



## **WHILE FARMERS AND BUSINESSMEN SLEPT**

By Eric D. Butler 1986





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# WHILE FARMERS AND BUSINESSMEN SLEPT

By Eric D. Butler.

*The following is an extension of the notes of an address by Mr. Eric Butler to a conference of representatives of small businessmen, farmers' crisis committees, Concerned Citizens, and several recently formed small political parties, at Echuca, Victoria, on Saturday July 5 1986. The conference was convened by the Echuca Crisis Committee, and Mr. Butler had been invited to deliver an opening background address.*

Representatives of farmers and businessmen are starting to come together in a rare display of attempted unity in the face of what a growing number of Australians now perceive is a national crisis of horrendous implications. New protest groups operating under different titles, along with new political parties, emerge almost daily. Desperate farmers are invited to donate to special "fighting funds" for the National Farmers' Federation and other primary producers' organizations, while large advertisements in the national media invite Australians generally to support financially new "anti-socialist" movements.

As one with a lifetime of experience involved in politics, and writing and lecturing on politics, I must frankly warn those of you meeting here that all this current ferment of political activity is doomed to failure unless some basic truths are faced. A problem correctly stated is already half-solved. Unfortunately, most of those talking about what they perceive to be the problems, are merely dealing with effects. The first principle of war is to know your enemy, his strategy and his tactics. Failure to observe this first principle can result in you unconsciously helping your enemy.

Reference to this first principle of warfare often results in the horrified retort, "But what you are saying is surely a manifestation of extremism, of absurdity." War has been defined as the pursuit of policy by military force. A policy can, however, be pursued by methods which impose the will of one group on a society without military force.

The master Communist strategist, Lenin, described total Communist warfare as one which uses economics, propaganda,

subversion, espionage, warfare and much else, to so confuse and demoralize a society that it capitulates. Lenin said that military force should only be used as a type of policing instrument after the “enemy” had capitulated to what is often described as psychopolitical warfare.

Along with other Western nations, Australia has been the target of a type of war which has been waged over a long period of time, which relatively few even now understand. That war has sought by a programme of subversion and permeation to so change the very structure of traditional society that it becomes impossible to reverse the process. Unless Australians understand how and why they have reached the present national crisis, it is impossible for them to develop any type of a realistic programme for national survival as a free people.

I believe that it is important to point out, not in any critical sense, but as a matter of fact, that farmers and businessmen are extremely vulnerable to the type of war being waged to destroy them. They are in the main very practical people. They are used to dealing with practical problems as they emerge. They are not attracted to explanations and theories, particularly if those theories relate to ideology. They are generally people of what could be termed commonsense. When they are forced by some development, such as—for example—a fringe benefit tax, to take an interest in politics, they often tend to regard what is happening as merely another manifestation of the “stupidity” of governments. There is plenty of stupidity about, but behind it is a long-term conscious programme of destruction. The victims of that programme must devote their abilities to understanding the ideas underlying this programme and how it is being implemented.

We can make no better start to gaining this understanding than by looking at an historic address given by Prime Minister Hawke in Melbourne, on May 18, 1984. This address was to a special centenary dinner of the Fabian Society. Relatively few people know much about the Fabian Society, its history and its ideology. It is rarely mentioned in the media and, significantly, the Hawke address of 1984 received only a few lines in a few Australian papers.

This suppression at a time when the media generally was publicizing every Hawke appearance and statement is itself highly significant. The big media is today notorious for its Socialist bias.

Hawke and his fellow Socialists had noted that it was the “crash through” attitude which had brought the Whitlam government down.

In his Boyer ABC lectures of 1979, “The Resolution of Conflict”, Hawke had stressed “the need of those who would advocate change to temper their fervor with a sense of gradualism”. This was the traditional Fabian approach, outlined in Hawke’s 1984 Fabian dinner address:

... It cannot be emphasized too strongly or too often, that this approach is not a matter of mere pragmatism. It is equally a matter of principle ... It is a principle which lies at the very heart, not only of Fabianism, but Social democracy throughout the world. It is of course the classic concept of Fabianism —the inevitability of gradualness...”

Prime Minister Hawke also dealt with another Fabian tactic — that of permeation:

“... I gladly acknowledge the debt of my own government to Fabianism. Earlier I dealt at some length with the principle of the inevitability of gradualness. There is another important idea— a method more than a principle — which became closely associated with Fabianism. Sydney Webb (one of the Fabian Society’s founders) called it ‘permeation’.

“Today it would be called ‘consensus’... We all have to face the fact that if our Government is to make really great and worthwhile reforms — reforms that will endure, reforms that will permanently change this nation—then it is not enough simply to obtain a temporary majority at an election, or even successive elections. For our reforms to endure, the whole mood and mind and attitudes of the nation must be permanently changed. Certainly, we are proceeding to implement the policy on which we were elected and the platform of the Party with a thoroughness, I believe, not excelled by any previous Labor Government in our history.

BUT THAT SPECIFIC TASK MUST GO HAND IN HAND WITH THE MORE GENERAL AND DEEPER, LONGER RANGE TASK—THE TASK OF ESTABLISHING, IN THE MOOD AND MIND OF THIS NATION, PERMANENT ACCEPTANCE OF THE NATURALNESS AND INEVITABILITY OF CHANGE AND REFORM, AS THE AUTHENTIC AUSTRALIAN WAY OF LIFE. AND THAT, FOR THE FIRST TIME IN OUR HISTORY, IS WHAT THIS LABOR GOVERNMENT IS DOING...”(*emphasis added*).

