

# The Big Picture

Issue 22

10<sup>th</sup> January 2009

“News to use & amuse”



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www.abetteraustralia.com

## Putting off the inevitable

So deeply entrenched is the free market philosophy in US economic theory today (I am talking here about the pundits who exert real influence – the TV analysts, the *Wall Street Journal* op-ed columnists, the think tankists, and all too often the White House advisers) that the supporters of this creed are hoping even to ride out the catastrophic stock market collapse that is proceeding at full throttle at the time of writing this book. [Critical Mass – Philip Ball – 2004](#)

The catastrophic collapse described did not start to occur until 2007, in large part because the US Federal Reserve (a private banking network) reduced interest rates and made debt much cheaper to obtain. One effect was to encourage speculation using borrowed funds. Another Fed initiative was to relax the rules used to secure debts, basically lowering the standards against which banks made loans. One effect of this was to draw people with few, or no, assets into the US housing market.

The combined effect of the Fed's actions was to extend the life of the speculative bubble that was created. When that bubble started to deflate in late 2007, it virtually destroyed the US investment banking industry – the housing market is still falling apart and the overall impacts of the Fed's policies are now being experienced world wide.

Actions taken by governments in an attempt to avert the crisis include lowering interest rates and flooding banks with money so that they can loan more out and so on. Hauntingly familiar strategies to anyone who remembers the previous paragraph! Rate cuts reduce earnings off savings so low rates act as a disincentive to save as well as an incentive to borrow. Great strategy in a credit crisis!

[Kunstler's forecast for 2009](#) describes 2 current worldviews or perceived 'realities'. The first (Status Quo) is that held by governments and much of the economic, finance and business world – it describes our current situation as a 'rough patch' that will somehow self correct back into consumerism growth mode. Technologies and innovation will overcome resource constraints and we'll soon all be able to get back to some serious shopping.

He calls his alternative worldview 'The Long Emergency' which is rather like a slow motion train wreck of the globalised economy with massive supply chain interruptions creating chaos that cannot be fixed with a few tweaks or more subsidies.

Since the change it proposes is so severe, it naturally generates exactly the kind of cognitive dissonance that paradoxically reinforces the Status Quo view, especially the deep wishes associated with saving all the familiar, comfortable trappings of life as we have known it. The dialectic between the two realities can't be sorted out between the stupid and the bright, or even the altruistic and the selfish. The various tech industries are full of MIT-certified, high-achiever Status Quo techno-triumphalists who are convinced that electric cars or diesel-flavored algae excreta will save suburbia, the three thousand mile Caesar salad, and the theme park vacation. The environmental movement, especially at the elite levels

found in places like Aspen, is full of Harvard graduates who believe that all the drive-in espresso stations in America can be run on a combination of solar and wind power. I quarrel with these people incessantly. It seems especially tragic to me that some of the brightest people I meet are bent on mounting the tragic campaign to sustain the unsustainable in one way or another. But I have long maintained that life is essentially tragic in the sense that history won't care if we succeed or fail at carrying on the project of civilization.

Reconciling these disparate views appears impossible. Politicians and businesses demand a 'stable' outlook so that they can project straight lines of growth and wealth into the future. It is also a requirement so that their various mathematical models have known assumptions built into them. It's just a pity that the real world doesn't play ball with these fantasies.

Deal with reality or reality will deal with you. [Kunstler](#)

What we probably need to focus on are the benefits of taking a 'Long Emergency' view of our future. Such a view would need to empower local communities to better support themselves, and help individuals to become more self sufficient. The idea is to help stave off, or mitigate, crises by helping people to deal with emergencies locally. It would also create jobs and reduce our overall costs significantly.

Such messages are being disrupted by governments' focus on business (viz. ABA 21). Large scale business investment requires stability to help assure financiers of a return. Of course, large scale businesses increase exposures to deeper and longer recessions, and if a few major manufacturers go broke, we cannot farm because we won't be able to buy tractors etc.

