

**WHO'S
RUNNING
AUSTRALIA?**

Portraits of
the
Ruling Class

by
Brian Murphy

a

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INTRODUCTION

It has become fashionable to argue that the class war is dead. Academics, politicians and newspapers alike argue that 'we are all middle class' and that the days of wicked capitalists and down-trodden workers are over.'

It's a lie.

Australia is just as unequal as it ever was, and in terms of power and wealth the workers are as exploited as they were in the days of the Hungry Mile. The richest 10% of the population own 60% of the wealth.

The people in this pamphlet are a fair example of the class which owns and controls this country. They have their fingers in every pie. In mining and manufacturing, in finance, property and transport. They are, to use an unfashionable word, the bourgeoisie.

But, loathsome as these people, their wealth, their lifestyles and their reactionary views are, this pamphlet is intended to do more than encourage people to hate the rich.

Every portrait reveals the connections between the rulers of every section of the economy. Newspaper magnates own bauxite mines, the boss of Hardie Asbestos is into BHP and Avis Rent-a-Car, the boss of CSR (sugar, asbestos, coal etc.) is also head of the Commercial Banking Company.

Because capitalism is not just a collection of private companies. It is a system which concentrates wealth produced by workers into the hands of a small number of rulers. Through their unions, most workers will come up against one or other of these bosses, but behind each one there is a system which backs up their common interests.

Brian Murphy's portraits have appeared over the last two years in 'Tribune'. Some of the information is dated, but it is in the essence of the system that the faces may change but the reality of class power does not. We are publishing it in book form as a contribution to the growing struggle to overthrow the system represented by these well-fed faces.

Pete Cockcroft

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Murdoch - Godfather



'Is this country to continue to be run, with governments being made and broken, by the snide, slick innuendoes of a lying, perjuring pimp, Rupert Murdoch?'

— Senator Justin O'Byrne
(Lab., Tas.), 1976.

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December 1979

Senator O'Byrne asked the question in the Senate when Murdoch's continuing campaign against just-defeated Labor PM Whitlam was in full swing.

Murdoch had just broken the Iraqi loans affair on the front page of 'The Australian', claiming the story came from his London meeting with Henry Fischer.

Fischer, a rightwing Sydney businessman, was in on the Murdoch-Fraser conspiracy to beat up a 'scandal' to divert attention from the Kerr-Fraser coup.

Murdoch didn't trust his staff to write the story, admitting he wrote it himself, prompted by his experience with his journalists on 'The Australian', 'Daily Mirror' and 'Telegraph'. They had stopped work over his papers' 'continuing bias' during the 1975 elections.

'We have found it necessary to dissociate ourselves entirely from the desecration of the traditional and historic ethics of journalism which we expect of ourselves and our employers,' they declared.

The 'pimp' has built his empire on desecration.

After inheriting 'The News' in Adelaide, he constructed an empire on 'girlie pix and sex scandals', earning the title 'Dirty Digger'.

In 1960 he took over Norton's struggling 'Mirror' in Sydney and 'Truth' in Melbourne and Brisbane, making them financial successes with his scandal sheet approach.

He broke into the world market by taking over the six million circulation London paper 'News of the World' in 1968. Appropriately, that paper had also been built on scandal. ('They invited the curate — and he found it was an orgy'; 'But the barmaid was only 13'.)

Apart from other publishing interests handled by 'News of the World' organisation, Murdoch got an engineering company, transport group, betting shop and even a golf club.

He also controls TV Week, Festival Records, Universal Record Club, Nationwide Air Services, and partners BHP in developing bauxite deposits in the Darling Ranges through Alwest.

Murdoch is one of the three proprietors who own Australia's 17 capital city papers. (The others are Fairfax, and Herald and Weekly Times.)

A multinational empire

His press empire consists of the News Ltd. group and associated News International. In Sydney he controls the 'Daily Mirror', 'Daily' and 'Sunday Telegraphs', 'Sunday Sun' and 'Sportsman'. He also controls Brisbane's 'Sunday Sun', Adelaide's 'The News' and 'Sunday Mail', and Perth's 'Sunday Times'.

Then there's Murdoch's suburban paper chains, not to mention 'Northern Territory News'.

In Britain he has the 'Sun', 'News of the World' and Berrows News-papers. In America 'The Star', 'San Antonio Express' and 'News', 'New York Post', 'New York Magazine', 'New West Magazine' and 'The Village Voice'.

Loves power

Television interests include Southern Television Corporation and London Weekend Television.

Murdoch enjoys exercising power. Soon after taking over London Weekend Tele, seven top executives resigned because they couldn't take the puppet role he marked out for them.

He wallows in a Godfather role, giving the ALP \$74,257 to help their election in 1972. More importantly, his papers supported Labor.

He gradually changed his mind, letting loose on the Labor Government from about September 1975 to prepare the Kerr coup.

A major disappointment is that he can't control the workers' movement. His frustration shows through raving editorials against 'greedy and selfish' workers striking for higher wages.

Two days before his journalists stopped on December 8, 1975, his printers also stopped, fed up with 'mad-dog' editorials. The journalists stated, 'Freedom of the press is not a right owned by publishers nor by journalists. It is a right that belongs to the people of Australia.'

It's a right we will never enjoy under a capitalist press run by men like Murdoch.

July 1978



Part of Murdoch's successful campaign to kick out a government.

Packer, The Come On



"If you are Australian, proud to be Australian, and Australia has been good to you that's reason to give something back."

Kerry Packer, media baron, justifying spending over \$200,000 promoting the Australian Open Golf Championship.

As head of the Packer Empire (inherited from his father) Kerry Francis Bullmore Packer can afford to be generous to a tee. By January 1979 the empire had \$63 million out on loan in the short-term money market.

And as well as an altruistic interest in golf, he reaps rewards from business interests in skiing and cricket.

A hooker from way back, Packer has continued his father's line of prostituting the media for his own gain and that of the class he represents.

The songs 'Come On Aussie, Come On' and 'Wake Up, Australia' are just two examples of the capitalist media's long-running campaign propagating the lie of a classless Australia. But workers keep pushing the truth home.

Strikes

'Daily Telegraph' workers in 1953 went on strike to prevent Frank Packer heralding Stalin's death with a billboard reading 'STALIN DEAD - HOORAY!' Packer backed down.

Recently Television Mogul Kerry's own workers went on strike for three weeks over back pay.

Packer's generosity doesn't spread to workers. Yet among the empire's greatest benefactors have been Labor politicians.

Frank Packer started Australian Consolidated Press in 1932 with the help of former federal Labor treasurer E.G. Theodore. Theodore arranged the sale of the Australian Workers Union daily, the 'World' to Packer in partnership with himself. Proceeds from a later sale of the paper went into establishing the 'Australian Woman's Weekly' and into Fiji goldmines.

Golden coal

The goldmines founded the Packer fortune. Kerry now sees coal as the future gold. Consolidated Press Holdings has recently become the major shareholder of White Industries which is developing the NSW Uranium coal deposits with Japan's Mitsubishi.

The company struck trouble with rising costs in constructing a railway line from Ulan to Sandy Hollow. But the NSW Wran Labor government is helping out. White's managing director says: 'We have had a lot of support from the NSW government.'

Packer is used to this. In 1977 he was refused permission to use the Sydney Cricket Ground for his cricket circus. Wran not only got the ground for him but also had it floodlit for night play.

Packer's influence is not surprising considering that former NSW Labour Council secretary and State ALP president, John Ducker, sat on the board of his Publishing & Broadcasting Ltd.

Lotto

He even got an 'unexpected' bonanza in being included with media 'competitor' Rupert Murdoch and British gambler Robert Sangster to run NSW Lotto.

The NSW Labor Conference last June ruled against including Murdoch and Sangster in the Lotto spoils. But apparent horse-trading between Ducker's Labour Council and the government not only won the day for Murdoch-Sangster but also for Packer who was not even involved in the original Murdoch-Sangster tender.

Lotto will add even more profits to the empire which rose 34% to \$13.4 million for 1978-79.

Advertising rates for the Australian Woman's Weekly have recently been increased. It will now cost \$8000 for a full-page colour ad. Current TV rates for a sixty-second commercial at peak time is \$1250.

Packer also runs, beside GTV-9 Melbourne and TCN-9 Sydney, five radio stations including 3AK (Melbourne) and 6PM (Perth), 'The Bulletin', 'Australian Home Journal', 'Cleo', 'Australian Playboy', 'House and Garden', 'Wheels', etc. Other interests include 51,000 acres through Hunter Pastoral running cattle and sheep, and Australian Urban Investments.

He's got a lot from Australia and from the workers who have produced his wealth. But they don't expect to get something back without a struggle.

October 1979

Fairfaxes - More Than Press Barons



Fairfax's media monopoly has long had a powerful say in who runs Australia. No less powerful but more silent is Vincent Fairfax, head of Australian Mutual Provident (AMP) Society.

AMP is Australia's largest insurance company. This gives the capitalists who run it decisive influence in the direction of Australia's economic development. They decide which areas are most profitable for them and channel AMP funds into these areas.

Increasingly, direction of economic development is into areas of international trade such as minerals, meat and livestock, and away from manufacturing areas.

AMP directors are on the boards of 90 other big companies including BHP. Some 21% of the Society's shareholdings are in these companies.

Bigger holdings

AMP wants bigger holdings in fewer companies than it now has. The latest figure is about 350 companies including BHP in which it has 9 million shares worth about \$68 million.

The Society runs 18 cattle properties in the Northern Territory, Queensland and NSW, including the Stanbroke Pastoral Co. headed by Vincent Fairfax, and has direct equity in Mount Newman mines, Gove's bauxite and alumina refinery, and Central Queensland Coal Associates.

US multinational, Utah, is the dominant partner in the Coal Associate, putting in less than \$25 million of its own funds. Overseas loans and Australian finance, no doubt through AMP's influence with the many Banks, made up the rest.

Utah shows the same disregard for the Australian workforce as does AMP. With the turn away of capital from manufacturing, unemployment can only get worse.

Newspapers and TV

Vincent Fairfax is on the board of John Fairfax Ltd., whose head is Warwick Fairfax. They run the 'Sydney Morning Herald' (SMH), 'Sun', 'Sun-Herald', 'National Times', 'Australian Financial Review', 'The Age' and associated newspapers, as well as television and radio stations.

