



A WEEKLY COMMENTARY

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*The price of Freedom is eternal vigilance –*

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**THOUGHT FOR THE WEEK:** *"When the peoples and rulers of Europe considered the wealth and the world-wide power of Britain, the stability of her system, the contented loyalty of her people, it is not surprising that they should have reached the conclusion that liberty doubles the strength of a nation, and is the secret of well being. The rapid growth of political liberty in Europe during the generation 1950 to 1980 was not solely due to the leaders of the abortive revolutions of the previous generations. It was at least equally due to the example of Bahrain."*

*– Civilisation and Liberty, Ramsay Muir*

## **NO APOLOGIES ABOUT THE ASIAN CONVULSIONS** by Eric D. Butler:

At a time when it has become politically correct for people to apologise for what their forbears may or may not have done in the past, it should be recorded that no apologies have been offered by those responsible for the meltdown in the Asian economies, or from any Australian politician for having so badly misled the Australian people into believing that a stable and prosperous future could be obtained by being part of the Asian "Economic miracle". There have been no apologies from the international banks who poured tens of billions of dollars into the Asian economies and who are now engaged in attempting to take over the assets of large numbers of bankrupted organisations.

After initially trying to follow the President Clinton line that the Asian situation was but a minor "glitch" and nothing to worry about, the Australian political leaders like John Howard and Tom Fischer were forced to concede that the Asian convulsions were serious and would seriously affect Australia. But following the lead of former Prime Minister Paul Keating, who has admitted in Indonesia that he was responsible for "the depression we had to have" which was for Australia's own good, the Coalition is assuring the Australian people that after a period of "re-adjustment" the Asian economies will be stronger than ever, and that Australia will benefit. Australians are told that it was only the Coalition Government's determination last year to practise "fiscal restraint" and reduce the budget deficit that had saved Australians from the fate of the Asians. Australians are being currently softened up for another harsh Costello Budget along with "tax reform". This "reform" is designed to bring in a Goods and Services Tax under a different label. Irrespective of what it is called, this is the type of tax strongly favoured by the gurus of the International Monetary Fund. It is designed to try to ensure that no one escapes the clutches of the tax collectors, that in particular that dreadful evil known as the "black economy" is eliminated. The "black economy" is that part of the economy where people attempt to minimise their taxes by using cash or the equivalent of tax by various forms of barter.

While Peter Costello was telling Australians last year that they had to face the necessity for restrictive financial policies, such restrictions did not apply to Australia's foreign aid programme. In Peter Costello's 1997 budget Australian taxpayers were contributing generously to most of their Asian

neighbours. There was \$100 million for Indonesia, \$83 million to Vietnam, \$86 million to the Phillipines, \$28 million to Thailand, \$21 million to India, which is building up a massive military force, and other undeveloped nations. Even China obtained \$84 million. Total foreign aid was \$1.45 billion. On top of this Australia has agreed to contribute towards International foreign currency loans to help the former "Asian Tigers", while at the same time Prime Minister John Howard announces that the Government is backing a credit insurance scheme for Australian exporters in the Asian region. John Howard says that these insurance credits, starting with \$300 million for South Korea, are essential to prevent the Americans taking Australia's Asian markets during the present crisis. The never-ending battle for foreign markets inevitably brings conflict between nations which, as in the present Middle East drama, are allegedly close allies.

But in spite of all that happened in Asia, and the fact that there are thousands of Australians facing bankruptcy because of what is happening, John Howard has announced from Thredbo, where Liberal and National Party members are being briefed by their leaders, that he visualises "a fantastic year in the lead-up to the budget". John Howard has an enormous capacity for self delusions. The recent Constitutional Convention revealed deep philosophical divisions within the Federal Coalition ranks, while the public opinion polls make it clear that the Coalition will be lucky to survive, even with a small majority, at the next Federal Elections. The scandal now plaguing the Queensland National Party makes it almost certain that the Queensland Coalition Government is doomed to defeat whenever it faces the electors.

