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"Ye shall know the truth, and the truth shall make you free".

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BEHIND THE GATT CIRCUS

by Eric D. Butler

Amidst all the hype concerning the alleged success of the General Agreement on Trade and Tariffs (GATT) following seven years of negotiating, one of the most significant statements was that this was the most important international agreement since the Bretton Woods agreement. The Bretton Woods agreement, masterminded by Harry Dexter White, a top Jewish communist agent inside the American Treasury, prepared the Way for the establishment of the International Monetary Fund and the World Bank, both these institutions being regarded as of major importance in an overall programme designed to create some type of a New World Order. GATT is another major feature of that programme. It is designed to attempt to introduce a world free trade system. It should always be borne in mind that the International Bankers, aided by an army of tame economists, are the leading proponents of such a system.

All developed nations are operating under a debt financial system, which drives them to try to solve domestic problems by increasing their exports. The long controversies associated with GATT have to do with what sacrifices of local industries, both primary and secondary, are the member nations - over 100 of them - prepared to make to further a global programme. Most of the publicity concerning GATT has had to do with food producers, but GATT covers all aspects of trade, as witnessed by the controversy between France and the USA concerning the exporting of American films into France. The French see this as an assault on their culture, as they see the pressure on French small farmers as also a threat to a distinctive feature of French culture. Local cultures everywhere are threatened by rootless cosmopolitanism.

Australian primary producers, and Australians generally, are being told that they are "set to reap billions from successful GATT deals". But any such deals must be at the expense of primary producers elsewhere. The Federal minister for Trade, Senator Cook, continues to press for greater access to European markets for Australian primary products, markets already glutted with domestic production. Violent protests have forced the French politicians to reluctantly agree to the GATT proposals if their farmers are provided with a bigger "safety net" in the form of increased subsidies. This means either higher taxes or greater debt for all taxpayers of the EEC countries. Mass unemployment is already resulting in serious social dislocation in all EC nations. The President of the European Commission, Jacques Delors, one of the main architects of the drive to create a Unified Europe, has reacted to the situation by recommending a massive reconstruction programme in the field of transport and communications, with greater "labour flexibility" and the retraining" of the unemployed. Such a programme can only increase the growing tensions inside Europe. But the centralisers relentlessly keep

OUR POLICY

To promote loyalty to the Christian concept of God, and to a society in which every individual enjoys inalienable rights, derived from God, not from the State.

To defend the Free Society and its institutions - private property, consumer control of production through genuine competitive enterprise, and limited decentralised government.

To promote financial policies, which will reduce taxation, eliminate debt, and make possible material security for all with greater leisure time for cultural activities.

To oppose all forms of monopoly, either described as public or private.

To encourage electors always to record a responsible vote in all elections.

To support all policies genuinely concerned with conserving and protecting natural resources, including the soil, and an environment reflecting natural (God's) Law, against policies of rape and waste.

To oppose all policies eroding national sovereignty, and to promote a closer relationship between the people of the Crown Commonwealth and those of the United States of America, who share a common heritage.

trying to push forward.

Australian rice growers, who believe that they might be able to help solve their problems if sufficient international pressure is applied to Asian rice growers like the Japanese and the South Koreans, are overlooking the violent social and political implications for Asian countries if their traditional rice growers are destroyed. And even Senator Cook has suddenly discovered that subsidised American rice growers are, as a result of an American-EEC agreement, going to be in a stronger position to force their way into the Japanese and Korean markets. A recent press report on the parlous plight of the Japanese economy is headed *SUN SETTING ON JAPAN'S GOLDEN AGE*. The hard pressed Japanese government is desperately seeking ways to stimulate the economy. Clearly GATT is not going to help the Japanese. The whole Asian region is one of mounting problems, economic social and political. If Australia had any statesmen, they would be taking steps to insulate the Australian economy from growing international turbulence, not increasingly link Australia to that turbulence.

A great betrayal

All the major political parties have betrayed the Australian people by accepting the view that if all forms of protection of Australian industry, primary and secondary, were reduced, this would help Australia gain through the GATT negotiations. Some economic gurus are arguing that because it set such an outstanding example in reducing protection for its own industries, Australia was not required during the GATT negotiations to make any further major reductions. The naive view has been advanced that other nations will be impressed with a nation, which within a short period of time destroys fifty percent of its industrial base and progressively eliminates the family farm and the culture associated with it, and will follow the Australian lead. The economic gurus at the OECD actually believe that because of the GATT agreement, the Europeans will be better off because they will be able to import cheaper food than they can produce themselves, and will be able also to export more of their secondary production. World trade will allegedly increase by billions of dollars. No explanations are offered about where these billions are going to come from.

