

# THE NEW TIMES

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*"Ye shall know the truth and the truth shall make you free"*

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## THE BATTLE LINES ARE DRAWN

It is remarkable how history repeats itself. In 1942 the then Attorney General, Dr. Evatt, introduced a Bill in the Federal Parliament "authorising the Parliament to make any law which in its own declared opinion will tend to achieve economic security and social justice". Dr. Evatt said, "I desire to make it perfectly clear that the amendment I propose will give the decision to Parliament itself, and no person will be able to challenge the validity of Parliament's decision." He was merely echoing the former Communist and London School of Economics lecturer Harold Laski, who had advocated the subjugation of the Crown and constitutional safeguards in Great Britain, in favour of an all-powerful Parliament. There was a strong core of left-wing socialists around Evatt at the time, amongst who was the man in charge of the Department of Post-war Reconstruction, Dr. H. C. Coombs. The latter made his own views on individual liberty quite plain when he said that many personal freedoms would have to be curtailed after the war. Evatt endorsed this attitude at the Political Science School in Canberra in January 1944 when he said: "The taking away in future of the right of the individual to choose his own vocation and employer was only one of the freedoms which the Australian people must forego in the interests of the State".

Clearly, then, such men believed that, in order to impose their own views about what was best for others on society as a whole, they needed powers which the Constitution denied them, and it was remarkable how much of Dr. Evan's writings were concerned with the best way in which the Constitution could be circumvented. His fanaticism in this regard was reflected in the attitudes of his colleagues, and despite the exposure to which they were subjected by an Opposition much better informed and more vigorous than its modern counterpart, the same stress on the necessity for unlimited power was emphasised by Labor leaders right up to the eventful 1949 Federal Election, which cast Labor into the political wilderness for 23 long years. The Direction of Labor was not the least of the powers required, a power which even rank-and-file workers were something less than enthusiastic for and on October 16, 1948, Mr. Chifley addressing Trade Unionists at the Sydney Trades Hall, said: "There will have to be transfer of workers, and in many cases transfers of whole communities to other forms of work. Everybody will not be able to stay at home because there will have to be transfers of labor. I am not going to fool anyone in that respect." Considering the natural attachment that all Australians have for their own home, and their "little bit o' dirt", one is forced to conclude that Chifley was not the most subtle of Labor leaders! Just prior to the election another Labor leader was even more specific: "There must never be a return to the old free-enterprise system of grow what you like, sell what you like, do as you please." said Mr. Cain, leader of the Labor Party in Victoria at Brunswick. It is not recorded whether he added under his breath "You'll do as you're told!" but the message was there, nevertheless.

## EVATT WHITEWASH

Just prior to the Whitlam Government's electoral success, it was remarkable that a number of books appeared, and were extensively reviewed, which told us that we had been wrong about Dr. Evatt all the time, and that from his 1944 referendum to the famous Petrov Commission, the poor man had been the innocent butt of Red-baiting fascists in the Liberal Party, and was really a sort of humanitarian Joan of Arc with naught but our best interests at heart. The truth is that Dr. Evatt was one of the most dangerous and ruthless socialists which it has been Australia's lot to suffer.

All this provides a backdrop for the Constitutional Convention, due to start in Sydney on September 3. This time, Whitlam has much more going for him than Evatt did. For one thing, he has virtually no opposition in the Federal sphere. Such opposition as there is to complete centralisation comes from six States, three of which are Labor, and one a variety of liberalism, which "speaks from the lips but not from the heart". A bankrupt Local Government will be there in the role of an observer. In addition, Mr. Whitlam's task is so much easier because of what has gone before. The Constitution drawn up in 1901 gave the Federal Government, under section 96, the right to stipulate how moneys granted to the States should be spent. Because the States had their own taxing powers, there was only a very limited sanction involved in the use of Section 96, and it clearly presented no threat to State sovereignty. But once the High Court declared that the temporary transfer of taxing powers from the States to the Commonwealth had become permanent, section 96 immediately contained the potential to emasculate the States completely. The Commonwealth Govern-

ment had a monopoly of the purse strings. The States could survive only at the behest of moneys allocated by the Commonwealth. Section 96 gave the Commonwealth the power to stipulate how such allocations were to be spent.

