A WEEKLY COMMENTARY

ON TARGET

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The price of Freedom is eternal vigilance –

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THOUGHT FOR THE WEEK: "The mature young lady is a lady of property. The mature young gentleman is a gentleman of property. He invests his property in the futures and derivatives speculation. He goes, in a condescending amateurish way, into the City, attends meetings of Directors, and has to do with traffic in globalized 'free market' Shares. As is well known to the wise in their generation, falling house prices and mortgage foreclosures traffic is the one thing to have to do with in this world. Have no antecedents, no established character, no cultivation, no ideas, no manners; have mortgage brokers' predatory and fraudulent lending practices. Have multibillion-dollar rescue packages mounted with dizzying speed to rescue greedy investment banks. Have Shares enough to be on Boards of Direction in capital letters, oscillate on mysterious business between London, New York and Paris, and be great.

Where does he come from? Shares. Where is he going to? Shares. What are his tastes? Financial systems that reward unconstrained speculation and Shares. Has he any principles? Yes, commodification of food, i.e., its trading as a means of generating profits rather than an end in itself Shares. What squeezes him into Parliament? Shares. Perhaps he never of himself achieved success in anything, never originated anything, never produced anything Sufficient answer to all; Shares. O mighty Shares!

To set those blaring images so high, and to cause us smaller vermin, as under the influence of henbane, opium, to cry out night and day, "Relieve us of our money, scatter it for us, buy us and sell us, ruin us, only we beseech ye take rank among the powers of the earth, and fatten on us!"

– With apologies to Charles Dickens and "Our Mutual Friend", 1867

LET THE LAW SUITS BEGIN : AND BRACE FOR THE STORM writes Ellen Brown –
Source: http://www.webofdebt.com/articles/bracing-storm.php

"Let the Lawsuits Begin: Banks Brace for a Storm of Litigation": Ellen Brown, 13th, July 2008:

In an article in *The San Francisco Chronicle* in December 2007, attorney Sean Olender suggested that the real reason for the subprime bailout schemes being proposed by the U.S. Treasury Department was not to keep strapped borrowers in their homes so much as to stave off a spate of lawsuits against the banks. The plan then on the table was an interest rate freeze on a limited number of subprime loans.

Olender wrote: "The sole goal of the freeze is to prevent owners of mortgage-backed securities, many of them foreigners, from suing U.S. banks and forcing them to buy back worthless mortgage securities at face value – right now almost 10 times their market worth. The ticking time bomb in the U.S. banking system is not resetting subprime mortgage rates. The real problem is the contractual ability of investors in mortgage bonds to require banks to buy back the loans at face value if there was fraud in the origination process.

". . . The catastrophic consequences of bond investors forcing originators to buy back loans at face value are beyond the current media discussion. The loans at issue dwarf the capital available at the largest U.S. banks combined, and investor lawsuits would raise stunning liability sufficient to cause even the largest U.S. banks to fail, resulting in massive taxpayer-funded bailouts of Fannie and Freddie, and even FDIC . . .

"What would be prudent and logical is for the banks that sold this toxic waste to buy it back and for a lot of people to go to prison. If they knew about the fraud, they should have to buy the bonds back."

Toxic subprime paper-writing – design of banks' 'financial products': The thought could send a chill through even the most powerful of investment bankers, including Treasury Secretary Henry Paulson himself, who was head of Goldman Sachs during the heyday of toxic subprime paper-writing from 2004 to 2006. Mortgage fraud has not been limited to the representations made to borrowers or on loan documents but is in the design of the banks' "financial products" themselves.

Among other design flaws is that securitized mortgage debt has become so complex that ownership of the underlying security has often been lost in the shuffle; and without a legal owner, there is no one with standing to foreclose. That was the procedural problem prompting Federal District Judge Christopher Boyko to rule in October 2007 that Deutsche Bank did not have standing to foreclose on 14 mortgage loans held in trust for a pool of mortgage-backed securities holders. If large numbers of defaulting homeowners were to contest their foreclosures on the ground that the plaintiffs lacked standing to sue, trillions of dollars in mortgage-backed securities (MBS) could be at risk. Irate securities holders might then respond with litigation that could indeed threaten the existence of the banking Goliaths.

