

# Here's what it will take to restart the economy—do it!



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Lead Editorial

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Australia is in the middle of a national disaster. While the public health response to the coronavirus pandemic appears to be working, the enforced social distancing measures it has required are taking a huge toll on the economy and on people's lives.



Bob Katter's Facebook poster calling for a national development bank. The CEFC is an immediate stepping stone to achieving a national bank.

The problem for Australia, and many other countries, is that we confronted this pandemic with a severely depleted public healthcare system. Decades of budget cuts reduced hospital beds from 8.1 per thousand population in 1977, to fewer than four today. Yet the reality of the consequences of those cuts was largely ignored.

Just as both major parties bought in to the lie that Australia has enjoyed the world's best economy with "28 years of uninterrupted economic growth", they bought in to the lie that the health system was sound, based on managerial criteria and consultants' assessments rather than the reality expressed by frontline healthcare workers. The Labor Party in opposition always talks a big game on healthcare, but in government they were also prepared to slash healthcare to "balance the budget", out of the myriad other expenses they could have cut. For instance it was Labor which first froze the Medicare rebate in 2013, which denied increasing numbers of Australians free healthcare.

In formulating decisions to combat the pandemic, health experts and other decision-makers were severely constrained by the depleted healthcare system (as well as the state of the economy). They have taken decisions within those constraints, rather than busting out of them. After being initially slow to enact containment measures, which the public assumed would be short-term, they then resorted to a long-term "flatten the curve" strategy. We now have the situation where Wuhan, the epicentre of the outbreak, has opened up after 10 weeks, but the Australian government is saying we will be in suspended animation for at least six months!

The consequences are profound, and dangerous. Hospital procedures, including “elective surgery” are being delayed, risking knock-on effects, including late diagnoses for conditions such as cancer. Thousands of small businesses have gone to the wall and millions of people have lost jobs, risking a wave of depression and suicides. On top of that, there’s been a rush to high-tech invasive surveillance measures normally associated with police-states, some of which may be acceptable if truly limited to containing the pandemic, but there’s little confidence that will be the case.

What would it mean to combat the pandemic in a way that busts out of the constraints, so we can get the economy moving?

China kept its death rate lower than Italy, Spain, the UK and USA, and re-opened after 6-8 weeks in most of the country and 10 weeks in Wuhan, by combining its lockdowns with a massive healthcare mobilisation, and ongoing fever screening to detect new cases. South Korea likewise scaled up testing and screening to hunt and kill the virus but maintain economic and social functioning without lockdowns. It required an approach that Western neoliberals despise—massive government intervention for the common good (as opposed to for war or the banks).

Ironically, we have the government intervention anyway, but as expensive life support for the idle economy, which will prove more expensive than a proper intervention. Instead of borrowing and spending hundreds of billions to pay for people to stay at home, what would it cost to recruit an army of testers and screeners (such as the Journal of the American Medical Association has proposed to fast-track this year’s 20,000 graduating US medical students for, p. 9)? Even if a few tens of billions, it would be a fraction of the total current tab of \$320 billion. As would injecting an extra \$40 billion in the CEFC, as MP Bob Katter is now promoting (p. 3), to invest in local production so we can produce the necessary medical equipment to make it work, including infra-red thermometers.

It’s time to reject the false dichotomy between the economy and health, and transform the economy.

**In this issue:**

- The Katters are right! The CEFC could fund the Bradfield Scheme, right now
- COVID recovery team must turn words into reality, fast
- COVID-19: Let the recovery begin—with the elite taking the hit
- Assange at risk of dying from COVID-19
- The New York Fed is nationalising capital markets
- US counties endorse National Infrastructure Bank
- National Service for public health?
- Lessons from Ebola
- Battle lines harden over USA-China future
- Helen Keller proves the cause for optimism
- ALMANAC: LaRouche’s physical-economic method and a New Bretton Woods system – Part II

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