In true Fabian fashion, Prime Minister Hawke was telling his fellow Fabians that “gradualism”, “permeation” and “consensus” were only to be employed to the stage where reversal of the Fabian programme was impossible. As we will see, the mere election of another set of politicians will not **of itself** change the general direction in which Australia has been moving.

Much as the Fabian Socialists seek to disguise the fact, Fabianism is not only a spiritual brother of Marxism; it is rooted in Marxism. It has been described as “Sovietisation by stealth” rather than by the open revolutionary tactics of the Communists. The great Lord Acton, best known for his statement about the corrupting influence of power, said that “Few discoveries are more irritating than those which expose the pedigree of ideas.”

The central feature of history has concerned power; whether the individual should have power over his own affairs, thus enjoying freedom, or whether the individual should be the instrument of power used over him. The founder of modern Communism, Karl Marx, produced nothing original in the field of economics, borrowing from others. The collectivist idea is as old as man. Marx claimed to have provided a scientific basis for the “historical inevitability” of Socialism, this ultimately leading to Communism. The starting point for an examination of Fabianism is *The Communist Manifesto*, produced in 1848 by Marx and his collaborator and financial backer; Engels, the first of a long line of wealthy individuals who have financed the advance of Socialist ideas.

Practical businessmen and farmers may well ask what has a book written in 1848 got to do with their problems in 1986. They

are ignoring the latent impact of ideas.

Just as Western Civilization is a manifestation of the ideas associated with the birth of Christianity nearly two thousand years ago, so in the increasingly convulsed world of 1986 there is a manifestation of ideas associated with Marxism.

The most relevant section of *The Communist Manifesto* is that which outlines ten steps for Communising a State. It was pointed out that these steps were not an end in themselves, but a means to an end. The essence of these steps was the progressive centralisation of all power over the individual. *The Communist Manifesto* said that the steps would “in the course of the movement... necessitate further inroads upon the old social order.”

As a former top Canadian Communist Party member, John Hladun, who had trained in Moscow, put it over a hundred years later, “... one control tends to cause another, until, as a logical result, the State controls and finally owns everything.”

Many years ago I was invited by a Liberal Party branch to address a public meeting on the subject of Communism. As the meeting was held in a school room, I felt it might be instructive if I made use of the blackboard. Before starting my address, I wrote on the blackboard the first seven steps from *The Communist Manifesto* but made no reference to the source of what I had written. During question time I invited members of the audience to tell me what they thought of what I had written. Not one person knew the source of what I had written. All felt that there was a “catch” somewhere, and after an embarrassing few minutes of silence, except for some whispers, one young man got up, said he knew there was a “catch”, but was prepared “to have a go”. When he said that he felt that much of what was written could be related to the Liberal Party’s programme, several others then agreed, although I recollect that one person did suggest it looked more like a Labor Party programme. There was horrified astonishment when I gave the Marxist source!

But it was perhaps natural that some Liberals, ostensibly anti-Socialist, should see some resemblance between Marx’s ten steps and their party’s policies.

Step number two advocated “a heavy progressive or graduated income tax.” Irrespective of their labels, all governments keep imposing heavier taxation. One Fabian Socialist Tract said that the best type of government was that which taxed the most and spent the most. As the general level of total taxation is raised, with new methods of taxation being devised, like the Fringe Benefits Tax, a growing army of taxation officials is required in an attempt to police the taxation system. It was Mr. John Howard, current leader of the Federal Liberal Opposition, who first attempted to impose a fringe benefits tax when, as Federal Treasurer in the Fraser government, he tried to force miners in Central Queensland to pay taxes on the company houses in which they were living. The result was one of the most popular strikes in Australian history, with Mr. Howard eventually backing down.

It was Treasurer John Howard who attempted to impose one of the most iniquitous of taxes, one on books and magazines. The taxation officials advising Mr. Howard were unconcerned by the fact that the cost of collecting this proposed tax would absorb most of the projected tax revenue. Only a massive public campaign forced the Australian Democrats to defeat this tax in the Senate.

Why was the Fabian Socialist Society established? Because one group of Marxists realised that the peoples of the English-speaking world, including the Americans, were not going to support the type of violent revolutionary movement advocated by Lenin and his colleagues. And the old British Empire and the U.S.A. were the major barriers to the establishment of a World Marxist State. The English-speaking world had to be destroyed from within with a different kind of programme, one which took its name from *Fabius Cunctator*, the Roman leader who eventually defeated the famous military genius Hannibal, not by direct confrontation, but through a programme of gradualness.

One of the early Fabians was the famous British writer, George Bernard Shaw. I wonder how many who have whistled tunes from the musical *My Fair Lady*, based upon Shaw’s play, *Pygmalion*, know that Shaw once said:

“I am a Communist, but not a member of the Communist Party. Stalin is a first-rate Fabian. I am one of the founders of

Fabianism, and as such very friendly to Russia.”

Shaw frankly described the early permeation tactics of the Fabians, who joined and influenced all political parties, including the Conservatives. As Shaw said:

**“... we permeated the party organisations and pulled all the strings we could lay our hands on with the utmost adroitness and energy, and we succeeded so well that in 1888 we gained the solid advantage of a Progressive majority full of ideas that would never have come into their heads had not the Fabians put them there”**

The central Fabian strategy was clever. There is a natural law concerning governments, enunciated by the British statesman and historian, Lord Bryce:

“The natural tendency of all government is to increase its own power”.

