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27 AUGUST 2010

Four Corners asleep at the wheel

SIMON NASHT



Four Corners' [website](#) proudly proclaims that it presents 'investigative journalism at its very best.'

It's a big claim, and one that is probably impossible to pull off week to week in the pressure-cooker atmosphere of current affair television. And to be fair, it's remarkable that so often *Four Corners* does such a good job.

Every now and then however, they fail to live up to their own standards, and this week's edition blew it big time.

The program was called '[Overdose](#)', an apocalyptic warning that stimulus measures taken by governments around the world are leading us toward an inevitable global financial collapse. Now there may well be some merit in this argument, but if your aim is to present the 'very best' in journalism, then very careful attention needs to be paid to who is making such big and scary claims. And in this, *Four Corners* was sorely lacking.

Unusually, the program was not produced by the ABC, but was purchased via a UK distributor from a Swedish production company. It is narrated and written by Johan Norberg and based on his book, *Financial Fiasco*. In short, he argues that it was not the bankers who caused the Global Financial Crisis (GFC), it was the panicked response of governments interfering in the free market process.

According to Norberg and his ideologically like-minded interviewees, Government action in the face of crisis is always pernicious and never helps. Now that's a debate worth having, but let's make it a real discussion. As the *Financial Times* commented in reviewing Norberg's book, "it would have benefited from less idea-fetishism, and more workaday macroeconomics." As a polemic masquerading as journalism, '[Overdose](#)' suffers from a similar lack of objectivity. Which is hardly surprising given Norberg's background - not that the *Four Corners* audience would know.

Nowhere in the film do we learn that Norberg is a senior fellow at the right-wing think-tank, the Cato Institute. Founded by the owners of America's biggest private company, Koch Industries, Inc, the Cato Institute takes some fairly radical positions, including calling for the abolition of the welfare system, repealing laws that restrict the tobacco industry while taking a highly sceptical line on the science of global warming.

Corporate funding for Cato reads like a Who's Who of the fossil fuel industry, Wall Street and big tobacco. Rupert Murdoch once served on its board of directors. The Institute also seeds like-minded organisations around the world, among them the notorious American Enterprise Institute. Norberg proudly declares that he is the first non-American resident to be given a Cato Senior Fellowship. Cato obviously like him and published the English language edition of his book, *In Defence of Global Capitalism*.

Neo-liberal groups have warmed to the Swede's good looks and polished delivery and he is a regular on the global think-tank circuit. The German Hayek Foundation gave him its gold medal in 2003 (shared that year with Margaret Thatcher).

Norberg has been a strong supporter of uber-neoliberal Milton Friedman and remains a supporter of the now discredited Chicago School of Economics whose fundamentalist teachings brought us the worst excesses of the GFC.



Norberg is also a member of the Mont Pelerin Society whose members are dedicated to restricting government involvement in the economy and, as its founder, F.A. Hayek put it, "to combating the state ascendancy and Marxist or Keynesian planning sweeping the globe". Current president is Australian Greg Lindsay, executive director of the Centre for Independent Studies.

Getting 'Overdose' onto the ABC via *Four Corners* will doubtlessly be considered something of a coup by such organisations. The film's director Martin Borgs says that while he considered including voices that might hold a counter view to the free-marketeers, "mostly we wanted to give the view of voices who haven't been heard before." And who were those voices? Well, they are hardly shrinking violets.

Among them are economist Vernon Smith, an adjunct scholar of, you guessed it, the Cato Institute; trend forecaster Gerald Celente who is a Fox News regular and has appeared everywhere else from *Oprah* to *Good Morning America*. He recently told Fox that America will soon descend into collapse and anarchy brought on by criminal gangs and civil violence. Then there was the always quotable Peter Schiff, who when not speculating on gold is another TV regular, including in my own series for the ABC, *Addicted to Money*.

'Overdose' premiered in the US at a Cato Institute function. I have written to Borgs asking how the film was funded and if the Cato Institute or any of the other think-tanks Norberg is associated with contributed. No reply yet. You might hope that ABC News and Current Affairs might have made similar enquiries.

Now I must declare that as a filmmaker I have no ideological aversion to seeking finance beyond the public purse. It's hard enough to finance any documentary these days, let alone one that is controversial. Indeed I have just recently completed a film, *Dick Smith's Population Puzzle*, which as well as public funding was in part supported by Dick himself via a grant to the Documentary Australia Foundation. That support was declared in the credits, openly discussed in the publicity and I believe no one would have been in any doubt that this was very much a polemical film that aired Dick Smith's opinions. Polemics have their place in the firmament of ideas, but it's essential that they are sign-posted as opinion and their funding is made clear.

There is no mention of the Cato connection in the program the ABC put to air, and not a word about it on the *Four Corners* website. In fact the site misleadingly claims the film was 'reported' by Journeyman Pictures - the UK based middleman that sells the film on to broadcasters and which had absolutely nothing to do with the editorial content, let alone its 'reporting'.

It's essential that *Four Corners* does not become the mouthpiece for ideology, and can be seen to clearly be exercising editorial control over what it puts to air. In this case it has lazily picked a piece off the global TV shelf and put it on screen without any semblance of editorial judgement.

It has misled its viewers and it has failed to meet its own standards of excellence. And in doing so, it has made it more difficult for those of us who argue that from time to time, the ABC needs to be the public's voice in the centre of political ideas, not a mere spectator. Polemic has its place, but not if it is hidden behind pseudo-objectivity and the *Four Corners* brand.

Simon Nash was co-writer and director of the three part ABC series on the GFC *Addicted to Money* and writer, director and co-producer of Dick Smith's *Population Puzzle*.

90 COMMENTS

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- **bob the beard stroker :**

27 Aug 2010 8:46:00pm

4 corners? I no longer watch it Im sorry.
Its just tabloid, its after a bite, not designed to provide actual insight.

