

On the eve of the Crash:

Defeat the Synarchy— Fight for a National Bank

The world is now on the verge of a financial crash far greater than that of the 1930s Depression. When it hits, there will be only one question on the table: who will eat the hundreds of trillions of dollars of bad debt? Will it be the general population, through unimaginable cuts in their living standards, health care and education, or will it be the global financial oligarchy, whose policies have caused this crash? Living standards have already been slashed through “IMF conditionalities”, economic rationalism and globalisation; far, far worse is still to come if the oligarchy succeeds.

In the 1920s and 1930s collapse, City of London and Wall St. financiers, known in the files of U.S. and other intelligence agencies since that era as the Synarchy (pronounced SIN-ar-kee), attempted to maintain their power by sponsoring the rise of fascist leaders like Hitler

and Mussolini, and fostering the wars of aggression that led into World War II. In the United States, President Franklin Delano Roosevelt fought the financiers, whom he called the “economist royalists”. He rallied the people and institutions of the U.S. to put the Common Good above the interests of the financiers, and to build their way out of the Depression; he directed credit into huge infrastructure projects like the Tennessee Valley Authority (TVA) and so created millions of jobs.

Roosevelt’s policies did not go unchallenged. He was almost assassinated before he even took office, and the Synarchists of Wall St., such as the Morgans, the Mellons and the DuPonts attempted a military coup against him. In Germany, the Synarchists of Wall St. and London financed Hitler to overthrow the Chancellor, Gen. Kurt Schleicher, who had proposed

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Left: Portrait of King O'Malley, founder of the Commonwealth Bank. Right: Eric Campbell, founder of the fascist New Guard. Now, as in the 1930s, the choice is either sovereign national banking, or financier-sponsored fascism. The pretext for fascism then, was to “fight the Reds”; today, it is to “fight terrorism”.

Fate of U.S.A., World Hangs on LaRouche

As of late March 2004, the all-important race for who shall get the U.S. Democratic Party nomination to run against incumbent George W. Bush for the President of the United States in November 2004, had boiled down to just two serious contenders: economist Lyndon H. LaRouche, Jr., and U.S. Senator John Kerry. The two each have wide bases of support: Kerry leads LaRouche in terms of his recorded vote totals, while LaRouche is ahead of Kerry in one decisive indicator—the number of “itemized individual contributions” to his campaign (those totalling \$200 for a given contributor, which are tracked by the U.S. Federal Elections Commission). Such contributions are a particularly important indicator of popular support, given the Establishment’s attempt to black out LaRouche’s cam-

paign from its major media and the notorious computer-controlled vote fraud that is rampant throughout this Democratic Party Presidential primary (pre-selection) race, and has been used to suppress LaRouche’s vote totals. (See p. 9). The Democratic nomination to run against Bush will only be decided at the July 2004 Democratic Party convention in Boston.

LaRouche Feared by Financial Oligarchy

There is another crucial difference between the two Democratic candidates, as LaRouche explained in a speech to 240 enthusiastic supporters in Salt Lake City, Utah on Feb. 24. LaRouche is the figure most feared by the financier oligarchy at this moment of impending doom of the global monetary system, because he knows



U.S. 2004 Democratic Party Presidential candidate Lyndon H. LaRouche, Jr. is rallying Americans to dump Cheney and Bush and their war-and-depression policies.

what to do, and has the guts to stand up to them. Though John Kerry is a fine man, LaRouche has recently emphasised, and would no doubt be a good President under normal times, Kerry has no comprehension of the nature of the crisis, nor what to do about it. Most important, he

has not yet shown the qualities to be anything more than an “office boy” for the Lazard Freres and other bankers who intend to run a Democratic Presidency, as they do with Bush and Cheney now.

In dozens of speeches to audiences all over the U.S., LaRouche has explained that, contrary to the media’s portrayal that Kerry has the race “locked up”, that race has only just begun. What must happen now is a great debate between these two major candidates on the nature of the financial crisis, and how to face it with the quality of leadership Franklin Roosevelt brought forward in the 1930s, to prepare the Democratic Party, the country—and Kerry himself, should he become the Democratic nominee—for the harrowing days ahead. The global financial crisis is

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Special Lift-out Feature
CEC Candidates,
Australian LaRouche Youth Movement

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Editorial

You Must Take Responsibility!

Up until the Whitlam government was dumped by the Queen in 1975, it used to be that Australians had a meaningful choice at the polls, between a nationalist, pro-development ALP and a Money Power-run Liberal Party. Since the Hawke/Keating adoption of economic rationalism and globalisation, however, the differences between the parties have narrowed till they are now almost non-existent. Indeed, the only difference between the two at present, seems to be which one of them can first implement the full-blown police state to which they are both so obviously committed.

The commitment of both "major" parties to economic policies which have de-

stroyed this country can not be disputed; it is just a plain fact, as obvious as the nose on your face. Nor, particularly after reading this issue of the *New Citizen*, can anyone with the slightest intelligence maintain that both parties are not committed to a fascist police state in Australia as soon as they can get away with it.

The issue now becomes, what do you, personally, do about it?

We have an election coming up this year, in which you have two choices: You can choose to deny the economic crisis and the major parties' plans for a police state, and therefore continue to vote for them. Or, you can choose to organise and vote for the only party in the country which

knows both the nature of the crisis, and exactly what to do about it. That is the Citizens Electoral Council. One immediate way in which you can help, is to get copies of this extraordinary issue of the *New Citizen* out far and wide.

So, it is up to you. Stick with the "major" parties, or an Establishment-created and approved populist alternative (the Greens, a re-warmed Hansonism, or other impotent independents), and, very soon, you will get a police state and utter misery. Or, join the CEC and we will together, in concert with Lyndon LaRouche's noble efforts in the United States, bring Australia through this crisis. In so doing, we will bring a smile to the faces of those great Aus-



Craig Isherwood
CEC National Secretary

traliens who came before us, such as Frank Anstey, Jack Lang, John Curtin, Ben Chifley, Rex Connor and Jim Cairns. They fought for national sovereignty, for the Common Good, and for generations of Australians yet unborn. What about you?

In Memoriam: The Hon. Jim Cairns

by Robert Barwick

This issue of the *New Citizen* is dedicated to the memory of the Hon. Jim Cairns, the former Deputy Prime Minister, Treasurer and Minister for Overseas Development in the ill-fated Gough Whitlam Labor Government of 1972-1975. Jim Cairns ranks as one of the most vilified public figures in Australian history, whose true place in that history, and legacy, has been distorted by a vicious media campaign, which reduced him to a laughingstock in the eyes of most Australians. In the five years I knew Jim—the last five years of his life—when he collaborated with the CEC on some momentous political campaigns, my understanding of him evolved somewhat from that media-distorted view held by most Australians, into a deep appreciation of a man whose life was devoted to the common good, and whose greatness should be measured by the degree of viciousness he personally was subjected to by Rupert Murdoch's media machine, and the Synarchist Money Power Murdoch represents, whose control over Australia was mortally threatened by Jim's actions and ideals.

Jim Cairns was a Labor true believer, passionate about the "old Labor" ideas of national banking, protectionism, fair living standards, infrastructure development, and national sovereignty. He was also an intellectual working man, a former policeman who mastered economics. In what was probably his last interview, which he gave to the *New Citizen* just a few months before his death (see p. 27), he described as a young man how shattered he was by the loss of Ben Chifley to the Party, and the changes the party underwent under the misguided leadership of Bert Evatt. In the late 1960s, Jim's thoughtfulness and commitment to old Labor principles made him an opposing pole of influence within the federal parliamentary Labor Party, such that he only lost a leadership contest with Gough Whitlam in



The Hon. Jim Cairns (1914—2003), truly one of the most noble of "old Labor". Photo: Newspix

1968, by just six votes. This was the time of the huge but peaceful anti-Vietnam War moratorium marches Jim led in Melbourne, and the same year he was brutally bashed by masked home invaders. The bashing was designed to politically intimidate him—one of his attackers asked, "Who do you think you are, God?" Those who sent the bashers didn't know what Jim was made of, because he didn't back down.

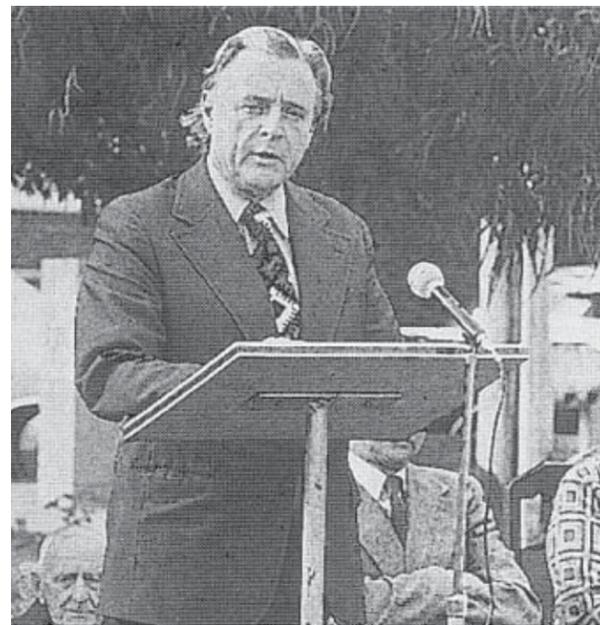
When Labor won government in 1972, after 23 years in opposition, Jim, as Minister for Overseas Trade and Minister for Manufacturing, along with Minerals and Energy Minister Rex Connor, was the driving force behind the Whitlam Government's bid to reassert Australia's national sovereignty over its economy and resources, and "buy back the farm". This involved raising loans overseas, which in itself wasn't particularly controversial as Australia had always raised its loans overseas. The difference was that Cairns et al decided to go outside the traditional London and New York sources of funds, like Morgan Grenfell, and seek loans of petrodollars from the Middle East. This was largely due to London's and New York's unwillingness to lend the quantity of money Cairns and Connor required. Sadly, Cairns admitted to

the *New Citizen* that he didn't even suggest to his Labor colleagues the obvious, and far better, alternative, of borrowing from Australia's own Reserve Bank instead of overseas. Such was the paradigm shift that had occurred in Labor since Chifley's effort to assert national banking had been smashed by the Privy Council in 1949, Cairns knew that the Labor Party of the Whitlam era was no longer dedicated to the policy which had defined it for 50 years, which more than any other had subjected the party to the wrath of the Money Power.

Rupert Murdoch's Melbourne *Herald* newspaper persecuted Cairns over his pursuit of the overseas loans. In the scandal which ensued, Cairns insisted he was set-up, but it successfully marginalised him in the Whitlam Government, and later became the catalyst for the dismissal of the entire Government by Her Majesty's Governor-General, Sir John Kerr. It also signaled a new phase in Cairns' life, where in he pursued "alternative" philosophies, relating to spirituality and individual and social "liberation". This was perceived to be under the influence of the infamous Junie Morosi, his private secretary when he was Treasurer and Deputy Prime Minister in 1974. It must be said that I, and the CEC, did

not agree with Jim in this area, which became a topic of conversation when he shared some of his philosophical ideas with me in 2002. However, Jim's personal inquiries in this area at no time overshadowed or replaced his lifelong passion for the profound humanist principles characteristic of his political career, and "old Labor".

It was this patriotic, impassioned, principled Jim Cairns whom the CEC first intersected in 1998, when Lyndon LaRouche's international association led an urgent international mobilisation to stop the impeachment of then U.S. President Bill Clinton. Cairns unhesitatingly endorsed an inter-



Jim Cairns terrified the Establishment with his plans to assert Australian financial and economic sovereignty.

national statement denouncing the neoconservative-engineered impeachment as an attempted coup. Later on, Jim publicly endorsed LaRouche's call for a New Bretton Woods international monetary system, as well as lent his name to the CEC's two prominent newspaper advertisements in 2002, the first decrying Howard's fascist anti-terrorism laws as the equivalent of Hitler's *Notverordnung* (Emergency Law) and the second calling for the establishment of a national bank. On the occasion of both advertisements, the news me-

dia demanded to know why Jim, the most prominent endorser (and usually quite reclusive on account of his age), associated with the CEC on such issues, and he simply replied that he supported it. Jim's fearlessness stood in stark contrast to many former MPs, who often balked out of concern for how they would be perceived.

Jim died on October 12, 2003, at the age of 89. Myself personally, and the members of the CEC, have only really come to truly appreciate the life of this man, from an understanding of the real history of Australia, which the CEC has taken the lead in investigating, as presented in this publica-

tion. Cairns' enemies were Australia's Synarchist masters, most notably Rupert Murdoch, which fact must raise questions about how Cairns' life and career is presented in the popular press. One example worth noting, relates to the role of Junie Morosi, the woman credited with influencing his flight into spiritualism and alternative philosophies. Morosi is slammed as an insidious influence who, particularly when Cairns was Treasurer in 1974, blocked his advisers and Treasury bureaucrats from any contact with him. Even in a post-

mortem attack penned about Cairns by Mont Pelerin Society hack Padraic P. McGuinness in the October 14, 2003 *Sydney Morning Herald*, McGuinness wrote, "In his disastrous stint as treasurer, he closed his doors (his Cerberus was his lover, Junie Morosi, who did not trust public servants) to his advisers, refusing to discuss budget policy or sign off on official papers. Treasury feared that it would not be able to produce a budget at all." However, it is worth noting, that the Treasury department has always been the bulwark of "free market" economic orthodoxy in Australia, by virtue of which Treasury was hostile to everything Cairns represented; furthermore, certain Treasury bureaucrats of the time, whose specific job was to liaise with Cairns, went on to distinguish themselves as the founders of the viciously anti-labour, fascist Mont Pelerin Society think tanks which sprang up in the 1980s, namely John Stone, founder of the H.R. Nicholls Society, Michael Porter, founder of the Tasman Institute, and Des Moore of the Institute of Public Affairs and lately the Institute for Private Enterprise, co-author with Porter of Kennett's privatisation program, *Project Victoria*. With these snakes in Treasury, who despised Cairns, it begs the question whether the actual nub of the media scandal surrounding Cairns' relationship with Morosi is the threat he represented to the entrenched bureaucratic power of his ideological enemies, which Murdoch's press cast as a sex scandal.

Whatever the case, Jim Cairns' place in history deserves serious revision, in the light of the revelations contained in this publication. His real legacy is his lifelong commitment to the principle of the common good, which so terrified his enemies when he was in Government, and for which he fought till his dying day. Australia has lost a true hero. We shall miss you, Jim, and we shall continue your fight.

On the Eve of the Crash

Over the past weeks and months, the reality of the coming crash has been acknowledged, even emphasised, by numerous commentators in governments, in the press, in international institutions such as the IMF and World Bank, and by leading bankers in the U.S. and Europe.

The signs of such a crash-in-progress are manifold. For instance, the U.S. dollar has fallen some 30 per cent against the euro, with the likelihood of a much sharper rate of collapse in the near future, due to a visibly bankrupt U.S. economy. A dollar crash alone is sufficient to blow out the world's economy, for which the U.S., with its overvalued dollars, has been the hyper-indebted "consumer of last resort". Since the U.S.'s own industries and farms have collapsed or

been sent overseas, the U.S. current account deficit is expected to hit a staggering US\$700 billion this year, while its government deficit will easily top half a trillion dollars, as well. Given these realities, the dollar has nowhere to go but down; soon other countries will stampede for the exits and start wholesale dumping dollars and dollar assets such as U.S. stocks and Treasury bonds. Nor is it only the U.S. federal government which is bankrupt; at last count, 48 of its 50 states were hopelessly bankrupt as well, and have been slashing funds to education, healthcare and other vital services in vain attempts to balance their budgets, which, by law, they must.

The bursting point is so close that even Robert Rubin, the legendarily calm former Treasury Secretary

during the Clinton Administration, warned an economic conference in San Diego in early January 2004 that "The U.S. Federal budget is on an unsustainable path," and that the "scale of the nation's projected budgetary imbalances is now so large that the risk of severe adverse consequences must be taken very seriously." These consequences "may well be far larger and occur more suddenly" than anyone expects, warned Rubin—"bankerese" for a looming catastrophe. As the former head of the powerful Goldman Sachs investment bank, and now a member of the Office of the Chairman of Citigroup, one of the world's largest banks, Rubin *never* speaks in such a fashion, in part because he knows the impact his own words might have on such a highly-precarious situation.



The housing bubble is about to pop—and with it the world financial system. Photo: AAP Image/Richard Durham

That Rubin would echo the longstanding warnings of Lyndon LaRouche, is a precise marker for how dangerous the U.S. and global financial situations have become.

The Mortgage Bubble

Additionally, major institutions within the U.S. are teetering on the edge of implosion, such as the multi-trillion quasi-government mortgage companies, Fannie Mae and Freddie Mac, as even the bubble creator-in-chief, Federal Reserve Chairman Alan Greenspan himself warned the U.S. Congress in testimony to the Senate Banking Committee on Feb. 24. These giants have pumped out enormous volumes of credit in mortgage refinancing

over the past few years, enabling the U.S. consumer bubble to keep growing. But, Fannie Mae has just lost \$24 billion in derivatives speculation, and the mortgage refinancing shell game has just about come to an end for several reasons: because interest rates have gone as low as they can go; because most people who could refinance have already done so; and because the accelerating rate of job loss in the U.S. economy means that increasing numbers of Americans are defaulting on their mortgages. Given the collapsing dollar, if the U.S. raises its interest rates to attempt to keep investors in the dollar, then the entire real estate sector will implode overnight. This by it-

self would trigger a global meltdown.

Additionally, most U.S. banks are tied up in derivatives speculation to dozens or even hundreds of times their capital; one major derivatives collapse anywhere in the world, and the chain reaction could implode this hundreds of trillions of dollars market within hours. Globally, the GDP of all of the world's nations combined is some \$US 40 trillion; the global outstanding debt is at least ten times that, and probably far more, such that the debt is reaching a point that it simply can't be serviced, and any one of numerous factors could pop the entire bubble.

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"Housing Boom Faces Global Meltdown"

Such was the headline of the Edinburgh daily *The Scotsman* on March 18, 2004. Based upon an upcoming article in London's *Economist* magazine, *The Scotsman* summarised a highly-alarming picture:

"The global housing boom that has propped up the world economy in the face of falling share markets in the past few years is teetering on the edge of a crash, it was claimed yesterday, writes Frank O'Donnell. House prices in Australia, Ireland, Netherlands, Spain, Britain and the United States will

fall by at least 20 per cent over the next four years, according to a report in the *Economist*. The trigger for a house-price crash could be a relatively modest increase in interest rates because total levels of household debt are at record highs. Pam Woodall, the magazine's economics editor, said it was wrong to assume rate rises on the scale of the late 1980s would be required to hit house prices, as the major indicator for the residential market—the ratio of house prices to average income—

is at record highs in the U.S., Australia and the UK."

"The U.S. in particular has seen the biggest rise in house prices in its history since the mid-1990s... 'The US has very little fiscal or monetary ammunition left to support its economy if house prices collapse', she said. 'If the U.S. falls, it would be the first global property bust in history.' Property is the biggest business in the world, accounting for 15 per cent of global gross domestic product, with assets of \$50 trillion, compared with \$30 trillion in shares."

Defeat the Synarchy—Fight for a National Bank

From page 1

Depression-beating policies almost identical to those of Roosevelt.

The Australian Fascists

The same battle was waged in Australia. In an exclusive report in this issue of the *New Citizen*, we document how the Synarchists sponsored pro-Hitler mass armed fascist movements such as the Old Guard, the New Guard and the League of National Security. These were prepared to seize power from the ALP federal Labor government of James Scullin and the NSW Labor government of Jack Lang, rather than allow those governments to take away the private bankers' control of the direction of credit, in order to revive the economy, create jobs and maintain social welfare payments. These anti-ALP, explicitly *fascist* movements gave birth to the Liberal Party. That party, under the direction of the Synarchists who built it and who still provide almost all its finances, is now leading the charge toward a fascist police state. The legislation it has already rammed through, exceeds the powers Hitler had in the early days of his rule. The ALP

under Mark Latham has joined the police-state drive, by granting the Attorney General the power to ban whomever he chooses, solely on his own say-so. Plans for additional drastic "anti-terror" legislation have already been announced.

In the 1930s and 1940s, the U.S. led the world back from the brink of the holocaust of fascism and war, with a crucial role played in the Pacific by Australia under the leadership of John Curtin. Today, however, the Synarchy has seized control over the U.S. itself, through their front men, Vice President Dick Cheney and his sinister cabal of neoconservatives, who have allies around the world, particularly in Britain and in Australia. Their policy is the same as it was in the 1930s: consolidate police states everywhere, in order to crush living standards, and launch no-exit pre-emptive wars, as in Iraq. Cheney and members of his clique have openly stated that the U.S. should rule the world like ancient Rome, and that they are prepared to launch "preemptive nuclear strikes" to achieve that goal. The excuse for the wars, as for the domestic police states, is the so-called "war against

terrorism". This terrorism, events like 9/11 or the March 11, 2004 train bombings in Spain, when 200 were killed and thousands injured, has demonstrably been launched by the Synarchists themselves. Ultimately, none of these mad actions will save their system, but, unless stopped, they will usher in a global Dark Age, with unemployment hitting 35-40 per cent levels overnight, and the death of some five billion of the world's six-plus billion population over the course of a generation.

The End of an Era

This conflict between the Synarchist bankers and the general population of all nations goes much deeper than even the momentous events of the 1930s. U.S. Presidential pre-candidate Lyndon H. LaRouche, Jr., the world's leading economic forecaster, has exposed its roots in the period after 1763. The British East India Company led by Lord Shelburne, which actually ruled Britain at the time, had just defeated its main global rival, France, in the "French and Indian Wars" in North America. This event, as LaRouche laid out in a momentous Internet address on February 14, 2004, established "the British East In-

dia Company as an empire, casting itself in the image of the Roman Empire, an empire which was constituted by a group of banking interests, essentially of Venetian origin, which ran the British East India Company, and ran the Company as, itself, an empire...."

With France out of the way, LaRouche continued, the only threat to British global rule lay in what was to become the United States. And so, "The first intent of Shelburne was to destroy the English-speaking colonies of North America. And he assigned a number of people, including Adam Smith, as agents, to conduct that policy. This was a policy which led to the American Revolution, and led to the establishment of the greatest threat which the British Empire has faced, to the present day: the American Revolution, and the establishment in 1789, of the Federal Constitution of the United States. The greatest single threat to the empire, on this planet, over the entire past quarter-millennium has been that process, which created the United States."

Indeed, Shelburne had proclaimed "The sun of Great Britain will set when ever she acknowledges the independence of America.

The independence of America would end in the ruin of England."

The Bankers' Anglo-Dutch Parliamentary Model

Except for the United States—during those periods when, under great Presidents like John Quincy Adams, Abraham Lincoln or Franklin Roosevelt, its policies were true to the principles of its own Constitution—the Synarchist system of Anglo-Dutch-modeled "parliamentary democracies", in which real power rests with Synarchist-controlled "independent central banking systems", has dominated the world for most of the last 250 years. One way or another, that Synarchist parliamentary model is doomed in the on-rushing crash. It will be replaced either with police states and horrific wars, or by the establishment of an American Revolution-inspired world order of sovereign nation-states, with the New Bretton Woods new international monetary system, for which LaRouche has long been the major spokesman. In the latter case, sovereign nation-states, through sovereign national banks, will put bankrupt private financial

institutions (including central banks) through an orderly bankruptcy process, with an eye toward preserving and enhancing the Common Good. Under such a reorganisation, the world will return to the best aspects of the protectionist, fixed exchange rate old Bretton Woods system through which we recovered from the horrors of World War II and generally prospered, until that system was taken down, beginning in the 1960s, and replaced by the Synarchist "globalist" system.

Thus, this great disaster also opens a great opportunity. In the 14th Century, the collapse of the world's leading bankers of the day, the "Lombard bankers" of Venice and northern Italy, opened the door for the Golden Renaissance and the establishment of sovereign nation states for the first time in history. So today's crash will dramatically weaken the Synarchists and the control they have exercised over much of the world for the past two centuries. This issue of the *New Citizen* is dedicated to equipping you, personally, with the information you need to act to save our nation in this extraordinary period of crisis—and opportunity.

A Synarchist Dossier:

The March 11, 2004 Spanish train bombings

For the past two years, the Australian government has passed an unending stream of draconian "anti-terrorism" laws. Using as justification the horrific March 11 Spanish train bombings which killed 200 and injured thousands, Attorney General Philip Ruddock and PM John Howard immediately proposed still more pieces of vague, catch-all police-state legislation. However, just as our government wittingly *lied* about the weapons of mass destruction in Iraq, as exposed in the statements of former Office of National Assessments analyst Andrew Wilkie, for instance, and just as the Cheney crowd in the U.S. have been exposed as *lying* about WMD in order to get their long-desired war, so the Australian government is *lying* about the "war on terror". They want a police-state, and will use any pretext to ram through an endless series of draconian, Hitler-modeled laws.

In the case of the Spanish bombings, it now emerges that the March train attacks came in the context of an attempted coup d'état by the pro-Bush Aznar gov-

ernment on the eve of elections they knew they would lose; a key element of that attempted coup involved the cancellation of elections. Australian elections have been notoriously manipulated upon "security" issues, whether the "Petrov affair" which Menzies sprung to hold on to power in the Cold War 1950s, or the "boat people" affair which John Howard used in 1991. It is not that far from manipulating elections through "security issues", to cancelling them altogether. It is curious, therefore, to note Howard's statement to Paul Makin on Adelaide Radio 5AAA on March 15, on elections, that "there certainly will be one before the end of the year *unless there's anything unforeseen*." (emphasis added) Howard's statement came in the context of the Murdoch and other U.S. establishment media mooted the cancellation of elections in the U.S. and elsewhere, due to "terrorism".

Contrary to our government's lies, we present below a tiny bit of the massive evidence compiled by LaRouche's *Executive Intelligence Review*, and known to honest gov-



Nazi SS commando Otto von Skorzeny, son-in-law of Nazi finance minister Hjalmar Schacht. The Synarchist roots of modern international terrorism lie in the Nazi apparatus recruited by the Wall St. lawyer and CIA chief Allen Dulles after World War II to "fight communism". Skorzeny was based in Madrid, along with his collaborator, Pan-European Union chairman Otto von Hapsburg, the pretender to the defunct crown of the Austro-Hungarian Empire, and successor to PEU founder Count Coudenhove-Kalergi. From Spain, Skorzeny organised an extensive international terrorist network, both in Europe and throughout Central and South America. Photo: EPA/SERGIO BARRENECHEA



ernment officials around the world, that the Spanish train bombings, like the Italy-centred "Strategy of Tension" of the early 1970s, was specifically run by international *Synarchist* networks, not by "un-

known terrorists", Al Qaeda, ETA, or any of the convenient "usual suspects". To the extent that our government, and a complicit ALP under Latham, continue to *lie* about the actual causes of terrorism, and

use those lies to push a police state here, *it becomes more and more likely that "terrorism" will in fact hit Australia itself*. The first line of defence is a knowledgeable, aroused public as to the *real* causes of terrorism.

'Strategy of Tension' Bombs Set Off Political Quakes in Europe

by Jeffrey Steinberg.

Reprinted from *Executive Intelligence Review*, March 26, 2004.

Seventy-two hours after Synarchist terrorists launched a new "strategy of tension" with a string of deadly bombings of commuter trains in Madrid, Spanish voters turned out in unprecedented numbers, on March 14, to bring down the right-wing Popular Party government of Prime Minister José Aznar (Aznar was not seeking re-election, but had hand-picked his successor). The defeat of the Popular Party also represents a crushing defeat for the George Bush/Dick Cheney Administration in Washington, for British Prime Minister Tony Blair, and, most of all, for Italian Prime Minister Silvio Berlusconi—who all participated in the so-called "coalition of the willing" to invade and occupy Iraq.



Ex-Prime Minister of Spain Jose Aznar. Photo: AFP PHOTO/ Pedro ARMESTRE.

out, including a record-setting turnout by young voters, the Socialists won over 43 per cent of the vote, driving Aznar's party out of power.

Lyndon LaRouche identified the Spanish vote as a "fundamental shift in geometry" in all of Europe. "This is not something that can be reversed. Berlusconi is in big trouble, along with Blair and Bush," LaRouche said.

Both the policies of Aznar—particularly his participation as junior partner in the Bush-Blair imperial war schemes—and the Madrid bombing itself, represented a clear signal that the same Synarchist bankers who put Benito Mussolini, Adolf Hitler, and Francisco Franco in power in the 1920s and '30s, during a previous period of global financial collapse, intend once again to install fascist regimes, to impose slave labor austerity and bail out the financial oligarchy—through wars and genocide.

Under Aznar and Berlusconi, a new Black International was being given wide berth to organize—not only in Europe, but all over Central and South America as well. In LaRouche's judgment, sane forces in Europe decided that they could not allow a repeat of this horror, and moved, following the Madrid attacks, to nip the Synarchist upsurge in the bud. The confirmation that the Aznar regime was contemplating a coup, under the cover of the terror attacks, adds further confirmation to this assessment.

Bologna Bombing Revisited

On Thursday, March 11, a total of ten sophisticated remote-detonated bombs went off on three Madrid commuter trains. Over 200

people were killed, and several thousand injured. Had all three trains been on schedule, they would have all been inside the Madrid station when the explosions occurred. This could have caused a level of deaths on a par with the Sept. 11, 2001 attacks in the United States.

Prime Minister Aznar, desperate to parlay the bombings into an election win for his party, personally phoned editors of major Spanish newspapers, to insist that they name the Basque separatist ETA as the authors of the attacks. When

a group of Moroccans were arrested, based on evidence obtained from three bombs that were timed to go off later, but were found and defused, other media began screaming that the bombings were the work of al-Qaeda.

The reality, however, is quite different. Neither ETA nor al-Qaeda had a past profile of such actions; and both groups had been under intense scrutiny by both Spanish and French security services, ever since 9/11. The term "al-Qaeda," furthermore, has become an almost meaningless term, referring

to a wide range of organizations and networks that oppose the new American imperial doctrine of Cheney and company. They range from Islamists to Arab nationalists, to leftists and rightists around the globe. These terms are meaningless in the context of the reality of the "new international terrorism," with its interface with a vast global underground economy of drug and weapon traffickers, offshore money-laundering centers and other criminal networks.

Continued page 5

"A Hundred Years War of Modern Times?"

by Jeffrey Steinberg

The Edinburgh-based *Scotsman on Sunday* on March 14 published an insightful assessment of the war on terror, following the Madrid bombings of March 11; among other things, it quoted the well-known French investigative magistrate Jean-Louis Bruguières, who described it as "the Hundred Years War of modern times." Bruguières has been battling the European terrorist apparatus since the 1960s, and his adversaries have included Black September, the Red Brigades, the Baader-Meinhof gang, Carlos the Jackal (he tracked Carlos down and participated in his capture). Bruguières is today France's top anti-terrorism judge, and has just exposed Rwanda's ruler Paul Kagame as a terrorist, who as the leader of the Rwandan Patriotic Front in 1994, had orchestrated the missile attack on an airliner carrying the presidents of Rwanda and Burundi. Both were killed, triggering bloodshed in which 800,000 people were slaughtered in ethnic violence between April and July of that year.

The "Strategy of Tension"

Most importantly, the *Scotsman on Sunday* traced the lineage of the European terrorist upsurge to the immediate postwar regroupment of Nazi (i.e., Synarchist) networks, who were ini-

tially put on the Allied payroll, but who later wound up leading a neo-Nazi terrorism. The article cited the cases of Klaus Barbie, the Bolivian death squads, the European-wide network known as the Black Orchestra, which included the Ordine Nuovo, which did the Bologna train station bombing in Italy in 1980, and ran a series of terrorist attacks, most of which were initially blamed on left-wing groups. The article noted, "Ordine Nuovo, it was found, had developed a political theory which was a chilling foretaste of the terrorism of the 21st century. It came to be known as the 'strategy of tension' and its aim was to carry out acts of terrorism which could be blamed, not on right-wing extremists, but on radical left-wing groups. The idea was that by sending intelligence agencies off on a false trail, panic and confusion would be created, to the point where the army might step in to take control."

The article endorsed precisely the assessment earlier the same week by Lyndon LaRouche, and quoted from a document written by the Black Orchestra, which said, "In our view, the first move [is] to *destroy the structure of the democratic state under the*

cover of communist activities." (emphasis added) This is precisely what the Australian establishment did in the early 1930s through its mass fascist militias, whose ostensible purpose was to combat the (almost nonexistent) "Reds." The article then concluded, "There is an awful familiarity about that passage today. The immediate presumption in Spain was that ETA must have been responsible for the bombing of the Madrid trains. The explosives were of a type used by ETA, plans were unearthed linking ETA to attacks on trains, and a lorry containing bombs was traced back to ETA. The evidence all pointed one way," the story continued. "Now, however, it seems that the trail may have been the wrong one, and police find themselves fighting on two fronts, just as they had to do in their war against the Black Orchestra."

The article ended with an ominous warning: "That war was won in the end. It was won because the organisations responsible were finally penetrated, exposed and brought to justice. It took a generation to do it, and most of what happened is concealed so deep in intelligence files that some of it has never emerged to this day. The same tactics may well be used again. The war that led to the bloody mayhem of last week may take even longer than the last one—and be even dirtier."

From page 4

LaRouche's Warnings

Even more to the point, Lyndon LaRouche has been warning since August 2003 of a new 9/11 attack against the United States or allies of the United States, to be blamed on Hispanic terrorists. (See documentation)

LaRouche made this assessment on the basis of two factors: First, on July 24, 2003, Vice President Dick Cheney had spoken at the American Enterprise Institute and virtually assured the audience that there would be another massive terrorist attack on the U.S.A., possibly involving the use of weapons of mass destruction.

Second, since early 2001, there were significant stirrings from the surviving neo-fascist networks of the 1970s and early 1980s "strategy of tension"—in Italy, Spain, France, and throughout the Western Hemisphere, particularly Argentina and Mexico.

These overt Synarchist groupings centered around the leading Franco fascist in Spain, Blas Piñar, whose son was recently promoted to the rank of General in the Spanish Army, despite having been implicated in the failed right-wing putsch attempt in the early 1980s. In Italy, one of the veterans of the "strategy of tension" terror campaign, Roberto Fiore, returned home after 20 years exile in Great Britain, and immediately entered into a high-profile political alliance with Alessandra Mussolini, the granddaughter of the Fascist dictator, who heads a neo-Fascist party and is in the Italian parlia-

ment. In Argentina, the network is centered around the Carlist magazine *Maritornes*, which intersects the Christendom College apparatus of extreme right-wing "Buckleyite" Catholics in the United States.

The Black International

While neither ETA nor al-Qaeda have a profile of carrying out the kinds of train attacks that occurred on March 11, the Black International networks, now being revived in Europe and the Americas, do. In August 1969, the event that kicked off the entire "strategy of tension" was the simultaneous bombing of 10 trains in Italy, including four train stations around the country. In August 1980, the same apparatus blew up the train station in Bologna, killing 80 people and injuring many more.

In each of those instances, the actual terrorists were members of right-wing underground cells, like Ordine Nuovo and the Nucleus for the Defense of the State. But the bombings were staged in such a way that, for years, police believed that they were the work of left-wing terrorists. This was the essence of the "strategy of tension": Create chaos through blind terrorism, and lay the basis for fascist military coups.

The failure to see the obvious parallels to the "strategy of tension" on the part of European and American intelligence services, LaRouche has warned, could be the result of more than mere incompetence. There is a long his-

tory of contamination of the Western intelligence services by the very oligarchical factions that promoted Hitler, Mussolini, Franco, and their heirs today. The contamination runs from the top down, beginning with the private financial institutions—typified by Lazard Brothers, Banque Worms, the Bank of England from the time of Montagu Norman, and the Harriman, Morgan, and Mellon interests in the United States.

Even before the end of World War II, individuals like Allen Dulles and James Jesus Angleton, both top officials of the Office of Strategic Service (OSS) and later, founders of the CIA, were negotiating secretly with top Nazi officials, to secret them out of Germany along with vast Nazi seized wealth, to regroup under the aegis of the Cold War against communism. These top Nazis and Fascists were smuggled into South America, the Middle East, and other parts of the world, later to resurface as the architects of the "strategy of tension" destabilizations.

A Moment of Truth

The electoral outcome in Spain has delivered a serious setback to the financial oligarchs behind this new Black International offensive. However, the setback will be



Lyndon LaRouche warned in August 2003 of a coming new terror wave associated with "friends of Mussolini's granddaughter", Alessandra Mussolini, shown here with three associates. They are leaders of neofascist Italian and Spanish organisations, part of the new Europe-wide activation of Synarchism.

inconsequential unless there is a serious counterintelligence campaign to clean out these resurgent terrorists—in Europe, in the Americas, and elsewhere. Otherwise, the Madrid attacks will prove to have been merely the opening shot of a new terror war, aimed at destabilizing governments and paving the way for a new Synarchist world order of bankers' wars and Schachtian looting.

Lyndon LaRouche and *EIR* have a track record of more than 30 years of exposing this Synarchist insurgency, some of which is accessible on *EIR*'s website, www.larouchein2004.com. The footprints of the Synarchist International are all over the Madrid bombings; yet, for the moment, every leading intelligence service in the world, with few exceptions, appears blind-

sided. The World War II archives of the United States military and intelligence services are full of documentation of the pivotal role of the Synarchist international. In France, military intelligence files, accumulated by resistance forces within Vichy, are also of relevance.

With the death of Franklin Roosevelt, and the severe right-wing turn in the United States under President Harry Truman, the Synarchist apparatus, which had been all but dismantled in the Americas, was saved and promoted. Nevertheless, the institutional memory is still accessible, and the legacy of the international mobilization to defeat the Synarchist insurgency must be revived, if the world is to avert several generations of a Schachtian New Dark Age.

Documentation

LaRouche in August 2003 Warned of 'Hispanic 9/11'

Presidential candidate Lyndon LaRouche's memo of Aug. 9, 2003 was first published in EIR, Aug. 22, 2003, under the headline, "When Cheney Spoke of Terrorism: Which Terrorists, Dick?" LaRouche analysed Vice President Dick Cheney's obvious threat of a "new Sept. 11" terrorist attack, announced by Cheney on July 24 in a speech to the American Enterprise Institute in Washington, and repeated in several speeches the following week. LaRouche was, and is leading a drive to force Cheney's resignation. The candidate warned that the capabilities for Cheney's threatened Sept. 11 repeat were focussed on a synarchist-fascist regroupment centred in Spain, pulling together "small but muscular" right-wing synarchist groups from Europe and Ibero-America, around Spanish Franco fascist Blas Piñar, to inaugurate a new "strategy of tension."

We republish the memo here to make clear that the crucial "map" of the Madrid bombings and their proper investigation and prosecution, was visible and forecast by LaRouche last Summer, along with the danger of a new "strategy of tension" in the hands of the faction of international synarchists of which Cheney is a powerful representative.

Always situate the part in its functional position within the whole. Never start from the local, or other particular, as an approach to the whole. Always define processes in terms of changes in the physical geometry of the ongoing processes. Shift the way the emphasis has been placed on Cheney's "yellowcake" connections slightly, but without dropping the "yellowcake" issue, by headlining what we have established as fact until now, with the terrorist threat to the internal U.S.A., from the current Blas Piñar-pivoted operations of the Synarchist International. [Cheney falsely claimed that Iraq had tried to acquire yellowcake uranium from

Niger—ed.]

The crucial flanking task of the moment, is to develop a fresh view of the significance of Dick "Yellowcake" Cheney's Synarchist connections, with lurid emphasis upon the terrorist threat to the internal United States from Cheney's fascist co-thinkers abroad, without otherwise downplaying any of the points previously stressed.

As a precaution: Never imply that Cheney is the kind of threat termed an "evil genius." Back then, Cheney was a mean-spirited playground bully, and general dumb jock, of the variety of sweating gladiator, fresh from the toils of intramural sport, blurting into a campus reporter's microphone "Hey, Mom, I won!" Such were the old times in Wyoming, when he was the panting dumb jock, standing at a distance, admiring the local Wyoming campus queen, Lynne. A crude, markedly bi-polar thug, leaning intellectually to the role of Minnesota's [Mafia boss] Abe "Kid Twist" Rellis, not intellectual pursuits: so to speak, a Vice-President expert only in Vice. Today, his Straussian wife, Lynne, is his controller, and he is her toy, her surly-burly, "Sic him, Dick!" attack bulldog.

However, Cheney has assumed the position of controller of the specialty of terrorism, at a time that the entirety of his power over U.S. policy-shaping was gained solely through those of his presently undiscovered political benefactors who staged the terrorist attack of Sept. 11, 2001. Otherwise, without that attack, he would have been, still today, the surly ape shuffling restively in the Vice-President's cage.

Now, speaking from that position, Cheney has promised an early terrorist attack on the U.S.A., comparable in political effect to that of Sept. 11, 2001. He does so at a time when his own failing political position requires some lucky such event to put him firmly back in the position he had pri-



Sinister U.S. Vice President Dick Cheney benefitted immensely from 9/11. Are his backers planning a new terrorist attack on the U.S.? Photo: AP Photo/Mark Humphrey

or to the recent developments in the Iraq war. He claims to be the expert in such matters. Is he bluffing, or do his advisors know something relevant? Are there any relevant kinds of possible terrorist attacks on the horizon? As, now, the myth of the Arab origin of 9/11 is in the process of becoming buried under a pile of fake yellowcake—what other alternatives exist?

I know of two cases which would fit Cheney's requirements. One is typified by the formally deniable capabilities of Pollard Affair star and fugitive **Rafi Eytan**, currently a subject of concern for both relevant Israeli and U.S. circles. The Israeli fascist circles are masters of disguise. The second is defined by the cover recently assembled under Spain's leading fascist figure, **Blas Piñar**. Assess the potential for a relevant type of 9/11-like attack on the U.S. which would be traceable to Blas Piñar, as 9/11 was traced to Arabs.

Blas Piñar's current regrouping of international Synarchist forces does contain elements which fit the ID of the principal terrorist organizations deployed inside Western Europe during the 1970s, in incidents such as the Bologna railway-station bombing and the kidnapping-murder of the Italian leader

personally threatened by Henry Kissinger (during a Washington, D.C. meeting), Aldo Moro. These are Synarchist groups whose penetration of Mexico and other parts of the Americas was coordinated, during the 1930s, from Germany, via Spain, by Adolf Hitler's Nazi Party offices in Berlin. They exist, actively, still today.

The most significant aspect of the new international regroupment under former Franco official Blas Piñar, is that it is muscular, but of an intrinsically mayfly kind of political-operational potential. It is composed, inclusively, and significantly, of small but muscular groups representing a continuation of those which were used as cover for international terrorist operations in 1970s Europe. Through Blas Piñar's recent action, there are presently ideal instruments for covering terrorist operations run against the internal U.S.A. through South and Central America. Muscular mayfly associations of international Synarchist profiles are, by their very existence, among the most likely sources of international terrorist actions; otherwise, they, like mayflies, die soon. The impending referendum in Venezuela is among the pivotal points of interest in study of potential pre-

texts.

Think of the effect of a terrorist attack on the U.S.A., comparable in psychological effect to 9/11, but blamed this time on Hispanic, rather than Arab populations! Think of the great benefit of that for resuscitating Cheney's re-election prospects!

How should we deal with this? Let us not be stupid again. The methods of Straussians such as Ashcroft and Cheney only make bad matters worse. Use intelligent political methods; expose the Synarchist International. Let people learn from the 1920-1945 wars in Europe, and Nazi subversion of South and Central America, how President Franklin Roosevelt and his leadership dealt politically with such threats. Expose Synarchism for what it actually is. Strip it of toleration by governments and churches, and send quietly waiting counterintelligence ambushes into position, to catch them if they try to move in relevant directions.

To make populations as well as leading institutions alert to existing dangers, is the first line of defensive counterintelligence against such dangers. The U.S. has the professional capability for its part in such precautions, were the interference of Cheney's neo-conservative crowd to be removed.

Freedom is good, but to have it, one must defend it, and do that essentially by political methods which promote, rather than diminish freedom of the innocents, and defend the right of justice for guilty and innocent alike. People are often naughty, but the object is to redeem them, rather than exterminate those one does not like. Justice has an infectious quality of aid to the good, and is among the most efficient weapons of our national security against terrorism and many other evils.

—Lyndon H. LaRouche, Jr.
Aug. 9, 2003

BOOK REVIEW

Treason in High Places: the Brisbane Line

by Allen Douglas

The Brisbane Line. A Reappraisal, Drew Cottle, *Upfront Publishing, Leicestershire, U.K. 2002.* Available through <http://www.amazon.co.uk>

Prof. Drew Cottle has written a most interesting and useful book. His basic thesis is that the Brisbane Line was not so much a military "line in the sand" across Australia from Brisbane to Adelaide, in which the Australian Army would defend anything south of the line, and cede to the Japanese (or other) invaders, everything north of it. Rather, he argues, the Brisbane Line was a political strategic policy by some of Australia's most wealthy and powerful to cede almost all of Australia to the Japanese, and to rule the rest on behalf of the Japanese, like the Vichy government did for the Nazis in World War II France. There, the Germans occupied the north and west of France, including Paris, and the Vichy government under Petain ruled the rest as a quisling government. As documented extensively in the Menevee Archives at the University of California at Los Angeles (UCLA), that whole project was organised by the Synarchist Movement of Empire, the Synarchists who are discussed at length in this issue of the *New Citizen*.

There was a great deal of suspicion in Australia on the eve of World War II, that that was exactly what Australia's financial oligarchy had in mind. The ruling United Australia Party under "Honest Joe" Lyons and Menzies were notorious appeasers of both Hitler and fascist Japan, and little, if anything serious was done to prepare for a war which some prominent Australians, such as BHP's Essington Lewis, had concluded as early as 1934, was inevitable. Cottle cites some anecdotal evidence of these suspicions, which gave a flavour of the time. One prominent doctor observed about one of his wealthy acquaintances:

"Quite recently an acquaintance was bewailing this dilemma: he explained that it was very difficult for him and his wealthy friends to support Australia's war effort because if we were victorious while a Labor Government was in power they would face a socialist revolution and would lose all their possessions and privileges; while if Japan won, the Japanese would only want to dominate the economic life of Australia and wealthy Australians would probably be allowed to help run the country and would not be so badly off, after all."

Or, take the observation of the prominent anthropologist A.P. Elkin in February 1942. Elkin was highly informed, as a member of the Committee on National Morale recently established by Prime Minister Curtin.

"There is much unhappiness amongst the people of different groups of our society because of a belief, which some say is based on fact [underlined by Elkin] that numbers of our leading business and financial folk would sell us out to Japan and make peace in the hope of preserving their businesses and profits. I have had this statement made to me by people of all types who are in touch with the business world. Its implications are, of course, serious. Statements made by some of these folk that we cannot prevent Japan landing if it wants to and therefore we should not waste blood and money over it, but come to terms. They say resistance will be but token resistance. Needless to say this feeling savours of fifth-column activity..."

The "Vichy Solution"

Naturally, the rich, the powerful and the politically influential would not leave a lot of written or archival evidence laying around to show that they intended to betray Australia, so Prof. Cottle's book takes on the nature of a detective story, where he pieces together key bits and pieces of the story from various sources to support his thesis. One of his main sources, without whom he could not have written the book, was a patriotic agent of Australian intelligence, Ken Cook. Cook was born into a wealthy family and therefore could travel in the rarefied social atmosphere in which the plot was hatched.

Prof. Cottle maintains, based in part upon Ken Cook's evaluation, that this scheme also involved treason among sections of Australia's military intelligence apparatus, which intersected elements of Australia's financial oligarchy, particularly in New South Wales. Though people today may no longer remember the fact, in the mid-1930s the Japanese purchased almost as much wool—Australia's main export—as did the British, and therefore developed increasingly intimate ties into the still rural-centred pastoral and banking oligarchy in New South Wales. When Australia under Curtin made the decision to fight, instead of accepting a "Vichy solution" to



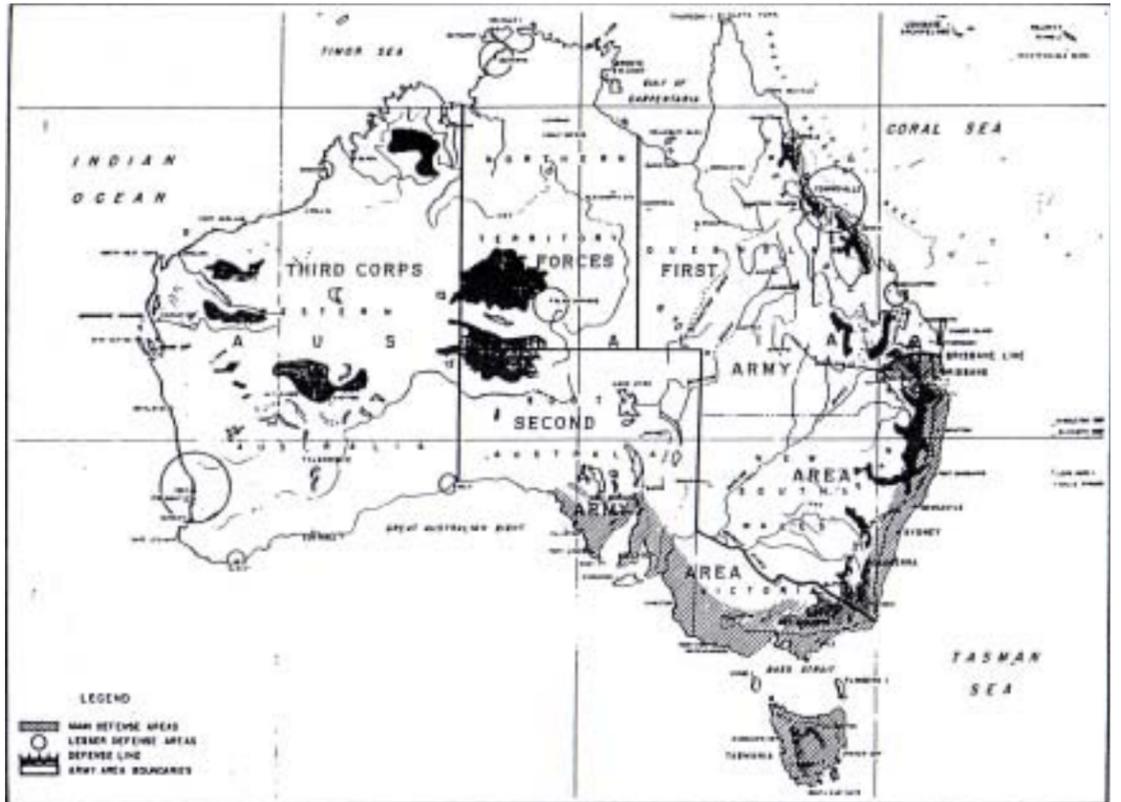
W.J.R. "Jack" Scott was a member of the patrician Street family, and the chief of staff of the fascist Old Guard. There is evidence to show that he was also a spy for the Japanese during the late 1930s and early 1940s. Cottle shows that several other Old Guard leaders would likely have been quislings, had Japan taken over Australia.

which Menzies and many in the UAP were inclined, these treasonous elements in military intelligence made a big display of arresting the pro-Japanese Australia First movement of P.R. Stephenson, in order to protect the much deeper, far more influential traitors in the Japan-Australia Society.

The Japan-Australia Society

Since Japan never conquered Australia, the Japan-Australia Society never had the chance to put into action a Vichy solution. However, Prof. Cottle observes, in other countries which the Japanese conquered, similar previously-established Japan "friendship societies", such as the Japan-Siam Society, the Japan-Malay Brotherhood, the Japan-Filipino Friendship Society, and the Japan-French Indo-China Society, became leaders in the quisling ranks.

The Japan-Australia Society leaders were a most interesting bunch, on both the Japanese and Australian sides. First of all, only



Map from the U.S. Archives, showing the Brisbane Line. The UAP, and later the Liberal Party, tried to claim that no such line existed. However, U.S. General Douglas MacArthur publicly confirmed its existence, when he denounced the "Brisbane Line" as a "defeatist" strategy. The pro-appeasement UAP, predecessor to the Liberal Party, had done virtually nothing to prepare Australia for a Japanese invasion which was obviously coming. Cottle shows that top UAP leaders had very close ties to the Japanese.

the very elite of business and society were allowed to join, so it was an oligarchy by its very nature. Second, as Cottle documents, all of the leading Japanese members were top figures in one or another branch of Japanese intelligence. Leading Australians in the Society included:

- **Patron:** The Hon. Sir John Peden, KCMG, KC, etc. etc., President of NSW Legislative Council from 1929-46, Dean of the Law Faculty, Sydney University.
- **President:** Sir Arthur I, KBE
- **Vice Presidents:** The Hon. Henry Braddon, KBE, MLC, financier, businessman.
Sir Mark Sheldon, KBE, Chairman, Australian Bank of Commerce.
T. Wakamatsu, Consul-General for Japan.
T.H. Kelly, Esq., a director of CSR and the Bank of NSW, Lt.Col. Australian Intelligence Corps (military intelligence) during WWI.
B. R. Gelling, Esq.

Among others on the Society's Council, was W.J.R. "Jack" Scott, a member of the socially prominent Street family, and a member of Australian military intelligence.

The Old Guard—Working for Japan

Now, for anyone who has read the feature article in this issue of the *New Citizen*, "The Pro-Hitler, Fascist Roots of the Liberal Party", some of the above names virtually jump off the page. The Hon. Henry Braddon, for instance, was a financier who had approached Sir John Monash sometime in 1930-31, asking him to be a dictator of Australia. Monash refused, and Braddon became a key figure in the Old Guard. One of his most important Old Guard collaborators was Sir Mark Sheldon, head of the Australian Bank of Commerce, who put up the money for an office for full-time Old Guard staffers at 115 Pitt St., Sydney. And Jack Scott himself was the chief of staff of the Old Guard, as well as a co-founder with Eric Campbell of the equally-fascist New Guard.

Indeed, Prof. Cottle noted the overlap in New Guard/Old Guard leaders with the Japan-Australia

Society, and quoted Dr. William Richards, an associate of some of the men leading the Committee on National Morale:

"[I]n the early 1930s, the whole of eastern Australia was in effect under the control of the New Guard and allied groups. The U.A.P. could not have come to power without the wholehearted and organised support of the New Guard. The New Guard was... and [Eric] Campbell was an open admitted admirer of Hitler and Mussolini. And Japan was linked by the Tripartite Pact in alliance with Nazi Germany and Fascist Italy. After September 1939, Australia was at war with the allies of Japan. If the Japanese [had] landed in Australia, would they have received the collaboration of those many thousands of Australians who had displayed pro-Japanese pro-Nazi and pro-Fascist sympathies in the pre-war years?"

Two Old Guard Quislings

Look briefly at two of the most important of the Old Guard leaders, likely suspects for "fifth-column activity", W.J.R. "Jack" Scott, and C.L.A. "Aubrey" Abbott. Scott was the Old Guard's chief of staff, and Abbott was the organiser of its main military wing, that based in rural New South Wales which numbered some 25,000 men.

Scott was a vociferous supporter of the Japanese in the early 1930s, including the Japanese butchery during their invasion of China. At Japan's invitation, he visited the Japanese puppet state of Manchukuo (Manchuria) in 1935. That same year he joined military intelligence; he also became a prominent member of the Japan-Australia Society. He was suspected of espionage for the Japanese by the Commonwealth Investigation Branch, and his security clearance was pulled. He then took command of an Australian force on Ambon in January 1942. As his *Australian Dictionary of Biography* entry notes, "Both on Ambon and Hainan he handed over individual Australians to the Japanese for punishment...most of the survivors detested Scott, who never attended a battalion reunion."

His fellow fascist Aubrey Abbott

took up a most curious position after leaving the Old Guard: he became the Chief Administrator of the Northern Territory. According to Prof. Cottle, "Darwin residents stated that after the outbreak of war with Japan, a public meeting had demanded that Abbott carry out civil defence preparations. Abbott ignored their demands. Finally, Abbott reluctantly accepted this responsibility. But, at the time of Darwin's bombing [1942], 'There were hardly any air raid shelters, few slit trenches [and] ... no plans of where people were to go if there was an air raid or landing. There were no first-aid posts and no instruction in first-aid to help treat people with minor injuries or care for the seriously injured.'"

Abbott had been Chief Administrator of the Northern Territory since March 29, 1937, so he had had plenty of time to prepare, had he chosen to do so. Cottle observed, "Defending his behaviour after the war, Abbott told the Darwin Royal Commission, 'My attitude was always supportive. Perhaps I just have an unfortunate manner.'"

Additional Evidence

There are some additional considerations of a political/strategic nature which Prof. Cottle or others attempting to advance his thesis would do well to examine. The first is that Britain not only "appeased" the Japanese during the 1930s, as they did Hitler's Germany, but they were in fact strategic allies of Japan and had been since the 1890s. Under the Meiji Restoration, and with advice from American economists who had been associated with U.S. President Abraham Lincoln, Japan industrialised rapidly in the 1870s and 1880s. By the mid-1890s, however, the patriotic American influence was superseded by that of a London/Wall St. financier axis, which encouraged the China/Japan War of 1894-95 and then financed the 1905 Russo-Japanese War. This British/Japanese alliance continued into the early days of World War II, at minimum. The U.S. realised that it was the major target of this alliance, and so devised War Plan Red and War Plan Orange, which envisaged

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FILM REVIEW

Mel Gibson's "The Passion of the Christ"

LaRouche on Mel Gibson

In his keynote address to a town meeting in Los Angeles sponsored by his Presidential campaign, Lyndon LaRouche had the following remarks on Gibson's film, "The Passion of the Christ".

For example, just take the thing from a New Testament standpoint: What is the reality of the Crucifixion of Christ? The reality is, that Jesus Christ made a parade into the city of Jerusalem, like our youth group, going into the main part of Los Angeles, and fighting against the Schwarzenegger beast. And the people in the community cheered. They cheered for Christ coming through the streets of Jerusalem. The Roman Empire was not pleased.

Tiberius, a *real monster*, a real Satanic figure, was sitting in his villa beside the cliffs of the Isle of Capri. And his son-in-law, Pontius Pilate, whom he'd gotten out of the way for sexual reasons, and assigned him to become the Procurator of Judaea, acted in Roman style. Now, there's only one authority in occupied Judaea, who could order a crucifixion: the Roman Emperor. The Roman Emperor's representative Pontius Pilate. A crucifixion was done by *Rome, by imperial Rome*, not by the Jews! Who were the Jews? The Jews were nothing but the local quislings! They were the local neo-conservatives! They were *not* the typical Jews! The majority of the Jewish population of Judaea *wanted* to get rid of the Romans! And there were various kinds of Jewish groups, who were in a state of revolt, against the Roman occupation, which continued all the way through, until the mass killing of Jews by the Romans, at a later point.

Jesus Christ comes along, and to the Romans, being hailed by the people of Jerusalem, from the streets of Jerusalem, as the King of

the Jews—what does that say to the Roman Empire? *Kill him!* And kill him, in a way which is a lesson, to be taught to the rest of the population of this territory. "That's what we do to *all* of similar type." As Nero did to St. Peter. And was done to St. Paul, by the Roman Empire.

Now, if you want to portray the reality of the Passion and Crucifixion of Christ, you obviously start with *not less*, than Christ's entry into Jerusalem. You don't paste on the end, a little scene in Gethsemane, a fantastic scene of Christ's reappearance. You don't do that. Because, the essence of Christianity, as we know it historically, from the whole *history* of Christianity, especially from the Apostles, was the great transformation in European civilisation, which Christianity represented....

So, the lesson here, is a lesson of

to Jeanne d'Arc—a very comparable case, in terms of the principle of the thing—are they dead? No, they're not dead: What they have done, in their contribution to humanity, is immortal. And, when we reflect upon them, and what they gave us, with their sacrifice, with their courage, they are part of us.

They live within us. They are positive, they inspire us. They don't depress us. They don't frighten us. We say, "Yes, he died. Yes, he suffered. But, look at the gift he gave us, in the process of suffering. And the price he paid, for our benefit, is our cause of rejoicing: That he loved us enough, to do that for us. He lives forever."

So, what the film does, it turns—and this film is promoted by, guess who? That great, loving, mankind-lover: John Ashcroft, the racist. Ashcroft's crowd are the biggest pushers of this film. The group that

"This [film] ... threatens the greatest wave of anti-Semitism, and similar kinds of phenomena, that you can imagine at this time." — Lyndon LaRouche

optimism! Not pessimism. But optimism. This is not somebody being killed: This is Martin Luther King, being assassinated by the whim of J. Edgar Hoover. Is Martin Luther King dead? Not if I'm alive. [applause]

Is Jeanne d'Arc [Joan of Arc] dead? She made possible modern society. She made possible the establishment of the first modern nation-state, in the case of France. She was an integral part of the great Renaissance, under which the best features of modern European society occurred. Are those who have suffered and died for the cause of human freedom, in such a heroic manner as that, who've done it, as I have compared Martin Luther King

Mel Gibson is associated with, is a known fascist group, radical fascist group, of the Francisco Franco variety; of the Carlist variety. They're not Christians. They are, as Helga [Zepp-LaRouche] described the situation, the Grand Inquisitor, from *The Brothers Karamazov* of Dostoevsky: That's what they are.

They are the greatest danger to the United States, in this sense: This film, the way it's being promoted, among the *people* to whom it's being promoted, among crazy right-wing Catholics, and crazy right-wing Protestants of the worst type—this is the Ku Klux Klan type. This is the marching song, of the Ku Klux Klan! Threatens the



Mel Gibson, cultist. Photo:AP Photo/Ric Francis

greatest wave of anti-Semitism, and similar kinds of phenomena, that you can imagine at this time. And it's being done, as part of an election ploy, for the re-election of George Bush, although George Bush himself may not be part of it.

But, that faction that wants to control the United States, by controlling the re-election of George Bush, is the faction behind this, that has pushed this thing. And they pushed this thing *as a Satanic effort*, to brainwash the popula-

tion.

And when you look around you, and you see the people that are impressed by this propaganda, the people who admire and defend the film: Ah! You're getting a smell of the rot! You're getting a smell of the things that caused the crisis of Troy, as reported in the *Iliad*; the crisis of ancient Athens, as reflected in the Peloponnesian War; the crisis of civilisation under Rome; the crisis of Hitler and what he represented: It's the same thing, again.

Synarchist Murdoch Glorifies "The Passion of the Christ"

The entire front page of the February 24, 2004 Murdoch-owned *New York Post* was one giant promo for Mel Gibson's obscene movie, "The Passion of the Christ," replete with gushings from moviegoers, such as "I will never be the same again... Powerful, visceral experience... it was intense and emotional... profound, amazing"

The front-page splash was accompanied by three full pages of bloody scenes from the movie and reviews by reviewers Lou Lumenick and Jonathan Foreman, both of whom address the violence of the movie. Surprisingly, Foreman says something useful. He calls the film, "a product of a distinctly perverted sensibility.... Eventually,

'Passion' becomes a kind of pornographic catalog of Christ's suffering... it's initially powerful but eventually becomes numbing... lacking any sense of the meaning or reason for Christ's sacrifice."

The same issue of the *Post* plays up the new concert tour by Madonna, entitled, "The Whore of Babylon."

Mel's Dad: Like Father, Like Son?

Mel says he's "very tight" with his Dad. And his dad has been keeping some very bad company. Mel's dad, Hutton Gibson, spoke on the subject of "Traditional Catholicism" at the fourth international conference of *The Barnes Review* held June 21, 2003 in Washington, D.C.

The Barnes Review is the current publication of former Liberty Lobby leader and editor of *Spotlight*, Willis Carto. Carto promotes his new review as a journal of "revisionist" history, which features works glorifying holocaust denial, Senator Joe McCarthy, Rudolf Hess, American Nazi Party leader George Lincoln Rockwell, and "sound money", among other things. Speakers who appeared with Gibson included Fredrick Toeben on "Holocaust Revisionism". Toeben is the leading figure in Australia's pro-Nazi Adelaide Institute. The Institute's web-site features a tribute to Rudolf Hess, whom it identifies as "Germany's Freedom Fighter," as well as a spirited defence of Mel's movie, "The



Mel Gibson's dad, Hutton Gibson (l.) with Holocaust revisionist Fredrick Toeben of the Adelaide Institute. Hutton Gibson has said about the Holocaust, "It's all — maybe not all fiction — but most of it is."

Passion of the Christ".

The Adelaide Institute is sponsoring an International Revisionist Conference in Sacramento, California in April 2004. Other sponsors, at least some of which feature support for Mel's movie amongst their other pro-Nazi, anti-semitic

filth, include *The Stormfront: White Pride World Wide*; *Volksfront News*; and *Regmeister*, whose stated purpose is to make available Nazi works not legally available otherwise to Germans; and The Institute for Historical Review.

Mel Gibson: Sadist?

In an interview with the Italian newspaper *Corriere della Sera* on Feb. 26, 2004, movie director Franco Zeffirelli reported how he witnessed Gibson acting and directing Shakespeare's *Hamlet*, and how Gibson intervened on Ian Holm. Holm was playing Polonius at the moment Polonius dies, killed by Hamlet when stabbed behind a curtain.

"An animal stabbed to death," Gibson said, "does not keep his eyes staring, but rolls them, first together, then in opposite directions." "How do you know?" asked Polonius-Holm. "I have seen many of them dying." Zeffirelli intervened: "You did not answer Ian, how do you know that?" Gibson answered: "When I can, to relax, I go to my ranches and I kill many calves in the slaughter period."

"We were shocked", said Zeffirelli. Mel continued, perfectly at ease: "But with a gun, those beasts die too quick. You understand better what happens to the calves through their eyes, when we cut their throats."

Cardinal Mahony: Mel Gibson Not in Communion With Church

In an on-line chat of the Los Angeles Religious Educational Congress (www.RECongress.org) on February 20, 2004, when asked about Gibson's movie, "The Passion of the Christ," and the allegedly Catholic Church he belongs to in Malibu, California, Mahony said, "I know nothing about the Church in Malibu. It is certainly not in communion with the universal Catholic Church nor the Archdiocese of Los Angeles. I have never met Mr. Gibson, and he does not participate in any parish of this Archdiocese. He, apparently, has chosen to live apart from the communion of the Catholic Church. I pray for him."

Questioned further on Gibson's "traditionalist movement," Mahony said, "Actually, there is no such thing as the 'Catholic traditionalist, modernist, movement.' Either one is in full communion with the Catholic Church, in unity with the Successor of Peter, or not. One cannot pick and choose which Pope to follow, especially dead ones."

The Cardinal went on to criticise Gibson's treatment of the Gospel, saying, "Scripture is very clear that the people throughout the Gospels were supportive of, and responsive to, Jesus. It is the small group of leaders who are always jealous and seeking to silence him; eventually, to kill him.... I think it's always best to present the life of Jesus in the larger context of the entire Gospel — it's always more difficult to select one small slice of the Gospel and have it stand alone."

ADL: Gibson's "Passion" Provokes Anti-Semitism

The U.S. Anti-Defamation League is notoriously unreliable.

However, it sounds as if ADL director Abe Foxman were telling the truth to the March 17, 2004 *Washington Times*, when he reported that the ADL had received hun-

dreds and hundreds of hate-mail letters and e-mails, attacking the ADL for its campaign against Gibson's movie. "People sign their names, talk about their faith and love of Jesus, then ask whether Jews have learned anything from the Holocaust yet," Foxman said.

*'Convict him
or kill him!'*

The Night They Came To Kill Me

by Lyndon H. LaRouche, Jr. March 2, 2004

On October 6, 1986 a virtual army of more than four hundred armed personnel descended upon the town of Leesburg, Virginia, for a raid on the offices of *EIR* and its associates, and also deployed for another, darker mission. The premises at which I was residing at that time were surrounded by armed force, while aircraft, armored vehicles and other personnel waited for the order to move in shooting. Fortunately, the killing did not happen, because someone with higher authority than the Justice Department Criminal Division head William Weld, ordered the attack on me called off. The forces readied to move in on me, my wife, and a number of my associates, were pulled back in the morning.

That was the second fully documented case of a U.S. Justice Department involvement in operations aimed at my personal elimination from politics. The first was documented in an FBI internal doc-

ument dated late 1973. The first was an internal U.S. operation; the second, of Oct. 6-7, 1986, was international, including the involvement of the Soviet government of General Secretary Gorbachev. To understand the higher level of command behind the way in which the Democratic National Committee bureaucrats have used the Party's nullification of the *Voting Rights Act* to attempt to exclude me from this election, we must point to the crucial features of the 1973 and 1986 attempts at my personal elimination.

This is not only my cause for complaint. The great majority of Americans are as much the intended victim as I am. They have a right to know what is being done to them in this connection. I explain.

Those events of Oct. 6-7, 1986 began in Sweden, when someone killed that nation's Prime Minister, Olof Palme, and immediately, fraudulently, assigned blame for killing action to me. That libel was promptly adopted by my long-standing,

usually lying enemies at the *Washington Post*, and copied by other well-known news-media cesspools. This killing occurred in the context of a massive outpouring of preparatory hate-propaganda against me, world-wide, from the government of Armand Hammer associate Gorbachev. The issue behind the Soviet participation in the attack, was Soviet inside knowledge of my role in introducing what President Reagan had named publicly, "A Strategic Defense Initiative (SDI)." Gorbachev, like his former sponsor, Soviet General Secretary Yuri Andropov, hated me on account of my international, as well as U.S. role in the development of the SDI proposal.

It became clear in the course of that year, that the killing of expendable target Palme was used, and therefore probably intended, to set into motion an environment for what would later pass as a "justified, retaliatory" killing of me; no other plausible motive for the killing of Palme has been presented to the public, up to the present day. Tracing all the relevant developments, over both the interval from that shooting, to the Leesburg events of Oct. 6-7, later that same year, all of the relevant events in the pattern of action, including the preparatory steps taken by Boston's William Weld, represent a systemically functional connection between the killing of Palme and the referenced events of Oct. 6-7.

When those two Justice Department "elimination" operations against me are considered, the obvious question is: "Are the two actions, those of 1973 and 1986, related?" They are, in fact, both closely related, and are key to under-

standing why the financial powers behind Democratic National Committee Chairman Terry McAuliffe's actions against me, have been so hysterically determined to exclude the one Democratic Presidential candidate who now represents, presently, officially, the broadest popular base of financial support of all current Democratic contenders. Why do the forces behind these actions fear me so much that they would take such extraordinarily high political risks in running these kinds of efforts to bring about my personal and political elimination?

In the second case, Oct. 6-7, 1986, the obvious motive for the projected official killing of me, my wife, and others on that occasion, was my role in the development of the SDI. Ironically, but not accidentally, this operation was unleashed at the time President Reagan was meeting Gorbachev in Reykjavik, Iceland, where the President, once again, firmly restated his commitment to SDI.

However, there is a direct connection to the earlier 1973 FBI operation. The 1973 campaign for my "elimination," the near-slaughter of Oct. 6-7, 1986, and the stubborn effort to exclude me from the debates now, are each and all products of the same issue of my fight against the effort of certain liberal economists, and others, to put the world as a whole under the thumb of the policies of former Nazi Economics minister Hjalmar Schacht.

The ultimate origin of these and related actions is not the U.S. Department of Justice, but a much higher authority than the U.S. government, the same assortment of Venetian-style international financier-oligarchical interests, and their associated law firms, which unleashed the wave of fascist dictatorships in continental Europe over the interval 1922-1945. The common feature of those international financier interests, then, back during 1922-1945, and today, is their present commitment to imposing Schachtian economics upon both the U.S.A. itself, and also on the world at large, as the presently ongoing looting of Argentina typifies such



Democratic Presidential Candidate Lyndon H. LaRouche Jr.

fascist practices in action.

The intention of those financiers behind the demand for my exclusion from the Democratic Party proceedings, is to attempt to ensure that the next President of the U.S.A. is nothing but a pro-fascist banker's office boy in matters of national economic and social policy. A notable number of these pro-Schachtian financier interests are the proverbial "big bucks" behind the Democratic Party.

Three Linked Issues

Behind all of the operations against me, from 1973 through the present day, is a reflection of the common characteristic of three tightly linked issues. The first, my pro-FDR opposition to Schachtian economics. The second, my opposition to the so-called "utopian" military doctrines currently associated with "beast man" Dick Cheney. Third, my intention to reverse the folly of the past forty years downward drift of the U.S.A., from the world's leading producer nation, to today's predatory mess of Roman-Empire-style "post-industrial" bread and circuses.

Go back to the late Summer and Fall of 1971. When the breakdown of the Bretton Woods system was ordered by President Richard Nixon, on August 15-16, 1971. I responded, denouncing the incompetence of those leading economists who had insisted that such an event



FBI agents carry off documents from LaRouche headquarters in Leesburg, Virginia, October 6, 1986.

Fate of U.S.A., World Hangs on LaRouche

From Page 1

over-ripe to explode; if it does so before the July Boston Convention, the renowned economist LaRouche himself has an excellent shot at becoming the nominee.

The U.S. Presidency

There is another crucial difference between the two men. For many years now, LaRouche has been acting as a crucial member of the *Presidency*, that uniquely American institution centred on the office of the President of the United States, as the head of a separate Executive branch of government (unlike the Anglo-Dutch parliamentary system, which has no such office). The Presidency reaches beyond the President and his immediate staff. It includes former Presidents, the Vice President, military and intelligence figures, key figures from academia, some Presidential candidates and other influentials. This institution has allowed the U.S.A. to survive the many mediocre, or even treasonous individual Presidents it has had in its over 200-year existence.

As a member of this Presidency, LaRouche has carried out two decisive functions in recent years, among others. First, he has campaigned around the world for the establishment of a New Bretton Woods international monetary system of sovereign nation states to replace the present disastrous globalist system, and for the creation of the now functioning Eurasian Land-Bridge (ELB) as the engine of world economic growth. The ELB is a series of transport,

energy, communications and economic development corridors spanning all of Eurasia from the port of Rotterdam across to the east coast of China, uniting the advanced technological potentials of Europe with the great population centers of Asia.

LaRouche vs. Cheney

Second, LaRouche initiated the campaign to drive Vice President Dick Cheney from office. It was launched in early 2003 with the publication of the first of LaRouche's "Children of Satan" pamphlets, exposing Cheney as the kingpin of a *Synarchist* grouping (of the type presented in the *New Citizen* Special Report, beginning page 17). If Cheney goes, LaRouche has stressed, then the cabal of fascist neoconservatives around him will also go, such as Defence Secretary Donald Rumsfeld, Rumsfeld adviser Paul Wolfowitz, former Pentagon Defence Policy Board chief Richard Perle, and others. In early 2004, Perle became the first of this clique to be dumped from his influential Pentagon post. In numerous writings and in millions upon millions of pamphlets distributed throughout the United States and abroad, LaRouche has exposed this cabal's designs to establish the U.S. as a world imperium on the model of the ancient Roman Empire, using wars and "terrorism". The same grouping has supported Ariel Sharon's genocide campaigns against the Palestinians, and potential Israeli strikes against Syria or other Arab

states.

Under the pressure of LaRouche's continuously escalating campaign, Cheney has fallen from the status of a much-feared, all-powerful de facto President, running George Bush as his dummy, to the position of being under investigation by U.S. Congressional committees, by the U.S. Justice Department, and by foreign governments in half a dozen different scandals, ranging from his corrupt former company Halliburton's profiteering in Iraq, to Cheney's leaking of the identity of a covert U.S. agent, in order to punish his own domestic political enemies.

The United States has a unique status in world affairs, dating from its founding as a "temple of hope" and "beacon of liberty" for all of extended European civilisation; thus, as the U.S.A. goes, so goes the world—including, of course, Australia. Therefore, LaRouche's campaign for the President of the United States is something on which your own life will depend to an extraordinary degree, in the near future. Without a Franklin Delano Roosevelt-led United States, and Gen. Douglas MacArthur's collaboration with our own courageous John Curtin, what language do you think we would be speaking today? So, in a period of extraordinary crisis, the affairs of the great and the mighty, and the affairs of the humble and "ordinary" intersect to determine the fate of civilisations. This time, as in World War II, you the "ordinary Australian citizen", are called upon to act in a decisive way.



Lyndon LaRouche (left, with pipe), debating Establishment economist Abba Lerner in New York City, 1971. LaRouche crushed Lerner, and no economist has dared to debate LaRouche since then.



LaRouche and soon-to-be President (1980-88) Ronald Reagan in New Hampshire, 1980. LaRouche designed Reagan's Strategic Defense Initiative (SDI), panned by the media as "Star Wars".

TABLE 1
LaRouche Is Number One in Individual Itemized Contributions

	# of Cumulative Itemized Contributions	Cumulative Individual Contributions*	Matching Funds Received January 2004
LaRouche	36,281	\$ 6,735,378	\$ 838,848
Kerry	25,899	23,611,216	—
Edwards	18,836	17,724,534	3,368,039
Kucinich	6,215	5,430,327	735,665
Sharpton	1,859	416,190	—

Source: Federal Election Commission.

* Total individual contributions, inclusive of February 2004 Report.

LaRouche leads all other U.S. Democratic Presidential candidates in individual itemized contributions—a key indicator of popular support—but has been kept out of public debates by a terrified Establishment.

could never happen under so-called “the built-in stabilisers.” Since the mid-1960s I had warned repeatedly, publicly against such a highly probable trend, of a series of international monetary crises leading toward the consequent breakdown of the present world monetary system. It had happened. Once again, I had been proven right as a long-range economic forecaster; virtually every university economics textbook, virtually every professor or similar type had been proven totally wrong on this issue.

Therefore, my associates and I launched a campaign against “Quackademic” economics professors. The turmoil this campaign produced on the campuses, and elsewhere, impelled the pained economists and their owners to select a champion of their cause, selected to defeat me in open debate. What soon proved to be the luckless Professor Abba Lerner, reputedly the leading resident Keynesian economist in the U.S.A., was selected for the contest.

We faced off on the premises of New York’s Queens College campus. Professors and comparable notables chiefly gathered in the front rows, and students and others chiefly behind them. My challenge to Lerner was that his current proposals for Brazil were an echo of the doctrines of Nazi Economics Minister Hjalmar Schacht. I warned his policy toward Brazil was typical of the kinds of fascist-like austerity policies which would be pushed under the new conditions created by Nixon’s action. For the allotted time, and more, Lerner squirmed and wriggled, seeking to change the subject from the concrete issue I had posed as the test question of the time, Brazil policy. Then, the debate closed when Lerner whimpered, “But if Germany had accepted Schacht’s policies, Hitler would not have been necessary.” The body assembled reacted to this whimpered utterance as if stunned. Lerner was, figuratively, carried, *hors de combat*, from that day’s field of battle.

Since that occasion, no leading economist in any part of the world has found the courage to challenge me in a debate on these crucial issues of Schachtian economic policy being pushed by the U.S. since that time. As Lerner’s friend Professor Sidney Hook stated the point: “LaRouche won the debate, but” he will lose much more as a result of that. It was his way of saying that the “establishment” would unite against me; it did.

There was no coincidence in any of this. The shift of the U.S. and British economies away from the U.S.’s leading role as the world’s greatest producer nation, toward a pro-Schachtian “post-industrial” utopianism, was the hallmark of the 1966-1968 Nixon campaign for the Presidency. The follies of this “post-industrial” shift into wild-eyed monetarism, led the U.S. government to

the point, that it must abandon its foolish post-Kennedy economic and cultural policies, or make exactly the choice I had warned that I feared they would make. Nixon’s decision of August 15, 1971 made the march in the direction of ruin and fascist-like dictatorship inevitable. Nixon’s mid-August decision thus made the issue of the 1971 LaRouche-Lerner debate the inevitable continuing, leading issue of U.S. economic policy, from that date to the present neo-Schachtian days of Lazard Freres-associated Felix Rohatyn

Nixon’s decision put the leading institutions and voters of the U.S. into a virtual ideological-economic fish-bowl. That is to say: the poor fish might think he can rule the universe by choosing that part of the interior of the fish-bowl to which he might wish to swim, but the bowl itself was being moved without his consciousness of the direction into which the bowl was being carried. Such are the sometimes tragic, utopian delusions of Cartesian and other true believers in what they define as “self-evident” definitions, axioms, and postulates. The universe in which they believe, is only a fish-bowl filled with those fools who believe that their own free choice, according to such beliefs, controls their destiny.

Most ordinary people today have little appreciation of the fierceness with which pro-Schachtian liberal financiers hate the memory of President Franklin Roosevelt. Most corporate and kindred Baby Boomers, such as my rivals for the Presidency, do not even know what a Schachtian tactic is. Nonetheless, the defeat, chiefly by Roosevelt’s U.S.A., of those pro-Synarchist, pro-Schachtian financiers’ effort to create a fascist internationalism during the post-Versailles decades, has prompted the financiers of today to seek every possible means to uproot and destroy the kind of agro-industrial constitutional republic which Roosevelt’s victory over Hitler et al. represented. So, in August 1944, as soon as the U.S.-led breakthrough in Normandy had sealed the early doom of Hitler, those financier circles which had temporarily supported Roosevelt’s war-effort, launched the right turn represented by Bertrand Russell’s leading role in putting forward a utopian strategic doctrine of imperial world government through preventive nuclear war.

During his two terms in office, military traditionalist President Eisenhower defended our constitutional order from the rampaging utopians he labelled a “military-industrial complex.” Kennedy’s assassination broke the back of the resistance to those utopians; the U.S. official plunge into the quicksands of asymmetric warfare in Indo-China, and the parallel, mid-1960s “post-industrial” shift, were the concomitant of that victory of the utopians.



The “Nine Dwarves” (aka Democratic Party Presidential candidates) convene for a “debate” in early 2004, LaRouche not among them.

The murders of Martin Luther King and Bobby Kennedy, were crucial elements of march toward ruin of our economic culture, and worse beyond.

The mid-1960s cultural-paradigm down-shift, merely typified by the dionysiac rock-drug-sex counterculture, was the destruction of the mind and gut of what had been the world’s greatest economy, the U.S. economy. The purpose of that induced cultural-paradigm shift was to uproot everything about the U.S. which was reflected in FDR’s achievements as President.

My proposal for what President Reagan was later to name his “Strategic Defense Initiative” was prompted by a recognition of the growing actual risk of general thermonuclear war, in the doctrines of James R. Schlesinger’s cabal around the theme of the “present danger.” I reacted out of my conviction that the nuclear madness of Trilateral Brzezinski’s cronies, Schlesinger et al., showed that the U.S. must find ways to engage the Soviet Union in a long-term alternative to the thermonuclear war implicit in a continuation of the Russell-like, so-called “detente” policies of the 1970s. Thus, when the Reagan National Security Council entertained my back-channel discussions with the Soviet government, to explore what I proposed as the relevant alternative, I became a grave danger to the policies of the utopians inside and outside our defense establishment. At the close of the President’s televised address of March 23rd, 1983, they decided I was too capable a political force of opposition to their schemes to be allowed to live. It is the same issue I represent against Cheney and his pack of neo-conservative lunatics today. That was the principal motive behind the indicated events of 1986.