Ever since men have been living together in societies they have been grappling with the problem of how to control governments. The ancient Greeks, who gave us the term democracy—*demos*, the people—discovered a fundamental principle; that the individual can exercise the greatest control over government when it is small and close to him. This was followed by Christianity, with its claim that every individual was unique and of value, irrespective of background, —that the Sabbath was made to serve the individual, and that while Caesar (government) was necessary, it must accept the higher authority of God’s laws.

These ideas found expression in the development of Western Civilisation, especially in England, where a form of constitutional government and Common Law was evolved which became the envy of other nations. A subverted educational system has cut Australians off from an understanding of a priceless heritage, now openly threatened by the Bill of “Rights” and similar legislation.

The Fabians well understood that the end result of governments increasing their own powers—always, of course, to “do good”—was that the increased power was not going to be under the personal supervision of the elected Member of Parliament.

The volume of legislation would become so enormous that even the most conscientious Members would find it impossible to read, still less understand it. The inevitable development would be the progressive delegation of power to the non-elected permanent official who exercises power through regulations and decrees which have the force of law. Centralise government far enough, said the Fabians, capture the key positions in the growing permanent bureaucracy, and the politician would be reduced to the state of merely legalising what the permanent officials had decided. Marxist policies could be advanced irrespective of the label of the politicians.

English writer H.G. Wells, who had an early association, later broken, with the Fabians, wrote in his novel, *The New Machiavelli*:

“I can still recall little Bailey, glib and winking, explaining that Democracy was really just a dodge for getting assent to the ordinances of the expert by means of the polling booth.”

“Bailey” was in fact Sidney Webb, one of the most influential of the early Fabians.

The Fabian programme had made such progress following the end of the First World War that in 1929 a former Lord Chief Justice of England, Lord Hewart felt impelled to attempt to warn the British people in his great, and aptly described classic, *The New Despotism*. Lord Hewart made the following serious charge:

“A mass of evidence establishes the fact that there is in existence a persistent and well-contrived system, intending to produce, and in practice producing, a despotic power which at one and the same time places Government departments beyond the sovereignty of Parliament and beyond the jurisdiction of the Courts”

But as we will see, the Great Depression, followed by the Second World War, resulted in an acceleration of the Fabian programme with the eminent British jurist, Professor (now Judge) G.W. Keeton writing what might be described as a sequel to *The New Despotism*, *The Passing of Parliament*, in which the author said that the British people were “on the road to Moscow”.

The whole English-speaking world is on the same road.

**A genuine democracy is not a nation where the people periodically put a mark on a ballot paper. The peoples of the Soviet Union are permitted to do this. Democracy only exists where the will of the electors, represented by their elected Members of Parliament prevails.**

Contrary to what many believe, Fabian Socialists are not primarily concerned with uplifting those who might be termed the poorer sections of society; they are concerned with power and the creation of the Centrally Planned State. For this reason they have always been willing to co-operate with what might be termed “Big Business”, including Big Finance. Marx was supported by the millionaire Big Businessman, Engels. Both Engels and Marx regarded the working man with disdain.

The establishment of the London School of Economics in 1894, designed to train the “Generals” of the growing army of bureaucrats resulting from the Fabian strategy, would never have been possible without the backing of Big Finance. In her autobiography, Beatrice Webb reveals that she and her husband Sidney were helped with finance for the London School of Economics from the Rothschilds, Sir Julius Wernher and similar financiers.

Sir Ernest Cassel, associated with Kuhn, Loeb and Co., the famous Wall Street international financiers, was the biggest financial contributor. In 1920 he saved this vital Fabian enterprise with a donation of the equivalent of at least \$3 million in today’s money terms. When Lord Haldane was asked why he persuaded his friend Sir Ernest Cassel to settle by his will large sums of money on the London School, he replied:

“Our object is to make this institution a place to raise and train the bureaucracy of the future Socialist State.”

“The larger big business grows the more it approximates to collectivism. It is the upper road of the few instead of the lower road of the masses to Collectivism”

During a debate in my youth with a Communist official, I thought in my youthful innocence that I would score some debating points by attacking the evils of monopolistic Big Business.

I was dismayed to hear that Big Business was not only much more efficient than a number of smaller businesses, but that it was a manifestation of the “highest form of capitalism”, was “dialectically” inevitable and should be welcomed. When I later turned to a study of the works of Lenin and other Marxist leaders, I learned how decentralised, smaller-scale business enterprises were regarded as a major barrier to the establishment of the Socialist State.

The former associate of the Fabians, H.G. Wells, wrote in 1920:

“Big Business is by no means antipathetic to Communism. The larger big business grows the more it approximates to Collectivism. It is the upper road of the few instead of the lower road of the masses to Collectivism”.

Students of Fabianism were not surprised when shortly after coming to office, Fabian Socialist Bob Hawke staged his famous “consensus” conference in Parliament House, Canberra, where Big Business, represented by men like Hawke’s close friend, Sir Peter Abeles, cooperated with Big Unions and Big Government. Fabian Hawke lost no time in making his first visit to Wall Street where he made it clear that he was prepared to pawn Australia at an even faster rate than his political predecessors.

