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

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"ONLY IN WAR...."

by Eric D. Butler.

As these comments are penned, the conflict in the Balkans continues. Whatever the end result, it can be predicted that the major winners will be the international power groups who relentlessly pursue a long-term strategy designed to create a visionary One World.

The present plight of the World, with growing convulsions right around the globe, has its roots deep in history. The dominant and permanent feature of that history has been the will-to-power, often masked by an idealistic vision of how mankind should behave. The modern finance system has been skilfully exploited by those seeking to create what they visualise as a perfect world.

The concept of a New World Order is not new, it is a concept as old as man. Plato, the famous early Greek philosopher, visualised a New World Order in which elitists such as himself should have the power to plan the future of their fellows.

It was C.H. Douglas, the author of Social Credit, who provided a major break from conventional attitudes, presenting the view that history was more than written descriptions of a series of dates and disconnected episodes, and became understandable only with the realisation that events were the result of consistent policy emanating from coherent philosophy. Douglas summarised his view of history as "crystallised politics."

With this view of history it can be readily grasped why Christianity resulted in a completely new type of civilisation. Western civilisation was the result of a completely new concept of the nature and purpose of man. Man was much more than a conglomeration of minerals and chemicals held together in a human frame. He was a spiritual being partaking of the attributes of God Himself. The Kingdom of God was within every individual.

The development of Western Civilisation was at best partial incarnation of Christian revelation. In a practical sense it was in those societies, which came to be known as the United Kingdom that practical Christianity reached its highest level. Constitutional developments in the United Kingdom were held up and admired by leading Constitutional authorities on the Continent. Douglas said that there was something in the nature of the Anglo-Saxon people that made them a major barrier to the establishment of the Slave State. The English Common Law was a manifestation of the Christian teaching concerning the sanctity of every individual.

The growth of the British Empire injected a new factor into the human drama, with all the internationalists, including the Marxists, regarding it as a major obstacle to globalisation. In one of his last major works, C.H. Douglas deals with how the internationalists progressively developed Russia as a major base for their on-going programme to dismantle the British Empire as part of a global strategy. No modern history is of any value, which does not deal with the global strategy to break with and to undermine, wherever possible, British culture. The real roots of that culture produced Australia, now part of the frontline of an international conflict.

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.

Debts imposed upon the British during the First World War were exploited for subverting traditional British foreign policy in the Middle East and in Africa. British expertise has been used to play vital roles in military campaigns seriously affecting British standing throughout the Arab world.

In the Versailles Peace Conference following the First World War, traditional British diplomats were swept aside by the internationalists dominating the American administration. Zionist international bankers dominated the international stage. They were responsible for promoting the view that a new world war could only be averted by re-drawing the map of Europe, by accepting the development of the Soviet Union and by forcing the Balkan States to accept a Federation. Deep-seated historic division of the Balkan peoples' would allegedly be removed by the establishment of a Federal State.

Which brings us to today's world, where the policies of the internationalists have proved disastrous. Irrespective of what is

the end result of the massive Western bombing in Yugoslavia, it will not solve any basic problems. It's not designed to do so. But it is designed to create the climate mentioned back in the last days of the Second World War.

A leading spokesman for the British based Political and Economic Planning (PEP) group made the revealing statement that only in war, or under the threat of war, would the British people accept large-scale central planning.

The policies of the internationalists are guaranteed to produce conflict wherever implemented. They can then be exploited to impose more control on the British people everywhere.

Australia desperately needs a foreign policy that will enable the nation to reject all forms of internationalism and to follow a programme of nationalism. The first step must be based upon retaining the Constitution and the Constitutional Monarchy

THE FAILURES OF BRETTON WOODS

by David C. Korten in The Social Creditor, U.K., January/February 1999.

This essay is adapted from David C. Korten's keynote address at the 1994 convention of the Environmental Grantmakers Association of America, held at the Mount Washington Hotel, New Hampshire, on the fiftieth anniversary of the famous Bretton Woods conference that created the World Bank, International Monetary Fund, and soon after, the General Agreement on Tariffs and Trade (GATT).

