A WEEKLY COMMENTARY

ON TARGET

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The price of Freedom is eternal vigilance –

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THOUGHT FOR THE WEEK: American investors and politicians laughed at Fortis Bank when it released this report on June 28, 2008: *Brussels/Amsterdam – Fortis expects a complete collapse of the U.S. financial markets within a few days to weeks. That explains, according to Fortis, the series of interventions of last Thursday to retrieve € 8 billion. "We have been saved just in time. The situation in the U.S. is much worse than we thought" says Fortis chairman Maurice Lippens. Fortis expects bankruptcies amongst 6000 American banks which have a small coverage currently. But also Citigroup, General Motors, there is starting a complete meltdown in the U.S."*

American sentiment is rapidly changing: Six thousand banks is a long way to go! When chickens discover a blemish on an otherwise healthy chicken, they will immediately attack it and peck it to death. The global financial market players are just as merciless. – Patrick Wood, 15 September, 2008

REAL REASONS FOR FANNIE MAE/FREDDIE MAC TAKEOVER by Richard C. Cook: Fannie Mae and Freddie Mac, the twin giants of the home mortgage industry, own or guarantee assets of $5.3 trillion, almost half of the $12 trillion housing market in the U.S. These assets have been disappearing in value due to the collapse of the housing bubble.

Fannie and Freddie are government-chartered corporations. They are shareholder-owned companies required by their charters to provide low-cost capital to the mortgage industry, supposedly to further the American dream of home ownership.

In recent years, as the housing bubble inflated and the mortgage industry extended more and more credit to marginal purchasers through the use of "exotic" lending instruments, Fannie and Freddie followed suit. Many in Congress were skeptical they were overextending themselves. So they hired lobbyists.

According to a September 9 report by Allan Chernoff, CNN senior correspondent, they spent $174 million in the last ten years lobbying Congress "to ensure the political climate would remain friendly". That averages out at $297,435 per senator and representative. No wonder Greg Palast titled one of his books, "The Best democracy Money Can Buy".

Under the takeover being engineered by Secretary of the Treasury Henry Paulson, the government will oversee operations through a "conservatorship." It's a fancy name for bankruptcy. Taxpayer money will be used to inject new capital into Fannie and Freddie's operations, since, having lost so much on bad loans, they are broke. How will it work?

According to the *Washington Post's* Steven Pearlstein: "Under the deal they could not refuse, Fannie and Freddie directors and top executives will lose their jobs. Shareholders will lose their dividends, voting rights, and most of their ownership stake, while agreeing to pay dearly for the government's money and backing."

Protection of debt holders is the key: "Left unharmed will be holders of trillions of dollars in Fannie and Freddie debt – or securities backed by mortgages that Fannie and Freddie have insured against default – who will get all their money back, with interest."

Protection of debt holders is the key, because this includes foreign governments like China, as well as sovereignty funds, mutual funds, and pension funds worldwide. If these international investment sources dry up, the U.S. could no longer finance its enormous fiscal and trade deficits. It's the Armageddon scenario.

Thus within the overall context of the debt-based financial system run by the Federal Reserve, Fannie Mae and Freddie Mac are the most important business entities in the U.S.-more so than Exxon-Mobil, Microsoft, General Motors, GE, or IBM. Big companies like Exxon-Mobil at least have tangible assets they use to produce real goods and services. But the financial industry-including Fannie and Freddie-have only pieces of paper that represent someone's ability to make payments in an economy going downhill, with thousands of people losing their jobs daily.

For the last decade, the U.S. economy has been built on a foundation of housing debt as its financial engine. It's a foundation of sand. The lunacy has been a long time coming, though the "rest of the story" is little known, even to experts.

You see, decades ago, the international financial elite which runs the Western world decided that the U.S. would no longer be allowed to maintain its status as the world's greatest industrial democracy. Because the planners have always worked in secrecy through such groups as the Council on Foreign Relations, The Trilateral Commission, and the Bilderberg Group, sources are sketchy. But the information is there if you look.