Mr. Snedden, with a fine old show of righteous indignation, has announced that the Liberals will seek to alter Section 96 at the Constitutional Conference, which must be one of the most two-faced political inanities for a long while. To begin with, the use of section 96 to make "tied grants" (financial allocations to the States with a proviso as to how they should be spent) more than tripled after the Menzies Government was returned in 1949. This allowed Commonwealth intrusion into all sorts of areas where it properly should not have been concerned—education being one of many examples. Precedent after precedent of Commonwealth intrusion occurred under the Liberal-Country Party Government before Mr. Whitlam appeared on the scene, and Mr. Snedden's tears are neither tears of contrition nor honest intent.

The States, meanwhile, have to some extent been digging their own graves, and have set up through their own efforts the Regional Governments which have given Mr. Whitlam the opportunity he has been seeking to dispense with the States altogether. The Commonwealth Grants Bill, a use of Section 96, which is even more ominous than before, was supported by the Liberal-Country Party in May, which indicates that when it gets down to the core of the matter, the Labor and the Opposition are as one. Even Mr. Hamer, who dashed ostentatiously off to London over the Privy Council affair, is reported by *The Australian*, 11/8/73, as suggesting that a separate reserve should be set up by the Federal Government to finance Local Government. Mr. Whitlam could but approve. Mr. Hamer went on to say that the Constitutional Convention would be asked to look at ways of getting changes in the Constitution without the country having to go to a referendum. "There is a very strong tendency to vote 'no' to almost any proposition in a referendum . . ." said Mr. Hamer. One can almost sense the approval of Dr. Evatt for the Hamer point of view.

### CHANGING THE CONSTITUTION

A former parliamentarian who has made a deep study of the Constitution, sent us a number of examples whereby the Constitution could be circumvented without recourse to Section 128, which provides for a referendum of the people. His observations are of importance, and are listed with his comments:

(1) By entering into a treaty, international pact or some form of international or sub-international charter or Agreement by which, or which entails that, Australia, as a member, must establish certain things, or do certain things, the doing of which requires legislation, the power for which does not ordinarily exist in the Constitution. Comment: Requirements of the famous Geneva Agreement enabled the Federal Parliament to legislate on

matters for which it had no ordinary power. Australia's membership of the International Labor Organisation (I.L.O.) gives it extra constitutional powers (not given by the people) by ratifying any or all of the decisions of that I.L.O. Most non-Labor Governments have been extraordinarily shy of ratifying I.L.O. decisions. However, Labor is committed to do so, and Evatt asserted that it must do so. In a confidential document that he had printed in connection with the 14 powers referendum of 1944, he made this perfectly clear. It could be regarded as a "blueprint" for the strategy of the current Labor Government.

(2) Under the terms of "The Statute of Westminster" (22 Geo.V.Ch.4) 1931. This statute was last ratified in Australia by Evatt who, as a Judge of the High Court, had warned against ratification. He pointed out, inter alia, "But even in such cases, the Parliament is the Parliament FOR THE TIME BEING ONLY AND IT DOES NOT NECESSARILY REFLECT THE WILL OF THE ELECTORATE FOR ALL PURPOSES AND FOR ALL TIMES. It will therefore have to be considered by the Dominion peoples whether special safeguards are not required to prevent a complacent Parliament from surrendering constitutional powers by the method permitted by Section 4 of the Statute of Westminster and without the specific consent or authority of the Dominion people concerned. By way of illustration it will be remembered that the Newfoundland Act, 1933 (24-25 Geo.V. Ch. 2) took away from the people of Newfoundland important rights of self-government at the request, not of the electors, but of the Parliament for the time being (extract from Evatt's *The King and His Dominion Governors*). Comment: Although Evatt, in the extract quoted, warned of the dangers to the Australian people if ever they ratified the Statute of Westminster, the first major action he performed in 1942 was to so ratify it. Thus it is possible today for Labor leaders to cut our ties with the Throne by the mere action of forcing both houses of the Federal Parliament to request the U.K. Government to repeal the "COMMONWEALTH OF AUSTRALIA CONSTITUTION ACT", which is an Act of nine clauses. The ninth clause is the Australian Constitution. By this repeal our Constitution would no longer exist, and whatever Party was in power could do as it liked without reference to the electors."

Another example to those quoted above, of the close affinity between the policies of Dr. Evatt and Dr. Coombs in the war and early post-war years is the document *Regional Planning in Australia—A History of Progress and Review of Regional Planning Activities Throughout the Commonwealth*. This was issued by the Commonwealth Department of Post-war Reconstruction (the Department once run by Dr. Coombs) in 1949, just before the change of Government, and although it has been long forgotten by all but the socialist planners, is the blueprint for the new emphasis on Regional Government propounded by the Labor Party today.

