A WEEKLY COMMENTARY

ON TARGET

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The price of Freedom is eternal vigilance –

Print Post Publication Number 381667 00258

Vol.44, No.40 October 17th, 2008

THOUGHT FOR THE WEEK: "The decline of Western Christian Civilisation last century, was the slow individual process of becoming what we opposed, through the process of seduction with words and money. While our enemies make words mean what they want them to mean it would be prudent for us to avoid the same calamities that follow this habit.

Wealth, by definition is one's productive capacity. Oil, coal, wool and grain can be a nation's wealth, just as vegetables, fruit, houses clothes and cakes can be an individual's wealth, as well as knowledge. Money, by definition is a claim to wealth. Whoever has enough money can claim whatever wealth is available. The difference between the two is the matter of ownership. While it is obvious who owns wealth, it is not obvious who claims ownership of money. Except for notes and coins, all money, like the wind, electricity music and God, is totally invisible and ownership is claimed by the Banking system, who only have a couple of selected spokesmen, and certainly no education programme about their business.

Our wealthy politicians would be delighted to learn we do not understand the words we use to oppose them."

– John Brett, Queensland, October, 2008

MELTDOWN – DESIGN BEHIND THE TUMULT by Jeremy Lee: When news broke in late September that legendary investor Warren Buffet was consigning US$6 billion into Goldman Sachs, he knew something that lesser mortals had not been told. After all, the latest drama was about to open on Capitol Hill, where Congressmen were to hear President Bush explain why the United States of America should swallow Henry Paulson's proposal to create $700 billion as a bail out of Wall Street. Both presidential candidates were to attend.

Melodramas on Broadway are usually more popular than in Congress. But not this time. Not only was most of America but, in fact, most of the world riveted to radios and TV screens. Treasurers, Prime Ministers and Presidents in a number of countries had changed their tune in a remarkably short period of time, from "Our economic fundamentals are sound" to "We are on the edge of meltdown".

WHAT ARE 'FUNDAMENTALS'? When tens of thousands are losing their homes and jobs, when poverty stalks ordinary families, when it takes a husband and wife to try and keep the mortgage at bay and the poorest live by soup-kitchens and welfare, things are, by and large, still O.K. But when huge banking firms round the world begin to collapse like dominoes, crisis threatens!

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The picture in the U.S. is ugly. Federal debt, after Iraq and Afghanistan, and hurricanes like Ike and Katrina, stands at $10.6 trillion. State and Local Government debt is a further $2.2 trillion. Mortgage debt is $11 trillion and consumer debt $2.6 trillion. These four items alone total over $26 trillion – well over $100,000 for every living soul in the United States, including the millions of illegal immigrants! But that's only a fraction of the debt. Sheer gambling, in the form of derivatives, makes government and home mortgage debt look trivial. Wall Street banks are staring bankruptcy in the face. They daren't even lend to each other. What better solution than to make ordinary citizens bail them out?

THE PROPOSAL So Henry Paulson, Secretary to the Treasury and former CEO of Goldman Sachs, proposed in three typed pages that the Federal Reserve Bank, under Fed Chairman Ben Bernanke, create a fund of $US700 billion, notch it up to ordinary taxpayers, and bail out the banks of Wall Street, and get debt money flowing again. George Bush was instructed to urge Congress to pass Paulson's proposal as the only alternative to disaster!

The sheer audacity of the proposal was breathtaking! Section 8 of Paulson's proposal read: "...Decisions by the Secretary (of Treasury) pursuant to the authority of this Act are non reviewable by any Court of Law or any administrative agency ..." Carte-blanche in other words!

INCH BY INCH It was in 1913 that a major coup took place in a secret meeting on Jekyll Island in the United States when, at the instigation of Paul Warburg of the Warburg banking firm, the Federal Reserve was formed as the U.S. Central Bank. Most Americans would automatically assume that the "Fed", like Australia's Reserve Bank, is publicly owned. But, in fact, it is owned by a select group of the world's biggest banking empires.

The current list of owners is: Rothschilds of London and Berlin; Lazard Bros of Paris; Israel Moses Sief of Italy; Kuhn Loeb & Co. Germany and New York; Warburg & Co. Hamburg, Germany; Lehman Bros of New York; Goldman Sachs, New York; Rockefeller Bros., New York.

WHO ARE THEY? It was Nathanial Mayer Rothschild who coined the well-known phrase: "Permit me to pass the money of a nation, and I care not who makes its laws."

Of the listed firms above, Lehman Bros has recently entered bankruptcy, being bought at a fire-sale price by Morgan Stanley. It is Goldman Sachs which has gained the pivotal posts for the "new order". Henry Paulson himself is the initiator of the required "carte blanche" legislation. Joshua Bolton, White House Chief-of-Staff, is another former Goldman Sachs staffer. Robert Zoellick, former Secretary of Trade and one-time Goldman Sachs staffer, now runs the World Bank. The Central Banks of Canada and Italy are run by former Goldman Sachs men.

John Corzene, former CEO of Goldman Sachs and now Governor of New Jersey, was spokesman for the international financiers who confronted Australian Prime Minister John Howard in June 1996, shortly after he gained office, in Sydney. Yet another former Goldman Sachs man is now leader of Australia's Opposition.

IN THE BEGINNING Both in Australia and the U.S. their founding Constitutions confer the power to create, print and borrow money on elected Federal Governments. The Labor Government, now led by Kevin Rudd, once founded the Commonwealth Bank as a bulwark against overseas borrowing. The same Labor Party under Paul Keating sold it into private hands.