The roots of the plan go back to post-World War I days, when the U.S. was making money hand-over-fist by collecting on loans made to the European World War I combatants. The financial elite, including the American Rockefellers, financed the Bolshevik Revolution in Russia. They also began to lay plans to eventually merge the U.S. with the Soviet Union in a one-world communist government.

To prepare us for world government: To prepare the American mind, such non-profit groups as the Carnegie Institute, the Rockefeller Foundation, the Ford Foundation, and the Guggenheim Foundation sought to influence the U.S. educational system in favor of collectivist ideals rather than those based on the Declaration of Independence and the U.S. Constitution. The blueprint for dumbing down the masses through collectivist propaganda was provided by the Tavistock Institute of Great Britain.

Necessary for the changes in store for mankind was an environment of perpetual warfare as the only way people would accept state terrorism as "normal." In other words, there always had to be an enemy to frighten people into voluntarily giving up their rights and accepting the legitimacy of a slave society. Key to slavery was a financial system based on debt, because, after all, it was the financiers who were the architects and expected beneficiaries of the planned system.

During the 1930s and 1940s, in order to defeat Nazi Germany in World War II, the United States built an economic powerhouse that resulted in full employment and a high standard of living. But by the 1960s and 1970s, the industrial economy was being dismantled. The 1970s was the critical decade. The financial elite, working through the OPEC nations as their instruments of change, wildly inflated the worldwide price of oil, driving the U.S. economy into stagflation. To combat the stagflation which they themselves had created, the elite, working through the Federal Reserve and its chairman, Paul Volcker, raised interest rates through the roof, causing the economy to crash.

The U.S. lost much of its producing economy during the recession of 1979-83. Since then, every period of economic growth has been a financial bubble. We had the merger-acquisition bubble of the 1980s, the dot.com bubble of the 1990s, and Alan Greenspan's housing bubble of the 2000s. The purpose of the housing bubble was to allow George W. Bush to fight his wars of conquest in the Middle East.

Mortgage fraud investigation blocked: According to mortgage industry insiders I have interviewed, soon after Bush became president the word went out to begin the wholesale falsification of mortgage applications so people could buy houses who had no business doing so. A push by state attorneys-general to investigate the mortgage fraud was blocked by Bush's Treasury Department. The bubble resulted in the tremendous inflation of housing and real estate prices that today is unraveling. Housing is still so overpriced, however, that many people can no longer afford to buy a home or can no longer get credit because financial institutions have become so reluctant to lend.

Housing inflation is what has powered the U.S. economy for the last decade. In its heyday it accounted for fifty percent of all economic growth. Take away the housing bubble, and the U.S. economy is dead in the water. That is why the government has taken over Fannie Mae and Freddie Mac. Unfortunately, there are no further bubbles waiting in the wings. When they gave up their homes to debt, the American people gave up the last thing they owned of value.

Obviously the takeover of Fannie and Freddie is a stopgap, probably to keep the economy afloat until after the November presidential election... What comes next?

CHINA, AUSTRALIA AND END OF THE WORLD AS WE KNOW IT by James Reed: The economic elite of Australia China-worship, primarily because the resources boom of Western Australia keeps the farce of Australian capitalism bopping along. And yet, there are storm clouds on the horizon. China wanting dirt-cheap resources, is buying into Australian power coal and uranium resources. Slowly China is buying up iron ore companies. Rudd is coy at the moment, but will eventually allow China to rape us, ultimately allowing China to control the entire iron ore supply chain. Australia, then, will be just another hole in the ground.

China today is a rising star, but one day may be a falling star. Water control, to take but one example, is emerging as a major issue in Asia. China controls the Tibetan plateau, which is the source of many of Asia's mightiest rivers. Growing populations and industrialization seems set to lock China and India into a deadly endgame over water. China is damming rivers at an alarming pace. Already two dams have been built on the Mekong River and three more are planned. Vietnam, Laos, Cambodia and Thailand are not happy. Things are set to heat up, and China might find itself in hot water, hated by most of Asia. Nothing makes the triggers pull faster than thirst.

