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

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## THE COMMONSENSE OF GRAEME CAMPBELL, M.P.

*by Eric D. Butler*

There have been occasions on which we have disagreed with Graeme Campbell, Federal Member for Kalgoorlie and leader of the Australia First party, but overall we believe he stands head and shoulders above all other Federal members. His wide range of knowledge on a variety of subjects, and his capacity for lucid articulation, marks him aside from the majority of Federal members, and reflects his many experiences as a practical man. While in the Labor Party he demonstrated he was no party "yes" man, this explaining why he was denied all promotion in the conventional sense, either in the Hawke Labor Party or that of Paul Keating. His independence of attitude eventually led to a frustrated Paul Keating arbitrarily expelling him from the Labor Party, a development which Campbell accepted with obvious relief.

A man of courage, Campbell did not flinch in the face of attacks by the Zionist-Jewish lobby because he dared to appear on a League of Rights platform. Large numbers of supporters of Pauline Hanson's One Nation Party have expressed their dismay that One Nation is running a candidate against Graeme Campbell in Kalgoorlie in the Federal election. It would be a national tragedy if, because of an all-party campaign of opposition, Campbell were defeated. Those wishing to support Graeme Campbell in any way can contact him care of the Kalgoorlie Post Office, W.A., 6430.

Ever since he emerged as an outstanding leader, a man round whom an effective nationalist movement could emerge to counter the treachery of the internationalists, the internationally-controlled big media have attempted to destroy Campbell by giving him the "silent treatment". In this issue we include a few selections from Campbell's parliamentary speeches, which provide an indication of the outstanding calibre of the one Australian politician who can be described as a genuine statesman. With the cooperation of the former Tasmanian Liberal Minister and authority on banking and credit creation, the Hon. Neil Robson, Graeme Campbell has made some practical suggestions concerning the use of the nation's financial credit. Those wishing to support Graeme Campbell in any way can contact him c/- the Kalgoorlie Post Office, Western Australia 6430.

### HUMAN RIGHTS LEGISLATION AMENDMENT BILL, 1996 **Second Reading:**

(Hansard, House of Representatives, 19 June 1997)

Mr. CAMPBELL, (Kalgoorlie)(12.04 p.m.): I am sorry there

### 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.

seems to have been some slip-up in the speaking order. I thought I would be speaking after Mr. Nugent, the member for whatever. It would have been interesting to have followed the three speakers in the Member for Sturt (Mr. Pyne), the Member for Calwell (Dr Theophanous) and the Member for whatever - obviously all members of the same party because they're all giving the same sort of claptrap nonsense.

I say to the Member for Calwell that I have underestimated him. I said to the Deputy Leader of the Labor Party in the House the other day, 'Gareth, in my opinion you have just delivered one of the most sanctimonious fraudulent speeches that I have ever heard'. The Deputy Leader can take a bow for the Member for Calwell. The member for Calwell approached me once when we were both on the immigration committee and said: 'Listen, we are not that far away. I support quotas for immigration'. That was interesting because I never have. He was quite happy to have quotas, but it seemed that he wanted to have some control over the quotas.

I can tell Members of the House that I have travelled the world and there is no country in the world prepared to give people a fair go more than this country. I came to this country as a migrant, and when I went to Tailem Bend there were no migrants and I copped all the chiacking that usually goes on.. "Pommies don't wash!", "Pommies keep their coal in the bath!" . . . and I realised that there was no malice in it.

A fellow came to me recently to review a book. He was a Hungarian - a refugee. He came out here in 1948 as a reffo. His first job was working for the army as a civilian and his boss was an army cook, who apparently liked grog and used to abuse him for his own shortcomings. . "You useless reffo this" and "You useless reffo this, why have you done this?" . . . But this fellow said, "When I realised I could abuse the boss back I thought, "What a wonderful country this is". That has been a hallmark of this country and this is what the likes of the member for Calwell and the Member for Sturt want to sweep away with the nonsense they are putting forward.

I am very critical of the Human Rights Legislation Amendment Bill before us. If you look at funding in real terms, you see the Human Rights and Equal Opportunity Commission is still getting more than it got in 1989-90, and that is an indictment of this government, for it is quite clear to me that this pontificating group, set up at taxpayers' expense and whose members draw large salaries from taxpayers and seem to think their duty is to continually denigrate us, should be swept away. That would save money to be put into much more useful things. If you gave me \$10 million for Aboriginal housing, I could do more for Aboriginal housing than government has ever done.

