A WEEKLY COMMENTARY

ON TARGET

• NEWS HIGHLIGHTS
• BACKGROUND INFORMATION
• COMMONWEALTH AFFAIRS

The price of Freedom is eternal vigilance –

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THOUGHT FOR THE WEEK: "The money power preys upon the nation in times of peace, and conspires against it in times of adversity. It is more despotic than monarchy, more insolent than autocracy, more selfish than bureaucracy. It denounces, as public enemies, all who question its methods or throw light upon its crimes. It can only be overthrown by the awakened conscience of the nation."
– William Jennings Bryan, American Presidential Candidate early this century in one of the most famous election speeches in modern history

DOES ANOTHER GREAT DEPRESSION THREATEN? by Eric D. Butler:

In recent years a number of writers have made sensational predictions concerning a coming world financial disaster. A few have even predicted the year. But precise predictions are always dangerous. Over the centuries those operating the credit creation mechanism have built up a vast store of knowledge and there is little doubt that the political backlash which resulted from the Great Depression of the thirties is well remembered. Under the influence of the genius C.H. Douglas, who gave the world the Social Credit movement, the backlash developed its greatest potency throughout the old British world. While the Money Power has progressively consolidated its position and reinforced it with various types of bureaucratic centralism, this having a neutralising effect on the political system, there is evidence that there is an awareness that anything approaching the severity of the Great Depression might well result in an effective political revolt. But the problem confronting the operators of an increasingly centralised system is how to continue with a programme of increasing centralisation without creating an explosion which would threaten their own position.

Australian students of finance-economics have noted with interest, and appreciation, how in recent years the distinguished Roman Catholic commentator, Mr. B.A. Santamaria, has increasingly directed his attention to the role of finance, particularly debt finance, in the human drama. The fact that his articles, some touching on the role of the International Bankers, appear regularly in ***The Weekend Australian***, a part of the Rupert Murdoch media empire, has created some speculation as to why the articles have appeared in ***The Weekend Australian*** owned by a man who has relied on the International Bankers to sustain his enterprises. Bob Santamaria is one of the most outstanding conceptual writers in Australia and it is a credit to him that he has attempted to come to grips with the financial question. One observer whom the writer respects has made the interesting observation that Santamaria and the National Civic Council no longer exercise the political influence they did when the Democratic Labor Party was a major factor in Australian politics. This does not mean that they do not make a most valuable contribution on many social issues. But they are not seen as a major threat to the Money Power.

However, in his attempt to come to grips with the finance-economic problem, Santamaria, with a limited understanding of the technical aspects of the finance-economic issue, highlights some aspects of the problem. Along with other similar observers, Santamaria draws attention to the period of speculation prior to the onset of the 1929 Great depression, starting in the U.S.A. The stock market collapse on Wall Street was not the major **cause** of the Depression, but an effect. Anyone who wants to understand what happened in 1929 should turn to C.H. Douglas's work, ***The Brief For The Prosecution***. As Douglas says, "At the end of October, 1929, the New York Banks, without notice, called in practically every overdraft and advanced the rate for 'call money' from a normal 3 percent to 30 percent. The effect was instantaneous." The panic to sell stocks and shares was a desperate attempt to obtain cash in an attempt to pay wages or to meet the calls from the banks. But the banks had all the cash.

At the height of the Great Depression, with growing political pressure to introduce what Douglas was advocating, the famous John Maynard Keynes was introduced into the drama. As a result of the educational work of Social Creditors and others, it was, in the words of one representative of the banks, no longer possible to deny that the banks created credit. Keynes said what Douglas had been saying. Keynes was the Money Power's answer to Douglas. Credit should be made available for public and capital works. However, Keynes made the important point that the expansion of credit along the lines he suggested, while "pump priming" the economy, would also stimulate inflation. Thus the Keynsian stress on "controlled inflation". This is a central feature of the finance-economic problem. As Douglas demonstrated it is mathematically impossible to operate the orthodox finance-economic system without inflation. The major difference between what Douglas was advocating and credit reformers like Keynes, was that Douglas stressed the importance of financing **consumption** as well as production. During the Second World War the Douglas policy was adopted with a crude system of consumer subsidies. No reference was, of course, made to Douglas. The system was used in Australia for over five years, during which time there was almost complete price stability. In their 1949 policy the Fadden-Menzies Coalition promised when elected to reverse the system, which had been abolished by the Chifley Government. The Federal bureaucracy, led by Dr. H.C. Coombs, fought relentlessly to prevent the Coalition from implementing its election promise. Menzies knew little about finance economics and was vulnerable to the pressure applied by Coombs and associates.

