

# The Crown's agents plot to drug a nation: the case of Australia

by Allen Douglas

On July 31, after five years of debate, the Health and Police ministers of Australia's eight states and territories approved, by a 5-3 majority, a trial program to prescribe heroin to 40 addicts in the Australian Capital Territory (A.C.T.), the area surrounding Canberra, Australia's capital. The trial was to be loosely modelled upon a similar one in Berne, Switzerland, where shooting galleries were set up by the government, which then supplied several daily "fixes" to addicts. Under the Australian plan, a housewife could drop off her children at a local daycare center, get her fix, and, after composing herself, pick up her kids and be on her way. After a trial period in Canberra, the program was to expand to other states.

Australians greeted the ministers' decision with outrage, as reflected in blistering statements from the churches and the Salvation Army, in particular, and by Queensland Health Minister Mike Horan, who said, "It's a backdoor way of trying to legalize heroin. This is really about drug addicts being offered the drug of their choice, and when we're fighting to keep young people off the drug scene, it is just running up the white flag and giving the worst possible message."

After sniffing the political winds, Prime Minister John Howard suddenly reversed his government's approval of the trial, including its pledges to fund it and to change Federal laws to enable the importation of \$150 million in heroin. On Aug. 19, Howard announced that, "after a very intense discussion, the Cabinet has decided that the Federal government cannot support the heroin trial in the A.C.T., and we've indicated to the A.C.T. chief minister that we are withdrawing all cooperation as a Federal government." The program, for the moment, is dead.

This was a stinging, personal defeat for George Soros, in his global war for drugs: The architect and chief lobbyist for the heroin trial, who had proposed it already back in 1991, was his main agent in Australia, Member of the Canberra Legislative Assembly Michael Moore. Through their aggressive attempts to legalize drugs in Australia over the last two years, Soros and his drug-pushing pals have exposed themselves, and their methods. They are thus vulnerable, and must be hit hard.

So, we pick up the trail downunder, of Soros, his sponsors

in the Rothschild family, and some of that family's Australian business associates, such as the much-investigated friend of the Queen, Kerry Packer.

## Drugs and free trade against the nation-state

In late July, Malaysian Prime Minister Dr. Mahathir Mohamad attacked Soros, by name, for speculating against Malaysia's currency, and "undoing all the hard work we have done" to build the nation. Asked if he regarded Soros as a criminal, Mahathir chose his answer carefully. "Well," he said, "as much as people who produce and distribute drugs are criminals, because they destroy nations, the people who undermine the economies of poor nations are, too."

Dope and free trade, including unrestrained speculation, are the historic weapons of the British Empire. Throughout the second half of the nineteenth century, as even schoolchildren once knew, these were the two legs on which that Empire strode the globe, as best exemplified by its Opium Wars against China, to secure the "free trade" right to poison the Chinese people. The British still use these methods today, albeit in a more sophisticated form than when John Bull's gunboats rained their shells upon his victims. To understand them, some history is essential.

Following President Abraham Lincoln's victory over Britain's puppet Confederacy in the Civil War, the growing economic and military power of the United States demonstrated the "American System" of dirigism and protectionism to be a unique guarantor of national sovereignty, in the face of British or other imperial onslaughts. Under America's sponsorship and protective umbrella, a new group of nation-states, including Russia, Germany, and Japan, adopted these policies. To British consternation, Australia, where the Empire had once dumped its political prisoners, soon did, also, to the point that its Labor Party, founded in the 1890s, took the American, as opposed to the British spelling ("Labour") of its name. A horrified Colonial Office in London rewrote the constitution by which Australia was founded as a nation in 1901, to eliminate what it called "American tendencies." In 1911, under the leadership of American immigrant King O'Malley, who proclaimed himself to be "the Alexander

Hamilton of Australia,” the Labor Party founded a national bank, the Commonwealth Bank, modelled on U.S. Treasury Secretary Alexander Hamilton’s prescriptions. This new bank funded great infrastructure projects, such as the first Australian transcontinental railway, and spurred national development. Under these conditions, Australia enjoyed one of the world’s highest living standards, and called itself “the Lucky Country,”

The British bitterly opposed the Commonwealth Bank, but had to allow some economic development, to prepare Australia as a British ally in World War I, just as they had to tolerate such development in other nations, at other times, in preparation for war, as when Churchill’s “Iron Curtain” doctrine proclaimed America’s former wartime ally, the Soviet Union, to be the new enemy. As Lyndon LaRouche has emphasized, in the “détente” which followed the Cuban missiles crisis and the assassination of John F. Kennedy, the British dismissed such economic development as unnecessary, and unleashed their old weapons against the nation-state: dope and free trade, the former via the rock-drug-sex counter-culture and its environmentalist offspring, and the latter in its modern incarnations of “deregulation,” “privatization,” “level playing fields,” and so on.