Our governments have spent the last hundred years making us more reliant upon other countries, and diminishing our ability to take care of ourselves. The effect has been to expand our national debt via a current account that is jammed hard into the red, and to create a nation of job slaves who must exchange their personal aspirations for the goals of corporations.

We've created so many 'job dependents' that our politicians routinely claim their priority is 'jobs, jobs, jobs' (say once for clarity, again for the dummies and once more to get through the Prozac) so we can shop shop shop. Even Turnbull has ended up an implausible echo. We've pretty much crushed any entrepreneurial spirit and driven our best people overseas. What's next?

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## The choice

Talking about differing worldviews – we've now got an opportunity to reflect on what some scientists are telling us, as opposed to the selected economic views used by government.

A recent article in the Mercury on-line edition, says 'Australia destroying life on earth' and quotes a personal letter to Barack Obama from a NASA scientist.

Australia exports coal and sets atmospheric carbon dioxide goals so large as to guarantee destruction of much of the life on the planet.

Finally, some scientific opinion is starting to leak through the massive barricades of propaganda promulgated by our corporate compliant media.

There is a profound disconnect between actions that policy circles are considering and what the science demands for preservation of the planet...

Policies being discussed in national and international circles now, which focus on 'goals' for emission reduction and 'cap and trade', have the same basic approach as the Kyoto Protocol.

This approach is ineffectual and not commensurate with the climate threat. It could waste another decade, locking in disastrous consequences for our planet and humanity....

"Cap and trade" generates special interests, lobbyists, and trading schemes, yielding non productive millionaires, all at public expense. The public is fed up with such business. Tax with 100% dividend, in contrast, would spur our economy, while aiding the disadvantaged, the climate, and our national security....

Coal emissions must be phased out rapidly. Yes, it is a great challenge, but one with enormous side benefits....

Coal is responsible for as much atmospheric carbon dioxide as the other fossil fuels combined, and its reserves make coal even more important for the long run. Oil, the second greatest contributor to atmospheric carbon dioxide, is already substantially depleted, and it is impractical to capture carbon dioxide emitted by vehicles. But if coal emissions are phased out promptly, a range of actions including improved agricultural and forestry practices could bring the level of atmospheric carbon dioxide back down, out of the dangerous range.

As an example of coal's impact consider this: continued construction of coal-fired power plants will raise atmospheric carbon dioxide to a level at least approaching 500 ppm (parts per million).

At that level, a conservative estimate for the number of species that would be exterminated (committed to extinction) is one million. The proportionate contribution of a single power plant operating 50 years and burning ~100 rail cars of coal per day (100 tons of coal per rail car) would be about 400 species! Coal plants are factories of death. It is no wonder that young people (and some not so young) are beginning to block new construction....

An urgent geophysical fact has become clear. Burning all the fossil fuels will destroy the planet we know, the planet of stable climate in which civilization developed. [Mercury](#)

Well, there you have it. A few tasty quotes from Professor Hansen's reported letter.

It looks like it's time to choose between science and dogma.

## In case you missed it

### Financial mess

The corruption of money [SMH](#)

### Governance

Political access comes at a price [TheAustralian](#)

Climate reports costing money [TheAustralian](#)

### Environment/food/water/forestry

Gunns ready to fire [TheMercury](#)

Pulp industry reeling [RISI](#)

Gunns big gamble [TheAge](#)

No end to pulp friction [TheAustralian](#)

Police give protestor details to Gunns [TheMercury](#)

Gunns investors seek reforms [TheAge](#)

MIS debt crisis deepens [WeeklyTimesNow](#)

Get off the pulp mill merry-go-round [TheAge](#)

Gunns next challenge [BusinessSpectator](#)

Dump industrial agriculture [InfoShop](#)

Stranded cygnets saved from dying lake [TheWest](#)

### Climate

Australia destroying life on earth [NewsLtd](#)

