

# 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. 5. No. 27.

July 18, 1969.

Thought for the Week: "Many things go to the making of man, but essentially it is the training of three aspects of man; body, mind and character. And neither mind nor character can be made without a spiritual element. That is just the element which has grown weak, where it has not perished, in our education, and therefore in our civilization, with disastrous results. Nothing can be done till that element is restored." - Sir Richard Livingstone.

CONTROL OF LIFE THROUGH MONEY: "Most revolutions are noisy affairs. The latest revolution in economic thought has barely been noticed. But recognised or not, the economic gospel according to Milton Friedman has penetrated two of the world's greatest finance institutions - the Bank of England and the International Monetary Fund. The message that got through from the professor of economics at Chicago University was quite simple: the best way to control an economy is through the money supply. Last week the I.M.F. gave the stamp of international approval to this dictum." - The Herald, Melbourne, July 10.

In our issue of On Target, July 4, commenting on the \$(US)1000 million loan to Britain by the I.M.F. and the conditions under which the loan was granted, we observed that Britain was financially enslaved to an international financial institution. The means by which this control is to be furthered was outlined in the report from which we quoted the above. It continues: "Its latest \$1000 million loan to Britain carried an unprecedented condition which will force Britain for the first time to put an upper limit on the increase in its money supply. The last \$50 million of this loan can be drawn if the domestic money supply grows by less than 2½% in the coming year (it was about 10% in 1968). This means that if the British balance-of-payments were in exact balance, the money supply (circulating cash plus bank deposits) would increase by about \$400 million. But if Britain runs a balance-of-payments deficit of \$400 million then the increase in domestic money supply would be nought."

A little reflection will show that Britain is caught in an inescapable trap under the present rules of issuing all currency as a debt. The economic life of any Western nation under which any material advance takes place is dependent upon - under the present financial rules - the continual expansion of credit. Not only does this expanding credit finance the growing debt structure, but also decides the rate of capital expansion, i.e. physical and industrial expansion. It also decides to what degree such nations can accept defence and other responsibilities, and Britain's withdrawal of forces from

STUDENT POWER - THEME OF 1969 SEMINAR

Speakers at the 1969 Seminar on Saturday, September 20th, Dr. Geoffrey Dobbs, Senior Lecturer at the University of North Wales, Mr. Eric Butler, National Director, Australian League of Rights and Patrick Walsh, Research Director, Canadian League of Rights.

around the world is in direct conformity with the policies being imposed upon her by I.M.F., the child of the Bretton Woods agreement engineered by Fabian Socialists and secret communists.

To stop the supply of credit as the I.M.F. has in Britain, must result in the same conditions of despair and social destruction as was witnessed in the depression years of the thirties. The ultimate purpose of financial crisis - as distinct from physical and material wealth of which there is an abundance - is to centralise the control of finance and banking into a world body which will impose world government, and destroy national and individual freedom.

We can predict that we will hear a lot more of Milton Friedman and his economic theories; theories which are being promoted as an advance on Keynesian economics, which Friedman himself says "don't work." Having served the purpose Keynes designed for them, we are being pushed into the ultimate end of the process initiated by the Keynesians. What does it matter if you change the name to obtain the result desired?

HOUSING COSTS EXTORTIONATE: "... homeowners must pay at least \$3500 for land, \$10,000 for the house, and \$7000 interest on a loan of \$8000 repayable over 26 years." - Mr. Gough Whitlam reported in The Herald, Melbourne, July 14.

The recent increase in the bank interest rate promulgated by the Treasurer, Mr. McMahon, to counter inflation has only added to the overall costs of the whole of industry. Mr. Whitlam is on safe ground attacking the Government when he points out that the interest on homes has risen from  $3\frac{1}{8}\%$  to  $5\frac{1}{2}\%$  and has thus made homebuilding "unnecessarily inflated." However, this is being done by the same advisers who have controlled financial policy in the past, and there is no reason to think things would be different under a Labour government. They certainly are not under the Labour Government in Britain.

If Mr. Whitlam was dealing with honest realities he would point out that money is not something which should be bought and sold for extortionate prices as is the case under today's policies, but that the loan of \$8000 he quotes could be serviced for something in the vicinity of \$300 even if the recipient took the full 26 years to repay it. There is probably nothing more immoral than the present financial system, and the majority of the problems of modern society can be traced to its influence in government and social life.

