed, pensioners and the welfare state are essentially an elaborate form of welfare for business, paving the way for lower wages and conditions.

This brings me to my next point: **What can we do about it?**

Considering the destructive impact the ongoing attacks on our welfare system have had on Australian society, the Australian Unemployment Union has been working to unite all Centrelink recipients against these attacks.

Furthermore, we have been conducting a campaign to reach out to the trade union movement to help us in our common struggle for a fair wage for all and to bring the humanity back into our welfare state.

If our common struggle is to succeed, we firmly believe we must show the trade union movement – and the general public more broadly – that to fight for a humane welfare state, for a fair rate of Newstart entitlement, for a fair rate of pension, and more broadly, for a fair opportunity of secure employment, is something that will benefit all Australians. ■

Just like Mariam

https://newmatilda.com/2015/03/06/just-mariam

You can imagine how deeply wounding it was to have the leader of our country televise his frustration that 'he often heard western leaders call Islam a religion of peace and that he wished Muslim leaders meant it when they said it'.

As female Muslim advocates, when we denounce terrorism, violence and campaign for tolerance, inclusion and engagement, when we expose racism, sexism and Islamophobia in order to challenge stakeholders, to insist on transparency and accountability, it comes at a very high personal cost. This is the first time I have really spoken in detail about the cost of trying to be an advocate for social justice when you're a Muslim woman.

We pay our pound of flesh in death threats, online abuse, offensive pornography sent to our work addresses, the smear campaigns, the destruction of our property, the time away from our families, missing tucking our children into bed, the fights with our partners who see how tired we are, how thin we are stretched – but who know that we cannot stop in our advocacy.

Because we know the consequences if we stop being the 'change makers'. We know the role women play in combating hate and racism, in addressing extremism, in promoting political participation, inclusion and engagement.

We know that women are the cornerstones and pillars of our communities. We are the mothers, the daughters, the sisters, the aunties, the grandmothers. We are women in our own right.

So, yes, for the record Mr Prime Minister: We do mean it when we say it. And we say it knowing that it has real life consequences. We say it without the flags behind us, without the com cars, without the security, without the salary, without the advisors. We say it because we are committed to social cohesion, to civic values and to Australia's short and long-term interests.

We say it with conviction. With knowledge. With commitment. Because we will still be at the heart of our communities long after you, Mr Prime Minister, have gone.

Australian Muslim women have and continue to contribute to Australia's prosperity; we are not a new addition to the multicultural fabric of our country. However, the existence of Muslim women in this country has become heavily politicised. What we choose to wear became a national topic for debate and derision.

PAYPAL ACCOUNT

The church has now opened a PayPal account. If you have access to PayPal – all you need do is log on and the church's PayPal address is **admin@melbourneunitarian.org.au** Visit our web page and click on the link. You will be able to pay your subscription and make donations.

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The latest Global Wealth report from Credit Suisse reveals some startling statistics about the growing inequality in the world.

If 70 per cent of the world's population owns just 2.9 per cent of its wealth, one might ask how successful the trickle-down theory has been.

According to Credit Suisse, 'Between 2008 and mid-2014, mean wealth per adult grew by 26%; but the same period saw a 54% rise in the number of millionaires, a 106% increase in the number with wealth above USD 100 million and more than double the number of billionaires.'

Inequality is growing alongside the increase in wealth

The JIM Unit is increasingly concerned about the growing inequality because of its antithesis to Gospel values. We have been working behind the scenes to try to counter some of the neo-liberal ideological thinking that is coming to characterise our society.

Last year we wrote a submission to a Senate enquiry on growing inequality saying 'Our vision for the world is one which is, "marked by regard for the common good." We believe, "Individualism, competition and greed deny human flourishing because the fullness of our humanity is not found in wealth, but in the relationship with each other and the world around us" (taken from the Assembly statement, An Economy of Life).

We are particularly concerned about governments around the world being captured by neo-liberal thinking and economic policies. Underlying this ideology is the belief that:

1. Corporations need to be free to pursue whatever gives them an economic advantage and be free to operate with little government constraint or regulation.
2. Free trade benefits all nations – rich or poor – because every nation has a comparative advantage.
3. Government spending creates inefficiency and waste: although most neo-liberals agree that not all public expenditure is wasteful, many argue that it can be reduced.
4. In the distribution of economic goods, individual responsibility replaces the concepts of public goods and community.