### Social/shelter

Artists being treated like suspects [TheAge](#)

### Health & education revolution

Barnett's shameful lead export call [TheWest](#)

Another miscarriage horror [DailyTelegraph](#)

Casualties of a sick system [SMH](#)

Superbug worse than golden staph [SMH](#)

Navy defies asbestos laws [TheAge](#)

### Communications/transport/energy

Nation lost for words at Ruddspeak howlers [TheWest](#)

### World

An Israeli laments poisoned homeland [SMH](#)

Forecast for 2009 [Lifeaftertheoilcrash](#)

[The Best Man](#) – A metaphor for our government...?

**The Cost of SLAPPING Down Journalism**

by Sheldon Rampton

Alan Rusbridger, who edits the British *Guardian*, thinks fear of [libel lawsuits from big corporations](#) may have contributed to journalists' failure to adequately report on the dangerous economic decisions that led to the recent implosion of the global financial system. In an article for the *New York Review of Books*, he recounts his own paper's "[most recent serious brush with the British defamation laws](#)" earlier this year when it was sued for libel by [Tesco](#), one of the largest public companies in Britain and the fourth-largest retailer in the world.

The case centered around a report in the *Guardian* in which Rusbridger admits that the newspaper got some of its facts wrong. It reported correctly that Tesco was using complex financial deals to avoid paying taxes, but its reporters misunderstood the particulars of the arrangement, and "the sums avoided were much less than we had supposed."

The ensuing libel lawsuit from Tesco consumed more than a million dollars in legal fees, and threatened to go to millions more before it was settled out of court.

**Dead Celebrities Promoting Products From the Grave: Too Creepy?**

Source: Advertising Age, December 29, 2008

People are questioning the propriety of a new TV and Internet ad that resurrects the voice and image of murdered Beatle John Lennon to promote the nonprofit [One Laptop Per Child \(OLPC\) Foundation](#), which supplies durable, low-cost laptop computers to underprivileged children in foreign countries. The ad digitally recreates Lennon's voice, with his bespectacled face appearing to mouth the words, "Imagine every child, no matter where in the world they were, could access a universe of knowledge. They would have a chance to learn, to dream, to achieve anything they want. I tried to do it through my music, but now you can do it in a very different way. You can give a child a laptop, and more than imagine, you can change the world." Lennon's widow, Yoko Ono, gave permission to use her husband's image free of charge, and the ad was created pro-bono, but still people are finding the idea of manipulating dead celebrities to promote products "[creepy](#)" and unsettling. A comment in a Laptop Magazine blog laid out a common opinion of such ads: "What's next? Elvis for peace in Darfur? John Wayne would probably have gotten behind AIDS education and prevention measures ... Where does it end? Why do we need dead people to help us envision a better future? I suppose there's nobody alive that would agree to this? Sad times."

**Something new?**

"The president-elect (Obama) is coming into office at a moment when there is upheaval in many parts of the world simultaneously," Kissinger responded. "You have India, Pakistan; you have the jihadist movement. So he can't really say there is one problem, that it's the most important one. But he can give new impetus to American foreign policy partly because the reception of him is so extraordinary around the world. His task will be to develop an overall strategy for America in this period when, really, a new world order can be created. It's a great opportunity, it isn't just a crisis." [Henry Kissinger 2009](#)

**Farewell to Dubya, worst president ever**

WEDNESDAY, 7 JANUARY 2009

*Canberra correspondent Bernard Keane writes in Crikey:*

For a long time the Dubya presidency was like one of those jokes that you stop laughing at as you fully understand it. Like those moments in (noted Reaganite) David Lynch's films, where the absurd and nonsensical suddenly give way to horror. Our laughter at the idiot who was cunning enough to steal the US presidency died in our throats as he set about inflicting profound damage on both the rest of the world and, impressively, America itself. Dick Cheney had the role of Dennis Hopper -- another Republican! -- from *Blue Velvet*, sucking on his oxygen tank in his undisclosed location. Baby wants to f-ck, in this case, the whole world.

