

# 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.<sup>1</sup> 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 18<sup>th</sup> 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 17<sup>th</sup> Century on, that the British East India Company-centred aristocratic grouping in 18<sup>th</sup>-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 20<sup>th</sup> 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 20<sup>th</sup> 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....”

<sup>1</sup> 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:*

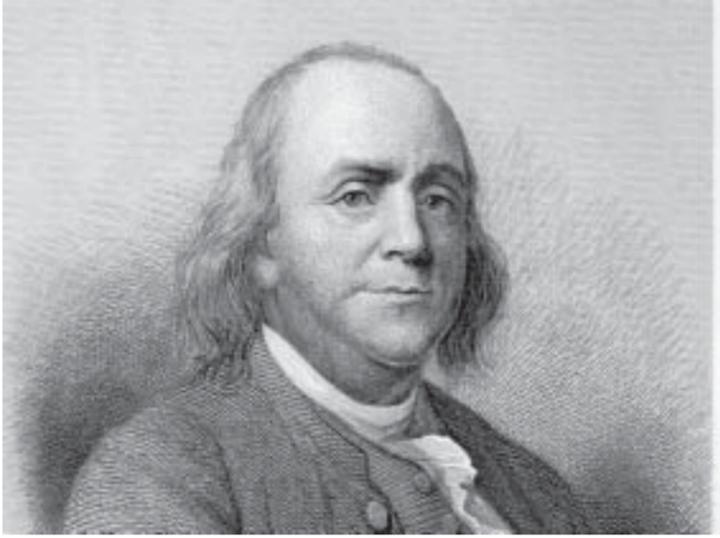
“Venice had taken the Venetian model, which is of a state, a maritime power, with imperial tendencies, based on control by

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

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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 18<sup>th</sup> 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 19<sup>th</sup> 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-

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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

# Defeat the Synarchists—Fight for a National Bank

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.<sup>2</sup> 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."

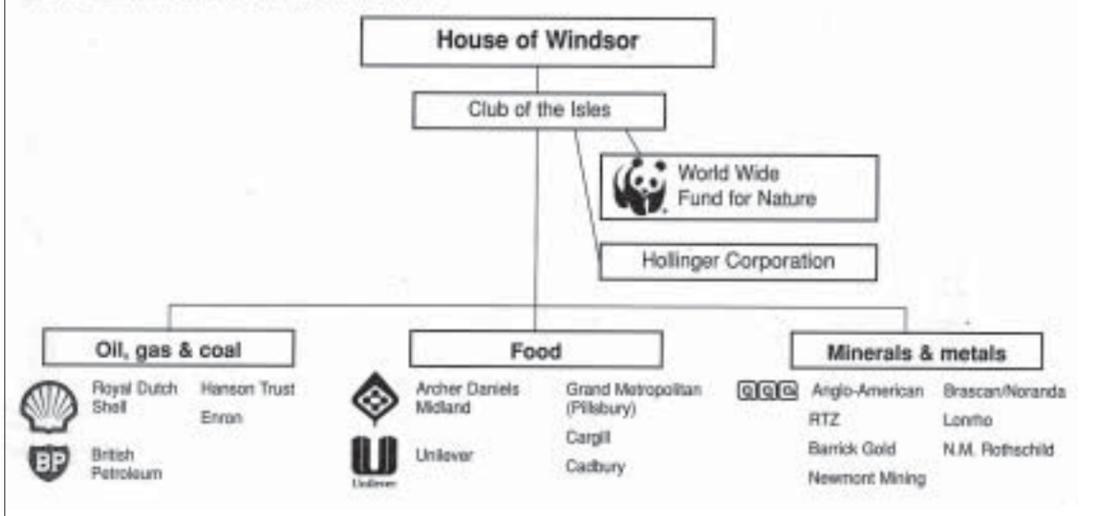
Whitlam's Minister for Minerals and Energy—Australia's first—was the tough old patriot R.F.X. (Rex) Connor, Sr., who pronounced at every opportunity his intention "to buy back for Australia what is Australia's birthright." Jim Cairns wrote about him:

"[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?