A chief coordinator of this assault was the Mont Pelerin Society, founded in 1947 to combat the methods of dirigism unleashed by War II. Mont Pelerin was a project of the Crown: Its major financier throughout the 1950s, as partially admitted even in the standard history of the Society, *Thinking the Unthinkable: Think-Tanks and the Economic Counter-Revolution, 1931-1983*, was City of London magnate Harley Drayton. Though little-known outside the City of London’s square mile, Drayton *managed the fortunes of both the Church of England, and of the Crown.*

By the early 1970s, Mont Pelerin had set up hundreds of think-tanks worldwide, including several in Australia, which are today Soros’s staunchest allies on the continent. As LaRouche’s Australian associates in the Citizens Electoral Council have documented in their newspaper, the *New Citizen*, these Australian Mont Pelerin Society fronts brainwashed both major Australian political parties, Labor and Liberal, into adopting the British agenda of “free trade,” under all its labels. And, befitting their sponsorship by the Crown, these Mont Pelerin progeny have become ever more strident in advocating legalized drugs.

**Figure 1** (adapted from the *New Citizen*) shows how this works. On the left-hand side, are the Mont Pelerin Society and its spawn. Typical of the lot, is the loud-mouthed newspaper columnist Padraic P. McGuinness, of the Center for Independent Studies. Said McGuinness to the *Weekend Australian* of March 18-19, 1996, “The truth about heroin is that in a pure form, taken correctly, it does very little harm to most people. Moreover, it is quite cheap to produce. When it is taken intravenously, it can be hopelessly addictive—but only in rare cases is this addiction incapacitating. Many addicts have led

normal lives, in good health. The problem is not the heroin itself, but the illegality and the cost of it.”

The right-hand side begins with N.M. Rothschild and Sons, Ltd., private bankers to the Crown since the nineteenth century. Once again, it is the old story of dope and free trade: Since becoming the chief advisers for the Thatcher government’s “reforms,” the Rothschilds have led the charge worldwide for the privatization (looting) of state assets, while they simultaneously sponsored Soros’s crusade to legalize drugs. Drugs are part of the family business, as documented by *EIR* in the bestseller, *Dope, Inc.* It is no surprise, therefore, that the main Australian institution leading the charge for legal dope downunder, the Australian Drug Foundation (ADF), is a bunch of Mont Pelerin privatizers funded by the Rothschilds. The longtime chief fundraiser and president of the ADF was Sir Peter Derham, the chairman of Rothschilds, Australia. During the first half of 1997, in which this crowd was hell-bent to legalize heroin, they also negotiated the privatization of some \$12 billion of Australia’s extensive, American System-derived state sector—a record unmatched in the world for that period.

Nor is it surprising that the other main adviser in the Australian privatization process, CS First Boston, is also up to its eyeballs in dope. Crédit Suisse—the “CS” of CS First Boston—was caught red-handed on Feb. 7, 1985 in a multibillion-dollar drug-money-laundering scheme. The case was later covered up by corrupt U.S. Attorney William Weld, whose family investment bank, White Weld, had a business partnership with CS First Boston.

### Soros’s errand boy in Australia

Michael Moore, the chief lobbyist for the Canberra heroin trial, has been an independent member of Canberra’s Legislative Assembly (state parliament), and is a Councillor to the Mont Pelerin Society’s Institute of Public Affairs—at least when he is not running errands for Soros, whose Drug Policy Foundation has given him at least \$25,000, and awarded him its 1994 Justice Gerald Le Dain Award for Law. Moore is the founder-president of the Australian Drug Law Reform Foundation, the originator of the Australian Charter for Drug Law Reform, which calls for an end to “prohibition” of drugs and which he has brainwashed 100 Australian MPs to sign, and the convenor of the Parliamentary Group for Drug Law Reform. He is also associated with the Friends and Family of Drug Law Reform, another Soros-linked group, which parades victims of the drug plague before the public to call for legalizing drugs. Like Soros, Moore is a passionate advocate of euthanasia, and was the chairman of the A.C.T.’s Select Committee on Euthanasia in 1993. He is also a member of the UN Association of Australia, and of Prince Philip’s Australian Conservation Foundation, which the dirty Duke of Edinburgh founded in 1963 as a branch of his World Wildlife Fund, to assault Australia’s agriculture and industry through “aboriginal land rights” and radical environmentalism.

