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"Ye shall know the truth, and the truth shall make you free" - John 8 31.

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QUEENSLAND ELECTIONS DRAMATICALLY CHANGE AUSTRALIAN POLITICAL SCENE

by Eric D. Butler

Irrespective of what one thinks of her, Queensland M.P. Pauline Hanson is the greatest phenomenon in Australian political history. Patrick Buchanan, the well-known American columnist and articulate representative of traditional America inside the American Republican party, has recently written in *The Washington Post* on the Hanson phenomenon, suggesting it is a manifestation of a worldwide trend of a growing revolt by the victims of globalism and multiculturalism. Buchanan is a courageous critic of the influence of the Zionist-Jewish lobby on American foreign policy, and a staunch nationalist. While condemning the impact of economic rationalism on American wage earners Buchanan does not appear to have any more constructive answers than does Pauline Hanson. **But events could force some changes in thinking, as they could in Australia.**

However, it is clear that the realities of orthodox finance economics are resulting in big revolutionary changes in the global scene. The current stress on the importance of Communist China is one, which Australian nationalists ignore at their peril. It may be that the sensational Queensland State elections are the harbinger of a major new development in Australian politics and economics.

Well-known election analyst Malcolm Mackerras made the following comment immediately following the Queensland elections, which resulted in the election of eleven One Nation candidates and two Independents holding the balance of power.

"If John Howard loses the next Federal Elections history will conclude that the turning point was the Queensland poll. This was a State election dominated by Federal issues and Pauline Hanson was the issue." Ever since the Queensland elections shock waves have increased throughout the ranks of the National and Liberal party Federal coalition, as the public opinion polls reveal a steady drift of support towards One Nation. The main victims of the erosion of support for the Coalition parties are the Nationals. It is no secret that several of these are preparing to leave what they can perceive is a sinking ship. John Howard is desperately attempting to hold together a Coalition, which is threatened with growing internal friction. The failure of the Senate to pass the complete Telstra sell-off was a devastating blow to Howard's pre-election strategy, the essence of which was to attempt to bribe the electors with money derived from the sale of their own assets. The failure of

OUR POLICY

To promote service to the Christian revelation of God, loyalty to the Australian Constitutional Monarchy, and maximum cooperation between subjects of the Crown Commonwealth of Nations.

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 all 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) laws, against policies of rape and waste.

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

former Queensland Labor Senator Colston must have been a bitter pill for "Honest John" Howard, who had originally insisted that the government would make no deals with Colston, the man charged with rorting the travel allowance system. Such are the vagaries of party power politics. John Howard and the hard-nosed Peter Costello, who no doubt is keenly anticipating the opportunity to take Howard's place, are now threatened to become victims of their betrayal of the Australian people to the god of internationalism.

A prediction

While predicting that the National Party was faced with disaster at the Queensland elections, but failing to see how deep was the anger among electors, I am loath to be too dogmatic about the outcome of the coming Federal elections. But the uniform loss of support for the Coalition parties as reflected by the polls indicates that the Howard government is doomed, while the polls indicate that Labor at best could only win with a small majority. There are some observers who suggest that with One Nation and Independent candidates like Graeme Campbell holding the balance of power in the next parliament, there will be a revolutionary change in the Australian political scene. It is certain that no government, irrespective of its composition, will control the Senate, which remains as the bulwark of the protection of what remains of the liberties of the Australian people.

New political covenant required

Any new political alignments following the election, with any serious challenge to the forces of internationalism, must expect that those forces will resort to all possible steps to defeat that challenge. What is urgently required is a national movement, which can meet an international challenge with wisdom and deep understanding of the nature of the battle.

Assuming that Pauline Hanson survives the election and leads a group of One Nation members in both the House of Representatives and the Senate, is she equipped to provide the type of leadership necessary to meet the challenge of the internationalists, particularly on the vital finance-economic front? It is unrealistic to expect that she is. That is not her fault. And what about her advisers? There is little convincing evidence that either David Oldfield or David Ettridge have the qualities required. Effective leadership would require the building of some type of a loose alliance between all genuine nationalist groups. The movement with the most experience, the League of Rights, has already been eliminated from such an alliance by David Ettridge, who described the League as a "fascist" movement, while David Oldfield has made it clear that he will not tolerate any association between One Nation supporters and the League of Rights. This does not concern the League of Rights, but One Nation has also made it clear that it wants no association with Graeme Campbell's Australia First, refusing to co-operate in either the South Australian or Queensland elections.