It seems that there is now a concerted policy of the Liberal Party to attack Pauline Hanson. I suppose she must pose some sort of a threat to them, so they denigrate her at every opportunity. If you go back to Pauline Hanson's first speech in this parliament it was a naive, honest, from-the-heart speech. It is the sort of speech that a politician should make and there should be more of those speeches in this parliament. There was nothing in that speech that warranted the vilification she got.

What you saw across this country was a united effort from the media, Australia's sick academia, politicians from both sides and the churches to destroy this woman, and to destroy her so

completely that no-one would ever raise these issues again. The Minister for Foreign Affairs (Mr. Downer) let the cat out of the bag in his speech. In that 2½-hour diatribe of voodoo incantation that passed for debate in this House, he said, "Free speech is all right but you can't let free speech interfere with free trade". Then, having realised what he had said, he said, "I can't see how anyone could doubt the benefits of free trade."

I doubt the benefits of free trade. I have always supported bilateral trade and I will support fair trade, but free trade is nonsense. It has done enormous damage to this country. That is simply irrefutable. If the Minister wants to I would be very happy to engage in a debate with him on that issue. But that was it. They were quite happy to keep this argument milling around on the race issue but they did not want it to touch free trade. That is, of course, what is concerning the Liberal Party now. They are locked into this dogma of rational economics - the creation of Paul Keating probably more than anyone else's is a dangerous dogma. It is not an economic policy; it is an extreme ideology and it is nonsense.

The truth is that the Hilmer report is not about competition; it is about oligopoly. Once you get rid of small business, big business will collude. The mistake that all these people make when they go back to Ricardo and Adam Smith is that they forget that these people made it plain that they were talking about competition within national boundaries, not without national boundaries. The whole thesis and doctrine was based on competition within national boundaries.

I get sick of people coming into this House and denigrating Australia, trying to make us look apologetic overseas. We have nothing to apologise for. I remember when I put out a paper called *"Immigration and Consensus"*, I was interviewed for the ABC by a prominent journalist who is now the Labor State Member for Perth. I said to her, 'Let me read you a poem', which I will read to the House now:

*I have grown past hale and bitterness,  
I see the world as one.  
Yet though I can no longer hate,  
My son is still my son.  
All men at God's round table sit.  
And all men must be fed;  
But this loaf in my hand.  
This loaf is my son's bread.*

I said to her when I had finished, "What do you think of that?" She said, "That is the most racist thing I have ever heard". She is now the Labor Member for Perth.

That was Dame Mary Gilmore. If you look at her history, I do not think anyone could call her a racist in any shape or form. It was a poem about a family's concern, and that is what we should be about - the family of Australia. I do not care where people come from if they come to this country, provided their commitment is to Australia.

It is a very interesting thing that we heard not a word from any of our Ministers, from the Member for Calwell or any of those other self-righteous creeps that you get around this place. Let me read you this:

*'We must accept the fact that the Chinese are not a group that could be assimilated easily. . .'*

*"Once a Frenchman or German moves to the United States they become Americans, they speak American English, accept American*



*customs as the norm. But not the Chinese. . ."*

That is not me. That is Dr Mahathir, the Prime Minister of Malaysia. He goes on with a diatribe against the Chinese - things I do not even believe. There is not a word of criticism of Dr Mahathir, but of course Malaysia maintains a policy of discrimination against the Chinese. That is apparently alright. It goes on:

*"China itself has fanned the flames of mistrust on its immigrants, calling on overseas Chinese to build the country and launch in sometimes strident nationalist propaganda..."*

I have a Chinese friend who is a great Australian nationalist. He speaks to me frequently. He said, "Of those 24,000 students that Bob Hawke let into the country - you will remember that flood of tears - not one was a refugee. They were the sons and daughters of the political and military cadre'. Of course they were, otherwise they would not be here. They have now been joined by a host of relatives. He said to me, 'I can tell you that one in five, maybe one in three, is a Chinese Government sleeper. I can tell you that there is no commitment to Australia in the whole lot of them. Why do you do this to yourselves? I know these people. They do not change'. Of course he's right.

I have no problems dealing with China. I have been to China five times. I find the country fascinating. If anybody thinks that China is going to be a big bonanza for us, they are wrong. The Chinese at the end of the day will do it themselves, and good on them. That is what we as a nation should be doing.

