

ON TARGET

A WEEKLY COMMENTARY ON THE COLD WAR

"We will bury you ... your children will grow up under Communism ..." Krushchev.

FALSEHOODS
DISTORTIONS
SUPPRESSION

Registered at the G.P.O. Melbourne for transmission by post as a periodical.

Vol. 6 No. 37

September 25th, 1970.

Thought for the week: "We shall not rebuild civilisation on the large scale....Least of all shall we preserve democracy or foster its growth if all the power and most of the important decisions rest with an organisation too big for the common man to survey or comprehend. Nowhere has democracy ever worked well without a great measure of local self-government, providing a school for political training for the people at large as much as for their future leaders....." Professor Hayek in The Road to Serfdom.

INCREASING GROWTH OF CANBERRA BIG BROTHER: The following is a portion of Mr. Eric D. Butler's Paper, "The Moral Implications of Centralised Power," at the 1970 annual National Seminar of The Australian League of Rights, held in Melbourne on Saturday, September 19:

Australians are a people with a tradition of being ruggedly independent in spirit and strongly self-reliant. But the poisoning influence of centralised power is starting to become increasingly obvious as the percentage of the people working for Government expands. The bigger the percentage of a nation working for Government, or dependent upon Government for favours, the larger the number of people who are having their individual initiative crippled and their sense of personal responsibility dulled. At present approximately one third of Australian employees are working for Government in one form or another.

Before the 1949 Federal Elections the then Mr.R.G. Menzies had something to say about the problem of Big Government. He promised that the burden of government would be reduced, and the Australian electors voted for Mr. Menzies. But the burden has in fact increased. The disturbing truth is that the growth has not been a steady one, which would be bad enough, but has been at an accelerating rate. During the first half of the sixties the average annual increase of the Federal bureaucracy was 3.4 per cent. During the five years from 1965 there was an average increase of 6 per cent a year in size. The total Federal bureaucracy is now a third bigger than it was in 1965. The average salaries being paid to the Federal bureaucracy reflect some of the reality of its power. Last year, for example, the Australian average wage in monetary terms increased by 8 per cent. but the average for the bureaucracy was 10.5 per cent.

Perhaps it is appropriate that the taxation Department is in the top ranks of the expanding bureaucracy, and now employs an army of nearly 11,000 to impose the destructive Marxist taxation policies upon the Australian community. Give this Department a few more years, and it will

certainly reach 20,000, the equivalent of one army infantry division - but with vastly greater and more destructive power!.. In 1965 the financial cost of running the Federal bureaucracy was just half of what it is today. Last year the increase was 17 per cent. For the financial year of 1965-66, the Federal bureaucracy was costing every Australian \$22.23. Allowing for inflation, the equivalent cost per head for last year had increased to \$33.96 per person. This means that an average family of four Australians is paying approximately \$125. per year just to meet the salaries of the bureaucratic army of occupation.

Compared with the increases of during the 16 years of the Menzies Government, there was a spectacular doubling of the number of Federal bureaucrats in the 4 years of the Holt and Gorton Governments. We should make special note of the fact that the Prime Minister's Department is leading easily in the rate of expansion of the Federal bureaucracy. It is true that the Tariff Board marked up an impressive increase of 19.5 per cent last year. And Education and Science, which we might remember was given its major impetus by Mr. John Gorton to start intruding more and more into the affairs of the States, maintained its momentum of expansion with an increase of 15.2 per cent for last year. But the Prime Minister's Department increased by 25.8 per cent last year, and 24.2 per cent the year before. One wonders how any honest person can argue in the face of these and associated facts, that the present Administration at Canberra is not pursuing centralist policies.

Those who draw attention to some of the manifestations of the expansion of the Federal bureaucracy, and the insatiable tax demands of the Federal Government, are invariably met with the hackneyed argument that "as the people make increasing demands upon the Government for more services, this forces the Government to keep taxation at a high level in order to finance the people's requirements." The truth is that the Federal Government has drained so much power from the individual, and from his Municipal and State Governments, that all are forced to turn to the Federal Government, which increasingly takes on the attribute of Big Brother. Welfarism is eroding the concept of personal responsibility and real freedom. The individual is bribed with his own substance and made to feel grateful that on terms he can get a little of his own substance back.

THE POLLUTION PROBLEM: "Urgent Federal action was needed to control pollution problems in Australia the Army Minister, Mr. Peacock, urged yesterday... He welcomed the subject as 'one of the best political issues to have appeared since the war', but warned that it could become a hollow slogan. Mr. Peacock, writing in the magazine the Australian Quarterly, expressing personal view..... 'It seems clear that pollution is as much a national as a State problem. It calls for the urgent and continued surveillance by the National Parliament for wide-ranging Federal legislation.'" - The Australian, September 21.

One central feature of all Government is that it tends to exploit situations its own policies produce in order to extend its own power over the individual. Mr. Peacock's viewpoint is revealing. The Australian report quotes Mr. Peacock as follows: "Not only had the Commonwealth a national co-ordinating capability that the State governments lacked, but it also had access to the necessary growth tax resources to enable the money to be put rapidly where the need was." Co-ordination between Municipal and State Governments is bedevilled by the financial limitations imposed upon these Governments by the Federal Government. On Mr. Peacock's own admission, the Federal Government can deal more quickly with pollution problems because of its monopoly of financial power.

If this power were decentralised, State and Municipal Governments could very readily, and with far less of the bureaucracy inevitably associated with Canberra, co-operate to deal with most of their environment problems.

