

Australia Dossier by Allen Douglas and Robert Barwick

Mont Pelerin Society plans a coup

The pending new "Productivity Commission" is a fascist nightmare, and labor is one of its prime targets.

Productivity Commission Bill No. 1996, now before the Australian federal Parliament and due to be voted on in May or June, would establish a new, so-called "Productivity Commission" as "the government's principal advisory body on all aspects of micro-economic reform." Under the guise of "identifying impediments to improve productivity in particular sectors," the proposed commission is in fact designed to seize top-down control over virtually all aspects of Australia's economy, both federal and state, in order to ram through the Mont Pelerin Society's program of privatization, deregulation, and union-busting. The chairman-designate of the commission, Bill Scales, emphasized its unprecedented powers in remarks to *The Age* on April 5: "It involves all sectors of the economy and all levels of government," he said.

The bill is a top priority of the Liberal-National Party coalition government of Prime Minister John Howard, a government dominated by the London-based Mont Pelerin Society, through several of its members who belong to Mont Pelerin fronts. Chief among these is the leading, behind-the-scenes sponsor of the bill, Federal Treasurer Peter Costello, a founding member of the H.R. Nicholls Society, which is dedicated to breaking Australia's unions. The new commission will function under the Treasury, for decades a fiefdom of Australia's British-dominated financial establishment, and will evaluate all federal and state economic policy in terms of Mont Pelerin-defined "efficiency."

The proposal for the body was spawned by the National Competition

Policy (NCP), set up in 1992 by then-Prime Minister Paul Keating, and otherwise known as the "Hilmer Report" for the man Keating chose to chair the NCP, Prof. Fred Hilmer, a graduate of the Wharton School of Economics at the University of Pennsylvania, and a board member of some of Australia's largest corporations. Hilmer recommended that all economic policy be based on "competition," defined as radical free trade, deregulation, and privatization. Many of the disasters which have savaged the Australian economy since then, including the slash-and-burn privatization policy of Victorian Premier Jeff Kennett and his Nuremberg crime-style health care "reforms," have been carried out in the name of the Hilmer report.

In an election speech in July 1995, Howard, then an opposition leader, first proposed the concept of a productivity commission as a mechanism to deepen the reforms of Keating (who was, like Howard, Australia's treasurer for several years before becoming prime minister). As specified in the bill, the new commission will merge the functions of the Industry Commission (IC), the Economic Planning Advisory Commission, and the Bureau of Industry Economics.

However, typical of Mont Pelerin arrogance, the Productivity Commission has been functioning since the March 1996 election which brought Howard to power, *even though the bill has not yet been passed*: All reports of the IC since that time have been released in the name of the Productivity Commission, while the IC's chairman, Bill Scales, is to be the PC's chairman as well. Given that its purpose is to

destroy what remains of Australia's economy, it is not surprising that the single biggest component of the IC-PC's staff is drawn from former officials and employees of the World Bank.

The IC-PC's reports have included the recommendation to drop tariffs on sugarcane, which will devastate the state of Queensland's multibillion-dollar sugar industry; slash tariffs on imported cars, which will destroy Australia's automotive manufacturing industry; and "restructure" the nation's health care, à la Kennett's reforms in the state of Victoria, in which huge waiting lists for operations are the norm, Golden Staph infection runs rampant in the hospitals, and people are dying because they cannot get access to health care.

Since taking power, Howard's government has tried its best to break Australia's unions, but has met significant resistance. The bill would give it some new weapons for that: "The Productivity Commission will also have the authority to examine labor market practices retarding productivity. Labor is a key input in the economy and its productivity growth is vital to sustaining increases in living standards. *Liberating our labor market remains the greatest single economic and attitudinal change to be achieved if the important goals of a more productive and competitive Australia are to be realized*" (emphasis added).

Although the bill has caused consternation in the Australian Council of Trade Unions, the federal Labor Party has been strangely silent. In addition to the ACTU, only the Australian Democrats (a party which is much smaller than either Labor or the ruling Liberal-National coalition), and Lyndon LaRouche's co-thinkers in the Citizens Electoral Council, have denounced the commission.