That does not mean that we do not trade with them. We take every trading opportunity. That somehow Pauline Hanson is somehow going to affect trade is a nonsense that we are beset with. The only reason that people buy from us is that we offer the best product at the best price. That does not mean to say that they will not use the words of the groveling politicians that you find in this House...

The substance of the Bill is this: with regard to the Human Rights and Equal Opportunity Commission - this high-sounding, high-blown name - we have set these people up to somehow watch over us. As I said, they are fetching high salaries paid by the Australian taxpayer. They seem to think their job is to continually denigrate us, a denigration which is not justified.

I am saying this again, Mr. Deputy Speaker, to refresh your memory because I have already said it once. In my view, this organisation should be swept away entirely, but the government does not have the stomach for that. I hope they will have the courage to do it in small doses and continue to cut its funding so that it is no longer an oppressive threat to Australian sensibilities.

In debating this Bill, there has been an implication by many speakers that we are a racist country. I have made it clear that we are not. The Human Rights and Equal Opportunity Commission has made several attempts to do this. I remember when Irene Moss wanted to do a paper to show how racist we were. Unfortunately for Irene, even their slanted investigation proved that Australia was probably less racist than most of the migrant groups who came to this country. So she turned it into an attack on Australia and its Aboriginal affairs record. This

was at a time when there was an inquiry under way into Aboriginal deaths in custody.

I recall entering one of the committee rooms here by mistake when she was holding forth about the terrible situation in Kalgoorlie. This is the Human Rights and Equal Opportunity Commission for you. She was saying how Aboriginals were disproportionately represented in the unemployment statistics for Kalgoorlie. Of course they are. The mining companies will fall over backwards to employ an Aboriginal if he can speak English, he can turn up for shift work and he can turn up clean. That is where they fall down.

There are a lot of Aboriginals in Kalgoorlie. They have two ways of getting a state house: they can go on the Aboriginal housing list or on the normal state housing list which everyone else goes on. They get two bites of the cherry. So there are a lot of Aboriginal people in Kalgoorlie. There are also a lot of Aboriginal people in Kalgoorlie because we have not done the right thing by their communities. They leave the communities and impact on the edge of town by becoming fringe dwellers. There is no mechanism to get them back to their communities. We have set up these communities in areas where there are no employment prospects.

After we kicked out the missions, we have been providing education in the central reserve area for 40 years. In those 40 years, we have not managed to get one Aboriginal to year 12, nor do we look like achieving this. But it is not through lack of money. It would be cheaper to send every child to the most expensive boarding school in Perth. The record is abysmal and the reasons for it are quite obvious. They are not attended to, in my view, because of cowardice.

Recently, an Aboriginal woman said to me, 'Our kids aren't getting educated because they're not going to school'. Why doesn't the Human Rights and Equal Opportunity Commission look at this? Obviously, it is important that they get an education. The woman said, 'Education is vital to our people but you don't care. If they were white kids, you would make them go to school'. I said to her, 'you've got it wrong; we make the white kids go to school because we don't care. We say, "That's the law and you're going to school" but we're so frightened of your culture that we daren't do it with your kids'. She said, 'That's crazy, our kids are the ones who want an education'. I said, 'You tell your people, don't tell me'.....

I have said repeatedly in the House that it was interesting to hear the Prime Minister (Mr. Howard) take up my diagnosis when he said he thought the problems with Aboriginals were hygiene, health, housing, education and training - exactly the things I have been saying. But he left out the one vital factor - employment. If you leave one of these things out of that formula the wheels fall off everything. You have to attack it across the board. You do not just say, 'This year we'll look at this' or 'This year we'll look at that'. Clearly, some work can be done on human rights in this area, but it will never be done by the Human Rights and Equal Opportunity Commission. Much more can be done by having sensitive and sensible policies in government, and by politicians actually representing their electorates, not kowtowing to party dogma.

The Member for Calwell, in speaking on this Bill, talked about limits to freedom of speech. You either have free speech

or you do not have free speech. The limits on free speech are not as he put it. There have always been limits on free speech with regard to inciting people to violence. I think there should be those limits; I do not think we should be allowing incitement to violence. Yet we have seen recently in the papers journalists and others inciting people to violence, saying, 'You should go along and attack Pauline Hanson'. People have been saying that they expect Pauline Hanson will be shot. This is an incitement to violence . . .