These ideas undermine the ability of governments to be able to provide for their people. They also deny the structural disadvantages that exist which mean we don't all start from a level playing field. Neo-liberalism has largely benefitted the wealthy few, as opposed to the common good, as demonstrated by the growing concentration of wealth in the hands of very few.

The provision of health and education services and the supply of the complex physical and societal infrastructure which enables modern commerce to function overall benefits business, which as a result of these services enjoys the advantage of having a healthy and productive workforce with the financial means to enjoy the products companies seek to supply. We have also seen the transfer of wealth from the commons into private hands, through privatisation of essential services like gas, electricity and telecommunications. The shift to contracting out a whole range of other services has led to many people now having insecure work and being increasingly vulnerable due to not

being able to take sick leave or care for children or take out a home loan. These factors further exacerbate the barriers for those who are able to access wealth and those who are not.

A survey of Australian attitudes on wealth inequality and taxation by the ACTU found that Australians dramatically underestimate the degree of wealth inequality within their society and favour a society becoming more equal in terms of wealth distribution. This desire to live in a more equal society is relatively stable across political ideologies. All political groups least preferred living in a country with Australia's current level of wealth inequality, by strong majorities. Furthermore, Australians support a more equal wealth distribution as well as progressive taxation. However, they have not forged strong links between the two issues. Respondents also supported government adopting policies that would promote greater wealth equality in Australia.

The ability to accumulate wealth is necessary for borrowing (house deposit), security in times of hardship, and interest on the capital provides an income stream. If there is a wealth gap, that means some can and some can't attain this, which has flow-on effects for people's sense of security and livelihood. According to a report by the ACTU, high wealth and income inequality can directly trigger financial crisis, by creating unsustainable demands for investment options among the wealthiest individuals, which fuels cheap debt, that is consumed by the poorest individuals.

Eventually this dynamic can lead to massive debt defaults and financial crisis.

Emerging evidence also links economic inequality with decreased psychological wellbeing and poor health. Wilkinson and Picket's The Spirit Level directly linked the major health and social problems to levels of income inequality through an analysis of OECD countries. People living in unequal societies were several times more likely to be in jail, be mentally ill, be obese, be murdered and have higher infant mortality. Whilst there have been critiques of both their methodology and statistical analysis, their observations do point to inequality being a factor that impacts on many social indicators of wellbeing for a society.

Andrew Leigh, in his book *Battler's and Billionaires*, argues Australian culture has an egalitarian spirit that we need to protect. In Australia we have recognised the benefits of this and have policies in place that support that continuing. Income inequality also impacts on people's opportunity to move beyond or out of their social sphere, meaning the question of luck as to which sort of family you were born into becomes a large determinant of where you end up.

Leigh also identifies a higher participation rate in democratic processes amongst wealthier people, such as contacting government officials or signing petitions. In addition, inequality can affect political outcomes by shaping our notion of the common good. 'When the most affluent use different hospitals and schools, travel solely by private transport and live among those in their own income bracket, they may lose touch with the need for a strong safety net to protect the most disadvantaged.'

The JIM Unit will continue to advocate for a more caring and just society in many ways and encourage church members to also speak out about inequality and injustice where you can. ■

Justice and International Mission Unit – Uniting Church

Source: Just Focus February 2015

Uruguay takes on London bankers, Marlboro mad men and the TPP

By **MICHAEL MEURER,** Truthout

http://truth-out.org/news/item/27932-uruguay-takes-on-london-bankers-marlboro-mad-men-and-the-tpp

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What the hell is happening in tiny Uruguay? South America's second smallest country, with a population of just 3.4 million, has generated international headlines out of proportion to its size over the past year by becoming the first nation to legalise marijuana in December 2013, by welcoming Syrian refugees into the country in October 2014 and by accepting the first six US prisoners resettled to South America from the Guantánamo Bay prison on 6 December 2014.

Outgoing President Jose Mujica, a colourful former Tupamaros rebel who was imprisoned and brutally tortured by the military during the era of the disappeared in the 1970s under US-supported Operation Condor in Uruguay, Chile, Argentina and other nations of the Southern Cone, is a favourite media subject and has been at the centre of these actions.

