

# THE NEW TIMES

\$25 per annum.

Box 1052J, Melbourne.

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

VOL. 62, No. 10.

Registered Australia Post - Publication PP481667 100259

OCTOBER 1998.

Australia and New Zealand Edition. Published in Melbourne and Auckland.

## ELECTION RESULTS: OPEN WINDOW OF OPPORTUNITY

*by Eric D. Butler*

While John Howard's proposed G.S.T. (General Services Tax) was one of the major issues discussed during the Australian general elections, it is far from true that he now has a "mandate" to impose this or any other type of taxation upon the Australian people. The Federal election results, and how they were achieved, served only one good purpose: they highlighted the fact that genuine representative government does not exist in Australia, and that the present party system is being used to create a type of elected dictatorship. If a handful of electors had voted differently in a handful of electorates, John Howard would not be Prime Minister today. The policies of the major political parties offered the electors the equivalent of being boiled in oil, shot or hanged. Labor leader Kim Beazley admitted after the election that his capital gains taxation policy had probably cost him victory at the polls.

The following are several of the major issues concerning Australia's future which were not debated, or adequately discussed during the elections: immigration; the soaring foreign debt - to which the major political parties have all contributed; the growing foreign acquisition of Australia's basic industries and resources; and the subversion of the Federal Constitution by the misuse of the external affairs power. The major parties continue to endorse the totalitarian concept of the "global economy" and "free trade". With the print media of Australia being monopolised by the Murdoch and Fairfax groups, the subject of media monopoly was studiously ignored. No major party even raised the question of whether it might be possible to finance the necessary development and defence of Australia without foreign borrowing.

The silent treatment of West Australian Graeme Campbell, and the Australia First Party, which had become glaringly obvious during the Queensland state elections, was continued during the federal elections, with the left wing of the Labor party contributing to the ultimate defeat of the most able nationalist in the Federal Parliament. One Nation strategists foolishly continued with the anti-Campbell bias displayed during the earlier South Australian and Queensland State elections. Pauline Hanson ignored the advice of Graeme Campbell who, in a statement published in the *South Burnett Times*, warned that it was impossible for Pauline Hanson to win the new Queensland electorate of Blair. When Pauline

### 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.

Hanson eventually agreed to meet the media after the elections; she explained her electoral defeat by saying that she had not fully understood the preferential system of voting. This explanation reflects seriously either on Pauline Hanson's political judgment or that of her adviser David Oldfield.

Whatever the explanation, the election results did not hear about Pauline Hanson's firm pre-election prediction that her party would win seats both in the Senate and the House of Representatives. The only seat was in the Senate, which Pauline Hanson would have won easily if she had contested the Senate instead of the House of Representatives.

### **Howard government weakened**

However, the overall election result has seriously weakened the position of the Howard government, which explains why "Honest John" has suddenly discovered that he might consider accepting the vote of controversial Senator Mal Colston in order to have his GST proposals accepted before the end of the year. The constitution of the newly elected Senate makes it more difficult for John Howard to treat it as a rubber stamp. Like his Labor predecessors, John Howard appears to have difficulty in understanding that the Senate is part of the Australian political system, and is elected by the Australian people. The Senate has proved an effective curb on the government of the day, as John Howard will recall when he attempted - as Treasurer in the Fraser government - to impose a tax on books and magazines. Reacting to widespread public opinion, Don Chipp's Democrats vetoed the Howard Tax in the Senate.

Both John Howard and National leader Tim Fischer have admitted that while One Nation won no seats in the House of Representatives, and only one in the Senate, the total vote for One Nation candidates reflects a widespread national concern on issues that are not going to go away. One of the most pertinent

**The Editor,  
The Weekly Times,  
P.O. Box 14999, Melbourne City MC. 8001**

**Dear Sir**

We need only one reform of taxation, and that is to ensure the multinationals pay the same taxes as the rest of us.

Repeal of the Double Taxation Act (1953) would achieve that objective. A GST won't!

The GST is to be levied only on sales in Australia. It cannot be otherwise, so profits repatriated offshore will still not be taxed.

We are going to get a GST whether we want it or not. The International Monetary Fund says so.

We can accept the Beazley rhetoric (as we believed Howard in 1995-96) and change the government, but the "no" will become "yes".

The solution lies in economic reform that will lessen, and finally eliminate, our reliance on overseas capital.

Until we demand this change the big will continue to get bigger and the small go broke.