**THE STOLEN CHILDREN**  
**" Bringing Them Home"**  
**Hansard, June 2, 1997, Grievance Debate**  
**Graeme Campbell, MHR Kalgoorlie**  
**Leader " Australia First"**

MR. CAMPBELL (Kalgoorlie)(5.11 p.m.): Before I start grieving I would like to commend the member for Cowan (Mr. Richard Evans). I think his was a very good and thoughtful speech.

I want to grieve on Sir Ronald Wilson's report, *Bringing Them Home*. I have absolutely no doubt that there were terrible injustices done and that children were taken from loving parents. I have no doubt that this was done with malice on occasions, but more often it was done with the interests of the children in mind. The children we are talking about were half-caste or even less Aboriginal. It may have been a racist view, but it was deemed that, because these children were at least half-white, they should have a chance. With the clear vision accorded by hindsight this was extreme folly.

However, judgment should be made by the standards of time. What must also be considered is that Judge Wilson predominantly interviewed those cases presented to him by the Aboriginal Legal Service. There were many cases elsewhere where people did not respond because they knew it was the fact of being made wards of the State that saved their lives.

Besides being very selective, Sir Ronald's report is fatally flawed in other ways. He said that is not an intellectual report; it is from the heart. This means, of course, it is not bound by fact. Indeed, the evidence he has collected is beyond confirmation. Sir Ronald said in an interview in the *West Australian* on 30 May that:

" . . . I didn't stop, as a judge would have stopped, to ask where's the corroboration. How could you doubt the authenticity of a story when tears are running down the faces of the storytellers? "

Had Sir Ronald witnessed the tears shed in this Parliament by posturing politicians, he would perhaps have been a little more cautious. As it is, he has offered a licence to every con man in the land.

Just such an example is on page 7 of the *West Australian* on 29 May. There is a picture of Patrick Dodson giving his closing speech at the reconciliation convention. Mr. Dodson is giving a eulogy about Robert Riley who, it is claimed, committed suicide last year after a long struggle to come to grips with the enforced removal from his family. Let it be understood that Robert Riley was not forcibly removed from his family. His mother asked Sister Kate to take him because she was in a relationship with a man who could not stand Robert and whose bashings would probably have killed Robert. It may be true that Robert Riley may be traumatised at being rejected by his mother, but it has nothing at all to do with whitey. I would be very surprised if Patrick Dodson did not know that and Ronald Wilson should have known it because he was on the board of Sister Kate's at the time. While it may be a good tearjerker and a guilt reinforcing performance, it just was not true. Such is the level of evidence regularly used by the doyens of the guilt industry.

Ron Casten and Robert Manne are good examples: both pillars of the Jewish community who like to flagellate us with guilt. Yet they are strangely silent on land rights or compensation for thousands of dispossessed Palestinians. It is always easy in an issue to trot out the highly emotional example, as the member for Holt (Mr. Gareth Evans) did in his predictably sanctimonious contribution.

I remember the words of Isabella Lynott, who is now 95 years old. She, along with her sister, were the first children taken to Beagle Bay, a Catholic Mission, in 1909. Isabella's father was white and when he died her mother implored the local police officer to take her children as they would otherwise surely die. Isabella remembers Beagle Bay very warmly. She said:

*"The nuns were very good to us. They gave us clean clothes, taught us to read and write and to play musical instruments. They taught us how to sew and to dance."*

She had only gratitude for her deliverance.

Another hero of mine is Pearl Hamaguchi, a woman who being an Aboriginal-Asian endured a far harder life than white half-caste children. Being half-Asian, she was not considered worth saving, although she was institutionalised for a short time later. Pearl remembers all that she endured, but she does not dwell on it. She has made a name for herself. Both she, her husband and her family are highly respected members of the community. He comment to me recently was that she had always thought that, we, the Gudea were a bit silly but, with Mabo, Native Title and Ronald Wilson, she now thinks we are far more stupid than even she had imagined. Pearl Hamaguchi is an inspiration to me and a great role model for the whole of society.

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## ATTACK ON SENATE

It is an historical fact that the provision for a Senate, originally known as the States' House, with all states having equal representation, was one of the major factors which persuaded the people of the original sovereign States to vote in favour of the establishment of a Federation.

As every student of political history knows, the natural tendency of all governments is to attempt to increase their own

powers. On several occasions the Senate has proved the major stumbling block to proposals to centralise power, at the expense of the States and the Australian people. All attempts to reduce the power of the Senate have been greeted with deep suspicion. The pattern of voting suggests that while electors vote for the government of their choice in the House of Representatives, a minority of these vote differently in the Senate, an attempt to



keep power divided. The exploitation of the External Powers section of the Constitution was a deliberate attempt to subvert the original intention of the framers of the Constitution.