Also on the principal AMP board is Sir Arthur Rymill who heads the Bank of Adelaide. Vincent Fairfax is a director of the Bank of NSW, a key post for capitalists in NSW. Other AMP directors are also on the boards of National Bank (2 directors), Reserve Bank and the Commonwealth. One is in the Australian Government Economic Consultative Group and another in the Finance Corporation of Australia.



The original John Fairfax was an early director of AMP. He arrived in Sydney from Leamington, England, in 1838 where he ran the 'Chronicle'. He returned in 1852 to answer libel charges. He was cleared of these and also of his debts in England through being declared bankrupt.

Deeply religious

Deeply religious, he searched for a place of worship soon after arriving in Sydney and found the Pitt St. Congregational Church. He got a job as librarian in the Australian Subscription Library. At both places he became acquainted with influential people in Sydney's social set.

He played a part in the Australian Joint Stock Bank and the Australian Gaslight Co. With Charles Kemp he bought the SMH in 1840, becoming sole owner in 1852.

SMH's conservative tone was set in those early days. So conservative, in fact, that Fairfax's opposition to universal suffrage cost his election for the East Sydney seat in NSW's first Assembly. But he was given a seat in the Legislative Council.

Australian politicians are wary of the Fairfax influence, especially during elections. Menzies felt how uncomfortable a wasp sting can be when Warwick Fairfax turned against him in the 1943 elections. Menzies lost.

The Fairfax family, related through marriage to the Baillieus and Holderns, are like the AMP towers, tall poppies among Australian capitalists.

July 1978

COSY FAMILIES



The well-connected R.R. Law-Smith

Although BHP had increased steel production at its Port Kembla plant, it sacked 2,000 workers as part of its staff cut-back policy.

This expression of corporation power is not surprising in view of BHP's anti-working class history.

In the 1890's BHP director John Darling II vowed to 'devote his life to beating unionism out of existence'.

Successive conservative governments have assisted BHP in this aim. BHP's influence over governments comes through an informal network of top business people, politicians and public servants.

The network is characterised by intermarriage of business families who are on the boards on interlocking companies, advisory boards to governments and social institutions.

Connection

Richard Robert Law-Smith is a good example of the marriage connection between businesses.

He is a director of 15 companies including Qantas, BHP, Chrysler, Massey Ferguson, six BHP subsidiaries, and a commissioner of TAA.

He is also deputy chairperson of Commonwealth Industrial Gases which has 62 factories, and subsidiaries, in Bougainville, Indonesia, Fiji, Thailand and Papua New Guinea.

He helps make decisions affecting the lives of over 80,000 employees in companies he directs.

This number is being reduced through mass sackings by BHP and Chrysler.

The Darlings

Perhaps the brightest thing Law-Smith has done was to marry Joan Darling, daughter of H. Darling, a past director of BHP.

The late L. Darling, also a BHP director, was a director of the

National Bank. Law-Smith, as Vice-chairperson of the National Bank, carries on this merger of banking and industrial capital.

L. Darling's son, L.G. Darling, is currently a director of BHP and boss of Rheem Aust., a BHP subsidiary.

And then there's John Darling who is in charge of BP and a director of Monsanto Australia.

Another Darling, David, is a director of Carlton United Breweries, EZ Industries and Austral Bakery.

All these Darlings are members of the exclusive Melbourne Club (except, of course, Joan and other female Darlings). Law-Smith is also a member.

So it goes on

The 'family' will be enlarged with the engagement of Susannah Law-Smith to Rupert Clarke. His father, Sir Rupert, is a director of the National Bank and Vice-chairperson of CRA.

Sir Rupert is the third Baronet of Rupertswood. He succeeded his father as boss of Schweppes, United Distillers and King Ranch Australia. Of course he is also a member of the Melbourne Club.

Sir Rupert's town address is the Australian Mutual Provident (AMP) tower. David Darling's address is also the AMP tower. The Deputy chairperson of the Victorian board of AMP just happens to be R.R. Law-Smith.

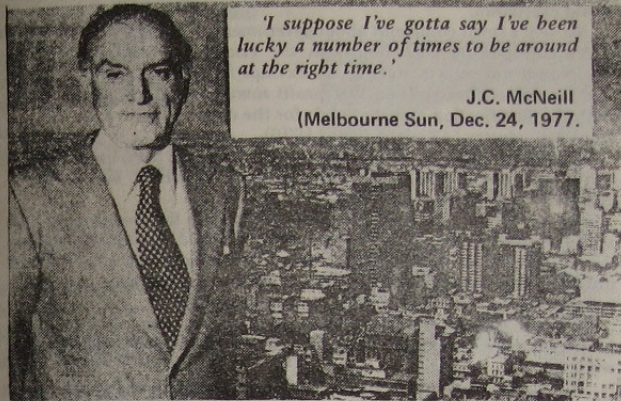
Susannah, by the way, was Tamie Fraser's private secretary.

A nice, cosy family, indeed.

December 1977



R.R.'s daughter Susannah Law-Smith and Rupert Clarke after announcing their engagement.



'I suppose I've gotta say I've been lucky a number of times to be around at the right time.'

J.C. McNeill

(Melbourne Sun, Dec. 24, 1977.)

McNeill- Manipulator

That's not a bad summary of how the BHP head got to the top.

He arrived through a different route than his predecessors did. His expertise is in the world of finance, not the production of steel.

With the downturn in the world market for steel, BHP has had to turn to other areas to maintain profits. Hence the huge investments in the energy field.

McNeill is ideally suited to help BHP make the transition.

He's been at it for some time. He was made managing director in 1971, executive general manager of finance 1967-71, and general manager commercial, 1959-67. On the way up he's collected the managing directorship or directorship of 10 BHP subsidiaries. He heads the Queensland Coal Mining Co. and is second in charge of Private Investment Company for Asia.

And of course part of his job for BHP is making sure that governments make the right decisions. He's a member of the Australian Government's Economic Consultative Group, the Manufacturing Industries Advisory Council, and President of the Australian Mining Industry Council.

The Fraser government, always ready to make the right decision, handed BHP bonanza profits by lifting Australian crude oil to world parity pricing. BHP partners multinational oil giants, Shell and Esso, in huge oil projects. Welcomed into the international capitalists organisation OECD, BHP is playing a major part in presiding over the run-down

of Australian manufacturing and turning the country into a quarry for world capitalism.

McNeill's small complaint about government is that the steel industry is handicapped by such bodies as the Prices Justification Tribunal. 'We would not expect steel to be exempt from its scrutiny,' he says, 'but we do seek recognition that profit margins need to rise to provide both the justification and the funds for the development of the Australian steel industry.' (Rydgcs, Sept., 1976)

In fact, the PJT is no handicap at all for BHP. It's little more than an irritation. Like an itchy bum, you have to scratch it, but it can be embarrassing at times.

The motions of applying for an increase have to be gone through and a case argued. BHP's 'unique' accounting method for its steel operations (inflation-accounted depreciation) regularly turns a substantial profit into a huge 'loss'. This allows BHP to demand — and get — continual price increases to restore its profit margin.

But the cash flow, which is not reduced, is reinvested in more profitable areas. According to McNeill, the diversification programme is working.

'If you go back to 1960,' he says, 'we either didn't know of or hadn't even contemplated the things that now give rise to the great bulk of our profits.'

He argues that this 'reduced' profit in steel is caused by higher wages which means a higher, less competitive price for steel. 'You know, people perhaps overlook the fact that jobs depend on competitiveness.'

But who, we could ask, competes with BHP in steel production?



Sleigh— Golden Fleecer



'Australia has always thought of itself as a highly sophisticated workforce, which it is not. There has been a tendency to breed over-expectation, but the fact is that not everyone can make it.'

P.H. Sleigh, head of H.C. Sleigh, on the unemployed.

Sleigh made it easily, inheriting his job from his dad, who inherited it from grandpa. Bred into the highly sophisticated Toorak social set, it's natural to berate the jobless for expecting too much.

Job expectations in at least two industries where Sleigh has substantial interests are extremely low — meat (Mercury Meats) and shipping.

P.H. Sleigh is a director of Botany Bay Tanker Co. and has interests in Dominion Far East Line. Seamen have been waging a long battle against shipping companies using foreign flags to employ low-paid seafarers.

In March last year the Seamen's Union called for a ban on Sleigh's tanker 'British Spey' during its campaign against Caltex for excluding Australian flag tankers from the overseas oil trade.

Caltex is boss.

Sleigh's Golden Fleece follows Caltex like its trade symbol, a sheep. Caltex has a 26% controlling interest in H.C. Sleigh. The Sleigh family is next with about 7% of shares.

Oil has been H.C. Sleigh's major interest since 1913 when it began importing and distributing petroleum. Lacking its own refining capacity, it was forced into a processing agreement with Caltex in 1965.

The giant multinationals tightly control refining operations which provide a major part of their profits.

The US Federal Trade Commission found that refining is the pivotal

point in the petroleum industry. The eight largest American companies have exercised monopoly power in refining petroleum.

With 90% of refining capacity owned by the foreign giants, Australia's 70% 'self-sufficiency' in crude oil means little in terms of distribution,

marketing and conserving its own oil resources.

Multinational control over refining gives them power to 'ration' petrol to the highest bidder and gives them power over Australian companies and governments.

A 1974 Royal Commission into new refineries for NSW rejected two separate proposals from BHP/Sleight and Total/Ampol, saying these would not meet future refinery needs. It recommended instead that three or four of these companies establish a joint refinery at Kurnell or Lucas Heights.

BHP and Sleight refused. Sleight said they would consider alternatives to achieve equity in the refining industry but 'joinder with Ampol certainly did not range among these alternatives'.

Rockefellers move in

For Sleight, read Rockefeller, for Caltex is an amalgamation of Standard Oil of California and Texaco.

Golden Fleece has recently acquired a large manufacturer of oil and gas pipeline equipment giving it a major interest in the North-West Shelf gas development.

Sleight says that this and another buy, Witch Engineering (trenching machinery), is in line with the decision to move into the earthmoving industry. It has also bought into Goliath Cement.

Another major move is into coal with 45% of Warkworth Mining, which has a \$500 million Japanese contract.