Australia First made it clear that it was only entering the Queensland State elections to test the electoral climate in twelve constituencies. It made it clear to its supporters that even if it

only won one seat, this would create the necessary national *perception* that it was a potential national force. While I can understand the disappointment of Australia First members at the Queensland election results (although welcoming the success of One Nation) they have demonstrated that the long-term national interest requires that they continue. An average 5 per cent primary vote, this double the vote of both the Greens and Democrats, demonstrated that there is an adequate base upon which to build for the future. It is to be hoped that they take the long view, conserve their resources, and do not dissipate them in any election contests they cannot possibly win. The nationalist cause in Australia requires that Graeme Campbell survive. Threatened One Nation electoral opposition to Campbell in his Kalgoorlie electorate merely demonstrates the inability of Pauline Hanson's current advisers to understand the nature of the national versus international nature of the conflict concerning Australia's future.

Unique contribution

Pauline Hanson has made a unique contribution to Australia's future as a free and independent nation. A combination of factors has made this possible. But the next phase of the battle requires a different kind of leadership to that she has provided to date. That leadership can only come from Graeme Campbell, who commands respect across present party lines in the Federal Parliament, and who provides a potential rallying factor for a nation now faced with certain chaos and conflict in the immediate future.

As a service movement with over half a century of experience, the League of Rights is required to increase its educational grass roots activities. We encourage all League supporters to participate in those activities, to take every opportunity to take the fullest advantage of the dramatic change in the Australian political scene as a result of the Queensland elections. Tremendous opportunities now beckon all nationalists.

A CHRISTIAN APPROACH TO DEBT

We note with approval that a growing number of professing Christians around the world are urging that the coming new millennium start with the cancellation of debts, starting with those owed by Third World nations whose standards of living have been depressed by their desperate attempts to meet even the interest charges on their debts.

The cancellation of debt always provides some relief to the debtors. But it does not solve the basic debt problem if there is no effective challenge to those banking institutions, which have built up a monopoly of the power to create debt. Not generally noticed is that huge volumes of debt are constantly being written off now. This takes place with most bankruptcies. The writing down of debt is essential to keep the present finance economic system from collapsing. The basic debt problem will only be solved when the monopoly of credit creation is broken.

TAKING CREDIT FOR FUNNY MONEY

by *Bart Marney*

Comments from Parliamentarians, economists and journalists on One Nation's policy of making low interest finance available to the embattled rural sector have come thick and fast since the Queensland State election, almost without exception heaping scorn and ridicule on the idea. Well-known local journalist Bart Marney's contribution in the *Toowoomba Chronicle* on July 4 comes as a welcome breath of reality and common sense:

When One Nation party director David Ettridge was asked how the party would finance its proposed low-interest State Bank he made his widely reported comment about "printing money".

He was quickly and publicly heaped with scorn and insults by people who should have known better - PM and former Federal Treasurer John Howard, current Treasurer Peter Costello, Opposition Leader Kim Beazley, economists, academics and news media.

Yet it is they who were guilty of the "flat earth" philosophy, which they attributed to Ettridge. The fallacious premise on which these economic "flat earthers" based their attitude was that the establishment of a State Bank to provide low-interest loans would require large amounts of depositors' dollars or government funds. Indeed Mr. Howard expressed this view in his first public reaction to the One Nation proposal.

But, as I'm sure Mr. Howard (and those other knockers) knew, trading banks don't lend one cent of their customers' deposits. When banks make a loan they create credit, simply recording a deposit in the borrower's name, an amount of credit from which that borrower can draw.

Thus, a State Parliament can establish a State Bank not by a vast infusion of money but by the creation of the necessary credit.

So, while Mr. Ettridge might have been a hair-splitting bit awry when he said, "The Government can print its own money", he must surely have known that only the Commonwealth has the power to print money. Therefore, it's likely he knew that all that was needed was the creation of credit to the required amount.

Such a development would be constitutionally permissible and would not fly in the face of monetary theory and practice. In fact, the Royal Commission on Banking, in its 1937 report, said that the central bank could lend money to the Commonwealth and others in a variety of ways - and could even make that phoney interest-free. In fact, until as recently as 1984, the Reserve Bank was advancing money to the Federal Government at 1%!

As this practice ceased during the early part of the Hawke Labor Government, perhaps Messrs. Howard and Beazley could explain why this procedure, so beneficial to the national interest, was stopped.

The Commonwealth Bank was established in 1911 on the legislative proviso that the bank's capital was to be £1 million (\$A2 mill), to be obtained by the issue and sale of debentures. But no such issue took place. So it must have been established on credit. That bank financed the building of the Transcontinental Railway from 1913 to 1917 when it advanced £17 million (\$A34 mill) at 1% - and got it back. It was how the bank financed Australia's effort in the First World War, lending the Federal Government £325 million interest free.

During WWII, Labor PM John Curtin provided for consumer credit discounts, with the Commonwealth Bank issuing financial credit into the economy to reduce the price of a wide range of goods. This process has been described as sales

tax in reverse and it helped ensure a stable economy for some years, until discontinued with the advent of the Menzies-led Liberal Government in 1949. When John Howard was Federal Treasurer, he rejected requests for a trial return to that consumer discount system.