The election of Independents and smaller parties to the Senate has proved one of the few remaining obstacles to the development of Big Government. Representatives of the major parties have therefore been considering how to eliminate the influence of the smaller parties. Writing in *The Bulletin* of July 28, Liberal Party guru Andrew Robb suggests that the Senate is

responsible for growing community cynicism concerning politicians. Robb even suggests that the Senate is responsible for the rise of "Hansonism". The reality is, of course, that the support for Pauline Hanson's One Nation is the result of the perceived failure of the Coalition parties. A strong vote for One Nation senate candidates, and Australia First candidates at the coming Federal Elections will be a healthy development, ensuring that there is an effective division of power in the next Commonwealth parliament.

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## THE GLOBAL DEATH WISH

by Jeremy Lee

Australia's federal election is now a spectre of high farce. Even journalists and reporters, one suspects, are beginning to quail at the thought of five weeks reporting on the argument about the tax system. There's only so much juice you can squeeze from an orange - even one as over-ripe as this.

But they have to go through the motions. So morning, noon and night the cameras will follow John Howard and Kim Beazley through shopping malls and other public places, telling all the world how dishonest the other is.

Electors are not technicians. They understand almost as little as the two party leaders about the overall application of a GST. The argument on mathematics and other technicalities is largely wasted on voters who go more by perceptions than by details. The most apt description of the GST was, perhaps, that of Alan Ramsay in the *Sydney Morning Herald* on August 14:

*"Along with the \$13 billion in tax cuts from July 1, 2000 comes a new tax that will cost you \$27 billion. Thus, on average, for every one dollar in lower income tax, you'll pay two dollars in the new goods and services tax."*

Even if the average voter has not got these exact figures at his fingertips, he suspects something like that is behind it all. He doesn't believe any of the major contenders, and he's looking for a way to express his anger. Whether One Nation is still perceived as the best means of protest will be seen on October 3.

### WORLDWIDE REVULSION

In every industrialised democracy there is now a quite palpable distaste for party politics. The current German election, where there is a turning against Chancellor Kohl, is evidence. Commentators are bemused by the feeling of frustrated boredom that has settled in the electorate.

In Australia it is much the same. Kerry-Anne Walsh, writing in *The Bulletin* on July 28, began her article:

*"Revolt is in the air. Angry voters are spelling the end of major party political rule in an astonishing surge of support for independents and minor parties, according to an exclusive Bulletin Poll. Half the electorate wants to see more independents and minor parties in parliament, with more than one-third of respondents saying they want independents and minor parties to hold the balance of power in both Houses of Parliament. This dramatic shift away from the mainstream parties can be seen in the extreme level of dissatisfaction with their performances. In effect, two-thirds of the electorate don't like what they're getting from the dominant political forces . . ."*

What is it, exactly, that so many people are objecting to? There are a few party politicians who seem to have escaped the general odium; the Nationals De-Anne Kelly and Bob Katter are examples. Their electors may not agree with their viewpoints. But they accept that they are honestly held.

The average party politician, on the other hand, is a creature of contempt. He has no views of his own, or at least none that he is prepared to stand on. How, otherwise, could all the GST proponents be on one side, and all the opponents on the other? The electorate has finally caught up with Gilbert and Sullivan's Mikado:

*"When in that House MP.s divide,  
If they've a brain and cerebellum too,  
They have to leave that brain outside.  
And vote just as their leaders tell 'em to."*

### THE BIG LIE

This distrust of politicians, and the belief they do not "tell it like it is", is sharpest when it comes to economic conditions. The oft-repeated claim that Australia's economy is strong and in a good condition is received with derision by hundreds of thousands of Australians. The same papers, which headline these claims, also carry articles on the real crisis. Agriculture is reeling. Wool has collapsed. Beef is not much better. Sugar prices are tumbling. The Wheat price has dropped significantly. Farmers are still being driven out of business. The rural debt is impossibly high.

