

TRIBUNE

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**PIG-IRON BOB
SETS UP AS
OUR EXPERT
ON TREASON.
See Pages 4-5.**

"WAGES CHASE PRICES"

Bank Man's Admission

From Our Special Correspondent

HOBART.—Justice of workers' demands for a higher share of the national income and for stricter price controls was confirmed here this week by the Assistant Chief Inspector of the National Bank of Australasia, Mr. G. R. Mountain, MA (Econ.).

In a report to the Science Congress he exposed the employer-sponsored press propaganda that wage rises must lead to higher prices and showed how the index on which the basic wage is fixed is loaded at the workers' expense.

(IN Sydney, newspapers which splashed Bank of NSW Adviser Professor Hytten's advocacy of dole queues for 180,000, ironcurtained Mr. Mountain's report, which was entitled 'The Position of the Australian Consumer'. Points from Mr. Mountain's report were:—

are not given consideration. Mr. Mountain produced figures which should for all time lay low the employers' bogey that "prices are chasing wages."

He said that between 1945 and 1947 the 'C' Series Index recorded "only a moderate increase of approximately 3 per cent., which means that the basic wage was adjusted accordingly."

"But the general import prices increased sharply by 16.5 per cent. while the Wholesale Price Index Number for goods principally home-produced rose by 4.5 per cent.," said Mr. Mountain.

"Food and groceries rose by 2.5 per cent. but clothing increased by 7.3 per cent. In the light of these various price movements I have taken the general level of price rises during 1945-47 to be 5 per cent."

"Shift To Profits"

Mr. Mountain said that during 1947-48 there was a strong "shift to profits" because wages and salaries, as a proportion of the national income, declined from 54.5 per cent. in 1946-47 to 53.3 per cent. in 1947-48. In the same period profits rose from 33 per cent. to 37.7 per cent. Mr. Mountain says "it is anyone's guess" how much prices rose in 1948, but he gave figures of his own which estimated the rise at a fraction above 10 per cent.

However, he said that the 'C' Series Index remained depressed by the failure of the rents section to move at all at a time when, in fact, many rents were rising, when home maintenance costs were advancing and when the price of a new home was continually climbing.

In the general conclusions which he drew from his report, Mr. Mountain understated the position when he said that the "serious disequilibrium" between employees' living standards and those of employers "might well account for, in large measure, the dissatisfaction which has become apparent by many when they consider their positions as consumers."

(Continued on Page 8)



"Welcome back, Bob, I've certainly missed you."

KMT's Downfall—New Chinese Gvt. This Year

HONGKONG.—A democratic Chinese Republic will be set up this year, says a proclamation of the Chinese Communist Party.

ANGER RISING ON DUTCH GRAB

At the New Delhi Conference on Indonesia convenes, Asian resentment towards the Dutch rises to new heights.

The Australian delegates to New Delhi will be sensible if they take note of the rising tide of Asian militancy.

Despite Dutch propaganda, the 'Good Offices Commission' reports that the Indonesians are very far from being beaten.

They are taking cities and controlling wide areas of the country. Burma's ruling party, the Anti-Socialist Freedom League, has approved the Government ban on all Dutch ships and planes, adopted as a measure of support of Indonesian independence.

It also passed a resolution urging workers to boycott all Dutch enterprises situated on Burmese soil and urged independence struggles in Indonesia and in Viet Nam (French Indo-China).

The Afghan Government, which ended recognition to free Indonesia some time ago, states that "as the Indonesian Republic has been declared by an aggressor, the Government of Afghanistan will do everything in its power to help." The Government also criticised the United Nations Security Council for taking no steps against the Dutch, and warned that "peace will never return to Indonesia if Dutch troops are not withdrawn."

Chalin Says
This feature appears on page 8.

SIMULTANEOUSLY, a democratic coalition Chinese Government led by the Communist Party and composed of representatives of all Chinese democratic parties and groups will be created.

This Government's program will be the liberation of Chinese still under Kuomintang rule, together with an increase in production in liberated territory.

