



A WEEKLY COMMENTARY

ON TARGET

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The price of Freedom is eternal vigilance –

Print Post Publication Number 381667 00258

Vol.34, No.40

October 23rd, 1998

THOUGHT FOR THE WEEK: *"There exists in civilised society in all countries today an institution whose business is to issue money. This institution is called a bank. The banking business is in many respects the exact opposite of the Social Reform business – it is immensely powerful, talks very little, acts quickly, knows what it wants, chooses its employees wisely in its own interests."*

C.H. Douglas, *Control and Distribution of Production*

STRIPPING CHOICE FROM DEMOCRATIC PROCESS by Jeremy Lee:

There has been some wildly-exaggerated rejoicing in the media and through the establishment at the perceived demise of Pauline Hanson's One Nation, plus other minor Parties and Independents. This may be a little premature. As pointed out last week, the swing away from the major to the minor parties was the biggest in Australia for over half a century. The fact that there is now only one Independent in the House of Representatives, and one One Nation Senator, Heather Hill, in Canberra, has masked the fact that over one million Australians voted for Pauline Hanson's party. The "opinion-makers" would have us believe that, without elected party representatives, this large vote will subside into silence. Their own propaganda role has conditioned them to believe such nonsense. The conclusion is, if they are to be believed, that the views of large minorities don't matter a hoot if they can't elect politicians.

This conclusion is the outcome of a long period of erosion, through manipulation, of the democratic process. True democracy is – or should be – about choosing policies rather than people. As C.H. Douglas stressed, freedom is well defined as "the ability to choose, or refuse, one thing at a time". The two-party game, on the other hand, is about removing as many mechanisms for true choice as possible.

Compulsory voting is a restriction on freedom of choice. It can be argued that Australians are forced to attend a voting booth, not to vote, which is technically correct.

Preferential voting can enlarge choice to some degree if it is voluntary. Make it compulsory and it is an attack on freedom.

This is the difference between the Queensland State election, where preferential voting is voluntary, and the Federal election, where it has been made compulsory. As result, tens of thousands of votes by people who strongly object to both major parties ended up tipping Labor or Liberal candidates – not to mention National – over the line. There is no connection between this sorry state of affairs and a fair, democratic system.

However, every action breeds an equal and opposite reaction. If John Howard and the Coalition believe the protest vote has gone away, they will be disappointed.

The situation was clearly foreseen by C.H. Douglas in the early 'twenties. Consider this (page 174, "Social Credit"): *"..... Assuming for the moment that the will of the people, as expressed by their votes, must prevail, there is no doubt that the defeat of the power of political caucuses to draw up the agenda of an election is an immediate objective. The exact method by which to attain this end is immaterial so long as it is attained. The recognition of the danger to the Hidden Government which is contained in some such procedure is no doubt responsible for the proposal (and in certain areas, the Law) constituting abstention from voting as a penal offence"*

The period between elections can be much more constructive than elections themselves, where the scent of battle often overrides common sense. It is a truism that "Elections Divide, Issues Unite". The one thing politicians have not been able to counter, and which they mortally fear, is the emergence of an issue of sufficient potency to unite people of all walks of life, and from every quarter of the political spectrum. Such was the case with Howard's ill-fated proposals to force the elderly to sell their homes before qualifying for old-age accommodation. The roar of anger forced him to back off hurriedly. The same occurred when the public learned of the MAI (Multilateral Agreement on Investments) which produced a tidal wave of popular feeling that frightened the Government. It was seen a few years ago with the proposal for the ID Card.

To win such battles neither parties nor elections are needed. Australia may well be on the verge of a new dimension in politics – the emergence of "Issue Coalitions", in which people from otherwise opposed quarters find each other and join forces on "one thing at a time", forcing their will on whichever party happens to hold government at the time.