On the eve of the finalising of the GATT agreements, a study compiled by the economic advisers to the GATT Secretariat, consisting of thousands of permanent international bureaucrats, claimed that the agreements would result in an overall increase by 12 percent by the year 2005. And it forecast that world income only from net access accords would be increasing by \$346 billion annually ten years after the GATT liberalisation proposals started to go into effect in 1995. There are no recorded references to the mounting debt burdens under which all nations are attempting to operate.

The establishment of the European Common Market, with a protection policy designed to limit imports from other countries, gave rise to the concept of the North American Free Trade agreement. President Clinton got this agreement through Congress by brutal pressure on reluctant Congressmen. Anyone who takes the time to study this agreement knows that it means - as with all free trade programmes - that there are casualties. It is clear that sections of the Canadian rural economy, fruit growing and dairying for example, will be forced out of existence. But building another global trade bloc, which, incidentally, is not going to help Australian primary exporters, is not going to solve the basic problems of the world. Neither will the establishment of an Asian Trade Bloc, as urged by Prime Minister Keating. Every drive towards supra-nationalism

merely generates more tensions and disorder. As time passes, and events unfold, the much publicised GATT negotiations of the past seven years, will appear like either a bad dream or something like the Mad Hatter's Tea party in *Alice in Wonderland*.

The only certainty about the GATT agreement is that it might ease slightly Australia's unemployment, with more bureaucracies required both domestically and at Geneva to strive to make the numerous GATT deals actually work! One press report says that all involved concede "*it's one thing to sign it (GATT) but now the agreements have to be implemented, to be put in place and policies to make sure they are honoured*".

Economic independence for survival

It can be predicted with complete certainty that if nations persist with their current finance-economic policies, they will come under increasing pressure to organise themselves into more tightly controlled trading blocs. The GATT agreement says nothing about the Asian region, where a big expansion of credit has been necessary to finance a massive expansion programme. In order to maintain this programme, Asia requires to expand its exports into Europe, currently the world's biggest market. But in order to try to solve their own problems, the EEC nations must try to limit imports from Asia. Growing friction is inevitable.

In the perilous years ahead, those nations with the greatest capacity for survival will be those who have pursued policies of economic independence. GATT should be seen for what it really is: part of an international programme designed to erode genuine national sovereignty, and firmly rejected.

OBITUARIES

We record with regret the recent passing of two more of a dwindling band of pioneers of the Social Credit movement in Australia, Mr. Harry Scoular of New South Wales, and Mrs. Lucille Quinlan of Victoria. Harry Scoular was an official of The Social Credit Secretariat for many years. Lucille Quinlan and her husband, James Quinlan, were amongst the early subscribers to *The New Times*. Lucille Quinlan was a teacher, taking her MA at the Melbourne University. A devout Christian, she reached the age of nearly 93. She had several historical works to her credit and we are hoping that a review of her literary career will appear in a coming issue of the quarterly magazine of the Heritage Society, *Heritage*. Lucille Quinlan spoke on a number of League platforms, her last address being at the League's 1970 National Seminar on education.

THE CHOSEN RACE MYTH

" I have no doubt whatever that the Chosen Race Myth, with its corollary of Messianism, is the key myth of history, and that in it we can find almost a complete explanation of the world's insanity (e.g. divorce from reality); and an almost complete indication of the path to recovery."

C.H. Douglas in *Programme For the Third World War*.

REALISTIC CONSTITUTIONALISM

In his 1947 lecture to the Constitutional Research Association in London, C.H. Douglas said, "Speaking, not of course, as a lawyer, but as a student of history and organisation, it is my opinion that the restoration of the supremacy of Common Law; the removal of encroachment upon it, and the establishment of the principle that legislation by the House of Commons impinging upon it is *ultra vires*, is an urgent necessity. The locus of sovereignty over Common Law is not in the interest of the electorate, because Common Law did not derive from the electorate and indeed antedated any electorate in the modern sense. In the main, it derived from the Medieval Church, perhaps not directly, but from the climate of opinion, which the Church disseminated . . .

"When England had a genuine Trinitarian Constitution, with three interrelated and interacting loci of sovereignty, the King, the Lords Spiritual and Temporal, and the Commons, these ideas were instinctive, and those were the days of Merrie Englede. Since the Whig revolutions of 1644 and 1688, and the establishment of the Bank of England under characteristically false auspices in 1694, the Constitution has been insidiously sapped by the Dark Forces, which knew its strength, and the obstacle, which it offered to treachery. We now have only the mere shell of the Constitution . . . To an audience of this character, I do not need to enter into a

discussion on the merits or otherwise of democracy, because whatever else it may be, Great Britain is not, and never has been an effective democracy, and was never less so than at present. Nevertheless, short of a coup d'etat, I do not think that the idea of democracy, which is of course very nebulous, can be abruptly abandoned. It has been too much propagandised, and means too many things to too many men . . . But whether by the strengthening and elevation of Common Law, and its repository in the care of an effective Second, non-elected, Chamber, or by some other method, clearly defined limits must be placed on the power of a House of Commons elected on a majority principle . . .