ERIC BUTLER TALKS TO PRIME MINISTER IAN SMITH: The following is Mr. Eric Butler's final report from Rhodesia before leaving for South Africa:

Two days before leaving Rhodesia, I was able to meet with Prime Minister Ian Smith. I felt that Mr. Smith had aged considerably since I last saw him, which is not surprising when one considers the strain he has been operating under. But he was still the same shrewd, cautious and determined leader I have always found him to be. When I asked him whether it was his intention, following the massive vote of confidence he had received at the Referendum, to take the initiative in the external field, he said that if the Rhodesian Government was too positive in its approach to people in the external field, it might be embarrassing to these people because of the tremendous pressure being brought to bear by the United Nations and the big powers. He came back to this theme later in our discussion when I told him that I had met some Rhodesians who were extremely disappointed because there was no sign of any major official change of policy in Australia or New Zealand. Mr. Smith stressed that as far as he and his colleagues were concerned, they did not share this disappointment. He went on to say that he and his colleagues were completely in the picture and understood the nature of the tremendous problems which have to be faced by those countries which try to step out of line with what is called world opinion, against the pressures of the United Nations. And there was the question of long economic and other associations with Britain. Mr. Smith made it clear that he sympathised with the difficulties of Australia and New Zealand. He went on, "Certainly we are looking for and hoping for more support from our friends throughout the world, but we don't want to upset them by being too impetuous. Patience is a very necessary quality in the world in which we live today."

When we discussed the international situation, Mr. Smith agreed that there were certain basic international facts which countries in the Southern Hemisphere had to face. These countries found themselves in the front line against International Communism. Mr. Smith then commented that "I think all other problems in the world today fade into insignificance alongside this tremendous problem of encroachment of world communism." In a quietly determined voice he went on to say, "However, I am happy to be able to tell you that as far as we are concerned in Africa, we are absolutely satisfied that we have drawn the line and that we can contain it. We don't believe it is going to come any further down towards us." When the Prime Minister said that he believed that "We can push this line further back" I felt that perhaps he was being a little unrealistic. My natural reaction was to attempt to discuss this question in depth, but I was extremely conscious of the fact that while I was talking there was a string of people overseas journalists and others, waiting to see Mr. Smith. Perhaps we can discuss this question some time in the future.

While it has become increasingly difficult for those using Communist-trained terrorists to get them to venture south across the Zambesi River, one of the harsh facts of life in Central Africa is the steady trickle of Red Chinese into Zambia. Red Chinese road engineers have recently turned up, adding to those already entrenching themselves in many fields. If the Southern African front line against Communism is to be pushed northwards, then there will have to be a complete change of policy in Zambia. It is hard to see this happening in the foreseeable future. President Kenneth Kaunda is under heavy pressure from his African opponents, the most prominent of these being pro- Red Chinese. Advertisements in British papers, calling for European pilots, technicians and various types of administrators, confirm the view of those who warn that there is a steady stream of European withdrawals from official positions in Zambia. Kaunda has attempted to ensure that control of the armed forces and police is in the hands of Europeans. He fears a coup by an African army.

I left Rhodesia confident that there has been no erosion of will to survive. But we can expect to see Rhodesians more openly debating their internal politics. There is a wide variety of viewpoints concerning how the Government's new constitutional proposals should be implemented. But in spite of the launching of a new "Conservative Party", I can see no real political challenge to the Rhodesian Front under the leadership of Mr. Ian Smith.

(The complete report of Mr. Eric Butler's interview with Prime Minister Smith will appear in the August issue of Intelligence Survey .)

UNIVERSITIES UNDER ATTACK: "To make a series of visits to universities in different parts of the world has the nightmare quality of science fiction." - Dr. J.A.L. Matheson, Vice-Chancellor of Monash University in The Age, July 15 .

Dr. Matheson was speaking at the same time as the Monash University Council was forced to cancel a meeting of the council due to the invasion of the council chambers by militant students led by Albert Langer. Peter Butcher, (secretary of Monash Labor Club) replying to a promise by Dr. Matheson that those students identified as taking part in the invasion would be disciplined, said the students concerned would refuse to pay fines, and "we'll bring between 500 and 600 students to front the disciplinary committee with others. "

Pursuing fundamental marxist objectives of student participation in the administration of the university, the militant students had endeavoured to force their way into the council meeting. Showing the weakness of authority in dealing with such situations, Dr. Matheson disclosed that had the meeting gone on as scheduled he had intended to propose that a number of students be asked to sit on the council, but he would not act "under duress." It is obvious he is acting under duress, and it is going to take more than the fining of a few of the militants to stop the onward march of the revolutionary army operating on the university campus.

EDUCATION. THE BATTLE FOR FULL STATE CONTROL: "Four groups seeking education reform are planning joint political campaigns in Victoria before the next Federal and State elections . . . . The move compares with a plan by the N.S.W. Teachers Federation of starting a \$250,000 long range campaign to unseat the N.S.W. State Government." - The Age, July 15

Playing on the sectarian issue as their greatest weapon, the leftwing groups in the teaching industry (it is difficult to call it a profession or an academic calling in today's climate of agitation and politicking) are mounting a massive campaign to ensure that their objective of full state control of education is not lost by default, or by what they consider misguided economic policies. The possibility of the government paying \$50.00 to independent schools for each student must fill the hearts of the marxists with dread as they visualise the extension of the independent schools where the pupil may get Christian education, or is taught subjects which undermine the concept of the socialist state. State Aid is a key issue, make no mistake.

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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.