

Defeat the Synarchists—Fight for a National Bank

THE LIBERAL PARTY: THE NEW FACE OF SYNARCHISM

"It might sound melodramatic to suggest that in 1951 Australian fascism's headquarters were in 'the Lodge' Canberra, but that is not so very far from the truth."

—Dr. Andrew Moore, *The Right Road? A History of Right-wing Politics in Australia*

The Synarchy's Political Parties

The fascist citizens leagues and their associated militias were inextricably intertwined with what historians call the "non-Labor" parties. These parties, such as the Nationalists of the 1920s, the United Australia Party of the 1930s, and the Liberal Party from the 1940s until today, have never been anything but thinly-disguised fronts for a tiny cabal of financiers who created them in the first place. Like their storm trooper associates in the Old Guard, the New Guard and the League for National Security, these parties were created for one reason: to stop the national banking, pro-nation state policies of the old ALP.

The financiers who controlled the Nationalist Party were gathered in a secretive clique called the National Union, based in Melbourne. Even the understated *Age* reported in 1927 on "the capture of the National machine by the secret and conservative National Union", and later produced an "inside story" about the "Big Four" who ran Victorian politics from the Melbourne Club: Sir William McBeath, the first chairman of the National Union, and National Union executive members Colonel Albert Holdsworth, Sir Robert Gibson, chairman of the Commonwealth Bank Board, and Collins House-associated P.C. Holmes Hunt. As of early 1931, the National Union was headed by Collins House businessman Sir Robert Knox—the same who ran the Melbourne Citizens Committee.

The National Union's sister body in New South Wales, the Consultative Council, controlled the Nationalist Party in that state. Between them, they financed all the other conservative parties in the country (including the Country Party to some degree), with the National Union handling South Australia, Tasmania and Western Australia, and the Consultative Council handling Queensland. The two financier groups worked very simply, as described in Victorian Parliament by Harold Glowrey, former acting secretary of the Farmers' Union. He recounted how National Union secretary John West once demanded that several smaller non-Labor parties amalgamate with the Nationalists, against their wishes. Glowrey asked West how the amalgamation would happen. West told him, "It is simple. We find the money that enables these parties to function, and if they do not do it voluntarily we will cut off their sources of supply, and they will go out of existence."

Financier control of the "non-Labor" parties has periodically erupted into public scandal, and required the financiers to create still another "non-Labor" party, to replace the discredited one. Such a time was October 1929, when the Nationalist Party of Stanley Melbourne Bruce (later Lord Bruce of Melbourne, as a member of the British House of Lords) lost in a landslide to James Scullin and the ALP. With the Nationalists discredited after the 1929 election,



Joseph "Honest Joe" Lyons, Prime Minister 1931-39.

the financiers faced a real challenge, due to a shift in the federal ALP's policy in early 1931, following the election of Jack Lang in NSW in October 1930.

In July 1930, when Scullin was in London and E.G. Theodore, with his credit expansion and job-creation proposals was temporarily out of the picture, former Tasmanian premier "Honest Joe" Lyons as Treasurer and James Fenton as acting PM toed the financiers' line of "sound finance", budget cuts, and savage austerity, despite bitter opposition within the Labor cabinet. Lyons took a leading role in raising the 27 million pound conversion loan in December 1930, together with his advisers in Staniforth Ricketson's



New Guard mass rally at Sydney Town Hall. The fascist New Guard was instrumental in electing Lyons in 1931. Some 20 UAP MPs, including Cabinet members, were New Guardsmen.

attempt to form a temporary government. The Group had already met with Sir Robert Knox, who had just been elected head of the National Union. Knox agreed that Lyons should now head up all anti-Scullin forces. The Collins House businessman Knox was a very powerful man. He was chairman of the board of the Victorian

William Knox, had been the brains behind BHP, which was to become the country's wealthiest enterprise and the most successful silver mine in the world.

In February 1931, Theodore proposed his note issue for job-creation, which the financiers excoriated as "inflationary". NSW Premier Jack Lang put forward his Lang Plan the same month, which called for: 1) Australia to make no further debt payments to Britain, until the British agreed to cut interest rates on Australia's loans from 5 per cent to 3 per cent, as the Americans had done for the British, 2) All internal government interest rates should be reduced to 3 per cent, and 3) The London-rigged, Depression-inducing gold standard should be replaced with a "goods standard."

To accolades from the financier-controlled major newspapers, "Honest Joe" Lyons began a nationwide tour for "sound finance" in Adelaide on April 9, sponsored by the fascist South Australian Citizens League. Robert Knox's National Union and Ricketson's Group wanted to anoint Lyons as the head of all anti-Scullin forces because they figured he could draw some Labor voters, and because he was much more personable than the stolid John G. Latham, leader of the Nationalist Party. But they had a problem: Lyons headed only a tiny group of ex-Labor renegades in Parliament, while Latham headed the much larger

Nationalist Party in Parliament, discredited though it was. With pressure from the Group and the National Union, the problem was quickly solved: the reluctant Latham on April 17 announced his resignation, to become deputy to Lyons in the soon-to-be-formed United Australia Party.

Menzies' role as Ricketson's mouthpiece was so obvious, that ALP leader Dr. H.V. Evatt once remarked, "What Mr. Ricketson says today, Mr. Menzies says not long after."

Events moved rapidly in the crucible of the Depression. The New Guard was founded on April 18, 1931 in Sydney. On April 18 and 19 in Melbourne, other secretive meetings took place, among the Group of Six, Sir Robert Knox and E.H. Willis of the National Union, and representatives of the SA Citizens League and the Victoria and the NSW branches of the AFAL. These men decided to officially amalgamate all of these organisations (including the National Union's puppet, the Nationalist Party), into the new United Australia Movement.

On May 7, the parliamentary branch of the Nationalist Party renamed itself the United Australia Party under Lyons and Latham as leaders. The Nationalists in NSW balked at uniting with the NSW wing of the AFAL, many of whose members believed their own



The UAP's main constituency, apart from the New Guard.

Group of Six.

When Scullin returned in January 1931 and made the surprise move of reappointing Theodore as Treasurer, Lyons was the financiers' ace-in-the-hole for a counterattack. Lyons and Fenton resigned from the Cabinet. On February 4, Lyons went to Melbourne to hand over his portfolio, but also met secretly with Ricketson and the Group of Six. With Menzies as spokesman, the Group asked Lyons to leave the Labor Party and

branch of the Commercial Banking Co. of Sydney, and the director of some of the country's major firms, including Dunlop Australia, Vickers Australia Pty. Ltd., and the Bank of New Zealand. He was also the first federal president of the Australian Association of British Manufacturers in 1919-20, and in 1928 was elected president of the Melbourne Chamber of Commerce and vice president of the Associated Chambers of Commerce of Australia. His father, Wil-

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propaganda and harshly attacked “political parties”, but, with aid of a £1000 bribe by Collins House businessman and AFAL executive Sir Sydney Snow, they did sign. In 1932, Snow was elected deputy president of the UAP, and was chairman of the party’s executive and council until he resigned on medical grounds in 1942. The individuals who controlled the NSW UAP are familiar faces, as the leaders of the Old Guard: “Goldfinch, Gillespie and the retailer Sydney Snow were the principal financial mainstays of the State UAP party machine” (Moore, *Premier*). UAP figures Sir Philip Goldfinch of CSR and Sir Robert Gillespie of the Bank of NSW were such fervent Old Guardists, that the Old Guard was also sometimes called the “Goldfinch-Gillespie” organisation. They both would visit Nazi Germany in the 1930s, Goldfinch several times.

The state Premiers at their conference of late May and early June 1931, agreed to Niemeyer’s demands, and put them forward in the Premiers Plan. Bespeaking

those who owned him, Menzies attacked the plan because of its proposal to lower interest rates paid to bondholders—which even most of big business had agreed to!

Throughout 1931, the purpose of the UAP as the Synarchy’s new front, was to drive the Scullin government from power, and then do the same with Jack Lang in New South Wales. If necessary, the fascist militias would be deployed, with UAP approval. With Sir Robert Gibson and the Senate blocking any measures to deal with the Depression, Australia’s economic situation became worse and worse. On December 19, 1931, the UAP secured a crushing victory over the ALP in a Federal election. The financiers had poured the old Nationalist wine into new, UAP bottles, as recorded by New Guard leader Eric Campbell in his book, *The Rousing Point: The Story of the New Guard*:

“The Nationalist Party had recently carried out, once more, two of its traditional tactics—changing its name (but not its identity)

when unpopular, and recruiting a new Leader from the Labor Party. Like many a stock breeder, the Consultative Council appeared to believe that when the flock or herd is showing the ill effects of inbreeding, a radical outcross is needed to infuse hybrid vigor. And so the new label was ‘United Australia Party’, in substitution for ‘Nationalist’. The name was inspired by the gobbling-up of the ‘All for Australia League’ and the ‘Riverina Movement’ [one of the ‘new states’, separatist movements].”

Campbell was in a position to know. He and his New Guard had worked closely with the UAP. He recounted how UAP NSW secretary Horsfield had called him to ask for the New Guard’s support in the federal election campaign. Campbell replied he would have it, if Lyons pledged to run against communism. Horsfield not only assured him Lyons would, but said that Campbell should call Lyons himself for personal assurances.

“As soon as Horsfield left I put in the call to Mr. Lyons and he was

on the line within a few minutes. His voice came through as clear as a bell. I told him of my conversation with Horsfield and why I was ringing. Mr. Lyons unhesitatingly confirmed Mr. Horsfield in all his statements and added that he was four-square behind the New Guard and hoped for its support in the election campaign”, Campbell remembered. The support of a highly organised force of over 30,000 men, in addition to their families and friends, could clearly be decisive.