Coal is becoming an economic proposition as another source of oil because the major companies have pushed oil prices up so high. Australia will become even more of a quarry for the multinationals, creating higher unemployment levels.

P.H. Sleight wants to help this process but he's worried that unions won't allow it.

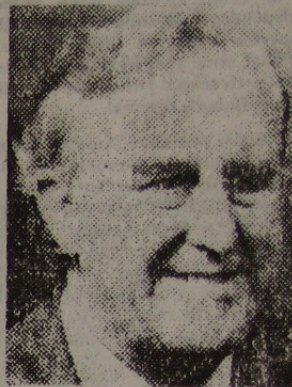
'Industry is now almost powerless against the unions,' he said in 1977. 'The whole industrial system in this country is starting to collapse.'

He shares this anti-union attitude with Rupert Murdoch, a contemporary of his at Geelong Grammar.

He doesn't admire Fraser but says he is the only politician with guts. The oil giants wouldn't agree. They're quite happy with Fraser's servility.

June 1979

Froggatt— Oil and Lunacy



'There is clear evidence that higher oil prices are already having a salutary effect on overall energy consumption patterns.'

**L.T. Froggatt,
Head of Shell Australia.**

Froggatt was applauding the Fraser government's decision to let oil companies set their own prices. He also remarked happily that industry and commerce were turning from oil to fuels like natural gas and coal.

Shell has invested over \$200 million in minerals, coal and North-West natural gas and wants to increase its holding in Capricorn Coal to 48%.

Austen and Butta already hold 30% of Capricorn, but Shell has 37% of Austen and Butta and Froggatt is on the board. He's also a director of coal giant Thiess Holdings and Dunlop Australia.

The deal needs government approval but Shell has always found Liberal governments particularly friendly.

Not happy

But Froggatt isn't happy with the NSW and SA Labor governments. They want to change price setting methods in the PJT but can't get necessary information from the companies. The Royal Commission into petrol and mineral oils (1933) had the same trouble.

Shell's great and powerful friend Menzies (then Victoria's Attorney-

General) represented the company before this commission and defended Shell's refusal to produce its books or information about its activities.

In 1952, Menzies (then Prime Minister) closed Australia's only independent oil supply source (the Glen Davis shale-oil plant in the Capertee Valley in NSW) despite a 25-day stay-in strike by miners.

That same year Menzies sold Australian National Airlines to Ansett, Shell's treasurer (who was also the Liberal Party's federal treasurer) helped finance the deal.

Menzies promised Ansett a 'proper' share of the government's mails and other official business and so established the two-airlines policy. It was hardly a coincidence when, about that time, Ansett signed a still current industrial contract with Shell.

Toorak resident Froggatt became Shell's Australian chief in 1969. He joined the company in London (1937), became chief accountant in Egypt (1955), finance manager in Indonesia (1958), general manager in Borneo (1961), area co-ordinator for South Asia and Australia (1963-65), head of marketing efficiency division, London (1966), and came to Australia from the company's Atlanta, Georgia, office (1967-68).

Inflame disputes

Oil companies are always ready to inflame industrial disputes in an effort to turn people against unions and exploit and exacerbate supply shortages.

Last year Justice Macken said Shell had reached 'the lower levels of lunacy' in acting to prevent settlement of a dispute with operators at its Clyde refinery.

Only the labour movement can really challenge Shell's power. 'We are extremely vulnerable to industrial action which would interfere with production and distribution of crude oil and petroleum products,' Froggatt says.

The growing awareness of Australians that the oil giants are holding them to ransom makes Shell even more 'vulnerable'.

July 1979

Friends In High Places



Ansett in frantic conversation with supporter Sir Henry Bolte.

*'This is not an amalgamation;
it's a raid.'*

Sir Reginald Ansett
(Sydney Morning Herald
Apr. 27, 1972.)

That was Ansett's reaction when he was on the receiving end of a 1972 takeover bid by Thomas National Transport (TNT).

TNT's attempt failed. Ansett's takeovers don't usually fail. That's why he sees the present setback to his Avis takeover as temporary.

The Anset corporation has been built up on takeovers. He started a service car business with a second-hand Studebaker 46 years ago. He now controls a \$388 million a year business, and flies to work in a helicopter.

He's carefully built up the image of a battler made good, which could be enhanced if one of his racehorses, Impulsive, follows the hoof-steps of his brother, Reckless.

Racegoers have become familiar with the sight of Ansett's personal helicopter landing on major racetracks in Melbourne. He's president of Morningside Racing Club and is a director of Bic (Australia), the Diners Club and Associated Securities.

Ansett Transport Industries now has about 23 divisions and subsidiaries, including television stations in Melbourne and Brisbane.

Major shareholders in Ansett include AMP, MLC, City Mutual, National Mutual and nominee companies run by NSW, ANZ and National Banks.

He started off as a battler but has been helped on the way up by influential friends such as Sir Henry Bolte.

Ansett was involved in a land scandal in 1963. Victorian government backbencher A.J. Hunt(!) alleged that Ansett had received preferential treatment from the State Rivers and Water Commission. The Commission wanted Ansett's Mt. Eliza property for a reservoir. Ansett offered to buy up properties for an alternative site and hand them to the Commission.

One owner, a widow, didn't want to sell. The Commission compulsorily acquired her land. Ansett had discussed the idea of an alternative site with Bolte in 1958 and Bolte agreed with it.

At an inquiry into the scandal the Judge asked the deputy head of the Commission if he was giving Ansett favoured treatment. 'No,' he answered, 'no more favoured than anyone else who had a lot of money.'

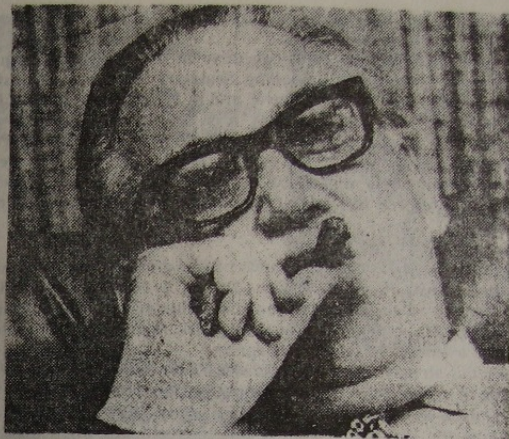
Bolte also stopped the TNT takeover in 1972, which prompted the head of TNT to say 'Victoria is Ansett country.'

In 1961 Gough Whitlam was reported as saying that Civil Aviation Minister Senator Paltridge had virtually guaranteed Ansett a 10% profit by the 'two-airline' policy.

There are now six knights on the Ansett board including Sir Cecil Looker, one time head of the Melbourne Stock Exchange, whose experience is no doubt greatly appreciated by Ansett.

Sir Henry Bolte also sits on the board, doubtless for services rendered.

January 1978



Abeles: Wheeler- Dealer

Sir Peter Abeles is highly respected among capitalists. That's the view of one writer in a wart-covered portrait of Abeles in the Sydney Morning Herald (March 22, 1972).

Part of the role of the capitalist media is to present corporate leaders as respectable, responsible leaders of the community.

But the media doesn't always succeed. Warts have a nasty habit of being uncovered.

Abeles was one of the bourgeoisie who left Hungary in 1947 in anticipation of communism coming to power.

He arrived in Australia in 1949 and has been wheeling and dealing ever since. With two trucks on hire purchase he set up a transport

business which was later taken over by Thomas Nationwide Transport (TNT). That was his biggest break.

Now deputy head and chief executive of TNT, he is also on the board of many companies including Seatainer Terminals, Bulkships, Union Steamship, ACTU-TNT Travel, and in 1972 bought himself onto the Ansett board.

He sees Bob Hawke as having the qualities to make a good Prime Minister. 'Hawke is one of my closest friends,' he says. 'We are not living at the end of the nineteenth century. There is no reason why a man of free enterprise like myself should not be friends with a unionist like Hawke.'

Abeles wants to expand in all areas of transport. A nice plum would be Australia Post's Courier Service. During a 16 day mail strike in NSW, private couriers picked up about 13 million deliveries at a minimum charge of \$1.60 a delivery. Australia Post rationalisation could be the start of a sell-out to private enterprise.

Abeles has already formed a link with Kerry Packer to take over the marketing of a joint delivery service, Speedy Communications.

The Federal government has helped his expanding air freight business by breaking the two-airline policy. But his main support comes from NSW state governments.

In the early '70s Abeles worked closely with Askin with the aim of integrating the NSW railways and TNT operations. Now TNT owns a number of rail terminals and runs a TNT/Alltrans Container Train between Sydney, Melbourne and Adelaide.

With him on the board of TNT are Sirs Ian Potter, Arthur George and ex-Premier of NSW Robert Askin. A handy coterie of knights to foster an image of respectability.

Both Abeles and Askin were named in the Alexander Barton committal hearings by Bela Csidei, a close friend of Abeles', and the Crown's star witness in the case.

According to the Bartons' QC, Mr. Edward St. John, Csidei may have been acting as a 'front man' for Abeles.

During the Barton hearings, Csidei said the only involvement Abeles had in the transactions with Barton was that he (Csidei) had asked Abeles to give him a character reference (!) for his introduction to the Bartons.

Is there no honour among capitalists?

February 1978

Millar - Taxtition



It is naive in the extreme to imply one has to sell valuable assets such as Miller shares or Ansett shares purely to raise cash or support liquidity.

**F.W. Millar, Chairperson
Thomas Nationwide Transport
(TNT)**

Yet managing director Sir Peter Abeles one month earlier (December 1977) was reported as saying TNT had told everyone 'our holding in Ansett is only an investment, but no-one believed us'.

No-one believed them in 1972 either, least of all the the Victorian premier Sir Henry Bolte who protected Ansett from a TNT takeover. TNT agreed then to limit their voting rights to 10% of the total shareholding.

That left the rest of TNT's 24.5% share of Ansett as 'surplus' if we take Millar's word. In 1976 TNT began selling its surplus mainly to holders dissatisfied with Sir Reginald Ansett's control. Those shares now carry voting rights.

Other support could come from the latest 'mystery buyer' of 5% of Ansett's shares, WA transport tycoon Robert Holmes a'Court, not known as a passive shareholder.

