

Australia: The strategic implications of Pauline Hanson's election victory

by Allen Douglas

On June 13, the fledgling One Nation party of federal MP Pauline Hanson, with little money and in the face of extraordinarily adverse publicity, stunned the Australian political establishment by winning 11 out of 89 seats in the state parliament of her home state of Queensland. In the wake of that victory, with a federal election likely to be called in August, the nation's politics are in a state of uproar not seen in decades. Hanson's victory garnered extensive media coverage across Asia and as far away as Europe, where she was branded a "female Jean-Marie Le Pen," after the head of France's extreme-right National Front.

Most media coverage of Hanson has focussed almost solely on two issues: her opposition to Aboriginal "land rights," and her call to temporarily limit Asian immigration to Australia "until unemployment is dealt with," for which she has been widely tarred as a racist. Such tendentious coverage obscures a more fundamental reality. For more than two decades, Australian governments of whatever nominal stripe, be they Labor or its ostensible, bitter enemy, the now-ruling Liberal-National Party coalition, have enforced, without the International Monetary Fund, IMF-style programs against the population, such that that agency said there was "no need" to conduct its 1997 annual "check-up" trip to Australia. That austerity is now being intensified because of the global financial collapse, which has caused a plunge in Australia's exports, more than 60% of which go to Asia. So, as is happening elsewhere in Asia, the Australians are rebelling, a rebellion which has now coalesced most visibly around Hanson, a former fish and chips shopowner from rural Queensland, who is espousing policies of tariff protection, national banking, support for family farms, re-industrialization, and opposition to globalization.

For perhaps the first time anywhere, policymakers worldwide can read below what Hanson has *actually* said—as opposed to the universally lying media reports about her. They can therefore appreciate the potential strategic consequences of the debate now erupting in Australia—in the heart of the British Commonwealth, and in a key nation of the Pacific Basin—about national banking and the New Bretton Woods monetary system, a debate unleashed by Hanson, and by Lyndon LaRouche's associates in the Citizens Electoral Council

(CEC), which, like Hanson's One Nation, is a federal political party. The depth of that debate, in which the nation's increasingly unpopular Prime Minister and Treasurer are forced to pronounce themselves, almost daily, against national banking and a New Bretton Woods monetary system, is at present probably unparalleled in the world. That it is taking place next to Asia, home to 4.5 billion of the earth's people, where giants such as China and India—nations crucial to establishing a New Bretton Woods system—have fiercely protected their sovereignty against the ravages of globalization, and where others, such as Malaysia, are attempting to do so, gives it added weight.

Furthermore, Hanson's policies are rooted in the American struggle against British tyranny, as the best of the anti-British, anti-free trade "American System" of political economy was brought to Australia in the late 1880s by the exuberant Yankee, King O'Malley, founder of Australia's national bank.

'Economic rationalism'

Virtually all Australian commentators have attributed Hanson's burst into prominence to the electorate's disgust with "economic rationalism," the term by which the deregulation, privatization, globalization, etc. policies of the Mont Pelerin Society, the chief economic warfare unit of the British Crown, are known downunder, which have dominated both major parties since shortly after Mont Pelerin set up its first Australian think-tanks in 1975.

Though Australia has been quick to lecture its Asian neighbors about what they must do to get their houses in (globalist) order, the last 15 years of Labor/Liberal/National governments have produced: the highest foreign debt per capita in the world, at \$196 billion, though Australia likes to cite "net foreign debt," which stands at "only" \$124 billion; a collapse in the number of farms to well under 100,000, down from three times that number in the early 1970s; the greatest privatization of state assets (\$43 billion) of any country in the world except Great Britain; an official unemployment level of 8.2% (in reality much higher); more than 2 million of the total 18 million Australians officially living in poverty; and one of the highest suicide rates in the entire world, all this in

what used to call itself the “Lucky Country,” with one of the world’s highest standards of living in the 1950s and 1960s. No wonder the popular explosion in Queensland, which may be just the beginning.

In the wake of the Queensland election, a poll in the electorate of Brand in Perth, Western Australia, currently held by Labor Party leader Kim Beazley, showed 45% support for One Nation, while other polls show that Hanson’s party could take as many as 12 federal Senate seats (out of 76), and thus hold the balance of power in Australia’s upper house. The hysteria is such that the Anglophile Prime Minister of Australia during 1976-83, Malcolm Fraser, has said that it “would be better for Labor to rule in Queensland,” than for there to be a coalition involving One Nation. The hysteria has to do with Aboriginal “land rights,” and One Nation’s economic platform.