"To a very considerable extent, we must retrace our steps, in the face of many false guides, to the fork in the road somewhere about the time of the so-called Reformation . . . Our present situation is not adventitious - it is the outcome of a venomous hatred and envy of our indigenous qualities. If anyone is foolish enough to suppose that the prestige of this country and the Empire, and with them, the welfare of the population, can be restored by an appeal to an anonymous, irresponsible, and misinstructed ballot-box democracy, I can assure them that, if their opinion should prevail and our destinies be submitted to decisions by that process, the outcome is a mathematical certainty - our final eclipse."

RUSSIAN REALITIES

Informed observers of the Russian scene were not surprised about the dramatic electoral support for Vladimir Zhirinovskiy at the recent Russian elections. Our contemporary *On Target* drew attention to the importance of Zhirinovskiy some months back, quoting some of his generally unknown views and stressing that the desperate Russian people could turn to a man like Zhirinovskiy. Well known American columnist and Republican candidate at the last Presidential elections, Patrick Buchanan, was suggesting last year that instead of worrying about the alleged upsurge of "neo-Nazism" in Germany and elsewhere, the West should be heeding how Zhirinovskiy was articulating the growing unrest among the Russian people. The imposition of the policies of the International Monetary Fund were polarising Russia into a relatively few wealthy people and a majority of people who feel that they were better off under Communism. The big vote for the Communists in the recent elections was not surprising. It follows in the wake of the massive upsurge of support for the Communists in Poland and Italy.

Although Zhirinovskiy is, according to some reports, of Jewish background, he has criticised the strong Jewish influence in Russia and has even attacked Zionism. It may be that Zhirinovskiy is being politically astute in doing this, well aware of the strong anti-Jewish feelings of large numbers of Russians. If so, he is emulating Hitler who, contrary to popular mythology, did not create "anti-Semitism" in Germany; he shrewdly exploited the widespread anti-Jewish feeling among a German people who observed that German Jews generally appeared to be the main beneficiaries of the inflation crushing the rest of the community.

The background of the Russian people has been such that they tend to gravitate towards strong leadership. Should the economic plight of the Russian people continue to deteriorate, as it almost certainly will if the International Monetary Fund

programme is maintained, it is almost certain that someone like Zhirinovskiy will emerge as a new leader.

While Zhirinovskiy has made a number of apparently contradictory media statements, it is clear that he is not over-impressed with the West, charging that the West has taken advantage of Russia's cheap resources, has conquered Russian markets and pays "slave wages". There is a growing resentment that Western-based international consortiums have moved into Russia. Zhirinovskiy wants better relations with the Middle East and says that he admires Saddam Hussein "as a person". There is no doubt where the Russian leader stands on nuclear weapons. He wants a strong military Russia and warns that he would not be afraid to use that strength to prevent any weakening of Russia's position anywhere.

Western diplomacy should already be considering the possibility of Zhirinovskiy coming to power in Russia. But diplomacy capable of dealing with such a situation requires a break with a financial orthodoxy, which drives developed nations into striving to solve domestic problems by progressive exports and international programmes like GATT.

AUSTRALIAN JEWRY

"Today, Australian Jewry is a major independent force on the world Jewish scene. It is growing, and numbers about 100,000. Its range of synagogues, schools and communal facilities is remarkable. It no longer sees itself as an offshoot of British or any other Jewry."

Jewish Chronicle, London, UK, November 5, 1993.

All anti-Zionist influences inside the Australian Jewish community have long since been driven out, leaving Mr. Isi Leibler, formerly of Belgium, and brother Mark as dominant figures.

"A JOBLESS CENTURY"

This was the headline of a recent article from New York, which starts with the comment that **The jobless recovery gained fresh momentum this week with further job cuts.** Then followed a list of what major American corporations are planning for the future. Xerox plans a further ten per cent reduction if its workforce over the next two years. General Motors has cut 50,000 jobs this past year and plans further reductions. Sears Roebuck has cut 50,000 and other major companies are doing likewise. According to estimates, a "restructuring" American economy in the corporate sector has cost 600,000 jobs, most of these being white-collar workers. The same pattern is emerging in every industrialised nation, including Australia. While there is much discussion about a "slow recovery" taking place, measured in terms of corporate profits, unemployment remains high with a number of economic writers pointing out that "full employment" is now a thing of the past. The community has now become conditioned to accept high unemployment, probably 10 percent as measured in official figures, with the result that it is no longer the volatile political issue of the past. The politicians will continue to go through the motions of appearing to do something, as witnessed by the proposal for "regional development" brought forward by Paul Keating's Trade Union "mate" Bill Kelty, but even a massive upgrading of Australian transport systems, which is highly desirable, can make little impact on unemployment when every day brings forward new technology for displacing human labour from the productive system.