In this way, the issue of my opposition to Schachtian economics, to utopian military madness, and to the past four decades cultural-paradigm down-shift of the economy, mind, and morals of our nation, are three aspects of the same issue. For that, they wished me “eliminated” in 1973, sought to eliminate me by shameless open actions in 1986, and wish to eliminate all traces of my international influence today.

“Prison, Anyone?”

The abortion of the shooting assault intended for Oct. 6-7, 1986, led to a subsequent, high-level, intense debate in relevant circles. “Shall we kill him, or imprison him?” was the tenor of that debate. The threat from the utopian faction was, “If you allow him to beat the legal frame-up we are conducting, you will not stop us from killing him this time!”

That decision was in debate from no later than the evening of President Reagan’s televised address of March 23, 1983. After a few days, the utopians had regrouped their forces around circles including the right-wing utopian, and fervent SDI

(and LaRouche and Edward Teller opponents) Daniel P. Graham and the utopians of the Heritage Foundation. So, the name of SDI was continued, but, under, the influence of circles backing Graham, the content was changed radically to emphasize obsolete, chiefly “off the shelf” technologies of no use for the indicated type of mission-assignment.

On Oct. 12, 1988, I delivered a memorable address in Berlin, which was taped there for later broadcast, that same month, on a nationwide TV campaign feature. I forecast the imminent collapse of the Soviet alliance, beginning probably soon in Poland, and spreading into other parts of eastern Europe and the Soviet economy itself. I proposed a course of U.S. action to deal, through affirmative economic action, with the opportunity to uproot the embedded institutions of major military conflict throughout the world.

I was soon hustled off to the hoosegow by the fastest, if perhaps the most crooked railroad in the

U.S.A., the Alexandria, Virginia Fourth District courtroom. So, in effect, the newly sworn President George Bush put me into prison, and, a little more than five years later, Bill Clinton pulled me out. Now, the world makes a new turn around the circle of crisis. This time, those bankers who wish to put a Democrat who would be a virtual office-boy for their Schachtian policies into the White House, are at it again. They are terrified at the thought that I, no office boy in these matters, would come even close to the White House.

Some leaders of nations are elected, others are either killed, or sent to prison to be defamed. So, powerful financier cabals have often ordered the fate of nations and the people, if the people let that happen. Thus, in today’s world, the ultimate feat of importance for a republic, is to get competent leaders elected, and keep them from being killed at a sign from the hand of a pro-Synarchist financier mafioso.



Lyndon LaRouche speaks in Washington, DC, April 1983. A crowd of 800 diplomats, scientists and citizens turned out to this event, a few weeks after President Reagan adopted LaRouche’s policy for the SDI.

TO: DIRECTOR, FBI (100-39623)

FROM: SAC, NEW YORK (100-123674) (P)

SUBJECT: LYNDON HERMYLE LA ROUCHE JR., aka
Lynn Marcus
SM-NCLC
(OO:NY)

ReBulet, 10/29/73.

In viewing New York case file it is noted that information has been received that the CPUSA is conducting an extensive background investigation on the subject for the purpose of ultimately eliminating him and the threat of the NCLC, on CP operations. Several sources have furnished this information to the New York office, and this information has appeared in the Daily World newspaper several times.

NCLC sources have advised that the subject is the controlling force behind the NCLC and all of its activities. A discussion with the New York NCLC case agent indicates that it is felt if the subject was no longer in control of NCLC operations that the NCLC would fall apart with internal strife and conflict.

New York proposes submitting a blind memorandum to the “Daily World” CP newspaper, in New York City which has been mailed from outside this area to help facilitate CP investigations on the subject. It is felt that this would be appropriate under the Bureau’s counter intelligence program.

The blind memorandum is attached.

Bureau comments are requested on such a proposal.

2 - Bureau (RM) (Encl. 2)
1 - New York

Supervisor #346

100-123674-573

A declassified FBI document from 1973 discusses using the Communist Party U.S.A. for LaRouche’s “elimination”, one of several assassination threats he has faced.

The rise of the machines: Electronic voting will steal elections

by Robert Barwick

America is faced with the very real danger that the Presidential election this year could be stolen—by computer programmers. An estimated 56 per cent of votes in the November, 2004 poll will be cast on computerised voting machines. Electronic voting, aka direct recording electronic voting (DRE), leaves no records of votes cast, and counts votes by unverifiable procedures subject to easy tampering. Worse, the DRE machines and their operating programs are owned and controlled by private companies, many of which are donors and supporters of George W. Bush's Republican Party.

Although electronic voting has been used in various forms and areas for nearly two decades, its widespread implementation across the United States has accelerated since 2002, when the U.S. Congress passed the misnamed Help America Vote Act (HAVA), in reaction to the Florida debacle in the 2000 election. The private voting machine companies and defence contractors which heavily lobbied for HAVA promoted the technology on the basis that 1) it would avoid the chaos that occurred in Florida, when the punch cards that had recorded the vote had to be recounted by hand, and 2) touch-screen machines would enable disabled persons, particularly the blind, to vote in privacy.

In response to the plug for the disabled, the HAVA law mandated that by 2006, every polling place used in a U.S. Federal election is required to have at least one touch-screen device, or another device "equipped for individuals with disabilities". However, instead of installing one machine, many jurisdictions across America have opted to replace all of their old equipment with the new touch-screen machines, at a rate that is estimated will capture 56 per cent of votes in November. But far from ensuring there will be no repeat of the chaos that occurred in one state in 2000, over half of America's voters in 2004 will be forced to use a system that will be worse, because fraud can be conducted in such a manner as to be virtually undetectable—touch-screen voting leaves no paper trail, and contains no ability, whatsoever, to conduct a recount.

Security flaws

There is a litany of examples in the U.S. where various forms of electronic voting or counting have been used, and resulted in complete fiascos, most recently in the Jan. 13, 2004 Washington D.C. Democratic Presidential primary. One third of the votes cast in the primary were on touch-screen machines. Well after midnight, when the polls had long closed, the total reported vote abruptly doubled, and the final results bore no correlation to election-eve polls. For example, despite running an intensive campaign, Democratic Presidential candidate Lyndon LaRouche's vote, which election-eve polls put at 20 per cent, virtually disappeared. Demands by city officials for an investigation have so far resulted in nothing. (See Box for more such examples.)

However, not only has the potential for these kinds of problems associated with electronic voting been known for years, but a number of expert studies were conducted in 2003, which identified major flaws in electronic voting systems manufactured by Diebold and oth-

er private companies, which should have ruled out their use entirely. The best known of these was conducted by computer scientists from Johns Hopkins and Rice Universities, and released in July 2003. They found "stunning flaws" in the security of the software code in Diebold's touch-screen machines; the authors determined there is no way to ensure the systems are bug free, or that they do not contain "malicious code". The U.S. State of Maryland conducted its own follow-up to the Hopkins-Rice study, in which computer experts were brought in as hackers to test the state's computer voting set-up. The hackers accessed the system at all levels, some even smuggled concealed keyboards into the polling booths. One gained control of the entire system, so that he "could have changed the result, could have shut down the election, could have given one guy's vote to another," he reported later. They found 328 software flaws, 26 of them critical, and concluded, "If these vulnerabilities are exploited, significant impact could occur on the accuracy, integrity and availability of election results."

Diebold accused one of the authors of the Hopkins study, Dr. Avi Rubin, of being an academic scientist who knew nothing about elections. In response, Rubin participated as an election judge in Maryland's March 2 primary. At the end of the day, Rubin reported on his website that some risks seemed to be less than he expected, but there were also some security issues that were worse. His conclusion was damning: "I continue to believe that the Diebold voting machines represent a huge threat to our democracy. I fundamentally believe that we have thrown our trust in the outcome of our elections in the hands of a handful of companies ... who are in a position to control the final outcomes of our elections. I also believe that the outcomes can be changed without any knowledge of the changes by election judges or anyone else."

Private control

On February 9, following his own investigation, LaRouche demanded, "Is this an election or a coup?" That investigation showed that not only are there major security flaws associated with electronic voting machines, but that the software that counts the votes is privately owned by a handful of voting machine companies, which are closely tied into the circles of George W. Bush and Dick Cheney. The most egregious of these is Die-

bold Corporation (the manufacturer of many ATMs used around the world, including Australia), whose chief executive Wally O'Dell is a frequent visitor to the Bush ranch in Crawford, Texas, and hosted a \$600,000 fundraiser for Dick Cheney in June 2003.

Another major manufacturer is Election Systems and Software (ES&S) of Omaha, Nebraska, which is closely tied into both Diebold, and America's second richest man, Warren Buffett, the money bags who installed Arnold Schwarzenegger as Governor of California to protect his financial interests. Another company, election.com, which also exists in Australia as Securevote, boasts former Republican vice Presidential candidate Jack Kemp as a director; Kemp also co-directs Empower America, a think tank comprised of some of America's leading neo-conservatives.

LaRouche warned on February 9 that Cheney, Bush and their friends are planning to steal the election, and if people wait until then to stop it, there won't be anything that can be done. Computer voting must be stopped now, or we won't have any elections, because the results will be meaningless. "Bring back the men, and throw out the machines," he said.

LaRouche called for America to return to a universal paper ballot, which is hand counted, and pointed out that the criticisms leveled at paper ballot systems by electronic voting proponents—that it involves too many people to count the votes, and that hand counting is slow—are its strengths, because the more people involved, the more impediments there are to vote fraud. Paper ballots provide an auditable paper trail, which can be checked as many times as necessary.

The universal paper ballot system is otherwise known as the Australian Ballot, because it was developed in Australia in the 1850s. Now, Australia's electoral commissioners are concerned that Australia is falling behind the rest of the world, in the area of e-voting. In their September 2002 "Electronic Voting Status Report, Evolution not Revolution", the Commissioners said, "Australia has always been a leader in electoral democracy. Australians need to be aware that other jurisdictions are now taking the lead on the e-voting issue." Yet, ironically, while Australia continues with paper ballots, it is still leading the way, in sticking with the only system that ensures relatively fair and open elections.

Horror stories of electronic voting

The following examples were documented by U.S. activist Bev Harris in her recently published book, *Black Box Voting*.

Georgia: In the 2002 Georgia Congressional election, the candidates leading in the election-eve opinion polls lost, but the state was barred from seeing the vote-counting software used by the private e-voting contractor, Diebold Corporation.

Iowa: In Iowa in the 2000 election, 300 ballots in Allamakee County were counted by an optical-scan machine as 4 million votes, counted again with the same result, and eventually the machine had to be replaced by its manufacturer, Electronic Systems & Software (ES&S).

Alabama: In the 2002 general election, some 6,300 Baldwin County electronic votes disappeared off the computers made by ES&S, after the polls had closed and everyone had gone home. It was enough to reverse the race for Governor, and the Democrat candidate's victory was handed to his Republican opponent. The recount demanded by the Democrat was denied.

Kansas: In the 2002 Clay County commissioner primary, the voting machines said the second-placed candidate won 48 per cent of the vote, but a hand recount revealed he had won by a landslide, with 76 per cent of the vote.

Indiana: In Boone County in November 2003 Micro Vote machines counted 144,000 votes, when only 5,352 existed.

Illinois: In the April 2003 Lake County election, the Democrat candidate received no votes. Rafael Rivera told the *Chicago Tribune*, "I said, 'Wait a minute. I know I voted for myself.'" Optical scanning machines made by ES&S counted no votes for Rivera—not even his own.

New Mexico: Ten days after the November 2002 election, a Democrat noticed that of the 48,000 votes cast on un-auditable Sequoia touch-screen computers, only 35,000 had been counted—a 25 per cent error. Only then did Sequoia's vice president admit the same problem had happened before, in Nevada. He apologised for not mentioning it earlier. In the same election in Taos, just 25 votes separated the candidates in one race, and 79 in another, when the Taos County Clerk noticed the computer was counting votes under the wrong name. The programmer of the optical scanning machine admitted it was a software programming error.

Texas: In Dallas in 2002, 18 machines were pulled out of action when they registered Republican when voters pushed Democrat. However, a Republican judge quashed an effort to investigate the accuracy of the vote tally.

Florida: In November 2002, the Democrat opponent of Governor Jeb Bush, George W. Bush's brother, was tough to vote for, because voters reported that every time they pushed the button for him, the Jeb Bush choice lit up. No paper ballot was available, so no one really knows who got any of the votes. Jeb Bush won.

In the March 2002 town council election in Medley, Florida, voting machines gave the election to the wrong candidate, and the problem was attributed to a programming error by a voting machine technician. The County Elections Supervisor expressed concern that the computer did not raise any red flags—humans had to spot the error.

In the September 2002 Union County, Florida election, a programming error caused machines to read 2,642 Democrat and Republican votes as entirely Republican. The manufacturer, ES&S, accepted responsibility for the error and paid for a hand recount, which was only possible because Union County retained a paper ballot, unlike the new touch-screen systems which eliminate voter-verified paper ballots.

In the November 5, 2002 election in Broward County, Florida, officials declared that the new, un-auditable ES&S touch-screen machines had counted the vote without a major hitch. The next day, the County Elections Office discovered 103,222 votes had not been counted.

On the Eve of the Crash

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As even the London *Economist* magazine warned on Feb. 17, "There are any number of potential flashpoints: a rout in the dollar, say, or a huge spike in the oil price, or a big emerging market getting into trouble again. If it does happen, the chain reaction could be particularly devastating this time." Or, as a leading London fund manager told LaRouche's *Executive Intelligence Review* on Feb. 23, "The whole financial system could go bust very easily; it is one gigantic Ponzi scheme."

IMF Backs Down to Argentina

Indeed, the world was perhaps hours away from a global crash on March 9, 2004 when the IMF "blinked" and granted a \$3.1 billion rollover loan to Argentina, without forcing Argentina to accept even harsher austerity conditions. Argentine President Nestor Kirchner had already stated that his country would pay only 25 per cent on its outstanding debt, and that to pay any more would amount to a "new genocide" for Argentina, where children have already starved to death over the last year, and where 60 per cent of the population is below the official

poverty level, this in a country which had the fifth-highest standard of living in the world in the 1950s. Why would the once-mighty IMF back down to little Argentina? Fully 70 per cent of all the IMF's outstanding loans are to only three countries: Argentina, Brazil and Turkey. If any of those countries can't, or won't pay, then it is the IMF itself which is bankrupt! "There was enough dynamite there" globally, LaRouche observed, "that the Argentina crisis could have been a denominator for all that explosive power", had the U.S. Treasury not

pressured the IMF to back down. At the end of the previous week, the IMF's managing director Horst Koehler had stunned his staff when he resigned, cleaned out his desk, and got on a plane for Germany within hours—another unmistakable reading of the world's financial temperature.

The Argentine crisis is far from over, since its next debt rollover hits in June 2004. President Nestor Kirchner has told his countrymen, "We can not rest. This is minute to minute, hand to hand combat."

Economic Rationalism: The New Name For Schachtian Economics

We demonstrate in the feature in this *New Citizen*, "The Pro-Hitler, Fascist Roots of the Liberal Party", that the policies of economic rationalism and globalisation pushed by the Australian Mont Pelerin Society think tanks today are identical with the economic policies pushed by the fascist militias and their "citizen league" fronts in the Depression crisis of the 1930s. The prototypical representative of fascism back then was Hitler's finance minister and central banker, Hjalmar Schacht. Schacht's first allegiance was to the Synarchy, and therefore to Hitler, who had been put in power by the Synarchist bankers, including Schacht himself. Bespeaking Schacht's true allegiances, long-time Bank of England head Montagu Norman was the godfather of one of Schacht's children, and flew from England to Nazi Germany for the occasion. Schacht was tried at Nuremberg as a chief architect, indeed perhaps the principal architect, of the Hitler regime. That regime's concentration camps (Auschwitz, Buchenwald, etc.) were actually *work camps*. Once

people were too weak to work, having been fed 800 calories or less a day, they were killed as "useless eaters", a policy which came to be known as "Schachtian economics". The first phases of this process have been underway for some time in Australia already, for instance, as in the rationing of health care, which is resulting in needless deaths and misery, all so the Liberal and Labor governments can pay debt to the bankers.

One of the leading banking firms whose name surfaced repeatedly in the Australian pro-fascist events of the 1930s and postwar period was that of Lazard Freres. As we indicate below, Lazard was critical in orchestrating the Synarchist/fascist regimes in Europe in the 1930s, and that pro-fascist tradition is carried on by Lazard today, in particular by the head of the firm's powerful New York branch, Felix Rohatyn. Rohatyn and his friends are now engaged in a deadly struggle with U.S. 2004 Democratic Presidential pre-candidate Lyndon H. LaRouche, Jr., over the direction the world shall take: either that of Schacht and Hitler, or the New Bret-



Schacht (left) and his boss, Montagu Norman, Governor of the Bank of England.



Adolf Hitler, and, right, Hjalmar Schacht, circa 1934. Schacht helped bring Hitler to power and was the architect of his economic policies, including the slave-labour concentration camps.

ton Woods of sovereign, national-banking centred nation states for which LaRouche has long campaigned. In particular, Rohatyn and his Synarchist cronies are terrified that LaRouche, throughout the rest of the U.S. primary season ending with the Democratic Party convention in July, 2004 in Boston, may come to wield increasing policy influence over the present Democratic Party Presidential frontrunner, John Kerry.

Who Was Schacht, and What Is Schachtianism?

by Michael Liebig

With a world economy in the throes of a deep systemic crisis, Democratic Presidential candidate Lyndon LaRouche has stressed that only two fundamental alternative policies exist: reorganise the international financial system along the lines of his proposal for a New Bretton Woods conference, in the tradition of Franklin Delano Roosevelt's actions against the Depression and the effects of war; or adopt the policies of Hjalmar Schacht, Germany's central banker in the 1920s and Hitler's Economics Minister in the 1930s—policies that today are represented, typically, by American banker Felix Rohatyn. How might one best characterise what are known as Schachtian policies?

A Schachtian first insists that the population, not the banks, must pay the costs of the crisis. Today, that means the material living standard of most of the world's population must be sharply cut, so as to use available means to feed the inflated paper holdings of private financial interests.

This becomes all the more pressing when the contradictory forces of grossly inflated paper holdings, on the one hand, and the real economy on the other, lead to outright crisis. That is what transpired in Germany from the hyperinflationary period of 1923, to the world economic crisis of 1929-33, and that is precisely what we see today, although in an order of magnitude far greater.

Schacht and Montagu Norman

While Reichsbank chairman in the 1920s and 1930s, Hjalmar Schacht reported that almost every morning he would speak on the telephone with the Bank of England's Governor, Sir Montagu Norman (1871-1950), to take his instructions. Under so-called normal conditions, Schacht might not have taken on much importance. But under conditions of a grossly hyperinflated financial bubble, and collapsed real production, he came to the forefront of world politics at a time when the political, economic, and financial situation had reached a critical stage. Un-

der those circumstances, Schacht, the prototypical Synarchist, was emphatic: Let the financiers do as they will! Let us remove at any cost the obstacles thrown up by a democratic republic which remains somehow tied to the common welfare.

On March 7, 1930, six brief months after the stock market collapse of October 1929, Schacht resigned as Reichsbank chairman because, he said, the Weimar Republic's political system would not allow him to properly discharge his responsibilities. In September 1930, Schacht travelled to England and the United States, and discussed the German crisis with Anglo-American financiers for weeks on end. Immediately upon his return in December, Schacht met with Hermann Goering. Goering was to become, after 1933, Minister of Interior, Commander in Chief of Police and Gestapo, and Commissioner for Aviation. On January 5, 1931, Schacht dined with Goering, Hitler and Fritz Thyssen.

Austerity, Not Development

Schacht called himself "a non-party political economist," which was indeed the case—his true loyalties were always to the financial oligarchy, the Synarchists. The latter had come to the conclusion that even Heinrich Brüning's austerity policy, rammed through with Emergency Decrees, would not suffice. Schacht had nothing against Chancellor Brüning's policy of slashing wages and public expenditure, as that was what he himself intended. But he thought it not enough. The Weimar Republic's constitution itself made it impossible to destroy living standards to the degree demanded by the financiers.

In a notorious speech at Bad Harzburg on October 11, 1931, Schacht spelled out the endless catalogue of financial demands on Germany: "foreign debts, that cannot be paid on time"; "illiquidity of our financial institutions and the State"; "public finances, such that even the Finance Minister cannot say how we shall get through the coming months." So

Germany must set aside "the mis-conceived basis on which the system has rested to date." Never did Schacht consider a moratorium on Germany's crushing domestic and foreign debt. To the contrary! He knew the peril the financial oligarchs would have to face, were the Weimar Republic to last: a freeze on debt repayment, and a program to relaunch the physical economy by the issuance of state credit.

Schacht had been designated to head off that option, which was the "Lautenbach Plan" of economist Wilhelm Lautenbach. When, in December 1932-January 1933, the government of Chancellor Kurt von Schleicher announced that it would adopt the Lautenbach Plan, Schacht got Kurt von Schroeder's Anglo-American-linked bank to inject several million reichsmarks into the Nazi Party, thus saving it from bankruptcy. Chancellor von Hindenburg was blackmailed into dismissing von Schleicher and appointing Hitler as Chancellor. On March 17, 1933, Schacht stepped back into his role as chairman of the Reichsbank.

LAROCHE'S 30-YEAR ADVERSARY

Felix 'The Fixer' Rohatyn Is The Modern-Day Hjalmar Schacht

by L. Wolfe

In the dark days of the 1974-75 New York City fiscal crisis, the world financial system, as it does today, stood teetering on the edge of a total collapse. In the three years since George Shultz and Arthur Burns had pushed a reluctant Richard Nixon to pull the plug on the Bretton Woods monetary system, there had been an orgy of speculative looting by Synarchist bankers that had accelerated the process of collapse. These same bankers had looted New York to the point where it simply couldn't pay, and the banks were themselves so bankrupt that they could not roll over the billions in outstanding obligations. If the city defaulted on its more than \$14 billion in debt—a sum then only ex-

ceeded by the debt of the U.S. Treasury—it would push the whole financial system over the edge.

To make matters worse for the bankers, there was growing political movement for debt moratoria, for New York City and for desperate developing-sector nations like Brazil. This movement was led, both in New York and internationally, by Lyndon LaRouche. This challenge to the bankers' power could not be tolerated. To put down this rebellion, and to fashion a fascist solution to the crisis, the bankers dispatched their leading Synarchist thug, Felix Rohatyn, the managing partner of Lazard Frères in New York, and an admirer of the policies of Hitler's

financial czar, the Reichsbank president and later Nazi Economics Minister, Hjalmar Horace Greeley Schacht.

The choice of Rohatyn to be a new Schacht should not have surprised anyone. Just as Schacht had been guided by the Bank of England's Montagu Norman, Felix—who had himself fled Schacht's Nazis in Austria and ultimately arrived in the United States in 1942—was placed early on under the wing of André Meyer, the head of the Synarchists' Lazard Frères banking house. The young Rohatyn was reportedly introduced to the powerful Meyer by the Canadian whiskey czar Samuel Bronfman, who explained that Felix had some ruthless traits that Meyer might find

useful. Meyer methodically moved Rohatyn up through the ranks of Lazard, ultimately making him his second in command and heir apparent.

The London, Paris and New York branches of Lazard had been at the centre of the apparatus of Norman, Schacht, and Benjamin Strong (Chairman of the New York Federal Reserve Bank), that oversaw the bankrolling of Hitler and the Nazi Party. And Lazard had helped launch the banking division of the Worms group, which would be identified by both American and French military intelligence as the leading Nazis within the government of Vichy France. Wartime U.S. Army intelligence files had fingered both Lazard and Banque

Worms as the leading financiers behind the continental European fascist movements; the files were categorised "Synarchist/Nazi-Communist" to describe these phenomena.

Indeed, after having launched the Banque Worms apparatus, which dominated the bureaucracy of pro-Nazi Vichy France, top Lazard officials next penetrated the anti-Nazi resistance, including the inner circles of the French resistance movement headed by Gen. Charles DeGaulle. American intelligence files revealed that, by 1944, De Gaulle had become alarmed at the Synarchist penetration of his movement, and had launched an internal probe. The top

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Lazard official during this period, Andre Meyer, would adopt Rohatyn as his postwar protégé to—in Schacht's words—create a system of banking, industrial and raw material cartel power that could survive wars and imperial rivalries.

'Sharing the Pain'

Rohatyn pulled a debt-recycling scheme from Schacht's bag of tricks: It took in the old debt, created new debt, and then backed it with income streams looted from New York City's operating budget; to pay for this, Rohatyn demanded the imposition of draconian levels of austerity and service cuts, and then sought a bankers' dictatorship—the now-infamous Municipal Assistance Corporation or "Big MAC," and its Emergency Financial Control Board (EFCB), the latter having veto power over all city contracts and budgets for more than two decades.

The most important city in the world had its sovereignty stolen by the bankers, in much the same way Schacht had demanded that German sovereignty be ceded to the bankers to solve its fiscal crisis. It was the rejection of this demand, and the threat by Germany's 1932 von Schleicher government to impose an American System-Hamiltonian solution to Germany's crisis, that (in the words of Rohatyn's fellow Keynesian-Schachtian, Abba Lerner) had made Hitler "necessary."

Rohatyn, like Lerner, held no brief for the crude Nazis, and preferred the "smoother" corporatist style of Mussolini's fascism as a model for the implementation of bankers' austerity. In fact, the scheme for the New York City dictatorship was cooked up and sold in a series of weekly meetings at the Regency Hotel convened by Rohatyn and his good friend, David Rockefeller, that brought together select bankers, business, and labor leaders, along with hand-picked political figures (New York's meek mayor, Abe Beame,

was left off the invite list). Discussion was reported to be frank, and sometimes even brutal, as labour and political leaders were hammered into line. The group, which was dubbed 'King Felix's Shadow Government' by some, later formally evolved into the New York Partnership, and was said to be the inspiration for David Rockefeller's global "shadow government," the Trilateral Commission.

At the time of the New York City crisis, Rohatyn was already a prominent figure in Democratic Party circles, which in New York and nationally were heavily infected by the Synarchist, pro-Hitler Harriman networks. When the LaRouche-led movement for debt moratorium threatened to stymie Rohatyn's plans, he called on Harriman stooge and New York Governor Hugh Carey, a frequent participant in the Regency Hotel meetings. It was Carey who ultimately rammed the Big MAC I and Big MAC II packages (the later ceding control of the City to the EFCB) through a reluctant state legislature, where there was growing support for the LaRouche debt moratorium plan.

During the crisis, Rohatyn claimed that his primary goal was to "share the pain" created by the need for long-overdue austerity measures: "The pain is just beginning," said Rohatyn, as the first rounds of budget cuts hit in 1975. "New York will now have to undergo the most brutal kind of financial exercise that any community in the country will ever have to face." There was to be "pain and agony," he announced, as chairman of Big MAC, but added that, as agony's administrator, he would spread it "fairly."

Such claims—the essence of Keynesian-Schachtian "neo-liberal" economic policy—have always



Felix Rohatyn, head of Lazard Freres bank, a modern Hjalmar Schacht, and a bitter enemy of Lyndon LaRouche.

been a lie. The "pain and agony" are always to be suffered by someone other than Rohatyn's Synarchist friends. In the New York crisis, the bankers had the vast majority of their debts repaid at great profit; the investment bankers made hundreds of millions in fees and commissions marketing Big MAC securities; meanwhile, services for the majority of citizens were cut, hundreds of thousands of workers had their pay and benefits slashed, and tens of thousands of others lost their jobs, victims of Rohatyn's "fairness." Rohatyn also stole billions from workers' pension funds, by getting the city and state to order them to purchase the extremely-low-interest MAC bonds, rather than other, more viable securities. But it wasn't just the loot that Rohatyn was after, as he later explained; by demanding that unions ante up on the bonds, he had given them a stake in guaranteeing the brutal austerity package that backed the MAC securities—a stake, in other words, in slashing their own throats.

A Greasy Eminence

With his "success" in managing the New York crisis and in rescuing, for the moment, the global financial system, Rohatyn was made a financial celebrity by the Synar-

Lazard Frères: Synarchists in Action

Lyndon LaRouche has emphasised the role of Lazard Frères in creating and steering elements of the international Synarchist movement.

by John Hoefle

Lazard got its start as a bank in San Francisco during the 1849 Gold Rush, becoming the leading exporter of gold to Europe; founded by the French Lazard brothers, the firm soon established offices in Paris, New York, and London. But despite its heritage, Lazard is neither an American nor a French bank, but an instrument of a financial oligarchy which considers itself superior to nations. Indicative is the presence of a top Lazard figure as chairman of Assicurazioni Generali, the Venetian insurance giant founded in 1831 to serve some of the world's oldest family fortunes. Lazard specialises in shaping the world behind the scenes, helping build up fascism as a counter to the principles and founding ideals of the United States, and helping subvert the United States from within from a productive industrial society, to a consumerist, speculative society.

When Hitler turned on his masters and attacked western Europe instead of Russia, Lazard moved its main banking operation to New York in the person of Andre Meyer, who became a

major figure in American finance. Meyer, and later his protégé Felix Rohatyn, set about restructuring Wall Street and corporate America through bankruptcies, mergers, and hostile takeovers. Their aim was to create the kind of corporatist fascist world of which Mussolini could only dream, a globalised system in which the banks ran the corporations, and together they ruled the world.

Working closely with banks like Lehman Brothers and Rothschild, Lazard helped restructure Wall Street beginning in the early 1970s. Rohatyn headed a New York Stock Exchange task force to reorganise the investment banks into the hands of a new breed of Synarchist banker, like Citigroup's Sanford Weill, who would target, rather than ignore, the common man.

Lazard also helped create a class of parasites typified by Enron—a joint project with Rothschild—which pushed deregulation to more directly extend the oligarchy's looting hand into consumers' pockets. Lazard, working closely with

the networks around Yale's Skull and Bones cult, helped launch the business careers of both Presidents Bush, and helped build Dick Cheney's Halliburton.

Today, with explosions rocking the financial world, Lazard has repositioned itself as a "workout specialist" for large firms in difficulties. A former Lazard banker was one of the three directors who ran the coverup investigation of Enron; and Lazard has been deployed to companies such as Parmalat, Adelphia, and Hollinger Corp. Who better to solve the problem, than the people who created it? Now Lazardite Rohatyn is pushing a restructuring of the global economy into a bankers' dictatorship, in which bankers and their corporate cartels dictate terms to nations and their populations. It's a very old game: The oligarchs organise an economic disaster, then create a "solution" which advances their goals. This is the essence of Lazard Frères' oligarchical controllers, and the likes of Felix the Fascist. Like the Sirens, they lure us to our destruction.

TABLE 1
New York City Government Employees Get the Axe
(Selected Sectors)

	June 30, 1975	April 30, 1981	% Change
Police	35,447	27,697	-21.9%
Uniformed Officers	30,601	22,862	-25.2
Social Services	28,331	21,052	-25.2
Fire	13,885	12,429	-25.7
Education	81,970	69,847	-10.5
Sanitation	9,491	6,832	-28.0
Health and Hospitals	43,128	40,735	-5.5
Total	296,805	231,903	-21.9%

TABLE 2
New York City Sanitation Services Guttled

	1975	1978	% Change
Tons of Refuse Disposed	7,534,988	6,468,221	-14.2
Miles of Street Swept	1,233,998	836,442	-31.7

Tables 1 and 2 show how Lazard Freres' Felix Rohatyn applied Schachtian economics to New York City, slashing jobs, living standards, infrastructure, etc.—all to provide an income stream for the bankers. Dozens of New York City hospitals were also shut down, precipitating a healthcare crisis which continues to rage. The same process is at work in the Australian economy.

chist international media machine. His advice was sought by other cities, nations, and corporations. He became a "hot commodity" in Democratic Party circles, where he became increasingly, openly allied with the New Democrats of Pam Harriman's Democratic Leadership Council; it regarded him as an *éminence grise*.

Using a vast array of contacts inherited from his mentor Andre Meyer, Rohatyn inserted himself into the centre of major Democratic campaigns. He showed up as the key financial adviser to 1988 nominee Gov. Michael Dukakis, whose meat-axe austerity program for Massachusetts was modelled on Rohatyn's Schachtian program for New York City; Rohatyn also became a top adviser to Gov. Bill Clinton, whose early campaign was heavily influenced by Pam Harriman's DLC; and in 2000, he was a key adviser to the hapless would-be fascist Al Gore. In each case, the media made him a likely "economic czar," waiting in the wings for his candidate to win.

Rohatyn is also not adverse to picking at the bottom of the political barrel, if it suits his corporatist purposes. He did so in becoming a key adviser to the Rev. Jesse Jackson in both 1988 and 1992. Recently, Rohatyn has heaped praise on "Beast-Man" Gov. Arnold Schwarzenegger for his will to pay the bankers debt, closing a huge budget gap through bonds backed by a Big MAC-like diversion of revenue streams and by savage austerity.

The Synarchists had reportedly wanted Rohatyn to serve as Bill Clinton's Treasury Secretary, but the post was given to Robert Rubin instead. Later, Rohatyn was set to be nominated vice chairman of the Federal Reserve, from which position, ultimately, he would have become chairman; but that nomination also had to be withdrawn because of stiff opposition from Clinton's circles and GOP circles. (Instead, the managing director of New York's Lazard Frères was shipped off to Paris, to mingle with his fellow Synarchist fascists on the Continent, where discussions could take place on how to handle the coming end of the stock market bubble.)

Rohatyn, despite his Democratic moniker, also shows up in GOP and other circles. His 30-year friendship with independent Ross

Perot is well known; he quietly advised him during both his Presidential runs. In 1988, Rohatyn was tapped by fellow Synarchist and former Democratic National Committee chairman Robert Strauss for a special "National Economic Commission" that would advise the incoming Bush Administration on economic policy. One of the main points in those recommendations was that the United States be subjected to the same kind of austerity "conditionalities" that the IMF imposes on the developing sector; another proposal called for massive cutbacks in Social Security and Medicare programs because the Federal government can no longer afford to fund them at current levels.

As "Bush 43" was about to enter the White House in 2003, a plea was heard from GOP "supply-sider" Jude Wanniski that "W" show true bi-partisanship, and nominate the most able economist and Wall Streeter available for Treasury Secretary—Felix Rohatyn!

Saving Their Power

Like a true Schachtian, Rohatyn really has no economic principles save one: the use of whatever tricks are necessary to preserve the power of his crowd over global policy. He has no stake, for example, in supporting the wildly uncontrolled and deregulated "markets" that are the gods of the Mont Pelerin type of monetarist, such as Milton Friedman. Thus, in the heady days of the 1980s, he slammed the junk-bond kings, like Michael Milken, for threatening to destroy the whole system with their "new money" ways; and he demanded that they be prosecuted and regulated. During this same period, Rohatyn was a big player (and Lazard with him) in the merger-and-acquisition frenzy, and in leveraged buyouts of the type for which Milken and his ilk became notorious. Here, too, the issue was power and control for Rohatyn—he did not want the "uppity" "new money" boys getting in the way of his Synarchist faction's overall control of things.

Likewise, his much-touted support for a "New Bretton Woods" monetary system. Rohatyn is not calling for a reassertion of sovereign nations' control over international finance; instead, he wants a bankers' dictatorship, with powers like those he enjoyed in New York

Economic Rationalism: The New Name For Schachtian Economics



Schacht locked up behind barbed wire, where he belonged.

their manifest greed and corruption, threaten to undermine faith in the financial and corporate system itself; if left unchecked and unregulated, such corruption and greed could lead to the system's collapse, as well as a popular rebellion that would take the power to regulate the system, out of the hands of the bankers. Bankers must propose and implement regulation, he urged, lest it be imposed on us from without, à la FDR in the 1930s.

In "From New York to Baghdad," written in November 2002 for the *New York Review of Books*, in anticipation of the coming Iraq war and the disgust at the way it was unilaterally organized, Rohatyn argued that the Bush Administration had made a mess of a bad world financial system; made its problems worse by their open alliance with "the forces of greed" in the marketplace and their failure to act effectively to put a brake on such excesses. Just when bankers need the government to impose austerity, both domestically and nationally, we have, Rohatyn wrote, an administration that is feared and distrusted both at home and abroad. All but openly stating the intention of his faction to replace the current government, he compared the Bush Administration's ability to lead, to Nixon's at the height of Watergate, concluding that we must have a government that will "fairly" share the pain sure to result from the policy failures of the last decade or more.

"I believe that capitalism is the best system ever invented for the creation of wealth," Rohatyn writes, "but it must be fair, it must be regulated, and it must be ethical. The excesses of the last few years show how the system has failed in all three respects.... National security in a depressed economy is our most important issue today. To deal with it, will require real sacrifice on the part of all Americans; and if sacrifices are to be justified, they must be seen as fair."

Rohatyn has apparently settled on Sen. John Kerry as his prospective "office clerk" President, and has been seeking control over the putative Democratic nominee's economic policy. His policy ideas, including for a large-scale Schachtian domestic infrastructure-building program—a huge \$500-billion, MAC-like scheme first floated by him in 1988, whose bonds would be guaranteed by diversion of Federal revenue streams and whose contracts would demand sacrifice by labour unions

in exchange for jobs—are making the rounds inside the party and the Kerry camp. For Kerry to play the flunky role for Rohatyn (as the bizarre Mayor Ed Koch did in New York), Kerry must be kept away from Lyndon LaRouche, and his approach to the crisis from the standpoint of the General Welfare, not the bankers' debt.

Rohatyn is reported to have become almost shrill over the recent Argentine government confrontation with the IMF, shrieking that no government has the right to challenge the bankers or their selected thugs. Behind such out-

bursts is the fear Rohatyn and his cronies have of LaRouche, as they feared what LaRouche could accomplish in the New York City crisis. "Anyone who is backing default or moratorium should be taken out and shot," Rohatyn is reputed to have said back in 1975. Rohatyn and Schacht can profess to prefer a "friendly fascism" to Hitler's brand; but when push comes to shove, they'll back a Hitler and his methods when "necessary."

In August 2001, shortly after Rohatyn issued his call for a "New Bretton Woods" reform of the IMF,

LaRouche challenged him to state precisely what kind of "Brand X" type of Bretton Woods he was touting, as compared to LaRouche's own proposal which would take real power away from the private bankers like Rohatyn. Rohatyn never did answer LaRouche's challenge, published in *EIR*, August 31, 2001. Today, Democrats should demand that Rohatyn answer another question: Does he agree with Abba Lerner that adoption of Schacht's genocidal austerity would have made Hitler unnecessary?"

City, reining in some of the wilder speculative practices and overseeing debt restructuring from the standpoint of "sharing the pain." His criticism of the unregulated crap-shoot that is the system administered by the International Monetary Fund, is that it lacks the cohesiveness needed to deal with crises, and breeds distrust by its one-sided and arbitrary demands on weaker and troubled nations—and therefore potential rebellion by sovereign nations. Better to throw the victims some crumbs and let them believe that they have some say in their fate, than try to ram things down the throats of debtors, as the IMF has done in the last decade.

That is the essence of his much-touted call for reform of the IMF in August 2002. Since then, Rohatyn, seeing his proposals for token IMF "reform" unheeded, has sought to steer nations into the creation of regional institutions and bond markets, kept under the control of central and other non-sovereign bankers, and where bonds—which make money for investment bankers and increase nations' indebtedness and need for austerity—are used as a substitute for sovereign direct-credit issuance. Rohatyn sees the emergence of regional blocs as key leverage for the imposition of Schachtian austerity on the United States.

The ultimate pragmatist, Rohatyn is not unwilling to admit that there is a serious, system-threatening crisis in progress. In "The Betrayal of Capitalism," written in February 2002 for the *New York Review of Books*—where he has been a frequent contributor for more than 20 years—Rohatyn argued that the excesses of the financiers of the "great bubble," and

Schacht at Nuremberg: Guilty As Charged

Hjalmar Schacht was indicted for crimes against humanity, and tried in 1946 with other Nazi war criminals. Schacht's defence was that he was only a banker and economist, and had no responsibility for the political implementation of his policies by the Nazis; he painted himself, instead, as a temporising influence on the worst excesses of the Hitler crowd, and professed, like his admirer Prof. Abba Lerner in the famous 1971 debate with Lyndon LaRouche, to have been an anti-Nazi. While evidence was presented that Schacht had participated in meetings that directly helped bring the Nazis to power, including setting up bank accounts where funds were deposited to bail out the bankrupt Nazis in 1932-33; that Schacht had created the policies which regimented the German workforce and gutted the trade union movement, through often brutal and violent measures; that he had funded the creation of the Nazi war machine; he was acquitted of all counts. The judges vote was split with the connivance of a weak prosecution, run by the British and presented by an American mob-linked, pro-Synarchist from Minnesota; the administration of U.S. President Harry S. Truman who replaced the Franklin Delano Roosevelt Administration likely did not want the banker prosecuted.

Schacht's conviction could not be allowed because it would have established a legal precedent, that economists and bankers could be held morally and criminally responsible, for



Banker Hjalmar Schacht in the dock at Nuremberg.

crimes against humanity, for the advocacy of precisely the policies advocated by Schacht, Lerner, and Felix Rohatyn.

Chief U.S. Prosecutor and FDR ally Justice Robert Jackson was outraged at the verdict. He, following orders from his now-deceased friend Roosevelt, had fought British and French objections to try Schacht. In an eloquent last-ditch effort to rescue the prosecution, Justice Jackson had presented what is, in effect, the reasons why the Schachtian fascist Felix Rohatyn, head of Lazard Freres investment bank is also guilty of crimes against humanity.

Jackson singled out Schacht as "the most dangerous and reprehensible type of all opportunists," someone who would use a Hitler for his own

ends, and then claim, after Hitler was defeated, to have been against him all the time. He was part of a movement "that he knew was wrong", but was in it because he saw it "winning." Jackson ridiculed Schacht's claim to be an "honorable man"; he, while claiming to despise Hitler, "armed Hitler to blackmail a continent."

Schacht, says Jackson, "boasts that he would have shot Hitler if he had the opportunity, but German newsreel shows that, even after the fall of France, he stepped out of line to grasp the hand of the man he now claims to loathe, and hung on the words of the man he now says he thought unworthy of belief." If Schacht did not believe in the Nazis, it made his working for them as minister that much worse—because, in Jackson's words, he gave "credibility," especially in international circles, to the Hitler regime. His alleged distaste for the Nazis and Hitler, said Jackson, was that of a "Brahmin among the untouchables—he could not bear to mingle with the Nazis socially," but still worked for them as a member of a criminal regime. His "opposition," which Schacht spoke of with the skill of a sophist during the trial, was "over tactics, not principles.... While he may have disagreed with his Nazi confederates about what was expedient in reaching their goal, he never dissented from the goal itself." Not to convict him would be a travesty of justice, Jackson argued.

By exposing Felix Rohatyn as the would-be Schacht today, a new set of crimes against humanity, leading to a New Dark Age, may be prevented.

FIGURE 1
Triple Curve Shows Schachtian Looting

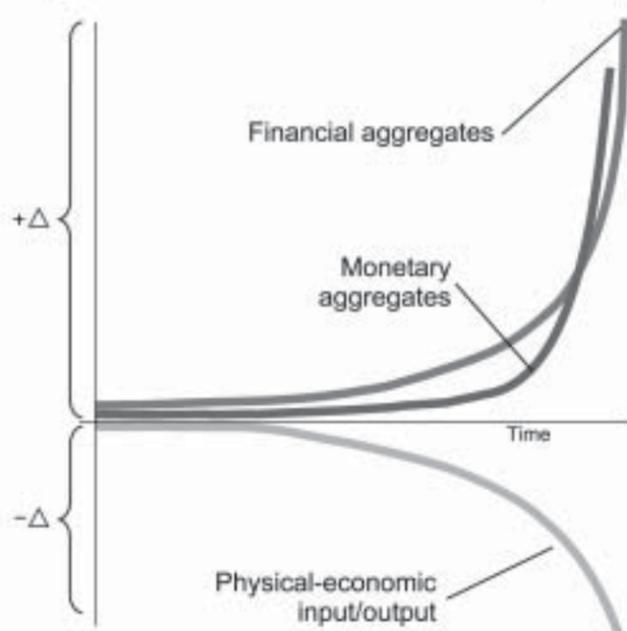


TABLE 1
Raw Materials Price Increases
(\$US Per Metric Ton)

Commodity	2nd Q 2003	February 2004	Percent Increase
Metals			
Copper	1,641	2,752	68%
Aluminum	1,382	1,885	22
Tin	4,658	6,663	43
Nickel	8,372	15,099	80
Lead	456	885	94
Hardwood Logs			
Softwood Logs	182	199	9
Energy			
U.K. Brent Oil*	26.1	31.3	20
Australian coal	25.4	43.5	71
Uranium**	10.6	16.1	53
Foodstuffs			
Wheat	137	161	18
Soybeans	246	370	50
Soybean meal	197	279	42
Palm Oil	419	534	27
Fish Meal	603	685	14
Olive Oil	3,618	4,669	29

* Price of Brent oil is measured per barrel.
** Price of uranium is measured per pound.

In December 1995, LaRouche introduced his famous "Triple Curve" pedagogy, to show the process of economic collapse. The financiers loot ever-increasing amounts of physical/economic output (the bottom curve) in order to keep their financial aggregates (stocks, bonds, etc.) afloat, since all of these demand an income stream. Through their control over central banks, they also issue monetary aggregates (i.e. print money) at ever-increasing rates for the same reason. However, virtually all of this new money goes into speculation, and not into real production, which is looted into collapse. The rate of monetary aggregate expansion soon surpasses the rate of expansion of financial aggregates (where the two upper curves cross), and this sets off hyperinflation as in 1923 Germany. We see this hyperinflation today in the wild growth of real estate and other financial bubbles, and in the soaring prices of many commodities, raw materials, and finished goods. The price of petrol in the U.S. jumped 32 per cent in just ten weeks in early 2004, and steel prices soared 30 per cent in the same time. For other shocking indicators of this hyperinflationary process, see the accompanying table, "Raw Materials Price Rise Increase".

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Schachtianism in Australia

by Noelene Isherwood

After twenty years of the Mont Pelerin Society-inspired “reforms” which began with Bob Hawke in 1983, a staggering 20 per cent of all Australians now live in poverty—you, or one in every five of your fellow citizens. When Hawke came to power in 1983, according to Reserve Bank figures, the net total of private and public foreign debt was \$25 billion. When Howard took over in 1996, it was \$193 billion; today, it is \$374 billion. And, while debt is soaring, the means to pay that debt are collapsing, because the debt must ultimately be paid out of our actual physical economy—our farms and manufacturing base, which are fast disappearing. If the debt is treated as sacrosanct as in the 1930s, to be paid ahead of the general welfare of the population—as the Liberals and Labor clearly intend—then the Schachtian looting of the population will intensify dramatically in the months ahead.

A clear example of how this looting works is the fire sale (“privatisation”) of public assets under the Howard government, *solely to pay the debt*. While overall foreign debt has skyrocketed, the public component of it went down from \$96 billion in 1996 when Howard took office, to \$25 billion today, as confirmed by Liberal Member for Casey Tony Smith on March 2nd. Telstra, the Commonwealth Bank, Sydney Airport, Reserve Bank gold assets, National Rail Corporation and Freight Corp, national assets built up over decades by generations of Australians, all these and many more were raffled

off for some \$55 billion—often to the government’s cronies in the private sector. In other words, all of these \$55 billions, and an additional \$16 billion besides, were transferred straight from the Australian public to the coffers of the banks. You see the effect of this “debt before people” program in our collapsing public schools, our dilapidated and dangerous public health system, the grinding poverty in which the majority of our elderly must live, and on and on. Additionally, since 1996 the Howard government has allowed a \$13 billion blowout in unfunded government superannuation liabilities for public servants. Unfunded public sector superannuation is now a whopping \$85 billion; this, too, represents looting—from future generations in order to pay the bankers in the present.

However, now that we have “sold the family silver”, and have more debt to pay than ever, where will the money come from to pay this ever-rising debt? The answer is obvious: through intensified Schachtian looting of the population along the “free market” lines dictated by the Mont Pelerin Society and its Australian fronts. This is what Costello proposed under the rubrics of “reversing the welfare state” and “the market as principle driver of economic growth”, at his speech to the Centre for Independent Studies’ annual Consilium meeting of the rich and powerful held at Coolum on August 7, 2003. He also bragged about where this notion had come from.

“In the 1970s think tanks were established to begin the counter-

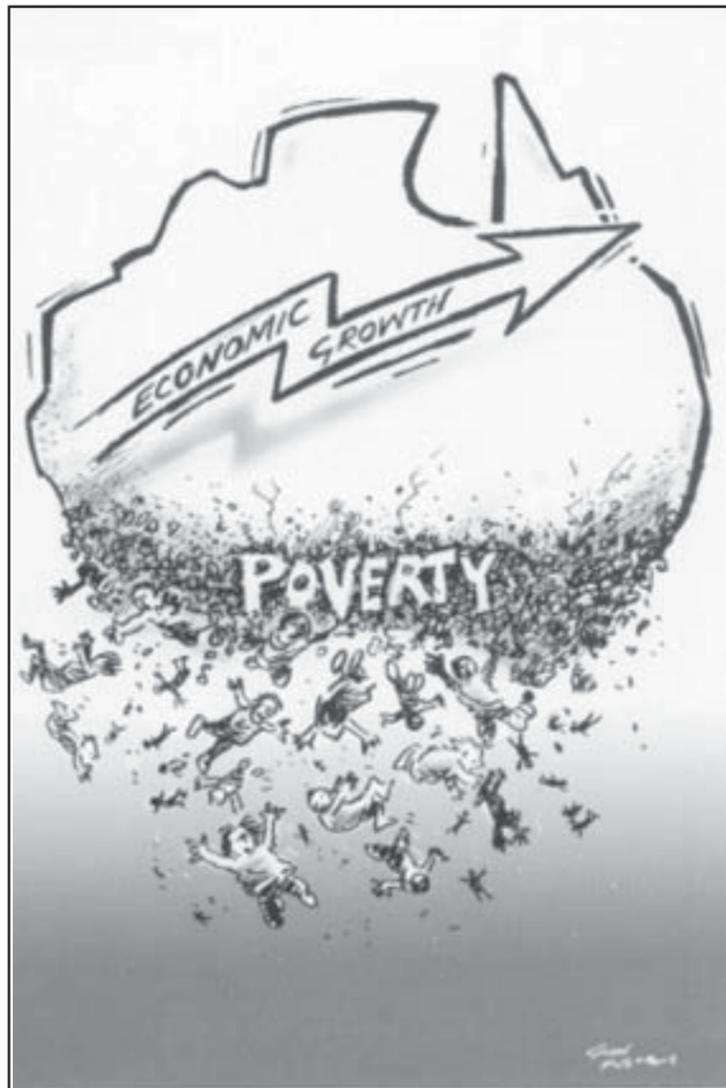
revolution of promoting a different organising agenda, embracing the ideas of liberty, choice and the market. In Australia one of those think tanks was the Centre for Independent Studies. In the UK the Centre for Policy Studies was founded in 1974 to promote ideas such as privatisation—a proposal not just to slow the growth of the welfare state but to actually reverse its direction.... Gradually over the last 30 years the concept of the market as principle driver of economic growth has moved from an eccentric fringe idea to a central organising idea for economic policy.”

Costello revealed more about the implications of this “free market” paradigm and reversing “the welfare state”, when he spoke on the ABC *Insiders* program on February 29 this year. “Reform”, as always for the past 20 years, means slashing the budget (or wages and income), or raising prices.

“I want policy to be looked at through this paradigm, this new structure, and it’s going to affect health, pharmaceutical, aged care, retirement income, superannuation, the economy, the labour market, industrial relations....

“[W]e have got pharmaceutical reform in the Parliament and the Labor Party intimated last week they might break and support reform on that and I’d encourage them to do so. We have got disability support reform into the Parliament and you will recall Mr. Latham before he was leader said this had to be done so I call on him now ... I call on him now to put

Continued next page



Members of Poverty Coalitions around Australia (and the public) last year forwarded signed postcards requesting that Prime Minister Howard act to improve the situation regarding poverty in Australia.

Treason in High Places: the Brisbane Line

From page 6

simultaneous British and Japanese attacks. This remained American strategic doctrine until the very eve of the war and was reflected in the United States’ War Plan Red and War Plan Orange.

The purpose of the British sponsorship of both the Japanese and German fascists as marcher lords, was to ensure that no grand alliance would emerge in Eurasia among Germany, France, and Russia with natural extensions into China and Japan, as threatened to happen in the last quarter of the 19th Century. The British, with their navy that “ruled the seven seas”, was concerned that a rising “Eurasian” power could outflank their maritime control. These concerns were reflected in the Halford Mackinder doctrine that “He who controls the Eurasian heartland rules the world.” In British plans, fascist Germany was supposed to strike east first, and Germany and Russia would hopefully bleed each other to death. When Germany struck west, Churchill was forced to seek help from a man he hated, U.S. President Franklin Delano Roosevelt.

The Round Tables

The core of the London/Wall St. axis was the Round Table group pulled together by Lord Alfred Milner and disciples such as Lionel Curtis and Philip Kerr (Lord Lothian), based upon the gold and diamonds fortune of Cecil Rhodes. It was also based upon the financial muscle of the New York and London Lazard Freres banking house, a pillar of the international Synarchy. The infamous pro-Nazi

Cliveden Set was a frequent meeting point for the Round Table, and Lady Astor’s brother-in-law was Robert Henry Brand, the dominant figure in Lazard for most of the 50 years (1909-1959) he spent with the firm.

The strategy of some British influentials for the Pacific was not exactly a secret. Edwin Montagu, Financial Secretary of the Treasury under Prime Minister Herbert Asquith, spoke for many British influentials in 1915 when he wrote, “I would far rather cede Australia to the Japanese than cede to Australia anything that the Japanese want.” In the 1930s, the Dean of Canterbury, Hewlett Johnson proclaimed, “I should like to have seen a great English gesture in presenting to Japan that part of Australia which we can not colonise ourselves. I believe that would change the whole atmosphere in the East.” A typical Synarchist, the “Red Dean” was as pro-communist as he was pro-fascist.

Now, look at the Japan-Australia Society and closely related figures, such as sometime Australian Foreign Minister Sir John Latham, who led a government and trade delegation to Japan in 1934, and who became Australian Ambassador to Japan in 1940-41, even while Chief Justice of the High Court. Several of them, like Latham, were also leading members of the Round Table in Australia, which was dedicated in large part to “foreign affairs”, and controlled Australia’s “Pacific policy” for Britain. These Japan-Australia Society members who were also Round Tablers included the Society’s president, Sir John Peden;

one of its vice presidents, the Hon. Henry Braddon; former military intelligence Lt. Col. T.H. Kelly, of CSR and the Bank of New South Wales, the two key institutions backing the Old guard, and, as a de facto member after having led Australia’s mission to Japan in 1934, Sir John Latham. While not a member of the Round Tables, Old Guard leader Sir Mark Sheldon was a business partner of Round Tablers Henry Braddon and T.H. Kelly.

It is important to remember that at this time, Australia’s foreign policy by statute was actually run through Britain, which remained the case until well into World War II. Furthermore, inner circle Round Table members were chosen for their slavish devotion to the British Empire, and would not even dream of marking out their own foreign policy. Typical was the anglophile toady Latham, a lifelong friend of top British Round Tabler Lionel Curtis, who visited Australia to set up the Australian Round Tables in the first place. As a member of Chatham House, the London headquarters of the Round Tables, Sir John Peden was deeply involved in the Round Table as well. Thus, the Japan-Australia Society “Vichy” policy toward Australia, was in fact the British Synarchy’s policy, the same Synarchy who wanted to install Menzies or some other pro-Nazi quisling as ruler of Britain itself.

Kenosuke Sato—“Civil Administrator” for Australia

Cottle recounts how, in 1945, the closest Japanese collaborator



The bombing of Darwin, February 19, 1942. Curiously, C.L.A. “Aubrey” Abbott, who was the other main military organiser of the Old Guard along with Jack Scott, was later appointed Chief Administrator of the Northern Territory in 1937. Despite local protests, Abbott did nothing to prepare the NT for an expected Japanese invasion.

of the Japan-Australia Society, Kenosuke (Ken) Sato, announced that he would have been the “civil administrator” for Australia, had the Japanese succeeded in their invasion plans. One of Australia’s most important intelligence officials, R.F.B. “Bob” Wake, wrote a report for the Commonwealth Investigations Bureau in which he concluded:

“The Japan-Australia Society had largely a social background but an examination of the activities of some of the members of this body seems warranted in view of the reported statements by Ken Sato (civil administrator-elect for Australia) in Osaka in December 1945 that a number of people in Australia would have been prepared to collaborate with the Japanese if they had succeeded in in-

vading and occupying Australia”.

In the rising tide of the Cold War, Wake’s recommendation was never acted upon. Prof. Cottle names a number of likely candidates for investigation in addition to the obvious, and most important suspects in the Japan-Australia Society. Though Cottle doesn’t say so, one of these would be the pro-fascist John Latham. In 1940-41 Menzies had a special act put through the legislature to allow the Chief Justice of the High Court to take up a post—while still Chief Justice—as Australia’s Ambassador to Japan. Menzies’ own pro-fascist proclivities, whether Japanese or German, were notorious. What exactly was the fascist Sir John negotiating during that critical period, when many expected Japan to invade and occupy Australia?

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that into law. ... I then propose to put into the Parliament the changes in relation to the work and retirement issue, which we are going to put in hopefully in relation to this session. Then we have got to move beyond that.... We have got to move beyond that in so many of those other areas."

In his book *Civilising Global Capital*, Opposition leader Mark Latham echoes Costello's "new paradigm", in Latham's typical "Third Way" gobbledygook:

"Social democracy has normally tried to protect those citizens vulnerable to the changing nature of a market economy by boosting the level of public expenditure. It is clear, however, especially with the exposure of national economies to internationalisation, that this approach is now limited by the fiscal carrying capacity of the state.

"Devolution ... involves the replacement of vertical systems of state control with the possibilities of horizontal social capital.... Governments need to create room at the middle of society for the formation of self-governing mutual bodies. The devolution of public functions in health care, welfare and civil sector employment are well suited to this purpose."

Translated: We intend to slash health care, welfare and public employment.

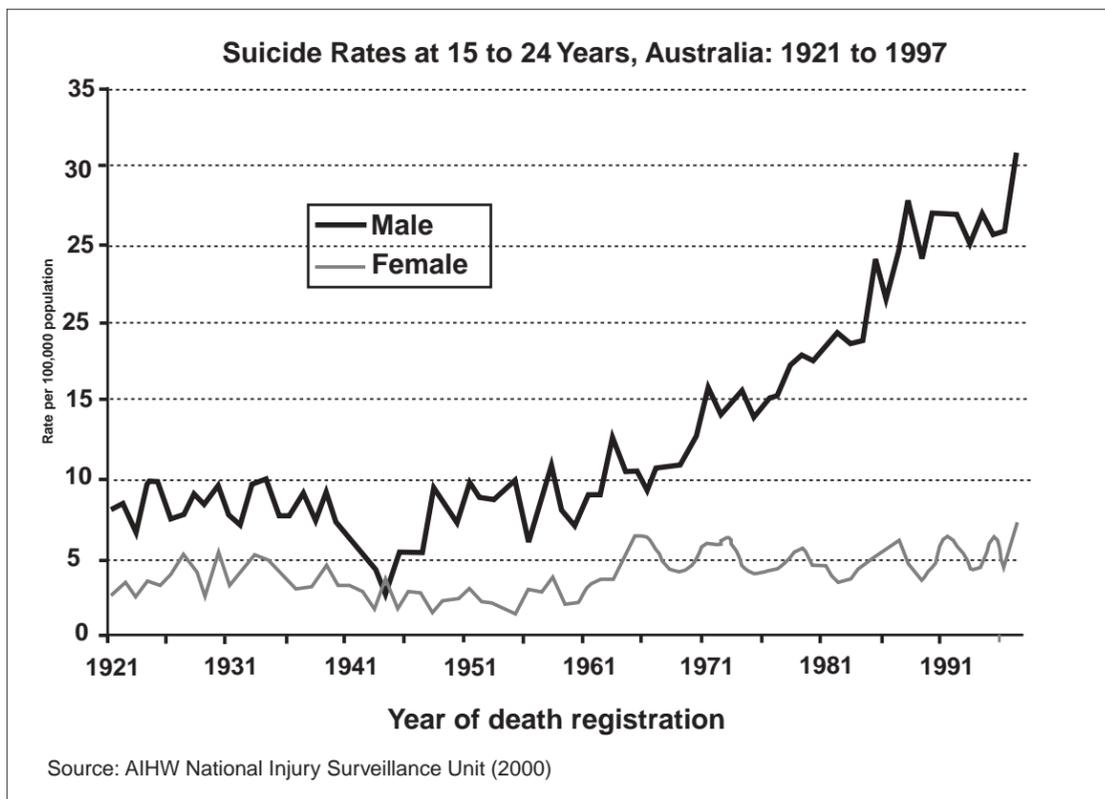
The Benefits of Mont Pelerin Policies

For two decades now, Mont Pelerin hacks such as Hawke, Keating, Howard, Costello and Latham have trumpeted the benefits of privatisation and globalisation. The ultimate goal of MPS fanatics is to have little or no government at all, as repeatedly stated by von Hayek, Lord Harris and other MPS luminaries. However, the purpose of government is precisely to provide the kind of large-scale or vital infrastructure which the private sector, by its very nature, is incapable of providing. Therefore, to champion "small government" or virtually none at all, lawfully results in the "benefits" noted below.

Youth suicide: Australia has one of the highest youth suicide rates in the world. Why? Because youth are much more sensitive to the direction of a society than their often more fossilised elders. If the directionality of a society is down, down, down, the first to sense that, are the youth. With few or only poorly paid jobs available, no sense of national mission ("nation building"), and no sense of optimism, the youth respond as could be predicted by anyone with half a brain: they kill themselves. And all the sociology studies and band-aids in the world will not alter that reality.

Homelessness: The most recent official government figures on homelessness come from the 1996 census and are therefore woefully outdated. However, already then 105,303 people were homeless. According to the Salvation Army, it is anticipated that the 2001 census could show an estimated 25 per cent increase in just the intervening five years. Take just two examples. Anglicare reported that during 2001-2002 they provided assistance to 95,000 homeless people, most of them youth, while St. Vincent de Paul in 1998 helped out 23,000 homeless at their Matthew Talbot hostel in Sydney; by 2002, that number had jumped to 43,000.

The median price of an established detached dwelling rose from \$148,000 in June 1993 to \$358,000 in June 2003. Potential



home-buyers are increasingly priced out of the housing market, and even from the highly-inflated rental market, as well. As far as public housing, a December 2003 report by the Australian Council of Social Services (ACOSS) reported that waiting lists for such housing have soared, and that "People can wait years for a secure home through public housing."

In Tasmania, the homeless are being given tents, "because of a serious shortage of support accommodation", according to ABC Tasmania. In Parliament on March 11, 2004, Mark Latham hypocritically raised the issue, stating that housing authorities in Hobart had to "dispense tents to the needy, to people with disabilities and mental illnesses. The \$1 billion cut-back in public housing by this government, with authorities and communities having to dispense tents to people in need—that is the shame."

Unemployment: As various commentators have noted, unemployment is at least double the official rate of 5.9 per cent. (ABS figures released mid March revealed the actual unemployment rate rises to a massive 15.9 per cent when those surveyed are asked if they are available for work within four weeks rather than immediately.) The average duration of unemployment has risen: in the 1970s it was 12 weeks; 41 weeks in the 1980s; and one year during the 1990s. Over the decade 1990-2000, the number of permanent full-time jobs fell by 51,000, but the number of much more poorly-paying casual jobs increased by 333,000. As the Brotherhood of St. Lawrence stated, "There are not enough jobs. There is currently only one job available in the economy for every six job seekers."

And many of those who have jobs, are "working poor", as revealed in a recent report by the ACTU, citing ABS research:

- * Over half a million working families were unable to pay electricity or phone bills.

- * 60,000 were unable to afford food.

- * 36,000 were unable to heat their homes.

- * 95,000 were forced to pawn or sell something because they were short of cash.

- * The big rise in the number of working poor is due to the increasing proportion of casual and low paid jobs.

- * More than one in four (27.3

per cent) or 2.2 million working Australians are casual workers.

- * The number of men casually employed has soared by 142 per cent in the past decade.

- * Nine in ten jobs (87 per cent) created in the 1990s paid less than \$26,000 a year.

The ACTU is currently lobbying for a \$26.60 a week increase in award pay rates, which would lift the minimum wage from \$11.80 to \$12.50 per hour, or increase the full time minimum wage from \$448.40 per week to \$475. Award workers represent 21 per cent of the workforce and nearly all work in hospitality, retail or health and community services. Howard and Latham's Centre for Independent Studies not only fiercely opposes the raise, but wants to slash the minimum wage. CIS Policy Analyst Dr. Kayoko Tsumori, recently wrote in his paper, "Poor Laws (2) The Minimum Wage and Unemployment":

"Counterintuitive as it may sound, it is a decrease not an increase in the minimum wage that will help marginal labour market participants.... Continuous economic growth does not necessarily provide a sound basis for a continuous upward adjustment of the minimum wage.... At the end of the day, low-wage jobs are better than no jobs at all."

Education: Melbourne University (along with many others around the country) plans to increase students HECS fees by 25 per cent, the maximum allowed under the Government's higher education reform package. This is due to a "failure of the Government to provide adequate levels of funding", according to a leaked university document.

High school graduates faced with paying thousands of dollars in university fees or committing to a debt the size of a home mortgage, will abandon the idea of going to university. The students who give up are likely to be the ones who are already disadvantaged. TAFE placements are also being affected with more than 60,000 students to be turned away this year. In South Australia alone, some 3900 applicants missed out on a place in TAFE this year.

Physical Infrastructure: There is well over a \$100 billion infrastructure deficit at present, just in the funds required to replace existing dilapidated roads, rail lines, power stations, etc., let alone constructing anything new. The rash

of BOOT ("build, own, operate, transfer") schemes pushed by such as Macquarie Bank are highly overpriced, and a drop in the bucket compared to what is actually required.

Health: Australia has a systemic crisis across all sections of health care, of which the following figures and anecdotes are only symptomatic. The basic problem is too little funding, which means too few doctors and nurses, and too few facilities. Thus, the whole system is stretched well beyond its limits. That reality, which surfaces from time to time in newspaper reports, would be much more obvious, were there not intense pressure upon doctors and nurses not to speak out about horrendous working conditions and dangerously inadequate levels of patient care.

For instance in November 2003, *60 Minutes* ran the story of three NSW nurses who should have been hailed as heroines, but had been branded as villains: they refused to stand by and watch their patients die needlessly. They exposed a cover-up of a shameful level of patient neglect, which ultimately cost them their careers. But, for once the truth proved to be a powerful weapon, and more than 100 claims of mismanagement, negligence and patient neglect were investigated by the Health Care Complaints Commission (HCCC).

The 10-month investigation found that between 1999 and 2003 at least 17 patients at Camden and Campbelltown hospitals died as a result of "unsafe, inadequate or questionable care". The findings also suggested that more than 60 per cent of patients whose treatment was scrutinised were subjected to "unsafe standards" of hospital care. However, AMA NSW president Choong Siew-Yong charged on April 1st that the report did not address the main problem: "chronic underfunding".

As many as 140,000 documented medication errors happen in Australian hospitals each year. The head of the Australian Council for Safety and Quality in Health Care, Bruce Barraclough, said drug errors accounted for a fifth of all mistakes in the health care system, costing public hospitals \$380 million a year. In August 2003, *The Age* revealed that 16 patients died and nearly a dozen were injured by hospital medical errors in Victoria alone, last financial year,



Treasurer Peter Costello—a bankers' boy whose Schachtian policies are killing our youth.

some due to incorrect medication. Professor Barraclough said that individual doctors and nurses were rarely to blame: "They might be overstretched, understaffed. It's a system issue."

According to a report issued in August 2001 by the Royal Australian College of Radiologists and the Australian Institute of Radiology, up to 10,000 cancer patients died prematurely or suffered unnecessary pain in 2000, due to staff and equipment shortages.

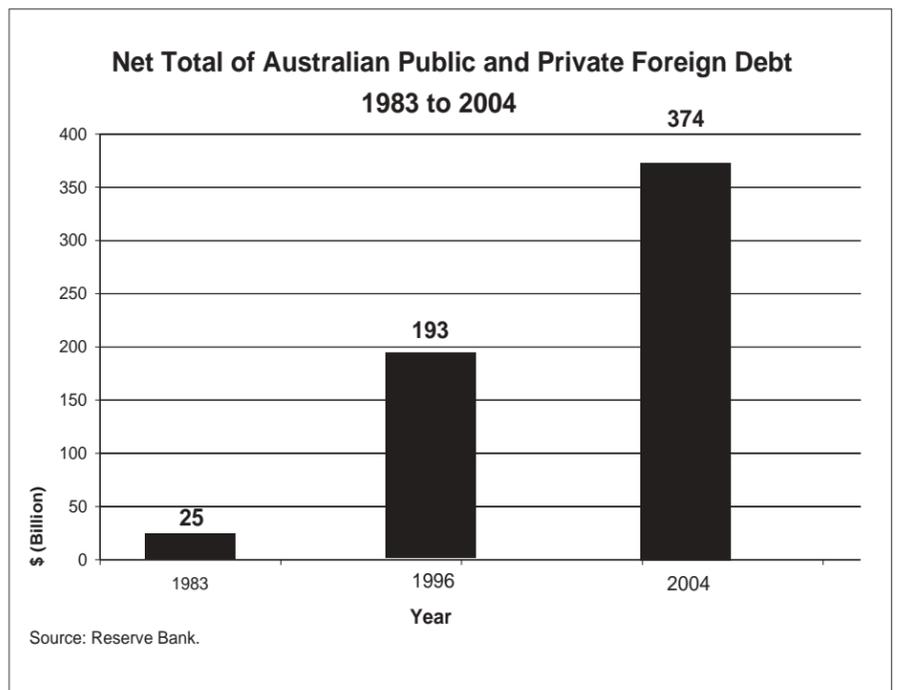
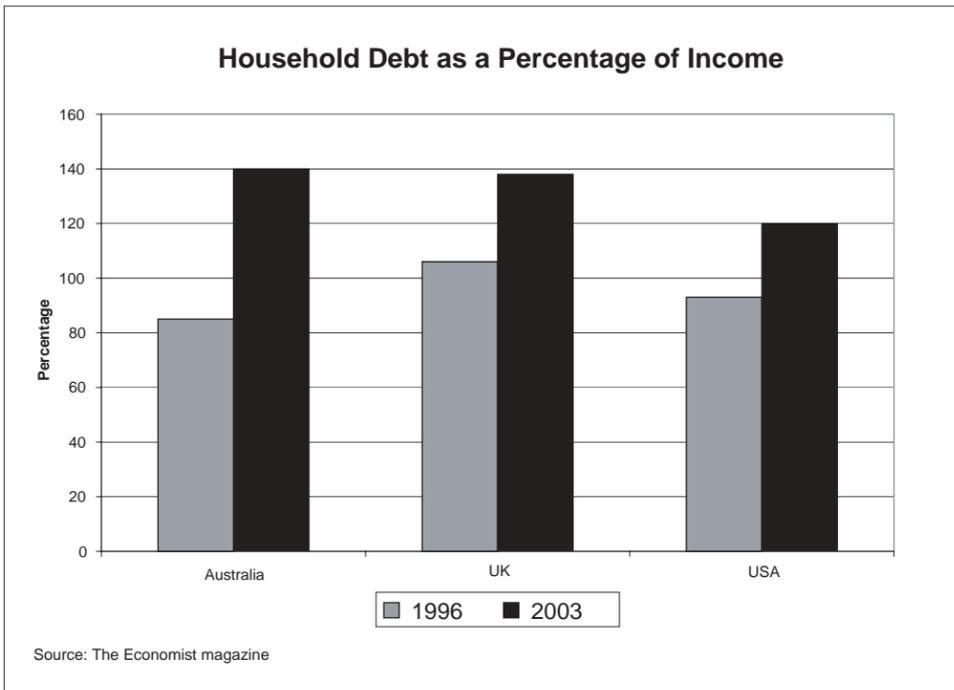
In Victoria late last year, community outrage forced the State Government to pledge an extra \$6 million to fix "barbaric" conditions for tiny cancer patients at the Royal Children's Hospital. Oncology department head Prof. David Ashley confirmed the cancer ward was overcrowded, with not enough beds, up to four families sharing a single room and 17 sharing a bathroom. Other sections of the hospital were just as bad.

Waiting lists are notoriously blown out. The NSW Government has recently committed an extra \$20 million to be spent this financial year to carry out an additional 3,000 procedures. The number of people in NSW waiting more than a year for surgery is now over 7,000, a 200 per cent increase since the Government came into office. In Victoria, total waiting lists increased by almost 1000 in the June quarter of 2003, to 38,640, and patients waiting on hospital trolleys in emergency departments for more than 12 hours, rose to 5170.

The situation will only get worse, as the medical indemnity crisis of 2003 saw a "tidal wave" of resignations by doctors and specialists across three states, with only some of them returning to work once the immediate crisis was addressed. And, according to a Commonwealth Dept of Education, Science and Training report, by the year 2010 Australia will have a shortage of 40,000 nurses. The Australian Council of Deans of Nursing reported in May 2003 that "if qualified nurses keep leaving the profession at the current rate, an increase in graduate nurse supply of 25 per cent by 2005 and 50 per cent by 2006 will be required to meet demand. It is most dire in NSW which will have only 47 per cent of the nurses they need within three years."

And, since the government has refused to reimburse doctors sufficiently, bulk-billing has collapsed from 80 per cent down to the mid-sixties per cent, meaning many veterans, elderly patients or other poor people can not afford to see a doctor when they need to, and numerous medical clinics and practitioners are rapidly going broke. The *Herald Sun* reported on Sept. 1, 2003, that "Sick veterans and war widows are being forced to

Economic Rationalism: The New Name For Schachtian Economics



From Page 15

shop for doctors as GPs refuse to honour their Gold Cards because of the bulk-billing crisis. Scores of elderly ex-Diggers in country Victoria and thousands nationally have been refused non-fee treatment by doctors, who insist the extra \$3 for seeing war veterans on top of the Medicare fee is not financially viable."

A late 2003 report, commissioned by the Australian Consumers Association (ACA), found the poorest 10 per cent of federal electorates, with an average income of \$27,116, have the lowest bulk-billing rates, at 53.6 per cent. Electorates with an average income of \$33,145—the fourth-richest income bracket—had the highest bulk-billing rate, at 79.1 per cent. ACA health policy officer Martyn Goddard said, "the report showed people who were most in need of bulk-billing had the least access to it."

The bulk-billing crisis in turn has created a disaster for public emergency departments, to which patients turn when they cannot afford a doctor. For example, six thousand patients walked out of Monash Medical Centre's emergency department last year without seeing a doctor, a parliamentary committee was told. Southern Health staff said the average wait for non-urgent patients had blown out to five hours as hospital emergency departments became increasingly preferred to doctors who refused to bulk bill.

In the area of indigenous health, the estimated life expectancy of

indigenous people is an unconscionable 20 years below that of the total Australian population, and the median age of death is 53.

The crisis in mental health is less visible, but every bit as deadly. Ten years ago, Jason Bond, who suffered from a depressive illness, killed himself at age 20 after being discharged from a Melbourne hospital. His father Graeme wrote an article which appeared in *The Age* newspaper on March 17, 2004. After recounting the nightmare which led to his son's death, he summarised the more general crisis in mental health:

"In a recent letter to the Victorian Government, Dr. Peter Archer, director of emergency services at the Maroondah Hospital, re-ignited debate about the parlous state of mental health services in Victoria when he described how 13 patients admitted to that hospital had committed suicide in 13 months.

"He pointed to the inability of the facility to provide appropriate care for such patients due to a lack of psychiatric beds.

"In a letter to *The Age* on Feb 21, Patrick McGorry, professor of psychiatry at the University of Melbourne ... noted that suicide now kills the same number of people as road accidents.

"In Oct 2002 the Victorian auditor-general released the report *Mental Health Services for People in Crisis*. The statistics in the report are stark: 0 per cent of discharge plans met all the required standards; only 4 per cent of patient files met

audit standards; 0 per cent of individual service plans met all required standards; in only 6 per cent of cases was there evidence of carer collaboration in 'case closures'; carer psycho-education was absent in 98 per cent of files reviewed.

"One of the more bizarre amendments to the *Mental Health Act* implemented in 1995 was the removal of the whole of Section 7, which dealt with voluntary patients. Indeed, as far as the *Mental Health Act* is concerned, there is no such thing as a voluntary patient. They have ceased to exist. Along with the removal of voluntary patients went the right to appeal to the chief psychiatrist against being refused admittance to a public mental health facility.

"Dr. Archer said, 'It is only the fact that these patients have limited ability to access legal and complaints mechanisms that we are able to get away with the sub-humane care that they currently receive.'

"All admissions to the public mental health system are now as a result of assessment by a crisis and treatment (CAT) team attending a patient. A CAT team where I live is one person at the end of a phone outside of the hours of 9am and 7pm.

"When I last checked, the mental health region I live in had 25 acute beds for a population of 450,000.

"The needless deaths of many patients denied appropriate treatment is nothing less than euthanasia by neglect."

Graeme Bond's observations are consistent with the findings of the

1999 Report, "National Survey of Mental Health and Well-Being". Fourteen per cent of children and adolescents in Australia have mental health problems and only one out of every four young persons with mental health problems receives professional help. In the ACT alone, the suicide rate has been one a month for the past two years. And this includes only those patients who received treatment through the public health system. Almost one in ten people reported in the survey that they had a long term mental or behavioural problem and one in five (18 per cent) adults reported that in the previous two weeks they had used some medication for their mental well-being.

Household Debt: According to the *Economist* magazine ("A Global View of the Housing Boom and the Implications for Economies"), household debt as a percentage of average income in Australia rose to 140 per cent in 2003, from 85 per cent in 1996. This, too, reflects a collapse in living standards, since

people are forced to go ever deeper into debt just to cover necessities, or to attempt to maintain their previous standard of living.

Taxation: While housing, infrastructure, employment, and health care have plummeted, taxes have steadily risen. The latest Australian Bureau of Statistics (ABS) figures published April 1, 2004 reveal that Australians paid almost \$1600 each in GST alone last financial year, a 14 per cent increase on the previous year. The three levels of government took a total of \$237.5 billion in taxes or \$12,018 for each man, woman and child—an increase overall of 9.5 per cent in 2002-03. And Kenneth Davidson, columnist for *The Age*, cited figures on Nov. 20, 2003, to show that "the additional tax burden" since Howard/Costello took office in 1996, was an astonishing "\$2000 a year for every taxpayer." (Emphasis added.)

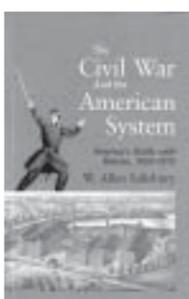
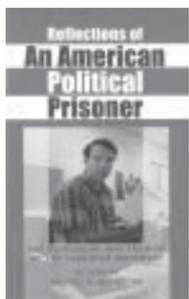
Where is all the money going? It is to pay the skyrocketing debt generated by the Mont Pelerin Society's economic rationalist policies.

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Special Report

Defeat the Synarchists— Fight for a National Bank



I. The Synarchy: A Fascist World Empire

In 1922, Count Richard Coudenhove-Kalergi launched the Pan-European Union at a founding convention in Vienna, attended by more than 6,000 delegates. The Count proclaimed that the only way to beat the rising “Bolshevist menace”, was to dissolve all the nation-states of Europe and establish a single feudal state, PanEuropa, modeled on the Roman and Napoleonic empires. Himself the descendant of an old Venetian family, the Count intended for the PanEuropa empire to be run by an aristocratic and financier elite.

The Count’s meeting was bankrolled by the Venetian-rooted European banking family, the Warburgs. Max Warburg, scion of the German branch of the family, gave Coudenhove-Kalergi 60,000 gold marks to hold the founding convention. Just a few years before, Max’s U.S.-based brother Paul had written the legislation for the establishment of a central bank for the United States, the Federal Reserve System. The first mass rally of the Pan-European Union in Berlin, at the German Parliament building, the Reichstag, was addressed by still another leading banker, Hjalmar Schacht. Former head of the German central bank, the Reichsbank, Schacht would become a chief architect of

Hitler’s rise to power, for which he had lobbied in the financial capitals of New York and London.

A decade later, in October 1932 in the midst of a deepening global financial depression, Schacht gave the keynote speech to another meeting of the Pan-European Union, in Berlin. Surveying the crowd of aristocrats and top businessmen before him, he proclaimed with confidence, “In three months, Hitler will be in power. ... Hitler will create PanEuropa. Only Hitler can create PanEuropa.”

Schacht’s forecast was most curious, coming when it did. The Nazis were on the eve of defeat in the German elections of November 1932, the party was almost bankrupt, and Hitler and other top Nazi officials were talking about committing suicide. But a cabal of London and New York bankers, led by Montagu Norman—governor of Britain’s central bank, the Bank of England—and including George W. Bush’s financier great-grandfather George Herbert “Bert” Walker of Brown Brothers Harriman, poured funds into the Nazis’ treasury. Hitler and his madmen came to power on the timetable Schacht had predicted, and the horrors of World War II and the Holocaust followed. Schacht joined the Nazi re-



Financier Max Warburg (l.), deputy head of Hitler’s central bank. His brother Paul co-founded the U.S. Federal Reserve. Max financed Count Richard Coudenhove-Kalergi’s (r.) Pan-European Union in the 1920s for the shared goal of replacing sovereign nation-states with a fascist “one-world empire.”



gime as head of the Reichsbank once again, where his most important early collaborator was Max Warburg. After World War II, Schacht was tried at Nuremberg for crimes against humanity, but his powerful friends among the international financial elite intervened to secure his freedom.

In the cases of PanEuropa and of the Nazis, aristocrats and financiers organized mass movements to overthrow elected governments and the very institution of the sovereign nation-state. A similar thing very nearly happened in Australia in the 1930s, and is the subject of this *New Citizen* Special Report.

The phenomenon exposed in all three cases, has

been known since the late 19th and early 20th Century as Synarchism, or the Synarchy. Its roots are in the late 18th Century, when the European financial oligarchy created secret societies and bankrolled Napoleon, in order to promote a world order of *Empire* against the prospect of a world of sovereign *republics based on the Common Good*, embodied in the 1789 Constitution of the United States of America. Today, as in times of crisis during the past two centuries, the Synarchy is once again on the march. U.S. Democratic Presidential pre-candidate Lyndon H. LaRouche, Jr. addressed the issue as follows, in an international Webcast on July 2, 2003.