Aboriginal ‘land rights’

Australia’s British-owned or -dominated mass media, together with the nation’s “multicultural” establishment, have charged that Hanson is a racist, charges which have been widely circulated throughout Asia, as well. These charges ignore several things: 1) when push came to shove, as it did last year when millions of North Koreans began starving to death, she was the only Australian politician to speak out forcefully, repeatedly, and against the ridicule of her own government, for Australia to lead the nations of the world in feeding North Korea; 2) the news media, which have branded her a racist, have subjected her to an incessant campaign of vilification and lies on every issue, as is demonstrated by a simple comparison of what she *actually* says, with what the media *reports* her as saying; and 3) that the notion of Aboriginal “land rights” is a fraud concocted by Prince Philip to splinter Australia, just as the British use the real or imagined grievances of minorities elsewhere in Asia, to attack other nation-states (see *EIR*, April 28, 1995).

Those in Australia’s “multicultural” establishment who have most viciously attacked her for being a racist, are themselves some of the most nasty racists. Typical are the Melbourne Jewish “community leaders” Isi and Mark Leibler: Isi defended the wildly racist settlers movement in Israel against Prime Minister Yitzhak Rabin shortly before Rabin was assassinated, and Mark chairs the *Australia/Israel Review*, which was founded by followers of the 1920s Jewish fascist Vladimir Jabotinsky, whom Israeli founding father David Ben-Gurion regularly referred to as “Vladimir Hitler.”

Hanson has repeatedly called for “land rights,” under which more than 50% of the Australian continent has already been laid claim, to be abolished, so as to preserve the sovereignty of the Australian nation-state. For example, in a parliamentary speech in September 1997, she charged that international forces intended to split Australia into several nations, as has been done in the case of the Inuit (“Eskimo”) nation carved out of Canada.

“Today this house will debate whether we are to be one people belonging to one nation, or many peoples belonging to many nations. . . . It is imperative the people of Australia understand that native title is, as they say, ‘the thin edge of the wedge.’

“In conjunction with the Canadian government, the indigenous people of Canada have recently created Nunavut, a separate indigenous state within the nation of Canada. . . . This will be formalized in 1999, and in effect leave Canada with another country bigger than the state of Victoria, within its borders.”

Furthermore, she charged, “there is an undeniable link between the events in Australia and Canada. The man who was the architect of Nunavut in Canada is now living in Brisbane, and planning a Nunavut for Australia. There is no doubt the long-term goal of the Aboriginal industry is to create a separate indigenous nation within Australia. . . . Those who fear fairness and decency applying for everyone, call me a racist, but this government, and its predecessors, by embracing so-called native title, are advocating the ownership of land purely on the basis of race. We must be one nation; we must not have an Aboriginal or any other nation within our nation.”

Hanson’s economic platform

Hanson has called to “reindustrialize” Australia, through the use of tariff protection, and the availability of credit for agriculture and industry at 2% rates of interest, to be provided by a national bank. She has campaigned relentlessly on these issues, as in a September 1997 speech in Parliament:

“Australia was once a proud, strong manufacturing nation. We were in many ways independent and self-reliant—a product perhaps of our relative isolation and need. The Second World War caused us to industrialize on a scale not previously imagined for a country of our population, because of that isolation, and the imminent threat of invasion. . . .

“For the last 25 years, both Liberal and Labor have taken us down the path of free trade and globalization. Though they see countless Australian businesses and manufacturers disappearing or moving overseas to use the cheap workforces of a foreign land, though they see farmers forced from their land and Australian companies no longer in Australian hands, though they see untold numbers of Australians lose not just their jobs but their hope, the government continues to relish its pursuit of an agenda that fails the people who elected them. . . . We are sick of the Liberal Coalition and Labor sacrificing our jobs and the future of our children on the altar of economic rationalism and globalization.”

She warned prophetically, “The time is coming when the Liberal Coalition and Labor . . . will pay for their policies of betrayal. . . . This government, like so many before it, has pandered to the United Nations and the World Trade Organization and dismally failed their primary duty—the welfare of the Australian people.”

Almost immediately after the polls closed in Queensland,

the press and the government began a venomous attack on Hanson on national banking. On Australia Broadcasting Corp.'s "7:30 Report," Treasurer Peter Costello ridiculed Hanson aide David Ettridge, for his statement that "the government doesn't have to go overseas to borrow money. They can print their own money and they did this during war-time." Screeched Costello, "There is no country in the world that does that," ignoring the history of his own country, and that of America. Furthermore, Costello intoned, "If a government started printing notes and putting them into circulation, inflation would take off"—a real howler from someone pushing the policies which have created the biggest hyperinflationary bubble in human history.