To the goons below who use this as an excuse to cry left wing bias, trumpet away, its trash- you just look sillier IMO.

- **BLZBob :**

27 Aug 2010 8:42:20pm

The truth is that the stimulus will all eventually end up in the pockets of the filthy rich, although it will help a lot of people along the way as it travels there it will just make the whole situation worse than ever, in the end.
We need ways of removing the accumulation of wealth if we really want a truly healthy economy.

It is far easier for a rich man to get richer than it is for a poor man to get an even break.

- **Anne Perth :**

27 Aug 2010 8:37:17pm

I normally watch Four Corners, and am usually impressed.
This effort was, however, a real stinker.
Perhaps they are all on holidays???

- **David Tiley :**

27 Aug 2010 7:07:14pm

Go Simon! The state of play with the ABC's editorial policy on documentaries and opinion is a bit messy; Four Corners stands apart from partisan and essay dox because it is designed to present investigations, to interrogate ideas, and to allow contrary views to compete. If this doesn't happen on screen, the website is supposed to pick the debate up in more detail. If they don't work with those old-fashioned ideas of journalistic objectivity, they betray our expectations and attack the brand.

- **Bill :**

27 Aug 2010 5:26:02pm

I am not particularly concerned whether 4 Corners, got it right or wrong. What does concern me however is that 4 Corners (along with Kerry O'Brien) have a bias to the left of politics. Much of this has been made in the recent past with the labour luvvies saying that most of the political contributors are biased to the right.

I must say that I am happy with the political contributors, who as far as I see, call it as it is.

It still annoys me however, that no programme has been done on 4 Corners on to the demise of Rudd. It should have been done before the election.

- **Anne Perth :**

27 Aug 2010 8:35:31pm

Everybody knows that Howard scoured all the lefties out of the ABC. Any amount of research on the topic will show that ABC is the MOST ant-Labor in it's reporting (eg recent Melb Uni report). Just because Abbott looks like a dill when he's being questioned, doesn't make the questioner biased.
It just makes him a dill. On any channel, any time.
How can they make a programme on Rudd's demise yet??
You just like a whine, eh??

- **Jack :**

27 Aug 2010 5:22:01pm

Everyone to their own opinion. I found the program interesting...and a point of view.

- **Suzanne :**

27 Aug 2010 5:11:58pm

For those interested, here is a link to an Irish review of Nasht's own documentary on the GFC.

<http://www.independent.ie/entertainment/tv-radio/too-many-gimmicks-spoil-this-global-stew-1910061.html>

- **Pedro :**

27 Aug 2010 5:04:12pm

Any documentary that does not analyse the function, role, and actions of the privately run and owned US Federal Reserve in the GFC and prior is just pushing at the edges of a sloppy jelly.

- **Paul :**

27 Aug 2010 3:45:24pm

Simon. Your are also wrong. Dead Wrong.

The global economic situation is no longer about ideologies it is about numbers, interest rates and tipping points.

The econometrics of:

- * how much fiat currency can be printed,
- * how far can sovereign holder of US Treasuries diversify their holding
- * how long can markets continue to be propped up by artificially low interest rates; and
- * how far debts can continue to increase.

BEFORE a tipping point is reached can be debated perhaps without resolution of timing BUT with general agreement on the facts.

On top of this, there is an unholy nexus between economic activity, energy prices and energy exploration & development.

Mr Keynes himself would probably argue that initial stimulus activities were worthwhile and that some follow up stimulus was necessary to prevent a sudden free fall. It is dubious (indeed silly) speculation to deduce that Mr Keynes would support ongoing stimulus funded by ever increasing debt. Ongoing stimulus also needs to be funded by TAX . . . your taxes . . . my taxes... and business taxes. Thus it displaces and replaces private sector spending.

History will show that Bankers simply acted in their own interest and that their actions were in this respect predictable. Bankers followed government leads and incentives all the way.

Do some research yourself about the expansion of monetary supply and the provision of cheap credit during the Greenspan years. Read what Roubini and Taleb have to say. Then ask yourself whether Governments all pulled strings necessary to ensure that voters would be able to live beyond their means for generations.

And if this is all too much please divide the total US debt by the population of working Americans AND TELL US ALL how they can reasonably go about paying this debt off. And if that's too much tell us all who owns and controls Fannie and Freddy???

My guestimate has always been that the US Government will seek to inflate US debts away.

There will be much more volatility to come along with huge losses to be realised on mediums to long term sovereign debt.

I agree that no one school of economics has all the answers but would ask that the situation be assessed in an objective and pragmatic manner.

- **emess :**

27 Aug 2010 5:17:10pm

Perhaps you should have done Simon the honour of actually reading his article before saying he was wrong.

Simon made it quite clear that it was worth debating the issues brought up in the program. His problem was that Four Corners presented this as investigative journalism, when it was really an opinion piece from one particular perspective.

- **graham g :**

27 Aug 2010 7:48:47pm

Your reference to "Honour" need comment by me.

I found Simons article merely an opinion piece, whereas the whole of the citizens of Australia needed to be warned by the Four Corners team of complacency about "the American dream" of recent decades.

I doubt he has researched this subject enough.! He obviously has researched the backers of the film, and he made some assumptions in my opinion.

Do you want our Australian society to go down the financial gurgler with the USA society that thinks that Freddie Mac and Fannie Mae's actions were good for the American people.?

Maybe the author should look at past episodes of the SBS Newshour program over the past 2 years to see what a dangled web can be woven when people plan to deceive in the misguided belief that it is for the common good.

