

# Citizens Electoral Council of Australia

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## An Ecumenical Response to *Evangelii Gaudium*: Listen to Pope Francis!

*An Open Letter to the Catholic Church in Australia*

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Dear friends and fellow citizens,

Into the profound spiritual and economic crisis now gripping the world, Pope Francis has intervened with his Apostolic Exhortation *Evangelii Gaudium* (The Joy of the Gospel). Whilst it is addressed to the leaders and lay faithful of the Catholic Church, his impassioned call for a “new evangelisation” should inspire all men and women of good will, especially those in ecumenical agreement with Christianity, who know to be true, that which the Pope emphasises afresh: that every human being is “God’s handiwork, his creation”, for “God created that person in his image, and he or she reflects something of God’s glory.” (274)<sup>1</sup>

I and the Citizens Electoral Council share the Pope’s insistence that because all men and women are created *imago Dei* (“in the image of God”), every one of us is morally obliged to *act* to secure the Common Good.

Pope Francis is an immensely loving pastor, and therefore a very tough one. He insists, “It is no longer possible to claim that religion should be restricted to the private sphere and that it exists only to prepare souls for heaven”, but, rather, “There is a need to draw practical conclusions”. (“The Church’s Teaching on Social Questions”, 182) This new evangelisation, he states repeatedly, must be understood in its actual context, that of the present *existential global economic crisis* whose reality Catholics may ignore only at peril of both body and soul.

At the outset of Chapter Two, “Amid the Crisis of Communal Commitment”, Pope Francis warns that “certain present realities, unless effectively dealt with, *are capable of setting off processes of dehumanisation which would then be hard to reverse.*” (51)

Among these “present realities” are the fact that billions of human beings suffer near or actual starvation; that governments continue to bail out the “Too Big To Fail” (TBTF) banks with trillions of dollars even as they draft legislation (as in Australia) to allow these same banks to seize individual deposits (“bail-in”); that unemployment is skyrocketing throughout much of the world, even in “advanced sector” countries such as the United States, those in the European Union, and

1. Pope Francis released [\*Evangelii Gaudium\*](#) on 26 November 2013. Citations herein refer to paragraph numbers and section titles in the original. Emphasis has been added in some excerpts.

Australia, with youth unemployment reaching as high as 60 per cent, as in Spain; that old diseases have become increasingly antibiotic-resistant, and new ones are emerging; that Western popular culture is rooted in hedonism, violence and an utter disregard for the Common Good, and even for human life itself; and that innumerable regional wars and conflicts could suddenly escalate into a global thermonuclear war, as many world leaders have warned in recent weeks.

We must, writes the Pope, free ourselves from the “free market” financial speculation that has caused this global crisis:

“As long as the problems of the poor are not radically resolved by rejecting the absolute autonomy of markets and financial speculation and by attacking the structural causes of inequality, no solution will be found for the world’s problems or, for that matter, to any problems. Inequality is the root of social ills.” (“The Economy and the Distribution of Income”, 202)

With the world teetering on the brink of a new global financial collapse, that instruction could not be more timely.

I do not know exactly how much Pope Francis knows, of what I shall report below concerning the history of today’s reigning precepts of the “free market”. Probably most of it. But he has his utterly unique job to do, and I have mine. Mine has two parts: first, to lay bare the truth about when, where and by whom this murderous ideology was created which now oppresses and even, increasingly, kills whole sections of mankind, and which is plunging my country into ever deeper misery, as evidenced in the May 2014 Abbott/Hockey government’s brutal budget; and second, to propose “practical conclusions” to solve the present crisis, starting with Glass-Steagall legislation to split the present, speculation-centred TBTF banks into, on the one hand, normal, government-backed commercial banks, servicing the community and providing credit to agriculture and industry, and, on the other, speculative “investment banks”, which will be left on their own to sink or swim.

## **1. The “Free Market”: Murder, Inc.**

The Pope minces no words about the “free market” system. He writes:

“*Such an economy kills.* How can it be that it is not a news item when an elderly homeless person dies of exposure, but it is news when the stock market loses two points?” (53)

In fact, the so-called “free market” exists only in the minds of those foolish enough to allow themselves to be enslaved by it:

“In this context, some people continue to defend trickle-down theories which assume that economic growth, encouraged by a free market, will inevitably succeed in bringing about greater justice and inclusiveness in the world. *This opinion, which has never been confirmed by the facts,* expresses a crude and naïve trust in the goodness of those wielding economic power and in the sacralised workings of the prevailing economic system.” (54)

This cult of the free market is nothing but the ancient heresy of the golden calf, the worship of money instead of God.

“The current financial crisis can make us overlook the fact that it originated in a profound human crisis: the denial of the primacy of the human person! We have created new idols. *The worship of the ancient golden calf (cf. Exodus 32:1-35) has returned in a new and ruthless guise in the idolatry of money and the dictatorship of an impersonal economy lacking a truly human purpose.*” (55)

Only sovereign nation-states dedicated to protecting the “common good” can rein in this tyranny:

“While the earnings of a minority are growing exponentially, so too is the gap separating the majority from the prosperity enjoyed by those happy few. This imbalance is the result of ideologies which defend the absolute autonomy of the marketplace and financial speculation. *Consequently, they reject the right of states, charged with vigilance for the common good, to exercise any form of control. A new tyranny is thus born, invisible and often virtual, which unilaterally and relentlessly imposes its own laws and rules.*” (56)

Then, in the section “No to a Financial System Which Rules Rather Than Serves”, Pope Francis presents the core of his argument:

“Behind this attitude lurks a rejection of ethics and *a rejection of God*. Ethics has come to be viewed with a certain scornful derision. It is seen as counterproductive, too human, because it makes money and power relative. It is felt to be a threat, since it condemns the manipulation and debasement of the person. In effect, ethics leads to a God who calls for a committed response which is outside the categories of the marketplace. *When these latter are absolutised, God can only be seen as uncontrollable, unmanageable, even dangerous, since he calls human beings to their full realisation and to freedom from all forms of enslavement.*” (57)

If the “free market” views God as its enemy, then to whom is it consecrated, if not to Satan? And what else is this tyranny over nation-states but a form of *imperialism*, whose source should be obvious: as it has been for centuries, the City of London is still today by far the world’s largest financial market, aided and abetted by its branch office on Wall Street, particularly since the death of U.S. President Franklin Roosevelt in 1945.<sup>2</sup> These two financial centres wield a tyranny as ruthless

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2. The LIBOR scandal, in which The City’s banks were caught rigging most interest rates worldwide, is the tip of the iceberg of this imperial rule. In Australia, Lehman Brothers scammed an estimated \$2 billion from hundreds of state and local governments, superannuation funds, churches and charities that had bought their AAA-rated derivatives products, including the Anglican, Baptist, Uniting and Catholic Churches. The Anglican Archdiocese of Sydney alone lost a reported \$160 million. Notably, the Archbishop of Canterbury Dr. Justin Welby, head of the Anglican Church and member of the House of Lords, strongly endorsed Glass-Steagall-modelled legislation for Britain, during November 2013 parliamentary debates on the Cameron Government’s *Financial Services (Banking Reform) Bill*.

as that of the Roman Empire or its descendant the British Empire, which committed genocide in Ireland, India, Africa, and elsewhere around the globe. That empire has merely shed its redcoats and gunboats for the rule of finance, the “indirect rule” known today as “globalisation”.<sup>3</sup> Indeed, the expressly anti-Christian sophistry of the “free market” was invented in its modern form by Adam Smith, Parson Thomas Robert Malthus, David Ricardo, John Stuart Mill, et al. to perpetrate the rule of that empire, and each of these great advocates of “individual freedom” was a paid propagandist for the *greatest monopoly in world history*, the slave- and drug-running British East India Company (BEIC).