Korten has emerged as one of the world's clearest critics of the economic philosophies and practices that drive our system. He formerly worked in Asia for the United Nations Agency for International Development (AID) and the Ford Foundation's development programmes. He holds a Ph.D. from Stanford University's Business School and served on the faculty of Harvard University's Business School. He is president of the People-Centred Development Forum and author of *When Corporations Rule the World* (1995) and *The Post-Corporate World* (1999). Our emphases have been added:

The fame of Bretton Woods and of this hotel dates from July 1944, when the United Nations Monetary and Financial Conference was held here. The world was in the throes of World War II. Mussolini had been overthrown. The Allies had landed in Normandy, but Hitler would last another ten months. War also continued to rage in the Far East, and Japan would not surrender for another thirteen months. The United Nations Charter was still a year away. In that context, the economic leaders who quietly gathered at this hotel were looking beyond the end of the war with hopes for a world united in peace and prosperity. Their specific goal was to create the institutions that would promote that vision.

The Bretton Woods meeting did create new institutions that have shaped and controlled the world's economic activity since that time, but some theorists will say that the plans for these institutions go back still further to the 1930s and the U.S. Council on Foreign Relations. A meeting ground for powerful members of the U.S. corporate and foreign policy establishments, the council styled itself as a forum for the airing of opposing views, an incubator of leaders and ideas unified in their vision of a global economy dominated by U.S. corporate interests.

Members of this group assessed early on that, at a minimum the U.S. national interest required free access to the markets and raw materials of the Western Hemisphere, the Far East, and the British Empire.

On July 24, 1944, a council memorandum outlined the concept of a grand area: the part of the world that the United States would need to dominate economically and militarily to ensure materials for its industries.

The council also called for the creation of worldwide financial institutions for "stabilising currencies and facilitating programs of capital investment for constructive undertakings in backward and underdeveloped regions". (Holly Sklar, *Trilateralism* 1980).

President Franklin D. Roosevelt was duly apprised of the council's views. Three years later, at the opening session at Bretton Woods, Henry Morgenthau, then U.S. Secretary of the Treasury and president of the conference, read a welcoming message from Roosevelt and gave his own opening speech, which set the tone and spirit of the gathering. Morgenthau envisaged "the creation of a dynamic world economy in which the peoples of every nation will be able to realise their potentialities in peace and enjoy increasingly the fruits of material progress on an earth infinitely blessed with natural riches." He called for participants to embrace the "elementary economic axiom ... that prosperity has no fixed limits. It is not a finite substance to be diminished by division."

Thus Morgenthau set forth one of several underlying assumptions of the economic paradigm that guided the work of the architects of the Bretton Woods system. Many of these assumptions were reasonably valid, but two of the most

important were deeply flawed. The first erroneous assumption is that economic growth and enhanced world trade would benefit everyone. The second is that economic growth would not be constrained by the limits of the planet.

By the end of this historic meeting, the World Bank and the International Monetary Fund (IMF) had been founded, and the groundwork had been laid for what later became GATT. In the intervening years, these institutions have held faithfully to their mandate to promote economic growth and globalisation. Through structural adjustment programs (SAPs), the World Bank and the IMF have pressured countries of the South to open their borders and change their economies from self-sufficiency to export production. Trade agreements negotiated through GATT have reinforced these actions and opened economies in both North and South to the increasingly free importation of goods and money.

As we look back fifty years later, we can see that Bretton Woods institutions have indeed met their goals. Economic growth has expanded fivefold. International trade has expanded by roughly twelve times, and foreign direct investment has been expanding at two to three times the rate of trade expansion.

Yet, tragically, while these institutions have met their goals, they have failed in their purpose. The world has more poor people today than ever before. We have an accelerating gap between rich and poor.

Widespread violence is tearing families and communities apart nearly everywhere. And the planet's ecosystems are deteriorating at an alarming rate.

Yet the prevailing wisdom continues to maintain that economic growth offers the answer to poverty, environmental security, and a strong social fabric, and that economic globalisation - erasing economic borders to allow free flow of goods and money - is the key to such growth. Indeed, the more severe the economic, environmental and social crises, the stronger the policy commitment to these same prescriptions, even as evidence mounts that they are not working. In fact, there is a growing consensus outside the official circles that they cannot work, for reasons I will explain.

