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

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THE PAUSE BEFORE THE PENDULUM SWINGS

By Jeremy Lee

Australians, it seems, have had enough of the major parties. In fact, one can pick up a growing distaste for parties in general. The social disaster in the community has produced a growing maturity, which translates into the conviction that, if anything is to be done, ordinary people had better do it for themselves.

Exactly a year ago Kerry-Anne Walsh wrote in *The Bulletin*:

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

The proliferation of new parties, which culminated in the one hundred or so, which stood in the recent New South Wales election, has brought a dawning realisation that new parties may be no better than the old. At best they are a weapon to bludgeon the time-encrusted incumbents, and the seemingly-interminable wait between 'bludgeonings' does nothing to assuage the sense of urgency with which people view the disintegration round them

DO-IT-YOURSELF

The result is a resurgence of 'do-it-yourself' politics. Whether it is the growing distaste for CityLink toll-roads or compulsory sewerage systems for rural communities in Kennett's Victoria, the dismemberment of the timber industry in a number of States, unwanted 'wheely-bins' in a small, self-contained shire in central Queensland, the

defense of a local hospital in a local community, the people are taking their future in their own hands, and departmental social-engineers who believe it their right to organise everybody else's lives are meeting blunt resistance.

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.

The reaction from the parties is predictable. Not only must they have "better" programmes, but they must "sell them" better. They cannot envisage an idea, which says they should get out of the way and let ordinary people at local level decide their own environment. The centralised mind sees no solution other than "better efficiency".

Emerging too is a disorganised, but nevertheless expanding network between "social-issue" groups. All of which is a sort of homespun, organic re-emergence of Douglas's original concept of the electoral campaign, which said that people need to learn they can achieve one thing at a time at local level, experiencing a taste of success before ploughing on to bigger things.

The individual who has relapsed into an established rut finds all this a bit hard going. This explains why the party member who has turned up at branch level for the last 40 years finds it so hard to see the warts in the party-machine; or the pew-filler in the local church who knows the hymn-book by heart but has never thought what they mean, finds it hard to adjust to new ways and new life.

So regeneration finds itself swimming against the tide of moribund custom for a while. But the tide does turn.

THE CRITICAL MOMENT

The new wave, the best articles, the growing abundance of informed criticism, the most accurate analyses come from the commentators who have seen globalism for what it is - regimented conformity.

Such material is beginning to appear in the major media. Even establishment editors are having their first twinges of conscience. The tide is turning against the world movement.

There is some distance to go before the turning tide can be seen. It will be a frustrating period as parties, bankers and international opinion-makers go through the motions of a cause, which is disintegrating round them. Like Communism in its last stages, nobody believed in the cause any more, while still tugging the forelock to official Marxism Leninism. The convictions, which led the first comrades to make such big personal sacrifices, had long since gone.

It seems to me this period of inertia and loss-of-faith, in which officials still go through the motions, may be what Douglas described as "the critical moment". It's almost as though the forces of evil, while still in the ascendancy everywhere, are themselves exhausted.

So, caught between the twilight of the evil empire and the first light of the dawn, it is ordinary people - just a few with an alternative vision and some idea of how to apply it, who may help the local awakening into a potential it is not even aware of at the moment.

This is the service we call Social Credit.

This issue of *The New Times* offers a few of the potent exposures now beginning to appear all over the world. Each in its own way is thought provoking, and a sign of growing understanding.

THE SHOOTINGS AT COLUMBINE HIGH: A FATHER'S TESTIMONY

The spate of seemingly inexplicable school shootings in the US and Britain have led many to ponder the nature of societies which can produce such blind nihilism. The politically motivated use such tragedies to disarm the innocent and increase government control. The following testimony by Darrell Scott, father of one of the victims of the Columbine High School shooting in Colorado, before the Subcommittee on Crime House Judiciary Committee, US House of Representatives, on May 27 1999, is an eloquent plea for an examination of the real issues facing Western civilisation.

Since the dawn of creation there has been both good and evil in the heart of men and women. We all contain the seeds of kindness or the seeds of violence.