Sure, there had been idiots and thieves in the White House before -- the Kennedys' stealing of the presidency from Nixon in 1960 remains one of the great political heists -- but they'd avoided doing too much damage, although that priapic drug addict JFK nearly managed to immolate us all in the ultimate bang over Cuba. But Bush was the Destroyer-In-Chief, wrecking havoc wherever he went, casting death and destruction wherever he turned his incurious gaze.

At some point after 2004, however, Dubya went one weirder than that. As if Ed Wood had suddenly replaced David Lynch at the helm, the whole thing spiralled into a new level of so-bad-it's-genius catalogue of genuine freakiness the like of which we had never seen before and will only see again in the event Uwe Boll decides to have a dash at Dubya: The Crawford Years.

And like all the best films, it didn't stop at one impressive set-piece, but kept building up, adding to the weirdness, level upon layer upon lunacy. Most would have been happy with Iraq going sour in spectacular fashion -- perhaps with a climactic bullet-fest as Blackwater guards desperately machine-gun Iraqi hordes daring to go about their own business in their own country -- but then they threw in the Katrina debacle (more folk with the wrong skin colour done over) and had a breather before closing out with the ultimate left-field climax -- the trip in time back to 1930 for a plunge into Depression.

No one picked that twist. It seems nothing was going to stop Bush wresting the title of worst president from James Buchanan's cold, dead, and very probably skeletal hands.

All of which provides the context for Dubya presenting Presidential Medals of Freedom to his fellow partners-in-crime Tony Blair and John Howard. José María Aznar must be wondering what he did to miss out -- hey, Dubya speaks a little Spanglish doesn't he? -- but Bush isn't about to hand the elitist naysayers one final malapropism by mangling something as unpronounceable as "José". Instead, Colombian President Alvaro Uribe will provide some Latin flavour for proceedings, in recognition of his country's extraordinary commitment to the provision of high-quality yay to America's millions of dedicated nose-candy consumers. Of course, they used to include Dubya himself, and who knows, what with retirement looming, maybe President Uribe will offer George a line or two of Colombian Gold for old times' sake.

"You know Avalero, it's an amazing coincidence, but this is the bathroom where Elvis had a snort while waiting for Nixon."

“It’s Alvaro, George, Alvaro. Haven’t you got anything better than a dollar bill?”

Bush is of course busy packing up his stuff for the Presidential Library (Books for the Morally-Impaired, rows 1-6), which he had originally planned to locate in downtown Tehran. That didn’t quite come off, but you can’t blame a guy for having ambitions, right? The Medals of Freedom aren’t handed out to just anybody, but they don’t exactly carry the gravitas that the term “highest civilian honour” might normally suggest. Blair and Howard are now elevated to the ethereal realm occupied by Bill Cosby -- obviously for Fat Albert alone -- Arnold Palmer (Distinguished Performance in the Most Mind-Numbingly Boring and Environmentally-Damaging Game on Earth), Walt Disney (Services to Anti-Semitism), Tennessee Williams (Undignified Deaths category) and Kirk Douglas (Chins).

Oh, and one Donald H. Rumsfeld -- later to achieve the impressive fear of being the worst Defense Secretary since James Forrestal went mad -- got the gong from noted gum-chewer Gerald Ford. And Dick Cheney got one several heart attacks ago from the earlier, funnier Bush.

The basis for Howard’s elevation to such great heights is, according to Bush spokeswoman (now there’s a glittering entry in the resumé these days) Dana Perino, “their work to improve the lives of their citizens and for their efforts to promote democracy, human rights and peace abroad. Their efforts to bring hope and freedom to people around the globe have made their nations, America and the world community a safer and more secure world.”