FIGURE 1

**Legalized drugs policy**

From the British

Crown to you!



**Mont Pelerin Society (MPS)**  
 Est. 1947; Headquarters: London;  
 500 members worldwide  
 Founder: Friedrich von Hayek, dubbed  
 "Companion of Honor" by Queen  
 Elizabeth II (one of only 60 worldwide)  
 Chief financier: Harley Drayton (dec.), personal  
 investment manager for Queen Elizabeth II  
 Chief spokesman: Milton Friedman  
 Australian members: Padraic P. McGuinness,  
 Gary Sturgess

**N.M. Rothschild & Sons Ltd.**  
 Private bankers to the Crown since the 19th  
 century; gave \$40 million in start-up capital  
 to George Soros

**George Soros's Quantum Fund N.V.**  
 Nils Taube: Director, Member of Executive  
 Ctte.; Managing Director, Lord Jacob  
 Rothschild's St. James Place Capital  
 Richard Katz: Director, Member of Executive  
 Ctte.; Managing Director, Rothschild Italia  
 SpA; Board Member, N.M. Rothschild &  
 Sons Ltd.  
 Major Investor: Queen Elizabeth II

**Fascist policies**  
 Unionbusting, slave labor  
 Privatization  
 (chief advisers worldwide—N.M. Rothschild & Sons)  
 Legalized drugs  
 Euthanasia

**Drug Policy  
 Foundation (DPF)**  
 Founder:  
 Milton Friedman  
 Chief financier:  
 George Soros

**Lindesmith Center**  
 ("Research institute"  
 on drug policy)  
 Chairman:  
 George Soros  
 President:  
 Ethan Nadelman

**Australian Branches of MPS**

**Center for Independent  
 Studies (CIS)**  
 • Padraic P. McGuinness  
 • Gary Sturgess

**Institute of Public Affairs (IPA)**  
 • Prof. David Penington  
 • Michael Moore  
 • Sir Arvi Parbo

**Australian Drug Foundation**  
 Chief financier: Sir Peter Derham, Chairman,  
 Rothschild Australia  
 Ltd. (dubbed "Knight Bachelor" by Queen  
 Elizabeth II)  
 Advisory Board: Ethan Nadelman  
 Sir Arvi Parbo  
 Prof. Greg Whelan  
 Prof. Margaret Hamilton

**Wood Royal  
 Commission**  
 (on police corruption in  
 New South Wales)  
 Recommended legalized  
 heroin "shooting  
 galleries" in 1997.  
 Wood Commission set  
 up following the  
 Independent  
 Commission Against  
 Corruption, founded by  
 heroin legalization  
 fanatic and CIS  
 member,  
 Gary Sturgess