Who Are the Synarchists?

“Now, let’s go back a bit, and say, ‘Who are these guys, these Synarchists?’ And it’s literally an organisation. Let me just tell you about it. I knew pretty much, back over the ‘60s and ‘70s, I knew what this organisation was—I knew it descriptively, but I didn’t have some of the fine points and details. And, as a by-product of my work with the Reagan Administration, in pushing my project which was known as SDI [Strategic Defense Initiative], certain papers were declassified and made available to me through the National Archives. I was told to get over to the National Archives, and pick up these papers which were being declassified, which were there for my edification.

“And, this was a collection of papers, dating from the early 1920s, until 1945, on a subject of investigations by, in the United States, U.S. military intelligence, wartime OSS [Office of Strategic Services, precursor of the CIA], and also French intelligence—French military intelligence and other branches of French intelligence. And this concerned a group, which was listed under the category ‘Synar-

chist/Nazi-Communist’. This is the group which was behind the Hitler project, behind the Mussolini project, and so forth. A group which was assembled in that form, in about 1920, at the end of World War I. This is the group.

“Now, this group has two levels: It has a political level of agents, and people like Cheney, the followers of Leo Strauss, the so-called neo-conservatives in the United States, today—whether in the Republican Party or in the leadership of the Democratic Party. The DLC [Democratic Leadership Council], for example—are Synarchists, of this category, U.S. official category: ‘Synarchist/Nazi-Communist’, dating from the 1920s, 1930s, 1940s. They still exist.

“Behind the people like the Cheneyes and so forth, who are the tools of this group, are groups of bankers, financial interests, dating back from the 14th-Century *fondi* of the famous Lombard bankers, that caused the crisis of that period. These small groups of people, faced with a financial crisis, and with great power leverage from behind



Leo Strauss, (Top) protégé of Hitler’s jurist Carl Schmitt, was the mentor of the “neocon” grouping around Vice President Dick Cheney (Bottom), now running the USA through their puppet, President George W. Bush. The Sept. 11, 2001 attacks were orchestrated by Cheney’s financier backers as a modern Reichstag Fire—a pretext for a police state under the guise of “fighting terrorism”. Photo: WTC; AP Photo/Moshe Bursuker

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Defeat the Synarchists—Fight for a National Bank

the scenes, will say, that in a crisis of this type, such as the Versailles system collapse, or the present collapse, that they know that governments, pressed, will tend, under pressure of the people, to take measures which are consistent with the general welfare of the people and the sovereignty of nations. Therefore, they say, 'we have to prevent that'. *And the way to prevent that, is to install a dictatorship, which will control the situation, under those kinds of financial conditions.*

"That was the case in 1928-1933. That is the case today. Small groups of financier interests—and I know many of them by name, and they're in New York and elsewhere, today—the same groups, that were behind the Hitler campaign then. And these are the groups whom the neo-cons [neo-conservatives] represent.

"So the problem is the issue of this correlation between financial-monetary crisis, and war and fascism, or things like fascism. And every time we get into a crisis, in the 20th Century or now, these groups begin to move in that direction. The idea of setting up a dictatorship and going to war, as a way of controlling a situation, to make sure that governments do not emerge which will make the reforms, which might hurt the perceived interests of certain financier groups. And, that's what we face, today."

As the world's leading economist for the past several decades, LaRouche has highlighted the danger that the financier oligarchy will orchestrate coups and wars, in an attempt to maintain control over governments under depression conditions. In an earlier Webcast on January 3, 2001—nine months before the Sept. 11, 2001 attacks on the Twin Towers and the Pentagon—he had forecast that this oligarchy would bring about an atrocity:

"We're going into a period in which either we do the kinds of things I indicated in summary to you today [urgent economic reforms], or else, what you're going to have, is not a government. You're going to have something like a Nazi regime. Maybe not

initially at the surface. What you're going to have is a government which cannot pass legislation, meaningful legislation. How does a government which cannot pass meaningful legislation, under conditions of crisis, govern? They govern, in every case in known history, by what's known as *crisis management*.

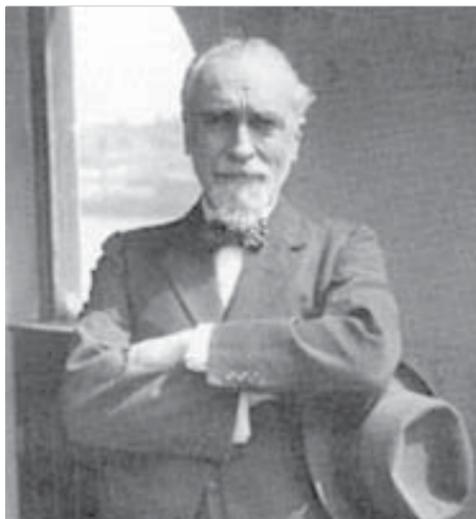
"In other words, just like the Reichstag fire in Germany [set by the Nazis]. How did that happen? ... On the basis of a provocation—that is, crisis management—they rammed through the *Notverordnung* [emergency decree], which established Hitler as dictator of Germany.

"What you're going to get with a frustrated Bush Administration, if it's determined to prevent itself from being opposed—its will—you're going to get crisis management. Where members of the Special Warfare types, of the Secret Government, the secret police teams, and so forth, will set off provocations, which will be used to bring about dictatorial powers and emotion, in the name of crisis management.

"You will have small wars set off in various parts of the world, which the Bush Administration will respond to, with crisis-management methods of provocation. That's what you'll get. And that's what the problem is, and you have to face that. You've got to control this process now, while you still have the power to do so. Don't be like the dumb Germans, who, after Hitler was appointed to the Chancellorship, in January 1933, sat back and said, 'No, we're going to defeat him at the next election.' There was never a next election—there was just this '*Ja-wohl*,' for Hitler as dictator. Because the *Notverordnung* of February 1933, *eliminated* the political factor."

The "war against terror", with its declaration of the right to "pre-emptive strikes"—including nuclear pre-emptive strikes—and the establishment of domestic police states—has replaced the "Bolshevist menace" of the 1920s, 1930s and the Cold War, but the game is the same.

Among the thousands of documents obtained by *EIR* News Serv-



Lord Montagu Norman, Governor of the Bank of England 1920-1944, wanted central bankers to run the world. He financed Hitler, and smashed Australia's sovereignty during the Depression. Right: Bank of England.
Photo: AP Photo/ Alaster Grant



ice from the U.S. wartime archives, which LaRouche referred to, was an 18-page French military intelligence report dated July 1941, summarizing a 100-page dossier on the French Synarchist groups. The report provided a brief history of the Synarchist Movement of Empire (SME) and related bodies:

"The Synarchist movement is an international movement born after the Versailles Treaty, which was financed and directed by certain financial groups belonging to the top international banking community. Its aim is essentially to overthrow in every country, where they exist, the parliamentary regimes which are considered insufficiently devoted to the interests of these groups and, therefore, too difficult to control because of the number of persons required to control them.

"SME proposes therefore to replace them by authoritarian regimes more docile and more easily maneuverable. Power would be concentrated in the hands of the CEOs of industry and in designated representatives of chosen banking groups for each country. In a word, the idea is to give to each country a political constitution and an appropriate national economic structure organized for the following purposes:

"1. Place the political power directly into the hands of chosen people and eliminate all intermediaries. 2. Establish a maximum concentration of industries and suppress all unwarranted competition. 3. Establish an absolute control of prices of all goods (raw materials, semi-finished or finished goods). 4. Create judicial and social institutions that would prevent all extremes of action."

The dossier reported that, following failed Synarchist insurrections in 1934 and 1937, the SME had infiltrated all the economic and related ministries of the French government, conducted sabotage from within the regime, and set the basis for the Nazi-collaborationist Vichy government of 1940, which was dominated, from top to bottom, by Synarchist secret society members. The report named 40 top officials of the government of Marshal Henri Philippe Petain, who were all SME members.

The dossier repeatedly emphasized, however, that the French SME was but one component of an international Synarchist apparatus, "organized and financed in all countries by certain elements of industrial CEOs and high banking circles. Its objective on the international level is to subvert all of the democratic regimes in the

world, and replace them with stronger governments, more docile and whose leaders of command in each nation are centralised in the hands of a number of affiliates belonging to big business and international banking interests which coordinate their activities around the world." In France, under the Vichy regime, noted the dossier, "the main administrations of the country, have become the arms of Banque Worms whose administrative council controls all of the top administrators of the state." The "Banque Worms group" was closely allied with the Lazard banking interests in Paris, London, and New York, and with Royal Dutch Shell's Sir Henri Deterding. Hippolyte Worms, the bank's founder, was one of 12 initial Synarchist Movement of Empire (SME) members, according to other French police and intelligence reports.

The pivotal role of Schacht in the Hitler coup and in the Pan-European Union, and the role of Banque Worms in the pro-Nazi Vichy regime in France, exemplify the most critical dimension of Synarchism's attempts to establish a universal fascist world order: the top-down authority of the financial "overworld" and its banking technocrats. By all historical accounts, Schacht and the Bank of England's Montagu Norman were the architects, in 1930, of the Bank for International Settlements (BIS). Historian Carroll Quigley, in his epic book, *Tragedy and Hope. A History of the World in Our Time* (New York: MacMillan Company, 1966), described the BIS scheme to establish a dictatorship over world finance, and thus over world politics:

"The powers of financial capital had another far-reaching aim, nothing less than to create a world system of financial control in private hands able to dominate the political system of each country and the economy of the world as a whole. This system was to be controlled in a feudal fashion by the central banks of the world acting in concert, by secret agreements arrived at in frequent private meetings and conferences. The apex of the system was to be the Bank for International Settlements in Basle, Switzerland, a private bank owned and controlled by the world's central banks which were themselves private corporations. Each central bank, in the hands of men like Montagu Norman of the Bank of England, Benjamin Strong of the New York Federal Reserve Bank, Charles Rist of the Bank of France, and Hjalmar Schacht of the Reichsbank, sought to dominate its government by its ability to control Treasury loans, to

manipulate foreign exchanges, to influence the level of economic activity in the country, and to influence cooperative politicians by subsequent economic rewards in the business world."

From his own standpoint as former Treasurer and then Premier of New South Wales, Australian patriot Jack Lang developed a highly informed view of this system. In his book, *The Great Bust*, about the attempts of Australians to secure human living conditions for themselves during the 1930s Depression, Lang noted that World War I had either given rise to, or strengthened, national banks (as opposed to private financier-controlled central banks) in Australia, Canada, South Africa and elsewhere in the British Empire, and that these institutions were becoming a mortal threat to the City of London's dominance in world finance.

"Basically it was a problem of banking. Some formula had to be devised which would enable such local institutions as the Commonwealth Bank of Australia to be drawn into the City of London's net. The financial experts studied the problem deeply. Out of their deliberations emerged the plan to centralise the control of all banking throughout the Empire by channeling it directly into the supervision of the Bank of England.

"The Bank of England was to become the super Bankers' Bank. The Commonwealth Bank of Australia was to be responsible for the local administration of Bank of England policy. It was to be the junior Bankers' Bank. The first step was to take control of the Note Issue Department away from the Treasury and hand it to the Commonwealth Bank, as was the case in Britain. The Commonwealth Bank thus obtained a monopoly over the note issue, and if this could in turn be controlled, the effective currency pool of the country could be operated like a bathroom tap, to be either allowed to run free or turned off entirely.

"The Bank of England took up the idea of Empire control most enthusiastically. It was even decided to aim at a World Bank, to be run by the League of Nations, which would direct the credit of the world. The grand idea was that one single Board of Directors would make the decisions which would determine the economic policy of the world. The bankers were to be the supreme rulers. Naturally, the Governor of the Bank of England expected to be at the apex of the system.

"If, for example, the Bank of

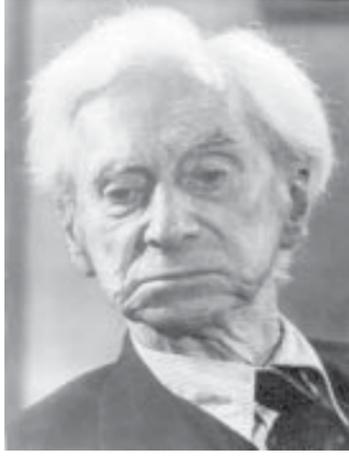


On February 27, 1933, the Nazis set the Reichstag (Parliament) building on fire. They claimed the communists had done it, and used it as their excuse to seize power under "Emergency Laws" almost identical to those passed in recent years under John Howard.

Defeat the Synarchists—Fight for a National Bank

England could control the Commonwealth Bank of Australia there should be *no impediment in the way of controlling the Government* of the country as well. ...The death of [Sir Denison] Miller [head of the Commonwealth Bank] removed at a critical moment the one man capable of defending the citadel of Australian financial independence." (Emphasis added.)

The control over governments was the crucial issue, because in periods of great financial crisis, popularly-elected governments will tend to respond, as Jack Lang did in Australia in the 1930s, by implementing measures for the Common Good, ahead of the "pound of flesh" demanded by financiers. Using the bogeyman of "communism" or "terrorism"—bogeymen created by the financiers themselves—the financial oligarchy sponsors fascist movements. For example, the same Montagu Norman who financed the "anti-Bolshevist" Hitler, had earlier arranged for the Bank of England to act as financial agent for the young Soviet government, almost immediately after the 1917 Bolshevik Revolution. The British intelligence services played a crucial role in overthrowing the Tsar and bringing the Bolsheviks to power. These aristocrats and financiers have been unabashed in proclaiming their desire for a brutal one-world dictatorship, sometimes under the guise of "avoiding thermonuclear extinction", as in the writings of Lord Bertrand Russell and his plebeian henchman H.G. Wells. The great pacifist Russell's idea was *not* to avoid nuclear war, but to establish a world dictatorship, for which reason he proposed in the 1946 *Bulletin of Atomic Scientists* that the U.S. launch nuclear war against its wartime ally, the Soviet Union, before the Soviets developed "the bomb". One of Russell's cronies,



Lord Bertrand Russell (l.) and British intelligence figure Arnold Toynbee (second from left), two fanatical devotees of Synarchist world rule. During World War II, the uneasy allies British PM Winston Churchill (second from right) and



Arnold Toynbee, who was a former head of British foreign intelligence and strategist for the Royal Institute for International Affairs (the Round Table group), expressed their goals in the 1960s, not long after the terrifying 1962 Cuban Missiles Crisis:

"If we are to save ourselves [from thermonuclear extinction], we shall certainly have to resign ourselves to submitting to a number of political and economic changes that will be highly unpalatable and disagreeable to most people. For instance, sovereign independence of this planet's 140 local states will have to be subordinated to a world government which will have to be equipped with effective power to stop the local states from going to war with each other any longer. ... Can these necessary reforms be carried out by any regime that is not armed with dictatorial powers? I believe that this is the really big political question that confronts us now...."

"It is most unlikely, I fear, that it [the worldwide state] will be established by the will, or even with the acquiescence, of the

majority of mankind. It seems to me likely to be imposed on the majority by a ruthless, efficient, and fanatical minority, inspired by some ideology or religion. I guess that mankind will acquiesce in a harsh Leninian kind of dictatorship as a lesser evil than self-extermination or than a continuing anarchy which could only end in self-extermination...."

"The case of the Vichy regime in France during the years 1940-45 shows that, even in a country in which the national consciousness is as strong as it is in France, national interests may be subordinated to class interests by the rich. If the Axis had won the Second World War and if Hitler's Third Reich had survived, I think there would have been a conspiracy between the German Nazis on the one hand and the 'Vichysois' and the 'Quislings' in Germany's satellites on the other to hold down the masses in all the countries under Nazi Germany's domination. I could imagine a conspiracy of this kind on a world-wide scale."

The Synarchists came very close to establishing their dream of a one-world fascist empire through their Hitler project. LaRouche described the situation in an August 29, 2003 article in *Executive Intelligence Review*, "McAuliffe's Deadly Delusions: or, How Harry Truman Defeated Himself":

"The chief external enemy which a recovering U.S. economy faced during the entire sweep of 1932-1945, was a legacy of the French Revolution and Napoleon Bonaparte which became notorious, during the period following the First World War, as the Synarchist International. This was the same Synarchist International, controlling important private banking houses on both sides of the Atlantic, which had put Adolf Hitler into power in 1933.

"Consequently, by the time of the British flight from Dunkirk, in 1940, Roosevelt was faced with the following global threat to the U.S.A. itself. That global threat came from an organization known then as that same Synarchist International which had not only created and installed Hitler in Germany, but had put Mussolini in power in Italy earlier, had created the fascist Franco regime in Spain, and had created a network of smaller, but nonetheless incredibly nasty similar tyrannies elsewhere. In 1940, these Synarchists were about to establish fascist regimes in Laval's and Vichy France. This included a network, run from Nazi Party headquarters in Berlin, through fascist channels in Spain, directing the anti-U.S.A. Synarchist organizations of Mexico and South America, the



U.S. President Franklin Delano Roosevelt (r.) defeated the Synarchists' scheme for a fascist world imperium. Photo: Churchill AP Photo



ones impatient to be rid of Pope John Paul II today.

"On the occasion of the Dunkirk incident [when the 300,000-plus British Expeditionary Force was facing annihilation at Dunkirk], British Prime Minister Winston Churchill appealed to President Franklin Roosevelt. He emphasized that the Nazi leadership in Germany was at work with the Nazi sympathizers among the leading aristocratic circles of Britain, to the purpose of bringing Britain into an alliance with the fascists of Italy, Spain, and France. The Laval and Vichy governments which emerged during that period, were products of the Nazi coalition known as the Synarchist International. Such a development would create a combined power in Europe exceeding any other, and including the combined navies of Britain, France, Germany, Italy, and Japan. The conquest of the targeted Soviet Union would thus be the final step toward consolidating a power capable of, and intent upon crushing Franklin Roosevelt's U.S.A.

"Roosevelt and Churchill acted in time."

The alliance between Churchill and Roosevelt was notoriously difficult, given that Churchill was opposed to the Nazis because he wanted to preserve a world-ruling British Empire (as opposed to submitting to a Nazi empire), while FDR intended to establish a world of sovereign nation-states, free of all colonial empires. Moreover, the FDR-Churchill alliance that saved the world almost didn't happen, because powerful circles of the British aristocracy and the City of London were willing to make a deal with Hitler. The pro-Nazi British press magnate, Lord Beaverbrook, was scheming to replace Churchill as prime minister with an appeaser of the Nazis, which would have ensured the Synarchist dream of Nazi world-rule. One of the options Beaverbrook promoted to replace Churchill, was none other than the Hitler and Mussolini enthusiast, Australian Prime Minister Robert Menzies!

The Beast-man

Synarchism is ultimately based on the attempt to turn man into a beast, by violating and suppressing the natural creative powers of the human soul, created in the image of the Creator Himself. If men and women can be turned into beasts, either through the use of terror, or, as in the Roman empire or today's mass media and entertainment, through "bread and circuses", they can be ruled as beasts. Thus, the Synarchists inevitably turn to "beast-men" such as Hitler, and to mass terror, to consolidate their rule. LaRouche explained this concept of the "Beast-man" and the

use of terror, in a Sept. 1, 2003 speech:

"Synarchism is the idea of the rogue, the anti-human rogue, who is considered the Superman, because he's capable of evil, which normal human beings are not capable of doing. Even very naughty ones.

"And therefore, they said, what we have to do to stop the American Revolution, 'We have to turn the rogues loose. We have to have an instrument, a cult,' such as the Martinist cult—which was pulled together by these people, taking the worst features of 16th-Century Spain under the Hapsburgs, like Philip II, which was a precedent for them.

"Remember that the Hapsburg accession in Spain was used to produce an instrument, to destroy civilisation, and this continued through the Netherlands war, it continued through the Thirty Years' War. This was an instrument for destroying civilisation. As Schiller describes it, men did not fight war as man against man, but as beast against beast. It was a cult of bestiality, and Spanish culture under Philip II and Philip III, was a culture of bestiality.

"Europe under the Hapsburgs generally, was a culture of bestiality.

"So, when it came to the time of the French Revolution, the British had already understood this, from an Anglo-Dutch liberal standpoint, which is another form of Satanism. And by their instinct for Satanism, as typified by Francis Bacon, or Hobbes, or Locke, or Mandeville, they applied that to the situation, and said, 'How can we create a Phrygian cult of Dionysius, to destroy civilisation? To prevent the American Revolution, which was then about overwhelming Europe with optimism, how do we defeat it? We turn men into beasts.'

"And the same thing happened recently. The [Cuban] Missile Crisis, for example. The Missile Crisis was modelled upon the dropping of bombs on Hiroshima and Nagasaki. And even without the nuclear bombs, it was already done in the fire-bombing of Tokyo, before the nuclear weapons were dropped. It was done in the bombing of civilian populations, under the direction of [Churchill's Scientific Adviser] Lindemann and Bomber Harris, in the last phase of the war in Europe.

"This was Satanic! Just as Hitler's killing of the Jews was an act of deliberate Satanic bestiality. The act was to commit a crime so great, that the German people could never turn against Hitler, for fear they would be punished for Hitler's crimes.

"There was no reason, as I said

A Short Definition of Synarchism

"Synarchism" is a name adopted during the Twentieth Century for an occult freemasonic sect, known as the Martinists, based on worship of the tradition of the Emperor Napoleon Bonaparte. During the interval from the early 1920s through 1945, it was officially classed by U.S.A. and other nations' intelligence services under the file name of "Synarchism: Nazi/Communist," so defined because of its deploying simultaneously both ostensibly opposing pro-communist and extreme right-wing forces for encirclement of a targeted government. Twentieth-Century and later fascist movements, like most terrorist movements, are all Synarchist creations.

Synarchism was the central feature of the organization of the fascist governments of Italy, Germany, Spain, and Vichy and Laval France, during that period, and was also spread as a Spanish channel of the Nazi Party, through Mexico, throughout Central and South America. The PAN party of Mexico was born as an outgrowth of this infiltration. It is typified by the followers of the late Leo Strauss and Alexandre Kojeve today.

This occult freemasonic conspiracy, is found among both nominally left-wing and also extreme right-wing factions such as the editorial board of the *Wall Street Journal*, the Mont Pelerin Society, and American Enterprise Institute and Hudson Institute, and the so-called integrist far right inside the Catholic clergy. The underlying authority behind these cults is a contemporary network of private banks of that medieval Venetian model known as *fondi*. The Synarchist Banque Worms conspiracy of the wartime 1940s, is merely typical of the role of such banking interests operating behind sundry fascist governments of that period.

The Synarchists originated in fact among the immediate circles of Napoleon Bonaparte; veteran officers of Napoleon's campaigns spread the cult's practice around the world. G.W.F. Hegel, a passionate admirer of Bonaparte's image as Emperor, was the first to supply a fascist historical doctrine of the state. Nietzsche's writings supplied Hegel's theory the added doctrine of the beast-man-created Dionysiac terror of Twentieth-Century fascist movements and regimes. The most notable fascist ideologues of post-World War II academia are Chicago University's Leo Strauss, who was the inspiration of today's U.S. neo-conservative ideologues, and Strauss' Paris co-thinker Alexandre Kojeve.

—Lyndon H. LaRouche, Jr.

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here, there was no reason for it! No German reason for what was done to the Jews in Germany, or Eastern Europe! None!

“German history, from the 18th and 19th Century, said, this is not Germany’s interest. The rise of Germany as a power, was associated with the process which led to the political rights of citizenship for the Jew. Which the Jew richly rewarded Germany for. And Eastern Europe was rewarded for. The legacy of Moses Mendelssohn. It was in German interest, from the standpoint of science, medicine, and so forth, to promote and defend that precious part of its society, the Jewish community, which are just Germans, or Poles, they were really Poles. Russians were really Russians. To defend that. By taking a section of society which was good, which typified good. Like the political liberation of the Jew, was good. It was a response against the legacy of the Hapsburgs, or 1492, or 1609. An affirmation of humanity.

“And so the Nazis took this affirmation of humanity, and under the influence of a *bastard*, Richard Wagner, picked out the Jew, in Wagner’s terms, as an object of destruction, to do something to the human race, so horrible that humanity could not turn back to humanity again. That was the intention.

“That was the intention of the French Revolution. That was the intention of unleashing Napoleon on Europe. That was the intention of what was done at the Congress of Vienna, or the sexual congress of Vienna, more fairly described. That was what was done with Napoleon III. That was what was done with the Mazzini operation throughout Europe, of which Wagner was a part. The bomber. He bombed on the streets, and then he went to bomb on the musical stage.

“So, this is the problem. It’s a deeply embedded historical problem, of the idea that the man who has power, who can terrify a people into submission, so they

will admire him, and kiss his feet, because they’re so afraid of him, that they love him. He’s so terrible. He’s like Freddie, in ‘Friday the 13th’. That’s what the image is. That’s what Freddie is: a monster so terrible, that people admire him. They’re fascinated with him.

“Why is the ‘Friday the 13th’ film so popular? Because of a Satanic impulse in the population, a Satanic impulse to worship the Beast-man, the man so terrible.

“That’s what Arnie Schwarzenegger is. Arnie Schwarzenegger is a Dionysian creature, the Beast-man, the high-paid freak show. Both in the gym and elsewhere.

“So, what we face today, to understand what has happened to the population of the United States that came back from the war, and the population of the United States which came out of the experience of the Kennedy assassination, you have to look again, at the bankers, the Synar-

chist bankers, as they were called in the last century, who were behind Hitler, who were behind the tradition of the French Revolution, these bankers deployed: first, the nuclear weapons, the bombing of Hiroshima and Nagasaki. The committing of a crime against the people of Europe, comparable to what Hitler did to the Jews, the terror bombing of Western Europe in the closing period of the war, culminating with the firebombing of Tokyo. Culminating in the dropping of the nuclear weapons which, in the interest of Bertrand Russell, a great peace-lover, started the Age of Terror.

“These events were considered by the Synarchists, and their philosophers, as the beginning of the end of history. This was called the Age of Dionysus! This was the characteristic feature of the youth culture, of the late 1960s and beyond. This is the basis for the so-called environmentalist movement. It’s Dionysian! It is Satanic! It’s not popu-

lar opinion, it’s Satan’s opinion. And people who are afraid of Satan, worship him.

“And that’s the principle here. “So, therefore, what happened to us, is Satanism, in these forms. First, the closing period of World War II, when the horror of what Hitler had done was *emulated* by the firebombing and so forth of Europe and Japan. *Emulated* by the attempt to prolong the war, so as to have the opportunity to obliterate Berlin with a nuclear attack. And when Germany surrendered, they couldn’t do that any more. Then, I don’t know about now, but then, you didn’t drop nuclear weapons on conquered populations.

“So, they dropped them on Japan instead. Why? Because of Japan? No. For the same reason that Hitler did what he did to the Jews. To commit a Dionysian act so horrible, that the world would kiss the feet of this Satanic perpetrator.

“It happened to us twice in the United States. It happened to us

The Synarchist Beast-men

Who are the Beast-men? In history, look at the cruelty of the Roman Emperors. Look at dictators, who win popularity by intimidation. Look into the minds of those who ordered nuclear bombs dropped on Japan in 1945. Look, today, into the minds of those who unleashed 9/11, or the Bali bombing, or the train

Joseph de Maistre

The Synarchy’s systematic use of terror, in conscious imitation of the horrors of the Spanish Inquisition, begins in its modern form with the mass beheadings and bloodlettings of the 1789 French Revolution. The chief theoretician of that revolution was the nobleman Joseph de Maistre, a leader in the Martinist freemasonic lodge in Lyons, France, whose activities were sponsored by British East India Company head Lord Shelburne. Many of the Jacobins, who ran the guillotines and set out to systematically kill the cream of France’s republicans and scientists, were followers of Maistre. Napoleon was one of those “left-wing” Jacobins, who soon emerged as dictator over much of

bombings in Spain in March 2004. And look into the minds of those in Australia who, ostensibly in “response” to these events, authorise breaking down the doors of innocent people at night or establish concentration camps in the desert, where even children are systematically brutalised. Such terror campaigns

target immigrants, but they are implicitly directed against all Australians.

The first two Beast-men profiled here, Joseph de Maistre and Donoso Cortes, were leading “theoreticians” of the genre, who directly influenced the Nazis. Then there are two practitioners: Hitler himself, and his admirer

Arnold Schwarzenegger.

This same sort of Beast-man personality emerged in the 1930s in Australia in the fascist militias, typified by New Guard leader Eric Campbell. Look at the affinity to those militias of Robert Menzies, who kept their mentality alive after World War II, when he authorised the establishment

of concentration camps and had a list of 1,200 “communists” to intern, had his Communist Party banning bill been allowed to take effect. That was the same Menzies who called for the use of atomic bombs in “pre-emptive strikes” against the Soviet Union.



Count Joseph de Maistre

Europe, and has been glorified by the Synarchists ever since.

Maistre preached that the most



Lord Shelburne

important person and institution in society was the executioner:

“All grandeur; all power; all

subordination to authority rests on the executioner; he is the horror and the bond of human association. Remove this incomprehensible agent from the world, and at that very moment, order gives way to chaos; thrones topple and society disappears...”

With relish for the executioner’s work, Maistre asks, “Who is this inexplicable being, who, when there are so many agreeable, lucrative, honest and even honorable professions to choose among, in which a man can exercise his skill or powers, has chosen that of torturing or killing his own kind? ... The gloomy signal is given; an abject servitor of justice knocks on his door to tell him that he is wanted; he goes; he arrives at a

public square covered by a dense; trembling mob. A poisoner, a parricide, a man who has committed sacrilege is tossed to him: he seizes him, stretches him, ties him to a horizontal cross, he raises his arm; there is a horrible silence; there is no sound but that of bones cracking under the bars, and the shrieks of the victim. He unties him. He puts him on the wheel; the shattered limbs are entangled in the spokes; the head hangs down; the hair stands up, and mouth gaping open like a furnace from time to time emits only a few blood-stained words to beg for death. His heart is beating, but it is with joy; he congratulates himself, he says in his heart, ‘Nobody quarters as well as I.’”

Donoso Cortes

The “Crown Jurist” of Nazi Germany was Carl Schmitt, mentor of the Synarchist philosopher Leo Strauss, whose teachings on the uses of lying and terror inspired U.S. Defense Secretary Donald Rumsfeld, Vice President Dick Cheney, and the other Straussian neo-cons who have seized power in the United States (as documented in LaRouche’s two pamphlets, *Children of Satan. The “Ignoble Liars” Behind Bush’s No-Exit War and Children of Satan II. The Beast-men*). Schmitt, in turn, drew inspiration from the work of Maistre, but even more from the Spanish Catholic counter-revolutionary ideologue, Juan Donoso Cortes (1809-1953), who held that human sacrifice is the most universal of all human institutions. Schmitt lauded Donoso Cortes as the principal “theoretician of dictatorship and decisionism”. Spanish fascist legal authorities, working with Schmitt, used his reworking of Donoso Cortes’ ideas to legitimise the fascist Francisco Franco regime in Madrid. Hit-

ler’s Schmitt hailed Donoso Cortes as the Cassandra who had forecast that the whole planet would be submerged in just such a “universal civil war” as was then occurring with World War II, if the “discussing class” were left in power.

Donoso Cortes is most famous for his Jan. 4, 1849 speech before the Spanish parliament, when he cried, ostensibly in response to the British-unleashed 1848 revolutions, “Let us have dictatorship!”

“I say, Gentlemen, that dictatorship, in certain circumstances, such as those in which we find ourselves, for example, is a legitimate form of government, as good and as profitable as any other; a rational system of government which can be defended in theory as well as in practice,” proclaimed Donoso. “So wise are the English”, that in England “dictatorship is not an exception in law, but is part of common law.” Donoso maintained that dictatorship was part of the divine order, insofar as God reserves the right



Hitler’s jurist, Carl Schmitt, was inspired by de Maistre and Cortes.

to break his own laws arbitrarily. Thus, failure awaits “the party which imagines that it can govern with less means of doing so than God, and refuses to use the means of dictatorship, which is sometimes necessary.”

Fundamentally, Donoso’s call for dictatorship flowed not from such pseudo-logical arguments, but from his Satanic, beast-man

personality. He glorified evil and the mass shedding of blood—as in terrorist atrocities—as part of “God’s order”. He argued that God granted Man free will only to do evil. Human liberty, according to Donoso, exists only “to draw evil out of good, disorder out of order, and to disturb, even though it be accidentally, the perfect adjustment with which God has arranged all things.... Evil exists, because without it we can not imagine human liberty.... Evil comes from man, and is man, and, coming from and dwelling in him, there is in it a great agreement, and no contradiction whatsoever.”

Because Man is so inherently evil (i.e., beast-like), there must be “sacrifices” to redeem him: the culmination of Donoso’s arguments is that “the institution of bloody sacrifices” is “the most universal” of all human dogmas and institutions. The most civilised nations and the most savage tribes believe in “a pure victim, offered as a perfect holo-

caust.” Without the “purifying efficacy of blood”, all societal bonds would collapse.

Donoso virtually bathed in blood: “Since the day of the first effusion of blood, it has never ceased to flow, and it has never been shed in vain.... Mankind ... has always believed these three things with an unconquerable faith: that the effusion of blood is necessary, that there is a manner of shedding blood which is purifying, and another mode which is condemnatory. History clearly attests these truths. It presents to us the narrative of cruel acts, of bloody conquests, of the overthrow and destruction of famous cities, of atrocious murders committed, of pure victims offered on blood-stained altars, of brothers warring against brothers, of the rich oppressing the poor, and of fathers tyrannizing over their children, until the Earth appears to us like an immense sea of blood, which neither the piercing breath of the winds can dry up, nor the scorching rays of the sun can absorb.”

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at the end of World War II, I saw it. I saw it personally. I was there.

"It happened in the early 1960s, with the Missile Crisis, and the assassination of Kennedy. The terror induced in every part of the adolescent and young adult population of the United States at that point, is what our problem is today.

"Therefore, to define the cure of the problem, you must define the problem itself, the disease itself. The infectious agent, not just the 'who did wrong?' Everybody, nearly everybody, did wrong: I saw them do it.

"I saw my returning fellow veterans, from World War II, commit a crime against the nation themselves, and humanity, in the attitudes they adopted. I saw the younger generation, transformed into what became resembling more and more, beasts, the kind of beasts you see on a public rave-dance broadcast. No longer quite human any more. It was done in the same

way.

"Therefore, unless we understand this mechanism, by which mankind is induced, by bankers and Dionysians generally, to destroy itself, we cannot cure the disease, we do not understand the current problem, we do not understand what has to be changed, and how to change it."

The Way Out

"The way to change it, is to create the alternative to the Beast-man, as a focal point of leadership.

"That is, if you're trying to find a solution, for instance, to reform a society in which Dionysus reigns, you're an idiot, and a doomed one at that. Therefore, you have to choose a leadership which is directly counter to the Beast-man. The Beast-man ideology which controls the leadership of the Democratic Party, as well as the Republican Party.

"Now, instead of terror, you have to introduce optimism. But



Hiroshima, 1945. Japan was already defeated; there was no need to drop the bomb. It was done to launch a reign of nuclear terror, as the pathway to world government.

optimism has to be based on facing the reality of the situation which threatens us. Therefore if you say, I don't want to bring up

the depression, because it's going to turn people off, you're an idiot! You say, 'I don't want to bring up the calamity, which is called the Democratic list of candidates, you know, shall we say, the Unfortunate 9' [Democratic Party Presidential pre-candidates at the start of the race], you're an idiot! If you want to say, 'You've got to be practical about politics,' you're an idiot!

"Because whatever you do, is not going to work! It's going to simply lead deeper into the swamp and the morass that we're in already.

"You need to, first of all, tell the truth about what's wrong with the people, and our traditions, and popular culture. You have to tell it, as it is. You have to make it comprehensible.

"Then, you have to do something else. You have to define this alternative, the solution, or the principled solution, the axiomatic form of the solution, and illustrate the axiomatic form of the solution. Then you have to

inspire people you've made those two points to, with optimism.

"And how do you do it? By giving them a formula? You have to give them personalities, leading personalities, who embody that with optimism. You have to give people the courage, to be willing to spend their lives, or put their lives at risk, for the sake of making an axiomatic change in the way society behaves...."

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Adolf Hitler

The most notorious Beast-man of the Twentieth Century was Adolf Hitler. While everyone knows about his genocidal wars of conquest and the concentration camps in which millions of Jews and others were slaughtered, few know about how the Synarchists recruited and systematically groomed Hitler for the role he was to play.

The German Workers Party (DAP), later named the National Socialist German Workers Party (NSDA), or Nazis for short, had seven members when Hitler joined it in 1919, having found "an organisation in the political arena which reflected my ideals." It had been founded by an occult freemasonic lodge called the Thule Society. Members of the Thule Society came from Germany's aristocracy; one was Prince Maria von Thurn und Taxis—the old Venetian aristocratic name Torre e Tasso, Germanicised—whose family ran the postal and intelligence services of the Hapsburg Empire for centuries. It was Prince von Thurn und Taxis who first announced, already in 1919, that Hitler would be the "saviour" of the Aryan Germanic race. The Thule Society was also responsible for dozens, if not hundreds, of political assassinations in Germany after World War I.

The Thule was patterned on the bizarre "sexual magic" and ritual human sacrifice principles of Aleister Crowley, also known as "The Beast", who had founded a British occult freemasonic lodge called the Order of the

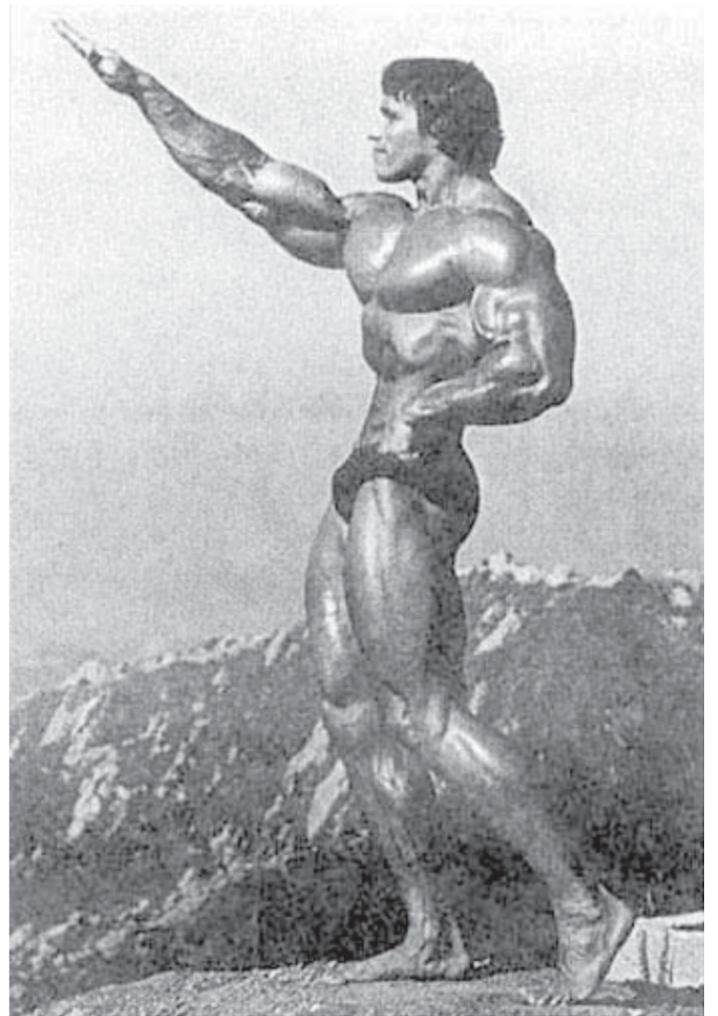


Adolf Hitler, Beast-man.

Golden Dawn. Hitler's notoriously perverted sexual practices reflected his Crowleyite indoctrination. Crowley also founded the Thule Abbey in Sicily, infamous for infant and other human sacrifice. According to Crowley, and later the Nazis, "Thule" was the "lost Aryan homeland" in Tibet, whose inhabitants had possessed a mystical energy known as the Vril. He said that modern man had only a fraction of the old Vril, which would energise a coming race of supermen. This Crowleyite notion was propagated by the Vril freemasonic lodge, established in Berlin in 1900, whose central figure, Prof. Karl Haushofer, also became a leading member of the Thule Society. Haushofer dictated Hitler's notorious *Mein Kampf*, during visits to him in prison in 1924, following a failed putsch a year earlier. Haushofer gave Hitler his doctrine of *Lebensraum* (living

space), which motivated Hitler to attempt to conquer all Europe and the Soviet Union.

The early Nazi leadership all came through the Crowleyite freemasonic lodges, and/or were associates or flunkies of German aristocratic families. Thus, secret police head Herman Goering was a member of Crowley's Golden Dawn in Sweden, while Heinrich Himmler was the son of the personal tutor of Prince Heinrich of Bavaria, of the centuries-old Royal Bavarian house of Wittelsbach. As head of the notorious SS, Himmler built a medieval castle as a headquarters for his SS "order", and established the *Ahnenerbe*, the Nazis' Occult Bureau, which incorporated many members of the original Thule Society. The Occult Bureau's extensive records, including of concentration camp "experiments" on human beings, disappeared after the war. In creating his race of Aryan



Hitler admirer Arnold Schwarzenegger, now Governor of California.

"supermen", Hitler planned to extirpate first Judaism, then Christianity, from western civilisation, as one of his associates recorded from Hitler's rambling dinner-time harangues. Hitler crushed the German trade union

movement, which was the strongest in Europe at the time. He either assassinated its leaders outright, or sent them to concentration camps, which were actually slave labour camps and integral to the Nazi economic program.

Arnold Schwarzenegger

The oligarchy installs its Beast-men during periods of grave financial crisis, in order to ram through brutal austerity measures against the population, which would otherwise be impossible. That is the reality behind the August-November 2003 California "Recall" campaign, which installed the Terminator as governor of what would be the world's fifth-largest economy, if the state of California were a country. California had been gouged for at least US\$30 billion by Enron and related energy pirates in the rigged "energy crisis" that peaked in 2001, resulting in its budget being some \$28 billion in the red. To implement budget cuts at the expense

of services and pensioners, a group of financiers—including the very people who had profited from the energy-price rip-off of California—installed their beast-man puppet as "the Governor." Among Schwarzenegger's patrons were megabillionaire Warren Buffett and the super-wealthy Lord Jacob Rothschild. Schwarzenegger himself had been present at a secret meeting with top Enron executives in Beverly Hills in 2001, while the "energy crisis" was being rigged.

Besides his inhuman image in the "action" movies he starred in, why did the oligarchy pick Arnold? Here is Schwarzenegger's philosophy, as he outlined it in a

1977 interview:

"I admired Hitler... because he came from being a little man with almost no formal education, up to power. And I admire him for being such a good public speaker and for his way of getting to the people and so on....

"We can't live without authority. Because I feel that a certain amount of people who were meant to do this and control; and larger amount, like 95% of the people, who we have to tell what to do and how to keep order. That is why I am all for it.... I feel if you want to create a strong nation and a strong country you cannot let everybody be an individual, because everybody has his own opinions and you

can't just stick together as a strong nation. Then you have to tell people what to do and you can't just let them float away. In Germany there was a lot of unity. The German soldiers were the best, and with the police force and everything....

"America.... There is one thing I don't like here and that people go on their own little trips too much. The unity isn't there anymore. And I don't think it's too much the people's fault. I think it's because we don't have a strong leader here.... To speak to maybe 50,000 people at one time and have them cheer, or like Hitler in the Nuremberg Stadium, and have all those people scream at you

and just being in total agreement with whatever you say."

And, according to David Wyles, producer of a biographical film about Schwarzenegger as weightlifter, "Pumping Iron", "Arnold is a true definition of a Nietzschean 'man of will.' Arnold saw himself and sees himself as a superman, as a man superior to other beings."

On cue, Schwarzenegger within days of becoming Governor began to slash billions from the health and welfare benefits of the poor, the sick and the disabled—those whom Hitler had classified as "useless eaters", while during the Recall campaign, he railed against the state's unions as "special interests".

Defeat the Synarchists—Fight for a National Bank

II. National Banking—the Cornerstone of Sovereignty

“The hinge of the whole situation was this: the government itself was not to be a substantive power in matters of Finance, but was to leave the Money Power supreme and unquestioned.”

—William Gladstone, British Chancellor of the Exchequer, later Prime Minister, describing the Venetian/British system of “parliamentary democracy” in 1852.

It is impossible to fully understand the Synarchy and its schemes for global rule, without understanding what it was founded to fight *against*—the American Revolution of 1776-1789. That revolution established a nation-state unique in world history. Its very Constitution, particularly in its Preamble, enshrined the principles which differentiate men from beasts, as no constitution had ever done before. The Marquis de Lafayette, who fought in the American War of Independence and remained an ally of the USA all his life, expressed the mission of the United States as “a temple of hope and beacon of liberty to the world.” Its founding unleashed great republican sympathies worldwide, even in the United Kingdom, where Tom Paine’s book, *The Rights of Man* sold an astounding one million copies.

The foundations of the existing order shook, and the aristocrats of the financial oligarchy were terrified that the American experience would be replicated in Europe. In response, the uncrowned ruler of Britain, British East India Company head Lord Shelburne, unleashed the horrific Jacobin revolt in France in 1789. The counter-thrust operated through British-controlled freemasonic lodges, especially those of the Martinist sect, to decapitate the nation which had offered the most support to the American revolutionaries.¹ When Napoleon Bonaparte turned from a left-wing Jacobin into a right-wing would-be world dictator, modeling himself on the Roman Caesars, a model was established for world dictatorial rule, which the Synarchists have attempted to put into practice ever since.

In accord with the principles enshrined in its Constitution, the young American republic established the first national bank in history. The First National Bank of the United States was devised by America’s first Secretary of the Treasury, Alexander Hamilton, who had been General George Washington’s aide-de-camp during the Revolutionary War. Until that time, private oligarchical finance had always controlled the purse strings of nations or empires, in imitation of the political and financial system of the usury capital of the world for many centuries, Venice, which was always ruled by a handful of aristocratic families. The Venetian system, including its modern form centred on a so-called “independent central bank”—which is in reality controlled by private financiers—aims to ensure private financier control over all

substantial matters of state.

By the time the power of Venice proper faded at the close of the 18th Century, the Venetians had spread their usurious economic system throughout Europe, in particular England and the Netherlands, whose central banks the Venetians founded. So great was the control by Venetian finance over England from the late 17th Century on, that the British East India Company-centred aristocratic grouping in 18th-Century Britain was widely known as the “Venetian Party”. Venice’s Anglo-Dutch clones established the political mechanism of “liberal parliamentary democracy”, which now dominates Western Europe and Australia, among other places. Its purpose is to create a façade of popular representative politics, while leaving the oligarchy’s *private* control over finance intact: in the words of Prime Minister William Gladstone, “to leave the Money Power supreme and unquestioned.”

The United States was founded as an historical exception to the



Rev. John Dunmore Lang, our greatest republican.

control, in the 20th Century, was the 1933-1945 Presidency of Franklin Delano Roosevelt, who reined in the “Money Power” and built great infrastructure projects to bring the



St. Mark's Square, Venice. The “Venetian model” is a parliamentary system, wherein private bankers hold the real power.

Venetian system of private financier control. Its Constitution specifies that all financial matters shall be controlled by the people themselves, through the Congress.

Unfortunately, the American national bank was soon dismantled. Then, with the establishment of the U.S. Federal Reserve System in 1913 as a private financier-controlled *central* bank, the City of London and its stepchildren on Wall Street took over most of the politics of the country, making the United States more and more a puppet of those whom Hamilton, Washington, FDR and other U.S. patriots denounced as “Tories”, the U.S.-based sympathisers of the British during the 1776-81 American Revolutionary War. The major exception to this Tory financial con-

U.S.A. out of the Depression and prepare for World War II. Roosevelt also sponsored the establishment of the protectionist, fixed exchange rate-centred Bretton Woods international financial system in 1944, which enabled the world to recover from the war and to grow and develop.

The Bretton Woods system was dismantled beginning in the early 1960s, and utterly shredded in 1971 when U.S. President Richard Nixon took the dollar off its peg to gold and approved a new system of floating exchange rates. Then began the wild speculation which has dominated the globe ever since, under the rubric “globalisation”, a disease spread into Australia under the Hawke-Keating governments beginning in 1983.

Although the London/Wall Street “Tories” have great power, they do not entirely control the United States. Their chief opponent today is Lyndon LaRouche, who has rallied his nation’s military and other patriots around a program of national sovereignty, to which national banking is central.

Australian patriots have fought this same battle for sovereignty here in our country, from the time of the republican political organising of the Rev. John Dunmore Lang and his associates in the 1840s and 1850s against the British and their allies here, until today. Lang was the most influential political leader in Australia of his day. Although he apparently did not address the banking issue per se, Lang denounced the financiers’ political front, the Venetian-derived “Westminster” parliamentary system, as a fraud. He called for Australia to establish, instead, “The United States of Australia”, modeled on the American republic. Such a government would naturally have been sovereign in matters of finance. Facing a Lang-led republican upsurge, a terrified British government foisted the Westminster system of “responsible government” on us in the 1850s, to forestall the establishment of a republic with a strong President (Executive) and sovereign control of its finances.

Indeed, even after our Constitution was drafted at the turn of the 20th Century largely by Anglo-philosophes such as Sir Samuel Griffiths, it was later secretly rewritten in London by the British Colonial Office to expunge those elements which still smacked too much of American constitutional principles, such as sovereign control over financial matters. The most crucial of the Colonial Office changes were aimed to ensure the all-powerful rights of the British monarchy, both directly, and by “right of appeal” to that monarch’s Privy Council. The Colonial Office justified the inclusion of this right of appeal to the Privy Council, as necessary to protect British investors, out of concern that Australian judicial decisions might be influenced by “local prepossessions”. One Colonial Office memorandum stated, “It cannot be for the benefit of the colonies to alarm those investors. They are also very numerous and powerful and the amount invested is very large. They will no doubt oppose any proposal to abolish the appeal to the King in Council [the Privy Council —ed.]”.

Thus in 1920, Justice Isaac Isaacs



Alexander Hamilton, founder of the First National Bank of the United States.

of the High Court, a framer of our Constitution who was later Governor-General, would describe the essence of our government: “It is essential to bear in mind two cardinal features of our political system, which are interwoven in texture and ... radically distinguish it from the American Constitution. One is the common sovereignty of all parts of the British Empire [i.e., under the Crown]; the other is the principle of responsible government, a government under which the Executive is directly responsible nay, is almost the creature of the Legislature. This is not so in America....”

¹ The French Revolution was run from the Earl of Shelburne’s Bowood estate in England. Shelburne chaired the all-powerful three-man “Secret Committee” of the British East India Company, on which also sat Francis Baring of Baring Bank. At that time the British East India Company was more powerful than the Crown itself. The Company was the hub of the so-called “Venetian Party” of rentier-financier oligarchs, who derived their global power from near monopoly control over key raw materials and commodities, insurance, banking and shipping routes.

Shelburne feared that the American Revolution would be replicated in France, as indeed was planned by the Marquis de Lafayette, George Washington’s comrade-in-arms at the Battle of Yorktown, the final defeat of the British forces under Cornwallis in the American Revolutionary War. Lafayette and his ally Jean Sylvain Bailly, the Mayor of Paris, organised a French “national assembly” with Bailly as its president on June 17, 1789—just seven weeks after the adoption of the U.S. Constitution. The proposal of Bailly and Lafayette for a constitutional monarchy, with an emphasis on publicly controlled credit to finance national development, was adopted in the famous Tennis Court Oath of June 20, 1789.

Shelburne deployed his agent Jeremy Bentham, who lived at Bowood, to write radical speeches for the anti-Lafayette, anti-American Jacobins around Marat, Danton and Robespierre. The speeches were translated into French by the Genevan Etienne Dumont and carried by diplomatic pouch and other means to Paris, to be read on the streets by the radicals. The July 14 storming of the Bastille (nearly empty at the time) was a Jacobin mob insurrection, aimed by these British-sponsored forces to torpedo the Lafayette-Bailly proposals. The key radicals were all members of the British-run Martinist freemasonic lodge in Lyons, France, which is effectively the “mother lodge” of the Synarchy in the modern era. Napoleon, too, came out of Martinist freemasonic networks. The British provenance of the “French Revolution” and its Napoleonic aftermath has been reported in depth in *Executive Intelligence Review* over the past two years, e.g., “Synarchy Against America,” *EIR*, Sept. 5, 2003.

LaRouche on National Banking

In excerpts of three of his speeches below, LaRouche emphasises that the Westminster system, with its Executive as a “creature of the legislature” (let alone rule by Governors-General in many parts of the Commonwealth), is easily destabilised should it threaten the “Money Power”, as were the governments of Scullin and Jack Lang in the early 1930s, and the Whitlam Government in the mid-1970s. Reflect on how the same battle over national banking and sovereign-

ty, which LaRouche portrays, has unfolded in Australia from the time of John Dunmore Lang until today.

LaRouche outlined the Venetian genesis of the present system of “parliamentary democracy,” in an April 12, 2003 address to members of his international youth movement in Mexico and Peru:

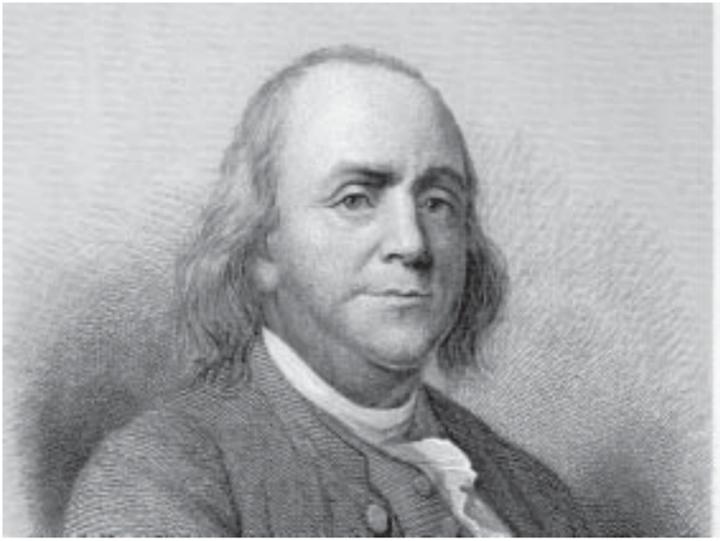
“Venice had taken the Venetian model, which is of a state, a maritime power, with imperial tendencies, based on control by

a financier oligarchy—the so-called Venetian Republic—and this model of Venetian Republic was transplanted into the Netherlands, and into England. Over the course of time since, European governments have evolved into what is called the Anglo-Dutch Liberal model. The Liberal model of this form: First of all, it is based on a monarchical principle left over from Feudalism; that is, the concept of the President or monarch as head of

state. That the government, and much of its detailed executive functions are assigned to a parliament, a parliament which really does not have real control over the future. You have a third institution, which is called an independent central banking system, as opposed to a national banking system, which exerts veto power over the government, and often overthrows governments it doesn’t like, through parliamentary crises.

“So the general model of society, which is accepted as the “liberal” model of society, or the “democratic” model of society, is this Venetian model, which is based on a government, that is, an executive branch of permanent institutions of government; a parliament, which is easily destabilized by financial and other crises, or by bribing; and then, a central banking system, which is independent, which is actually the agency of financial

Defeat the Synarchists—Fight for a National Bank



American Founding Father Benjamin Franklin. The U.S. Constitution specified national banking and the "General Welfare", as opposed to oligarchical rule.

The Preamble to the U.S. Constitution

We the people of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America.

interests, foreign and domestic.

"So this problem has been the major problem. The United States has suffered from the influence of what is called the American Tory faction, which represents this Anglo-Dutch-Liberal model. This is associated with Wall Street, for example, is an example of the Anglo-Dutch-Liberal model. The crisis of the world financial system today is the imposition—especially after the death of Roosevelt, and especially after the events of 1971—the imposition of the Anglo-Dutch-Liberal model, as a model of real tyranny. That's what we're strug-

gling against."

In his "State of the Union" Webcast, Jan. 28, 2003, LaRouche summarised the emergence of the U.S. and its unique Constitution, which so inspired the founders of the ALP, as an historical exception to the prevailing Venetian model:

"There's one fundamental conceptual change that must be made. And this goes back to the question, as I said, of the nature of the United States. At the time the United States was coming into existence, in the 18th Century, Europe was divided, chiefly, between two large forces, one, the Hapsburg-centered in-

terests, of Spain—Spain was pretty much a piece of wreckage at that time—but Austro-Hungary, and so forth, in one part; and in the North, a neo-Venetian development, in the Netherlands, and later in England, which became known as the Anglo-Dutch liberal system, associated with the philosophies of Hobbes, and Locke, and David Hume, and Adam Smith, and so forth.

"This system, which is the characteristic today of the European parliamentary system, is a key problem. The fact that with the introduction of the Federal Reserve System, we introduced something similar in the United States, has been a chief cause of our problems over more than a century.

"The Anglo-Dutch liberal system, the so-called parliamentary system typical of Europe, is a fraud. You have a system of government, of a state apparatus and a parliamentary system, but you also have something which is outside government as such: it's called an independent central banking system. An independent central banking system is a concert of financier interests, not necessarily banks, but financier interests, a concert which controls, a joint institution, called a central banking system. This central banking system, by virtue of its independence, exerts control over the government, over the finances of the nation, and so forth and so on. Therefore, no European government today is really free. They are all victims of so-called independent central banking systems.

"What's been done to weaken the United States, done at the behest by the then Prince of Wales, King of England, Edward VII, was to impose the Federal Reserve system on the United States, which was done by joint action, in the end, of Teddy Roosevelt [U.S. President Theodore

Roosevelt, 1901-1909] and Woodrow Wilson [U.S. President, 1913-1921]. Woodrow Wilson's administration installed it, Teddy Roosevelt made it possible.

"What we have to do is end that, and go back to the original intention of the United States, the characteristic of the United States, which makes us beloved by those who observed our good things over the past.

"The United States was founded on principles expressed by the Preamble of the Constitution. The Preamble is the absolute law, the Constitutional law, of the United States. The other parts of the Constitution are subordinate. Any amendment to the Constitution is subordinate to the reading of it, in light of the Preamble.

"The Preamble contains three essential principles. One, the general welfare. That government is legitimate only to the extent that it officially promotes the general welfare of the people. Secondly, the government is sovereign; that there is no agency outside government, and the people, the people's government, which has any authority in the territory of that nation. No independent central banking system. Third, that the government is responsible, not to the will of the existing population, as much as it is to the general welfare of the future population. In other words, the Constitution is a future-oriented institution, dedicated to the well-being, primarily, of our children, grandchildren, and great-grandchildren's generation. That is our responsibility of government.

"We have to restore that, these deep principles, again."

In a speech on April 12, 2003, LaRouche specified that, in a real democratic republic, "money" was to be at the service of the actual

physical economy and the general welfare of the population, an axiom understood by virtually no economists today, and by perhaps only a handful of government leaders worldwide:

"Now, what's the issue? The issue of money versus economy. Economy should be understood to mean, primarily, the welfare of the individual member of society, that is, the general welfare, both for the present and the future. And also, the sovereignty of the nation-state, of the republic. This means something that is measured in physical terms: that is, in terms of longevity; in terms of health care; in terms of physical productivity per capita; in terms of capital improvements in the capacity of society, in land reclamations, improvements and so forth—all physical things which can be measured per capita and per square kilometer.

"So therefore, the policy of society should be to realize economic objectives which are physical in nature, if we include culture as one of the physical benefits in nature. Therefore, how do we run a money-economy in such a way that we achieve physical benefits? We have to put the money system under control of government. We do that in several ways: We do it by national banking; that no debt can be incurred by a nation's government, except by its consent. In the U.S. Constitution, this means that the Executive Branch can create currency and debt, but it must do so with the consent of the Congress. Among nations, we also add another feature, that governments can enter into treaty agreements affecting trade, and these long-term treaty agreements can be used as credit among nations to promote growth among nations, also, as well as generating credit from within governments."

Australia's Battle for Sovereignty and a National Bank

The issue of the General Welfare, or the Common Good, as it was called in Australia in the 19th Century, animated the founders of the Australian Labor Party in the 1890s, as it had animated John Dunmore Lang decades earlier. Like Lang, most of the founders of the ALP in the 1890s were ardent republicans, who desired what they called "national federation" of the Australian colonies, as opposed to "imperial federation under the Crown." They, like the Americans, made the adoption of a national bank the cornerstone of the fight for our sovereignty. They embedded such a bank in the platform of the Labor Electoral League, a forerunner of the ALP, in the New South Wales election in 1891. That historic election saw 37 Labor members returned to Parliament—the first time members representing an actual Labor party were elected anywhere in the country.

Though the republicans in the ALP lost the battle for "national federation" with the adoption of "imperial federation" under the Crown in 1901, the battle for sovereignty continued in the form of a decades-long struggle to adopt and maintain a national bank. Labor's outlook was captured in an editorial of January 5, 1907 in *The Brisbane Worker*, one of the papers owned by the Australian Workers Union, under the leadership of its founder, the legendary organiser W.G. Spence:

"The Money Power! It is the

greatest power on Earth; and it is arrayed against Labor. No other power that is or ever was can be named with it.... It attacks us through the press—a monster with a thousand lying tongues, a beast surpassing in foulness any conceived by the mythology that invented dragons, wehr wolves, harpies, ghouls and vampires. It thunders against us from innumerable platforms and pulpits. The mystic machinery of the churches it turns into an engine of wrath for our destruction.

"Yes, so far as we are concerned, the headquarters of the money power is Britain. But the money power is not a British institution; it is cosmopolitan. It is of no nationality, but of all nationalities. It dominates the world. The money power has corrupted the faculties of the human soul, and tampered with the sanity of the human intellect....

"And that is why Labor men and women should stand religiously to their principles, and refuse the baits of compromise and expediency. The Labor Party represents the one Movement able to cope successfully with the Money Power; the one moral force not vitiated by it; the regenerative agency destined to pull down the crime-stained walls of the Old Order and build up an enduring City of Righteousness."

So deep was that belief in the common good vs. the Money Pow-

er, within the young ALP, that the American immigrant King O'Malley was able to rally a majority of the Labor caucus in Parliament against the party's own leaders, Prime Minister Andrew Fisher and his Attorney General, the notorious Anglophile Billy Hughes, in order to pass the legislation establishing the Commonwealth National Bank. In a five-hour speech to Parliament, O'Malley outlined the noble aspirations that drove Labor in its fight for this bank:

"We are legislating for the countless multitudes of future generations, who may either bless or curse us.... We are in favour of protecting, not only the manufacturer, but also the man who works for him. We wish to protect the oppressed and down-trodden of the earth.... The private banking system of the Commonwealth is only a legalised monopoly for the gathering of wealth from the many, and its concentration in the hands of the privileged few....

"However great the natural resources of a nation, however genial its climate, fertile its soil, ingenious and enterprising its citizens, or free its institutions, if its money volume is manipulated by private capitalists for selfish ends, its credit shrinks and prices fall. Its producers and business people must be overwhelmed with bankruptcy, its industries will be paralysed, and destitution and poverty prevail...."



King O'Malley (l.) founded our Commonwealth Bank on the American model, and chose the patriotic Sir Denison Miller (r.) as its first chairman.



If Australia implements a national bank, O'Malley said, a glorious future will open up for it:

"In the Commonwealth, the National Banking System will so greatly reduce interest rates that useful productions will increase by leaps and bounds. Wealth, instead of accumulating in the hands of the few, will be distributed among producers. A large proportion employed on relief works, building up cities, will be expanded in cultivating and beautifying the country. National improvements will be made to an extent, and in a perfection unexampled in the history of the world. Agriculture, manufactures, inventions, science, and the arts will flourish in every part of the nation. Those

who are now non-producers will naturally become producers. Products will be owned by those who perform the labour, because the standard of distribution will neatly conform to the natural rights of humanity...."

Finally, O'Malley invoked the memory of the man whose works inspired him to this great project, U.S. Treasury Secretary Alexander Hamilton:

"I am the Hamilton of Australia. He was the greatest financial man who ever walked the earth, and his plans have never been improved upon.... The American experience should determine us to establish a national banking system which cannot be attacked."

Though it was more limited than the bank of "issue, reserve, ex-

Defeat the Synarchists—Fight for a National Bank

change and deposit” for which O’Malley had fought, because it would be several years before it got the right to issue the national currency or to maintain the private banks’ reserves, the new Commonwealth Bank accomplished several things: it stopped a bank crash on the eve of World War I; it financed much of Australia’s participation in the war, and at much lower interest rates than the country would have otherwise had to pay in London; and it provided capital for infrastructure and other projects in the physical economy, including for Australia’s transcontinental railroad, whose construction O’Malley personally directed as Home Minister in Fisher’s cabinet from 1910-1913.

Sir Denison Miller, a banker from the Bank of NSW, had been hand-

picked by King O’Malley to be the first head of the Commonwealth National Bank. O’Malley was fully aware of the stakes involved, and had told Miller, “You have a chance to make history, Brother Miller, Australian history, which will become world history. Think the matter over deeply. And accept the job. Decide to make history—I’m sure you’re the man to do it.”

From 1912 until his death in 1923, Miller directed the Bank for the benefit of the nation, to build its infrastructure and farms and industries, and to finance much of Australia’s expenses for World War I. He envisaged the Bank as rapidly becoming “the most powerful in the southern Hemisphere.” After Miller’s untimely death in 1923, the British and their lackeys here set about to dismantle the Com-

monwealth Bank. The battle over a national bank, and national control of credit, was to define the political arena of the country for decades to come, as shown in the timeline [below]. As Jack Lang later put it, “If, for example, the Bank of England could control the Commonwealth Bank of Australia there should be *no impediment in the way of controlling the Government* of the country as well.... The death of Miller removed at a critical moment the one man capable of defending the citadel of Australian financial independence.” (Emphasis added.)

Control over banking was the issue in the 1920s, when the Anglophile PM Stanley Melbourne Bruce came back from London in 1924 with orders to effectively dismantle the Commonwealth Bank.

It was the issue in the bitter clashes between the Money Power and the Labor government in the early 1930s, and was the motivation behind the orchestrated Mungana Affair scandal, which neutralised nationalist Treasurer “Red Ted” Theodore. That fight was the setting in which the Synarchist bankers’ most visible technique—the deployment of a fascist movement with militant street mobs, recruited from duped layers of a desperate and angry population—reached a peak in Australia (see Section 3, page 29).

Control over banking was the issue again in the immediate post-war period, when Ben Chifley first proposed to re-establish a national bank, and then, when the Money Power frustrated his efforts, sought to nationalise the banks. It

was the issue in 1975, when the Queen’s toady Sir John Kerr sacked Gough Whitlam. And the battle continues today, through the efforts of LaRouche and the CEC. Just as early Labor was subjected to a “thousand lying tongues” for its battle against the Money Power, so, too, have the CEC and LaRouche been vilified, most notably by the Money Power stooges in the Anti-Defamation Commission of B’nai B’rith, which has called for the CEC to be banned from federal politics (see p. 61). What motivates the ADC? The alleged “anti-discrimination” organisation is dominated by three members of Her Majesty’s Privy Council, the ruling body of the British Empire/Commonwealth, the same body which overturned Chifley’s legislation for a national bank.

Timeline: Australia's National Bank

1891. After the labor movement was crushed in the great shearers’ and maritime strikes of 1890, it turned to politics. In its first election campaign, in New South Wales in 1891, Labor makes the call for a national bank a crucial plank of its platform. The severe Depression of 1893 intensifies Labor’s demand for such a bank.

1908. At the behest of King O’Malley, the recently formed Australian Labor Party makes a national bank part of its non-negotiable national Fighting Platform.

1911. O’Malley and his Torpedo Brigade out-organise PM Andrew Fisher and his Attorney General Billy Hughes (who had a private deal with the Melbourne financial elite), secure the support of the Labor caucus for the Commonwealth National Bank, and the bill establishing the Bank is passed.

1923. Death of the first Commonwealth Bank head, the patriot Sir Denison Miller.

1924. Arch-Anglophile Prime Minister Stanley Melbourne Bruce comes back from London with orders to do something about the Commonwealth Bank. Its powers are gutted under its new chairman, Sir Robert Gibson.

1929. With the world plunging into the Great Depression, a Labor government under PM James Scullin, an old member of O’Malley’s Torpedo Brigade, comes to power in October. Scullin’s Treasurer, Ted Theodore, introduces two bills, the *Central Reserve Bank Bill* to establish a new reserve bank, which would control the paper note issue and the gold reserve and mandate all private banks to keep 10% of their current accounts and 3% of their reserves with it, and the *Commonwealth Bank Act Amending Bill*, to replace the six-person big-business-dominated board with a single governor, such as it originally had under Sir Denison Miller. Both bills are killed by the Anglophile-dominated Senate. The Bank’s chairman, Sir Robert Gibson, is asked to issue 18 million pounds in notes for public works, to provide work for men whose families are beginning to starve. He adamantly refuses, saying, “Mr. Prime Minister and Members of the Cabinet, you ask me to inflate the currency. My answer is that I bloody well won’t.”

1930. July 19. Sir Otto Niemeyer, right hand man of Bank of England head Sir Montagu Norman, arrives in Australia to ram austerity down the throats of the federal and state governments, and to make sure no credit is issued for public works.

August 21. Under enormous pressure, the Federal Labor government and the State Premiers sign on to Niemeyer’s demands by adopting the so-called Premiers’ Plan, which cuts jobs and relief payments. The same day, however, a special Conference of Unions and the Australian Labor Party passes an emergency resolution calling for a five-year moratorium on overseas interest payments, the cancellation of all war debts owed to the City of London, and “the mobilisation of the credit of the community to work for sustenance for the revival of industry.” Author of the resolution is Victoria MP Frank Anstey, another old member of O’Malley’s Torpedo Brigade and mentor of John Curtin.

October 25. Labor Party leader Jack Lang sweeps to victory as NSW State Premier, campaigning against “Niemeyerism”. One of his chief campaigners is future Prime Minister John Curtin.

1931. Early in the year, the federal Labor Government splits into three factions. The first, around Labor traitor J.A. Lyons, adopts Niemeyerism wholesale. The second, around Scullin and Treasurer E.G. Theodore, basically adheres to the Premiers’ Plan, but tries to get a note issue for public works. The third grouping, led by Anstey, supports the “Lang Plan”, which has three main points: a partial moratorium on debts to the British, since much of the debt dated from World War I, when Australia had lost 60,000 of her finest young men fighting to defend the British Empire; the lowering of all internal interest rates to 3%; and the adoption of a “goods standard”, to replace the usurious, London-controlled “gold standard.”

Cabinet Minister Frank Anstey supports Lang: “If I have

to make a choice between this government, constantly belly-crawling to the banking power, and John Lang, then give me John Lang.” In a bitter faction fight, Anstey is dumped from the Cabinet. His protégé, John Curtin, authors a pamphlet entitled, “Australia’s Economic Crisis and the 55,000,000 Interest Bill: How the Years of Money Power Extortion Have Brought Misery to the Nation.” Curtin concludes his pamphlet with a ringing call for a National Bank:

“The needs of the emergency cannot be resolved by orthodox methods. In this crisis the interests of the nation must rise paramount. The Nation’s Bank must be made the Supreme Bank. It should function as the sole operator in the external transactions of the country. It could then issue against general exports internal credits negotiable by cheque or notes. Securities that represent property, marketable products, and national taxable wealth are the real basis of national credit always. They were the foundation on which the financial superstructure was reared for the purposes of war; they constitute in the present era the only basis on which industry can be renewed in Australia. It is today choked up by the consequences of the past....

“Australia’s problems are grievous. We cannot resolve them by ignoring the incidence of the operations of high finance. Calling on the trades unions to accept reductions in wages, demanding economy in government costs, invoking constitutional changes either for unification or secession, while leaving the exactions of the money power sacrosanct, is to leave the major issue outside the ambit of logical controversy.”

December 19. “Honest Joe” Lyons, a traitor who had resigned from the Labor Party, is brought to power with the backing of a London-Melbourne financial axis run by Lord Glendyne, chairman of Nivison’s, the London firm which controls most of Australia’s loans. Lyons is heavily promoted by media baron Sir Keith Murdoch (Rupert’s father). In addition to Murdoch, Glendyne’s chief asset in Melbourne for supporting Lyons, is the financier Sir Staniforth Ricketson, next-door neighbour and controller of Sir Robert Menzies. One of the government’s main objectives is to stop NSW Premier Jack Lang, who threatens a debt moratorium against the British, and who had implemented an *Anti-Eviction Bill* to stop the escalating tide of evictions, along with a *Moratorium Act*, to stop bankrupt farmers from being driven from their land.

1932. March. Lang refuses to pay the next payment due to British bondholders. He was later to explain: “We were spending 3 millions a year from State taxation on relief of



Prime Minister Ben Chifley had guts. When the Privy Council overturned his banking legislation, he tried to nationalise the private banks for the Common Good.



John Curtin (l.) and his mentor Frank Anstey devoted their lives to free our nation from what they called the “Money Power”.

distress. If we sent 3 and 1/2 millions overseas to meet interest payments, we would have to stop issuing dole tickets, and put men off public works being maintained for the relief of the unemployed. I had no intention of doing that. So the bond-holders would have to wait their turn. It was simply a question of whether the unemployed would be left to starve or whether the bond-holders went unpaid.”

May 13. The Queen’s representative in NSW, Sir Philip Game, sacks Lang as Premier.

June 5. The largest crowd in the history of Australia, estimated at between 300,000 and 500,000 of Australia’s total population of less than seven million, turns out in a rally at Sydney’s Moore Park to support Lang.

1935. October. John Curtin becomes head of the federal Labor Party.

1936. The Royal Commission on Banking, though appointed by the Lyons Government, finds that not only should the Commonwealth Bank have expanded credit in the late 1920s and early 1930s, instead of restricting it, but that, in case of a conflict between the Bank and the government, “the views of the government should prevail.” Future Prime Minister Ben Chifley is a member of the Commission.

1937. September 20. Labor Party leader John Curtin gives an official Labor policy speech in Fremantle, outlining the ALP’s policy for the coming elections. He refers to the findings of the 1936 Royal Commission, saying:

“These findings emphasise the degree in which the Royal Commission on Banking realises that banking is more than mere finance; that it is in fact a great social function which should be controlled in the permanent interest of the people.

“To deal with unemployment and to make that industrial and economic preparedness which is the essence of national defence and security, three related monetary measures are necessary:

“1) national control of credit to ensure its adequacy to maintain and increase employment;

“2) national control of interest rates, in order to keep to a minimum the monetary and capital costs on production and industry;

“3) national direction of investment with the object of assisting in the promotion of a balanced economic development.

“The Commonwealth Bank is the logical instrument to function for the community in effecting monetary re-adjustment and economic reconstruction. The Labor Government will legislate so that the Commonwealth Bank would be able to competently control:

“a) Credit for the nation

“b) Rates of interest

“c) Direction of general investment

“d) Currency relations with external markets.

“The Labor Party points to the planks of its platform and insists that the Commonwealth Bank must have its original

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charter restored. The policy of the Government must be given effect and the people's authority established in respect to an indispensable national service...."

1939. On the very eve of the war, veteran campaigner King O'Malley raises his voice once again for a national bank, in his pamphlet, "Big Battle":

"Oh! Would that I possessed the power to arouse the Australian people to the imperative importance of revitalising the Commonwealth Bank! In financial crises they have suffered, but their minds seemed to be possessed with the fatalism of the Turks—it is the will of Allah. But I say it is not the will of God which produces panics, but a want of an intelligent Banking System.... Banking is the fundamental essence of finance, and finance is a governmental function. The banks should be coworkers with the producers and traders. The Commonwealth Bank should possess the capacity to continue exercising the banking functions, and thereby sustaining normal values during the fiercest commercial crisis. A system possessing potential financial power, such a capacity in connection with the talent for production, trade and commerce possessed by the people of Australia and the boundless wealth of its natural resources may make Melbourne instead of London the principal exchange city of the world, and Australia instead of England the creditor nation of the world; without it, never."

1941. December 27. PM John Curtin issues his famous call for Australia to ally with FDR's United States, instead of Churchill's Britain, in order to save Australia. Curtin assumes control over the deployment of credit, and Australia begins the greatest surge in production in its history, becoming self-sufficient in machine tools, and even supplying Allied forces abroad.

1945. January. Treasurer Ben Chifley tables legislation to make the wartime control of banking—which directed credit to the benefit of the national interest—permanent. Chifley tells the Parliament:

"The intention of this legislation is to ensure that the banking system of this country shall work in the interests of the people as a whole. It has been planned in such a way as to ensure that final authority over the monetary policy of the country, shall rest with the government, which is responsible to the Parliament, and to the people. No longer shall we leave control of the monetary system of this country in the hands of people with no special training, whose interests are personal and material and are associated with 'big business'."

The bill becomes law, but is bitterly opposed by the private banks.

1947. The Anglophile High Court overturns whole sections of Chifley's banking bill. Prime Minister Chifley, as he now is, passes a new bill providing for the Common-

wealth Bank to take over all private banks. Chifley tells Parliament that the purpose of the bill is to develop the immense resources of Australia:

"Essentially the task of the new [banking] organisation will be to provide a financial mechanism appropriate to the needs of our rapidly growing economy. Australia is destined to see great developments in the coming years and this process, which is already underway, must be promoted by every means possible. There will be a great increase in our population. Industries will expand in all fields, and we must expand our markets abroad. The basic services of transport and communications, water supply, power, housing, health and education, must be enlarged to meet the needs of a larger economy, working at high levels of technique and productivity. The stress everywhere will be upon new forms of enterprise, new methods of production, and new uses of the resources of this country...."

"The banking system must anticipate these needs and be in the field with the right kinds of facilities to assist and encourage such developments.... A banking system created to serve the welfare of the community, can aid industry by the quality of its advice and the incidental services it renders as well as by the financial accommodation it provides. The Government has in view the building up of a highly qualified staff that will enable the Commonwealth Bank to give skilled advice as part of its banking service. Secondary industries, for example, will be able to turn to the bank for the assistance of production engineers and cost accountants.... Primary industries will have the aid of agricultural experts.... It will be free from the cramping limitations of sectional private ownership which bid the private banks to serve this interest but not that interest, and to judge all business from the narrow standpoint of maximum profits for the smallest outlay. Full public ownership of the banks will ensure control of banking in the public interest."

The private banks, employing Sydney KC [Kings Council] Garfield Barwick, immediately launch an all-out assault on this law in the High Court.

1948. August. The High Court finds in favour of the private banks, overturning Chifley's legislation.

1949. The Privy Council in London also finds for the private banks. The banks launch a campaign to drive Chifley from office. The *Brisbane Mail* of July 31 writes, "The decision of the Privy Council against the nationalisation of banking in Australia has touched off an all-out campaign by the banks and by bank officers to 'sink Chifley' at the federal elections towards the end of this year." The campaign is successful, and Anglophile banker Sir Staniforth Ricketson's puppet Robert Menzies comes to power.

1975. The Whitlam Government is sacked by the Queen's representative, Governor General Sir John Kerr. Whitlam



Sir Garfield Barwick, High Court Chief Justice, intimate of the Crown, bitter opponent of national banking. Speaking for Queen Elizabeth, he told Sir John Kerr to sack Whitlam.

and his Cabinet, notably Minister for Energy and Minerals Rex Connor and Treasurer and Deputy Prime Minister Jim Cairns, had attempted to raise large sums of money outside the traditional Anglo-American financial orbit, in order to build great infrastructure projects and "buy back the farm", to develop Australia's huge minerals resources. Kerr got the go-ahead to sack Whitlam from Sir Garfield Barwick, a close associate of the Royal Family and the same man who had defended the private banks against Chifley's nationalisation plans in the late 1940s.

1993. Citizens Electoral Council leaders consult with Lyndon LaRouche in the U.S.A. on a plan for a national bank for Australia. The result is the CEC-drafted *Commonwealth National Credit Bank Bill*. (See page 28.)

1996. Prime Minister Paul Keating sells off the remaining portion of the Commonwealth Bank.

2001. The CEC issues its book, *What Australia Must Do to Survive the Depression*, featuring the *Commonwealth National Credit Bank Bill*.

2002. September 26. Over 600 leading Australians from all institutions and walks of life sign a CEC-sponsored ad in *The Australian*, calling for the establishment of a national bank. The ad kicks off the CEC's campaign for 1,000,000 signatures for a national bank, to force the issue onto centre stage in Australian politics.

The timeline covers the same period as the rise and activities of the fascist private armies, detailed in Section III of this Special Report, "The Pro-Hitler, Fascist Roots of the Liberal Party" (p. 29), but does not include those events. The history outlined above is drawn from two groundbreaking CEC pamphlets, "Stop the British Crown plot to crush Australia's unions" (1998) and "The fight for an Australian Republic: From the First Fleet to the Year 2000" (1999). These pamphlets give a far more accurate picture of the individuals and forces driving Australian history, than any of the usual, Establishment-sponsored lying histories or textbooks. Both pamphlets are available from the CEC.

The Money Power vs. the Whitlam Government

Without national banking, there can be no national sovereignty. Nowhere in modern Australian history has this been clearer, than in the toppling of the Labor government of Gough Whitlam in 1975.

Entire forests have been felled to provide paper on which to print all the theories about "what really happened" to the Whitlam government. Many of these centre on alleged anger at Whitlam on the part of the CIA, over his threatening to reduce or deny the United States access to its bases in Australia. Whatever frictions there may have been in that regard, they were not the essential issue. The reality is, that Whitlam and his government, notably Minister for Energy and Minerals Rex Connor, Sr. and Jim Cairns, originally Minister for Overseas Trade and later Treasurer and Deputy Prime Minister, had a grand vision for the economic development of Australia. Their plans included the assertion of greater national control over the continent's stupendous mineral wealth. They needed funds to bring that vision into reality. When they attempted to raise the money, and so to assert national sovereignty, the British Crown-centred Money Power launched a series of scandals, which ultimately brought Whitlam down.

The essence of the story is recounted by Jim Cairns in his 1976 book, *Oil in Troubled Waters*. Right at the outset, Cairns confirms Lyndon LaRouche's argument that "liberal parliamentary democracy" is es-

entially shadow-play. If, by some chance, such a parliament-based government takes it into its head to actually govern for the Common Good, then "it is easily destabilised by financial and other crises," as LaRouche has stressed—by the financier power that actually rules. Cairns reported precisely that reality, from his position at dead centre of the events leading up to Whitlam's ouster:

"I want to summarise, at the very beginning of this book, how those things appear to me now. First, real power does not lie in Parliament, but in the economy—with those who own or control industry. Wealth and the media are part of industry."