No better example could be given of the fact that the socialist planners never give up, and are certainly not deterred by a change of government. The superficial surface differences between the Labor Party and the Liberal-Country Party government, which preceded it, should not be allowed to hide the fact that there has been a remorseless drive towards the fully socialised State.

### McEWEN'S BANK

On top of this, the Labor Party has been able to seize and use with advantage another socialist monolith, created by Sir John McEwen, the Australian Industry Development Corporation. Ostensibly designed to avert increasing foreign ownership, the A.I.D.C. is in reality an instrument for the socialising of all investment. At the time of its establishment, with a charter which was anomalous in itself in that it did not require the publication of accounts for public examination, we warned that this was a Marxist project in disguise. Dr. Cairns confirmed that warning with his delighted support for "McEwen's Bank". Placing great emphasis on the dangers of foreign ownership—quite correctly—the A.I.D.C. is using this pretext for direct investment at an alarming rate. Under the heading "A.I.D.C. Bending the Rules" *The Australian*, 11/8/73, reported: "The Australian Industry Development Corporation appears to be breaching its charter in its ability to borrow loan funds and to purchase equity in local operations . . . A spokesman for the A.I.D.C. admitted at the time that the corporation might have to exceed its charter, but future developments would permit the transaction . . . The Labor Government has promised a greater role for the A.I.D.C. The Minister for Minerals and Energy. Mr. R. F. X. Conner, indicated yesterday that foreign and local companies which resorted to the corporation for funds would have to be content with a "semi-governmental" interest rate plus other unspecified "sweeteners". One of these sweeteners is apparently a guarantee of a long-term supply contract for the mineral they helped finance. It is interesting that even before the change in government, the A.I.D.C. went to the local capital markets to obtain funds." (The original provisions were that the A.I.D.C. should raise money in overseas capital markets.) A number of merchant and discount houses put up the money for the A.I.D.C. So the situation quite simply is that Australians have the choice of foreign ownership or nationalised industry, and the Local Capital Market is provided with gilt-edged investments at the taxpayers' expense. The die is almost cast for a Soviet Australia.

### BOOK NOW FOR 1973 "NEW TIMES" ANNUAL DINNER

Those who don't make an early booking are liable to be disappointed, as there is a limit to places. This is THE national function of the year. Date: Friday, September 21. Place: The Victoria, Little Collins Street, Melbourne. Donation: \$6, must accompany booking. Private hospitality, if required, for interstate visitors—prior notice essential.

## NO VOICE FOR THE WEAK

Readers may recall the recently-announced news that the people of the Northern Territory were told by Mr. Enderby that they could not expect statehood now or in the future. Other minorities are finding their rights being eroded, as is clear from this letter, which appeared in *The National Times* (August 6-11, 1973):

### NORFOLK ISLAND'S DEMOCRATIC RIGHTS

SIR—Norfolk Island, about 800 miles east of Australia, is one of the most beautiful islands in the Pacific. It is a territory—a distinct and separate settlement—administered by Australia.

This small island, only five miles by three, with a population of about 1500, is proud of its connection with the Crown and the fact that we have a direct link with Her Majesty through her only representative, the Governor-General of Australia.

The island has adequate finance to live within its own revenue—raised from tourists, philatelic sales and indirect taxation.

This island is a customer of Australia to the tune of approximately \$2 million a year.

Residents, tourists and visiting politicians are frequently concerned at the encroaching pollution, as elsewhere in the world.

As I have said, Australia is charged with administering Norfolk Island for the "peace, order and good-government for Norfolk Island with the advice of the Norfolk Island Council."

Our Governor-General delegates his responsibility to Minister Kep Enderby. In pretence of good government for Norfolk Island, Australia is trying to wish upon us her offshore quarantine station.

Our council had no mandate from the people to accept this proposal. Consequently on November 8, 1972, a compulsory referendum was held and this showed a large majority was against the proposal.

Those "for" the proposition failed by 22 percent. In spite of this a parliamentary commission is to appear on the scene to test independently the validity of the arguments.

We are left wondering for whose good government this is intended—Australia's or Norfolk Island's?

The opinion of the residents has been clearly stated in the most democratic fashion—by referendum. Australia signed the Universal Declaration of Human Rights in 1948, which states in Article 21, sect. (3): "The will of the people shall be the basis of the authority of government."

