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The price of Freedom is eternal vigilance—

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Thought for the Week: "It is this inability of the civilised world to hold its own against the Soviet Power, rather than any enduring qualities in the Soviet regime, which has ensured its continuance up to the present time. The same disinclination to face realities, the same lack of organization, and, worse still, the same treachery behind the lines on the home front...have given Bolshevism a new lease of life each time that it was about to fall. This strange phenomenon has occurred in every country..."

Mrs. Nesta Webster, in the Preface to "Surrender of an Empire".

THE ENEMY WITHIN: Mr. Eric Butler wrote the following upon his arrival in Brisbane from Taiwan last week:

A few days ago I stood looking at the Chinese mainland from a Chinese National military post on the island of Kinmen. It was here that the Chinese anti-Communist forces loyal to the late Chiang Kai-shek, fought one of the last major battles with the forces of Mao Tse-tung, successfully repulsing the Communist attempt to take control of the island. That was in 1949. A few days previous to the visit to Kinmen Island I was looking out over Communist North Korea from a military post on the border of the Demilitarised Zone. While major military forces have confronted one another for over twenty years, the real battle front is now elsewhere. It is true that the North Korean Communists have infiltrated agents into the South, have attempted to tunnel under the demilitarised zone, and that at one stage the Chinese Communists engaged in some shelling of Kinmen and neighbouring islands. But the real battle today is far behind the front lines in Korea and the offshore islands of China, as it is in the case of Rhodesia, where actual physical conflict is taking place. That battle is on the finance-economic and psychological front. If that front collapses, the military fronts must also disintegrate or become irrelevant. The economic achievements of both South Korea and Taiwan are most impressive. The resourceful and hardworking South Koreans and Chinese of Taiwan have demonstrated their capacity to master the latest techniques of Western technology, while also making their own contributions. But as I looked at car manufacturing in South Korea, one shipbuilding yard at Kaohsiung, Taiwan, the second biggest in the world, and similar examples of massive industrialisation, all operating under the same disastrous financial policies being used in the West, I realised that it was only a matter of time before South Korea and Taiwan are convulsed with the same problems afflicting those they are emulating. Already there is mounting friction between Korea and Japan as the Japanese seek to restrict Korean exports. Inflation is developing in both Korea and Taiwan. "The Korean Herald" of May 5th, reports that "A rapid growth in the amount of export financing necessitated by the country's brisk export shipments threatens to touch off a new wave of price spirals. This fear of inflation is forcing the Bank of Korea

(BOK) to tighten regulations governing this major loan category operated by local banks". The South Koreans have been lulled by the myth that a nation becomes wealthier through sending more production out of the country than is received in exchange - by achieving "a favourable balance of trade". In a recent report the "Wall Street Journal" says that before long South Korea could become the second-strongest economic nation in Asia, after Japan. But it makes the significant comment that continuing expansion will depend upon whether foreign investors will continue to provide sufficient funds. The Rockefeller Chase Manhattan Bank operates in both South Korea and Taiwan. At present neither South Korea nor Taiwan have, compared with Japan, for example, many labour problems. But these must develop as both nations use Keynesian-type financial policies to over-drive economic expansion. Consider the plight of Japan.

What impressed me most in both South Korea and Taiwan was what might be termed the permanent things, manifestations of the creative spirit of man. A car assembly line, a petro-chemical complex or a square concrete skyscraper looks the same in Dusseldorf, Detroit, Seoul or Taipei. I found the works of art in the National Museum, Taipei, most of these brought from the mainland by Chiang Kai-shek, much more fascinating than statistics on ship production. Hilton Hotels are the same the world over, but the Grand Hotel, Taipei, is unique, spacious, luxurious, and a work of traditional Chinese craftsmanship. I was naturally intensely interested in the massive military defences in Korea and Taiwan. But I was struck by the fact that under the shadow of the Communist guns in Korea and on the island of Kinmen, peasants are continuing to till the soil and reap and thresh their crops as they have done from time immemorial. Beyond doubt one of the great achievements of the Chinese Nationalists has been their farm reform programme on Taiwan. Unlike much of the industrialisation, the farm programme has been a distinctly Chinese approach to the land question. The Chinese people have a long history of successful peasant farming behind them. Men with their roots deep in the soil will always fight with great determination to defend their soil and a way of life associated with farming. The Marxists are well aware of this. Once the biggest part of a people is driven from the soil, or from small-scale enterprises in which there is a high degree of personal responsibility, into mass industrial complexes, the Marxist philosophy is being advanced.

This is not a denunciation of all industrial and technological development. But to elevate industrial development into an end in itself is a surrender to materialism and enables those exercising power through centralised control of finance to force human beings into programmes which are completely unnecessary to serve the true purposes of the individual. Distinctive cultures and genuine independence must be obliterated under a programme of increasing centralisation and unification. Dr. Kissinger is spelling out very clearly, on behalf of his financial masters, what is envisaged for the World State. The more far-seeing Saudi Arabians are deeply concerned that the massive credits from oil sales are going to be used for a programme of mass industrialisation and "modernisation" in Saudi Arabia. It can be predicted now that the results will be catastrophic for the social and cultural structure of Saudi Arabia.

The major enemy of the non-Communist world is not in Moscow or Peking, but inside the non-Communist nations. Evil cannot be defeated by adopting evil. Marxist threats from outside cannot be beaten by imposing Marxist policies inside. I was never more convinced of this fundamental truth after my 1976 world tour. The key to the future of Civilisation is how to decentralise credit power through essential financial reforms which would make it possible to make it possible to make technology and a genuine free-enterprise economic system the servant of the individual.