Not sure about the democracy and human rights bits, but yes, at least hundreds of thousands of Iraqis have found peace. It might be the peace of the dead, the quiet of a mass grave or the silence of a grief-stricken family, but you take what you can get from this mob.

Political satire, per Tom Lehrer, might have become obsolete when Henry Kissinger won the Nobel Peace Prize but this is the new gold standard of genuine, 11 herbs-and-spices lunacy. It’s not black-is-white logic but the reasoning of the genuinely insane, the sort that makes you want to move slowly away from your interlocutor and check for any sharp objects, while quietly tapping 000 on your mobile. But it’s no more than what we’ve come to know and love from these people, who used to run the world, and are convinced they did a heck of a job. And no one has laughed for a very long time.

## 2008 Bailouts Exceed Total Costs of Major U.S. Wars

Thursday, December 18, 2008 By [CNS Fred Lucas](#), Staff Writer

**(CNSNews.com)** – The total value of the bailouts undertaken by the federal government in 2008 now exceeds the combined cost of every major war the United States has ever engaged in, according to a comparison of war costs calculated by the Congressional Research Service (CRS) and the value of the bailouts as calculated by Bloomberg News or Bianco Research.

According to CRS, all major U.S. wars (including such events as the American Revolution, the War of 1812, the Civil War, the Spanish American War, World War I, World War II, Korea,

Vietnam, Iraq and Afghanistan, but not the invasion of Panama or the Kosovo War), cost a total of \$7.2 trillion in inflation-adjusted 2008 dollars.

According to [Bloomberg](#), the federal government has made commitments worth a total of \$8.5 trillion in the bailouts of 2008. That includes actual expenditures as well as loan and asset guarantees.

Bianco Research puts the total value of the bailouts at \$8.7 trillion.

The \$296 billion spent on World War II, America’s most expensive war, would be \$4.1 trillion adjusted to today’s dollars, according to the [CRS report](#) from June.

The adjusted cost of the Civil War would be \$60.4 billion for both the Union and the Confederacy combined. The inflation-adjusted cost of the Vietnam War would be \$686 billion. The cost of the current Iraq war up to last June was \$648 billion, while the adjusted cost for Afghanistan to that point was \$171 billion.

The total cost of the American Revolution was a relatively inexpensive \$1.8 billion.

“World War II was financed by savings, the American people’s savings, when Americans bought war bonds,” said Olivier Garret, CEO of Casey Research, who analyzed the value of the bailout compared to the major U.S. wars and other major historical government expenses. “Today, families are in debt and government is in debt.”

A Bianco Research report cited in *Politico* puts the number for the total value of bailouts at \$8.7 trillion and also affirms the value to be higher than the cost of all American wars and historic initiatives. A spokesman with Bianco Research could not be reached for comment as this story went to press.

The bailouts, led by Treasury Secretary Henry Paulson and Federal Reserve Chairman Ben Bernanke, were taken as emergency actions to keep U.S. companies from going under and to prevent a total financial markets meltdown in the United States. Similar bailouts were issued in other countries to address the global financial crisis.

The Bush administration is mulling whether to use some of the \$700 billion in TARP funds approved by Congress to bailout the financial industry to bailout U.S. Automakers.

The bailouts could put U.S. taxpayers in a tough spot in the future, said Pete Sepp, spokesman for the National Taxpayers Union.

“I’m assuming the figures do not include the Cold War defense expenditures, which would probably amount to several trillion on their own,” Sepp told CNSNews.com. “In any case, it’s a stark illustration of just how quickly the federal government has gotten into a huge financial hole and dragged taxpayers into it in the process.”

“We can only hope and pray that many of these liabilities and guarantees and commitments the government has made will not have to be made good on,” Sepp said. “If we were to be responsible for paying out all of these obligations, even in the period of one or two years, it would be financially disastrous to the government’s credit rating and our own as taxpayers.”

Garret pointed to the cost that will be paid by Americans in the future. “Future generations of Americans are going to continue to finance the enormous amount of debt,” he said.