In more ways than one, the human drama is now moving towards a crisis situation unparalleled in recorded history. C.H. Douglas warned that such a crisis was inevitable if the economic system was perverted to try to serve the philosophy underlying full employment. It was not a question merely of the debt system breaking down, but of civilised society disintegrating. The signs of that disintegration are becoming clearer by the day. There are, of course, those with eyes who still cannot see, but reality will keep breaking through. The best that the politicians and their economists could do during the Great Depression, when official unemployment figures in countries like Australia soared to over 30 percent, was to alleviate the situation - but only with doses of more debt and political and economic centralisation, like the New Deal in the USA. Unemployment, however, remained high until the outbreak of the Second World War.

As the New Year starts, there are at least 30 million unemployed throughout Western industrialised nations. Many of those unemployed are the young whose energies are increasingly channelled into acts of violence. The violence grows as the ideologues attempt to impose their multi-cultural Utopia. In spite of the disastrous plight of its economy, Japan has relatively little violence, primarily because of its homogeneous society. But it has experienced the same type of political backlash now taking place in all Western nations. Unless some sanity can be brought to bear on the crisis, all attempts to resolve problems by grandiose plans for New World Orders can only worsen the situation.

What is the problem?

A problem correctly stated is a problem already half solved. What is the essence of the unemployment "problem"? In order to answer this a further question must be asked, "*What is the true purpose of production?*" If that purpose is to control

the human being by keeping him employed in the production system, then clearly the answer is to stop using modern labour-saving technology. Scrap the earthmoving equipment and employ tens of thousands with picks and shovels. This would then give a tremendous fillip to the manufacturing of picks and shovels. If, however, the true answer concerning production is to provide what consumers genuinely want in the shortest possible time and with the minimum of human labour, then all that is necessary is a financial policy making this possible. The major factor in modern production is inheritance of all kinds, which belongs of right to everyone.

If this is accepted, then the first step towards placing the individual in possession of his inheritance, a major result being that he would have more free time, would be to reduce the retiring age to perhaps 50, every individual voluntarily leaving the production system, being guaranteed an adequate pension. This would make it possible for younger members of society to obtain unemployment and learn various skills. Adequate pensions should be paid to those mothers who prefer to spend full time in their homes looking after their children, one of the nation's greatest assets. A break with debt finance and the issue of debt-free credits would make it possible to move any Western nation off the present disaster course. Australia could lead.

Failure to tackle the unemployment question constructively makes it inevitable that there will be increasing political, economic and social convulsions.

WHAT YOU ARE MISSING IN "HERITAGE"

"Heritage", the quarterly magazine of the Heritage Society, goes from strength to strength, with articles of the highest standard. The latest issue, September-November, celebrating the 30th Anniversary of the Sydney Opera House, reaches a new high. Alan Barton writes of HMS Sirius, Australia's first flagship, guarding the First Fleet of eleven ships when the nation started in 1788. Dr. Geoffrey Dobbs examines the corruption of Christendom through the corruption of language. The controversial address by Prince Charles, in Paris, in defence of French Rural Culture, is His Royal Highness at his best. Writer and poet Nigel Jackson contributes a delightful review of the romantic novel, *I Capture the Castle*, by Dodie Smith. And there are "Confessions of An American Tory" in which the author, Charles A. Coulombe, outlines why as an American citizen he is a Monarchist. Fascinating reading. And there is much more in *Heritage*. \$6 posted. Annual subscription \$20. From P.O. Box 3035 Midland, WA. 6056. Tel/Fax (09) 574 6042.

THE SOUTH AFRICAN INVASION OF AUSTRALIA

The following is an extract from an article, *"The South African Wave"*, in the December 10 issue of the *Financial Review*:

"The way South African Neville Miles tells it, the Fairfax advisers sat around a table. Among them were Geoff Levy, David Gonski, Roy Randall, Stephen Chipkin and Neville Miles. There were a couple of Australians, Trevor Kennedy and Malcolm Turnbull. . . There are only about 60,000 South Africans in Australia, but they are, without a doubt, the most visible, privileged, noisy, successful and demanding migrants the country has ever had.... "They are the most solicited and sought-after migrants of all", says South African-born Professor of Politics at Macquarie University, Colin Tatz. "They are the hardest working, they bring their own money, they are never a drain on social security" . . .

"These migrants are not representative of the South African population. There are few blacks, Cape Coloureds, Indians and Afrikaners. Mostly our South Africans represent a highly educated, white, mainly Jewish, liberal, professional class, transplanted as if by magic carpet from Cape Town and the northern suburbs of Johannesburg."