ECOLOGICAL LIMIT TO GROWTH

As the founder of ecological economics, Herman Daly, regularly reminds us, the human economy is embedded and dependent on the natural ecosystems of our planet. Until the

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present moment in human history however, the scale of our economic activity relative to the scale of the ecosystems has been small enough so that, in both economic theory and practice, we could, up to a point, afford to ignore fundamental fact.

Now, however, we have crossed a monumental historical threshold. Because of the fivefold expansion since 1950, the environmental demands of our economic system have filled up the available environmental space of the planet. In other words we live in a "full world".

The first environmental limits that we have confronted and possibly exceeded are not the limits to non-renewable resource exploitation, as many once anticipated, but rather the limits to renewable resources and to the environment's sink functions - its ability to absorb our wastes. These are limits related to loss of soils, fisheries, forests, and water; to the absorption of CO₂ emissions; and to destruction of the ozone layer. We could argue whether a particular limit was hit at noon yesterday or will be passed at midnight tomorrow, but the details are far less important than the basic truth that we have no real option other than to adapt our economic institutions to the reality of a "full world".

The structure and ideology of the existing Bretton Woods system is geared to an ever-continuing expansion of economic output - economic growth - and to the integration of national economies into a seamless global economy. The consequence is to intensify competition for already overstressed environmental space.

In a "full world", this intensified competition accelerates destruction of the regenerative capacities of the ecosystem on which we and future generations depend; it crowds out all forms of life not needed for immediate human consumption purposes; and it increases competition between rich and poor for control of ecological resources. In a free market - which responds only to money, not needs - the rich win this competition every time. We see it happening all over the world; hundreds of millions of the financially disenfranchised are displaced as their lands, waters, and fisheries are converted to uses serving the wants of the more affluent.

As long as their resources remain, the demands of the rich can be met - which may explain why so many of the rich see no problem. The poor experience a very different reality, but in a market economy their experience doesn't count.

The market cannot deal with questions relating to the appropriate scale of economic activity. There are no price signals indicating that the poor are hungry because they have been forced off their lands, nor is there any price signal to tell polluters that too much CO₂ is being released into the air, or that toxins should not be dumped into soils or waters. Steeped in market ideology and highly responsive to corporate interests, the Bretton Woods institutions have demonstrated little capacity to give more than lip service either to environmental concerns or to the needs of the poor. Rather, their efforts have *de facto* centred on ensuring that people with money have full access to whatever resources remain - with little regard for the broader consequences.

A new Bretton Woods meeting to update the international system would serve a significant visionary need - if its participants were to accept that economic growth is no

longer a valid public policy priority. Indeed, whether the global economy grows or shrinks is largely irrelevant

Having crossed the threshold to a full world, the appropriate concern is whether the available planetary resources are being used in ways that: (1) meet the basic needs of all people; (2) maintain biodiversity; and (3) ensure the sustained availability of comparable resource flows to future generations. Our present economic system fails on all three counts.

ECONOMIC INJUSTICE

In *"How Much Is Enough?"*, Alan Durning divided the world into three consumption classes: over-consumers, sustainers, and marginals. The over-consumers are the 20% of the world's people who consume roughly 80% of the world's resources - that is, those of us whose lives are organised around automobiles, airplanes, meat-based diets, and wastefully packaged disposable products. The marginals, also 20% of the world's people, live in absolute deprivation.

If we turn to measurements of income rather than consumption, the figures are even more stark. The United Nations Development Program (UNDP): Human Development Report for 1992 introduces the champagne glass as a graphic metaphor for a world of extreme economic injustice. The bowl of the champagne glass represents the abundance enjoyed by the 20 percent of the people who live in the world's richest countries and receive 82.7 percent of the world's income. At the bottom of the stem, where the sediment settles, we find the poorest 20 percent of people, who barely survive on 1.4 percent of the total income. The combined incomes of the top 20 percent are nearly sixty times larger than those of the bottom 20 percent. Furthermore, this gap has doubled since 1950, when the top 20 percent enjoyed only thirty times the income of the bottom 20 percent. And the gap continues to grow.

These figures actually understate the true inequality in the world, because they are based on national averages rather than actual individual incomes. If we take into account the very rich people who live in poor countries and the very poor who live in rich countries, the incomes of the richest 20 percent of the world's people are approximately 150 times those of the poorest

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20 percent. That gap is growing as well.