The British Empire’s rulers, and its inner priesthood in precincts such as Oxford and Cambridge Universities, well know the power of ideology to enslave humanity. Listen, for instance, to one of its modern high priests, Lord John Maynard Keynes. His monetarist doctrine, preferring credit for speculation over investment in the real physical economy, has inspired virtually all Western governments to claim, following the 2008 GFC, that money must be flooded into the TBTF banks to spark a recovery, even as they slash spending on health, social services, education, and support for industry and agriculture. At the conclusion of *The General Theory of Employment, Interest and Money* (1936), Keynes smugly observed:

“The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influence, are usually the slaves of some defunct economist. ... I am sure that the power of vested interests is vastly exaggerated compared with the gradual encroachment of ideas.”<sup>4</sup>

It is against that tyranny of anti-human ideas that Pope Francis has thrown down the gauntlet.

## **2. The Satanic Cult of the “Free Market”: The Case of Australia**

Beginning in 1983 with the Hawke/Keating governments, Australia has been a poster child for the “free market” ideology of free trade, deregulation, and privatisation, which the ALP and the Coalition proudly proclaim as their “bipartisan economic consensus”. This was no natural evolution of an idea, but was spawned by a *conspiracy*, organised by a small group of think tanks including the Centre for Independent Studies (CIS), the Institute of Public Affairs (IPA), the Tasman Institute, and the HR Nicholls Society. Each and every one of these, in turn, was born of the Mont Pelerin Society (MPS), a semi-secret body founded in 1947, and of its premier think tank, the London-based Institute of Economic Affairs (IEA), established in 1955 under the patronage of the British Crown and the City of London.<sup>5</sup>

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3. Nancy Spannaus and Jeffrey Steinberg, [“The British Empire: Satanic Warfare Against Humankind”](#), *Executive Intelligence Review* (EIR), 30 May 2014.

4. Keynes came by his monetarist commitment lawfully, having begun his career in 1906 as an economist in the British Empire’s India Office, the direct successor of the British East India Company.

5. An early sponsor of the MPS campaign for “free trade” was Harley Drayton, private financier for the Crown, head of the 117 Old Broad Street Group, chairman of 23 companies, and controller of 20 investment trusts.

The influence of the MPS and its offshoots in Australia was outlined in Murdoch journalist Paul Kelly’s in-depth, insider account of the conspiracy, *The End of Certainty*. Its chapter “The Revolt against the Liberal Tradition” exposed the Mont Pelerin clique in the Liberal Party, the “radical liberals”:

“In 1983 they constituted, in fact, a Liberal counter-establishment. ... They converted the majority of the Liberal Party to their position during the 1980s and their philosophy almost became an accepted orthodoxy. But their triumph inside the party was bitter, bloody and protracted. ... John Howard was the first radical liberal to lead the party and John Hewson the second. ... It was a revolt, though not always fully grasped at the time, against the Deakin-inspired Australian Settlement of the early post-Federation period which, in the post-war context, was embodied in the Menzies-McEwen-Fraser heritage. ... The high priests of their doctrine were the eighteenth century philosopher and economist Adam Smith; the Austrian theorist Friedrich Hayek, and the American economist Milton Friedman.”<sup>6</sup>

The MPS is the flagship of the Austrian School of economics, which emerged in the 1870s and 1880s under the wing of the Hapsburg Austro-Hungarian Empire. Austrian School economics demands the primacy of (privately controlled) *money* above all else. President Abraham Lincoln’s victory over the British-backed Confederacy during the U.S. Civil War of 1861-65, a victory secured, among other factors, via the use of government-issued national credit (the “greenbacks”), had unleashed an explosion of industrialisation and nation-building worldwide. The Austrian School was founded to combat the spread of this American System, as it was known, of tariff protection and national banking, particularly in Germany.<sup>7</sup>

The two most prominent founders of the MPS were Friedrich von Hayek, a minor Austrian nobleman, and Prof. Milton Friedman of the University of Chicago. The MPS/IEA wrote British PM Margaret Thatcher’s policies of the 1980s, including brutal reductions in health care and other social services, the mass fire sale of public assets, and union busting. The IEA’s co-founder and long-time head, British Eugenics Society fellow Lord Ralph Harris, bragged to a journalist in 1996, “We weren’t Thatcherites, she was an ‘IEA’-ite.”<sup>8</sup> Harris was made a life peer as Baron Harris of High Cross for his efforts, while von Hayek was elevated to “Companion of Honour” to the Crown, as one of only 60 people in the world with this status. For von Hayek, that occasion was “the proudest day of my life”.

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6. Paul Kelly, *The End of Certainty: The Story of the 1980s* (St Leonards, NSW: Allen & Unwin, 1992). Diana Bagnall, “How this man controls your future”, *The Bulletin*, September 2004, a profile of Greg Lindsay, observed, “When the CIS focused on an issue, it was a sign that the Howard government would soon follow.” MPS member and founding board member of the CIS Maurice Newman is now chairman of PM Abbott’s Business Advisory Council.

7. The Austrian School was founded by Carl von Menger (1840-1921), tutor and travelling companion of Hapsburg Crown Prince Rudolf. Lyndon H. LaRouche, Jr. and David P. Goldman, *The Ugly Truth About Milton Friedman* (New York: New Benjamin Franklin House, 1980) provides background on the Austrian School. Rachel and Allen Douglas, “The Financial Oligarchy’s War against the Nation-State: The Case of the Long-Term Investors Club” (Research Memorandum, 2013), Chapter 5 — [“Two Varieties of Monetarism”](#), reviews the Austrian School’s shaping of today’s global financial institutions.

8. “Postwar Fascism: The Mont Pelerin Society”, [The New Citizen, April 2004](#).