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.

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## 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....

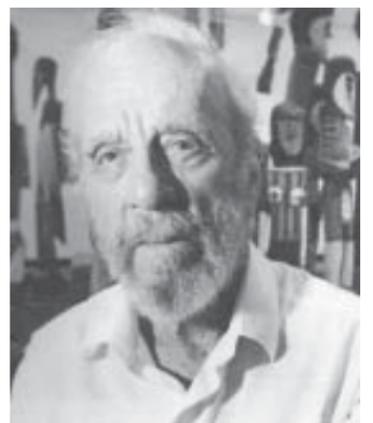
“It was Norman who created the international freemasonry of central bankers.”

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

of Reconstruction. Though the Regional Planning section of his ministry had compiled an extraordinary series of possible economic development projects, Coombs nixed virtually all of them, under the excuse of “fighting inflation”. He explained in his autobiography: “I argued that to prevent Australian prices from rising dangerously it would be necessary to limit development works, to budget for a substantial surplus, to free inter-

est rates and to tighten the supply of bank loans, and to increase the flow of imported goods by reductions in the protective tariff, by dollar borrowing and by an appreciation of the Australian pound.”

Under these insane conditions, the Australian economy was crippled, as could have been predicted. Thus Coombs had played a decisive role in the 1949 loss by Chifley’s Labor to the financier-controlled Robert Menzies. In his *Oil*

in *Troubled Waters*, Jim Cairns documents how these restrictions on the economy, particularly the utterly unnecessary restriction of credit, were crucial to Labor’s defeat.

Coombs surprised many people when he suddenly quit as chairman of the Reserve Bank in 1967, to don a new hat as “Father of Aboriginal Land Rights”. However, his new role was merely a continuation of his career-long mission: working for the Money Power

against national sovereignty. As the CEC documented in its pamphlet, “Aboriginal ‘land rights’: Prince Philip’s racist plot to splinter Australia”, the issue of “land rights” was never designed to help our Aboriginal people, who have often been hard done-by and do need assistance, but was entirely cooked up by the British Crown as part of its “indigenist/environmentalist” movement. The purpose of the campaign for land rights,

which has always enjoyed major financing from the Queen’s own company, Rio Tinto, is to attack Australian national sovereignty, by taking vast swaths of Australia out from under national, sovereign control—both in order to stop the sort of national economic development that Whitlam, Connor and Cairns had envisaged, and to put the vast riches of our continent under the *de facto* control of the Queen’s mining cartel.

## A New National Bank

In 1994, after intensive discussions with Lyndon LaRouche, the CEC drafted legislation to re-establish the Commonwealth Bank as a national bank, with expanded powers and functions along the lines originally envisaged by King O’Malley, first, and later by John Curtin and Ben Chifley. With the global financial crash roaring down upon us in the months ahead, establishing such a bank is not merely a “good idea”, but an urgent matter of national survival. The following is a summary of the draft bank bill. It could be enacted tomorrow; the complete legislation may be found in the CEC’s 2001 book, *What Australia Must Do to Survive the Depression*.

## The Commonwealth National Credit Bank Bill

A national bank dedicated to fostering the growth of the nation’s physical economy is the cornerstone of national sovereignty. Beginning with the *Commonwealth of Australia Constitution Act* in 1901, and then the *Banking Act 1959* and the *Reserve Bank Act 1959*, it is clear that Australia was never intended to break free of the colonial yoke. By these laws, the Queen’s representative, the Governor-General, is granted awesome powers:

\* Section 56 of the Constitution gives the Governor-General total control over the appropriation of revenue or of money, by specifying that no revenue or money bill may be enacted or even debated without the Governor-General’s prior written permission delivered to the Parliament on the day.

\* The *Reserve Bank Act* grants the Governor-General the right to appoint the governor of the Bank, and thus to control all Reserve Bank policy.

\* Part 2 of the *Banking Act 1959* gives the Governor-General the absolute power to issue Authorities for the conduct of the business of banking, the application of any conditions attaching to such Authorities, and the power to determine the criteria and financial standing of an applicant for an Authority to become a bank.