In an address at Queensland University on September 15, 1954, Commonwealth Bank governor Dr. H.C. Coombs put this power to create credit in another way. Citing borrowing from a bank as one way of financing any expenditure, he said that when money was lent by a bank that money was made available to the borrower "without anybody having less". Wasn't that just another way of saying that what was passed to the borrower was not the coins and notes we know of as "money" but the recorded equivalent in credit? Was he talking "Funny Money"?

In 1933, President Roosevelt closed down the entire US banking system and didn't reopen the banks until he'd introduced his National Welfare Act, basing his "New Deal" on two measures - public works and low-interest rates.

Before his recent tragic last illness, that most thoughtful of Aussie patriots, Bob Santamaria, actively campaigned for the issuing of the necessary credit by the Reserve Bank to the Federal Government at 1% for the financing of massive infrastructure projects to provide long-lasting jobs for many thousands of the unemployed, and to help our ailing rural sector. He suggested that Reserve Bank credit be used to establish a National Rural Bank and a National Industrial Bank, and the re-establishment of the wartime Allied Works Council to carry out a massive program of public works. His suggestions might have been prompted by the Roosevelt action.

In 1981, the National Party's Queensland State Conference (with Premier Bjelke-Petersen in favour) resolved to ask his Government to implement a State Bank. Regrettably, power brokers in the upper echelons of the party machine mounted a scare campaign and undermined the proposal the following year. And, surprise, surprise, they proposed the formation of a merchant bank instead!

What of those representatives of Queensland's local authorities who, in 1981, were close to moving for a State Bank at their annual State conference when that gifted orator, Toowoomba's Jack Duggan, smothered the move in its infancy "because no-one present had sufficient understanding and data to stand up to his anti-State Bank assumptions". Isn't that the same situation today?

The group Economic Reform Australia succinctly says: "Why should Australian taxpayers continue to pay \$16 billion interest on public debt when the Government has a zero or 1% option available through the Reserve Bank?"

Does Mr. Costello suggest all these low-interest advocates are racist pawns of the League of Rights?

In the circumstances, why are the scoffers so vociferously opposing it? Is it that they genuinely don't realise they are serving the interests of the private bank usurers, the corporate cowboys, the speculators and orthodox economic theorists who are demonstrably consigning Australia into economic and social chaos, and eventual serfdom?

ARE EAST ASIAN NATIONS REBELLING AGAINST IMF POLICIES?

From Singapore by Michael Richardson in *The Australian*, 7 July

In a major policy shift to avert a deepening recession, East Asian countries are trying to reinvigorate their economies with expansionary measures, even at the risk of further weakening local currencies, igniting inflation and deterring foreign investment, officials and analysts said yesterday.

As economies slow more sharply than expected in almost every East Asian country, driving up unemployment and swelling the ranks of the poor, governments are turning away from austerity policies that were prescribed by the IMF to strengthen their currencies and revive investor confidence.

Indeed, officials and analysts said the IMF - under pressure from its sister organisation, the World Bank, and other critics to adopt a less stringent approach - is going along with the moves to spend more government money and ease the high interest rates choking industry and trade in the three hardest-hit East Asian countries under its care - Indonesia, South Korea and Thailand.

South Korea, Thailand, China, Hong Kong and Malaysia have recently reduced interest rates; together with Singapore they have also increased government spending. This has put added pressure on Indonesia and other countries to follow, analysts said.

In the region's latest step away from strict austerity, South Korea's Finance Ministry announced on Sunday it had approved a big rise in the budget deficit and a cut in consumption taxes so the Government could spend about 10 trillion won (\$11.9 billion) on pump-priming this year.

As a result, South Korea's 1998 budget deficit will rise to 4 per cent of GDP, from the previous 1.7 per cent target. The Government said it expected the expansion in spending could help economic growth to recover a little after the third quarter of this year.

South Korea, Thailand and Indonesia are getting international loans worth up to \$US120 billion (\$195.4 billion) organised by the IMF in exchange for painful economic reforms.

In the case of South Korea and Thailand, the measures have helped stabilise their currencies, allowing monetary authorities in both countries to answer the pleas of local business for lower interest rates to help prevent more company closures and layoffs.

"There is room for further cautious reductions in interest rates and somewhat higher monetary growth rates," the IMF and the Thai Government said in a joint statement last month.

"We believe that monetary policies will have to be relaxed," said Kara Karuhadej, an economist in the Bangkok office of Dresdner Kleinwort Benson, a unit of Germany's Dresdner financial services group.

"We would then see the money supply increase, an improved liquidity situation and lower interest rates."

But on the downside, he added, "a depreciation in the currency would have to be accepted". The baht has lost about 40 per cent of its value since Thailand devalued a year ago.