Friedman and von Hayek visited Australia in 1975 and 1976, respectively, to replicate the IEA and its program in our country. Von Hayek personally helped launch the CIS and sat on its board until his death in 1992. Lord Harris also visited Australia three times. In that same 1996 interview, Harris boasted about the CIS's founder, "That's one of my boys, Greg Lindsay, he's a great mucker of mine." Asked who in government had kicked off the IEA's program in Australia, Harris reported, "I thought that he did quite a bit, Keating, on the financial liberalisation, on international trade ... and also the trade union man before Keating, Bob Hawke." By 2003, the *Sydney Morning Herald* of 11 August would observe, in an article entitled "Ideas Powerhouse Whose Game Is Political Influence": "Most observers ... say no organisation has ever enjoyed CIS's influence in Australia." No wonder: Big Business, the Big Four banks, and Macquarie founded these MPS think tanks in the first place, have always held the commanding positions on their boards, dictate their "studies", and finance the two "major parties" to implement them. Reflecting his success in the looting of Australia, CIS founder Lindsay served as president of the MPS itself in 2006-08.

Together with the Institute of Public Affairs (established in October 1942, on the ideas of both von Hayek and Keynes), the CIS and such sister bodies as the Tasman Institute and the HR Nicholls Society wrote much of the program for the Hawke/Keating government; almost all of the Howard government's budget-slashing and mass-privatisation policies; all of former Victorian Premier Jeff Kennett's brutal privatisation program; and, by already three years ago, 100 per cent of the program of the present Abbott/Hockey government.

Ostensible "left-winger" Keating even penned articles on "smaller government" for the "right-wing" *IPA Review*. Regarding the Abbott/Hockey government, veteran journalist Alan Kohler reported in his 27 August 2013 *Business Spectator* article "Abbott's secret Fightback plan", that "the Liberal National Party Coalition has for almost three years been sitting on a full, written plan for governing Australia. It is, by all accounts, one of the most detailed and exhaustive plans for government ever prepared by an opposition party." Though the secret plan itself "has never been made public", Kohler observed that it guides everything the Abbott government is now doing, from the Financial System Inquiry to the radical budget cuts. It was drafted under the supervision of Andrew Robb, a Mont Pelerin advocate and long-time Hewson ally who presently serves as Minister for Trade and Investment.

Perhaps the best-known Mont Pelerin program — and one cited by the Abbott/Hockey circles as their model — was the Project Victoria holocaust of the early 1990s, written by the IPA and the Tasman Institute (ACIL Tasman, now ACIL Allen Consulting). In the space of three years, Victorian Premier Jeff Kennett privatised \$30 billion worth of public assets, mainly electricity and gas; slashed the public health budget by 10 per cent, shutting down many regional hospitals and sacking 20,000 healthcare workers; closed 350 public schools; and eliminated 7,000 teaching jobs.<sup>9</sup>

It was no surprise, therefore, to find then Shadow Treasurer Joe Hockey at the IEA in London on 17 April 2012, speaking on "The End of the Age of Entitlement". Hailing the European Union's austerity policies, which have produced mass unemployment, social misery and rising death rates, Hockey declared, "In today's global financial system it is

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9. The major beneficiaries of Kennett's mass privatisation were the same corporate interests who financed the CIS et al. to draft it, such as CIS director and Macquarie Group CEO Nicholas Moore.

the financial markets, both domestic and international, which impose fiscal discipline on countries”.<sup>10</sup> Australia must therefore slash government spending on “entitlements” such as “education, health, housing, subsidised transport, social safety nets and retirement benefits”. Australia, Hockey proclaimed, must cut such spending because “entitlement is a concept that corrodes the very heart of the free enterprise that drives our economies.” Moreover, he threatened, “Adam Smith’s free hand is perfectly capable of forming a fist to punish nations who ignore the fundamental rules.”

In his domestic keynote address to the CIS in Sydney on 8 November 2013, Hockey, now as Treasurer, gushed, “I want to declare my gratitude to Greg Lindsay and the CIS team for its advocacy of many values and policies that I share.”

Now, through the present “root and branch” Financial System Inquiry (FSI), set up to further deregulate Australia’s financial system and find new ways to fund the banks, and also through satellite bodies such as the National Commission of Audit, established to “cut spending and increase competition”, the Abbott/Hockey government plans to transfer wealth on a staggering scale from the average Australian, particularly the defenceless, to the Big Four banks, Macquarie, and the titans of Big Business. Government programs must be cut “because it leaves more resources for the private sector to reap the rewards”, said Hockey at the Sydney Institute (an IPA spin-off) on 30 August 2012. At the CIS on 6 March 2013, FSI Chairman David Murray co-chaired the launch of TARGET30, “a campaign to reduce government spending” in “key areas such as welfare, education and health care”, in order to “encourage personal responsibility and curb the growing entitlement mentality”.

Today’s FSI is modelled on the 1970s-80s Campbell Committee, “the most important independent committee of inquiry in the Australian federation’s history”, whose radical “free market reforms” unleashed the orgy of free trade, deregulation, and privatisation now ravaging Australia.<sup>11</sup> That, too, was a Mont Pelerin project. Its chief architect, John Hewson, had become a devotee of Milton Friedman while attending university in Canada, and then studied under MPS members Carl F. Christ and Jürg Niehans at Johns Hopkins University in the United States. Hewson recruited Friedman himself as the Campbell Committee’s “ace from outside”.<sup>12</sup> There was great opposition to the Campbell Committee’s radical proposals, but, “The fact that the report was finished and tabled in parliament was a tribute to the doggedness, drive and tenacity of John Hewson”, the same whose investment banker ex-wife Carolyn is now a member of the five-person, banker-dominated FSI. Liberal Prime Minister Malcolm

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10. The EU was established by the British Empire itself. In May 1948 the arch-imperialist Winston Churchill organised a Congress of Europe at The Hague, attended by some 1,000 prominent Europeans from 16 countries, including hundreds of MPs. This meeting merged all the major “united Europe” organisations into the “European Movement”. The generally acknowledged founding father of the EU was lifelong British agent Jean Monnet. (Allen Douglas, [“The British Empire’s European Union”](#), 2008.)

11. David Love, *Unfinished Business. Paul Keating’s Interrupted Revolution* (Carlton North, Vic.: Scribe Publications Pty. Ltd., 2008), p. 22-24, is the source of all the citations in this paragraph.

12. As the centrepiece of Australian financial deregulation, the Campbell Committee recommended to float the Australian dollar, the better for the City of London and Wall Street to speculate in it. In addition to Friedman, the committee’s “outside advisers” included a cabal of foreign banks: Citibank, Hong Kong and Shanghai Bank, the Bank of Tokyo, Bank of America, and Barclays Bank. Hewson became the founding executive director of Macquarie Bank, perhaps the single greatest beneficiary of the Campbell “reforms”.

Fraser (1975-83) refused to implement most of Campbell’s radical proposals, but his successors Hawke and Keating set up the Martin Committee as a “Labor” commission to rubberstamp the “Liberal” Campbell Committee’s recommendations.