PROFESSOR BLAINNEY ON MABO

Professor Geoffrey Blainey is Australia's most distinguished historian. He had made his reputation as an historian long before being invited to enter the world of academia. He is his own man, and economically independent. In many ways he is like British historian David Irving. Blainey was disowned by fellow historians when he made his famous warning that Australia's immigration policy was on a disaster course. Blainey's recent writings reflect his roots, deep in rural Australia. He is one of the authentic voices of traditional Australia.

A quiet man of great courage, Geoffrey Blainey has dared to criticise the High Court and its Mabo decision. He has effectively answered the criticism of Prime Minister Keating. He makes the telling point that **"Many people who deeply respect Aborigines are puzzled at the High Court's idea that injuries of long ago are a permanent barrier to success. After all, some of Australia's richest people came here when they were young, without money, without the language and with their spirits bruised but not broken at Nazi hands."** The logic of the High Court's view is that these people should still be poor.

At one time the Irish immigrants were at the bottom of the social ladder in the USA, But they seized the opportunities provided in a new country, and have made distinctive contributions to the USA. The Irish who were sent to early Australia were also disadvantaged. But they did not stay that way, some of their leaders becoming outstanding exponents of the virtues of the British system of law and constitutional government.

Professor Blainey says that the problems, which affect Aborigines the most, ill health, lack of education and adequate housing, will not be solved by the Mabo legislation. He points out **"There is no evidence that the granting of land in the Northern Territory has greatly improved the infant mortality rate or the health, housing and education of adult Aborigines. What it has done is weaken the Northern Territory economy, and thereby cut job opportunities in**

the only region where the proportion of Aborigines is high."

Blainey observes that Australia has in the Northern Territory, already conducted a most generous experiment in land rights for Aborigines, and that that experiment has failed. But ideologues like Paul Keating and his supporters shut their eyes to realities and insist on enlarging an experiment, which are already failed. They have done enormous national damage, and will do more unless they are halted before much longer.

MULTICULTURAL MACHINATIONS IN VICTORIA

The state of the Labor Party in the State of Victoria provides a striking example of how multiculturalism can be exploited in the interests of party power politics. Following the loss of Labor party pre-selection for the next Victorian elections, Licia Kokocinski, a former member of the Victorian Labor Party shadow ministry, has spoken out about how ethnic groups are being used to stack Labor Party branches. She writes, **"People from ethnic communities who congregate together will support their unofficial or official spokesperson(s). They will be very easily persuaded to join Labor in bulk if it means that their spokesperson will be given a seat in Parliament or local government, or that their group gets greater access to certain community facilities. When the time comes, they loyally vote in a way that enhances their sectional interest"**

Licia Kokocinski endorses the view of Mr. Ernest Healy of the Monash University who warns that bulk recruitment of ethnic groups into Labor Party branches **"has the potential to exacerbate imported ethnic antagonism"**. Healy claims that branch influence now virtually requires the ALP to select parliamentary candidates on the basis of race. Healy says that the first ethnic branches were established in Northcote. There were Greek and Italian branches. Greek branches have been the most influential as witnessed by the number of Greek-ethnic candidates selected for winnable Victorian parliamentary seats. Apart from the Greek and Italian branches, there are Kurdish branches, three Arabic, one Macedonian, two Turkish and one Timorese. There is currently one Spanish-speaking branch, but a major effort is being made to establish at least four more.

Healy points out in an article in the *Herald Sun*, Melbourne, of December 22, that the seeds of the problem were sown in 1983 when the Hawke-led Federal Labor Party came to office determined to break Australia from its cultural past. **"It wanted to deregulate the economy, but was also fixated with Australian society more integrated with the Asia-Pacific . . . During the 1980s Labor leaders rejected the idea of a mainstream Australian identity . . . Although never a popular policy, multiculturalism was enforced from above as the morally and politically correct standard by which Australians now had to identify themselves."**

In Victoria, the Ethnic Affairs Commission, established by the Cain Government and continued by the Kennett government, has in its grants favoured Greek and Italian organisations, even though both the Greek and Italian populations from their native countries had declined in relationship to other foreign-born groups. Labor politicians are quick to level the charge of "racism" against anyone who attempts to discuss the factor of race in politics, but cynically exploit ethnic groups in their bid to gain and hold power.

The Keating government has furthered multicultural machinations in its drive to tear Australia from its traditional roots as part of its Republican programme.