Robert Reich, the U.S. Secretary of Labour in the Clinton administration, explained in his book *The Work of Nations* (1991), that the economic globalisation the Bretton Woods institutions have advanced to successfully has served to separate the interests of the wealthy classes from a sense of national interest and thereby from a sense of concern for and obligation to their less fortunate neighbours. A thin segment of the super rich at the very lip of the champagne glass has formed a stateless alliance that defines global interests as synonymous with the personal and corporate financial interests of its members.

This separation has been occurring in nearly every country in the world to such an extent that is no longer meaningful to speak of a world divided into northern and southern nations. The meaningful divide is not geography - it is class.

Whether intended or not, the policies so successfully advanced by the Bretton Woods institutions have inexorably empowered the super rich to lay claim to the world's wealth at the expense of other people, other species, and the viability of the planet's ecosystem.

FREEDING CORPORATIONS FROM CONTROL

The issue is not the market *per se*. Trying to run an economy without markets is disastrous, as the experience of the Soviet Union demonstrated. However, there is a fundamentally important distinction between markets and free markets.

The struggle between two extremist ideologies has been a central feature of the twentieth century. Communism called for all power to the state. Market capitalism calls for all power to the market - a euphemism for giant corporations. Both ideologies lead to their own distinctive form of tyranny.

The secret of Western success in World War II and the early postwar period was not a free market economy; it was the practice of democratic pluralism built on institutional arrangements that sought to maintain balance between the state and the market and to protect the right of an active citizenry to hold both accountable to the public interest

Contrary to the claims of ideologues who preach a form of corporate liberalism, markets need governments to function efficiently. It is well established in economic theory and practice that markets allocate resources efficiently only when firms pay for the social and environmental impact of their activity - that is, when they internalise the costs of their production. This requires that governments set and enforce the rules that make cost internationalisation happen, and, since successful firms invariably grow larger and more monopolistic, governments regularly step in to break them up and restore competition.

For governments to play the necessary role of balancing market and community interests, governmental power must be equal to market power. If markets are national, then there must be strong national government. By expanding the boundaries of the market beyond the boundaries of the nation-state through economic globalisation, the concentration of market power moves inevitably beyond the reach of government. This has been a most important consequence of both the structural adjustment programs of the World Bank and IMF and the trade agreements negotiated under GATT.

As a result, governance decisions are transferred from governments, which at least in theory represent the interests of all citizens, to the transnational corporations, which by their nature serve the interests only of their dominant shareholders. Consequently, societies everywhere on the planet are no longer able to address environmental and other needs.

Enormous economic power is being concentrated in the hands of a very few global corporations relieved of constraints to their own growth. Antitrust action to restore market competition by breaking up the concentrations is one of the many casualties of globalisation.

Indeed, current policy encourages firms to merge into ever more powerful concentrations to strengthen their position in global markets.

The rapid rate at which large corporations are shedding employees has created an impression in some quarters that the firms are losing their power. It is a misleading impression. The Fortune 500 firms shed 4.4 million jobs between 1980 and 1993. During this same period, their sales increased 1.4 times, assets increased 2.3 times, and CEO compensation increased 6.1 times.

Of the world's one hundred largest economies, fifty are now corporations, not including banking and financial institutions.

Any industry in which five firms control 50 percent or more of the market is considered by economists to be highly monopolistic. *The Economist* recently reported that five firms control more than 50 percent of the global markets in the following industries: consumer durables, automotive, airlines, aerospace, electronic components, electricity, and electronics, and steel. Five firms control over 40 percent of the global market in oil, personal computers, and - especially alarming in its consequences for public debate on these very issues - media.

FORUMS FOR ELITE DOMINATION

It is worth adding here that the forums within which the corporate and government elites shape the global policies of the Western world were not limited to Bretton Woods. In May 1954, a powerful group of North American and European leaders also began meeting as an unofficial, low profile group with no acknowledged membership. Known simply as Bilderberg, the group played a significant role in advancing the European Union and shaping the consensus among leaders of the Atlantic nations on key issues facing Western-dominated transnational systems. Participants included heads of state, other politicians, key industrialists and financiers, and an

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assortment of intellectuals, trade unionists, diplomats and influential representatives of the press with demonstrated sympathy for establishment views. One Bilderberg insider had observed "today there are very few figures among governments on both sides of the Atlantic who have not attended at least one of these meetings."