### **3. Friedrich von Hayek: Satan’s Little Helper**

Von Hayek’s “free market” reforms ravaged so many nations, that a feature in the *Sydney Morning Herald* on 13 August 2003 named him “the most successful, if unheralded, political puppet-master of the past century.”

To understand how a neurotic little Austrian nobleman has been so influential, is to begin to comprehend the evil of which the Pope warns in *Evangelii Gaudium*.

A professor at the London School of Economics since 1931, von Hayek in 1944 issued his best-known book, *The Road to Serfdom*. In 1947 he founded the MPS, serving as its president until 1961.

In the 1944 book, von Hayek maintained that any government “economic planning” would suppress “freedom” and inevitably result in a fascist or communist dictatorship. His unspoken target was President Franklin Roosevelt, who had reined in Wall Street through the 1933 Glass-Steagall law, and then poured federal credit into the great infrastructure projects that pulled the USA out of the Great Depression and created the industrial might to defeat fascism.

Von Hayek devoted an entire chapter to attacking the notion of the Common Good — the General Welfare clause of the Preamble to the American Constitution: “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.” Rather, von Hayek fulminated, “The adoption of a common ethical code comprehensive enough to determine a unitary economic plan” would suppress “individualism”.

Von Hayek insisted in *The Road to Serfdom* that he was not a “conservative”, as was generally supposed, but a “Liberal” in the mould of 19th-century Britain — the heyday of the British Empire. The Liberalism of that era had been excoriated by Pope Leo XIII in *Rerum Novarum*, 1891, and again, explicitly, by Pope Pius XI in his 1931 commemoration of that encyclical, *Quadragesimo Anno (In the Fortieth Year)*, as the world sank into the Great Depression *caused* by that Liberalism.

The great freedom-lover von Hayek concluded his book with a demand for “an international authority which effectively limits the powers of the state over the individual”.

### **4. The “Left” and “Right” Wings of British Liberalism**

While von Hayek achieved notoriety as an anti-big government “conservative”, the high priest of “liberal” economic theory, from the 1930s until the bail-out/bail-in schemes of today, has been Lord John Maynard Keynes. As the right and left wings of the same British imperial *monetarism*, von Hayek and Keynes agreed with each other on virtually everything. Keynes wrote of *The Road to Serfdom*, “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 returned the compliment: “If he [Keynes] had not died so soon [1946], he would have become one of the leaders in the fight against inflation.”<sup>13</sup>

They agreed because they both championed the tyranny of *money*. Keynes’s 1930 book *A Treatise on Money* served as the bedrock of his 1936 magnum opus, *The General Theory of Employment, Interest and Money*. Though originally written in English, the *General Theory* appeared first in German because Keynes thought his theories were best suited to Hitler’s Germany.

Melbourne’s Institute of Public Affairs, the same which together with the CIS spearheaded the free market revolution in Australia since the Campbell Committee, was itself founded in 1942 on the philosophy of von Hayek and Keynes. The IPA, in turn, founded the Liberal Party. As Marian Simms observed in her history of the Liberal Party, *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.”<sup>14</sup>

Given the sympathy of von Hayek and Keynes for dictatorships, their adoption by the IPA was not surprising because the IPA itself was funded and founded by the same Big Business and Banks that had created the mass fascist armies in Australia in the early 1930s, to stop a Labor government from implementing national banking to pull the country out of the Great Depression,<sup>15</sup> as President Franklin Roosevelt had done in the United States.<sup>16</sup>

Like von Hayek, Lord Keynes advocated a one-world government, proposing at the 1944 Bretton Woods conference that the world should be ruled by a global central bank issuing a supranational currency, the “bancor”. The conference rejected the most radical parts of Keynes’s scheme, in favour of Roosevelt’s vision of a post-war order of sovereign nation-states and large-scale economic development. Throughout the life of the Bretton Woods fixed exchange rate system, until it was finally dismantled by U.S. President Richard Nixon in 1971, von Hayek’s Austrian School led efforts to eliminate it.<sup>17</sup>

Given his importance, together with von Hayek, in concocting the modern “idolatry of money”, we must look more deeply at Keynes, and then still more deeply into the person both von Hayek and Keynes claim as their spiritual forefather, the

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13. [The New Citizen, April 2004](#), “Defeat the Synarchy — Fight for a National Bank!” ..

14. Ibid., [“The IPA Creates the Liberal Party”](#), p. 46.

15. Ibid., [“The 1930s Synarchist Assault on Australia”](#), p. 29

16. The affection of von Hayek and Friedman for dictatorships continued in later years, as they championed the “free market” reforms in Chile under dictator General Augusto Pinochet (1973-90) as a model economy. They visited the country repeatedly to advise Pinochet, von Hayek serving as Honorary Chairman of the Centro de Estudios Publicos, Pinochet’s principal economic think tank.

17. Richard Cockett, *Thinking the Unthinkable: Think-Tanks and the Economic Counter-Revolution, 1931 – 1983* (London: HarperCollins, 1995), notes that in *The Case for Freedom* (1947), future co-founder of the IEA Sir Antony Fisher “devoted considerable space to an attack on fixed exchange rates and the Bretton Woods agreements — the evils of fixed exchange rates would become a particular obsession throughout his life.” In 1963, Austrian School economists Fritz Machlup and Robert Triffin founded the Bellagio-Princeton Study Group on International Monetary Reform (the “Bellagio Group”) of 32 leading central bankers and economic advisors to governments, a project dedicated to ending the fixed exchange rate system and ultimately influential in achieving that outcome in 1971.

Anglo-Dutch Satanist Bernard Mandeville (1670-1733).<sup>18</sup>

## 5. Keynes: A Devil in Drag

Had the truth about Keynes's personal degeneracy surfaced during his lifetime, observed his biographer Lord Robert Skidelsky, no one would have listened to him. Skidelsky wrote that Keynes, though not much of an orator, "could speak much more eloquently when aroused, as he invariably was when the subject was Christianity and its iniquities."<sup>19</sup> Keynes's moral degeneracy was no "personal" matter, but one of British imperial *policy*.

Keynes's life and outlook were shaped by his recruitment into a secret society known as the Apostles, during his education at Cambridge at the turn of the 20th century. The universities of Cambridge and Oxford for centuries had served as the inner priesthood of the British Empire, developing the philosophies and doctrines upon which that empire is run. Cambridge was and is the more important, and the elite within Cambridge were the Apostles, whose membership included such influentials as the philosophers and mathematicians Alfred North Whitehead, Lord Bertrand Russell, G.E. Moore, G.H. Hardy, and Ludwig Wittgenstein.<sup>20</sup> The degenerate Bloomsbury cultural group, co-founded by Apostles Keynes and Lytton Strachey under the patronage of Russell's aristocratic mistress Lady Ottoline Morrell, was but one manifestation of their influence. Keynes bragged, "The Apostles repudiated entirely customary conventions, and traditional wisdom. We were in the strict sense of the term Immoralists."<sup>21</sup> An American Apostle wrote that Cambridge in the early decades of the 20th century was "dominated by the overpowering intellect of John Maynard Keynes"<sup>22</sup>.