THE CREATION OF MONEY

One of the most astonishing aspects of a world gone mad (divorced from reality) is that, in spite of the fact that no serious student of economics disputes the fact that money in the modern world is created by the banking system, there are still politicians like Australian National party leader Tim Fischer, who dispute this. Occasionally the subject is dealt with realistically in what some might feel is a surprising place, including bank journals. But it was interesting to read an article on the subject in the January 1993, issue of *National Geographic Magazine*. A 28-page article by Peter White provides an excellent history of the development of the modern money systems.

The following from the article is worth "placing on record":

Bills and coins make up about 8 percent of the U.S. money supply - the rest is in bank accounts, including cheque book money, at this writing the sum total is 3.5 trillion dollars, says the Fed - the Federal Reserve System, which is the central bank of the government of the United States - and that is three billion more than a month ago. This is how it happens.

"Every business day, after a telephone call at 11.15 am the Federal Reserve Bank of New York, acting on directives from the Federal Open market Committee at Fed headquarters in Washington, buys U.S. government securities from major banks and brokerage houses, or sells some - usually U.S. Treasury bills, which in effect are government promissory notes. Say today the Fed buys a hundred million dollars in Treasury bills from those big security dealers, who keep a stack of them to trade with the public. When the Fed pays the dealers, a hundred million dollars will thereby be added to the country's money supply, because the dealers will be credited that amount

by their banks, which now have that much more on deposit.

"But where did the Fed get that hundred million dollars? **'We created it'** a Fed official tells me. He means that any time the central bank writes a cheque, so to speak, it creates money. **It's money that didn't exist before'**, he says. Is there any limit on that? **'No limit, only the good judgment and the conscience of the responsible Federal Reserve people'**.

"And where did they get this vast authority? It was delegated to them in the Federal Reserve Act of 1913, based on the Constitution, Article 1, Section 8 **'Congress shall have the power . . . to coin money, regulate the value thereof. . .'**

"Now watch how the Fed-created money lets our commercial banking system create even more. The Fed requires banks to put aside a portion of their depositors' funds as reserves. Say this reserve ratio is set at 10 percent - then for every \$1000 in new deposits, a bank must keep at least \$100 in reserve, but can loan out the rest, namely \$900. On the bank's books this loan remains as an asset, earning interest until it is paid off. The customer who got the loan is likely to spend it right away, say for a used car. The car dealer deposits the \$900 cheque in his bank, which then has an additional \$900 in reserves and in turn can loan out 90 percent of that - \$810. And so on and on, until the original \$1000 put in one bank may enable dozens of banks to issue a total of \$9000 in new loans.

"Thus a hundred million dollars injected by the Fed into the commercial banking system could theoretically stimulate the appearance of 900 million dollars in new cheque-book money - money that didn't exist before. And it's all built on the assumption that the system is sound . . ."

BASIC FUND EDGES FORWARD

A magnificent burst of giving over the pre-Christmas period and continuing over the holiday period has edged the League of Rights' 1993-94 Basic Fund forward towards \$50,000, which hopefully will be reached within the next few weeks. During the latter stages of the Basic Fund campaign, the League will, as usual, be relying heavily on those who have delayed their contribution until they can afford it, or have waited "to see what happens". We urge all these not to delay too long, ensuring that the target of \$60,000 is reached before the end of April.

Readers will be interested to know that there has been a most encouraging response to the appeal for special donations to help finance the *Welcome to Prince Charles* advertisement in *The Weekend Australian* of January 22-23. Although costly the League's special Division, *The Australian Heritage Society*, is confident that the welcome will bring a flood of new contacts, subscriptions to *Heritage* and sales of the collection of Prince Charles' addresses. With a new special offensive on the heritage front concerning the Republican issue, and a series of seminars on the updated and professionalised Social Dynamics School, the League is away to a "flying start" for 1994.

MABO MADNESS

We do not often find ourselves in agreement with Federal opposition leader Dr. Hewson, but he is right when he describes the Federal government's Mabo legislation as a "national disaster". Prime Minister Keating would be well advised to enjoy his current strutting of the political stage, because it will not be long before the bitter fruits of his programme start to become obvious. In all the hype about the passing of the Mabo legislation, there was no mention of the criticism by the daughter of the late Eddie Mabo, living in Sarina, North Queensland, who said that her father would be turning in his grave about what was now happening. Her brother agrees with her. A number of Australians of part Aboriginal background have been paraded in front of the television cameras lauding the Keating legislation. But no tribal leaders have been seen. And no one sought the views of the Rev. Cedric Jacobs, both of his parents being tribal Aboriginals. Cedric Jacobs, author of *Healing a Divided Nation*, was at one time forced out of the Uniting Church because of his opposition to the Church's policy on "land

rights". Cedric Jacobs opposes the collectivist ownership philosophy and believes that all Australians, irrespective of background, can only develop by being personally responsible for their property.