*The Australian* of July 7, quoted American economist David Hale as stating that “the irresponsible New York investment banks” were leading Australia down the same path they had led the Latin American countries. Hale made the ominous comment that the international bankers “are giving Australia enough rope to hang itself”.

The informed student of international affairs is familiar with the nexus between International Finance and the Communist nations, of the massive debts owed by the Soviet Union and its satellites, of the Trilateral Commission run by the International Bankers like David Rockefeller and its promotion of the New International Economic Order, also endorsed by both Moscow and Peking. The New International Economic Order envisages the whole world being planned as one international economic unit.

As a prominent member of the Socialist International, Bob Hawke strongly supports the New International Economic Order, as does former “Conservative” Prime Minister, Mr Malcolm Fraser. Not surprisingly, the N.I.E.O. programme is also endorsed by The World Council of Churches.

If Australian farming and business leaders had been awake they would have been warning members of their organisations that they were threatened, not merely by militant unions, but by an unholy alliance of International Finance, International Socialism, and multinationals, to phase out large sectors of Australia’s primary and secondary industries. It is worse than useless to keep on describing **the effects** of what is happening without exposing the policies which have produced the present crisis.

Shakespeare wrote that the evil that men do lives after them.

Let us consider briefly the influence of the brilliant Marxist theoretician, a Fabian Socialist, Dr. Harold Laski, a man who influenced hundreds of students from right around the English-speaking world, including the United States. Those students went back to their own countries to advance Marxist ideas under the guise of Fabianism.

Australians will be interested in one classic example. A young student from Western Australia, well-known for his Socialist ideas at University, studied at the London School of Economics during the Great Depression. Laski said the young Australian was one of his most brilliant students. He returned to Australia and, like a good Fabian, joined the Federal bureaucracy. The anti-Socialist United Australia Party was in office. They were eventually removed from office early in the Second World War, and our brilliant student became one of the most influential men in the Federal bureaucracy, working closely with Dr. H.V. Evatt, Attorney General, the man who tried to revolutionise the Australian Constitution under the cover of the war crisis. Evatt was also a great admirer of Laski.

In 1949 the Australian electors once again changed their politicians, and the anti-Socialist Menzies-Fadden government was elected. What happened to Laski’s brilliant student? He carried right on as if nothing had happened, eventually becoming

the Governor of the Reserve Bank. His name was Dr. H.C. Coombs, who in recent years has been closely associated with the revolutionary Aboriginal land rights movement. For many years Dr. Louis Rasminsky was Governor of the Canadian Central Bank, another old London School (*of Economics*) boy.

Beyond doubt one of Laski's most influential students was the man who revolutionised Canada as leader of a Liberal Party; Pierre Elliott Trudeau. Desperate Canadians turned to a "Conservative" government only to find that nothing basically changed because of a change of politicians. The permanent government, the bureaucracy, carries on. Canada's problems are basically the same as Australia's.

As Chairman of the British Labor Party, Laski visited Moscow in 1946 and had a long discussion with Stalin, following which he made the historic statement that he and Stalin had agreed that while they were travelling on separate roads, Stalin on the Marxist-Leninist road and Laski on the Fabian road, they were marching towards the same objective, inspired by the same ideas, those outlined in *The Communist Manifesto*.

The first of Karl Marx's ten steps is the abolition of private property. Widespread ownership of property as a right is one of the major barriers to the establishment of the totalitarian State. Stalin broke the back of the Russian peasants with forced collectivization backed by guns. English-speaking peoples would never tolerate dispossession by the Marxist-Leninist approach. They are the victims of the Fabian approach, which relies upon taxation and other financial measures, the latest being the capital gains tax. Laski said that even when property was acquired by "democratic" legislation, the technique of Death Duties, Estate Duties and Legacy Duties could be used to erode the value of the compensation. "Compensation was a book-keeping transaction" said Fabian Laski.

One of the founders of the Fabian Socialist Society, Stewart Headlam, stressed in a lecture given at the turn of the century, that the first step in Marx's programme, the abolition of private property, must be the most important objective in the Fabian programme. Headlam said that taxation was the key mechanism

for dispossession. “If you can’t kick them out, you’d better tax them out,” he said.

Stalin’s brutal collectivization programme by force resulted in bloody resistance by the Russian peasants, millions dying. How much more effective is the Fabian programme under which the farmers surrender quietly to financial pressure, inflation, high taxes and high interest rates, against a background of propaganda from financial witchdoctors who keep on insisting that what is happening is an “inevitable trend”.

In his *Appreciation of The Communist Manifesto for the Labor Party*, issued in 1948, Laski asked, “who, remembering that these (policies of high taxation and centralization of credit) were the demands of the Manifesto, can doubt our common inspiration!”

**Exactly.**

The Great Depression, initiated in 1929 by the severe credit restriction policy of the U.S.A. Federal Reserve Bank, triggered an explosion of the Fabian Socialist movement throughout the world. In spite of the fact that the free enterprise system, based upon private property, had dramatically demonstrated its superiority as a production system, producing a volume of food, goods and services unheard of in the history of man, the Marxist propaganda theme was that “the capitalist system had failed” and had to be replaced with a system based on the teachings of Marx.

The profit motive was “evil” and must give way to “the service motive”, a teaching which denied the obvious that unless, for example, a farmer has made a profit by multiplying one grain of wheat into a hundred grains, he is unable to give service to anyone. It was not the producers who had failed, but those operating the financial system. The Marxists of all kinds, including the Fabians, ignored the financial cause of the Great Depression, concentrating their attack upon the free enterprise production and distribution system, particularly the smaller units.