By arrangement with the UAP, the New Guard packed the hall for Lyons’ campaign launch in Sydney with thousands of its supporters. Finally, Campbell recorded, “In a UAP victory we saw the realisation of a number of New Guard aims, and so worked with a will and achieved a great deal. On election day in Greater Sydney alone many thousands of New Guardsmen were on duty in one way and another, and fleets of cars were provided and of course free of charge.” As many as twenty newly elected UAP MPs were members of the fas-

cist New Guard, including one of its top leaders, Sir Frederick Stewart, who became Minister for Commerce. The new MPs also included the New Guard’s deputy commander, Herbert William “Bertie” Lloyd. The Old Guard’s chief rural organiser, C.L.A. Abbott, also won a seat.

In November 1935, Sir Philip Goldfinch, former head of the Old Guard, took a seat in the Legislative Assembly for the UAP, prompting Jack Lang to observe that “the ‘boss’ himself was coming on the job.” Ridiculed by ALP members for his spats and monocle, Goldfinch distinguished himself by defending the profits of CSR, while attacking unemployment payments, family endowment and other welfare payments.

The new prime minister, “Honest Joe” Lyons, was, like many of those who put him in office, pro-fascist. He was a well-known appeaser and paid a friendly visit to Mussolini in 1937. Just on the eve of World War II, he chastised a visiting H.G. Wells for calling Hitler a “certifiable lunatic.”

The Lying Mass Media

The mass media is an essential element of the manipulation of the puppet show known as parliamentary democracy. The Synarchy’s mass media largely created the anti-ALP Red scares of the 1920s, 30s and 40s, as well as the All for Australia and other “citizens leagues”. An excellent case of their orchestration of politics was their conjuring up “Honest Joe” Lyons to head the UAP.

More than any other, this campaign was started and run through the Collins House media empire centred on the *Herald and Weekly Times*. W.L. Baillieu had bought the (Melbourne) *Herald* for £23,000 in 1902, and established the Herald and Weekly Times Ltd. For decades, with only brief exceptions, the *Herald* was the only evening paper in Melbourne; as of 1960, over three-quarters of all papers sold outside Sydney were printed by companies owned or controlled by the Herald and Weekly Times Ltd. In 1921, Baillieu installed his children’s former playmate, Keith Murdoch, as managing editor of the *Herald*. Murdoch was fresh from training in the sensationalist “sex-and-crime” style of Lord Northcliffe in London, which he brought with him to Melbourne (and which his son Rupert has continued), which earned him the nickname “Lord Southcliffe”. Thus Collins House created the be-

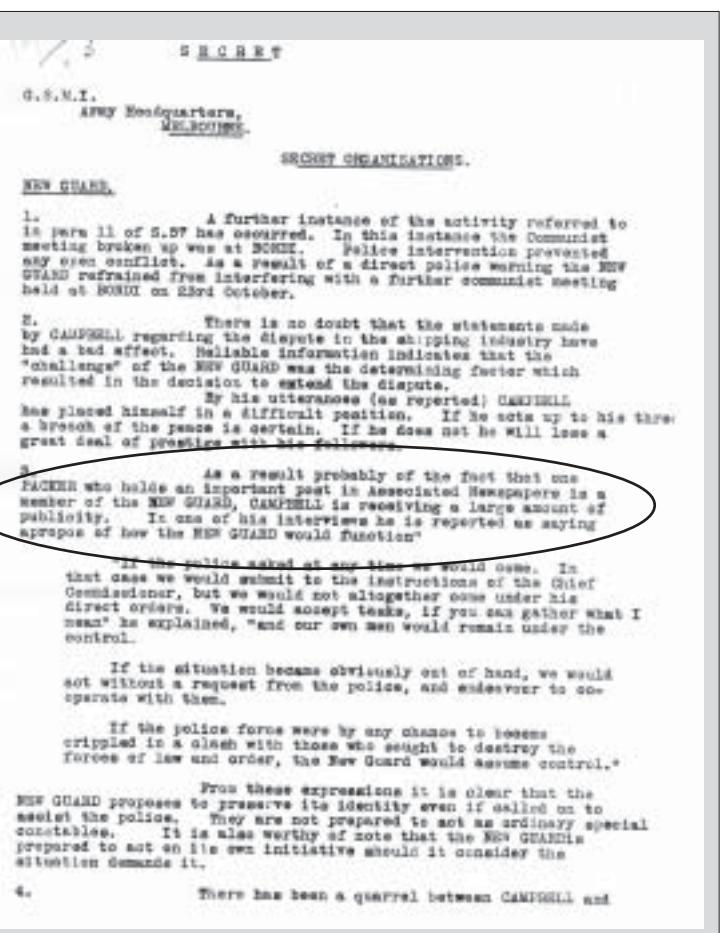


Associated Newspapers managing editor R.C. “Clyde” Packer (above left) (Kerry’s grandfather) and Sir Keith Murdoch (above right) of Collins House (Rupert’s father) ran media “red scares” that built up the fascist militias and their political front, the UAP. Packer himself was a New Guard member, as shown in a military intelligence report (r.).

ginnings of the Murdoch empire, which is today one of the pillars of the global neo-con apparatus.

The *Herald* started the “Honest Joe” campaign in conjunction with agitating in favour of the loan conversion of December 1930, and quickly spread the campaign to Adelaide and Brisbane, where the Herald and Weekly-owned papers dominated the market. Even his official biographer notes, “Murdoch was not often an objective reporter; he was most of the time a propagandist.” While endlessly

promoting “Honest Joe”, the *Herald* attacked the Scullin government so violently that its sales dropped significantly in working class areas in early 1931. The paper’s role in the election was notorious. As the ALP’s Jack Beasley observed in Parliament in 1935, “It is claimed that the Baillieus, through the Melbourne *Herald*, which they control, made Mr. Lyons Prime Minister of Australia.” After the Collins House press empire put Lyons in power, Murdoch treated Australia’s new prime min-



ister as his puppy dog, often summoning him at a moment’s notice to give him orders, or to dress him down like an errant child.

The other major press in Melbourne was the *Argus*, in which the Spowers family had been leading figures for generations. In the 1930s, Colonel Allan Spowers was a member of Staniforth Ricketson’s Capel Group of Investments, and Ricketson himself became chairman of the *Argus* in 1936 until World War II.

In Sydney, the Fairfax *Sydney Morning Herald* praised fascism and shrieked against the “Sovietism” of the ALP. The Fairfaxes were intermarried with the Baillieus, and held directorships in the Old Guard’s sponsoring institutions, CSR and the Bank of New South Wales. Six months after Jack Lang was elected, the *SMH* trumpeted, “The evil menace of Sovietism in this land, of governance not by popularly elected representatives, but by a secret junta planning civil strife and disruption, must be overthrown and stamped out”. And Italy, it editorialised, “was only saved from Red Dominance by the heroic remedy of Fascism.”

Media baron Sir Hugh Denison,

a fierce British empire loyalist, also had enormous clout in Sydney through the two morning, two evening, and four Sunday papers he controlled there through his Associated Newspapers Ltd. These included the *Sun* and the *Daily Telegraph*. In the crucial years 1929-1931, AFAL leader Sir Sydney Snow was deputy chairman of Associated Newspapers. Another of Denison’s directors, Sir Frederick Tout, was on the Old Guard-linked Primary Producers Association. Still another Associated director, Sir Frederick Stewart, was a member of the New Guard, as military intelligence reports indicated his managing editor, Clyde Packer (father of Sir Keith and grandfather of Kerry) also was. Packer carried out such an unrelenting campaign against Jack Lang, that Lang attempted to pass a bill through the NSW parliament designed to bankrupt Packer personally. With this board of directors, it is no surprise that the *Sun* conducted a public fundraising campaign for the New Guard’s Col. Francis de Groot after his ribbon-slashing stunt at the Harbour Bridge, and that it claimed Theodore’s proposed note issue was “Bolshevik.”



Melbourne’s *Herald Sun* building, former home of the Baillieus’ Herald and Weekly Times company. They gave Sir Keith Murdoch his start at their *Herald*; son Rupert now publishes its successor, the *Herald Sun*, Australia’s biggest daily, and owns the H&WT.

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The British Round Table schemed to overthrow Churchill and replace him with former British PM David Lloyd George or Australian PM Robert Menzies, who would make a deal with Hitler. Left: Lloyd George greets his mate, Hitler. Top right: Robert (Lord) Brand and his wife Phyllis, sister of Lady Astor. Brand was

Menzies' financier controllers, likely by Beaverbrook himself, a frequent visitor to Nazi Germany throughout the 1930s. During the course of Menzies' 1938 trip, the "Czechoslovakia crisis" was building up. Germany, using a series of staged incidents and provocations on the German-Czech border, was demanding the Sudetenland province from Czechoslovakia, as the first step towards swallowing the entire country. "He [Menzies] seems to have identified himself completely with the circles in London which supported the appeasement of Germany," reported Prof. E.M. Andrews.

Menzies argued for pressuring Czechoslovak president Benes to capitulate to Hitler's outrageous demands: "I am more than ever impressed with the view that this problem requires a very firm hand at Prague, otherwise Benes will continue to bluff at the expense of much more important nations, including our own."

Upon his return to Australia, Menzies propagandised for Hitler to grab what he wanted of Czechoslovakia. "I am constantly astounded to realise", he told a lunch-

eon of the Old Melbournians, "how difficult it is for most people to realise that there are two sides to every question". The *Argus* newspaper of November 15, 1938 summarised Menzies' speech: "From talks with leaders in Great Britain and Germany he had concluded that Germany had some real grievances against Czechoslovakia." Moreover, Menzies accused Hitler's *opponents* of being the ones "causing trouble". "Those who thought that France [which was supporting Czech sovereignty] was always right and Germany was always wrong were the type who perpetuated international trouble", he proclaimed.