The death of my wonderful daughter, Rachel Joy Scott, and the deaths of that heroic teacher and the other 11 children who died must not be in vain. Their blood cries out for answers.

The first recorded act of violence was when Cain slew his brother Abel out in the field. The villain was not the club he used. Neither was it the NCA, the National Club Association. The true killer was Cain, and the reason for the murder could only be found in Cain's heart.

In the days that followed the Columbine tragedy, I was amazed at how quickly fingers began to be pointed at groups such as the NRA.

I am not a member of the NRA I am not a hunter. I do not even own a gun. I am not here to represent or defend the NRA - because I don't believe that they are responsible for my daughter's death. If I believed they had anything to do with Rachel's murder, I would be their strongest opponent.

I am here today to declare that Columbine was not just a tragedy - it was a spiritual event that should be forcing us to look at where the real blame lies!

Much of the blame lies here in this room. Much of that blame lies behind the pointing fingers of the accusers themselves.

I wrote a poem just 4 nights ago that express my feelings best. This was written way before I knew I would be speaking here today.

*Your laws ignore our deepest needs
Your words are empty air,
You've stripped away our heritage
You've outlawed simple prayer.*

*Now gunshots fill our classrooms
And precious children die
You seek for answers everywhere
And ask the question "Why?"*

*You regulate restrictive laws
Through legislative creed
And yet you fail to understand
That God is what we need!*

Men and women are 3-part beings. We all consist of body, soul, and spirit. When we refuse to acknowledge a third part of our makeup, we create a void that allows evil, prejudice and hatred to rush in and wreak havoc.

Spiritual influences were present within our educational systems for most of our nation's history. Many of our major colleges began as theological seminaries. This is a historic fact.

What has happened to us as a nation? We have refused to honour God and in doing so, we open the doors to hatred and violence.

And when something as terrible as Columbine's tragedy occurs - politicians immediately look for a scapegoat such as the NRA. They immediately seek to pass more restrictive

laws that continue to erode away our personal and private liberties.

We do not need more restrictive laws. Eric and Dylan would not have been stopped by metal detectors. No amount of gun laws can stop someone who spends months planning this type of massacre.

The real villain lies within our own hearts. Political posturing and restrictive legislation are not the answers.

The young people of our nation hold the key. There is a spiritual awakening taking place that will not be squelched!

We do not need more religion. We do not need more gaudy television evangelists spewing out verbal religious garbage. We do not need more million dollar church buildings built, while people with basic needs are being ignored.

We do need a change of heart and a humble acknowledgement that this nation was founded on the principle of simple trust in God!

As my son Craig lay under that table in the school and saw his two friends murdered before his very eyes - he did not hesitate to pray in school. I defy any law or politician to deny him that right!

I challenge every young person in America and around the world to realise that on April 20, 1999 at Columbine High School - prayer was brought back to our schools. Do not let the many prayers offered by those students be in vain.

PROTESTING THE MODERN WORK ETHIC

The following article, from the UK *New Statesman*, is an edited extract from Viviane Forrester's "*L'Horreur Economique*". The book, first published in France, has been a sensational best seller - 350,000 copies in France, more than 60,000 in Germany, over 50,000 in Argentina. It is now being published in 20 languages. This extract is from the newly-published English version. Viviane Forrester is a French novelist and journalist.

We are living in the midst of a deception, where artificial policies claim to perpetuate a world that has in fact gone forever.

Millions of human lives are devastated and annihilated by this anachronism, which asserts the immutability of our most sacred concept: work.

Work is the foundation stone of western civilisation. The two seem so much a part of each other that even now, when work is vanishing into thin air, no one ever officially questions it. Doesn't it order all distribution and thus all survival? The networks of exchange deriving from it seem as indisputably vital as the circulation of blood. Yet today, work, regarded as our natural driving force, has become an entity without substance.