Although it is outside the main theme of this address, it should be noted that as a result of the Great Depression, millions lost faith in the values and virtues of the free society and young students in the Universities were influenced by Marxists to the stage where large numbers were recruited in the biggest army of traitors any

Civilization has seen, some of these having studied under Dr. Laski.

The Great Depression highlighted a basic cleavage between the thinking of the practical people successfully operating the free enterprise system and the financial theorists attempting to force the free enterprise system to submit to what might be described as Black Magic. Figures in bank ledgers were held to be more important than obvious realities. The figures men intoned that the nations “had lived beyond their means” at a time when they had produced an abundance. Reflecting his engineering background, President Hoover of the United States complained to the Federal Reserve Bank about its restrictive financial policy, but was ignored, demonstrating the power of those creating a nation’s financial credit.

As the Great Depression developed with widespread social disintegration, the cleavage between the practical men and the devotees of financial Black Magic became more marked.

Opposed to the Fabians and other Marxists who worked to exploit the crisis to advance their Socialist programmes were outstanding engineers, scientists and successful businessmen who stressed that there was a major and growing defect in the financial system which once corrected, would enable free enterprise to operate successfully to serve the consumer. A vast literature on the subject of finance and economics came into existence. Forced by circumstances to examine a subject they had previously ignored, the practical people, including the farmers, started to generate a political climate in which the demand for a change in financial policy became increasingly insistent.

Knowledge of this movement for financial reform and the literature it created, is generally unknown today because of the Marxist domination of what has been termed social history.

Valuable information about the findings of Royal Commissions on Banking and Reports by prominent engineering and business organizations have been poured down Orwell’s “memory hole”.

Typical of the many Reports of the period was that of the *Southampton Chamber of Commerce*, at the time one of the biggest Chambers of Commerce in the British World.

In a detailed examination of the basic features of the modern industrial system, the Southampton Chamber of Commerce outlined how modern nations were all attempting to solve internal problems, resulting from a deficiency of purchasing power, by striving for a “favorable balance of trade”, one of the consequences being increasing debt. Warning that:

“Debts between nations have assumed formidable dimensions”, the Chamber pointed out that “under a system in which money can only originate as debt, the liquidation of existing debt can only result in the creation of further indebtedness. The situation in this respect is manifestly an impossible one.”

The Second World War, with its awesome destruction, temporarily solved the growing problem of the “fight for markets”. All the combatant nations were able to operate their production systems to full capacity, and “export” the surpluses in the form of bombs, shells and other war equipment, but with the return to peace the basic problem returned. It has now reached the stage foreseen by the business and professional men who prepared the 1933 Report. The following is prophetic:

“Returning to the fundamental defect of the financial system, it is necessary to restate that under the existing system, the community in any industrial country finds itself with an increasing deficiency of purchasing power to meet the costs carried forward into the prices of its production.

“There is ...one consideration arising out of this analysis which demands special attention. It has been shown that the bulk of money originates in bank-created credit-loans (debt) which have to be liquidated in full. It has been shown that the defect in the system renders it impossible for industry to recover its costs of production and liquidate its debt obligations. It follows that the weaker units of the industrial system and financial system must become eliminated or absorbed by the stronger units. These stronger units are stronger by virtue of their ability to eliminate their competitors. Thus a process of centralisation develops quite naturally in both the industrial and financial fields.

“Because the control of financial policy must carry with it the control of all economic activity, it would seem that the

powers of government must pass into the hands of the most powerful financial group as financial power becomes centralised internationally. That this is by no means an unlikely result is plain from the proposals being put forward for the centralisation of national central banks under an international financial institution. It is being further suggested that national central banks should be made completely independent of control by national governments, so that any such centralised world hierarchy of finance would form a world government with complete power over communities. We view the progress towards such a state of affairs with alarm.”

During and since the Second World War, when the International Monetary Fund and the World Bank were established, and the groundwork laid for the development of the New International Economic Order, the drive to centralize power on a global scale has intensified. The burden of financial debt, national and international, is being exploited to aid the centralizing programme.

Early in the Great Depression the Fabians in England developed their Sovietisation-by-stealth strategy still further behind the organisation known as Political and Economic Planning. (P.E.P.). The nexus between Big Business and the Fabians emerged into the open with Mr. Israel Moses Sieff of Marks and Spencer, the big chain store combine, and Lord Melchett of Imperial Chemical Industries (ICI), and others to promote the programme of “rationalization”.

There was a frank expression of the same philosophy which threatens genuine free enterprise today. One P.E.P. document said: “Whether we like it or not—and many will dislike it intensely—the individualistic manufacturer and farmer will be forced by events to submit to far-reaching changes in outlook and methods.” “What is required, if only with a view to equitable treatment of individuals, is transfer of ownership of large blocks of land ...into the hands of the proposed statutory corporations and public utility bodies and of land trusts”.

Not surprisingly, Mr. Israel Moses Sieff commented that: “The only rival world political and economic system which puts forward a comparable claim is that of the USSR.”

Fabian leaders like Laski enthusiastically supported the Roosevelt *New Deal* in the U.S.A., claiming it was Fabianism in action. The only real threat to the advance of Marxist ideas under the Fabian banner, was the movement demanding a correction to the policies of debt finance.