- **Simon Nasht :**

27 Aug 2010 5:21:13pm

Paul, thanks for your comments. In fact, my argument was not with the content of the program per se-- I'd have to say my own take on the GFC, (with economist/banker David McWilliams), , 'Addicted to Money' came to similar conclusions as your own. My problem is in how the film was presented under the guise of unbiased journalism in keeping with the standards we have come to expect from 4 Corners. There was NO attempt in the film to seek a range of opinions, and the producers have admitted as much. Alas, no one at 4 Corners seemed to be aware of this.

- **Taxpayer :**

27 Aug 2010 10:48:00pm

You might want to check out an Australian blog, which complains of Australian right wing activists being used as "independent" commentators on the ABC. They are from the Centre for Independent Studies, a Milton Friedman think tank, which boasts of having two ABC Board members (including the ABC chairman, as its Directors.
<http://alanknight.wordpress.com/2010/08/24/the-right-wing-drum-beat-on-abc-24/>

- **Garry :**

27 Aug 2010 3:45:21pm

Shrug Plenty of Australian right-leaning think tanks and research institutes get air time on the ABC. So do plenty of left leaning ones.

- **Jim Boomba :**

27 Aug 2010 3:45:12pm

While I agree disclosure should have been made I have yet to hear anyone refute what these guys where saying.To merely dismiss them because they are from the right is pretty tribal to say the least.I remember footage of them being lambasted over their prior warnings. So if thse guys are so wrong could someone please tell us why.

- **chipinga :**

27 Aug 2010 7:43:24pm

One only has to look at the downward trend of the US stock market to guess where things are heading...

Perhaps Wayne Swan's economic credentials can save the world..!

- **penfolds :**

27 Aug 2010 3:44:21pm

Overdose of debt.There wasn't much new under the with the programme's 60 minutes-like drama.So what the guy is interested in Friedman's supply-side economics.'ol Dame Maggie getting a gong in 2003[Mal Fraser/Phillip Lynch were Friedmanites].I'm only pleased to read/hear from anyone Smith-Marx-Engles-Keynes-Schacht-Gailbraith-Mao-Milton F-Robert Schiller-Stiglitz-Krugman-Keen-Roubini[Dr Doom]if there is some coherence in the delivery.Economists,financial commentators-must have a free voice on the ABC,a crazy science economics.Worried by 45 minutes of at times neo-liberal observations of recent economic history are we?.Lateline had during the GFC many an alternative view on the meltdown.Mate,your Dick Smith doco was a bit tatty around the edges-same drama-different subject matter.As with Overdose, Dick hasn't a monology on truth-it's an 'opinion',observation.Neo-liberal? sounds a bit neo-fascist narrowmindedness on your part bub.

- **graham g :**

27 Aug 2010 8:19:28pm

I agree that the Dick Smith documentary was "tatty around the edges", with too much emphasis on Dick's affluence.

I suspect that was not Dick's choice, but the author who was the producer of that program..!! Would you care to comment Simon!!

Dick's ideas needed to be aired,even though he might not be seeing the inevitable future for our major cities, as it will happen unless Bob Katter has his way.

Dick has been quite successful, as has many other ordinary people.! If you want only your views aired about Australia's future on the national broadcaster be prepared for a fight. I have taken as much as I can stomach of presentations by experts. These experts are not often anywhere near 100% correct, be they financial or climate related experts.

As a 70+ year old, I am keen to tell you that your views should be critised by independent observers without recrimination by the ABC, and you will come out a better person.

- **ECD :**

27 Aug 2010 3:28:28pm

I decided against watching that particular show when I saw Gerald Celente in the preview. That man is a nutjob.

- **Damnthematrix :**

27 Aug 2010 7:20:46pm

A nutjob who is never wrong..... is always worth listening to!

You just think he's a nutjob because you don't like the message.

- **Phantom :**

27 Aug 2010 3:24:27pm

I think these comments are called playing the man rather than the ball.

I think the US Government played a big part in the GFC. The Ninja loans (No Income No Job No Assets) were bizarre. But the banks bundled bad debts into CDOs and the ratings agencies said they were great.

Each played their part. But governments have been living beyond their means for a long time. At some point you can't keep borrowing.

- **Andrew :**

27 Aug 2010 3:19:37pm

This article serves to underscore why the ABC is almost completely useless as a news or opinion portal. All this journo does is goes on to bag a guys credentials and not once does he actually engage with the material delivered.

You yourself said: "According to Norberg and his ideologically like-minded interviewees, Government action in the face of crisis is always pernicious and never helps. Now that's a debate worth having"... well why not offer something of a debate you ovezealous left wing apparatchik? I know why because it is easierto bag than th analyse. Seriously what do you guys do besides bi*ch? By the way, thanks for putting me on to something I might find informative. I'll be sure to watch the piece and spread the good news.

- **Simon Nasht :**

27 Aug 2010 5:24:10pm

Thanks Andrew. You're a bit late. See all 3 episodes of Addicted to Money shown on the ABC last year. I think it deals reasonably well with your concerns.

- **Max of Cleveland :**

27 Aug 2010 3:11:54pm

One hundred and fifty years ago we had an unregulated free for all market, children in the mines, people working eighty hour weeks etc. If the pursuit of profit is to be the sole aim of a society then so be it. Whether these values are compatible with the democratic system I'm not sure.

- **Trevor :**

27 Aug 2010 3:02:34pm

Well, having watched the show, I think you could be slightly more accurate of your criticism of it. It didn't simply say that 'Government action in the face of crisis is always pernicious and never helps'. Whether that's the vew Norberg has expressed elsewhere or not, it's not what the film said.

What the film DID say was that the Government action that occurred was not well thought out and not sufficiently targeted.

Yes, it certainly did have a certain alarmist tone. But it was also blatantly obvious that it was not a Four Corners production and had simply been selected, rightly or wrongly, for airing in that timeslot.