Our concepts of work, and thus of unemployment, around which politics revolve, have become illusory. Yet we still ask the same phantasmal questions, allowing us to ignore the disappearance of a world where there was still some point in asking them. The climate of that world

remains in the air we breathe. We still belong to it viscerally, whether we profited or suffered from it. We are still fiddling with the vestiges of that world, busily plugging gaps, patching up emptiness, fudging up substitutes around a system that has not just collapsed but vanished.

"Unemployment" is mentioned constantly. Today, however, the term has lost its true meaning, for it covers a phenomenon quite different from the utterly obsolete one it claims to describe. Yet elaborate and usually fallacious promises are made in its name, hinting at tiny quantities of jobs acrobatically launched (at reduced wages) on the labour market. The percentages are derisory in view of the millions of people excluded from the labour market, and, at this rate, likely to remain so for decades. We can also add in some light hearted deceptions, like the one which, in France, removed 250,000 to 300,000 unemployed from the statistics at a stroke by removing from the register those who worked at least 78 hours a month, i.e. less than two weeks' work and with no benefits. The fate of the bodies and minds has

not been modified, but only the mode of calculation, the way they're counted. The figures are the real point, even if they correspond to no actual number, even if they point to nothing but a display of tricks. Like the government that proclaimed an amazing triumph on unemployment. Had it fallen? No, it had risen - but not so fast as the year before.

LOSS OF INCOME, STATUS, CONTACTS AND SELF-ESTEEM

The unemployed today are no longer put aside temporarily or occasionally, and in only some sectors; they are up against a general implosion, a phenomenon resembling those tidal waves, cyclones or tornadoes that don't aim at anyone in particular but that no-one can withstand. Yet the jobless are treated and judged by the same criteria as when jobs were abundant. They are, therefore, made to feel guilty for being jobless, at the same time as they are lulled by deceptive promises that an abundance of jobs will once again be available.

So the vast and ever-growing number of job seekers is made to feel incompatible with a society of which they happen to be the most natural product. They are led to consider themselves socially unworthy, and above all responsible for their own situation, which they regard as degrading (since it is degraded) and even reprehensible. They judge themselves through the eyes of their judges. They wonder what inadequacies, what aptitude for failure, what ill will or errors can have led them there. They lose not just income but status, contacts, self-esteem and peace of mind. They feel shame. They undergo work experience and retraining only to realise more forcefully than ever that they have no real role. They come to realise that there is something worse than being exploited - and that is not even to be exploitable.

A RIGHT TO LIVE

A fundamental question emerges: must a person "deserve" to live to have a right to do so? A tiny minority, exceptionally vested with power, property and privilege, takes that right for granted. As for the rest of humanity, if it is to "deserve" to live, it must prove itself "useful" to society. And in this context useful nearly always means profitable - profitable to profit. (The favoured word is "employable" since it would be in poor taste to say "exploitable").

The right to live, therefore, depends on the "duty" of working, of being employed. But what happens to this right to live when populations are prevented from meeting this duty to work?

We pursue some very strange routines. The shortage of jobs is ever-increasing, yet we compel every one of the millions of unemployed to search for work that does not exist and to do so every working day of every week, every month and ever year. Is this really a commendable use of time? It seems more like a demonstration to prove that the rituals of work are self-perpetuating. Aren't such chains of rejections just staged to persuade the jobseekers of their nothingness? So many stifled, crushed, cornered, beaten and falling-apart lives, merely tangential to a shrinking society. They are said to be excluded. On the contrary, they are screwed into our society, incarcerated and included in it to the marrow. They can never be wholly, sufficiently thrown out: they are included within rejection.

THE FRAGILE PRIVILEGE OF EMPLOYMENT

People are induced to seek work, beg for it, any work at any price (which is to say the lowest), when they are often the very ones who would be enslaved by it. The holders of economy _ power have subdued the troublemakers who only yesterday were protesting, demonstrating, demanding and fighting. How sweet to see them beg for what they used to vilify and now regard as a Holy Grail. Further, the economically powerful have other people at their mercy: those who do have jobs and salaries and will baulk at nothing for fear of losing such rare, valuable and fragile privileges and being obliged to join the porous ranks of the destitute.