**Yours truly,  
Ron Fischer.**

comments on the Federal election results came from defeated candidate Graeme Campbell, who pointed out that the removal of Independents from the Federal Parliament had removed a safety valve for a large and growing number of concerned electors. The removal of such a safety valve could lead to violence and a revolutionary ferment. There is no evidence that a Howard government, which contains members who are far from satisfied with what John Howard has done, or proposes to do, is likely to take any action which will lessen the growing social ferment. As I have constantly pointed out, in the absence of policies designed to move Australia off the internationalist road, and to lessen growing economic and social pressures, it did not matter which of the major parties won the federal elections. John Howard has not won a victory, which is going to change anything fundamental. But the balance of power resulting from the elections has created the conditions in which a new type of political movement, rejecting present party politics, can develop. Genuine patriots of present groups including One Nation and Australia First supporters, now have an opportunity to provide the type of leadership the nation needs. That type of leadership must be based on the Christian philosophy concerning leadership: those who would be the greatest among their fellows must agree to be the servants of all. In a series of post-election addresses, Jeremy Lee outlined some concepts, which could be a starting point for the revival of traditional Australia. I am satisfied that the election has opened up windows of opportunity, which were only vaguely taking shape before the election. Social Crediters must seize the opportunity for what is now required: an intensification of the League's educational programme, starting with the widespread distribution of the audio-taped address of Jeremy Lee's post election address. Order from MEA Tapes, Box 184, The Basin, Victoria 3154. \$6 posted.

## **BASIC FUND MUST BE FILLED**

The League's Annual Basic Fund is the lifeblood of the League. The "target" set each year is based upon the programme planned for the coming twelve months. Last year the target was \$65,000. This year it has been set at \$60,000. Needless to say, the total League expenditure is much greater than the Basic Fund. But the Fund ensures that programmes can be undertaken in confidence that they will be self-financing. But in the absence of an assured Basic Fund, forward planning is impossible. The League has planned the biggest programme in its long history, including its own distinctive campaign on the Republican issue. An encouraging start has been made, with just over \$14,000 having been contributed by a relatively few supporters. Forward all contributions to Box 1052J, G.P.O. Melbourne 3001.

# CREDIT, CRISIS AND THE CROWN

*The following abbreviated notes are from Mr. Jeremy Lee's paper at the 1998 New Times Annual Seminar*

As the drive for an Australian republic accelerated in 1997 it became clear that there was a more-than-interested involvement by "big business". It was also clear that while corporate Australia favoured a republic it feared a popularly elected President; in other words someone who could not be moulded and controlled into the global programme favoured by the multinationals.

It was also clear that the reason for the removal of the monarchy was to eliminate the last vestiges of those reserve powers, which might, in a crisis, be used to forestall the global programme.

Chief of these was Australia's constitutional independence - outlined in Section 51 of the Constitution - to monetise the credit of the people.

On November 24, 1997, the Australian Financial Review carried a feature article headed "CORPORATIONS HAVE REAL ROLE IN REPUBLIC". It said:

*" . . . In a modern globalised economy the role of an Australian head of state is primarily to represent this country, both to ourselves and on the world stage, to be an advocate for us, and to promote trade for Australian resources, manufacturers and services . . . This head of state ought to be the advocate for the brand - Australia - the person who promotes and protects our brand image in the global supermarket ... The current proposal is that the President will be chosen by a two-thirds majority of our Members of Parliament, and there are good reasons for this. However, there is a strong view emerging from the Australian people that they believe the President should be popularly elected . . . That represents a real risk for business - because however worthy the contributions of the many notable Australians being mentioned as likely to appeal to Australian voters, there is a conspicuous lack of anyone with broad, business experience. And that is a worry. Australian business has a real role to play in supporting the election of a head of state by two-thirds of our MPs. . . . The President should have significant experience in corporate life - optimistically, as head of a major Australian enterprise. . "*  
(End of quote).

## LOSING CONTROL OF OUR MONEY

Control of Australia's money system is an issue, which has been given no expression in the current debate about our constitutional arrangements. Yet it is crucial. As the founder of his dynasty, Meyer Amschel Rothschild is credited with saying: *"Permit me to pass the money of a nation and I care not who makes its laws."*

Less than a century after Meyer Amschel's five sons had dispersed to the major capitals of Europe from Frankfurt, Britain's Prime Minister W.E. Gladstone stated:

*"From the time I took office as Chancellor (December 1852) I began to learn that the State held, in the face of the Bank and the City, an essentially false position as to finance. The hinge of the whole situation was this: The Government itself was not to be a substantive power in matters of finance, but was to leave the Money Power supreme and unquestioned. In the conditions of that situation I was reluctant to acquiesce, and I began to fight against it by financial self-assertion from the first. I was tenaciously opposed by the Governor and*

*Deputy-Governor of the Bank (of England), who had seats in Parliament; I had the City for an antagonist on almost every occasion ... .."* (Morley's *"Life of Gladstone"*)

Like the U.S. Federal Reserve System, the Bank of England was privately owned, and dominated by Rothschild interests. Nathan Meyer, head of the London branch of N.M. Rothschild, was a governor of the Bank. It was not until a century later that the Bank of England was nationalised, although the Directors still came from the private sector and have always made sure their interests were not jeopardised.