The rest of his address was a paean of praise to Nazi Germany and fascist Italy. The *Argus* reported:

"Dictatorship in Germany had been guilty of unspeakably bad things, but there were also points in the dictatorship from which Australia could learn. In his recent visit to Germany he had been impressed with German industrial efficiency and with the attitude of responsibility of the big industrial enterprises to their employees and their children



head of the Synarchist Lazard Freres and a pillar of the Round Table. Bottom right: Menzies (l.) said he would "abandon everything" to follow Lloyd George (r.) in his plot to overthrow Churchill.

[after the German trade union movement had been crushed and its leaders assassinated or interned in concentration camps – ed.]

"It was no good sitting back and thanking God that we were better than the Germans or the Italians," Mr. Menzies said. "Democracy might be the form of government which suited Australia, but that did not mean that it suited everyone else. Before a dictatorship had been introduced in Italy democracy had sunk to the lowest level of corruption and incompetence. Italy was fundamentally more prosperous and better governed than it was 10 or 15 years ago."

"As for Germany, the majority of people there were satisfied with their Government," Mr. Menzies continued. "The young men and young women particularly were enthusiastic followers of Herr Hitler and armed government, and regarded the State as all-powerful and all-glorified. This Government had produced the most dreadful injustice and medieval barbarism and at the same time had produced an exalted and almost spiritual worship of the state by many Germans....We can learn even from an implacable enemy."

In Perth in 1939, one of Menzies' typical eulogies of Nazi Germany shocked one well-dressed woman, who interrupted him with an anguished cry, "Concentration camps, my God!" Reflecting Menzies' advice, on top of the natural inclinations of the financier cabal that had installed the Lyons government in power, that government "did its best to urge the British government to appease Hitler" (Andrews). Menzies himself proclaimed his "unqualified regard" for Chamberlain's approach of appeasement.

Indeed, Menzies desired Hitler, who had assassinated his oppo-

gents at the time.

Prominent members of this Society included the fiercely anti-national banking High Court Chief Justice Sir John G. Latham; Sir Arthur Rickard, the wealthy realtor, whose son, Major Arthur Rickard, had been a member of the New Guard; financier and Old Guard leader Sir Henry Braddon; Harold Darling, chairman of directors of BHP, whose company supported the Old Guard; and Jack Scott, the chief of staff of the fascist Old Guard some ten years earlier! Latham sent the fanatically pro-Japanese Scott to Japan for "trade and cultural work". As noted above, Scott later became known for helping the Japanese incarcerate and punish Australians on Ambon and Hainan.

Had Menzies merely been a "naive appeaser", the German conquest of Czechoslovakia, followed by the Nazi invasion of Poland on September 1, 1939 and the fall of France in May 1940 might have shaken his trust in Hitler, as those events did with many others. But Menzies was a Synarchist puppet.

Lyons died on April 7, 1939. Menzies narrowly won the vote to succeed him as UAP leader, and thus as Prime Minister. After taking over, Menzies tried to convince the Cabinet not even to organise the absurdly low force of 1,571 regular soldiers, which the Lyons government had authorised to form the nucleus of a regular army. Menzies vetoed the idea based on "economy" and the "difficulty of readjustments" when the war danger had passed. Meanwhile, his Minister for External Affairs, Sir Henry Gullett, continued to hail Mussolini's "genius, his patriotism ... and almost superhuman capacity", as well as Hitler's "shining record of service to his people."

On January 24, 1941, Menzies left Australia for four months, two and a half of which were spent in London. His chief interlocutors there were the Synarchist cabal that wanted to make a deal with Hitler, including City of London financiers, the City's newspaper magnates, and a powerful section of the British aristocracy typified by the Round Table group around the Astors. Lord Hankey, an old Menzies acquaintance and leading Chamberlain supporter, was part of this cabal, as were other Chamberlainites (who still had significant power in the Churchill-led government), and Cabinet minister Lord Beaverbrook and his co-conspirator, ex-PM Lloyd George (now in his mid-70s, but still very active). Menzies was accompanied by the secretary of the Australian Defence Department Sir Frederick Sheddell, who firmly supported his scheming to replace Churchill. Menzies' main booster was Beaverbrook.

Beaverbrook had first met Hitler in 1931. Between that time and the outbreak of World War II, he met Hitler, Deputy Fuehrer Rudolf Hess, and Nazi Foreign Minister Ribbentrop several times. The Beaverbrook press correspondent in Berlin, Sefton Delmer, was on intimate terms with Hitler, and was the only foreign correspondent the Nazis invited to cover the notorious Reichstag Fire, which they set on February 27, 1933 to stage a pretext for seizing power. Delmer's dispatch claiming that the Communists had set the fire was sent around the world, and provided crucial support for the Nazi takeover against a mythical "communist insurgency". Beaverbrook's media had also staunchly supported the Hoare-Laval Pact in 1935 which ratified Mussolini's seizure of Abyssinia, and Beaverbrook was



Cliveden, home of Lord and Lady Astor and their pro-Nazi "Cliveden Set", and meeting place of the Round Table.

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Chamberlain's most vocal supporter at Munich. The day after Chamberlain's third meeting with Hitler, which concluded the infamous Munich Pact, Beaverbrook proudly ran the headline "PEACE" in the biggest type ever used in an English newspaper.

The plotters intended to replace Churchill with either the notorious appeaser Lloyd George, or perhaps with the fresh young "Dominions" man, Menzies. When someone proposed Lloyd George as British Ambassador to the U.S., President Franklin Roosevelt sharply criticised the idea, stating that his presence would strengthen the isolationists (i.e. the pro-Hitler appeasers, who were funded by the Morgan, Mellon and DuPont Wall St. interests).

The Synarchist plots against Churchill failed, and he rallied the British people to fight. With the military defeats of early 1941 (3,000 Australians were killed or wounded in Greece, among others), however, murmurs of a "negotiated peace" were heard ever more loudly, many of them originating from the Synarchist crowd who had wished to surrender to Hitler in the first place. Simultaneously with their appeasement track, the Synarchists agitated to push Churchill from office on the grounds that he was not fighting the war vigorously enough! Declassified U.S. intelligence documents recount the plot to dump Churchill and replace him with Beaverbrook. One such document, entitled, "Synarchie and the Policy of the Banque Worms Group", gave some background to the plot. Banque Worms was closely associated with the Lazard Freres banking group of Paris, New York, and London, where its managing director, Lord Brand, was a brother-in-law of Lady Astor of the Cliveden set. The intelligence document stated:

"Similarity of the 'Synarchie' and Banque Worms

(i) The reactionary movement known as 'Synarchie' has been in existence in France for nearly a century. Its aim has always been to carry out a bloodless revolution, inspired by the upper classes, aimed at producing a form of government by 'technicians' (the founder of the movement was a 'polytechnicien'), under which home and foreign policy would be subordinated to international economy.

(ii) The aim of the Banque Worms group are the same as those of 'Synarchie', and the leaders of the two groups are, in most cases, identical."

The document related that "In regard to Great Britain the more particular aims of the group are as follows:

"(a) to bring about the fall of the Churchill government by creating the belief in the country that a more energetic government is needed to prosecute the war; it is recognized that an effective means of creating suspicion of the Government's efficiency would be to induce the resignation of Lord Beaverbrook;

"(b) to bring about the formation of a new Government including Sir Samuel Hoare, Lord Beaverbrook and Mr. Hore-Belisha....

"(c) through the medium of Sir Samuel Hoare to bring about an agreement between British industry and the Franco-German 'bloc';

"(d) to protect Anglo-Saxon interests on the continent."