Is this not the way one would construct a society of slaves upon whom only slavery can confer status? But why should a society burden itself with slaves if their labour is superfluous? The following questions emerge. Is it "useful" to live when not profitable to profit? And must a person "deserve" to live to have a right to do so? A fear then arises: that many, perhaps even most, human beings could be considered superfluous. Not inferior, or even reprehended; just superfluous, and therefore harmful. And therefore....

BEYOND EXCLUSION

No such verdict has yet been pronounced or formulated; or not even consciously thought. We are in a democracy. But the 20th century has taught us that nothing lasts, not even the most cast-iron regimes. It has also taught us that no horrors are impossible, that there are no limits to human decisions. From exploitation to exclusion, from exclusion to elimination is that an unthinkable sequence?

But perhaps it will be thought a pity not to take more advantage of the flocks of human beings and not to keep them alive for various purposes. For instance, as reserves of organs for transplants - human livestock - which can be drawn upon for the needs of the privileged.

Is that an exaggeration? But who among us screams on learning that in India, for instance, the poor sell their organs so as to subsist for a while? It is happening today. Customers from the richest, most "civilised" parts of the world can make their

"Profit comes first; everything else falls into line afterwards."

purchases at "bargain" prices. Who screams, other than the victims? What outcries are raised against sex tourism? Only the consumers react; they rush to the scene. All this is known. And it is known, too, that sex tourism and the sale of human organs are mere ephiphenomena, that the source of it all is poverty, which spurs the have-nots to undergo mutilation for the benefit of the haves, only to survive a little longer. And this is accepted. And we live in a democracy. We are free, we are numerous. Yet who moves a finger except to fold up a newspaper or to switch the television off, obeying the injunction to remain confident, smiling and enraptured?

We have experienced a revolution, without having noticed it. A radical, mute revolution, without any stated theories or avowed ideologies; it came about in silence, by and through facts established without declaration or comment. The strait jacket of the markets has managed to sheathe us as tightly as a second skin. We no longer deplore the underpayment of exploited labour in poverty-stricken countries. What we now deplore is the underemployment it causes in our countries.

Markets can choose their poor from an enlarged area; there are now the poor, poor and the rich poor. There can always be found even poorer poor, less difficult and demanding. Fantastic cut-price sales! Work is available for nothing if you're willing to travel. Another advantage: choosing these poor - the poor poor - will make the rich poor poorer and, once poorer, nearly as poor as the poor poor, so they will be less demanding. The great life!

GLOBALISED POVERTY

The haves have taken a strange revenge on the have-nots. The excesses of exploitation, rendered null and void by history in the more industrialised countries, have been transported and reconstituted elsewhere. Meantime, the galloping rise in unemployment in the developed countries tends to make them attain, by insensible degrees, third-world poverty. We might have hoped to see the opposite occur and prosperity spread. Instead, it is poverty that is becoming globalised, making its way into privileged countries.

Everything is organised, planned, prevented or induced with profit in mind, which then seems inevitable, so fused with the very fabric of life that the two cannot be told apart. It operates in full view of everyone, but unperceived. It is disseminated and active everywhere, but never referred to except in the guise of the "creation of wealth" that is supposed to bring immediate benefit to the entire human race.

To tamper with such wealth would thus be criminal. It must be preserved at all costs. It must not be discussed. It must be forgotten (or one must pretend to forget) that it always works to the advantage of the same small number of people. Only when business - that is, the market economy - has been guaranteed its share, and when that share has been subtracted, are other sectors, such as the social and political ones, taken into account, although less and less.

Profit comes first; everything else falls into line afterwards. It is only later that we make do as best we can with the crumbs of the so-called "creation of wealth", without which, we are given to understand, there would be nothing, not even those crumbs.