- **hot tub political machine :**

27 Aug 2010 2:58:48pm

Seems to me some on this thread missed the point. The problem is not whether the program was credible or not - its the fact that the abc did not transparently disclose the interests of its producers.

- **AlexVV :**

27 Aug 2010 2:50:52pm

I certainly hope Mediawatch looks at this. What a thinly veiled partisan piece of propaganda this was.

If they were truly looking for alternative views, they should have discussed with Michael Ruppert, who also correctly predicted the global financial crisis and predicts further crises to come, but not for the same reasons that Overdose predicts.

Vince :

27 Aug 2010 2:39:02pm

It was a boring program very much in your face about the world coming to an end, there are people who walk up and down the streets every day carrying placards saying the same thing. The GFC was just plain old greed which caused the problem, from Governments to mum and dad investors everyone wanted something for nothing. Have we learnt anything from the GFC. I don't think so Governments like to be in power and to stay that way you give the punters what they want and worry about paying for it much much later. Everyone hopes they will be long dead and buried when it's time to pay up, by then other folks (who are not born)will have to carry the can for our expensive and wasteful taste's.

- **P. Darvio :**

27 Aug 2010 2:35:19pm

The West is stuffed. The basic message of the film is correct. To much money has been borrowed by individuals and Governments. The respective Government stimulus "bubble" packages are just delaying the next real crash and making it much worse. The party is almost over.

- **Heath :**

27 Aug 2010 2:32:17pm

I hadn't picked up on the right-wing think-tank leaning of the piece.

My interpretation was that the cushy relationship between Wall Street, the banks and big industry was the root of the problem. Lax regulation, poorly constructed bank guarantees and successful lobbying (overly represented and influential) by industry.

The exposure of governments to the current crisis stemmed from these 'special relationships' and then went on to compounded the problem.

In general I don't have problem with stimulus but I do have a problem with special interest groups having too much of a say in governance.

Horses for courses I suppose.

- **QWERTY :**

27 Aug 2010 2:30:51pm

Bravo!

Well argued, sir!

- **contra_007 :**

27 Aug 2010 2:21:00pm

I also watched the program and was dissatisfied. It was too US centric, disregarding global interactions. The US is going through a fundamental re-adjustment process, which has still quite a while to run.

The strength of the US was in a large measure due to the fact that 85% of world capital was managed from there and in a post-GFC world this will no longer be the case.

Stimulus spending was designed to prevent worse. In my view, these advocates of abolishing welfare spending live in cloucookooland. Welfare expenditure does not come from the goodness of heart, it comes from the desire to prevent thousands of homeless and hungry people ganging up in the streets and smashing your front door. Stimulus spending is similar; you'd like to try/do everything to prevent property prices from falling because that will make too many people overcommitted and then the dominoes fall.

There is now a shift in the US away from the share market, as bonds are a safer option. The program did not address the global links and the re-adjustment process; so it gets an F for fail. Other than that, you often learn from 'wrong' - make it an F+.

- **M :**

27 Aug 2010 2:04:54pm

It was a compelling program, and offered detailed negative views on the future of the global economy - these tend to be censored in the commercial press, for obvious reasons.

That said, I am disappointed that the ABC/4Corners did not allow their viewers the information about the background of the producers in order to put the views presented in an appropriate context.

The trend of using outsourced factual/documentary content on the ABC has been raised on MediaWatch, and I find it quite disturbing that the ABC is so willing to risk its established brand in this way.

A response from 4 Corners would be interesting..?

Antechinus :

27 Aug 2010 1:54:47pm

And the roonies are complainiing about the supposed left wing bias ofthe ABC!

This sort of disinformation given out by 4 corners (and right wing think tanks) that attempts to rewrite history and deflect blame from where it belongs is the worst sort of propaganda and should have remained back in the Nazi era.

We know the roonies have for some time now been trying to invent reasons as to why greed and deregulation where not the cause of the GFC. Blaming the victims has so far been popular with them.

Shame on you ABC for falling for this sort of tripe.

■ **jaycee :**

27 Aug 2010 6:26:26pm

They no longer have any shame to lose. I commented to my partner of the capitalist bias when watching it, but, truly, I'm not shocked, just sad....it's tragic really, like watching someone slip slowly into dementia.

■ **graham g :**

27 Aug 2010 8:33:58pm

i find it hard to believe that Antechinus said

"shame on you ABC".. Have you never heard that Bill Clinton repealed the "Glas Steagel" act that allowed this stupidity to explode in the USA.!

That act was set up by the USA Congress about 1932 to stop exactly what happened over the last 10 years in the USA.

I say " Thank you ABC Four Corners" for telling us what we should be at least prepared for in Australia in the future years.

● **Spinning Topsy :**

27 Aug 2010 1:40:44pm

I started to watch but turned it off fairly early because it was clearly just plain silly, sdhallow and uninformative. A big slap on the wrist for 4 Corners is justified

● **WideEye :**

27 Aug 2010 1:32:26pm

"Unusually, the program was not produced by the ABC, but was purchased via a UK distributor from a Swedish production company."

Don't know the numbers and I'm not a regular 4C nor TV viewer but I would not call this an +unusual+ occurrence at 4Corners. What I find a little opaque is the 4Corners journalist doing a voice-over introduction to the 'doco' over the 'doco' footage as if there is some kind of involvement on the part of 4Corners or at the very least an endorsement by it's high minded producers and investigative journalists (or what once was in the days of Andrew Olle).

Even though 4Corners is at the substance end of news-media-entertainment they too seek to push emotional buttons and part of the exchange with the audience is inducing a shock or fear response from viewers. You only have to look at the use of the way they shoot dramatic montage and use of motion graphics and post-production effects to find evidence of a desire to entertain via mood rather than a dispassionate intention to inform or unveil truths hidden from the public eye. Then there's the, at times vaudevillian, tone used by some presenters/reporters when framing their villain. As always: buyer beware.