So far from the Mabo legislation leading to something Paul Keating describes as "national reconciliation", there is going to be a growing backlash against Australians of Aboriginal background as the lawyers move in to press what in many cases will be absurd land claims. The Australian taxpayers will be subsidising the cost of mounting these claims.

Those desiring to understand the far-reaching national significance of the Mabo legislation should obtain a copy of an address on the subject by one of Australia's most outstanding constitutional lawyer, Dr. David Mitchell. Order from MEA Tape Library, P.O. Box 118, Numurkah, Victoria. \$5. posted.

A LESSON FROM ITALY

Italy was one of the founding members of the European Economic Community, the first treaty being signed in Rome. But the Italians, particularly those of Northern Italy, are joining with the growing number of people around the world who are in revolt against centralisation and "unity". Those who wish to associate with people of their own kind and demand a greater say over their own affairs, are smeared as "racists". British Judge Israel Finestein, on a recent visit to Australia as a guest of the Australian Institute of Jewish Affairs, said that the British Board of Deputies was pressing the European Economic Community to "harmonise" race laws. The good Judge said that he and his colleagues had been to see German Chancellor Kohl in Bonn to express concern over the rise of "racist violence" in Germany. Of interest is Judge Finestein's expressed concern about the situation in Italy, where the Northern Italians have been voting strongly in favour of the Northern League, with its programme of dividing Italy into three autonomous Republics. The people of Northern Italy identify more with the people of Northern Europe than with the people of Central and Southern Italy. The Northern League represents a people, who are the descendants of the Lombards, a Germanic people who occupied Northern Italy after the fall of the Roman Empire. It is, of course, "racist" and not politically correct to mention such realities. The Northern League now has 92 members in the Italian Parliament and believes it will control local government in Northern Italy after the 1995 local government elections.

JOHN FITZGERALD RESUMES SOCIAL CREDIT TRAINING COURSE

We are pleased to report that the senior tutor for the Social Credit Correspondence Course, Mr. John Fitzgerald, is able to resume his activities, which were terminated by a major car accident some months ago. He was extremely fortunate not to have been injured more severely, although major surgery was required on his leg. He is now at home convalescing, but feels he can return to supervising those who wish to undertake the eight weeks basic Social Credit Training Course. The cost of this course has remained at the moderately priced charge of \$20. This includes the notes for the course and, of course, postal charges. Those interested should write to Mr. John Fitzgerald, c/- Box 1052J, G.P.O. Melbourne.

LATEST ON DAVID IRVING

As we go to press we have received a news release from David Irving's Australian publishing representative stating that South Africa has now joined the list of countries banning Irving. Irving had previously been permitted to visit and stay in South Africa on the understanding that he did not address any public meetings or give any media interviews.

In an attempt to force Australian Immigration Minister Bolkus to make an immediate decision concerning Irving's application for a visitor's visa, his Australian legal representative has written to the Minister reminding him that he is under an obligation to make a decision without unreasonable delay. In the absence of such a decision, Irving would be forced to take appropriate legal action.

We remind our readers that David Irving's Australian publishing representatives have established a defence fund to meet his high legal expenses. Those contributing receive a personal acknowledgement from David Irving. We would strongly recommend that as many as possible write letters of protest to The Honourable N. Bolkus, Minister of Immigration, Local Government and Ethnic Affairs, Canberra, A.C.T. 2000, protesting against the continued banning of David Irving. Letters should also be sent to leaders of the Liberal and National Parties, Dr. John Hewson and Mr. Tim Fischer, requesting that Australia maintain its reputation as a nation dedicated to the defence of free speech within the Common Law.

WELCOME TO PRINCE CHARLES

The Weekend Australian of January 22-23 will carry a prominent welcome to Prince Charles, this inserted by The Australian Heritage Society, a division of The Australian League of Rights. The Heritage Society thanks all those League supporters who made this striking advertisement possible. Well over half the total cost of the advertisement has been donated and it is certain that the response to the welcome will generate sufficient support to meet the balance. This is the first step in an expanded 1994 campaign in defence of the Constitutional Monarchy. We strongly recommend that as many of our readers as possible should become subscribers to the high quality quarterly magazine *Heritage*. (\$20 per annum), and thus keep in constant touch with what will be an on-going programme.

WAR CRIME TRIALS END

All decent, Christian Australians were relieved when the last of the obscene war crime trials were ended late last year. The Prosecution dropped the case against the third and final accused, Mr. Heinrich Wagner. As was to be expected, Zionist leaders were not overjoyed, Mr. Isi Leibler claiming that the \$30 million spent was "the necessary price of justice."

WHAT "ECONOMIC RECOVERY"?

Students of economic affairs are familiar with how certain tame economists permit themselves to be used by sections of industry to try "to talk up" economic activities. The big retailers are notorious for having the media carry as much encouraging news as possible. The media is quite happy to lend its support as it relies heavily upon the advertising of the bigger retailers.