The Apostles typically masked their Satanism under a veneer of witty cynicism, but as Keynes's closest friend and sometime lover Strachey once wrote to him, "we must tell the whole truth; and the whole truth is the Devil."<sup>23</sup> Keynes approvingly summarised an exchange between Strachey and Russell: "Strachey: '..."

18. Von Hayek chose Mandeville as the hero of his "Lecture on a Master Mind", delivered to the British Academy on 23 March 1966, noting at the outset, "The author who achieved such a *success de scandale* almost 250 years ago is still not quite reputable". For his part, Keynes approvingly quoted Mandeville at length in his *General Theory*, to justify the economic importance of "luxury spending".

19. Robert Skidelsky, *John Maynard Keynes, Hopes Betrayed 1883-1920* (London: Macmillan, 1983).

20. W.C. Lubenow, *The Cambridge Apostles 1820-1914* (New York: Cambridge University Press, 1998) emphasised, "In the twentieth century, the Apostles helped to create the discipline of economics", crusading against protectionism in particular. Lyndon H. LaRouche, Jr., "The Satan Still Operating from Inside Bertrand Russell's Corpse", *EIR*, 28 March 2014, demonstrated that Russell and the Apostles promoted a mind-deadening mathematical formalism (logical positivism) in order to cripple the creative abilities of the human soul, thus to prevent mankind from acting *imago Dei*, as a co-creator with the Creator Himself of an upwardly developing Universe. Pope Francis argued to the same effect in the encyclical *Lumen Fidei* (2013), where he also denounced Wittgenstein. Both Francis and John Paul II have polemicised against positivism: Pope John Paul II, *Fides et Ratio (On the Relationship Between Faith and Reason)*, 1998, paragraph 88) and Pope Francis, *Evangelii Gaudium*, subsection "Dialogue Between Faith, Reason and Science", 242).

21. Richard Deacon (Donald McCormick), *The Cambridge Apostles: A History of Cambridge University's Elite Intellectual Secret Society* (New York: Farrar, Straus & Giroux, 1985), p. 64. The author was a veteran British Intelligence officer.

22. *Ibid.*, p. 83.

23. *Ibid.*, p. 65.

doesn't it say somewhere that he [God] made man in his own image?' Russell: 'Ah yes, of course that was the mistake'.<sup>24</sup> Moreover, said Keynes, "The atonement of Jesus Christ was a very bogus business".<sup>25</sup>

Besides his and the Apostles' promotion of the "Higher Sodomy" as "the supreme state of existence, 'passing Christian understanding'",<sup>26</sup> Keynes's main passions at Cambridge were for eugenics and free trade. From his role as founding treasurer of Cambridge University's Eugenics Society in 1903, to his vice presidency and directorship of Britain's Eugenics Society from 1937 until his death in 1946, eugenics remained a cornerstone of his world outlook. Indeed, shortly before his death Keynes proclaimed, "Eugenics is the most important, significant and, I would add, genuine branch of sociology which exists." Keynes also served as the secretary of the Cambridge Free Trade Association, his chief "political" cause then and throughout his life. Both passions, for eugenics and for free trade, were animated by his hatred for man created *imago Dei*; for the Creator; and for Catholicism in particular. In a 1903 letter to a fellow Apostle, he proclaimed, "Sir, I hate all priests and protectionists. ... Free Trade and free thought! Down with pontiffs and tariffs. Down with those who declare we are dumped and damned. Away with all schemes of redemption or retaliation."<sup>27</sup>

Given his devotion to free trade and eugenics, it was no surprise that Keynes declared, "I have long claimed Robert Malthus as the first of the Cambridge economists",<sup>28</sup> as "the beginning of systematic economic thinking."<sup>29</sup> Parson Malthus wrote his infamous 1798 *Essay on Population* to justify eliminating the Poor Laws, which provided for the barest existence for the hordes of poor in depression-wracked Britain of the 1790s. With no evidence, Malthus simply asserted that population always grows geometrically, but food supplies increase only arithmetically, and therefore the numbers of the poor will always skyrocket until or unless they are decimated by famine, disease, or human intervention, i.e. the mass murder he advocated.<sup>30</sup> The British East India Company hired Malthus to teach at its newly established Haileybury College, awarding him "the earliest chair of Political Economy to be established in England", Keynes reported approvingly.<sup>31</sup> During three decades there, Malthus trained the BEIC leaders who were to employ his recommendations for mass genocide relentlessly in Ireland, India, Africa and elsewhere. His dogma on "overpopulation" catalysed Charles Darwin's "discovery of evolution", as Darwin himself emphasised, and that hokum in turn gave birth to the new "science of

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24. Skidelsky op. cit., p. 125.

25. Ibid., p. 150.

26. Deacon, op. cit., p. 63-64.

27. Skidelsky, op. cit., p. 122.

28. John Maynard Keynes, "Robert Malthus: The First of the Cambridge Economists", in *Essays in Biography* (New York: W. W. Norton & Company, 1951), p. 108.

29. Skidelsky, op. cit., p. 120-21. Skidelsky wrote of Keynes's first book, *The Economic Consequences of the Peace* (1919), "The nightmare which stalked Keynes's book was the Malthusian nightmare of fecundity" — in a world where 10 million people had just been slaughtered in World War I and another 20 to 40 million had died in the ensuing world influenza epidemic.

30. Ann Lawler, "The Humbuggery of Charles Darwin", in [The New Citizen, October/November 2011](#), "The British Crown Created Green Fascism", p. 19 documents Malthus's advocacy of forcing mass deaths as the solution to overpopulation.

31. Keynes, op. cit., p. 108.

eugenics”. In 1909 King Edward VII knighted its founder, Darwin’s first cousin Sir Francis Galton, for “service to the Empire”.

With an eye to the United States having just been famously established upon the principle of the General Welfare, of “benevolence”, Malthus wrote cynically in the *Essay on Population*: “The substitution of benevolence, as the master-spring and moving principle of society, instead of self-love, appears at first sight to be a consummation devoutly to be wished. ... The whole is little better than a dream — a phantom of the imagination.”

Many charged, correctly, that Malthus had lifted his principle of “self-love” from the Anglo-Dutch Satanist Bernard Mandeville.<sup>32</sup>

## 6. Founding the Free Market: Bernard Mandeville of the Hell-Fire Clubs

The Dutch-born Mandeville emigrated to England, where he loudly defended the Dutch Prince William of Orange’s 25,000-man invasion and coronation as William III in 1688-89, the “Glorious Revolution”. When not engaged in supporting William’s butchery of tens of thousands in Ireland, Mandeville helped found the notorious devil-worshipping Hell-Fire Clubs. His best-known work, *The Fable of the Bees: Or, Private Vices, Public Benefits*, portrays man as a mere beast, dominated by greed, lust and rage. These evil impulses, Mandeville maintained, “which we all pretend to be ashamed of, are the great support of a flourishing Society.” Therefore each should just follow his or her base instincts, and all will work out for the “common good”:

Millions endeavouring to supply  
Each other’s Lust and Vanity...  
Thus every Part was full of Vice,  
Yet the whole Mass a Paradise...