Influential Indonesian economist Sumitro Djohadikusumo last week urged Indonesia's central bank to cut sky-high interest rates to prevent a widespread collapse of industries and commercial banks that would plunge the world's fourth most populous nation into a depression.

He also said the government should set aside between \$US3 billion and \$US5 billion from the IMF bailout loans to establish an independently administered trust fund to help finance viable

small businesses and cooperatives that are struggling to survive the credit squeeze in Indonesia.

After pushing bank interest rates lower, Malaysia announced on Wednesday it would set up a 5 billion ringgit (\$1.94 billion) fund to assist infrastructure projects delayed or postponed because of the economic crisis.

Malaysia said in June it would establish a separate 7 billion ringgit fund to help low-cost housing developers and other social projects.

Dutch financial services group ABN-Amro said Malaysia's deficit spending would make it difficult to sustain lower interest rates, while the Government's "confusing monetary stance" could weaken the ringgit.

ABN-Amro said there was a fear that Japanese financial institutions, suffering under a mountain of bad loans locally and regionally, might pull their money out of Malaysia.

Michael Richardson is Asia Editor of the International Herald Tribune

WHAT SHOULD BE DONE ABOUT AUSTRALIA'S RAILWAYS?

Prime Minister Howard's promises, if re-elected, to build a fast train service linking Southern Australia with Darwin can only be described as a type of political gimmick. We have long advocated modernising Australia's present railway system, starting with the capital cities, and financed by new credits made available in Australia. But the Howard and similar proposals are geared to making it easier to export into Asia. Linking Australia's future with the much publicised Asian "Tiger Economies", currently not even purring like contented pussy cats, has already been demonstrated to be a policy of disaster. Some trade with Asia, and other parts of the world, is probably highly desirable. But from a strictly economic point of view there is convincing evidence that the nation's resources would be much better spent on modernising our wharves and ports, and building up a national mercantile navy. Such a navy should be developed as part of a national defence strategy. The major justification for the type of railway system envisaged by John Howard and others can only be for defence purposes.

Providing finance, even at low rates of interest, primarily to help overcome the currently depressed Australian economy, is pure Keynesian economics. As Keynes, the famous British economist who advocated deficit budgets to finance capital works, admitted, what he proposed meant increasing inflation, which he said would have to be "controlled". Such economics were welcomed by the Fabian Socialists who saw it as means of advancing the development of the Marxist State.

Enthusiasts for Keynesian economics flatly reject any proposals for increasing national purchasing power with consumer credits paid direct to individuals, allowing them to make free choices concerning what they would like produced. Paying new credits, created debt free, to those working mothers who would prefer to stay home and nurture their own children, would have a revolutionary effect on the economy. Thousands of mothers could leave the work force, making it easier for the young to enter it. Many social problems would start to disappear.

New financial credits, paid direct to individuals in a variety of ways, would progressively decentralise credit power.

" DICTATORSHIP BY TAXATION

The current discussion on "taxation reform" promoted by the Howard government will eventually prove to have been a diversion from any realistic examination of the basic issues concerning taxation. No genuine relief from the growing burden of taxation is possible under debt finance. Some temporary relief only can be provided by selling off more of the "family silver" to international organisations. But what happens when all the "family silver" has been sold? Debt can be expanded by further mortgaging of the future. But irrespective of what is attempted, the end result must be further totalitarianism and an accelerating disintegration of society. Such was the genius of the founder of Social Credit, C.H. Douglas that he was able to warn - shortly after the First World War - of what would happen unless financial policies were basically changed. Consider, for example, the following extract from a Douglas address at Oxford in 1934:

"I want you to imagine that you had the choice of paying 10 pounds a year to one of two telephone systems. The first of them had 10 subscribers altogether, and the other had 10 million subscribers. You would at once say, I think, that for your ten pounds subscription you would get very much greater value by joining the telephone system, which had 10 million subscribers.

"Or take another case. You were faced with the problem of rolling a heavy stone up a hill, a stone so heavy that, let us say, one man could not move it. You have at your disposal 10 men and a rope. Would you use one of the men pushing vainly for five minutes and then substitute another and so forth, thus exhausting your 10 men and without moving the stone, or would you tie the rope to the stone and put the whole 10 men on to pull it up the hill? You would, of course, use the ten men at once combining their forces with the aid of the rope.

THE "UNEARNED INCREMENT OF ASSOCIATION"

"Now in these simple instances we have an example of something that in the vocabulary of Social Credit we call "the increment of association". By associating together in an undertaking it is possible to do things which the same persons who, when associating together, are successful, would be unable to do if their endeavours were isolated. It is not too much to say that in this fact lies the whole basis of society from tribal days onwards. People have come to understand that by associating together for various purposes they can achieve results, which cannot be achieved without such association.