The ruling forces, and the ideas associated with them, form a system of "hegemony", Cairns said, and, "No government can do anything that is far outside the hegemony. It is the hegemony, not governments, that rule." In the case of the Whitlam government, it was preparing a "significant departure" from the ruling hegemony—both a bold national development program, and an unorthodox method to finance that program:

"The [Rex] Connor public enterprise program—the national pipeline across Australia, processing petroleum by the Petroleum and Minerals Authority, building somewhere a petro-chemical plant and a uranium plant, electrifying the railways between the capital cities, and 'buying back Australia' from companies like C.R.A. [Rio Tinto]—these were

departures from the capitalist hegemony. None of these things could be done without money. Money was needed to buy and to build. But not enough money was available in Australia.... Except during the Second World War, the Reserve Bank had never been used as a source of finance and there is tremendous resistance to its use. Even the largest companies had to pay 14 per cent or over for the relatively small amounts that they were able to borrow. Hence the Australian Government had to look overseas."

As a result of the 1973 Mideast War, which caused the price of oil to skyrocket, some \$80 billion poured into Arab countries. Initial inquiries to Arab governments showed that some of that money was available to loan. But:

"Trying to borrow money from Arab sources was against the interests of American and British financial houses who had a comfortable monopoly of lending to Australia. It was opposed by Australian officials, who treated that monopoly as the only practice that could possibly be adopted. It involved a departure from the conventional Federal-State financial practices. And it was, not least, an involvement in Middle East politics. The media, which played a crucial part in this, may have chosen to attack the government on some of these grounds. But it did not. It concentrated alone on the 'overseas loan affair'. In this way the



Prime Minister Gough Whitlam was dumped by the Crown in 1975 because of his nationalist policies.

Labor government could be made to look silly, corrupt or mistaken. But if the *actual* grounds of the objection to what we were doing had been used, the issue would have appeared to be more fundamental. It would have called to attention Labor's national, public enterprise program and it would have exposed 'the money power'. It would have involved Labor's plan to 'buy back Australia'. There was a great deal of public support for Labor on all of these matters. It was much better for the media not to mention them and instead to sensationalise Khemlani and the others." (Emphasis added.)

In a vain attempt to save his besieged government, Whitlam fired those ministers most closely identified with the fight for the common good, notably Rex Connor, Cairns himself, and Minister for Labor Clyde Cameron. That did not satisfy the Money Power. So, with the usual methods of "parliamentary democracy", a financial crisis was cooked up, when the conservative-dominated Senate threatened to "withhold supply" (funding) to the Government. With this excuse, the Queen's Governor General Sir John Kerr sacked Whitlam, despite the fact that the question of "supply" was already in the process of being resolved.

Defeat the Synarchists—Fight for a National Bank

Taking on the Queen's minerals cartel

The financial powers-that-be prefer not to expose their hand by intervening directly into the political process, thus destroying the myth of "parliamentary democracy" and opening themselves up for attack by an angry public. That the Queen herself, through her Governor-General, had to intervene personally to sack the Whitlam government, is indicative of the enormous stakes involved.² And only when one fully appreciates the enormity of those stakes, is the utter necessity of establishing a sovereign national bank made fully clear.

The Whitlam government's grand plan for the continent centred upon two intersecting elements: 1) securing greater government control over Australia's vast mineral riches, and 2) developing a nationwide infrastructure grid, including major projects in energy, pipelines and water. Whitlam also planned a sweeping development program for northern Australia.

Throughout the 1960s, new mineral discoveries fueled a mining-based export boom, which complemented, and even began to replace, Australia's longtime reliance on agricultural commodities exports. However, many of the exports went at bargain basement prices, and most of the companies involved were owned by foreign interests, typically associated with the Crown's raw materials companies, such as Anglo American Corp. and Rio Tinto, in which latter the Queen herself is the largest private shareholder. Already in a speech at the University of New South Wales in 1966, Whitlam foreshadowed the actions his government would later take:

"Far from taking credit for the mineral discoveries, our governments should hang their head in shame over the price we have been paying and will have to pay

in the future for the exploitation of our mineral resources. The Government is condoning and encouraging the sale of our richest mineral resources to overseas interests. Some of the most amazing mineral discoveries in our history are now in foreign hands. Foreigners do Australians the honour of employing them to dig up their own wealth, to be exported overseas.... The whole of our production potential in aluminum is controlled by overseas interests. Almost all the new and rich iron ore discoveries, particularly in Western Australia, have been taken out of our hands. The new coal deposits in Queensland are controlled by overseas interests. Three quarters of the mining and treatment of copper is controlled by overseas interests. Already 70 per cent of the mining of lead and 60 per cent of the mining of zinc is outside our control."

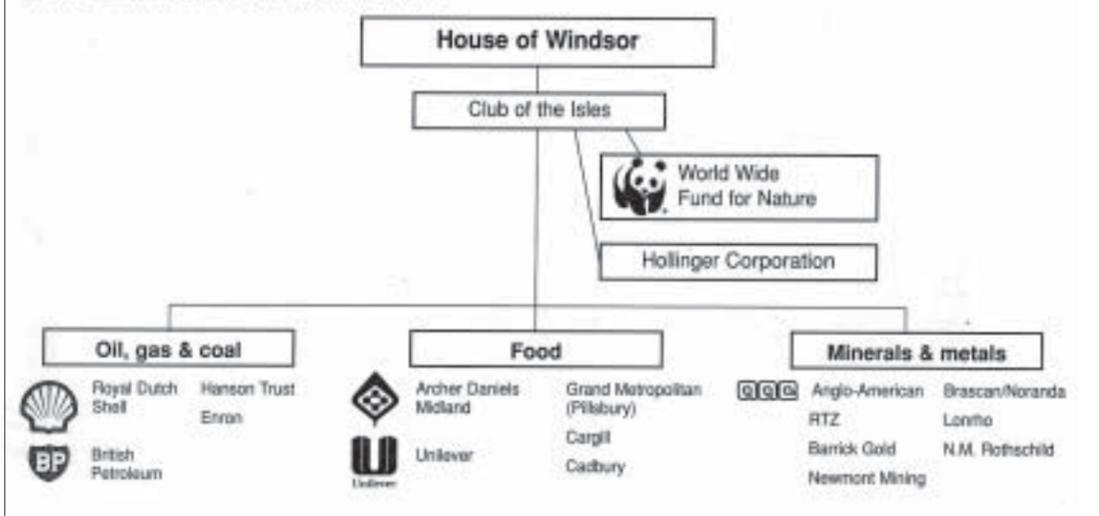
Whitlam's Minister for Minerals and Energy—Australia's first—was the tough old patriot R.F.X. (Rex) Connor, Sr., who pronounced at every opportunity his intention "to buy back for Australia what is Australia's birthright." Jim Cairns wrote about him:

"[T]here was one Minister, however, who was capable of scaring even the most experienced and coolest of the Australian capitalists, and even some English ones not to mention the editors and sub editors. He was Rex Connor.

"As Minister for Minerals and Energy Rex Connor was aware of what was in the Labor Party platform as a result of the 1971 [Launceston] Conference and of what he himself in 1975 put into it at Terigal. He wanted to do something about it all. For him the ownership of Australian minerals and energy resources was vital and he believed that

Chart 1

House of Windsor control of raw materials



The House of Windsor oversees a \$10 trillion dollar financial empire, including control of the world's major raw materials. Australia, a "jewel in the Crown", has been looted blind by such minerals giants as RTZ, whose chief private shareholder is the Queen.

the Australian people should themselves own a fair share of these resources. He believed also that the 'mining industry' had received vast and unnecessary subsidies and tax concessions from previous governments and that these should come to an end."

In 1973, Connor commissioned the economist T.W. Fitzgerald to prepare a report on mining and taxation, the highlights of which Cairns summarises in his book. Fitzgerald found that: "In Australia, the mineral industry is one in which the element of foreign ownership and claim to profits is higher than in any other. It is an industry that receives considerations in taxation policy of a kind that do not apply to others." Specifically, Fitzgerald showed that, in the previous six years, the "Australian Government's net take from the Minerals industry" was *minus* \$55 million (i.e., it paid out more in

concessions than it received in tax revenue), while the "surplus accruing to foreign direct shareholders of the principal mining companies" was a huge \$1,024 million, and this was *after taxes*. After the Fitzgerald report, the Government moved quickly, as Whitlam reported in his book, *The Whitlam Government, 1972-75*, "My Government, in setting out to end the great minerals rip-off in May 1973, abolished the taxation concessions... which were then being used by mining companies to avoid tax." But, observed Whitlam, "While the tax rip-off could be ended almost immediately, the problem of foreign control and ownership was more destructive and more difficult to contain."

2. To anyone who knows anything of the inner workings of the British monarchy, and the power and personality of Queen Elizabeth—as opposed to the "tea and garden parties" image of her circulated for the credulous—the idea that the notorious Royal lapdog Sir John Kerr would sack Whitlam off his own bat, is ludicrous. Details of the sacking and its coordination through the Crown's "honours system", including the role of Sir Garfield Barwick as a cut-out for the Crown, may be found in the CEC's "Stop the British Crown plot to crush Australia's unions" pamphlet. For someone who "didn't know" about the sacking, the Queen was pretty happy after the fact: she inducted Kerr into the Privy Council and showered knighthoods upon him, including the Royal Victorian Order (RVO), which ranks below only two other Royal orders. The RVO is awarded by the Queen herself, *without the recommendation of any of her governments*. Whitlam, though he maintained a kind of willful naivete about the Crown, and therefore never fully knew what hit him, drily observed of the groveling Sir John's astonishing rise in Royal favour, during the year after the sacking, that he "had become, in a single *annus mirabilis*, the Rt. Hon Sir John Kerr, A.K. G.C.M.G., G.C.V.O. K.S.J."

The extraordinary power of the Crown and the multi-trillion dollar empire of which it is the apex is documented in *The true story behind the fall of the House of Windsor*, EIR Special Report, 1997.

A program for "Snowy-style" national development

With bold legislative actions, the government moved to address that problem of "foreign control and ownership". Cairns reported,

"The Labor government's first move into public enterprise was the Pipeline Authority Act of 1973. This Act established the Pipeline Authority and gave it powers to acquire, hold and dispose of property; to construct pipelines for the conveyance of petroleum in a liquid or gaseous state, and to maintain and operate those pipelines; to buy and sell petroleum, and to secure, control and retain reserves of petroleum. When introducing the bill in 1973, Rex Connor stated that in establishing the authority the government was following the precedent of the Snowy Mountains hydroelectric scheme and that this will be 'a project of at least equal magnitude.'" (Emphasis in original.)

The bill passed both houses, and pipeline construction began.

With a second piece of legislation, the Petroleum and Minerals Authority Bill, the government planned to go much further. In introducing the Bill, Connor said:

"By this Bill, Parliament is being asked to authorise government entry into petroleum and minerals search and production, through the creation of the Petroleum and Minerals Authority. The decision is based on the policy of the Government as enunciated first by the 1971 Launceston Conference of the Labor Party, namely, the compre-

hensive development under government control of Australia's mineral resources, with emphasis on the need for discovery of new deposits, and direct Commonwealth and State participation in oil and mineral search and exploitation throughout Australia's land and offshore territories.... The Government believes that Australian ownership and control of the nation's assets is no longer a matter of debate, but an objective shared by the great mass of the Australian public of all political persuasions."

In addition to government exploration and development, Connor said, "We shall be aiming at greater processing of our mineral exports, and so move from being primarily an exporter of raw materials to becoming a substantial exporter of semi-processed and processed materials."

The bill was rejected by the Senate, then was passed at a joint session of both houses in 1974, only to be rejected by a majority of the High Court, just as had occurred with Chifley's banking bill.

Still another key piece of legislation was a bill Jim Cairns introduced to widen the scope of the already-established Australian Industry Development Corporation, for projects in the National Interest, and to establish a National Investment Fund. The AIDC could "facilitate and encourage the establishment, development or advancement of Australian industries in manufacturing, processing, treatment, transportation or distribution of goods, or the development or use of natural resources or of technology." That is,



R.F.X. "Rex" Connor. A fierce nationalist of the old Labor school, Connor was the Minister for Minerals and Energy under Whitlam, and the architect of a vast strategy to "buy back" Australia from the Queen's multinationals such as Anglo American and Rio Tinto Zinc, and to industrialise the continent. Photo: Courtesy Rex Connor Jr.

it was dedicated to coordinating and strengthening Australian private ownership in industry, as opposed to foreign ownership. The problem, however, as Cairns noted, was that "A.I.D.C. in its original form, was equipped neither with the functions nor with sufficient financial resources to make the kind of impact on the problems of foreign ownership and control that the Government, and the Australian nation, wished it to make. Facing as it did investment projects involving about \$6500 million on the one hand, A.I.D.C. just did not have the means of influencing in any way the gathering of large blocks of entrepreneurial capital for investment in major development."

The Greens: Agents of the Money Power

Many Australians are utterly disgusted with the two "major" parties, Liberal and Labor, because of those parties' wholehearted support of the financial oligarchy's economic rationalism, which has devastated our farms and industries. So, when the establishment media offers a "kinder, gentler" alternative, with apparently different policies, many people bite. What the Greens actually offer in economic policy, however, is the same fanatically anti-economic development, anti-sovereignty policies as the major parties do, just under a different colour.

A quick look at the history of the worldwide, and Australian, "green" movements shows who is really calling the shots in these "people's movements". As documented in a groundbreaking 1997 218-page Executive Intelligence Review Special Report, *The True Story Behind The Fall Of The House Of Windsor*, the entire world's "environmentalist" and "indigenist" movements were generated out of the World Wildlife Fund (now the Worldwide Fund for Nature). The WWF was founded in 1961 as a conspiracy of the Anglo-Dutch financial oligarchy, in the persons of its co-founders, the notorious racists Prince Philip of Britain and Prince Bernhard of the Netherlands, the latter a former member of the Nazi Party! As of 1997, the Anglo-Dutch financial combine headed by the two princes, which is centred in the British Crown's elite Club of the Isles, controlled an estimated US\$9 trillion financial and corporate empire.

After his 1963 Royal Tour of Australia with Queen Elizabeth, Prince Philip founded the Australian Conservation Foundation (ACF), as a *de facto* arm of his WWF. He later personally headed the ACF, as did those two other notorious Money Power stooges, Sir Garfield Barwick, who was the founding president of the ACF (whom Philip succeeded as president), and Nugget Coombs, who replaced Philip in that position. The ACF is the "mother" of the entire "Green" and "indigenist" movements in this country. Its leading financier, from the outset, was the Queen's mining cartel, Rio Tinto. Not surprisingly, in the first major campaign that helped popularise the environmentalist movement in Australia, the fight to stop the Franklin Dam, Prince Philip flew into Tasmania to inject himself into the middle of the battle. For more on the WWF and the ACF, and their founding of the Green/indigenist movements, see the above-cited *EIR* report, and the CEC pamphlet, "Aboriginal 'land rights': Prince Philip's racist plot to splinter Australia".

Defeat the Synarchists—Fight for a National Bank

Where will the money come from?

Once again, the issue was finance. Cairns observed:

“Not only have the banks power to create money within wide limits, but they do so. As well as determining the total volume of money, the banks decide also to whom they will lend. It is obvious they will prefer rich and powerful people and the companies associated with them; they will prefer ‘old customers’ and they will not be too keen to lend to poorer people, to ‘battlers’, or to persons or even companies who may be competitive with their associates. The power to create money and to decide who should get it is a vast and significant social and economic power and for this reason, the Labor movement has always believed it should not be a privately owned power but be exercised solely by a public or people’s bank....The whole system of finance is run in the interests

of the banks and other lending institutions. It is the interests of the banks and lending institutions that there is a bland, blank and arrogant refusal to borrow from the central bank even though the interest cost could be comparatively insignificant.”

The question was, how to finance all of Labor’s grand ideas, at least those not rejected by the Senate or High Court? Theoretically, it was possible to borrow from the Reserve Bank, the nation’s central bank. In practice, that was never done (except in wartime), because the central bank is controlled by the financial oligarchy. Cairns tried to change that. He reported:

“Money is created by the Reserve Bank and by the Trading Banks and for their own requirements; the Australian government may borrow from this created money, as it did during the Second World War. The Austral-

ian government in 1974 and 1975 could have used Treasury Bills to borrow from the Reserve Bank to help finance the building of pipelines, the operations of the A.I.D.C. and for other purposes, and this, as far as possible, I was determined to bring about.

“If the government in 1974 and 1975 was to use Treasury Bills, that is, central bank finance for its public enterprise activities, a favourable political climate, very different from that which existed, would have been necessary. [Emphasis in original.]

“Given the availability of resources, and unless resources were available the activities would not have been carried out, I do not believe there was any economic reason why the government should not have used central bank finance more than it did. It is not so much economic limitations as political and social ones that make such a

policy possible....I had hoped to extend considerably the government’s ability to attract public financial support both in the establishment of the National Investment Fund and in the use of the central bank—the people’s bank [sic]—to finance great national projects. I did my best to create public interest and public support but in an important sense, little of it could get through the media to the public. A natural gas pipeline to Dampier, not owned by private enterprise, or the possibility of a petro-chemical plant outside the multinational network, seemed to represent a crucial class issue and a challenge to private enterprise power. Nothing Rex Connor or I tried to do or say seemed to persuade anyone. Even our own supporters, interested as they were in ‘national ownership’, did not seem to be interested in or even aware of the way

we had to finance it—which, of course, was far the most radical action attempted by the Labor Government of 1972-75.” [Emphasis added.]

Cairns had put his finger on the issue, with his ironical description of the central bank as the “people’s bank”. In reality, as Cairns writes elsewhere and LaRouche constantly stresses, private financier-controlled “central banks” are entirely different from “national banks”, since the latter are dedicated to that Common Good, which the former are dedicated to thwarting. The Whitlam government had attempted to raise a mere \$8 billion (at a time when our national debt was only \$5 billion), which would have been sufficient to launch all its projects, and so to secure Australian economic development and national sovereignty for generations to come. This, the “Money Power” would not tolerate. Whitlam had to go.

Interview: Dr. Jim Cairns June 11, 2003

NC. For a government that truly wants to govern in the national interest, how important is a national bank?

Dr. Cairns. A national bank is of very great importance, the greatest of the institutions in the country.

NC. National banking was a longstanding, central policy of the Australian Labor Party, most prominently under Chifley. Your political career was getting started then, but how important did you think his fight was to establish a national bank, and then, when the Privy Council overturned that, to nationalise the banks?

Dr. Cairns. I think it destroyed the soul of the Labor Party, really, after Chifley. It was very important to the Labor Party, and the action of the Privy Council took away the meaning, the real meaning, of Labor policy.

NC. At the time, was there a lot of support for Chifley among the Labor Party?

Dr. Cairns. Yes, a great deal of support, for what Chifley did. And of course, his death was a great loss to the Labor Party. They were followed by a man who wasn’t really a Labor man, Bert Evatt, a lawyer, and it took the substance out of Labor.

NC. Twenty-five years later, under the next Labor government, when you proposed borrowing

from the Reserve Bank to finance your programs, was this supported by the other Labor MPs?

Dr. Cairns. I can’t say that it was. It wasn’t opposed, but it wasn’t really put to them. I wasn’t too sure how it would go, and I knew there would be support for it, amongst what we call the Left Wing, but I knew there would be opposition from what we call the Right Wing.

NC. So in the intervening 25 years between the two Labor governments, the importance of national banking, the importance of national banking in Labor policy obviously diminished quite a lot?



The late Dr. Jim Cairns, Treasurer and Deputy PM under Whitlam. Like Curtin and Chifley, Cairns fought for financial sovereignty. Synarchist Rupert Murdoch’s mass media cooked up scandal after scandal to stop him, and to topple Whitlam.

Dr. Cairns. Yes. Certainly it did.

NC. If you had put it to them, if it had been Labor policy, is there anything that would have stopped it anyway, i.e., a law, the Senate? How far could the idea have advanced?

Dr. Cairns. Well, it might have been better if I’d put it to them, and got the backing of the Party fully. It might have been better to do that, but whether the Senate would have stopped it, I don’t know. It could have done, it had numbers to play with. We had two or three senators on which we could fully rely, and it would have

been possible to do that.

NC. So what ultimately stopped you from even raising it, then?

Dr. Cairns. Thinking about whether it was necessary to have it, when a defeat was quite possible. Why take on a defeat when you don’t have to?

NC. When the other option, the overseas borrowing option, was something you could pursue?

Dr. Cairns. Yes.

NC. You wrote in *Oil in Troubled Waters* that to you, borrowing overseas was a secondary option, after ruling out the idea of borrowing from the Reserve Bank, which is a fact probably lost on most Australians who only remember the loan scandal. If you had been able to borrow from the Reserve Bank, what do you think you could have achieved in Australia? Could you tell us some of the Snowy-style projects that the Whitlam government was planning?

Dr. Cairns. Well, Connor had a program, Rex Connor, for oil development from Western Australia onwards. There was an extensive roads program, the minister being Charlie Jones. There was urban development, with Tom Uren—they were the main features.

NC. You highlight the power of Rio Tinto, or CRA then, in your book, which we have exposed has none other than Her Majesty the Queen as its largest shareholder, the

person who ultimately sacked the Whitlam government. At the time, how conscious were you and the rest of the government that you were upsetting the highest levels of the Anglo-American establishment?

Dr. Cairns. I suppose we guessed we were; after all, the Bank of England was a competitor. I don’t know how much we talked about it, but we were conscious of the opposition of England and the Bank of England, and the English establishment.

NC. Did you see that as driving the Murdoch media campaign against the government?

Dr. Cairns. Well it did. It was one of the factors in the media campaign, but it didn’t need any. It had that, and it had a lot of others as well.

NC. For decades, the Labor Party, or at least important parts of it, were committed to fight against what old Labor called the “Money Power”, on behalf of the Common Good of all Australians. Is there anyone in the ALP today who continues that tradition, or is even aware of it?

Dr. Cairns. I don’t know very much about those in the Labor Party today, but I should think there isn’t. I don’t think the Labor Party is at all leftish. I think it is a sort of middle-class party at the moment, which doesn’t value these things.

Central Bankers vs. the Nation State: The case of Nugget Coombs

The purpose of central banks is to maintain control over the essential affairs of a nation, on behalf of a cabal of private financiers. Perhaps nowhere was this process more clear for Australia, than in the career of H.C. “Nugget” Coombs, longtime head of Australia’s central bank, a self-described member of the “international freemasonry of central bankers”, and, later, the “Father of Aboriginal Land Rights”.

After attending the elite Perth Modern School, Coombs picked up a scholarship to the London School of Economics, where his idol was John Maynard Keynes. By 1933, he had received his doctorate, writing his thesis on central banking. During this process, he was recruited into an elite secret society of central bankers, of which Keynes was a leading member. Coombs described the matter in his autobiography, *Trial Balance*:

“Those who practice [central banking] often feel themselves to be members of an international freemasonry, a kind of ‘mystery’ in the medieval sense of a group who possess some exclusive knowledge or skill, and indeed there has always been an element of mystery in the contemporary sense of the word about what central bankers do. This mystery was intensified, perhaps deliberately, by the personality of Montagu Norman, who for 21 years was governor of the Bank of England....

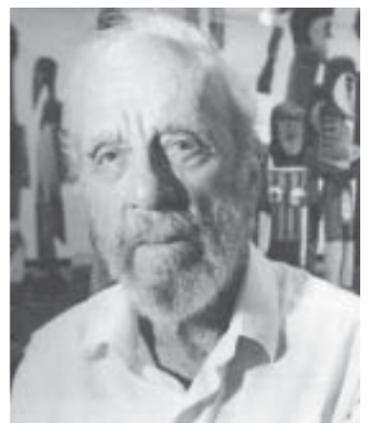
“It was Norman who created the international freemasonry of central bankers.”

And what were the politics of Montagu Norman? As documented by American historian Anton Chaitkin (*George Bush: The Unauthorized Biography*), Montagu Norman, as the head of a cabal of British and American financiers,

was the individual most responsible for installing Adolf Hitler in power. He also, according to Coombs’ own account, had arranged for the Bank of England to act as financial agent for the young Soviet government, beginning almost immediately after the 1917 Bolshevik revolution. In other words, he was one of those financiers who sponsor Nazi and Communist movements, in order to destroy sovereign nation states—the Synarchists. The Nazi/Communist Synarchists associated with ideologues like Leo Strauss, Alexander Kojeve, et al., are a classic such movement, which produced such imperial madmen in the Bush Administration as Cheney, Rumsfeld and Wolfowitz.

At the close of World War II, Coombs set up and headed the Ministry of Reconstruction, a crucial institution in the postwar period. He then became head of the

Commonwealth Bank in 1949, and head of the Reserve Bank until 1967, when he resigned. During that entire time he was working on behalf of the London-centred system of central banking, and against the national interests of Australia, as he himself emphasised regarding his role as chairman of the Commonwealth Bank and the Reserve Bank: “We had a responsibility to the profession of central banking itself, to defend its right to act in accordance with its best understanding of the system.” And, since central banks are usually hated by those who suffer under them, it were best, Coombs said, to hire a native to head the relevant central bank: “It has always been my conviction that central banks, despite their membership of the international freemasonry, should have an essentially indigenous character.”



H.C. “Nugget” Coombs, the “father of Aboriginal land rights”, and a member of the “international freemasonry of central bankers”, squashed most of Labor’s post-war reconstruction projects.

Coombs’ loyalty to his international freemasonry was also obvious in his earlier tenure as Minister

Defeat the Synarchists—Fight for a National Bank

III. The Pro-Hitler, Fascist Origins of the Liberal Party

THE 1930's SYNARCHIST ASSAULT ON AUSTRALIA

"And therefore, the essential conflict is between the national interest and the financiers. Hitler was not a creation of a bunch of dummies in brown uniforms. Hitler was the creation of bankers..."

"The bankers of this type, the private bankers, created Hitler, because there was a financial crisis, and under conditions of financial crisis, if the government is accountable to the people, it is the bankers that will pay, not the people. And therefore, the bankers say, "It's the people, it's the government, that has to go."

—Lyndon H. LaRouche, Jr., December 16, 2003

Anglo-Dutch parliamentary systems are a puppet show, in which the strings are held by central banks, which in turn are controlled by a cabal of private financiers. In times of crisis, these private financiers destabilise the parliamentary systems, and replace them either with parliaments that will bow to their interests, or even, as happened in much of Europe during the 1930s, with outright fascist regimes.

It is not acknowledged in standard history texts, but fascist military coups were prepared for Australia, too, in the early 1930s—at both the state and federal levels. The would-be perpetrators were Synarchists in the mould of Mussolini and Hitler, and their backers, as in Europe, were to be found in the upper echelons of the financial oligarchy. Their efforts peaked in 1930-1932, during the intense confrontation between the "old Labor" forces of Jack Lang, Frank Anstey and John Curtin, on the one side, and the "Money Power"—centred in London, but with powerful, aggressive allies inside Australia—on the other. The spectre of a fascist coup was instrumental in the toppling of the Labor government of James Scullin and the ouster of Lang as New South Wales PM in 1932, dealing a grave setback to Australia's potential national development during the depression, and throwing much of the population deeper into misery.

Was "Australian fascism" just a flash in the pan? Why return to the history of such an unfortunate period, when a pro-Nazi movement flourished in Sydney, Melbourne and the bush, with backing in high places?

The history of the Synarchist assault on Australia in the 1930s cannot be ignored as a curiosity or relegated to a footnote, because the world, Australia included, is once again plunging into an economic depression—a systemic one, of the type in which the deployment of fascist mobs and police-state repression is the stock in trade of a desperate financial oligarchy. Moreover, not only is the 1930s assault on Australian society and our national identity in danger of being repeated, but the direct heirs of the 1930s perpetrators are alive and active to carry it out. It is impossible to grasp Australian politics in the first decade of the 21st Century, without knowing the never-repudiated roots of the Australian Liberal Party in the pro-fascist Synarchist movement of seven decades ago.

Faced with the threat of the pro-sovereignty, pro-national banking tendencies in both the Federal Labor Government of Scullin and Lang's New South Wales Labor Government, the British Crown and the City of London, with their allies among the "Anglo-Australian" comprador elites of Austral-



March 19, 1932. Fascist New Guardsman Col. Francis de Groot preempts NSW Premier Jack Lang to cut the ribbon at the new Sydney Harbour Bridge.

ia, developed a two-pronged attack. They would keep the parliamentary façade if possible, by driving Scullin and Lang from power through "political" means. But in case those maneuvers failed, they simultaneously created mass fascist armies of storm troopers, capable of seizing power.

The stormtrooper organisations were the Melbourne-based League of National Security, and the Old Guard and the New Guard, based in Sydney. Combined, these three groups comprised over 100,000 well-armed and highly organized militants. The best known of the three, though actually the least important, was the New Guard, led by Mussolini- and Hitler-worshipper Eric Campbell. The New Guard achieved notoriety on March 19, 1932, when New Guardsman Col. Francis DeGroot jumped ahead of Premier Jack Lang to pre-empt him, with a sword, at the ribbon-cutting for the Sydney Harbour Bridge.

These armed fascist brigades were modeled explicitly on the blackshirts and brownshirts of Mussolini and Hitler. Like them, the paramilitaries invariably had their front organisations: mass "citizens leagues," which shared the same philosophies, and whose

members often did double duty, as both league activists, and members of the armed detachments. Both the armed brigades and their "citizen" fronts were created, staffed and run at the highest levels, by the leading financial organisations in Australia.

Some of the relevant government files of the period have been carefully culled, while others are mysteriously missing. But enough evidence has survived, to demonstrate that the fascist citizens leagues and their armed counterparts were supported by top banking and corporate institutions, among them:

- the Bank of New South Wales, Australia's largest and oldest bank;
- Colonial Sugar Refining Co. (CSR), the largest corporation in Australia;
- J.B. Were and Sons, Australia's largest brokerage, and handler of government loans;
- G. J. Coles and Myers, the two largest retail firms in the country;
- leading executives or directors of the BHP and Collins House manufacturing and minerals empires;



Fascist dictators Mussolini and Hitler (l.) were sponsored by the European and American oligarchy. Centre: The Duke of Windsor (formerly King Edward VIII) and his wife visit their old pal, Adolf. Right: King George V. Hearing of de Groot's action on the Sydney Harbour Bridge, the King proclaimed, "Well done, de Groot!"

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and many other banks, insurance companies, corporations, chambers of commerce and pastoral houses. This section of our report presents that evidence.

In New South Wales, the fascist armies were days or hours from marching on Sydney, an eventuality avoided only when King George V directed his Governor General, Sir Philip Game, to sack Premier Lang. An overt fascist takeover was forestalled, but at the sacrifice of Australia's best leaders and policies for that time of economic crisis.

The issue in Depression-ravaged Australia was, whose rights take precedence: those of the people, or those of the financiers? This was the question explicitly posed by Jack Lang, by Federal Labor MP Frank Anstey, and by Anstey's protégé, John Curtin. Would the City of London be paid its pound of flesh in debt service, at the cost of the suffering and even the lives of Australians? The crisis of 1930-1932 came to a head over the question of currency issues for the purpose of job creation, as advocated by these Labor leaders and formally proposed by PM Scullin and his Treasury Secretary, Ted Theodore, as against the financiers' insistence on fiscal austerity for "fighting inflation" and, above all, paying debts to the City of London.

The most notorious spokesman for the Crown and the City of London, within the Anglo-Australian comprador elite, was the rabid Anglophile Robert Menzies. Owned lock, stock and barrel by the financiers, Menzies insisted that the interest-gouging prerogatives of the financiers—which he termed "justice" and "fair play"—must come first, even if it meant that people starved. At the height of the crisis, he pronounced, "If Australia were going to get through her troubles by abating or abandoning traditional British standards of honesty, of justice, of fair play, of resolute endeavour, it would be far better for Australia that every citizen within her boundaries should die of starvation during the next six months. To look for the easiest way out was about as traitorous a thing as any Australian could engage in at the present time."

As contemporaries recorded, Menzies was an ardent pro-fascist, full of admiration for Hitler and Mussolini. Less well known, is the fact that he was also the front man for a Synarchist coup plot against British Prime Minister Winston Churchill. The plotters, one of whom was the notorious pro-Nazi press baron Lord Beaverbrook, planned to weaken Churchill, or even to oust him and replace him with the appeaser Menzies. In furtherance of this plot, Menzies

Defeat the Synarchists—Fight for a National Bank

spent an astonishing four months outside of Australia during 1941, even while he was Prime Minister! Imperialist though he himself was, Churchill had decided to fight Hitler, rather than have Britain subsumed within a *German* fascist world empire, while Menzies and his backers wanted to “make a deal”—one which would have led inexorably to Nazi world rule.

Today we face a similar challenge, from some of the same institutions and types of people. The Anglo-Australian financiers, who in the 1930s had sponsored the mass fascist citizens leagues and their armed detachments to crush Labor, went on to set up, 1) the United Australia Party (led by their puppet, “Honest Joe” Lyons), and then 2) the Institutes of Public Affairs (IPA), in 1942-43. It was the

IPA, with Menzies at the fore, that in 1944 created the Liberal Party.

In the mid-1970s, these same financiers, sometimes the very same companies and the sons or grandsons of those who had sponsored the fascist movements of the 1930s, backed the establishment in Australia of a new form of fascism in the form of fronts for the Mont Pelerin Society, favourite economic think tank of the Crown and the City of London, and a major promoter of fascist economics. These think tanks consolidated their control over the Liberal Party and took over the Labor Party, in order to continue the fascist project of the 1930s, under the modern slogans of “free market” and “globalisation”. The most influential Mont Pelerin front groups are:

- the Melbourne IPA;

- the Sydney IPA, renamed the Sydney Institute;
- the Centre for Independent Studies (CIS);
- the Tasman Institute/Tasman Economics/ACIL Tasman complex; and,
- the H.R. Nicholls Society.

They brought us privatisation, deregulation, competition policy, deadly slashes in health care, and the rest of the looting package known as economic rationalism and globalisation.

The continuity from the Synarchists’ fascist projects of the 1930s through to the policies of Hawke/Keating, Latham and Howard today, emerges starkly from an examination of the economic program of the 1930s movements, as trumpeted by the Young Turk of the bunch, New Guard leader and

self-proclaimed fascist Eric Campbell. Campbell’s goals were summarised by historian Keith Amos, in his book, *The New Guard Movement 1931-1935*: “Taxation needed to be reduced to the barest minimum; the public service had to be reduced ‘down to nothing’ by the ‘superannuation of the elder, dismissal of the younger and the elimination of the inefficient’; State-owned services such as railways and post offices needed to be run as business concerns; doles served only to ‘sap the moral fibre of the recipients’.”

Sound familiar? Indeed, just substitute “war against terrorism” for the “fight against Communism,” in the following quotation from Campbell, to see that what we have today is a revival of the 1930s *modus operandi*: “Communist activities, more fatal to the future of Australia than the most deadly pestilence ... must be stamped out ruthlessly and without mercy.” Now, as then, a fraudulently claimed threat is being used to justify fascist measures, as reflected in the slew of recently passed state and federal “anti-terror” laws—including one that authorises the Attorney General to ban any organisation he wants to. These are modeled directly upon those of Adolf Hitler, and they started well before 9/11.

Before turning to the history of the 1930s Synarchist assault on Australia in detail, listen to Jack Lang and Frank Anstey, who knew whence the threat originated.

Jack Lang and Frank Anstey on the Synarchy’s control over Australia

In the 1920s and 1930s, British banks utterly dominated Australian banks and industry. Like Third World countries today, Australia owed a staggering 65 per cent of its total tax revenue to British bondholders. Jack Lang knew the Synarchy’s City of London and its operatives in Australia very well, for as Treasurer and then Premier of NSW in 1930-32, he had been locked in mortal combat with the forces he describes here:

“The City of London provided all the capital required for the development of the colonies. The City controlled the ships, the wool and wheat exchanges, the insurance houses and all the other machinery of trade and commerce....

“The Old Lady of Threadneedle Street, as they called the Bank of England, presided over the financial dynasty of the Empire. It was supported by the Big Five, the major private banks. If a government in the Dominions or the colonies wanted to raise money, it had to go through approved channels. The financial world was divided into zones of influence. The Houses of Nivison, Rothschild, Barings and Morgan, Grenfell, all had their respective rights. If a government in the colonies wanted to raise money, it could only approach one firm. It had to meet a rigidly controlled scale of underwriting fees. It had to accept the conditions and the interest rates dictated by its London representatives. Every Government had its London agents, who were actually agents for the British investors. There was no room for argument. It was a case of taking it or leaving it. It was useless to try another source. The City had its own underground communication system....

“In addition there were the big mortgage companies, who had invested in colonial estates, handled colonial primary produce and advanced money to colonial settlers. They were closely allied to the banks. They specialised in mortgages. As they invariably reserved the right to handle all the produce as well, they perfected a form of tied business that left no loopholes for the client. Usually the banks and the mortgage companies had interlocking directorates, who specialised in colonial business.

“So, in Australia, the graziers, the farmers, as well as most of the import houses, the principal



Labor MP Frank Anstey (l.) and NSW Premier Jack Lang (c.) waged a courageous battle against the Synarchy, embodied by the Bank of England’s number two man, Sir Otto Niemeyer (r.)

mining companies as well as banks, insurance companies and shipping, all led directly back to the City of London.... All our railways, our power plants, our school buildings and even our police courts and gaols had been built with money supplied by the City of London. We were a debtor nation. The bondholders never permitted us to forget it.”

The City had its comprador elite in Australia, like—but relatively much stronger than—the Tories in the young United States who supported Britain during the Revolutionary War. Frank Anstey, who as a member of the Scullin Labor Government in 1930-31 was another key protagonist in the story you are about to hear, described this elite in similar terms to Lang’s. He stressed the allegiance of the dominant “English group” of banks, pastoral, export-import and insurance companies, and their associated families, to their Synarchist “Money Power” masters in London:

“The grip of British capitalism upon Australia consists, not only of mortgages upon Australian Governments, not only on the overseas ownership of Australian resources, but upon the control of nearly one-third of the total depository power of the Australian people per medium of the British banks and British insurances trading within Australia. The English banks ... control the English Life, Fire and Marine Insurances trading in Australia. They control English owned territories in all States. They control a large portion of our coal, meat, and wool resources. They are the dominant factor in the export and import business of this continent.

“Around the English banks are gathered the old Imperial Land Grant companies and others of kindred type. ... These Imperial Land Grant and associated land and mineral companies cover millions of acres, represent scores of millions in value, and from their coal, meat, and wool resources pour out millions of revenue per year for their overseas owners. Linked up with these are the estates of the ‘free old English gentry’ who squatted upon Australian soil during the early part of last century.”

Anstey described the “Anglo-Australian”, pro-British Empire mindset of Menzies and the financiers who owned him:

“The descendants of those families are a peculiar caste. Their spiritual home is England, their outlook, their education, their adopted mannerisms, their social and business relations are all English. Like the Anglo-Indian, Australia is to them another India, an accidental birthplace, a place of occasional temporary residence from whence their money flows.

“Thus all the financial and industrial relations of these men are with English banks and English companies. Thus they are constantly changing from Australia to England and vice versa, and those on the English end of company directorates one year are found on the Australian end next year, and later on back again. These men seldom enter into the public life of Australia, but the corporations with which they are connected are the heaviest subsidisers of local reactionary propaganda.

“The wool, the meat, the coal resources of Australia controlled

by the English group are financed by the English banks, handled by English companies, shipped through and by English companies, insured by English companies, and the directorates of the banks and of these companies are interwoven, interlocked, interchanged. Moreover, as more and more of Australian-founded houses fall into the maws of the English group, so the export and import business of Australia approaches more and more to an absolute monopoly headquartered in London. The old trade names are retained to hide the absorption, but whatever remains unabsorbed is subordinate and subsidiary to the paramount power in Australia’s overseas trade. ... Australia is a mere appendage of financial London, without distinct economic existence....” (Emphasis added.)

In his own terms, Anstey was talking about precisely what was known in other countries at the time, and still today, as the Synarchy:

“London is, so far, the web

centre of international finance. In London are assembled the actual chiefs or the representatives of the great financial houses of the world. The Money Power is something more than Capitalism. ... These men constitute the Financial Oligarchy. No nation can be really free where this financial oligarchy is permitted to hold dominion, and no ‘democracy’ can be aught but a name that does not shake it from its throne.”



Retail magnate Sir Samuel Hordern, above, of the Anglo-Australian elite described by Anstey and Lang. Chairman of the Australian Mutual Provident Society, President of the Royal Agricultural Society, and member of the fascist Old Guard, Sir Samuel had a 40-room mansion in Sydney’s Darling Point, plus the “summer cottage”, Retford Park, shown here.

Defeat the Synarchists—Fight for a National Bank

The Depression Hits

By early 1929, prices paid in England for Australia's agricultural and mineral exports began to plummet, and the nation had great difficulty meeting its huge interest payments. In October, Australians voted the Labor Party into government under Prime Minister James Scullin, a former member of King O'Malley's Torpedo Brigade. The City of London responded by cutting off credit to Australia, and the now private banker-controlled Commonwealth Bank began to call in advances and overdrafts.

From the day it took office, October 22, 1929, the Scullin Government was between a rock and a hard place. The Senate was controlled by the financier-dominated Nationalist Party, while City of London toady Sir Robert Gibson was Chairman of the Commonwealth Bank. No significant legislation to deal with the Depression was likely to be passed, nor would Gibson cooperate with Labor.

Frank Anstey, Member of Parliament for the Melbourne electorate of Bourke and a minister in Scullin's government, posed the only way out. Since Labor had just overwhelmingly defeated the previous Nationalist Government of the arch-anglophile Stanley Melbourne "Spats" Bruce, Anstey urged that Labor should force a double dissolution, before its "tide ran out." Almost certain to win, Labor would gain control of the Senate, as well as the lower house, and would be able to pass the required national banking and related measures to deal with the Depression. Due to cowardice and various petty concerns, including pressures on the Cabinet by the trade unions, Scullin did not muster the will to act as Anstey outlined. From that moment on, the Government's tide was running out, as Anstey had warned.

Nonetheless, some important things were attempted. On April 2, 1930, Scullin's treasurer, Ted Theodore, introduced the *Central Reserve Bank Bill* to establish a new reserve bank, which would control the paper note issue and the gold reserve, and mandate all other banks to keep 10 per cent of their current accounts and 3 per cent of their reserves with the new bank. This would have given the Government crucial tools. An accompanying piece of legislation was the *Commonwealth Bank Act Amending Bill*, which would have replaced the six-person big business-dominated board with a single governor. At first, it looked as if both the Commonwealth Bank Board and the Senate might even agree to these measures. But, after arm-twisting by the private trading



E.G. "Ted" Theodore. As Treasurer, he incurred the financiers' hatred by trying to direct credit for job creation and the Common Good.

banks, especially the British-owned ones based in Melbourne, both bills were killed in the Anglophile-dominated Senate.

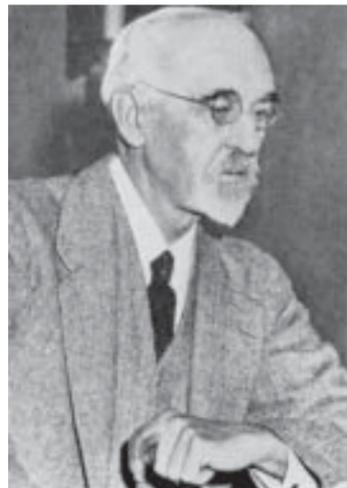
Commonwealth Bank chairman Gibson adamantly refused to issue £18 million in notes for financing public works, which the Government sought in order to provide work for men whose families were starving. Gibson stormed, "Mr. Prime Minister and Members of the Cabinet, you ask me to inflate the currency. My answer is that I bloody well won't." His excuse of not "inflating the currency" was a lie: Australia's currency supply had dropped from £57 million in 1924 to £42 million in 1929.

With the typical behaviour of an "independent central banker", Gibson dominated the government. Veteran journalist Warren Denning, whose beat was the Parliament, painted this picture: "The relationships between the Ministry and the late Sir Robert Gibson, then Chairman of the Commonwealth Bank Board and the most powerful figure in Australian 'depression finance', illustrate vividly the real status of the Government itself. This cautious old Scotsman was more definitely Prime Minister of Australia, than Mr. Scullin was at any time... He maintained throughout the independence of the Commonwealth Bank Board, refusing to submit to anything that savoured of political domination... Sir Robert Gibson stood as the representative of the financial interests of Australia, to whom all Ministers and all governments should come and genuflect."

Backing up Sir Robert was the bank's legal advisor, Robert Menzies.

Scullin was a weak figure, who bowed to Gibson. Denning observed that, in contrast, "Mr. Theodore was shaping himself for a

struggle with Sir Robert Gibson", which would have "settled once and for all whether that Board, or the elected representatives of the people, were to determine the course of national financial policy; whether Parliament or the Bank Board was supreme." Behind the back of his Cabinet, however, Scullin not only reappointed the hated Gibson as chairman of the Commonwealth Bank Board (his term was up in July 1930), but he also agreed to a Bank of England proposal-cum-demand (organised through Gibson) to dispatch its representative to Australia to "straighten out" Australia's finances. This resulted in the infamous Niemeyer visit of July 19, 1930: the Bank of England's number two man, Sir Otto Niemeyer, would visit, as ex-Premier Stanley Melbourne Bruce put it in a letter from London, "to convey the message



Sir Robert Gibson, chairman of the Commonwealth Bank, dictated Australia's finances as a stooge of the Bank of England.

that British help was conditional on policy changes, without appearing to dictate to Australia." Niemeyer was the person who had put Britain (and, therefore, much of the world) back on the disastrously restrictive gold standard in 1925.

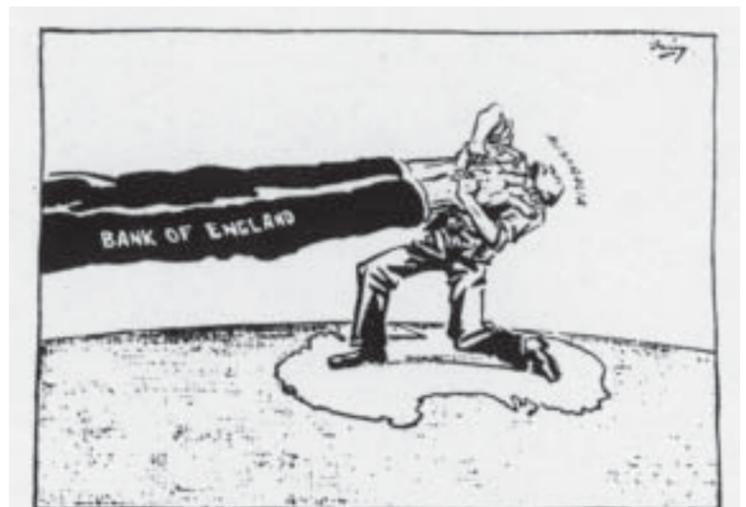
On July 2, Scullin, in poor health due to the strain of office, announced he would soon leave for London to attend the Imperial Conference of Dominion Prime Ministers, and that Theodore would be Acting Prime Minister during his several-months absence. Though Theodore was "ascendant in the party" and tipped to have a "certain future" as Scullin's successor (Denning's observations), on July 4 the so-called Mungana Affair scandal was launched against him. A Royal Commission in Queensland—appointed by a conservative state government with the clear intention of taking

Theodore out of Federal politics—implicated Theodore in a financial scandal, the Mungana Affair, dating from some years earlier, when he had been Queensland Premier. Scullin requested Theodore's resignation the very next day.

With Theodore out of the way, Niemeyer arrived to tell Australians that their standard of living was far too high, their Arbitration and Conciliation Board must be abolished, and their tariffs had to be cut. The issues were political, as well as economic: The British intended to keep Australia as a supplier of cheap raw materials, having little or no manufacturing—just as they had attempted to do with the American colonies in the 18th Century. They would not tolerate Australian industrialisation. "Australia must", intoned Niemeyer, "reassure the world as to the direction in which she is go-

ing." The Federal Labor Cabinet, over how to deal with the deepening Depression. On October 25, however, came a political shock as Jack Lang swept to power in New South Wales on the platform of rejecting "Niemeyerism." On November 6, the Federal cabinet postponed an upcoming £27 million bond redemption. Then, when Scullin returned to Australia in January 1931, he made the surprise move of reinstating Theodore as Treasurer. In March of 1931, Lang declared a moratorium on debt payments to British bondholders, in order to prioritise feeding his starving constituents in New South Wales.

The Synarchists went wild at these developments. The British-dominated financiers, with their allies in big business and Australia's old pastoral families, launched two interlinked projects designed



Sir Otto Niemeyer of the Bank of England advises lowering Australia's 'unjustified' high standard of living

Labor Daily, 1930

ing." On August 21, 1930, the Commonwealth government and the state premiers signed the Melbourne Agreement, acquiescing to Niemeyer's demands. The following year, after some token interest rate cuts that were supposed to represent "equal sacrifice" on the part of the financiers, the pact was called the Premiers' Plan. It cut public service salaries, pensions and other "adjustable government expenditure" by 20 per cent (but reduced already inadequate old age pensions by "only" 12.5 per cent), made 22.5 per cent reductions in the interest rates paid on government bonds held inside the country and in bank interest rates, reduced private mortgage payments and raised taxes.

While Scullin was away in England, the second half of 1930 was consumed by in-fighting within

to drive the Scullin and Lang governments from office. The more visible one was to build up the recently created citizens leagues as mass-protest organizations in defense of "sound finance" (i.e., the Niemeyer Plan). The citizens leagues howled against "inflation" (Theodore's plan for a fiduciary note issue to finance public works job creation) and "repudiation" (Lang's moratorium)—hitting both as the handiwork of "the Reds".

As a backup contingency, there simultaneously emerged plans for a fascist military coup, in either Canberra, New South Wales, or both. As we now look in detail, first at the citizens leagues and then at the fascist paramilitary organisations of the early 1930s, and their backers, the identity of these two projects as two arms of the same political offensive will come into focus.

The "Red Menace" and the Fascist Citizens Leagues

The purpose of the citizens leagues was to promote debt-collection for the financiers, to politically defeat Labor, and to build popular acceptance for dictatorship—the classic mission of the Beast-man—in case the oligarchy decided in favour of that option. Their political cover was a mobilisation against a "Communist threat."

The Synarchist elite's mass media whipped up hysteria that the Scullin and Lang governments were really "run by the Reds"—the alleged ultimate authors of plans for "inflationary and repudiatory finance". Such charges were used to agitate among the tens of thousands of serving military men and World War I veterans, as well as the general population, recruit-

ing them into the citizens leagues. Think of the propaganda poured out by the U.S., British and Australian governments and mass media over "terrorism" today, multiply that by five, and you'll have a rough idea of the hysteria the Money Power unleashed against Labor in Depression-wracked Australia. Public figures such as Nationalist Party ex-Prime Minister Stanley Melbourne Bruce and former Australian Imperial Forces (AIF) chief of staff and Victoria Police Commissioner General Thomas Blamey trumpeted bogus claims of a Labor-linked communist insurgency.¹

In Australia, the alleged "Bolshevik menace" was a pathetic joke. The Australian Communist Party, founded in 1920, boasted 750 members in 1922, 280 in 1925, a

mighty 249 in 1928 on the eve of the Depression, and perhaps a little over 1000 by 1931. Moreover, the ALP had decided already in 1923 to expel any communists from its ranks. Communist Party official E.M. Higgins confessed to friends in 1924 that his group was "a party of derelicts ... a weak little crowd," with no real influence on Labor. The alleged "Bolshevik" Jack Lang was not only a bitter enemy of the CPA, but would not even allow the Federal ALP's own socialisation objective to be placed in the New South Wales Labor Party's platform! Any of Australia's elite who cared to inquire of their intelligence services, could find out that no "Red menace" existed at that time.²

Reality notwithstanding, the

Red scare promoted by and within the citizens leagues and the fascist paramilitary organisations shocked Australian law enforcement professionals with its depth and fanaticism. Inspector Roland Browne, head of the Melbourne branch of the Commonwealth Investigation Bureau (the national secret service), reported at one point to his superior in Canberra, Major C.E. Jones, on the so-called White Army (the League for National Security, based in Melbourne and directed by top financiers): "One cannot help feeling that the panic protective measures were grotesquely unnecessary, while the apparent childish belief in the existence of a moving and devouring Red Army on the part of men regarded as sane and solid

seems beyond belief."

The first of the fascist citizens leagues, the Who's for Australia League, was formed in late 1929, right after the election of the Scullin government. It was headed by A.E. Bennett, occultist, theosophist, and brother of the famous Maj. Gen. H. Gordon Bennett, who later fled his command in Singapore at the outset of World War II. A.E. Bennett was a major figure at Sydney's theosophist-founded radio station, 2GB, named with the initials of 16th-Century gnostic philosopher Giordano Bruno. The Theosophists sponsored Bennett and his new league. This initial

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Defeat the Synarchists—Fight for a National

league revered the Crown and the British Empire, as did all the later ones.

Bennett also revered fascism. He proposed a corporatist economic structure on the Mussolini model, in which unions would be outlawed and the state and major corporations would run everything. He called for the emergence of a “strong man”, who would be “irresistible and invincible”, to oversee society. Mussolini was notoriously assassinating his political opponents at the time, but Bennett bellowed that “Mussolini should be judged by the facts and not by the squeaks of the people that have got in his way.”

Theosophy and its sister cult, freemasonry, played crucial roles in organising both the citizens leagues, and their associated fascist militias. Many of their leaders were freemasons, and they held many meetings in Masonic halls. Archival filings, as well as interviews done with militia members decades later, document the freemasonic base of this movement. The serving or ex-military men, from whose ranks the fascist militias recruited so heavily, often frequented freemasonic lodges. The flagship citizens league, the All For Australia League, was founded in Sydney in February 1931 by leaders of the Rotary organisation, which was little more than a freemasonic front and recruiting ground. Australia’s financial and corporate leadership, at least up until World War II, was overwhelmingly Protestant, as were the Masonic lodges (only the very rare Catholic was also a freemason).



Leader of the Round Tables Lord Alfred Milner (l.), the Duke of Kent and Lady Astor (c.), and Robert Menzies in full masonic regalia (r.) The Synarchists used the Round Tables and freemasonry to organise fascist movements in Australia.



More important, freemasonry was run at the top by the British Crown and the highest levels of the British aristocracy. The King’s governor generals in Australia automatically became leaders of the lodges in their states. The cult’s ideology—of secret knowledge known only to an inner elite—fit perfectly with the secrecy required to organise and deploy a mass armed force. The initiation rites for the Melbourne-based League of National Security were unmistakably drawn from masonic rituals.³

Another British-run imperial cult at the centre of the international Synarchy, and also important in the drive for fascism both in Australia and in Britain, was the Round Tables. Established by Lord Alfred Milner before World War I, based on the great wealth and power of the Cecil family and the mining fortune of Cecil Rhodes, the Round Tables turned the British Empire into the “Brit-

ish Commonwealth”, in order to preserve it by indoctrinating elites in the former colonies. Many of the Australian elite who were active in the citizens leagues and fascist militias were members of the Round Table, as were all four of the economists who drew up the infamous Premiers’ Plan of 1931, which embodied Niemeyer’s demands to cut, cut, cut: L.G. Melville, D.B. Copland, L.F. Giblin, and E.O. G. Shann.

The Round Table gave rise to the Royal Institute of International Affairs in London, also known as Chatham House, and to its affiliates in many countries, including the New York Council on Foreign Relations and the Australian Institute for International Affairs (AIIA). It was associated in Britain in the 1930s with the pro-fascist Cliveden Set of Lord and Lady Astor, where the Round Table frequently met. The Synarchy’s central financial institution in Britain was the Lazard

Freres merchant banking house, run for decades by Lord Robert Henry Brand (with Lazard, 1909-1959). Lady Astor’s brother-in-law, he was also a member of the Cliveden Set.

Insight into the mentality of many, if not all of the Australian Round Tablers, is provided by a speech Round Table member and AIIA founder Edward C. Dyason gave in 1930, which lauded the “outstanding achievement” of fascist Italy and predicted that “the industrialised nations seem more likely to turn to some form of Fascism rather than to Communism.”⁴

With abundant help from the freemasons, the theosophists, the Returned Servicemen’s League, and the Australian members of the Round Table, citizens leagues proliferated rapidly at the end of 1930 and in early 1931. The most impor-

tant of them were in Adelaide, Sydney and Melbourne. As urban-based organisations, their representatives were looked upon with suspicion in the rural areas. Therefore the bush-centred Primary Producers Advisory Council (PPAC) was founded on December 4, 1930, as effectively a second citizens league for NSW. Because the PPAC undertook the bulk of the organising work to create the fascist Old Guard militia, based in Sydney, we shall report on it together with the Old Guard. The first of the leagues was founded in Adelaide, but the most important ones were in Sydney and Melbourne. They clearly demonstrated the fascist ideology and organisation of these leagues.

Sydney’s All for Australia League

Spurred by Jack Lang’s election as Premier of New South Wales in October 1930 and the re-appointment of Theodore as federal Treasurer three months later, a group of Rotarians met in Sydney in January 1931 under the leadership of Round Table member Alex J. Gibson, an engineer and former intelligence officer. Their agenda was to discuss “what they saw as the drift in Federal politics and the increasing class conflict in Sydney”, as historian Trevor Matthews put it, i.e., to plot against the Scullin and Lang governments. This meeting led to a second one, on January 28, called by the president of the Sydney Chamber of Commerce and attended by a wide array of business and civil organisations. Out of this meeting an executive committee was formed for a new organisation, the All for Australia League (AFAL).

Gibson became president of the AFAL. Top business leaders fleshed out the executive committee, among them:

- Maj. Gen. Gordon Bennett, commander of the 2nd Division of the AIF and President of the Sydney Chamber of Manufactures;
- C.H. Hoskins, managing director of the BHP subsidiary Australian Iron and Steel Ltd.
- Sir Sydney Snow, vice president of the NSW Retail Traders’ Association, also a leading figure in the Mel-

bourne-based Collins House business group;

- A.E. Heath, president of the Sydney and Suburban Timber Merchants’ Association;
- C.M. McDonald, president of the NSW Employers’ Federation and chairman of the Northern Collieries Proprietors’ Association;
- O.D.A. Oberg, timber merchant and president of the pro-fascist Sane Democracy League;
- Gordon Bennett’s brother, Who’s for Australia League founder and theosophist kook A.E. Bennett, whose organisation soon joined under the AFAL umbrella.

Several prominent members of AFAL were also leading figures in either the Old Guard, or one of its predecessor militias. They included:

- Maj. Gen. Bennett;
- Philip Goldfinch, general manager of CSR;
- Norman Cowper of Allen, Allen & Hemsley solicitors, a Round Table official;
- E. Heath;
- Sir Henry Braddon.

Braddon, who served on the AFAL Sydney executive, proclaimed, “What we really need is a capable, ruthless dictator.” Sir Philip Goldfinch doubled as finance minister of the central committee of the Old Guard, and the Old Guard’s CEO. That small sam-



Gen. Gordon Bennett (l.) and CSR managing director Sir Philip Goldfinch were leaders of the financiers’ All for Australia League; Goldfinch was also CEO of the Old Guard.



pling of the AFAL and Old Guard “interlocking directorates” already shows that the citizens leagues and the militias were really one: *the AFAL was nothing but a front for the Old Guard.*

Reporting to his government on the AFAL’s inaugural meeting at Sydney Town Hall, February 16, 1931, U.S. Consul General Roger Trudwell described it as a meeting to form a “Self Defence League”. Moreover, a police document on AFAL identified several of its leaders as friends of Capt. Aubrey Abbott, chief organiser of the Old Guard-linked PPAC (and nephew of the leader of the pastoralists in the bitter 1890s squattocracy wars against the organising of G.W. Spence and his Amalgamated Shearers’ Union). The New Guard’s Australian Mussolini, Eric Campbell, put a point on the relationship between the leagues and the

militias, noting in his memoirs that AFAL leader Sir Sydney Snow told him the New Guard was “the fighting wing and the A.F.A. [AFAL] the political wing, of the same brand of thought.” The program of the AFAL bore the unmistakable influence of Mussolini’s fascism.

At an AFAL organising meeting on Feb. 12, 1931, Round Tabler Alex Gibson set out the mission of the new organisation, ranting that “the unconstitutional and repudiatory action proposed by Mr. Lang would destroy national stability and weaken the bonds of Empire.”

How citizens league leaders envisioned preserving the “bonds of Empire”, was indicated very clearly, when three prominent activists from Melbourne (members of that city’s Citizens Committee, which would come into the AFAL coalition) approached Australia’s World War I hero, General Sir John

Monash, to demand that he take over Australia as a fascist-style dictator. The delegation, which said it was acting on behalf of “certain gentlemen”, was led by Robert Knox, Melbourne Citizens Committee chairman and financier of the Nationalist Party. He was accompanied by Kingsley Henderson, a prominent Melbourne architect and an intimate of Sir Staniforth Ricketson (the head of J.B. Were and Son, Australia’s leading stock brokerage), and by Maj. Leonard N. Roach of Bank House.

Maj. Gen. H. W. Grimwade, head of the prominent firm Drug Houses of Australia, had also urged Monash to become dictator. Monash told Grimwade that he did not intend to abandon the “present constitutional system”. As for the entreaties to suppress an expected revolution which they “evidently expect will be instigated by the communists and red-raggers,” Monash wrote, “I am inclined greatly to discount the existence of any serious danger of upheaval.” As his biographer Geoffrey Serle reports, when Monash was yet again approached on the subject, in a letter from a correspondent representing “a number of Sydney businessmen”, he blew up: “What do you and your friends want me to do? To lead a movement to upset the Constitution, oust the jurisdiction of parliament, and usurp the Governmental power? If so, I have no ambition to embark on High Treason, which any such action would amount to.”

The Melbourne Citizens Committee

The impressive power assembled in Sydney’s AFAL notwithstanding, the organisation’s Melbourne branch became its linchpin. The central figure in creating what became the Melbourne branch of the AFAL, was Staniforth Ricketson (later Sir Staniforth), chairman of directors of J. B. Were and Son, the largest stockbroker

in Australia between the wars, and the underwriter of those Australian Government loans, taken up within the country. (Most Australian loans were floated in London, being handled by the firm of Nivison, one of the Big Five financial firms of the Empire; Ricketson was on intimate terms with Nivison executives.) The Ricketsons were

multiply intermarried with the family of Jonathan Binn Were, who had founded the firm in 1839.

Throughout his decades-long career, Ricketson was a fanatical opponent of national banking. In the 1950s, he would be a chief architect of the “independent central bank” that later became the Reserve Bank.

In 1930, Ricketson reacted with fury to the Nov. 6 ALP caucus decision to postpone for one year the redemption of £27 million of Commonwealth bonds. His reaction was shared by Labor’s Acting Treasurer Joseph Lyons. Ricketson warned that if Australia defaulted on its loan payments to London, its national credit would be ruined forever in

the world’s financial capital. He recruited several Melbourne businessmen as advisers to Lyons, to help the government raise a loan to redeem the bonds. Ricketson and his friends became known as the Group of Six. The group included Sir John Higgins, head of the British and Australian Wool Realisation Association; C.A. Norris, secretary of the

Defeat the Synarchists—Fight for a National Bank

National Mutual Life Association (Sir Robert Gibson was an NMLA board member); Ambrose Pratt, a journalist; Kingsley Henderson, the Melbourne architect who had petitioned Gen. Monash to become dictator; and Ricketson's protégé, Robert Menzies, then a Nationalist MLA in the Victorian parliament and a leading barrister and KC.

Ricketson and the Gang of Six organised public meetings in support of the conversion loan, but they did not stop at that. In December, Ricketson wired his associate Lord Glendyne of Nivison & Co., requesting British capital to fund the formation of an "anti-Labor party". In a separate memorandum, he wrote: "A decisive, indeed an overwhelming victory must be won by the forces opposed to dishonest government in order to recreate confidence here and restore the confidence of the people of Great Britain in the financial honesty and political integrity of the people of Australia and thus enable us to obtain for Australia the finance ... which only London can give."

Ricketson's plea for support was genuine, but otherwise he was lying his head off. The Commonwealth Bank had every capability to fund Australia's needs, had it chosen to do so. Contrast Ricketson's idea that Australia must beg from London, with Jack Lang's account of how the Commonwealth Bank under Sir Denison Miller had approached urgent financial requirements a little more than ten years earlier:

"Denison Miller had gone to London after the war had finished and had thrown a great fright into the banking world by calmly telling a big bankers' dinner that the wealth of Australia represented six times the amount of money that had been borrowed, and that the Bank could meet every demand because it had the entire capital of the country behind it. The Bank had found £350 million for war purposes.

"A deputation of unemployed waited on him after he arrived back from London at the head office of the Commonwealth Bank in Martin Place, Sydney. He was asked whether his bank would be prepared to raise another £350 million for productive purposes. He replied that not only was his bank able to do it, but would be happy to do it.

"Such statements as these caused a near panic in the City of London. If the Dominions were going to become independent of the City of London, then the entire financial structure would collapse. The urgent problem was to find ways and means of re-establishing the financial supremacy that had been lost



A rogues' gallery of Synarchists: (l. to r.) Sir Staniforth Ricketson, head of J.B. Were & Son (Australia's largest brokerage); Ernest Turnbull, head of Ricketson's Melbourne branch of the AFAL; C.A. Norris, General Manager of the



National Mutual Life Assurance Co., sponsors of the AFAL; Lord Glendyne of the House of Nivison in London, Ricketson's controller.



during the war."

In 1930, however, Glendyne cabled back his instructions to the groveling Ricketson, saying there was "no hope of inducing anyone to subscribe fresh capital for Australia", until the Australian political situation stabilised and the government "formulated sound proposals for gradual rehabilitation."

No doubt stimulated by this exchange, Ricketson recruited a Citizens Committee to campaign for the desired "overwhelming victory" against Labor. It was composed of his Group of Six, plus G.J. Coles (governing director of Coles retailers) and E. Lee Neil (managing director of Myers retailers) as co-chairs, as well as Ricketson's next door neighbour, G.R. Nicholas of the Aspro empire. The chairman of the Citizens Committee was Robert Knox, a Collins House businessman and chairman of the secretive National Union (which controlled Nationalist Party finances)—the same who petitioned Gen. Monash to become dictator. In January 1931, Ricketson's Citizens Committee was addressed by South Australian Citizens League fascist leader E.D.A. Bagot, after which it became known as the Melbourne Citizens League.

The creation of this movement is described in *The House of Were, 1839-1954*, a book privately—virtually clandestinely—published by Were itself in 1954, for a select group of clients. Its frontispiece is inscribed, "It is desired that no reference to the publication should be made in the press". This inside history reports:

"The [Melbourne Citizens League] movement had its origin in the appointment of a Committee of leaders in the financial and commercial world to assist in the campaign for raising the Conversion Loan in December 1930. Having completed their work in connection with

the loan, the members of the Committee realised that they might render a very real service to Australia by uniting the sober-minded elements of the community in an organisation designed to restore Australia's political integrity and stability and create a healthy atmosphere remote from party politics.

"After many meetings at the offices of J.B. Were and Son in the New Zealand Bank Chambers, an organisation known as the "Australian Citizens League" was set up, and an inaugural meeting was summoned at the Melbourne Town Hall [on Thursday, Feb. 19, 1931]...

"In the then existing state of public opinion, the movement made a widespread appeal, and the Town Hall Meeting was crowded to the doors, 3000 persons being present while over 1000 were unable to gain admittance. The chair was taken by Sir John McFarland, and ... resolutions ... moved by E. Lee Neil [were carried] with great enthusiasm. ... A Council was elected, with Kingsley A. Henderson as honorary secretary and Staniforth Ricketson as honorary treasurer. Subsequently the name of the organisation was changed to the All for Australia League."

The key resolution moved by Neil demanded "the prevention of political interference with the banking and currency system". In other words, private financiers must continue to run Australia's finances.

The Sir John McFarland who took the chair at the founding meeting of this august committee, was otherwise prominent as the chairman of the NMLA company, which took out ads in the AFAL journal as a way of funding the League. The NMLA board of directors exemplifies how politics, high finance, central banking and the private fascist armies came together

around a single board table—though it was not the only one—in 1930s Australia.

Ernest Turnbull, recruited by Ricketson as President of the Melbourne wing of the AFAL, clearly enunciated his readiness to use force against "Communism" (meaning, Labor). In an election speech at the Melbourne Town Hall, Turnbull proclaimed: "The kind of [Labor] politics that sneers at everything British, that would sacrifice all our most cherished traditions on the altar of Bolshevism

... that finds excuses for the outlaw and the rebel ... does not merit the support of any Australian. The spearhead of the unpatriotic sentiments which are flaunted in public today is Communism, a noxious doctrine imported from Russia. ... We hope to exterminate Communism not by repression—which should be avoided as much as possible, *though it should not be shirked should it become necessary*, but by the introduction of sane and stable governments." (Emphasis added.)

National Mutual Life Assurance Co. Board Members

Board members	Term
Herbert Brookes	1928-1952
Stanley Melbourne Bruce	1919-1922
W.S. Fraser	1927-1928
Sir Robert Gibson	1922-1934
Lt. Gen. E.F. Herring	1939-1943
Sir Harold Luxton	1930-1954
Sir D. Orme Masson	1925-1937
Sir Richard Stawell	1929-1935
Sir Cyril Brudenell White	1928-1940

Herbert Brookes (1867-1963) was a wealthy Melbourne patriot and the founder of Australia's first private intelligence and fascist militia network (see page 36). He was a key figure in the international Synarchy associated with the British Round Table movement.

Stanley Melbourne Bruce, later Lord Bruce of Melbourne was Australia's ultra-reactionary Nationalist Party Prime Minister from 1923-1929, subsequently becoming a member of the British House of Lords.

Sir Robert Gibson headed the Commonwealth Bank, which under him became a British-model "independent" central bank.

Lt. Gen. E.F. "Ned" Herring was secretary of the special constables during the 1923 Melbourne police strike, and in 1930-1932 a leader of the League of National Security militia.

Sir Harold Luxton was closely connected with two companies in the Collins House financial and manufacturing empire, as Victorian director of the Bank of New Zealand and chairman of directors of the Metropolitan Gas Company.

Sir D. Orme Masson was a consultant to Collins House's Electrolytic Zinc and a director of the Union Trustee Co.

Sir Richard Stawell was a member of the Waterfall Fly Fishing Club, which Jack Lang denounced as a "sinister cabal of politicians, judges and businessmen."

General Sir Cyril Brudenell White was the first chief of staff of the AIF. In 1923 he created the private White Army during the Melbourne police strike, the precursor to the 1930-1932 League of National Security, which he also headed.

New Guard leader Eric Campbell's memoirs record that Gibson was even more of a fascist than he, Campbell, was: "Outside the movement our well-wishers did not appear to take the 'Fascist' angle to heart. Some would say, 'Well, Communists cannot be handled with kid gloves', and others, 'It doesn't matter what they call you, you are doing an amazingly good job.' Then again there were more than a few of our conservative backers who would urge me to take action that I was not prepared even to contemplate. Even the chairman of the Commonwealth Bank, Sir Robert Gibson, said to me one day in Bligh Street.

"'Don't you think it is high time the New Guard did something?'"

"'What would you suggest?' I asked, not concealing my surprise.

"'That's up to you', he said. 'Lang has got to be stopped—and that is what the New Guard was formed for, wasn't it?' And off he strode looking very cranky."

But Sir Robert did not really need to plead with Campbell for action. All he had to do was talk to his fellow NMLA board members.

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Defeat the Synarchists—Fight for a National Bank

The Storm Troopers—I: The League of National Security

Archival evidence documents the almost unbroken existence of secret, fascist-style armies in Australia from the close of World War I until the last such formation, the 100,000-member "Association", was apparently disbanded in the early 1950s. Three main fascist armies were founded in the crucial period of 1930-1931: the League of National Security (LNS), headquartered in Melbourne and also called the White Army, and the Old Guard and New Guard, based in Sydney and rural New South Wales. They totaled perhaps 100,000 men among them, out of a population of some two million males.

The most important militia was the League of National Security (LNS). Available evidence shows that the LNS instigated the rise of the other two paramilitary organisations, the Old Guard and its Young Turk split-off, the New Guard. Moreover, while the Old Guard and New Guard plotted to overthrow Jack Lang and seize power in New South Wales, the LNS was planning to take over the entire country. Historian Keith Amos summarised the archival evidence of the LNS's aims: "The League's objectives were specific: action would be taken at 'zero hour' in the event of an industrial crisis that arose either from 'repressive legislation by a Government sympathetic to militant trade unionism', or 'trade depression'. On such an occasion two plans would first be executed: a) the assumption of control of all strategic points and machinery of government; b) the

maintenance of essential public services and distribution of food-stuffs. In the event of either of these plans failing as a result of 'retaliatory action on behalf of the trades organisations', a third plan would be implemented: the consolidation of the position of the League as a governing body and the development of its national policy."

What was planned was a military coup, either against a Federal Labor government, or against Jack Lang in NSW, or both. The leadership of the LNS was identical with the historical leadership of the regular army, the AIF, in the person of two former AIF chiefs of staff, Gen. Sir Brudenell White and his protégé Gen. Sir Thomas Blamey. Most of the top leaders of these private armies were former officers of the AIF, a layer of society largely made up of graduates of Melbourne's six British-style "public schools" and the similar institutions in Sydney. At these schools, staffed by British teachers for decades, sons of the Australian elite imbibed the glories of the British Empire and learned to speak with a British accent. *Every one of the 417 Old Grammarians, graduates of Melbourne Grammar, who enlisted in the AIF became an officer.*

Michael Cathcart, historian of the White Army, aptly compared the events in Australia to the military-led fascist coups and attempted coups of the same period in Europe, including the Synarchist attempted coups in France. "The White Army can be compared to the French [explicitly Synarchist



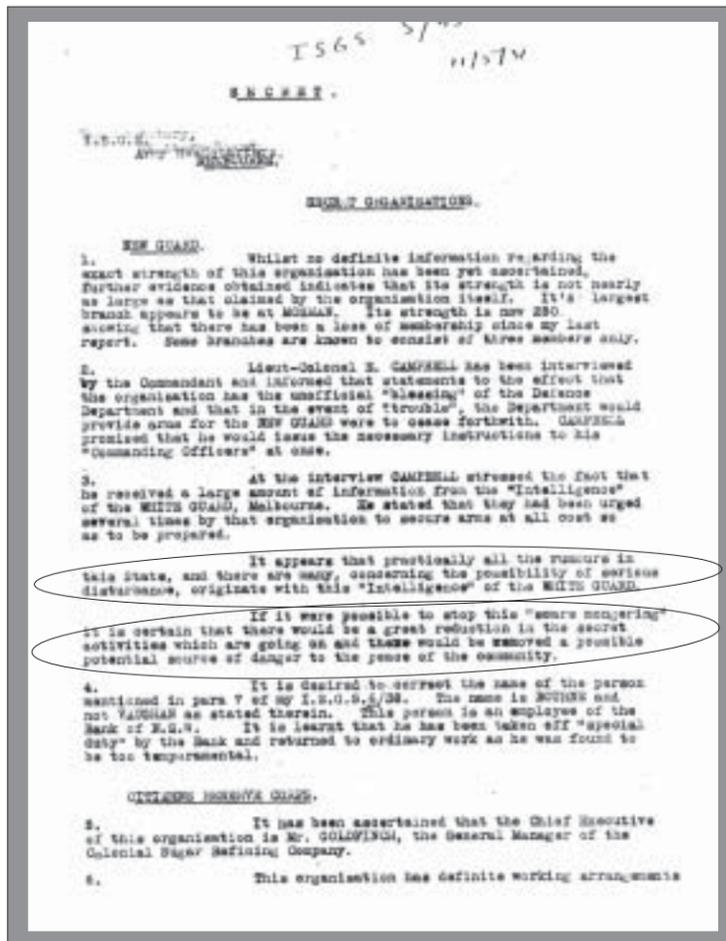
General Sir Cyril Bingham Brudenell White. Aide to the Royal Family, first Chief of Staff of the AIF, head of the League of National Security.

—ed.] Croix de Feu which was founded in 1927 with the financial support of prominent businessmen. Originally open only to decorated war veterans, it expanded to a membership of over 200,000 men. On 6 February 1934, the Croix de Feu attempted to storm parliament and unseat the socialist government, but was held off in a bloody confrontation by troops loyal to the government." The invective hurled by the French Synarchists against the Socialist government in France, was almost identical to that of the LNS, and its "conservative" financial and business leaders and backers, against Labor in Australia.

Indeed, the *fascist* character of Australia's secret armies was emphasised even by its supporters. Thus, the head of the Commonwealth Investigation Bureau (CIB), Major C.E. Jones, sent an evaluation of these secret armies to the CIB offices in each state, attempting to legitimise their existence. Under the title, "The formation of secret bodies in the Commonwealth for the protection of the State against BOLSHEVISM", Jones approvingly observed, "For some time the air has been full of what has been termed a Fascist or law and order movement for the protection of constitutional Government," adding that the LNS had been formed "for the purpose of supporting established authority to save Australia from any red rising or attempt to Sovietise the country." As CIB director Jones well knew, no such Bolshevik threat existed. His lieutenant in Melbourne, Inspector Roland Browne, had told him as much, asking rhetorically, "But what of the red organisation, if any? Is the whole business [the LNS —ed.] a steel hammer to crush a nut?" CIB documents of the era show that the Intelligence sector of the LNS itself was working hardest (alongside the Syarchist-owned mass media) to fan the Red scare.

Inspector Roland Browne also informed Jones that the LNS was prepared to seize power *unconstitutionally*: "It is said that the White Army is purely protective and would not be used without constitutional authority, but there is every reason to believe that if it did not approve of constituted authority it might act in opposition to it—a position which might well lead to civil war."

The few surviving LNS documents—files on this organisation have one of the highest rates of disappearance and culling, in the Australian Archive—demonstrate that the League intended to establish a one-party state and to replace the Federal Parliament with a bicameral "Federal Council", the



The Intelligence Section of the General Staff reported that most of the "Red scare", used to justify the fascist armies, was really organised by the LNS ("White Army") itself.



General Sir Thomas Blamey, protégé of Brudenell White, in a 1926 cartoon highlighting his Nazi mentality. As Victoria Police Commissioner in 1923, Blamey brutally broke the police union. He went on to become a leader of both the LNS and the post-war fascist army, The Association.

state Parliaments with bi-cameral "provincial Councils", and local councils with "District Councils". An LNS document spelled out the scheme: "The Executive of the Federal Council shall consist of the Chief of the League who shall be Chairman of the upper Council [Chamber], the Vice Chief, who shall be the Chairman of the Lower Chamber, and the Heads of the Federal Government Departments. The Executive of the [sic] Provincial Council shall consist of the

Chairman of the Upper House, the Chairman of the Lower House, and the Heads of the Department of the State legislature...." Historian Cathcart observed, "It was a characteristically fascist arrangement."

From best estimates, the League of National Security was already well-established by August 1930, four months before the founding of the Old Guard. The LNS had 30,000 members by March 1931, according to an Investigations Bureau report.

Leaders of the League of National Security

The first point of the LNS bylaws was, "Loyalty to the British Throne". Members swore an oath of secrecy, beginning, "I (name in full) do hereby and hereon solemnly and sincerely swear allegiance to our sovereign Lord the King".

Leaders of the LNS included these prominent personalities.

General Sir Brudenell White, head of the LNS, also 1923 White Army. Australian superintendent of N.Z. Loan and Mercantile.

Thomas Blamey, Police Commissioner. Blamey excelled at Red scare propaganda.

Col. Eric Fairweather Harrison, director of Military Intelligence from 1920-25. Harrison's career, like those of AIF ex-Chiefs of Staff Brudenell White and Blamey, shows the LNS's overlap with the highest levels of the AIF. In 1929-1931, he was commandant of the Royal Military Academy at Duntroon, until he suddenly resigned in early 1931 and moved to Melbourne to head up LNS Intelligence. Harrison had been Secretary to the 1923 Special Constables, which Brudenell White organised when Blamey was Victorian police commissioner.

Col. F. P. Derham, solicitor in the Melbourne firm Moule, Hamilton and Derham, a director of G.J. Coles and McEwans Ltd., and a senior officer in the Melbourne U. Rifles.

Col. W.E.H. Cass, CMG. Commandant of the 3rd Military District (Victoria) since 1921.

Lt. Col. C.H. Simpson, pharmacist, later Blamey's number two in the "Association" fascist militia, 1947-52.

Lt. Col. Edmund Herring, later Chief Justice (1944-64) and Lt. Gov. (1965-72) of Victoria. A senior member of the White Army, he had played a key role in organising the Specials in 1923.

Maj. Julian Smith, LNS Intelligence.

Maj. Len Roach, LNS Chief of Intelligence.

Hugh G. Brain, leading figure in Secretariat Pty. at Collins House, founding secretary of Western Mining Company, and secretary for other CHG firms.

Wing Commander Archie MacArthur, OBE and **Nelson Capp**, Gippsland leaders of the LNS.

Donovan Joynt, director, soldier, a founder of the Constitutional Club and of Legacy.

Sir Alfred Kemsley, distinguished soldier, businessman and secretary of the Special Constabulary Force used against the police union in 1923; President of Legacy in 1932-33.

Col. Neil McArthur, secretary of the White Army; he maintained an office in Collins Street as a White Army HQ until his death in 1961.

M.E. Wettenhall, Nationalist MP for Lowan.

H.W. Harrison, secretary of the Chamber of Automotive Industries.

Julian Smith, director Arbuckle & Co., who at one point headed the White Army Intelligence Unit.

Lt. Col. Jack Clarebrough, head of Melbourne University Rifles.

Defeat the Synarchists—Fight for a National Bank

The Collins House Group

While much archival material has come to light about the NSW militias, deep secrecy still cloaks the LNS. The entire correspondence of LNS leader Gen. Thomas Blamey has disappeared, the cabinet records of state Labor governments are missing, and other key intelligence files have been culled, researcher Cathcart reported. Almost every page of Military Intelligence files on the White Army has been culled from the MI holding in the Australian Archive. The documentary history of the LNS is mostly limited to some crucial fragments, found in New Guard files seized by the NSW police.

Faced with such a conundrum, an investigator is in the position of Edgar Allan Poe's detective in "The Purloined Letter". He can either search in vain for concealed evidence from the "bottom up", or he can start "top down" by reading the minds of his opponents, and thus discern where the letter *must be hidden*—in plain sight, where its thief knew the police would never look! And so it is, with Australia's fascist militias, in 1930-1932.

