A WEEKLY COMMENTARY

ON TARGET

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The price of Freedom is eternal vigilance –

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THOUGHT FOR THE WEEK: *"The tendency of all government is to increase its own power."*
–Lord Bryce in ***Modern Democracy***

THE TRAGEDY OF PAULINE HANSON by Eric D. Butler:

In a recent ABC television programme, conducted at Pauline Hanson's home, the controversial former Member of Parliament was provided with the opportunity to present herself most favourably. Her criticism of how she had been blatantly misrepresented by the mass media was most telling. As one who has been on the receiving end of dishonest media campaigns over a lifetime, Pauline Hanson's comments struck a sympathetic chord with me. The two teenage children's presentation in defence of their mother was a credit to them, but at the end of the programme I was left pondering the question of why was the ABC providing Pauline Hanson with the opportunity to present herself so favourably. I have no doubt that Pauline Hanson's close woman friend, who appeared in the programme to speak favourably of her as a neighbour and a friend, was accurately describing virtues which others have also described.

But the deeper student of politics is more concerned with the long-term political implications of the One Nation Party she was encouraged to form. Those who attended the big Albury rally, sponsored by Graeme Campbell's Australia First movement, will recall how, when asked a question about the possibility of forming a new party, Pauline Hanson rejected the suggestion, stating that she had been elected as an Independent to represent the electors of Ipswich and surrounding areas. Prior to attending the Albury rally she had sought assurances that she would not be associated with League of Rights supporters.

From the moment she had made her sensational entry into Federal politics, Pauline Hanson had been fed a steady dose of anti-League propaganda. In response to a Dorothy Dix question concerning the League by the Minister for Immigration, she foolishly rejected the advice of Graeme Campbell not to be trapped into an attack on the League and subsequently attacked the League and its "fascist" background. She later told a League supporter that she had been misled concerning the League. It would be interesting to know who misled her. Could it have been her principal adviser, Mr. David Oldfield, whom she strongly defended in her ABC programme, denying any romantic attachment.

As I have observed in a number of articles, Pauline Hanson has been a political phenomenon who has acted as a catalyst for a growing disquiet among Australian electors, most of these with similar backgrounds to those of the hard-working and independently minded Pauline Hanson, who has displayed great personal courage on many occasions.

But not even the most dedicated supporters of Pauline Hanson would suggest that she is a deep political student with an understanding of the treacherous currents which swell around party politics.

Ever since men have been endeavouring to govern themselves they have been grappling with the problem of how to prevent government from becoming a master oppressing the individual. Even England, with its long history of the orderly development of limited constitutional government, has provided evidence of the problems of party politics. During the early part of last century, the famous William Cobbett was prominent in the campaign which resulted in the 1832 Reform Bill, designed to sweep away what were known as "the rotten Burroughs". Cobbett, who was elected in the reformed House of Commons later became disappointed. Early this century two of the most outstanding Members of the House of Commons, the famous Roman Catholic writer Hillaire Belloc and his colleague Cecil Chesterton, resigned from the House of Commons in protest against what they charged was the destruction of genuine representative government in party politics. They wrote the famous work, ***"The Party System"***. The founders of the Australian Federation attempted to ensure that the evils of party politics were not introduced into the new nation. The Senate was designed to be a non-party State House. But it soon started to become the tool of party politicians. The aim of the party was to completely dominate the Senate, avoiding any possible opposition to the government.

Presumably it was David Oldfield who advised Hanson and One Nation to contest the last Queensland State election, with the aid of the mass media effectively destroying any prospect of Graeme Campbell's Australia First movement obtaining any type of political base in Australian politics. When defeated at the last Federal elections, Pauline Hanson offered the excuse that she had not understood the preferential system of voting. Graeme Campbell had attempted to warn her, stating it was impossible for her to win the seat of Blair. Pauline Hanson refused to make any effort to prevent the One Nation Party from making it certain that Campbell was defeated in Kalgoorlie, removing from the Commonwealth Parliament the one man who could be an effective rallying force for the millions of electors who have lost faith in the major political parties.

The One Nation Party has gone the way of all such parties, with the inevitable internal conflicts associated with party politics.

At the end of his historic 1934 world tour, during which he addressed hundreds of thousands of people, C.H. Douglas, author of Social Credit, returned to the UK and turned his attention to the political problems of how the power of centralised power could be defeated. He stressed that it had been demonstrated that the results of Social Credit were both feasible and supported by large numbers of people. But political democracy was essential before economic democracy was obtained. He outlined a strategy for uniting electors to bring the political representation under control. Douglas said that the formation of Social Credit parties was the wrong way to go and could only end in disaster. Subsequent events had proved Douglas correct. The power of centralised finance, operating through the fragmenting influence of party politics, is not going to be defeated by still more political parties. What is required is a campaign on issues which unite people. A start can be made by supporters of the present Federal Constitution uniting to reject the proposal to destroy it.

It will be yet another tragedy if Pauline Hanson is recalled in history as yet another example of large numbers of dissatisfied electors being brought together in futile and demoralising activities.