Yet an even larger story with deeper historical roots and global implications is unfolding simultaneously in Uruguay with minimal media attention. Uruguay has spent the last decade quietly defying the new transnational order of global banks, multinational corporations and supranational trade tribunals and is now in a fight for its survival as an independent nation. It is a rich and important story that needs to be told.

Continued page 8

The Philippines: from a personal testimony

by **BERLIN GUERRERO**

MELBOURNE UNITARIAN PEACE MEMORIAL CHURCH
SUNDAY 8 FEBRUARY 2015

I was abducted on 27 May 2007 in front of my wife Mylene and three teenage children Julian, Lora and Jairus shortly after the Sunday activities in the church I was serving. It was around 5:30 pm when a white van cut the motor tricycle's path while another blocked our rear. Military-looking men quickly alighted to grab me. I was manhandled and forcefully shoved inside the van. I was handcuffed and my head was covered with a dark, heavy cloth secured by packaging tape. Then they began beating, punching and kicking me amidst invectives and threats. I was treated like an animal – a human debased of humanity and dignity.

Though the body blows were painful, I discovered a different pain much more hurting and piercing than physical pain. It was the pain of seeing terror and fear written on the faces of my loved ones. I thought that night was my last, never to see my family again, never to see another day again.

After perhaps an hour's drive, we arrived at a place only my abductors knew. Inside what seemed to be a house, still handcuffed and blindfolded, men would take turns interrogating me. They hit my head with their fists and used objects like 1000 ml mineral water bottles. Over my blindfold, my head was covered with layers of plastic bags. My torturers would tighten the bag until I could no longer breathe. I passed out twice and urinated in my pants.

They accused me of being the secretary of the provincial committee of the Communist Party of the Philippines or CPP; that I was training New People's Army guerillas for deployment in the province, that during the summer break I was somewhere in South Quezon attending a meeting of top CPP-NPA leaders; and lastly, I was not a real church pastor.

All the accusations were false. They made me shake my head for about an hour and beat me whenever I stopped. They said they would do these things to my family, rape my wife and daughter in front of me, if I did not cooperate. I was forced to give the names and addresses of my whole family (three times at different intervals), church officers; names of seminary administrators where I was studying theology; and leaders of progressive labour and peasant organisations in Southern Tagalog.

They forced me to give the password to my computer and my email. They copied all of my church, school and personal files and placed documents that belong to the underground left. They removed the SIM cards from Mylene's and my cell phones. They called me a ***pastor-impostor*** and treated everything true about my life as if it were just made up, including the members of my family, my work, my education, and even my name. They lectured me on the 'evils' of communism and how the church and legal people's organisations are 'used' to create trouble by criticising the government.

After about twelve hours of torture they put me back in the van, still handcuffed and blindfolded. They threatened to kill me, burn me and bury me. They continued to beat me and call me names. When the van stopped, they led me out of the van to what seemed to be a smaller house. After another hour, my blindfolds were removed. I learned I was inside a camp, the headquarters of the Philippine National Police in the Province of Cavite.

It was only later in the afternoon that I was able to see the warrants of arrest and learn who turned me over to the PNP. The police investigator said my abductors and torturers belonged to the Naval Intelligence Security Force or NISF.

After 10 days inside the police camp's detention cell, I was transferred to the municipal jail, which is under the Bureau of Jail Management and Penology (BJMP). I was held in prison on the basis of a murder offence that happened seventeen years ago of which I was not aware and completely innocent. The Presiding Judge of the Regional Court overlooked the glaring facts of my case and with grave abuse of discretion, ignored the lack of probable cause to indict me of the crime of murder. He failed to see that the Warrant of Arrest issued by the then presiding judge was issued without conducting the required personal examination of the complainant and prosecution witness; and he turned his head away from the violation of my basic human rights which were viciously defiled and trampled upon by those who abducted and tortured me. We learned later on that he was under pressure by the police agents.

My only hope for a fair judgment and release from jail was in the highest court in the land, the Supreme Court of the Philippines, so through my lawyers, former Senate president Jovito Salonga, Emilio Capulong Jr and Evelyn Dominguez, we petitioned the SC to look into my case and prayed for writs and remedies that may be available for me.

What and who was behind my abduction and imprisonment?