Now a very upset community hears Minister Enderby state that the democratic opinion of the people must be disregarded.

What sort of "good government" is this?

The majority does not want this pollution or the loss of Norfolk Island's identity to become known as Australia's Quarantine Station.

We are a small community up against this powerful outside treatment and seek the help of those who will take up our cause as a matter of basic principle.

Our hope is that the Parliament and the Senate will at least recognise the will of the people so clearly expressed in our referendum. I believe that it is a legal fact that we still have the right, as a territory, to petition Her Majesty and appeal to the Privy Council—but surely this should not be necessary.

—W. N. Selby-Newbold, "Beverley". Norfolk Island.

## TRUTH WILL OUT

In view of the irrational opposition to any idea of subsidising the consumer from economists in Australia, the following article by London reporter Chris Pritchard, carried in *The Sun Herald* (Sydney), 29/7/73 makes interesting reading:

### BRITAIN'S FOOD PRICES KEEP ON GOING UP

The nickname for Britain's Prime Minister Mr. Edward Heath is "The Grocer".

"Grocer Heath" is the creation of the British satirical magazine *Private Eye*, which coined the name some years ago to highlight the Conservative leader's middle-class origins.

When Portuguese dictator Mr. Marcello Caetano visited London last week he and Mr. Heath were confronted by protestors' placards reading, "Grocer Meets Butcher".

But Mr. Heath's nickname is taking on a new significance in a Britain where food prices this week continued to soar.

Baby foods, yoghurts, cheeses, sweets, chocolates, biscuits and crisps all went up (with motor-car tyres and other items) by as much as nine percent, following a Prices Commission's set of rulings which is regarded as a heavy blow to the family budget.

According to the Labour Party shadow Chancellor of the Exchequer, Mr. Denis Healey, the new round of prices means that nothing is left of the last "lollipop" Budget "except the stick".

Since Britain's wages and prices freeze began last winter 6700 grocery price increases have been approved by the Prices Commission.

Perishable unprocessed foods have shot up too—and no approval for these rises is needed.

Food is now 16 percent dearer in Britain than it was a year ago—and angry trade unionists claim that while prices have continued to rise dramatically during the supposed "freeze", wages have not taken a parallel jump.

Fresh foods are up by 30 percent on their price a year ago, but the processed food rise has been a comparatively small 4.7 percent.

Some examples: Eggs up 45 percent, meat up 33 percent, fruit up 42 percent and fish up 37 percent.

The Government chiefly blames the international commodities market over which it has no control.

Certainly, cocoa—because of a scarcity caused by West African and Brazilian droughts—has risen in price from

£255 to £693 a ton, and sugar (because of widespread bad harvests) now cost £100 a ton as compared to £59 a mere 12 months ago.

The same sort of price increase affects other commodities, pepper, for example is being hoarded by producers in Sarawak who are waiting to see what will happen in the international money crisis. The result: the price has rocketed from £485 a ton to £810½.

Critics of the Government believe that other factors, besides rising world prices, are contributing to the high cost of shopping in Britain.

One factor repeatedly blamed for the rampant inflation is decimalisation. It caused confusion, destroyed traditional standards of values and still causes some shoppers almost to feel they are in a foreign country with strange currency.

They pay what is asked because of their confusion, but under the old system there was an in-built ceiling above which they would not go.

Also blamed is the European Economic Community—even though the Government denies that Britain's entry into the Common Market has yet affected prices.

So what can Mr. Heath do? The experts see four choices for him:

- He could increase agricultural supply by paying bigger subsidies to producers and reducing import controls.
- He could subsidise consumption by making payments to food manufacturers in the form of cash or tax relief and ensure that these benefits were passed on to the consumer.

All the alternatives have advantages and disadvantages, but Mr. Heath will have to act soon.

Observers of the economic situation urge that, in terms of Phase Three of the Government's prices and incomes policy, due to come into effect in the autumn, there should be provisions to link wage rises to increases in the cost of living.

- He could set rigid ceilings on food prices.
- He could introduce allowances to the public to offset the rising cost of living.

Britons spent £8300 million on food last year, and it is clear that the bill for this year is going to be a lot higher.

### "THE NEW EDUCATION"—THEME OF ANNUAL NATIONAL SEMINAR

Throughout Australia reports come in of parental concern about the perversion, and in cases the breakdown of education. This year's seminar could be the most significant that the League has ever held, as a team of three brilliant speakers is assembled to provide a new insight and lead on this crucial problem. This will be a seminar not only for parents, but with especial significance for young people, too. Date: Saturday, September 22. Place: I. Younger Ross Hall, Carlton, Melbourne. Make a note of this date now.