The first place to look for the mechanism of Australia's fascist movement is in boardrooms of the Anglophile financial elite, since the events in Australia were part of the London-centred financial oligarchy's 1920s-1930s drive to install fascist regimes wherever needed. Frank Anstey hit the nail on the head, with his observation that the British-tied banks and firms in Australia were the "biggest subsidisers of reactionary propaganda."

As we shall see, the Old Guard in NSW is one excellent case study of how the financial elite organised mass fascist movements. The LNS in Melbourne followed the same pattern, which is not surprising since it preceded and, no doubt, inspired the Old Guard.

Melbourne was the mining, manufacturing and financial capital of the country, the power of the Bank of New South Wales in Sydney notwithstanding. The city's most important firms were also London-centred, "Anglo-Australian" entities. Historian Peter Cochrane noted, "Two mining groups dominated manufacturing



W.L. Baillieu (l.), Synarchist kingpin of the Collins House empire; Sir Walter Massey-Greene (r.), director of 40 Collins House companies, and a coordinator of the plot to dump NSW Premier Jack Lang.



development throughout the period between the two wars. These were Anglo-Australian groups in which British capital predominated. The first was an alliance of lead-zinc interests which became known as Collins House, the second, the iron and steel manufacturer Broken Hill Proprietary." Both of these were headquartered in Melbourne, as were most of the British-owned banks. In terms of its financial and political reach, both within Australia and abroad, the more important of the two was the Collins House Group, centred around Melbourne financier W. L. Baillieu and his partner in numerous ventures, W.S. Robinson.

The Collins House Group took its name from the address 360-366 Collins Street in Melbourne's financial district, a building W.L. Baillieu had specially built to house the interests of companies controlled by himself and his associates. But the Collins House Group's real power base was in London. In 1935, Labor MHR J. A. "Jack" Beasley castigated "the ubiquitous Baillieu family, a financial dynasty sometimes called 'the House of Morgan in Australia', and which has its roots in the London financial ring and operates from Collins House, Melbourne in such a way that it boasts that it can even make and unmake Prime Ministers..."

The *Australian Financial Review* reported in 1961 that Collins House was "the most prolific parent of industrial enterprises Australia has ever seen." One of these offspring was the London-

headquartered Zinc Corporation, which merged with the British-owned Imperial Smelting Corporation as Consolidated Zinc, and then, in 1962, with the British Round Table-tied firm Rio Tinto to produce Rio Tinto Zinc. The Australian interests of Consolidated Zinc and Rio Tinto then merged into Conzinc Rio Tinto of Australia (CRA); in 1995 CRA and Rio Tinto unified as a single entity. RTZ has incalculable power over Australia in corporate, cultural and political affairs, as is documented in the CEC's pamphlet, "Stop the British Crown Plot to Crush Australia's Unions". Another creation of the Collins House Group was Western Mining Corporation, which has done more than any single other firm to establish the dominance of "economic rationalism" in Australia, since the mid-1970s, by founding or funding the major economic rationalist think tanks like the Centre for Independent Studies, the Tasman Institute and the Institute for Public Affairs.

The *Australian Financial Review* once put a finger on the unusual, highly elusive nature of the Collins House Group, whose actions from the 1920s through the 1940s and beyond still have such a profound effect on this country: "In some respects Collins House resembles the devil... Everyone has heard the name of his Satanic majesty. Everyone suspects his vast influence upon their affairs. Yet few have seen him: few could describe accurately his features; even fewer have transacted busi-

ness with him."

All this is made more mysterious by the fact that no written history of the group exists! A book scheduled for release in 1987, which was to be the first ever monograph on the CHG, never appeared. Nor is there any biography of its founder, W.L. Baillieu, a leading financier and one of the most powerful individuals in Australian corporate and political life for three decades. The one manuscript on Baillieu which once existed at the Melbourne University Dept. of History has disappeared, perhaps into the embargoed archive of Lord Clive Latham Baillieu.⁵ According to an informed source at Melbourne University, the Baillieu family material is "the most embargoed material at this university." Lord C.L. Baillieu's papers, for example, are embargoed until 2040! And the papers of other key Collins House figures that *are* available, such as those of Colin Fraser, require the permission from the Pasmenco Company to even look at them, as well as company pre-publication approval of anything written. W.S. Robinson left memoirs, but they curiously *never mention the Collins House Group*. More generally, anyone attempting to do research on any of the principal figures in the Collins House is met with a virtual wall of silence among all the families involved, even now, almost a century after the group was founded!

The cloak of secrecy over Collins House is as thick as the one that enshrouds the League of National Security. Might the two have had anything to do with each other? It would be astonishing if they *didn't*.

Despite the mystery surrounding both organisations, at least one crucial tie between the LNS and Collins House has survived in the archives. This was no minor connection, but involved the very "nerve centre" of Collins House, the Secretariat Pty Ltd. firm. Secretariat's founder, Edward Shackell, was W.L. Baillieu's brother-in-law. And Hugh Brain, who ran Secretariat in the early 1930s, left a paper trail that documents his LNS activity.

In commenting on the legal companies and other "service" firms attached to the CHG and headquartered at Collins House, historian Peter Richardson observed: "Most important of all in this regard was undoubtedly the firm of Edward H. Shackell & Co., later to be known as Secretariat Proprietary Ltd. Throughout the interwar period, this firm doubled as company secretaries and managers for an astonishing array of Group companies." And the *AFR* noted, "What an effective instrument of centralised control it was may be realised from the fact that companies as large and important as, say, Electrolytic Zinc [E.Z.] and Associated Pulp and Paper Mills, might not have their employees as business manager, secretary or chief accountant, but officers placed there by Secretariat. As many as 40 goldmining companies ... passed through Secretariat. At the height of its influence it was responsible for the management of 56 companies, including such substantial ones as E.Z. and Metal Manufactures."

Sir Hugh Brain had joined Secretariat right after leaving the army in World War I. In 1933 he would be founding secretary of Western Mining Company, sponsor of the Mont Pelerin Society revolution

in and after the mid-1970s. Sir Hugh, who stayed with Secretariat until 1960, notes in his papers that he was one of the special constables in the 1923 Melbourne police strike. Like many of those who were active against the police strike, he became deeply involved in the LNS in 1930-31. This is Brain's own recollection, on file at the Sir Hugh Brain papers collection in the Melbourne University Archives:

"At the time when concern was being felt in NSW about the possibility of subversion during Jack Lang's regime an unofficial organisation was established in Melbourne to be in readiness to cope with any similar trouble here. It was organised in groups, with a regular chain of command, and commercial names were given to all those formations and their officers. Methods of coping with revolutionary situations abroad were closely studied and a lot of training went on. The groups were of the most diverse character: they were formed in Banks, in Insurance Offices, in City Clubs, and one with which I was associated was drawn from Melbourne's Wharf labourers, and met, incongruously enough, in a ladies frock shop at the Paris end of Collins Street. Had any trouble broken out here it would have been found that immediate control had been taken of key transport and communications facilities, and that ample personnel was available to thwart subversion. Moreover, every move that would have been taken would be in accordance with existing law. The top leadership of the organisation was of the highest quality. Fortunately, it was not needed, but in some quiet suburban residential squares the residents registered some alarm when trial parades were held, filling their squares with dozens of motor vehicles, scores of men and equipment of all kinds. The organisation quietly faded away when the prospective need for it passed."

Sir Hugh's ultimate commander within the LNS, the organisation's *Il Duce*, was Gen. Sir Cyril Brudenell White, who had been the first chief of staff of the AIF. Brudenell White not only sat on the NMLA board alongside Herbert Brookes, Sir Robert Gibson, and LNS leader Gen. Sir Edward Herring, but was also Australian head of New Zealand Loan and Mercantile, a Collins House firm. On the controlling, London board of New Zealand Loan and Mercantile sat various British oligarchs and Sir (later Baron) Clive Latham Baillieu, eldest son of CHG head W.L. Baillieu. Brudenell White was also on the board of the Baillieu Education Trust. Given how tightly the Collins House Group was organised, the notion that the LNS activity of such prominent CHG figures as Brain and Brudenell White might represent unapproved "freelancing" behind the backs of Baillieu and Robinson, will not hold water.

Brudenell White's ultimate orders for LNS activity, however, would not have come from anyone inside Australia, but from the British Crown itself, for which he had long been a retainer. The general's *Australian Dictionary of Biography* entry describes him as more committed to the British Empire and an "Imperial view of Australian defence", than he was to Australia. He was made an aide-



The skyscraper on the right has replaced the Baillieus' old Collins House building at 360-366 Collins St., Melbourne, nerve centre of Australia's Synarchy. At least one original Collins House firm has stayed at that address: E.L. & C. Baillieu Stockbroking, shown on list of tenants (inset).

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de-camp to George V at the end of World War I, and appointed K.C.V.O. in 1920, for organising the Australian tour of the Prince of Wales, and K.C.B. for organising the tour of the Duke and Duchess of York in 1927.

Another central CHG figure was Sir Walter Massey-Greene, director of an astounding 40 companies, including core CHG firms like Electrolytic Zinc, Associated Pulp and Paper Mills, and others. Massey-Greene had been a ferocious opponent of national banking ever since King O'Malley's founding of the Commonwealth

Bank in 1911. When the Synarchy succeeded in ousting the Scullin government and installing their puppet "Honest Joe" Lyons in 1931, Massey-Greene was brought in to run Lyons' financial policy. Officially he was "Assistant Treasurer", because Lyons kept the post of Treasurer for himself, but, by Lyons' own admission, he relied heavily on Massey-Greene. According to one credible account, provided by historian Andrew Moore, Massey-Greene did much more: he personally oversaw the plans for the fascist Old Guard to seize Lang's office

by force and oust his government, a plan preempted by NSW Governor Sir Philip Game's dismissing Lang from office before it could be implemented.

Yet another tie-in of the Collins House Group to the fascist activities of 1930-32 was through former Acting Prime Minister W.A. Watt, a member of His Majesty's Privy Council. Watt so revered the Crown, that he opposed equal status with Britain for the Dominions, even including Australia! As Acting Prime Minister in 1918-1919, he played a key role in the establishment of the first fascist

private armies. By the mid-1920s, he was based at Collins House, chairing CHG firms such as the Zinc Corporation, Dunlop Perdrillau Rubber and British Dominion Film. Watt's subordinate at the latter, the managing director for British Dominion Film, was none other than Ernest Turnbull—the same Ernest Turnbull, who as Staniforth Ricketson's recruit to head the Melbourne AFAL branch called for not shirking the use of violence to "exterminate Communism." Turnbull was also active—as organiser, then Victorian president for seven years, and federal presi-

dent—in the Returned Sailors', Soldiers' and Airmen's Imperial League of Australia, one of the main bodies from which rank-and-file members of the fascist militias were drawn. And Turnbull was a member of the Melbourne branch of the Legacy club, which boasted several known LNS leaders. It is unimaginable that Turnbull would have chaired the AFAL without the approval of Watt and the rest of the CHG leadership; indeed, it was most likely that they deployed him for the position.

Herbert Brookes: Éminence Grise of the Secret Armies

More light can be shed on the MLNS, the Old Guard and the New Guard, from the vantage point of their decade-long prehistory. Archival material filed in Canberra documents that the roots of Australia's secret fascist armies reach back to the end of World War I and wind through the far-reaching clandestine activities of the wealthy Melbourne industrialist, patrician and Round Table member, Herbert Brookes (1867-1963).

Brookes was closely tied to the Collins House empire, a connection that continued into the next generation—as did his family's involvement with secret intelligence and political influence at the highest levels. One of his sons, Sir Alfred Deakin Brookes, was an assistant to Richard Gardiner Casey, president of the Liberal Party of Australia, and went on to become the founding father of the Australian Secret Intelligence Service (ASIS) at the close of World War II. ASIS historians Toohey and Pinwill report that Sir Alfred believed the clandestine intelligence services should run the country. Another son, Sir Wilfred Deakin Brookes, was a director of several Collins House firms, including Western Mining and Australian Pulp and Paper Mills, which he chaired.

The senior Brookes was a wealthy and influential man. He married the daughter of Liberal Prime Minister Alfred Deakin, whose obsession with theosophy and other occult matters he shared. Brookes co-founded the Commonwealth Liberal Party in 1908 and the People's Liberal Party (PLP) in 1911. He was editor of the PLP's journal, *Liberal*, from 1911-14, and headed the party from 1912 until its dissolution in 1916. Then Brookes became prominent in the National Union, which controlled the Nationalist Party of the 1920s. He was chairman of the family company, Australian Paper Mills, president of the Victorian Chamber of Manufactures from 1913-1917, and then president of the Associated Chambers of Manufactures of Australia, while overseeing extensive family pastoral interests in Queensland and Western Australia.

By 1917, according to the unabashed Brookes apologist Rohan Deakin Rivett (a fellow Round Table member, as well as relative of Brookes by marriage), "he had been called to the executive of almost every major war organisation in Melbourne." The most important of these was the State Munitions Committee, established in 1914 under the chairmanship of financier and political kingmaker W.L. Baillieu of the Collins House Group.

Like most Round Tablers, Brookes was a fanatical British Empire loyalist, who hated and despised the "uppity" British "Dominions" (colonies) like Egypt,

India, and Ireland, which dared to demand independence. "Their claim to equal status," he wrote, "in which their soul seems to find delight, is prompted in great measure by dangerous conceit or cherished bitterness unworthy of civilised beings and [this] has blinded them to the supreme privileges which membership in the empire has bestowed upon them." The hundreds of thousands of Irishmen, Indians, Sudanese and others slaughtered by the British Empire naturally did not see it that way, but as Cathcart observed about this typical outlook of Brookes' entire class: "Even after the first world war, Melbourne high society remained a closed colonial world whose spiritual and economic centre was the British Isles. Fashion, cuisine, literary taste and habits of speech were all derived from upper-class England." And Brookes, like almost all his associates, saw the heavily Irish Catholic labour movement in Australia as the "enemy within", who were out to overturn their beloved Empire—not to mention their own positions in Australia. Throughout Brookes' papers, there is a constant refrain: "The machine must be broken!" The "machine" was the Irish Catholic-dominated ALP.

In addition to his specifically political activities, Brookes waged a life-long Clash of Civilisations-style religious war against Catholicism. He established the Victorian Protestant League and edited its newspaper for many years. Even his fawning biographer, Rivett, called Brookes the "armourer and financier of anti-Catholic protestantism."

March 16, 1918 was a turning point in Brookes' life. During a St. Patrick's Day parade in Melbourne, the Catholic Archbishop Daniel Mannix refused to remove his biretta to a band playing "God Save the King" in front of Parliament House. Almost immediately thereafter, however, he did doff his biretta to a banner inscribed, "To the Martyrs of Easter Week", referring to the Dublin Rising of Easter 1916, against the British occupation of Ireland. Melbourne "loyalist" society was outraged, and no one more than Herbert Brookes. Mannix's view of Australia was an implicitly republican one, to boot: "Australia first, the Empire second," and he had led the opposition to military conscription in the bitter referendums of 1916 and 1917.

A few days later, Brookes organised the largest "loyalty demonstration" Melbourne had ever seen. He arranged for Prime Minister Billy Hughes, a close friend, to



Herbert Brookes, businessman, Round Table leader and organiser of fascist militias like the Australian Protective League, modeled on a U.S. militia that was financed by Wall St. and tied to the Ku Klux Klan.

address the meeting, and demanded that Hughes ban the Irish republican organisation, Sinn Fein, in Australia. Hughes obliged.

Shortly thereafter, on May 29, 1918, Brookes attended a meeting at the offices of one of his closest friends, Acting Prime Minister and soon to be Privy Councillor (1920) W.A. Watt—the future Collins House Group leader and employer of Melbourne AFAL head Ernest Turnbull. As Treasurer of Australia during World War I, Watt had argued that the war effort would function better by "putting the country into the hands of a Committee of Public Safety. ... It is doubtful if a democracy can fight a great autocracy." Present at Watt's office for the May 18 gathering were Minister of Defence George Pearce (another close friend of Brookes), Chief of the General Staff Major General J.G. Legge, and top businessmen, bankers, insurers, solicitors and academics of Melbourne.

The purpose of the gathering was to establish the Australian Protective League, modeled on the 250,000-man American Protective League, set up by the U.S. Department of Justice and Wall St. financiers and tied to the Ku Klux Klan, whose purpose was to ensure loyalty against "Reds" and "foreigners". Pearce had recently sent R.C.D. Elliott, a Melbourne businessman and former member of the Australian Intelligence Corps, to the United States to visit the American Protective League and learn how it functioned. (Elliott was another associate of Brookes, and had married the daughter of Collins House Group associate Theodore H. Fink, who himself had been the best man at W.L. Baillieu's wedding. In 1940, Elliott would pop up in London as the private secretary of the leading British Synarchist fascist Lord Beaverbrook, who was then plotting a pro-

Hitler coup.)⁶

Brookes' papers at the National Library in Canberra document how, in the weeks and months after the May 1918 meeting with Watt, Pearce et al., he had numerous contacts with Military Intelligence, the head of civilian intelligence (which was run by the Governor General), his close associate Queensland Police Commissioner F. C. Urquhart, and others. Brookes' files are full of memoranda and letters by him and his associates on how to set up secret organisations to gather intelligence on "disloyal" elements. He planted spies in the Melbourne Trades Hall, the Victorian Railways Union, the One Big Union, and the Victorian Police Department.

Brookes' activities involved more than intelligence work. He made notes: "Propose to use men recruited from masons, loyalty leagues, soldiers and sailors ... as *vigilantes*." (Emphasis added.) Brookes proposed a two-tier organisational scheme, under which highly public loyalist organisations would serve as a cover for secret armies. He wrote that the proposed Australian Protective League "might be used when necessary to stimulate a public or semi-public organisation to do some work which might be necessary."

At the time he was setting up the structure for his secret armies, Brookes wrote out what might best be called, if not a "last will", then certainly a testament: "I am prepared. I have already taken the steps and without assistance I will go on at my own expense. This shall be the work of my latter life. In my opinion it is the best work a man can give himself to. ... I know what's wanted. ... I have arranged to be released from business affairs except sufficient for a screen. I can serve best, as those of the other side do, by keeping in the background. I will give half my waking life to the work. ... Everything we hold dear for our children's sake is at stake."

Brookes did turn over the chairmanship of the family company, Australian Paper Mills, to his brother, give up his presidency of the Chambers of Manufactures and resign from various government bodies. He kept two posts, each of them part-time, which happened to require extensive travel all over the country: he was a founding member of both the Commonwealth Board of Trade (1918-1928) and the Tariff Board (1922-28). After a stint as Australian trade commissioner in the USA, he also became a foundation member and vice president of the Australian Broadcasting Corporation (1932-39).

Brookes proposed specific individuals to head his secret organisations in each state. For Western Australia he proposed his close patrician associate of many decades standing, Round Tabler Walter Murdoch, an avowed admirer of Mussolini who wrote: "My own impression is that Mussolini is a far greater man than most people outside Italy recognise.... One of the extraordinary men whose will admits no impossibilities, is barred by no obstacles, and pushes them into history." Murdoch avowed his devotion to Mussolini, even as *Il Duce* brutally consolidated power: "No one can be in Italy for a week without seeing that the long series of assassinations and outrages by the Fascist gangs has done its desired work, and that Mussolini has the country cowed and terrified." For NSW, Brookes proposed another of his longtime pro-fascist friends, E.P. Simpson of Minter Simpson & Co. Archival records show that Simpson began to act for Brookes' scheme, disbursing CSR funds for anti-Labor causes. His business partner Minter was later a member of the New Guard, while Simpson's closest associates were leaders in the Old Guard. In Queensland, Brookes and Police Commissioner Urquhart set up the United Loyalist Executive, which targeted the Labor government there and instigated violence in the famous "Brisbane riots" of March 1919.

When a militant Labor government under Premier Storey came to power in NSW in April 1920, an oppositionary mass meeting was called, out of which came the loyalist King and Empire Alliance. The January 1921 editorial in the first issue of the Alliance journal explained the new group's concerns: "The King and Empire Alliance has been formed by a body of citizens who view with grave concern the development in our midst of an element of disloyalty and disunion which is foreign to the true spirit of the Australian people. ... The Bolshevik revolution, which broke out in Russia and extended over Europe, has reached Australia. ... [A]n aggressive and ruthless minority aims at enforcing its will upon a massive majority. ... Besides the Bolsheviks a number of our own race are absolutely disloyal. ... Their numbers are not large [but] such numbers will be increased unless counter-measures are adopted."

Author Robert Darroch, an expert on secret armies of the early 1920s who examined Brookes' files in Canberra, concluded: "There seems no question that the King and Empire Alliance, like the United Loyalist Executive in Queensland, was a front organised by Brookes." As Brookes' Queensland creation did in Brisbane, the K&E Alliance instigated violence in Sydney. One of the Alliance's leaders, Brigadier General Camp-

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bell, proclaimed that it “was very much on the lines” of the “Fascisti movement in Italy”.

Leading Alliance personnel would later turn up in the Sydney-based Old Guard. They included:

- Maj. Gen. Charles Rosenthal, commanding officer of the Army's Second Division, who was the organising secretary of the K & E Alliance;
- W.J.R. “Jack” Scott, a Sydney Grammar boy from the eminent Street family, described by one historian as “members of the British gentry whose antipodean offspring, to the present day, have proved to be frequent occupants of high public office as members of State and Commonwealth parliaments, chief justices, lieutenant governors, supreme court judges and cabinet ministers.” Scott's uncle was NSW lieutenant governor and chief justice Sir Philip Street;
- E.P. Simpson, Brookes' friend from the CSR-connected law firm, Minter, Simpson;
- Sir Henry Braddon, prominent financier who proclaimed that “what we really need is a capable ruthless Dictator”;
- George MacArthur Onslow, military leader of the Old Guard and descendant of the famous pioneer family. MacArthur Onslow's Camden Park estate was a sort of “unofficial Yarralumla”, where Sir Otto Niemeyer was a guest during his 1930 visit;
- Charles Davis of Davis Gelatine, who would later be a leader in the New Guard.

After the K&E Alliance, the next documented evidence of a secret army comes in 1923, when the Melbourne police force went on strike over low pay, no pensions and atrocious working conditions.

Police Commissioner General Thomas Blamey set out to break the strike. Sir John Monash created a 6,000-strong force of “special constables” to replace the 650 striking police, but another, unauthorised secret force called the White Army was also put into motion. Its leader was General Sir Brudenell White, future supreme commander of the Melbourne-based League of National Security.

In 1925, when the wharfies' union went on strike, a gang of thugs was formed to help smash the union. Its leaders were former K&E Alliance Secretary Jack Scott, and Eric Campbell, who would co-found the New Guard a few years later.

Herbert Brookes had been in the United States as Australia's Commissioner-General from approximately September 1929 until he suddenly submitted his resignation in September 1930. Whether or not Brookes came home expressly to help organise the LNS, that body was a resurrection of the White Army from the 1923 Melbourne police strike. The Melbourne AFAL and the LNS followed the pattern Brookes had established since 1918: of a large “voluntary” organisation, intersecting and serving as a front for a secretive military one.

While in America, Brookes had stayed in close touch with Australia. His diary entry for April 1, 1930 reads: “Two very serious letters ... revealing secret information from Cabinet. Position extremely critical. We must help. We must sacrifice. War time call again.”

What was “extremely critical” and “war time”? This was when Federal Treasurer Ted Theodore was putting forward bills to assert government control over banking. Brookes suddenly quit his post as Australian commissioner to America, on the patently spurious



May 27, 1918 formal invitation to Herbert Brookes from an aide of Acting Prime Minister W.A. Watt, the future Collins House Group leader and Privy Councillor, to meet on setting up an “Australian Protective League”. This was Brookes' own project to replicate a proto-fascist organisation which existed in the United States.

grounds of “saving the Government the expense” (though he had covered the expenses of many of his government jobs out of his own pocket) and hurried back to Melbourne. There, at a dinner in February 1931 at the elite Melbourne Club, pastoralist Sir James Elder

and former premier Stanley Melbourne Bruce, among others, filled him in on “plans ... being formulated to oust the Laborites and to reassert a British status quo under the control of the traditional Melbourne ruling class.” historian Cathcart wrote. Brookes himself

put it in a letter to the British Consul-General to the United States, “Fear not, there would be a bloody revolution here before we would allow that criminal lunatic Lang in N.S.W. and his following to have their way.”

The Storm Troopers—II: The Old Guard and the New Guard

Historian Andrew Moore summarised the social layers that organised the Old Guard: “In 1930 Sydney's ruling circles were tightly and cohesively constituted. Their dominant figures were men connected with the colonial pastoral-banking alliance, which, despite the rise of industrial capital in the 1920s and the growing importance of industrialists like Cecil Hoskins of Australian Iron and Steel [an executive member of AFAL—ed.] was still the dominant force in New South Wales. These men were the remnants of the nineteenth-century squattocracy, the general managers of the private banks, the local superintendents of the British pastoral firms, those in charge of the old sugar and tobacco monopolies and the solicitors, accountants and insurance company men who serviced these enterprises. To use [Bank of NSW general Manager and Old Guard funder] Alfred Davidson's phrase they were the ‘directing class’—fiercely anti-communist, anti-Labor and vehemently loyalist Anglo-Australians. Some were the descendants of the original colonial patrician families, those who had ‘dined first and most lavishly on the table of colonial opportunities.’ ... They held interlocking directorships on the boards of banks, insurance firms and other large business concerns. Their families intermarried. ... To such men a Labor government and any challenge by the labour movement was intolerable, for it threatened their world and interests with calamity.”

Befitting the power of the peo-

ple who directed it, “By the end of 1931 [the Old Guard] was a colossus, possessing many times the combined manpower of the New South Wales police and Commonwealth armed forces. ... It was efficiently and intricately organised, well funded and armed, as well as being highly regarded in official circles” (Moore). Old Guard leaders were “the elite of Sydney and the cream of the AIF”. “Command central” for this colossus was the interlocking nexus formed by the country's oldest and largest bank, the Bank of New South Wales, and the country's then-largest corporation, the Colonial Sugar Refining Co. (CSR).

The Old Guard was run out of CSR offices in O'Connell St., Sydney, and more than one of the company's warehouses was used to stockpile arms and ammunition.

Its leaders were hard-core fascists. The Chairman of the Old Guard Central Committee was Robert Gillespie, one of the state's largest flour millers, a director of CSR and the Bank of New South Wales, and a Hitler admirer who later visited Nazi Germany. The Old Guard's “managing director” and treasurer was Philip Goldfinch (later Sir Philip), general manager of CSR and the grandson of colonial governor Philip Gridley King. Goldfinch, too, visited Nazi Germany several times in the 1930s.

The Old Guard's chief of staff was Jack Scott, who would also co-found the fascist New Guard. Scott was nasty, but well-connected: a former leader of Brookes' King and Empire Alliance, and nephew of



Freemason Sir Alfred Davidson (l.), Managing Director of the Bank of New South Wales, financed the Old Guard, whose Supremo was former High Court Chief Justice Sir Adrian Knox (r.). Son of the founder of CSR, Australia's largest company, Sir Adrian was also a member of His Majesty's Privy Council.

NSW Chief Justice and Lt. Gov. Sir Philip Street. After his work in the Old Guard, Scott joined military intelligence, but he was so notoriously pro-Japanese that his security clearances were lifted in the late 1930s on suspicion of espionage. His *Australian Dictionary of Biography* entry reports that in 1942, as the commander of the 2/21st Battalion on Ambon and Hainan, he would hand individual Australians over to the Japanese for punishment. The survivors of his

unit despised him.

Old Guard finances were secured by the general manager of the Bank of NSW, Alfred Davidson (later Sir Alfred), a leading freemason. Davidson not only provided funds, but seconded members of his staff with military training, to help organise the Old Guard. Davidson also financed the Round Table group, and was later to finance the Liberal Party's chief backer and financial sponsor, the Institute of Public Affairs. He was

close to New Guard founder Eric Campbell, whom he employed on at least one intelligence mission. The power of Davidson and his bank was such that economist C. B. Schedvin called him “the outstanding Australian commercial banker of his generation.”

Behind these powerful gentlemen stood another, still more august personage: Sir Adrian Knox, member of the Privy Council and son of the founder of CSR, Sir Edward Knox. Sir Adrian was Chief



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Above: C.L.A. "Aubrey" Abbott (misidentified as "A.G.L. Abbott" in the document pictured here) was chief of staff of the Old Guard's 25,000-man "Country Defence Organisation" (CDO) militia.

Left: Military intelligence document, profiling the New Guard and the CDO; its characterisation of the CDO's military activity as a "sideline" is an understatement. The document names Abbott, as well as the organisation's higher-ups like Primary Producers Advisory Council chief Sir Adrian Knox and Alfred Davidson.

Right: The New Guard's Fascist Legion bashed ACTU leader and communist Jock Garden, as part of its terror campaign against labour. The ultimate sponsorship of the New Guard was no mystery at the time, as the caption indicates.



The New Guard: "We are doing that which his Majesty the King would be delighted for us to do."

9 Assault of 'Jock' Garden, May 1932
Labor Daily cartoon by George Finney

Justice from October 1919 to March 30, 1930. He was a corporate director of the Bank of New South Wales, the Commercial Union Assurance Co. and other companies.

According to investigations by Military Intelligence, "Further evidence has tended to confirm the view that the general control of the organisation [the Old Guard] is exercised by the Primary Producers Association [the PPAC], ... which was formed to watch the general interests of primary producers." Given his membership on the Privy Council, his just-relinquished role as Chief Justice, and his family's ownership of the country's largest company, Sir Adrian was a natural to head the PPAC—the rural-based organisation through which some 25,000 men out of the Old Guard's approxi-

mately 30,000-strong paramilitary force were recruited.

Historian of the Old Guard Moore observed, "Indeed, it seems possible ... that Goldfinch, who owed much of his success to the Knox family, acted as his [Sir Adrian's] errand boy". Moreover, "It seems that if the plan [for a coup] had been carried out, Sir Adrian Knox would have become the unelected leader of New South Wales."

The "rural protest meetings" organised by the PPAC were thinly disguised fronts for paramilitary organising. Military Intelligence observed that "the persons employed by the Council who devote a great portion of their time to 'defence' are A.G.L. [sic] Abbott, the Secretary, and Major G.F. Wootten D.S.O. U.L., 2 M.D., late Australian Staff Corps." Maj. George

Wootten was a full time staff officer of the Old Guard. He and Abbott, also a full time Old Guard staff officer, worked from an office at 115 Pitt St., supplied by Australian Bank of Commerce chairman Sir Mark Sheldon, who also provided Abbott with a flat in Darling Point. On his extensive tours of rural Australia to organise the Old Guard, Abbott put together a "vast country empire of 25,000 members in every city and town in New South Wales." He also became the Old Guard's liaison to New Guard commander Eric Campbell.

Knox's PPAC had a 10-person Central Executive, whose members besides Knox himself were:

- James Kidd, former general manager of Australian Mercantile Land and Finance, a specialist pastoral house founded in the 19th Century;
- K. de L. Cudmore of Goldsbrough Mort, another leading pastoral house;
- Sir George Mason Allard, a "bankers' banker", who from 1899 was secretary of the Institute of Bankers of NSW; secretary of the Sydney banks' clearinghouse; vice president of the Institute of Chartered Accountants in Australia, 1928-32, and its president, 1932-41;
- Sir Norman Kater, a director of CSR from 1924-49, who would become chairman of the Institute of Public Affairs in 1951;
- Horace Nock, President of the Farmers and Settlers Association;
- Fred Tout, President of the squattocracy's leading body, the Graziers' Association of NSW, Chairman of the Co-operative Wool and Produce Co., director of Australian Mutual Provident Society, Goldsbrough Mort, Associated Newspapers Ltd., and President of the Bank of New South Wales, 1945-50, from where he bitterly fought against Chifley's plans to nationalise the banks. In 1934 he became President of the influential Australian Economic Advisory Council, on

which his fellow Old Guard leaders, Sir George Mason Allard and Sir Philip Goldfinch, also sat;

- Colin Sinclair, Vice President of the Graziers' Association;
- W.A. Mackay, merchant and shipowner;
- A.E. Heath, Chairman of the Timber Merchants Association and Vice President of the Sydney Chamber of Commerce.

Other prime movers of the PPAC were Alfred Davidson, Philip Goldfinch, A.K. Trethowan (President and then Treasurer of the NSW Farmers and Settlers Association and governing director and chairman of *The Land* newspaper), financier Sir Henry Braddon, and Sir Mark Sheldon, chairman of the Australian Bank of Commerce. On April 9, 1931, the PPAC set up Rural Reliefs Ltd., which may well have been yet another paramilitary organising arm, since it did next to nothing to achieve its stated goal of providing aid to farmers, even though Davidson's Bank of NSW agreed to subscribe £250,000 towards a target of £1,000,000. (The Bank of NSW's funding was later reduced to £50,000, which was still a huge sum.) Given that only some £4,000 was actually extended to needy farmers, the question arises of whether Rural Reliefs were not merely a financial conduit for the PPAC. It was founded when the fascist militias' drive to oust Jack Lang was at white-hot intensity. Round Table member Prof. E.O.G. Shann drafted economic statements for the PPAC. Shann was the Bank of NSW's economic consultant, the first economist ever to hold such a position, and was one of the four economists who had drafted the savage Premiers' Plan.

Besides those already named, senior Old Guard leaders included:

- Sir Samuel Hordern, Chairman of AMP, President of the Royal Agricultural Society (RAS) of NSW. His secretary, Lt. Col. G.C. Somerville, was a key day-to-day Old Guard leader. The Old Guard planned to muster on the spacious grounds of the RAS in Sydney, in case they moved

for a coup. Hordern was vice president of the national RAS from 1933-1958. It was, together with the Bank of NSW and the Graziers' Association, one of the key institutions behind the PPAC;

- Sir Kelso King, Mercantile Mutual, director of the Bank of NSW and Colonial Mutual Life Assurance Co., first managing director of the Australian General Insurance Co. Ltd. from 1912, and director of several other prominent companies, including Mount Morgan Gold Mining Co. Ltd. and several Collins House companies. He was also the executor of the fabulously wealthy estate of Walter Hall, who left over £2 million;
- Col. Selwyn King, Mercantile Mutual;
- E.P. Simpson, commodore of the Royal Sydney Yacht Squadron and partner in the powerful Minter Simpson firm, today known as Minter Ellison. Minter Simpson clients included large pastoral firms, banks, colliery owners, CSR, and mining and industrial enterprises. Simpson was a vehemently anti-Catholic British Empire loyalist and former chairman of the Consultative Council of the Nationalists in NSW. He was a leader in the King and Empire Alliance and a collaborator of Herbert Brookes in various other secret armies;
- Brig. Gen. James Heane;
- William McIlrath, NSW's largest retail grocer;
- William Thompson, President of the Royal Benevolent Society in 1931;
- Sir Norman Cowper, great grandson of NSW Premier Charles Cowper and senior partner and dominant figure in Allen, Allen & Hemsley, solicitors;
- Lt. Col. Broc Hinton;
- Maj. Albert Reid, MLA, NSW;
- Lt. Col. Donald Cameron;
- Dr. F.A.M. Maguire, a leading freemason.



Military intelligence reported that the Bank of New South Wales, Australia's largest private bank, was "directly connected" with the Primary Producers Advisory Committee, the chiefs of the Old Guard. Under Alfred Davidson, the "Wales" financed the Old Guard.

Defeat the Synarchists—Fight for a National Bank

The New Guard

Like the Old Guard, the New Guard was organised—in the spring of 1931—in conjunction with mass meetings of the AFAL, which New Guard founder Campbell frequented. Historians often portray the New Guard's members as just a breakaway group of Young Turks who left the Old Guard, and maintain that the New Guard and the Old Guard generally disliked and distrusted each other. In his memoirs, Campbell clearly lied to cover up the real importance of the Old Guard, by profiling the latter as a bunch of do-nothing old fogies. This claim is belied by archival evidence, as well as common sense.

Campbell also absurdly asserted that he organised his New Guard quite independently of the Old Guard, and just happened to become aware of the Old Guard during his organising. But Campbell, who was a wealthy solicitor, was on intimate terms with leading Old Guard figures. "The son of a highly regarded country solicitor, he had married into one of the State's most notable grazing families. He had built up a thriving legal practice and a personal fortune of 30,000 pounds. A member of the Union Club since 1923, among his personal friends Campbell could number Sir Henry Braddon, Sir Kelso King, the meat exporter Col. T.A.J. Playfair and the solicitor A.M. Hemsley, a former councillor of the King and Empire Alliance" (Moore).

Campbell himself reported the liaison role played by Maj. Aubrey Abbott between the Old Guard and the New Guard. Moreover, Campbell recounted numerous approaches by Sydney big businessmen seeking to control the New Guard. Most of them, he said, were members of a "consultative council which backed the Nationalist Party". Thus Campbell gave the game away. To whatever degree the Old Guard and Campbell's hot-heads in the New Guard (whose activities could be conveniently "plausibly deniable" for the Old Guard) mixed or did not mix, they were clearly two soups from the same kitchen—and the Consultative Council of elite businessmen and financiers would have been among the higher-ups ordering the menu. The Council controlled the Nationalist Party in New South Wales. It was the counterpart of the highly secretive National Union of Victoria, chaired by Collins House businessman Sir Robert Knox.

At its height, the New Guard boasted approximately the same membership level as did the Old Guard: some 30,000 members in a highly organised militia system. "A complex system of command, which was far more sophisticated than the hierarchical compartmentalised structure more commonly employed, embraced at its peak ninety-three suburban localities, incorporated into sixteen divisions and four major zones responsible to three main executive bodies, the General and Executive Council and the Council of Action, over all of which Campbell held sway in an increasingly authoritarian fashion" (Moore).

In May 1932, the NSW Police raided the New Guard's Intelligence Department. In the court case that followed, NSW Det. Sgt. Alfred said under oath, that "arrangements had been made to secure arms and ammunition for these men creating an armed force greater than the combined military and naval forces of NSW." Indeed, the NSW police force numbered only 2,500, of whom 500 were stationed



Left: A member of the New Guard's inner elite, the "Fascist Legion". Right: Eric Campbell addresses a New Guard meeting at Sydney Town Hall, September 1931.

in Sydney.

An elite strike force within the New Guard was the Fascist Legion, whose members dressed in black hoods and Ku Klux Klan-style robes. The Fascist Legion burst into public notoriety in May 1932, when one of its squads broke into the house of NSW Trades and Labor Council head and communist Jock Garden in the middle of the night, beat him and terrorised his family.

The New Guard's plans for a military coup, as well as the kidnapping and possible assassination of Lang, were well documented in contemporary police reports. "In May 1932, following a raid on the New Guard's intelligence department, the police secured what they considered to be concrete evidence of an intended coup.... On the basis of this and other evidence, the police concluded that careful plans had been made to kidnap the premier, his ministers and senior police officers and hold them imprisoned in Berrima Gaol.... [T]he police were apparently sure of their case, for in the last days before Lang's dismissal they began to prepare ... charge of seditious conspiracy against seven New Guard leaders...." (Amos).

On one occasion, NSW Police Commissioner W.J. MacKay mobilised most of his force for a march through downtown Sydney, a display of strength in the face of New Guard threats. "[Jack] Lang recalls that the parade passed by the Stock Exchange, the Civic Club, the Union Club, the Imperial Service Club, the Colonial Sugar Refining Company, several of the largest insurance companies' head offices, the biggest pastoral and finance companies, several important banks and the Australia Club. He adds that MacKay told him with a quizzical grin, 'We are going where the New Guard are to be found'" (Amos). As a matter of fact, those buildings housed the leadership of the *Old Guard*—as MacKay well knew.

Prominent members of the New Guard included:

- Clifford Minter of Minter Simpson, which funded the New Guard. The firm was often used as a "pass-through" for funds from CSR. Eric Campbell had worked in the Minter Simpson office before World War I. Reflecting the way in which the financial elite and their retainers ran

both the New and Old Guards, Minter's partner, E.P. Simpson, was a leader of the Old Guard;

- Charles Davis, of Davis Gelatine, earlier a leader of the King and Empire Alliance;
- Maj. George Knox, Eagle Star Insurance;
- Norman Plomley, a founder of the New Guard, and its director of intelligence;
- Maj. Gen. J. M. Antill, a grandson of Governor Macquarie's aide-de-camp;
- Commander J. Patrick of the Patrick Line of Steamers, financial director of the New Guard. In the 1990s, his company would lead the charge to break the Maritime Union of Australia;
- Maj. Arthur Rickard, son of Sir Arthur Rickard, the greatest real estate magnate of his day;
- J. Scott Fell, of the wealthy Scott Fell family, with shipping and coal interests;
- Sir Charles Kingsford Smith, the well-known aviator;
- Samuel Biber, called a "Jewish furrier" in archival documents; he proclaimed that the New Guard "was and must be accepted as fascist". His records are sealed to this day;
- Clyde Packer, father of Sir Keith Packer and grandfather of Kerry;
- Sir Thomas Henley, MLA;
- Brig. Gen. H.W. "Bertie" Lloyd, board member of several companies, including the Adelaide Steamship Co. Ltd. Lloyd was deputy commander of the New Guard, and from 1932-41 a United Australia Party member of Federal Parliament. He was Director General of Army recruiting at the outbreak of World War II.

Notes

1 To the extent the communist bogey had any basis in fact, it was courtesy of the same Synarchist elite that created the fascists. With financing from the British, U.S. and European Synarchy, the Bolsheviks had taken power in Russia in late 1917. Thenceforth "Bolshevik Russia" provided the leftwing, communist foil against which rightwing, fascist forces, such as those of Coudenhove-Kalergi, Mussolini and Hitler, could be both goaded into action, and justified. As movements, both the communists and fascists were run at the top by the financial oligarchy: in the words of the earlier-cited U.S. military intelligence documents made available to LaRouche, they were: "Synarchist: Nazi/Communist". A striking example of the Synarchist financial oligarchy's control over various communist or fascist movements, namely how the House of J.P. Morgan ran the Communist Party in the United States, is given in Carroll Quigley's *Tragedy and Hope. A History of the World in Our Time*, The Macmillan Company, NY, 1966.

2 The Communist Party did develop a larger membership and more political muscle later, in the 1940s.

3 Virtually all the standard histories, as well as the biographies of major Australian historical figures, entirely black out the fact that many of these men were freemasons. Since many of them devoted a great deal of time, energy, and passionate belief to freemasonry, such omission is rather extraordinary—unless, of course, the historians intended to cover something up. As LaRouche and his associates have documented, the history of the Synarchy movement, and therefore of much of world history since the Martinist freemasonic-run French Revolution, is one long history of freemasonry. When dealing with Australian financial and political elites, who were directed from London, it is impossible to ignore this issue, given the interweaving of freemasonry with the British Crown and the oligarchy. *Quatuor Coronatorum*, journal of the "research lodge" of freemasonry (the elite Quatuor Coronati), wrote on the occasion of King Edward VII's death in 1910, just prior to the period we are dealing with: "The prosperity of the G.L. (Grand Lodge) of England since the initiation of Edward VII has been unparalleled, the number of active lodges having increased from fully 1,200 to nearly 3,000, and similar additions have been experienced in the other Grand Lodges of Ireland, Scotland and in the Dominions beyond the Seas." Prominent among the "Dominions" was, of course, Australia. The lodges were organised top-down according to social elites, precisely as the 1930s secret armies in Australia were to be organised. According to one expert on masonry, "Five Kings ... and over 300 aristocrats—princes and royal dukes, dukes and marquesses, earls, viscounts and barons ... have headed various Masonic orders in Britain over the past 250 years.... The entire Masonic hierarchy is built on rank and fortune. Its highest offices are always held by royal dukes or by earls, while

a peerage or a knighthood is almost *de rigueur* even for the rank of Junior Grand Warden.... The highest Masonic rank to which any 'commoner' can hope to aspire is Senior Grand Deacon. Even this is easier achieved by someone with wealth and worldly status than by someone who has neither."

4 There was an "inner circle" and an "outer circle" in the Round Table organisations. The inner circle was committed to a world-ruling British empire, even if it were in the new form of the Commonwealth. Others, however, were drawn to the Round Table by its discussion of international politics and economics, but by no means agreed with, or were even aware of, the goals of the inner elite. For instance, two of Australia's greatest patriots, the founding chairman of the Commonwealth Bank, Sir Denison Miller, and Deputy Prime Minister and Treasurer in the Whitlam government, Jim Cairns, were both members of the Round Table, but two fiercer patriots of *Australia*, as opposed to the British empire, could scarcely be found. For discussion of the "inner" and "outer" circles, see Quigley's *Tragedy and Hope*.

5 The missing biographical ms. on Baillieu is J. Reynolds, *W.L. Baillieu—A Biography*, 1965.

6 A Beaverbrook personal secretary said of Elliott, "Like a St. Bernard dog he followed his master around, a barrel of adulation round his neck, from which Beaverbrook could drink at need." Beaverbrook himself wrote to Elliott's widow that "whenever I, as a Minister, was faced by some tiresome and recalcitrant problem, sometimes a problem which Mr. Churchill had asked me to tackle, I always turned to your husband. I knew that he would never rest or relax and never allow himself to be deflected. He probably annoyed a great many people as he swept on. But he did the job. I was indeed a fortunate man to have his services then and to get so much credit which belonged to him."

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Defeat the Synarchists—Fight for a National Bank

THE LIBERAL PARTY: THE NEW FACE OF SYNARCHISM

"It might sound melodramatic to suggest that in 1951 Australian fascism's headquarters were in 'the Lodge' Canberra, but that is not so very far from the truth."

—Dr. Andrew Moore, *The Right Road? A History of Right-wing Politics in Australia*

The Synarchy's Political Parties

The fascist citizens leagues and their associated militias were inextricably intertwined with what historians call the "non-Labor" parties. These parties, such as the Nationalists of the 1920s, the United Australia Party of the 1930s, and the Liberal Party from the 1940s until today, have never been anything but thinly-disguised fronts for a tiny cabal of financiers who created them in the first place. Like their storm trooper associates in the Old Guard, the New Guard and the League for National Security, these parties were created for one reason: to stop the national banking, pro-nation state policies of the old ALP.

The financiers who controlled the Nationalist Party were gathered in a secretive clique called the National Union, based in Melbourne. Even the understated *Age* reported in 1927 on "the capture of the National machine by the secret and conservative National Union", and later produced an "inside story" about the "Big Four" who ran Victorian politics from the Melbourne Club: Sir William McBeath, the first chairman of the National Union, and National Union executive members Colonel Albert Holdsworth, Sir Robert Gibson, chairman of the Commonwealth Bank Board, and Collins House-associated P.C. Holmes Hunt. As of early 1931, the National Union was headed by Collins House businessman Sir Robert Knox—the same who ran the Melbourne Citizens Committee.

The National Union's sister body in New South Wales, the Consultative Council, controlled the Nationalist Party in that state. Between them, they financed all the other conservative parties in the country (including the Country Party to some degree), with the National Union handling South Australia, Tasmania and Western Australia, and the Consultative Council handling Queensland. The two financier groups worked very simply, as described in Victorian Parliament by Harold Glowrey, former acting secretary of the Farmers' Union. He recounted how National Union secretary John West once demanded that several smaller non-Labor parties amalgamate with the Nationalists, against their wishes. Glowrey asked West how the amalgamation would happen. West told him, "It is simple. We find the money that enables these parties to function, and if they do not do it voluntarily we will cut off their sources of supply, and they will go out of existence."

Financier control of the "non-Labor" parties has periodically erupted into public scandal, and required the financiers to create still another "non-Labor" party, to replace the discredited one. Such a time was October 1929, when the Nationalist Party of Stanley Melbourne Bruce (later Lord Bruce of Melbourne, as a member of the British House of Lords) lost in a landslide to James Scullin and the ALP. With the Nationalists discredited after the 1929 election,



Joseph "Honest Joe" Lyons, Prime Minister 1931-39.

the financiers faced a real challenge, due to a shift in the federal ALP's policy in early 1931, following the election of Jack Lang in NSW in October 1930.

In July 1930, when Scullin was in London and E.G. Theodore, with his credit expansion and job-creation proposals was temporarily out of the picture, former Tasmanian premier "Honest Joe" Lyons as Treasurer and James Fenton as acting PM toed the financiers' line of "sound finance", budget cuts, and savage austerity, despite bitter opposition within the Labor cabinet. Lyons took a leading role in raising the 27 million pound conversion loan in December 1930, together with his advisers in Staniforth Ricketson's



New Guard mass rally at Sydney Town Hall. The fascist New Guard was instrumental in electing Lyons in 1931. Some 20 UAP MPs, including Cabinet members, were New Guardsmen.

attempt to form a temporary government. The Group had already met with Sir Robert Knox, who had just been elected head of the National Union. Knox agreed that Lyons should now head up all anti-Scullin forces. The Collins House businessman Knox was a very powerful man. He was chairman of the board of the Victorian

liam Knox, had been the brains behind BHP, which was to become the country's wealthiest enterprise and the most successful silver mine in the world.

In February 1931, Theodore proposed his note issue for job-creation, which the financiers excoriated as "inflationary". NSW Premier Jack Lang put forward his Lang Plan the same month, which called for: 1) Australia to make no further debt payments to Britain, until the British agreed to cut interest rates on Australia's loans from 5 per cent to 3 per cent, as the Americans had done for the British, 2) All internal government interest rates should be reduced to 3 per cent, and 3) The London-rigged, Depression-inducing gold standard should be replaced with a "goods standard."

To accolades from the financier-controlled major newspapers, "Honest Joe" Lyons began a nationwide tour for "sound finance" in Adelaide on April 9, sponsored by the fascist South Australian Citizens League. Robert Knox's National Union and Ricketson's Group wanted to anoint Lyons as the head of all anti-Scullin forces because they figured he could draw some Labor voters, and because he was much more personable than the stolid John G. Latham, leader of the Nationalist Party. But they had a problem: Lyons headed only a tiny group of ex-Labor renegades in Parliament, while Latham headed the much larger Nationalist Party in Parliament, discredited though it was. With pressure from the Group and the National Union, the problem was quickly solved: the reluctant Latham on April 17 announced his resignation, to become deputy to Lyons in the soon-to-be-formed United Australia Party.¹

Latham was not the only politician this gang bought up. Robert Menzies was also a bought-and-paid-for puppet of Ricketson, whose personal finances Ricket-

son ran so that Menzies could devote full time to politics. These financial arrangements apparently included making Menzies a partner in the Ricketson-founded Capel Court Investments, and other Ricketson companies. Menzies wrote to Ricketson on December 31, 1935, "My dear Stan, ...No muddling politician ever had so generous or so good a friend. Of the way in which you have unselfishly looked after my financial affairs I cannot speak adequately. But I do know that but for your advice and active work I would probably not be able to continue in politics at all.... All things considered you are the finest and most loveable man I know and your influence upon me is increasingly great."

Menzies' role as Ricketson's mouthpiece was so obvious, that ALP leader Dr. H.V. Evatt once remarked, "What Mr. Ricketson says today, Mr. Menzies says not long after."²

Events moved rapidly in the crucible of the Depression. The New Guard was founded on April 18, 1931 in Sydney. On April 18 and 19 in Melbourne, other secretive meetings took place, among the Group of Six, Sir Robert Knox and E.H. Willis of the National Union, and representatives of the SA Citizens League and the Victoria and the NSW branches of the AFAL. These men decided to officially amalgamate all of these organisations (including the National Union's puppet, the Nationalist Party), into the new United Australia Movement.

On May 7, the parliamentary branch of the Nationalist Party renamed itself the United Australia Party under Lyons and Latham as leaders. The Nationalists in NSW balked at uniting with the NSW wing of the AFAL, many of whose members believed their own



The UAP's main constituency, apart from the New Guard.

Group of Six.

When Scullin returned in January 1931 and made the surprise move of reappointing Theodore as Treasurer, Lyons was the financiers' ace-in-the-hole for a counterattack. Lyons and Fenton resigned from the Cabinet. On February 4, Lyons went to Melbourne to hand over his portfolio, but also met secretly with Ricketson and the Group of Six. With Menzies as spokesman, the Group asked Lyons to leave the Labor Party and

branch of the Commercial Banking Co. of Sydney, and the director of some of the country's major firms, including Dunlop Australia, Vickers Australia Pty. Ltd., and the Bank of New Zealand. He was also the first federal president of the Australian Association of British Manufacturers in 1919-20, and in 1928 was elected president of the Melbourne Chamber of Commerce and vice president of the Associated Chambers of Commerce of Australia. His father, Wil-

Notes for this section appear on page 48.

Defeat the Synarchists—Fight for a National Bank

propaganda and harshly attacked “political parties”, but, with aid of a £1000 bribe by Collins House businessman and AFAL executive Sir Sydney Snow, they did sign. In 1932, Snow was elected deputy president of the UAP, and was chairman of the party’s executive and council until he resigned on medical grounds in 1942. The individuals who controlled the NSW UAP are familiar faces, as the leaders of the Old Guard: “Goldfinch, Gillespie and the retailer Sydney Snow were the principal financial mainstays of the State UAP party machine” (Moore, *Premier*). UAP figures Sir Philip Goldfinch of CSR and Sir Robert Gillespie of the Bank of NSW were such fervent Old Guardists, that the Old Guard was also sometimes called the “Goldfinch-Gillespie” organisation. They both would visit Nazi Germany in the 1930s, Goldfinch several times.

The state Premiers at their conference of late May and early June 1931, agreed to Niemeyer’s demands, and put them forward in the Premiers Plan. Bespeaking

those who owned him, Menzies attacked the plan because of its proposal to lower interest rates paid to bondholders—which even most of big business had agreed to!

Throughout 1931, the purpose of the UAP as the Synarchy’s new front, was to drive the Scullin government from power, and then do the same with Jack Lang in New South Wales. If necessary, the fascist militias would be deployed, with UAP approval. With Sir Robert Gibson and the Senate blocking any measures to deal with the Depression, Australia’s economic situation became worse and worse. On December 19, 1931, the UAP secured a crushing victory over the ALP in a Federal election. The financiers had poured the old Nationalist wine into new, UAP bottles, as recorded by New Guard leader Eric Campbell in his book, *The Rallying Point: The Story of the New Guard*:

“The Nationalist Party had recently carried out, once more, two of its traditional tactics—changing its name (but not its identity)

when unpopular, and recruiting a new Leader from the Labor Party. Like many a stock breeder, the Consultative Council appeared to believe that when the flock or herd is showing the ill effects of inbreeding, a radical outcross is needed to infuse hybrid vigor. And so the new label was ‘United Australia Party’, in substitution for ‘Nationalist’. The name was inspired by the gobbling-up of the ‘All for Australia League’ and the ‘Riverina Movement’ [one of the ‘new states’, separatist movements].”

Campbell was in a position to know. He and his New Guard had worked closely with the UAP. He recounted how UAP NSW secretary Horsfield had called him to ask for the New Guard’s support in the federal election campaign. Campbell replied he would have it, if Lyons pledged to run against communism. Horsfield not only assured him Lyons would, but said that Campbell should call Lyons himself for personal assurances.

“As soon as Horsfield left I put in the call to Mr. Lyons and he was

on the line within a few minutes. His voice came through as clear as a bell. I told him of my conversation with Horsfield and why I was ringing. Mr. Lyons unhesitatingly confirmed Mr. Horsfield in all his statements and added that he was four-square behind the New Guard and hoped for its support in the election campaign”, Campbell remembered. The support of a highly organised force of over 30,000 men, in addition to their families and friends, could clearly be decisive.

By arrangement with the UAP, the New Guard packed the hall for Lyons’ campaign launch in Sydney with thousands of its supporters. Finally, Campbell recorded, “In a UAP victory we saw the realisation of a number of New Guard aims, and so worked with a will and achieved a great deal. On election day in Greater Sydney alone many thousands of New Guardsmen were on duty in one way and another, and fleets of cars were provided and of course free of charge.” As many as twenty newly elected UAP MPs were members of the fas-

cist New Guard, including one of its top leaders, Sir Frederick Stewart, who became Minister for Commerce. The new MPs also included the New Guard’s deputy commander, Herbert William “Bertie” Lloyd. The Old Guard’s chief rural organiser, C.L.A. Abbott, also won a seat.

In November 1935, Sir Philip Goldfinch, former head of the Old Guard, took a seat in the Legislative Assembly for the UAP, prompting Jack Lang to observe that “the ‘boss’ himself was coming on the job.” Ridiculed by ALP members for his spats and monocle, Goldfinch distinguished himself by defending the profits of CSR, while attacking unemployment payments, family endowment and other welfare payments.

The new prime minister, “Honest Joe” Lyons, was, like many of those who put him in office, pro-fascist. He was a well-known appeaser and paid a friendly visit to Mussolini in 1937. Just on the eve of World War II, he chastised a visiting H.G. Wells for calling Hitler a “certifiable lunatic.”

The Lying Mass Media

The mass media is an essential element of the manipulation of the puppet show known as parliamentary democracy. The Synarchy’s mass media largely created the anti-ALP Red scares of the 1920s, 30s and 40s, as well as the All for Australia and other “citizens leagues”. An excellent case of their orchestration of politics was their conjuring up “Honest Joe” Lyons to head the UAP.

More than any other, this campaign was started and run through the Collins House media empire centred on the *Herald and Weekly Times*. W.L. Baillieu had bought the (Melbourne) *Herald* for £23,000 in 1902, and established the *Herald and Weekly Times Ltd*. For decades, with only brief exceptions, the *Herald* was the only evening paper in Melbourne; as of 1960, over three-quarters of all papers sold outside Sydney were printed by companies owned or controlled by the *Herald and Weekly Times Ltd*. In 1921, Baillieu installed his children’s former playmate, Keith Murdoch, as managing editor of the *Herald*. Murdoch was fresh from training in the sensationalist “sex-and-crime” style of Lord Northcliffe in London, which he brought with him to Melbourne (and which his son Rupert has continued), which earned him the nickname “Lord Southcliffe”. Thus Collins House created the be-



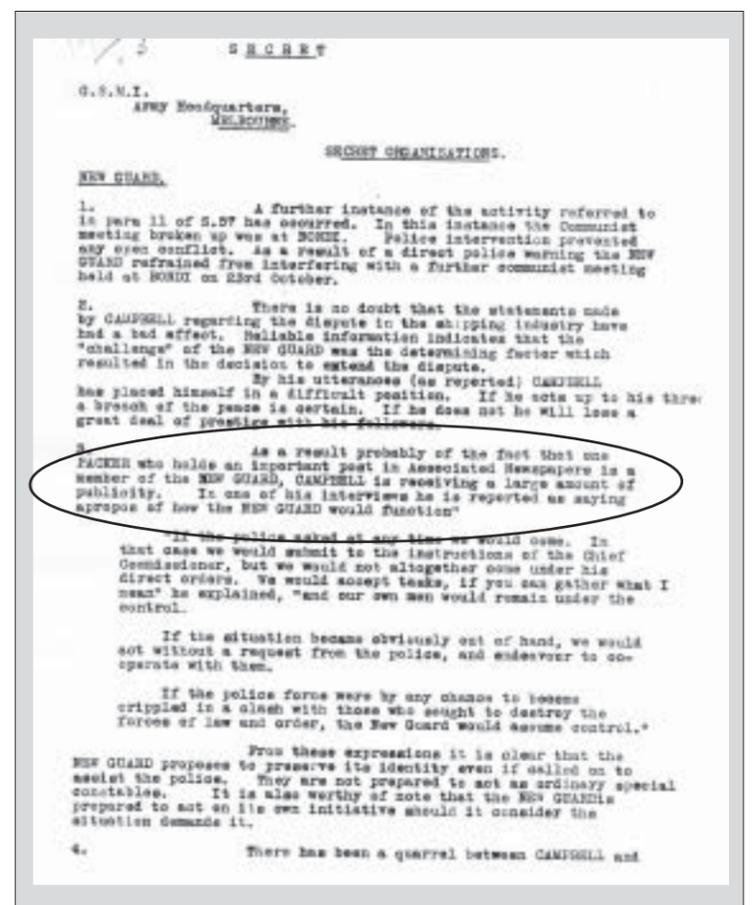
Associated Newspapers managing editor R.C. “Clyde” Packer (above left) (Kerry’s grandfather) and Sir Keith Murdoch (above right) of Collins House (Rupert’s father) ran media “red scares” that built up the fascist militias and their political front, the UAP. Packer himself was a New Guard member, as shown in a military intelligence report (r.).



ginnings of the Murdoch empire, which is today one of the pillars of the global neo-con apparatus.

The *Herald* started the “Honest Joe” campaign in conjunction with agitating in favour of the loan conversion of December 1930, and quickly spread the campaign to Adelaide and Brisbane, where the *Herald and Weekly*-owned papers dominated the market. Even his official biographer notes, “Murdoch was not often an objective reporter; he was most of the time a propagandist.” While endlessly

promoting “Honest Joe”, the *Herald* attacked the Scullin government so violently that its sales dropped significantly in working class areas in early 1931. The paper’s role in the election was notorious. As the ALP’s Jack Beasley observed in Parliament in 1935, “It is claimed that the Baillieus, through the Melbourne *Herald*, which they control, made Mr. Lyons Prime Minister of Australia.” After the Collins House press empire put Lyons in power, Murdoch treated Australia’s new prime min-



ister as his puppy dog, often summoning him at a moment’s notice to give him orders, or to dress him down like an errant child.

The other major press in Melbourne was the *Argus*, in which the Spowers family had been leading figures for generations. In the 1930s, Colonel Allan Spowers was a member of Staniforth Ricketson’s Capel Group of Investments, and Ricketson himself became chairman of the *Argus* in 1936 until World War II.

In Sydney, the *Fairfax Sydney Morning Herald* praised fascism and shrieked against the “Sovietism” of the ALP. The *Fairfaxes* were intermarried with the Baillieus, and held directorships in the Old Guard’s sponsoring institutions, CSR and the Bank of New South Wales. Six months after Jack Lang was elected, the *SMH* trumpeted, “The evil menace of Sovietism in this land, of governance not by popularly elected representatives, but by a secret junta planning civil strife and disruption, must be overthrown and stamped out”. And Italy, it editorialised, “was only saved from Red Dominance by the heroic remedy of Fascism.”

Media baron Sir Hugh Denison,

a fierce British empire loyalist, also had enormous clout in Sydney through the two morning, two evening, and four Sunday papers he controlled there through his Associated Newspapers Ltd. These included the *Sun* and the *Daily Telegraph*. In the crucial years 1929-1931, AFAL leader Sir Sydney Snow was deputy chairman of Associated Newspapers. Another of Denison’s directors, Sir Frederick Tout, was on the Old Guard-linked Primary Producers Association. Still another Associated director, Sir Frederick Stewart, was a member of the New Guard, as military intelligence reports indicated his managing editor, Clyde Packer (father of Sir Keith and grandfather of Kerry) also was. Packer carried out such an unrelenting campaign against Jack Lang, that Lang attempted to pass a bill through the NSW parliament designed to bankrupt Packer personally. With this board of directors, it is no surprise that the *Sun* conducted a public fundraising campaign for the New Guard’s Col. Francis de Groot after his ribbon-slashing stunt at the Harbour Bridge, and that it claimed Theodore’s proposed note issue was “Bolshevik.”



Melbourne’s *Herald Sun* building, former home of the Baillieus’ *Herald and Weekly Times* company. They gave Sir Keith Murdoch his start at their *Herald*; son Rupert now publishes its successor, the *Herald Sun*, Australia’s biggest daily, and owns the H&WT.

Defeat the Synarchists—Fight for a National Bank

Robert Gordon Menzies: the Would-be Petain of Britain

The Synarchy created the fascist militias in Australia as part of its stable of fascist movements and governments around the globe. In Great Britain, they intended to replace the anti-Nazi PM Winston Churchill with an outspoken appeaser. One of the top candidates for this role would be imported from Australia: Robert Menzies.

With their way prepared by the French Synarchists' extensive sabotage and treason against their own country, Germany's Panzer-led forces swept through the Low Countries and France in May of 1940 and pinned the British Expeditionary Force (BEF) against the sea at Dunkirk in northern France. As the BEF faced near-certain extinction, Hugh Dalton, a member of British Prime Minister Winston Churchill's "Outer Cabinet" (as opposed to the inner core "War Cabinet") recorded in his diary a fateful meeting of the Outer Cabinet on May 28, 1940:

"[Churchill] was determined to prepare public opinion for bad tidings, and it would of course be said, and with some truth, that what was now happening in Northern France [Dunkirk] would be the greatest British military defeat for many centuries....

"[Churchill said] 'I have thought carefully in these last days whether it was part of my duty to consider entering negotiations with That Man [Hitler]'....

"It was idle to think that, if we tried to make peace now, we should get better terms from Germany than if we went on and fought it out. The Germans would demand our fleet—that would be called 'disarmament'—our naval bases, and much else. We should become a slave state, though a British government which would be Hitler's puppet would be set up—'under [British Fascist leader Oswald] Mosley or some such person.' And where should we be at the end of all that? On the other side, we had immense reserves and advantages. Therefore, he said, 'We shall go on and we shall fight it out, here or elsewhere, and if at last the long story is to end, it were better it should end, not through surrender, but only when we are rolling senseless on the ground.'

"There was a murmur of approval round the table, in which I think Amery, Lord Lloyd and I were loudest. Not much more was

said. No one expressed even the faintest flicker of dissent.... It is quite clear that whereas the Old Umbrella [Neville Chamberlain]—neither he nor other members of the War Cabinet were at this meeting—wanted to run very early, Winston's bias is all the other way."

One of those who intended to "run very early" was Australian Prime Minister Robert Gordon Menzies. Hitler's Panzers paused at Dunkirk and did not destroy the BEF, only because Hitler was negotiating with a faction in Britain that wanted to strike a deal with him, as the Synarchists in France associated with Marshal Petain and Pierre Laval had done. These circles included the notorious pro-fascist Cliveden Set of Lord and Lady Astor, press magnate Lord Beaverbrook, and former Prime Minister David Lloyd George. This group schemed to either weaken Churchill or, preferably, to replace him with a British Petain, but in either case to make a deal with Hitler. With the aid of City of London magnates and the press empires they controlled (of which Beaverbrook was the kingpin), this group built up a willing Menzies as one candidate for the role. The official decision of Churchill's Cabinet to fight notwithstanding, the Synarchist schemes for a deal with Hitler would continue throughout the rest of 1940 and 1941, particularly after April 1941, as serious British (and Australian) reverses in North Africa and Greece followed the early successes in North Africa.

The London-centred Synarchist financier cabal that controlled Menzies had installed Hitler and Mussolini in power, and intended to establish a world Synarchist dictatorship through the Axis powers (including Japan), which would operate through Petains and Quislings in Europe, including in Britain itself. Once Russia was conquered, the combined fleets and armies of all these powers would be turned against the United States, and Synarchist world rule would be assured.

The activities of this cabal's political stooges in Australia, such men as J.G. Latham, "Honest Joe" Lyons, Stanley Melbourne Bruce, Wilfrid Kent Hughes (the Young Nationalists co-founder with Menzies), and Menzies himself, reflected these goals. Under the ostensible policy of "keeping the peace", they intended to make a deal with the same Hitler who had already swallowed Czechoslovakia, Po-



Left: Prime Minister Winston Churchill's War Cabinet; Aviation Minister (and Synarchist press baron) Lord Beaverbrook is second from right in back row. Right: Beaverbrook, who tried to overthrow Churchill in favour of Robert Menzies or another pro-Hitler figure. In the 1950s, Beaverbrook trained Rupert Murdoch.

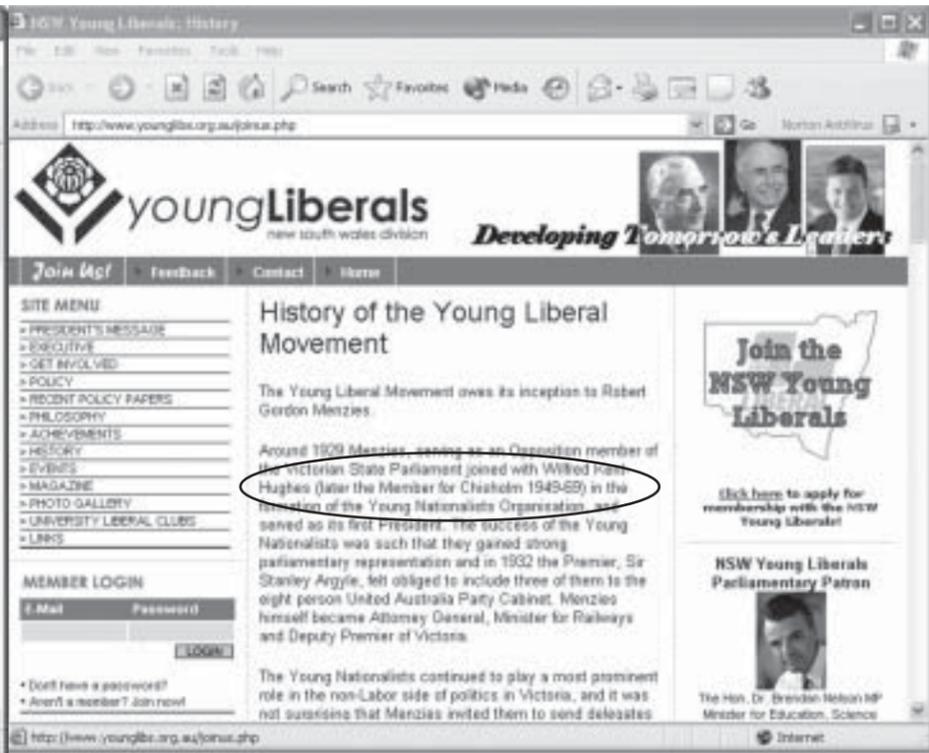
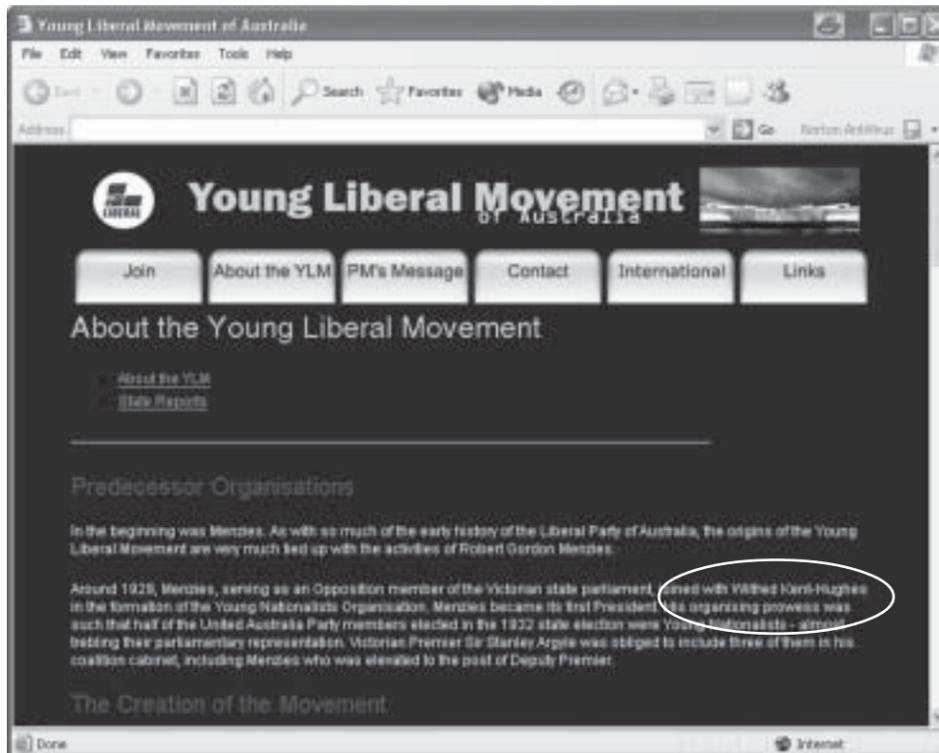


The Melbourne Herald, Nov. 14 and 17, 1933. Wilfrid Kent Hughes was Menzies' bosom buddy, with whom he co-founded the Young Nationalists. To this day, the Young Liberals praise the self-proclaimed fascist Hughes as one of their Founding Fathers (see websites below).

land and France. Though Latham had to be a bit more circumspect in his public pronouncements after becoming Chief Justice of the High Court in 1935, the others did not hide their pro-Mussolini, pro-Hitler sympathies. And, while Menzies never publicly called himself a fascist, his close friend and later fellow federal Cabinet member Wilfrid Kent Hughes certainly did, as in his four-part series in the Herald of November 14-17, 1933, "Why I Have Become a Fascist". Hughes lauded Mussolini and his fascist "corporate state", this at a time when Mussolini was notorious for assassinating his political enemies. He also made apologies for Hitler's assaults on the Jews, saying that it was "lamentable to anyone in touch with

recent Germany history", but that it was also "intelligible". Furthermore, he said, "It should be remembered that Mussolini, now considered one of the greatest statesmen of the age, was once considered in much the same light as Hitler." Wilfrid Kent Hughes is lauded still today, along with Menzies, as a founder of the Young Nationalists and of the Liberal Party itself, as seen on the web sites of the Young Liberals of Australia and the Young Liberals of New South Wales. Hughes became a minister in Menzies' Cabinet after the 1949 election. Menzies' Synarchist roots ran deep. As a KC [King's Council], in 1935 he represented Shell Oil in Australia. Shell was a leading element of the international Synar-

chist cabal, and its boss, Sir Henri Deterding, had financed the Nazi Party already in the 1920s. Menzies repeatedly championed Hitler as a "bulwark against communism", the same rationale used for the establishment of the fascist militias in Australia in the early 1930s. Menzies made two trips to Nazi Germany, the first in 1935 and the second in late July 1938 during an April-to-July trip to London. In Berlin, he met the financial wizard of the Nazi regime, Reichsbank head Hjalmar Schacht, whom we have already seen as the featured speaker at meetings of the Venetian Count Coudenhove-Kalergi's Synarchist Pan-European Union. The Menzies-Schacht meeting would clearly have been set up by



Defeat the Synarchists—Fight for a National Bank



The British Round Table schemed to overthrow Churchill and replace him with former British PM David Lloyd George or Australian PM Robert Menzies, who would make a deal with Hitler. Left: Lloyd George greets his mate, Hitler. Top right: Robert (Lord) Brand and his wife Phyllis, sister of Lady Astor. Brand was

Menzies' financier controllers, likely by Beaverbrook himself, a frequent visitor to Nazi Germany throughout the 1930s. During the course of Menzies' 1938 trip, the "Czechoslovakia crisis" was building up. Germany, using a series of staged incidents and provocations on the German-Czech border, was demanding the Sudetenland province from Czechoslovakia, as the first step towards swallowing the entire country. "He [Menzies] seems to have identified himself completely with the circles in London which supported the appeasement of Germany," reported Prof. E.M. Andrews.

Menzies argued for pressuring Czechoslovak president Benes to capitulate to Hitler's outrageous demands: "I am more than ever impressed with the view that this problem requires a very firm hand at Prague, otherwise Benes will continue to bluff at the expense of much more important nations, including our own."

Upon his return to Australia, Menzies propagandised for Hitler to grab what he wanted of Czechoslovakia. "I am constantly astounded to realise", he told a lunch-

eon of the Old Melbournians, "how difficult it is for most people to realise that there are two sides to every question". The *Argus* newspaper of November 15, 1938 summarised Menzies' speech: "From talks with leaders in Great Britain and Germany he had concluded that Germany had some real grievances against Czechoslovakia." Moreover, Menzies accused Hitler's opponents of being the ones "causing trouble". "Those who thought that France [which was supporting Czech sovereignty] was always right and Germany was always wrong were the type who perpetuated international trouble", he proclaimed.

The rest of his address was a paean of praise to Nazi Germany and fascist Italy. The *Argus* reported:

"Dictatorship in Germany had been guilty of unspeakably bad things, but there were also points in the dictatorship from which Australia could learn. In his recent visit to Germany he had been impressed with German industrial efficiency and with the attitude of responsibility of the big industrial enterprises to their employees and their children



head of the Synarchist Lazard Freres and a pillar of the Round Table. Bottom right: Menzies (l.) said he would "abandon everything" to follow Lloyd George (r.) in his plot to overthrow Churchill.

[after the German trade union movement had been crushed and its leaders assassinated or interned in concentration camps — ed.]

"It was no good sitting back and thanking God that we were better than the Germans or the Italians," Mr. Menzies said. "Democracy might be the form of government which suited Australia, but that did not mean that it suited everyone else. Before a dictatorship had been introduced in Italy democracy had sunk to the lowest level of corruption and incompetence. Italy was fundamentally more prosperous and better governed than it was 10 or 15 years ago.

"As for Germany, the majority of people there were satisfied with their Government," Mr. Menzies continued. "The young men and young women particularly were enthusiastic followers of Herr Hitler and armed government, and regarded the State as all-powerful and all-glorified. This Government had produced the most dreadful injustice and medieval barbarism and at the same time had produced an exalted and almost spiritual worship of the state by many Germans.... We can learn even from an implacable enemy."

In Perth in 1939, one of Menzies' typical eulogies of Nazi Germany shocked one well-dressed woman, who interrupted him with an anguished cry, "Concentration camps, my God!" Reflecting Menzies' advice, on top of the natural inclinations of the financier cabal that had installed the Lyons government in power, that government "did its best to urge the British government to appease Hitler" (Andrews). Menzies himself proclaimed his "unqualified regard" for Chamberlain's approach of appeasement.

Indeed, Menzies desired Hitler, who had assassinated his oppo-

nents by the thousands, thrown tens of thousands of the rest of them into concentration camps, and closed down all political parties but the Nazis, to remain in power! G.W. Mahoney, M.H.R., gave the following speech in Parliament on April 22, 1940 on his firsthand knowledge of Menzies' views of Hitler:

"Some time ago the right honourable gentleman [Menzies] visited England, and I understand that he also went to Germany, for after his return to Australia he spoke to the people of Australia from one of the Christian churches and told them that the Germans were a wonderful people, and that the Nazi organisation was playing a great part in world civilisation. But the Nazi was just the same then as now. At that time Germany was preparing to destroy the smaller nations of the world by force, but the right honourable gentleman was captured by Nazi-ism because at heart he is a Nazi. He is responsible for encouraging the Nazi organisations that exist in Australia today, using mean and contemptible methods to destroy the nation. When I walked along one of Canberra's streets with him some time ago he said, 'I have a great admiration for the Nazi organisation of Germany. There is a case for Germany against Czechoslovakia. We must not destroy Hitlerism or talk about shooting Hitler....'"

Menzies was a notorious appeaser on the Pacific front, as well, where he became known as "Pig Iron Bob" for forcing wharfies at Port Kembla to load scrap iron for Japan. The wharfies argued that the scrap iron would come back to Australia as bombs, as indeed it did. Meanwhile, some of Menzies' fellow appeasers in the Australia-Japan Society were actually spying for the Japanese, according to reports of Australian intelli-

gence at the time.

Prominent members of this Society included the fiercely anti-national banking High Court Chief Justice Sir John G. Latham; Sir Arthur Rickard, the wealthy realtor, whose son, Major Arthur Rickard, had been a member of the New Guard; financier and Old Guard leader Sir Henry Braddon; Harold Darling, chairman of directors of BHP, whose company supported the Old Guard; and Jack Scott, the chief of staff of the fascist Old Guard some ten years earlier! Latham sent the fanatically pro-Japanese Scott to Japan for "trade and cultural work". As noted above, Scott later became known for helping the Japanese incarcerate and punish Australians on Ambon and Hainan.

Had Menzies merely been a "naïve appeaser", the German conquest of Czechoslovakia, followed by the Nazi invasion of Poland on September 1, 1939 and the fall of France in May 1940 might have shaken his trust in Hitler, as those events did with many others. But Menzies was a Synarchist puppet.

Lyons died on April 7, 1939. Menzies narrowly won the vote to succeed him as UAP leader, and thus as Prime Minister. After taking over, Menzies tried to convince the Cabinet not even to organise the absurdly low force of 1,571 regular soldiers, which the Lyons government had authorised to form the nucleus of a regular army. Menzies vetoed the idea based on "economy" and the "difficulty of readjustments" when the war danger had passed. Meanwhile, his Minister for External Affairs, Sir Henry Gullett, continued to hail Mussolini's "genius, his patriotism ... and almost superhuman capacity", as well as Hitler's "shining record of service to his people."

On January 24, 1941, Menzies left Australia for four months, two and a half of which were spent in London. His chief interlocutors there were the Synarchist cabal that wanted to make a deal with Hitler, including City of London financiers, the City's newspaper magnates, and a powerful section of the British aristocracy typified by the Round Table group around the Astors. Lord Hankey, an old Menzies acquaintance and leading Chamberlain supporter, was part of this cabal, as were other Chamberlainites (who still had significant power in the Churchill-led government), and Cabinet minister Lord Beaverbrook and his co-plotter, ex-PM Lloyd George (now in his mid-70s, but still very active). Menzies was accompanied by the secretary of the Australian Defence Department Sir Frederick Shedden, who firmly supported his scheming to replace Churchill. Menzies' main booster was Beaverbrook.

Beaverbrook had first met Hitler in 1931. Between that time and the outbreak of World War II, he met Hitler, Deputy Fuehrer Rudolf Hess, and Nazi Foreign Minister Ribbentrop several times. The Beaverbrook press correspondent in Berlin, Sefton Delmer, was on intimate terms with Hitler, and was the only foreign correspondent the Nazis invited to cover the notorious Reichstag Fire, which they set on February 27, 1933 to stage a pretext for seizing power. Delmer's dispatch claiming that the Communists had set the fire was sent around the world, and provided crucial support for the Nazi takeover against a mythical "communist insurgency". Beaverbrook's media had also staunchly supported the Hoare-Laval Pact in 1935 which ratified Mussolini's seizure of Abyssinia, and Beaverbrook was



Cliveden, home of Lord and Lady Astor and their pro-Nazi "Cliveden Set", and meeting place of the Round Table.

Defeat the Synarchists—Fight for a National Bank

Chamberlain's most vocal supporter at Munich. The day after Chamberlain's third meeting with Hitler, which concluded the infamous Munich Pact, Beaverbrook proudly ran the headline "PEACE" in the biggest type ever used in an English newspaper.

The plotters intended to replace Churchill with either the notorious appeaser Lloyd George, or perhaps with the fresh young "Dominions" man, Menzies. When someone proposed Lloyd George as British Ambassador to the U.S., President Franklin Roosevelt sharply criticised the idea, stating that his presence would strengthen the isolationists (i.e. the pro-Hitler appeasers, who were funded by the Morgan, Mellon and DuPont Wall St. interests).