The Gloria Macapagal Arroyo administration was responsible for my abduction, torture and incarceration through what was called the **War on Terror,** implemented as OPLAN Bantay Laya II and the Human Security Act of 2007. My case was a counter-insurgency operation, which like any other operation conducted by military elements, grossly violated my rights as a citizen and as a human being.

The NISF group that abducted me is an organised unit under the Philippine Navy and the Armed Forces of the Philippines (AFP). As a counter-insurgency unit, it operates covertly for the purposes of surveillance, information gathering, and neutralising (meaning liquidating) suspected members of leftist organisations. Their primary objective is to extract information from people like me by means of torture. Court cases, no matter how weak or baseless, are used to make the arrest legitimate.

The abduction-torture-incarceration is also meant to terrorise my family, my relatives, friends, church members and practically everyone I know and who knows me. It creates a thinking that this attack on a person's rights, which may end up in incarceration or death, can happen to anybody.

After a month at the municipal jail, I was committed to the provincial jail (CPJ) where I spent more than a year of imprisonment. The prison situation in all three jails that I was interred in was poor and violent. Prison food was inadequate and lacked nutrients. There was neither a clinic nor doctors or nurses even on an 'on-call' basis. Our cell, made for 300 persons, was congested with more than 650 inmates. Many detainees sleep on the cold concrete floors. There are the more vulnerable groups of senior citizens, women, gays, juveniles, sick, those without visitors and foreigners.

In the book ***Long Walk to Freedom*** authored by the first black South African president, Nelson Mandela, a freedom fighter himself imprisoned for 17 years under a white government, he wrote: 'It has been said that no one truly knows a nation until one has been inside its jails. A nation should not be judged by how it treats its highest citizens, but its lowest ones.' He added that these 'lowest ones' are those who are found in jails. This is also the case in the Philippines.

More than a year of prison life taught me valuable lessons: I experienced the dismal subhuman conditions and the government neglect of jails and detention centres, and the deliberately sluggish, almost lazy litigation of court cases. I listened to numerous inmate testimonies of police brutality and the use of torture to force arrested persons to admit crimes they may or may not have committed. I heard how commonplace the stories are about some judges and government prosecutors being bought and bribed to favour moneyed and powerful parties.

All these point to the unfair justice system and the oppressive prison institutions that are all anti the poor and repressive against the people's disgust and dissent of the prevailing social order.

I was just one victim among many. Because the then Arroyo government and now the Aquino administration is hell-bent on extinguishing both the armed revolutionaries of the CPP-NPA and members of the legal democratic people's movement, many more are under threat of extra-judicial executions, forced disappearances and unlawful detention. The mechanisms of the government's counter-insurgency program, the OPLAN Bantay Laya I, II and Now OPLAN Bayanihan are foisted against the people. As a national security plan, it makes use not only of the Armed Forces and Philippine National Police, but also all civil government departments and agencies in the counter-insurgency effort. For example, the department of justice and the department of the interior and local government, which includes the national police, are instructed to file criminal charges against so-called leftist personalities similar to what they did to the Batasan 5, Morong 43, and even consultants of the NDFP Peace Panel who are covered by immunity guarantees under the NDF-GPH Peace Agreements.

This is the War on Terror under the Benigno Simeon Aquino III which is highlighted by the 25 January clash between the Philippine National Police elite Special Action Forces and the Moro Islamic Liberation Front, resulting in the death of 44 SAF members, 6 from the MILF and a number of civilians. This so-called police operation to capture two men wanted for terrorist activities inside MILF territory turned very ugly. President Aquino was silent the first three days after the carnage and appeared on live television explaining what happened. But it only raised more questions and anger from the people.

One leading Philippine newspaper, the *Manila Times,* carried a story saying that while inside a United States drone centre monitoring the gun-battle at Mamasapano, the President ordered reinforcements to stand down. Insiders say that if reinforcements came, some if not many of the SAF men would still be alive today.

But aside from pointing to Aquino's command irresponsibility, the article written by Dante Ang, chairman emeritus of the *Manila Times*, claims that US servicemen were actually present in the operation and that it was the US who was behind the plan get their hands on the two wanted terrorists:

> (T)he SAF went to Mamasapano only to act as police security escorts for the American agents tasked to capture or pick up international terrorist Zulkifli bin Hir alias Marwan who had a $6-million bounty from the United States government and the Filipino terrorist Usman who carried a $1-million reward on his head.