● **freddy fender :**

27 Aug 2010 1:30:51pm

watched the show,
obviously the abc put it on "after the election",
more bias, considering labor,s typical spending spree.
the election was fought over this issue.

i know if i spend and borrow more than i can afford, i will go broke,
same as a country can,,eg greece/spain/uk/ etc,etc,etc,

so i want my gov to stop wasting my money giving it to their broke state mates, and their union buddies,
and to stop inventing new taxes while telling us a load of balonie about how it will be good for us.

if as i suspect the crash does come in 2012, and there is no money left to borrow from anyone, then a good surplus will help to stop the worry of

anarchy,
if as you some of you have suggested it was written by right wing think tanks?, then they are slamming the right wing us gov of bush, as the main culprit.

- **pj :**

27 Aug 2010 3:13:14pm

Do you have a mortgage? Ever been in a business that has required to borrow to invest and grow?

If so, do your repayments against these borrowings (and all other debts such as credit cards and the like) constitute more than 6% of your gross income?

If so, you're in a worse position than the government to be able to afford your own debts... by your own reasoning, you must be broke if you think the government effectively is...

- **salo :**

27 Aug 2010 3:19:59pm

A bias call over the timing of the show? That's ridiculous - if there was some biased concern about the program why would the biased ones program it at all. You ABC-biasheads really should get over yourselves. Some of you are just paranoid fantasists.

- **Scott Norman :**

27 Aug 2010 1:29:17pm

Very pertinent comments, Simon Nasht! And very remiss of 4 Corners to not verify background before writing the ABC's cheque! A public "clarification" on next week's 4 Corners, at least, is required, plus a wrist-slap on Media Watch. To say nothing of an authoritative 4 Corners episode on why the vast majority of economists worldwide do not believe in zero government stimulus no matter how grave the circumstances.

I watched the show and feel somewhat betrayed after 30 plus years of trusting 4 Corners (generally excellent, except for the odd lightweight program). More prior "forensic skepticism" in future please - supposedly 4 Corners' core business.....

I note that, being "intentionally misleading" this episode of 4 Corners did not meet even the standard (Clause 4.4.2) that Unleashed requires to post responses like mine!

- **JohnM :**

27 Aug 2010 3:31:04pm

Nasht rambles on about how the show's producer had links to the Cato Institute but he fails to present any evidence of distortion due to these links.

"Corporate funding for Cato reads like a Who's Who of the fossil fuel industry" well fancy that! The same can be said of many other organisations including those who believe in manmade warming but can't prove it - BP, Exxon-Mobil and others have thrown more money at the pro-warming side than teh sceptical side.

It's only Hash's perception that the links to Catio were relevant, so his claim that "4 Corners" has misled its viewers is rather weak.

You'd think that ABC viewers were only ever entitled to see his own program on this subject.

- **Andrew :**

27 Aug 2010 1:25:22pm

I think the ABC was right to screen the piece. It does ask some pretty hard questions about the US Govt response to the GFC. I think we need the debate and (hopefully) this program has kick-started it. Especially in light of the recent news that all is (still) not well with the US economy.

But I do agree with the need for balance - and this article provides us with a counterweight so we can get it. I saw the episode, and I accepted that the claims it was making were based on a particular point of view. That's fine. So let the ABC portray a different perspective, let's have the debate!

- **Kocsonya :**

27 Aug 2010 3:41:25pm

"I think the ABC was right to screen the piece."

I don't think the article questioned that. But the ABC should have provided the viewers information about the origin of the piece.

If I watch a program about the Afghan war, I want to know if it was made by Glen Beck or Michael Moore. Then I adjust what I saw accordingly. And yes, the ABC should screen both, with clear credits: this is what Glen Beck thinks of the Afghan war and this is what Michael Moore thinks of it. So show me a piece that that's what the Cato Institute thinks of the causes of the GFC and an other piece airing the views of the Policy Network.

- **Rob :**

27 Aug 2010 11:23:02pm

I have to respectfully disagree. I don't really want to see a documentary made by Michael Moore on Four Corners anymore than the rubbish that was on the other night. Sure, I'll occasionally hire a Michael Moore documentary, but it's more entertainment than anything. If I feel like indulging in some left-wing frivolity with no counter view, that's my choice, but it really has no place on the ABC.

Simply put Monday night's program was the right-wing version of a Michael Moore documentary, it's a popcorn documentary where no real thought is require. I just don't think there is a place for that sort of thing on Four Corners.

- **granny :**

27 Aug 2010 3:56:39pm

Andrew, to have the US president giving speeches about how the US is picking up is pretty hollow. Just 2 weeks ago Obama was spruiking the car companies profits, but they have not employed one single extra worker. His position has been reduced to just repeating the Federal Reserves mantra.

- **chipinga :**

27 Aug 2010 7:40:49pm

Granny, you need to get strength and profit into a company before you take on more workers...

...to just employ more people first is just plain stupid and sure to head for disaster..!

- **gerard :**

27 Aug 2010 1:25:13pm

If one had to chose between the likelihood of a second dip recession as shown on Four Corner's 'Overdose' or the perceived inability in 'Population Puzzle' of Australia to house a mere 35 million on a strip of very fertile coastal land between Adelaide and Cairns my money would be on the second dip.

- **BCJ :**

27 Aug 2010 1:21:12pm

Dear-oh-dear Simon. Your article reads like an angry series of counter punches and rebukes by utilising that old essayist's trick of compiling reams of seemingly well informed and irrefutable information that includes lists of people working for organisations about which you appear quite convinced you have their purpose and point totally pinned down whilst at all times ensuring that your article 'smells' and sounds like that of a credible unbiased acedemic.