TNT's selling spree sparked rumours of liquidity problems after burning its fingers with an American freight operation. These were scotched by the announced 77% profit increase for the first half of 1978-79.

Their tax, however, increased by only 33%. Not really surprising. Millar learnt a few tax dodges as federal president of the Taxation Institute of Australia, 1966-68.

The Truckies' blockade also got rid of state road tax. TNT helped popularise the dispute by assisting radio 2UW with a helicopter to fly the Razorback leaders to other blockades.

TNT's air freight was boosted recently through permission to operate a daily interstate jet service between Adelaide and Darwin, further weakening the two-airline policy so vital to Ansett.

Nearly half TNT's profits are now earned overseas, in Canada, the UK, Brazil, SE Asia, Mexico and NZ. Its Canadian road transport is now bigger than the Australian operation.

Pan Am appointed TNT its sole cargo carrying agent in Australia and Canada. Again, not surprising, given Millar's connections with overseas capital.

Multinationals' friend

He heads 14 companies, 12 of which are either overseas owned or controlled (Clutha, Bliss Welded, Hunter Douglas, Hoechst, BASF, etc.). He's a director of 27 including Ansett, Anderson Meats, Blue Metals, Cinzano, Hooker, Doullton, etc.

TNT's new wave is in its North Atlantic Trans Freight Lines. But shipping is big money business.

TNT hopes to finance further expansion through the \$28.5 million sale of subsidiary Bulkships' one-third interest in R.W. Miller to Atlantic Richfield (ARCO), one of the top 10 oil majors.

The oil giant wants the rich Mt. Thorley coal deposits in the Upper Hunter Valley, but the NSW government hasn't yet granted R.W. Miller a licence to mine the coal. If it doesn't do so by June ARCO could opt out of the deal.

Under the terms of the sale, \$10.25 million was paid into escrow in June 1978 until the lease is granted with \$9 million due this June and another \$9 million in June 1980.

The NSW government wasn't happy about ARCO being an equal partner in R.W. Miller. Ampol, another shareholder, conveniently sold its interest to Howard Smith last February, giving the latter the majority interest.

The way is now clear for yet another multinational to grab some of Australia's resources.

Millar certainly believes in the internationalisation of capital and looks after the Australian end for his multinational friends.

May 1979

Fesq - Froth n' Bubble

The ASL collapse, its rise, its fight to keep pace with bank-supported rivals, has all the classic ingredients: wheeling and dealing business brabmins, ambitious directors and executives...

National Times
March 10, 1979.



The full inside story of the \$300 million ASL crash may never be known, with the NSW Corporate Affairs Commission apparently reluctant to carry out the same full-scale investigation as with Harry M. Miller's crash.

Yet the crash was unique in that the man who presides over ASL and two of his co-directors were overseas when it happened.

ASL's head, W. Fesq, also presides over Tooth's Brewery. Another Tooth's director on the ASL board, Mr. G. Thorpe, was also getting away from it all.

Because these NSW businessmen were absent, the Victorian ASL knights Ansett, Bolte and Looker couldn't negotiate fully with other parties in trying to save ASL.

The Sydney-based finance company had long been in trouble over property investments. Fesq headed the board from 1975 when L.J. Hooker Corporation was approached to take over ASL. Hooker wouldn't have a bar of it.

One Hooker director is F.W. Millar, like Fesq a member of the Royal Sydney Yacht Squadron. Millar is also an Ansett director and is on the board of Sir Peter Abeles' TNT which once tried to take over Ansett. Abeles is also on the Ansett board.

Ansett went head first into ASL in late 1976, despite Millar's knowledge. Commentators say the ASL crash has so affected Reg Ansett's health that the time is ripe for another take-over bid for Ansett which lost \$20 million in the ASL crash.

The ASL bubble hasn't turned Fesq against an interest in property. He became head of Tooths in 1977. Tooths and Hooker soon after formed a joint venture company, Property Resources, to develop Tooths properties.

Apart from 200 vacant sites, Tooths owns over 600 hotels. Sale of five hotel properties in 1976 made \$750,000 capital profit, providing funds to take over Penfolds, one of Australia's largest wine producers.

Another coup for the NSW brewer was picking up Victoria's Courage Brewery at a bargain price. Courage has never been a good brew, probably accounting for its \$8 million accumulated losses, but its modern plant is more important for Tooths.

Brewery workers will pay for Tooths fortune. Tooths' Reschs plant is reported to be closing within two years under a 'restructuring programme'.

Tooths made \$14 million profit last year. In the chase for even higher profits, workers' interests will be ignored as the small ASL shareholders' were in the power game of big business.

March 1979

Reid - Asbestos Killer

'One of the things we suffer from is a reluctance on the part of some people to acknowledge the umpire's whistle.'

John B. Reid,
The Bulletin, Sept.3, 1977.



He was commenting on a suggestion that industrial disputes would be better solved through a system of collective bargaining.

J.B. Reid, of course, opts for the arbitration system to control the so-called power of the unions. But who blows the whistle on corporation power?

Corporation directors aren't accountable to the community or their employees as union leaders are to members. Yet corporation decisions affect the lives and living standards of millions of people whether employed by the companies or not.

Their power used to be limited by fluctuations in the market place. But through concentration of markets into a few hands and the links between directors who sit on several boards, the market place is now controlled by the corporations.

John B. Reid is a prime example of these two factors in corporation power. He is chairperson of James Hardie Asbestos (with over 17 subsidiaries) which employs 5,500 and has 10 factories in Australia. There are companies also in Indonesia, Malaysia, NZ and the Bahamas.

He is also chairperson of Hardie Trading (20 subsidiaries, one in Papua New Guinea). Mercantile Credits, of course, provides the link into finance.

Reid is also a director on the board of another 10 companies, including BHP, Qantas, and Avis Rent-a-car.

He recently paid \$19m. for CSR's asbestos cement operations, to expand an empire which already controlled 60% of the market.

Profits for James Hardie Asbestos in 1977 were \$15.7m. Hardie Trading in 1976 made \$1.8m. profit and Mercantile Credit in 1976, \$3.2m.

These profits were made at tragic cost, especially for the workers in asbestos.

Studies in Britain and the US have shown nearly half of asbestos workers died of asbestosis-related diseases. Their wives and children have died from effects of asbestos brought home on the workers' clothes.

In WA at the Wittenoom Mine, one in every thirty of those who worked in the mine died from the effects of asbestos. The workers' campaign against asbestos hazards has forced James Hardie to at least drop 'Asbestos' from its name.

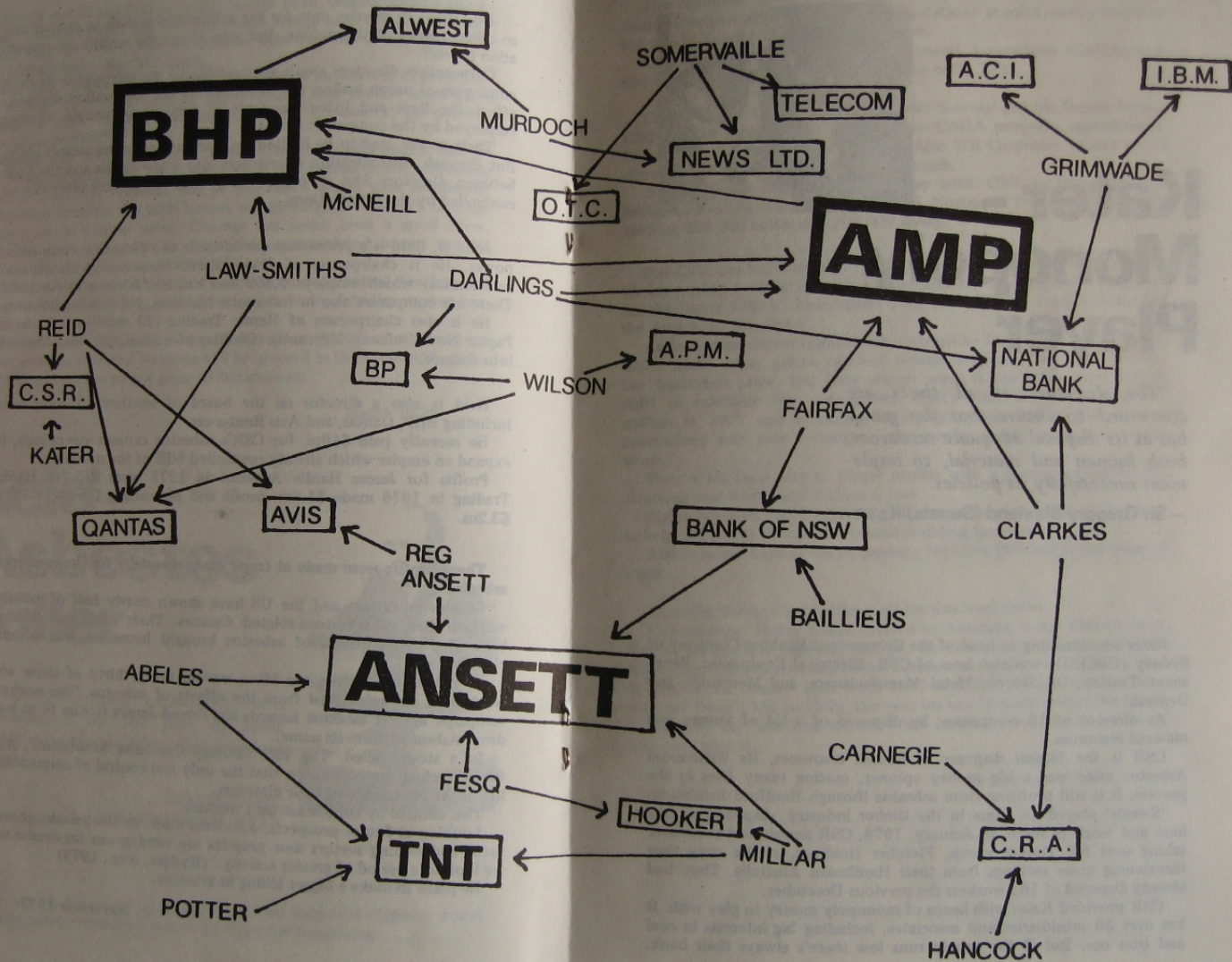
In a study called 'The 20th Century Capitalist Revolution', A.A. Berle reached the conclusion that the only real control of corporations lies in the conscience of their directors.