The Britain of today is faced with losing its own coinage should it finally accept the new European single currency system. It will have no say over monetary policy, for Article 107 of the Maastricht Treaty stipulates:

*"Neither the European Central Bank, nor a national central bank, nor any member of their decision-making bodies shall seek or take instructions from any government or any other body."*

It's an imperious demand, however you look at it, and while Britishers may not be conversant with the intricacies of banking, they can certainly recognise a pig in a poke. As the Editor of the beautifully produced *"This England"* commented in the latest edition:

*" . . . I was born and bred in England. I am British to the marrow of my bones, and so will stay until my dying day. I have no desire to be a citizen of a huge super-state called "Eutopia" or whatever, with one great governing body in Brussels or Berlin and a multilingual puppet parliament in Luxembourg. I don't want to abandon the Pound in my pocket and swap it for the exciting new single currency, even though it means I shall have to forego the huge advantage of being able to spend it freely in places like Latvia and Macedonia which will all be part of a federal "United States of Europe" that our political masters deny they are building..."*

## PUPPET GOVERNMENTS

Roy Feier's description of "puppet parliaments" is apt. *The Sydney Morning Herald* (August 23, 1997) reported, under the heading "HOW UNSEEN BUSINESS CHIEFS CONTROL EUROPE":

*"For more than a decade, Europe has been effectively run not by national politicians or the Brussels bureaucracy, but by a little-known group of transnational corporations called the European Round Table of Industrialists (ERT). . . .The evidence shows the ERT was the driving force behind the EEC's internal market in the 1980s, the 1991 Maastricht Treaty and the social welfare-cutting single currency. Founded in 1983, the ERT is made up of 45 business leaders from large European transnational corporations whose combined annual turnover approaches \$880 billion. They include BP, Shell, Daimler-Benz, Fiat and Siemens..."*

The world these behemoths are striving for does not include nation-states or national parliaments, which are capable of making independent decisions. It has been well described by President Clinton's economic guru Robert Reich:

*"There will be no national products or technologies, no national corporations, nor national industries . . . There will no longer be national economies, at least as we have come to accept the concept. All that will remain rooted within national borders are the people who comprise the nation..."* (Australian, June 25, 1992;

- Which obviously raises the question - why on earth go on with the charade of elections, cabinets, ministers and treasurers if the decision-making process has been shifted elsewhere? A major article in *Business Review Weekly*, April 29, 1996, put it quite clearly:

*" . . . There is little doubt that the internationalisation of financial markets is of an entirely new intensity. Peter Ellyard, executive director of Preferred Futures, says one consequence will be a decline in the hegemony of the nation-state and the eventual demise of national currencies. National governments already are unable to control their domestic money supplies except through the imposition of interest-rate mechanisms . . . More than 60% of international trade and financial activity is undertaken by multinational companies that represent an economy equivalent in size to the US economy but which has little allegiance to domestic considerations. Ellyard says most international contracts for these companies will be written in US dollars, yen or Eurodollars, which will become either a de facto (or ultimately an actual) world currency. "The control of these currencies will be in the hands of just a few players: the US Treasury, the Japanese Finance Department . . . National governments may be superseded by regional bodies or global networks..."*

### FUNDAMENTAL QUESTION

With such power at their fingertips, why would corporate chiefs and owners of these burgeoning multinationals concern themselves with the debate about a republic in Australia? The answer is that those running the global programme are not nearly so sure of their own invincibility as they would have us believe. Any vestiges of sovereignty and independence are a threat. The crowned head on Australia's dollar - or the British Pound for that matter - is a constant reminder of a latent potential to which people might turn in the extremity of crisis.