"Creation of wealth" is an example of how we continue to use words that have lost their meaning. "Welfare", far from

providing well-being, merely alleviates, reluctantly and in a miserly way, flagrant injustice. "Flexibility" denotes, among other things, the right to dismiss workers when and how it pleases the managers: Yet flexibility is often made out to be the best way of diminishing or even eliminating unemployment. Wouldn't this seem comic if it were not so tragic? "Work" and "unemployment" simply help to preserve the remnants of an organised system, which may be obsolete but may still safeguard social cohesion for a while.

Many other terms, however, languish in obsolescence: "profit", "proletariat", "capitalism", "exploitation" or those "classes" now impervious to any "struggle". To make use of such archaisms today would be an act of heroism. Who wants to see brows that no longer frown angrily, but rise in incredulous amazement mingled with kindly compassion? "You surely don't mean . . . You can't be still . . . The Berlin Wall came down, don't you know? So you liked the USSR? Stalin? But what about liberty, the free market . . . No?" And a helpless smile is bestowed on the poor retarded fool.

Yet how can language take history into account without these mutilated words - when history is fraught with them, and still conveys their silent presence? Have they lost their meaning, because a monstrous totalitarian system employed and even promoted them? Will Stalinism, even now it is no more, have eradicated everything, even through its very absence? Should it be allowed to determine this muteness that mutilates thinking? If vocabulary is not only gravely suspect but is said to be without meaning - and if that most effective of threats, ridicule, is brought to bear against it - what weapons and what allies are left to the deprived?

How has it come about that the helplessness of some and the domination of others can be accepted by both sides? And without a conflict either, apart from the struggle claiming more and more space for a market economy which is triumphant, if not omnipotent, and which has its own logic, but which no longer has any other logic opposing it. It is taken for granted that the present state of things is the natural condition, the exact point where history has been waiting for us.

TWO IMPORTANT ADDRESSES BY C.H. DOUGLAS Back in Print

Two important addresses by C.H. Douglas have been brought back into print by the League, and published in the same booklet for the sake of convenience. The first is "*Social Credit Principles*", delivered at Swanwick in November 1924. Known also as the "Swanwick Principles", it is a short but succinct statement of basics.

The second, "*Security, Institutional and Personal*", delivered at Newcastle-Upon-Tyne in March 1937 deals primarily with the philosophy underlying full employment and the power that enforces it. The "negative dividend" of taxation is dealt with and necessary steps of action specified. This important booklet now available from all League Book services: \$4.00 or \$5.50 posted.

ECONOMIC BARBARISM: WHY GLOBAL CAPITAL CANNOT BE CIVILISED

Following last month's leading article on "the third way", we offer the following analysis, by permission of "*The Mature Times*", P.O. Box 383, St. Agnes, South Australia 5097

Since WWII, various organisations such as the United Nations and the European Community as well as a wide range of individuals from Historians such as Arnold Toynbee and Bertrand Russell, have advocated a one-world government, known under various names such as "One World Government", "New World Order". "Globalisation". After time, such names have become tainted and have changed. At present, with concerns about the stability of the global financial system expressed, for example, by financiers such as George Soros (*The Crisis of Global Capitalism*), a new name has come up to describe the same old game: The Third Way.

IS GLOBALISM SUSTAINABLE?

The Asian financial crisis has led to a number of intellectuals rethinking the question of the sustainability of the globalisation economy. We have been told by policy elites writing in the print media, lecturing at university and appearing in the electronic media, that globalisation and economic rationalism are inevitable and irreversible. Globalisation is the process of the increasing interdependence of the economies, societies and cultures of the world. Economic rationalism, or economic fundamentalism, is a doctrine maintaining that the best economy is one where the free market can rule with a minimum of government interference. For Australia, Asianisation, the cultural, economic and racial integration (by means of large scale Asian immigration) of Australia with Asia, was also said to be inevitable and irreversible - said by the same people who believed that without a Japanese backed MFP (multifunction polis) Australia's economic future would be grim. Yet today Japan, whom Australia's Japanophile elites thought would rule the world, finds its economy going from crisis to crisis. Now all the talk among the Asianised chattering classes is how "Wonderful" it will be when China surpasses the United States to become the world's number one economy and military power. This result is also inevitable, they believe, the results of China's genius and the enterprising ability of the overseas Chinese, who throughout Southeast Asia, and virtually the world, form a nation within nations. The Chinese, we are also told, understand the meaning of life in a globalised world and we lazy Aussies had better learn from them fast if we wish to survive the 21st century.