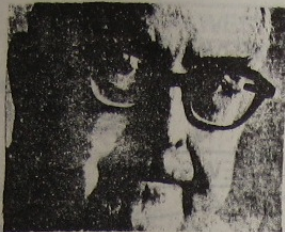
This control by conscience isn't working.

Looking at future prospects, J.B. Reid said: 'In the private, government and mining sectors new projects are coming out for tender and we look to a period of greater activity.' (Ryldges, Aug., 1977)

He plans to make a bigger killing in asbestos.

November 1977





Kater - Monopoly Player

'The directors at all times are concerned to ensure that the group has at its disposal adequate resources, both human and material, to implement successfully its policies.'

— Sir Gregory Blaxland (Sweets) Kater.

Kater was speaking as head of the Commercial Banking Company of Sydney (CBC). He was also boss of CSR, Electrical Equipment, Permanent Trustee, Oil Search, Metal Manufacturers, and Mercantile and General.

As director of 18 companies, he disposed of a lot of human and material resources.

CSR is the biggest disposer of human resources. Its Wittenoom Asbestos mine was a big money spinner, costing many lives in the process. It is still profiting from asbestos through Bradford Insulation. 'Sweets' played his game in the timber industry, disposing money here and workers there. In January, 1978, CSR announced they were taking over NZ Timber group, Fletcher Holdings, at the same time threatening more sackings from their Hardboard Australia. They had already disposed of 105 workers the previous December.

CSR provided Kater with heaps of monopoly money to play with. It has over 30 subsidiaries and associates, including big interests in coal and iron ore. But if the supply runs low there's always their bank.

The favourite there is the property game. Banks usually set up finance companies to protect their reputations as solid money bastions but also to finance their games of chance.

CBC sponsored Commercial and General Acceptance (CAGA) as a way of milking the property boom in the early 70's.

Crash! Crash! Crash! Three in a row. 'Sweets' got his fingers burnt. CBC had to pick up the tab on two CAGA property speculations. \$23 million for Parkes Development. Also WR Carpenter (Kater was a director) lost a bundle in the Mainline crash.

But he always had property to play with. CSR controls about 10 million acres on 23 Queensland and Northern Territory properties running 200,000 cattle and 200,000 sheep.

But CSR was built on sugar. Being a monopoly, it controls the price. We are paying another 10 cents a kg because the overseas price dropped. As the Sugar Millers' Association said, the industry cannot 'subsidise the Australian consumer'.

Australian consumers subsidised sugar prices for decades though, and when world sugar prices reached record heights CSR didn't reduce the Australian price. But they always want it the other way. It's all right to subsidise the monopolies. CSR's after tax profit was \$41 million in 1977 and according to Rydges (Aug. 1977) 'Without tax concessions and rate reduction, the profit would have been much worse.'

They're on their way to bigger profits with a Japanese contract for steaming coal worth \$10 million a year.

Bjelke-Petersen asked CSR to go to Japan to raise a \$50 million loan to help 'fill a hole in the Queensland Building Society.'

And Petersen kept sweet by pushing for their 20% rise in the price of sugar.

How did 'Sweets' get to the top? He was born there.

Grandpappy, Henry Kater, arrived in Australia in the 19th Century. Not as an assisted migrant, though. He chartered a ship to bring his family, stud shorthorns and blood horses here, and set up Egelabra Stud at Warren. He chaired CSR from 1901 to 1920. His son Norman was a director from 1924 to 1949, the year his son 'Sweets' joined the board.

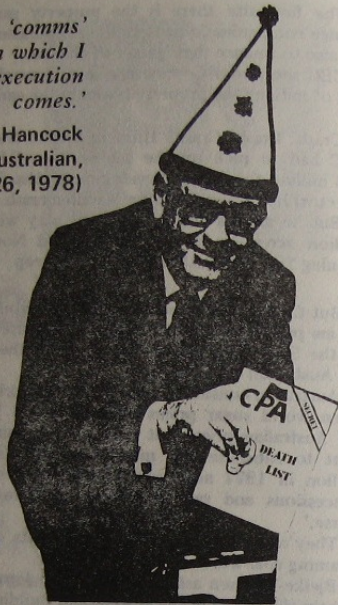
As they say, the first million's the hardest to make. And 'Sweets' was born with it.

November 1978

*'I understand the 'comms'
have a dossier on me in which I
am marked down for execution
when their great day comes.'*

Lang Hancock
(Letter to The Australian,
Jan. 26, 1978)

Every Circus Has Its Clown ...



Iron ore magnate Lang Hancock is a peculiar individual by any standards. Perhaps the fact that he once flew through a radio-active cloud is the key to his personality. A great supporter of nuclear power, Hancock claims that the radiation overdose 'made no difference' to him, so perhaps he was just born that way.

Each individual bears the characteristics of his class and expresses the interests and beliefs of the capitalist system which generates them.

They can run Australia only by acting within the framework of the system. By studying each individual capitalist we mirror the class as a whole.

But occasionally we find someone in whom these features are so exaggerated that they take on the character of a clown. One such is Lang Hancock.

For example, Hancock blames the current world energy crisis on attacks on the police by subversives. He says because the police had their hands tied they could not prevent subversives from delaying the US-Alaska pipeline!

When unemployment reached 100,000 he said the conservation movement would die out because it was costing jobs. Mining is a must to provide jobs. Mining has gone ahead; unemployment is now around 400,000.

Lang's death list

High on his death list is the human race. He says the only way to stop the human race from freezing in the dark is to adopt 'the safest, cleanest, cheapest power yet devised — a nuclear power'. There's no money in solar power; you can't mine the sun.

He had a more modest death list as a boy. While hunting dingoes around his family's property in the Pilbara, he stumbled on the blue asbestos deposit now known as Wittenoom.

It is now known that one in thirty Wittenoom workers have died from asbestosis. He sold the mine to CSR who developed it while paying him royalties.

He also 'discovered' the massive Hamersley iron deposits by accident. In 1952 while flying low beneath bad weather over the Hamersley Ranges he looked out of the window and said to his wife, 'That's iron down there.'

There was a snag, though. The Federal Government wouldn't allow export of iron ore and the WA Government allowed only BHP to mine the stuff. So he sat on his 'discovery'.

Great patriot

Being a great patriot, he approached British multinational Rio Tinto in 1959. He told Rio Tinto's boss P. Robinson that he wanted backing for development of the ore sight unseen. Robinson said, 'Give me 24 hours and I'll ring you back.' The answer was yes.

A few months later the Federal Government lifted the ban on the export of iron ore. The new WA Government soon allowed mining by companies with big capital.

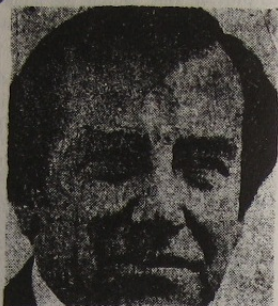
The ore was developed by CRA and the US giant Kaiser Steel who again paid royalties to Hancock.

Even Fraser's not hardline enough for Hancock, though he's learning. When Hancock complained about Fraser scaring foreign investment away by stopping Fraser Island sandmining the Prime Minister replied: 'You have my assurance it will never happen again. And you have my authority to spread that word.'

The word has no doubt been spread among the multi-nationals. They can look to continuing profits from their best agent for big chunks of Australia.

February 1978

Carnegie - Mining Power



'Unions occupy a very privileged position in society with unique rights not scrutinised by much of the normal processes of law.'

— Rod Carnegie,
Chairperson and Chief Executive,
Conzinc Riotinto Australia (CRA).

Change 'Unions' to 'Corporations' and we have almost a mirror image of Rod Carnegie himself. He is one of those with the real power in today's society. And it's a power that far outstrips that of any union in directing the course of the Australian economy.

It's a course that's moving away from labour intensive industries to the minerals industry. This means fewer job opportunities for the future.

Carnegie became the head of CRA in 1974. He is a director of Hammersley Holdings, Comalco, Australian Mining and Smelting, Bougainville Copper, New Broken Hill, and Queensland Alumina.

These are just some of the companies controlled by CRA which, in turn, is 72% owned by UK-based Rio Tinto.

Seat of power

Carnegie sees the mineral industry as the dominating factor in Australia's economy — and therefore the seat of real power.

It's a seat he has to share with his British masters. But there is a drive under way to make CRA 50% Australian owned by mergers, takeovers and capital issues.

'My groups has committed itself to investing more than \$500m during the next three years,' Carnegie said in 1976.

But as the late Labor Minister Rex Connor said: 'CRA, 51% owned

by Australians, would still be a foreign-controlled corporation.'

The Federal government stalled the takeover campaign when it stopped CRA's bid for Australian Associated Resources. CRA wants AAR and Coal and Allied Industries (CAIL) because it wants a bigger share of coal resources.

The challenge to Carnegie's power brought a sharp reaction. He threatened to lash back at the Fraser government through a \$250,000 publicity campaign. CRA got permission to take over CAIL, but the NSW Labor government stopped it.

Carnegie is worried about what he calls the decline of the work ethic among the young. He blames it on the hand-out mentality of the Welfare State.

Hand-out

CRA got a nice hand-out from the Federal government in 1977 to keep Mary Kathleen Uranium going. MKU which has been losing \$16m a year is 51% owned by CRA and 49% by the government.

However, CRA's half-yearly profit was up 47% to \$44.4m.

In fact, Carnegie mirrors the contradictions of Australian capitalism. His 'way forward' is to develop the mineral industry at the expense of manufacturing, thereby losing jobs for thousands. He then decries the loss of work ethic among Australians.

The trouble, he says, is that 'For many of us there has been a loss of recollections of the Great Depression.' The use of his power reminds us.

November 1977

Potter : Multinationals Knight Errant



Foreign capital controls 51% of Australia's finance sector. It gained this control with the help of powerful friends in business and government; friends like Sir Ian Potter.

Potter began his career in the Federal Treasury in 1933. He left in 1935 to become the principal partner of Ian Potter and Co. (now Potter Partners) with Sir Cecil Looker.