## SAFE RUIN - By D. WATTS

Mr. Anthony, Minister for Trade, opening the annual conference of the Country Party in South Australia a couple of years ago, is reported as having said, among other things, that the Country Party was dissociated from any connection with the League of Rights, a movement seeking to capitalise on the serious difficulties in which country people found themselves at the moment. Its economic ideas, perhaps superficially appealing as answers to Australia's rural problems, were in themselves dangerous ("The Sydney Morning Herald", 7/8/71). This has been reiterated by rural spokesmen periodically since then.

That is amusing. One would like to ask Mr. Anthony if the economic policies, which have brought the rural industries into their present parlous state were safe. Presumably the answer would be: yes. But safe for what or whom? Not, as it has turned out, for the rural industries. Maybe the policies were safe, or superficially they seemed to be, for secondary industries and commerce and for the international financial system. If a policy were dangerous for one vital section of the community, it is dangerous for the whole community; and the contention that it is safe for some established system would not make it less dangerous for the community. Though that be a truism, strangely it is not yet recognised by supremely powerful sections even when the members come to where they find themselves in difficult positions out of which they are seemingly unable to extricate themselves.

Two closely connected forms of human behaviour are responsible, in a general way, for getting organisations into this predicament. One is that nearly every man, interested in his own occupation, is inclined to believe that it is the centre about which the whole of society revolves. If he be a medical man he believes that the physical health of the community should be the first consideration; if he be a teacher, that it should be education; if a politician, that it should be official government; if a labourer or tradesman, that it should be the work done by their sections and so on.

Persuaded by this belief, the most powerful sections build up systems centered upon their own particular interests. From being the first consideration, the safety of their own interests and consequently of their system moves almost inexorably towards being the only consideration. Then come the difficulties—the breakdowns, the imbalances, the top-heavy structures, the march towards final destruction, self-inflicted.

The second trap is that men having created systems which they thought would serve them and eliminate many of their difficulties, find that they have bound themselves and their affairs so tightly, or as they have believed, so efficiently, in their systems that they are unable to break free of them. Entangled in the meshes of that which they wove they must continue to be bound until disaster breaks the whole fabric of what they made and leaves them and the rest of society atrophied and sprawling. Right up to the end the sections, which created the systems, patch and splice and cobble their imprisoning supports. For one thing, their psychology has so completely adapted itself to their system that any other is inconceivable to them. For another, every system, however uneconomical and inefficient, benefits somebody for

as long as it works at all and those whom it serves are those in the position to preserve it for as long as it holds together by its frayed threads.

Our present economic system has come from making industrial and trading interests its most important ones, very close to treating them as the only ones, so that Mr. Anthony, a servant of the system, must believe that the restraining of these for the sake of the welfare of other sections of the community is a dangerous policy. In extenuation, the deliberate aim has been to centralise the trading activities of a technological society in international organisations, which national bodies dare not defy. The fact that what has passed for international efficiency has involved much national inefficiency is of small account to selfish or dedicated internationalists.

### JAPAN'S ECONOMY

An essay on Japan's economy, published in *The Sydney Morning Herald* in three parts was written by Max Suich who has been that journal's Japanese correspondent for three and a half years. It shows, unwittingly because unintentionally, how the present world economic system blinds and binds the thought of even those who recognise the problems created by it. Max Suich would certainly have acquired a sympathetic understanding of the Japanese and their economic difficulties, and his not too great a bias in their favour is in the circumstances, natural enough.

He begins by describing the present Japanese mid-summer scene in Tokyo. Over the city, he says, hangs a grey cloud of smog for days on end, extinguishing the sun and sealing in the heat and humidity. Traffic jams cause idling vehicles to add their choking fumes to the smog. Underground, in the subways, the sweating crowds are crushed into uncooled trains. In the little homes the cramped families suffer even more from the heat.

On the Zushi beach, a few miles long, 720,000 people lie body to body. At the beaches of Japan 60 to 100 people drown each summer weekend. People queue up to wait their turn on the garbage littered paths up Mount Fuji, seeking a slight cool relief. It sounds like science fiction.