Significantly, Australia now has its own version of the European Round Table, which has wrested power away from politicians in Brussels. *The Australian* (May 5, 1998) reported:

*"When the idea for the Australia Unlimited Round Table was first discussed between The Australian and the Global Foundation six months ago, the idea was simple: prominent Australian and international thinkers would join a two-day discussion on "ideas for Australia's future" that would help to nudge the nation towards its centenary of federation. When it opens in Melbourne today Australia Unlimited will feature some of the world's sharpest ideas people, headed by International Monetary Fund managing director Michel Camdessus..."*

A companion article commented: *" . . . As he presides over the opening today of the Australia Unlimited Round Table, a conference on ideas for the country's future hosted by The*

*Australian, Sir Zelman (Cowen) will reflect that he is only a couple of decades younger than the Commonwealth of Australia ... Reflecting yesterday on the approaching centenary, the former governor-general said he believed "globalisation" or the way we have become "so proximate to each other", made the turning of the century an "intensely dramatic time..."*

One could be excused for suggesting that a Round Table Conference hosted by *The Australian* and presided over by a former monarchist-turned-republican governor-general would inevitably favour the globalist agenda rather than the sovereignty of the nation-state. Indeed, one of the papers presented in *The Australian* (April 30, 1998) under the auspices of Australia Unlimited Round Table, by former federal departmental head Michael Costello was headed "WHAT PRICE NATIONHOOD?" It was a plea for the abandonment of national sovereignty in favour of globalism:

*"Globalisation is here to stay. Political movements round the world have no choice but to grapple with the new problems it poses for them. Here are some possible starting points. It is true that large global corporations now have at their disposal the command, control, communications, and intelligence capability previously the preserve of the military, enabling them to direct and control from the centre in real time . . . It is true that if we thought overseas competition in manufacturing was tough, we haven't seen anything yet . . . It is true that the very existence of the modern nation-state will be challenged by globalisation as never before. After all, a global corporation's patriotism is for company, not country. The nation-state's fundamental power to tax and legislate can be at worst evaded, and at best put up for competitive auction against other countries. What price national sovereignty? What price a national government's commitment to high levels of employment when capital can easily move where it will? . . . It is true that globalisation reinforces the tendency of free markets unfettered to make the rich richer and the poor poorer. We are only on the foothills of globalisation and already this is happening. In Australia, for example, the increasing concentration of wealth is well recorded. Relative poverty in the past 20 years has grown from one in five Australians to nearly one in three. But this is not to criticise free markets. To do so would be like criticising a dog for barking. .*

Michael Costello, apparently, is not only prepared to live with these 'truths', but seems to think they are the best of available options. Persisted with, however, the Constitution and the idea of political representatives answerable to their electors within the monarchical framework are expendable. Personal freedom and globalisation are incompatible. That's where we are as we come towards the end of 1998. But it is distasteful that global interests are partaking in the republican debate under the banners of "sovereignty" and "independence". They are not prepared to spell out the true nature of their programme as an option for the consideration of the Australian people when it comes to the approaching referendum.

### THE MEDIA BETRAYAL

It is significant, too, that Rupert Murdoch's *Australian* should be hosting such a project. Murdoch has long fostered the republican programme. As long ago as 1976 he was reported as

follows: (*Morning Bulletin*, Rockhampton, November 26, 1976):

*"Australian newspaper proprietor Mr. Rupert Murdoch is reported to have said in New York that he had changed his mind about supporting Australia's Labor Government because it had chickened out on necessary changes - like making Australia a republic..."*

A message, which a subsequent Labor leader, Paul Keating, obviously took to heart! Since then, Murdoch's control of the Australian media has expanded to the point where he controls 65 percent of the country's metropolitan papers. He can fashion and pursue the issues he wants. The position was well summed up by David Bowman, writing in *24 Hours* (The SBS monthly) July 1993:

*"A republic or a monarchy? Are we to live with the status quo, or fiddle with it, or undergo a constitutional convulsion? If Australia has to decide on a future form of government, should we be advised, warned, enthused and generally guided Australian newspapers controlled from the United States?"*

*... Rupert Murdoch, of course, controls far more of the Australian press than (Canadian) Conrad Black - seven of the twelve capital city dailies for a start, against Black's three. The tired argument about whether Rupert Murdoch is really an Australian need not detain us long. Mr. Murdoch is a citizen of the United States who has sworn a resounding oath of allegiance to that country. He is an international businessman who insofar as he belongs to any country is in law, in practice and in spirit, an American..."*

It is hardly likely, therefore, that the Murdoch press will list in any rational way the increasing number of cogent examples that globalism, far from having an assured future, has consistently worsened world conditions since its inception, now creating such a bow-wave of disaster as to threaten its own viability.