As Japan assumed an increasingly powerful and independent role in the global economy, the need became evident for a forum that included the Japanese and had a more formal structure than Bilderberg. In response, the Trilateral Commission was formed in 1973 by David Rockefeller, chair of the Chase Manhattan Bank, and Zbigniew Brzezinski, who served as the commission's director-coordinator until 1977 when he became national security adviser to President Jimmy Carter.

The members of the Trilateral Commission include the heads of four of the world's five largest nonbanking transnational corporations; top officials of five of the world's six largest international banks; and the heads of major media organisations. U.S. president Jimmy Carter, George Bush, and

Bill Clinton were all members of the Trilateral Commission.

Both Bilderberg and the Trilateral Commission have provided forums in which top executives from the world's leading corporations meet regularly, informally, and privately with top national political figures and opinion leaders to seek consensus on immediate and longer-range problems facing the most powerful members of the Western Alliance.

To some extent, the meetings help maintain "stability" in global policies, but they also deprive the public of meaningful participation and choice - as some participants explicitly intend. Particularly significant about these groups is their bipartisan political membership....

Nonetheless, the fact is that sustainability in a growth-dependent global economy is what Herman Daly calls an impossibility theorem. What is the alternative? Among those of us who are devoting significant attention to this question, the answer is the opposite of globalisation. It lies in promoting greater economic localisation - breaking economic activities down to smaller, more manageable pieces that link the people who make decisions in ways both positive and negative. It means rooting capital to a place and distributing its control among as many people as possible.

Powerful interests stand resolutely in the way of achieving such a reversal of current trends. The biggest barrier, however, is the limited extent of public discussion on the subject. The starting point must be to get the issues on the table and bring them into the mainstream policy debates in a way that books like this may help to achieve.

*This essay was one of two introductions to **The Case Against the Global Economy** by Jerry Mander and Edward Goldsmith, and published in 1996 by Sierra Club Books of San Francisco. It is reproduced here - on a one-time non-exclusive use basis - with permission from Sierra Club Books.*

AN UPDATE ON CANADA'S REFORM PARTY

Quite understandably, large numbers of frustrated Australian electors seized upon the dramatic election successes of the Canadian Reform Party, headed by Mr. Preston Manning, son of the long-serving Premier of the Alberta Provincial government, Ernest Manning, as an example of what could be achieved by a similar Australian political party. Many supporters of the One Nation party were amongst those enthused by the Canadian Reform Party. Mr. Ron Gostick, Director of the Canadian League of Rights, and veteran Canadian Social Crediter provides an update on the developments concerning the Canadian Reform Party, which might be profitably studied by those Australians who believe that Pauline Hanson's "One Nation" can provide the answers to Australia's growing problems. The Canadian Intelligence Service is published by Canadian Intelligence Publications, Box 338, Flesherton, Ontario, Canada, NOC, I.E.O.

The \$64-question facing Reform Party: Sacrifice some principles for 'unity'?

by Ron Gostick

The long-publicised United-Alternative conference in Ottawa, largely the initiative of the Reform party leadership, is now history. This report of the UA conference is being written Monday morning, Feb 22, only hours after its conclusion.

What were the issues and stakes?

Well, the problem that gave rise to this two-day conference is that we've been subjected for most of the past 65 years to federal Liberal governments; and with today's opposition parties so numerous and fragmented, unless some coalition or unity plan can be worked out we face the prospect of another long period of status-quo Liberal government. And it is this government which loaded us up with debt and the threat of separatism and fragmentation, as it became ever more intrusive in areas of provincial jurisdiction.

So, the main issue is whether or not the two supposedly 'conservative' opposition parties - the Reform and PC - can some way work together or perhaps amalgamate in order to have a real chance of forming the next federal government.

And at stake is how and by whom we're going to be governed as we move into the 21st century.