The Synarchist plots against Churchill failed, and he rallied the British people to fight. With the military defeats of early 1941 (3,000 Australians were killed or wounded in Greece, among others), however, murmurs of a "negotiated peace" were heard ever more loudly, many of them originating from the Synarchist crowd who had wished to surrender to Hitler in the first place. Simultaneously with their appeasement track, the Synarchists agitated to push Churchill from office on the grounds that he was not fighting the war vigorously enough! Declassified U.S. intelligence documents recount the plot to dump Churchill and replace him with Beaverbrook. One such document, entitled, "Synarchie and the Policy of the Banque Worms Group", gave some background to the plot. Banque Worms was closely associated with the Lazard Freres banking group of Paris, New York, and London, where its managing director, Lord Brand, was a brother-in-law of Lady Astor of the Cliveden set. The intelligence document stated:

"Similarity of the 'Synarchie' and Banque Worms

(i) The reactionary movement known as 'Synarchie' has been in existence in France for nearly a century. Its aim has always been to carry out a bloodless revolution, inspired by the upper classes, aimed at producing a form of government by 'technicians' (the founder of the movement was a 'polytechnicien'), under which home and foreign policy would be subordinated to international economy.

(ii) The aim of the Banque Worms group are the same as those of 'Synarchie', and the leaders of the two groups are, in most cases, identical."

The document related that "In regard to Great Britain the more particular aims of the group are as follows:

"(a) to bring about the fall of the Churchill government by creating the belief in the country that a more energetic government is needed to prosecute the war; it is recognized that an effective means of creating suspicion of the Government's efficiency would be to induce the resignation of Lord Beaverbrook;

"(b) to bring about the formation of a new Government including Sir Samuel Hoare, Lord Beaverbrook and Mr. Hore-Belisha....

"(c) through the medium of Sir Samuel Hoare to bring about an agreement between British industry and the Franco-German 'bloc';

"(d) to protect Anglo-Saxon interests on the continent."

Menzies gladly jumped into this Beaverbrook-centred Synarchist



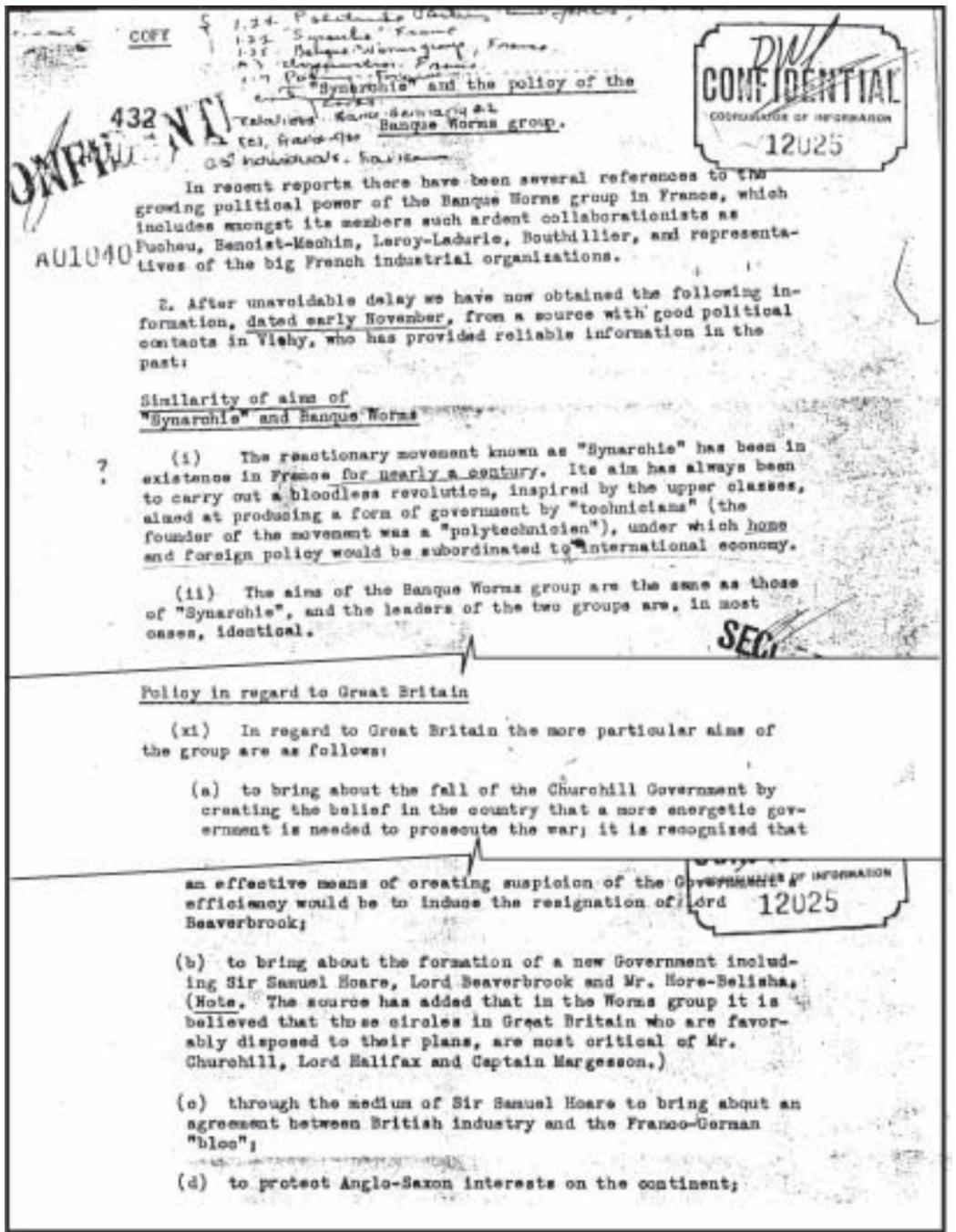
W.S. Robinson of Collins House, founder of CRA (RTZ) and Western Mining. The Synarchist Robinson pushed Menzies to meet with anti-Churchill coup plotter David Lloyd George.

plot. As the Synarchist and Beaverbrook ally Sir Robert Bruce Lockhart—among many others—observed, Menzies was very much under the influence of Beaverbrook.

Details of the plot to install Menzies in the British government are recorded in David Day's *Menzies & Churchill at War*. Surveying the evidence including the extensive diaries kept by many of the participants, Day concluded that "Menzies was to make a determined attempt to wrest the British Prime Ministership from Churchill's grasp." As Day summarised the matter at the end of his book:

"It was on the British Prime Ministership that Menzies had set his sights. He was certainly aware that a political vacuum would follow Churchill's fall and Shedden's diary indicates that Menzies saw himself filling this void. Many observers in London and Canberra clearly recognised the extent of Menzies' ambition and acknowledged it to be within the bounds of possibility. Though Menzies himself realised that he could not expect to depose Churchill immediately, it was his eventual aim. His desperate attempt to call an Imperial Conference and obtain a seat in the War Cabinet reveal the method by which Menzies hoped to secure Churchill's downfall and his accession to power.... The process ... was to be step by step; the gaining of a seat in a reformed War Cabinet as Australian Prime Minister, the carving out of a place of prominence within the confines of the Cabinet, and then resignation from the Australian Prime Ministership in order to propel himself into British politics from the already elevated post of War Cabinet member. Menzies clearly expected that he would rapidly become heir apparent to Churchill, and take over when the war took another turn for the worse, as he clearly expected that it would."³

On April 16, 1941, in the wake of the British reverses in Libya and looming defeats in Crete and Greece, Collins House magnate W.S. Robinson, who was based in London and had extensive contacts in politics and finance there, wrote to Menzies, advising him to meet with coup-plotter Lloyd George. As Hitler's armies marched into Poland in 1939, Robinson's own views had been that, "Wise leadership should have enabled us to live it up with Germany and crush Bolshevism. In-



A wartime U.S. intelligence document on the one-worldist Synarchy ("Synarchie") movement in France, sponsored by the Lazard Freres affiliate, Banque Worms. The Synarchy intended to overthrow Churchill and replace him with a Hitler-appeaser such as Menzies or Lloyd George.

stead we are faced with a rapidly spreading 'Red Flood' and this today is civilisation's and our own greatest menace". Therefore, he said at that time, "I hope, pray and work for peace." In his memoirs, *If I Remember Rightly*, Robinson attempted to portray himself as anti-appeasement. In fact, he and the Collins House crowd were part of an international Synarchist nexus, which supported Hitler, but also kept their fingers in other pies at the same time—as Robinson was notorious for doing.

Many of these figures switched horses to go with Churchill after the Nazi invasion of France, while still keeping open their pro-Hitler options. In his diary entry of April 18, 1941, Oliver Harvey, a confidant of Churchill's wartime Foreign Secretary (and future PM) Anthony Eden, recorded his anxiety at the rising criticism of the Churchill government. He blamed it on the "remnants of the Chamberlainites", who were using the military setbacks as a "dishonest cloak for defeatism—at the end of that road lies L.G. [Lloyd George], who, abetted by that ass Liddell Hart [Lloyd George's military adviser] would readily be a Petain to us, with the support of the press barons and the city magnates." [Emphasis added.] The same crowd was simultaneously preparing the "Menzies option", while Menzies himself was apparently willing to subordinate even his own short-term ambitions to putting the pro-Hitler Lloyd George in power.

On April 26, Menzies visited Lloyd George as Robinson had ad-

vised, but kept the visit quiet, suspecting that his contact with such a notorious appeaser would not sell well either in Britain or at home.

Menzies' diary entry for the visit was the longest one he made during his entire trip. It summarised many complaints about Churchill which he and Lloyd George shared, including their agreement on the need for a non-executive War cabinet to contain a "Dominions man [Menzies], for the Dominions type of mind is essential.... L-G frankly does not see how we will win the war, though he agrees we will not lose it." Menzies wrote, "He rates Hitler's ability very high, and comes back to the melancholy truth that the Germans in their hearts like us much more than the French ever did."

Menzies wrote that if Lloyd George "said to me 'Menzies, I want you to abandon everything that you are doing and follow me', I think I probably would." As Menzies well knew, there was only one thing Lloyd George was doing at that time: which was scheming to overthrow Churchill to make a separate peace with Hitler. This is the man—and the plot—for which Menzies would "abandon everything."

Finally, however, the Australian Cabinet demanded that Menzies return. As he left New Zealand on May 23 for the last leg of the trip back to Australia, Menzies wrote of a "sick feeling of repugnance and apprehension" that grew on him as he neared Australia, and as his dreams of glory in Britain faded. Already the following day, Beaverbrook cabled Menzies assurances that he would

welcome him back to London with "much more enthusiasm than any other visitor from any other part of the Empire" and hoped that Australia would "decide to send you soon and keep you here for as long as the war lasts". That day Beaverbrook's *Daily Express* wrote that Menzies "should be relieved of political anxieties so that he can come to Britain and work in the cause of democracy and freedom".

Though Beaverbrook's press empire kept up that drumbeat for weeks, Britain's Dominions Minister Lord Cranbourne expressed relief, in his diary for August 31, that Churchill had blocked Menzies' return. It was better, he wrote, that Menzies was out of the way, as "his intriguing was a constant danger". [Emphasis added.] Efforts by his friend W.S. Robinson of Collins House to use his contacts in Britain to override Churchill failed. Menzies stayed in Australia.

Lawfully enough, though one of his ostensible purposes for the London junket had been to secure British help for Australia, Menzies had nothing but empty promises to show for it. In fact, he secured worse than nothing. The British Cabinet had refused to allow British industrialists to set up airplane manufacture in Australia, though it was urgently needed in face of Japan's obvious intentions toward Australia. But when American industrialists inquired of Acting PM Artie Fadden about establishing airplane manufacture in Australia, Menzies had flown into a rage, and cabled Fadden from London not to allow it under any circumstances.

Defeat the Synarchists—Fight for a National Bank

The “New Liberalism”: the Old Fascism

On July 28, 1941, an utterly discredited Robert Menzies quit as Prime Minister of Australia, to be replaced by Arthur Fadden. In October 1941, John Curtin and the Labor Party won the federal election. As the prospect of an ultimate Allied victory took shape, the Synarchist financiers and corporations that had created the Old Guard, the New Guard, the League of National Security and the United Australia Party, began already in 1942 to plan the form of their next, post-war assault against Labor and Labor's reconstruction plans to run the national economy for the Common Good. The Synarchists had three goals:

1) to create a new party to replace the rapidly crumbling UAP, while hiding the control the Money Power had notoriously exercised over the UAP (as over the Nationalists before them), in order to make such a new party appear “independent”;

2) to fight any attempts by Labor to make permanent the newly strengthened wartime powers of the federal government, lest such powers be deployed for economic development on a grand scale; and

3) to wage an intensive “hearts and minds” propaganda war against the population at large for the “new liberalism” (meaning continued private financier control

over the economy), under the rubric of “free enterprise” against the ALP's alleged “socialism”.

This last was ultimately the most important issue. It was a battle that in 1942-43 was raging not only in Australia, but also worldwide, as it became clear that the U.S. and its allies would defeat the fascist regimes created by the Synarchists. The Synarchists had to regroup. In Australia they did so in the newly formed Institutes for Public Affairs, which would soon create the Liberal Party. The key issue was, who would create credit, and for what purposes?

As we have seen, throughout the 1920s and 1930s these Australian fascist financiers controlled the anti-Labor political parties nationwide, through Victoria's National Union and the Consultative Council of New South Wales. In 1941, they moved to create a new, more powerful—but also more discreet—funding vehicle, along with their project for a new political party. In Victoria, Sir Herbert Gepp,



In the early 1940s, former Collins House executive and Mussolini admirer Herbert Gepp (l.) deployed his assistant, C.D. Kemp (r.), to help set up the Big Business front, the Institute for Public Affairs. The IPA began the Liberal Party.



an intimate collaborator of Collins House financier W.S. Baillieu for over two decades, took the point on creating this new vehicle, soon to be known as the Institute for Public Affairs. Its secretary and chief organiser would be his own personal assistant at Australian Paper Manufacturers for the previous seven years, C.D. Kemp.

Back in the early 1930s, Gepp had called for a fascist-style corporatist “parliament of industry”, where “the office boy could meet with the Chairman of the Board and together they could solve industrial and political problems.” In such a utopian fascist parliament, as in Mussolini's Italy, it would not

be hard to imagine whose views would prevail, if a dispute happened to arise between the “office boy” and the chairman of the board.

To lead this new political party, these financiers revived their stooge, Robert Menzies.

Throughout 1942, Menzies' devoted supporter F.H. Wright, the prominent insurance broker, had

been organising to fund a political comeback for the highly unpopular Menzies. Wright wrote to Sir Robert Gillespie, President of the Bank of New South Wales and former chairman of the central committee of the Old Guard, that “first class men” were needed “to take charge of the organisation”. The President of the Melbourne Chamber of Commerce, Wright informed Gillespie, had just formed a committee of “leading financial men” to start to organise against Labor. “I write to you”, he said, “because you have a sympathetic understanding of these problems and you are really the head of the greatest financial organisation in

Australia”. The list of “leading financial men” Wright cited in his letter to Old Guard boss Gillespie, included most members of the inaugural Council of the Institute of Public Affairs.

The new IPAs subsumed the National Union and the Consultative Council. The IPA Council in NSW consisted of 27 members, 11 of whom were from the old Consultative Council. Even IPA founding secretary C.D. Kemp's son David noted in his B.A. Honours thesis, “The New South Wales Institute [of Public Affairs] ... had completely replaced the old finance committee—the Consultative Council—and had become the sole body for the collection of funds for the United Australia Party throughout the state.” In Victoria, the Institute's 14-person Council included five from the smaller National Union, which only had a maximum of six members at any one time.

In both cases, the IPAs regrouped precisely the forces, which had created the Old and New Guards, the League for National Security, and the UAP. Jack Lang had rightly stated that the Consultative Council of NSW was “identical” to the Old Guard. Since the IPA of New South Wales subsumed the Consultative Council, men from the Old Guard turned up in leadership of the NSW IPA.

NSW IPA Council: The Old Guard in Mufti

The NSW IPA's Council President was Mr. (later Sir) Charles Lloyd Jones, a founder of the Sydney Rotary Club in 1921, which gave birth to the AFAL some years later. Jones was also the founding Chairman of the ABC in 1932, and a close friend of Robert Menzies, who gave Jones' funeral oration. (ADB Jones) The IPA's Director was Mr. A.E. Heath, a member of the Primary Producers Advisory Council, which ran the Old Guard. Other Council members included:

- Sir Sydney Snow, longtime UAP President and leader of the AFAL, which was

by his own account the “civilian wing” of the New Guard;

- Sir Norman Kater, who was also a member of the Primary Producers' Advisory Council and Chairman of the IPA in 1951;
- Edward Telford Simpson, the 1936-41 Chairman of the Consultative Council, and a partner in Minter, Simpson and Co., the solicitors firm which served as a “pass-through” for CSR funds to the New Guard, the Old Guard and other fascist organisations. Simp-

son was the son of Old Guard leader E.P. Simpson;

- F.N. Yarwood, chairman of the Permanent Trustee Co. Ltd. of NSW, deputy chairman of the Australian Bank of Commerce and director of other companies, who was a former councillor of the Herbert Brookes-spawned 1920s fascist militia, the King and Empire Alliance. Yarwood's Australian Bank of Commerce had been a key funder of the Old Guard.
- Bank of NSW general manager Sir Al-

fred Davidson was a leading financier of the IPA, as he had been of the Old Guard. A President of the IPA at one point was Sir Philip Street, the uncle of Old Guard chief of staff and suspected Japanese spy Jack Scott. Sir Philip had threatened NSW Governor Sir Philip Game, that if he did not sack Jack Lang, that “citizens may get violent”. Sir Philip was later a leader in the Japanese spy-infested Japan-Australia Society, along with his nephew Jack.

The Victoria IPA Council: The League for National Security in Mufti?

The NSW IPA was merely an expanded Consultative Council, which in turn had been identical with the fascist Old Guard. The same pattern would almost certainly have held for the relationship among the Victorian IPA, the National Union, and the League for National Security.⁴ The Victorian IPA's founding Chairman was Sir George J. Coles, Chairman of Directors of G.J. Coles Ltd., who had been the co-vice chairman of the Melbourne wing of the AFAL, and whose fellow director at Coles, Col. Francis Plumley Derham, was a leader of the LNS. The IPA's Council members and/or other leading figures included:

- Harold G. Darling, Chairman of Directors of BHP. BHP representatives attended Old Guard meetings;
- Walter Massey-Greene, who was a driving force behind the IPA as a Foundation Member of the IPA's Council and frequent chair of Council meetings. He was a director of 40 companies, was Chairman of several major Collins House firms, including Associated Pulp and Paper Mills, Metal Manufacturers, Dunlop Rubber Company, and Western Mining Company, which latter controlled numbers of subsidiary mining companies. He was perhaps the “leading company director of his day,” in the words of his admirer, the founding and longtime secretary of the Victoria IPA, C.D. Kemp. He was also a director of several of the Baillieus' pastoral interests. In 1946 he became the Chairman of the Collins House flagship, the Electrolytic Zinc Company of Australasia, “of which [fellow IPA leader Sir Herbert] Gepp was the prime creator” (by C.D. Kemp's account). Massey-Greene had been Assistant Treasurer under PM “Honest Joe” Lyons in

the early days of the UAP, but in reality was the Treasurer, since Lyons kept that post himself, and relied on Massey-Greene to tell him what to do. Massey-Greene also helped coordinate the preparations for the military assault on Jack Lang's office by the fascist Old Guard. All the way back in 1910, Greene had been an outspoken opponent of PM Andrew Fisher's Australian Notes Issue of 1910,

- and then of King O'Malley's Commonwealth National Bank the following year;
- Sir Herbert Gepp, a longtime W.L. Baillieu associate who had been “prime creator” of the flagship Collins House company, Electrolytic Zinc. Gepp later became managing director of Australian Paper Manufacturers (APPM), where his assistant was C.D. Kemp, founder (at Gepp's instigation) of the IPA. Chairman of APPM was Sir Hugh Denison, whose *Sun* newspaper had vociferously supported the New Guard. Gepp admired Mussolini and had advocated bringing to Australia the Italian model of a fascist corporatist parliament, in 1930.
- Sir Leslie McConnan. McConnan was chief executive of the National Bank of Australasia. He chaired the committee to draft a set of objectives for the IPA and led the private banks' 1948 campaign against Ben Chifley's plans to nationalise the banks. In the words of IPA



Two IPA leaders were retail magnate G.J. Coles (l.) and BHP chairman Harold Darling (r.). The Victorian IPA regrouped the same forces which had set up the pro-fascist AFAL and the LNS.

secretary Kemp, “He became the unquestioned leader of the cause of the banks, so much so that his fellow chief managers in the other banks often seemed like reluctant followers.” And, Kemp accurately observed, “There is little doubt that this was the most vital political struggle since Federation.” Interestingly, the Melbourne City Council was a customer of Sir Leslie's bank, and it was that Council's High Court appeal of Chifley's 1945 Banking legislation that led to the High Court overturning part of it, which in turn led to Chifley's decision for nationalisation. The McConnan committee's document, “Looking Forward” was “to be a bible of reference for those of liberal political persuasion and eventually for the newly-formed Liberal Party itself.” McConnan raised a ton of money for the IPA. And, given that Melbourne Lord Mayor Sir Frank Connelly raised £100,000 for the reincarnation of the Old

Guard and League of National Security in the form of The Association (see below), founded to take over the country if Chifley's bank nationalisation were successful, one is forced to ask if Sir Leslie were the source of at least some of those funds.

- Geoffrey Grimwade. His uncle, Maj. Gen. Harold Grimwade, had called for Sir John Monash to seize power as “dictator” in 1930-31. Geoffrey Grimwade replaced Maj. Gen. Grimwade on the board of Drug Houses, following the latter's retirement in 1942. In 1958, Grimwade was elected president of the Walter and Eliza Hall Institute of Medical Research, a sort of central committee of Melbourne's financial oligarchy. Grimwade headed the IPA's “Industrial Committee”, and “was appointed with the specific assignment of producing a detailed post-war policy for industry, a programme which would hold out a practicable alternative to the policies being advocated by the socialists.” Grimwade became chairman of Drug Houses, Chairman of the Victorian branch of the AMP Society in 1945 and was later appointed to its ruling board in Sydney. In the words of C.D. Kemp, “Grimwade exerted a tremendous, indeed a decisive influence on the affairs of the Institute throughout its early years.”
- Sir Keith Murdoch. Chairman of the Directors, of the Collins House's Herald and Weekly Times, and leader of the press campaigns that made “Honest Joe” Lyons and the UAP, not to mention the AFAL.
- W. Ian Potter. Perhaps the leading Australian stockbroker and merchant banker of the post-WWII era, and for decades a top financier of the Liberal Party.

Defeat the Synarchists—Fight for a National Bank

The IPA Creates the Liberal Party

The IPA took over the funding duties of the National Union and the Consultative Council. It almost entirely funded the UAP in the 1943 Federal and Victorian state elections. In that Federal election, the UAP was crushed, winning only 14 out of 74 seats in the House and lost control of the Senate. C.D. Kemp admitted that the UAP's collapse was driven by the fact that the party, as well as Menzies personally, were generally seen to be "uncompromising, reactionary, obstructive ... [and] saturated in the capitalist big-employer atmosphere." The Synarchists needed a new political front.

While funding the disintegrating UAP, the IPA called a series of meetings in 1943-44 to unify the non-Labor opposition. Just as "Honest Joe" Lyons had been the Synarchists' stooge in 1931, so a retooled Robert Gordon Menzies was their front man in 1944.

Menzies attended two of these IPA meetings. The IPA minutes record that he "strongly impressed all present and there seemed little doubt that a new party organisation must look to him as the main focal point" (D.A. Kemp). The Menzies-backing Victorian IPA, as one history records, "went on to have a direct and decisive role in the formation of the LPA. Its functions were threefold: to act as an interim finance collector for non-Labor political interests...; to initiate the unification of the non-Labor organisations in Victoria (Services and Citizens Party, the Middle Class Party and such like) and then to mediate amongst them and to keep constant liaison with Menzies; and, finally, to provide much of the content of the federal platform of the LPA and propaganda for political campaigns (elections and the 1944 and 1946 referenda)." (Marian Simms).

As Parliamentary leader of the UAP, Menzies convoked the October 13-16, 1944 meeting that resulted in the founding of the Liberal Party. All the work, including paying for the Victorian delegates to attend, and drafting the Federal and Victorian state platforms for the new party, was done by the Victorian IPA. The meeting was held

at the Masonic Hall in Canberra. There, the Old Guard's Sir Norman Kater, the major power behind NSW's Country Party, stood up and appealed for "unified support" for the old pro-Nazi and Synarchist puppet Menzies as "the most capable leader of the forces opposed to socialism and communism."

The main difference between the LPA and the major "non-Labor" parties that preceded it, was that the LPA more carefully hid its control by the Money Power. According to Peter Aimer's account, "No innovation has done more to distinguish the Liberal Party from its discredited predecessors than the effective channeling of political money from private enterprise direct to the party through its formally constituted finance committees and elected treasurers....", instead of through the National Union and the Consultative Council. Yet, this was obviously a thin disguise, and the Synarchist control of the main anti-Labor party continued as usual—in the early days through the direct financing of the LPA. Thereafter, "By judicious choice of personnel for the key positions of federal president and federal treasurer the Liberal Party retained an effective attachment to its customary supporting interests while bypassing any intermediary bodies and so avoiding the adverse publicity suffered by the UAP. Thus the first federal president, T.M. Ritchie, was able personally on the basis of his status as a leading businessman to solicit substantial donations in Victoria and N.S.W...."

As for Menzies' own mythic status as the "founder" of the Liberal Party, D.A. Kemp noted in an understated fashion about the IPA's rigging of the founding conference of the Liberals: "[T]his [IPA support—ed.] enabled Menzies to go before the Unity Conference in the knowledge that in his desire for a democratic organisation and financial independence he was supported by the most powerful in terms of finance backing, and recent achievement of the Victorian organisation. His confident assertion of financial independence may well have been less confident if he



Sir Ian Potter, IPA stalwart and Lazard's "man in Australia". He led the private banks' drive to oust PM Ben Chifley, and financed the Liberal Party for decades.

had not had the support of powerful interests, and the 'amazing' success of the conference would probably have been much less so had the Institute not taken the role it did."

The IPA continued to own the new anti-Labor party, the Liberals, through control of their finances; the IPA also campaigned in its own right against Labor measures for the Common Good. Both tracks were exemplified in the person of W. Ian Potter, whose stockbrokerage firm was to replace Ricketson's J.B. Were and Son as the leading stockbroker in Australia by the 1950s. Potter was to be a mainstay (along with J.B. Were & Son) of Liberal Party fundraising for thirty years. Potter got his start working for stockbroker Edward Dyason, the Synarchist founder of the Round Table in Australia. After working in the Treasury in Canberra as an adviser to the fiercely anti-Labor R.G. Casey, Potter was offered positions by both Ricketson and E.L. & C. Baillieu, but declined in favour of striking out on his own. By 1931 he had bought a seat on the stock exchange. The Federal Reserve Bank of Australia-commissioned history, *Australian Financiers*, observes that would have been impossible without the okay of Melbourne's business community. "The process of penetrating the dominant business networks was made difficult by their tight intermeshing. Mel-



The IPA initiated and financed the meeting at the Canberra Masonic Temple in 1944 which established the Liberal Party. They anointed Menzies as the Liberals' "founding father."

bourne was dominated economically by a number of prominent families and their associates whose approval was necessary to gain business with the main companies and institutions," report authors Appleyard and Schedvin. By the late 1930s, Potter had become very close with Menzies, whom he used to frequently meet at the offices of Leslie McConnan, general manager of the National Bank of Australia.

On the day of Chifley's bank nationalisation announcement, IPA members Potter and McConnan met to plan the private banks' campaign to get rid of Labor. The two of them would spearhead it. As the book, *A Century of Change* recorded, Potter "worked day and night with Leslie McConnan, the chief manager of the National Bank of Australasia who was chairman of the Associated Banks, in preparing the private banks' defence." Potter's labour paid off: "The banks' appreciation and this association are said to have been of inestimable value in attracting floats to Potter in the post-war period". Beyond that, records the Reserve Bank history, "Potter's role as a catalyst pervades most of the important developments in the financial sector in the two decades after 1945." In these developments, Potter was acting as a direct agent of the highest levels of the Synarchy in the City of London.

In 1949, Potter linked up with the Melbourne-based, but British-

owned merchant bank, Anglo-Australian Corporation, which was a partnership of two London merchant banks, Morgan Grenfell and Lazard Bros., with the backing of the Collins House firm, Consolidated Zinc Corporation Ltd. Lazard was dead centre in the international Synarchist command structure around the Synarchy's Banque Worms in France. Lazard's longtime managing director in London, Robert Henry (Lord) Brand was at the very pinnacle of the British Round Table organisation and its pro-Nazi activities. Lady Astor was his sister-in-law.

Potter's linkage with the Anglo-Australian Corporation produced what the Reserve Bank's history called "the dominant merchant bank of the next two decades, Australian United Corporation". Under Potter's leadership, AUC arranged finance for BHP, CSR, Carlton and United Breweries Ltd. and for oil and mining companies, among others. Aside from arranging finance for British-owned or allied firms in Australia, Potter was also to become notorious in connection with a series of scams: stock-price rigging in 1966, and then, more notoriously, the late-1989 crash of the Tricontinental Bank, which he had founded. While the state of Victoria was stuck with as much as \$2 billion in bad debt, numerous of Potter's associates made a killing through Tricontinental's loans to them.⁵



Left: Melbourne's Stock Exchange. Above, center: First chairman of the Australian Stock Exchange, Ian Roach, son of L.N. Roach, head of intelligence for the League of National Security. Above right: Maurice Newman, former chairman of the Australian Stock Exchange, member of the Mont Pelerin Society. Right: 333 Collins House, which Potter's Tricontinental planned as HQ for itself and the Stock Exchange, before Trico collapsed. The stock exchanges have been a hotbed of Synarchism, exemplified by Ricketson, Potter, Roach, and Newman, among others.



Defeat the Synarchists—Fight for a National Bank

Friedrich von Hayek, Fascist Ideologue: The Real Founding Father of the Liberal Party

“Von Hayek...[was] the most successful, if unheralded political puppet-master of the past century.”

—“The Austrian school of thought that packs massive political punch”, *Sydney Morning Herald* August 13, 2002.

“F.A. Hayek is one of the greatest minds in the Western World. He is not only an eminent economist—he was awarded the Nobel Prize for Economics in 1974—he is possibly an even more eminent political philosopher and scientist. His works, *The Road to Serfdom*, *The Constitution of Liberty*, and *Law, Legislation and Liberty* rank among the greatest books on liberty ever written.”

—C.D. Kemp, founding secretary of the IPA, *IPA Review*, Spring 1986.

The IPA founded the Liberal Party. But the ideological leader of the IPA, as the latter frequently proclaimed, was the Austrian nobleman and economist Friedrich von Hayek, founder of the radical “free market” Mont Pelerin Society (MPS). The MPS, in turn, has been the flagship institution for all privatisation, deregulation, and globalisation policies, since its founding in 1947 in Switzerland. Von Hayek later took a personal interest in Australia, traveling here for several days in 1976 to help set up MPS front organisations. He served on the board of one of these, the CIS, until his death.

The programmatic document upon which the Liberal Party was founded was the Victorian IPA’s “Looking Forward” document of 1944, inspired by von Hayek and by British economist John Maynard Keynes.⁶ Despite the defeat of the War Powers Referendum, public sentiment was overwhelmingly in favour of full employment, a decent standard of living, a good standard of health care, etc.—things only a strong central government could guarantee. Therefore the Synarchists could not return to the slash-and-burn free enterprise policies of the 1920s and 1930s, as von Hayek advocated, at least not right away. The case for “free enterprise” (Synarchist control of the economy and politics) had to be couched in more “progressive” terms, as the Victorian IPA recognised. Therefore, the IPA blended the fanatically “anti-socialist” Friedrich von Hayek with the “liberal” John Maynard Keynes.

As Marian Simms observed in *A Liberal Nation*, “Keynes and Hayek provided the intellectual tools for the reformulation of Liberal policy in the mid-1940s. It was here that the IPA (Vic) had a crucial role to play with its forward-looking amalgam of the two thinkers”. Both, in fact, were fascists. Hayek’s Mont Pelerin Society was simply the “economic arm” of Coudenhove-Kalergi’s Pan-European Union, and the MPS regrouped some of those who had openly sponsored fascism in the 1920s and 1930s.⁷ As for the “liberal” Keynes, he admired Hitler’s finance minister (and Pan European Union supporter) Hjalmar Schacht, and wrote in the introduction to the 1936 German-language edition of his *General Theory of Employment*, that Germany’s political system, under Schacht and Hitler, provided the ideal conditions for the exercise of his theories.⁸ Like all good fascists, both Keynes and von Hayek were entirely committed to private financier control of the economy through central banking (as opposed to national banking).

Hayek published his best-known work, *The Road to Serfdom*, in 1944, which became the bible of the Synarchists world-



The IPA was set up around the ideas of two leading Synarchists, the “right-wing” founder of the Mont Pelerin Society, Friedrich von Hayek (l.), and the “left-wing” economist John Maynard Keynes. Both insisted on world rule by private

wide. Within a month or so of its publication in the U.K., it came out in Australia. The “liberal” Keynes wrote of von Hayek’s archconservative book, “In my opinion, it is a grand book... . Morally and philosophically, I find myself in agreement with virtually the whole of it, and not only in agreement with it, but in deeply moved agreement. Von Hayek, too, emphasised that the two apparently opposite economists were in reality soul brothers, “If he [Keynes] had not died so soon he would have become one of the leaders in the fight against inflation”. IPA founding secretary C.D. Kemp observed, “There can be little doubt that Keynes was just as unrelenting an opponent of inflation as is Hayek.” This “fight against inflation” was identical to Commonwealth Bank board president Sir Robert Gibson’s “fight against inflation” in the early 1930s—that is, to make sure that credit is not used for economic growth.

The title of von Hayek’s, *The Road to Serfdom* was an inside joke, since he and the feudal European oligarchs he represented in fact intended the return of mankind to the Middle Ages, the era before nation-states. His book is one long, lying polemic against the existence of nation-states, in particular the American Revolution and the notion of the Common Good. Von Hayek’s argument rests upon what he calls “the philosophy of individualism”, defined as instincts men share with beasts, as opposed to the uniquely human notion of the Common Good. He devotes an entire chapter to an explicit denunciation of this concept: “The ‘social goal’, or ‘common purpose’, for which society is to be organised, is usually vaguely described as the ‘common good’, or the ‘general welfare’, or the ‘general interest’. It does not need much reflection to see that these terms have no sufficiently definite meaning to determine a particular course of action.” He constantly raves against “the adoption of a common ethical code comprehensive enough to determine a unitary economic plan”, because that would mean

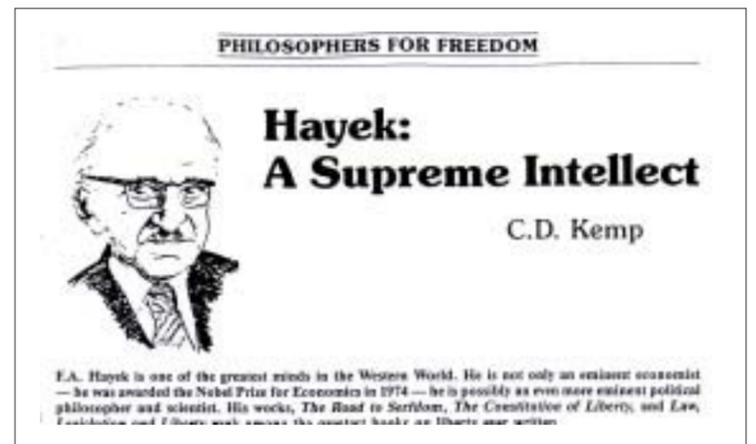
that the individual could not do whatever he liked.

While the economic rationalists and globalists worship von Hayek as if he were a god, he in turn worshipped the Dutch-born British philosopher Bernard de Mandeville (1670-1733), whom he constantly praised in speeches and writings. Who was Mandeville, this “grandfather” of the MPS? The short answer is, he was a Satanist. He founded the notorious devil-worshipping Hell Fire Clubs of Eighteenth Century Britain, which exerted an extraordinary influence over British governments of that period. Mandeville’s best-known work is, *The Fable of the Bees: Private Vices, Public Benefits*, in which he expounds on man’s nature as a beast, inherently evil and dominated by the uncontrollable passions of greed, lust and rage. But, says Mandeville, those evil impulses, “which we all pretend to be ashamed of, are the great support of a flourishing Society.” This is where Adam Smith got his idea of the “Invisible Hand”: just go about doing evil, and it will all work out for the best, since God designed things that way. Here are a few lines from Mandeville’s *Fable of the Bees*:

*Thus every Part was full of Vice,
Yet the whole Mass a Paradise
Flatter’d in Peace, and fear’d in Wars*

*They were th’Esteem of Foreigners,
And lavish of the Wealth and Lives
The Balance of all other Hives.
Such were the blessings of that State;
Their Crimes conspired to make
’em Great;
And Vertue, who from Politicks
had learn’d a thousand Cunning
Tricks,
Was, by their happy influence,
Made friends with Vice: And ever
since
The Worst of all the Multitude
Did Something for the common
Good.*

Von Hayek usually dropped the “von” from his name, in order to hide his origins as an Austrian nobleman and seem like part of 20th Century “democracy”. But the MPS was full of pro-fascist noblemen like



bankers. Von Hayek despised the notion of the “Common Good”, and is revered by the Big Business crowd which owns the Liberal Party.

himself, whose families had governed Europe for centuries, and who hated the institution of the sovereign nation-state. MPS founders included:

- Otto von Hapsburg, of the ruling dynasty of the recently-expired Austro-Hungarian Empire, and a leading figure in Coudenhove-Kalergi’s Pan-European Union;
- Max von Thurn und Taxis, MPS president, whose family, originally Venetian (“Torre e Tasso”) had relocated to southern Germany in the 15th Century, from where it ran the postal and intelligence services for the Hapsburg Emperors for centuries;
- Ludwig von Mises, a PEU leader and also the leader of the bitterly anti-American Revolution “Austrian School” of economics founded by Carl Menger, a pre-war retainer for the Hapsburg and Wittelsbach (southern Germany and Austria) royal houses;
- Sir John Clapham, a senior official of the Bank of England and president of Britain’s pre-eminent academic body, the Royal Society.

Professor Milton Friedman, another notorious fascist, who later designed the brutal policies of Chile’s military dictator General Pinochet, was a founder, as well.

Von Hayek agreed entirely with Coudenhove-Kalergi’s propaganda for a feudal “Europe of the regions” (small ethnic enclaves) to replace a Europe of nation-states. Von Hayek wrote in his 1944 book, “We shall not rebuild civilisation on the large scale. It is no accident that on the whole there is more beauty and decency to be found in the life of the small peoples, and that among the large ones there was more happiness and content in proportion as they had avoided the deadly blight of centralisation.”

While cynically denouncing the nation-state as “tyrannical”, von Hayek devoted his entire concluding chapter to a call for a one-world empire: “An international authority which effectively limits the powers of the state over the individual will

be one of the best safeguards of peace.” He is also very upset about the prospect of nations maintaining sovereignty over their own resources, as opposed to opening them—like Australia’s vast mineral resources—to the looting of the “free market”, and even argues, as do all one-worldists, that national sovereignty causes wars: “If the resources of different nations are treated as exclusive properties of these nations as wholes, if international economic relations, instead of being relations between individuals, become increasingly relations between whole nations organised as trading bodies, they inevitably become the source of friction and envy between whole nations.”

MPS members were some of Europe’s most dedicated fascists of the interwar era. They included Max von Thurn und Taxis, whose family had sponsored the Thule Society which gave birth to the Nazi party, and Otto von Hapsburg himself, whose son-in-law, Otto von Skorzeny was the notorious Nazi commando and organiser of postwar international terrorism from his and von Hapsburg’s base in Spain. And in Australia, those who cynically gathered around the IPA’s banner of “liberty” and “individual freedoms” included some of the founders of the Old and New Guards and the LNS.

The affinity of the fanatically pro-British, “Anglo-Australian” IPA founders for von Hayek was hardly surprising, given its philosophy and connections: von Hayek’s MPS moved to London soon after its founding, and was sponsored by the personal financier of the Crown, City of London magnate Harley Drayton. Hayek was made a Companion of Honour by the Queen, one of only 60 in the world at a given time. He was an unabashed apologist for the British Empire, including British imperial rule over India, and took all of his economics from the “classical economists” of 18th Century Britain, such as Adam Smith, David Ricardo, and Thomas Malthus—all employees of the British East India Company—the founding institution of modern Synarchism.

Defeat the Synarchists—Fight for a National Bank

“The Association”: The Old Guard and the LNS Regroup

In the 1930s, the fascist armies had been founded when Labor governments came to power, specifically to pre-empt any possibility of their interfering with private control over the nation's credit system. When Ben Chifley's Labor government threatened that control again, in 1945-47, IPA founders McConnan and Potter took up the political struggle to save the private banks. Just as in the early 1930s, the banks and major corporations created public “front organisations”. And, once again, the Anglo-Australian Synarchy created a fallback plan of drastic measures for the eventuality that Chifley would win the federal election of 1949 and consolidate the government's nationalisation policy. A new, nationwide fascist militia was established, based upon the leadership and structures of the Old and New Guards, and the LNS. It was dubbed The Association. Numbering some 100,000, this new fascist army planned to take over the country, if necessary. NSW Deputy Director of the CIB warned, “they plan to act independently as a separate body answerable to nobody but their leaders.”

The leader of The Association was General Sir Thomas Blamey, Australia's highest-ranking soldier during World War II. Blamey had led the LNS under General Brudenell White in the early 1930s, and it had been Brudenell White who secured Blamey's appointment as commander of the AIF at the outset of World War II. The Association's chief of staff, Major General C.H. Simpson, was in the pharmaceuticals business in Melbourne. Simpson had been Blamey's chief signals officer during the war, but before that—his confederate in the LNS. The Association occasionally met in the boardroom of the Mercantile Mutual building in Sydney; Mercantile Mutual's Sir Kelso King and Sir Selwyn King, had been leading figures in the Old Guard. Col. Frank Goldenstedt was one of The Association's few paid staffers; seventeen years before, he had been an organiser for the Old Guard's front organisation, the AFAL. Numerous other Old and New Guard leaders populated the leading ranks of The Association. Liberal Party leader R.G. Casey “acted as an intermediary between The Association, the Industrial Groups of B.A. Santamaria and Liberal Party leaders R.G. Menzies and Magnus



Leaders of the nation's eight nationwide private banks meet to plot against PM Chifley's 1947 plan to nationalise the banks. The Synarchy relaunched the Old Guard and the LNS in the guise of a new 100,000-man private army called The Association, to stop the Chifley-led ALP. Left to right: E.G. Wilson (English, Scottish and Australian Bank); W.H. Thomas (Union Bank of Australia); A.E.

Cormack,” (Moore); Cormack is memorialised in the secretive funding conduit for the Victorian Liberal Party, the Cormack Foundation. Sir Frank Connolly, Lord Mayor of Melbourne, raised a war chest for The Association of £100,000.

The Association was a financier-directed insurgency of the Anglo-philic intelligence and military leaders against the lawfully elected Chifley government. Lt. General Sturdee, chief of the general staff, unabashedly addressed the secretive organisation. The Association faded out about 1952 because, in the words of one of its supporters, ASIO chief and Anglo-philic former Military Intelligence chief Sir Charles Spry, “the need for it was taken over by a democratic agency—the Australian Security Service”, which was established by Chifley under heavy Anglo-American pressure in 1949, and quickly taken over by Anglo-philic. Today that same “democratic agency”, ASIO, has been granted Hitlerian powers under the Howard government.

Notes

1. Latham got his pay-off. Four years later, he was appointed Chief Justice of the High Court. Earlier, as Nationalist Attorney General during the 1920s, he had been notorious for accepting retainers from a wide range of shipping, mining and other corporate enterprises directly affected by his decisions. As Attorney General, he was to draft the *Financial Assistance Enforcement Act of 1932*, authorising the federal government to seize the finances of New South Wales, the legal pretext under which the Lyons government moved

to overthrow Jack Lang.

2. During the 1950s and 1960s, when Menzies was prime minister, his brother Frank was a partner with Ricketson in a number of companies, which should have sparked a royal commission into influence-buying by Ricketson with respect to the prime minister, especially since Frank was apparently looking after any of his brother's financial details which Ricketson had left unattended. So much for “sane and honourable finance”. In fact, as Ricketson admitted to a 1941 Royal Commission on secret financing in politics, he had launched Menzies' career in politics. Menzies' biographer A.W. Martin observed, “In the transformation of Menzies the politician in the crucial first half of the 1930s Ricketson was perhaps the primary influence”, adding that “Dame Pattie Menzies avers that Ricketson's management of Menzies' affairs was of crucial importance in releasing his energies for politics.”

3. Day attributes Menzies' designs on becoming prime minister of Britain and negotiating a “peace settlement” with Hitler, as being motivated, at least in part, by a desire to “save the Empire”, which Churchill was willing to sacrifice in order to save Britain through an alliance with the U.S. The real issue was Synarchism. Menzies was a puppet of a Synarchist cabal which aimed for world fascist rule as its goal, a cabal of which Day either has no knowledge, or at least did not mention in his book, but which is abundantly documented in the 1930s and 1940s files of U.S. intelligence agencies.

4. The leadership of the LNS is one of the most closely guarded secrets in all Australian history, so no firm proof exists linking the leading figures of the National Union to the League of National Security. But, for the record, the National Union leaders were:

Brigadier Harold Edward Cohen. Senior partner in the law firm, Pavey, Wilson and Cohen, which was based at Collins House. As noted earlier, one of the top figures in the firm which provided the directors and secretaries for most of the Collins House firms, Sir Hugh Brain, was a member of the League of National Security. It is almost unthinkable that the organisation providing all the directors and secretaries of the Collins House companies would have been involved in the League of National Security without the approval of other leading Collins House figures, notably the Baillieus. Cohen was Chairman of the Board of Directors of Electrolytic Zinc, the main Collins House firm, as well as a director of several other Collins House and other prominent firms. He had been a member of the Australian Intelligence Corps (AIC) during World War I and was

Osborne (Commercial Banking Company); A.R.L. Wiltshire (Bank of Australasia); O. I. Isaachsen (Bank of Adelaide); P.F.G. Gordon (Commercial Bank of Australia); T.B. Heffer (Bank of New South Wales); and L.J. McConnan (National Bank of Australasia), presiding.

the founding president of Legacy, a Melbourne-centred nationwide servicemen's club. One of Legacy's first endeavours after its founding in late 1923, was to find jobs for servicemen who had acted as “special constables” in breaking the police strike. Cohen remained active in Legacy throughout the decade, where his fellow members included several members of the LNS, including his Collins House associate Hugh G. Brain, Legacy founder Donovan Joynt and Sir Alfred Kemsley, president of Legacy in 1932-35, and Collins House's Ernest Turnbull, head of the AFAL. In 1926, Cohen was also the president of the Melbourne Constitutional Club, established the previous year (during the famous maritime strike), in response to a call by Anglo-philic PM Stanley Melbourne Bruce to “defend the country” against reds and socialists. The various Constitutional Clubs also provided manpower for the early 1930s fascist armies and their associated citizens leagues. It is difficult not to conclude that many of the members of Legacy had either been special constables or members of the secretive White Guard, set up at the same time by General Sir Brudenell White; many White Guardists, like White himself, popped up as members of the LNS in the early 1930s.

Harold G. Darling. Chairman of the Board of Directors of Broken Hill Pty. Ltd., head of John Darling and Son, grain merchant and a director of Imperial Chemical Industries. BHP representatives attended Old Guard meetings in NSW.

Sir George Fairbairn. President of the National Union after McBeath. A top pastoralist, with directorships in Dalgety and Co., AMP Society, Union Trustee Co. of Australia.

Sir Robert Knox. Fairbairn's successor as head of the National Union, director of numerous leading firms including Dunlop (Aust), Collins House's Commonwealth Steel Company Ltd. Commercial Banking Company of Sydney (Victorian Board) President of the Associated Chamber of Commerce of Australia 1934-36, and President of the Melbourne Chamber of Commerce in the fateful years of 1928-31.

5. In mid-1989, the Tricontinental Bank collapsed with as much as \$2 billion in bad loans. The Royal Commission into its failure noted in its July 30, 1991 report, “A significant amount of total loans is provided to the Jewish community and in loans for property development.” More specifically, Tricontinental's borrowers looked like a Who's Who of the clients list of neo-con fanatic Mark Leibler's law firm, Arnold Bloch Leibler. These included John Gandel (\$20 million); Marc Besen (Gandel's brother-in-law)—\$74.8 million; Abe Goldberg (\$62 million); Liber-

mans (two of the clan)—\$24.32 million; George Herscu—\$7.4 million. The bank's downfall, remarked the *Sun-Herald* of Sept. 7, 1990, was the result of the “aggressive loans policy” of Ian Johns, who became managing director in January 1986 at age 32. Said the *Sun-Herald*, “Trico cultivated ‘relationship banking’, first with a group of successful Melbourne businessmen including Solomon Lew, Marc Besen, George Herscu, John Gandel and Abe Goldberg, then with a widening pool of growth-driven businessmen and companies.” John Gandel, Solomon Lew, Marc Besen and Liberman family patriarch Jack Liberman were all at one time members of the Advisory Committee of the pro-West Bank settlers, anti-Yitzhak Rabin Isi Leibler's Australian Institute for Jewish Affairs. After the collapse, Arnold Bloch Leibler represented Trico's managing director Ian Johns.

6. Gerard Henderson, executive Director of the Sydney Institute, the renamed NSW IPA, wrote a book titled *Menzies' Child. The Liberal Party of Australia*, in which he attempted to downplay the IPA's influence on Menzies. Though his “revisionist” account of the IPA's influence on the Liberal Party has been accepted by some thoughtless historians as gospel, Gerry was either extraordinarily uninformed about the overall impact of the IPA on that Liberal Party which the IPA itself had set up, or was covering his own IPA behind and those of his IPA friends. It is notable that he was asked to write his account by some wealthy Liberal Party businessmen, who also financed the book.

7. On the considerable overlap of the MPA and the PEU, see Lyndon H. LaRouche, Jr. and David P. Goldman, *The Ugly Truth About Milton Friedman*, New York: The New Benjamin Franklin House, 1980.

8. In 1971 economist Lyndon H. LaRouche Jr. defeated leading Keynesian Abba Lerner in a debate at Queens College, New York, when LaRouche's relentless questioning of the “liberal” Lerner caused the latter to exclaim, “But, if Schacht's theories had been applied, Hitler would not have been necessary!” The audience gasped in horror. Shortly afterwards, the late Sidney Hook noted that LaRouche had “won the debate but lost the war”, and that no Establishment economist would ever debate him again. Indeed, shortly thereafter, the FBI oversaw an attempt to have LaRouche physically “eliminated”, according to FBI documents later released under the Freedom of Information Act. And no Establishment economist has dared to debate LaRouche since.

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AUTHORS

This Special Report, “Defeat the Synarchists—Fight for a National Bank”, was researched and written by Allen Douglas, Robert Barwick, Robert Butler, Kelvin Heslop, and Gabrielle Peut. Scholars or other researchers needing references for material not footnoted or sourced directly in the text, may contact the CEC.

Defeat the Synarchists—Fight for a National Bank

POSTWAR FASCISM: THE MONT PELERIN SOCIETY

Mont Pelerin's Puppets: The Liberal and Labor parties

"Most observers ... say no organisation has ever enjoyed CIS's influence in Australia."
 —"Ideas powerhouse whose game is political influence", *Sydney Morning Herald*
 Nov. 8, 2003.

The influence of the Centre for Independent Studies (CIS) includes running the economic and, therefore, most of the other policies of both the Liberal and the Labor parties.

In 1971, U.S. President Richard Nixon unpegged the U.S. dollar from gold and instituted the floating exchange rate monetary system, which has plagued the world, as the mechanism for globalisation and looting, ever since. His action opened the door for an explosion in the influence of the Mont Pelerin Society (MPS), and its leading think tank, the London-centred Institute for Economic Affairs (IEA). In March 1996, the *New Citizen* interviewed Lord Ralph Harris, who described this explosion. Harris was a longtime President of the MPS, executive director of the IEA for decades, and a board member of neo-con godfather Rupert Murdoch's News Ltd. Asked what had generated the globalisation "reforms", including slashes in health care and a savage assault on labour, which have swept Australia, New Zealand, Russia, Britain and much of the rest of the world, Harris replied: "There's this outfit called the Mont Pelerin Society. It was started in 1947. The Mont Pelerin Society created the IEA, which comes to be called 'Thatcher's think tank', but we were running long before Thatcher. We weren't Thatcherites, she was an 'IEA-ite'. She picked up her thinking through some of her colleagues and her academic friends, directly through the IEA's

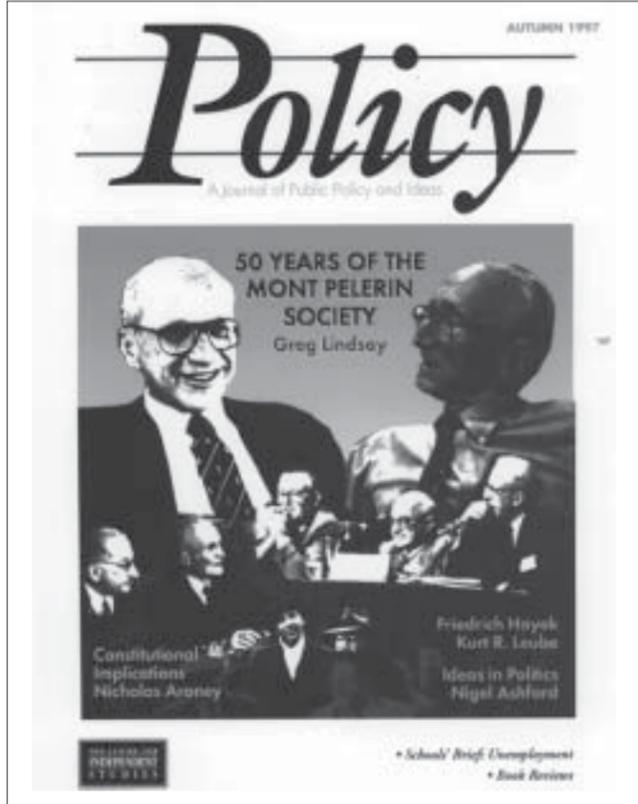
publications, which drew heavily on the Mont Pelerin Society's connections."

From Thatcher's Britain, Harris said, these ideas spread around the world, and he and most of his associates were knighted by the Queen for their efforts.

Lord Harris continued:

"So the IEA comes along with Adam Smith, and David Hume and David Ricardo, the great classical economists of the Eighteenth Century, who invented political economy; we draw on all that stuff. So we revived all those old principles and we clothed them with modern examples and analogies of (the privatisation of) the energy market, the transport market and all the rest of it. This created Thatcherism as an idea. I mean when I went to Australia back in 1990, I was greeted everywhere as a missionary from this new Thatcher idea, free markets, *laissez-faire*, and all that.

"I mean, Hayek and Friedman were perpetually being asked to go to Hong Kong, to go to Australia, they gave lectures there, to little groups of people, set up a similar outfit to the IEA, my Institute of Economic Affairs in London. Similar institutes, totally independent institutes, were set up in Australia, New Zealand, Hong Kong.... It is all this very exciting, jostling idea, of how far can free institutions, competing, spontaneous institutions, supplant the planned, imposed, orderly method of bureaucratic government? This is now bubbling away. It is totally extraor-



The CIS magazine *Policy* ran this article on the Mont Pelerin society as "damage control" after a 1996 *New Citizen* expose of MPS plans to loot Australia. Top right: Michael Porter, Australian MPS member, founder of the Tasman Institute (now ACIL Tasman). Right: Longtime MPS president, Lord Ralph Harris.



Prime Ministers Hawke (l.) and Keating (r.) spat on the ALP's noble heritage, by ramming through MPS policies of free trade, deregulation and privatisation. Keating, a contributor to MPS publications, said he would "tear up" Australia's trade unions. Photos: Hawke AAP Image/Dave Hunt, Keating: AAP PHOTO/Dean Lewins



inary! There is no limit to how far this process can spread!"

The MPS set up hundreds of branches all over the world.

Meanwhile, in Australia, Labor's last attempt to achieve sovereignty and economic development went down with the Whitlam government in 1975. Beginning already during the course of that government, the MPS established several new branches ("think tanks") in Australia to complement the existing Melbourne IPA and the Sydney IPA (renamed the Sydney Institute). The most prominent among these new branches were the Tasman Institute, the Centre for Independent Studies (CIS); and the H.R. Nicholls Society.¹ Their purpose is the systematic destruction of the institutions of the sovereign nation-state, as a step toward Synarchist world rule. Their corporate backers make a fortune while promoting these schemes, plundering the state's assets under the rubrics of privatisation, deregulation, free trade, competition policy—all the arsenal of Mont Pelerin's "globalisation".

Milton Friedman visited Australia in 1975, followed by von Hayek himself in 1976. Von Hayek stayed for several days at the house of IPA founding secretary C.D. Kemp. Friedman and von Hayek recruited a tight group of followers: the elite MPS has only fourteen Australian members. One of them is Michael Porter, founder and now chairman of the Tasman Institute. Porter recounted to a journalist in early 1996, how he and his Mont Pelerin co-thinkers within Gough Whitlam's government think-tank, the Central Policy Review Committee (CPRC), had sabotaged Whitlam's plans for grand economic development of the continent. Porter said that Whitlam and his ministers, "notably Rex Connor, ... would bring in these huge plans for water projects, rail policy proposals," but that he and the CPRC "just trashed them

and went with ours.... We stripped them and left them as empty bones!"

With Whitlam, Jim Cairns, Rex Connor and other economic nationalists out of the way, the Labor Party was soon taken over by Hawke and Keating, who were full of MPS "free trade ideology", which they imbibed from their mates in the "big end of town", who included board members of Mont Pelerin fronts like the CIS and the IPA. The Liberal Party, of course, already had a strong Mont Pelerin bent, from the time of its founding by the IPA in 1943. Until the old, regulated Bretton Woods monetary system was destroyed with Nixon's 1971 decoupling of the dollar from gold, the MPS crowd faced certain restrictions even within the Liberal Party. Therefore, like Labor, the Liberals were subjected to intensified MPS control in the mid-1970s. This was consolidated with the selection of banker John Hewson as party leader in April 1990. Robert Manne, a political insider and former editor of the neoconservative magazine *Quadrant*, described what he called the "revolution" in the Liberals: "Revolutions also have political foundations. Dr. Hewson's revolution originated in 1980 in a series of secret meetings between Liberal Party politicians (Mr. John Hyde, Mr. Jim Carlton), prominent Fraser government staffers (Dr. David Kemp, Mr. Cliff Walsh), politically minded academic economists (Mr. Richard Blandy, Dr. Michael Porter) and activist businessmen (Mr. Hugh Morgan, Mr. John Elliott). It was the beginning of a Liberal counter-establishment. At this time Dr. Hewson was on its fringe." This "revolution" was a pure Mont Pelerin product: John Hyde and Michael Porter were members of the Mont Pelerin Society, and later executive directors of the Institute for Public Affairs and Tasman Institute, respectively; Walsh co-

authored a book with Porter; Kemp was an IPA board member (and later a Howard cabinet member); Blandy was on the Advisory Council of the CIS and was later to be on the Tasman board; and Hugh Morgan of Western Mining was a member of all four of the Mont Pelerin Society's main fronts in Australia: the H.R. Nicholls Society (to which he gave the keynote speech for its founding meeting), the IPA (member of its Executive Committee), the CIS (which he helped found) and the Tasman Institute (as a board member). As for Elliott, his mate Peter Scanlon, a former executive of Elders and later the leading shareholder in Chris Corrigan's Lang Corporation, was a ringleader in the Mont Pelerin plot to smash the Maritime Union of Australia (MUA) in the mid-1990s.

Manne continued: "A set of fixed political ideological objectives to transform the Australian economy along free market lines emerged from the group: financial deregulation; the rapid removal of protection for manufacturing and rural industries; the dismantling of all aspects of the centralised wage-fixing system; privatisation of public sector-business; small government via the partial withering of the welfare state; micro-economic reform of transport and communications."

Those in the Liberal Party (sometimes known as the "wets"), who disagreed with the radical anti-Common Good agenda of the Mont Pelerin gang, were purged.

Within Labor, Hawke took his

¹ The H.R. Nicholls Society took its name from the late 19th-early 20th century editor of the *Hobart Mercury*, who crusaded against Mr. Justice Higgins, President of the Commonwealth Court of Conciliation and Arbitration, for his finding, in the famous 1907 *Sunshine Harvester* case, that labour should be paid a "living wage", such that one employed man be able to earn sufficient to support himself, his wife and three children. The intent of all the "labour market deregulation" which Lord Harris, John Howard and other MPS devotees crow about, is to pay labour as far under a living wage as they can get away with, and to eliminate unions altogether.

Defeat the Synarchists—Fight for a National Bank

cue on the deregulation of the financial markets and foreign investment from the CIS. Keating continued with the MPS program, as the ALP sold off Qantas and the Commonwealth Bank. Keating has even contributed articles to MPS journals, such as "Labor's Commitment to Smaller Government" in the Summer 1985/86 issue of the *IPA Review*. The *Review's* editors were effusive in their praise for Keating's almost wholesale rejection of everything the ALP had stood for and his adoption of Mont Pelerin principles.

Lord Harris lauded Hawke and Keating in his 1996 *New Citizen* interview. Asked if he had seen a need to loosen the financial markets, on his last visit to Australia, Harris replied, "Well, I thought that he did quite a bit, Keating, on the financial liberalisation, on international trade, a bit.... I think you've got to give Keating some credit for that, and also, the trade union man before Keating, what was his name? Bob Hawke, I mean Hawke did his best to try and free

things up, but you see, this is the point, the trade union movement is a totally backward looking, nostalgic, keep-things-as-they-are [force] in a world of rapid change. It was an impossible obstacle to a dynamic adjustment...so I hope that they will be able to do the trade union job now."

In his speech to the CIS on its 20th anniversary, PM John Howard addressed the "trade union job" (labour market deregulation), which started under Hawke and Keating, and was pursued savagely by Howard's government. "I think of all the debates that have sort of raged around the role of government and the role of the state as distinct from the individual, none has been more important in Australia over the last twenty years than the deregulation of Australia's labour markets. That has been a tremendously important debate intellectually and the power of ideas triumphing even in political banishment is well demonstrated by that particular debate.... Many of the people who have

played very significant roles in all of these debates are here tonight", Howard continued. "I have to pay enormous tribute to my good friend Jeffrey Kennett who also has played a tremendous role and I very freely acknowledge the tremendous contribution that [NSW Premier] Bob Carr is making in areas like education."

Victorian Premier Jeffrey Kennett's "tremendous role" saw some 75 per cent of the state's assets ruffled off to a tight little cabal of Synarchists. Everything that Kennett did, "right down to the letter", in the words of Tasman Institute founder and MPS member Michael Porter, was prescribed in a series of reports from the IPA and Tasman, entitled Project Victoria. Kennett closed Victorian hospitals and cut back health care, which resulted in deaths: people died for lack of access to health care. To please the financial interests controlling himself and Kennett, John Howard has continued those cutbacks. They are both guilty of Nuremberg crimes against humanity. At the

end of World War II, crimes for which Nazis were hanged included the "inadequate provision of surgical and other medical services."

Between 1988 and 1997 alone, an estimated US\$250 billion of assets worldwide were privatised, most of them for a fraction of their true value. Nations are simply being looted of their assets. And through at least 1997, the second biggest privatisation program in the world, next to Thatcher's Britain, was Australia's, with an estimated US\$43 billion (A\$60 billion) privatised through that time. With additional privatisations since then, the total is almost A\$100 billion.

Though Hawke and Keating started the trend, the Howard governments played the decisive role in this, and lawfully so: when Howard first took office in 1996, his government was dominated by members or close associates of Mont Pelerin think tanks. These included:

- John Howard;
- Treasurer Peter Costello, a founder of the rabidly anti-la-

- bour H.R. Nicholls Society;
- Peter Reith, a supporter of H.R. Nicholls;
- Ian MacLachlan, a co-founder of H.R. Nicholls;
- Senator Rod Kemp, a son of IPA founding Secretary C.D. Kemp;
- Dr. David Kemp, his brother, another co-founder of H.R. Nicholls.

Though some of the Howard government's personnel has changed since then, its commitment to MPS policies is stronger than ever.

In the typical pattern, Mont Pelerin's agents in government sell off precious state assets to their corporate cronies. Subsequently they or their relatives assume high-paying jobs in either the privatised institutions or their controlling firms, which are invariably major financial donors to the political parties that are handing them the state assets. Nowhere is this pattern clearer—nor more deserving of a royal commission—than with the Macquarie Bank.

Ripping off the Common Good: The Macquarie Bank

"We can put up the tolls by whatever we like and, almost as importantly, we can start the tolls on day one by whatever we like.... If [motorists] don't complain about it being too high, then we won't have done our job."

— Denis Eager, Macquarie Infrastructure Group (MIG) external affairs manager, May 2003, speaking about MIG's new \$2 billion M6 Midland Expressway in Britain.

Macquarie Bank was founded as Hill Samuel Australia Ltd. in 1969, a subsidiary of London's Hill Samuel bank. Following Keating's bank deregulation, Hill Samuel became just the second bank to be granted a trading license. It was renamed Macquarie Bank in 1988.

Macquarie has a financial stake in 22 toll roads around the world, making Macquarie Infrastructure Group the world's largest private toll road operator. On its web site, Macquarie brags about the profitability of its government-subsidised investment in looting the public through toll roads: "MIG, similar to many Australian property trusts, is managed by an investment bank, in this case Macquarie Bank. Since listing in 1996, MIG has returned a compound annual return of 23.4 per cent (to June 2003). In calendar 2000/2001 it was the best performing stock on the ASX 100—Australia's top 100 companies." (Emphasis added.) The combination of the government concession, and the very low operating and maintenance costs that are often below 20 per cent of revenue, make toll roads extremely profitable. The tolls on the 42-km M6, due for completion next year, are set at £3 (AUS\$7.50) per car and £11 (AUS\$27.50) per truck. Melbourne's Citylink's latest financial statements report revenue for the past three months at \$60 million, or \$650,000 per day.

Notable former personnel

- **Fred Hilmer.** Architect of National Competition Policy, which established the legal framework for Kennett's savage privatisation. Hilmer's two associates in designing NCP were Professor Ian Harper, an academic adviser to CIS, and Rio Tinto's Mark Raynor. Like Raynor, Hilmer was long associated with Rio Tinto, one of the major funders of the Mont Pelerin think tanks. Thus, the architect of National Competition Policy came from the organisation that benefitted the most from electricity and other privatisations, Macquarie Bank.
- **Graeme Samuel.** Enforcer of National Competition Policy, first through the National Competition Council, now as chairman of the Australian Competition and Consumer Commission.
- **Ross Grant.** Board member of the CIS and business partner of Graeme Samuel. He left Macquarie with Samuel to form Grant Samuel and Associates, corporate advisers.
- **Jim McMeckan.** A former executive director of Macquarie, headed the Kennett government's transport reform unit in the late 1990s. As of early 2004, the Bracks

government had paid him \$2.3 million to re-negotiate the same transport contracts for the Bracks government, which he had himself set up under Kennett, this despite Bracks' Transport Minister Peter Batchelor having criticised the Kennett contracts as "deeply flawed". Rail, Tram and Bus Union State Secretary Trevor Dobbyn observed to the *Herald Sun* of Feb. 9, 2004, "He gets paid millions to fix up a system he helped create under the Kennett government."

Political connections

- **Alan Stockdale.** Executive Chairman of Asset and Infrastructure Group, Macquarie Bank. Awarded hundreds of millions in fees to Macquarie as Victorian Treasurer, including for Citylink, before joining the infrastructure arm of Macquarie. Stephen Mayne, who worked for Stockdale, said, "There were no bigger beneficiaries of the great Kennett sell-off than Macquarie Bank." Under Treasurer Stockdale, Macquarie earned fees for the sale of Loy Yang B (\$30 million), Loy Yang A (\$40 million), the set up of Transurban (\$60 million), and Crown Casino (\$30 million), and in relation to the Victorian racing industry (\$5 million).
- **Max Moore-Wilton.** Executive Chairman of Sydney Airports Corporation. "Max the Axe" earned his reputation as the Secretary of the Department of Prime Minister and Cabinet under Howard. He was the nation's top bureaucrat, who implemented the Howard Government's Mont Pelerin reforms, especially in mass job cuts in the public service. The Howard Government sold the Sydney Airport to Macquarie in June 2002, and Moore-Wilton left DPMC in January 2003 to join Macquarie and run the airport.
- **Warwick Smith.** Chairman of Telecommunications, Media, Entertainment and Technology (TMET), Macquarie Bank. Smith was Sports Minister in the Howard Government, before losing his seat of Bass in Tasmania.
- **Paul McClintock.** Director of Macquarie Infrastructure Group. From 2000 to 2003, McClintock was Secretary to the Cabinet in the Howard Government, and Head of the Cabinet Policy Unit for the Australian Government. A long-time associate of John Howard, McClintock was senior Private Secretary to Howard when he was Minister for Business and Consumer Affairs, and then Treasurer, from 1976-1978.
- **Stan Howard.** Chairman, Hills Motor-



Left to right: Alan Stockdale, Treasurer of Victoria who sold off tens of billions of dollars worth of public assets under Premier Jeff Kennett; Graeme Samuel, enforcer of National Competition Policy (NCP) at the National Competition Council, then as chairman of the Australian Competition and Consumer Commission; Fred Hilmer, architect of NCP. The single largest beneficiary of privatisations and "competition policy" has been Macquarie Bank, with which all three men are or have been closely associated. Photos: Stockdale, NewsPix; Samuel, AAPImage/ShaneyBalcombe; Hilmer, AFP PHOTO/Greg WOOD.

way. Hills Motorway is otherwise known as the M2, one of Macquarie's four toll roads in Sydney; Stan Howard is John Howard's older brother.

- **Ann Keating.** Director of Macquarie Leisure Trust. Ann Keating is Paul Keating's younger sister.
- **Michael Easson.** Director, Macquarie Infrastructure Group. Easson is a former secretary of the NSW Trades and Labour Council, who participated in the anti-labour Harvard Trade Union Program. He is also a former Councillor on the National Competition Council, under Graeme Samuel.
- **Michael Lee.** Director, Macquarie Airports Management Ltd. Lee is a former Minister in the Keating Labor Government.

Interface with MPS think tanks

IPA
Chairman: Alan Stockdale, Executive Chairman of Asset and Infrastructure Group, Macquarie Bank.

Director: Ian Nethercote, CEO Loy Yang Power, until July 2003 owned by Macquarie.

Tasman Economics

Major shareholder: Macquarie Bank Ltd.
Director: Nicholas Moore, Exec. Dir. Macquarie Bank Ltd.; Dir. Macquarie Infrastructure Group.

Executive Chairman: Michael Porter, Dir. Asset Infrastructure Group, Macquarie Bank.

Centre for Independent Studies

Director: Dr. Peter Dodd, Dir. Macquarie Goodman Industrial Property Trust.

Director: Ross Grant, Chairman Grant Samuel, formerly Exec. Dir. Macquarie Bank.

Director: John M. Green, Exec. Dir. Investment Banking Group, Macquarie Bank.

Sydney Institute

Sponsor: Macquarie Bank

Political party donations

Total	1998-2002
Democrats:	\$ 36,980
ALP:	\$ 624,656
Lib:	\$ 734,898
Nats:	\$ 67,600

Privatisation activities

Macquarie's involvement in privatisations falls into three broad areas: 1) buying up the assets for itself; 2) winning multi-million dollar contracts to handle the sale of public assets; 3) private infrastructure projects, usually build, own, operate and transfer (boot) schemes, which once would have been built by government, but—thanks to the Mont Pelerin revolution—are now left up to the private sector, at a greater cost to the public. And these are not really private either, but require Government subsidies and guarantees.

Private infrastructure

Transurban, the Citylink toll road in Melbourne, earned Macquarie \$60 million in fees from the Victorian Government for setting up the deal. Macquarie is also a major shareholder in Citylink. Concession ends 2034.

Eastern Distributor (Sydney) Concession ends 2048.

M2 Motorway (Sydney) Concession ends 2042.

M4 Motorway (Sydney) Concession ends 2010.

M5 South West Motorway (Sydney) Concession ends 2023.

Westlink M7 (Sydney) Concession ends 2037.

Defeat the Synarchists—Fight for a National Bank

The MPS Think Tanks: The 1930s Fascist Onslaught Continues

Despite the secrecy surrounding the 1930s Synarchist fascist plots in Australia, there is a demonstrable continuity between the corporations and families of those days, through to the Mont Pelerin fronts of today. Since the dominant families sometimes change, or bring in managers to oversee their holdings, the most striking continuity is usually found in the corporations and financial groups. Outstanding among them is that devil's spawn of Collins House, Rio Tinto Zinc.

For one illustration of this continuity, look at the Corporate Members and/or Shareholders in the Tasman Institute/Tasman Economics complex in the late 1990s. (It has since become ACIL Tasman; see below.) These corporations or individuals are mainstays of the Mont Pelerin Society fascist plot to crush the Australian nation-state and to loot and destroy the living standards and even the lives of all Australians except for themselves and their wealthy friends. Let us see, then, following the list of institutional members and shareholders, what some of these same companies and families were doing back in the 1930s, when the fascist private armies were preparing to take power. Though some of the individual institutions listed below did not yet exist in the 1930s, the overall continuity is stunning.

Corporate Members—Tasman Institute

Arthur Robinson & Hedderwicks
Australian Bankers Association
BHP Company Ltd.
BP Australia Ltd.
Cadbury Schweppes Pty. Ltd.
Coles Myer Ltd.
Colonial Mutual Life Assurance
CRA Ltd.
Cray Communications Ltd.
Electricity Corporation of NZ Ltd.
Esso Australia Ltd.
Fosters Brewing Company
Insurance Council of Australia Ltd.
Lion Nathan Ltd.
Mercantile Mutual Pty. Ltd.
MIM Holdings Ltd.
National Association of Forest Industries
North Broken Hill Peko Ltd.
Potter Warburg Corporate Finance
Roach McIntosh
Shell Company of Australia Ltd.
Parkthorn Investments
Telstra Ltd.
The Myer Group
The Pratt Foundation
Western Mining

Shareholders—Tasman Economics

Macquarie Bank Ltd.
Kayarem Ptd Ltd. (Rupert Murdoch)
Michael Porter
Fosters Brewing Group Ltd.
Baillieu Myer
Coles Myer
Pratt Foundation
ANZ Bank Ltd.

Arthur Robinson & Hedderwicks was based in Collins House itself, also the home base of League of National Security leader Sir Hugh Brain, whose Secretariat firm supplied secretaries for most Collins House companies. Senior partner Arthur Robinson was a member of the Round Table, brother of Collins House Group leader W.S. Robinson, and was himself fiercely anti-Labor.

In 2001 Arthur Robinson merged with Allen, Allen and Hemsley to become Allens Arthur Robinson, one of the largest law firms in the Asia-Pacific region, with 200 partners and 600 legal professionals in 10 offices in six countries. It negotiated the merger of BHP and Billiton, Australia's largest corporate deal ever. Allen, Allen and Hemsley's major client was the Bank of New South Wales, which had financed the Old Guard. Sir Norman Cowper, a leader of the Old Guard, was principal partner in Allens. His number two, Gabriel Selmar Reichenbach, was also an Old Guard member.

Australian Bankers Association. Banks like the Bank of New South Wales, the Australian Bank of Commerce and others, funded the Old Guard, and were the backbone of most of the anti-Labor, anti-Common Good plots in Australia during the 20th Century.

BHP Company Ltd., now BHP Billiton, is Australia's second largest company, with sales

of \$26 billion and 35,000 employees. Representatives of BHP attended meetings of the Old Guard. The Darling family founded BHP. Chairman of the Board Harold G. Darling was also a founder of the Victorian IPA. Today Michael Darling (reportedly worth \$95 million) is deputy chairman of the Centre for Independent Studies.

Coles Myer Ltd.; the Myer Group; Baillieu Myer. Coles founder and longtime chairman George J. Coles was co-vice-chairman of the Melbourne branch of the All for Australia League, "civilian" front for the fascist LNS. The other vice-chairman was E. Lee Neil, managing director of Myers, who ran the company during founder Sidney Myers' extended absences. Another director of the tightly knit Coles firm was a leader of the LNS: Col. Francis Plumley Derham of the elite Melbourne law firm Moule, Hamilton & Derham. George Coles was founding chairman of the Victorian IPA. Coles and the Myer Emporium merged in the mid-1980s to become Australia's largest private employer.

Sidney Myer married the daughter of W.L. Baillieu, the Collins House Group supremo. That union produced Sidney Baillieu Myer, Chairman of the Myer Group from 1955 to 1986, founding chairman of the Tasman Institute and shareholder in Tasman Economics (now retired). The power behind the Collins House empire, the Baillieus supported the Synarchist coups against the Scullin government and Jack Lang in the early 1930s, through their media empire and otherwise.

Colonial Mutual Life Assurance, in the 1930s, had on its board two sponsors of the Old Guard and the AFAL: Sir Kelso King and Sir Sydney Snow.

CRA Ltd. The London-headquartered Zinc Corporation, one of the main constituents of the merger process that produced Conzinc Rio Tinto Australia (CRA), was a pillar of Collins House. CRA has since merged with the London-based Rio Tinto.

Fosters Brewing Company was part of the Collins House empire. Its chairman was Brigadier Gen. Harold Cohen, who was involved in various anti-Labor activities. Cohen was the principal in the family law firm of Pavey, Wilson and Cohen, headquartered in Collins House.

Insurance Council of Australia Ltd. Insurance companies such as the National Mutual Life Assurance Co. and Mercantile Mutual played a prominent role in the events of the 1930s. NMLA's General Sir Brudenell White established the LNS, while Mercantile Mutual's Sir Kelso King and Col. Selwyn King were leaders in the Old Guard.

Mercantile Mutual Pty. Ltd. Sir Kelso King and Col. Selwyn King were Old Guard leaders.

North Broken Hill Peko Ltd. was another pillar of the Collins House Group. It later merged with Peko-Wallsend, whose chief executive had been longtime CRA executive Charles Copeman, infamous for sacking his entire unionised workforce at Robe River. Copeman opened the first conference of H.R. Nicholls held in Melbourne.

Potter Warburg Corporate Finance. Sir Ian Potter led the anti-Chifley, anti-bank nationalisation campaign of the late 1940s and was a financial partner in the Synarchy's central financial institution, Lazard Freres in London. Potter was a founder of the IPA, and a major funder of the Liberal Party for over three decades. The merger of his firm with the Warburg interests is not surprising: In the 1920s, Max Warburg gave 60,000 gold marks to launch Count Coudenhove-Kalergi's Pan-European Union, then worked with Nazi finance kingpin Hjalmar Schacht as deputy president of the Reichsbank until 1938.

Roach McIntosh. Maj. Len Roach (later Lt. Col. Roach) was the head of intelligence for Melbourne's LNS. His son Leonard Ian Roach was a longtime contributor to the CIS through his company, Roach McIntosh (since bought by Merrill Lynch) and former Chairman of the CIS Board of Trustees. Leonard Ian Roach is lionised by the Synarchy as the founder of the Australian Stock Exchange (ASX).

Shell Company of Australia Ltd. The parent Shell was run in the 1920s and 1930s by Sir Henri Deterding, a leading funder of the Nazi Party.

Western Mining Corporation. WMC was



Many corporations and families which sponsored the Synarchist militias and "citizens leagues" of the 1930s, fund Mont Pelerin Society fronts today. Above: board meeting of ANZ bank (the old Baillieu-affiliated ES&A Bank) in 1970. Among those at the table are ANZ Chairman Lord Carrington (head of the table), E.L. Baillieu (far right), and—from Lazard Freres in London—ANZ Deputy Chairman Lord Hampden aka David Brand (far left) and A. D. Marris (to Hampden's right). Additional leading backers of MPS fronts, demonstrating this same continuity, are shown at right (top to bottom): Hugh Morgan of Western Mining, Rupert Murdoch, S. Baillieu Myer. Photo: Murdoch; AAP Image/ Rob Hutchison.



founded in 1933, after the fascist militias had completed their work in driving Labor from power. Its founder had been active in that process: Sir Hugh Brain of the Collins House firm Secretariat, and the LNS. As of 1996, WMC boasted an astonishing seven of its board members sitting on the boards of different MPS fronts. WMC managing director Hugh Morgan himself sat on four such boards, as well as providing major funding including an initial \$40,000 start-up fund for the CIS.

Kayarem Pty. Ltd. (Rupert Murdoch). W. L. Baillieu installed Sir Keith Murdoch as editor of the Baillieu family's Melbourne *Herald*. Later Sir Keith became chairman of the *Herald* and *Weekly Times* holding company (vice-chairman W. L. Baillieu), which owned what was then Australia's largest press empire. Sir Keith's editorial posture was fanatically anti-Labor and he used the *Herald* to promote the fascist militias and citizens' leagues, and their front man, "Honest Joe" Lyons. In the early 1930s, Murdoch was a key propagandist for all the Synarchist schemes. In the late 1930s and early 1940s, the Nazis' Berlin-based short wave radio used to pick up and broadcast items from his newspapers. Gen. Douglas McArthur, the Australian-based commander of Allied forces in the Pacific, called him "an Australian Quisling" (reported by Rupert Murdoch's biographer, George Munster).

Sir Keith's widow, Dame Elisabeth, has been a leading funder of the CIS. Son Rupert, a kingpin of the international neoconservative movement, has funded or invested in the Tasman Institute/Tasman Economics. Rupert's son Lachlan joined the Tasman Institute board in 1995, while his brother-in-law, John Calvert-Jones, is on the board of CIS.

ANZ Bank Ltd. One of its main precursors, the English, Scottish and Australian (ES&A), was closely associated with Collins House, which usually had one or more of its members on the board. The ANZ's London connections were dominated by prominent members of the Synarchy's Lazard Freres, such as Adam Denzil Marris and Lord Hampden, the former a leader in the Round Table movement. Collins House figures continued to sit on the ANZ board after the ES&A merged with ANZ in the late 1960s.

J.B. Were Ltd. The executive director of J.B. Were Ltd., Paul Murnane, is on the board of the Sydney Institute, the renamed NSW branch of the Institute of Public Affairs. J.B. Were's managing director from the 1920s to the 1950s, Staniforth Ricketson, owned Robert Menzies, and he organised the League for National Security front, the Melbourne branch of the All for Australia League.