He says the average Japanese takes little comfort from being told that his standard of living is the highest in Asia and his economy the third biggest in the world. *Mainichi Shimbun*, a large daily which was formerly very proud of Japanese economic development, is quoted as saying, "Economic growth, Japanese style, has left the country with a disgraceful sewerage system—but earned the outside world's admiration for our strong currency". Sewerage does not make the only bad smell. With its

present growth policy, shaped upon the industrial and trading policies of other great nations, Japan is suffering from those side effects which plague all the nations that have disagreed with the poet who said, "It is not growing like a tree, in bulk, that makes men better be". In Japan, reportedly, there have been significant increases in drinking, drug taking, gambling and motiveless crime.

What is offered by Max Suich as a solution of the evils wrought by the "economical miracle"? More of the same medicine—expansion in all ways beyond the national into the international sphere. He remarks that the psychology of the business world is orientated towards size and growth. By that is meant, though not said, the growth and size of international business organisation. He admits, "Individual companies and industries and **the ordinary man in the street** will certainly react sharply when hurt—as many will be" (emphasis added). As he says, in the process of expansion in the international sphere, some Japanese sectional interests will have to suffer in order that long-term goals of international acceptance and influence be reached.

How is that to cure the average Japanese's discontent and disenchantment with his country's economical miracle? Suich speaks of long term goals; but in view of the present attempts at reform by the I.M.F. and President Nixon's measures to save and stabilise the U.S. dollar—actions that could start goodness knows what and end no one can foresee where—those long term goals may turn out to be mirages. However, though Suich has tenderness for the Japanese nation, his true love is internationalism, as his proposals reveal. His idea is that Australia should allow the Japanese to invest capital in the exploitation of Australia's raw materials. Good dog, Australia; always expected to empty her coffers for the benefit of other nations, to open her doors wide to job and money seeking aliens who do not care tuppence for a benefactor from whom they seek gifts of value, to pollute her inherited culture, dilute her civilisation and commit genetic suicide, and all to win a pat on the head from master!

### CLOSER TIES

Suich, himself, points out that the Committee on Japan (Canberra) recommends closer cultural ties with that country, modifications to visa problems now encountered by Japanese businessmen and technicians seeking medium term residence in Australia. It surveys some of the Japanese dissatisfaction with Australia's trade policy but oddly does not canvass in any detail what Australia might expect from Japan. If he had followed the give-Australia-away propaganda with which Australians have been drenched, he would have thought it odd if the committee had suggested that Australia receive anything in exchange for the concessions she is urged to make.

What then does Suich suggest that Australia is to get out of allowing Japanese to have access, via investment, to Australia's raw materials? She is to retain controlling management of all foreign concerns; though he goes on to say that she has no confidence in her own managerial

ability, so no one else has.

The glowing inducement, however, is that it is in Australia's interests to foster Japan's economic growth for the reason that "the greater the diversity and spread of Japan's markets and raw material sources, the greater her stake in the peaceful growth of world trade, the less attractive militarist policies would be".

Is Suich an internationalist Utopian or is he simply a faithful servant of the present international financial system? In either case his persuasion is specious. Trade rivalries are as prone to lead to war, as are other conflicting interests. Trade rivalry between Britain and Germany was a big factor, if not the biggest, in bringing about the First World War. Trade and raw material sources were prizes for which most of the modern wars were fought. In ancient and mediaeval times trade was often a consideration when people went to war. The present scurrying about by politicians are caused more by international trade anxieties than by political expediency or military fears. Doubtless the hope of all the great Powers is to avoid a military showdown; but the circumstances that these nations occupy an international economic sphere is not one to prevent some crisis in international trading or financing from developing into a trial of strength involving military action. The helplessness of GATT and the bewilderment of the IMF in the face of defiance by a viable U.S.A. show that the international trading and financial system is not nearly as strong as those bluffed by it thought it to be. How the entry by Japan, in a big way, into the Australian raw material field would serve the cause of peace still remains to be explained.

Allowing that Suich's article was written before the present monetary crisis became so menacing, yet even prior to that event Japanese capital was not in a very safe position. For one thing, Japanese industry has been financed mainly by banks, the value of whose capital is tied up with the value of the U.S.A. dollar. She has very little raw material of her own, so must import what she uses for the manufactured goods she exports. That is, she is doubly dependent, economically, upon the economic health of foreign buyers and sellers. The way in which her economy has been developed makes it vulnerable to collapse. Certainly, investment in Australian sources of raw materials might enable her to obtain virtual possession of them in return for her insecure ledger money; but possibly what influences internationalists counselling Australia to permit large-scale Japanese capital investment is that Japan's economy is so tied up in the international trading and financial systems that the using of her capital for mining and processing Australian minerals would bind Australia even more firmly to the international systems than she is already bound.