RHODESIA-SOUTH KOREA-TAIWAN

A first hand report will be given from the World's number one battle-front. Mr. Eric Butler has returned to Australia from another world tour which took him to Rhodesia and South Africa, before attending the World Anti-Communist League Conference in South Korea.

Mr. Phillip Butler, British Columbia representative for the Canadian League of Rights, and an executive member of the World Young Anti-Communist League, has also been attending the South Korean Conference. Both speakers will provide graphic, first-hand reports of the state of the battle for the world. Mr. Phillip Butler will deal with the Communist advance in Asia. Mr. Eric Butler will report on the true situation in Rhodesia, and the meaning of the battle there to the free World.

Please be present with as many of your friends as possible. The date: Wed., 26th May. The place: The Victoria, 215 Little Collins Street, (between Swanston & Russell Streets). The time: 8.00 p.m.

THE FRASER PUBLIC RELATIONS OFFENSIVE: "The Prime Minister, Mr. Fraser, last night promised more help for poor families and "substantial" tax indexation soon".

" The Sun" (Melbourne), May 18th

"The mountain has laboured, to produce a mouse:" Without wishing to be unkind to Mr. Fraser (we know he means well) we fear that all his prepared plans for the restoration of the Australian economy to robust health will come to nought. We shall have more to say in detail in the next issue of On Target when we shall have had the "benefit" of the Treasurer's programme. This will be divulged before the next issue of On Target is written. Mr. Fraser mouthed the same old, threadbare "productivity" myth. We must produce more; produce, produce, produce. Productivity has absolutely soared in the last quarter century: yet - inflation is also soaring, debt is mounting, unemployment is escalating.

Mr. Fraser's overall strategy is to simply slash spending in the public sector of the Australian economy, and to boost spending in the private sector. His "new Federalism" is targeted on pushing the onus of Commonwealth bureaucracy back on to the States as much as possible. This is correct in principle, but it doesn't solve anything fiscally, unless there is less and less government; a retreat from government - that would be good. Nevertheless we don't expect to see it happen: public service bureaucracy is a Frankenstein which can destroy its creator. The Frankenstein is made up of all those tens of thousands of votes, and they are manipulated by various forces in the interests of the Frankenstein. Sir Roland Wilson, former head of the Treasury, said in Hobart recently (The Age, Melbourne, May 7th) that "indexation could not cure anything - at best it could relieve some of the pain of economic disease. "Mr. Fraser made much of the Government's intention to introduce tax indexation from July 1st. We agree with Sir Roland Wilson, who also sprang to the defence of the Treasury: he deplores the tendency these days to denigrate the Treasury. Said Sir Roland:..."It is suggested by Ministers, and often accepted by the public, that blunders of which they have been guilty, are the result of bad advice..."

Whether this is true or untrue is never too certain, nor is it particularly relevant...if the advice given is, in fact, bad; it is its acceptance by Ministers which constitutes the wrong. (our emphasis)

Now this is a former head of the exalted Treasury speaking; one of the former elite "experts" of the Australian Public Service. What he is saying is that if we consult an automotive engineer for the purpose of righting a nasty fault in our car, and the fault gets worse, then the fault is our own, we should not have taken the advice. If we are unfortunate enough to have been treated by an inefficient doctor, and we die from wrong treatment; then its our own fault for taking that doctor's advice. This is the reasoning of the former head of the Treasury. Small wonder the same politicians are chary of taking Treasury advice.

BRIEF COMMENTS: The former Whitlam Federal Housing Minister, Mr. Johnson, says that the Federal Government is abdicating its housing responsibilities by forcing States to take over Housing from the Commonwealth. This is typical socialist clap-trap; the Federal Government should never have intruded into the field of Housing in the first place. Nor should it intrude into Education, Health, Railways, nor any other function which can be carried out by the States. A correct principle of government is that no function should be usurped by any Authority which can be satisfactorily performed by a smaller Authority. This principle is clearly stated in one of the Papal Encyclicals of the Catholic Church. Of course, the principle is that of decentralisation: the smaller the controlling Authority, the more direct control over it has the individual of that particular society.

Watergate was not the only cover-up in the U.S.A. There was one back in 1969, in which Senator Edward Kennedy was involved. Many Americans think that Chappaquiddick was even more of a cover-up than Watergate. A young secretary, Mary Jo Kopechne, drowned in a car that had been driven by Senator Kennedy after a late night party. A book was written about the incident: it is called - "Teddy Bear", and was written by a smart lawyer named Zad Rust. It is a shocker! We have had the book in stock from time to time, and another small order is due to arrive shortly. It sells for approximately \$6.00 post free. Those who are interested in the Chappaquiddick incident may like to place an advanced order from G.P.O. Box 1052J, Melbourne, Vic. 3001

Dr. D. W. Stammer, of the Sydney Branch of the Reserve Bank of Australia has criticised the provision of international funds to aid Third World countries. He speaks as an economist only: not from a humanitarian standpoint. He says that "overloading" the international monetary system may well result in disastrous inflation on a world scale. Under the current financial conventions he is most probably right. A former Guest Speaker at one of the annual prestigious Per Jacobbsen Conferences (1973) Dr. Otmar Emminger, Deputy Governor of the West German Central Bank, warned of "destabilising capital flows", and these mentioned above by our own Dr. Stammer would be in that category. Dr. Emminger said that those "destabilising flows" are highly inflationary.

BASIC FUND: The National Director will give a report on the progress of the Basic Fund in a forthcoming issue of On Target. At present the Fund stands at \$38,195. Since our last report 31 supporters have pledged/donated \$1,189.

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