Now that Mr. Peacock and some of his colleagues, either genuinely or for political reasons, have discovered that man is destroying much of his environment, they might start by considering the impact of the "controlled" inflation they are imposing upon the Australian people. They could consider for a start the problem of farmers being forced by inflation to pursue policies which they know run contrary to the principles of conservation and sound husbandry. Then they could pass to a consideration of how financial centralism produces economic and political centralism, with an increasing number of Australians being forced to help create an increasingly polluted atmosphere by living in several human ant heaps. If Mr. Peacock wishes to take up a specific anti-pollution issue immediately, one which the Federal Government can do something about without "wide-ranging Federal legislation", he could urge that the pollution of Canberra's water supply by regular additions of fluoride be stopped.

There is not only physical pollution; there is also mental pollution. Much of this type of pollution is poured into the Australian community by the ABC. Politicians also make their contribution with some of the rubbish they seek to spread.

Pollution of all types, like many other problems, stems basically from the policies of centralism imposed by Governments. Genuine solutions, not an exploitation of effects by an increased army of planners, will only be possible with a genuine decentralisation of power.

WOOL SELLING AND INFLATION: "Canberra - A scheme to streamline marketing and cut production costs of Australia's wool industry was launched in Canberra yesterday. Prospectuses have been sent out to about 5000 wool growers in the eastern States seeking capital to establish a company which intends to radically change the marketing of the Australian clip. The company, Economic Wool Producers Ltd., will carry out the receipt and classing of wool and sell it either by negotiation, tender or auction." - The Age, Melbourne, September 22nd.

We would agree with the Chairman of Economic Wool Producers Ltd., Mr. Maple-Brown, that proposals for single market authority of any type do not touch the basic problem confronting the Australian woolgrower. We understand the desperate mood of wool producers, but they have got to face the truth that inflation is affecting wool buyers, processors and manufacturers. There are some very superficially convincing arguments advanced in an endeavour to demonstrate that manufacturers should be able to pay a higher price for wool without passing it on in higher prices. An example often used to support this line of approach, is that there is such a small amount of wool in the average woollen suit, that there is some form of "exploitation." We would recommend that those who accept this argument work out the amount of wheat in an average sized loaf of bread, what the wheat producer is paid for the wheat, and compare it with the retail price. Every operation from grinding the wheat right through can be examined, and it will be readily seen that each of these operations carries forward progressively the impact of inflationary financial policies, including taxation. (It is elementary that the increased tax on petrol must increase the cost of delivering bread.)

Mr. Maple-Brown rightly suggests that wool marketing is only part of the wool grower's problem. He is reported by The Age as saying, "As the continuation of the cost-price squeeze appears

inevitable and as no Government can, I submit, guarantee growers continued profitability much more must be done." So long as the cost price squeeze is accepted as "inevitable," no permanent solution to the woolgrowers' basic problems are possible. Even those benefits which allegedly can be obtained from marketing "reforms", must be eliminated within a few short years if inflation continues. Only an attack on inflation can save the wool industry from steady erosion and a desperate acceptance of socialistic controls, including eventually compulsory acquisition of the Australian wool clip.

A change in Government financial policy would enable wool growers to operate successfully on present prices, and these prices would enable the wool industry to compete successfully on the world's markets. Anyone wishing to make a study of a lucid exposition of what could be done with a realistic, anti-inflationary financial policy, should obtain a copy of A Small Farmer Replies (Price 50¢, post free, from Box 1052J, G.P.O. Melbourne, 3001)

AUSTRALIA'S FUTURE "ROSY AND BLOOMING": "To me, the future of Australia is not only rosy but rosy and blooming... We have stable government which has induced so many financiers to invest their future in Australian enterprises. We have people in Government who believe in the great human freedoms - to worship, to think, to speak, to choose, to be ambitious, to be independent, to be industrious, to acquire skill, to seek and earn reward. What more could you want?" - Extract from a recent letter to an elector from Victorian Liberal MHR Buchanan.

We quote from Mr. Buchanan as we feel that his humour (unconscious) should be more widely shared. We also refer to some of his other comments as samples of the type of reaction responsible electors get from some of their paid servants when they make some constructive suggestions. Any Member of Parliament, particularly one who is supposed to represent a large number of primary producers, who can claim that Australia's future is "rosy and blooming" by continuing with present financial policies, is obviously living in a dream world. Or perhaps he is wearing rose-coloured glasses. Mr. Buchanan states that "The problems of primary industry have not been caused by inflation" and in fact insists that "Government policy is not inflationary." In another letter Mr. Buchanan makes the incredible observation that "I do not accept the suggestion sponsored by some minority groups that the mere fact of prices increasing year by year is a true state of inflation."

Mr. Buchanan's claim that the present Federal coalition Government is not imposing Socialist policies is a graphic demonstration of the capacity of some Government members for a dangerous form of self-delusion. Perhaps someone could take Mr. Buchanan quietly aside some time and point out to him that Socialist strategy is to advance the progressive centralisation of all power, and that the present Government is doing just that. Mr. Buchanan may be genuinely incapable of understanding what is happening, but there are Fabian Socialists who do. They look forward eagerly to take over the centralised power which the present Government has fostered.

SOCIALIST SWEDEN: "The ruling Social Democrats lost their parliamentary majority in Sweden's general elections yesterday. The Prime Minister, Mr. Olaf Palme, is expected to continue to rule with the support of the communists who won 17 seats." - The Australian, Sept. 22. Supporters of what is generally regarded as the world's leading Social Welfare State often insist that the "moderate" Socialism of Sweden with "security from the cradle to the grave", is the most effective answer to Communism. The Communist vote has increased since the last Swedish elections.

"ON TARGET" is published by the Australian League of Rights, Box 1052J, G.P.O. Melbourne, 3001
Subscription rate \$4.00 per annum. W. & J. Barr (Printers) Pty. Ltd.