### OVERSEAS CAPITAL

Apart from Japanese capital, overseas capital from almost anywhere else is welcomed into this country by one large school of Australian economists. As they see it, an inflow of foreign capital adds to a country's wealth. Look-

ing at it from a different point of view, however, foreign capital investment is something like selling a man his own cow on condition that he lets you milk it. The pity of selling off Australia's assets is that, though on a smaller scale. Australia's economy could be as viable—as capable of independently living and growing—as is America's. Unlike countries such as Japan that are poor in raw materials, or others that have agricultural products but no minerals, Australia has nearly everything—minerals and agricultural products as well as engineering and manufacturing knowledge and skills. It should be easy enough, though perhaps not while in the power of the economic system evolved by international organisers, for her to issue money to the value of her real assets and so to invest her own capital in her own concerns, and to work out a balanced domestic system of exchange between different industries. She could produce a little more than she needs and uses herself so that she would have something to trade for anything absolutely necessary that she is unable to obtain within her own boundaries. This might mean going without some really unneeded luxuries, but that would be better than going bankrupt through living above one's means.

#### INDEPENDENCE FEARED BY FINANCIERS

The suggested course would not be approved by powerful, international financiers to whom, naturally, national economic independence is anathema; but the much talked of winds of change may be blowing out some of that which they blew in—for instance, a number of "developing countries" which could otherwise be called developing markets. President Nixon spoke of Australia as a developing country. He averred, in a different connection, that the U.S.A. economy was quite sound—as well it should be. That America, with that sound domestic economy, should be having money and trading difficulties is absurd. Perhaps when Australia is considered to be fully developed she, too, will have problems similar to those of America today, for to many internationalists debt and development seem to go together. Think of the present plight of Japan whose economic miracle was the admiration of other nations.

With a relating of money to actual wealth possessed and much more attention given to the barter element in trading—that would be to a fair bargaining that leaves all parties satisfied—there might be evolved a much more realistic system of domestic and foreign economic arrangements, one unhampered by the scheming and gambling and elaborate complexities demanded by the present ramshackle international system of today. The value of a country's monetary unit would not be measured in relation to the monetary unit of some other country, with the danger, at present being experienced by Japan, of being ruinously devalued and an economic depression amid plenty be created. Nor would inflation (or perhaps depressing inflation) be the ogre that grins at politicians and businessmen in this era. Before the Second World

War Japan had one value for the yen at home and another for foreign transactions. I do not know how it worked, but international economic organisers did not like it, so perhaps it worked too well.

A founder of the modern banking system, Rothschild, once admitted that the present system was based on a fraud. There is the worm that gnaws at the root of the present international financial system. That is why the system needs constant doctoring. It will probably be patched up this time and the next and the next till either, happily, a succession of minor modifications results in the appearance of a quite different system, or else, unhappily, a decrepit organisation falls to pieces. The one process may involve a series of painful operations and the other a prolonged and painful death.

Slavish adaptation of Australia's economic policy to such a system may seem safe in the short run, Mr. Anthony, but a courageous and gradual disengagement from the present unsatisfactory system might prove to be safer in the long run. If a new system was wisely built up and successful, and provided a nuclear war does not eventuate, Australians might be able to live well whatever happened in the outside world. They might even be able to assist distressed communities without being, as they used to say, street angels and home devils.

#### GEMS FROM DOUGLAS

The test of a natural law is that it is automatic and inexorable, and the proof of the contention which is advanced in this book, that as soon as Society ceases to serve the interests of the individual, then the individual will break up Society, is proved by the course of events at this time; and those persons who wish to preserve Society can do no worse to their cause, than to depict their idol as an unchangeable organisation whose claims are to be regarded as superior to those of the human spirit. The stage is set for a change of mechanism; in place of a Society based on restraint, a Society based on the conception of assistance, of co-operation, is overdue. **Let us be clear that the only assistance, which is tolerable or acceptable, is that which can be declined if it is not wanted.** —*Social Credit*.

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"In the sphere of politics it is clear that all settled principle other than the consolidation of power, has been abandoned, and mere expediency has taken its place. The attitude of statesmen and officials to the people in whose interests they are supposed to hold office, is one of scarcely veiled antagonism, only tempered by the fear of unpleasant consequences. In the State services, the easy supremacy of patronage over merit, and vested interest over either, has kindled widespread resentment, levelled not less at the inevitable result than at the personal injustice involved."—*Economic Democracy*.