NEW GODS OF A NEW AGE

Survival in the global economy today means living with globalism and rationalism, the new gods of a new age. But there are major social problems for the West embracing fully the religions of globalisation and economic rationalisation. Take the case of Prime Minister John Howard for example. Howard is a globalist. Asianisationist and rationalist. He supports 24 hour a day trading and a wide range of belt-tightening policies. Unemployed people should pull up their roots and go where

work is, interstate if necessary. Yet Howard, like Thatcher is a cultural conservative, believing in the family and all that.

There could hardly be a more destructive duo of forces for conservative values than globalism and economic rationalism, which are uprooting our world.

Howard *et al* deal with this philosophical conflict by only paying lip service to conservative values. For them the economy is all-important.

Globalisation is based upon economic rationalism, and those of the economic right see human life in terms of production, acquisition and the distribution of wealth. The highest value is money.

THE THIRD WAY

The Left have also embraced globalisation, but in general are ambiguous and divided on the question of economy rationalism. The Left's interest in globalisation is less economic and more cultural and racial - they support one world, mass immigration and anti-Western ethnic groups. They champion politically correct causes with the same intensity as the New Right champion economic causes.

In USA, Australia, Labor and Liberal, in Britain, Labour and the Conservatives - all these parties have a common globalist agenda. Increasingly though, the "Liberal Left" and Labour have embraced economic rationalism. How can economic rationalism be sold to their constituency without admitting to them that they have been betrayed? For the "New Labour" of Tony Blair and the Democrats under sticky dicky Willy Clinton, the "Third Way" is the answer.

Tony Blair spoke in Washington DC in February 1998 of an international policy consensus of the centre-left in response to globalisation. According to Blair's own pamphlet, The Third Way "draws vitality from uniting the two great streams of left-of-centre thought - social democracy whose divorce did so much to weaken progressive politics across the West" and liberalism. Liberalism historically has been concerned with the primacy of individual liberty in the market economy and social democracy, with social justice enforced by the state. These traditions have been in conflict: Liberals disliking the paternalism of the social democrats and the social democrats believing that liberals do not take equality seriously. The Third Way hopes to avoid this historical contradiction.

This in itself would be quite a task. The Third Way looks like just a way for the Left to do Thatcheristic things such as cutting back on welfare and giving control over interest rates to an independent central bank, says Christopher Henning, *The Age's* London correspondent (C. Henning "Left-Wing Politicians Doing Right Wing Things", *The Age* October 12 1998 page 13).

In Australia Hawke and Keating's actions in floating the Australian dollar, deregulating the Australian economy and opening Australian markets to foreign banks are Third Way

policies. Mark Latham, one of the Australian Labor Party's young turks has produced a new manifesto for the Labor Party along just these lines. Latham's book is entitled *Civilising Global Capital: New Thinking for Australian Labor*" (Allen and Unwin, St. Leonards, NSW, 1998). Mark Latham is not the first Labor politician to produce such a manifesto.

GLOBALISM UNAVOIDABLE

Bob Catley, Labor member for Adelaide, 1990-93, wrote *Globalising Australian Capitalism*" (Cambridge University Press, Cambridge, 1996), earlier. Catley was once a critic of the globalisation of Australia, but his term in parliament had led him to believe that globalisation is "unavoidable, necessary, and desirable" (p. 222). Catley recognises that a vast literature exists criticising globalisation because of the dislocations it has produced, but he also sees increased material living standards arising from the same process. "Whether that is progress depends on your point of view" (p.3), but he does not defend his own point of view by addressing the anti-globalist literature. Rather his book celebrates the victory of globalism while saying that as far as globalisation goes. "I am now trying to enjoy it" Presumably, we should also lay back and enjoy it as well. This book shows the process of Australia's globalisation, which is far from inevitable: it was the outcome of decision after decision of political and financial elites and they triumphed because good people constantly did nothing to oppose it foolishly voting for the same treacherous mainstream parties

Latham's book. *Civilising Global Capital* is also premised upon the assumptions that both globalisation and economic rationalism are inevitable and irreversible. Labor must adapt or die.

