



# ON TARGET

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*The price of Freedom is eternal vigilance —*

Print Post Publication Number 381667 00258

Vol.30, No.8

March 11th, 1994

**THOUGHT FOR THE WEEK:** "The Australian Constitution is a protection bequeathed to us from the past. Just as our father's house gives us protection in the days of our immaturity, so the Constitution stands as a guard until such times as the people have time to gather together to devise a change. Such a protection is vitally necessary at present, and the fact that Canberra politicians are so eager to get rid of the Constitution should be a warning to all those who believe in democratic control."  
 - James Guthrie in Our Sham Democracy

**NO RECOVERY IN SIGHT:** The Keating Government continues to try to "talk up" the alleged economic recovery. Any small improvement in economic activities is the result of some people deciding that with inflation relatively low, they should buy some of the consumer goods they have been putting off purchasing. Building activities must go on, and so people are building new homes, or taking advantage of lower interest rates to renovate existing homes. The state of the stock markets do not indicate any great confidence in the future. The last temporary upsurge in stock markets saw the usual flood of small investors, most of whom lost badly. The growing trade conflict between the U.S.A. and Japan, which looks set to become worse, hangs like a deep cloud over the international scene. The Clinton threat to use its famous 301 law to unilaterally impose trade sanctions unless Japan complies with his demands, makes a mockery of the much publicised GATT agreement. The Keating Government has said that while it supports the concept of opening up Japanese markets, it does not support this being done as suggested by the Americans.

The reality is that all the industrialised nations are locked into a straitjacket of financial orthodoxy which makes it increasingly difficult to try to stimulate their economies without a renewal of the dreaded inflation. Investors have at least learned from past experience that accelerated growth in the economy inevitably results in

inflation. Therefore there is a growing tendency to curtail investments when it is perceived that a much publicised growth policy is going to end with more inflation and, later, yet another credit squeeze in an attempt to curtail the inflation. And so, ironically, the more Treasurer Ralph Willis boasts about an escalating rate of growth, the greater nervousness of investors.

There is no evidence anywhere that depressed economic conditions and growing social instability can be overcome under debt-finance.

(Suggested reading: A Programme for Reversing Inflation, without economic disclocation. By Eric D. Butler. Available from all League addresses. \$2.50 posted.)

**KEATING'S POWER LUST THREATENS SENATE** by David Thompson:

"Paul Keating has threatened to change the Senate's electoral system, to eliminate minor parties and win control of the Senate - spelling the end of parliamentary scrutiny of government ... Governments which have held power for a long time tend to become contemptuous of the need for accountability."

- Democrat Senator Cheryl Kernot,  
Weekend Australian, 5/3/94

Prime Minister Keating's venomous attack on the Senate has little to do with improving representative Government in Australia. This is a naked power play, in which a power-drunk Prime Minister seeks to make the Parliament subservient to the Executive by destroying the Senate's role as a House of review. It can be achieved by a change to the Senate voting system, from one of proportional representation to a preferential system, merely by passing new legislation. No referendum, and no election would be required, but at the next election, the minor Senate parties would almost certainly be wiped out.

Keating's contempt for the Senate ("unrepresentative swill") is a product of his arrogant demand that groups like the Democrats cease frustrating a Labor executive that controls the House of Representatives. On the other hand, Senator Kernot, in an impressive display of political courage, has demanded that the Government produce Foreign Investment Review Board documents on the sale of Fairfax Press, and forced the dismissal of Mrs. Kelly over mal-administration of the allocation of sporting funds. "This is not a Senate out of control," wrote Kernot. "It is a Senate doing its job."

In fact, Keating's Senate proposals are a cynical betrayal of traditional Labor principles. The proportional representation system of selecting the Senate was originally introduced with strong support from the late Sir Arthur Calwell and the Labor Party. Australians

have used the Senate ever since to act as a brake on the Government or to represent minority views. For example, Senator Syd Negus was elected from W.A. to oppose death duties, and the Democratic Labor Party, as an anti-communist force, was represented in the Senate. It gradually became obvious that a small proportion - about 10% - of voters who may have been prepared to vote for a major party, in the lower House, actually voted against them in the Senate. When this was pointed out to the Liberal front-bencher, Mr. Don Chipp, in the mid 1970s, Chipp left the Liberals, and founded the Australian Democrats, depending entirely upon that small proportion of voters who always voted to ensure that a government did not have a Senate majority. Chipp simply popularised this principle with the cynical but enduring slogan that the reason for the Democrats' existence was to "keep the bastards honest".