Laying the groundwork for Malthus, Mandeville campaigned against the church-based “charity schools” for educating the poor: “National wealth, indeed, consists not in money, but in ‘a Multitude of laborious Poor,’” and since therefore “it would be ruinous to abolish poverty and impossible to do away with unpleasant labour”, he said the poor should not be educated.

## 7. Christianity, Nation-States, and the Common Good

While Mandeville’s Satanic tradition gave rise to the free market denounced by Pope Francis as “an economy which kills”, Christianity inspired an entirely different ordering of society, that of nation-states committed to the Common Good. Cardinal Nicholas of Cusa (1401-1464), one of the greatest figures in the history of the Catholic Church and of Western civilisation in general, first set forth this idea.<sup>33</sup>

32. Modern historians recognise Mandeville — not the plagiarist Adam Smith — as the real author of the notion of an “Invisible Hand”, the cornerstone of the modern doctrine of the “free market”. F. B. Kaye’s classic introduction to his edition of *The Fable of the Bees* (Oxford University Press, 1924, available from the Online Library of Liberty) underscores the point: “In the Fable Mandeville maintains, and maintains explicitly, the theory at present known as the laissez-faire theory”. The Scottish professor of “moral philosophy” Adam Smith enshrined Mandeville’s thesis in his 1756 *The Theory of Moral Sentiments*, which then emerged as the “Invisible Hand” in Smith’s more famous 1776 *The Wealth of Nations*.

33. Acclaimed as the “Hercules of the Eugeneans” for his aid to Pope Eugenius IV (1383-1447) in

The early 14th-century collapse of the usurious international monetary system, centred at that time in the city-state of Venice, unleashed the Black Death and social chaos. It also, however, temporarily weakened Venetian power and allowed the great efflorescence known as the 15th-century Golden Renaissance, whose high point was the reunification of Eastern and Western Christianity at the 1437-39 Council of Florence, based upon the Eastern church's agreement to the Filioque doctrine: that the Holy Spirit proceeds equally from the Son as from the Father (*ex Patre Filioque* — “from the Father and the Son”). The Western church had added the Filioque clause to the Creed (originally adopted at the Council of Nicea in AD 325), to combat the heretical Arian teaching that Christ was merely a very great man, but was not God.

Cusa envisioned a new form of society, the nation-state, recognising that all men and women were created *imago Dei*, and therefore should have no rulers over them but those whom they themselves elected by secret ballot. He outlined in his 1433 *De concordantia catholica (On Catholic Concordance)*:

“All legitimate power arises from elective concordance and free submission. There is in the people a divine seed by virtue of their common equal birth and the equal natural rights of all men, so that the authority — which comes from God, as does man himself — is recognised as divine, when it arises from the common consent of the subjects. ... That is the divinely ordained marital state of spiritual union based on a lasting harmony, by which a commonwealth is best guided in the fullness of peace toward the good of eternal bliss.”

Cusa realised, however, that the Venetian imperial power had reconstituted itself, and would continue to plague Europe indefinitely, a reality chronicled in the *Commentaries* of his great ally, Pope Pius II, who excoriated the Venetians, writing that they

“... wish to appear as Christians before the world, but in reality they never think of God and, except for the state, which they regard as a deity, they hold nothing sacred, nothing holy. ... The Venetian is bent on founding a new monarchy; he is already convinced that the destiny of Rome is his. ... They are allowed to do anything that will bring them to supreme power. All law and right may be violated for the sake of power.”<sup>34</sup>

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reconstructing the papacy after the period of simultaneous multiple popes, Nicholas of Cusa then served as the right-hand man of Pope Pius II (1405-64). On the 600th anniversary of the birth of Nicholas, Pope John Paul II sent a beautiful message to Bishop Leo Schwarz in Trier, Germany, Cusa's birthplace, commemorating the work of the great cardinal, statesman and scientist. After summarising Nicholas of Cusa's extraordinary role in Church reform and his efforts to end the Hundred Years' War between France and England, John Paul II emphasised that one can not talk about Cusa without “mentioning the gigantic scientific work which he left behind”, as demonstrated in his still-existing library in the town of Bernkastel-Kues. “Through his genial ideas, the Cardinal was inspired to think further ahead, and he laid out ideas which are efficient up to this day, or merit being taken up again, in Astronomy, Mathematics, Natural Sciences, Medicine, Geography, Law, but especially in Philosophy and Theology”.

34. Florence A. Gragg (trans.), Leona C. Gabel (ed.), *Memoirs of a Renaissance Pope. The Commentaries of Pope Pius II* (New York: G.P. Putnam's Sons, 1959), p. 301-2.



In the face of this imperial resurgence, Cusa proposed that the best of European civilisation should cross the oceans and colonise new continents, free from the ancient imperial system of monetarism. His associates drafted the maps for such a colonisation, which maps the executor of his estate provided to Christopher Columbus to guide his epic voyage of 1492. While the Dutch and British Empires arose on the foundations of their Venetian predecessors' control of international banking and world trade, Cusa's program of establishing a new civilisation across the oceans and free from the ancient imperial systems of Asia and Europe took hold

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To this day, the Venetian oligarchy — those whom Pope John Paul I called the “ancients” — wields a subtle but powerful global influence in finance and culture, typified by the “Venetian group” of financiers and industrialists, centred around Count Piero Foscari, Count Giuseppe Volpi di Misurata, Count Vittorio Cini, Bernardino di Nogara et al., in the early 20th century, and its direct heirs and descendants of the present. The projects of this “Venetian group” have included the orchestration of the intrigues, assassinations and coups in the Balkans that helped trigger World War I; the establishment of Mussolini's fascist regime, in which Volpi served as finance minister and then chairman of the Fascist Confederation of Industrialists; the Pan-European Union (chief interwar precursor of the European Union), led by Count Richard Coudenhove-Kalergi, an Austrian nobleman with Venetian roots; foundation of the Hitler-supporting Bank for International Settlements as the world's “central bank for central bankers”; sponsorship of terrorism and coup attempts in Italy from the 1960s to the 1980s, such as those involving the P2 Masonic lodge and Roman/Venetian “Black Prince” Junio Valerio Borghese; the “free market” looting of Italy from the early 1990s on; and such powerful Satanic cultural institutions as the Venetian Biennale festival, founded by Volpi, and its sister body the Cini Foundation, established after World War II by erstwhile Mussolini cabinet minister and apostle of “universal fascism” Count Vittorio Cini. The Venetian legacy is still active in such ostensibly modern schemes as “public-private partnerships”, a model for infrastructure privatisation, such as Macquarie specialises in, originating with innovations made under Mussolini; Claudio Celani, [“Mussolini Program Was Model for Today's PPPs”](#), *EIR*, 4 February 2008, details these origins.