States leading the charge: MBS investors with the power to bring major lawsuits include state and local governments, which hold substantial portions of their assets in MBS and similar investments. A harbinger of things to come was a complaint filed on February 1, 2008, by the State of Massachusetts against investment bank Merrill Lynch, for fraud and misrepresentation concerning about $14 million worth of subprime securities sold to the city of Springfield. The complaint focused on the sale of "certain esoteric financial instruments known as collateralized debt obligations (CDOs) . . . which were unsuitable for the city and which, within months after the sale, became illiquid and lost almost all of their market value."

The previous month, the city of Baltimore sued Wells Fargo Bank for damages from the subprime debacle, alleging that Wells Fargo had intentionally discriminated in selling high-interest mortgages more frequently to blacks than to whites, in violation of federal law.

Mayor of Cleveland – no different to organised crime: Another innovative suit filed in January 2008 was brought by Cleveland Mayor Frank Jackson against 21 major investment banks, for enabling the subprime lending and foreclosure crisis in his city. The suit targeted the investment banks that fed off the mortgage market by buying subprime mortgages from lenders and then "securitizing" them and selling them to investors.

City officials said they hoped to recover hundreds of millions of dollars in damages from the banks, including lost taxes from devalued property and money spent demolishing and boarding up thousands of abandoned houses.

The defendants included banking giants Deutsche Bank, Goldman Sachs, Merrill Lynch, Wells Fargo, Bank of America and Citigroup. They were charged with creating a "public nuisance" by irresponsibly buying and selling high-interest home loans, causing widespread defaults that depleted the city's tax base and left neighbourhoods in ruins.

"To me, this is no different than organized crime or drugs," Jackson told the Cleveland newspaper The Plain Dealer. "It has the same effect as drug activity in neighbourhoods. It's a form of organized crime that happens to be legal in many respects." He added in a videotaped interview, "This lawsuit said, 'You're not going to do this to us anymore.'"

Full article at: http://www.webofdebt.com/articles/bracing-storm.php

Books for further reading and understanding of the Money System:

- **"A History of Monetary Crimes" by Alexander Del Mar, first published 1899.** Mr. Del Mar explains "the insidious crime of secretly or surreptitiously altering the monetary laws of a State is not new." $20.00 posted.
- **"In This Age of Conflict" by Ivor Benson.** $8.50 posted. Mr. Benson traces the modern source and technology of this illegitimate and fraudulent Power.
- **"The Babylonian Woe" by David Astle.** $42.00 posted. In this scholarly work David Astle, in the greatest tradition of his nation, presents to the world a history of the effects of 'monetary mechanics' even in very ancient times.
- **"The Tallies: A Tangled Tale" by David Astle.** $20.00 posted. This book includes: A brief study of the Tally Stick as an instrument of State finance; a glimpse at the activities of the Money Changers during the so-called Middle Ages and a copy of the original Charter of 'The Bank of England' - a virtually suppressed document.
- **"The Money Bomb" by James Gibb Stuart.** $20.00 posted We believe this book must have come into Dr. Mahathir's hands in order for him to ask James Gibb Stuart in 1998 to "provide advice" on "Defending (Malaysia's) National Economic Sovereignty" (*OT* Vol.44, No.26).
- **The Money Trick": From the Institute for Economic Democracy.** $13.00 posted. Discover how a credit monopoly creates our money and then charges us for the privilege! Most of us have grown up with only the vaguest notions of money. We are fairly certain that it is the Government's right to print notes and mint coins. For the rest, our knowledge is distinctly foggy.