**SEDUCING THE COALITION:** It is quite clear that not only the Democrats but the W.A. Greens and the Independent Harradine from Tasmania all have legitimate constituencies in the Senate. When Keating disparages the Senate as "unrepresentative" he is being blatantly deceitful. The Senate was never intended to represent numbers; this was the role of the House of Representatives. The Senate is there to protect the interests of minority groups and States. As Kernot says, "Contrary to his rhetoric, Keating doesn't want to make the Senate more representative - he wants to make the Government less accountable."

No new Senate voting system can be introduced without the Coalition's support in the Senate. In order to succeed, Keating must seduce the Liberals to support him. This he has set out to do, by hinting that if a Coalition Government is elected, they also could enjoy unrestricted power if the Senate was purged of minor parties. The tragedy is that this is music to the ears of the Liberal power-brokers. Already Mr. Alexander Downer has warned the Democrats that the Coalition may support Keating's "reforms".

Those with short memories should remember the Bill of Rights campaign, in which the Democrats were deluged with mail demanding that they throw the Bill out of the Senate. Under enormous pressure, the Democrats did so, thus defeating a key Fabian initiative, and moving the then Attorney-General, Senator Evans, to remark bitterly that "progress" had been denied by 'political troglodytes'. If it wasn't for an independent political force in the Senate, Australia could be in even more diabolical straits today. Every effort must be made to protect the role of the Senate. Whether we agree with all their policies, or not, the Democrats, under the leadership of Cheryl Kernot, are emerging as the only useful opposition to the centralisation of power.

**BRIEF COMMENTS:** The growing violence between Greek and Macedonian communities in Melbourne highlights once again the folly of multiculturalism. Historic differences between Macedonia, originally part of Yugoslavia, and Greece have, like other differences, been imported into Australia, and inflamed by a policy which deliberately fosters multiculturalism. The Greek community has always provided strong support for the Labor Party, but now threatened with the loss of Greek support because of the Keating Government's official recognition of Macedonia. Victorian Premier Jeff Kennett, who has apparently escaped from the control of his minders, has reverted to his bad old habit of "shooting from the lip", has sought to make political capital out of the Greek-Macedonian conflict. All migrants of non Anglo-Saxon-Celtic background should be expected to integrate into mainstream Australia, which is a Constitutional Monarchy rooted in British history.

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Victorian Jeff Kennett and his economic rationalist advisers keep insisting that the stiff financial medicine they are administering to the Victorians will eventually restore health. This treatment has the blessing of the International Bankers who have indicated to Mr. Kennett that he can borrow more overseas. The Kennett theory is that his programme will eventually result in more private investment in Victoria and consequently a fall in unemployment. But in the meantime Victorian unemployment figures are higher than in most other States, with large numbers of Victorians fleeing the State. While there has always been a movement of Victorians to the North, mainly Queensland, this movement has greatly intensified under the Kennett Government. In one sense, Victorians are "voting with their feet". Not surprisingly, public opinion polls indicate a drop in support for the Victorian Liberal-National Party Coalition. The mounting concern about forced Local Government amalgamations will result in a further loss of support.

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Observers of the international scene have long drawn attention to the military build up in Communist China. In spite of President Clinton's warning that China will not continue to be granted a Most Favoured Nation status beyond June of this year, unless its human rights record improves, international investments continue to flood into China. Now comes a report that there is a massive Chinese military build up in Tibet.

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**THE BASIC FUND -- NEARLY THERE:** Further contributions to the Basic Fund last week of \$1,800, has taken the total to \$59,745. We wish to announce the conclusion of the Fund next week, and will all those who have not yet contributed rush their donations in. The minimum "target" is \$60,000. All contributions to Box 1052J, G.P.O., Melbourne, 3001.

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"ON TARGET" is printed and published by The Australian League of Rights, 145 Russell Street, Melbourne. Subscription \$30 p.a.  
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