What the Aquino administration is trying to cover up, aside from this operation gone wrong, is the role and participation of the US in the operation itself. These operations, according to many observers, including the NDFP to which the GPH is talking peace, were in violation of the Peace Agreement between the GPH and the MILF.

There is a lot of finger pointing as to who fired the first shots and who is violating the Agreement. Some quarters are calling for the scrapping of the Peace Agreement, and in its place, implement a total war against MILF and other insurgent forces. Like in the past, the US and the Aquino government will attempt to squeeze out whatever advantages they can get from this development, especially as justification to an all-out war.

Let me conclude this by saying that the Philippines remains a neo-colony of the United States. The Aquino regime, like the past regimes, is an ever-obedient protector of US interests and allows the country to be a springboard for US hegemony in the Asia-Pacific region.

And so the Filipino people will remain impoverished, exploited and subjugated under the US Empire. The Aquino regime, which represents the Filipino elite interests, places itself as an enemy of the people and is bound to lose in the people's determined struggle for genuine national freedom and democracy. ■

The 2014 Presidential Election

For the past 10 years, Uruguayans have been conducting a left-leaning experiment in economic and social democracy, turning themselves into a Latin American version of Switzerland in the process. Under the leadership of the left-leaning Broad Front party, the International Monetary Fund (IMF) reports that Uruguay has enjoyed annual economic growth of 5.6 per cent since 2004, compared to 1.2 per cent annual growth over the last five years in Switzerland. The Swiss have decriminalised marijuana and gay marriage. Uruguay has legalised both. Prostitution is legal in both countries, and each provides universal health care. According to the Happy Planet Index, Uruguay has the same low per capita environmental footprint as Switzerland, with a similarly widespread sense of wellbeing among its people in spite of significantly lower per capita GDP.

Yet unlike Switzerland, with its highly developed financial services sector and, until recently, safe haven tax policies for global capital, Uruguay has become a prime target for the wrath of multinational corporations and the London bankers who fund them.

From the bankers' perspective, Uruguay is setting a bad example by taking care of their people instead of catering to global financial speculators.

In November 2014, Uruguayan voters voiced approval for their government's policies of social tolerance and public spending on early childhood education, affordable universal health care and social safety net programs by re-electing former president Tabaré Vasquez from the ruling Broad Front party. With support from allied green and radical left parties, Vasquez won a landslide victory against a neoliberal opponent who ran on a platform of slashing public sector spending and opening the nation's economy to foreign investors. Instead, Vasquez's return to the presidency in 2015 will extend the Uruguayan social democratic experiment another five years to 2020. London's neoliberal, supply-side bankers are not amused.

Less than a week after Uruguayan election results were certified, Capital Economics, a London-based financial think tank aligned with British Prime Minister David Cameron's brand of aggressive neoliberalism, issued an economic report sternly warning that Uruguay is going to face tough economic times after electing another leftist president unless they change their ways. The language of the Capital Economics report is telling:

Capital Economics concludes that given Vazquez' promises of continuity and more social spending, and the Uruguayan economy running at full capacity, any attempt to bolster domestic demand most likely will generate more inflation and more strains in the balance of payments.

'Our view is that policymakers need to tighten fiscal policy and pass supply side reforms to boost medium-term growth,' says the report.

Likewise wage indexation is widespread in Uruguay and according to the IMF, as many as 90 per cent of labour contracts are indexed, which contributes to high and persistent inflation. 'More generally, reducing the power of trade unions will help to ease labour market rigidities.'

This report reprimanding Uruguay was published against the backdrop of the most aggressive assault on the public sector in British history. The Cameron government is proposing cuts of 22.2 per cent to the national budget by 2020, with cuts of 41 per cent to 'unprotected' programs, which translates as discretionary social welfare spending.

The leftist economic experiment taking place at the opposite end of the globe in tiny Uruguay is more than the bankers in London can tolerate, never mind that Uruguay, with minimal military expenses, has annual deficits nearly 600 per cent lower than the UK as a per cent of GDP. From the bankers' perspective, Uruguay is setting a bad example by taking care of their people instead of catering to global financial speculators.

If the Capital Economics report is decoded, it functions as a virtual thesaurus for the language of financial tyranny, bullying and terror used by the new regime of global capital headquartered in London and New York.