- **FactChecker :**

27 Aug 2010 3:19:01pm

I can only suggest to do what I did - checking the facts! You'll be surprised.

- **Jonathan Gouy :**

27 Aug 2010 1:19:35pm

Well it's true that the program got a few things wrong and was a bit "golly gosh", but broadly the idea that government failure was at the heart of the crisis is not that crazy or controversial. It is in fact the most credible explanation (of underlying causes) that most of us economists would give if asked. The behaviour of bankers was primarily a sympton, not a cause of the crisis. Bankers are like lemmings, remember.

Consider these facts:

- Privately owned corps Fannie Mae and Freddie Mac underwrote 80% of US mortgages. In turn, these mortgages were backed by the US government, reflecting these corps' astonishingly successful lobbying effort (150 lobbyists, expenditure of about \$200m over a decade buying influence).

- The wall street bankers merely bought and sold financial assets packaging these mortgages up into financial instruments (just as they do every day for oil, gold, and govt debt and corporate debt - nothing unique there and plenty of benefits for society). But what banker wouldn't feel secure

investing in US govt backed assets? It is case of perverse incentives at work, with the govt guarantee almost begging the market to binge. The US govt backing of Fannie/Fred is the root cause of the securitisation getting out of hand.

- Think about it in the Australian context. If the Aust govt backed 80% of mortgages (equivalent to the mortgages of the big 4) with a state guarantee, don't you think Australian banks would also go on a securitisation binge? Of course they would. Macquarie would make squillions from it, initially at least.

- The US govt blundered on other fronts with poor market oversight and by giving the ratings agencies (sarbannes-oxley act earlier in the decade) a central mandated role in the financial system. Before the crisis, US financial sector oversight (a hotpotch with plenty of gaps, a bit like US intelligence services pre 911) was regarded as among the worst in the OECD.

It's true that the Cato Institute always trundles out the same line no matter what the issue ("minimise regulation and intervention; reduce the size of govt"), but in this case we would all have been better off if Fannie and Freddy didn't have that Govt guarantee.

The post crisis mop-up that shifts private debt to govt debt is unavoidable, not because economists like bankers, but because the economy grinds to a halt without lending, so the bank balance sheets need to be repaired one way or another, and in every financial crisis this has always involved public funds. The mistake the Japanese made was to not focus on repairing bank balance sheets.

- johhnyehsdfdf :

27 Aug 2010 1:19:25pm

So anything that does not support the status quo is propaganda now? The economists is this documentary where able to predict the GFC because they use economic theory from the Austrian School. They are correct: The free market does not exist any more. Lets blame it anyway - because it disguises the role governments play in creating business cycles. The neo-classical economics (in all Governments, central banks, most businesses and universities) were in fact completely taken by surprise by the GFC and still do not know what caused it. Why? Because their theories are outdated, they have no idea what money is, how it is created and ignore the role debt plays in a capitalist economy. Why not a documentary on this fact? I guess you would disprove.

- evidentlyi :

27 Aug 2010 1:18:38pm

Thank you very much.

I watched the Four Corners 'Overdose' program with interest, but, with a sneaking suspicion that it was just a bit too alarmist and lacked any balanced discussion.

Because it was presented by Four corners and the ABC, I couldn't dismiss the content of the program out right, as was my logical inclination. Now, when do i believe the ABC - Four Corners, and when do I just assume it's probably just some crap?

It takes so long and so much effort to build a reputation and can be lost so quickly.

Thanks again for the follow up.

- Fizz :

27 Aug 2010 2:58:08pm

Perhaps you need to broaden your information source base and do a bit of analysis yourself. Dig a bit deeper than the sound bite announcements made pre- election and consider alternatives.

No doubt this program was a bit one-eyed, but there has been enough discussion elsewhere to suggst that while it was not totally wrong, nor was it totally right. Inform yourself and you can make a judgement.

- David :

27 Aug 2010 1:13:22pm

Let me get this straight

Four Corners is ok to put to air those docos that push a left wing interverntionist agenda but if they put to air a doco that provides an alternative view then it is bad and must be discredited.

Mr Nasht your prejudices are showing.

Oh and by the way - those naughty capitalists are the very ones paying the taxes that subsidise the ABC.

- pj :

27 Aug 2010 3:16:35pm

At what point did Nasht actually say what you state he said?

If anything, he said it's fine to put up any point of view, but that viewpoint must be clarified if ANY conflict of interest could

become apparent.

Mr David, your prejudices are showing.

- **Andrew :**

27 Aug 2010 3:23:01pm

Too right David. This is the sort of simplistic propagandist journalism you might have gotten away in the 70's mate; its just not going to hack it anymore.

- **granny :**

27 Aug 2010 3:58:30pm

Strewth, the Four Corners also buys docs made by BBC, some are factual some are not so factual.

- **dubious the third :**

27 Aug 2010 6:17:32pm

Oh and by the way - those naughty capitalists are the very ones paying the taxes that subsidise the ABC.

It depends where they are based. Foreign based Transnationals operating in Australia pay no tax here, aside from the Income tax that their workers pay.

Free Trade Agreements have opened us up to being sold down the creek.

Get a grip. Unfettered capitalism is an abomination predicated on stealing from poor folks.

- **ChrisB :**

27 Aug 2010 1:10:49pm

unfortunately this is typical of most media reporting these days instead of the facts its which station or print can sensatioalise the story the best in most cases they go so far it doesnt even resemble the original content there is the truth and then there is the media

- **Joe :**

27 Aug 2010 1:10:17pm

Well what do the program managers of 4 Corners have to say?

It was blatant proselytising for far right ideology.

It is to be hoped that next week they give a balancing program from the left.

I suspect that the ABC is so riddled with Liberal sympathisers that there is no hope of that.

Paul Barry where are you?