For every shell made and afterwards fired and destroyed, for every aeroplane built and crashed, for all the stores lost or spoilt, the Capitalist has an entry in his books which he calls wealth, and on which he proposes to draw interest at five percent, whereas the entry represents loss not gain, debt, not credit, to the community, and, consequently is only realisable by regarding the interest of the Capitalist as directly opposite to that of the community. Now, it must be perfectly obvious to everyone who seriously considers the matter that the State should lend, not borrow and that in this respect, as in others, the Capitalist usurps the function of the State. —*Economic Democracy*.

“ . . . The primary requisite is to obtain in the re-adjustment of the economic and political structure such control of initiative that by its exercise every individual can avail himself of the benefits of science and mechanism; that by their aid he is placed in such a position of advantage, that in common with his fellows he can choose, with increasing freedom and complete independence, whether he will or will not assist in any project which may be placed before him . . . Systems were made for men and not men for systems, and the interest of man which is self-development, is above all systems, whether theological, political or economic.”—*Economic Democracy*.

## SOVIETISATION BY STEALTH

The following letter has been circulated by a number of woolgrowers in central N.S.W. to fellow woolgrowers: Dear Sir,

Recently a number of concerned woolgrowers initiated a campaign to keep the Wool Industry as a Free Enterprise. It was decided that we should distribute campaign enrolment forms as widely as possible. Socialisation of the Wool Industry whether it be called "acquisition" or a "Lot Building Plan" would destroy the freedom and rights of individual woolgrowers.

### THE DANGERS AND REALITIES OF SOCIALISM

The Socialists (irrespective of which Party) believe that all the decisions, which really matter about the economic life and future of the nation, ought to be taken by the Government. Our economy, they say, ought to be a planned economy.

The theory, which underlies all this, the principle on which all this is to be justified, is a very simple one. It is that a Socialist Government knows best; that a nation cannot flourish and prosper unless people conduct their lives and use their energies in the manner laid down by the higher wisdom of a little group of men somewhere in the centre. The people and the nation can be trusted to decide nothing unless the government supplies the answer.

There are two main dangers that are perhaps not clearly understood by those woolgrowers who believe that Nationalisation (Socialism) may provide the answers to the problems of the Industry. One danger is that people simply may not know, or not believe, what Socialism is. The other danger is deeper, more insidious, more difficult to combat. It is that only through loss of confidence in themselves could woolgrowers be tempted to go bankrupt and pass over the management of their affairs to an official receiver in the shape of State Socialism. It is a dangerous delusion to think that there is no harm in trying a little bit of Socialism experimentally and that if, after a while we do not like the consequences, we can stop and go back to where we started from. As in an individual's life, so in that of a nation, with every step taken in a particular direction it becomes harder to return or to change. As in an individual's life, so in a nation's, there are some mistakes which, once made, can never be undone. Some decisions, and those often the gravest are irreversible. One is free to nationalise an industry, but not so free thereafter to denationalise it.

Of a "National Plan" produced by the State we can assert three things with confidence; it is likely to be wrong, dead wrong, in its major assumptions; its errors will do the maximum damage because they will be imposed on the whole of the industry, and these errors will be persisted in long after they have been revealed, because governments and Statutory Authorities are the slowest of all creatures to admit themselves mistaken and these plans of all plans are the most inflexible.

At the first sign of things not going according to their plan the Socialists will use compulsion—just a little to start with—more statutory authorities with arbitrary powers leading to more regulations and production controls. The next step an essential part of Socialism, will be controlled prices, wages, incomes and profits. This means planning people and things—which is the essence of Socialism. The end result will be the complete compulsory Police State. As George Bernard Shaw once wrote in the *Labour Monthly*, "Compulsory labour, with death as the final penalty . . . is the Keystone of Socialism".

Woolgrowers must be free to choose how they will produce and dispose of their product in order to retain their independence and their standards. No choice means no independence and no freedom.

You as a Woolgrower have nothing to fear, either from fighting to preserve and extend your Freedom, or from facing Reality. Your dangers lie in the opposite direction—in surrendering yourself to control and management, and in retreating to live in the Socialists' Dream-World of Fantasy.

We hope you will join with us and support the "Keep the Wool Industry Free" campaign.

Yours faithfully,  
K. J. MASON