"Now if you were able to measure the creative and productive capacity of, let us say, the 15 millions of adults in the British Isles who are estimated to be employable, taking their productive capacity individually and separated out from any assistance either from the rest or from those tools and processes which have developed amongst us as a community, and you added together those 15 million productive units separately, you would get a figure which it could be fair to call the earned result of their individual efforts. Rather results they did create, working as units, would be due to their unaided efforts as individuals.

THIS HERITAGE BELONGS TO ALL

"Now it is quite certain that this unearned increment of association, which I have been endeavouring to indicate to you, cannot justly be said to belong to any one person or even one body of persons in the community. It would be just as reasonable to say that education, knowledge, science, or any of the other intangibles, which go to make up our modern heritage, belong to any person or any section of the community. Of course they do not, and we have come to recognise that education, in particular, is a birthright of every child in this country. I would say at once that I consider that all other components of this heritage of civilisation are equally the birthright of every child born in this country.

"But the point that I wish to make for the moment is that it is obvious, I think, beyond any dispute, that association brings with it gifts, some of them intangible, but some of them wholly material, because our productive capacity in regard to material things is also largely a question of this unearned increment of association. So far from taxation being a natural and inevitable state of affairs, it is an inversion of the facts. The State should give, not take away.

The point that I am, of course, trying to make, is that we are in a position of aliens in our own country in that we have to pay for those privileges which we, to some extent, have created, and we have become so used to this that a great many people find it almost impossible to realise that there is anything unreasonable in such a situation.

"Now if I have made this point clear, you ought not to have much difficulty in grasping the fact that such a situation could only come about on the assumption, by some body outside the general community, of the ownership of the unearned increment of association to which I have been referring.

REAL WEALTH AND FINANCIAL POWER

"I have little doubt of the fact that it is quite impossible to reach any satisfactory solution of the world's present difficulties without a grasp of the fundamental idea which is contained in what I have just been saying. So long as history affords us any information, the question of the ownership of property has at bottom been the question on which all politics turn. Because land in its natural state provided for the requirements of humanity until a few hundred years ago, by supplying grain for bread, fodder for herds and flocks, and stone for dwellings, land occupied the centre of the stage in regard to poverty, and even now is spoken of as "real property" as distinct from other forms.

"But with the advent of the Industrial Age, it is not too much to say that the products of land form a very small proportion of the requirements of the modern individual, if they are considered as finished products, without industrial processes being added to them. Consequently, although it is possible to live upon a scale not dissimilar to that of the Middle Ages by being in possession of land, any modern standard of living requires the possession of something quite different from land. I refer, of course, to money, and money is, increasingly, an effective claim upon the unearned increment of association.

"If you grasp this, you will agree once again with the French verdict upon history. *Plus ça change, plus que c'est la même chose.* We are witnessing in the world today a battle about the ownership of property, but it is no longer tangible property, because it is not tangible property, which nowadays confers the greatest benefits, it is intangible property represented by money, and money is actually made by one body of persons alone - financiers.

"Looking at all the facts dispassionately, I think it is a moderate statement to make that we are today living under a monopolistic proprietorship of the world's property, which is more powerful and, at the same time, more irresponsible than any which has previously existed. At the present time this monopoly of monetary credit has, so far as I can observe, no policy which is not primarily directed to the perpetuation and strengthening of its own position.

"While the recognition of the facts of the situation is obviously the first stage to the rectification of them, I should be the first to agree that it is only the first state. But, nevertheless, it is one of great importance. So long as the average individual is content to believe that it is in the nature of things that he should have to struggle for a livelihood, even though surrounded by plenty, and that it is a reasonable proposition that when he has attained a precarious livelihood a quarter of the claims upon this livelihood would be taken from him by means of taxation and probably not less than another quarter by further taxes which appear in prices, he is not likely to combine to rectify the position.

WHY SMALL TOWNS FAIL

by Peter Walsh in *The Australian Financial Review* of July 7, 1998.

Before the 1972 election, which allowed him to become a minister, one Albert Grassby promised the farmers of NSW a \$500 million loan fund at 3 per cent interest.

The late B.A. Santamaria - now commonly described as an "intellectual" - frequently asserted that because farmers and unspecified other businesses could not pay market interest rates, the Reserve Bank should be directed to provide affordable loans to such worthy recipients. Malcolm Fraser sometimes made supportive noises.

When Mr. Fraser was prime minister his in-laws received a \$50,000 4 per cent loan. It was funded by Commonwealth National Disaster Relief arrangements following severe fires in western Victoria ignited by SEC power lines. The SEC had already paid \$180,000 compensation to the same in-laws.

For many decades government grants and/or concession interest loans were provided to farmers for drought relief, flood relief and rural adjustment. All political parties - though less so Labor in more recent times - supported such policies.

