



ON TARGET

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS

The price of Freedom is eternal vigilance—

Vol. 8. No. 35.

September 15th. 1972.

Thought for the Week: "Wage and price controls are the very heart of Socialism. You can't have a totalitarian government without wage and price controls, and you can't have a free country with them. Why?. You cannot impose slavery upon people who have economic freedom. As long as people have economic freedom, they will be free. Wage and price controls - are people controls."

Gary Allen - in "None Dare Call It Conspiracy."

MORE CONVULSIONS LIKELY ON COMMON MARKET FRONT. "In an apparent major policy shift, Britain's powerful Trades Unions Congress (T.U.C.) last night voted to oppose on principle British membership in the European Common Market." - "The Age", Melbourne, September 8th.

The Annual Conference of the T.U.C. approved a resolution calling for repeal of the European Communities Bill - under which Britain is to formally "join" the Common Market on January 1st., 1973, along with a campaign for Britain's withdrawal from the Community. The European Communities Bill, which has passed the House of Commons, will now require passage through the House of Lords to "legalise" Britain's accession to the E.E.C. There is a possibility that it may be referred back to the House of Commons with suggested amendments.

This new "hardening" against the Market by the British Trades Unionism is not really a surprise to us - we have long maintained that the people of Britain have not spoken: it looks as though they are beginning to speak now. We have been watching the "grass-roots" attitudes to the British on the Common Market issue closely, and there is no doubt that, in spite of all the pro-Market propaganda to which the British have been subjected by the mass media, and the politicians, the same British people remain just as anti-Market as ever, and their antipathy is growing, as evidenced by this fresh expression of opposition from the British T.U.C.

What is likely to happen now is a further hardening of the British people against the Market: the T.U.C. resolution could well be something of a catalyst which will trigger off shock waves of anti-Market feeling. If this happens within the British Labour Party, then the end of Britain's move to enter Europe will be in sight: the next British Labour Party Annual Convention will be interesting. This resolution by the T.U.C. could well "re-instate" Mr. Harold Wilson as the true Leader of British Labour, who was right after all. No-one can predict just what will happen in the next few months - perhaps the most crucial in the long history of the British people; but if anyone thinks that the Common Market battle is over, he had best start thinking again!

THE ACCURACY OF THE PRESS: We re-produce three headlines from three Melbourne newspapers, all covering the same news item - the comments of Britain's First Sea Lord, Admiral Sir Michael

Pollock, on the presence of Russian naval forces in the Pacific and Indian Oceans.

From "The Sun", (Melbourne). - "SOVIET NAVY IS REAL THREAT". (7.9.72)

From "The Australian" - "RUSSIAN BUILD-UP AL ARMS SEA LORD." (7.9.72)

From "The Age" (Melbourne) - "RUSSIAN SHIPS NO THREAT: U.K. NAVY CHIEF" (7.9.72)

"The Age" apparently based its headlines on the remark made by Sir Michael Pollock, that Russia's naval presence was "a threat to nobody until the intentions made it so." The Australian, which gave an accurate report, quoted a qualifying remark of the Admiral, omitted by The Age; viz. "If the Russians intentions change overnight, you'll wish you had a better navy." All three newspaper reports were slightly different, and each reported quotes which the others did not. However, "The Age's" basic presentation, that the Russian naval vessels were no threat, was totally incorrect and misleading.

It is interesting to recall that it was "The Age" (Melbourne) which ran the now-famous smear articles on the League of Rights last March, and which proved so valuable in sweeping a wave of new supporters to our ranks; although we are sure this was not the intention.

PLEA FOR SHORTER SCHOOLING MAKES SENSE: "The Secretary of the Victorian Employers' Federation (Mr.I. Spicer) said yesterday the school leaving age should be lowered by at least a year."

The Age, (Melbourne) September 7th.

We agree with Mr.Spicer who went on to say that it is wrong to keep children at school to a certain age, trying to educate them, when they had little use for the extra education. He also mentioned what would be eagerly confirmed by most of the business houses to-day, that a small but increasing number of school leavers are unable to read or write properly.

We have commented more fully in these pages recently upon the decline in the general standard of education - our contention is that the basis of education has become perverted: people are forced to chase "education" for the wrong reasons. We urge readers who wish to gain a deeper appraisal of this giant problem to avail themselves of a copy of "The New Education", by Gary Allen. (Price 37 cents, post free from Box 1052J, G.P.O., Melbourne. 3001).

MR. WHITLAM ON POVERTY: Speaking from the pulpit (political platform?) of the Wesley Pleasant Sunday Afternoon, the same platform from which Mr.Ian Sinclair delivered his recent sermon on "Fascist Fossils", Mr. Whitlam took the opportunity to expound the Labor Party's approach to poverty. Cash handouts he said "...created an inescapable poverty cycle for a million citizens." (Melbourne Sun, September 11th.)

What was needed according to Mr. Whitlam was "expert advice, counselling and training". Also, social workers were needed to work in Homes communities and neighbourhoods.

As the Liberals vacate the field, leaving it in a state of chaos and ruin from an overdose of socialism, that process which is simply that of the spending other peoples money by a horde of bureaucrats, will now be accentuated by the Labor Socialists instead of the Liberal Socialists.

The reduction of people to poverty by the sabotage of the money instrument (inflation) and to chose their own way of life, is the greatest confidence trick of modern times.