FINE WORDS TO BE SURE – BUT ARE THEY ENOUGH? by Betty Luks: As editor of ***OT*** I am responsible for its content. Fair enough. Occasionally I receive an indignant letter from a reader because of a published article, and, occasionally a letter of appreciation encouraging the League to 'keep up the good work'. Sometimes I personally reply, but editors of League journals do not have the luxury of office helps and such, so that doesn't happen often. Recently an indignant reader disagreed with John Brett's letter in ***OT***, Vol.44, No.21, and, because I think the matter is fundamental to what we are about in this big wide world of ours, I thought it important enough to respond publicly.

John Brett wrote: "Faith and revelation: Sir, Christianity changed the world because of its revelation, not its "faith". The under-girding revelation was that all power and authority arose from within the individual, not external to the individual, as all other religions believed then, and as most still do. Unless there has been a new recent discovery, all doctrine and philosophy arises from one or the other of these beliefs, which then becomes a Faith.

The tragedy is that so-called Christian faiths have abandoned this revelation, creating the vacuum that is being filled by the religions whose adherents believe all power and authority arises external to the individual, exactly where we were before the Christian revelation. The Spirit is either Incarnate, or still wandering around at random in space." Signed, etc.

To quote the reader's response in full:

Dear Sir, Re: *Bulletin (OT)* Letter 6/6/08. Faith and revelation. Christianity did not change the world because its under-girding revelation was that all power and responsibility arise from within the individual and not external to the individual. All power comes from God and revelation from His Son, Christ the Lord and from the Holy Ghost, the third Person of the Blessed Trinity [John XIV, v.26... Acts (John) II, vs 38 & 42]. The doctrine of faith was handed down to us from the Apostles through the orthodox Fathers in exactly the same meaning and always in the same purport. There has been no new revelation since the death of the last Apostle.

Truth and reality are objective, words have their objective meanings and deeds their objective consequences. The combination of the orthodox and the heterodox is the essence of Modernism which is the synthesis of all heresies. Faith is not a blind sentiment of religion but a genuine assent of the intellect to truth revealed by hearing from an external source. The modernist sees nothing of unalterable permanence in the Church and ultimately denies the very concept of objective truth itself. P.S. The gifts of the Holy Ghost: wisdom, understanding, counsel, fortitude, knowledge, piety, and the fear of the Lord. The fruits of the Holy Ghost: charity, joy, peace, patience, benignity, goodness, longanimity, mildness, faith, modesty, continency and chastity.

Yours sincerely, J. Craig, Rosebud, Vic.

The Editor's Response: Along with "Jane Eyre" in the Charlotte Bronte classic, I see that when 'things (in the temporal order) have changed, I must change too.' This also means a continual 'binding back' (the English word *religion* comes from the Latin words *re-ligare*; meaning, to 'bind back') to the body of Christian teaching, and the seeking of ways to apply the teaching in changed human situations, conditions and/or environments.

"The Kingdom of God is within you." I knew from earlier correspondence John Brett's letter was prompted by his delight with Owen Barfield's essay "Philology and the Incarnation" which appeared in ***OT***, Vol.44, No.10. Barfield presented a most inspiring word-picture of the stirrings of the inner *consciousness* of man; the *evolution* of man (*an unfolding from the centre outwards*, as in *organic* growth), over a particular time-slot in human history. Barfield presented the evidence through the study and understanding of the development of the English language; he pointed the reader to look at the evidence of this organic growth, coinciding as it did with the Incarnation and the presence of the Holy Ghost within.

Mr. Craig, you write that "faith is not a blind sentiment of religion but a genuine assent of the intellect to truth revealed by hearing from an external source..." I presume you mean by the teaching of the Church? Fine. But what comes next? After intellectually assenting to the truths, what comes next? Or does nothing follow? Do not those truths take form and content as the fruit of our lives? Do not those truths have to be 'incarnated'?

The League has always argued that until Christians match their intellectual belief with a practical application then they are merely espousing fine words. Didn't St Paul refer to Christians without love as being empty vessels without 'the fruit', the form and content, of the Spirit?

It was not always so: Christian men did not always believe that their faith was to be merely intellectually assented to. If they had, there would have been no individual growth, no community growth, no national growth, no such thing as a Western Christian Civilisation taking form with content – incarnated.

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