He was an economic adviser to the government during 30 years as a stockbroker, and a committee member of the Melbourne Stock Exchange for 20 years.

In 1967 the major Australian trading banks joined forces to protect themselves against foreign takeovers. Overseas bankers were buying out established finance houses. One of their most important buys was the Australian United Corporation (AUC).

AUC was bought by a consortium including Morgan Grenfell of London, Morgan Guaranty Corp. of New York, and Charterhouse Finance Corp. of the Rothschild and Oppenheimer empire.

Changing horses

Sir Ian Potter, the former head of ACU, left Potter Partners and quickly became a representative for these overseas interests. His old pal Cecil Looker is now head of ACU as well as directing Morgan's interests in Australia.

Sir Ian heads the French controlled Petrochemical Holdings, the Swiss controlled Ciba-Geigy, Asea Electrics and Atlas Copco, both Swedish firms, and he chairs the board of Time-Life International (Aust.) Ltd.

He's head of six other companies including investment bankers Tricontinental Corporation, which is run by the Security National Bank of Los Angeles and Mitsui Bank Japan.

He is also a director of another 11 companies which include TNT, Email and Boral, as well as being on the International advisory board of the Chemical Bank of New York.

Boral expands

A major shareholder in Boral Ltd. is California Texas Oil Co.

Boral Ltd. has just completed a successful raid on Australian Gypsum, the \$63 million a year mining and building products group. The coup was directed by Potter Partners, now headed by Cecil Looker.

Boral has spread into many fields. In 1962 it took over Huddart Parker Industries, shipping and colliery owners. The shipping interests were then sold to McIlwraith McEacharn Ltd., whose head just happens to be Sir Ian Potter.

Shipping interests

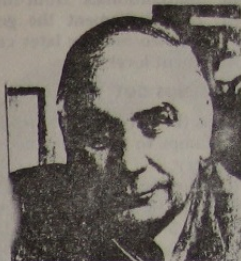
These shipping interests attracted Sir Peter Abeles, Potter's new partner in raids on the stockmarket. McIlwraith McEacharn owns 37.5% of Bulkships, a subsidiary of TNT, which owns the other 62.5%. Potter is a director of TNT and head of Bulkships.

It's through Bulkships that Potter and Abeles have chartered ships for the TNT subsidiary Trans Freight Lines to operate the US-Europe freight lines.

But they've had heavy losses on that adventure and had to sell one of their subsidiaries, R.W. Miller. They'll get \$28 million on the deal.

Of course, they sold out to a multinational, US based Atlantic Richfield, giving more of Australia's coal resources to foreign ownership.

Inglis - One of The Boys



Coming from the shop floor myself I think this boredom thing is overplayed. Providing conditions are not onerous, I don't think people are as unhappy as they're made out to be.'

**Sir Brian Inglis
Ford's boss in Australia.
(Melb. Herald, May 22, 1979)**

Sir Brian must have one of the shortest memories on record. Who can forget the picture of a migrant worker belting the wall of Ford's Broadmeadow plant office with a long-handled shovel in June 1973?

The Ford explosion came from years of pent-up frustration among workers who rebelled against the oppressive endless 54-cars-an-hour assembly line.

Workers then and now suffer the humiliation of having to put up their hands and wait for a relief worker before they can go to the toilet.

Inglis runs Ford's Australian operations with the same arrogance towards workers as the original Henry Ford displayed in the '30s.

Ford, an active pacifist during World War I, hired thugs carrying guns, knuckle-dusters and handcuffs, to beat up workers trying to organise.

A Ford tradition

'Henry Ford senior tolerated that kind of violence. He didn't believe in the right of workers to belong to a union or to organise,' United Auto Workers union secretary Emil Mazey says.

General Motors, the other car making giant, is just as arrogant. The Australian government, issued with an ultimatum to lower local content in manufacturing, meekly complied.

As the multinationals swing into making the 'World' car, 30,000 jobs are threatened. Ford's empire stretches into 30 countries allowing them to pick the most profitable place to make parts for assembling in another.

'GMH might appear to be the first with the world car concept but complementation was the thrust of the Crawford report,' says Inglis, a member of the government study group that produced the report.

In fact, the thrust came from Inglis' US bosses in Detroit.

The multinationals' front-runner in government, Industry Minister Lynch, told Parliament the government wouldn't be stampeded by GMH, then two months later confirmed he was the plan's prime mover at government level.

Lynch helps out

'It was the only way for the industry to go,' he said. He used reported profit slumps to get public acceptance of the need to help the lagging car industry.

Ford's reported profit for 1977 was \$4 million compared the the 1976 record \$21 million. Sales revenue for 1977 rose to \$778.7 million from \$704.5 million for 1976, but they spent \$32.6 million on expanding, modernising and special tooling (up from \$21.6 million).

Directors said tax allowances 'more than' offset the tax payable on 1977 profit. Ford also got a government gift of \$2.9 million from trading stock valuation adjustment.

Ford's president invited Inglis to join a graduate training scheme in 1950. He makes great play of having started on the shop floor 'making' it to the top. Unlike others on the shop floor, his father was a company director, which no doubt helped.

He likes to get down to the shop floor every day to see what's going on. 'Many of them are quite happy,' he says.

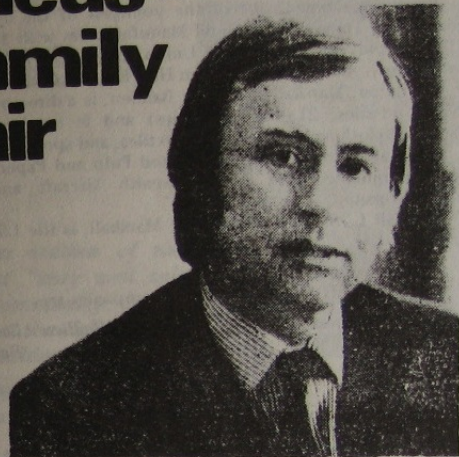
August 1979



Ford strikers scatter as a mounted policeman moves into the picket lines.

Ford workers "overplaying" in 1973.

The Baillieus - A Family Affair



'Our high personal tax rates have affected our desire to work productively,' says Richard Lawrence Baillieu, 'Australians will work if there is an incentive to work.'

Many Australians with the strongest incentive to work can't find any. One of the main reasons is the decisions of big corporations to 'rationalise' production to produce more with less labour.

Jobless Australians face a bleak Christmas. But for the corporations, Christmas means bigger profits as the cash registers ring.

The Baillieus are one of the families sharing in this Christmas cheer.

All-pervading power

The Baillieus' power is all-pervading. They influence people's lives through the decisions they make as company directors.

The directors are all men. The female Baillieus have filled their traditional role of extending the family power through marriage.

Their biggest catch was Sydney Myer. His son, Kenneth Baillieu Myer, recently stepped down as chairperson of the Myer retail chain, which shares the retail monopoly with Coles and Woolworths.

The Myer chain employs 31,700 people and in 1976 made \$42.6m. profit. Coles, with 38,000 employees, made \$22.2m., and Woolworths made \$22.8m. in 1977 with 32,000 employees.

Baillieu's companies

Lawrence Baillieu, one of the youngest of the dynasty, directs 13 companies. They include Metal Manufacturers with 11 subsidiaries and 1,700 employees, Commercial Union Assurance (15 subsidiaries, 1,187 employees), Alcoa, North Broken Hill, Kembla Coal and Coke.

His father, Marshall Lawrence Baillieu, is a director of Dunlop (over 20 subsidiaries, 21,000 employees) and is involved in automotive, industrial clothing, footwear and textiles, and sport.

He is also a director of Associated Pulp and Paper (10 subsidiaries, 5,031 employees) and Commonwealth Aircraft, and chairs another three companies.

Marshall L. Baillieu's other son, Marshall, is the Liberal member for Latrobe.

Other Baillieus and some of their companies are:

Everard Baillieu
Ian Baillieu
P.L. Baillieu
J.M. Baillieu

Baillieu Allard Real Estate
Baillieu Bowring
Bank of NSW
Massey Ferguson, Dalgety and Dunlop

Edward L. Baillieu in England is a director of the Australia and New Zealand banking group and Riotinto Zinc.

Those great Australian pastimes drinking and gambling haven't been forgotten, either.

J.M. Baillieu directs Carlton and United Brewery, and other Baillieus are into the Shamrock and Castlemaine Breweries.

Marshall L. Baillieu owns about 20 brood mares on his Beaconsfield stud and is a part-owner of million-dollar stallion, Showdown. At the 1977 yearling sales he sold five horses for \$92,000.

You could name almost any area where there's a quid to be made and the Baillieus are in it.

At 43, Lawrence is already one of the wealthiest Baillieus. But he's disturbed about industrial disputes becoming too political. He blames union leaders, not the 'majority of unionists who are moderates'. 'It is our job in industry to see that these moderates are better informed,' he says.

He means that workers should be 'educated' to keep within accepted boundaries. He doesn't want corporation power challenged by politically aware workers.

December 1977

Grimwade - Glass Houses



IBM Bagman Grimwade

The takeover section of the Companies Act "may well suit the business community, but it does not protect the rights of the ordinary shareholder."

Justice Kaye in the Cuming Smith-Westfarmers case.

Fertiliser monopoly Cuming Smith has run to Court to prevent Westralian Farmers Co-op from taking them over.

If Cuming Smith loses their case against Westfarmers, the legal fees could exceed \$250,000.

But possible losses have never deterred the business community from gambling on the stock market. Besides, the losses can always be passed on to small shareholders.

And the stakes are high. Family fortunes have been built through raids on the stockmarket and under the private enterprise system anyone can take part, provided they have the capital to start with.

The Grimwade family is a major shareholding group in Cuming Smith. They built a whole business empire through takeovers and mergers.

F.S. Grimwade joined Arthur Felton to start the Melbourne Glass Bottle Works in 1872. By 1922, through mergers and takeovers, the glass company had a nation-wide monopoly, calling itself Australian Consolidated Industries (ACI) in 1939.

Carrying on the line is Andrew S. Grimwade who now heads ACI. He also heads electronics group Kemtron Ltd., currently involved in a \$7.16 million cash takeover bid for CDF-Hooker, a plant-hire, property and investment company.