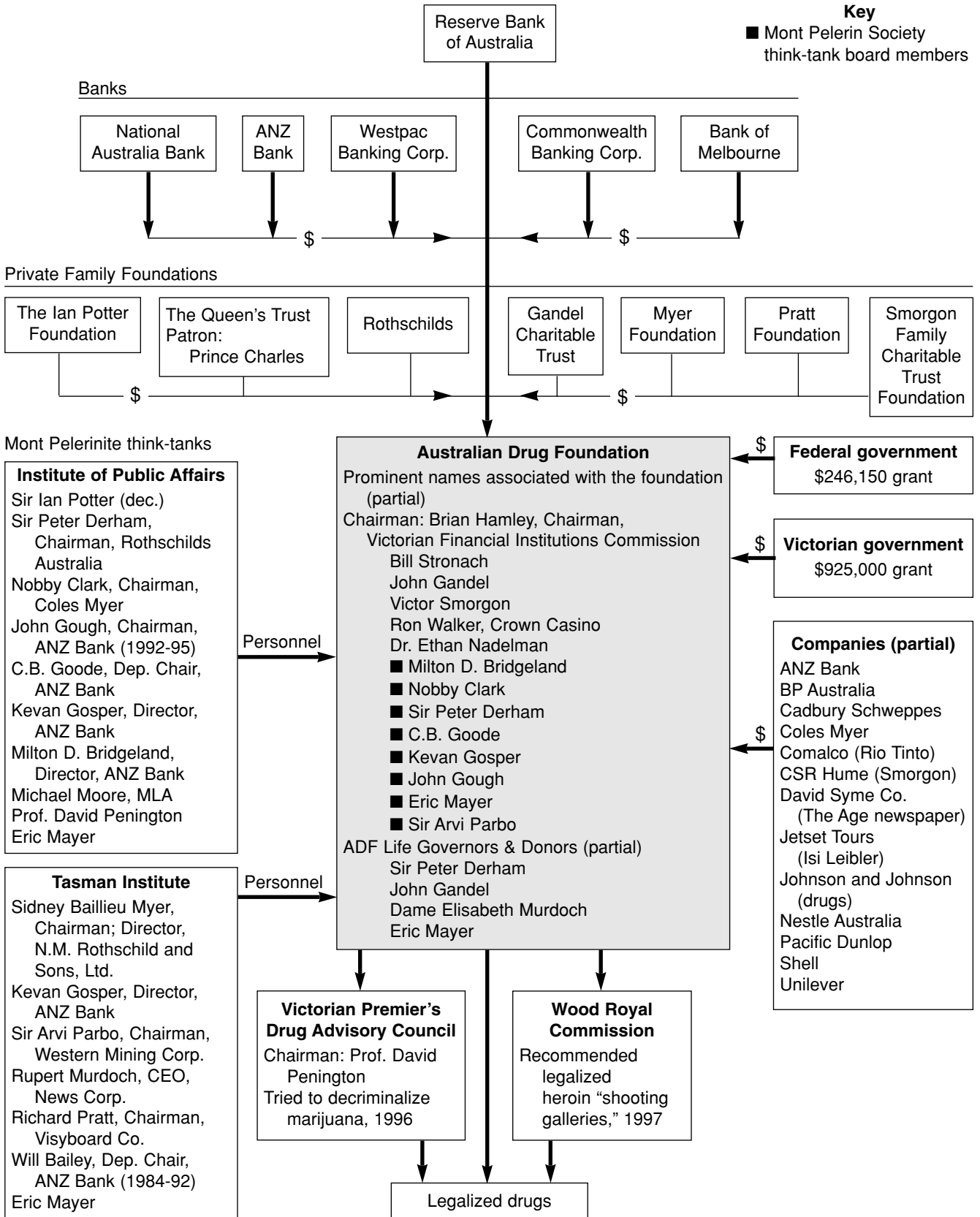
**Victorian Premier's Drug  
 Advisory Council (DAC)**  
 Chairman: Prof. David  
 Penington  
 Prof. Greg Whelan  
 Prof. Margaret Hamilton  
 The DAC led the drive to  
 decriminalize marijuana in  
 Victoria in 1996, which  
 was stopped by  
 LaRouche's associates in  
 the CEC

**Australian Advocates of Drug  
 Decriminalization**  
 Michael Moore, MLA: Founder, Parliamentary  
 Group for Drug Law Reform; architect of  
 ACT (Canberra) legalized heroin trial  
 (given \$25,000 by Soros's DPF)  
 Dr. Alex Wodak  
 Dr. Nick Heather

Legalized drugs

FIGURE 2

**Australia's pro-dope mafia**



## The mad drive to legalize drugs

Australia's two most populous states, Victoria and New South Wales, both switched their votes from last year, to approve Moore's heroin trial. In both cases, they did so under the influence of British assets in the Mont Pelerin Society.

Victorian Premier Jeff Kennett is the protégé of a bigwig in the Institute of Public Affairs (IPA), John Gough, a former chairman of the ANZ Bank. The IPA and its sister Mont Pelerin front, the Tasman Institute, wrote the script for Kennett's government, "Project Victoria," under which he has privatized \$15 billion in state assets since 1992 (far more than any other state in Australia), privatizations whose resulting unemployment have devastated entire areas of his state. He has also ruined the state's once-proud health system by closing six hospitals; Victorian residents now die in parking lots, or at home, because they cannot get access to medical care, while ambulances race from hospital to hospital, seeking, often in vain, for an open bed.

As befits a Mont Pelerin poster boy, Kennett has also led the crusade in his state for legal dope. An alleged "conservative," he shocked many people in 1996, when he reversed his previous stance against loosening drug laws, to furiously campaign for the decriminalization of marijuana. When he appointed a Drug Advisory Council (DAC) to "study" the issue, Victorian parliamentarians from his party charged that the DAC, chaired by IPA Councillor Prof. David Penington and stacked with others from the ADF, was rigged from the outset, because all the members of this "impartial commission" were already pro-legalization. The DAC not only recommended that pot be decriminalized, but that heroin be legalized as well. Despite Kennett's efforts, his bill to decriminalize marijuana was defeated by a mobilization led by Lyndon LaRouche's associates in the Citizens Electoral Council.