This is a very formidable challenge to the labor tradition because as Latham clearly states in his book, economic rationalism produces inequality and unemployment. Surely a Labor party should be concerned with preserving the values of (near) full employment and equality? Latham's answer to this challenge is to claim that full employment has been achieved and that unemployment is in any case not a problem in the macro-economy. Tell that to the young voters of Australia. Equally as absurd is Latham's claim that the Australian Labor Party has always supported mixed economies and never socialism. Tell that to Fabian socialists like Gough Whitlam and Jim Cairns.

Latham believes that Labor is returning to a dated economic nationalism. Against this he sprinkles his book with ideas for an economic globalism including enterprise bargaining. He supports, wisely, tax breaks for savings, enterprise bargaining, a progressive expenditure tax and the devolution of government with more things done by local voluntary groups.

Many of his policies are interesting in their own right and deserve wider discussion than they have received. However his book is fundamentally flawed because he does not show how global capital can be civilised. In many respects, a brilliant little book by Bob Ellis called *"First Abolish the Customer: 202 Arguments Against Economic Rationalism"* (Penguin Books, Ringwood, Victoria, 1998) although mentioning Latham at only one point (page 194) to dismiss him, is directed against Latham's book.

NON-ECONOMIC VALUES OF TRUST AND HONESTY

Ellis gives 202 arguments against economic rationalism, but all of these arguments amount to one master point: that economic rationalism means that nobody would pursue the higher good or do things for higher values. For example, most of the scientific theories of the past were produced by people for the love of knowledge, not for economic gain. It would have been economically irrational to do such work. Likewise, as most sociologists have noted, the modern economy is based on non-economic values - trust, honesty etc. - which Ellis shows are undermined by economic rationalism. Latham and Catley made no attempt to deal with such a challenge to their position in their books, even though this type of critique has been made by

humanists for about two hundred years. Another approach to the Third Way has been made by Professor Anthony Giddens, Director of the London School of Economics and Political Science, often said to be Tony Blair's guru. He has had a major impact on "New Labour" and the UK Left. His new book is entitled *"The Third Way — The Renewal of Social Democracy"* (Polity Press, Cambridge, 1998). The book is about the survival of "Social Democracy" (= "moderate parliamentary socialism") after the final

discrediting of Marxism and dissolution of the "welfare consensus". The values of socialism and communism remain valid, Giddens believes, even though the political systems have been discredited. Socialism and Communism underestimate the adaptive capacities of capitalism and also fail to recognise the value of markets in providing information.

"WARMED-OVER NEOLIBERALISM"

The Third Way policies of Tony Blair and Bill Clinton have been seen by Left critics as "warmed-over neoliberalism", a development of Thatcherite policies.

Giddens book does not debate this issue but sets out to develop his own framework, in the context of problems such as globalisation, individualism, left versus right, the future of democracy and the ecological crisis. Giddens, likewise, accepts

- Third Way Values*
- **Equality**
 - **Protection of the vulnerable**
 - **Freedom as Autonomy**
 - **No rights without responsibility**
 - **No authority without responsibility**
 - **No authority without democracy**
 - **Cosmopolitan pluralism – (= Multiculturalism)**
 - **Philosophic conservatism (a pragmatic attitude to change)**

globalism - in fact he believes that globalism must be pushed further rather than merely remaining in the economic realm and should encompass all of social life: "Social democrats need to contest economic and cultural protectionism" (page 65). Giddens logically enough, is opposed to nationalists such as Pat Buchanan (US) and Pauline Hanson, who he dismisses as "Far Right". Instead he gives the following "Third Way Program" based upon "Third Way Values".