Responding to the government attacks, Hanson issued a press release on June 18, in which she called for the reassertion of national sovereignty through the sovereign control of credit—something with which most of her Asian neighbors are in sympathy: "In the long term, if Australia is to prosper and aspire to reach its full potential, we must reduce our dependence on foreign capital to finance our growth," she said. This could include use of Australia's \$230 billion in super-annuation funds, or the issuance by the Reserve Bank of low-cost loans for agriculture and industry.

Furthermore, Hanson said, Australia used to have its own national bank: "[My] policy is reflective in many ways of the original function of the Commonwealth Bank born in 1911 under the Fisher Labor government. The Commonwealth Bank was created to make national credit available to anyone with decent security to offer, help reduce public debt, and provide real competition to private banks. Any profits were returned to the federal government. Australian Labor Party policy in 1934 planned to have the Commonwealth Bank utilize the credit of the nation for the benefit of the people. In essence, even if only in a small way to start, this is our principle as well. . . . In its time as a truly national bank, the Commonwealth Bank financed much of Australia's commerce and infrastructure including the entire war effort in World War I, and the East-West Railway. The need for a peoples' bank is as great now as it ever was, and we will inform the Australian people of its use and continue this debate regardless of the Treasurer's self-interest in stopping such discussion."

The 'American System' in Australia

Hanson today represents the national banking, dirigistic credit policies which built Australia in the first place, over the bitter opposition of the British Crown and the City of London. The most eloquent champion of these policies, from the time he arrived in Australia in the late 1880s, was the extraordinary American, King O'Malley. O'Malley had been active in the campaign of the nationalist U.S. President James Garfield, and carried the same ideas of nation-building, based on national banking, national railroad grids, and infrastructure development, to Australia, as did other Americans who fanned out around the world in the decades after the Civil War to help

launch the industrialization of Germany, Russia, Japan, and elsewhere. These ideas, known as the "American System," were locked in mortal combat all over the globe with the free trade, dope-pushing "British System." From the time of his arrival, O'Malley campaigned relentlessly for a national bank, an idea which was eventually accepted as part of the young Australian Labor Party's (ALP) "non-negotiable platform" in 1908, and which he pushed through Parliament in 1911. The ALP took the spelling of "labor" after the American, as opposed to the British spelling, signifying labor's aspirations to establish an American-style republic in Australia.

In a speech in federal Parliament on his proposed national bank on Sept. 30, 1909, O'Malley emphasized, "The private banking system of the Commonwealth is only a legalized monopoly for the gathering of wealth from the many, and its concentration in the hands of the privileged few." The Hamiltonian system should be counterposed to this, he said, adding, "I am the Hamilton of Australia. He was the greatest financial man who ever walked this earth, and his plans have never been improved upon."

From 1911 through the early post-World War II period, a battle raged between the Australian private banks and their political front-men, who were all tied closely to the City of London, and the Labor Party, as to who would control credit. During World War II, Labor Prime Minister John Curtin, the great ally of Gen. Douglas MacArthur and of President Franklin Roosevelt, directed credit to enable Australia to industrialize almost overnight, and to provide most of the munitions and matériel which MacArthur and the Australians needed for the war in the Pacific. Curtin died just at the end of the war, but his treasurer, Ben Chifley, who replaced him as Prime Minister, introduced a bill to make the wartime controls permanent, to "ensure that the banking system of this country shall work in the interests of the people as a whole," and not of private banks or "big business." The High Court and the British Privy Council thwarted Chifley's efforts, and the Commonwealth Bank was scaled back and ultimately replaced with the Reserve Bank in 1959, headed by H.C. "Nugget" Coombs, an associate of Prince Philip who became known as "the father of Aboriginal land rights."

When, in 1993, Labor Prime Minister Paul Keating partially privatized the Commonwealth Bank, that action caused howls of outrage, even in the nation's press, so strong was the memory of "the people's bank."

Australia's strategic role

The uproar over national banking in Australia is no local affair, because of Australia's position in depression-wracked Asia, and because Britain has designated Australia as its headquarters for looting Asia, as per a long-range study carried out beginning in 1989 by the Crown's premier think-tank, the Royal Institute of International Affairs (RIIA, a.k.a. Chatham House), on opportunities to expand British power worldwide in the wake of the fall of the Berlin Wall. In March 1995, the

RIIA and Her Majesty's Government sponsored a conference entitled "Britain in the World," attended by virtually the entire corporate and foreign policy elite in Britain, which endorsed the perspective outlined in an RIIA discussion paper by Katharine West, an Australian academic. In fact, implementation had already been under way for some years. West's theme, stripped of its polite language, was simple: Britain should use the extensive cultural and business networks of the Commonwealth — the new form of the British Empire — as a launching pad to penetrate every corner of the globe, and to loot every nation it can reach, through the methods of "deregulation," "privatization," and "free trade." The engine of all this power, West said, was an "*informal financial empire that maintained its vibrancy long after the formal power went into decline*," one based on the City of London (emphasis added). The main target, she said, should be Asia, the source of the largest amount of loot in the world, and the base to assault Asia should be Australia.