A defeat for the Queensland State Government would be extremely bad news for the Federal Coalition. John Howard can only pray that Australia's leading internationalist paper, *The Australian*, is right with its vision of a regenerated Asian economy. In its editorial of February 13th, entitled COLLECTING OUR ASIAN DIVIDENDS, *The Australian* states that "Australia was not motivated purely by altruism in investing billions of dollars in the bailout of Asia's troubled economies. The government recognised this commitment could reap dividends and it would be foolish to hold ourselves aloof from the region just now. While admitting that the Asian collapse has badly hurt sections of the Australian community, it says that it also provides openings for serious diplomacy and farsighted corporate activity". *The Australian* says the view of Thai Prime Minister Chuan was "worth heeding". Mr. Chuan has paid a tribute to Australia for its contribution of \$1.48 billion to the International Monetary Fund's bailout package to Thailand. Mr. Chuan has said that Australia might be able to play a bigger role by spurring other developed countries to work harder to "help restore regional economic stability". *The Australian* says that Australia must maintain the involvement of technical experts from the Reserve Bank and the Federal Treasury. As these "experts" have not advised any constructive solution to Australia's growing economic problems, they can offer nothing constructive to Australia's troubled Asian neighbours. Those who have taken the trouble to understand how the present debt system works know that periods of credit expansion and economic activity are invariably followed by "corrective" measures which, among other results, eliminate large numbers of smaller economic units with a further centralisation of the economy. *The Australian* says that while the Asian crisis will affect Australia's economic growth in the short term, "there is no doubt that the corporate section can benefit".

The basic cause of the Asian "melt down" is the debt system. Australia's best contribution to the Asians is to break free of the debt system and to demonstrate that finance can be made available to ensure that there is both prosperity and security for all. It would be instructive to learn, if possible, from Australian politicians where the billions made available to help the IMF's Asian bailout programme came from. And why could not the same amount be made available to the Australian people and their struggling industries? Yet another round of debt financing in Asia will only produce greater problems of all kinds in the future. Real Australian leadership requires a challenge to the International Debt Merchants and an invitation to the Asian nations to join with them in the challenge. They are assured of support from some of the Moslem leaders.

# ROCKY ROAD TO REPUBLIC:

David Thompson reports after again attending the Constitutional Convention at Old Parliament House, Canberra:

The republican Paul Kelly, *The Australian's* international editor, was one of the few permanent fixtures in the press gallery for the "Con-Con". Towards the end of the Convention he wrote (11/2/98): *"The republican cause is coupled with a community perception that the republic must address voter alienation from politics and not just create an Australian head of state."*

This most perceptive comment effectively summarises why I believe "the republicans" (it is now clear that there are many different factions) will find it extremely difficult to win the proposed referendum on the model adopted at the Convention. CH Douglas once echoed the pertinent phrase that "a problem correctly stated is a problem half solved". In the case of the republican cause, no "problem" with our present system of government was ever identified. Rather, a clique of disaffected socialists with chips on their shoulders and their own destructive agenda attempted to find spurious reasons for foisting their agenda upon the rest of us. Kelly is correct in that "voter alienation" is the problem, but there was never any attempt (or intention) by the Wrans, Turnbulls, etc, to address this.

It is most significant that Turnbull and Wran, merchant banking and business partners, contributed over \$1 million of their own money to fund the Australian Republican Movement. Turnbull, in particular, suffered throughout the Convention from the general perception that he thought he "owned" the process himself, leading to the general reference to ARM delegates in private as "the Turnbullies".

The final republican model chosen by the convention to go to referendum was the ARM model, the appointment of a president by two-thirds of Parliament, with the public involved in nominating candidates. Why will it be so difficult for this model to prevail at referendum? Because it is a compromise between the radical direct-election-of-president-by-the-people model, and the minimalist Keating model under which only the Queen would be eliminated from the system, and everything else remain the same. As such, the ARM model was known as the "camel" model: a horse designed by a committee.