- **salo :**

27 Aug 2010 3:22:05pm

For every claim of left-wing ABC bias some other nutter will jump out and claim right-wing bias. Is it just possible that it's your own bias that makes you find bias elsewhere?

- **jack :**

27 Aug 2010 1:02:00pm

so there is this bloke whose TV show arguing that government intervention caused the GFC is on th eABC is a Senior Fellow at the Cato Inst, which is right-wing and was founded by a big company, and Rupert Mudorch was on their board, and they have some views you might disagree with, and they support organisations you might think notorious, they are connected to right-wing think tanks in Aus, who might be pleased that the show is on the ABC, and the bloke is good-looking and speaks well and that is in the only reason why people take him seriously, and anyway his sort caused the whole problem in the first place.

- **Patrickdj :**

27 Aug 2010 12:58:52pm

Simon, what an excellent bit of investigative journalism.

I did not know Rupert Murdoch had once served on the CATO board of directors. This explains a lot about how his army of subservient journalists all around the world keep echoing doubts about climate change, socialist politics and the great world conspiracy. I thank you for making me all the wiser.

In a recent article in the New Yorker Jane Mayer writes a lengthy exposure of the Koch brothers, the establishment of CATO and other extreme right wing think tanks and the more than US\$250 million they have spent on climate denial and lobbying over the years - http://www.newyorker.com/reporting/2010/08/30/100830fa_fact_mayer

The article is well worth reading, especially the part about Fred Koch, (father of David & Charles) being so disgruntled with Stalin, who he had helped, that he became fiercely anti-government. He forced this ideology firmly onto his sons so it is little wonder they now think and act the way they do. The Koch brothers and Koch industries have fingers in an unbelievable number of right wing organisations even the recently developed Tea Party movement.

- **Simon Nasht :**

27 Aug 2010 5:37:18pm

Patrickdj,

Thanks for sending the link to the New Yorker article. I think it provides some very useful background to those interested in this discussion. As I said in the article, it's not the content of Overdose that concerns me--Mr Norberg is entitled to his opinions as much as anyone. However, it is important to know who employs him, and who funds his employer if we are to make a useful assessment of his opinions.

- **Damara :**

27 Aug 2010 12:58:23pm

"Nowhere in the film do we learn that Norberg is a senior fellow at the right-wing think-tank, the Cato Institute. Founded by the owners of America's biggest private company, Koch Industries, Inc...."

Wow, if it had mentioned this in the documentary, my perception of it would have changed immensely. You are right that the documentary belied the credibility Norberg seemed to have.

- **Daniel R :**

27 Aug 2010 12:43:03pm

Whilst there is no particular problem with the rise of these organisations as representations for such interests, the continued and sustained abuse of all types of media is quite frankly disturbing. That a small elite permeate their way through the information conduits of our society, affecting understanding and decision making to their own ends without transparency, is not and should not be acceptable.

The shrill voices and minute auditing of the abc online's OPINION sections might be better directed at the mainstream 'journalism' in this country which seems to be fast degenerating into either mouthpieces for specific agendas, or quite frankly inane and retarded entertainment for the apathetic.

- **Trump :**

27 Aug 2010 12:32:48pm

What was put forward was , another point of view, regardless of who's putting it, you may remember that from your youth.

I found it interesting and I agree that the problems were not fixed but patched and the next time it blows it will be "the big one" not a matter of if but when.

- **thankfully o-s :**

27 Aug 2010 2:18:42pm

The problem isn't the opinion, it's where the opinion was put forward and how.

I didn't see the report, but from the article it seems like only one opinion was put forward. Opposing views were given no chance to voice their thoughts or counteract spurious claims. The credibility of journalism - especially programs of the standard of which 4 corners strives and often reaches - is completely dependant on this principle.

(There is an argument here about the value of opposing views. Do you need to give the same air time to the guy who runs the Creation Museum in Kentucky as an evolutionary scientist when reporting on evolutionary theory?)

As a current affairs program that relies on its reputation for fair and balanced reporting, allowing something like this to be put to air is total negligence.

Once you are aware of the background it's status as an opinion piece pushing an agenda is obvious, but what about all those people who watched the show but haven't read this article? It makes me wonder about other reports I've watched on the program. Atleast with ACA or Today Tonight, you know what you're watching isn't neally news...

- **Polony :**

27 Aug 2010 12:31:50pm

Your agument is moot.

It would have be obvious to any ABC watcher not up past theit bedtime that it was an opinion piece.

- **Imogen :**

27 Aug 2010 1:57:07pm

Yes, Polony. The piece did seem sensationalist; some points were exaggerated and taken out of context. I had no idea of the origins of this "doco" and am pleased to be the wiser.

Even so, it was food for thought.

- **Michael :**

27 Aug 2010 12:21:50pm

I'm still waiting for comments from all the usual suspects who are oh-so-concerned about the ABC being biased, oh sorry, they're only worried about left-wing bias!

- **salo :**

27 Aug 2010 3:23:20pm

See above. Apparently it was biased of the ABC not to show it before the election.

- **justin :**

27 Aug 2010 12:13:41pm

I took from the poor quality of the video that it was a NTSC conversion from a US documentary, so took it all with a grain of salt up front. Yes I agree that it was below the standard expected of 4 Corners - I assumed they were suffering from election fatigue. Some context would have been better, as you suggest

- **gerard :**

27 Aug 2010 12:13:09pm

If we are to believe that the ABC's Four Corner Overdose was somewhat biased to gloom and doom, so was that piece on Dick Smith's Population Puzzle.

Both programmes provided points of view of an extreme nature. I doubt wether the manner of finance or giving due credits makes a hell of a difference to the viewer.

Mr Nasht seems to have omitted in this Unleashed piece, that Anna Cater had part in making Population Puzzle as well.

