A WEEKLY COMMENTARY

ON TARGET

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS

The price of Freedom is eternal vigilance –

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THOUGHT FOR THE WEEK: *"Kings stand apart from all others in politics, in my experience. They are professionals in a professional calling. The professional statesman, the nobleman, cleric or scholar who gave his life to public affairs, is extinct. His successor, the twentieth century politician, of whom I met a multitude, appears to me an amateur. He is always in origin something else ... who sees in politics the road to material gain, or enters politics to improve or ruin his country.*

"In this century of the great masquerade his true motives may only appear at the moment of unmasking, when a traitor may emerge. He is sometimes the agent or dupe of half-hidden groups...

"When I met a king I felt the respect I feel for a surgeon in an operating-theatre, or should feel if I were in a ship's engine-room with Kipling's old McAndrew, who was 'Alone wi' God and these my engines'. These are technical experts; their detachments from parties is real. They are what they seem. A chilling loneliness surrounded them, like that which encloses the front-line soldier in a war."

– Douglas Reed in ***"From Smoke to Smother"***, 1948

REALITY BEGINNING TO BITE by Jeremy Lee:

The gurus on Wall Street are perplexed. The current recession is not responding to the time-honoured Keynesian prescriptions – another dose of debt-stimulant that gets everybody working and investing again. The senior US institutional equity strategist at Salomon Smith Barney, Mr. Tobias Levkovich, says, "This most recent recession is wildly different".

With interest rates at historic lows, record subsidies for farmers and a "jolly good war" all of which are supposed to inject steam into ailing economies, nothing is working for the financial witchdoctors.

A mystified Peggy Noonan, writing in ***The Wall Street Journal***, expressed the confusion:

"Something is wrong with – what shall we call it? Wall Street, Big Business. We'll call it Big Money. Something has been wrong with it a long time, at least a decade, maybe more. I don't fully understand it. I can't imagine it's this simple: A new generation of moral and ethical zeroes rose to run Big Money over the past decade, and nobody quite noticed but they were genuinely bad people who were running the system into the ground. I am not sure it's this simple, either: A friend tells me it all stems from the

IN THIS ISSUE: *• Thought for the Week • Reality Beginning to Bite • Dispensational Delusions • Israel is 'Hardly Humanitarian'* *easy money of the nineties, piles and piles of funny money (read 'debt-money', J.L) Wall Street learned to play with.*

"Those who invested in and placed faith in Global Crossing, Enron, Tyco or WorldCom have been cheated and fooled by individuals whose selfishness seems so outsized, so huge, that it seems less human and flawed than weird and puzzling. Did they think they would get away with accounting scams forever? Did they think they'd never get caught?

"We should study who these men are .... and try to learn how they rationalized their actions, how they excused their decisions, how they thought about the people they were cheating. I mention this because I've been wondering if we are witnessing the emergence of a new pathology: White Collar Big Money Psychopath." (syndicated in ***The Australian***, 1/7/02)

Peggy Noonan could do no better than read *Tragedy and Hope*, by America's top historian Carrol Quigley, which sets out the international banking agenda for power and control.

Last December the world saw the biggest corporate collapse in history – Enron, with assets of $A112 billion, which turned to dust. Luke Collins (***The Australian Financial Review***, 1/7/02) wrote:

" .... Yet Enron was only the start. Accounting scandals have now engulfed Global Crossing, Tyco International, K-mart, Dynegy, Qwest Communications and Xerox, with several more likely ...."

The Wall Street debacle has finally punctured faith in the US dollar itself, and round the world people are pulling their American investments out and looking uncertainly for somewhere else to put them. The rush to gold – the final 'panic station' – has already begun.

The effect on the American people is drastic. Peter Hartcher, (***AFR***, 5/7/02) described it thus:

".... Markets are governed by greed and fear; and it was pure greed in the 1990s and now it's pure fear .... There are three dimensions to this problem. First, 87 per cent of Americans already believe that big business has too much power in Washington, according to a Harris Poll.

"Second, a majority, but only a slender one at 53 per cent, believes that Bush is interested in protecting the public interest. Another 41 per cent think he is more interested in protecting the interests of large corporations, according to a Gallup Poll.

"And third, the President's personal record is under fresh scrutiny.

"For the past two days, the President and his spokesmen have been fending off reporters who persist in asking questions about George Bush jr's role in some dubious transactions conducted by a company called Harken energy in 1989 .... "

The implications are that Bush, a director of the Texan firm and a member of its audit committee, sold almost $US1 million in shares shortly before it crashed. He flouted the law by not disclosing the transaction for eight months – explained as an 'oversight'. The Securities and Exchange Commission later ruled that Bush had broken the law. But no action was taken. As the facts are revealed, all Bush's demands for 'integrity' in the administration of corporate law are in tatters. To make matters worse, the company Halliburton, once headed by Vice-President Dick Chaney, is under investigation.