As per the RIIA perspective, almost 140 foreign companies, most of them British, established their Asia-Pacific headquarters in Australia, 60 of these in 1993-94 alone. And, the British poured investments into Australia, making them a close second to the United States. As for the perspective outlined at the 1995 RIIA conference for the British looting of Asia, this opened in 1997 with breathtaking speed and brutality when George Soros and related Commonwealth-based hedge funds attacked the currencies of most Asian countries, crushing their economies almost overnight, and opening them up to be purchased for pennies on the dollar.

But, while the British have been financially recolonizing Australia (and much of the rest of Asia), something else has taken root downunder, something which terrifies them much more than Pauline Hanson.

The LaRouche factor

In early 1998, two editors of *EIR* met with a senior U.S. government intelligence analyst to review global strategic developments. After discussing other matters, the analyst startled the *EIR* representatives by suddenly launching into a disquisition on the strategic significance of Australia, in the context of the war between patriotic elements in the Clinton administration, and the British Crown and its associated European oligarchy, collectively known as the Club of the Isles, which commands some \$9 trillion in assets and is the largest single financial force on the planet. Given the political ferment under way in Australia, and in the context of a mooted referendum on whether Australia should become a republic, he emphasized that Australia had the chance, at long last, "to become a real nation-state, instead of an ersatz one," controlled from Britain. "This would be a more serious set-back to the Club of the Isles," he said, "than the reversion of Hong Kong to China," and a development of "monumental strategic importance." Given Australia's position in Asia, and its cultural heritage, the country has the potential, he

said, "to become the fastest growing industrial country in the region."

That vision of Australia was shared during World War II by Prime Minister Curtin and President Roosevelt, who saw postwar Australia as the spearhead for industrial development and national sovereignty for all Asia, to replace the previous imperial rule of the area by the British, Dutch, Portuguese, and French.

Now, that issue is on the table again. Ever since the Queensland elections, numerous articles have appeared in the Australian media seeking to discern the "dark forces behind the rise of Hansonism." Most prominent of these, various media have emphasized, is the LaRouche movement in Australia, the Citizens Electoral Council, and the media have even offered line-by-line comparisons of CEC publications and later statements by Hanson. Hanson has her own capable research staff, and her own ideas, some of which are deeply rooted in Australian history. But, it is also true, that since the CEC established a full-time office in Melbourne in late 1992, it has put out millions of pieces of literature across the country (and more in Queensland than anywhere else), on Aboriginal "land rights," national banking, tariff protection, and so on. In 1993-94, after discussions with LaRouche, then in a U.S. Federal prison, the CEC drafted a national banking bill, some 75,000 copies of which have circulated throughout the country, on which subject the CEC has now produced a 90-minute videotape as well. Additionally, one of every 18 *EIR* subscribers in the world lives in Australia, and the CEC is running a highly active nationwide slate of 32 candidates in the next election.

The circulation of "dangerous" ideas on this scale provoked an attack on the CEC in 1996, led by Conrad Black's Hollinger Corp., an arm of British intelligence dating back to World War II, and which just launched another attack on LaRouche and his associates in its London *Daily Telegraph*, defending the royal family on the issue of the assassination of Princess Diana (see *EIR*, June 19, 1998). Through the Fairfax newspaper group which it then controlled, and in conjunction with corrupt networks in Parliament and other media, Hollinger tried to crush the CEC, and drive it from the continent, with Black even personally calling CEC supporters, to harass them. LaRouche summarized the affair, saying, "This is British intelligence." He noted that the British feared the reestablishment of the wartime U.S.-Australian alliance.

Now, as they did in World War II, Australians must once again think in terms of a global war, one in which they will fight side by side with their Asian neighbors, to establish a New Bretton Woods monetary system to do away with the present, tyrannical system run from London. When a LaRouche representative on June 16 confronted Prime Minister John Howard on whether he would support a New Bretton Woods conference, Howard replied with an emphatic "No!" But, only through the pathway of LaRouche's New Bretton Woods, can the sovereignty to which Hanson and her supporters aspire, finally be established.