It is no surprise that the Mont Pelerinites love the privatisation process, even from

the standpoint of personal greed alone. When the first tranche of Telstra was sold off in 1997, for instance, CIS Deputy Chairman Michael Darling was at the top of the list of shares purchasers, scooping up over 2.9 million shares, valued at \$10.5 million, through his family's private investment company, Caledonia Investments. The Myer family (worth \$577 million), bought 2.4 million shares, and the Baillieus (worth \$255 million) bought 480,200 shares. J.B. Were & Son was one of the five law firms, brokerages and merchant banks which won the multi-hundred million dollars contract to privatise Telstra.

As the CEC documented in the pamphlet, "Stop the British Crown Plot to Crush Australia's Unions" (1998), Collins House financier William Sydney Robinson—also a top agent of MI6, Britain's foreign intelligence service—was a founder of Western Mining and of the later conglomerate CRA (Conzinc Rio Tinto Australia), which then merged back into its London parent, Rio Tinto. The bitter anti-labour policies established by Collins House were passed on to the next generation of its spawn, including CRA and Western Mining. A central figure in that process has been Hugh Morgan, long-time managing director of Western Mining, and the single most important figure in establishing and propagandising for the later neoconservative think tanks.

Morgan put up the first \$40,000 to launch the CIS in 1976, then served as Chairman of its Board of Trustees. He also co-founded the H.R. Nicholls Society a decade later, along with Peter Costello, Sir John Kerr (the Queen's stooge who sacked Whitlam), Ray Evans of Western Mining and the Mont Pelerin Society, and former Secretary of the Commonwealth Treasury John Stone. Morgan also served on the boards of the IPA and the Tasman Institute.

The other key Mont Pelerin think tank established in recent times was the Tasman Institute (1990), which merged with London Economics to become Tasman Economics. In turn, Tasman Economics subsequently merged with ACIL Consulting Pty. Ltd. to become ACIL Tasman. Tasman's founding and longtime chairman was Sydney Baillieu Myer.

On the next two pages are the key personnel and known funders of each of the largest Australian MPS fronts, which are committed to the Synarchist policy of rule by private financiers and corporations—the very financiers and corporations that set them up and continue to fund them. Not all of the funders are named here, because the think tank executive directors, such as Gerard Henderson of the Sydney Institute and the CIS's Greg Lindsay, are very cagey about their contributors. Lindsay has said that many people donate money only on condition of anonymity. Financial and raw materials companies, and the legal and accounting sectors that serve them, dominate the think tank boards.

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The MPS Fronts in Australia

Centre for Independent Studies

Board of Directors

Alan McGregor AO. Chairman. Chairman of James Hardie Industries NV; Burns, Philp & Company Limited, Goodman Fielder Ltd. and a director of other organisations. Educated at Geelong Grammar School. Manages family agricultural properties, Chairman of the Australian Wool Testing Authority Limited.

Michael Darling. Deputy Chairman. Chairman of Caledonia Investments Ltd. private investment company. Chairman of Gympie Gold Ltd. and Platinum Capital Ltd. Former director of the Australian Stock Exchange and the Australian Wool Realisation Commission. Member of the Asian Advisory Board of the Prudential Insurance Company of America and the International Advisory Board of Brasilinvest.

Marco Belgiorno-Zegna AM. Managing Director of Transfield Pty. Ltd. until 1999.

John Calvert-Jones AM*. Rupert Murdoch's brother-in-law. Chairman of Seafirst Australia, a privately owned investment company, and of Touchcorp Limited. Longtime leader (23-year member) of the Stock Exchange of Melbourne. Chairman and Managing Director 1984-1994 of Prudential-Bache Securities. A member of the pro-drug Australian Drug Foundation, and has served on the board of the Liberal Party fundraising front, the Cormack Foundation.

Robert Champion de Crespigny AC. Chairman and Chief Executive of Normandy Mining Limited (now Newmont Australia after takeover by Newmont Mining). Chancellor of Adelaide University, Chairman of the South Australian Museum, Member of the Asia Pacific Council of the Nature Conservancy, Director of the Minerals Council of Australia Executive Committee.

Michael Chaney. Director of BHP Billiton Limited and Gresham Partners Holdings Limited. Member of the Business Council of Australia, the Council of the National Gallery of Australia and Vice President of the Australia-Japan Business Cooperation Committee. Finance Director and later Managing Director of Wesfarmers.

Dr. Peter Dodd. Head of Corporate Finance for ABN AMRO Australia. Chairman of Delta Electricity. Board of Macquarie Goodman Industrial Property Trust.

Ross Grant. Chairman of Grant Samuel Group Limited, an independent investment banking firm he established in 1988. Previously an Executive Director of Macquarie Bank Limited, having joined Hill Samuel Australia Limited (the prede-

cessor of Macquarie Bank Limited) in 1975.

John M. Green. An Executive Director of Macquarie Bank Limited (in its Investment Banking Group) and heads the Financial Institutions Group.

Dr. Murray Horn. Managing Director of ANZ (New Zealand) Ltd. and Chairman of ANZ Investment Bank (NZ). Secretary to the New Zealand Treasury, 1993-1997. Chairman of the main Mont Pelerin front in New Zealand, the New Zealand Business Roundtable, a member of the New Zealand Bankers Association and Fellow of the NZ Institute of Management.

Greg Lindsay AO. Executive Director. Founder (1976) and Executive Director of the Centre for Independent Studies. Member of the Board of Directors of the Mont Pelerin Society.

Helen Lynch AM*. Non-Executive Director of Coles Myer Ltd., Southcorp Limited, Westpac Banking Corporation and Deputy Chairman of OPSM Protector Limited. Chairman of the Sydney Symphony Orchestra and a director of CRI Australia Holdings Limited. From 1995 to 2000 she was Chair of the Superannuation Funds Management Corporation of South Australia. Was a member of the executive committee at Westpac Banking Corporation. Made a member of the Order of Australia in 1994 for services to the Banking and Finance Industry. Member of the New South Wales Rhodes Scholarship Selection Committee.

Robert McLean. Company director and private equity investor. Co-founder of WM Capital Pty. Ltd., a director of TiNSHED Corporation and Chairman of Imagination Entertainment. Has served on the board of directors of CSR, Pacific Dunlop and GS Private Equity. Was Chairman of Earthwatch Australia. Spent 25 years with McKinsey and was Managing Partner for the Firm's Australian Practice from 1989 until 1997 when he retired.

Donald Morley. Chief Financial Officer, WMC. Member of the Strategic Council of Alcoa Worldwide Alumina and Chemicals.

M. John Phillips AM. Chancellor of the University of Western Sydney, Chairman of the Foreign Investment Review Board, Chairman of The Australian Gas Light Company, Director of QBE Insurance Group Limited and WMC Limited and Chairman of the Australian Charities Fund.

Hon. Ruth Richardson. Chairman of Aoraki Corporation, Cardinal Group Australia Pty. Ltd., i-cap equity partners Ltd., i-cap mezzanine part-

ners Ltd., and the Kula Fund, and is a director of Immuno Chemical Products Ltd., Oyster Bay Marlborough Vineyards Ltd., Wrightson Ltd., and the Reserve Bank of New Zealand.

Steven Skala. Partner with Arnold Bloch Leibler and head of the firm's corporate and commercial practice. Arnold Bloch Leibler is notorious for its "tax minimisation" schemes, which have saved the super-wealthy billions of dollars in taxes. Director of HFM Limited, Rothschild Australia e-Fund Investors, Max Re Limited, the Walter and Eliza Hall Institute for Medical Research, The Australian Ballet and Chairman of the Australian Centre for Contemporary Art. Former Associate Governor of the Hebrew University of Jerusalem.

Howard Stack*. Recently retired as senior partner in Allen, Allen & Hemsley. Chairman of the Board of Brisbane Grammar School since 1991.

(* Recently resigned)

Senior staff

Greg Lindsay. Founder and Executive Director. Member of the Board of Directors of the Mont Pelerin Society.

Owen Harries. Senior Fellow. Founding Editor of U.S. magazine *The National Interest*, and former Visiting Fellow at the Heritage Foundation. Famous for commissioning and publishing Francis Fukuyama's Synarchist tract, *The End of History* in 1989. Reflecting its hatred of the nation state, the CIS magazine *Policy* brags, "In the very first issue of *The National Interest*, Harries ran an article by publisher Irving Kristol dismissing the very concept of 'national interest' as 'dead beyond resurrection'."

Professor Helen Hughes. Senior Fellow.

Professor Wolfgang Kasper. Senior Fellow. Member of the Mont Pelerin Society.

Barry Maley. Senior Fellow.

Andrew Norton. Research Fellow.

Professor Peter Saunders. Director of Social Policy Research Program, Social Foundations.

Distinguished Fellows

Alan Gibbs. Member Mont Pelerin Society; second richest man in New Zealand.

Professor R.M. Hartwell. Member Mont Pelerin Society.

Neville Kennard. Kennard Self-Storage.

Hugh Morgan AO. Former Man. Dir. WMC Ltd.

Maurice Newman AM. Chairman Australian



Greg Lindsay, member of the Mont Pelerin Society, Executive Director and founder of the Centre for Independent Studies.

Stock Exchange; Member Mont Pelerin Society.

Academic Advisers

Professor Lauchlan Chipman
Professor Ian Harper
Professor Kenneth Minogue
Professor R.R. Officer
Professor Steven Schwartz
Professor Judith Sloan
Professor Geoffrey de Q. Walker

Financial Sponsors

McDonalds
Pratt Foundation
J.O. Fairfax
Dame Elisabeth Murdoch
Philip Morris
BHP Billiton
Shell
WMC
ICI
Neville Kennard
Robert Champion de Crespigny

Institute for Public Affairs

Board of Directors (November 2002)

Alan Stockdale. Chairman. Executive Chairman of Asset and Infrastructure Group, Macquarie Bank. As Victorian Treasurer, was deeply involved with the privatisation program run by the IPA/Tasman's Project Victoria, under which many sales involved Macquarie Bank in one capacity or another. Now he works for those who directly benefitted from his and Kennett's actions while in government.

Dr. Robert Officer. Treasurer. AMP Professor of Finance and Deputy Director, Melbourne Business School, University of Melbourne; National Commission of Audit, 1996.

Harold Clough. Chairman, Clough Ltd. Group.

William Clough. Director, Clough Ltd. Group.

Dr. Tim Duncan. Hinton & Associates.

Dr. Michael Folie

David Karpin. Executive Chairman, Karpin Slaughter Ltd.

Ian Nethercote. CEO, Loy Yang Power, which was 25 per cent owned by Macquarie Bank-backed Horizon Energy until July 2003, when acquired by AGL. AGL deputy chairman is Macquarie Bank director Mark Johnson. Macquarie advised on the sale. Other AGL board members: Sir Ron Brierly, Caroline Hewson, M. John Phillips (CIS Director), and Dick Allen.

Dr. Thomas Quirk. Chairman, Virax Holdings and Biota Holdings.

Dr. Michael Nahan. Executive Director, Institute of Public Affairs.



IPA member Padraic McGuinness crusades for legalized heroin.

Senior Staff

Dr. Michael Nahan. Executive Director

Dr. Alan Moran. Director, Deregulation Unit

Hon. Gary Johns. Senior Fellow, former Minister in Hawke/Keating governments.

Mr. John Hyde. Senior Fellow

Mr. Don D'Cruz. Research Fellow

Research Committee (March 2002)

Sir John Brunner, 4th Baron of Druids Cross, member Mont Pelerin Society.

Mr. Brian Buckley

Prof. Ken Clements

Prof. Bob Ewin

Prof. John Freebairn

Dr. John Forbes

Dr. Frank Harman

Prof. Bob Officer

Mr. Owen Powell

Prof. Campbell Sharman

Dr. Alan Tapper

Prof. Ted Watt

Corporate Sponsors

Philip Morris

BAT

Caltex

Shell

Esso

WMC

BHP Billiton

Clough Engineering

Telstra

Visyboard

The IPA Dope Lobby

In an April 22, 1996 interview in the *Herald Sun*, then-U.S. Drug Enforcement Administra-

tion (DEA) head Thomas Constantine excoriated efforts in Victoria to legalise drugs, under the phony argument that it is "impossible to win the war on drugs". Warning that addiction levels would soar if the Kennett government legalised personal marijuana use, Constantine recommended, regarding the legalisers, "How about if they give drugs to their own children first, and then they could see the impact on schools in their local neighbourhoods. Drugs are not dangerous because they are illegal; drugs are illegal because they are dangerous." Constantine concluded by saying "supporters and advocates of legalised drugs should have their names inscribed in a public place so their families could know in the future who advocated legalisation and the deaths and suffering it could cause."

In accord with Constantine's admonition, here are the names of the two chief figures then lobbying for dope legalisation in Victoria, and Australia more broadly:

Dr. David Penington. Chairman of Kennett's Victorian Drugs Advisory Committee, a rubber stamp committee committed to legalisation.

Michael Moore. Convenor of the Australian Policy Group for Drug Law Reform in 1993 and a member of the Australia Drug Policy Foundation.

Their address? The Institute for Public Affairs in Melbourne, 128-136 Jolimont Road, Jolimont, where both were Councillors.

Jeff Kennett himself received major support for his career from another prominent member of the IPA's Council, his acknowledged mentor, John Gough. Until his retirement in the mid-1990s, Gough headed ANZ Bank. The pro-drug Australian Drug Foundation was founded in ANZ's

boardroom. More of ANZ's board members have sat on MPS think tank boards over the years than from perhaps any other corporate entity, even including Western Mining. (For more on ANZ, its links to the MPS think tanks, and its role in the \$100 million Potter Foundation, see the CEC's "Stop the British Crown Plot to Crush Australia's Unions", pp. 44-45.)

Drugs and "free trade" have gone together, ever since Adam Smith supported the British Empire's opium trade in his 1776 *Wealth of Nations*. MPS policy has promoted drug trade interests from the outset. In 1980, MPS president Max von Thurn und Taxis, of the ancient Venetian family, wrote a paper titled, "The Underground Economy", which called for legalising all kinds of crime, including drugs. Said Thurn und Taxis (who, like von Hayek, often drops the "von" from before his name, and the "und Taxis", as well, to hide his aristocratic origins), "Economists have, in recent years, extended their interests to subjects not usually considered within their province such as crime, corruption and subversion.... Another is what has been called the underground economy. Like migration, the underground economy opens an avenue from the all present, all demanding state." Thurn und Taxis argued that whereas "moralists get indignant about disrespect for the law", the underground economy is so huge that much, if not all, of its activities should be legalised. He concluded: "I am well aware that the underground economy is, in the opinion of those who have no access to it and even some of those who have, a great evil and that this opinion is not likely to change.... To show that the underground economy has positive features was the object of this enquiry."



As Chairman of Kennett's Drugs Advisory Committee, the IPA's David Penington called for legalising marijuana.

Defeat the Synarchists—Fight for a National Bank

H.R. Nicholls Society

Founders

Ray Evans. President. Member Mont Pelerin Society, longtime executive officer, Western Mining.

Peter Costello. Founder. Commonwealth Treasurer; Deputy Leader Liberal Party.

Barrie Purvis. Founder. Dir. Australian Wool Selling Brokers' Employers' Federation.

John Stone. Founder. Former Secretary of the Commonwealth Treasury.

Notable speakers

Sir John Kerr. Former Governor-General.

Gerard Henderson. Sydney Institute.

Charles Copeman. CRA, Peko-Wallsend.

Padraic McGuinness. Member, Mont Pelerin Society, Murdoch columnist.

Michael Porter. Tasman.

Gary Johns. IPA, former Hawke/Keating Minister.

Andrew Bolt. Murdoch columnist.

Roger Douglas. Former NZ Finance Minister.

Ross Parish. Member Mont Pelerin Society, PhD in Economics Chicago University.

Des Moore. IPA, former Treasury.

William Clough. Clough Engineering.

Current and former Liberal MPs associated with H.R. Nicholls:

John Hyde	Dr. David Kemp
Peter Reith	Rod Kemp
Ian McLachlan	Eric Abetz
Nick Greiner	Michael Kroger
John Howard	Richard Court
Graham Kierath	Tony Abbott
Peter Ryan	Lorraine Elliott
Mark Birrell	Jim Short
Bill Forwood	



The Three Stooges of H.R. Nicholls: Abbott & Costello, and fellow stooge, the Whitlam-sacker Sir John Kerr. Photos: Abbott & Costello; AAP Image/Alan Porritt.

The Sydney Institute (formerly Sydney IPA)

Board of Governors

Meredith Hellicar. Chairman. Managing Director of Intech Pty. Ltd. A director of James Hardie Industries Limited, Aurion Gold Limited and HCS Ltd., and member of the Takeovers Panel, Federal Government Foreign Affairs Council. Former Chief Executive roles at Corrs Chambers Westgarth, TNT Logistics Asia PTE Ltd. and the NSW Coal Association.

Rob Ferguson. Deputy Chairman. Former Managing Director of Bankers Trust Australia Limited. He has remained Director of BT Financial Group and is the Chairman of Vodafone Pacific Ltd., Eduvest Ltd. and Nextgen Networks Pty. Ltd. Director of Westfield Holdings Ltd., Indigenous Business Australia, the St James Ethics Centre, Helitech Industries Pty. Ltd., the Australian Davos Connection, Tinshed Australia and the Sydney Writers' Festival.

Jane Munro. Principal of Firbank Grammar School in Brighton and Sandringham. Senior As-

sociate of the University of Melbourne and a Trustee of the Committee for Economic Development of Australia.

Frank Conroy. With Westpac Banking Corporation for 32 years, resigning in 1992 as Chief Executive Officer and Managing Director. Professional Company Director: Chairman, St George Bank Limited, Chairman, Orix Australia Corporation Limited, Chairman, Australian Pharmaceutical Industries Limited, Director, Futuris Corporation Limited, Director, Santos Limited. Conroy is Hon. Treasurer of The Sydney Institute.

Peter Drysdale. Professor of Economics and Executive Director of the Australia-Japan Research Centre (AJRC) in the Asia Pacific School of Economics and Management. Managing Director of APEG Pty. Ltd. and NEAR Pty. Ltd.

Peter Charlton. Chairman of The Charlton Group and The Australian Golf Club Foundation. Board Member, Cosmos Pty. Ltd.

Jason Yat-sen Li. International lawyer, community leader and political lobbyist. Commercial legal work with Corrs Chambers Westgarth.

Joe Gersh. Former senior partner and Chairman of the Management Committee of Arnold Bloch Leibler. Managing Director of Gersh Investment Partners Ltd., a boutique investment bank specialising in property finance and real estate transactions. He is also Chairman of the Australian Reinsurance Pool Corporation, which operates the government's terrorism risk insurance scheme; a Director of the Reserve Bank of Australia's Payments System Board.

Paul Murnane. Executive Director of J.B. Were Ltd. Worked for Citibank as a Vice President and General Manager in Australia and the United States.

Catherine Livingstone. Former Managing Director of Cochlear Pty. Ltd. (where she served as CEO until 2000), and former Chairman of the CSIRO. On boards of Goodman Fielder Limited,

ed, Rural Press Limited, Telstra Corp. Ltd., Australian Business Foundation and Macquarie University.

Lynn Ralph. In August 2002 founded Cameron Ralph Pty. Ltd. 15 years in funds management in the United States and Australia, for BT Australia, CRA Limited and McIntosh Securities Ltd. Former Deputy Chairman of the Australian Securities Commission and was inaugural Chief Executive Officer of the Investment and Financial Services Association. Chairman of the AMP Foundation, a Director of Babcock and Brown Direct Investment Fund, a Fellow of the Australian Institute of Company Directors and an Associate of the Securities Institute of Australia.

Nicholas Johnson. Chief Executive Officer of Barclays Capital, the Investment Banking division of Barclays Bank PLC, in Australia Chairman of Sydney University's Research Institute for Asia Pacific.

Tasman Economics

(Merger of Tasman Institute and London Economics)

Board of Directors and senior staff

Sydney Baillieu Myer. Founding Chairman, Board of Directors. Former Pres. National Mutual Assurance, some of whose directors featured prominently in the LNS/AFAL events of the early 1930s; former Deputy Chairman Coles Myer. Director N.M. Rothschild & Sons (Australia) Pty. Ltd. (In 1986, N.M. Rothschild & Sons (Australia), a wholly-owned subsidiary of N.M. Rothschild & Sons Ltd. of London, bought 40 per

cent of the Baillieu family's brokerage, E.L. & C. Baillieu, formerly housed in Collins House. The Rothschilds are a leading firm in privatisations internationally.) Director, Cadbury Schweppes (1976-1982), Myer Emporium Ltd. (1955-1986). Foundation member, Prince Philip's Australian Conservation Foundation (ACF).

Michael Porter. Founder and Executive Chairman. Dir. Asset Infrastructure Group, Macquarie Bank; Member Mont Pelerin Society. Former adviser, International Monetary Fund, U.S. Federal Reserve, Yale and Stanford universities.

Nick Morris. Founder and Chief Executive. Developed the research team at the Institute for

Fiscal Studies between 1979-1986, the key years for Thatcher's reforms. Co-founder of London Economics, which played a key role in UK privatisation, and in Australian privatisation for over a decade, including the Victorian State Electricity Commission, Victorian Gas and Melbourne Water.

Sir Roger Douglas. Deputy Chairman. Former Finance Minister, New Zealand. Oversaw the disastrous "Rogernomics" looting and stripping of New Zealand's public sector. (See *New Citizen*, Jan-March 1997, "Nazi 'reforms' rip New Zealand—Australia Next")

Nicholas Moore. Executive Director. Invest-

ment Banking Group, Macquarie Bank.

John Zietsch. Former Director. Director Swan Consultants; formerly Industry Commission, OECD.

Shareholders

Macquarie Bank Ltd.
Kayarem Pty. Ltd. (Rupert Murdoch)
Michael Porter
Fosters Brewing Group Ltd.
Baillieu Myer
Coles Myer
Pratt Foundation
ANZ Bank Ltd.

ACIL Tasman

(2002 merger of ACIL Consulting Pty. Ltd and Tasman Economics Pty Ltd.)

Board of Directors and senior staff

Nick Morris. Chief Executive Officer, Melbourne. Co-founder, London Economics; Chief Executive, Tasman Group.

David Trebeck. Executive Chairman, Canberra. Former Executive Secretary of the Australian Woolgrowers and Graziers Council (AWGC); Founding Deputy Director of the National Farmers Federation (NFF).

John Daley. Executive Director, Canberra

David Campbell. Executive Director, Sydney

Paul Breslin. Executive Director, Brisbane

Paul Balfe. Executive Director, Brisbane

Recent Clients – ACIL Consulting

ABN AMRO Australia Limited
AEP Resources Australia Pty. Ltd.
Air International Group Limited
Alcoa of Australia Limited
Aluisse of Australia Limited
ANZ Investment Bank
APPEA Limited
ARCO Coal Australia Inc.
Armidale Development Corporation
Arthur Robinson & Hedderwicks
Australian Aluminium Council
Australian Automobile Association
Australian Casino Association
Australian Centre for International Agricultural Research
Australian Coal Association
Australian Cogeneration Association
Australian Fisheries Management Authority
Australian Gas Association
Australian Greenhouse Office
Australian Hotels Association
Australian Industry Greenhouse Network
Australian Institute of Company Directors
Australian Institute of Petroleum
Australian Magnesium Corporation Pty. Ltd.
Australian Maritime Safety Authority
Australian Payments Clearing Association Ltd.
Babcock and Brown AIDC
Banque Nationale de Paris
Boots Healthcare Australia Pty. Ltd.

Boral Energy Holdings Limited
BP Australia Limited
Broken Hill Proprietary Company Ltd.
Burson-Marsteller Pty. Ltd.
Business Council of Australia
Canadian High Commission
Capital Airport Group
CB Fleet Coy (Aust) Pty. Ltd.
Chevron Services Australia Pty. Ltd.
Comalco Aluminium Limited
Conrad Jupiters
Corrs Chambers Westgarth
CRC for Renewable Energy
Crown Ltd.
CSIRO Energy Technology Division
CSIRO Petroleum Division
Curragh Queensland Mining Limited
Dairy Research and Development Corporation
Delta Electricity
Department of Agriculture Fisheries and Forestry
Department of Defence
Department of Health and Aged Care
Department of Immigration and Multicultural Affairs
Department of Industry, Science and Resources
Department of Transport and Regional Services
Duke Energy International
Edison Mission Energy Holdings Pty. Ltd.
Ego Pharmaceuticals Pty. Ltd.
Electricity Supply Association of Australia
Energen Retail Pty. Ltd.
Environment Australia
Environment Australia, Sydney Airport Envir. Assessment Team
Ergas and Associates Pty. Ltd.
Ergon Energy
Financial Security Assurance Inc.
Flinders Power Pty. Ltd.
Freehill Hollingdale & Page
GH Michell and Sons (Aust) Pty. Ltd.
Great Barrier Reef Marine Park Authority
Health Minders Pty. Ltd.
Henry Walker Eltin Contracting Pty. Ltd.
Horphag Research Ltd.
Horticultural Industry Alliance Steering Committee
Horticultural Research and Development Corporation
Incitec Ltd.
Independent Pricing and Regulatory Tribunal of NSW

Institute of Public Affairs
Intergen (Australia) Pty. Ltd.
International Energy Agency
Jellinbah Resources Pty. Ltd.
Land and Water Resources Research and Development Corporation
Licensed Clubs Association of the ACT
Macarthur Coal Pty. Ltd.
Macquarie Bank Limited
Macquarie Generation
Macquarie Infrastructure Debt Management Limited
Meat and Livestock Australia Ltd.
Middletons Moore and Bevins
Minerals Council of Australia
Mobil Oil Australia Ltd.
National Farmers' Federation
National Herbalists Association of Australia
National Power
New South Wales Department of Health
New South Wales Department of Mineral Resources
New South Wales Department of Public Works and Services
New South Wales Environment Protection Authority
New South Wales Irrigators' Council
New South Wales Minerals Council
New South Wales National Parks and Wildlife Service
New Zealand Business Roundtable
New Zealand Greenhouse Policy Coalition
New Zealand Ministry of Agriculture and Forestry
North West Shelf Gas Pty. Ltd.
NRG Asia-Pacific Ltd.
Office of National Tourism
Optima Energy Pty. Ltd.
Pacific Coal Pty. Ltd.
Parke Davis/Warner Lambert
Pasmenco Limited
Peabody Resources Limited
Pearl Producers Association Inc
Phillips Oil Company Australia
Port of Brisbane Corporation
Productivity Commission
Proprietary Medicines Association of Australia
Publishing and Broadcasting Ltd.
Queensland Department of Mines and Energy
Queensland Department of Natural Resources
Queensland Mining Council

Rio Tinto Limited
Royal Automobile Club of Victoria Ltd.
Rural Industries Research and Development Corporation
Salomon Smith Barney
Sanofi-Synthelabo
Shell Coal Pty. Ltd.
Snowy Water Inquiry
Southern Company
Southern Pacific Petroleum Ltd.
Stanwell Corporation Limited
Star City Casino
Supermarket to Asia Council
Sydney Water Corporation
TAB Limited
TABCORP Holdings Ltd.
Tattersall's
Texas Utilities Australia
The Pharmacy Guild of Australia
The Shell Company of Australia
Thiess Contractors Pty. Ltd.
Tractebel Asia Pte Ltd.
Transalta Energy (Australia) Pty. Ltd.
Transalta New Zealand Limited
United Energy Limited
Victorian Department of Human Services and Health
Victorian Department of Natural Resources & Environment
Victorian Department of Treasury and Finance
Victorian Multicultural Commission
Vita Health Laboratories (Australia) Pty. Ltd.
West Australian Petroleum Pty. Ltd. (Gorgon Australian LNG)
Western Australia Fisheries
Western Australian Chamber of Commerce and Industry
Western Australian Chamber of Mines and Energy
Western Australian Department of Resources Development
Western Australian Office of Energy
Western Sydney Waste Board
Winemakers' Federation of Australia Inc
WMC Resources Ltd.
Woodside Petroleum Ltd.
Wool Industry Future Directions Task Force
World Bank
World Coal Institute

Defeat the Synarchists—Fight for a National Bank

ACIL/Tasman: The National Farmers Federation and Synarchist Thuggery

The extraordinarily broad client list of ACIL Tasman (see previous page) is a testament to the degree to which the privatisation and deregulation dogma have taken over Australia. Dozens, even hundreds of firms pour money into ACIL Tasman, either for ideological reasons, or to get their “piece of the action” under National Competition Policy and similar MPS looting schemes. ACIL Tasman and other MPS fronts want “minimal government”, so they can establish a Synarchist corporate tyranny, in which the financiers and major corporations dictate everything: a replay, in modern dress, of the corporatist state of Mussolini and Hitler.

Above, we showed the continuity of family and corporate names of today’s Mont Pelerin fronts from the fascist militias of the 1930s. ACIL Tasman has its own roots in similar activity, stretching all the way back to the 1890s. More recently, in the 1990s, key figures in ACIL Tasman planned to use the Australian Defence Force, along with soldier-of-fortune mercenaries, to break the Maritime Union of Australia (MUA). Their collaborator and principal protagonist in this plot was Patrick Stevedores, a successor company to Patrick Shipping, established by the New Guard’s finance director, Commander James R. Patrick.

Early in 1997, Howard government Transport Minister John Sharp commissioned a report into waterfront reform, to dramatically up the ante on “labour market deregulation”. He awarded an \$80,000 contract to the Canberra-based industrial consultants ACIL Economics and Policy Pty. Ltd. ACIL’s principals were two former leaders of the fanatically anti-labour National Farmers Federation (NFF): David Trebeck, now executive chairman of ACIL Tasman, and Paul Houlihan. Founded in 1979, the NFF in turn co-founded the H.R. Nicholls Society in 1986, together with now-Treasurer Peter Costello and some mining executives from the old Collins House firm Western Mining, led by MPS member and now-retired WMC executive Ray Evans and WMC’s former long-time chief executive officer Hugh Morgan.

The NFF itself had a long and nasty history, intersecting the personnel of the fascist events of the 1930s. It grew out of the Australian Woolgrowers and Graziers Council (AWGC), which was descended from the Pastoralists’ Federal Council set up in 1890 to crush union organising among the shearers. The PFC’s president was W.E. Abbott, later a member of the Round Table; he was the uncle of C.L.A. “Aubrey” Abbott, the Old Guard’s leading rural organiser and its liaison to the New Guard. The oligarchical AWGC was a hotbed of bitter opposition to the longtime Minister of Trade, legendary Country Party leader John “Black Jack” McEwen, and his programme of a farmer-labour alliance based upon rapid economic growth generated by a patriotic policy of “protection all around”.

The NFF was founded to split that alliance, and to gather all farmers under a free-trade, anti-union umbrella, as became obvi-

ous in the Live Sheep Export dispute of 1978, which the AWGC orchestrated as the catalyst to found the NFF. There, the farmers in the Cattlemen’s Union supported the Australian Meat Industry Employees Union’s (AMIEU) argument that sheep should be processed in Australia, to provide more jobs and income for Australians, against the AWGC and their allies. Many of those who would soon found the NFF, such as its third president, Ian MacLachlan, whose family owns the largest sheep station in the world, cut their teeth in that fight. David Trebeck, then executive secretary of the AWGC and future founding Deputy Director of the NFF, wrote the history of the dispute. By 1997, Trebeck was the principal of the ACIL firm, which the government hired to write a master plan to crush the MUA.

Busting unions was part of the NFF’s plan from the start, as Tom Connors recounts in *To Speak With One Voice*: “The NFF, from its very beginning, made it clear that industrial relations would be high on its agenda. *The Land* [the agricultural journal] thought it fitting that the Prime Minister, Malcolm Fraser [himself a blue-blood, and personally close to AWGC head Sir Samuel Burston] ‘should pick the launching of the National Farmers’ Federation to take a tough stand against unions’.”

At the NFF launch, Wolf Boetcher was selected as the first chairman of the NFF’s Industrial Committee because he was “renowned for his bluntness and willingness to ‘have a go’ at the trade unions”, as one chronicler put it.

As noted, the NFF co-founded the H.R. Nicholls Society. Former NFF president Ian MacLachlan was an H.R. Nicholls founder, and NFF officers David Trebeck, Paul Houlihan, and Ian Wearing have bragged to H.R. Nicholls Society event audiences about the NFF’s union-busting activities. Houlihan made such boasts at the inaugural Seminar of the H.R. Nicholls Society in February 1986, regarding the Mudginberri dispute. And NFF-backed H.R. Nicholls member Peter Costello did likewise, when he set out to smash the Confectionery Workers’ union in the infamous Dollar Sweets campaign in Melbourne. The H.R. Nicholls Society, along with its sister MPS think tank, the Tasman Institute, pump out propaganda for deregulation, free trade, competition, and de-unionisation, which is then implemented by the government.

A classic example is the campaign to crush the MUA.

After the initial \$80,000 contract for “waterfront reform” which then-Transport Minister John Sharp gave to ACIL Economics in early 1997, ACIL received—without tender—a further \$600,000 to develop a master plan. Its proposals included the use of troops on the waterfront to break the union. The NFF’s industrial officer, James Ferguson, himself admitted raising this option with the Government. Furthermore, advertisements designed to recruit potential scabs to undergo training as stevedores in Dubai appeared in the official journal of the Aus-



Nobby Clark (l.), former chairman of Coles Myer, headed the \$100 million National Farmers Federation “Fighting Fund” for wiping out trade unions. Former NFF executive David Trebeck was the principal of ACIL (later ACIL Tasman), which the Howard government hired for the late 1990s plot to crush the Maritime Union of Australia (MUA).

HEADQUARTERS FINANCE COMMITTEE.	
<u>Chairman.</u> <u>Commander J. Patrick.</u>	Shipowner, "Scottish House", 19 Bridge St., Sydney. 14 Spring St., Sydney.
<u>R.S. Harris.</u>	"Barinya", Condamine Av., Neutral Bay.
<u>D.J. Gunnson.</u>	19 Bridge St., Sydney.
<u>J. Scott Fell.</u>	Northern Collieries Assn., Kosbia Bldg., 58 Margaret St., Sydney.
<u>Chas. MacDonald.</u>	C/O Eagle Star & Dominion Insco., Co., Ltd., 9 O'Connell St., Sydney.
<u>G. E. Knox.</u>	Messrs Gibbs Barrett., 58 Margaret St., Sydney
<u>F.W. Barrett.</u>	Retail Traders Assn., 181 Clarence St., Sydney
<u>Sid. Bennett.</u>	Man. Director Messrs J. Patrick & Co., Ltd., 19 Bridge St., Sydney.
<u>F.W. Radford.</u>	Malley's Ltd., Mountain St., Sydney.
<u>G. Malley.</u>	532A Kent St., Sydney.
<u>I.C. Hill.</u>	Parrafinata Rd., Camperdown.
<u>G.O. Lackersteen.</u>	59 Barcon Av., Kings Cross.
<u>L.G. Regan.</u>	11 Allen Av., Clovelly.
<u>J. Hemlet.</u>	129 Sussex St., Sydney.
<u>G. Ferguson.</u>	

New Guard document on file in the Mitchell Library Archives. The New Guard's "Headquarters Finance Committee" was chaired by Commander J. Patrick. A successor company, stemming from his firm, was Patrick Stevedores, which took the lead in the war against the MUA.

tralian Defence Force (ADF), which came under the portfolio of then-Defence Minister Ian MacLachlan, the former NFF president and H.R. Nicholls activist.

While writing the study on how to break the MUA, the NFF also lined up the financial resources to do so, which newspaper reports put at \$100 million, centred in the NFF’s Australian Farmers Fighting Fund (AFFF). The NFF established the AFFF in 1986. *The Business Review Weekly* of July 25, 1986 reported then-NFF Deputy Director, Rick Farley as saying that “businesses had donated money so that the NFF could establish some industrial precedents.” (Emphasis added.) Indeed, the AFFF’s guidelines directed a “significant proportion of expenditure to relate to industrial issues”. By 1997, the NFF had raised \$11 million; later, over \$100 million. That war chest was overseen by two well-known farmers: Nobby Clark, former chairman of Coles Myer; and former CRA mining executive and H.R. Nicholls Society co-founder Charles Copeman, who had sacked his entire workforce at Robe River in 1986 in order to crush the union.

Once NFF/ACIL had drafted their report, *NFF/ACIL executives personally founded companies to carry out the strategy the government had paid them to develop!* The officers of the new, non-union waterfront companies were NFF President Donald McGauchie, Industrial Director James Ferguson, and former Industrial Director Paul Houlihan, an author of the government’s *Workplace Relations Act*. The four new NFF companies were grouped around P&C Ste-

vedores Pty. Ltd. The name was hardly accidental; it recalls the infamous “P&Cs”, the Permanent and Casuals scab unions formed to break the Waterfront Workers Federation beginning in 1917, which efforts were continued by New Guard founders Jack Scott and Eric Campbell in the 1925 maritime strike. Similar actions were carried out in the 1950s, and then in the 1990s.

The key event in the 1990s assault was Patrick Stevedores’ mass sacking of its unionised workforce. This company was a linear successor to the Patricks shipping firm of the early 1930s, which played such a notable role in the New Guard. The founder of Patrick Shipping was the New Guard’s financial director, James R. Patrick, while Patrick’s managing director, F.W. Radford, was active in the New Guard as well. On Patrick’s own web site, it notes that “Patrick is Australia’s largest stevedore, with origins dating back to 1919.” In that year “James Patrick had commenced a shipping business”, which by 1923 was known as Patrick Steamships Ltd. (see http://marshall.csu.edu.au/html/Stamps/Steamers/Germania_Text.html).

In the background of Patrick’s union-busting activity under chief executive Chris Corrigan, was Rio Tinto. The lawyers and strategists for Patrick Stevedores were Rio Tinto’s own lawyers, Freehill, Hollingdale and Page, while Patrick’s public relations needs were handled by White Group Communications, which also worked on Rio Tinto’s attempt to break the CFMEU in the Hunter Valley the previous year. (For further details, see the CEC pamphlet, “Stop the British Crown Plot to Crush Australia’s Unions”).



The non-union Webb Dock in Melbourne, home to Patrick Stevedores, offspring of Patrick Steamships, bulwark of the 1930s New Guard. In the 1990s, Patricks spearheaded the plot to bust the MUA.

Defeat the Synarchists—Fight for a National Bank

Liberal Party Funding

Examination of the Liberal Party's funding today makes clear that there is no difference between how it works now, and the periods when the National Union and Consultative Council ran the earlier "non-Labor" parties in the 1920s, 1930s and early 1940s, or when those were replaced by the IPA. The Liberals get a tiny portion of their funds from their members and the rest from the government and Big Business, particularly the companies most closely associated with the Mont Pelerin Society. The Liberals would not exist for a minute without Big Business.

Exemplary of this reality, is the Cormack Foundation, the main funding vehicle for the Liberal Party in Victoria, and the subject of repeated parliamentary inquiries.

For years, the Cormack Foundation has consistently been one of the Victorian Liberal Party's largest or second largest donors. The foundation had always adamantly

refused to reveal the source of the huge funds it pours into the Liberals. Finally, in 1997, after a lengthy battle with the Australian Electoral Commission (AEC), which insisted that Cormack was affiliated with the Liberal Party and not merely a donor, Cormack coughed up a few facts. Its directors at that time were all powerhouses in the various MPS fronts in Australia. Among them were:

- Hugh Morgan, then Managing Director of Western Mining and founder of H.R. Nicholls and the CIS;
 - ANZ Bank chairman Charles Barrington Goode, President of the IPA, 1984-1993, a director of CSR and Dunlop Ltd., and Chairman of the \$100 million Ian Potter Foundation (Potter was a founder of the IPA);
 - John Calvert-Jones, brother-in-law of the Tasman Institute's Rupert Murdoch.
- All three were still directors, as

of Cormack's latest filing with the Australian Securities and Investment Commission. Most telling, the only other recipients of Cormack moneys, besides the Liberal Party, were and are local fronts for the Mont Pelerin Society. For instance, aside from the \$3,061,000 Cormack gave the Liberal Party in 2001-02, it gave \$15,000 to the IPA, \$50,000 to the CIS, and \$15,000 to the Institute for Private Enterprise—its only other contributions to anyone.

The activity report that Cormack finally reluctantly filed with the AEC in 1997 showed the sources of the huge funds it received. They are names that have appeared constantly throughout this report:

- \$105,288 J.B. Were Capital Markets;
- \$644,077 J.B. Were & Son (J.B. Were brokerage)
- \$487,936 "investment receipts" from blue-chip holdings, including:

- \$79,126 CSR;
- \$29,131 Coles Myer;
- \$31,335 News Corp. (Murdoch);
- \$37,700 CRA (Rio Tinto).

In the latest year for which figures are available (2001-02), the following amounts were donated to the Victorian Liberal Party through Cormack, starting with a staggering sum from J.B. Were & Son:

- \$2,319,125 J.B. Were & Son;
- \$120,200 J.B. Were;
- \$3,549 National Australia Bank.

The National Australia Bank also made a \$10 million campaign finance loan to the federal Liberal Party in 1996. The National Union is apparently alive and well, under the name of Menzies controller Staniforth Ricketson's old firm, J.B. Were & Son. Moreover, the company address of the Cormack Foundation is identical with that of Allens Arthur Robinson so-

licitors, the old Collins House Arthur Robinson & Hedderwicks firm, since merged with Allen, Allen and Hemsley, whose senior partner for decades was Old Guard influential Sir Norman Cowper.

J.B. Were was Joint Lead Manager and Joint Global Coordinator for the Liberal government's sale of Telstra in 1997 and 1999. Were made a whopping \$28 million on the 1997 sale. Since 1997 it has given the Liberal Party—through the Cormack Foundation—at least several million. J.B. Were also advised the Kennett government on the privatisation of its electricity assets, for which the company no doubt picked up a bundle as well.

The utter dependence of the Liberal Party (and all other parties except the CEC) on Big Business and/or government funding is clear in Graphs 1, 2 and 3 on this page and p. 57.

Donor to Political Parties Annual Return 2001/2002

Please refer to the Funding and Disclosure Handbook for Associated Entities when completing this form. A copy of this Handbook can be viewed at the Australian Electoral Commission's website at www.aec.gov.au. Giving false or misleading information is a serious offence.

Donor Details
Name of person or organisation: **CORMACK FOUNDATION PTY LTD**
Postal Address: **LEVEL 29, 530 COLLINS STREET MELBOURNE VIC Postcode 3000**

1. Donations made to Political Parties

In the table below list the name and address of each registered political party to whom donations totalling \$1500 or more were made between 1 July and 30 June, along with the date and value of each donation made. Note, donations include:

- the provision of goods and/or services for free (or "gifts-in-kind" as defined in the handbook); and
- discounts given which are not made in the normal course of business.

A donation made to any person or body with the intention of benefiting a political party is to be treated as a donation made direct to that party.

Name of Political Party	Address	Date of donation	Value of donation
Centre for Independent Studies	270/6 Sturt Street Melbourne VIC	23-7-01	50,000
Liberal Party of Victoria	100 Exhibition Street Melbourne VIC	7-8-01	1,000,000
"	"	14-7-01	11,000
"	"	31-10-01	500,000
"	"	4-4-02	800,000
Liberal Party of Victoria	100 Exhibition Street Melbourne VIC	27-7-02	15,000
Liberal Party of Victoria	100 Exhibition Street Melbourne VIC	27-4-02	15,000
Liberal Party of Victoria	100 Exhibition Street Melbourne VIC	30-5-02	750,000
			3,141,000

STRICTLY PRIVATE & CONFIDENTIAL THE ALPHA FUND PAGE 3

DATE	DIVIDENDS RECEIVED	\$
11/1/98	WESTPAC BANKING CORPORATION 21.8 cents per share on 70,417 shares (1,818 shares allotted)	19,942.52
22/2/98	NATIONAL AUSTRALIA BANK LIMITED 49.8 cents per share on 270,250 shares (5,323 shares allotted)	198,520.58
21/8/99	NO TINTO 25.84 cents per share on 43,388 shares	11,286.84
16/9/98	LEND LEASE CORPORATION 21.0 cents per share on 58,148 shares (817 shares allotted)	12,138.88
26/2/98	POWDER INTERNATIONAL LIMITED 18.0 cents per share on 275,727 shares	27,632.73
20/8/99	COMMONWEALTH BANK OF AUSTRALIA 56.5 cents per share on 285,850 shares	162,529.25
30/9/98	WEST AUSTRALIAN NEWSPAPERS HOLDINGS LTD 13.2 cents per share on 703,421 shares	92,845.92
9/1/99	HOWARD SMITH LIMITED 24.8 cents per share on 46,988 shares	11,272.32
9/1/99	FOSTER'S BREWING GROUP LTD 7.3 cents per share on 221,440 shares	17,388.56
24/6/98	COMMONWEALTH BANK OF AUSTRALIA 80.3 cents per share on 15,000 shares (207 shares allotted)	6,450.00
27/8/99	MAYNE NICKLESS LIMITED 13.0 cents per share on 86,548 shares (2,132 shares allotted)	12,571.20
9/1/99	OWA INTERNATIONAL LIMITED 8.5 cents per share on 150,711 shares (4,818 shares allotted)	12,991.22
26/1/98	WOOLWORTHS LIMITED 15.0 cents per share on 22,047 shares	2,304.75
26/1/98	WOOLWORTHS LIMITED 15.0 cents per share on 25,000 shares (800 shares allotted)	2,250.00

STRICTLY PRIVATE & CONFIDENTIAL THE ALPHA FUND PAGE 4

DATE	DIVIDENDS RECEIVED	\$
14/1/99	MINERAL INDUSTRIES LIMITED 45.3 cents per share on 31,000 shares (595 shares allotted)	13,642.50
21/1/99	WOLFRUMS LIMITED 42.8 cents per share on 111,181 shares	46,896.02
26/1/99	TELTRA CORPORATION LIMITED 28.2 cents per share on 1,728 shares	4,402.56
23/1/98	THE NEWS CORPORATION LIMITED 1.8 cents per share on 152,138 shares (295 shares allotted)	2,858.52
30/1/98	THE NEWS CORPORATION LIMITED PREFERRED 3.75 cents per share on 87,882 shares (404 shares allotted)	3,275.69
28/1/99	COLES MYER LTD 12.5 cents per share on 74,751 shares	9,343.89
28/1/98	COLES MYER LTD 12.6 cents per share on 79,800 shares (303 shares allotted)	1,005.00
28/1/98	BP 25 cents per share on 52,840 shares (104 shares allotted)	13,410.00
12/1/99	NATIONAL AUSTRALIA BANK 58 cents per share on 225,119 shares (2,321 shares allotted)	171,980.22
26/1/98	WESTPAC BANKING CORPORATION 24 cents per share on 73,334 shares (1,828 shares allotted)	17,600.16
21/8/99	LEND LEASE CORPORATION 32 cents per share on 28,541 shares (627 shares allotted)	10,735.12
19/8/98	HOWARD SMITH 17.80 cents per share on 46,988 shares	3,284.28
17/8/98	FOSTER'S BREWING GROUP LIMITED 8.8 cents per share on 221,440 shares	19,541.12
31/8/98	TABCORP 21 cents per share on 48,750 shares	11,212.50

Above Left: The super-secretive, Big Business-supported Cormack Foundation poured millions into the Victorian Liberal Party in 2001/2002 alone. The only other recipients of Cormack Foundation largesse were Mont Pelerin Society think tanks: the Centre for Independent Studies, the Institute for Private Enterprise, and the Institute of Public Affairs. Above Right: Cormack's returns show the Big Business sources of the millions it pours into the Liberals.

Below: The Cormack Foundation's solicitors, as of 1999/2000, were Arthur Robinson & Hedderwicks, the old Collins House firm, now merged with Allen, Allen & Hemsley as Allens Arthur Robinson.

Associated Entity Annual Return 1999/2000

Please refer to the Funding and Disclosure Handbook for Associated Entities when completing this form. A copy of the Handbook can be viewed at the Australian Electoral Commission's website at www.aec.gov.au.

Associated Entity Details
Name: **CORMACK FOUNDATION PTY LIMITED AIN 004 838 228**
Postal Address: **LEVEL 29, 530 COLLINS STREET MELBOURNE VIC Postcode 3000**

Financial Controller Details
Name: **GARY P. BOKREIS**
Capacity/Position with the Associated Entity: **SECRETARY**
Postal Address: **ARTHUR ROBINSON & HEDDERWICKS LEVEL 29, 530 COLLINS STREET, MELBOURNE VIC Postcode 3000**
Telephone number: **(03) 9211 3613**

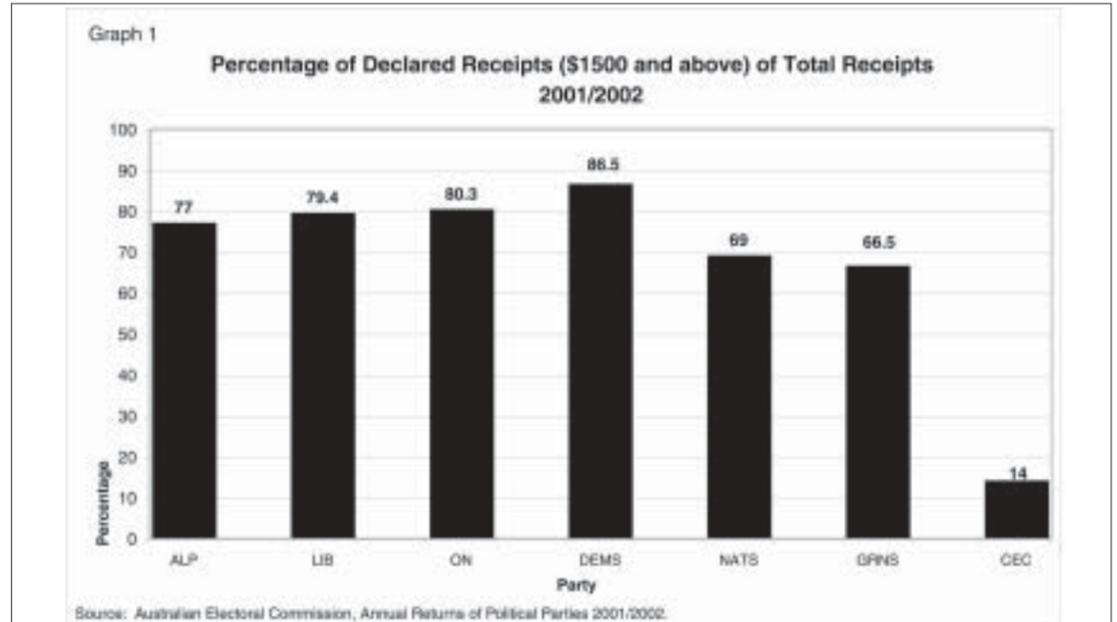
RECEIPTS

I certify that the information contained in this return is true and correct.

1. Total Receipts this Financial Year: **\$1,514,000**

2. Persons and Organisations from whom \$1,500 or more was received

Name	Address	Amount Received
RECEIPTS FROM INVESTMENTS TRUSTY (TRUSTEES)		\$1,284,400
J.B. WERE CAPITAL MARKETS	310 COLLINS STREET, MELBOURNE VIC 3000	74,000
J.B. WERE & SON	310 COLLINS STREET, MELBOURNE VIC 3000	2,075,100



The graph shows the percentage of their total income that the political parties derive from contributions of \$1500 or more, which by law they must disclose to the Australian Electoral Commission (AEC). With the exception of the CEC, all the parties are substantially or almost totally dependent on a handful of very large contributions. Some of these large contributions, as for One Nation in the past or the Greens presently, are received from the AEC on the basis of votes cast in prior elections. The great bulk of these AEC funds, too, are effectively an indirect contribution by Big Business, insofar as the major media pumps up these parties far beyond what their membership base would justify. For instance, the Packer/Murdoch media effectively contributed tens of millions of dollars of free advertising to One Nation. By contrast, the same mass media blacks out the CEC, which must therefore rely strictly on its actual membership base. And even the "radical" One Nation received \$20,000 from the National Australia Bank and Westpac in its 1998/99 heyday.

Defeat the Synarchists—Fight for a National Bank

The CEC: The Nation's Fastest-Growing Political Party

The popular perception, studiously cultivated by the mass media, is that the “major” parties, hated though they may be for pushing economic rationalism and a police state, simply cannot be challenged because they are too big. And, for those who can't stomach the “majors”, an impotent safety valve is provided through the Synarchy's approved rebels, One Nation earlier and now the Greens.

A quick look at membership and funding figures, however, shows up the majors as Potemkin Villages—the wooden facades of villages constructed by the 18th-Century Russian army officer Grigori Potemkin as Hollywood-style sets to impress Empress Catherine the Great as she cruised down the Volga River. Even more important than the sheer numbers are the *trend lines*: the Liberals and the ALP are going down, down, down in membership and the average age of their members is going up, up, up, now standing at around 65 for the Liberals and probably not much different for the ALP.

Whereas party membership was well over 400,000 for both the ALP and the Liberals in the 1940s, what has leaked out about the actual numbers of the parties' present membership figures (a closely guarded secret) shows the parties to be dying. They are surviving only on corporate financial life support, supplemented by media fictions, but have virtually no real base in the population. Former Labor Senator John Button said on the June 8, 2003 *Sunday Program*, “I'm not saying that rigor mortis has set in, but I'm saying that it [the ALP] looks fairly terminal at times.” Added Labor MP Rodney Cavalier, “If the Labor Party was a nation, it would be on IMF watch.”

The ALP's official membership is around 30,000, or, as former ALP Senator Chris Schacht said in 2002, “less members than the Adelaide Crows [football club]”. These numbers, however, are inflated by the practice of branch-stacking, which has proliferated over the past two decades; it is acknowledged that genuine ALP

ALP short of candidates

DAVID WILSON



LABOR will reopen nominations for five key seats at the next federal election because no one has applied to stand.

The seats are Aston, Casey and Menzies in the outer east of Melbourne, and the rural seats of Murray and Wannon.

The lack of candidates, particularly for Aston and Casey, is an embarrassment for Labor and the Victorian cent of winning Aston at a by-election in July 2001.

According to ALP documents obtained by the *Sunday Herald Sun*, nominations for the five seats will be called when preselections for all other Victorian federal seats are finished over the next few weeks.

The documents also show the state branch has put aside \$256,600 to help fight the Victorian end of the next federal election, which is

Embarrassed: Simon Crean
At the last federal elec-

Wanted: new Liberal blood

POSITIONS VACANT



Liberal Members of Parliament

REQUIREMENTS: Must be in touch with local community and be prepared to attend candidate school.

SALARY: Starting at \$100,760 for a backbencher and progressing to a minimum of \$176,200 for a Minister.

ADDITIONAL ALLOWANCE:

By Political Reporter **LEAH CRAG**

FANCY yourself as the next Member for Morwell, Adelaide or Wipac? Well if you do, the Liberal Party is looking for you.

The party is advertising widely for potential candidates to stand in Labor and independent-held seats in the 2004 State Election.

Liberal Party state director Graham Jarochik said it was looking for “motivated, energetic persons”, but denied the party had any membership shortage.

Mr Jarochik said there was nothing new in advertising for candidates.

He expected many candidates to come from existing party branches.

“The only way we are going to defeat sitting candidates is to provide the best candidates possible,” he said.

Liberal-held marginal seats to be targeted by the Liberals

PAGE 12: Parliament reports

Crean, who holds the marginal seat of Elston, accused the opposition of fleeing a “desperately seeking candidate” advertisement.

Early next year, the MP hopefuls will attend “candidate school”, where they will learn about the pre-selection process and what is expected of them as candidates and MP.

Pre-selection typically takes place about a year before an election, but could be brought forward by some marginal Labor and independent-held seats.

Mr Jarochik said efforts in recent years to restore

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The Liberal Party of Australia
Queensland Division



is calling for financial members of the Liberal Party interested in representing the State Electorates of Waterford, Ashgrove, Albert, Algester and Ipswich West in the next State Parliament.

Applicants will have a huge commitment to the community, an ability to work hard for local residents, will tell Brisbane exactly what is needed locally and ensure it is delivered in the local area.

Nominations close on Wednesday, October 8, on the form available from the State Director. For more information ph (07) 3252 1316.

For more information
ph (07) 3252 1316

Authorised by Brendan Cooper,
25 O'Connell Terrace, Bowen Hills 4006.

If the Liberals and the ALP have so many members, how come they have to advertise for candidates?

membership numbers are far less, more like 10,000. For instance, of the 12,000 members of the Victorian branch of the ALP, fully 70 per cent are signed on at the lowest, concessional rate of \$25.00 and the great majority of these are acknowledged to be branch-stacked. The ALP recently couldn't even find candidates for Melbourne electorates, including two (Aston and Casey) which Labor has held in the recent past, nor could it staff all the electorate's polling booths in Fowler in the 1998 election, despite ostensibly having 3,500 members in Fowler. Both parties have been reduced to advertising in the newspapers, to find candidates for both state and federal elections.

The Liberals are no better off. The flagship NSW organisation of the Liberals has just 6,000 members (many of whom are over 65), Tasmania just 600 and Western Australia just 800, according to

Liberal insiders. The Liberals' WA Branch briefly lowered its membership fee to \$10 to attract members, before raising it again to \$25. They also have a huge branch-stacking problem. WA Liberal MP Don Randall told the August 4, 2002 *Sunday Times* that the number of “phantom” Liberal members was 90 per cent: “And many don't even remember they are members—it doesn't stick in their minds.” Given the collapse in membership and the advanced age of remaining members, Paul Sheehan observed in a study of the “major” parties in the *Sydney Morning Herald* of May 13, 2000, that the Liberal Party is “literally dying.” And both parties, he reported, “are no longer grassroots movements; they no longer reflect the mainstreams they purport to represent. Big money donors have never been more important to their survival.”

Sheehan concluded, “A gap is

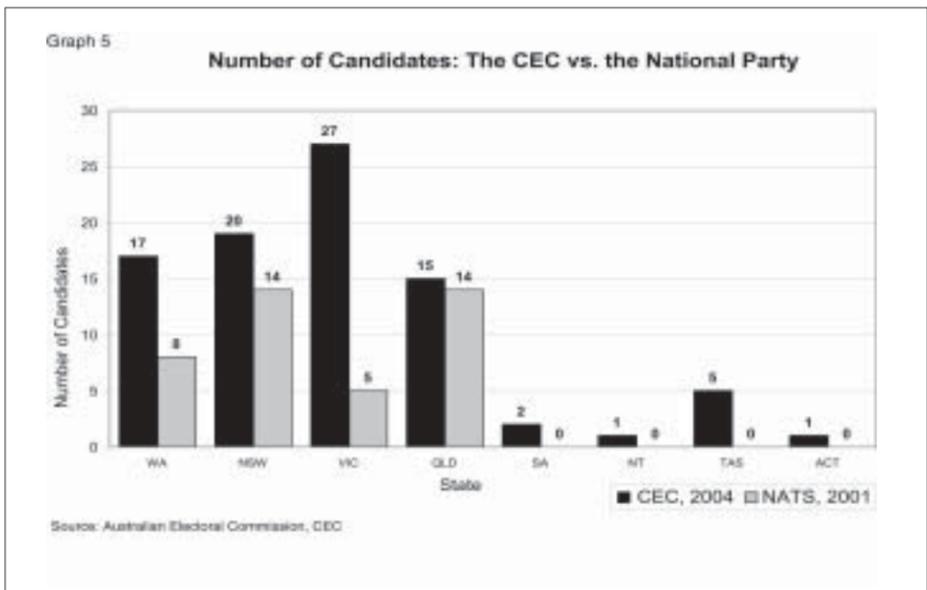
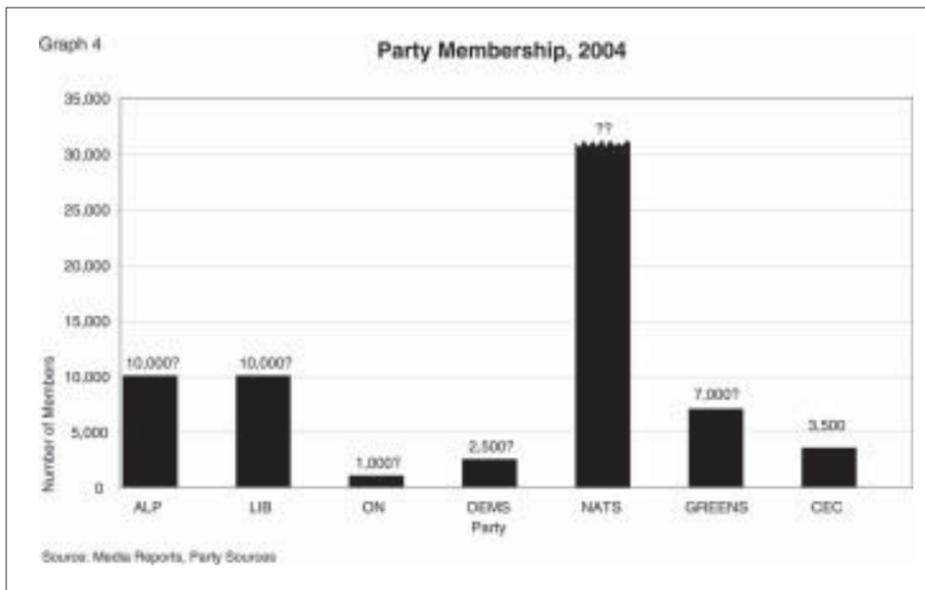
growing between the governors and the governed, with potentially profound implications for Australian society.” By far the main implication of that observation, is that the widely despised, dying “major” parties will resort to police-state methods in a desperate bid to hold on to power, particularly in a depression, and given who owns them in the first place.

The relatively tiny active membership base of the “major” parties is obvious from their funding, particularly when contrasted to that of the Citizens Electoral Council (CEC), as the graphs show. Of the CEC's \$1.266 million raised in 2001/2002, only 14.5 per cent came from 30 disclosable transactions (those over \$1500), and all of these were from individuals: no Big Business, trade union or even government funding. (Graph 1, p. 55) The balance of the CEC's funding came from an astonishing 17,000 individual contributions—a level of grassroots

support unmatched by any other party in Australia.

The CEC's growing support is also reflected in recent state elections, where CEC candidates scored as high as 7.4 per cent in the 2001 WA state elections, 8.75 per cent in the 2002 Victorian state elections, and 7.3 per cent in the 2003 NSW state elections. In the latter, CEC State Secretary Ann Lawler polled 7.33 per cent of first preferences, but a remarkable 33 per cent of second preferences (*Newcastle Herald*, March 21, 2003), with the majority of those obviously from “major” party voters who didn't want to “throw away their vote”.

The moral to the story is: don't be a jerk and vote for one of the “majors” who have ruined Australia over the past couple of decades, just because you think they are the only ones relevant. That is exactly what the Synarchy and its media want you to think.



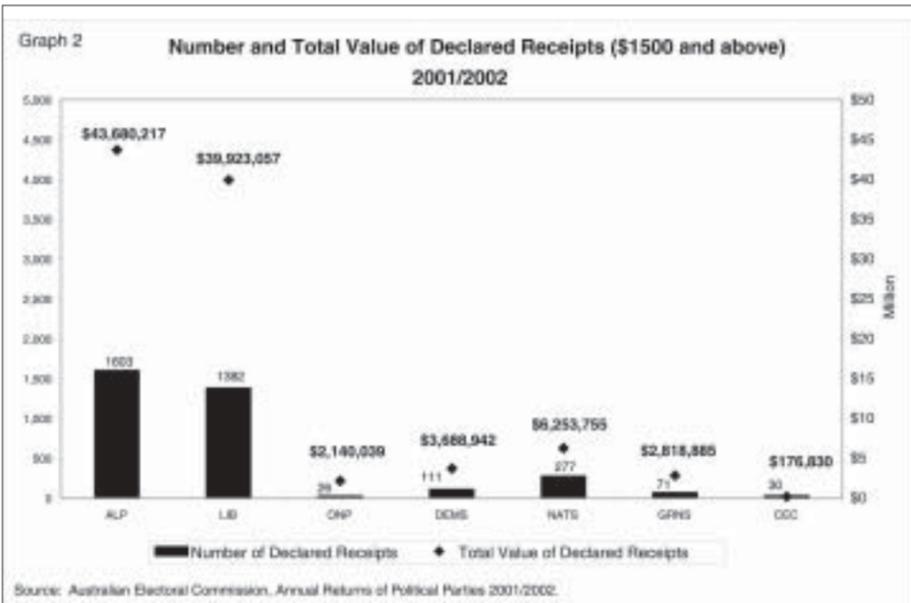
The “major” parties' memberships are far lower than their inflated, branch-stacked claims of membership. The National Party's claim of 110,000 members should be taken with many grains of salt. As Paul Sheehan observed in the *Sydney Morning Herald* of May 13, 2003, the Nats' membership began to drop in the 1980s and dropped again in the 1990s. On the presumption that there is less branch-stacking in rural areas, the Nats may well have the largest membership base in Australia, but—their presumed large membership notwithstanding—the Nats ran fewer candidates than the CEC in the 2001 federal election. The Democrats' figures are taken from reports of the party's internal voting, and the Greens' figures are from what are reported to be internal Green party documents, cited by Crikey.com on Nov. 27, 2003. One Nation claimed 5000 members at the height of its Packer/Murdoch-assisted popularity; it has collapsed since.

Even more than the Liberals and the ALP, the Nationals claim to have a very large membership base. Well, if they are so big, how come they run so few candidates? The CEC ran more candidates than the Nats in the 2001 federal election, and, in all likelihood, will run far more than them in the federal election expected in 2004. Whatever their actual total membership may be, the reality is that the Nats are a dying party, just like the Liberals and the ALP.

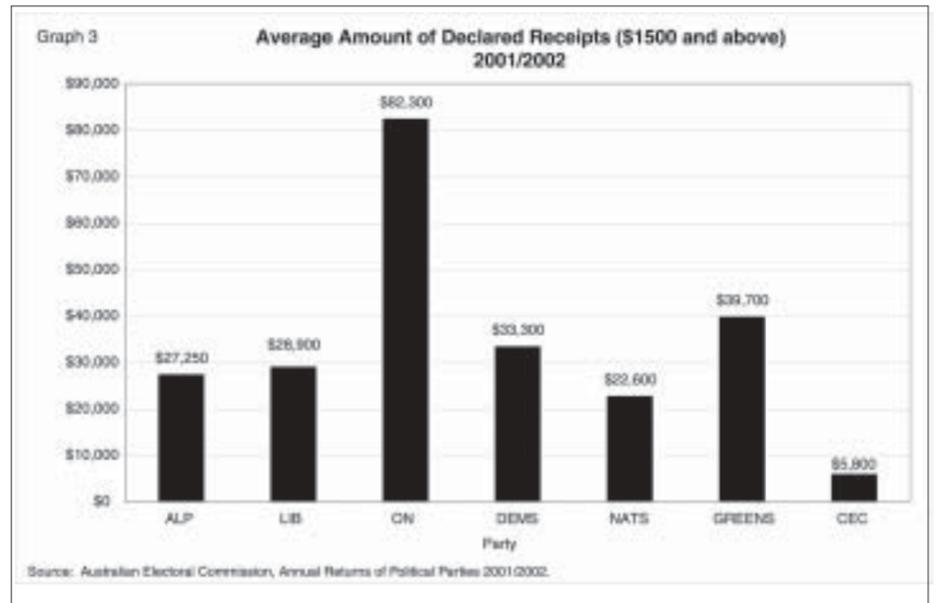
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Defeat the Synarchists—Fight for a National Bank

Continued from Page 55



Another look at how entirely dependent all the other parties are on mega-contributions (i.e., Declared Receipts—those over \$1500). Many of these are from Big Business, or, to a much lesser extent, from the trade unions, in the case of the ALP. Even the ALP derived an estimated 48 per cent of its funds from Big Business.



Another view of how all parties but the CEC are utterly dependent on mega-contributions, most of which come directly or indirectly from Big Business.

POPULISM—THE ENEMY WITHIN

“There’s no leader for a time of crisis who’s one damn bit good, unless he’s going to take on the people, and point out their corruption, in themselves, and tell them to change it, whether they like it or not.”

—Lyndon H. LaRouche, Jr.

“If any body of persons in Australia is to blame for the evils of our social system, it is the working classes. We have the intelligence and the power to change the conditions of life for the better; and have only to put forth our energy, and by unity of effort we can gain all that is required.... The masses must not only take a deeper interest in political questions, but they must make the politics of the country. The welfare of the people must be raised to the first place—must be the uppermost and foremost consideration. How best to secure the good of all without injury to any should be the aim ... the broadest justice, the widest extension of human happiness, and the attainment of the highest intellectual and moral standard of civilised nations should be our aim.... Let each remember that man had failed before because each carelessly left to some other the work of the Common Good. We must reverse that. Each must take his or her share. With unity above all as our watchword, the Common Good our aim, we will soon find common ground of agreement as to the way in which the goal should be reached. The best start we can give to our children is the certainty of better conditions; the sweetest memory of us to them the fact that we did so.”

—William G. Spence, Founder of the Australian Workers’ Union, longtime Member of Federal Parliament.

Did Pauline Hanson raise the intellectual and moral level of her supporters, or was she given untold millions in publicity by Establishment media, precisely because she did *not* do so?

Populist movements are built upon the kind of blind, fear-driven rage which characterised Hanson’s politics: fear of immigration, fear of “outsiders” of all sorts, fear of loss of jobs or standard of living, etc. The Establishment plays the population’s fears, and perceived immediate greedy self-interests like a piano, herding the greedy, frightened populist sheep first in this direction, then in that one. With rare exceptions, this has been the history of Australian politics during the 20th and 21st Centuries.

Look back to Jack Lang. After

he was sacked by Governor Sir Philip Game in May 1932, 500,000 people—the largest crowd in Australian history—turned out to support him. Yet, in the election that immediately followed, the electorate voted overwhelmingly *against* Lang and the Labor Party, amid popular fears of the “Reds” and of fears of financial ruin whipped up by the press. So the population voted the Old Guard into power. Or look at the contrived “Red scares” and popular fears of financial insecurity propagated by the Establishment media against Chifley’s courageous nationalisation of the banks. Playing upon these fears, Menzies and the Old Guard/League of National Security-founded Liberal Party took power in 1949 and maintained it throughout the 1950s. Or look at the sack-

ing of Gough Whitlam on the same issue over which Lang and Chifley had been dumped—the control of credit. This was a blatant violation of Australian national sovereignty, yet, herded by media scandals, the population ratified the Crown’s dumping of Whitlam’s government by voting against the ALP in the following election.

Even with her limited political and intellectual experience, to the extent Pauline may have initially represented some real principles, she sold out. Yet her appeal to populist sentiments from the outset guaranteed that that is precisely what she *would* do. In other words, she sold out because she was too much like the scared, self-interested base who voted for her.



Pauline Hanson did not educate her supporters, but appealed to their blind populist rage. Photos: AAP Image/Sam Mooy

Hanson, Costello on a National Bank: One Coward, One Liar

by Jeremy Beck

For many Australians, the actual policy issues behind the stunning rise of Pauline Hanson’s One Nation in 1997-98 have now faded from memory. Chief among these was national banking.

As we show in an accompanying article, the Establishment created the populist Hanson phenomenon in order to distract attention from the enormous influence of LaRouche’s associates in the CEC, particularly in the rural sector. However, One Nation reflected that huge LaRouche influence in the bush through Hanson’s original

policies of tariff protection, re-industrialisation and national banking. And, as a Frankenstein’s monster which took on a sort of life of its own, notwithstanding its original creator, One Nation—in particular as it adopted a policy of national banking—struck terror into the heart of the same establishment which had originally unleashed it.

The stakes were extremely high. After its stunning capture of 11 of 89 seats in the Queensland State Parliament on June 13, 1998, polls showed the likelihood of One Nation capturing as many as 12 Sen-

ate seats (out of 76) in the Federal elections later that year. The Hanson victory also sent shock waves over the whole world, as reflected in media attacks in Europe, Asia and the United States. In Washington, D.C., in a meeting with two editors of *Executive Intelligence Review*, a top member of the patriotic faction of America’s intelligence community startled the *EIR* representatives by suddenly launching into a disquisition on the strategic significance of Australia, in the context of the war then raging between patriotic elements in the Clinton administration, on

the one hand, and the British Crown and the international Synarchist financier power on the other. Given the political ferment under way in Australia, which had been unleashed by the One Nation victories, and in the context of a mooted referendum on whether Australia should become a republic, the U.S. intelligence veteran emphasised that Australia had the chance, at long last, “to become a real nation-state, instead of an ersatz one,” controlled from Britain. “This would be a more serious setback” to the international financial oligarchy, and in particular to

the British Crown, he said, “than the reversion of Hong Kong to China,” and a development of “monumental strategic importance.” Given Australia’s position in Asia, and its cultural heritage, the country has the potential, he said, “to become the fastest growing industrial country in the region.”

In that strategic context, the issue of national banking—for which the CEC, after discussions on the issue with LaRouche, had already drafted legislation in 1994 and had circulated it widely all over the country—quickly took

Defeat the Synarchists—Fight for a National Bank

centre stage. Almost immediately after the polls closed in Queensland, the press and the government began a venomous attack on Hanson on that issue. On Australia Broadcasting Corp.'s 7:30 Report, Treasurer Peter Costello ridiculed Hanson aide David Ettridge, for his statement that "the government doesn't have to go overseas to borrow money. They can print their own money and they did this during war-time." Screeched Costello, "There is no country in the world that does that," ignoring the history of his own country, that of America, and indeed, of virtually every other country in the world. Furthermore, Costello intoned, "If a government started printing notes and putting them into circulation, inflation would take off"—a real howler from someone pushing the policies which have created the biggest hyperinflationary bubble in human history, including in Australia.

Initially, Hanson fought back. Responding to the government attacks, Hanson issued a press release on June 18, in which she called for the reassertion of national sovereignty through the sovereign control of credit: "In the long term, if Australia is to prosper and aspire to reach its full potential, we must reduce our dependence on foreign capital to finance our growth," she said. This could include use of Australia's \$230 billion in superannuation funds, or the issuance by the Reserve Bank of low-cost loans for agriculture and industry, as Jim Cairns had earlier mooted.



The Establishment's media created the populist Pauline Hanson phenomenon, in order to obscure the policies put forward by LaRouche and the CEC.

Furthermore, Hanson said, Australia used to have its own national bank:

"[My] policy is reflective in many ways of the original function of the Commonwealth Bank born in 1911 under the Fisher Labor government. The Commonwealth Bank was created to make national credit available to anyone with decent security to offer, help reduce public debt, and provide real competition to private banks. Any profits were returned to the federal government. Australian Labor Party policy in 1934 planned to have the Commonwealth Bank utilise the credit of the nation for the benefit of the people. In essence, even if only in a small way to start, this is our principle as

well.... In its time as a truly national bank, the Commonwealth Bank financed much of Australia's commerce and infrastructure including the entire war effort in World War I, and the East-West Railway. The need for a peoples' bank is as great now as it ever was, and we will inform the Australian people of its use and continue this debate regardless of the Treasurer's self-interest in stopping such discussion."

The pressure from the media and "major party" politicians intensified, and, despite her noble words, Hanson and One Nation quickly caved in. Reflecting the pressure, at a meeting between the CEC's national leadership and that of One Nation in December 1998, One Nation's David Oldfield informed the CEC leaders that they henceforth intended to go with "personalities, not policies"—by simply promoting Pauline herself, and dropping all the "controversial" (and LaRouche-influenced) economic nationalist policies which had been the chief reason for their earlier success. The cowardly decision to promote a demagogue stripped of all policy content, in order to appeal to populist mob sentiment, sealed the fate of One Nation.

Ultimately, Pauline was gutless. And her opponent, Treasurer Peter Costello? He shamelessly lied: he had claimed, against Ettridge, that the Government couldn't just print money. Yet, in another interview that same year, 1998, he said, "Look, I won't go into the Reserve Bank but they are in the best busi-

ness in the world. They actually, literally print money. It's called seigniorage by the way." (See <http://www.treasurer.gov.au/tsr/content/transcripts/1998/010.asp>.) The Australian government, in the years both before and since then, has printed tons of money, and has "put it into circulation", however virtually all of this has been for speculation, as opposed to having been directed into industry, agriculture and infrastructure, as in a sane economy.

While Hanson and One Nation caved in to pressure and chucked

overboard their earlier ideals, the CEC, despite intense pressure, slander, media libels, and calls to ban the party by the ADC/Leibler gang, has stuck to its guns on the make-or-break issue of national banking, as on other essential issues. By contrast, the "major parties" sold their souls on this issue decades ago (the Liberals from their very founding), while the establishment-promoted Greens had no intention of ever financing agriculture and industry in the first place. So, whom do you think you can trust?



A 1948 ad warns that Chifley's bank nationalisation will "take your money away". The Synarchy manipulates the population's fears, as around "terrorism" today.

Like Betty Freeland most of us prefer to do business the friendly way. At the bank, it is pleasant to know that you are a valued customer and that your requirements will receive prompt attention. How different if you had to queue up at a Government monopoly bank where you were only a number in a file. Your business then might take days, even weeks to complete. Remember, if you have no choice you have no freedom.

The Politics of Fear

by Robert Barwick and Allen Douglas
reprinted from *Executive Intelligence Review*

The draconian sentence handed out to populist political leader Pauline Hanson is aimed at the growing LaRouche movement.

Populist icon Pauline Hanson was sentenced to three years imprisonment on August 20, 2003, following her conviction for fraudulently registering her political party, Pauline Hanson's One Nation, in 1997. For an essentially technical violation of electoral law, the sentence was draconian, and shocked many in Australia. One Government politician, Bronwyn Bishop, called Hanson a "political prisoner", and independent MP Bob Katter from Hanson's home state of Queensland expressed the sentiments of most, when he told the Aug. 21 *Australian Financial Review*, "As far as the public is concerned there will be a belief that anyone who stands up for what they believe in will be cut down."

One way or another, the Hanson sentence was aimed at Lyndon LaRouche's associates in the Citizens Electoral Council, the nation's fastest growing political party. Either, as Katter indicated, those thinking of supporting an option outside the "major party" structure of the Liberal Party and the Labor Party (i.e. the CEC), may be terrorised into not doing so, or, Hanson will once again be used by the establishment as she always has been—as a populist demagogue to draw attention and votes from the CEC.

Before her outrageous sentence, Hanson's political influence had all but collapsed. After her conviction, she first announced that she would re-enter politics if her sentence were overturned. After it was overturned, she said she would not

enter politics again. But, a federal election looms in 2004 and no doubt some in the Establishment would like to pump up Pauline again, to deflect votes from LaRouche's friends in the CEC. Recent years' state elections in Western Australia, Victoria and New South Wales, where CEC candidates polled around 8 per cent, have marked a growing rise in the party's influence.

From its inception, Pauline Hanson's One Nation was deployed as a counter-gang to the CEC, particularly in the volatile, hard-hit rural sector of the country.

In October 1992, LaRouche's associates in the CEC opened a full-time office in Melbourne, which terrified some of the nastiest elements of the Establishment, such as Isi Leibler, the right-hand man in Australia of booze baron and World Jewish Congress boss Edgar Bronfman. Leibler proclaimed that LaRouche and the CEC have "a disruptive capacity never before seen in this country." For once, Isi was right.

After circulating millions of newspapers throughout rural Australia ("the bush"), which was the CEC's original bastion of support, by June of 1996 LaRouche's influence had reached such a point, that then-Deputy Prime Minister Tim Fischer accused LaRouche of organising a 150,000 person anti-gun control rally in Melbourne, and Rupert Murdoch's *Weekend Australian* ran a banner headline with LaRouche's picture and the caption: "The Gun Debate: The LaRouche Link to the Bush Rebellion."

Almost immediately thereafter, Pauline Hanson began her meteoric



In 1996, Murdoch attacked the real threat to the Money Power: Lyndon LaRouche. Shortly afterwards, he and Packer began pumping up Hanson to draw support away from the LaRouche-associated Citizens Electoral Council.

rise to fame, courtesy of hundreds of millions of dollars of free media coverage by the media empires of Kerry Packer and Rupert Murdoch. The coincidence of Hanson's early ideas with those of the CEC—for national banking and reindustrialisation and against privatisation and the fraud of "Aboriginal land rights"—did not go unnoticed. Well-known commentator Philip Adams wrote in the *Weekend Australian* of May 3-4 1997, "It's been noted that Pauline Hanson's memorable maiden speech [in Parliament] was chocker with policies that bore an eerie resemblance to those of Lyndon LaRouche," while another Murdoch rag, the Brisbane *Courier Mail*, wrote that "she does have ideas, alas, and her ideas are essentially those of the CEC."

The Packer-Murdoch "attacks" on Hanson, together with her CEC-borrowed policies, had a predictable effect in a country well-known for its sympathy for the rural "battler". In the 1997 Queensland state election Hanson drew almost 25 per cent of the vote, and elected a stunning 11 members to state parliament.

As long as she advocated the CEC's policies, Hanson became a kind of Frankenstein's monster for

the very Establishment which had created her, and the Liberal and Labor parties set up a \$100,000 slush fund orchestrated by Liberal Government minister Tony Abbott—a close crony of Prime Minister John Howard—to attack her in court, a process which ultimately led to her 3-year sentence.

In the meantime, and under fire, Hanson had jettisoned all of her CEC-derived policies, becoming a mere populist demagogue. By late 2000 her movement had all but collapsed. The Packer/Murdoch media miraculously revived it

from the dead just in time to stop CEC Western Australian state Secretary Jean Robinson from winning a seat in state parliament in the Wagin electorate in the February 2001 election. As even Hanson's own candidate for Wagin admitted, without Hanson, the CEC's Robinson would have won.

Hanson's sentence has been overturned, as it should have been. The question now is, to paraphrase a pro-Hanson August 2000 cover story in Kerry Packer's *Bulletin* magazine, "Can this souffle rise three times?"

Populist I.Q. Test: How Dumb Are You?

1. Do you think the "major" parties have membership bases as large as they claim?
2. Do you think Pauline Hanson ever represented a *real* threat to the Establishment?
3. Do you think the CEC "has good ideas", but you would be wasting your vote to vote for them, because they are "too small"?
4. Do you think the national and world economy are in "basically good shape", even with a few problems here or there?

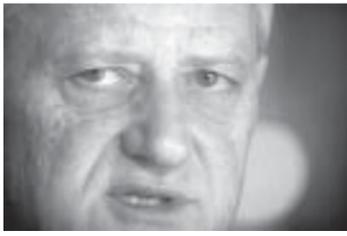
If you answered "yes" to two or more of the above questions, Congratulations! The Establishment loves populist dummies like you. If you answered yes to one of the questions, it is time you rethought some of your basic axioms—the future of our nation depends upon it.