Whether by accident or design, the emergence of the British economist John Maynard Keynes, as some type of financial Saviour, had far-reaching implications. Keynes was never a formal member of the Fabian Socialist society, but he closely associated with prominent Fabians and his views were applauded. In his famous work, *General Theory of Employment, Interest and Money* he conceded that there was a deficiency of purchasing power, but that the only way to deal with this problem was for governments to “stimulate” the economy by deficit budgets. Keynes also frankly admitted that the banking system creates a nation’s money supply in the form of financial credits (debt). He was cleverly presented as an economist concerned about “saving capitalism”.

The prominent Marxist theoretician, John Strachey, who was a Fabian early in his political career, then joined the Communists, eventually moving back to the Fabians early in the Second World War, wrote in his *Programme for Progress* that Keynesian economics are a vital aid to furthering the Socialist revolution.

Strachey grasped the far-reaching implications of the inevitable inflation resulting from deficit budgets. He said that the Keynes policy was:

“an indispensable step in the right direction”, pointing out that “the loss of objectivity, and the intrinsic value of the currency which is involved (i.e. inflation) will sooner or later make necessary, on pain of ever increasing dislocation, a growing degree of social control ...for the partial character of the policy will itself lead on to further measures. The very fact that no stability, no permanently workable solution can be found within the limits of this policy will ensure that once a community has been driven by events to tackle its problems in this way, it cannot halt at the first stage, but must of necessity push on to more thorough-going measures of re-organization”.

Shades of Karl Marx in *The Communist Manifesto!*

“Controlled inflation”, as Keynes described it, has had a progressively disintegrating effect in all societies. It is the basic cause of industrial unrest and welcomed by the openly revolutionary Marxists. The politicians of all labels denounce inflation while their financial “experts” prepare budgets which confidently anticipate higher taxation revenues as a result of it.

Even “conservative” American Administrations like Reagan’s, rely upon deficit budgets, these inevitably adding to the debt burden, which requires high taxation to service. Producers strain to produce more simply to meet increased financial costs. Under the constant whip of rising costs, primary producers have in many cases “mined” their soils while contributing to international surpluses. And what is the “solution”? More “rationalization” and “restructuring”, with more centralization.

Australia’s farming leaders, and those who are supposed to represent them politically, have not only failed to halt the Fabian programme, but in many cases have actually endorsed it.

During the first ‘post Second World War rural crisis’, of the late sixties and early seventies, Australia’s primary producers were subjected to the constant refrain of “get bigger or get out”. As Chairman of the Wool Board, Sir William Gunn gave a revealing address to the Institute of Directors in N.S.W. on April 1, 1968, during which he said that:

“it is, reasonable to assume that even if there is a change of government, the basic economic policies that are now being followed will also be followed by another form of government and, therefore, these are facts we will have to deal with ... There is no alternative but to approach the problems of the wool industry in the same way in which the problems of the dairy industry are proposed to be approached. That ...is to reconstruct the industry, which involves the government putting up sufficient funds to buy out uneconomic units ...and then enable those who are prepared to stay in the industry to buy back those units and add to what they have got, so we would end up increasing the size of the unit”.

This was pure Fabianism. Sir William Gunn was admitting that it was government policies which were hurting the woolgrower,

but that changing the politicians would not alter the policies. Therefore, as the Fabian P.E.P. said, primary producers would be “forced by events to submit to far-reaching changes.” It would be interesting to know how much of Sir William’s thinking was the result of his long association with Dr. H.C. Coombs, as a member of the Commonwealth Bank Board.

Sir William Gunn’s Fabian views were endorsed by the Country Party Minister for Primary Industry Mr. Doug Anthony, who campaigned to convince Australian farmers that they had to face up to some:

“thorough going measures of re-organization”. In a statement issued on November 6 1968, Mr. Anthony said it was “inevitable” that “the size of farms would tend to increase” and that “This may lead to an increase in the number of company owned farms ...”

In another address, given at the 1968 luncheon of the South Australian Royal Agricultural and Horticultural Society, Mr. Anthony said that “he feared amalgamation of small farms in Australia might be necessary to increase efficiency.” He then went on to say that he had been impressed with collectivized farming in the Soviet Union, which “are tending to become more efficient.”

Karl Marx’s first step for communising a state is to abolish private property. Sir William Gunn, Mr. Doug Anthony and others were advocating the Fabian programme of gradualness to keep reducing the number of individual farmers in Australia.

A Professor Tribe bluntly said that “This problem of clearing the country of clodhoppers and hayseeds is a human problem”, going on to say that “The people who remain on the farm are also going to be syndicated, corporations, companies, etc.”

Over the last ten years, the “get-bigger-or-get-out” programme, allegedly designed to increase “efficiency”, has stripped rural Australia of 130,000 family farms. But cutting Australia’s farming population nearly in half in ten short years has not solved the primary producers’ basic problems— constantly rising financial costs which are inevitable under Keynesian financial policies.

What, then, is to be the future?

On April 22, 1986, a featured article in *The Bulletin* spelt out the answer: Another 70,000 farm families are to go. The article quotes an economic forecaster, Phil Ruthven, as saying that "...farmers have been slow to realize that ...in future they won't own land", which they will merely rent from trusts". All this is music to the ears of the Fabian Socialists and other advocates of monopoly power.