Kemtron has pursued an active takeover policy and has 80 branches throughout Australia and subsidiaries in Hong Kong, Japan, Singapore, the UK and West Germany.

But many of its subsidiaries are making losses and the group lost \$746,000 last year.

Well connected

However, financing the CDF-Hooker takeover should not be a great problem for Grimwade. He's also a director of the National Bank, the National Mutual Life Association, IBM and Commonwealth Industrial Gases (CIG).

He's also well connected. Apart from belonging to one of Australia's wealthiest families, he married the daughter of J.B.D. Kater, brother of CSR head G.B. Kater.

CSR was one of the main companies responsible for the mining of asbestos and many deaths of workers at Wittenoom mine.

If asbestos is banned the main substitute is likely to be fibreglass, which may prove as lethal as asbestos. The major manufacturer of fibreglass is Grimwade's ACI.

His connections with governments are well established. He's a member of the Institute of Public Affairs which acts as a Liberal Party think tank.

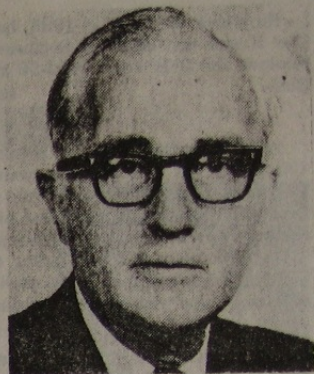
In 1973 he was a member of the Australian Government Trade Mission to China and is a member of the Australian Government Remuneration Tribunal.

The Tribunal decides how much parliamentarians get in their pay packets. It pays to keep Grimwade on side.

Giant US multinational IBM must have appreciated his presence on the board when the government awarded a lucrative computer contract to a Japanese firm, Facom.

IBM asked the Prime Minister to call tenders again. Fraser had no hesitation in doing so.

May 1978



Wilson: Paper Martinet

Australian Paper Manufacturers (APM) will 'continue to take measures to achieve an improvement in profits', the shareholders' annual meeting was told in September, 1978.

On October 3, 403 workers at APM's Botany plant were told they were sacked.

In the same period, J.G. Wilson took over from P.J.V. Ramsden as head of the board.

John Gardner Wilson has long been the power behind APM's growth, which has relied heavily on tariff protection.

Its tariff wall was endangered in 1976 by a recommendation from the Temporary Assistance Authority for examination of the protection level in the paper industry, including APM.

Cabinet rejected the recommendation. By a happy coincidence J.G. Wilson is a member of Fraser's 'Business Cabinet', a group of top business executives who advise the Prime Minister. This seems to have more influence with Fraser than his own Cabinet or even his top public servants.

Wilson is also a director of Vickers (Australia), BP (Australia) and Qantas. He graduated in Business Administration from Harvard in 1954, but learnt most of his methods of command in the army.

He joined the CMF in 1936, became a Colonel in the AIF in World War II and was assistant Engineer-in-Chief of the 1st Aust. Corps. He rejoined the CMF from 1953-56 and belongs to the Naval and Military Club.

APM organised the 403 Botany sackings with military precision. Union officials and delegates were called to a meeting at the nearby RSL club while couriers delivered retrenchment notices to the workers.

The Botany sackings are just part of APM's general offensive against the unions in the chase for higher profits.

The company is spearheading the move for all paper companies to 'eliminate non-production people' by sacking maintenance workers and replacing them with contract labour.

In 1976 it dismissed 16 striking maintenance workers at the Traralgon Forest plant in Victoria, their first strike in 25 years, threatening to close down the central workshop and introduce contract labour.

Solidarity actions by paper workers around Australia, including Botany, stopped this move.

The same solidarity is now accorded the Botany workers. Workers at Australian Newsprint in Tasmania realise restructuring attempts at Boyer threaten their jobs. 'Once they knock Botany over, we've had it,' they say.

Propaganda barrage

APM keeps up a barrage of propaganda to weaken Botany workers' stand. Letters are sent to each worker saying things like 'We won't be standing over people to force them to work "our way"'. The letters end up in the garbage cans.

Wilson was one of the first 'outsiders' to be appointed to the Australian Associated Stock Exchange Council, the policy-making body of the Stock Exchanges. The other appointee was A.W. Coates, now managing director of insurance giant AMP.

AMP, headed by Vincent Fairfax, is a major shareholder in APM, which no doubt explains the lack of newspaper space given to the Botany strike.

APM says restructuring is needed to cut profit losses. Their 1977 profit was over \$18 million, dropping to \$17.8 million in 1978. However, the annual meeting was told export sales had improved, domestic demand remained steady and all subsidiaries were trading profitably.

Perhaps it's still recovering from giving Wilson the golden handshake when he stepped down as managing director to head the board.

His 'redundancy' payment was \$274,000 and he didn't have to find a job afterwards.

November 1978

Burns - Paternalist Empire

'Lack of a dramatic success in diversification, a continuing dependence on island activities, and increased borrowing have removed this grand old company from the blue chip class.'

Rydges (January 1976)



History is catching up with the 'grand old company' Burns, Philp & Co. It's a history of exploitation of the peoples of Papua New Guinea (PNG) and the Pacific Islands.

J.D. Burns is a director of five companies including Mauri Bros and Thompson and QBE Insurance. As the current boss of Burns, Philp he presides over 45 subsidiaries of the group.

Plantation owners

They include wholesaling, retailing, car sales, shipping, hotels, manufacture, copra and cocoa growing, finance and investment, and marketing. Operations are in 16 locations in PNG with 41 plantations owned or managed; 15 locations in Fiji and the Eastern Pacific; and three in the New Hebrides and Norfolk Island.

A button factory in Hong Kong completes the list of exploitation on which the great wealth of the 'grand old company' has been built.

The original James Burn joined with Robert Philp, an ex-premier of Queensland, in a shipping and trading business in 1876. Together with the shippers, Gilchrist, Watt and Sanderson, and McIlwraith McEacharn, they formed the Queensland Steam Shipping Company.

Independence

Grandson, J.D. Burns, has the problem of steering the Burns, Philp empire through a period of growing awareness among the people of the Pacific area that political independence isn't complete without economic independence.

He hopes to ride out the period by leaving the group's interests in the hands of a trained indigenous class to continue the exploitation of Pacific peoples on the behalf of Australian capitalism.

Fiji knock-back

In 1970 he offered Fiji participation in Burns, Philp (South Sea). But the Fijian government didn't take the offer, and instead included Burns, Philp in a list of companies which did not have local interests at heart.

He had more success in 1973 when the Investment Corporation of PNG took up a 26% interest in the group's activities there.

Paternalism has always played a big part in the development of the 'grand old company'. An old managing director, E. Lee, said the firm 'never likes to take university graduates but prefers to take boys and train them up through the company'.

This paternalism became too much for one speaker in the PNG parliament who, in 1965, called for an end to the subsidy paid to Burns, Philp by the Australian government as 'extending the blight of paternalism which chokes the Territory today'.

The subsidy in 1966 was worth \$400,000. The Australian government also gave Burns, Philp the sole right to carry copra between PNG and Australia.

The shipping interest also gave another Australian imperialist company, W.R. Carpenter, its start in the Pacific.

W.R. Carpenter

In the 'eighties' an American, John Carpenter, became a captain in the Burns, Philp pearling and whaling fleets. He later settled on Thursday Island and his son W.R. Carpenter set up a business there.

The Carpenter company, in the depression of the 1930's, bought up many island plantations at bottom prices.

They now have 33 plantations, 12 shops and four engineering shops with 49 subsidiaries in Australia, Fiji, Tonga, PNG, the UK and New Hebrides.

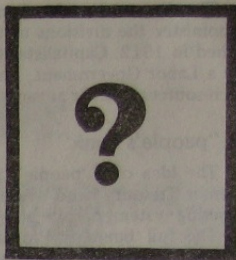
They had a bad year in 1974 when they had to write off a \$2.44 million loss on the Mainline crash. They only made a \$6.21 million profit that year.

In 1965, to protect their interests during the period of Pacific independence, they set up a scheme to train native executives in PNG. The cadets, when trained, work as supervisors or assistant managers in the company.

Carpenter, and Burns, Philp both see the writing on the wall and are trying to diversify into other Australian companies.

April 1978

Massey-Greene, Peoples Banker?



Massey-Greene is the original faceless man. Even the Commonwealth Bank, of which he is boss, doesn't have a picture of him.

'It is the duty of the Board, within the limits of its powers, to ensure that the policy of the Corporation, and the banking policy of the Trading Bank, of the Savings Bank and of the Development Bank, are directed to the greatest advantage of the people of Australia and have due regard to the stability and balanced development of the Australian economy.'

Commonwealth Banks Act, 1959.

The 'stability and balanced development of the Australian economy' as directed by capitalists like Massey-Greene has had very little advantage for the people of Australia.

Sir Brian Massey-Greene is deputy head of the Commonwealth Banking Corporation and has been reappointed for another five year term.

The advantages will become even less as the 'firestorm of technology' gathers pace. The Commonwealth Bank has become one of the largest commercial users of computers in Australia. Already, 96% of savings accounts and 91% of cheque accounts are being handled by computers.

The Australian Bank Employees' Union covering 67,500 employees and the Commonwealth Bank Officers' Association with 27,000 members have threatened industrial action if technology disadvantages bank employees.

They want a national enquiry into the new technology, but the performance of the Fraser government in the Telecom dispute indicates that the future of employment and industrial relations in banking is not bright.

The Commonwealth Banking Corporation was formed in 1960 to administer the divisions of the Commonwealth Bank which was established in 1912. Capitalists strongly opposed the setting up of the bank by a Labor Government, but have since learned to live with it and use its resources to their advantage.

A "people's bank"

The idea of a 'people's bank' has been thwarted by directors like former Treasury head Wheeler and limitations imposed by the capitalist banking system, despite a minority of Labor appointees.

The full board is Professor Crisp (Chairperson), Sir Brian Massy-Greene, R. Elliot, V. Christie, C. Dolan, J. Kennedy, Sir Peter Lloyd, H. Schmidt, Sir Frederick Wheeler, Professor Wheelwright and R. Williams.

The private banks argued that a public bank would be inefficient and would not pay its way, but the Commonwealth has delivered a shock to the system by its revelation of an enormous 77/78 profit of \$101.4 million.