Menzies gladly jumped into this Beaverbrook-centred Synarchist



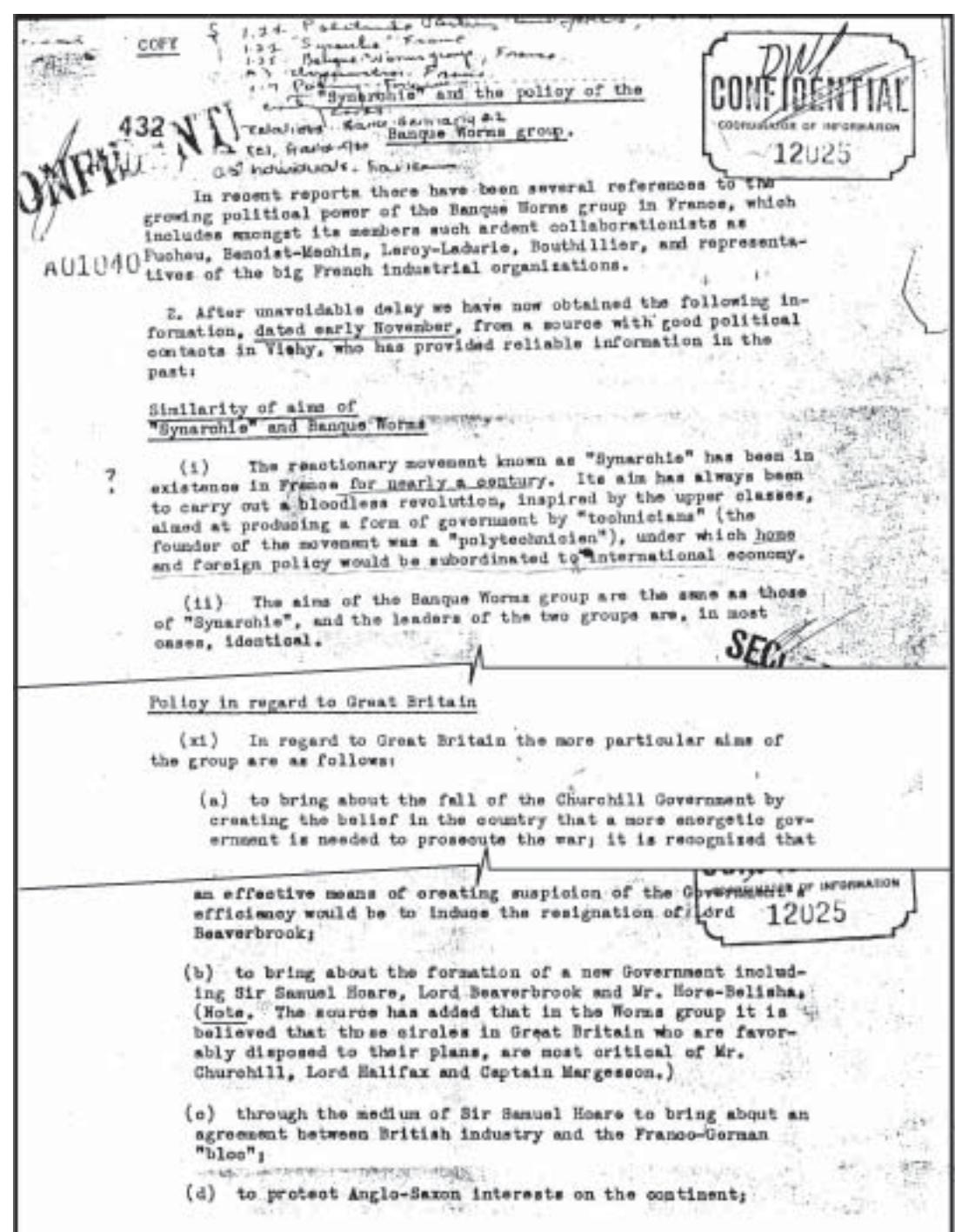
W.S. Robinson of Collins House, founder of CRA (RTZ) and Western Mining. The Synarchist Robinson pushed Menzies to meet with anti-Churchill coup plotter David Lloyd George.

plot. As the Synarchist and Beaverbrook ally Sir Robert Bruce Lockhart—among many others—observed, Menzies was very much under the influence of Beaverbrook.

Details of the plot to install Menzies in the British government are recorded in David Day's *Menzies & Churchill at War*. Surveying the evidence including the extensive diaries kept by many of the participants, Day concluded that "Menzies was to make a determined attempt to wrest the British Prime Ministership from Churchill's grasp." As Day summarised the matter at the end of his book:

"It was on the British Prime Ministership that Menzies had set his sights. He was certainly aware that a political vacuum would follow Churchill's fall and Shedd's diary indicates that Menzies saw himself filling this void. Many observers in London and Canberra clearly recognised the extent of Menzies' ambition and acknowledged it to be within the bounds of possibility. Though Menzies himself realised that he could not expect to depose Churchill immediately, it was his eventual aim. His desperate attempt to call an Imperial Conference and obtain a seat in the War Cabinet reveal the method by which Menzies hoped to secure Churchill's downfall and his accession to power.... The process ... was to be step by step; the gaining of a seat in a reformed War Cabinet as Australian Prime Minister, the carving out of a place of prominence within the confines of the Cabinet, and then resignation from the Australian Prime Ministership in order to propel himself into British politics from the already elevated post of War Cabinet member. Menzies clearly expected that he would rapidly become heir apparent to Churchill, and take over when the war took another turn for the worse, as he clearly expected that it would."

On April 16, 1941, in the wake of the British reverses in Libya and looming defeats in Crete and Greece, Collins House magnate W.S. Robinson, who was based in London and had extensive contacts in politics and finance there, wrote to Menzies, advising him to meet with coup-plotter Lloyd George. As Hitler's armies marched into Poland in 1939, Robinson's own views had been that, "Wise leadership should have enabled us to live it up with Germany and crush Bolshevism. In-



A wartime U.S. intelligence document on the one-worldist Synarchy ("Synarchie") movement in France, sponsored by the Lazard Freres affiliate, Banque Worms. The Synarchy intended to overthrow Churchill and replace him with a Hitler-appeaser such as Menzies or Lloyd George.

stead we are faced with a rapidly spreading 'Red Flood' and this today is civilisation's and our own greatest menace". Therefore, he said at that time, "I hope, pray and work for peace." In his memoirs, *If I Remember Rightly*, Robinson attempted to portray himself as anti-appeasement. In fact, he and the Collins House crowd were part of an international Synarchist nexus, which supported Hitler, but also kept their fingers in other pies at the same time—as Robinson was notorious for doing.

Many of these figures switched horses to go with Churchill after the Nazi invasion of France, while still keeping open their pro-Hitler options. In his diary entry of April 18, 1941, Oliver Harvey, a confidant of Churchill's wartime Foreign Secretary (and future PM) Anthony Eden, recorded his anxiety at the rising criticism of the Churchill government. He blamed it on the "remnants of the Chamberlainites", who were using the military setbacks as a "dishonest cloak for defeatism—at the end of that road lies L.G. [Lloyd George], who, abetted by that ass Liddell Hart [Lloyd George's military adviser] would readily be a Pétain to us, with the support of the press barons and the city magnates." [Emphasis added.] The same crowd was simultaneously preparing the "Menzies option", while Menzies himself was apparently willing to subordinate even his own short-term ambitions to putting the pro-Hitler Lloyd George in power.

On April 26, Menzies visited Lloyd George as Robinson had ad-

vised, but kept the visit quiet, suspecting that his contact with such a notorious appeaser would not sell well either in Britain or at home.

Menzies' diary entry for the visit was the longest one he made during his entire trip. It summarised many complaints about Churchill which he and Lloyd George shared, including their agreement on the need for a non-executive War cabinet to contain a "Dominions man [Menzies], for the Dominions type of mind is essential.... L.G. frankly does not see how we will win the war, though he agrees we will not lose it," Menzies wrote. "He rates Hitler's ability very high, and comes back to the melancholy truth that the Germans in their hearts like us much more than the French ever did."

Menzies wrote that if Lloyd George "said to me 'Menzies, I want you to abandon everything that you are doing and follow me', I think I probably would." As Menzies well knew, there was only one thing Lloyd George was doing at that time: which was scheming to overthrow Churchill to make a separate peace with Hitler. This is the man—and the plot—for which Menzies would "abandon everything."

Finally, however, the Australian Cabinet demanded that Menzies return. As he left New Zealand on May 23 for the last leg of the trip back to Australia, Menzies wrote of a "sick feeling of repugnance and apprehension" that grew on him as he neared Australia, and as his dreams of glory in Britain faded. Already the following day, Beaverbrook cabled Menzies assurances that he would

welcome him back to London with "much more enthusiasm than any other visitor from any other part of the Empire" and hoped that Australia would "decide to send you soon and keep you here for as long as the war lasts". That day Beaverbrook's *Daily Express* wrote that Menzies "should be relieved of political anxieties so that he can come to Britain and work in the cause of democracy and freedom".

Though Beaverbrook's press empire kept up that drumbeat for weeks, Britain's Dominions Minister Lord Cranbourne expressed relief, in his diary for August 31, that Churchill had blocked Menzies' return. It was better, he wrote, that Menzies was out of the way, as "*his intriguing was a constant danger*". [Emphasis added.] Efforts by his friend W.S. Robinson of Collins House to use his contacts in Britain to override Churchill failed. Menzies stayed in Australia.

Lawfully enough, though one of his ostensible purposes for the London junket had been to secure British help for Australia, Menzies had nothing but empty promises to show for it. In fact, he secured worse than nothing. The British Cabinet had refused to allow British industrialists to set up airplane manufacture in Australia, though it was urgently needed in face of Japan's obvious intentions toward Australia. But when American industrialists inquired of Acting PM Artie Fadden about establishing airplane manufacture in Australia, Menzies had flown into a rage, and cabled Fadden from London not to allow it under any circumstances.

Defeat the Synarchists—Fight for a National Bank

The “New Liberalism”: the Old Fascism

On July 28, 1941, an utterly discredited Robert Menzies quit as Prime Minister of Australia, to be replaced by Arthur Fadden. In October 1941, John Curtin and the Labor Party won the federal election. As the prospect of an ultimate Allied victory took shape, the Synarchist financiers and corporations that had created the Old Guard, the New Guard, the League of National Security and the United Australia Party, began already in 1942 to plan the form of their next, post-war assault against Labor and Labor's reconstruction plans to run the national economy for the Common Good. The Synarchists had three goals:

1) to create a new party to replace the rapidly crumbling UAP, while hiding the control the Money Power had notoriously exercised over the UAP (as over the Nationalists before them), in order to make such a new party appear “independent”;

2) to fight any attempts by Labor to make permanent the newly strengthened wartime powers of the federal government, lest such powers be deployed for economic development on a grand scale; and

3) to wage an intensive “hearts and minds” propaganda war against the population at large for the “new liberalism” (meaning continued private financier control

over the economy), under the rubric of “free enterprise” against the ALP's alleged “socialism”.

This last was ultimately the most important issue. It was a battle that in 1942-43 was raging not only in Australia, but also worldwide, as it became clear that the U.S. and its allies would defeat the fascist regimes created by the Synarchists. The

Synarchists had to regroup. In Australia they did so in the newly formed Institutes for Public Affairs, which would soon create the Liberal Party. The key issue was, who would create credit, and for what purposes?