**Those not prepared to learn from the mistakes of history  
are doomed to repeat those mistakes.**

The great Roman Civilisation went down, not because of external pressure from the barbarians, but because of internal disintegration resulting from massive debt, heavy taxation, monetary inflation, and bureaucratic centralism. Rome's backbone, the sturdy peasantry and the smaller business organisations were the first to collapse.

But history also tells of success stories. As the famous American statesman Benjamin Franklin pointed out, the root cause of the American War of Independence was not taxation, but the result of depressed conditions in the American colonies following special British legislation, demanded by banking interests, forbidding Britain's Colonies from issuing their own money supply. Prior to this there had been growing prosperity in the American colonies which were issuing their own money in the form of colonial scrip.

During the First World War, the newly-established Commonwealth Bank, established with a capital of a mere twenty thousand pounds, was able under its enlightened Governor Denison Miller, to make millions of pounds of credits available to assist the nation's primary producers at less than 1 percent interest.

When the Second World War broke out, realities demanded that the Black Magic of the financial Witchdoctors responsible for the Great Depression be challenged in order to make thousands of millions of new credits available to use the vast productive capacity of the nation. Depression conditions could no longer be tolerated. But as the money supply increased so did prices start to rise, in spite of controls.

Geared to the C index series of consumer prices, the Basic Wage was under pressure. There was a dangerous threat of national economic instability. Following the lead of the British government, the Curtin government early in 1943 introduced a consumer price discount system, which in essence was the use of some of the new money created for the war, to apply a discount to all the C index items, thus reducing prices while allowing producers to make a reasonable profit. As pointed out by the government, in terms of finance, it cost far less to apply a consumer price discount system than to try to finance a constant rise in wages, which further fueled inflation. As in all other English-speaking countries, including the United States, where it was used, the consumer price discount policy completely eliminated inflation in Australia.

When the Australian electors refused to support the Chifley government's 1948 Price Control referendum, the government started to dismantle the consumer price system. Inflation was the result and became a major issue at the 1949 Federal elections, when the Menzies-Fadden Coalition campaigned on the theme of "putting the shillings back into the pound". There was a firm commitment by the Coalition that they would eliminate inflation by the restoration of the Consumer Price Discount policy. For several months after the election, in early December 1949, Menzies and Fadden continued to say that the new government was going to adhere to its election promise on Consumer Price Discounts. Menzies and Fadden had both voted for the policy when introduced by the Curtin government and correctly pointed out there was no interference with free enterprise when a consumer discount was applied only to production requested by the consumer at the retail market.

In discussions with me, Arthur Fadden made it clear that when he became Treasurer, he was determined to re-introduce the Consumer Price Discount system.

It was no secret that Fabian H.C. Coombs and other "advisers" were opposed to restoring the Price Discount system. Fabians prefer instability, the excuse for still more controls.

In spite of his many attributes, R.G. Menzies had little interest in or understanding of economics. Faced with the resistance of the permanent bureaucracy, the Menzies-Fadden government eventually abandoned their election promise, and inflation continued to poison Australian society. “Credit Squeezes” merely slowed the rate of inflation, while causing further industrial unrest.

The Menzies-Fadden government barely survived the 1961 elections as a result of the credit restrictions recommended by the permanent “advisers”. The Menzies-Fadden government reacted to the near defeat by immediately stimulating the economy with an even bigger deficit than that advocated by Labor leader Calwell at the elections! Fabianism marched on.

The inevitable result was continuous inflation, with all producers, primary and secondary, striving to offset rising financial costs with still greater production. Growing economic centralism was inevitable.

Nemesis struck the rural communities with the crisis of the late sixties. Tens of thousands were beaten by the cost-price squeeze. Bankruptcies increased among smaller business organisations.

The failure of a succession of Liberal-Country Party Coalition governments paved the way for the election of the Whitlam government in 1972. Under an enthusiastic Fabian Prime Minister, a government stacked with Fabians proceeded with undue haste and eventually produced an electoral backlash in 1975.

It was left to the Queensland Premier, Joh Bjelke-Petersen in 1974, to present the only genuine alternative to the rampant inflation being generated by the Whitlam government’s policies. Accepting the challenge to the State Premiers on the subject of inflation, the Queensland Premier put forward a three-point programme: the freezing of the level of total taxation; the abolition of the most inflationary tax - the Sales Tax; and the reintroduction of the Consumer Price Discount system. Fabian Whitlam described the policy as “economic garbage”, and a nation-wide campaign was conducted to discredit what became generally known as “the Petersen Plan”.

It was highly significant that the Fabians were able to obtain the co-operation of Bjelke-Petersen’s own political colleagues to

smear a policy which, if implemented, would have set Australia on a far different course to the one now obviously leading to the greatest disaster in the nation's history. Ironically, the objectives of the Federal Country party had for years included the reintroduction of consumer subsidies and the provision of long-term, low-interest loans for primary producers.

It would be instructive to learn what influences were responsible for the Country Party, later to become the National Party, not only refusing to work for the implementation of policies which would have challenged the Fabian strategy, but eventually quietly dropping them from the party's objectives.

The last Whitlam budget was brought down in August 1975, by Federal Treasurer Bill Hayden. An Opposition critic attacked a Budget which further increased taxation. The speaker said:

“The principal aim of this Budget should be to combat inflation”, pointing out that:

“... The overall tax burden on the average Australian has been increased, not reduced by the Budget. This is precisely the opposite of the action which ought to have been taken ... It is precisely the opposite of the action needed to halt the wage-price spiral and end the battle over incomes ...”