The Commonwealth Development Bank, the Reserve Bank Rural Credits Department, and later the Primary Industry Bank, were established to provide concessional finance to farmers. The notion that farmers must have or deserve cheap credit has a long and diverse history. It was not invented by One Nation. Not even David Ettridge's suggestion that loans should be funded by "printing money" is original. It was borrowed from the Social Credit movement, the League of Rights and Mr. Santamaria.

Adherents to their creed shared a belief that farming is a morally superior way of life, that farm depopulation and the decline of rural towns could be reversed by fixing up the banking system. These days it is more fashionable to attribute depopulation and decline to "economic rationalism".

In all but the world's poorest countries, the productivity of farm labour, and of land, has grown rapidly, especially since the 1950s. This has reduced both the *need* for farm labour and the *price* of farm products. Since the '50s the number of Australian farms - and of farm workers - has almost halved. Farm output, though difficult to measure over long periods, has almost doubled. Australian agriculture has adjusted to the discipline of market prices and taken the opportunities offered by technical progress - especially mechanisation. A decline in farm numbers and workers was an inescapable component of the adjustment.

Rural towns, founded to service agriculture, farm workers and their families, inevitably declined as farm population fell. The falls interacted and compounded.

Fewer farmers with fewer kids per farmer meant fewer teachers in country schools, fewer retail businesses, policemen and postal workers. Automatic telephones, diesel locomotives and self-serve retail outlets also displaced labour.

The fundamental cause of small country town decline is not more cars and better roads but agriculture's structural adjustment. Banning mechanisation would have stymied that adjustment. We could then have had a larger and thoroughly impoverished farm and rural town population. Anyone for that?

WHAT TYPE OF "TAXATION REFORM" ?

"Honest John" Howard, the man who promised before the last Federal Elections, which he won primarily as a result of the general detestation of former Labor Prime Minister Paul Keating, promised that "*never ever*" would he impose a General Services Tax, has, with the aid of Federal Treasurer Costello, provided the Australian people with a brilliant demonstration of dialectics by claiming that "*never ever*" really meant during the life time of his government.

He therefore proposes to introduce legislation, with details as yet undefined, which allegedly will only become operative if Howard wins the next federal elections. In the meantime the Australian electors are being conditioned to believe that "tax reform" is "inevitable". Under the prevailing system of debt finance, it is mathematically impossible to reduce total taxation. At best the total taxation burden can only be juggled between different groups of taxpayers. Federal Treasurer Costello boasts of how he has reduced debts, but, needless to say, does not point out that this has been achieved by higher total taxation and by the selling off of community assets. All Australian governments have been engaged in the same procedure, generally described as "privatisation". Former Queensland Labor Senator Colston - probably for personal reasons, has thrown a major spanner in the Howard government's election strategy by preventing the complete sale of Telstra, primarily to finance the Howard government's blatant strategy of buying votes at an election, which threatens its future.

Commenting on the Telstra affair, Pauline Hanson has not bothered to go into details, contenting herself with the observation that the Howard government, like the Opposition, has lost the trust of the people. With that one statement Pauline Hanson has almost certainly gained herself a few more thousand votes. The major parties have almost completely lost the trust of the Australian people.

BOOK EARLY FOR ANNUAL *NEWTIMES* DINNER

The Annual *New Times* dinner, the first major event for the League of Rights 1998 national weekend, is a MUST for all dedicated League of Rights supporters. Guests are restricted to League of Rights supporters and their families. The organisers reserve the right to restrict guests. This year's Dinner, to be held at the Sheraton Hotel, Spring Street, Melbourne, will be held on Friday, October 2nd. An excellent dinner will be provided for \$35 per person. Bookings for the dinner must include payment. No bookings can be accepted without payment.

Details of the League's National Seminar, with a panel of outstanding speakers, on Saturday, October 3rd - also at the Sheraton Hotel - and the League National Action Seminar on Sunday, October 4th, will be provided later. National and international events will ensure an historic National Weekend. Make a note of the dates now.

HOW THE MASS MEDIA SERVES WORLD REVOLUTION

The main problem with the mass media is not merely that it distorts the truth, but that it suppresses important truths. The most important truth about the Communist revolution in Russia was that it was financed from outside Russia by International Bankers and then sustained by Western economic blood transfusions financed by International bankers. During what is now referred to as the Cold War, even anti-Communists generally did not refer to this important Truth. A senior journalist from a major Wall Street journal was most excited when he came across the works of prestigious British born scholar, Dr. Antony Sutton, at the Stanford University, California. Sutton had meticulously documented that the Soviet industrial system had been built with Western technology. His work initially only appeared in academic journals with a relatively small audience. The Wall Street journalist who read the Sutton studies felt he had stumbled across a major journalistic scoop. He quickly discovered that the controllers of the American mass media were not interested in his scoop. Relatively little publicity was given to Sutton's classic work, *National Suicide*, and when he followed this with *Wall Street and the Bolshevik Revolution*, his academic career came to a sudden end.

