



ON TARGET

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The price of Freedom is eternal vigilance—

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Thought for the Week: "The business of the state is security for its citizens and nothing else." - Spinoza.

MISREPRESENTING "THE PETERSEN PLAN": When Queensland Premier J. Bjelke-Petersen put forward his three-point anti-inflationary policy in June of last year, he not only alarmed Prime Minister Whitlam and his Socialist colleagues, but also caused consternation inside the Federal Liberal and Country parties. Since then a number of stories have been circulated claiming that the Queensland Premier had been "quoted out of context", and that he has modified his approach to consumer discounts. While it is understandable that Prime Minister Whitlam should sneer at the Queensland Premier's "strange economic theories", and that the Marxists should be worried by a policy which would strip them of power, the anti-Petersen attitude inside the Liberal and Country parties is indicative of the deep rot afflicting so many who would have the electors believe that they are strongly anti-Socialist.

One Victorian Country Party Member of Parliament has claimed that the Queensland Premier did not advocate the use of consumer discounts, only that they should be considered. We have before us the Queensland document submitted to the Premier's Conference in June, 1974. It is headed "WAGES AND PRICES", with the sub-heading "Sales Tax, Consumer Subsidies, Production Incentives." After explaining the effect of taxation on the "wages-prices gap", the document states on page 2: "If the Commonwealth Government had any genuine intent to combat inflation, it should surely be looking in the direction of tax reduction, consumer subsidies and production incentives rather than in its encouragement of higher wages, higher prices and higher taxation."

The following is a further comment on consumer subsidies: "During the Second World War, and after consumer support subsidies played a very important part in stabilising the economy and created a favourable situation when it could have been expected that there would be a period of serious inflation which would cause great hardship to many people. These forms of assistance have proved to be a stabilising factor." The document summarised the Queensland Premier's three-point anti-inflation proposal as follows: "1. The freezing of the aggregate collections of income tax at the existing level. 2. The reduction or elimination of sales tax in items in the Consumer Price Index groups. 3. The payment of producer incentives or consumer subsidies on the foodstuffs components in the Consumer Price Index."

The Australian of June 7th, 1974, quoted Mr. Bjelke-Petersen as follows: "Consumer support - which has now been called subsidies - of food would make potatoes, bread and butter, etc., cheaper. These moves would particularly help the lower-income earner. I don't know how the man on the basic wage

can survive now." The Queensland Premier returned to his anti-inflation plan during his policy speech before the Queensland State elections, and in a personal column in the Sunday Sun of December 1, wrote: "My plan...called for the reduction and freezing of income tax, the reduction or elimination of Sales Tax on essential goods making up the consumer price index, and for the re-introduction of consumer support on essential food and clothing."

The financing of even a moderate version of the "Petersen Plan" would be simple. Any politician asking the stupid question, "But where would the money come from?", should be asked where does the money come from to finance huge Government deficits. It is, of course, created in the form of financial credit by the simple process of writing figures, as is all money with the minor exception of notes and coins. (See The Creation and Control of Money, price 41 cents). Deficit spending is further stimulating inflation. If the deficit finance were allocated to sales tax reductions and consumer discounts, prices would fall and the basis of big wage increases removed.

Liberal and Country Party critics of the "Petersen Plan" should be asked, where necessary, to stop misrepresenting it, and firmly told that unless they adopt its basic principles they are doomed to preside over a revolutionary situation if and when they are re-elected to office at Canberra.

CANADA'S GROWING RACIAL TENSIONS: "Canada has always prided itself, somewhat smugly, on its lack of racial bigotry. As racial violence and tensions flare in the United States, Canadians like to think it can't happen here. But the comfortable image is changing. Growing immigration problems, high unemployment and a slow economy are unmasking what many groups believe is genuine racial discrimination by Canadians." - Yvonne Crittenden from Toronto in The Herald, Melbourne, March 11th.

Our sister Canadian journal On Target has recently reported and commented on the fact that multi-racialism is failing badly in Canada, as it has failed wherever attempted. The recent publication of a Federal Government "green paper" on immigration has brought the racial issue into the open. In examining alternatives facing Canada in formulating a new immigration policy, the "green paper" suggests that one option would be stricter control of immigrants from Africa, Asia and the West Indies. Blacks in Canada immediately shouted out "racists." Human rights officials agree that racial friction is growing in Canada. They charge that "racial prejudice" is not only practised by individual Canadians, but by the Federal Government through its immigration and Canada manpower agencies, by provincial governments and by the police. It is the same old story, repeated once again because the Canadian supporters of the false racial equality dogma thought that they could succeed where others had failed. We do not feel that the Grassbys of Australia will learn from the Canadian experience. They refuse to admit that Australia has its own growing problems resulting from bringing in migrants whose background makes it extremely difficult for them to be integrated. And there are those who have a vested interest in encouraging racial tensions for the purpose of advancing political objectives. The Marxists everywhere have been in the forefront of the campaign to break down Australia's traditional restrictive immigration policy. It must not be forgotten that the first major attack on Australia's traditional immigration policy, designed to maintain a homogenous, stable nation of Europeans, was made by the Liberal-Country Party Coalition. All political candidates should be asked some searching questions on immigration before the next Federal Elections.

WHY IMPORT ARAB PETRO-DOLLARS?: "The Deputy Prime Minister, Dr. Cairns, will sound out the

prospects of guaranteed oil supplies to Australia on his visit to four Middle East countries which starts tomorrow...But a treasury official yesterday refused to put a figure to the amount of Arab investment dollars the Government was seeking. He said Dr. Cairns would be interested in listening to any investment offer from any of the Arab countries he visits." - The Australian, March 11th.