Venice's centuries-old influence on the Vatican was reflected by Volpi's orchestration of Mussolini's 1929 Lateran Pact with the Holy See, a process from which Volpi's right-hand man Nogara emerged as Delegate of the Special Administration (later known as the Administration of the Holy See Patrimony), i.e. the controller of the state of Italy's sizeable financial settlement upon the Church for the loss of its Papal States during the unification of Italy in the previous century. At Nogara's urging, Pope Pius XII in 1942 established the Istituto per le Opere di Religione (IOR, Institute for the Works of Religion, the “Vatican Bank”), and appointed Nogara with absolute power to head it. In turn, Nogara's *uomini di confidenza* (“men of confidence”) such as Prince Massimo Spada, and Spada's own protégés such as Michele Sindona, largely dominated the IOR until recently. Source material may be found in Allen Douglas, [“Italy's Black Prince: Terror War Against the Nation-State”](#), *EIR*, 4 February 2005; Allen and Rachel Douglas, [“Ledeen's Beloved ‘Universal Fascism’: Venetian War Against the Nation-State”](#), *EIR*, 4 November 2005.

Gianni Toniolo, in his official history of the Bank for International Settlements (BIS), *Central Bank Cooperation at the Bank for International Settlements, 1930-1973* (Cambridge University Press, 2005), emphasises the Venetian role in founding that institution. He writes (p. 20) about another associate of Volpi, Luigi Luzzatti of the ancient Venetian Luzzatto/Luzzatti banking family: “Luigi Luzzatti, a Venetian and prominent Italian political figure, is largely credited with developing in 1907 the first ideas about an international body for central bank cooperation.” Douglas, “The Financial Oligarchy's War...” (Note 7, above), recounts the history of Venice's control of world finance, from AD 1000 well into the modern era, as [“The Venetian Money System”](#). The financial networks of the P-2-tied Banco Ambrosiano, formerly associated with the Vatican Bank, have continued into the present under the supervision of Cini Foundation President Giovanni Bazoli, head of Banca Intesa Sanpaolo, Italy's second largest bank. Bazoli is also a leading power behind the EU-sponsored [Long-Term Investors Club \(LTIC\)](#) established in 2009 to spearhead the further privatisation (looting) of infrastructure throughout Europe; the LTIC has deep links into Australia as well.

and flourished in what was to become the United States. Characteristic of the long arc from the 1620s to the American victory over the British Empire in 1783 was the work of the Massachusetts Bay Colony's republican spiritual and political leader, Reverend Cotton Mather (1663-1728). In his manual for citizenship, *Essays to Do Good*,<sup>35</sup> he instructed the American colonists to seek any and all possibilities “to do good” for the community, so as to glorify the Creator, and as the ultimate source of one's own true happiness. Mather's disciple Benjamin Franklin, the intellectual and political mastermind of the colonies from his young adulthood in the 1720s through the Constitutional Convention of 1787-89, wrote in his autobiography that Mather's book had shaped his entire life's work.

The defeat of the British Empire in the American Revolutionary War of 1776-83 opened a new phase in world history: the establishment of the first-ever fully sovereign, self-governing nation-state. But the bankrupt young nation was consolidated only through the brilliant innovation of the first U.S. Secretary of the Treasury, Alexander Hamilton. Hamilton constructed a unique system of national banking, typified by the First and Second National Banks of the United States, in which the government deployed its sovereign powers of credit to foster agriculture, industry, and great infrastructure projects. It was a system *regulated* for the Common Good, and recognised internationally as the means to defeat the British Empire, as the great German economist Friedrich List said in Philadelphia in 1827: “I herewith declare war against the system of Adam Smith on behalf of the American System of Political Economy.”<sup>36</sup>

Through treachery, including the assassination of Hamilton by British agent Aaron Burr, founder of the Bank of Manhattan (the cornerstone of today's Wall Street), and the later dismantling of the national bank, the British Empire continued its warfare against the United States. London sponsored the Confederacy before and during the U.S. Civil War of 1861-65. When Wall Street refused to extend loans to the Union during that war, President Lincoln revived Hamilton's national banking program by issuing a government currency, the greenback, which enabled the greatest industrialisation in history up to that time. This development posed a mortal threat to the British Empire. Lincoln's economic advisor, Henry Carey of the Philadelphia Hamiltonian circle, wrote that the United States intended to “substitute true Christianity for the detestable system known as the Malthusian, ... vindicating the policy of God to man.”

## **8. The “American System” in Australia**

Lincoln's victory over the British-backed Confederacy led to an explosion of industry and nation-building worldwide, as other countries adopted the American System of tariff protection and national banking for the Common Good. One of these was Australia, where the working-class founders of the Australian Labor Party took

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35. Its full title is *Bonifacius: An Essay upon the Good, That Is to be Devised and Designed, by Those Who Desire to Answer the Great End of Life, and to Do Good While They Live.*

36. List was trained in Philadelphia by the heirs of Hamilton and went back to Germany to found the Zollverein (Customs Union) and Germany's railway system, which laid the basis for the later unification of Germany. His 1841 book *The National System of Political Economy* remains a classic statement of the American System.

the American, rather than British spelling of “Labor”, to underscore the source of their ideals. William Guthrie Spence founded the Australian Workers’ Union in 1886 upon the principle of “new unionism” — a devotion to the Common Good of all of society, rather than only to narrow “union interests”:

“In taking up this new unionism, we must see if we cannot get right back to the level of the founder of Christianity, imbibe some of His spirit and get rid of musty theology, for some of it is very musty. ... In our present state we see many, very many cases of suffering and of trouble. We must trace its cause and see a way of removing it, and shall we sit idly by and allow the misery to go on? No! A thousand times no. Christ taught men that they could and should bring the kingdom of heaven upon earth.”<sup>37</sup>

The AWU-owned newspaper *The Brisbane Worker* on 5 January 1907 defined the enemy which must be defeated in order to construct such an actually Christian society:

“The Money Power! It is the greatest power on earth; and it is arrayed against Labour. No other power that is or ever was can be named with it”.

The pathway to defeat the Money Power was through a national bank. The chief advocate of national banking was the American immigrant King O’Malley, who proclaimed the sources of his own inspiration in a five-hour speech in Parliament on 30 September 1909, on the subject of a national bank:

“I am the Hamilton of Australia. He was the greatest financial man who ever walked this 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.”

