

Max Newton on Australian Style Fascism

By: Ronald Kitching

At the beginning of the twentieth Century Australia had the world's highest living standards. It was at that time, probably the freest nation on earth, and also one of the lowest taxed. People were able to save and get ahead. Certainly times were hard, but the struggle to survive has always been a problem, testing mans' courage and ingenuity, since he first stood up and commenced to accomplish his destiny of dominating the earth.

However, since 1900, although this still vast and empty continent has been closer settled and developed, and the vast distances, to an extent, conquered by modern transportation, we have in relative terms slipped from No.1 to about No.23 in terms of living standards. Why has this happened in a vast continent which is rich in innovative, productive people and natural resources?

It is simply a matter of philosophy. In 1900, the prevailing philosophy was still that of the classical liberals. That is, a small low taxing government, honest money, (the gold standard was then in force) and the rule of natural law prevailed. There was no government inspired welfare. This does not mean to say that welfare did not exist, it did, but it was at that time socially inspired by private, concerned and compassionate citizens. Christian charity has always been a way of life in such societies. Such welfare in whatever field, gave the receiver a sense of gratitude and the givers a sense of worth and accomplishment in Christian service.

However, at that time the Fabian ideals of equality commenced to prevail over those hard won ideals of liberty for which the British had struggled for centuries to achieve. The late Professor F.A. Hayek explains the slow but sure drift to socialism, in his short but scholarly essay "The Intellectuals and Socialism". He explains how the intellectuals may not initially wield power over the day to day affairs of politics, but they nevertheless do, over longer periods of time. Finally, they ultimately wield enormous power by gradually shaping public opinion.

He says, "The political development of the Western World during the last hundred years furnishes the clearest demonstration. Socialism has never and nowhere been at first a working class movement. It is by no means an obvious remedy for the obvious evil which the interests of that class will necessarily demand. It is a construction of theorists, deriving from certain tendencies of abstract thought with which for a long time only the intellectuals were familiar; and it required long efforts by the intellectuals before the working classes could be persuaded to adopt it as their program.

"In every country that has moved towards socialism, the phase of the development in which socialism becomes a determining influence on politics has been preceeded for many years by a period during which socialist ideals governed the thinking of the more active intellectuals. In Germany this stage had

been reached towards the end of the last century; in England and France, about the time of the first World War."

It is of interest to note that France did however, suffer from an earlier version of socialism first developed, in particular, by Henri de Saint-Simon and Auguste Comte.

This process had reached Australia and the U.S.A. just prior to the first World War. The word socialism was not popular in the U.S. So in the U.S., socialism was originally developed by a group calling themselves "The Progressives". They later became the intellectual force behind the Democrats. After a number of failures, they succeeded in 1913, in passing the 16th amendment to the constitution through Congress, permitting the government to tax income. Taxing income was strictly forbidden by the Founding Fathers, who as "Old Whigs" knew all about the destructive powers of income taxation. In fact they knew all about the destructive powers of all taxation. What the American constitution was all about, was limiting the evil and unlawfully coercive and, hence corrosive effects of government.

What Fabianism stands for, is the establishment of socialism by stealth instead of violent revolution. (The badge, proudly worn by all Fabians is a wolf in sheep's clothing). They have to a large extent been very successful in their endeavours in Australia. All political parties are socialist. At election time they simply try and out do one another pandering to the several principal pressure groups, as they, through their extravagant promises, auction off stolen goods and favours, in exchange for votes. Where will it all end?

The answer to this question was provided by the late Maxwell Newton writing for "The Australian" on 14th November 1989. Max was a highly trained and perceptive economist as well as a competent and talented journalist. Perhaps because the truth is so startling, Max's views are worth repeating. In the first part of his essay Max discussed what socialism has done to the U.S., Japan, Mexico, Brazil, the East Germans, Poles, Hungarians, and the Russians themselves. He then turns his attention to Australia, wondering when the people will finally.... "reject a Corporate State, manipulated and micro-managed by the ALP-ACTU politbureau under the all seeing eyes of Hawke and Keating."

"Fascism" Max continues, "is defined in Webster's dictionary as 'a system of government characterised by....the retention of private ownership of the means of production under centralised government control'. May I briefly outline some aspects of fascism in Australia?"

1. "Manufacturing industry has formed an alliance with the political and bureaucratic apparatus to impose taxes on Australian consumers through a vast and complex web of import duties, import controls, embargoes and inhibitions to trade in goods that is overseen by the most authoritarian Customs police in any

civilised nation, equipped as these police are with untrammelled power of entry, search and seizure.

2. "Governments, federal and state, have seized control of the whole of the transportation system, with the exception of a depressed and exploited trucking under-class. Until very recently, when it began to collapse entirely under the weight of its own internal contradictions, the airline industry was a government-managed monopoly, split into two parts. State governments have run the railroad systems of Australia on the basis of a corrupt alliance with unions, to the enormous detriment of Australian consumers. The waterfront and coastal shipping are run by union gangs who enforce their laws with terror and in many cases through the murder against potential interlopers, a group that sometimes includes the state police.