It is interesting to look at the diversity of people who spoke out against the MAI. Trade Union leaders, environmentalists and former politicians such as Don Dunstan and Clyde Cameron found common ground on this issue with conservatives from the right. The submission to the relevant parliamentary committee from the ACTU – available on the Internet – was one of the most cogent.

Leaders who have previously believed that new parties and seats in parliament were the only alternative – people with the qualities of Graeme Campbell, Pauline Hanson and others – who could design a format for "Issue Coalitions" – might find a much more effective tool than a seat on the backbench in a controlled and manipulated parliament.

ECONOMIC FORECAST LOOKS GRIM: Two weeks before the election *The Bulletin* (September 15th) carried two major articles – one by Dr. Peter Brain, of the National Institute of Economic and Industry Research, and the other by veteran economic reporter Max Walsh – dealing with the situation facing Australia between now and the end of the century. Both were agreed, as are a growing number of commentators, that we are facing a major world recession. Peter Brain's conclusions were:

- The world is in for a period of low economic growth unparalleled since the 'thirties;
- Australian exports into some Asian markets could fall by up to 60% in the next year-and-a-half;
- Asia's crisis will cost Australia 350,000 jobs.

Max Walsh said: *"Suddenly, what was an Asian financial crisis has become a global crisis. The contagion is affecting nearly all emerging markets . . . Australia will be caught up in the crisis before the US. The deepening global crisis virtually assures John Howard of success at the October 3 election. While election debate and rhetoric will continue to focus on the alternative tax proposals advanced by the major parties, this debate is destined to become the secondary issue to that of economic competency for the tough times ahead. Just how the crisis will play itself out is beyond prediction at the moment because a great deal depends on the way in which political and financial leaders around the globe respond to developments as they occur . . ."*

Since then, news has broken of a "secret deal", as the *Australian Financial Review* described it, to reflate the Japanese economy by what must be the biggest "money-printing" creation of credit in world history (the full story of this is told in the October issue of *The New Times*, available from the Heritage Bookshop, GPO Box 1052J, Melbourne, 3001 – \$3.00 posted). This, coupled with a further interest-rate cut in the US, has resulted in record gains and losses on the world's stock markets. The Australian dollar has risen dramatically during the past week. Why?

The Australian (October 16th) said: "The dollar shot to levels not seen in three months yesterday, closing firmly above US\$63c and looked set to rally further, dealers said. Solid hedge fund buying lifted the currency to a high . . . Since Friday last week, the dollar has gained US2c. Westpac Bank chief foreign exchange dealer Peter McGrath said the dollar was driven by substantial demands from US accounts....."

So the "hedge-fund gambling bubble" is temporarily fleeing from the United States to Australia. Any cut in Australian interest rates – as has been predicted – will probably set it off looking for somewhere else to settle. The damage done in the process is incalculable.

The same issue of *The Australian* commented in a further article: "Risk management expert Heinz Riehl believes the blame for unprecedented global financial volatility cannot be sheeted home to international hedge funds primarily. Mr. Riehl says it is the investors and the bankers who give the funds money in the first place who should take a good hard look at themselves. 'You could almost go as far as to say that it is the investorts who are to blame, not the hedge funds,' he said yesterday. 'Because people, and that means ordinary investors, as well as the bankers who extend credit, have been stupid enough to give them the money without asking what the risk is.' Many experts regard the funds, such as recently bailed out Long-Term Capital Management, as accessories to the global financial crisis"

ELECTING A "PIG IN A POKE" by David Thompson:

Prime Minister John Howard has announced that he intends to be a "different" Prime Minister during the term of the next Parliament. He claims to have achieved many of the things he set out to do, without being particularly specific, and proposes to respond to a different agenda for his next term. In particular, he has identified social issues that will be a high priority, including the republican issue and reconciliation with indigenous Australians.

For a politician who has recently been stressing the importance of a political "mandate", his sudden change in direction (if that is what it is) could be somewhat unnerving. An electorate that rather grudgingly gave Mr. Howard and his colleagues another term in office would reasonably expect to continue to see at least the same pretence of a conservative approach to issues from the Prime Minister as previously.