## **THE COALITION - NEITHER FISH NOR FOWL**

It is into this sea of confusion that the reduced coalition Liberal-National government, its members now tattered and frayed at the edges, committed to a GST which the majority of Australians don't want, is setting sail. One of its first commitments is a referendum on the republican monarchy debate, put on the agenda by years of maneuvering from a very small minority of internationalists, who package their product under the national label.

When John Howard addressed the 100 top bankers in Sydney in early June 1996, he was confronted with the demands expressed by their chosen spokesman, John Corzine, of Goldman Sachs & Co. A number of conditions were set out if Australia was to qualify for future injections of international finance. One of these was that Australia would forego any idea

of financing its own future independently. As the *Business Review Weekly* article quoted earlier said:

*"... National governments already are unable to control their domestic money supplies except through the imposition of interest-rate mechanisms..."*

What would happen to the nation, which tried to do so? The Australian Constitution is quite specific in setting out the sovereign powers ceded to the Commonwealth government to control and manage Australia's money supply. It has never been revoked by the Australian people. But a bunch of foreign bankers say otherwise, and the government capitulates.

Goldman Sachs & Co - whose managing director John Corzine told John Howard what was required - is one of the biggest merger-and-takeover merchant banks in the world. It has recently upgraded its Australian operations, with a view to foreign takeovers of the industries in Asia's collapsing economies - a fact bitterly resented by Asian leaders not so ready to abandon the trappings of sovereignty as Australia.

The Australian director of the Australian arm of Goldman Sachs & Co is Mr. Malcolm Turnbull - who also happens to be the chairman of the Australian Republican Movement. Mr. Turnbull, reportedly, has spent over \$1 million on the programme for a republic. It was he, more than anyone else at the February Constitutional Convention at old Parliament House, who mustered opposition to the notion of a popularly elected President, opting for one chosen by a majority of members of Parliament. This was and is the model "big business" requires, to provide an advocate "to promote and protect our brand image in the global supermarket."

For such worldly-wise corporate internationalists the idea of a national parliament controlling the nation's money independently of the international banking fraternity must be stamped out quickly and repeatedly (remember the quite hysterical reaction from John Howard and Peter Costello to One Nation's over-modest demands for a small bank allocation for the resuscitation of farmers and small businessmen in Australia?). The truth that the Crown was, and should be now, responsible for Australia's money supply must be a constant thorn in the side of the global elite. Quite apart from financial considerations, money bearing the Queen's profile, carried in the wallets and purses of ordinary Australians, is a compulsive argument for the retention of the monarchy. Sooner or later, Australians may well ask, "Whose head will be on our currency if we opt for a republic? And who will control our money? We ourselves? Or some group of anonymous bankers and multinational CEOs who don't care much for Australia anyway?"

The issue of Australia's financial independence and sovereignty should be put on the agenda of the coming referendum.

## **SOCIAL DYNAMIC SCHOOLS**

Following the federal elections, those attending Jeremy Lee's series of lectures were challenged to start equipping themselves for realistic political action by doing the League's Social Dynamics seminar. A number of "One Nation", "Australia First" and other small political groups indicated their desire to do the programme, which takes only six hours. There is no charge for the programme, which is financed by voluntary contributions at the end of the programme. Those wishing to participate in the coming new series of seminars should contact the League immediately. Write to Box 1052J, G.P.O. Melbourne 3001. Ph: (03) 965 09749.



# SOME NOTES FROM THE PAST

Edited by the famous English writer, Arthur Orage, *The New Age*, London, was at one time regarded as the most outstanding literary journal in the United Kingdom. It was widely read throughout the English-speaking world and played a prominent role in the discussion of C.H. Douglas's Social Credit ideas throughout the British Empire. The following notes, which concern the Australian scene at the height of the Great Depression, appeared in *The New Age* of April 20, 1933, at a time when Social Credit was starting to become a major factor in Australian politics:

## NOTES OF THE WEEK

### The Australian Economic Advisory Council

This is the name of a body recently set up at the instigation of the bankers to counteract the influence of the Social-Credit campaign in the Commonwealth. Its personnel has been carefully chosen so as to make it appear to be the spontaneous embodiment of responsible and unbiased opinion on high-political principle. Its first statement after inauguration was that "the main function of the Council" would be to "impress upon the public" that the "work of rehabilitating Australian industries generally should be carried on without interruption by political changes." Naturally almost any well-intentioned man or woman would regard this function as healthy in its influence. Hence there is no doubt that the members of the Council are individually above reproach as to character, and also as to general intelligence in the conventional sense of the word. What they lack is the specialised knowledge requisite for the fulfilment of the function they have undertaken. Therefore at each step in that fulfilment they will feel the need of expert guidance; and for that guidance they will naturally go to the financial authorities, which they regard as the impartial repositories of high-political wisdom. Their opening statement says: "The Council will prepare and issue considered statements on matters of public importance." Quite so: but the people who will inspire the considered statements will not be those who prepare and issue them. No: the "main function" of the Council, as the statement says, will be to "impress upon the public" certain views. That is to say, it is a transmitter, not a generator, of high-political policy.

