A WEEKLY COMMENTARY

ON TARGET

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The price of Freedom is eternal vigilance –

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THOUGHT FOR THE WEEK: "There is a great and potent world which the governments do not control. That is the world of finance, the men who guide the ebb and flow of money. With them rests the decisions whether they will make that river a beneficient flood to quicken life, or a dead glacier which freezes whenever it moves, or a torrent of burning to submerge and destroy. The men who control that river have the ultimate word."

– The late John Buchan, well known Scottish novelist, British M.P., and later Lord Tweedsmuir, Governor-General of Canada.

ECONOMIC MADNESS WHICH PASSETH ALL UNDERSTANDING by Eric D. Butler:

As the result of a slight, very slight, improvement in Australia's economy in 1937, after seven years of mass unemployment and record bankruptcies, this improvement being the result of a small increase in the nation's money supply, the then doyen of Australian economists, Professor Douglas Copland, cried out that there was now a danger of Australia proceeding too rapidly in the direction of prosperity, and that a halt should be called. This resulted in a scathing article by the late T.J.Moore, founding editor of ***The New Times***, suggesting there were good reasons now for believing that the good Professor had taken leave of his senses. A group of ***New Times*** supporters, including the writer, stood outside the Melbourne Town Hall, where Professor Copland was one of the speakers at an educational conference, selling ***The New Times*** with the cry, "Has Professor Copland gone mad? Read all about it." The Professor was not impressed, bursting from the hall and threatening legal and other types of action, none of which ever eventuated. This colourful incident in the life of the Australian Social Credit movement is recalled as Professor Copland's successors, including their political yes-men, insist that the "recovery" from the "depression we had to have", was proceeding too rapidly; that in fact the economy was "on the boil" and "over-heating", the building industry being allegedly one of the main culprits; that there was a threat of inflation returning and this could only be avoided by "firm action", this including a rise in interest rates, along with an increase in taxation.

Anyone whose commonsense has not been destroyed by what is called "progressive education" can only ask, in sheer disbelief, "How can increases in interest rates and taxation solve problems created in part by high interest and high taxation policies?" It is elementary that higher interest rates bear heaviest upon those least able to bear them. The increases, with further threatened, must sound the death knell for an increasing number of struggling primary producers. The housing industry has been devastated, not because all Australians are adequately housed, or because there is a shortage of skilled men or building materials. There was a time when there were some Labor Members who spoke out against dictatorship by debt finance. One of these was Australia's wartime Prime Minister John Curtin, who during the Great Depression accepted Social Credit. But, as in all the parties, a new breed has emerged in the Labor Party.

Some years before he died, Social Credit founder C.H. Douglas said that it was with a feeling almost amounting to nausea that he brought himself to write about economics. He referred to the vicious moral and mental poison being distributed by orthodox institutions. The rot of disbelief in any role of honesty spreads with the ordinary man coming to the conclusion that the whole economic and political game is rigged. It is not surprising that growing numbers have become cynical about politicians and democratic institutions. While there is no sympathy for those who have exploited the present corrupt finance-economic system, it has become increasingly obvious that the Bonds, the Skases and others were only able to do what they did because they were aided and abetted by those administering the debt system. While there is no hope of salvation until there are major changes in how the financial system is operated, it must be accepted that the rot in society is, generally speaking, deepest at the top of society. Looking to today's financial and economic leaders for a lead away from the current madness is unrealistic.

Restoration of honesty in public life, once a feature of the British system at its best, must start with the election of political representatives who do believe in some absolutes, and who are willing to accept the old principle that politicians are elected to serve, not to aid an army of immoral planners. Australian electors are fast reaching the position where they have no faith in any of the existing political parties, and will respond to that type of leadership referred to in the famous advice, "He who would be the greatest among ye must be the servant of them all". And it must be loudly stated time and time again that the true purpose of an economic system is to serve the individual and to provide him with what he wants. A top priority must be an honest finance-economic set of rules.

THE LIBERALS AND THE LEAGUE by David Thompson:

As Mr. Alexander Downer faces what appears to be the last few weeks of his leadership of the Liberal Party, the greatest dilemma for the Party is to find a suitable replacement. In the longer term, the Party must depend upon a new generation of members to provide leadership of vision and principle. But if the Young Liberals' national convention in Adelaide reflects the quality of future leadership, then the Party seems doomed to complete destruction.

