



# ON TARGET

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*The price of Freedom is eternal vigilance—*

Vol. 10 No. 35

September 6th, 1974

Thought for the Week: "It has been frequently stated during the past fifteen years or so that there is no escape from inexorable economic laws. As a matter of fact, there are no inexorable economic laws with which I am familiar; they are practically all conventions."

- C. H. Douglas, in "The Use of Money" (1934).

PRESIDENT OF SENATE REJECTS SENATE: "The Senate should be abolished in the interests of parliamentary democracy, the President of the Senate, Senator O'Byrne, said yesterday."

- The Sun, (Melbourne) September 2nd.

Almost all politicians of the Left are eager to abolish Upper Houses, which they see as barriers to "parliamentary democracy". The Queensland Upper House voted itself out of existence in 1929, under a Labor administration. We feel strongly that Queensland's growth has been retarded as a result of this most unwise measure.

Senator O'Byrne is firmly of the opinion that... "the final solution is a 'yes' vote in a referendum to abolish the Senate, and give democracy back to the people's house, the House of Representatives."

This is something of a joke. There isn't by any means a complete parliamentary democracy in the House of Representatives because of the effects of the Party System. Whilst individual members remain under Party discipline; more often than not compelled to vote on Party lines, at the expense of losing Party endorsement at the next general election; there just cannot be the type of parliamentary democracy which many parliamentarians apparently are bemused into thinking really does exist. We can imagine this true parliamentary democracy requiring the introduction of the secret ballot in Parliament for a start, before having any hope of living up to its name. The same can be said for the Senate, for that matter. The Senate, as framed by the Fathers of Federation, was intended to be a States' House: to watch over the interests of the six States of Australia. The Party System, again, has undermined this concept. Despite the political slanging matches which have taken place over the last 2 - 3 years around the "bloody-mindedness", "obstructionism" etc. of the Opposition's role in the Senate, it has been performing better than it has for many years. Political issues are now hotly contested: the individual receives generally better government when his politicians face stiff opposition in their fields of activity; with the maximum publicity given to all issues and decisions. There are exceptions and qualifications to this observation, of course, and space will not allow us to expatiate on them here and

Returning to the principle of the Upper House, we recall well the political climate of the year 1944. Anyone who doubts the value of the trinitarian concept of the State Constitutions: a House of Assembly

a Legislative Council as a House of Review, as a brake on snap legislation; and the Crown - should recall the fact that the 1944 Referendum, at which the electors of Australia overwhelmingly rejected Dr. Evatt's demands for sweeping powers for Canberra, was mainly the result of the Tasmanian Legislative Council's refusal to be a party to the Tasmanian House of Assembly's proposal to grant the powers to Canberra without reference to the Tasmanian electors.

The Tasmanian Legislative Council's action was condemned (by the Leftists) as "reactionary", as "Thwarting the policies of the democratically elected House of Assembly", and all other accusations now being levelled against the Senate.

But when the 1944 Referendum did take place, an overwhelming majority of Tasmanian electors voted to retain the powers that their "democratic" House of Assembly was prepared to give away. The "reactionary" action of the Upper House saved their rights. This Referendum, incidentally, was decisively defeated by the votes of the majority of Australians: it was the "obstructionism" of the Tasmanian Upper House which compelled the Referendum itself. Enough of the other States were prepared to cede the powers to Canberra, under the provisions of the Australian Constitution. Tasmania held out - forcing a Referendum. The Tasmanian Upper House saved not only the rights of Tasmanians; but of all Australians. We would be most foolish to ever forget this lesson. League supporters should constantly recall it each time an attack is made on Upper Houses. If it weren't for the Senate, the Party holding office at Canberra in the House of Representatives could steam-roller virtually anything that they wanted into legislation. Thank Heaven, we still have the Constitution to protect us from even that: hence the Socialists' constant attacks on the Constitution!

A VISITING ECONOMIST'S DISTORTIONS: "He said inflation was now built into the capitalist system by multinational corporations - and the problem lay in devising measures to curb its worst effects."  
- The Age, (Melbourne) August 30th.

There is much behind the visit to Australia by Dr. Charles Levison, who is secretary-general of the International Federation of Chemical and General Workers' Unions (membership - five million). He is acknowledged "expert" in the field of international trade unionism, economics, and industrial sociology. He is in Australia at the invitation of Dr. Jim Cairns, and Senator Lionel Murphy: significant enough in itself!

He has been talking a mixture of nonsense, and fact. First, the nonsense... "98% of multi-national corporations' net capital investment was self-generated by their cash flows. Equity capital did not represent one percent of their investment."

The equity capital assertion is probably correct: that is, capital raised from shareholders as investors in the corporation. But, he is conveying the impression, deliberately or otherwise, that multi-national corporations are 98% self-financing. This is ridiculous! The bank overdrafts of the multi-nationals run into hundreds of millions. On our own doorstep right now, we have an example of Mainline, the Australian building empire, with overseas interests - small by multi-national standards, being put on a financial spot because the A.N.Z. Banking Group has lost confidence in its capacity to operate profitably. Mainline's overdraft account would have been several millions when it was operating at peak efficiency. The official Receiver disclosed that Mainline's weekly wages bill was \$250,000; and that that wasn't in the account last week. The multinationals generate their own cash flows alright - by courtesy of the banking system. None of them would last any time at all if their bankers turned off the overdraft facilities!