As we have seen, throughout the 1920s and 1930s these Australian fascist financiers controlled the anti-Labor political parties nationwide, through Victoria's National Union and the Consultative Council of New South Wales. In 1941, they moved to create a new, more powerful—but also more discreet—funding vehicle, along with their project for a new political party. In Victoria, Sir Herbert Gepp,



In the early 1940s, former Collins House executive and Mussolini admirer Herbert Gepp (l.) deployed his assistant, C.D. Kemp (r.), to help set up the Big Business front, the Institute for Public Affairs. The IPA begat the Liberal Party.



an intimate collaborator of Collins House financier W.S. Baillieu for over two decades, took the point on creating this new vehicle, soon to be known as the Institute for Public Affairs. Its secretary and chief organiser would be his own personal assistant at Australian Paper Manufacturers for the previous seven years, C.D. Kemp.

Back in the early 1930s, Gepp had called for a fascist-style corporatist “parliament of industry”, where “the office boy could meet with the Chairman of the Board and together they could solve industrial and political problems.” In such a utopian fascist parliament, as in Mussolini's Italy, it would not

be hard to imagine whose views would prevail, if a dispute happened to arise between the “office boy” and the chairman of the board.

To lead this new political party, these financiers revived their stooge, Robert Menzies.

Throughout 1942, Menzies' devoted supporter F.H. Wright, the prominent insurance broker, had

been organising to fund a political comeback for the highly unpopular Menzies. Wright wrote to Sir Robert Gillespie, President of the Bank of New South Wales and former chairman of the central committee of the Old Guard, that “first class men” were needed “to take charge of the organisation”. The President of the Melbourne Chamber of Commerce, Wright informed Gillespie, had just formed a committee of “leading financial men” to start to organise against Labor. “I write to you”, he said, “because you have a sympathetic understanding of these problems and you are really the head of the greatest financial organisation in

Australia”. The list of “leading financial men” Wright cited in his letter to Old Guard boss Gillespie, included most members of the inaugural Council of the Institute of Public Affairs.

The new IPAs subsumed the National Union and the Consultative Council. The IPA Council in NSW consisted of 27 members, 11 of whom were from the old Consultative Council. Even IPA founding secretary C.D. Kemp's son David noted in his B.A. Honours thesis, “The New South Wales Institute [of Public Affairs] ... had completely replaced the old finance committee—the Consultative Council—and had become the sole body for the collection of funds for the United Australia Party throughout the state.” In Victoria, the Institute's 14-person Council included five from the smaller National Union, which only had a maximum of six members at any one time.

In both cases, the IPAs regrouped precisely the forces, which had created the Old and New Guards, the League for National Security, and the UAP. Jack Lang had rightly stated that the Consultative Council of NSW was “identical” to the Old Guard. Since the IPA of New South Wales subsumed the Consultative Council, men from the Old Guard turned up in leadership of the NSW IPA.

NSW IPA Council: The Old Guard in Mufti

The NSW IPA's Council President was Mr. (later Sir) Charles Lloyd Jones, a founder of the Sydney Rotary Club in 1921, which gave birth to the AFAL some years later. Jones was also the founding Chairman of the ABC in 1932, and a close friend of Robert Menzies, who gave Jones' funeral oration. (ADB Jones) The IPA's Director was Mr. A.E. Heath, a member of the Primary Producers Advisory Council, which ran the Old Guard. Other Council members included:

- Sir Sydney Snow, longtime UAP President and leader of the AFAL, which was

by his own account the “civilian wing” of the New Guard;

- Sir Norman Kater, who was also a member of the Primary Producers' Advisory Council and Chairman of the IPA in 1951;
- Edward Telford Simpson, the 1936-41 Chairman of the Consultative Council, and a partner in Minter, Simpson and Co., the solicitors firm which served as a “pass-through” for CSR funds to the New Guard, the Old Guard and other fascist organisations. Simp-

son was the son of Old Guard leader E.P. Simpson;

- F.N. Yarwood, chairman of the Permanent Trustee Co. Ltd. of NSW, deputy chairman of the Australian Bank of Commerce and director of other companies, who was a former councillor of the Herbert Brookes-spawned 1920s fascist militia, the King and Empire Alliance. Yarwood's Australian Bank of Commerce had been a key funder of the Old Guard.
- Bank of NSW general manager Sir Al-

fred Davidson was a leading financier of the IPA, as he had been of the Old Guard. A President of the IPA at one point was Sir Philip Street, the uncle of Old Guard chief of staff and suspected Japanese spy Jack Scott. Sir Philip had threatened NSW Governor Sir Philip Game, that if he did not sack Jack Lang, that “citizens may get violent”. Sir Philip was later a leader in the Japanese spy-infested Japan-Australia Society, along with his nephew Jack.

The Victoria IPA Council: The League for National Security in Mufti?

The NSW IPA was merely an expanded Consultative Council, which in turn had been identical with the fascist Old Guard. The same pattern would almost certainly have held for the relationship among the Victorian IPA, the National Union, and the League for National Security.⁴ The Victorian IPA's founding Chairman was Sir George J. Coles, Chairman of Directors of G.J. Coles Ltd., who had been the co-vice chairman of the Melbourne wing of the AFAL, and whose fellow director at Coles, Col. Francis Plumley Derham, was a leader of the LNS. The IPA's Council members and/or other leading figures included:

- Harold G. Darling, Chairman of Directors of BHP. BHP representatives attended Old Guard meetings;
- Walter Massey-Greene, who was a driving force behind the IPA as a Foundation Member of the IPA's Council and frequent chair of Council meetings. He was a director of 40 companies, was Chairman of several major Collins House firms, including Associated Pulp and Paper Mills, Metal Manufacturers, Dunlop Rubber Company, and Western Mining Company, which latter controlled numbers of subsidiary mining companies. He was perhaps the “leading company director of his day,” in the words of his admirer, the founding and longtime secretary of the Victoria IPA, C.D. Kemp. He was also a director of several of the Baillieus' pastoral interests. In 1946 he became the Chairman of the Collins House flagship, the Electrolytic Zinc Company of Australasia, “of which [fellow IPA leader Sir Herbert] Gepp was the prime creator” (by C.D. Kemp's account). Massey-Greene had been Assistant Treasurer under PM “Honest Joe” Lyons in

the early days of the UAP, but in reality was the Treasurer, since Lyons kept that post himself, and relied on Massey-Greene to tell him what to do. Massey-Greene also helped coordinate the preparations for the military assault on Jack Lang's office by the fascist Old Guard. All the way back in 1910, Greene had been an outspoken opponent of PM Andrew Fisher's Australian Notes Issue of 1910, and then of King O'Malley's Commonwealth National Bank the following year;

- Sir Herbert Gepp, a longtime W.L. Baillieu associate who had been “prime creator” of the flagship Collins House company, Electrolytic Zinc. Gepp later became managing director of Australian Paper Manufacturers (APPM), where his assistant was C.D. Kemp, founder (at Gepp's instigation) of the IPA. Chairman of APPM was Sir Hugh Denison, whose Sun newspaper had vociferously supported the New Guard. Gepp admired Mussolini and had advocated bringing to Australia the Italian model of a fascist corporatist parliament, in 1930.
- Sir Leslie McConnan. McConnan was chief executive of the National Bank of Australasia. He chaired the committee to draft a set of objectives for the IPA and led the private banks' 1948 campaign against Ben Chifley's plans to nationalise the banks. In the words of IPA



Two IPA leaders were retail magnate G.J. Coles (l.) and BHP chairman Harold Darling (r.). The Victorian IPA regrouped the same forces which had set up the pro-fascist AFAL and the LNS.

secretary Kemp, “He became the unquestioned leader of the cause of the banks, so much so that his fellow chief managers in the other banks often seemed like reluctant followers.” And, Kemp accurately observed, “There is little doubt that this was the most vital political struggle since Federation.” Interestingly, the Melbourne City Council was a customer of Sir Leslie's bank, and it was that Council's High Court appeal of Chifley's 1945 Banking legislation that led to the High Court overturning part of it, which in turn led to Chifley's decision for nationalisation. The McConnan committee's document, “Looking Forward” was “to be a bible of reference for those of liberal political persuasion and eventually for the newly-formed Liberal Party itself.” McConnan raised a ton of money for the IPA. And, given that Melbourne Lord Mayor Sir Frank Connelly raised £100,000 for the reincarnation of the Old



Guard and League of National Security in the form of The Association (see below), founded to take over the country if Chifley's bank nationalisation were successful, one is forced to ask if Sir Leslie were the source of at least some of those funds.

- Geoffrey Grimwade. His uncle, Maj. Gen. Harold Grimwade, had called for Sir John Monash to seize power as “dictator” in 1930-31. Geoffrey Grimwade replaced Maj. Gen. Grimwade on the board of Drug Houses, following the latter's retirement in 1942. In 1958, Grimwade was elected president of the Walter and Eliza Hall Institute of Medical Research, a sort of central committee of Melbourne's financial oligarchy. Grimwade headed the IPA's “Industrial Committee”, and “was appointed with the specific assignment of producing a detailed post-war policy for industry, a programme which would hold out a practicable alternative to the policies being advocated by the socialists.” Grimwade became chairman of Drug Houses, Chairman of the Victorian branch of the AMP Society in 1945 and was later appointed to its ruling board in Sydney. In the words of C.D. Kemp, “Grimwade exerted a tremendous, indeed a decisive influence on the affairs of the Institute throughout its early years.”
- Sir Keith Murdoch. Chairman of the Directors, of the Collins House's Herald and Weekly Times, and leader of the press campaigns that made “Honest Joe” Lyons and the UAP, not to mention the AFAL.
- W. Ian Potter. Perhaps the leading Australian stockbroker and merchant banker of the post-WWII era, and for decades a top financier of the Liberal Party.