At their Conference the Young Liberals expressed considerable support for homosexual "families", called for an end to woodchipping in old growth forests, and overwhelmingly rejected a motion to retain the monarchy. The outgoing Federal Young Liberals President, Mr. Ross McClymont, summed up the general consensus: "Australia will become a republic and I think a Liberal Government will do it – **we're the only people you can trust to do it properly** . . . ."

From the reports emerging from the Adelaide Conference, it becomes clear that the philosophical differences between the Liberals and the A.L.P. are so narrow as to be irrelevant. If the Young Liberals know anything about the values upon which their Party was founded, then they have specifically rejected such values.

THE LEAGUE CONDEMNED: In light of their very fluid approach to basic values, it was almost comical to read reports that Young Liberal leaders were calling for a ban on members of the League of Rights, the National Front, and National Action from joining the Party. The new self-proclaimed "expert" on the League, Mr. David Greason, in an attempt to demonstrate his political acumen, wrote a letter to a newspaper making the following point:

"The greatest problem for the Liberal Party from the far-right is not infiltration but the readiness of some Liberal politicians to consort with extremist groups **whose values are diametrically opposed to the Party's**."

It is almost an insult to the League to suggest that the League was interested in being associated with a Party that had abandoned its own basic values, and now shows signs, through the Young Liberals, of **campaigning against** those basic values. There would be very few Liberal politicians with whom the League would wish to be associated, except on specific issues where individual politicians have **provided genuine leadership** – usually in spite of the Liberal Party rather than because of it.

The Liberals do not need to ban the League of Rights; their greatest problem is to hold any genuinely conservative members that they still have within the Party. The genuine conservatives are leaving the Liberals in droves, sickened by lip service to conservative values, but craven failure to stand up for such values. The fact that Mr. Downer was embarrassed by being associated with the League last year simply demonstrates that while the League holds to its basic objectives, the Liberal Party has abandoned theirs.

CREDIT FOR DEVELOPING AUSTRALIA'S NORTH by D. Thompson:

C.H. Douglas, the author of Social Credit, once predicted that the sheer pressure of events would eventually forsee a re-examination of financial policy. His own financial proposals, feared by international banking interests, have been ridiculed for more than half a century, but the force of events is gradually demanding the re-examination that he predicted. The Australian debt burden, and chronic "balance of payments' problems under othodox financial rules are foremost among the "events" that demand better policies.

However, other issues, superficially unrelated to finance, are also providing their own pressures.

The question of immigration policy and a population policy for Australia, again highlighted by another armada of boats bearing illegal immigrants from South-East Asia, is relevant. If it is true that the best migrants are the children of existing Australians, then what is the optimum population for Australia? Any intelligent answer must begin with a realistic assessment of resources available to support the population. With some N.S.W. towns in danger of running out of drinking water during the present drought, water is obviously a key resource.

The provision of the necessary infrastructure for an expanding population raises the question of finance. Must the debt be further increased for this purpose?

MR. SANTAMARIA'S ANSWER: In his column in ***The Weekend Australian*** (January 7th-8th, 1995) the Catholic commentator Mr. B.A. Santamaria has courageously proposed an unorthodox financial answer to the problem of finance for construction of public works essential for develop-ment of Australia's north.

Mr. Santamaria begins by posing the question of Australia's response to demands from Asian nations like China that we permit **large-scale migration** to Australia's "empty north". Since we do not have the military ability to prevent this, perhaps clear evidence that we are seriously prepared to people northern Australia ourselves is required.

As Mr. Santamaria writes, "A critical question is how to pay for it. The answer lies in the provision of interest-free loans to construction authorities to finance the necessary infrastructure . . ." He then refers to evidence that such a policy is responsible and could be successful. First he refers to the construction of the Commonwealth railway line across Australia from 1912 to 1917 with the use of interest-free credit from the Commonwealth Bank. He also refers to Sir Dennison Miller's provision of credits upon which Australia financed the First World War effort through the same bank. And finally he quotes from the 1937 Royal Commission on Banking, that under certain conditions, the central bank could "lend to the Government" or "to others in a variety of ways", and that it can even "make money available to government or to others free of any charge".

Mr. Santamaria concludes his column: "The international financial system would obviously be opposed to such a policy. But you cannot develop the north by paying 10 percent on borrowed money. And if you do not develop the north, you will ultimately lose the country."

Mr. Santamaria should be congratulated for the courage to offer such a visionary proposal. His comments should be referred to others of genuine intellectual integrity.

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