3. "The Federal Government controls the whole television industry, and enforces anti-competitive rules and licences by means of terror through the Star Chamber apparatus of the Australian Broadcasting Tribunal. The same goes for the radio industry. Officials decide the allocation of licences. Officials hold a weapon of fear over what is broadcast.

4. "Pervasive corruption exists in agriculture, where trade in grains, fruit, and sugar to name a few examples - is controlled by state marketing authorities who are free to make their own deals with waterfront and transport gangs, including such gangs as the water side "workers", the seaman's union and the painters and dockers. In much of agriculture imports of competitive food products are banned."

In point 5 Max goes on to talk about the corruption in the sugar and telecommunications industries, all to the detriment of Australian consumers. He then continues,.....

6. "Above all, as in any communist or in any other fascist or corporate state, Australians have been deprived of the right to work under terms and conditions that they may individually and freely negotiate. The right to work has been taken away from ordinary Australian workers. Their work is regulated by a mass of official controls, imposed by a vast bureaucracy in the ministry of labour and enforced by a corrupt and compliant "judiciary" in the official Soviet-style Arbitration Commission. Local trade union soviets, with the benefit of monopoly powers conferred upon them by the State and enforced by the corrupt labour "judges" in many industries regulate the employment of each individual, who may not work unless he first obtains the union card from the local union soviet. Through the resulting complex and corrupt system of wages and work regulation, ordinary Australian workers have in recent years been subject to a persistent and now accelerating process of declining real wages.

"The Reserve Bank Bulletin for October 1989 reveals that between 1984-85 and

the June quarter of 1989 award wages for adults in Australia rose 23%. Over the same period, average earnings rose 33%, as the workers attempted to flesh out their award wages by overtime and other privately negotiated "deals" beyond the control of the labour ministry soviet and the corrupt labour "judges". In the past three years overtime worked in Australia has risen 20%, as the workers have valiantly attempted to maintain their real wages by working longer hours.

"The Reserve Bank Bulletin goes on to point out that since 1984-5 consumer prices have risen by 40%. So the soviet system of wages and work controls in Australia since 1984-5 has produced a decline of 12% in the "real" level of award wages and a decline of nearly 6% in the real level of average earnings (even after the widespread practice of overtime working, reflecting as it does the attempt by the workers of Australia to achieve at the least no reduction in their real wages - an attempt that has failed).

"So in Australia, as in Eastern Europe, or in the Soviet Union itself, the ministry of labour controls on workers' right to work, enforced by pliant "judges", have produced declining real wages. "I might also add that in Australia, as in other fascist and corporate States, the share of profits has bounded ahead. Between 1886-87 (The Reserve Bank Bulletin for September tells us) and the June quarter 1989, the level of private corporate corporate profits rose by 37% - 60 % faster than award award wages and 12% faster than average earnings. Unfortunately for Australian workers, there is no easy route to higher wages and to freedom through some nearby Czech Republic". (Although New Zealand is looking promising.)

"Nevertheless, Australian workers clearly recognise through the use of their manifest common sense, the corruption and inequity of the ministry of labour regulations and controls. They are fleeing to freedom through the route of abandoning jobs where unions have the power to deprive them of their right to work, and are individually opting out of the entire State sponsored labour control and wage fixing apparatus.

"Like other failed communist or fascist corporate state systems, the Australian system has been able to avoid a breakdown in recent years only by means of huge and unsustainable foreign borrowings. This foreign borrowing route was the one taken by Communist Poland and Fascist Mexico.

"The enormity of the debt burdens thus permitted by the politbureau in Poland and by the IPR party gangs in Mexico eventually brought down the whole system in those countries, precipitating widespread hardship, economic stagnation and eventually the destruction of the whole ruling political apparatus. This is the prospect that now faces Australia after so long a period of suffering under the corporate State".

Since Max wrote those words in 1989, our debt burden would have increased by almost 100 Billion dollars. By the year 2000, if the present rates of debt accrument are allowed to continue we could well owe the world at least 300 Billion dollars. With the recent decision by Arbitration Court judge Errol Hodder, to keep employer/employee wage bargaining under control of the unions, the situation in Australia has become even more intolerable.

The policies of the Prime minister and the Labor party are not, as the P.M. claims, leading us into a competitive, bright and prosperous future, they are locking us into our fascist/socialist past, dominated by the monopoly of coercion wielded by the trade unions. Australia is clearly heading for monumental disaster unless the opposition Liberal Party and National parties can throw off their socialist and interventionist ideology.

If the Liberals and Nationals want to concentrate on restoring freedom, they must reduce state debt by selling all state assets. Then reduce taxation to a minimum, reduce federal and state interventionism in affairs of business to absolute zero levels, relieve the trade unions of their monopoly of coercion and, apply Classical Liberal policy. This and this alone can restore Australia to its rightful place as a nation with rising prosperity and living standards. As socialist policy has turned back the clock almost 100 years in this once great country, it is now time, without any equivocation what-so-ever to turn the clock forward.

Acknowledgement. Much of the above essay is an extract from the lecture by F.A. Hayek, titled: "The Intellectuals and Socialism" published by The Institute For Humane Studies, Washington D.C., U.S.A and from the Essay titled: "Advance Australia Fascist" by Maxwell Newton, and published in The Australian 14.11.1989. 2,118 words. (c) Ronald Kitching.