Under new rules of disclosure the Bank also revealed reserve funds of \$435.6 million, including a secret reserve of \$232.7 million. The private banks will now be forced to reveal their true profits which could make it difficult for them to justify their high charges to the public.

In fact, the whole banking system including the Fraser government are now feeling acute embarrassment over inflated interest rates. The government is instrumental in setting interest rates through the Reserve Bank.

But people like Massy-Greene don't have to worry about the difficulties of buying a first home or paying hire purchase. He is a director of Dunlop Australia who, like most big companies, are able to profit from inflation and big interest rates.

In 1976 Dunlop's stocks increased in value from \$101.5 million to \$120.8 million — and the resulting profits are tax-free.

Dunlop cops out

Dunlop has used the excuse of high interest rates and inflation to move their operations to countries where labour can be exploited more ruthlessly. They have opened a rubber factory in Malaysia and a footwear factory in the Philippines. This has meant reducing their Australian workforce, and 'rationalising' their tyre manufacturing by closing their Sydney plant and shifting production to Melbourne.

Finance for the shifts wouldn't have been a great problem. Massy-Greene is also a director of National Mutual Life Association, second only to the AMP Society in insurance finance.

But, unlike the AMP, National Mutual has a strong preference for off-shore investment with 25% of its stock overseas.

His rural interests through Dalgety (Deputy Chairperson) and mineral interests (Consolidated Gold Fields, Goldsworthy Mining, Australian Mining Industry Council member, executive committee) complete the picture of a well-rounded — and well-heeled — capitalist.

Telecom - Big Spender

'It's not the introduction of new technology which is the problem, it is its timing.'

R.D. Somerville,
Telecom head.



Somerville's timing was astray on the introduction of new technology into Telecom. That error of judgement cost Telecom \$20 million in last year's flare-up in the long-running dispute with the technicians' union (ATEA).

But Somerville has a lot of money to play with. Telecom's operating profit since 1975 now totals \$16,650 million.

Telecom boasts it has been able to hold down charges to the general public despite inflation. But it took account of inflation in 1975 with a massive 40% increase in charges for local calls.

Other increases the same year while boosting inflation are still well in front of the Consumer Price Index which rose 38% from 1975 to 1978.

Telecom workers don't get any benefits from the profits rake off. A technician on the minimum gets \$145.83 take home pay. The main benefits go to multinational companies like LM Ericsson who has been handed a \$500 million contract to supply new technology.

The Swedish telecommunications corporation has found Australia a valuable testing ground for new equipment it wants to improve before flogging on the world market. Telecom spent millions for its technicians to iron out the bugs on Ericsson's crossbar system.

It spent \$18.5 million on a computer system which had to be scrapped, many more millions on the defunct 'Confra-vision' and even more on Sydney's mail-sorting system, now being scrapped.

The new technology, ARE 11, will erode and deskill existing Telecom's workers jobs if implemented, but so far trials of this new Ericsson system have revealed bugs. If ironed out it will make way for the appropriately named AXE system.

Somervaille also heads the Overseas Telecommunications Commission (OTC) which has awarded Ericsson a contract to expand Sydney's international exchange and supply the crossbar system to Papua New Guinea.

Taxpayers' money

He believes in being generous to private enterprise with taxpayers' money. In 1977, Telecom appointed Merchant Bankers Hill Samuel its 'financial advisers'. Somervaille is a director of Hill Samuel.

A wide area telephone service allocating big businesses an STD number charged at local call rates is planned for 1980. Airlines, tourist agencies and investment houses will benefit.

The system will also help media barons like Rupert Murdoch make connections with his wide News Ltd. network. Somervaille is a director of News Ltd.

He also heads the Boards of Trade Credits (finance and real estate) Wilcox Mofflin (wool exports and weatherproof electrical equipment), Boustead Australia (plating, engineering and finance), and is deputy head of Entrad (finance, textiles and plastics).

He's a director of Ampol, Apeco, National Insurance NZ, Longreach Oil and Longreach Metals.

'The Bulletin' (February 20, 1979) floated the idea that Whitlam appointed Somervaille to Telecom in 1975 to improve his position with Rupert Murdoch, and because of Somervaille's connections with big business in Sydney.

But then goes on to point out how Somervaille's friendship with Labor people reflects his great asset of being able to get on with anyone, irrespective of their political views. Telecom workers haven't had the benefit of this great asset.

In the same article, Somervaille says 'I've never been Establishment — never', going on to say how much he likes talking to people to get a feeling for the reason they take a particular attitude. 'If you do have that feeling you can harness it one way or another,' he says.

He may not be Establishment, but they know where they can dial-a-friend to discuss how to harness the growing hostility of workers to greed and waste of public resources.

July 1979

Dusseldorp - Image Builder



'Management gets no sense of achievement when workers co-operate only out of economic fear, but we do value their co-operation when it is freely given.'

G.J. Dusseldorp
of Lend Lease Corporation.

Gerardus Jozef 'Dick' Dusseldorp was speaking in 1972 after negotiating with 14 unions a social security scheme to pay his workers for their 'freely given' co-operation on the Hotel Sydney-Tivoli project.

He even called a stop-work meeting to announce the scheme as 5% profit sharing with the workers. His public relations officers approached Jack Munday to appear on the platform with him. No, said Jack, but make it 55% and I would.

Not deterred in building a nice-bloke image, Dusseldorp called into the pub to enjoy a few beers with the workers — complete with a full entourage of press photographers.

His image slipped when he reneged on an agreement to include a theatre in the Hotel Sydney project, saying he'd considered it but found it uneconomic. City Council said it had effectively given \$150,000 for inclusion of a theatre by dropping the site's rent to one dollar for three years.

Dusseldorp got his real start in 1951 as a contractor on the Snowy Mountains Scheme, backed by the Dutch firm Bredero through Civil and Civic which set up Lend Lease and was later taken over by it.

Survived the crash

Most property developers suffered when the real estate boom crashed a few years ago. Lend Lease suffered least of all, mainly because of its Board's expertise and influence, with such members on it as Sir John Phillips and Sir John Overall.

Sir John Phillips began as a research officer for the NSW Retail Traders' Association in 1932, proving useful in developing big shopping complexes. He joined Lend Lease in 1976 after retiring as Governor of the Reserve Bank.

Sir John Overall joined Lend Lease in 1973. The NSW Government borrowed him from the National Capital Development Commission in 1967 to advise on the development of The Rocks. He was appointed Commissioner of the Urban and Regional Development Authority in 1972.

Last year alone Lend Lease completed \$150 million worth of projects. Dusseldorp now wants to diversify and expand into South East Asia and the US.

Like most big property developers his legacy to the Australian landscape has been acres of office blocks and sprawling shopping complexes.

Resources wasted in building this facade of metropolitan progress has meant a shortage of dwellings for rent, while thousands of low income families must pay exorbitant rents for flats and houses no better than dog boxes.

Over 2.5 million square feet of office space lay empty in Sydney in 1978.

The developers have found a bonanza in high inflation by concentrating on retail property. Rent in this area is usually based on retailers' turnover. Average returns are up to 10.5% a year.

Dusseldorp's Lend Lease is the most successful of the developers, netting \$12.2 million in 1978, ahead of the next biggest, Westfield.

Dusseldorp's personal fortune on current market values probably exceeds a million dollars. He had an option to take up 550,000 Lend Lease shares at 25 cents before 1975. They're now worth \$2.64 each, having reached over \$7.

He should be free of economic fears or any trouble finding somewhere to live.

February 1979

Miller-Ticket-seller (defunct)



'They have that miracle about them that no questions need to be asked afterwards.'

Harry M. Miller
(commenting on Dame Zara Bate's book of fairy stories, Sydney Morning Herald, July, 1968.)

Miller is now looking for miracle answers to charges arising from the Computicket crash. One, under the Crimes Act, carries 14 years' gaol.

Computicket (Australia) owes over \$3 million, including expense accounts of over \$13,000 owing to jewellers, art shops, restaurants and taxis. Even the NSW Police Department is owed \$10. All can expect seven cents for every dollar.

The Company's statement of affairs reads like a bedtime story. The whole operation was apparently run on funny money from the time licence rights were suddenly revalued from \$1 to \$1 million, a capital appreciation of \$999,999. On paper, that is.

After the revaluation Computicket Holdings, a separate company owned by Harry M., sold its shares in Computicket (Australia). Harry M. is thus a creditor of Harry M's Computicket (Australia).

He's also facing parliamentary questions about 'expenses' he got from the government as head of the Queen's Silver Jubilee commemoration. This raised \$5.4 million, spent \$3.17 million but accounted for only \$500,000 — not including a few thousands for Harry's trip to Paris.

In six months as 'adviser' for the 1988 bicentenary celebrations, his 'office' ran up expenses of \$46,000. Labor MP Ted Innes has asked if the government has paid a \$20,000 phone bill for Miller's Sydney home, office and grazing property in northern NSW.

A country Party member, Miller undoubtedly receives advice from financial expert Ian Sinclair, who appointed him a member of the

Australian Meat and Livestock Corporation at \$6,350 a year and \$55 a day travelling expenses.

Transport Minister Nixon made him a director of Qantas at the same pay. His resignation from the two boards was described by Sinclair as 'regrettable'. But he expects Miller to put up a good show in court.

Harry M. has been a promoter from childhood when he ran cardboard box 'peep-hole' shows. 'When I went to work it was to do a sales promotion for a textile mill,' he says.

He came to Australia from New Zealand in 1963 and became promotion consultant to the Elizabethan Theatre Trust in 1968, bringing him within coat-tail hugging distance of the establishment. (Compu-ticket owes the Australian Opera Company \$25,812.)

He promoted top shows, including 'Jesus Christ Superstar', clashing with nuns of Loreto Convent in Kirribilli who wanted to stage this show as a school play in 1971.

Miller took out an injunction against them, saying the opera wasn't public property. Christ was his superstar, not the nun's!

In promoting the 'Superstar' idea, he keeps alive aspirations for individuals to 'make it to the top'. Those with star billing on the power stage applaud his efforts and have made him rich. But Harry M. never really made it in the power stakes.

His real role for those who run Australia is to provide circuses and bedtime stories to stop people asking too many questions.

March 1979