While he claims a mandate for such things as the deeply unpopular GST, Mr. Howard appears to be unaware of the inconsistency in remaking himself **after** the election. Does he have a "mandate" to change direction completely, and begin to embrace the thorny issue of aboriginal reconciliation in a way that he has avoided so far? And is there the suggestion that Mr. Howard may be content to actually foster the introduction of the republic, rather than continue to resist it?

The Prime Minister did couch his "new man" transformation in terms of "a new era" to which he needs to respond. One of the elements of that "new era" is, of course, the new millennium. This could become a dangerous social and political period, in that the fairly pedestrian matter of changing the prefix on our dates from "19" to "20" could become an excuse for all sorts of ratbaggery.

The police forces and emergency services in many parts of the world will testify that the human being does

strange and unusual things at the time of the full moon. Could the new millennium become a kind of extended "full moon" environment, in which peoples not immediately dominated by urgent matters of physical survival, turn to aberrant behaviour that would normally be rejected? Could it become a kind of extended Christmas period, when normal disciplines are relaxed during a "silly season" of universal (if shallow) "peace on earth, and goodwill to mankind"?

There is nothing wrong with peace and goodwill, but these things need to be anchored to a clear perception of the underlying issues, or else there is painful readjustment when reality later intrudes. Mr. Howard's turning to a new found enthusiasm for aboriginal reconciliation and the republican process on the eve of the new millennium suggests, albeit faintly, that there is an element of "full-moon fairy floss" in all this that may lead Australians into commitments that we may later bitterly regret.

ACTIVIST'S AMBIT CLAIMS: Already Mr. Howard's declaration that he is ready to re-examine the question of aboriginal reconciliation, and resolve the issue, has produced a response from the hard-line "aboriginal" activists. *The Australian* (15/10/98) published an article by Mr. Peter Yu, executive director of the Kimberly Land Council in WA, which appeared to draw the battle lines.

Whether Mr. Yu's demands were more in the nature of an "ambit claim" that permit future concessions is impossible to judge. But he did insist that reconciliation depended upon the right of aborigines to participate in the process "on their own terms".

What are those terms? He suggests a Document of Reconciliation (since Mr. Howard has ruled out a "treaty") upon which Australians should vote in the centenary year of federation. As essential principles for such a document, he includes: constitutional recognition and protection of indigenous rights; recognition of traditional law within the legal system; the development of an **agreed document** on Australia's history; the recognition of "special status" of aborigines in Australia; the establishment of a long-term capital fund to **compensate indigenous people for dispossession**; regional indigenous governance arrangements for a new political relationship between aborigines and Australian governments and the establishment of a national funding formula to deliver aboriginal infrastructure and services.

This is more than just a wish-list for government largesse. It is in fact a potent and highly flammable summary of the most revolutionary claims. Mr. Yu makes the extraordinary claim that any "settlement" reached must be between "citizens of a united Australia and recognises that we are one people". His demands are based on the very opposite: that we are two peoples, and that the aboriginal people cannot become part of the mainstream without **permanent** special status and separate identity.

The Yu demands rest upon a most deceptive suggestion – **that an agreed document on Australia's history** be developed. This means that the entire basis of nationhood be revised, with our history re-written in such a way that the new version becomes acceptable to a coterie of revolutionary activists.

If Mr. Howard is to revisit the reconciliation issue, it will need to be done with a clear head, and an understanding of the realities encountered by country people – aboriginal and non-aboriginal. The activist wolves like Peter Yu are quite prepared to howl long and loud if Mr. Howard approaches this issue in a "full-moon" frame of mind. To agree to a reconciliation agenda on their terms is tantamount to permitting the activists to drive the programme. Further and deeper national division is the result. In this case, Mr. Howard simply gives new life to a rather demoralised One Nation, and other groups like them.