Currently there are a spate of items appearing in the media claiming that there are now "clear signs" of economic recovery. One economic soothsayer claims that the recovery is following the pattern of the recovery from the Great Depression of the 'thirties. He boldly states that it was possible to pinpoint 1934 as the year in which it was possible to say that the depression was "officially" over. This will be news to those older Australians who grew up during the Great Depression years.

It is true to say that there was a slight improvement in the grim conditions when an easing of a restrictive credit policy, both in Australia and in other countries was implemented. But hundreds of thousands remained unemployed and rural industries were depressed right up until the outbreak of the Second World War in 1939. Hitler's Germany, which adopted a full-blooded Keynesian-type credit expansion programme, dramatically demonstrated the close relationship between credit policy and economic activities. Much of the new credits were, of course, related to re-armament, as the famous British writer, Douglas Reed, pointed out. His despatches to the *London Times* warning of what was taking place in Germany were heavily censored, resulting in Reed resigning his position as a European correspondent for what was then the most influential paper in Great Britain.

An easing of the harsh British depression conditions only started when the Chamberlain government belatedly started to expand the credit supply for re-armament. In spite of Roosevelt's New Deal programme in the USA, with a heavy concentration upon public works, the American economy remained badly depressed until the outbreak of the Second World War. The Australian economy, including the rural sector, only improved as the money supply was expanded to finance the war effort. Compared with the conditions of the Great Depression years, the great majority of Americans enjoyed relative prosperity during the Second World War. This higher standard of living was possible in spite of the enormous destruction for war.

A study of the growth of a nation's money supply indicates clearly what is happening to the economy. Under orthodox financial rules, such an expansion inevitably results in inflation. Currently this is happening in Communist China, which like several other Asian countries has a rapidly expanding economy because of an expansion of the money supply. Press reports state that the Chinese are now concerned about an "over-heated" economy and the necessity to reduce the rate of credit creation. The current inflation rate is over 20 percent.

A graph of the rate of monetary expansion in Australia shows that there was a big rate of expansion following the de-regulation of banking. This resulted in the frenzied period of speculation during the first part of the eighties. Property prices, particularly in and around the big cities, moved upwards, as did prices generally. Then came Prime Minister Paul Keating's famous observation concerning "the depression we had to have". The economic downturn and the big increase in unemployment coincided with a big reduction in the rate of credit creation. The official inflation rate came down as

industry was forced to "re-structure", with a growing number driven out of Australia to attempt to take advantage of the much lower wages in Asia. The general standard of living has been driven down. The real unemployed figure is much higher than officially admitted.

Deepening crisis

Every industrialised nation is now in the grip of a deepening crisis, a crisis with far reaching social implications. The economic witchdoctors are now claiming to see signs of an economic recovery in the USA. They point, for example, to the fact that the bigger American corporations are becoming more "profitable". But, as in Australia and elsewhere, such profitability has only been achieved by cutting wage costs and more economic centralism. Ironically, the very Japanese economy, which was once heralded as a model for the rest of the world, is now in such a parlous plight that American exporters feel that they can take advantage of this fact. It is now openly stressed in Japan that only a major credit expansion policy can overcome the plight of the nation, now experiencing political as well as economic turmoil. But, like a drug, credit expansion, particularly under debt finance, can only have a short-lived effect.

The views of the economists are often contradictory. *The Australian* carried a front-page headline, LEADING ECONOMIES TURN THE CORNER, while another report from Japan was headed, JAPAN FAILS TO HEED SHRILL SIGNALS OF ECONOMIC ALARM. The story following read, The Japanese government looks as if it has failed to grasp the seriousness of what has become, by some measures, the country's worst depression since World War II. After 32 months of economic down turn or decline, the economy has failed to respond to record low interest rates and. . . \$400 billion of public spending packages." The report says that the Bank of Japan was too slow with a stimulatory policy because it wished "to make sure that the bubble of the late 80s was fully deflated". The state of the Japanese economy is forcing Japanese steel producers to demand that Australian coal producers lower their prices. Australian coal producers are naturally worried.

Japan's basic problem is the same as that of all other industrialised nations: enormous productive capacity, which outstrips the capacity to consume. It is estimated that the Japanese car industry has the overcapacity to produce the equivalent of the total car market of Britain and France.

The famous Chinese sage, Confucius, said that it was folly to continue running harder on the wrong road. Every industrialised nation, including China, is trying to run harder on a road leading to deeper financial debt, destruction of the environment, social disintegration and never-ending conflict between nations trying to solve their domestic problems by exporting them to other nations. It is time for one of the smaller nations, like Australia, to break with the dominant finance-economic madness and set out on a different road, one leading to harmony and peace.