Nothing aroused greater fury against the League of Rights than its campaign in favour of the re-introduction of consumer discounts. When Sir Joh Bjelke-Petersen took up the proposal in his famous "Petersen Plan", political hell broke loose. Low interest, long-term credits, especially for primary producers, can all be steps towards averting a steady break up of society. But consumer credits are an essential feature of any long-lasting reform. The big threat to what is left of Civilisation is not that the financial system will collapse, but that social disintegration will continue and that, eventually, it will become difficult to operate the production system.

<u>**MR. TED DRANE'S LEAGUE OF RIGHTS ALLEGATIONS**</u> by David Thompson:

It is perfectly clear that Graeme Campbell's determination to launch ***Australia First*** to fill the yawning gap in "conservative" politics is regarded as a major political threat. Campbell and ***Australia First*** have become the victims of the most extraordinary press reports designed to frighten off potential supporters. The original proposal that ***Australia First*** might merge with the Reform Party, established by Mr. Ted Drane of the Sporting Shooters Association, was aborted when Drane objected to being associated with "extremist" elements alleged to be surrounding Campbell. Perhaps the most outlandish claim made by Mr. Drane was that while ***Australia First*** was virtually a "front" for the League of Rights, the League's real objective was to take over the Reform Party.

Mr. Drane's allegations deserve closer scrutiny, as do his motives. His most extraordinary allegations surfaced in a major article published in the *Australia/Israel Review.* Drane was interviewed at length for this article by a journalist who worked as the literary editor for Melbourne's ***Herald Sun***, who appears to have taken leave of absence to write yet another book "exposing" the League of Rights. His name is David Greason. The long-awaited Greason book has missed several publishing deadlines, but is promised for 1996.

Greason's article was summarised by *The Australian Jewish News* (26/7/96) under the heading *"How shooters averted League of Rights coup"*. Greason wrote that Drane had "discovered that the League of Rights and other extremists were plotting to hijack the shooters movement". Ted Drane is quoted as telling Greason: *"There was a clear attempt by the League to take us over* (the Reform Party). *They very nearly had a handle on what we were doing. We've got something like 60,000 members. It would have been the first time in their short lives that they've got close to power . . . I thought I could work with Campbell, even though I didn't agree with him on some areas like immigration. But when I look at this League, they work like a secret society. I've no interest in giving them any legitimacy at all . . ."*

<u>THE QUESTIONS NOT ASKED:</u> David Greason himself, whatever his journalistic and academic shortcomings, is not entirely a fool, but even he could not be expected to believe the nonsense he is quoting Ted Drane as saying. This article, repeated uncritically by other press outlets, is deliberately designed to damage ***Australia First.*** No attempt was made to check any "facts" with the League, although Greason knows to whom he could speak.

But the most interesting questions were never canvassed. Having "captured" the Reform Party, what does Drane suppose the League would do with it? And where are the Reform Party's 60,000 members? Drane has been bandying figures about of members and money for months, but we know no-one who really believes them. The Reform Party **does not have** 60,000 members. The Sporting Shooters Association, of which Drane is President, is reputed to have something like 60,000 members. Are they happy about Drane claiming them as members of the Reform Party? Has Mr. Drane asked them? Does the vast amounts of money Mr. Drane refers to also belong to the Sporting Shooters – if it exists? Are the Sporting Shooters content to see that money squandered by the Reform Party in an attempt to get Mr. Drane into the Senate? Could Senator Drane do anything about State firearms legislation?