Decoding the Language of Neoliberal Bankers

Capital Economics wants to ensure that Uruguay adopts policies that ease 'labour market rigidities.' While the preciosity of this formulation is not without entertainment value, in plain language, it means union busting in order to lower wages.

Capital Economics also insists that 'supply-side reforms' are essential for Uruguay's survival. Here is a typical list of such reforms.

- Cutting government spending, taxes and policies to cut government borrowing
- Passing laws to control trade union powers
- Reducing red tape to cut the costs of doing business
- Implementing measures to improve the flexibility of the labour market, or reforming employment laws
- Enforcing policies to boost competition such as deregulation
- Privatisation of state assets
- Opening up an economy to overseas trade and investment
- Opening up an economy to inward labour migration

In sum, the London financial establishment is telling pesky leftist Uruguay that it needs to crush its unions by encouraging an influx of low-wage, immigrant workers to reduce labour costs, slash social spending and privatise as much of the public sector as possible.

It is important to note that 55 per cent of Uruguay's government bond debt is held by foreign investors, many of them British. The anti-labour austerity program being recommended by Capital Economics would be disastrous for Uruguay's domestic programs and quality of life, but it would provide a profiteering opportunity for speculative bankers in London by temporarily increasing the value of Uruguayan bonds. This is what is really meant by 'a boost in medium-term growth.'

The TTIP and TPP

The neoliberal assault on export-dependent Uruguay is likely to intensify in the next few years, and not solely because of their deficit spending on popular social welfare programs that fly in the face of economic austerity recommended by London bankers and the IMF. Uruguay has also become a lightning rod for the global financial elite because they are challenging the legitimacy of international trade tribunals that lie at the heart of the proposed TTIP (Transatlantic Trade and Investment Partnership) and TPP (Trans-Pacific Partnership) trade agreements.

Uruguay's encounter with the emerging regime of transnational corporate governance started when the National Ministry of Public Health mandated that vivid written and pictorial warnings about health risks from smoking needed to cover 50 per cent of cigarette package surface area.

Contrary to advance PR by cheerleaders such as Cameron and US President Barack Obama, the TTIP and TPP are not designed to promote trade. The cumulative effect of TTIP and TPP would be the establishment of a transnational governing structure that supersedes the current order of sovereign nation-states that are, at least in theory and sometimes in practice, democratically accountable to their own people.

Proposed signatories to the TTIP and TPP all fall within the sphere of US-UK-EU economic influence, which explains why Russia, Africa, the Islamic nations and the leftist regimes of Latin America are excluded. This is the fabled capitalist 'new world order' dreamed of by George HW Bush more than 20 years ago.

Uruguay looms disproportionately large on the global stage at the moment because they have unwittingly vaulted into the vanguard of a global backlash against the TPP and TTIP due to a seemingly unrelated dispute with the international tobacco industry.

Enter Marlboro's Mad Men

Uruguay's encounter with the emerging regime of transnational corporate governance started in 2005, under the first administration of incoming president Tabaré Vasquez, when the National Ministry of Public Health mandated that vivid written and pictorial warnings about health risks from smoking needed to cover 50 per cent of cigarette package surface area. In 2009, this was increased to 80 per cent of surface area. Uruguay was tackling an epidemic of smoking-related health problems, especially among young people and pregnant women. Smoking has since dropped from 40 per cent of the adult population to 23 per cent in 2014, and from 33 per cent to 12 per cent among teenagers.

'The costs of defending these cases are enormous, so tobacco companies are trying to pick off lower-income countries that can't spend the money and political capital to defend themselves against industry.'

In the ultimate irony, Phillip Morris, which moved its global headquarters to Switzerland in 2002 for tax and liability avoidance, sued Uruguay in 2010 over the new labelling requirements under the terms of a bilateral trade agreement between the two countries. The Phillip Morris suit, which seeks $25 million in damages and weakening of the Uruguayan labelling requirement, is being prosecuted through the International Centre for the Settlement of Investment Disputes (ICSID) in Washington, DC. The ICSID is chaired by the president of the World Bank and funded from the Bank's budget. It is a supranational trade tribunal that specialises in international state dispute settlements (ISDS).

