

## Australia Dossier by Robert Barwick

### Harbingers of a New Dark Age

*Victoria's gas crisis is the latest disaster to hit the supposed "First World" nations of Australia and New Zealand.*

Lyndon LaRouche has emphasized that the world will plunge into a New Dark Age, if a New Bretton Woods monetary system is not put in place in the very near future. The recent infrastructure disasters in Australia and New Zealand, which have cut power and water supplies—the very basics of life—to such major cities as Auckland, Sydney, and, now, Melbourne, afford a glimpse of what such a Dark Age would look like.

In the latest disaster, the state of Victoria, including its capital city, Melbourne, with 3 million inhabitants, has been hit with the worst crisis in its history, following an explosion on Sept. 26 at Esso's natural gas refinery in the coastal town of Longford. The explosion killed two maintenance workers, and knocked out the gas supply of 80% of the state. A majority of homes are now without hot water, and every house in the state has been ordered to turn its gas supply meters off, so that what little gas remains in the system can be directed to hospitals and aged care homes. An estimated 100,000 workers have been laid off without pay, as automobile and other factories, bakeries, dairies, and other heavy gas users have had to close; the crisis is costing Victoria \$50-100 million per day.

The explosion at Esso's Longford refinery was caused when a gas leak was being repaired in a pipe at one of the refinery's three plants. The leak ignited, and the heat then burst other pipes. There were three explosions, the third of which threw a fireball hundreds of meters into the air. An even

worse disaster was averted, as the fireball engulfed four 200,000-liter liquid petroleum gasoline cylinders, which, if they had exploded, would have flattened an area several kilometers wide.

Esso forecasts that the gas supply will be down for at least a week, probably two, and maybe even more, despite the fact that the company has flown in 20 experts from its operations around the world to assist in repairs. Even when the gas is turned back on, Victorians will face gas use restrictions well into 1999; economists estimate that the disaster will cut at least 0.1% from Australia's economic growth rate for every week the crisis lasts.

And, two Melbourne law firms have threatened Esso with what may become the largest class-action lawsuit in Australian history.

The explosion is the fourth major crisis to cripple the four largest Australasian cities this year: In February, Brisbane in Queensland, and Auckland in New Zealand, were hit with power blackouts lasting weeks; in July, Sydney (population 4 million) was hit with an outbreak of giardia and cryptosporidium, dangerous intestinal parasites which contaminated the city's entire water supply—a crisis which has not yet been solved.

Given that privatization-driven maintenance cuts provably caused all the earlier disasters, a fierce debate about privatization has erupted following the Victoria gas explosion, despite the government's insistence that, since the plant had been privately owned by an Esso-BHP consortium

for nearly 40 years, privatization isn't an issue in this case. Trade unions, however, immediately pointed to recent cuts in maintenance, which Esso denies.

What is undisputed, however, is the atmosphere of radical privatization-driven cost-cutting in which this latest disaster took place: Premier Jeff Kennett has presided over one of the most ruthless and far-reaching privatization programs anywhere in the world. Following Kennett's \$22 billion fire sale of Victoria's electricity system over the last several years, he had next planned to sell the state Gas and Fuel Corp., which has now been put on indefinite hold.

The recent privatization-led cost-cutting has greatly exacerbated the lack of infrastructure spending by Australian federal and state governments over the last two decades. Australia is conservatively estimated to have an infrastructure deficit upwards of \$100 billion, and whereas in the early 1970s some 8-10% of Gross Domestic Product was spent on infrastructure, today spending is less than half that figure.

What has enraged Victorians is that Esso, with the benefit of a decades-long monopoly, does not have the back-up infrastructure for emergencies. Furthermore, some are asking, although the gas crisis alone is serious enough, what would happen if a combination of the gas, power, and water crises which have savaged Australia and New Zealand, were to occur in one or more cities *in combination*? Together with the extraordinary breakdown in hospitals and public health systems in both countries, which has unleashed epidemics of such deadly diseases as tuberculosis and meningitis, residents of these two countries are beginning to get a small glimpse of what the "New Dark Age" will look like.