

# Economic shock front ahead—act now!

**The *Australian Alert Service* is the weekly publication of the Australian Citizens Party.**

It will keep you updated on strategic events both in Australia, and worldwide, as well as the organising activities of the Citizens Party.

To subscribe to the *Australian Alert Service*, it's easy, and it's secure.

[Click for subscription options to the \*Australian Alert Service\*](#)

---

## Lead Editorial

19 January 2022  
Vol. 24 No. 3

**9NEWS**

### Victoria declares Code Brown emergency as hospitals buckle under COVID-19 strain

By Chanel Zagon | 7:42pm Jan 18, 2022



The crisis in Australia's hospitals actually predates the pandemic, and is a symptom of an economic breakdown which must be addressed now.

The Australian economy, like that of many nations, is close to the point of economic breakdown. Shuttering supply lines, overstretched hospitals on the verge of collapse, and failing infrastructure are not problems that suddenly arose in the last two years. They are the lawful consequence of over forty years of destructive neoliberal economic policies that stripped our capabilities, sold off and pillaged our public assets and resources, and left our government without the funding mechanisms to intervene to change it.

For over thirty years the Citizens Party has exposed how this economic agenda would crush the nation's economy and ultimately the people with it. In 2004, we documented the explosion of youth suicide, homelessness and unemployment along with the collapse of physical infrastructure, education and the health care system, caused by twenty years of "economic reform" since the accession of Bob Hawke to the prime ministership in 1983. But at that time, Howard government Treasurer Peter Costello was bragging that his government was accelerating the "reform". Praising "the market as [the] principle driver of economic growth", in a 2003 speech hosted by neoliberal think tank the Centre for Independent Studies, Costello bragged that this would have drastic consequences for "health, pharmaceutical, aged care, retirement income, superannuation, the economy, the labour market, industrial relations". Costello's prescriptions were echoed by then Opposition leader Mark Latham, who in his book, *Civilising Global Capital*, rejected economic notions that had "tried to protect those citizens vulnerable to the changing nature of a market economy by boosting the level of public expenditure" and pushed for the "devolution of public functions in health care, welfare and civil sector employment".

This system benefited its architects for a while, but now that it has sucked the national economy dry, even they are imperilled from the inadequacies it created. A system which is focused on financial flows and profit extractions but which simultaneously kills the real economy that generates those flows, cannot survive. It is finished. It only remains to replace it with something better.

Thus, in early 2020, when faced with a pandemic that we and our international associates had long forecast, the Citizens Party issued repeated calls to finally learn the lessons of the economic policy errors of the past and urgently mobilise the nation to rebuild the economy in order to face the oncoming crisis.

We called for immediate marshalling of all necessary resources and a massive expansion of healthcare infrastructure; a national works program to put people to work building essential equipment and facilities; a revival of manufacturing capability and government action to ensure security of food and power supply, along with other critical services.

A National Credit Bank is crucial to make all this happen and to ensure the continuity of banking and finance. As we stated in a March 2020 media release, with a national credit bank the government can:

“Be the backstop for the real parts of the financial system, to give the public confidence in the security of their savings and that the financial system will continue to function;

“Guarantee the debts of important industries to tide them over for the duration of the crisis (just as the government did for the banks in the 2008 GFC);

“Issue credit to the thousands of businesses which should be scaled up to meet the dramatically increased demand in certain areas, such as the production of ventilators and personal protective equipment, and home delivery;

“Lend to the federal, state and local governments for the investments they need to upgrade essential infrastructure and services, and to initiate critical new infrastructure projects to upgrade the security of water, electricity, gas, communications, and transport across Australia.”

Restoring the role of finance as the servant of the economy, rather than the other way around as it has been for so long, is the key step to turning around our economy, and it must start now.

#### **In this issue:**

- Morrison, McGowan challenged: take responsibility for agency failures—compensate Sterling victims NOW!
- All eyes on regional banking taskforce
- Banks ramp up debanking despite regulator scrutiny
- RBA review must jettison neoliberal mandates
- New Zealand backflips on statutory bail-in
- Put the Governor-General on the ‘foreign influence’ register
- Smoking guns in the Fed’s 2019-20 emergency ‘repo’ bailouts
- Fed shareowners monopolise emergency repo loans
- A clear and present danger: Peter Dutton and the ‘Strategy of Denial’
- Security talks with Russia inconclusive; military tension still high
- Slow progress in talks to restore Iran nuclear accord
- Unifying Aussies across the political divide
- In memoriam: Vince Zumbo
- Education is more than information
- ALMANAC: When democracy becomes tyranny

[Click here for the archive of previous issues of the Australian Alert Service](#)