New South Wales also switched its vote to approve the heroin trial, following a sustained pro-heroin-legalization campaign in which a key role was played by Center for Independent Studies member Gary Sturgess. As *EIR* has documented (July 25, 1997), Mont Pelerin fanatics often raise the banner of "anti-corruption" as a pretense to attack institutions they want to restructure, or eliminate. Sturgess was the architect of N.S.W.'s Independent Commission Against Corruption, which helped pave the way for a two-year, \$75 million Royal Commission into police corruption by Justice James Wood. As scandals broke in the N.S.W. parliament and elsewhere, about pedophilia at the highest levels of society, Wood was assigned to investigate that, as well. Though he found few, if any, pedophiles, Wood determined that the N.S.W. police force was rife with corruption, and that the major source of that corruption was drug money, to which he recommended a two-part solution: 1) to disband the N.S.W. anti-drug squad, which even he had to acknowledge had been "highly effective," but which, he claimed, had fallen victim to a "culture of corruption," and 2) to set up

legalized heroin shooting-galleries, to "take the money out of illegal drugs."

Wood's chief ally in both efforts was the newly appointed N.S.W. Police Commissioner, Peter Ryan. Ryan, a recent import from Britain, was not your average copper: He had been the national director of Britain's Police Training College, and was formerly the chief constable of Norfolk. The latter job, the June 2, 1996 *Sun-Herald* noted, was very sensitive, because it involved "an area that includes Sandringham, the Queen's country retreat, and would have meant that Mr. Ryan would have been in contact with senior intelligence officers, the Royal Protection Squad and the Home Office in London." As part of his war on the N.S.W. police, Ryan sacked 200 officers, and advertised in the British press to find replacements for many of N.S.W.'s top police officials. N.S.W. parliamentarian Peter Collins charged that Ryan was once again trying to make N.S.W.—Britain's first colony on the continent—into a "colonial outpost."

## The Australian Drug Foundation

Soros's official institutional collaborator in Australia is the Melbourne-based Australian Drug Foundation, on whose board sits Dr. Ethan Nadelmann, of the Lindesmith Center "drug research" organization which Soros chairs. The ADF's board (see **Figure 2**) is populated with Mont Pelerin fanatics drawn from the Institute of Public Affairs and the Tasman Institute. It is shamelessly financed by Australia's "big four" commercial banks (and the smaller Bank of Melbourne), and by Australia's central bank, the Reserve Bank.

Australia's private banks, on whose boards sit the cream of the country's Anglophile establishment, have long been a chief vehicle of British control downunder. In 1911, when the Labor Party founded the Commonwealth Bank as a national bank, the Australian private banking oligarchy squealed. It squealed even more at the outset of World War II, when Labor Prime Minister John Curtin broke with the British, who intended to turn Australia over to the Japanese, in favor of an alliance with President Franklin Roosevelt and Gen. Douglas MacArthur, which won the war in the Pacific and secured Australia's freedom. Curtin died in 1945, and was replaced as Labor's prime minister by Ben Chifley. The government had dirigistically directed credit during the war, by which it had created an impressive industrial base almost from scratch. Chifley intended to continue that deployment of credit for the national good, in order to economically develop the continent. Toward this end, his government passed a bill through Parliament in 1945, to nationalize the banks. The private banks led a near-civil war campaign against the proposed nationalizations, which were finally overturned by the Queen's Privy Council in London. A central bank was set up instead, under British agent H.G. "Nugget" Coombs, who was later to become known as the "father of aboriginal land rights," for his work on behalf of this pretext to stop the economic development of the continent.

It was these private bankers, and associated wealthy families, who founded the Australian Drug Foundation (Figure 2). For the first decade or so of its life, the ADF used to meet in the boardroom of the most British of Australia's banks, the Australia and New Zealand Bank, which was originally based in London, and about which a leading Australian counter-terrorism investigator told *EIR*, "Wherever we have been doing investigations, you'll find ANZ Nominees [which owns the bank] in there somewhere."