Manufacturing is in similar trouble. Michael Dwyer, writing in the *Australian Financial Review* on September 7, said:

*"The Asian crisis has put Australia's manufacturing sector under siege, with the weaker currency pushing input costs to a three-year high and driving down profitability levels. The September quarter survey of manufacturing in New South Wales, prepared by the Australian Business Chamber, shows the third consecutive quarterly deterioration in business conditions for the industry, with export orders still on the decline . . . The downturn in activity was reflected in a lower capacity utilisation rate, with only 58 percent of respondents to the latest survey*

*operating above 70 percent capacity in the September quarter .*

It is probably extremely hard for politicians - and particularly treasurers and shadow-treasurers - to grasp, but the reasons primary and manufacturing industries are in crisis is lack of orders; which means lack of customers with money to spend. To attempt to solve this dilemma with squeezes or various other manipulations is the last thing required.

Instead of looking at this issue honestly, governments are now hypnotised with a perceived need to attract foreign money into the country - either onto the stock market, or into acquisitions by privatisation.

## A WORLD AWASH

The phenomenon of the global financial system is a vast mesh of gambling investment travelling on a daily basis between the world's major stock markets. This is measured in tens of trillions of dollars, seeking instant margins on exchange and interest rates. In the US it is estimated over 60 million people now 'play the stock market'. Many of these are people who have been downsized out of industry, with savings no longer adequate for old age and retirement. Gambling with inadequate savings is the only risk available.

Most economists now concede there is little connection between this speculation and the real-world activities of the companies listed on the stock exchanges, whose activities and profits cannot in any way match the value of the shares. The 'bubble' has gone on far longer than anticipated, which makes the change from boom to bust - when it comes - more drastic.

That moment is here.

Nations can now be instantly bankrupted with the flight of capital from the stock market. The situation in Russia - caused by a combination of colossal ineptitude by Boris Yeltsin and impossible demands by the International Monetary Fund - is now so serious that the unthinkable is being contemplated, a studied return to Communism. When the crisis is big enough people call for a Caesar.

The position in Asia is equally serious, with mass unemployment and starvation facing a number of countries. A feature article in *The Bulletin* by Dorinda Elliott, on August 4, dealt with the dimensions of the agony. Included in her remarks she said:

*" . . . The horror stories have begun. As the ranks of Asia's unemployed workers grow, millions of desperate job seekers have ventured beyond their home shores in search of living wages in some luckier place along the Pacific Rim. Many have crowded onto the traditional pathways of economic migration - Filipinos joining construction gangs in Saudi Arabia, Indonesians building roads in Malaysia, Mainland Chinese seeking their fortunes in the rich southern provinces. But as East Asia's economies shrink, most of these pathways have become dead ends. The movement of workers once helped take the pressure off the region's poor countries and energise the rich. Now the massive flight from poverty is hurting everyone, breeding abuse, frustration and dangerous discontent. . ."*

She continued by pointing out that millions of unemployed workers are now roaming the region, threatening an era of

lawlessness. To believe that Australia will remain socially unaffected by this disaster is wishful thinking.

## MALAYSIA'S POSITION

It is in this context that recent moves by Malaysia's Prime Minister Dr Mahathir are significant. He was early to grasp that conditions set by the International Monetary Fund for debt rescheduling would make things worse for Asian economies. He has been in the forefront of seeking ways by which Asian economies could distance themselves from IMF policies. The speculative investment that many had allowed to dominate their domestic economies was a major barrier.

Asia itself has been divided by leaders who favoured IMF terms and those who did not. This is the substance of the recent sacking by Dr Mahathir of his Deputy, Anwar Ibrahim.

On August 31 *The Australian Financial Review* reported that Dr Mahathir, determined to tackle the recession in Indonesia, had overseen the resignation of the Governor and his Deputy of Bank Negara, Malaysia's Central Bank. One brief paragraph summarised the reason:

*" . . . Dr Mahathir confirmed at the weekend that he had been at odds with Bank Negara, saying the Government had never agreed with the idea of drying up credit as a solution to the recession. . ."*

Within a short time Dr Mahathir had taken moves to sever the domestic currency, the ringgit, from foreign currency speculation. Malaysia introduced capital controls, with the requirement that investors who held Malaysian shares cannot remove their money from the country for a year. They will have to keep share sales in a Malaysian bank deposit for 12 months after selling.