ISDS are at the core of both the TPP and TTIP, but on a truly global scale. If Uruguay were to prevail against Phillip Morris, the ramifications for TPP and TTIP enforcement, and the new global order the treaties represent would be far reaching.

Phillip Morris, which makes Marlboro, the world's best-selling and most valuable cigarette brand, has annual revenues greater than Uruguay's entire GDP – $80 billion vs $59 billion. According to Ellen R Shaffer, co-director of the Center for Policy Analysis, 'The costs of defending these cases are enormous, so tobacco companies are trying to pick off lower-income countries that can't spend the money and political capital to defend themselves against industry.' Uruguay is so fiscally constrained, it has been receiving financial assistance to cover its legal fees from Bloomberg Philanthropies, headed by Michael Bloomberg, the billionaire former mayor of New York City and an avid anti-smoking crusader.

Phillip Morris argues in its suit that both its profits and its 'brand' are being severely damaged by Uruguay's anti-smoking campaign, noting that the company's brand represents 'a long-term significant investment.' In a further punitive action, the company closed its cigarette factory in Uruguay after filing the suit, throwing 40 people out of work. The Uruguayan government responded by rehiring eight of the workers as anti-smoking health advisers, and in October 2014, they filed a 500-page defense and rebuttal to the Phillip Morris suit with the ICSID.

In the defense document, which has not yet been publicly released, Uruguay reportedly cites its obligations to protect the health of its citizens under the World Health Organization's 2005 Framework Convention on Tobacco Control, an international agreement that has been signed by nearly 200 nations and includes recommendations for health warnings on cigarette packages.

Silvina Echarte Acevedo is the legal adviser heading the Uruguayan Ministry of Public Health's defense. She recently told *The Independent:* 'They [Phillip Morris] are bullying us because we are small. This is like David and Goliath. But we will fight because it is our right and duty as a government to protect our citizens' health.'

The fact that a sovereign nation trying to protect the health of its people is being forced to defend itself in expensive litigation against the profiteering of a multinational corporation in front of a supranational World Bank tribunal is already far down the wrong path.

While Uruguay's brave and principled stand against Phillip Morris is heartening, it is also a preview of what could become the prevailing reality if the TTIP and TPP are allowed to go forward. The tobacco behemoth is also using international trade tribunals to sue the governments of Australia and Thailand over their attempts to place more prominent health warnings on cigarette packaging. The lawsuit against Thailand was successful and is being

appealed by the Thai government. The litigation in various trade tribunals against the governments of Uruguay, Australia and Thailand has already intimidated both New Zealand and Britain into delaying proposed cigarette label changes similar to Australia's.

Organisations aligned with Uruguay against Phillip Morris include the World Health Organization and the Pan American Health Organization, as well as a loose coalition of anti-smoking NGOs.

In this moment, we are all Uruguayans. Their little heralded stand against the emerging model of transnational governance by multinational corporations and global banks is everyone's battle. A Uruguayan victory at the ICSID tribunal has the potential to set a welcome precedent in favour of local governance versus the kind of transnational order envisioned in agreements such as the TTIP and TPP, yet it is a battle that is being fought on enemy territory. The fact that a sovereign nation trying to protect the health of its people is being forced to defend itself in expensive litigation against the profiteering of a multinational corporation in front of a supranational World Bank tribunal is already far down the wrong path.

In a touching display of bipartisanship, passage of the TPP is a top priority for President Obama, Sen. Mitch McConnell (R-Kentucky) and Rep. John Boehner (R-Ohio) when the new Republican-controlled Congress convenes in January 2015. However, there is opposition in both the Democratic and Republican congressional caucuses that may be responsive to public opinion.

More troubling for proponents of TPP and TTIP is the resistance of several proposed member states who are balking at the erosion of their national sovereignty. These states include Japan, Thailand and most recently, the European Union, which is concerned about being forced to import US meat, poultry and produce, which they deride as 'Frankenfoods,' due to lax US regulation of additives, hormones and GMOs.

For anyone interested in voicing support for Uruguay's position, contact information for ICSID can be found online. To register support for Uruguay and opposition to the TTIP and TPP within the United States, contact information for the White House and individual senators is available online, while Public Citizen has a portal for registering opposition with House members.