\* Part 3 of the *Banking Act 1959* gives the Governor-General power to impose a trade embargo on all exports from, and imports into, Australia. In addition, the absolutely untrammelled extent of his powers is specified in Section 39 of that Act. Note the italicised words in the concluding phrase of this section itemising his powers to make regulations:

39. (1) Where the Governor-General considers it expedient to do so for purposes related to:

(a) foreign exchange or the foreign exchange resources of Australia;

(b) the protection of the currency or the protection of the public credit or revenue of Australia; or

(c) foreign investment in Australia, Australian investment outside Australia, foreign ownership or control of property in Australia, or of Australian property outside Australia, or of foreign property in Australia;

the Governor-General may make regulations, *not consistent* with this Act, in accordance with this Section. (emphasis added)

In other words, even though this Act grants him all-sweeping powers, the Governor-General can in addition do whatever he likes, regardless of what is specified in this Act!

So far as possible (that is, without constitutional changes), the Commonwealth National Credit Bank Bill (CNCB) strips the Governor-General of these arbitrary powers. Since the new CNCB will be clearly acting in the nation’s best interests, should the Governor-General choose to exercise his powers under Section 56 of the Constitution to thwart the will of the Parliament in establishing the new Bank, or in the Bank’s functioning, a political crisis will follow in which the Governor-General will

be exposed for the colonial dictator he really is, and can thus be defeated.

The CNCB bill repeals the *Reserve Bank Act 1959*, completely replacing it. It amends the *Banking Act 1959*. In particular, it removes the Governor-General’s powers and grants them to the board of the new Bank. It establishes a Bank which is responsible to Parliament, instead of to the private individuals who currently run the Reserve Bank, and mandates, by law, the Bank to function in such a manner as to cause a rise in Australia’s “potential population-density” through a “rise in the physical output of the nation” and in “the rate of introduction of new technologies into the economy”. Precise measures to calculate such rises are specified, so that the Bank has no choice, but to so function, or an investigation is mandated.

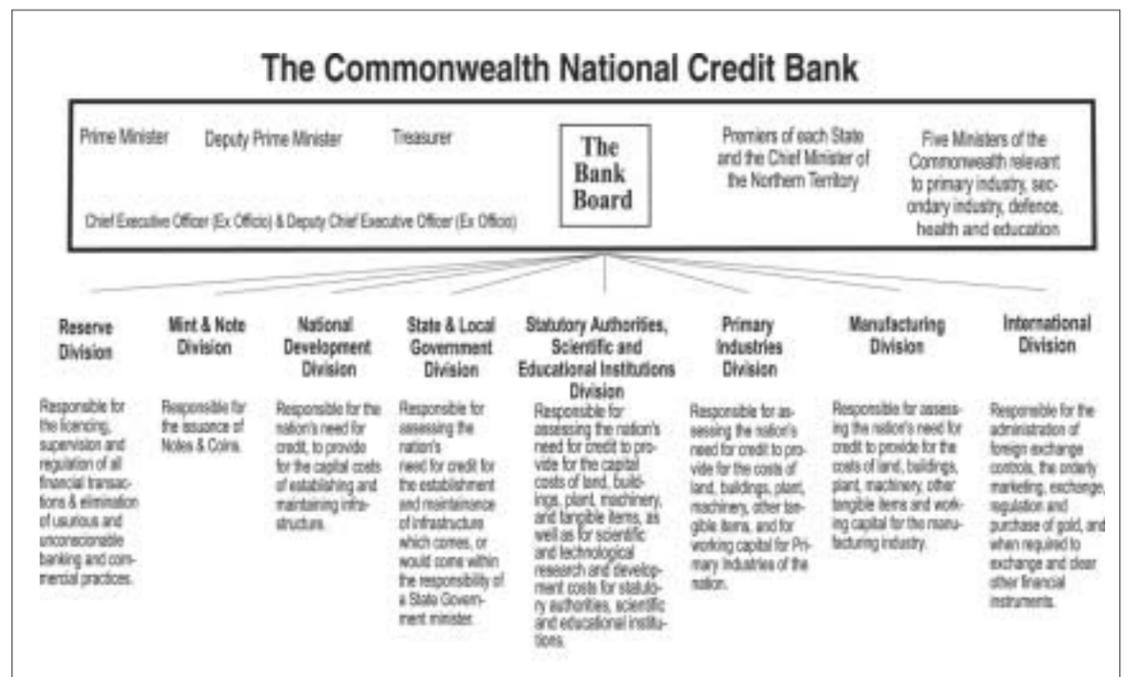
All new credit creation by the new Bank shall, by the terms of this Bill, be tied to tangible hard commodity production. The present Reserve Bank’s ability to create or extinguish credit by “open market operations” is expressly forbidden.