A little background

Reform leader Preston Manning, since the last federal election in 1997 again demonstrated that the Reform Party seems unable to win seats east of Manitoba because of vote splitting with the Conservatives, has been working on a plan to work out some basis of united action involving Reform and the PCs. Some months ago his party held a conference in London, Ontario, to consider this 'united alternative' idea, and with a "go ahead" signal at that conference, Mr. Manning and his party, together with quite a number of present and former Conservative Party members, began formulating plans for this past weekend's UA conference in Ottawa.

"It'll take a miracle to unite the right"

The above subhead was the caption of a column by Douglas Fisher, dean of the Parliamentary Press Gallery, dealing with this UA question in the February 7th issue of the *Toronto Sun*. And, in a sense, it would take a political miracle. Just consider a few of the difficulties.

- For the past decade, Reform has built up its support from disgruntled members of the other parties, particularly those of the PC Party, as well as from vast numbers of citizens attached to no party but fed up with the top-down, anti-democratic character of all political parties today. And to the PC hierarchy, this Reform recruiting of its one-time members and supporters was nothing less than looting and stealing - and they saw Preston Manning as the chief

instigator and architect of most of their problems and present disarray.

Just imagine how any suggestion of joint action or amalgamation with Reform hits them, especially so long as Manning's the leader!

- Then think for a moment how rank and file grassroots Reform supporters, who joined the RP to clean out the old corrupt political parties in the first instance, and worked all these years to build Reform into Her Majesty's Official Opposition, might think now of the prospect of watering down their core Reform values and joining with a party they've worked and sacrificed these long years to replace! So, just from the point of view of human nature, a major problem presents a daunting challenge to the UA idea.
- *The Globe and Mail*, last Saturday (Feb 18) just as the UA conference was under way, reported that Tory leader Joe Clark was campaigning in Quebec and expressing contempt for the UA initiative. Which merely confirms the difficulty of uniting anything with the present PC and Reform leadership. The G&M editorial suggests that any United Alternative will have to occur after the next federal election, when present leaders are no longer around.

The UA conference itself

The conference itself was obviously meticulously planned and adroitly handled by co-chairs Reform MP Deborah Grey and Ontario Cabinet Minister Tony Clement. A few highlights:

* Even before the conference began, Alberta Premier Ralph Klein deplored Joe Clark's negative attitude and refusal to explore the possibilities of the UA idea.

Then, speaking at the conference, Klein warned that Reform must shake loose from its parochial, intolerant image, and manifest a warmer and more moderate attitude towards Quebec.

* It was obvious that none of the possibly contentious or divisive issues were to be injected into the conference's agenda - such as a Triple-E Senate, sexual orientation, etc.

Discussion was focussed on those issues upon which there would be general agreement: smaller government, lower taxes, less debt, use of referenda, decentralisation and rebalancing of federal/provincial powers, etc.

* The form that action flowing out of this conference would take, was discussed, including such options as: the merging of the Reform and Conservative parties; co-operation at the constituency level, with the Reform and PC parties running a single candidate acceptable to both parties; and the formation of

a new party. The conference voted by a 55% majority to opt for the formation of a completely new party.

Some 1500 were reported in attendance at the conference with about 800 of them being Reformers, 300+ young people.

A few highlights

Gordon Gibson, a former Liberal leader and presently West Coast columnist, in his Feb. 23 *Globe & Mail* column, captioned "Something important happened in Ottawa," noted:

"Quebeckers Roderique Biron and Jean Allaire were received (at the UA) as stars. (Twenty-five times and a 45-second ovation were the applause stats for the former; Mr. Allaire had an even longer ovation.) These two are routinely written off by the self-absorbed French-language press, but they delivered a forceful and honest message of what they seek: a comfortable Quebec in a deeply decentralised Canada. That rang a lot of bells with the mostly small-central-government audience. This will be important one day.

"Former Ontario Lieutenant-Governor and big Tory Hal Jackman made an exceedingly compelling argument for the 'local option' (deal-making between Reformers and Tories at the riding level). He correctly noted that, under the Canada Elections Act, party leaders (step forward Joe Clark) can prevent this but, he said, 'No leader should be able to dictate the candidate to the riding' and 'MPs should choose the PM, not the other way around.' All of this is heresy to establishment politicians but a mighty roar went up from the crowd

"Political developments march to the tune of the people and the times and not to pundits, but my guess is that something important happened here (in Ottawa)."