Defeat the Synarchists—Fight for a National Bank

The IPA Creates the Liberal Party

The IPA took over the funding duties of the National Union and the Consultative Council. It almost entirely funded the UAP in the 1943 Federal and Victorian state elections. In that Federal election, the UAP was crushed, winning only 14 out of 74 seats in the House and lost control of the Senate. C.D. Kemp admitted that the UAP's collapse was driven by the fact that the party, as well as Menzies personally, were generally seen to be "uncompromising, reactionary, obstructive ... [and] saturated in the capitalist big-employer atmosphere." The Synarchists needed a new political front.

While funding the disintegrating UAP, the IPA called a series of meetings in 1943-44 to unify the non-Labor opposition. Just as "Honest Joe" Lyons had been the Synarchists' stooge in 1931, so a retooled Robert Gordon Menzies was their front man in 1944.

Menzies attended two of these IPA meetings. The IPA minutes record that he "strongly impressed all present and there seemed little doubt that a new party organisation must look to him as the main focal point" (D.A. Kemp). The Menzies-backing Victorian IPA, as one history records, "went on to have a direct and decisive role in the formation of the LPA. Its functions were threefold: to act as an interim finance collector for non-Labor political interests...; to initiate the unification of the non-Labor organisations in Victoria (Services and Citizens Party, the Middle Class Party and such like) and then to mediate amongst them and to keep constant liaison with Menzies; and, finally, to provide much of the content of the federal platform of the LPA and propaganda for political campaigns (elections and the 1944 and 1946 referenda)." (Marian Simms).

As Parliamentary leader of the UAP, Menzies convoked the October 13-16, 1944 meeting that resulted in the founding of the Liberal Party. All the work, including paying for the Victorian delegates to attend, and drafting the Federal and Victorian state platforms for the new party, was done by the Victorian IPA. The meeting was held

at the Masonic Hall in Canberra. There, the Old Guard's Sir Norman Kater, the major power behind NSW's Country Party, stood up and appealed for "unified support" for the old pro-Nazi and Synarchist puppet Menzies as "the most capable leader of the forces opposed to socialism and communism."

The main difference between the LPA and the major "non-Labor" parties that preceded it, was that the LPA more carefully hid its control by the Money Power. According to Peter Aimer's account, "No innovation has done more to distinguish the Liberal Party from its discredited predecessors than the effective channeling of political money from private enterprise direct to the party through its formally constituted finance committees and elected treasurers....", instead of through the National Union and the Consultative Council. Yet, this was obviously a thin disguise, and the Synarchist control of the main anti-Labor party continued as usual—in the early days through the direct financing of the LPA. Thereafter, "By judicious choice of personnel for the key positions of federal president and federal treasurer the Liberal Party retained an effective attachment to its customary supporting interests while bypassing any intermediary bodies and so avoiding the adverse publicity suffered by the UAP. Thus the first federal president, T.M. Ritchie, was able personally on the basis of his status as a leading businessman to solicit substantial donations in Victoria and N.S.W...."

As for Menzies' own mythic status as the "founder" of the Liberal Party, D.A. Kemp noted in an understated fashion about the IPA's rigging of the founding conference of the Liberals: "[T]his [IPA support—ed.] enabled Menzies to go before the Unity Conference in the knowledge that in his desire for a democratic organisation and financial independence he was supported by the most powerful in terms of finance backing, and recent achievement of the Victorian organisation. His confident assertion of financial independence may well have been less confident if he



Sir Ian Potter, IPA stalwart and Lazard's "man in Australia". He led the private banks' drive to oust PM Ben Chifley, and financed the Liberal Party for decades.

had not had the support of powerful interests, and the 'amazing' success of the conference would probably have been much less so had the Institute not taken the role it did."

The IPA continued to own the new anti-Labor party, the Liberals, through control of their finances; the IPA also campaigned in its own right against Labor measures for the Common Good. Both tracks were exemplified in the person of W. Ian Potter, whose stockbroking firm was to replace Ricketson's J.B. Were and Son as the leading stockbroker in Australia by the 1950s. Potter was to be a mainstay (along with J.B. Were & Son) of Liberal Party fundraising for thirty years. Potter got his start working for stockbroker Edward Dyason, the Synarchist founder of the Round Table in Australia. After working in the Treasury in Canberra as an adviser to the fiercely anti-Labor R.G. Casey, Potter was offered positions by both Ricketson and E.L. & C. Baillieu, but declined in favour of striking out on his own. By 1931 he had bought a seat on the stock exchange. The Federal Reserve Bank of Australia-commissioned history, *Australian Financiers*, observes that would have been impossible without the okay of Melbourne's business community. "The process of penetrating the dominant business networks was made difficult by their tight intermeshing. Mel-



The IPA initiated and financed the meeting at the Canberra Masonic Temple in 1944 which established the Liberal Party. They anointed Menzies as the Liberals' "founding father."

bourne was dominated economically by a number of prominent families and their associates whose approval was necessary to gain business with the main companies and institutions," report authors Appleyard and Schedvin. By the late 1930s, Potter had become very close with Menzies, whom he used to frequently meet at the offices of Leslie McConnan, general manager of the National Bank of Australia.

On the day of Chifley's bank nationalisation announcement, IPA members Potter and McConnan met to plan the private banks' campaign to get rid of Labor. The two of them would spearhead it. As the book, *A Century of Change* recorded, Potter "worked day and night with Leslie McConnan, the chief manager of the National Bank of Australasia who was chairman of the Associated Banks, in preparing the private banks' defence." Potter's labour paid off: "The banks' appreciation and this association are said to have been of inestimable value in attracting floats to Potter in the post-war period". Beyond that, records the Reserve Bank history, "Potter's role as a catalyst pervades most of the important developments in the financial sector in the two decades after 1945." In these developments, Potter was acting as a direct agent of the highest levels of the Synarchy in the City of London.

In 1949, Potter linked up with the Melbourne-based, but British-

owned merchant bank, Anglo-Australian Corporation, which was a partnership of two London merchant banks, Morgan Grenfell and Lazard Bros., with the backing of the Collins House firm, Consolidated Zinc Corporation Ltd. Lazard was dead centre in the international Synarchist command structure around the Synarchy's Banque Worms in France. Lazard's longtime managing director in London, Robert Henry (Lord) Brand was at the very pinnacle of the British Round Table organisation and its pro-Nazi activities. Lady Astor was his sister-in-law.

Potter's linkage with the Anglo-Australian Corporation produced what the Reserve Bank's history called "the dominant merchant bank of the next two decades, Australian United Corporation". Under Potter's leadership, AUC arranged finance for BHP, CSR, Carlton and United Breweries Ltd. and for oil and mining companies, among others. Aside from arranging finance for British-owned or allied firms in Australia, Potter was also to become notorious in connection with a series of scams: stock-price rigging in 1966, and then, more notoriously, the late-1989 crash of the Tricontinental Bank, which he had founded. While the state of Victoria was stuck with as much as \$2 billion in bad debt, numerous of Potter's associates made a killing through Tricontinental's loans to them.⁵



Left: Melbourne's Stock Exchange. Above, center: First chairman of the Australian Stock Exchange, Ian Roach, son of L.N. Roach, head of intelligence for the League of National Security. Above right: Maurice Newman, former chairman of the Australian Stock Exchange, member of the Mont Pelerin Society. Right: 333 Collins House, which Potter's Tricontinental planned as HQ for itself and the Stock Exchange, before Trico collapsed. The stock exchanges have been a hotbed of Synarchism, exemplified by Ricketson, Potter, Roach, and Newman, among others.



Defeat the Synarchists—Fight for a National Bank

Friedrich von Hayek, Fascist Ideologue: The Real Founding Father of the Liberal Party

"Von Hayek...[was] the most successful, if unheralded political puppet-master of the past century."

—“The Austrian school of thought that packs massive political punch”, *Sydney Morning Herald* August 13, 2002.

*"F.A. Hayek is one of the greatest minds in the Western World. He is not only an eminent economist—he was awarded the Nobel Prize for Economics in 1974—he is possibly an even more eminent political philosopher and scientist. His works, *The Road to Serfdom*, *The Constitution of Liberty*, and *Law, Legislation and Liberty* rank among the greatest books on liberty ever written."*

—C.D. Kemp, founding secretary of the IPA, *IPA Review*, Spring 1986.

The IPA founded the Liberal Party. But the ideological leader of the IPA, as the latter frequently proclaimed, was the Austrian nobleman and economist Friedrich von Hayek, founder of the radical “free market” Mont Pelerin Society (MPS). The MPS, in turn, has been the flagship institution for all privatisation, deregulation, and globalisation policies, since its founding in 1947 in Switzerland. Von Hayek later took a personal interest in Australia, traveling here for several days in 1976 to help set up MPS front organisations. He served on the board of one of these, the CIS, until his death.

The programmatic document upon which the Liberal Party was founded was the Victorian IPA’s “Looking Forward” document of 1944, inspired by von Hayek and by British economist John Maynard Keynes.⁶ Despite the defeat of the War Powers Referendum, public sentiment was overwhelmingly in favour of full employment, a decent standard of living, a good standard of health care, etc.—things only a strong central government could guarantee. Therefore the Synarchists could not return to the slash-and-burn free enterprise policies of the 1920s and 1930s, as von Hayek advocated, at least not right away. The case for “free enterprise” (Synarchist control of the economy and politics) had to be couched in more “progressive” terms, as the Victorian IPA recognised. Therefore, the IPA blended the fanatically “anti-socialist” Friedrich von Hayek with the “liberal” John Maynard Keynes.