The “powers” of the proposed new Bank are greater than those of the existing Reserve Bank, and in addition to those of the Reserve Bank, include power:

1. to issue notes and establish credits to acquire, support and retain the sovereignty of Australia and for the defence of the lives, liberty, and happiness of the Australian people;
2. to control, and if necessary, prohibit, the movement and dealing in currency, of foreign exchange and financial instruments of the widest definition;
3. to plan, measure, and map the economic state of the nation;
4. to provide credits under a *National Emergency Credit Issue Act* to guarantee up to \$100,000 per individual person, the deposits of such persons in the event of a financial collapse of a substantial percentage of the existing trading banks. The confusing claim that the Reserve Bank, under the *Reserve Bank Act 1959*, has preference over depositors in the event of bank failure, when Section 16 of the *Banking Act 1959* states that, priority in the event of bank failure lies with the depositors, has been corrected in Section 55 of the CNCB Bill.

The new Bank will have eight divisions, as follows:

- *The Reserve Division*, responsible to licence, supervise, and regulate all financial institutions.
- *The Mint and Note Division*, responsible for the issuance of legal tender, i.e. notes and coins.



- *The National Development Division*, responsible to assess the nation’s need for credit to provide for the establishment and maintenance of infrastructure of national importance and to provide such credit.

- *The Statutory Authorities, Scientific and Educational Institutions Division*, responsible to assess the nation’s need for credit to provide for the capital costs of land, buildings, plant, machinery, and tangible items, as well as for scientific and technological research and development costs for statutory authorities, scientific and educational institutions, and to provide such credit.

- *The State and Local Government Division*, responsible for assessing the nation’s needs for credit for the establishment and maintenance of infrastructure not specifically provided for by other divisions of the bank and to provide that credit at an annual interest rate not to exceed three per cent.

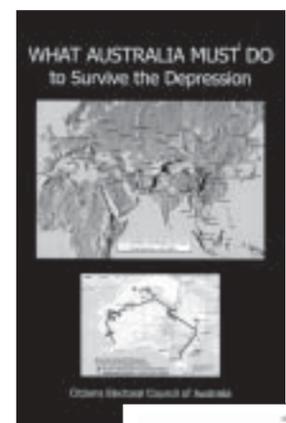
- *The Primary Industries Division*, responsible for assessing the nation’s need for credit and the issuance of credit expressly for family farmers and other family producers of primary products who directly contribute to increasing the potential population-density of Australia.

- *The Manufacturing Division*, responsible for assessing the nation’s need for credit and the issuance of credit for manufacturing industries of Australia.

- *The International Division*, responsible for the administration of exchange controls, and provisions of the Act relating to gold, and, if and when required, the exchange and clearance of financial instruments and other international matters.

The existing informal regulation of trading banks has been formalised, and provisions have been included to stop banks and other financial institutions from engaging in or financing speculative activities relating to currency, foreign exchange, derivatives, and the like.

All activities of the CNCB are to be open for public scrutiny and statements of account and activities are to be laid before the Parliament within 30 days of the close of each calendar month.



The full draft legislation for the Commonwealth National Credit Bank is contained in the CEC’s 2001 book, *What Australia Must Do to End the Depression*. Order from CEC Australia PO Box 376 Coburg Vic 3058 or free call 1-800-636-432.