THE IMMIGRATION TSUNAMI by James Reed: Australia is facing major environmental problems and its cities are experiencing unregulated sprawl. For a variety of reasons, all of our capital cities have inadequate water supplies to meet present and future needs. Capital cities are becoming unliveable – yet the immigration flood is only just beginning. It is well known that our so-called $12.5 billion education export industry is really only an expensive migrant recruitment scheme.

The Rudd government is immigration mad and has opened the immigration floodgates. The biggest immigration programme since Arthur Calwell's post WWII is now under way, largely for the same ultimate reason – racial dilution of the White race of Australia. This is done under the pretence of a shortage of workers and hence the need for guest workers, who of course never leave.

James Redden and Graeme Hugo, of the University of Adelaide (*The Australian*, 19/8/08, p.20) put the case for seasonal guest workers. No concern is expressed about environmental issues, over-staying or sustainability. How about stripping tenure from all our academics as well as superannuation, and letting them compete with academic guest workers? How about closing down the universities and selling them off for amusement parks to Asia and seeing how our chattering class go out in the real world away from the sheltered towers of academia?

RUDD'S MYOPIC PAN-ASIAN VISION by James Reed: Our Prime Minister Rudd, known in China by his Chinese name Lu Kewen (yes, Rudd is essentially 'Chinese'), has a Pan-Asian vision. Moving beyond "Australia is a part of Asia" rhetoric of the Keating era, Rudd's vision exists as total colonization, both economically, culturally and racially. The old Australia doesn't exist; Anglo-Australia is replaced by a geographical space totally open to Asian penetration. Asia remains 'nationalistic' but 'Australia' ceases to exist, being cosmopolitanly broken down, like a spider might ingest an insect.

Nationalism is undergoing a resurgence in Russia, and was, of course, always strong in China. Multiculturalism, Asianisation and political correctness, however, have paralysed nationalism in Australia. There is no organised resistance to our planned demise and even freedom movement publications don't talk about the issue much.

This old dog continues to howl at the moon. I continue to rage about the end of days of the Australia that I once knew and loved, but now but a memory. All the sacrifices have been for nothing. Our diggers died in vain.

PROBLEM NOT FEDERATION BUT POLITICIANS from Philip Benwell: National Chairman of the Australian Monarchist League, Mr. Philip Benwell says "Former State Treasurer, Michael Costa, is in error in calling for "state governments to be abolished" because "the N.S.W. political system no longer serves the public good".

He should realise that it is not our system of a federation of sovereign states that is at fault, but, as he himself claims, because they are "dominated by (Labor) spin merchants and (Labor) machine politicians unqualified to govern".

Any problems Australia faces with our federation is due not to our constitution nor our system of governance but to the political excesses of, and gross mismanagement by, our politicians.

MALCOLM TURNBULL AND THE LIBERAL PARTY by Betty Luks: Have had a number of phone calls from folk alarmed at the ballot win by former money-changer* and barrister Malcolm Turnbull for the position of Liberal Party leader. The consensus is it is the final nail in the coffin of that party. Most see him as 'the sleeper' for the International Money Power who bided his time for the right opportunity.

For those Liberals who did not vote for this man, they might consider doing what their electors once expected of them and that use their votes for the benefit of their constituents – not for the benefit of the money lenders of this corrupted and decaying world system.

For those who think I am being much too harsh referring to Mr. Turnbull as the former 'money changer' let me refresh your memory as to the history of the word.

* **Money Changer:** The old Teutonic word which subsequently became modern English *bench* was adopted into Italian, probably from the Teutonic Lombards of northern Italy, in the form of 'bianco'. It soon acquired the special sense of a moneychangers 'bench' or table and found its way, together with the object it represents, into most of the countries of Europe. Thus, like the name *Lombard Street*, the word carries us back with it to the origin of banking in northern Italy and to Edward I's substitution of Italian *bankers* for Jewish moneylenders."
Source: Owen Barfield "History in English Words".

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