The Editorial in *The Australian Financial Review* on September 7, complained:

*" . . . The cost of this will be to cut Malaysia off from foreign investment. What foreign company would put its money into Malaysia knowing that a mad-eyed politician could stop it repatriating profits? . . ."*

But, while foreign investors might be miffed, it seems Malaysians themselves are more sanguine about the moves. Just after Mahathir's action the *AFR* (September 7) reported:

*" . . . But as several large international fund managers reacted angrily to the share decision, the Kuala Lumpur Stock Exchange soared 16 percent on Friday, giving the Government an unexpectedly large vote of local financial support for its radical new capital controls. The KLSE Composite Index has now risen 38 percent since the controls were introduced. . ."*

There is no doubt the world's media will make fresh attempts to 'demonise' Mahathir, as it does anyone else who stands in the way. But there is also no doubt that other Asian leaders will be watching Malaysia closely. If it is able to safeguard its domestic economy and its people from the horrors imposed through international debt and speculation, there will be a stampede to follow suit. So everything will be done to cut down Dr Mahathir.

## PRINTING MONEY

One of the few economists who appears to have correctly analysed the problem is the chief economist at National Mutual

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in Melbourne, Mr. David Corby.

In an article in *The Australian Financial Review* on September 7, headed "TIME FOR THE FED TO CUT LOOSE", the subheading read: *"The craziness in world financial markets is translating into a new Great Depression, claims David Corby. The solution is printing more money"*. David Corby said:

*"The World is already in recession. Growth in world industrial production has slowed from around 6 percent to zero percent in the past year, yet global policy settings are tightening . . . All of which suggests that the worst is yet to come. And this will be the worst world recession in 60 years.*

*Already, 20 percent of the world (Japan, ASEAN and Korea) is suffering from a problem the world has not seen for 60 years: depression caused by "debt deflation". As these economies' growth has slowed, the real value of debt has risen. This has made it more difficult for debt to be repaid. Borrowers then default and banks liquidate assets, and this imposes further downward pressure on asset prices. The crux of the problem is excessive global investment funded by rising debt . . . deflation will make debt harder and harder to repay while prices and incomes continue to fall . . ."*

David Colby continued by pointing out the last time this happened was the Great Depression of the thirties, when economies contracted enormously. He continued: *"A number of factors finally produced a turnaround in 1933. One of the most important was an injection of an unprecedented amount of liquidity by the US Federal Reserve. Within three months prices rose and the economy began to recover. Paul Krugman essentially recommends such a policy for Japan. It may seem controversial to those conditioned to central banks fighting to reduce inflation, but history supports his position. Printing money and generating moderate inflation will help..."*

David Corby also appears to have anticipated the very situation that is possibly occurring in Malaysia:

*. The International Monetary Fund has continued to push for tight policies in ASEAN and Korea aimed at stabilising currencies and avoiding default on foreign debt. These policies however have pushed the crisis countries deeper into depression. History suggests that at some stage the pain will become too much to bear and ASEAN and Korea will break from the IMF and implement expansionary (pro-inflationary) policies aimed at generating recovery. . ."*

### HISTORY REPEATING ITSELF

To those who remember the 'thirties, there is something horribly depressing in treading the same ground, with old solutions offered as though they were new. Consider this analysis by C.H. Douglas, put forward just on seventy years ago:

*"There is no doubt whatever, and I do not suppose that anyone at all familiar with the subject would dispute the statement for a moment, that the present trade depression is directly and consciously caused by the concerted action of the banks in restricting credit facilities, and that such credit facilities as are granted have very little relation to public need; that, whatever else might have happened had this policy not been pursued, there would have been no trade depression at this time, any more than there was during the war; and that the banks, through their control of credit facilities, hold the volume*

*of production at all times in their hands"*. (CHD, Control & Distribution of Production)

And this:

*"A feature of the industrial economic organisation a: present is the illusion of international competition, arising of the failure of internal effective demand as an instrument by means of which production is distributed. This failure involves the necessity of increased export of manufactured goods to undeveloped countries, and this forced export, which is common to all highly developed capitalistic States, has to be paid for almost entirely by the raw material of further exports. Now it is fairly clear that under a system of centralised control of finance such as that we are now considering, this forced competitive export becomes impossible; while at the same time the share of product consumed . . . becomes increasingly dependent on a frenzied acceleration of the process..."* (CHD, Economic Democracy).

C.H. Douglas, three score years and ten ago was far in advance of Paul Krugman in 1998. Krugman, at least, is challenging the IMF's belt-tightening policies, and correctly stating that this is worsening the situation. His alternative is a fresh round of expansion through further bank lending. But Douglas foresaw that, unless monetary expansion was effected without debt, the problem was both postponed and worsened. The release of debt-free credit with the intention of placing more purchasing power into the hands of individuals was the only viable solution to a crisis which otherwise contained the potential to destroy society.