What that policy is can be deduced from the text of the Council's statement.

1. "...the work of rehabilitating . . .". Notice that the words "work" and "rehabilitating" are not defined. The phrase suggests that methods are in contemplation for achieving a desirable objective. Yet nothing is said to show that the objective *is* desirable; nor, supposing it to be so, that the methods are applicable to it. The public has no information whether the object in contemplation is to provide them with ice cream or with hot milk; nor whether the method in contemplation is to freeze the milk or boil it. Or course, one will say, you can't imagine anyone's trying to boil milk into ice cream, or to freeze it hot. No; but you *can* imagine the work of "rehabilitating" doing the opposite of what you think it is doing. Financial experts have been performing that feat ever since the war - flying from the refrigerator to the saucepan and back again, and leaving everybody but themselves at a loss to know what they can be trying to do unless it be to achieve that delicate balancing of temperatures requisite for producing hot ice-cream. Hence Mr. Montagu Norman's confession of impotence - which curiously enough is universally considered an all-sufficient

reason for retaining his services. "He *must* be a great chef because he can't cook."

2. "... Australian industries generally..." Here the "rehabilitation" is assumed to be something of a nature not only beneficial to any particular industry, but something from which all industries simultaneously can derive the benefit, whatever it is. Further; in the context this rehabilitation of "industries generally" is implicitly held out as being in the interests of the public generally - briefly, that "rehabilitation" will confer a benefit on every citizen as a producer, and on every citizen as a consumer, and thus of the whole of the Australian producer-consumer population at one and the same time. At least that appears to be contemplated when the policy is in operation. In the meantime, the method of putting it into operation is to rehabilitate "industry" first, the assumption being that when this is done the rehabilitation of the Australian people will follow as a matter of course.

3. "... without interruption by political changes." This clearly envisages the evocation of more or less dissatisfaction with the work of rehabilitation in its earlier stages. For if the public as a whole were satisfied, they would either not want any political changes, or, if they did, the changes they wanted would not be such as would interrupt the work. The suggestion means, in the last analysis, that the exercise of the franchise shall be virtually suspended while the work is in progress, and that the authorities in charge of the policy shall be invested with dictatorial powers in respect of it and of their methods carrying it out.

Reviewing this analysis comprehensively, it will be realised that the "main function of the council" is to "impress upon the public" that they should form themselves into a United Australian Party yielding uncritical support to the authors of an Unknown Australian Plan. The initial letters U.A.P. conveniently serve to identify the two things. The key letter is "U" - signifying Unity for the Unknown. The public is to be "impressed" by the slogan; "Unite for the Unknown" - and the logic of the appeal, if any, is that *because* the plan is unknown the public ought to unite for it. We can interject an amendment of our own here and say that it is only because the plan is unknown that the public *can* unite for it. "United we stand: divided we fall." In other words, "we stand" because we do not understand - and when we understand we shall fall.

It will be seen that up to this point the soundness or otherwise of our analysis can be weighed by thoughtful men or women irrespective of whether they know anything about Social Credit. If they will reflect on it, particularly on the second of the three numbered sections, they will be forced to conclude that either this unknown plan is too good to be practicable, or that

the genius of the Australian Economic Advisory Council is too brilliant to be true. For remember that, *on the face of it*, the Council is the supreme repository of the wisdom of statecraft. It is a generator of policy, not a transformer, much less a transmitter. That is its implicit claim; so, for the purposes of the present argument, our previous impugment of it can be disregarded for the moment. The point we want to make here is that, on the assumption that the claim of the Council is true, the antecedent probability of its plan being feasible depends upon what estimate is placed on the credentials and qualifications of each of the individuals constituting the Council. For the collective wisdom proceeding forth from it is no greater than the sum of the individual wisdoms that enter into it. There is interplay of wisdoms inside the Council, but this interplay is merely coalescence. There is no such thing as wisdoms multiplying each other. They merge with each other, the lower into the higher (and, ideally, all into the highest). This not true of all planes of experience, but it is undoubtedly true of deliberations of the sort which the members of this Advisory Council must engage it.