What's good for the geeze....

- **Jaymz :**

27 Aug 2010 12:07:53pm

I saw the Program in Question and thought What The!!! is that really happeneing??!!, but also thought, this is a little one sided. So, I have to say Thanks Simon, your article is very interesting.

- **Reasoner :**

27 Aug 2010 12:06:17pm

Agree Simon. The fact that they featured the hysterical goldbug Peter Schiff as someone credible immediately set the alarm bells ringing. The childish "scary music" and imagery equating government deficit spending with drug abuse (which the producers obviously regard as purely an issue of moral weakness) showed their true colours.

None of the interviewees that I saw understand the way that money is created. They have an irrational belief that government finances work the same way as personal ones (complete baloney - see Warren Mosler, Bill Mitchell, Steve Keen ...). Hence they believe that governments can somehow run out of money, that deficit spending can only come from either taxing or borrowing, that Chinese purchases of government bonds mean that their children/grandchildren will be slavishly paying off the debt in the future.

If the Four Corners peeps had bothered to consult Stephen Long (love your work!) or other ABC staff, they would have been told this program was hogwash. It's simply not possible for a government to become insolvent when 1 it controls the creation of its own currency, 2 that currency is not convertible to gold or any other commodity, 3 the government never needs to borrow in foreign currencies. This clearly applies to Australia, the US, Britain, Japan and, in practice, the Eurozone.

The program's other argument was that there is a bubble in government debt securities. This lacks credibility when 1 there's a huge private deleveraging process underway (bigger than in the thirties), 2 true unemployment is 15-25 per cent across the developed world, 3 other measures of the output gap are high also.

- **Steve :**

27 Aug 2010 12:04:38pm

Sorry, Simon, your ideology is showing. I would invite your readers to have a look at any of the writings of Dr Thomas Sowell of Stanford University's Hoover Institute. He speaks of the 'vision of the anointed', those within and with-out governments who operate under the illusion that all problems are solveable and that therefore any governmental action in times of perceived crisis is preferable to the alternative: government inaction. Governments trying to fix things inevitably become like elephants bending over to help the ants go about their daily business, squashing millions in the process.

- **Sentri7 :**

27 Aug 2010 11:59:56am

Excellent article! Can someone from Four Corners Respond please?

- **Anon :**

27 Aug 2010 11:58:23am

The global stimulus action did help in the short term.

In that sense, it was like avoiding a car crash by driving off a cliff. A gamble for time, which may end better or worse.

- **Tommo :**

27 Aug 2010 11:58:04am

It wasn't just the propoganda forcing me to turn off Four Corners that night, it was also the gratuitous use of needles! As a sufferer of trypanophobia it was unwatchable!

- **Rockin' :**

27 Aug 2010 11:56:54am

Totally agree.
None of their usual high standards upheld here.
I half expect to see this crop up on Media Watch next Monday.....

The program smelt fishy from the outset and I, too, was left wondering who's propoganda this really was.

I felt the same way when watching the Four Corners episode that aired that appalling, devoid of facts BBC "documentary" about the collapse of WTC7 on 9/11 (a couple of years ago, as I recall).

- **PETERRR :**

27 Aug 2010 11:44:43am

As you say ,sometimes they get it wrong, lets just see if media watch picks this up? whether you agree with the program or the very excellent addicted to money the fundamental question remains, Just where is all the stimulas(sic) money coming from? just about all of the so called "developed countries" are broke or dammed near it, the point made during the program on the inability of countries to cut Interest rates is valid and very scary, as for us? god help us when(not if) China slows or tanks.

- **dubious the third :**

27 Aug 2010 11:42:46am

I confess to only watching the first half. As much as I enjoyed the bits of George dubbelya talking "economics", and the overall premise that the US economy is in deep trouble, assigning the problems entirely to govt being a player in the economy lost me. Now, after reading or article, it makes sense.

Thanks for your background piece Simon.
ABC bias.....yes, lurching to the right, and unfettered capitalism in this case.

ps I disagree with Dick Smith's doco., but that's another story.

- **GraemeF :**

27 Aug 2010 11:37:27am

It didn't fool me. After watching about ten minutes of it I knew it was ideologically inspired bull. Poor form Four Corners but par for the course for the ABC these days where the IPA and their ilk get to expose their propaganda at the public's expence.

- **whiteelephant :**

27 Aug 2010 11:35:36am

Well ABC???????

- **Pink Elephant :**

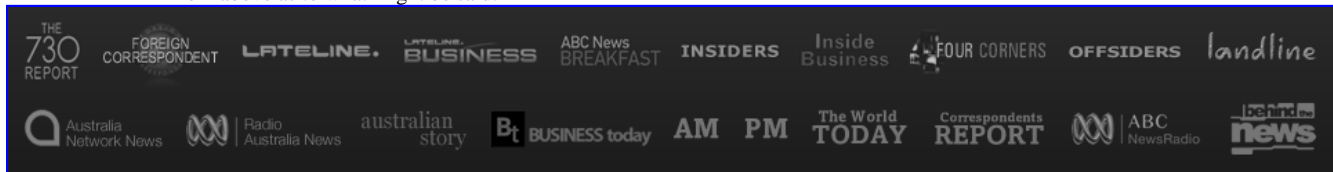
27 Aug 2010 1:12:41pm

At least twice as credible as commercial TV shock jocks and sentiment spin doctors.

- **tigerman :**

27 Aug 2010 1:42:31pm

The showing of this right wing garbage on four corners does not really surprise me. Of late I have noticed quite a bit of conservative right wing talk and political comment on the ABC. During the recent election campaign it was fairly obvious where the ABC managements sympathy lay. One only had to listen to the likes of Chris Uhlman and Annabelle Crabbe. I suspect that orders came from above as to what might be said.



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