Dr. Levison would be somewhere nearer to the truth if he had been more explicit and stated that... "inflation was now built into the Capitalist financial system." Multinational corporations are really just a growth-phenomenon thrown up by the workings of the modern Capitalist finance-economic system itself. They add to inflation in the same way that any business enterprise, dependent on the banking system for its operations, adds to inflation. That is by recovering the cost of bank interest in prices; as with any of the business enterprise's other costs. The multinationals have to jack up their prices continually to meet their sharply escalating cost structures: this most assuredly includes higher and higher interest rates on their hundreds of millions on overdraft deposits. Dr. Levison neatly dances around this very hard fact. Let us give Dr. Levison credit for lending his prestigious name to another clear fact; viz... "wages are only a minor factor in modern inflation."

Supporters should quote this when grappling with the invincible ignorance of Opposition politicians who even yet assert that wage rises are the cause of inflation. Dr. Levison is quite correct. Wage rises are a comparatively insignificant factor now in the generation of inflation.

Escalating costs are the factor; and it is this that is inherent in the Capitalist financial system: multinationals have little to do with the rate of inflation. Anyway, what is Dr. Levison really here for? Well, we can't help being suspicious; and especially where Senator Lionel Murphy, and Dr. Jim Cairns are concerned.

We think he is here as one of the first shots in a Socialist public relations campaign against the multinationals; possibly with a view to nationalisation of them. Certainly to clip their wings in some way or other. Under the pretext of "curbing inflation" the Murphys, Cairnses, and their kind will give Australia a further dose of Socialism, and a further shift to the Left. It is very interesting to see Senator Lionel and Doctor Jim teaming up together for this little exercise. They are always up to something.

ROYAL COMMISSION URGES "SEPARATE DEVELOPMENT": "A Royal Commission has recommended a type of 'separate development' for Aborigines - allowing them to choose between tribal and fully integrated life styles."  
- The Age, (Melbourne) August 29th.

The 'Aboriginal Rights' activists won't like this at all. What's more, the Commission said that claims for Aboriginal land rights had no sound basis in law, and anything done to establish Aborigines on land should be based on humanitarian and benevolent motives.

The Commission's report strongly criticised land rights demands, and emotionally-based campaigns claiming that the white population owed the Aborigines something. We can already hear Mr. Charles Perkins screaming blue murder!

The Chairman of the Royal Commission, Judge Furnell, stated that there was no doubt that drink was partly responsible for poor health, bad living conditions, and poverty among the Aborigines. Judge Furnell attacked the guilt-complex which some whites harboured over the position of Aborigines: these were unsoundly based, and should be dispelled: and the sooner the better. He said that... "wasteful and extravagant gifts are to be avoided: they are destructive of that most valuable feature of a man - dignity and independence, as well as being an economic tragedy."

We haven't heard the explosion as yet from the Aboriginal activists: most of whom are not Aborigines at all - many of them are whites with a dash of Aboriginal blood! The mass media go along with the myth that such personalities are "Aborigines".

HOUR OF DECISION FOR SOUTH AFRICA APPROACHING: "The Portuguese Government and the Mozambique Liberation Front would begin full-scale negotiations on Thursday to transfer power, and set a date for independence in Mozambique, Frelimo President Samora Machel, said today."

- The Age (Melbourne), September 3rd.

Inflation in Portugal was one of the principal factors in the political ferment of that Country. The former Government of Dr. Caetano found that it was under a severe strain to maintain military forces in its African provinces; as they were called. General dissatisfaction, particularly in the armed services, manifested itself in the recent coup which brought in the regime of General Spínola; and new policies towards the African provinces of Guinea, Angola, and Mozambique. The "new policies" seem to add up to decolonisation.

The Portuguese whites are getting out as fast as they can. The memories of the horror of the Belgian Congo are still fresh. South Africa and Rhodesia are to be tested as never before. Will they hold under the waves of Communist directed guerrilla activity which will sweep against the borders of both countries from now on. Of course, Rhodesia has been experiencing this for some few years now: but the pressure will mount sharply.

We would expect the plan is that the countries neighbouring South Africa are to be knocked out, one by one, in one way or another, with the psychological warfare against South Africa being stepped up in the process. Rhodesia will be next: and then South Africa. The hope of the Communists will be that the South Africans will "find an accommodation" with the various "African nationalists" as the Portuguese appear to be doing now. But we doubt this. The South Africans have nowhere to go. They are not colonists, like the British or Portuguese. When the Dutch landed in Southern Africa in the early 1600s it was a virgin country. The Bantu came South later on. This land is the Afrikaansers own country: they didn't seize it from other races - there was no-one there. They have developed their own culture: even their own language: Afrikaans - something of a linguistic phenomenon. These people must fight to the death to defend their own country: and they will. A proper understanding of these historical facts is essential to some sort of understanding of the thinking of the South Africans.

BRIEF OBSERVATIONS: Mr. Grassby, on his return from yet another world trip, (Sun, Melbourne, Aug. 28th) said that Australia's economy was "as sound as a rock". We would like supporters to note this well: it will be useful information in the months ahead. Inflation, incidentally, is only a minor problem. Well it is when you're on \$25,000 a year!

Mr. Bratchenko, Soviet Russia's Minister for Coal and Industry, said that inflation in his country is prevented by a planned economy. This is largely correct. A re-reading of the item - "Communism and Inflation" - in On Target, last week (August 30th) will prove instructive.

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"On Target" is published by The Australian League of Rights, G.P.O. Box 1052J, MELBOURNE. 3001

Subscription rate: \$5.00 per annum: \$9.00 for two years.

W. & J. Barr (Printers) Pty. Ltd.,

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