There is no doubt such a policy is a direct challenge to existing power structures; hence the oblivion to which Douglas has been consigned. Only events, and the efforts of the few who remember what he had to say, can uncover that which is hidden, and bring to light the answers, which have been there all the time.

## BASIC FUND SET AT \$60,000

The directors of the League of Rights admit that they are taking a calculated risk in reducing the 1998-99 Basic Fund from last year's \$65,000 to \$60,000. The directors stress that they are conscious of last year's sacrificial giving by many supporters. "The post-election period will see increased demands upon the League. But we also believe that an increasingly turbulent situation will generate increasing financial support. We appeal to all supporters to rally in support of our optimism". As predicted by the League Australia is now entering the biggest crisis in its history. How it comes through this crisis will ultimately decide the future of the nation. Over half a century of persistent effort has ensured that there is more than a "fighting chance" of national survival. The League would appreciate an early and generous response to the annual basic fund appeal. All contributions to Box 1052J, G.P.O. Melbourne 3001. Unless specifically requested, receipts for donations will not be issued, this conserving funds and limiting the strain on the League's limited staff, most of them volunteers.

## WHAT TYPE OF "TAXATION REFORMS" ?

As "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 "*never ever*" would he impose a General Goods and 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 yet to be outlined, 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 "taxation 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 prevented 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 almost certainly gained herself a few more thousand votes. The major parties have almost completely lost the trust of the Australian people.

### WHY YOUR SUBSCRIPTION IS VITAL

As the League prepares to meet the biggest crisis in its history, it is essential that it speak frankly to subscribers to its journals. The production and distribution of League publications is not a commercial activity, but a major feature of a unique service movement. Those who fail to renew their subscriptions to journals immediately upon receipt of renewal notices place a big strain on those operating the League. As we gear up to meet a deepening national crisis, we make a special appeal to all subscribers: if your subscription is overdue, please bring it up to date immediately. If your circumstances are such that you find it difficult to do so, please let us know, also indicating that you would like to remain on the League's mailing list. The League's policy is to try to service all those who can make use of the information provided by the League. Can we hear immediately from all those whose subscriptions are overdue? Thank you.

## THE FUTURE OF PAULINE HANSON

As our regular readers know, we have not been uncritical supporters of Pauline Hanson. But as realistic commentators we have drawn attention to the fact that Pauline Hanson has acted like a type of catalyst on the Australian political scene. She has acted like a lightning conductor for the pent up feelings of a growing number of concerned Australians. She has been badly advised on several issues, one of her biggest mistakes being to have allowed herself to be embroiled in a type of complicated taxation debate. It is not the role of a political representative to become involved in technical questions concerning finance and economics, but to concentrate upon representing clearly defined community policy objectives. It is legitimate for political representatives to reflect the growing concerns of the Australian people about their loss of financial and economic sovereignty. The appropriate experts should be directed to implement measures to reverse policies undermining sovereignty.

Pauline Hanson has shown great courage in standing up to the torrent of abuse she has had to endure and her public appearances have improved. While we have the strongest reservations concerning some One Nation candidates, a number impress with their obvious sincerity and integrity. We recommend that they be assessed on their merits and supported where it is felt that they would be an improvement on the present major party members. As for Pauline Hanson herself, we can only wish her well. The biggest factor in her favour is that she has the "right" enemies. It is probable that the highly organised Zionist-Jewish campaign of opposition is a reflection of a fear that a strong vote for Pauline Hanson would indicate that there is strong support in the community for pro-nationalist, as opposed to internationalist, policies. Nationalism versus internationalism is the major issue confronting the Australian people.

### HAVE YOU BOOKED FOR THE *NEWTIMES* DINNER?

Please do not leave your booking for the *New Times* Dinner until the last minute. While seats are still available, the hotel requires firm bookings to be made in advance. A "full house" will be a fitting tribute to guest of honour, The Hon. Neil Robson, distinguished former Minister in a number of Tasmanian Liberal Governments. No Dinner bookings are accepted without payment of \$35. The *New Times* Dinner is the highlight of the year's League of Rights activities and it is expected that all supporters will make every endeavour to be present. Dinner messages will be welcomed.

Guests must be ready to be seated for Dinner at 7 p.m. Pre-dinner refreshments will be available from 6 p.m. onwards.