Students of the key role of Marxists in promoting world revolution, the British Empire being a major target, are familiar with the statement by Marx that the English would never make their own revolution and that foreigners would have to promote it for them. Marx suggested that Ireland was the place to start. The Irish Question, much in the news again because of the flare up of violence in spite of the "peace agreement" in which President Clinton played a prominent role, was a useful situation in which to pursue such an objective. As even a number of American Jews point out, the Clinton administration is the most Zionist dominated in American history. But American peace-keeping efforts under President Clinton cannot be described as an outstanding success, as witnessed by the continuing Middle East crisis, or that in Yugoslavia. Well might British citizens living in Northern Ireland - where they have been living for hundreds of years - ask what right has an American President to become involved in what are their domestic affairs?

Clinton and his advisers respond, if only indirectly, to this question by saying that a "united Ireland" is essential for "stability" in Western Europe. But the creation of a "united Ireland" requires a realistic understanding of the basic cause of present friction. The simplistic answer is that what is happening is the result of age-old hatreds stemming from "sectarianism". I once interviewed the Rev. Ian Paisley at a time when the proposed entry of the United Kingdom into the European

Economic Market was being warmly debated. I reported at the time that Ian Paisley clearly did not understand the fundamental issues. He expressed the rather naive view that the United Kingdom would never enter the Common Market because of widespread British opposition. Like many others I met, he suggested that the Common Market was part of some "Papist plot" because of the basic document for the Common Market having been signed in Rome and generally known as the "Treaty of Rome". I found it futile to point out that some of the most prominent of British Members of Parliament opposing British entry into the Common Market happened to be members of the Roman Catholic communion. The most prominent anti-Marketeer was, of course, Enoch Powell, a man steeped in the Church of England Anglo-Catholic tradition. This did not prevent Powell from subsequently representing an Irish constituency in the House of Commons.

The basic reality about Northern Ireland is that it provides yet one more tragic example of the failure of multiculturalism. The great majority of the people of Northern Ireland is of Scottish descent and reflects the culture of their forebears. As C.H. Douglas has observed Home Rule for the Irish people, irrespective of whether they lived in the north or the south, was reasonable so long as legitimate British interests were protected. But this did not take place and a revolutionary Marxist movement sheltering under the romantic guise of "Irish Nationalism" progressively exploited the situation. Bloody terrorist activities were used in both Ireland and on the British mainland with serious loss of life. Not surprisingly, there was evidence that the Soviet Union was training I.R.A. terrorists. Sin Fein political leader, Gerry Adams, is never exposed for what he is, a hard-core revolutionary trained in Marxist philosophy.

Adams and his colleagues have a long-term strategy, which has nothing whatever to do with improving the lot of the Irish people. They seek to exploit grievances, real or imaginary, to progressively force the whole of Ireland into a secular humanist state, which can then be further integrated into a United States of Europe, the ultimate objective of the International Bankers and their different tools. Against their better instincts, as witnessed by their magnificent contribution to the United Kingdom's Second World War effort, and as witnessed by the number of Irish volunteers, the Irish people are being exploited in a campaign designed to destroy the stability of the United Kingdom. The world planners have always feared that the culture of the Anglo Saxon Celtic peoples was a major barrier to the establishment of a World State.

The mass media of the world skilfully ignore this question and misrepresent issues like the Irish question.

THE MEDIA CENSORING OF GRAEME CAMPBELL, MP

The blatant censoring of *Australia First* leader, Graeme Campbell from Western Australia, by the mass media has become a national disgrace. Prominent journalists for the mass media have revealed that reports they have done with Campbell have been censored. A reading of Federal *Hansard* reveals that Campbell has made a number of outstanding contributions on a variety of subjects. He is treated with respect by most Members of the Federal Parliament But the mass media consistently ignores him. This censorship is clear proof that the internationalists controlling the mass media regard Campbell as potentially a man who might become the centre of an effective anti-internationalist programme.

JEWISH REPRESENTATIVES OF INTERNATIONALISM PRESSURE JOHN HOWARD

Lenore Taylor and Louise Dodson

The following revealing report appeared in *The Australian Financial Review* of June 17:

The Prime Minister, Mr. John Howard, is under growing pressure from within his own party and from key business backers in the Jewish community to persuade the Liberal Party to put One Nation last on its federal how-to-vote cards.

The powerful Australia-Israel and Jewish Affairs Council - whose directors include leading businessmen Mr. Frank Lowy, Mr. Solomon Lew, and Dr. Harry Weiss - has written to Mr. Howard asking him to do everything he can to ensure Ms Pauline Hanson's One Nation party is given last preference by the Coalition at the coming election.