IN THE INTERIM, VIVA URUGUAY! ■

MICHAEL MEURER

Michael Meurer is President of Meurer Group & Associates, a California-Colorado political consulting firm. Michael has served as a Senior Advisor to the California Democratic Party and co-founded the Courage Campaign, where he served as Deputy Chair.

Who does corruption more efficiently?

Corruption is not a new phenomenon practised by 'terrible' union leaders spending members' money wildly. Corruption has been a feature of politics and business for millennium.

So how hypocritical is it that this current corrupt government in Canberra should implement a royal commission into union corruption but refuses to implement a federal ICAC to examine corruption in Canberra.

Union leadership and membership across the nation joins the wider community in condemning the tiny handful of union leaders who have cynically misused their positions to exploit their members and they should be dealt with legally and charged.

But let's not lose sight of the fact that the large majority of union officials serve their membership wisely and well, or the huge debt we owe our unions for the basic conditions and social services we all enjoy, despite the Abbott government's attempts to tear them away.

All the conditions that make up our standard of living were won through leadership and struggle: none were willingly handed to us by any form of government.

So far, ICAC in NSW has collected the scalps of 12 Coalition MPs who have now joined either the cross bench or have resigned because of their implications in corrupt activities and obviously, like icebergs, there is more below the surface than above. We must put the whole issue into perspective and remind people of the incredible role played by the trade union movement in building this country, defending and improving its living standards and fighting for social justice. Can governments claim to have done this?

The latest 'corrupt' method is for this unpopular government to bypass the Senate by some obscure and obviously anti-democratic rule and pass legislation that would otherwise not see the light of day. Is it corrupt to place those seeking our help from countries we have invaded into concentration camps? Some would claim not, we believe yes. Is it corrupt to make clear and concise promises prior to an election and once elected to break them? We think so. Is it corrupt to target the poorest in the land while protecting the wealthy? Some may think not; we think yes.

Corruption, we believe, is misleading the population and using the people's money for undeclared wars, abusing innocent people seeking asylum and denying the electorate important information. Democratic standards, established since federation, are being trashed – this is corrupt.

from our readers

Dear Editor

I have campaigned in a small way for better public transport in Melbourne and elsewhere in Victoria. So I was very pleased with the election of the Labor government and the prospect of serious efforts being made to upgrade and expand train services and other public transport. My family, friends and I are pleased with progress so far and are hopeful this will continue. It is a pleasure to finally have a government that is really listening to what the people want and have been asking for such a long time and are seemingly willing to act to repair and renew our transport system. I know it is not easy to begin work on a long-neglected system that previous governments put in the too-hard basket, so I thank government MP's for having the courage to take up this worthy and necessary challenge.

I also played a modest part in opposing the former government's proposals to redevelop and redesign the Flinders Street Station, which I and most people in Melbourne thought would ruin the beauty and character of this fabulous city icon. So I was absolutely delighted that this will not go ahead and, instead, the Andrews' government has committed funds to repairing and restoring this splendid station. I'm appreciative that we at last have MPs that seem to understand what the community of Melbourne and Victoria want and are working to fix our problems. Let's hope the new government can keep faith with the people's wishes for much better public transport.

Steven Katsineris, Vic

Dear Editor

I am sending my subscription early to let you know of my change of address. Thanks for the great reading.

Regards

K Taylor, NSW

Dear Editor

I look forward to reading the series on corruption in government and its impact on our democracy and human rights. Best wishes to all at the *Beacon*.

Yours sincerely

H Williams, Qld

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DID YOU KNOW…

Further into history we find the long-serving Liberal prime minister, Robert Menzies, showing his admiration for Adolf Hitler, the most evil, racist murderer in modern history. He wrote to his family after his 1938 visit to the Third Reich: *Nevertheless it must be said that this modern abandonment by the Germans of individual liberty and of the easy and pleasant things of life has something rather* ***magnificent*** *about it. The Germans may be pulling down the Churches, but they have erected the State, with Hitler as its head, in a sort of religion which produces spiritual exaltation that one cannot but admire and* ***some small portion of which would do no harm among our somewhat irresponsible populations.***

NEW 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.

Our church is a public and usable asset with portable seating and excellent conference, meeting and function facilities. We welcome its use by those who support our motto 'Seek the Truth and Serve Humanity'. Interested individuals or groups can contact the church office – we would be delighted to speak to you. A donation is payable.

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