### **Kerry Packer: where the gutter meets Her Majesty**

Responding to the July 31 ministerial vote which approved the Canberra heroin trial, Salvation Army Maj. Brian Watters, a noted anti-drug fighter, commented, "The ministers have responded to a carefully crafted pressure campaign of disinformation."

Indeed, the decision had been preceded by a non-stop barrage in Australia's print and electronic media about how the "war on drugs had failed," that "new solutions were needed," and so on. The man who spearheaded that disinformation campaign was Kerry Packer, whose *Bulletin* magazine, for instance, featured the cover story, "Drugs, Why Fight a War We Can't Win?" No account of Soros's drive to legalize dope downunder is complete, without an account of Packer and his friends.

Who is Kerry Packer to be proclaiming defeat in the war on drugs? Besides owning major chunks of Australia's print and electronic media, he is a business partner of the Rothschild family, who teamed up with Lord Jacob Rothschild some years ago to mount a \$25 billion takeover attempt against British American Tobacco. Packer's own fortune is estimated at \$4.1 billion. In Australia, however, Packer is notorious for other reasons.

Back in the early 1980s, a Royal Commission chaired by Queen's Counsel Frank Costigan was charged to investigate criminal activities involving the Federated Ship Painters and Dockers Union. By 1983, Costigan had zeroed in on a man whom he believed to be one of the kingpins of organized crime in Australia, whom he code-named the "Goanna," after an Australian lizard, and whom he believed to be involved in loansharking, tax evasion, pornography, drugs, and murder. The Goanna, it soon emerged, was Kerry Packer.

Packer fought Costigan's investigation. He denied Costigan's charges, though he could not deny that he did have relations with some of the sleazy characters whom Costigan had named as his associates. Crucial documents which Costigan subpoenaed mysteriously disappeared. Such measures, combined with legal delaying tactics, stalled the investigation until a new government under Labor Prime Minister Bob Hawke took power. Hawke, who opened up Australia to privatization and free trade, and who now works for Packer, proclaimed Packer to be a "great Australian," and shut down the investigation.

No charges were ever brought against Packer. But if he were a drug kingpin, the structure of his business would be particularly well-suited for the job, because it is mainly cash. In 1991, a team from the *Sunday Age* travelled all over the world, looking into his empire. On Sept. 8 of that year, they reported that the single biggest trading item of Packer's empire, "is money itself. Documents . . . show the company bought and sold currency to the value of \$5.2 billion during a six-month period in 1986-87."

"Packer's empire is a massive cash box, with vast sums of readily available funds flowing between companies," the *Age* continued. "Cash is also harder to track and trace. Kerry Packer is a master of minimizing his tax bill. Conspress [a Packer company] uses a variety of tax havens, but principally channels money to the Bahamas-based Consolidated Press International Holdings. The directors are Packer, his man in Hongkong, Chris Mackenzie, and James Wolfensohn."

For over a hundred years, Hongkong was the British Empire's center for laundering drug money, principally through the Hongkong and Shanghai Bank, and such old British Far East shipping and trading companies as Jardine Matheson. Curiously, a former managing director of Jardine Matheson is now Packer's right-hand man, while, as of 1991, at least, a director of HongShang sat on Consolidated Press' board. Since the *Sunday Age* investigation, Packer has bought 10% of the world's largest casino, the recently opened Crown Casino in Melbourne. He had planned to buy 10% of the Sydney Harbour Casino as well, of which George Soros owns 4.5%, but pulled out of the deal in an attempt to take over still more of Australia's media. His business partner in Crown is the treasurer of the ruling Liberal Party, Ron Walker, while the Liberal prime minister, John Howard, and other members of Howard's Mont Pelerin-dominated government, have stated that they are in favor of changing Australia's Broadcasting Act, to enable Packer to buy control of the single biggest media chain in the country, which includes the *Sydney Morning Herald*, the *Age* in Melbourne, and the *Australian Financial Review*, of which he owns only a portion now.

Packer's political clout extends well beyond Australia, as his Rothschild links indicate. For years, he has made no major business decision without consulting his longtime partner, Sir James Wolfensohn, who is now head of the World Bank, while his other major business partner, Maurice Strong, a director of Packer's CP International Holdings, is the de facto ruler of the United Nations, as "adviser" to UN Secretary General Kofi Annan. An Australian law enforcement official summed up how things have changed since the Costigan Commission: "Packer is now untouchable."

Befitting his new status, Packer is now seen in the Queen's box at the Ascot races, enjoying their mutual passion for horses. And, perchance, for other things, as well.