The Opposition critic then made the telling comment that the increased indirect taxes:

“will be reflected in the Consumer Price Index, and since this is the basis on which wages are indexed they will automatically flow through into wage costs... It requires the provision of real tax relief to reduce excessive income claims and monetary growth which will not accommodate continuing high rates of price increases.”

These commonsense remarks were made on August 26, 1975, by Mr. Malcolm Fraser, recently elected new leader of the Federal Liberal Party!

He was subsequently elected with a massive electoral majority, and the Australian people gave a sigh of relief and waited for promised tax reductions and other policies. It soon became clear to observers like myself that yet another change in politicians had not really changed the government.

The Fabian programme of ever-increasing taxation, both direct and indirect, continued, along with inflation and industrial unrest. The end result was the election of a government headed by Fabian Socialist Bob Hawke, openly committed to advancing the Fabian revolution in Australia.

It is as certain as the sunrise that (electing) yet another change of politicians will not of itself halt the Fabian (advance, until) rewriting the policies fueling revolution, debt, high interest rates and high taxation, (are) reversed.

So far from the present Opposition parties giving any firm assurance that they would reduce total taxation, they are committed to a policy of merely shifting the incidence of taxation from direct to indirect taxation.

**A genuine national survival programme requires a limited objective financial policy which directly challenges the financial orthodoxy responsible for the present crisis, a programme which will unite primary producers, who have been progressively reduced to a political minority, with the small businessman and his employees, and all those struggling to meet mortgage payments on their homes. This programme should also seek to make common cause with the rank and file of the Trades Unions, who are often unwilling victims of the monopoly of power used by Union officials.**

The last thing Australia needs at present is a programme of direct confrontation with the Unions. All Marxists would welcome the violence and the confusion which direct confrontation would bring.

What has to be confronted is the policy of escalating debt, crushing taxation and high interest rates. The first essential is a substantial reduction in interest rates, for a start to at least 50% of existing rates; just as the first step towards curing alcoholism is to stop drinking, so the first step towards eliminating the “debt-drug” is to stop using it. Financing budget deficits out of new financial credit created by the Reserve Bank and written up as an interest-bearing debt against the Australian people, should cease, and the (same) money created as a credit at (only) the cost of administration. Instead of financing capital works out of taxation forcing the present generation to finance assets which will in many

cases benefit a number of generations, they should be financed by new credits created against the new assets. This credit to be withdrawn (from circulation) at the estimated rate of depreciation of the assets.

The steps suggested would permit taxation to be reduced to the level where Sales Tax, now raising approximately \$600 million a year, could be abolished completely with the present administration (being used to manage the Sales Tax) used to administer a Consumer Price Discount system similar to that used during the Second World War.

The cut in interest rates, the abolition of Sales Tax, and the expenditure of only \$1000 million on, for a start, a limited Consumer Price Discount system, would bring inflation down to zero, removing the basic cause of industrial friction.

Other steps could include the re-scheduling of all the present debts of primary producers and Municipal governments on to a longer-term basis at the suggested reduced interest rates. Municipalities could pass on the savings in lower rates.

What is recommended would not solve all Australia's problems. But the programme would be the first step in the direction of national survival. As Confucius said, the longest journey must start with the first step.

But this first step will not be taken without the application of political sanctions. What is needed is a grass-roots movement, not more divisive political parties, which will unite sufficient electors to make it clear that no political candidates, irrespective of labels, will receive their votes without firm written commitments to the type of limited objectives outlined.

If the National Farmers' Federation and other organizations content themselves with using their relatively large funds to defeating Labor candidates in marginal electorates, without obtaining firm commitments for genuine alternatives to the Fabian programme, they will merely help to change the parties at Canberra without changing the Fabian policies destroying Australia.

Those genuinely concerned about saving Free Australia and the institution of private property, must be using some of their resources to exposing the Fabian programme.

Failure to do this can only mean that either there is a frightening ignorance of the nature of the enemies of freedom, or perhaps even worse, that there is a moral cowardice in the face of the Fabian enemy.

Proposals to deregulate wage fixing, and similar suggestions, however commendable, avoid the main issues.

What is urgently needed is some type of co-ordination of the many concerned groups around Australia, so that a realistic programme along the lines suggested can be forged. Such a movement might encourage the establishment of Electors' Associations in every electorate, whose task would be to instruct all those seeking to be employed by the electors as their paid representatives, to appear at public meetings to answer questions. Such Associations would then ensure that the answers and attitudes of candidates were widely publicized with a recommendation of how electors should cast their votes. It should be stressed that the first responsibility of a Member of Parliament is to his electors.

And, finally, those directing such a grass-roots movement should consider the importance of encouraging support for Senate candidates pledged to use Australia's House of Review to block any further legislation, including that concerning higher taxation, which furthers the Fabian programme.

Politics is the art of the possible, and my own view is that the Senate provides the best place where at least a start can be made to call a halt to the rising tide of totalitarianism. A few men and women, pledged to the type of policies I have briefly indicated, and holding the balance of power, could play a decisive role in the battle to turn back a revolutionary programme which, unless halted, will eventually destroy the type of Australia our pioneering forefathers set out to create.

As a former army instructor I come back to this first principle of warfare mentioned at the beginning of my address:

### **KNOW YOUR ENEMY**

### **CAREFULLY STUDY HIS STRATEGY AND TACTICS**

Only then can you fight with any chance of success

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