BLACK MARKET WHEAT SELLING: "The Australian Wheat Board has long been held up as the blueprint for other industries to follow. Stabilisation, is the favourite term employed and was used by

the Assistant Minister for Primary Industry, Mr. King in a recent call to Wimmera wheatgrowers to stick to the Wheat Board". - Wimmera Mail-Times, September 8th.

Many growers agree that the price they are paid by the board has been stabilised - to something lower in 1972 than they received in 1952. Costs in the meantime have increased and purchasing power decreased. The length of time between initial payments and final payments has increased and farmers are forced to pay interest on loans while waiting for payment, not to mention the interest they are billed with by the Wheat Board for advances made by the Reserve Bank against projected sales. Cash in hand from over border sales cuts out the waiting time and the interest payments. It also shows up the inadequacies of the Wheat Board, but leads to bitterness and friction as charges of "scabbing" and "blackmarketing" are levelled. Indications are that world wide inflation has forced a new upper level in wheat prices which will be reflected in the price paid by the Board to the grower. As inflation and rising costs must continue under present financial policies, little comfort can be gained, and undoubtedly the domestic market in over border sales will adjust thus keeping the inflationary momentum going. Not too much stability there!

A stabilised market is one where growers know market demands which they aim to fulfill at a just price to themselves and the consumer. Taken as a part of the nation's productive capacity to meet needs of legitimate markets in total production, it should not be impossible for our financial experts to ensure a flow of money commensurate with demands of the butcher, baker, candlestickmaker and wheat grower.

Socialists are scared that free market sales will show up the inadequacy of "stabilisation", but while the limited choice given the farmer by such sales does something to offset complete strangulation by monopoly marketing, real-justice will never be obtained until financial policy operates on the basis of a national balance sheet reflecting assets and liabilities in financial terms. Purchasing power needs would be clearly revealed and met without planning production, (quotas etc.) but by financing consumption.

TAMWORTH SEMINAR: The New England Electors' Association will present a Seminar on the subject "Dunkirk for Local Government," at the Red Cross Hall, Kable Avenue, Tamworth, N.S.W. Two Papers: "History" of Local Government, by Mr. A.K. Fuss, and "Dangers to Local Control," by Mr. E Thorne. The date: Saturday, October 7th. - The Time: 2-00 p.m. All League supporters and their friends who live within the Tamworth area should make a point of attending this Seminar.

JOBS MAY HAVE GONE FOR EVER: This was the heading of an editorial which "The Australian" printed as far back as August 4th. We think that this editorial does touch up on some economic truths, and we decided to allow a little time to pass before making our comment. It is now obvious that in spite of all the politicians' talk about "business confidence", the unemployment position has shifted very little: there is now talk about the unemployment position being with us for many months to come, and we think that this will be the case. The editorial mentions that surveys of manufacturers' expectations for the next half year reveal that the majority expect to increase production - but without increasing staff. Also the bulk of to-day's unemployment is in the service and rural industries. We are inclined to agree with contention of this editorial that the fall-off in actual secondary industrial employment along with anticipated production growth does suggest that the Australian economy may be entering a new era. We think that there is more than a grain of truth in the comment that "an Australian manufacturer cannot rely on protective tariffs".

September 15th., 1972.

Page 3(135)

as a birthright" and that "coupled with a surging demand for wage increases which has almost doubled in the past two years, (it) has forced employers to take a new look at the labor content of their total cost burden".

What is not mentioned, of course, is that the employee is generally forced to make ever - increasing demands for wage increases to maintain his standard of living in the face of continually rising prices (inflation). And the manufacturers, and other employers are forced to increase the costs of their goods and services to re pay the interest on their over drafts, and meet their escalating labor costs; and other costs.

"The Australian" suggests that "We are now in the position where every manufacturer who can possibly do so will raise his production, when his market picks up, by raising his productivity, making plant more efficient, or automating his process, rather than by putting on more workers. New plant represents a fixed cost on the annual budget, and in an inflationary situation becomes progressively cheaper as it is paid for. Extra labor is an asset which becomes progressively more expensive as wages rise... Mr. Mc.Mahon's mistake with the economy last winter (1971) may have done more harm than merely produce a temporary recession. By increasing manufacturers' costs (higher interest rates, abolition of investment allowances etc.) at the same time as it reduced demand (increased taxation on salary earners) it may have tipped employers' attitudes permanently over into a new position. The 17,000 industrial jobs which disappeared in the March quarter (1972) may well have gone for ever: we may have to learn to live from now on with a lower percentage of manufacturing employment."

Actually, this process in general has been going on since the dawn of the Industrial Revolution: Labor has continually been displaced by sophistication of technological process. We think the "The Australian" has made its point that manufacturers are currently in a desperate mood to slash labor costs (and other costs) to the bone in order to survive as economic entities - and many aren't - the rash of take-overs and amalgamations testifies to that. These redundant members of the work-force (economists - really - love that phrase) make up one of the ingredients of the modern phenomenon of the economy - "stagflation" - rising inflation accompanied by rising unemployment; the other reasons are of a technical nature which do not concern us here.

This displacement of labor by improving technology is not any longer confined to primary and secondary industries: this displacement is now taking place in the fields of administration - the public service, the banking world; the insurance world etc. The agency? Computerisation! Computerisation is replacing clerical staff throughout Australia by the thousand, and this process will continue. The Treasurer (Mr. Snedden) has asserted that the percentage of the work force on the Commonwealth payroll has fallen very slightly over past years, and if this is so, then we have little doubt that computerisation would be a major factor - the burden of Government has certainly not decreased: quite the reverse. It can be predicted that the "phenomenon" of stagflation is here to stay.

"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.