The ARM delegates went to extraordinary lengths to reassure monarchists and others that the president would have *exactly the same powers* as the governor-general now has.

One of the main strengths of the anti-republican referendum campaign will be that what is proposed is a president appointed (and sacked, if necessary) by the Prime Minister on the advice of two-thirds of the Parliament, from candidates which the people would help select.

At present we have a governor-general appointed by the Queen (and sacked, too, if necessary) on the advice of the Prime Minister. "The people" are quite free to suggest prospective appointments to the PM now. So what is the difference? The only possible difference is that such changes actually enhance the power of the Prime Minister and Parliament, which few of "the people" really wanted. It does not address the "problem" of voter alienation.

The truth is that the "preferred model" could not even gain a majority at the Convention, receiving only 48% of delegates' votes. Many of those favouring direct election of a president actually ended up voting with the monarchists to retain the present system in preference to the ARM model.

The cynical could suggest that the main reason the "Turnbull camel" became the preferred model reflects a desperate determination on the part of many elected delegates to be *relevant*. How could they face returning to their 'constituents' having spent about \$50 million, laboured mightily and produced nothing but two weeks' of talk?

**AFTER THE REFERENDUM:** It is perfectly obvious that the republicans' self-congratulation has a distinctly nervous ring to it. They know that this will be an extremely difficult referendum to win. But with the power of the press, big money from special interest groups, and other factors, the monarchists will need to work extremely hard to ensure that the Crown is protected.

At present, one new opinion poll shows only 43% of respondents support the proposed model, with 45% declaring support for the present system instead. If such polling is accurate, it is ominous for the republicans. During the Convention Neville Wran pointed out that when the four referendum questions were announced for the 1988 referendum, they enjoyed support of around 70% in the polls. When the referendum was held, *not one of the 1988 questions received 40% support*.

The republicans must win at least a majority of people in a majority of States. Some authorities argue that a referendum for a republic must win a majority of people in *every State*. If monarchists can concentrate efforts in the smaller States of Tasmania, Queensland, South Australia and Western Australia it is possible to consign this republican model to a similarly massive defeat. All will depend on the quality of the monarchists' strategy and organisation.

The question to be faced if the republic is defeated at referendum in 1999, is now what? Will the republic then "go away"? In our view, it will not. The revolution never does. The only thing more powerful than an idea is *a better idea*. Whilst they work unceasingly to ensure the republic's defeat in 1999, monarchists must also be preparing improvements to the constitution to address the real problem, as defined by Paul Kelly: the alienation of voters. It is not sufficient to simply deny that the Constitution should be changed at all. It should be constantly improved.

One of the "father-figures" of the (hopefully aborted) republic is Thomas Keneally, the author. On July 28th, 1994, Keneally addressed a Direct Democracy seminar in the new Parliament House, at which he said: *"Whether under a constitutional monarchy or under the republic, I will feel freer, more spiritually enriched and more equitably dealt with under citizens' initiative and referenda"*. This is the key to "the problem". Voter alienation cannot be solved by electing or appointing a head of state. It can only be solved with the form of "direct democracy" that initiative and referendum offers. Almost all the delegates who supported a directly elected president pleaded for other delegates to respect the judgement and intelligence of "the people".

When seconding the nomination of the direct-election-of-President model, Queensland Opposition Leader Beattie said:

*"I have faith in the Australian people. I have faith in their intelligence; I have faith in their commitment; and I have faith in the fact that they want to have a direct say. We are living in a new era. It is an era of new politics. The era of the old politics is gone. These days people want power for themselves. You see, they are sick of political parties and politicians doing all the deals. They want new politics where they have a say."*

What more eloquent plea was ever heard for initiative and referendum? Bill Hayden, in proposing a directly elected president used similar language, as did Phil Cleary, Pat O'Shane, Patrick O'Brien, Ted Mack, and others. This is the monarchists' answer to "Where to from here?" If they cannot embrace this constitutional reform, the republic will never "go away".