THIRD WAY PROGRAMME

- * The Radical Centre
- * New Democratic State
- * Active civil society
- * Democratic family
- * New mixed economy
- * Equality as inclusion
- * Positive welfare
- * The social investment state
- * Cosmopolitan Nation
- * Cosmopolitan Democracy (page 70)

The "pure market place" will fragment society, hence there is a need, Giddens believes, for a nation defanged of nationalism, embracing multiculturalism and an "open and reflective construction of national identity" (page 134). He never tells us what this phrase means with any degree of analytical precision - something quite common in social "science" writing. For example, Giddings says that Britain's large ethnic and immigrant minorities create a heterogeneity that may make it impossible to form any sort of national identity. Not a problem, for this "is part and parcel of the very meaning of cosmopolitan nation, as such" (p. 135). Well, if so, then the concept of a "cosmopolitan nation" is incoherent, and a society based upon such an ideal will, inevitably, self-destruct. This view has been expressed in books such as Robert Harvey's *"The Return of the Strong"* (Macmillan. London, 1995), that "as the millennium closes, the . . . seeds of global disorder, even anarchy . . . are being sown" (p.xv). Such sentiments, which challenge globalism, are dismissed by Giddens along with the idea that war between nations is still a great danger. Giddens, while giving lip service to ecology, makes no effort to look at arguments that "Water Wars" and other resource crises could characterise the 21st century. Giddens is secure in his globalism today as he ever was in his neo-marxism in the 1970s. His book gives no detailed consideration to the Asian financial crisis, beyond an argument for financial regulation on pages 147-152 - which, in turn, directly contradicts his globalism.

WHY THIRD WAY IS NO WAY

The principle reason the Third Way cannot succeed has been given by Robert Reich. Former Secretary of the US

Department of Labour, in his article, *"The Third Way the Hard Way"*, *The Age*. October 12th, 1998 p. 13.

The Third Way believes in the healing powers of economic growth produced by the global free market. As Reich put it: "The central faith of the Third Way is that economic growth, spurred by its free market policies, can be widely shared, if those who are initially hurt by them are given the means to adapt", by government action. People then should not resist change, but adapt to it. Reich says that the reality is that those hurt by globalisation reject it and this challenges the Third Way. To retrain people requires money and if the government borrows, this upsets the bond markets. There are then no natural supporters of the Third Way as the left retain their old ways and the right don't want an activist government. The Third Way requires a new social contract, which is unlikely to be drawn.

THE REAL RULERS OF THE WORLD

The reason for this is that global capital and the unfettered free market cannot be civilised - creating wealth for many but dislocation for the vast majority of mankind. The real winners of globalisation are transnational corporations who have become the real rulers of the world. Middle America and middle Australia, as Dr. Samuel Francis shows in his book *"Revolution From the Middle"* (Middle American Press. 1997) and Pat Buchanan in *"The Great Betrayal: How American Sovereignty and Social Stability are being Sacrificed To The Gods of Global Economy"* (Justice Little. Brown and Company, Boston, 1998) are not winners. Buchanan points out that between 1972 and 1994 the real wages of American workers fell 19 percent, which is the largest slide in three centuries. The average hourly US wages in the spring of 1996 were lower than in 1965. US manufacturing workers once had wages three and four times those in Europe and Japan - now these wages are below Japans, and only 60 percent of Germanys. At the same time, "America's wealthiest one percent, which controlled 21 percent of America's wealth in 1949 now controls 40 percent" of the wealth. America, itself, has had trade deficits for the past 26 years and has become the world's greatest debtor nation. It is nation in decline, Buchanan maintains, despite the short-term economic good news broadcast by economic spin-doctors.

All of this is producing a "crisis of legitimacy", Samuel Francis believes. We have also seen this in Australia where One Nation polled more votes in the House of Representatives than the Nationals, the Democrats or the Greens and did even better in the Senate.

Australia's preferential voting system and collusion between Left and Right wing globalist parties to put One Nation last prevented the political expression of Australia's legitimization crisis.

Its expression will not be prevented by any "Third Way". As the pop song says, "EXPRESS YOURSELF".