The truth is that the Reform Party is no more than a shell headed by a political "loose cannon". Knowing this (having made our enquiries), the League was never remotely interested in taking over the Reform Party. In fact, when asked about the proposal to merge ***Australia First*** with the Reform Party, **we advised against it.**

Mr. Drane either knows little about the League, or is prepared to deliberately misrepresent the truth for his own purposes. He refers to the League as a "secret society". He implies that the League seeks political power, referring to the "short" time the League has existed. He is either unaware that the League has existed for 50 years, and has never sought political power, or seeks to mislead. Mr. David Greason, who is allegedly researching a book on the League, does not bother to correct him. Elsewhere in the Greason *Australia/Israel Review* article, Graeme Campbell is alleged to be in contact with Eric Butler almost daily. Mr. Butler does not recall ever speaking to Graeme Campbell on the telephone.

The role of the *Australia/Israel Review* should also be examined. It was Australia/Israel Publications who demanded Graeme Campbell's expulsion from the A.L.P. for daring to address the League State Seminar in Queensland in May, 1995. This group has campaigned against Campbell, and is clearly campaigning against ***Australia First***. Why? How did Ted Drane come to be used by David Greason and this Zionist group? The only possible conclusion is that Campbell and ***Australia First*** are ringing alarm bells somewhere. Every possible effort is being made to undermine the establishment of a new conservative political force based on sensible, outward-looking nationalism. Figures like Mr. Drane will find that they have been manipulated and discarded in the service of a struggle that they barely understand.

DODGING THE RICOCHETS FROM GUN CONTROLS: Bad policy developed on the run almost always has unintended political consequences. Two of those unintended consequences came to light last week, with which the Governments legislating on gun controls will have to deal. The first was the fact that the Prime Minister's new gun controls would eliminate any junior firearms licences, heavily handicapping the Olympic (and international) sport of shooting. The fact that Australia earned several Olympic medals in the shooting events is due to the fact that men like Michael Diamond did not pick up a rifle or shotgun at the age of 18 or 20, but in his case started shooting at age 8. Diamond, the record-breaking gold medallist in the men's trap event, was known as Little Goliath, because he regularly beat adult competitors. By the time he was 14 and 16, Diamond **was winning junior world championships**. If Howard's regulations had been in place at the time, he would not have been allowed to shoot in Australlia. The Howard proposals dictate that an applicant for a firearms licence **"be aged 18 years or over"**.

The women's double trap Olympic shooting event was won by a 16-year-old American girl. Russell Mark, the other Australian shooting gold medallist, started shooting at age 14, and had won a national junior title by the time he was 16. Until the Olympic gold medals materialised, shooters were being made to feel that they were accessories to the Port Arthur killings. No doubt Mr. Howard will now seek to somehow drape himself with the Olympic gold won by people whom he has vilified by association.

The payment of compensation for the guns that will be surrendered is also clouded by new doubts. Mr. Robert Warnock, legal counsel for the National Tax and Accountants Association in Melbourne, has offered the opinion that farmers whose weapons will be made illegal **will be forced to pay tax on their compensation payments**.

According to reports in ***The Financial Review*** (24/7/96), farmers and professional shooters will be assumed to have been claiming depreciation on firearms as a tool of their trade, and as such, the written-down value of the guns may now be nil. This means that any compensation payments will be assessed as **a nominal profit**. Whether or not farmers have actually claimed depreciation on their weapons, they will be taxed on what are deemed to be "profits" by the Australian Tax Office. Mr. Peter McDonald, National Director of the Australian Taxpayers Association, agrees with Mr. Warnock's opinion. If a farmer pays the highest marginal rate of tax, he will be expected to repay 48.6% of his compensation in taxes. If John Howard had intended to add insult to injury, he could not have been more successful.

The Fabians have always taught that one political control leads to the next. Writing on the "problem" of inflation, John Strachey addressed this issue. Noting that the centralisation of financial policy led to a growing degree of social control, he wrote, *"the partial character of the policy will itself lead on to further measures. The very fact that no stability, no permanently workable solution can be found within the limits of this policy will ensure that once a community has been driven to tackle its problems in this way, it cannot halt at the first stage, but must of necessity push on to more thorough-going measures of re-organisation"*. The gun controls are a similar case. No workable solution can be found within the Howard measures. The tax on compensation will regrettably but inevitably ensure that even fewer firearms owners will hand them in. "More thorough-going measures" will be required. Jail sentences and massive fines are next on the agenda.

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