Scorn Phoney 'Peace'
The Communist Party denounces the "peace" manoeuvres of the Chinese reactionaries and Dictator Chiang Kai-shek's phoney "will to peace."

The Party will fight on for China's liberation despite all such manoeuvres, says the proclamation.

North Shensi radio says that the People's Liberation Army now outnumber the Kuomintang forces by three to one—over 2,000,000, to one million and several hundred thousand.

US Intrigues
A new China Newsagency editorial, headed "Carry the Revolution to the Very End," issues a special warning against "peace" manoeuvres.

"The main KMT forces have been annihilated north of the Yangtze," it says. "This will expedite the cross-advance of the Yangtze and the Southward advance to liberate all China."

"The enemy won't expire of his own accord. Neither the Chinese reactionaries nor the forces of American imperialist aggression will retreat voluntarily from the scene of history."

"Because they see that the people's advance can't be blocked by military methods alone they are attaching more and more importance every day to political struggle."

"The American Government has turned from mere support of the KMT's war to a struggle in two different forms."

"The first is to organise the KMT army remnants and 'provincial forces' for continued resistance south of the Yangtze and in distant border provinces.

"The second is to organise an opposition within the revolutionary camp, to try and halt the revolution or make it take on a 'moderate' color so as not to harm imperialist interests."

"The question now confronting the Chinese people is, are they to carry the revolution through to the end or to halt it in midstream?"

"To carry on to the end means using revolutionary methods to firmly, thoroughly and completely wipe out all reactionary forces."

Ending Oppression
"This means the overthrow of imperialism, feudalism and bureaucratic capitalism."

"It means overthrowing the reactionary rule of the Kuomintang throughout the entire country and establishing a Republic of People's Democratic Dictatorship, led by the proletariat, with an alliance of the workers and peasants as the main body."

Wages Chase Prices

Wages are running a losing race with prices "and incomes will have to move rapidly" to keep up with rising prices.

"The disparity between the gross money income of employers and employees has 'become very great and rather alarming.'"

"The consuming position of employers has 'improved out of all recognition' as compared with the employees' consuming position in the last twelve months."

"The 'C' Series index (from which the basic wage is calculated) has 'considerably understated the price increases for important items of consumption.'"

"A retention of the employees' consuming capacity is vital to a continuance of high demand and employment."

"An income 'shift to profits' has created an 'alarming disequilibrium' between the consumption potential of employers and that of employees."

Basic Wage Ramp

Vegetable prices during 1945 were about 45 per cent. higher than pre-war, but the minute weight given them in the 'C' Series Index meant that their increase in price had no appreciable effect on the index as a whole.

Import prices in 1945 were 82 per cent. above 1939 levels, but the regimen takes little notice of variation in these prices.

Inclusion in the Basic Wage Regimen of the rent of ONLY four and five-roomed cottages, furnished apartments, or outright purchase,

"SLASH STAFF" THREAT AS PROFITS RISE

All-time high profits made by retail stores last year answer the front-page story in Thursday's Sydney Morning Herald that retailers will have to slash staffs and abolish many non-profit service departments to offset wage rises and reductions in profit margins.

THE Tribune has already exposed the fact that the 71 per cent profit margin "reduction" is in reality a profit boost—a viewpoint supported by Tasmanian Attorney General Fagan and the Tory paper The West Australian. Here are some of last year's retail stores profits:

Foy and Gibson Ltd. (Melbourne): £278,658 profit for 1948 as against £223,581 for 1947.

Farmers: £210,844 for 1948 compared with £114,902 for 1947.

Myers (Melbourne): £428,440, compared with £359,342.

Geelong Woollen and Worsted Mills: £19,883 against £15,830.

Stirling Henry Ltd., textile manufacturers: £27,310 — £4,100 higher than 1947.

Sargood Gardiner Ltd., softgoods warehouse: £113,970 as against £87,641 in 1947.

Bradford Cotton: £121,791 (£119,501).

Anthony Hordern's 1948 profit was £158,858 and Mark Foy's earned £123,910.