Well, then, who are they? What is inside each of the heads that are being put together to rehabilitate Australian industry? We must leave the answer to those who have been living and working with them and know their records. In the history of

this country it is related of one Cabinet that, when the names of its members were announced, they were so unexpected that each was greeted with the cry: "Who? Who?" by an ironical assemblage of, no doubt, disappointed aspirants for office. The Administration came to be known as the "Who-Who Government."

Much in the same terms, though not the same spirit, might the Australian public greet the names of these advisory Councillors. No doubt they are men with some degree of mental capacity and technical ability who can point to certain limited achievements in different walks of life; but in no case do they conspicuously differ from their fellows. It would probably be possible to form fifty more Councils of equal calibre to the one chosen.

With this in mind let the Australian public consider the nature of the objective, which this Council is impliedly endeavouring to reach. We have explained it in principle in section 2 of our analysis. It is, briefly, to put Australian industry on its feet in all its branches at once and the same time. Many people are apt to deride the Social Credit objective as fantastic as a practical proposition although conceding that it is theoretically attainable. But the Council's objective is not attainable even in theory under the existing rules of the financial system - rules which, remember, must not be interrupted by political changes. Non-interference is almost explicitly stated in section 6 of the Council's published announcement of its general policy:

"That every effort should be made to educate the people to the fallacies of schemes such as the *Douglas Social Credit System*, the nationalisation of banking and of land, and other destructive policies." (Our italics).

We will include also Section 3, which reads:

"To *keep the management* of the exchange rate entirely free from political interference or control." (Our italics. Notice the admission that the exchange rate *can be managed* and is managed - which is in direct contradiction to the classical theory that international exchange-rates automatically recorded and corrected over-buying or over-selling on the part of individual nations in the world market - acting, as the theorists used to put it, like the "governor" of an engine by regulating cross-flows of national exports and imports at even speeds in both directions).

These quotations help us to a judgment of what the Council's unknown methods can accomplish towards its objective because they make known the limitations under which those methods will be used. That is to say, the rehabilitation of Australian industry has to be brought about somehow by methods which (a) do not demand an expansion of credit, or if so, expansion at the discretion of the banks - and at the charge of the taxpayer: and (b) leave the pricing of goods to be fixed by the law of supply and demand (i.e., the price of an article is all it will fetch, and if all it will fetch is less than the costs allocated to it under existing accountancy principles, the seller stops making the article and goes out of business).

The circumstances in which the Council proposes to commence rehabilitation are these: The Council has no money to play with; all industries have to compete with each other for a share of what money is about: and industry generally has to recover its costs out of the pockets of the population in payment of goods and services. Briefly all

*"The aims of national government are by no means the same things as the aims of the majority of the people they are supposed to represent. Further, these governments are far more responsive to influence from financial resources than they are to popular influence. We might almost go so far as to say that modern government is quite insensitive to public influence, and that no serious change of policy is effected by a change from one party to another."*

*C.H. Douglas in "Warning Democracy"*

industries are competing to divide up revenues recoverable from consumers. The Council proposes to put all these industries on their feet at one and the same time. There are two ways in which that could happen: either they all get more money out of consumers for goods costing what they do now, or the same money out of them for goods costing less than they do now. Since the total amount of money in the hands of consumers at any time has previously been paid to them by industry, industry can only rehabilitate itself by delivering fewer goods than before. So the real function of the Council is that of impressing upon the public that the work of lowering their standard of life should be carried on without interference by them. If the public realised this they would undoubtedly reply to the Council: "Thanks so much: but we object to your rehabilitating Australian industries generally; and what you say is an argument why we *should* bring about political changes, and with the precise object of interrupting the work, if you don't drop it."

If the monetary limitations under which the Council declares its intention to go to work are to remain, the only way of reconciling the revival of industrial prosperity generally with a maintained or increased standard of personal living generally would be to substitute hand-labour for machine-energy to an extent sufficient to re-employ the idle part of the population on

full-time work. For whereas the machine is used by the technician to produce wealth, it is used by the financier to destroy purchasing power. So the logical thing to do when there is a shortage of purchasing power is to put the machine on the dole, not the man. When industry scraps a man it scraps a customer. And the reason why it scraps men is because it is short of customers, and the reason why it is short of customers is because it bought machines to get more customers. Of course there is a snag. To attempt to do this would involve a breach of a rule of financial policy. A machine when in work normally earns revenue but gets no wages. That is exactly the reason why the bankers encourage its use. That is how it destroys purchasing-power: for the revenue which it earns, and which is logically its "wages", is taken and destroyed by the bankers in the process of retiring their loans. They are ready, themselves, to scrap machines (as in their rationalisation schemes) but their object is not to increase the money in the consumption market, it is to shorten supplies going to that market and to raise prices in it, thereby enabling themselves to make up, *via* the earnings of machines still working, the revenue previously earned by the scrapped machines.