Elements of the NSW and Victorian Liberal parties are also understood to be organising a nationwide petition of Liberal MPs, officials and grassroots supporters calling for One Nation to be put below the Labor Party in preferences for all federal, State and local government elections.

The Ethnic Coalition of Australia, representing Italian, Greek, Chinese, Vietnamese and Jewish community organisations, has also written to Mr. Howard, urging him to use his influence to ensure One Nation is put last on federal how-to-vote cards.

The push on the One Nation preference issue comes as the Government lays the groundwork for an early election, with the deputy Prime Minister, Mr. Tim Fischer, saying yesterday that a double dissolution poll was the only option for Mr. Howard if the Senate did not pass the Government's Wik legislation by July 4.

Mr. Howard's public position on One Nation preferences has been to uphold the right of the Liberal Party State divisions to make their own preference decisions. On Monday he appeared to defend the Queensland division's State election decision to direct preferences to Ms Pauline Hanson's party ahead of the ALP.

On the same day Federal Cabinet failed to make a decision on the preference issue, despite a long discussion of two opinions:

* A firm declaration to be made immediately by the federal executive on Mr. Howard's instruction to put Ms Hanson's party last, or;

* A wait-and-see option to look at party polling and then let Liberal Party State branches decide how preferences would be allocated.

Mr. Howard is believed to have favoured the latter option and spoke for at least half an hour at the meeting, which was also attended by Liberal Party director Mr. Lynton Crosby and president Mr. Tony Staley.

There is a growing view within the party that the Liberals must take a strong principled stand, a view, which quickly galvanised into organisation of the petition after One Nation's huge 23 per cent vote in Saturday's Queensland election.

The Victorian and South Australian divisions of the Liberal Party have already declared they will give One Nation last preference and there is strong pressure in the NSW division to make a similar decision at its June 26 State executive meeting.

But other divisions have not made a decision and the Queensland Liberal president, Mr. Bob Carroll, has strongly defended his State's decision to prefer One Nation over Labor in the State poll.

A decision to put One Nation last is also likely to put the Liberals at odds with at least some sections of the National Party.

Meanwhile, the pressure on Mr. Howard from ethnic and Jewish groups is mounting.

In its June 5 letter to Mr. Howard, the AIJAC wrote: "In view of the threat which you acknowledge Ms Hanson represents to Australia's tolerant, cohesive and peaceful society, we trust that you will do all that you can to ensure that the One Nation Party is placed last on all the Coalition parties' how-to-vote cards at the next federal election."

The AIJAC letter was signed by its national policy chairman, Dr. Colin Rubenstein, and its national chairman, Mr. Mark Leibler. It recorded the names of the council's board of directors, including Mr. Lew, the former Coles Myer executive chairman, and Mr. Lowy, the chairman of Westfield Holdings.

The pressure on preferences came as Mr. Fischer yesterday called on business leaders to publicly defend the Government's policies of deregulation and reform, which are under attack by Ms Hanson's party.

Speaking at the Australia Summit - an international trade and investment conference - Mr. Fischer and Mr. Howard promised the Coalition would not be persuaded to adopt protectionist and anti reform policies in response to the rising popularity of Ms Hanson.

The message to voters attracted to Ms Hanson from Mr. Howard and Mr. Fischer is that her policies would cost Australians jobs, are damaging and "stupid".

"I think there are some stupid propositions being put around to people who are being exploited because of economic vulnerability and the sense of insecurity they now feel," Mr. Howard said.

GEMS FROM C.H. DOUGLAS

Integrity is single-mindedness - the mind of a little child. It is the test of quality before quantity.

If success is to attend the efforts of monetary reformers, inter alia, it will not be because of numbers. It will be because of a sufficient quality of integrity

The Big Idea

"Efficiency . . . is something capable of exact definition under certain circumstances, and completely meaningless in the absence of them. Generalised in a form capable for application to political economy, it means the measure of success in exchanging something, which you are prepared to sacrifice, for something, which you prefer. It is clear that to have a meaning in political economy it means that you must have a unit common to 'sacrifice' and 'preference'.

"For example, fifty years ago, the British railways were the finest in the world. It would be almost impossible to decide how efficient they were, but if your preference was rapid, frequent and comfortable travel, and your 'sacrifice' was monetary; you obtained a high degree of 'preference' for a small amount of sacrifice. To say that all their conditions of employment were ideal would be absurd. Yet employment by them was highly coveted."

The Brief For The Prosecution

"Along with the efficiency of government . . . we find a wide and growing feeling that so far from embodying Abraham Lincoln's definition of democratic government as being 'of the people, by the people, for the people,' they are coming to be instruments for the expression and furtherance of interests which in many cases threaten the general population with catastrophe."

The Alberta Experiment