Defeat the Synarchists—Fight for a National Bank

IV. The Fascist Laws

In the early 1930s, and again after World War II, the Synarchy created private fascist militias to enforce their will upon Australia. This time around, they do not need such fascist militias, because they have already constructed much of the necessary *juridical* structure to transform the state itself into a fascist regime, under one or another pretext, most recently that of “fighting terrorism.” “Fighting terrorism” has never been the issue: the legislation authorising the Australian army to shoot and kill Australian civilians for the first time in history, for instance, was passed already in 2000, well before 9/11! [*The Defense Legislation Amendment (Aid to Civilian Authorities) Act 2000*]

And, with every new outburst of Synarchist terror anywhere in the world, the Howard government will ram through some new piece of fascist legislation. A Latham-led ALP would continue the process, judging by their agreement to



Attorney General Philip Ruddock (l.) is setting up a police state, and ALP leader Mark Latham (r.) is helping him. Photos: Ruddock/AAP Image/Mark Graham. Latham: AAP Image/Paul Miller

grant Attorney General Ruddock’s fascist “banning power”, and their own plans for a “Homeland Security” ministry. Just look at what the government proposed immediately after the March 11, 2004 Spanish train bombings, after having already passed the most draconian package of “anti-terrorist” legislation in history over the past two years:

March 13: Ruddock called for still another new “anti-terror” law banning “consorting with terrorists.” As noted in a summary in the *Sunday Herald Sun* of March 14, “Police would have greatly in-



creased powers to arrest suspected terrorists under Federal Government proposals announced yesterday in the aftermath of the Spanish bombings. Australians socialising with terrorists would face jail under the plan. At present, it is an offence only to be a member of a terrorist group or provide financial support.”

As usual, Ruddock justified the new vague, catch-all legislation with Cheneyite rantings, “We are in a war. This is not a traditional war. It’s a war in which people pose a threat to the life and liberty and safety of the Australian communi-

ty,” Ruddock snarled. He intends to entirely overhaul Australia’s legal structure, using the pretext of the “war on terror”, as shown in the article below on the March 4, 2004 passage of the Hitler-style law granting him the right to ban any organisation he chooses.

March 17: Ruddock announced more oppressive legislation, under the guise of “making defamation laws uniform”. Among other things, he intends that families can sue on behalf of their deceased relatives. Presently neither the relatives nor estate of the deceased can sue. Such a prospect could prevent actual history from ever being written, since it often involves the misdeeds of the rich and powerful, as reported in this issue of the *New Citizen*, for example. Ruddock’s Synarchist masters clearly intend that the actual history of Australia—with its enormous implications for the present—should never be told.

March 23: Ruddock announced

plans for new police powers, to monitor people with bugs and other surveillance without a warrant, as well as to give police powers to detain and question people for 24 hours.

March 25: Ruddock proposed laws to intern “suspected foreign terrorists” indefinitely, without trial, Guantanamo Bay-style. Additionally, evidence provided by intelligence agencies, police and others in trials could be kept secret, so that people facing the charges and their lawyers would not be able to know of, or respond to the evidence—a return to star chamber procedures. Ruddock also announced that he is considering extending the time for which someone can be held by ASIO for questioning beyond a week, which was granted in the notorious “ASIO bill”, which was itself only recently passed after a bitter 18-month battle and uproar throughout the country.

Australia’s ‘Notverordnung’

by Robert Barwick

Reprinted from *Executive Intelligence Review*, March 19, 2004.

A Nazi ‘emergency decree’ legislation to ban organisations has been rammed through Parliament. A bill granting Australia’s Attorney General sweeping powers to arbitrarily ban organisations was rushed into law on March 4, within hours of being tabled in the Federal Parliament. The *Criminal Code Amendment (Terrorist Organisations) Bill 2003* provides for organisations to be proscribed simply if the Attorney General, with no requirement to test the evidence, is “satisfied on reasonable grounds that the organisation is directly or indirectly engaged in, preparing, planning, assisting in or fostering the doing of a terrorist act (whether or not the terrorist act has occurred or will occur).”

The man granted these extraordinary powers, Attorney General Philip Ruddock, has spent the last few years honing his skills by running Australia’s regime of concentration camps, where refugees fleeing to Australia, including children, are locked up for years without charge behind barbed wire, in the middle of the Australian desert, as a “deterrent” against illegal immigration.

In January, Ruddock visited the United States and Canada, where he met key police-state enforcers such as Attorney General John Ashcroft, Homeland Security Secretary Tom Ridge, and Canadian Attorney General Irwin Cotler.

Upon his return, he addressed a Feb. 19 session of Parliament—just two weeks before the bill passed—where he chillingly proclaimed a new era of fascism in Australia. “The conventional criminal law/due process model [innocent until proven guilty, the right to a fair trial, etc.] is not only inadequate but inappropriate,” he raved. “Dealing with terrorists and the terrorist threat requires pre-emption and deterrence, our approach must be preventative as well as punitive. This approach of course, flies in the face of a conventional law and order/prosecute and punish approach.”

Ruddock’s new executive prescription power is the Australian equivalent of the infamous *Notverordnung* (Emergency Decree) and Enabling Law that passed the German Reichstag in

1933, which handed Hitler his dictatorial powers. Then, the very opposition political parties who caved in under pressure and passed the laws, were among the first groups to be banned.

The passage of the Australian bill follows a similar cave-in by the “opposition” Australian Labor Party (ALP), which opposed the bill for two years, despite intense pressure from the conservative Howard government, and the synarchist Rupert Murdoch-owned media. Initially inclined to support the bill, out of a desire to be seen to be “tough on terrorism,” the ALP’s opposition was catalysed by a nationwide mobilisation which generated tens of thousands of calls of protest against the bill when it was first tabled in 2002. This mobilisation was led by Lyndon LaRouche’s Australian associates, the Citizens Electoral Council, which charged that it was a Hitler-like push to impose fascism, in the face of the deepening global depression.

LaRouche’s CEC was the principal target of this law, as confirmed in October 2002 when Australian members of Her Majesty’s Privy Council and their front group, the Anti-Defamation Commission of B’nai B’rith, called for the CEC to be banned. (Crucially, that call came just five days after the CEC published a full-page advertisement in *The Australian* newspaper, which listed over 600 prominent Australians calling for the establishment of a national bank.)

The effectiveness of the CEC mobilisation was reflected by Labor Party leader Simon Crean in June 2003, when he slammed the government’s power-grab as politically motivated: “We will not agree to their carte blanche approach in giving the Attorney General the sweeping powers that John Howard always wanted but would only ever act on if it suited his political purposes, not for the protection and the security of the Australian people” (emphasis added). However, last December, the ALP dropped Crean as party leader, and with him, its opposition to the bill.

New leader Mark Latham, a Mont Pelerin stooge described to



Prussian police chief Herman Goering set the Reichstag on fire so Hitler could seize power.

EIR by one member of his own party as an “evil right-winger,” immediately announced his intention to form a Department of Homeland Security, modelled on the fascist Ashcroft/Ridge department in the United States, if he is elected as prime minister this year. But under questioning from the CEC and members of the LaRouche Youth Movement, Latham and his senior party spokesmen repeatedly lied about their intention to support the banning law, until the day the bill was tabled, thus short-circuiting any real chance for community opposition to be mobilised. Despite the CEC’s best efforts to organise protest calls against it, the bill was passed in 24 hours. Latham’s actions have won him the support of the Murdoch media, which is now touting him as the likely next prime minister, after the upcoming election.

In reviewing the following chilling series of laws, do not see merely the face of John Howard or Mark Latham, but look to their Synarchist masters in London and New York, who control them precisely as the Synarchists of the 1930s and 1940s controlled Robert Menzies and ALP turncoat Joe Lyons. It is the same today: Howard and Latham jump when their Synarchist fascist financial controllers tell them to. Aside from establishing the juridical basis for a Hitlerian regime in the near future, the

passage of these laws is meant to, and is already having a Beast-man effect in terrorising the population, particularly when coupled with scenes of *Nacht und Nebel* (Night and Fog) armed, masked squads breaking into Australian houses to search for “terrorists”, and the existence of barbed wire concentration camps where people—mainly immigrants at this point—disappear for years.

The Criminal Code Amendment (Terrorist Organisations) Bill 2003.

Rammed through Parliament on a single day, March 4, 2004, with no notice beforehand, this law allows the Attorney General to ban any organisation he wants to, simply on his own say-so.

The Australian Security Intelligence Organisation Legislation Amendment (Terrorism) Act 2003

On June 27, 2003, the ALP caved in and passed what the Government’s own Parliamentary committee had earlier denounced as “the most draconian legislation ever presented to the Australian Parliament”, the notorious “ASIO bill”. The Act transformed the spy agency ASIO into a full-fledged Australian secret police. It gave ASIO powers to detain people, even as young as 16, for up to seven days incommunicado (in some cases for indefinite periods). Detainees will be deprived of the right to remain silent—under threat of a five-year jail term—and the onus of proof will now be on the detainee to show he has no knowledge or material evidence related to terrorism. The original form of the Act was far worse, and was only watered down thanks to a nationwide outcry, and a mobilisation against it by the CEC.

2002 “Anti-Terrorism” Acts

In March 2002, the Howard Government suddenly handed an astonished House of Representatives eight bills comprising the most sweeping changes in Australia’s security and intelligence measures since World War II. The bills had been prepared in utter secrecy

and the ALP and the smaller parties were given precisely 16 hours (overnight) to examine the 100 pages of legislation and 100 pages of explanatory memoranda before debate began on them the following day. Only a minuscule two weeks were allowed for public hearings, in which some of the finest legal minds in the country testified that *there was no need for these new laws*, and that they constituted grave violations of human rights on numerous fronts. The major parties ignored such testimony, and all but the ASIO bill rapidly passed both houses and became law. These included: the *Border Security Legislation Amendment Act 2002*; the *Criminal Code Amendment (Espionage and Related Offenses) Act 2002*; the *Suppression of the Financing of Terrorism Act 2002*; the *Telecommunications Interception Legislation Amendment Act 2002*; the *Criminal Code Amendment (Suppression of Terrorist Bombings) Act 2002*; and the *Criminal Code Amendment (Anti-Hoax and Other Measures) Act 2002*.

Intelligence Services Act 2001

As originally proposed, this act granted intelligence services *immunity from prosecution* if they break the law “in the course of their duties”. The ALP amended the immunity provisions, but still allowed the bill to pass. It specifically authorised the Australian Security Intelligence Service (ASIS) and the Defence Signals Directorate (DSD) to spy on Australian citizens for the first time ever, where these agencies previously had been restricted to foreign intelligence.

Measures to Combat Serious and Organised Crime Act 2001

This act extended the use of “controlled operations” (otherwise known as “stings” and entrapment) to other Commonwealth offenses, not just drugs, permitted officers to manufacture fake documents and to assume false identities, and increased the

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use of listening devices, even where a “suspect” is not known by name. Already in 2001 Australia’s various State and Federal police agencies used 2,157 phone taps, compared to the U.S. which used only 1,491. Australia has 20 million people, while the U.S. has 284 million, and the rate of arrests rising from the Australian taps was five times lower than that of the U.S. These figures do not include the massive number of phone taps regularly conducted by ASIO, whose scope was broadened even wider by the 2002 legislation noted above.

Additionally, almost every recent major public event has been used to further extend police-state powers, beginning with the huge expansion of police powers for the 2000 Sydney Olympics through until today. One such event was the Commonwealth Heads of Government Meeting in October 2001 in Melbourne which saw “an unprecedented widening of special police powers”, according to the *Courier Mail*, even above those for the Olympics. Other events included “S11” and other “anti-globalisation” demonstrations.

ASIO Legislation Amendment Act 2000

ASIO’s previous powers to open mail, intercept communications, place bugs and tap phones were expanded to allow ASIO to plant tracking devices on people, to hack into computers, and to crack and modify password control systems. In effect, this law enabled ASIO to add or change data, and sabotage website, e-mail facilities and internal communications systems.

Western Australian “anti-gang” Criminal Investigation Acts

WA’s Gallop Labor Government seized on the slaying of retired police detective Don Hancock in September 2001 to ram through the Parliament a series of laws that experts decried as “some of the most draconian in the western world”. The Acts allow police to conduct searches without warrants, seize documents including legal files, confiscate profits of crime, and dismantle “fortifications”, including houses. The Acts

allow judges to indefinitely imprison people who refuse to answer questions for being in contempt of court. President of the Australian Council for Civil Liberties Terry O’Gorman told the Nov. 8, 2001 *West Australian*, “These powers put WA in a class of its own. I am staggered by these laws.”

Border Protection Act 2001

Ostensibly designed to deal with the “Tampa crisis” of August/September 2001, the Act allows Australian customs, police, security or defence forces officials to turn back a ship from Australian territorial waters into international waters, and for the Australian military to use “reasonable force”. However, as originally proposed, “the special powers would not be open to challenge or review by the judiciary or by Parliament. *The bill was intended to override all other laws*, both international laws covering seafaring and Australia’s criminal and civil law”, according to a summary in the Aug. 31, 2002 *Australian Financial Review*. (emphasis added) This was a bit too much for even the normally compliant ALP, whose then-leader Kim Beazley instructed the ALP to reject it, because “it involved the suspension of all Australian law”. However, a slightly watered-down version, without the provision to override all other laws, was passed on Sept. 26 with the full support of Beazley and the ALP. Sen. Natasha Stott Despoja, then-leader of the Democrats, denounced the “draconian legislation ... the sort you might expect in the days of Stalinist Russia.”

The Racial and Religious Toleration Act 2001

Passed by the Victorian Parliament on June 14, 2001 after fierce debate, the act decrees that no person is allowed “to engage in conduct that incites hatred against, serious contempt for, or revulsion or severe ridicule of, that other person or class of persons”—an intentionally vague, politically correct clause which may be interpreted as desired, but which carries fines up to \$30,000, six-month prison sentences, and authorises police to use search warrants (previously only issued in Australia



Australia already has concentration camps, and as many police-state laws as Hitler had in 1933. Photo: AAP Images/Rob Hutchison

only in the event of serious crimes) and to break down doors to seize “evidence”. The major intent of the laws, according to their chief sponsor, the Anti-Defamation Commission of B’nai B’rith, was to shut down the presence of Lyndon LaRouche on the Australian continent. LaRouche charged that the legislation was “1) an intent to violate human rights; and 2) legislation in the same character of law as the February 1933 decrees which first established the Nazi government as a dictatorship.”

The Defence Legislation Amendment (Aid To Civilian Authorities) Act 2000

This act, the infamous “Shoot to Kill Bill”, allows Australian defence forces to enter buildings, cordon off areas, erect barricades, and stop traffic to search and seize people and property, and to use “lethal force” if “domestic violence” flares, or if the “Commonwealth’s interests” are threatened. The act represented a radical break with all previous Australian legislative history. As Sen. Vicki Bourne of the Democrats said in the debate shortly before the bill passed, “Let’s get clear what we have here. If this bill is passed, it will mean Australian troops can be directed, as a lawful order, to shoot dead other Australians under some circumstances.” The Coalition/ALP gang rammed the bill

through, refusing to even allow a one-line amendment which would have forbidden the army to shoot “people engaged in peaceful protests or civil disobedience.”

Y2K Emergency Laws

The Victorian State parliament passed a series of laws in late 1999 ostensibly to deal with potential “Y2K chaos”. The laws were the most sweeping in Australian history, allowing authorities to ration food; to “make a declaration that any service is an essential service” (e.g. water, transport, electricity, health care) for purposes of the law; to requisition any citizen or any machinery for an indefinite period of time; to impose fines of up to \$1 million or imprisonment for three years for anyone not complying with an officer under the law; to give blanket immunity to any official acting under the law, and so on. In short, said the leader of the opposition Liberal Party Dr. Denis Napthine (whose party wholeheartedly supported the laws), Clause 5 of one of the Acts “proposes giving enormous power to the minister, who will be able to do virtually anything. It provides powers that could put the situation on a war footing.” Even ALP Minister for Transport Peter Batchelor, when introducing the legislation, admitted that “the powers given to the minister are so broad as to be almost draconian.”

All of this power was allegedly

granted to deal with a crisis which never existed in the first place. As LaRouche’s *Executive Intelligence Review* magazine documented at the time, the “Y2K crisis” was manufactured in order to pump money into the global speculative bubble, to keep the world’s financial system afloat for a few more years. Although the laws had a sunset clause which terminated them in June 2001, a precedent was set, in particular to deal with “interruptions of essential services”; it also added new provisions on such “continuity of services” to the *Emergency Management Act 1986*, which did not sunset. Such “interruption of services” are precisely a function of privatisation looting of essential infrastructure, such as the privatisation of the State’s electricity system.

The National Firearms Program Implementation Bill 1996

This was passed in the wake of the April 28, 1996 mass slaughter at Port Arthur in Tasmania by Martin Bryant. Bryant was a known security threat, and had been under the care of brainwashing experts associated with British intelligence’s Tavistock Institute from his early youth. His main controller was Tavistock’s legendary, Tasmania-based brainwasher, Dr. Eric Cunningham-Dax, as the *New Citizen* documented in an exclusive investigation published in its June-August 1997 edition. Much stricter gun control laws were implemented by state police ministers within days, followed by the federal law. Neither would have had any chance of being enacted without Bryant’s bloody mayhem. Deputy Prime Minister Tim Fischer charged (falsely) that the huge protest rallies against gun control, such as the 150,000 people who gathered to protest in Melbourne, had been organised by LaRouche, and that “There is no place in Australia for the kinds of ideas associated with LaRouche.”

Such restrictive laws on the possession of guns by Australian citizens were a lawful prelude to the “Shoot to Kill Bill” passed a few years later, allowing the Army to shoot and kill citizens who now do not have the means to defend themselves.

(Advertisement)

The Draconian “Anti-Terrorist” Laws:

END THEM, DON'T AMEND THEM!

On March 14, the House of Representatives passed a series of draconian “anti-terrorist” laws, with the most profound consequences for all Australians. The government introduced 100 pages of bills, together with another 100 pages of explanatory memoranda just the day before, and rammed the bills through within 24 hours. They then allowed a mere two weeks for “public comment” before a Senate committee. The bills will come before the Senate when it reconvenes on June 17.

As originally drafted, the bills would allow: the Attorney General to ban any organisation he feels like, and the jailing of its members or supporters for 25 years; create an extremely broad new “terrorism” offence which would snare many union activities, civil

disobedience and even normal political activity in its net; ASIO to pick up and detain people indefinitely on the slightest pretext, with no lawyer, no right to remain silent, and a 5-year jail sentence if you don’t produce a document or other information they claim you have; wholesale tapping of phones, fax, and email, with virtually no restrictions, etc. etc. Additionally, the bills reversed the onus of proof, so that someone has to prove that he or she is not a terrorist, or has not aided a terrorist.

All of this was done, despite the fact that some of the finest legal minds in the country have testified that there is no need for this legislation, that the existing criminal code (with possible minor changes) is ample to capture any offences of “terrorism”.

A public uproar forced the postponement of the

government’s plans to force these bills through the Senate May 14-17. However, with some revisions, the government still plans to ram the bills through on June 17 or shortly thereafter, and has struck a deal with the leadership of the ALP to do so, despite the fact that the Victorian state conference of the ALP on May 18-19, and the New South Wales ALP state conference on May 25-26, both overwhelmingly passed strongly worded resolutions calling for the bills to be scrapped.

There is a precise historical precedent for the proposed Coalition/ALP legislation.

On Feb. 28, 1933, using the excuse of the Nazi-rigged Reichstag Fire the previous evening, the Nazis rammed through the Cabinet an Emergency Decree which served as the basis for Hitler’s dictatorship, and for the

construction of the concentration camps within weeks. The key paragraph of the Decree, which overturned the existing Weimar Constitution, said: “Restrictions on personal liberty, on the right of free expression of opinion, including freedom of the press; on the rights of assembly and association; and violations of the privacy of postal, telegraphic and telephonic communications and warrants for house searches, orders for confiscations as well as restrictions on property, are also permissible beyond the legal limits otherwise prescribed.”

The following statement was initiated on May 7, and has been signed by many thousands of Australians, some of whose names are included below.

An Emergency Call To All Australians

A point-by-point comparison of the Howard government’s proposed new “anti-terrorist” legislation, with the February 28, 1933 *Notverordnung* (Emergency Decree) by which Hitler consolidated his dictatorship, shows the two to be virtually identical. Therefore, the ripping-up of civil liberties proposed by the Howard government is, in the most literal sense of the term, fascist, and must be thrown out. No democratic society should even consider the draconian, fascist measures which the Howard government is proposing.

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V. The Privy Council's Anti-Defamation Commission: An Arm of the Synarchy

ADC Champions Mont Pelerin Society, Tries to Ban CEC

In an October 2002 submission to the Australian Parliament's Joint Standing Committee on Electoral Matters, the Anti-Defamation Commission of B'nai B'rith (ADC) made the outrageous demand that Parliament ban the CEC from contesting Federal elections. The ADC submission took place in the context of the Howard government's attempt to secure one of Hitler's major powers, by giving the Attorney General the right to ban any organisation he chooses, which it has now achieved. The ADC's submission also came only a few days after the CEC had sent shock waves through the country with a full-page ad in *The Australian* calling for a national bank, which was endorsed by over 600 dignitaries from all walks of life.

What is this "anti-defamation" organisation which would make such an outrageous, fascist-style demand to ban a longstanding Australian political party? A quick glance at its board gives a ready answer: Aside from all being members of Australia's establishment in one way or another, it is dominated by three members of the ruling body of the British Commonwealth/Empire, Her Majesty's Privy Council. These are: the President of the ADC's Advisory Board, The Right Honourable Sir Zelman Cowen, former Governor-General; the Right Honourable Sir Ninian Stephen, former Governor-General, and former Prime Minister Malcolm Fraser. Former Prime Minister Bob Hawke is on there also, along with former NSW Premier Neville Wran, former ATSI head Lowitja O'Donoghue, and Sir Walter Campbell. (Former Governor-General Sir William Deane joined the board after the ADC made its October 2002 submission to parliament.)

Defending Economic Rationalism

But, perhaps most telling is that in all its major attacks against the CEC over the past several years, including in its 2002 call to ban the CEC, the ADC has stoutly defended one of the main structures of the Synarchy, the Mont Pelerin Society, and its local fronts in Australia. Typical was its 2001 "Briefing Paper" on the CEC and LaRouche, in which the ADC, in ostensibly describing the CEC's outlook, whined:

"The Mont Pelerin Society is supposedly a covert subvertive [sic] group founded in 1947 in a chalet on the slopes of Mt. Pelerin in Switzerland by some of the leading families of the European Oligarchy. Desiring free trade and the elimination of the nation state, the Society purportedly moved from Switzerland to London from where it has become 'the chief economic warfare arm of the British Crown'.

"The CEC claims that the Federal Government and the Kennett Government in Victoria are really Mont Pelerin's Australian 'front groups', as are several thinktanks and NGOs, including the Institute for Public Affairs, the Tasman Institute and Centre for Independent

Studies. Prominent Australians purportedly associated with the Mont Pelerin Society include Peter Costello, Dame Leonie Kramer, Paddy McGuinness, John Hyde, Hugh Morgan, and Kevan Gosper. Thus, rather than acting in the interests of Australia, the policies of Government and NGOs are allegedly in accordance with the dictates of the Mont Pelerin Society and the British Crown." The ADC was so outraged, that it even reprinted an entire CEC flow chart on the Mont Pelerin Society and its Australian branches, and another on the enormous influence Rio Tinto—in which Queen Elizabeth happens to be the major private shareholder—wields over Australia, politically and economically.

Toadies for the Oligarchy

And then, in its 2002 submission to the Parliament calling for the CEC to be banned, the ADC again took up the cudgels for Mont Pelerin and the Crown:

"Via the CEC, LaRouche projects his own obsession for secrecy and conspiracy, and his penchant for front organisations onto the *Oligarchy*. True to extreme Rightwing orthodoxy, it has a mysterious organisation to do its bidding in Switzerland since 1947, the Mont Pelerin Society. This new version of the notion of the Illuminati operates through acolytes in each country, to dominate economic and social policy. In Australia its membership reads as the Who's Who of Australian capitalism. Included are all the major banks, insurance companies and financial institutions, as well as British transnational corporations such as the H.R. Nicholls Society, the Tasman Institute, and the Centre for Independent Studies."

One wonders if the ADC will also call for the *Sydney Morning Herald* to be banned, since the *SMH* reported extensively on the power, secrecy, and major corporate backing which the Mont Pelerin Society and its think tanks have in Australia, in its four-part series on the topic in 2003. It called Mont Pelerin Society founder von Hayek the "puppet master of the 20th century", and said of the MPS flagship in Australia, the CIS, "Most observers... say no organisation has ever enjoyed CIS's influence in Australia." Moreover, continued the *SMH*, the CIS enjoys "the personal endorsement of Prime Minister John

Howard", who opened the CIS's annual international Coolum festival, and of Treasurer Peter Costello, who gave Coolum's opening address in 2003. "And with Howard's unquestionable political dominance after three successive election victories, they point to striking similarities between the New Right values of his Government and those of the CIS."

Pumping for One-World Government

The ADC protests that the CEC attacks the MPS's (own stated) calls for one-world government, and the MPS's economic rationalism in Australia:

"The ultimate object of the international web of influential elites and individuals is the formation of one-world-government at the behest of London.... The Mont Pelerin activism is not restricted to the private domain of the economy, but has cadres in highest echelons of the Federal parliament and the national bureaucracy. All Australian Prime Ministers, from Robert Hawke in 1983 to John Howard, are its dupes. Kim Beazley is not excluded. They are all accused of leading Australia down the grassy pole to economic and social crisis. The *Oligarchy* demands that their decision-makers follow the 'bottom line' of free market economics. This is manifest in current fire-sales of public assets and utilities, the deregulation of labour and capital markets, the allowance of predatory practices in transnational corporations, the export of manufacturing jobs overseas to places with far lower wage profiles, and the floating exchange rates leaving nations at the mercy of currency sharks. The upshot of all this is a total disruption of the livelihoods and accustomed lifestyles of ordinary people."

Moreover, the ADC complains that:

"LaRouche's antidote to the worldwide disaster is reindustrialisation of the economy. It is predicated on the triumph of Industrial Capital over the Money Capital of the Oligarchy."

The old Labor Party, King O'Malley, Frank Anstey, Jack Lang, John Curtin and Ben Chifley certainly would agree.

"This will be led by a transformed America, not the liberal democratic America of the present, which is in the control of the *Oli-*

garchy."

Many people would sharply disagree with the ADC's characterisation of "the liberal democratic America at the present," given that it is under such neoconservative fanatics as Dick Cheney and John Ashcroft.

"[T]he features of the LaRouche metamorphosis of America include a command economy, completely standardised work practices, centralised labour and capital markets, Everest-high tariffs, and fixed international exchange rates. In other words, an inversion of the ways of the Oligarchy".

British Imperialists

That's a pretty fair description of both Australia and America when its economies were at their heights, as opposed to the rubble heaps which both are now. But the ADC continues:

"Ultimate victory cannot be achieved by one nation alone, even by the reconstructed America. All nations in concert have to consent to the LaRouche principle initiated by a New Bretton Woods. Just as the original Bretton Woods in 1944 developed a plan to restore Europe after the ravages of World War II, so a similar conference is imperative to redeem the world from an all-embracing economic crisis induced by the *Oligarchy*. Presumably each nation would implement simultaneously the LaRouche economic plan of domination, centralisation and protectionism.... In a sense, the whole LaRouche scenario is a replay of the American War of Independence. It is up to an America enthused with his ideology and practices to defeat the machinations of the British-led Oligarchy."

Well, dumb as they may be, the ADC finally did get the basic point. It is indeed a "replay of the American War of Independence", but this time on a global scale. The ADC also complains that:

"Essential in the eyes of the CEC in its push for 'Old Labor' values is the creation of two institutions: a 'Commonwealth National Credit Bank' to create all the credit necessary for national infrastructural development, and an 'interstate Commission' to prioritise this infrastructure, and set tariffs to protect Australian manufacture from overseas competition."

"Ban Them!"

In conclusion, the ADC warns

of the CEC's growing political clout as the Synarchy-driven financial crisis continues to worsen, "The effects of globalisation along with its associated free market concepts, aided and abetted by the electronic revolution, continue to sweep aside those cultural and social verities which have traditionally anchored communities. In increasing numbers, losers in this new and confronting environment could well be attracted by the simplistic and populist messages of the CEC."

The solution? Ban them!

The ADC also questioned the CEC's fundraising, noting that the CEC had raised more money than all but the two biggest political parties, but that less than 15 per cent of its donations were declared, i.e. itemised. The ADC alleged that the donations were therefore somehow dodgy or coming from suspect sources, while they in fact proved the opposite: that 85 per cent of the CEC's 17,000 donations were less than the \$1,500 maximum which would require them to be declared. That is to say, contrary to those of the major parties (and no doubt to the ADC's own funding), the CEC's donations show a *very wide base of electoral support* (see p. 56).

Devoting three pages of its 350-page report tabled on June 23, 2003 (mainly on the 2001 Federal election) to the ADC's call, the Committee bluntly rejected them, stating that their allegations "did not amount to evidence." In a footnote, their report rebuked the ADC's Nazi-like call for banning a major political party: "The Committee is not prepared to endorse the dangerous route of banning organisations from contesting democratic elections on the basis of the views attributed to them." Aside from the utter rejection of the ADC demand, the Committee's phrase "on the basis of the views attributed to them" was noteworthy, in that the ADC's report on the alleged views of the CEC was one big tissue of lies.

One Committee member, Deputy Chairman Michael Danby, the former editor of *The Review*, was clearly disappointed. A longtime enemy of the CEC and LaRouche, Danby had earlier called for a Federal investigation of the CEC, and of the five Federal politicians who spoke on the report when it was tabled in parliament, none mentioned the small section on the CEC, except for Danby.



Privy Councillor
Sir Zelman Cowen

Privy Councillor
Sir Ninian Stephen

Privy Councillor
Malcolm Fraser

Bob
Hawke

Dr. Lowitja
O'Donoghue

Neville
Wran

Sir Walter
Campbell

These great humanitarians and defenders of civil rights, have, like Hitler, called for the banning of their political opponents.

Photos: Zelman Cowen. The Age/Eamon Gallagher; Ninian Stephen. The Age/Beinga; Malcolm Fraser. The Age/Matt Bowie; Dr. Lowitja O'Donoghue. Aapimage; Neville Wran. Aapimage

Defeat the Synarchists—Fight for a National Bank

Sir Zelman Cowen: Picking Up Where the Old Guard Left Off

Among the Australian LaRouche Youth Movement, Sir Zelman Cowen has acquired the nickname, “Sir Zero Coward”, for his repeated attempts to weasel out of taking responsibility for the ADC’s attempt to ban the CEC, though he is well-informed of the matter, and is the ADC’s ranking figure and President of its Board of Advisers. However, in a discussion with a CEC Executive member on Dec. 5, 2002, an exasperated Sir Zelman, who parades as oh-so-liberal, spat the dummy, and proclaimed that he would, indeed, “support banning some parties.”

That Sir Zelman would have a hatred for, and want to see the CEC banned, would not be surprising. He is a senior member of Her Majesty’s Privy Council, the ruling body of the British Commonwealth/Empire and a longtime



Privy Councillor Sir Zelman Cowen wants to ban the CEC.

trusted retainer both for the Crown, and for its various front organisations, such as that Round

Table of which he is a member, and to which so many of the leaders of the fascist Old Guard and League of National Security belonged in the 1930s, as well. The Crown’s enmity for Lyndon LaRouche is notorious worldwide; moreover, Sir Zelman is personally terrified of the republican principles for which the CEC stands, including the direct popular election of a U.S.-style President, thus putting an end to the Anglo-Dutch parliamentary system which he has devoted his life to defending.

Over the years, Sir Zelman has been entrusted with a number of critical jobs for the Crown, including his appointment as Chairman of the Committee on Executive Powers for an Australian head of state, under Prime Minister Bob Hawke’s Constitutional Commission, commuting back from Ox-

ford, where he occupied another sensitive position as provost of Oriel College for eight years. This was the first go at a republic, and the Crown was determined that it not be a real one. At first entirely opposed to even a phony republic, Cowen had to change his tune once PM Paul Keating started his own call for a republic; though Keating did not want a real republic either, his call opened the door on a serious debate of what one would be like.

In the lead-up to the 1999 republic referendum, Cowen campaigned against an “executive presidency operating within a full-blown separation of powers as in the United States,” as he put it in his “An Australian Republic: A Guide for the Perplexed”. Cowen demanded, instead a “symbolic change to a republic” so that “we

would retain our parliamentary system unimpaired”. This would continue the unimpeded private financier control of the creation and control of credit, and thus over the government itself. His hatred for a popularly-elected President was because “It may well be that, especially in a crisis, a directly-elected President will read the powers of his or her office expansively”, and then, horror of horrors, “who knows what form of executive or semi-executive presidential system we could end with?” (Emphasis added.) It is precisely the ability of a strong President to act for the Common Good in a period of crisis, as Roosevelt did in leading the U.S. and world out of the Depression and to victory over the Axis powers, that terrifies the Synarchy.

Cowen’s Role Model: The Old Guard’s Sir John Latham

In 1965, Cowen wrote a book, *John Latham and Other Papers*, in which he eulogised the “conservative politician”, Latham. He knew Latham personally, and wrote that “I had great respect for this extraordinarily active and vigorous old man.” We have met Latham before, as the Nationalist Party opposition leader in parliament, who stepped aside for the Synarchy’s “Honest Joe” Lyons to become prime minister, and was later paid off with the post of Chief Justice of the High Court (1935-1952). Prior to that, as attorney general under conservative governments, he also drafted legislation in the mid-1920s to amend the Crimes Act, in order to ban “revolutionary and seditious organisations and making it an offence to belong to such organisations” (*Australian Dictionary of Biography*).

Since Sir Zelman is so enamoured of Latham, let us look a bit closer at this man who was, like Cowen, a devout Anglo-Australian. Like all Anglo-Australians, he was more British than Australian: after the British Parliament’s passage of the Statute of Westminster in 1931, which allowed the parliaments of the “Dominions” to make their own laws even if inconsistent with British law (although the Privy Council still had the ultimate say), Latham held up the application of the Statute for Australia for an entire decade, until John Curtin and the ALP took office and in 1942 adopted the Statute, back-dating its effect to September 1939



Privy Councillor Sir John Latham

when war was declared.

Like Cowen, Latham was also made a member of the Privy Council for his fierce Imperial loyalties. Throughout his long career, Latham consistently acted for the Crown and the British Empire against the ALP and Australia’s own best interests. He was a life-long friend of leading Synarchist Lionel Curtis, a top figure in the British Round Table. Latham headed Naval Intelligence in World War I, beginning a career-long affiliation with military intelligence, whether official or unofficial, as with his numerous ties to leading figures in the Old Guard and League of National Security. In 1923 he was the legal officer for Sir John Monash’s special constables, which were used to break the

Melbourne police force. In 1926, following the 1925 maritime strike and the passage of the Crimes Act, he called for the radical amending of that act because “a definite systematic organisation is at work in Australia to overthrow by violence...the constitutional and democratic government of this country.” The Communist Party was pathetically weak and disorganised at that point, so such a statement was a palpable lie; he was actually aiming at the labour movement—a tactic he would apply again and again. Historian of the Old Guard Andrew Moore recounted Latham’s close ties with virtually all the leaders of the Old Guard, and summed up Latham’s role vis a vis that fascist body, “In order to understand the Old Guard it is necessary to conceive of men like Latham waiting discreetly in the wings while others...stood centre stage and took the risks in day-to-day organising.” As some of his close friends and associates among the Old Guard’s leadership also did, Latham trooped to Italy to meet with Mussolini—a fact which Sir Zelman omitted from his biographical sketch of Latham.

After the Synarchy’s UAP replaced the Scullin government, Latham became attorney general, and drafted the *Financial Agreements Enforcement Act*, the essential piece of legislation which was the basis for either an Old Guard physical assault on Lang, or, as happened, Lang’s sacking by the Crown’s NSW Governor Sir Philip



Cowen and Latham fought against an Australian republic. The CEC are republicans.

Game, for violating that act.

Latham’s bitterly anti-labour actions also carried the strong stench of corruption with them, given his strong ties to business. The truth shines through even the highly-sympathetic account of his actions in his entry in the *Australian Dictionary of Biography*: “Minister of industry from 10 December 1928, as well as attorney-general, he harried the maritime, transport and timber-workers’ unions by discriminating application of the provisions of the Arbitration and Crimes Act.... Latham’s reputation for bias towards employers in administration of the law was not wholly justified, at least not in the conspiratorial terms in which it was usually propounded. It is

true that he did not prosecute businessmen with the vigour applied to unionists: Mr. Justice Starke [of the High Court—ed.] made scathing criticism of the settlement [Latham] made in 1928 with the notorious tax evaders, the Solomon brothers. It is true, also that he maintained links with some of the principal enterprises whose interests were affected directly by his decisions as attorney general: throughout the 1920s he held general retainers from a wide range of shipping, mining and other clients.” He suffered, noted his ADB entry, from “his inability to understand union militancy except as the result of seditious agitation.”

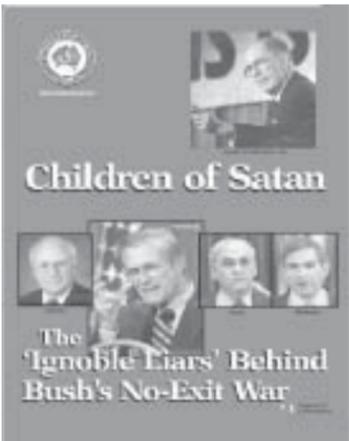
In the 1950s, Latham was the founding president of the Australian Congress for Cultural Freedom, the Australian arm of the CIA front, the “anti-communist” Congress for Cultural Freedom (CCF). However, the CCF was much more than just a “CIA front”; it was a project of leading one-worldists such as Lord Bertrand Russell, the “pacifist” who advocated pre-emptive nuclear strikes against the Soviet Union, not to “fight communism”, but to establish a one-world dictatorship—the real objective of the CCF.

Throughout his entire career, Latham used “red scares” to harass and crush his nationalist, old Labor political opponents. In his likewise politically motivated call to ban the CEC, the Privy Council’s Sir Zelman is walking in the footsteps of his Old Guard hero.

The ADC/Leibler Gang: Foreign Wars and a Domestic Police State

The failed October 2002 ADC call to ban the CEC is the latest in a more than decade-long, anti-CEC vendetta carried out by a closely interlocked series of organisations pivoted on Mark and Isi Leibler. Though Isi in the late 1990s moved to Israel, the vendetta continued. These organisations include the Anti-Defamation Commission of B’nai B’rith (ADC), the Australian Israel Jewish Affairs Council (AIJAC) chaired by Mark, and the magazine which AIJAC publishes, the pompously-named *The Review*, formerly the *Australia/Israel Review (AIR)*. In its June 2003 issue, *The Review* spat the dummy and proclaimed that “AIJAC is proud to confirm [CEC National Secretary Craig] Isherwood’s contention that both brothers ‘are longtime (sic) bitter enemies of LaRouche and the CEC.’”

By confirming the CEC’s charges, this Leibler rag admitted that that had been, and still was the motivation for the Leibler crowd’s



LaRouche’s “Children of Satan” pamphlets exposed the “neoconservative” cabal around U.S. Vice President Dick Cheney. Right: Neo-con Mark Leibler.

incessant attacks on the CEC, rather than any alleged concern with “anti-defamation”, electoral matters, or anything else. This is the same crowd which in 2003 exercised its muscle to shut down any real discussion in Parliament of the Israeli/Palestinian problem, in favour of unilateral support for the



fascist Sharon government and its butchery of the Palestinians.

Already back in 1992, at just the time the CEC was setting up its national office in Melbourne, Isi Leibler’s magazine, *Without Prejudice* (sic), shrieked that the LaRouche-affiliated CEC had “a disruptive capacity never before seen

in this country.” His brother Mark soon thereafter beat the drums, unsuccessfully, for Parliamentary and Federal Police investigations of the CEC. The Leiblers and their fronts were not so much speaking for themselves, as they were for the financial oligarchy’s international neoconservative political machine of which they are a part, a machine which seized global political power in the wake of 9/11, in particular through the U.S. neo-conservatives’ control over the mentally-challenged U.S. President George W. Bush. This broader apparatus and its chilling goals were laid bare in a pamphlet entitled “Children of Satan: The ‘Ignoble Liars’ Behind Bush’s No-Exit Iraq War”, released on April 9, 2003. The pamphlet was commissioned by U.S. 2004 Presidential candidate Lyndon H. LaRouche, Jr., and was circulated in hundreds of thousands of copies worldwide, including 30,000 in Australia. The preface to its Australian edition

located the role of the fanatically pro-Iraq war ADC/Leibler gang in the broader picture, excerpts of which follow.

The world has looked on in horror as the United States has adopted the fascist doctrine of “pre-emptive strike” for use against anyone whom it defines as its enemies. This new doctrine spits on the United Nations, on all common notions of morality and justice, and on all international law since the 1648 Treaty of Westphalia which established the principle of sovereign nation states.

The attack against Iraq was the first application of pre-emptive war. But, as leading figures in the U.S., including Secretary of Defense Rumsfeld and Vice President Cheney, have made clear, the war on Iraq is just the first in a planned series. Other immediately-targeted nations include Syria, Iran, and North Korea. At least one of these could likely

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see the U.S. use nuclear weapons, as was mooted against Iraq, since the “first use” of nuclear weapons against “rogue states” has been widely advocated by the Rumsfeld/Cheney circles.

Such foreign aggression, together with fascist police state measures at home, such as the notorious “Patriot II” bill of the crazed religious fundamentalist, Attorney General John Ashcroft, signify that the U.S. is rapidly becoming a carbon copy of the fascist regime of Adolf Hitler, or of the first fascist regime in history, that of the Roman Empire, whose world-plundering legions adopted the fasces (a bundle of sticks with an axe protruding) as their symbol....

The Chickenhawks

What you are about to read was first issued by the 2004 Presidential campaign of Lyndon H. LaRouche, Jr., who is spearheading the resistance within the U.S., as well as internationally, to the fascist transformation of the U.S. now in process. Already, the efforts of LaRouche’s Presidential campaign and his *Executive Intelligence Review* magazine, have made the existence of the “chickenhawk” cabal centred around Vice President Dick Cheney and Pentagon Secretary Donald Rumsfeld notorious internationally. (Most of this cabal were draft-dodgers during Vietnam, but now lust for bloody war everywhere—thus their appellation, “chickenhawks”. They are also known as “neoconservatives”.)

It was LaRouche, who, many months ago, first revealed what international news media, including our own *Four Corners* and others, only later picked up on: the fact that the present war against Iraq had nothing to do with “weapons of mass destruction”, but was planned in detail already in 1991 under then-Defense Secretary Dick Cheney, as embodied in a Pentagon docu-

ment, “Defense Strategy for the 1990s: The Regional Defense Strategy”. The chief premise of that document—which was rejected by President George H.W. Bush (“41”)—was that, following the fall of the Soviet Union, the U.S. must become an unchallenged world empire, and use “preventive war” and “mini-nuclear weapons as deemed necessary.

LaRouche also first blew the whistle on the infamous 1996 “Clean Break” strategy drafted by a team of American neo-cons led by just-resigned Pentagon Defense Policy Advisory Board Chairman Richard Perle, and present Assistant Secretary of Defense for Policy, Doug Feith. That strategy was first designed for then-Israeli Prime Minister Benjamin Netanyahu, as embodied in the document, “Clean Break: A New Strategy for Securing the Realm”. It called for ripping up the 1993 Oslo Accords; junking the “land-for-peace” deal; for the brutal re-occupation of the West Bank and Gaza by the Israeli Defense Forces leading to permanent re-annexation; and for launching a war against Iraq, followed by war against the Baath regime in Syria. The Cheney/Rumsfeld chickenhawk cabal controlling U.S. President George W. Bush has made that document a cornerstone of U.S. policy, though it has been resisted, at least partially, by Secretary of State Colin Powell. The chickenhawks wholeheartedly support Prime Minister Ariel Sharon’s Nazi-like assault on the Palestinians, as do many of the friends and admirers of Australia’s Anti-Defamation Commission of B’nai B’rith.

As the U.S. and international press have frequently noted, many of the neoconservative chickenhawks happen to be Jewish. However, they are not pro-fascist because they are Jewish, but precisely *despite* the fact that

they are Jewish, since their outlook is entirely contrary to the humanistic values of mainstream Judaism, values shared with Christianity and Islam. Rather, they are the “errant weed” within Judaism denounced by the martyred Israeli Prime Minister Yitzhak Rabin.

In fact, Ariel Sharon and his Likud party are fascists in the strictest sense of the term, both by their genocidal actions against the Palestinians, and through their devotion to the ideas of Likud founder Vladimir Jabotinsky, the Mussolini supporter whom Israel’s founding father David Ben Gurion called “Vladimir Hitler”.

Indeed, there are four telltale markers which define the chickenhawks: 1) their fanatical support for the war against Iraq, and for upcoming possible wars against Syria, Iran, North Korea, etc., 2) their fanatical support for fascist Sharon’s bloody attacks on the Palestinians, including his “transfer” plan to expel all Palestinians from the West Bank and Gaza, 3) their fanatical support for police-state measures domestically, to silence their political opponents, and 4) their fanatical hatred against U.S. 2004 Presidential candidate Lyndon LaRouche, who represents the real America of its Founding Fathers, and who has for decades counterposed his policies of economic growth and “peace through development”, to the chickenhawks’ dreams of imperial (“globalist”) conquest and domestic police states.

Australia’s Chickenhawks

Several months before former

Rabin urges leaders to drop local ‘diplomacy’



Israeli Prime Minister Yitzhak Rabin in 1993 told Israeli and Australian Jewish leaders to drop their self-serving representation of Israel to governments in the Asia/Pacific region. In August 1995, Rabin defended the fanatical “settlers’ movement” in a bitter public attack on Rabin; three months later, one of that movement assassinated Rabin.

Israeli Prime Minister Yitzhak Rabin was murdered, he was bitterly attacked by the Melbourne businessman Isi Leibler. Leibler issued an unprecedented open letter to Rabin in August 1995 in which he castigated the Israeli prime minister for criticising the fanatics and Jabotinskyites among the West Bank settlers’ movement. In November of that same year, Rabin was killed by a member of that settlers’ movement which Leibler had defended. Leibler has since moved to Israel, where he has been a vociferous supporter of the war against Iraq and of the fascist Sharon, but the outlook and the institutions with which he was associated, or helped to sponsor in Australia live on, centred in *The Review* (formerly the *Australia/Israel Review*), which was founded by a follower of Jabotinsky and which features articles by leading U.S. chickenhawks, and in the *The Review’s* parent organisation, the Australia Israel Jewish Affairs Council (AIJAC), chaired by his brother Mark. They have screamed bloody murder for a war against Iraq, and have also led the charge for police-state style measures in Australia, both through their lobbying for the notorious “racial vilification” legislation passed in Victoria in 2001, and their advocacy of sim-

ilar draconian legislation at the federal level. They are also longtime bitter enemies of LaRouche and the CEC.

However, the organisation which has really spearheaded the drive for the fascist racial vilification legislation, has been the Anti-Defamation Commission of B’nai B’rith, chaired by longtime Isi Leibler crony, Dr. Paul Gardner. The ADC has stated repeatedly, that the main purpose of such legislation is to silence the Citizens Electoral Council. And, were that not sufficient, the ADC in its October 2002 submission to the Federal Parliament, called for the *banning of a registered political party*, the CEC, solely because the CEC are the Australian co-thinkers of Lyndon LaRouche. Though some of the ADC’s board members, such as Bob Hawke and Malcolm Fraser, have been outspoken against the Iraq war, they apparently have no trouble advocating fascist measures at home.

Indeed, the Leibler-run *The Review* has frequently featured the rantings of Barry Rubin, the chief author of the Blair government’s infamous “sexed-up dossier” regarding Iraq, which has since been proven—as LaRouche charged at the time—to have been utterly fraudulent, based on one known lie after another.

The “Anti-Defamation” Racket

With their fraudulent version of the Holocaust forming the backdrop (see below, “The AIR Crowd: Covering up for the Holocaust”), the usual trick of the *AIR* and the associated “anti-defamation” apparatus in Australia (centred around the Anti-Defamation Commission [ADC] of B’nai B’rith), is to set up a sanctimonious bullfrog’s chorus croaking “anti-semitism” or “racism” against anyone who dares to question or criticise the political or financial activities of the Leiblers and their small circle of super-wealthy friends. But, as *A/N* journalist David Bernstein demanded to know in an October 25, 1996 article entitled “Anti-defamation wars,” regarding the various “anti-defamation” organisations which claim to represent the Australian Jewish community, specifically the Australia Israel Publications (AIP)/*AIR* and the ADC, “Just who has appointed these organisations to that role? Who determines their agendas? Who authorises them to talk ‘on behalf of’ the community on such matters? Who set them up in the first place, and to whom are they ultimately accountable?” He has particularly sharp criticism for the AIP, which he says “is a particularly disturbing example of how an organisation, set up for one clearly defined purpose—to work for a balanced public opinion on Israel, especially in the media—has been able over recent years to usurp for itself a high-profile role



This book named the names of the old British families who run the world’s \$600 billion per year drug trade, and their ADL lackeys went wild.

in such matters as tracking Nazi war criminals, responding to local anti-semitism, attacking Australian politicians on local issues, all areas far removed from its original brief. And then pursue its own agenda in these highly sensitive areas without any clear or direct form of accountability to the communal leadership either at state or at national level.”

The answer to Bernstein’s questions, is that this Australian “anti-defamation” machinery is “ultimately accountable” to the Privy



The Anti-Defamation League (ADL) is an intelligence and dirty tricks unit for the financial oligarchy in the U.S. and Britain, which spies on and infiltrates civil liberties and ethnic groups in the U.S. (The *Amsterdam News* is the major African-American newspaper in the U.S.) The ADL’s main target, however, is Lyndon LaRouche, whom they have instructed the “anti-defamation” apparatus in Australia to attack.

Council. It also has very strong ties to the London-based Institute for Jewish Affairs, to the World Jewish Congress of booze baron Edgar Bronfman, and to the U.S.-based Anti-Defamation League (ADL) of B’nai B’rith. The ADL is the model for the ADC in Australia, which has usually been run by Isi’s associates such as Paul Gardner and Prof. Bernard Rechter, both of whom became board members of the amusingly-titled *Without Prejudice* magazine of Isi’s AIIA. The ADC boasts of its close ties to the

U.S. ADL, as attested to by Dr. Paul Gardner, a board member of Isi’s AIIA, and chairman of the ADC between 1982 and 1988. In the Jewish Year Book for 1985, Gardner wrote, “The Commission [the ADC] is in regular contact with the Anti-Defamation League of B’nai B’rith in New York. ADL in America is a powerful, influential and widely respected human rights organisation, with 400 full-time professional staff and a \$17 million annual budget. The flow of relevant information and material from

America to Australia is unending.” In 1992, a scandal erupted in the U.S. when U.S. law enforcement agencies laid numerous criminal charges against the supposed great “civil rights” group, the ADL, for infiltrating police departments across the country, and obtaining classified documents, in order to compile files on 950 organisations and over 20,000 individuals. Raids on ADL offices showed that they had spied on numerous civil rights groups, and even other Jewish organisations. Those spied on

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included: the National Association for the Advancement of Colored People, the Simon Wiesenthal Centre, the AIDS activist group ACT-UP, the American Civil Liberties Union, the American Indian Movement, the New Jewish agenda, Americans for Peace, and the LaRouche organisation. The liberal *Village Voice* newspaper in New York, in coverage typical of other newspapers across the country, charged that this represented a “massive violation of civil liberties,” and that the ADL had set itself up as a “Jewish thought police.”

The ADL is nominally affiliated with the Jewish charitable, communal organisation, the Order of B'nai B'rith. In fact, it is almost entirely independent of its mother organisation, and was set up in New York in 1913, primarily to attack law enforcement agents investigating Jewish organised crime. It was not even particularly Jewish, because, although the founder of the ADL and its head from 1913 to 1945 was one Sigmund Livingston, he in turn was the chief lawyer for the super-wealthy Episcopalian establishment family, the Moores, who owned several major American corporations, including Nabisco. The Episcopalian and Presbyterian-dominated U.S. establishment sponsored the ADL to do jobs they

did not like to dirty their hands with. (See Table 1) A typical example is the ADL's longstanding war against the LaRouche organisation.

After Mr. LaRouche and his associates at the *Executive Intelligence Review* published their first edition of *Dope, Inc.* in 1978, two *EIR* investigators visited the Episcopalian cathedral of St. John the Divine in New York City, the main headquarters of the old establishment families, which cathedral was then run by Bishop Paul Moore of the Moore family noted above. Given that *Dope Inc.* named the names of many of the old establishment families who had gained their start running drugs to China in the 19th century, and who were still involved in the trade, the *EIR* investigators asked Bishop Moore's assistant, Canon West, what would be done about the “LaRouche problem.” In a cold, ruthless tone, the Canon stated confidently, “We will not get directly involved. We will have our Jewish friends at the Anti-Defamation League deal with Mr. LaRouche and his organization.” Shortly thereafter, the ADL launched the first shots in a decades-long campaign to defame and frame up Mr. LaRouche and his associates. The ADL was part of the combined federal and private task force set up in 1983, which resulted in the frame-up and jailing of Mr. La-

Rouche and a number of his associates, and their sentencing to jail terms of as long as 77 years.

In addition to organised crime, the ADL works with various intelligence agencies, as it did in the LaRouche frame-up. In World War II, it functioned as a covert arm of the British Special Operations Executive (for which Maj. Louis Mortimer Bloomfield also worked) in New York under William Stephenson (“Intrepid”), in close liaison with the FBI.

As for the *AIR*, it is not so much a magazine, as an intelligence organisation along the model of the ADL. According to Prof. W.D. Rubenstein, “AIP maintains probably Australia's best files on extremists and antisemites.” He also added, somewhat ominously, “Much of its influence occurs behind the scenes and may not yet be openly discussed.” As a sort of precursor of the AIP/*AIR*, Isi, according to the *Age* of 30 May, 1974, set up “a secret service style group” with connections to various intelligence agencies, to spy on alleged “antisemites”, “extremists” and “Nazi war criminals,” under the aegis of the Victoria Board of Jewish Deputies which he then headed. Isi's private outfit “liaised with Jewish intelligence organisations overseas,” as well as with “State and Commonwealth police.” The main purpose of the outfit, Isi claimed, was to trace “Nazi war criminals.”

Table 1

The ADL: A front for the “Money Power”

From its foundation in 1913, the Anti-Defamation League has been funded and used by the blue-blood corporate and financial establishment of the U.S., Britain and Canada to do dirty jobs that that establishment would prefer to keep at arm's length.

Similarly, Mark Leibler is a gopher for the financial elite of this country, most of whom are *not* Jewish. His position on the board of Coles Myer, chaired by Wallis Commission and Business Council of Australia head Stan Wallis, is indicative of this. As the *Australian Financial Review* of June 26, 1987 remarked, “Mark's clients at Arnold Bloch Leibler also form a power base—the business and economic base of the country. So much so that a huge blue-chip legal firm...wanted a slice of its coveted entrepreneurial clientele and sought a merger early last year.”

The following are the chief funders of the ostensibly Jewish Anti-Defamation League, most of whom represent *non-Jewish* “old Establishment” families and money:

Atlantic Richfield	Goldman Sachs
Archer Daniels Midland	MetroMedia
Mellon Bank	Shearson Loeb Rhoades
Merrill Lynch	Marriott Corp.
Seagrams	First Boston Corp.
AT&T	Times Mirror
Chase Manhattan	Pepsico
Miami Herald Publishing Co.	United Brands
Shearson American Express	Sharon Steel
Material Services Corp.	Hyatt
Dart Industries	Amex
20 th Century Fox	Warner Communications
First National State Bank of New Jersey	New York Times
Hearst	Mutual Benefit Insurance
Rolls Royce	Sears Roebuck
Corning Glass	Irving Trust
	General Electric
	Citibank

The Review: A Front for the Money Power

The Review (aka the *Australia/Israel Review*, *AIR*) is nothing but a front for an ultra-wealthy, neo-conservative and economic rationalist clique in Australia, masquerading under the cover of “anti-defamation” or “pro-Israel” activities. First of all, Melbourne lawyer specialist Mark Leibler is the chairman of *The Review's* parent body, the Australia/Israel Jewish Affairs Council (AIJAC), and represents an astounding 40 (!) of the BRW's “Rich 200” List, whom he has saved billions in taxes through his speciality in “tax minimisation”—which shifts the burden from those who can best afford it, to those who least can. The fortunes (as of 1998) of those most closely associated with the *AIR/The Review* over the years are listed in Table 2.

The neo-conservatives now plunging the U.S. into foreign wars and domestic fascism—while looting the country blind as in the activities of former Halliburton boss and now Vice President Dick Cheney—were often earlier called the “New Right”. They were distinguished by their hostility to governments, who might choose to promote the Common Good, as opposed to the private looting of privatisation, deregulation, etc. Said longtime board member of *The Review*, Prof. W.D. Rubenstein, speaking about Australia in the late 1970s in the wake of the Mont Pelerin Society's import here earlier in the decade, “most Australian Jewish intellectuals, notably those around *Australia/Israel Review*... were close to the so-called ‘New Right’ in Australia...”

Mark Leibler himself was a typical ‘New Right’ economic ration-



Isi Leibler helped set up *The Review*, pushed “anti-defamation” laws to silence his opponents, then left for Israel, where he supports the butcher Sharon.

alist devotee, as evidenced in a speech he delivered in August 1989 at his Arnold Bloch Leibler law firm, in which he delivered a chilling message to government: get out of the way of economic rationalist looting. Said Leibler, “One of the greatest challenges we face is maintaining the rule of law within our modern democratic society as we move into an era of new economic ‘liberalism’. This means strong and effective resistance to the rising tide of greater rule-creation—the progeny of bureaucracy. There must be no acquiescence in governments and their agents who seek to justify their existence with more restrictions and regulations on economic freedom... Lawyers who do not play an anti-bureaucratic role in the 1990s will be turning their backs on the interests of their clients and, indeed, on the future of Australia as one of the world's most dynamic new economic ‘liberalist’ nations.”

Aside from Leibler's own role in billions of dollars in “tax minimi-



sation” for Australia's ultra-wealthy, some of his cronies at *The Review* had their fingers deeply into the economic rationalist pie as well. For instance, the chief architect of the absolute disaster known as “competition policy”, was Fred Hilmer, a consultant to Rio Tinto for many years, and also the longtime vice-president of *AIR* heavyweight Frank Lowy's \$7 billion (as of 1998) Westfield Holdings. In 1997, Lowy anointed Hilmer to succeed him as Westfield's chairman, even above his own three sons, whom he made joint managing directors.

But the *AIR's* role as a front for the Money Power is perhaps best exemplified in the professional life of longtime *AIR* Board member Prof. W.D. Rubenstein, one of the chief honchos of Australia's “anti-defamation” gang. He is a chronicler and apologist for the elite families of England, and of the power of the City of London, beginning with his article, “Wealth, Elites, and

Table 2

The Oligarchs behind the *AIR*

This sleazy little rag represents only the following super-wealthy elitists and a few of their friends, who are now, or have been leading figures in the *AIR* and/or its parent body chaired by Mark Leibler, the Australia Israel Jewish Affairs Council (formerly Australia/Israel Publications, AIP). The fact that they are nominally Jewish is purely incidental; they represent what the old Labor Party used to call the “Money Power”, which is entirely ecumenical.

NAME	NET WORTH*
Frank Lowy, key figure in Sydney <i>AIR</i> operations Australia's 2 nd richest man after Kerry Packer	\$2.1 billion
Isador Magid, co-founder of AIP, with Jabotinsky follower Robert Zablud	\$165 million
Solomon Lew, key figure in Melbourne <i>AIR</i> operations	\$600 million
Isi Leibler, called for founding of <i>AIR</i>	\$80 million
Mark Leibler, present chairman of <i>AIR</i> . Net worth unknown, but represents 40 people on BRW “200 Rich List”, and several of Australia's top corporations.	Unknown

* According to the May 25, 1998 “Rich 200” list in the *Business Review Weekly*

the Class Structure of Modern Britain”, and continuing through his books, *Capitalism, Culture and Decline in Britain, 1750-1990; Men of Property; and Elites and the Wealthy in Modern British History*. Throughout all of these, he has championed the view (which, ironically would hardly be disputed by the CEC), that Britain's vast empire and continuing world power, was and is based upon a relatively tiny group of wealthy, oligarchical families centred upon the City of London. As he told the Economic History Society of London, the British “industrial revolution” was largely a myth, and Britain's power was always based on the financial clout of the City of London. Rubenstein even boasted that “I am credit-

ed with creating the new orthodoxy in British history. In fact I got my chair at Deakin University for this type of thing.”

Nor is Rubenstein merely an academic. As he himself bragged in his book, *The Jews of Australia* (which was financed by Isi Leibler's Australian Institute of Jewish Affairs), after citing his leadership positions in various organisations controlled by the Leiblers, “It is not an exaggeration to claim that in the 1980s no Australian academic has been closer to Australian Jewry's most senior leadership and there have been few major decisions taken by the community's representative bodies with which he has not been thoroughly familiar and, very often, closely involved.”

Jabotinsky: A Jewish Fascist

In part at the urging of Isi Leibler, the *Australia/Israel Review* was set up in 1976 by Australia/Israel Publications (AIP) under the directorship of Isador Magid and Robert Zablud. Former longtime *AIR* editor Michael Danby eulogised Zablud, whom he called the

“organisational genius” behind *AIR/AIP* in the 19 September-2 October 1989 issue of *AIR*, noting that Zablud's vision of Judaism was inspired by “his mentor Zeev Jabotinsky”, whom Danby called a “much misunderstood centre-right Zionist ideologue.”

The notion that Jabotinsky is “much misunderstood”, is a sick joke. Though nominally Jewish, he was well-known as a leader of one of the international Synarchy's fascist gangs of the 1920s and 1930s. He was an outspoken admirer of Italian fascist Benito

Mussolini, and set up a legion of “black shirts” modeled on Mussolini's and Hitler's thugs, at a training ground which Mussolini gave him in Italy. Israeli founding father and first prime minister David Ben Gurion used to regularly refer to Jabotinsky as

“Vladimir Hitler.” Jabotinsky founded the “Revisionist” (fascist) current of Zionism which directly gave birth to the terrorist Irgun and Stern gangs of the 1930s and 1940s, and to the Likud Party, formerly led by such Irgun/Stern Gang terrorists as

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Menachem Begin and Yitzhak Shamir, and now led by Israeli Prime Minister Ariel Sharon. A central tenet of the Likud, from the very outset, was that Israel would take over *all* of what was formerly called Palestine, with no land for the Palestinians.

The AIR's Jabotinskyite slip was showing, when, in 1998 at the height of One Nation's influence, it published a list of 2000 supporters of Pauline Hanson's party, in an obvious attempt to terrorise them, after earlier having published a stolen list of some of the CEC's financial supporters. Holocaust survivors were horrified at AIR's publishing of the One Nation list, which they compared to similar activity of the Nazis. Marika Weinberger, a survivor of Auschwitz and president of the Australian Jewish Holocaust Survivors, told



The Jewish fascist Vladimir Jabotinsky, or "Vladimir Hitler", as Israeli Founding Father David Ben Gurion called him, was the mentor of Robert Zablud, the "organisational genius" behind *The Review*.

the *Australian Jewish News* of July 17, 1998, that the publication was "irresponsible.... It has caused division.... It is not the way Jews operate. Nine members of my mother's family were taken away because their names appeared on a list. About 22,000 Hungarian Jews were taken away because their names were on lists. Jews should know better." Another Holocaust survivor, Mr. Sam Spitzer of Sydney, told the *AJN*, that AIR's publishing the list "has done more harm to the Australian Jewish community than Pauline Hanson could do in 100 years."

Jabotinsky's personal secretary was Benzion Netanyahu, who became head of Jabotinsky's Revisionist Movement after the latter died in the early 1940s. Benzion was also the father of former Israeli Prime Minister

Benjamin Netanyahu, who is an even more fanatical Jabotinskyite than the fascist Ariel Sharon,

and whom the AIR sponsored in a trip to Australia.



U.S. President Harry Truman (l.), Israeli Foreign Minister Abba Eban (c.), and Israeli Prime Minister David Ben Gurion in the late 1940s, shortly after the founding of the state of Israel. Abba Eban later met with LaRouche on their shared concern for a just Middle East peace for both Palestinians and Israelis.

A Typical Synarchist Operative: David Greason

The hallmarks of Synarchy are the use of often-tiny "right-wing" and "left-wing" gangs controlled by financiers, and frequently often run by dirty elements of government intelligence services, in order to manipulate broader social processes. One should compare that profile to the wild career of one David Greason, former columnist for the *Australia/Israel Review* (aka *The Review*).

Throughout most of the 1990s, aside from Mark and Isi Leibler themselves, perhaps the most single high-profile operative in Australia who relentlessly attacked the CEC and LaRouche in public was Greason, who wrote for Isi's *Without Prejudice* magazine, was a longtime columnist for Mark's *Australia/Israel Review*, and was frequently cited in the major media, from all of which he spewed out lies about the CEC/LaRouche. In 1993 he attempted to organise a mass riot against a CEC conference against the globalist, nation-wrecking International Monetary Fund, which necessitated the deployment of dozens of police, including mounted police.



Former longtime AIR journalist David Greason attempts to organise a riot outside a CEC international conference in Melbourne in 1993, requiring the deployment of mounted police.

he and the AIR constantly trumpeted to be "Australia's main neo-Nazi parties", National Action and National Front. While founding the right-wing National Action and the National Front, he was simultaneously a member of the *pro-communist* Australia-USSR Friendship Society! He also, while working for the Leiblers, was a sometimes-featured speaker for the violence-prone left-wing group, the International Socialist Organisation (ISO).

He may well have been wearing another hat as well. He once called the editorial offices of LaRouche's

publications in the U.S., and left a message. The phone number he left turned out to be that of an office of the Australian Attorney General. Referring to Greason's rumoured role as an agent for ASIO, a longtime Australian intelligence veteran pointed out to the CEC at the time, "The Attorney General runs ASIO, you know, so him calling from such an office is not a big surprise." That would certainly cohere with this association with Britain's "left-wing" *Searchlight* magazine, a notorious front for British intelligence's domestic police, MI-5.



The U.S. ADL's "Fact-Finding Division" paid its agent James Rosenberg and others to organise neo-Nazi and KKK rallies, including ones which attacked the "commie Jews". Does this happen in Australia? David Greason, former regular columnist for Mark Leibler's *AIR* and sometime columnist for Isi Leibler's *Without Prejudice*, earlier played a key role in founding both major neo-Nazi groups in Australia, National Action and the National Front. Greason later popped up as a featured "anti-Nazi" speaker for the violence-prone International Socialist Organisation (ISO).

So, here we have the extremely curious fact that David Greason, the rumoured police agent and the self-professed founder of National Action and National Front, later turns up in the employ of Isi and Mark Leibler, the chief sponsors of "anti-defamation" activities and legislation, whose activities would presumably benefit greatly from the anti-semitic proclamations

common to such groups, and whose existence the Leiblers' publications and institutions did in fact constantly publicise.

Finally, after the CEC's constant exposure of his Synarchist career, Greason apparently became a liability to the Leiblers, and left their employ. At last hearing, he had gone to work for a merchant bank!

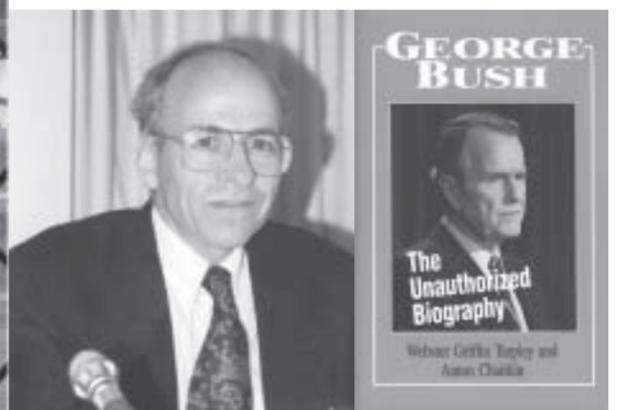
The AIR Crowd: Covering Up for the Holocaust

The role of the Leibler crowd as apologists for the Money Power is perhaps nowhere clearer than in longtime AIR board member Prof. W.D. (Bill) Rubinstein's book, *The Myth of Rescue: Why the democracies could not have saved more Jews from the Nazis*. There, Rubinstein painstakingly recites reasons why the "democracies" could do nothing to save the Jews from the Nazis, concluding that "Hitler, the Nazis and their accomplices—and only they—bear full and total responsibility for the Holocaust." That is an utter, shameless lie.

First of all, as is well-documented, Churchill and the British knew full well from intercepted German police radio messages, precisely where Jews were being killed, and when, but decided to do nothing about it. Much more importantly, as American historian and LaRouche associate Anton Chaitkin, who toured Australia in 1997, demon-

strated in his 1992 book, *George Bush. The Unauthorized Biography*, British circles around Bank of England chairman Montagu Norman and their allies on Wall Street, typified by the Brown Brothers Harriman banking firm headed by President George W. Bush's great-grandfather, and former U.S. President George H.W. (41) Bush's grandfather, George Herbert Walker, provided crucial financing for Hitler's rise to power. In fact, the U.S. government seized the Union Banking Corporation, of which George W. Bush's grandfather Prescott Bush was a director, for violating its Trading With the Enemy Act, by helping the Nazis.

And, while Bush 41's grandfather, and Bush 43's great-grandfather, was financing Hitler, Chaitkin's father Jacob was the chief legal director for the American Jewish Congress' 1930s boycott campaign against all trade with Nazi Germany—over the opposition of B'nai B'rith!



Left. The gate to the Auschwitz death camp. Above: Author Anton Chaitkin exposed the truth which Leibler crony Prof. Bill Rubinstein covered up: that Hitler was installed by powerful financial forces in the City of London and New York, including President George W. Bush's great-grandfather, the head of the Brown Brothers Harriman banking firm.

Defeat the Synarchists—Fight for a National Bank

LaRouche's Record on Fighting Racism

Review of even a small portion of Lyndon LaRouche's activities over the past four decades, shows the rantings of the Anti-Defamation Commission, the Leibler crowd, and the major media in Australia, that LaRouche is a "racist" or "anti-semitic", to be malicious, witting lies. A more extensive profile of LaRouche's activities against racism and anti-semitism are featured as Appendix 3 of the CEC's book, *What Australia Must Do to Survive the Depression* and on the CEC's website at <http://www.cecaust.com.au>. We record only a few highlights of that record here.

First of all, perhaps one-half of LaRouche's national leadership in the U.S. is Jewish, as is a large portion of his entire organisation. Jews play a leading role in LaRouche's organisation, for the same reason they played such a dominant role in the U.S. civil rights movements of the 1950s and 1960s: having felt the sting of oppression, they are more keenly disposed than most, to fight it (while still others, such as the ADC/Leibler crowd, have sold their souls to the oppressors, the Money Power). When LaRouche was framed up by the U.S. government and sent to jail for five years in early 1989, one-half of the 33 members of his organisation who were subject to the same legal frame-ups or imprisonment were Jewish. (See the 1989 book *Rail Road!* for details of the frame-up, denounced by former U.S. Attorney General and civil rights activist Ramsey Clark—LaRouche's lawyer—as "representing a broader range of deliberate cunning and systematic misconduct over a longer period of time utilizing the power of the Federal government than any other prosecution by the U.S. Government in my time or to my knowledge.")

Since 1975, LaRouche has played a leading role in putting forward an economic development-centred series of programs as

the cornerstone of an Israeli-Palestinian peace, which would secure justice and a flourishing future for both nations. In the 1970s, he met with Abba Eban, Israel's former Ambassador to the U.S., on this program, and, in 1993, many of his ideas were adopted in the crucial "Economic Protocols" which accompanied the Oslo Accords, the Accords so bitterly hated by the Leibler crowd.

Regarding the 1950s-60s civil rights struggle, which largely dissipated in its original form with the 1968 assassination of Dr. Martin Luther King, Jr., some of Dr. King's closest associates later joined LaRouche, whom many of them view as the heir to Dr. King in fighting for civil rights. Among others, these have included the Rev. James Bevel, King's Director of Mass Action, who organised the famous "Children's March" in Birmingham, and who ran for Vice President of the U.S. on LaRouche's ticket in 1992, and Mrs. Amelia Boynton Robinson, who first invited Dr. King into Selma, Alabama in the early 1960s. Mrs. Robinson is a legendary figure in the civil rights movement, having been gassed, beaten and left for dead in the famous Selma-to-Montgomery march in 1965. She has also been for many years the Vice President of the international Schiller Institute, founded and chaired by LaRouche's wife, Helga Zepp-LaRouche, and has toured the world on behalf of the LaRouche movement. In her autobiography, *Bridge Over Jordan*, Mrs. Robinson explains why she joined the Schiller Institute.

"I joined the Schiller Institute because I found it to be continuing the civil rights struggle, in the footsteps, as it were, of Martin Luther King. As a board member who has worked with the Schiller Institute since its inception, I have found this organisation more able to carry out the program of Dr. Martin Luther King in the economic area than any



Mrs. Amelia Boynton Robinson, Civil Rights heroine, associate of Dr. Martin Luther King, Jr., and Vice Chairwoman of the Schiller Institute. The Institute was founded by Helga Zepp-LaRouche, European political leader and wife of Lyndon LaRouche.

other that I know. The organisation may not be the most popular, but this is because it is continuing the struggle for civil rights throughout the world, fighting drugs, corruption, injustice and discrimination. It was just such fighting against corruption, and challenging the highest public officials, for which Dr. King gave his life. The Schiller Institute has picked up the pieces of Dr. King's dream."

Dr. King's widow, Coretta Scott King, wrote about *Bridge Over Jordan*, and about Mrs. Robinson, winner of the Martin Luther King, Jr. Freedom Medal, "Amelia Boynton Robinson has crafted an inspiring, eloquent memoir of her more than five decades on the front lines of the struggle for racial equality and social justice. This work is an important contribution to the history of the black freedom struggle, and I wholeheartedly recommend it to everyone who cares about human rights in America."

LaRouche and his wife Helga have also been in the forefront of the fight for economic justice for the world's underdeveloped sector for decades, and in particular for Africa. They helped sponsor the Af-



LaRouche movement leaders Dennis Speed, Anton Chaitkin, and Michael Vitt, with Civil Rights leader Rev. Hosea Williams (right), demonstrating against the statue of KKK founder Albert Pike. Every week during almost the entire decade of the 1990s, the LaRouche organisation carried out demonstrations at the Pike statue in Washington D.C., calling for it to be removed.

rican Civil Rights Movement, chaired by the LaRouches' longtime collaborator, the former President and Attorney General of Uganda, Dr. Godfrey Binaisa.

With the development of his International LaRouche Youth Movement over the last few years, La-

Rouche has recruited hundreds of youth from all possible geographical backgrounds and religions, from Asia, Latin America, Europe and Australia, with African- and Hispanic-American youth particularly heavily represented in the U.S. branch of that youth movement.

LaRouche on Anti-semitism

In October, 2003, Lyndon LaRouche received the following question by email:

Q. I remember when you ran for office a few years back and there were rumours of you being anti-semitic. Could you put

down this accusation, how it arose and what is your attitude about Jews and their influence in the world.

LaRouche replied: The campaign of lies alleging that I am anti-semitic, began with

my successful Summer-Autumn 1968 campaign fight to defeat the anti-semitic rioting launched against the United Federation of Teachers [in New York City -ed.]. This coincided with the fact, that the majority core of our association at that time was composed of young Americans of Jewish ancestry, chiefly second- or third- generation of immigrants from the Yiddish Renaissance circles of eastern Europe. My enemies, who were frightened by my growing political influence of that time, decided to attempt to demoralize the Jewish population with a campaign of lies, alleging that I was in some way "anti-semitic."

This campaign was organized by government agencies including the national headquarters of the FBI, whose released documents expose their role in a plot aimed at my physical elimination through agents within the National Committee of the Communist Party U.S.A. The offices of the editorial board of the *New York Times* were used to generate an attempted cover-up of that FBI-assisted "elimination" plot. During the same general period, related operations were deployed at the direction of National Security Advisor Henry A. Kissinger. About 1978, this operation was continued through Senator Joseph McCarthy's former crony, Roy M. Cohn. Cohn used organized crime-related and kindred circles to conduct an operation through a throwaway Manhattan sheet called *Our Town*, and retained a scruffy leftist character Dennis King to conduct an anti-semitic smear campaign. This campaign was backed up by a fresh attack, this time directed against my Democratic Presidential candidacy, by the *New York Times*, in October 1979, an operation conducted in concert with Roy M. Cohn's organized-crime



Sleaze-ball and dope advocate Dennis King was paid by the CIA-associated Smith Richardson foundation to conduct a smear campaign against LaRouche, charging he is "anti-semitic". The foundation's sponsor H. Smith Richardson was pro-Hitler; he contributed the seed money for the America First Committee, which lobbied against the U.S. joining the war against Nazi Germany. His wife was a proud relative of the Astors of the pro-Nazi Cliveden set in England.

and related circles. Later, King was picked up by a CIA-associated agency, the Smith-Richardson Foundation, an agency associated with the "Iran-Contra" gang of my Oliver-North-associated personal enemies inside the National Security Council.

Today, elements of the story are sufficiently well known that only silly gossiping fools and witting liars continue to circulate the tired, old, fraudulent "anti-semitic" rumor.

Photo credits

Page	Image	Reference
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33	Ricketson	HWT Ltd.
	Norris	<i>A Century of Life</i>
	Glendyne	<i>Australian Financiers</i>
34	Blamey caricature	<i>Table Talk</i> , 28 October 1926
	ISGS document	NAA: SP 1141/1, 13 P+10
35	W.L. Baillieu	<i>Table Talk</i> , 20 June 1901, State Library of Victoria
37	Watt letter to Brookes	National Library of Australia
	Sir Adrian Watts	<i>Judges of the High Court</i>
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39	Fascist legion/KKK	Australian Archives
	Campbell addressing mtg	Sydney Morning Herald
40	New Guard mass mtg	Sydney Morning Herald
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58	Bank ad Mrs Freeland	Argus, 12 November 1949

Citizens Electoral Council's Fighting Platform

- 1. The establishment of a New Bretton Woods international monetary system.** The present free trade system of "globalisation" is destroying the nation's agriculture and industry. The CEC will work for a "New Bretton Woods" system, as proposed by the American physical economist, Lyndon LaRouche: A return to the best features of the original Bretton Woods system including tariff protection, fixed exchange rates and government support, through banking and otherwise, for agriculture and industry.
- 2. The establishment of a National Bank and State Banks** to provide loans at 2% or less to agriculture (family farms), industry and for infrastructure development.
- 3. The repeal of all Federal and State anti-union legislation** passed over the past several years, beginning with the Federal 1996 *Workplace Relations Act*.
- 4. The repeal of recent fascist laws that have taken away the civil rights of Australians,** including the Federal *Defence Legislation Amendment (Aid to Civilian Authorities) Act 2000*, aka the "Shoot to Kill" bill, which allows the army to use "lethal force" against Australian citizens, and "racial vilification" legislation, such as the Victorian *Racial and Religious Tolerance Act 2001*, which allows the Establishment to fine or jail whoever they please, using politically correct pretexts, and the recent (2002-2004) rash of draconian Federal anti-terrorist legislation.
- 5. An immediate halt to the privatisation of Commonwealth and State assets and regulatory bodies,** and the reversal of those privatisations where necessary for the public good.
- 6. An immediate moratorium on foreclosures of family farms,** given the cartel-rigged low prices for farm products and the lack of access to credit at reasonable rates.
- 7. The elimination of the disastrous National Competition Policy at a Federal level,** and the immediate non-compliance with such policy at a state level.
- 8. The elimination of the Goods and Services Tax,** which is a regressive tax which hits poor and working class Australians the

hardest, and its replacement by a 0.1% (one tenth of one per cent) tax on speculative turnover.

- 9. The reassertion of national control over Australia's oil and gas and huge mineral resources,** by "buying back the farm", or through other necessary government action.

- 10. A dramatic expansion of resources to State public health facilities,** so that all who need health care will receive it promptly.

- 11. A dramatic upgrading of State and Federal infrastructure,** in water projects, roads, railroads (emphasising high-speed trains), schools and hospitals, and other needed infrastructure to provide urgently needed facilities, new jobs and to serve as the driver for general economic recovery. These projects more than pay for themselves by the economic activity they generate.

- 12. A real war on drugs.** The present "harm minimisation" policy is a disaster, which merely expands drug usage. The war on drugs must be fought with all the weapons of war, including dramatically expanded physical and human resources to our police and other enforcement bodies. Most importantly, the drug cartels presently launder an estimated \$10 billion per year through Australia's banks, without whose cooperation the drug trade could not function; these banks, who have also financed the decriminalisation/legalisation lobby in this country, must be pursued ruthlessly.

- 13. The establishment of generous immigration quotas,** for the same reason which the Labor Party welcomed the "new Australians" after World War II—to help build our nation. From the very beginning Australia has been a nation of hope and opportunity for people of many nationalities and religious backgrounds. While the CEC is opposed to the pious fraud known as "multiculturalism", because it pits one group against another, we warmly welcome those coming here to make a better life for themselves and their families. They will help build Australia (which will suffer a severe labour shortage as the rest of this platform is implemented), just as other generations of immigrants have done.

Cut out here

Join the Citizens Electoral Council to change the economic and political course of our Nation.

Associate Membership Form - Citizens Electoral Council of Australia

All new members receive 15 complimentary editions over 12 months of the weekly *Australian Alert Service* published by the Citizens Electoral Council. (4 within the first month, and the Membership Alert once a month). The *Alert* gives new members an introduction to the breaking international and Australian news they need to know about, as well as reports on CEC activities.

To become a CEC member please fill out this form and return it with payment to CEC Australia P O Box 376 Coburg Vic 3058

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Declaration (for Australian Electoral Commission registration purposes only)
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 I am eligible to enrol for Federal elections. (You are eligible to enrol for Federal elections if:
 • you are 17 years of age or older; and
 • you are an Australian citizen; and
 • you have lived at your present address for at least the last month.)
 (British subjects who are not Australian citizens are eligible to enrol for Federal elections if they were on a Commonwealth of Australia electoral roll on 25 January, 1984.)
 *I consent to this form being forwarded to the Australian Electoral Commission in support of the Party's application for registration. (Strike out if not applicable.)
 I declare that all the information I have given on this form is true and complete.

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