Since (still assuming the above financial limitations) the Council cannot rehabilitate industry as a whole simultaneously, can they do it piecemeal? The general answer is that the rehabilitation of a favoured piece of industry will cause the same kind of injury to the rest of industry, as we have shown the rehabilitation of industry generally to cause to the public. Industry's meat is the consumers' poison; and one firm's meat is another firm's poison. This was illustrated during the West Australian plebiscite campaign for secession, when it was urged that the manufacturers in the East were profiting at the expense of primary producers in the West. Further, in the East there are conflicts of interest: manufacturer against manufacturer on the one hand, and manufacturers against importers on the other.

"Oh, but that is competition: and without competition there is profiteering at the expense of the public, and there is no incentive to technical progress." But inasmuch as that is true it is an argument against any political control over piecemeal rehabilitation of industry. If the sanction for competition to sell rests on the ground that it cheapens prices to buyers, and eventually reduces costs and prices, then those people whose daily job it is to direct industrial operations will, between them, discover and exploit the best means to that end more quickly and efficiently than any quasi-political external authority. The piecemeal rehabilitation will look after itself. That there will be friction in the process of eliminating the less efficient enterprises in favour of the more efficient is true, but it will be equally true if the Council directs the process. The question ultimately turns on what is meant by "efficiency" - efficiency for what? - delivering goods to consumers, or delivering money to bankers? If the Australian public carefully consider this question they will realise that the "main function" of the Council is not to *do the work* of rehabilitating industry - which industrialists are already doing as best they can within the financial restrictions laid upon them - but to *impose a design* of rehabilitation on industry. So our former question repeats itself: What are the distinguishing credentials and qualifications that entitle the members of this

Who-Who Council to assume control of rehabilitation? Our answer is: There are none. They are simply a random sample from the bulk of business intelligence; and, in themselves, are incapable of finding out a technique of rehabilitation that would not occur to anybody else. But they are not there to discover the best method, or any method at all, they are there to announce the method which the bankers want to see adopted, and to lend the weight of the press-inflated authority to its imposition on producers and consumers alike. We need not know anything more about them than the fact (and it is a fact) that they are a body of gentlemen each of whom is thoroughly convinced that: Bankers Know Best. They are, for all practical purposes, a Bankers' Advisory Council, and the instruments of a Niemeyer Nazi Dictatorship. We prophesy that every major "considered statement" that they issue will disclose to those who examine it carefully a step in the direction of making Australian "industry generally" safe for the banking profession generally. The end being pursued is the Rehabilitation of Finance in Australia's domestic economy and her international relations.

### Secession in Australia

The *Times*, on April 8, says that the majority vote in Western Australia for secession (a) does not mean that the voters want secession and (b) that anyway they won't get it because of legal obstacles. For "legal obstacles" read "bankers' objections". Conundrum: If the secession of a self-governing State from the Commonwealth is illegal, what would be the secession of a non-self-governing piece of a self-governing State from that State? For that is what the bankers were preparing to bring about in New South Wales when Mr. Lang was in office - and we heard no mention of the law then.

The High Court no doubt would have made that all right. For that Court interprets the constitution exactly as Mrs. Gamp interpreted Mrs. Harris. The British Constitution is at any time an *ad hoc* improvisation, and is sometimes improvised by judges (as when the New South Wales Legislative Council was told that the Act it passed to abolish itself was "illegal"), sometimes by high officials (as when Sir Philip Game "legally" dismissed Mr. Lang's popularly elected Administration), and sometimes by Legislatures (as when the Australian Federal Government legislated to de-legalise Mr. Lang's policy, or as when the British House of Commons, instigated by Mr. Snowden, did the same thing to blanket Mr. Hamilton while his suit against the Inland Revenue was before the Court). Time after time the Courts have declared: "We cannot go into what were the intentions of the Legislature when passing measures; we must construe the Acts as they have been drafted." (This dictum was always employed when objectors to vaccination were protesting against judicial decisions contrary to the spirit of the Act allowing them relief). Today *The Times* is virtually inciting high judicial authorities in Australia to interpret the intentions of electors contrary to their votes on the question of secession in Western Australia. The same in this country. Although the electors returned a smashing majority of protectionists they were presumed to have attached no importance to protection, but all importance to "saving the pound".