As Marian Simms observed in *A Liberal Nation*, “Keynes and Hayek provided the intellectual tools for the reformulation of Liberal policy in the mid-1940s. It was here that the IPA (Vic) had a crucial role to play with its forward-looking amalgam of the two thinkers”. Both, in fact, were fascists. Hayek’s Mont Pelerin Society was simply the “economic arm” of Coudenhove-Kalergi’s Pan-European Union, and the MPS regrouped some of those who had openly sponsored fascism in the 1920s and 1930s.⁷ As for the “liberal” Keynes, he admired Hitler’s finance minister (and Pan European Union supporter) Hjalmar Schacht, and wrote in the introduction to the 1936 German-language edition of his *General Theory of Employment*, that Germany’s political system, under Schacht and Hitler, provided the ideal conditions for the exercise of his theories.⁸ Like all good fascists, both Keynes and von Hayek were entirely committed to private financier control of the economy through central banking (as opposed to national banking).

Hayek published his best-known work, *The Road to Serfdom*, in 1944, which became the bible of the Synarchists world-



The IPA was set up around the ideas of two leading Synarchists, the “right-wing” founder of the Mont Pelerin Society, Friedrich von Hayek (l.), and the “left-wing” economist John Maynard Keynes. Both insisted on world rule by private

wide. Within a month or so of its publication in the U.K., it came out in Australia. The “liberal” Keynes wrote of von Hayek’s archconservative book, “In my opinion, it is a grand book.... . Morally and philosophically, I find myself in agreement with virtually the whole of it, and not only in agreement with it, but in deeply moved agreement. Von Hayek, too, emphasised that the two apparently opposite economists were in reality soul brothers, “If he [Keynes] had not died so soon he would have become one of the leaders in the fight against inflation”. IPA founding secretary C.D. Kemp observed, “There can be little doubt that Keynes was just as unrelenting an opponent of inflation as is Hayek.” This “fight against inflation” was identical to Commonwealth Bank board president Sir Robert Gibson’s “fight against inflation” in the early 1930s—that is, to make sure that credit is not used for economic growth.

The title of von Hayek’s, *The Road to Serfdom* was an inside joke, since he and the feudal European oligarchs he represented in fact intended the return of mankind to the Middle Ages, the era before nation-states. His book is one long, lying polemic against the existence of nation-states, in particular the American Revolution and the notion of the Common Good. Von Hayek’s argument rests upon what he calls “the philosophy of individualism”, defined as instincts men share with beasts, as opposed to the uniquely human notion of the Common Good. He devotes an entire chapter to an explicit denunciation of this concept: “The ‘social goal’, or ‘common purpose’, for which society is to be organised, is usually vaguely described as the ‘common good’, or the ‘general welfare’, or the ‘general interest’. It does not need much reflection to see that these terms have no sufficiently definite meaning to determine a particular course of action.” He constantly raves against “the adoption of a common ethical code comprehensive enough to determine a unitary economic plan”, because that would mean

that the individual could not do whatever he liked.

While the economic rationalists and globalists worship von Hayek as if he were a god, he in turn worshipped the Dutch-born British philosopher Bernard de Mandeville (1670-1733), whom he constantly praised in speeches and writings. Who was Mandeville, this “grandfather” of the MPS? The short answer is, he was a Satanist. He founded the notorious devil-worshipping Hell Fire Clubs of Eighteenth Century Britain, which exerted an extraordinary influence over British governments of that period. Mandeville’s best-known work is, *The Fable of the Bees: Private Vices, Public Benefits*, in which he expounds on man’s nature as a beast, inherently evil and dominated by the uncontrollable passions of greed, lust and rage. But, says Mandeville, those evil impulses, “which we all pretend to be ashamed of, are the great support of a flourishing Society.” This is where Adam Smith got his idea of the “Invisible Hand”: just go about doing evil, and it will all work out for the best, since God designed things that way. Here are a few lines from Mandeville’s *Fable of the Bees*:

*Thus every Part was full of Vice,
Yet the whole Mass a Paradise
Flatter’d in Peace, and fear’d in
Wars
They were th’Esteem of Foreigners,
And lavish of the Wealth and Lives
The Balance of all other Hives.
Such were the blessings of that
State;
Their Crimes conspired to make
'em Great;
And Virtue, who from Politicks
had learn'd a thousand Cunning
Tricks,
Was, by their happy influence,
Made friends with Vice: And ever
since
The Worst of all the Multitude
Did Something for the common
Good.*

Von Hayek usually dropped the “von” from his name, in order to hide his origins as an Austrian nobleman and seem like part of 20th Century “democracy”. But the MPS was full of pro-fascist noblemen like

PHILOSOPHERS FOR FREEDOM

Hayek:
A Supreme Intellect

C.D. Kemp

*F.A. Hayek is one of the greatest minds in the Western World. He is not only an eminent economist — he was awarded the Nobel Prize for Economics in 1974 — he is possibly an even more eminent political philosopher and scientist. His works, *The Road to Serfdom*, *The Constitution of Liberty*, and *Law, Legislation and Liberty* rank among the greatest books on liberty ever written.*

bankers. Von Hayek despised the notion of the “Common Good”, and is revered by the Big Business crowd which owns the Liberal Party.

himself, whose families had governed Europe for centuries, and who hated the institution of the sovereign nation-state. MPS founders included:

- Otto von Hapsburg, of the ruling dynasty of the recently-expired Austro-Hungarian Empire, and a leading figure in Coudenhove-Kalergi’s Pan-European Union;
- Max von Thurn und Taxis, MPS president, whose family, originally Venetian (“Torre e Tasso”) had relocated to southern Germany in the 15th Century, from where it ran the postal and intelligence services for the Hapsburg Emperors for centuries;
- Ludwig von Mises, a PEU leader and also the leader of the bitterly anti-American Revolution “Austrian School” of economics founded by Carl Menger, a pre-war retainer for the Hapsburg and Wittelsbach (southern Germany and Austria) royal houses;
- Sir John Clapham, a senior official of the Bank of England and president of Britain’s pre-eminent academic body, the Royal Society.

Professor Milton Friedman, another notorious fascist, who later designed the brutal policies of Chile’s military dictator General Pinochet, was a founder, as well.

Von Hayek agreed entirely with Coudenhove-Kalergi’s propaganda for a feudal “Europe of the regions” (small ethnic enclaves) to replace a Europe of nation-states. Von Hayek wrote in his 1944 book, “We shall not rebuild civilisation on the large scale. It is no accident that on the whole there is more beauty and decency to be found in the life of the small peoples, and that among the large ones there was more happiness and content in proportion as they had avoided the deadly blight of centralisation.”

While cynically denouncing the nation-state as “tyrannical”, von Hayek devoted his entire concluding chapter to a call for a one-world empire: “An international authority which effectively limits the powers of the state over the individual will

be one of the best safeguards of peace.” He is also very upset about the prospect of nations maintaining sovereignty over their own resources, as opposed to opening them—like Australia’s vast mineral resources—to the looting of the “free market”, and even argues, as do all one-worldists, that national sovereignty causes wars: “If the resources of different nations are treated as exclusive properties of these nations as wholes, if international economic relations, instead of being relations between individuals, become increasingly relations between whole nations, they inevitably become the source of friction and envy between whole nations.”

MPS members were some of Europe’s most dedicated fascists of the interwar era. They included Max von Thurn und Taxis, whose family had sponsored the Thule Society which gave birth to the Nazi party, and Otto von Hapsburg himself, whose son-in-law, Otto von Skorzeny was the notorious Nazi commando and organiser of postwar international terrorism from his and von Hapsburg’s base in Spain. And in Australia, those who cynically gathered around the IPA’s banner of “liberty” and “individual freedoms” included some of the founders of the Old and New Guards and the LNS.

The affinity of the fanatically pro-British, “Anglo-Australian” IPA founders for von Hayek was hardly surprising, given its philosophy and connections: von Hayek’s MPS moved to London soon after its founding, and was sponsored by the personal financier of the Crown, City of London magnate Harley Drayton. Hayek was made a Companion of Honour by the Queen, one of only 60 in the world at a given time. He was an unabashed apologist for the British Empire, including British imperial rule over India, and took all of his economics from the “classical economists” of 18th Century Britain, such as Adam Smith, David Ricardo, and Thomas Malthus—all employees of the British East India Company—the founding institution of modern Synarchism.

Defeat the Synarchists—Fight for a National Bank

“The Association”: The Old Guard and the LNS Regroup

In the 1930s, the fascist armies had been founded when Labor governments came to power, specifically to pre-empt any possibility of their interfering with private control over the nation's credit system. When Ben Chifley's Labor government threatened that control again, in 1945-47, IPA founders McConnan and Potter took up the political struggle to save the private banks. Just as in the early 1930s, the banks and major corporations created public “front organisations”. And, once again, the Anglo-Australian Synarchy created a fallback plan of drastic measures for the eventuality that Chifley would win the federal election of 1949 and consolidate the government's nationalisation policy. A new, nationwide fascist militia was established, based upon the leadership and structures of the Old and New Guards, and the LNS. It was dubbed The Association. Numbering some 100,000, this new fascist army planned to take over the country, if necessary. NSW Deputy Director of the CIB warned, “they plan to act independently as a separate body answerable to nobody but their leaders.”