As witnessed by the large number who have deserted the ranks of One Nation, Pauline Hanson has already demoralised large numbers. This may not be her intention, but what of her advisers? Do they have an agenda contrary to what may be Pauline Hanson's best intentions? When, or if, the credit monopolists decide to turn off the pro-Pauline Hanson publicity tap, it will be a clear evidence that she is becoming a real threat to centralised power manipulators.

MANIPULATION EXPANDS BUBBLE FURTHER by Jeremy Lee:

In a devastating article Max Walsh, recently-appointed editor of ***The Bulletin***, gave evidence that Alan Greenspan, the chairman of the US Federal Reserve – a private corporation rather than a government-owned central bank – had manipulated the market at the time of the threatened collapse of the Long-Term Credit Management trust fund. Greenspan pumped public funds into LTCM, thus sustaining the wide gap between stocks and shares and the real value of the companies in whose name they are issued. Walsh's conclusion is that this will simply make the crash even worse when it comes.

Under the heading THE RIGGING OF WALL STREET, Walsh wrote:

". . . Wall Street is now an effectively rigged market. While conventional wisdom instinctively rejects such a proposition, the evidence of deliberate market manipulation at the highest level is there to be seen . . ."

The explosive mix which led to Greenspan's actions were based on the fact that household savings in America have collapsed, leading to a situation where spending now exceeds income. Consumers are borrowing to invest on the stock market in the remaining hope that capital gains (achieved through ever-increasing share prices) will provide some sort of return. Walsh described the result thus:

". . . For four years in a row the Dow Jones Industrial Index has recorded gains of more than 15%. For the 10-year period ending December 31 1998, the Dow Jones industrial average showed a 325% increase – the largest 10-year gain on record. The past decade has shown an explosion in the number of households that have invested in equities either directly or through mutual funds. Assets of mutual funds are nearly equal to total bank deposits . . ."

And all of a sudden the collapse of one of the largest of these mutual funds – LTCM – was threatened. Allowed to collapse, the whole pack of cards would tumble down, exposing the true lack of value undergirding the gambling casino, and producing a depression of terrible magnitude.

Added to this was the fact of the Congressional elections due in November. A financial collapse would have devastated Clinton and the Democrats.

So the Federal Reserve abandoned its (assumed) role and simply became one more manipulator, playing for time. Walsh explained:

". . . While the Federal Reserve is theoretically supposed to be above politics it is, in practice, far from immune to them. In fact, there is a little-known and rarely reported institutionalised relationship between the Federal Reserve and the White House. This is officially known as the Working Group or Financial Markets, which was established after the crash of October 19, 1987, when the Dow Jones index fell 23% in a single day. Informally it is known as the Plunge Protection Team. The team is led by US Treasury Secretary Robert Rubin and its permanent members include Greenspan and the heads of the Securities Exchange Commission. Also involved in the team is the National Economic Council at the White House . . ."

Hearing of the threatened collapse of LTCM the New York Fed deputy governor, Peter Fisher, went into action:

". . . It was Fisher who heard the rumours circulating about LTCM, examined its books and set up the meeting of LTCM's creditors, who represent what could be called the big end of Wall Street. The

Fed's brokering of this deal, which involved a $3.5 billion bail out, testifies to the close and mutually supportive relationship between it and the major investment banks . . ."

The article went on to say that some analysts believe this "rigging" of the market is a regular occurrence, using a $US40 billion slush-fund called the Exchange Stabilisation Fund under the direct control of Treasury Secretary Robert Rubin.

Walsh concluded his article:

". . . Eventually all bubbles burst . . . the longer the bubble inflates, the more painful the bust . . ." (***The Bulletin***, 19/1/99).

So it's not a matter of "if" – but "when".

FINITE RESOURCES? For a "quarry" economy like Australia, where huge volumes of minerals and fuels are extracted for exports, a drop in commodity prices under the financial system we operate is a disaster. In fact the whole global commodities scene is not much better. Nations undercut each other to deliver coal, iron ore and other minerals at giveaway prices to manufacturing nations. But while we continue to do so our politicians are relieved from the responsibility of rectifying the debt system which forces us into this frenetic activity.

A major survey of the global comodities scene was published by ***The Australian Financial Review*** (22/2/99). It was thought-provoking:

"Commodity prices, as measured by the Commodity Research Bureau index of 17 commodity futures markets, hit fresh, 24-year lows last week. But that's nothing – real commodity prices are now at their lowest since the year 1800, having lost 75 percent of their value since then. . . . It is a commodities-plentiful age. The Classical view of commodity prices, led by Malthus in the late 1700s, has been proved wrong. This view was that commodity prices would rise over time due to growing population and finite resources.

"The proof is the actual collapse in real commodity prices . . and this collapse is not new. Since 1800, despite brief respites caused by wars (Napoleonic, the World Wars, Vietnam), the trend in real commodity prices has been down. . . . commodities are cursed with the secret of eternal youth because technology-driven productivity growth lifts supply more quickly, while income growth augments demand more slowly than in manufacturing or services . . ."

Another example fo technology replacing muscle-power. Australia's mining industry (almost entirely foreign-owned) employs less than one percent of the workforce. The coalminers in the Gordonstone strike face an uphill battle.

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