All of which seems merely the tip of the iceberg. Hartcher continued:

"... The second critical question is ...whether there will be any more Enrons, any more Global Crossings, any more Arthur Andersons, any more WorldComs? The Conference Board, a non-profit New York research group, surveyed nearly 100 corporate ethics executives in May, and asked them how many more major ethics scandals they expected to be revealed over the next 12 months. The average answer: six .... It's conceivable we'll see six big new cases on a WorldCom scale out of this - the evaporation of $US150 billion ($270 billion) in shareholder wealth - but it's also conceivable we'll see many dozens of mid-sized ones ...."

Who will be hurt most? The banks? Not on your life! A ***BusinessWeek*** article, carried in ***The AFR*** (5/7/02) said:

"... The banks have become masters at offloading the financial risks of their lending by repackaging and selling it to pension and mutual funds, insurance companies and even ordinary investors .... The outstanding debt of non-financial companies more than doubled, to $US4.9 trillion in the first quarter of 2002 ...."

So it's pensioners and household consumers who will, as usual, bear the brunt of the unfolding collapse. It will be interesting to learn how much of Australia's superannuation funds are invested in these scandalous multinational corporations.

The second half of 2002 looks ominous indeed. The crisis is not quarantined to America. Over the past year the Finnish sharemarket has fallen 32 per cent; The German sharemarket has fallen 28 per cent; Britain 17.5 per cent. In America the Nasdaq has lost 32 per cent after a 46 per cent drop the year before. The Dow Jones has fallen 12 per cent in the last 12 months and is sliding every day, with the occasional jump - just as in 1929. Each corporate crash rocks the foundations of another.

DISPENSATIONAL DELUSIONS: Perhaps it's just the drama of the moment. But all of a sudden there is a massive upsurge of interest and speculation in "end-times-prophecy". The 'Darby-Schofield' form of 'count-down' religion has been around a long time, gripping the sign-seekers. But the new surge is something else. Even Hal Lindsay's *"The Late Great Planet Earth"*, written in the sixties, is having record sales.

TIME magazine (1/7/02) devoted its front cover and its major feature article to the phenomenon, under the heading THE BIBLE AND THE APOCALYPSE – WHY MORE AMERICANS ARE READING AND TALKING ABOUT THE END OF THE WORLD.

The focal point of this resurgence is a series of twelve fiction novels, based on the Book of Revelation, by Tim LaHaye and Jerry B. Jenkins under the theme title *Left Behind*. Book sales have been quite astonishing, the first ten in the series of twelve selling over 36 million copies. Recent events, revolving round last September 11th, have been woven into a neat fit with predictions in the final book of the Bible, attributed to the disciple John, brother of James.

Conveniently, the timing starts with the formation of the State of Israel in 1948, and the predictions that the descendents of ancient Israel will be gathered in the Holy Land before the end comes. The fact that the tribe of Judah was only a twelfth part of Israel, and that the vast bulk of Jews in Israel have no genetic connection with the Israel of scripture is neither here nor there, and can't be allowed to spoil a good story.

For the time being the main beneficiary of all this is the Israel of Sharon, which finds itself overwhelmed by a fervour of misinformed evangelical fundamentalist Christianity, whose grasp of history stopped 2,000 years ago.

Obviously, there is no place in this scenario for the aspirations of the Palestinians to a little elemental justice and a state of their own alongside Israel. Even Christian Palestinians are cold-shouldered by many of the churches of the West.

"... Our primary motivation comes from the biblical verses that say he who blesses Israel will be blessed," says Doron Schneider of the International Christian Embassy in Jerusalem. *"We see ourselves as part of the fulfillment of the prophecy ...."*

How very convenient for the strongly anti-Christian Zionists currently shaping Middle East policy!

Missing from this apocalyptic scenario is any emphasis or thought about the 'Gospel of the Kingdom', which Our Lord exhorted his followers to preach to all nations. Has it, like the mustard seed in the parable, already begun, unfolding through strife and conflict until it subdues the kingdoms of this world – including the money system – reconciling this earth with the will of God, as suggested in the Lord's Prayer?

Or is it some future event which only occurs when the remnants of humanity, whatever their professed faith, are destroyed by the carnage around them?

The church of more enlightened times was clear on this question. But the 'serial-soapie' of the dispensationalists now has millions transfixed, as the New World Order is shaped into a prophetic event, with all the fatalistic inevitability that implies.

The July issue of ***The New Times Survey*** will deal with this development in a little more detail.

ISRAELIS HARDLY 'HUMANITARIAN': Israel stopping vital supplies into Palestinian areas: aid groups – ABC Online, July 7th, 2002.

News reports coming through say more than 30 international aid agencies working in the West Bank and Gaza Strip have accused Israel of obstructing their operations to the point they can no longer fulfil their mandates. The claims are that with the Palestinian economy in crisis, 32 aid agencies are now appealing to Israel to allow them unrestricted access to a people in growing need. The groups say their work has been badly undermined by excessive delays at military checkpoints and harassment and restrictions on the movement of their staff.

As a result, they say, they are often unable to reach people who need basic assistance, as curfews and checkpoints push Palestinians into deepening poverty.

The British aid agency Oxfam says families have been dramatically cutting back on what they eat and selling off assets to feed themselves.

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