The leader of The Association was General Sir Thomas Blamey, Australia's highest-ranking soldier during World War II. Blamey had led the LNS under General Brudenell White in the early 1930s, and it had been Brudenell White who secured Blamey's appointment as commander of the AIF at the outset of World War II. The Association's chief of staff, Major General C.H. Simpson, was in the pharmaceuticals business in Melbourne. Simpson had been Blamey's chief signals officer during the war, but before that—he was a confederate in the LNS. The Association occasionally met in the boardroom of the Mercantile Mutual building in Sydney; Mercantile Mutual's Sir Kelso King and Sir Selwyn King, had been leading figures in the Old Guard. Col. Frank Goldensmidt was one of The Association's few paid staffers; seventeen years before, he had been an organiser for the Old Guard's front organisation, the AFAL. Numerous other Old and New Guard leaders populated the leading ranks of The Association. Liberal Party leader R.G. Casey “acted as an intermediary between The Association, the Industrial Groups of B.A. Santamaria and Liberal Party leaders R.G. Menzies and Magnus



Leaders of the nation's eight nationwide private banks meet to plot against PM Chifley's 1947 plan to nationalise the banks. The Synarchy relaunched the Old Guard and the LNS in the guise of a new 100,000-man private army called The Association, to stop the Chifley-led ALP. Left to right: E.G. Wilson (English, Scottish and Australian Bank); W.H. Thomas (Union Bank of Australia); A.E.

Cormack,” (Moore); Cormack is memorialised in the secretive funding conduit for the Victorian Liberal Party, the Cormack Foundation. Sir Frank Connolly, Lord Mayor of Melbourne, raised a war chest for The Association of £100,000.

The Association was a financier-directed insurgency of the Anglophilic intelligence and military leaders against the lawfully elected Chifley government. Lt. General Sturdee, chief of the general staff, unabashedly addressed the secretive organisation. The Association faded out about 1952 because, in the words of one of its supporters, ASIO chief and Anglophilic former Military Intelligence chief Sir Charles Spry, “the need for it was taken over by a democratic agency—the Australian Security Service”, which was established by Chifley under heavy Anglo-American pressure in 1949, and quickly taken over by Anglophiles. Today that same “democratic agency”, ASIO, has been granted Hitlerian powers under the Howard government.

Notes

1. Latham got his pay-off. Four years later, he was appointed Chief Justice of the High Court. Earlier, as Nationalist Attorney General during the 1920s, he had been notorious for accepting retainers from a wide range of shipping, mining and other corporate enterprises directly affected by his decisions. As Attorney General, he was to draft the *Financial Assistance Enforcement Act* of 1932, authorising the federal government to seize the finances of New South Wales, the legal pretext under which the Lyons government moved

to overthrow Jack Lang.

2. During the 1950s and 1960s, when Menzies was prime minister, his brother Frank was a partner with Ricketson in a number of companies, which should have sparked a royal commission into influence-buying by Ricketson with respect to the prime minister, especially since Frank was apparently looking after any of his brother's financial details which Ricketson had left unattended. So much for “sane and honourable finance”. In fact, as Ricketson admitted to a 1941 Royal Commission on secret financing in politics, he had launched Menzies' career in politics. Menzies' biographer A.W. Martin observed, “In the transformation of Menzies the politician in the crucial first half of the 1930s Ricketson was perhaps the primary influence”, adding that “Dame Pattie Menzies avers that Ricketson's management of Menzies' affairs was of crucial importance in releasing his energies for politics.”

3. Day attributes Menzies' designs on becoming prime minister of Britain and negotiating a “peace settlement” with Hitler, as being motivated, at least in part, by a desire to “save the Empire”, which Churchill was willing to sacrifice in order to save Britain through an alliance with the U.S. The real issue was Synarchism. Menzies was a puppet of a Synarchist cabal which aimed for world fascist rule as its goal, a cabal of which Day either has no knowledge, or at least did not mention in his book, but which is abundantly documented in the 1930s and 1940s files of U.S. intelligence agencies.

4. The leadership of the LNS is one of the most closely guarded secrets in all Australian history, so no firm proof exists linking the leading figures of the National Union to the League of National Security. But, for the record, the National Union leaders were:

Brigadier Harold Edward Cohen. Senior partner in the law firm, Pavey, Wilson and Cohen, which was based at Collins House. As noted earlier, one of the top figures in the firm which provided the directors and secretaries for most of the Collins House firms, Sir Hugh Brain, was a member of the League of National Security. It is almost unthinkable that the organisation providing all the directors and secretaries of the Collins House companies would have been involved in the League of National Security without the approval of other leading Collins House figures, notably the Baillieus. Cohen was Chairman of the Board of Directors of Electrolytic Zinc, the main Collins House firm, as well as a director of several other Collins House and other prominent firms. He had been a member of the Australian Intelligence Corps (AIC) during World War I and was

Osborne (Commercial Banking Company); A.R.L. Wiltshire (Bank of Australasia); O. I. Isaachsen (Bank of Adelaide); P.F.G. Gordon (Commercial Bank of Australia); T.B. Heffer (Bank of New South Wales); and L.J. McConnan (National Bank of Australasia), presiding.

the founding president of Legacy, a Melbourne-centred nationwide servicemen's club. One of Legacy's first endeavours after its founding in late 1923, was to find jobs for servicemen who had acted as “special constables” in breaking the police strike. Cohen remained active in Legacy throughout the decade, where his fellow members included several members of the LNS, including his Collins House associate Hugh G. Brain, Legacy founder Donovan Joynt and Sir Alfred Kemsley, president of Legacy in 1932-35, and Collins House's Ernest Turnbull, head of the AFAL. In 1926, Cohen was also the president of the Melbourne Constitutional Club, established the previous year (during the famous maritime strike), in response to a call by Anglophilic PM Stanley Melbourne Bruce to “defend the country” against reds and socialists. The various Constitutional Clubs also provided manpower for the early 1930s fascist armies and their associated citizens leagues. It is difficult not to conclude that many of the members of Legacy had either been special constables or members of the secretive White Guard, set up at the same time by General Sir Brudenell White; many White Guards, like White himself, popped up as members of the LNS in the early 1930s.

Harold G. Darling. Chairman of the Board of Directors of Broken Hill Pty. Ltd., head of John Darling and Son, grain merchant and a director of Imperial Chemical Industries. BHP representatives attended Old Guard meetings in NSW.

Sir George Fairbairn. President of the National Union after McBeath. A top pastoralist, with directorships in Dalgety and Co., AMP Society, Union Trustee Co. of Australia.

Sir Robert Knox. Fairbairn's successor as head of the National Union, director of numerous leading firms including Dunlop (Aust), Collins House's Commonwealth Steel Company Ltd. Commercial Banking Company of Sydney (Victorian Board) President of the Associated Chamber of Commerce of Australia 1934-36, and President of the Melbourne Chamber of Commerce in the fateful years of 1928-31.

5. In mid-1989, the Tricontinental Bank collapsed with as much as \$2 billion in bad loans. The Royal Commission into its failure noted in its July 30, 1991 report, “A significant amount of total loans is provided to the Jewish community and in loans for property development.” More specifically, Tricontinental's borrowers looked like a Who's Who of the clients list of neo-con fanatic Mark Leibler's law firm, Arnold Bloch Leibler. These included John Gandel (\$20 million); Marc Besen (Gandel's brother-in-law)—\$74.8 million; Abe Goldberg (\$62 million); Liber-

mans (two of the clan)—\$24.32 million; George Herscu—\$7.4 million. The bank's downfall, remarked the *Sun-Herald* of Sept. 7, 1990, was the result of the “aggressive loans policy” of Ian Johns, who became managing director in January 1986 at age 32. Said the *Sun-Herald*, “Trico cultivated ‘relationship banking’, first with a group of successful Melbourne businessmen including Solomon Lew, Marc Besen, George Herscu, John Gandel and Abe Goldberg, then with a widening pool of growth-driven businessmen and companies.” John Gandel, Solomon Lew, Marc Besen and Liberman family patriarch Jack Liberman were all at one time members of the Advisory Committee of the pro-West Bank settlers, anti-Yitzhak Rabin Isi Leibler's Australian Institute for Jewish Affairs. After the collapse, Arnold Bloch Leibler represented Trico's managing director Ian Johns.

6. Gerard Henderson, executive Director of the Sydney Institute, the renamed NSW IPA, wrote a book titled *Menzies' Child. The Liberal Party of Australia*, in which he attempted to downplay the IPA's influence on Menzies. Though his “revisionist” account of the IPA's influence on the Liberal Party has been accepted by some thoughtless historians as gospel, Gerry was either extraordinarily uninformed about the overall impact of the IPA on that Liberal Party which the IPA itself had set up, or was covering his own IPA behind and those of his IPA friends. It is notable that he was asked to write his account by some wealthy Liberal Party businessmen, who also financed the book.

7. On the considerable overlap of the MPA and the PEU, see Lyndon H. LaRouche, Jr. and David P. Goldman, *The Ugly Truth About Milton Friedman*, New York: The New Benjamin Franklin House, 1980.

8. In 1971 economist Lyndon H. LaRouche Jr. defeated leading Keynesian Abba Lerner in a debate at Queens College, New York, when LaRouche's relentless questioning of the “liberal” Lerner caused the latter to exclaim, “But, if Schacht's theories had been applied, Hitler would not have been necessary!” The audience gasped in horror. Shortly afterwards, the late Sidney Hook noted that LaRouche had “won the debate but lost the war”, and that no Establishment economist would ever debate him again. Indeed, shortly thereafter, the FBI oversaw an attempt to have LaRouche physically “eliminated”, according to FBI documents later released under the Freedom of Information Act. And no Establishment economist has dared to debate LaRouche since.

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