The last major speaker was Preston Manning. The *Globe & Mail*, Feb.22, published a lengthy excerpt from his address. Following are the closing paragraphs from the *Globe's* excerpt:

"But tonight I say to those who feel alienated and disaffected in Quebec, like my friends Michelyne and Gilles St-Laurent; to you, Jean Allaire; to provincial Liberals in Quebec who are embarrassed by their federal cousins; to sovereigntists like you, Rodrigue Biron, who say you would rather separate than live under the frozen, fossilised status quo federalism of Jean Chretien and the federal Liberals:

"To you I say, let us cross political and linguistic lines in a greater effort of the heart as well as the head. Let us seek and find a third way - not separation, not the status quo, but a third way.

"I believe we will find the way if we listen to the hearts of our people...

"The 'third way' involves more than suspending debate about referendums on sovereignty and threats of partition.

"It involves focusing for the immediate present on a rebalancing of the powers between Ottawa and the provinces - not as an end in itself but to improve the lives and security of our people.

"By 'rebalancing powers' I mean refocusing the energies, resources, and priorities of the federal government so that it can be relied upon to take care of the big, common needs of Canadians. I mean modernising and strengthening the role of the provinces so they can handle the human needs and circumstances closer to home.

"Mr. Chretien and the federal Liberals have proven themselves indifferent, even hostile, to exploring a third way. So

is it not time that a new political alliance were created at the federal level to do precisely that.....?"

Closing comment on the conference

Following are a few personal thoughts that come to mind in retrospect a few days after the UA conference.

- The United Alternative would be wise to avoid wherever possible use of the term "unite the right," otherwise it sounds as if the UA excludes all but former supporters of the Reform and Progressive Conservative parties. And it's unlikely if such a grouping could displace the Liberals because the so-called Clark/Crosbie mould of Conservatives are indistinguishable in policy, and many of them would move to the Liberals before they'd join a UA party.

The UA party requires more than the membership and support of the present so-called 'Right' if it hopes to form a government. It needs to include all small-c conservatives, many of whom at present are not identified as 'Right'; many small-l liberals who are increasingly uncomfortable with their federal party; and many rank-and-file former NDP supporters and millions of other grassroots Canadians unattached to any party, but who realise that some change in politics and economy is long overdue.

- The UA initiative, while welcoming a wide spectrum of grassroots support, should neither waste time criticising, nor spend much energy wooing, the Red Tory rump. We've had two PC governments in the past quarter-century, Clark's and Mulroney's; and Joe struck out his first at-bat, while Brian merely dug us deeper into debt and taxation. The UA needs to attract those with new positive and constructive ideas.

- In my view, none of the present federal parties has an adequate financial policy in its program to meet today's needs. Assuming the UA does organise a new party, it will need to give special attention to this question. I'll have more to say on this issue in coming months.

- We might keep in mind that today nearly all political parties have become little more than mechanisms used by a small elite, practically devoid of moral principle, public welfare or genuine charity, to reach for power and control over others. Should this turn out to be the subconscious or repressed desire of the promoters of this UA idea, then the whole thing would become an abominable ploy and betrayal of millions of honest and dedicated grassroots Canadians.

- The United Alternative, to ensure that any political party growing out of its initiative avoids such a corrupting experience, should do all in its power to insist that the very first plank in said party's platform is a firm commitment to bring in legislation in its very first session, setting up Initiative Referendum machinery empowering the electors to regain control of their government and hold their representatives accountable for their actions and conduct.

Restoring accountability in government must be the very first step of any party that expects to rebuild public respect for, and confidence in, our parliamentary system and public institutions.

Challenge facing Reform or any United Alternative Party

Whatever comes out of this United Alternative initiative, whether it be continuance of the Reform Party or formation of a new political party, the following guidelines would seem essential if it intends to regenerate and rebuild our economy:

* Whatever comes out of the UA conference, whether it be continuance of the Reform or the formation of a new party, it's essential that its policy reflect grassroots, small-c conservative values and views, rather than Establishment, 'politically-correct' top-down plans and schemes hatched by back-room pundits.