One of our readers, S.D.W. of Queensland has written to say that we have inferred that more foreign capital would be desirable for Australia. Our correspondent is in error. We have over many years explained that the importing of foreign capital into Australia simply means creating contra-credits by the Commonwealth Reserve Bank against credits deposited with a Reserve Bank in the country of the capital's origin. Unless used to import equipment and technical expertise not available in Australia, foreign capital is not necessary for Australian production to take place. The necessary credits can be made available in Australia, enabling Australian assets to remain under Australian control.

Those who should know claim that Australia possesses vast untapped oil supplies. Every encouragement should be given to those willing and able to discover and develop those supplies. Australia should also be encouraging the development of energy sources other than oil. The only realistic payment which Australia can make for necessary Middle East oil, is to provide the oil-producing nations with required Australian production. But to encourage large-scale Arab investments in Australia is not only unnecessary but could prove highly dangerous. Australia should attempt, as far as practical, to make itself economically independent.

THE GREAT AMERICAN COLLAPSE: "There are more Americans living off food stamps than there are people in Australia - 18 million of them. And they are getting angrier by the week as unemployment rises, inflation continues, and the food stamp programme continues to display all the worst features of American-style welfare. They are most angered by the humiliation inflicted on them by the bureaucrats who administer the system, and the demeaning requirements of the system itself." - Robert Pullan from New York in The Herald, Melbourne, March 11th.

The first comment necessary on the American crisis is that it is self-evident that the much-maligned "capitalist" system of production is not only able to provide sufficient food for all the American people, including the millions of unemployed, but can also provide surpluses for the Communist and "underdeveloped" nations. The American crisis is the result of an attempt to halt inflation with a restrictive financial policy which produces chaos wherever tried - as witnessed by the plight of the Japanese. The Marxists of all types are naturally delighted, constantly proclaiming that it is "the system", by which they mean the free-enterprise system, which is the cause of the crisis. Marxists studiously avoid all reference to the financial policies producing the crisis.

Like the world-wide crisis of the 'thirties', the present crisis is producing a flow of optimistic predictions by the politicians and the financial "experts". A new corner is always being turned! The U.S. Treasury Secretary, Mr. William Simon, is convinced that inflation is "receding" in the United States. When a reporter suggested to Mr. Simon that prices were still rising faster than wages in spite of the Government's claim that inflation would soon taper off, Mr. Simon said: "That has been correct up to now, but inflation is receding and a higher level of wage settlements has emerged. The two trends are crossing just about now...so what we are getting is a return to a growth of real purchasing power that should spark a renewal of consumer buying." In the meantime the car manufacturers are losing millions of

dollars, not because they cannot manufacture sufficient motor cars, but because they cannot sell them. Events will prove that Mr. Simon is talking the same type of gibberish being talked by Prime Minister Whitlam, who is attempting to convince Australians that the worst of the Australian finance-economic crisis is over. The truth is that Australia is on the verge of another increase in the inflation rate.

BRIEF COMMENTS: When the institution of the family is weakened, the whole social structure is undermined. The lessons of history are clear. The Murphy Family Law Bill reveals the philosophical rot inside the Liberal Party. Two articles on the Bill have appeared in the Liberal Party's Federal journal Australian Liberal, both by Victorian Liberal Senator Alan Missen, who strongly supports ex-Senator Murphy. It is pleasing to know that Senator Missen has no time whatever for the League of Rights. No articles against the Family Law Bill have appeared in the Australian Liberal. Mr. Snedden has announced that he will be lining up with Prime Minister Whitlam in favour of the Bill.

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Those who have read Eric D. Butler's Censored History (74 cents posted) will not be too surprised about the Ermolenko affair. But there is much more to this than a quick visa by the Soviet authorities allegedly to permit the Ermolenko family to move to Israel via Vienna. It is admitted by the Ermolenko family that they were only permitted to leave because Mrs. Ermolenko was Jewish. However, this is not the real explanation of this remarkable affair. It is obviously related to the Soviet strategists' current assessment of Australia's importance to them, as witnessed by the recent appointment of Alexander Basov as Ambassador to Canberra. The Soviet strategists are keen to assist the Whitlam Government. And the arrival of the Ermolenkos was a major credit for that Government. Alexander Basov is no ordinary diplomat. He is a member of the Central Committee of the Soviet Communist Party. He was with the Soviet Embassy in Cuba from 1963 to 1965. After serving in Rumania from 1965 to 1971, he was Soviet Ambassador in Chile from 1971 until 1973. John Barron, author of the book on the KGB, said last year that a KGB defector had told him that the KGB was concentrating on Australia in a big way. We have been warned.

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Mr. Bob Parry, President of the Australian Anti-Metric Association, is an inspiring example of what a dedicated individual can achieve. Mr. Parry has gathered others around him in his campaign to halt the metric madness. A petition asking the Federal Government to repeal the Metric Conversion Act has been signed by thousands. Mr. Parry's commonsense approach must appeal to all those who have had enough of the metric madness: Let's go back to pre-1970 when any section of the community who wanted to go metric could do so. Those wishing to help the Anti-Metric Association can write to 50 Cardigan Street, Carlton, Victoria.

THE BASIC FUND: Contributions continue to flow into the League's 1974-75 Basic Fund. The Fund will be formally closed at the end of this month, when we will report on the final figure.

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