Finally established in 1912, the Commonwealth Bank provided enormous services for the nation during World War I and the ensuing years. In 1923, however, upon the death of O’Malley’s ally Commonwealth Bank chief Denison Miller, private bankers seized control of the bank, and refused to extend credit for agriculture and industry, thus plunging the country into the Great Depression of the 1930s.<sup>38</sup> The grip of the private bankers was so notoriously counter to the Common Good, that even the conservative Lyons government’s 1936-37 Royal Commission on Banking found that the elected government must be the ultimate authority in the financial system, and that the government had the power and the right *to issue new credit* for agriculture and industry, a finding endorsed by the new ALP leader, John Curtin. Characteristic of old Labor’s commitment to the Common Good was a speech the young Curtin had delivered in the early 1900s, concluding with the intention to which he devoted his subsequent career: “Let your highest ideal be what Christ showed

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37. 12 June 1892 speech to hundreds of people at the Leigh House in Sydney.

38. Robert Barwick, [“A Credit System for Australia: King O’Malley and Australia’s National Bank”](#), recounts O’Malley’s Hamilton-inspired role in establishing our Commonwealth Bank. Craig Isherwood, [“‘Red Ted’ and the Great Depression”](#), is a report on the 1930s attempts by ALP federal Treasurer Ted Theodore to revive those same policies against the City of London and its local toadies. Richard Freeman, [“How Roosevelt’s Reconstruction Finance Corporation Revived Economic Growth, 1933-45”](#), *EIR*, 17 March 2006, is an in-depth account of how, while British monetarist policies devastated Australia, U.S. President Franklin Delano Roosevelt deployed Hamilton’s methods to pull America out of the Great Depression.

most — an infinite pity for the people and a hatred of injustice.”

Upon becoming prime minister in 1941, Curtin and Treasurer Ben Chifley regulated the private banks and issued masses of new credit, which transformed Australia overnight into an industrial power and the bulwark of the victory in the Pacific. In 1945 both houses of Parliament passed legislation to make the wartime controls of banking permanent, “to work in the interests of the people as a whole”, in the words of Chifley, but that legislation was overturned by Australia’s Anglophile High Court in 1947. The ALP-dominated Parliament then passed legislation to nationalise the banks, which, in turn, was thrown out by the Queen’s Privy Council in London in 1949.<sup>39</sup>

Even lacking a national bank, and despite the IPA’s advocacy of von Hayek and Keynes, the successful post-war reign of Liberal PM Robert Menzies (1949-66) was shaped by the Bretton Woods system that prevailed internationally. But when President Nixon unpegged the dollar from gold and ended the Bretton Woods fixed exchange rate system in 1971, it was an invitation to the City of London and Wall Street to run wild with speculation and “free market reforms”. In Australia, the Gough Whitlam government had come to power in 1972 committed to programs for the Common Good such as “buying back the farm”, meaning to secure Australia’s great mineral wealth for the nation instead of the private British mining cartel. Following an orchestrated crisis over “supply”, the Queen sacked Whitlam in 1975, clearing the way for Mont Pelerin Society founders Friedman and von Hayek to make their first visits to Australia in 1975 and 1976.<sup>40</sup> PM Malcolm Fraser (1975-83) held back the tide of the “free market” reforms, but Hawke/Keating and “New Labor” rammed them through. Internationally, financial speculation zoomed into the stratosphere, especially after the “Big Bang” deregulation of the City of London in 1986 and then the 1999 repeal of Glass-Steagall in the USA.

## 9. Securing the Common Good: Glass-Steagall and National Banking

Let us now listen again to Pope Francis’s call for a radical financial reform, and then examine the only possible real-world policy conclusions consistent with his exhortation: Glass-Steagall legislation to split up the Big Four and Macquarie, and the establishment of a new national bank.

Writing about the Common Good in terms of the need to “share one’s wealth”, Francis says:

“A financial reform open to such ethical considerations would require a vigorous change of approach on the part of political leaders. I urge them to face this challenge with determination and an eye to the future.... *Money must serve, not rule!*” (58)

Then, warning that “the great social principles” for which he argues must not remain

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39. [\*The Fight for an Australian Republic: From the First Fleet to the Year 2000\*](#) (CEC, 1999), pp. 52-64 reviews the wartime industrial transformation of the Australian economy, Chifley’s national banking-centred plans to continue that expansion after the war, for the Common Good, and the counterattack by the City of London and its stooges in Australia.

40. Only foolish children believe that “Her Majesty had no idea” that Governor General John Kerr, a notorious toady for the Crown, had intended to sack Whitlam. Furthermore, in the months following the event, she showered Kerr with one high honour after another. Even the otherwise naïve Gough Whitlam was moved to observe in *The Truth of the Matter*, that Kerr “had become in a single *annus mirabilis* the Rt. Hon. Sir John Kerr, A.K., G.C.M.G., G.C.V.O, K.St.J.”.

“mere generalities which challenge no one”, the Pope continues:

“We can no longer trust in the unseen forces and the invisible hand of the market.” (204)

“It is the responsibility of the State to safeguard and promote the common good of society.” (240)

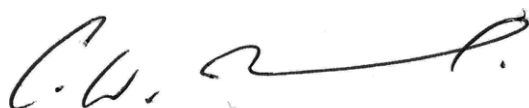
“Consequently, no one can demand that religion be relegated to the inner sanctum of personal life, without influence on societal and national life, without concern for the soundness of civil institutions, without a right to offer an opinion on events affecting society. ... The earth is our common home and all of us are brothers and sisters. If indeed ‘the just ordering of society and of the state is a central responsibility of politics’, *the Church ‘cannot and must not remain on the sidelines in the fight for justice’*. All Christians, their pastors included, are called to show concern for the building of a better world.” (183)<sup>41</sup>

Barring the sort of rapid action for the Common Good which the Pope demands, a new, far worse global financial crash than 2008 is inevitable because the speculative bubble at the heart of those systems is now far larger, and the banking system worldwide is more concentrated than ever in the Too Big To Fail banks. Australia alone boasts \$135 trillion in speculative financial turnover per year, as against a GDP of only \$1.6 trillion.

There is only one pathway to safety, the same one Franklin Roosevelt used to pull the United States out of the Great Depression: Australia’s Federal Parliament must enact a Glass-Steagall law to split our TBTF banks. We must then establish a National Bank on the model of our original, Hamilton-inspired and King O’Malley-founded Commonwealth Bank; for this, the CEC has already drafted ready-to-enact legislation, to pour new credit into family farms, manufacturing and great infrastructure projects. A summary of the bill is in the CEC’s pamphlet [Glass-Steagall Now!](#), together with the Glass-Steagall legislation now before the U.S. Congress.

If you, as a leader or member of the Catholic Church in Australia, wish to heed Pope Francis’s impassioned call to “radically resolve” the present crisis by “rejecting the absolute autonomy of markets and financial speculation and by attacking the structural causes of inequality”, then I respectfully urge you to demand of all members of Federal Parliament that they institute these two measures immediately.

Yours in solidarity for the Common Good,



Craig Isherwood  
24 June 2014

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41. The direct quotations within paragraph 183 are from the encyclical of Pope Benedict XVI, *Deus Caritas Est (God Is Love)*, 2005.