* Should a new party come out of the UA conference, its leader (whoever it may be), lieutenants and advisers, must be imbued with and firmly committed to the original small-c conservative core values of the grassroots founders of the UA.

* Social policy - medicare, education, welfare, etc. - is a provincial jurisdiction and responsibility. But the federal government today sucks such a volume of taxes out of the provinces that they don't have enough tax revenue left in the provinces to discharge their responsibilities. Hence, our social programs, especially medicare, are in deep trouble.

This problem must be addressed and solved. This must be a top priority of our next government, whatever label it may be. Resolving this problem, which is largely - but not wholly - a financial problem probably requires some reform of our present system of credit-creation and public funding, and also some changes in our delivery systems of public services. But a more detailed discussion is for another occasion.

* Whether Reform or a new UA party comes out of last weekend's conference, in addition to the foregoing points, it is absolutely essential that it exercise a great measure of prudence and wisdom respecting our National Unity question in general, and the so-called Quebec Problem in particular. Essential to this task is a deep understanding of Quebec's aspirations and needs, as well as a spirit of true charity. These past decades the federal government has failed to resolve this unity problem. Indeed, today Ottawa's stubborn status-quo centralised federalism is the problem - not the solution.

But there can be no genuine National Unity until this problem is resolved. And, yes, there is a solution! But that solution requires a serious examination of our Canadian Constitution.

* The key to solving the 'Quebec Problem' is a return to the constitutional division of powers spelled out in the BNA Act, which has served as our Constitution for 132 years but which has been shamelessly ignored and violated by the federal governments these many past years. Indeed, a return to this constitutional basis would give - or, more accurately *return* - to Quebec, and to every province, the jurisdiction and sovereignty that rightfully is theirs under our Constitution.

Then, and only then, will the provinces have the tax base and financial resources to adequately exercise the sovereignty and fully discharge their responsibilities in their areas of social jurisdiction.

And then, and only then, will Ottawa be in a position to properly focus upon and discharge its responsibilities in its own constitutional areas of jurisdiction; national defence, foreign policy, offshore fisheries, postal services, banking, etc. etc.

And only then, with both orders of government back in their own constitutional stalls, exercising their own constitutional sovereignty and attending to their own jurisdictional problems and responsibilities, will we begin to lay a sound foundation for genuine national unity and friendly co-operation.

Becoming the Movement for Reconciliation and National Unity

Then, the Reform or whatever new party may grow out of the UA initiative, having initiated and proclaimed its Back-to-Constitutional-Government policy, becomes the only truly National and Constitutional Party - the Party of Reconciliation and National Unity, the only party with the vision, the courage and conviction to resolve our Separatist problems and get on with the Rebuilding of our Country and the Preservation of our Heritage.

That would throw the Liberal government on the defensive, attempting to defend *unconstitutional* government, while attacking those dedicated to the preservation of our core values of Opportunity, Accountability, and Responsibility, and committed to the Regeneration and Rebuilding of our great country.

Attacking those United Alternative core values might prove rather difficult! Even in Central Canada!

That's the possibility and the Challenge. But it will take great Canadian patriots of vision, deep faith and stout heart.

Do we have such men and women today?

We'll be watching and monitoring ... and reporting.

WHEN ERIC BUTLER TALKED TO KING O'MALLEY

In the last edition of *Heritage*, the quarterly magazine of the Australian Heritage Society, Eric Butler's memoirs deal with his association with the legendary King O'Malley, the colourful American former Minister in the Andrew Fisher Labor government that created the Commonwealth Bank. He provides information concerning O'Malley previously not published. Himself a product of North-east Victoria, Eric Butler writes of his researches concerning O'Malley's two years as an Insurance agent for an American company in Wangaratta in 1896, where he invested in a home that he owned until at least 1929. Coming sections of Eric Butler's memoirs will deal with some of the other historic figures he met with over a lifetime, and his assessment of them.

Those wishing to have Eric Butler's first-hand assessment of King O'Malley can order *Heritage*. \$6 a single copy. But a regular subscription will ensure that no one misses coming articles of outstanding historic information. Annual subscription \$30 per annum from *Heritage Books*, P.O. Box 727, Happy Valley, South Australia 5359.