Both Australia and the U.S. have weakly abandoned their duty to their people, conferring the power to create money on their own terms to a network of privately owned banks. The resulting system of usury has destroyed families and communities, and is now enslaving nations. So overloaded has the global debt system become that it threatens to engulf us all.

DOCUMENTED In 1963 America's most widely known and best regarded historian, professor Carroll Quigley, published his famous "Tragedy and Hope – A History of the world in our time'. In this epic, Carroll Quigley said that he had been allowed access to the private papers of an association of bankers bent on using their monopoly to eliminate national governments, establishing global government under their own control. The power of finance was their chief instrument.

When Prime Minister Kevin Rudd and Treasurer Wayne Swan – and, incidentally, former Goldman Sachs representative Malcolm Turnbull – urge the United States Congress to give total control to Henry Paulson they are, consciously or unconsciously, endorsing this reach for global government and A New World Order.

A CAUSE FOR HOPE At this very late stage, there is some cause for hope. A number of media reports say that Senators and Representatives in Congress, assembled to consider George Bush's plea that they endorse Henry Paulson's proposal for a bailout, were bombarded by a deluge of letters, calls and e-mails from every State, urging them to reject the suggestion. People instinctively know that this is wrong and evil, even if they don't know of an alternative. Congressional dissenters are having their arms twisted and their heads kicked to surrender to the 'banksters'. It is likely that the money power will prevail. But miracles have happened before.

AN ALTERNATIVE When the Great Depression broke in 1929 there was a great deal of discussion among economists, church leaders and the public about a theorem propounded by a Scottish engineer called Clifford Douglas. It was known as the A+B theorem, and showed that, if all money was created in the form of debt, it must result in a price structure that rose faster than available purchasing power. The result would be prolonged periods of alternating boom and bust, interspersed with trade and military wars, and finally complete dislocation and breakdown.

Enormous efforts were made by the financial establishment to discredit the proposition, and finally to silence it. Orthodox economics has been elevated to religious status, even though it is now resulting in breakdown.

In 1989, two professional men, J.D. Malan, an engineer, and A.A. Chresby, one-time Liberal Member of Parliament, made a submission to a Government Inquiry into the Financial System, the Campbell Inquiry. It presented an alternative for Australia that would have lifted the debt and poverty burden off many Australians and eliminated the ever-widening divide between rich and poor. Not surprisingly, it disappeared in the cesspool of orthodoxy.

Whatever way Congress votes,* we now face a prolonged period of financial difficulty. WE must do two things. Firstly, we must resist at all costs any idea of a world money system that would constrain Australia's sovereignty over our own affairs. We must return to our Constitution. And we must seek an alternative that releases us from the world of compounding debt. *Congress passed the legislation. Two essential booklets for those who have had enough of the banksters' and politicians' scams. They open up the money issue from an entirely different perspective.

(1) "The A+B Theorem – Its validity and implications" by J.D. Malan.
(2) "Finance and the Natural Law" – A submission to the Campbell Inquiry, 1989, by J.D. Malan and A.A. Chresby.
Both books for $10.00 posted.
"The Money Trick", $13.00 posted.
"Tragedy and Hope" by Carroll Quigley, $85.00 posted.

<u>THE RESERVE POWERS</u> from David Flint's *Opinion Column*: The Governor-General's surprise support for the codification of the Crown's reserve powers has stirred up a controversy. These powers relate to the granting of elections, and the appointment and dismissal of ministers. These may be exercised without or contrary to ministerial advice. At the present time they are governed by convention, that is unwritten custom.

In an interview on the ABC's 730 Report on 23 September, 2008, the Governor-General, Quentin Bryce, said: "I like the idea of them being written down in the Constitution. I'm increasingly attracted to the need to codify as much as possible. It is another way of empowering people." (This sentence, incidentally, does not appear in the ABC transcript)

Another view... In *The Australian* on 27 September, 2008, Christopher Pearson said that codifying the reserve powers is "a herculean task, virtually impossible as well as pointless."

"First, it would involve a team of experts agreeing on the proper limits of emergency powers, which it has generally been thought prudent not to define too precisely because not all contingencies are foreseeable.

"Second, the whole process would need a large measure of bipartisan support.

"Finally, it would mean a referendum carrying by a majority of votes in a majority of states an amendment specifying in great detail every hypothetical circumstance in which a government's actions might warrant the exercise of the Crown's power to sack it." He said that the consensus at the 1998 Constitutional Convention was that the existing checks and balances were 'the best available guarantee that the reserve powers wouldn't be abused.'"

Professor George Williams is for codification... But constitutional lawyer, Professor George Williams, disagreed. He said that Christopher Pearson was wrong in saying that codification would be "virtually impossible as well as pointless". Constitutional lawyers have for many years argued for exactly this reform, " he said.

The "vague and uncertain nature" of the reserve powers was "a flaw." He said the reserve powers had been codified in the N.S.W. Constitution and in the A.C.T.

An ACM view... *The Australian* published my views on this on 2 October, 2008. These are identical with the view advanced by ACM in the referendum. But similar views were also held by the republican establishment. "The fact that the reserve powers are not described in the constitution is hardly a flaw, as Professor (George) Williams suggests (letters 30/11)," I wrote. As former chief justice Sir Gerard Brennan says, this "has been beneficial in allowing the evolution of an independent system of national government".

"Codifying the conventions would also allow an aggrieved politician to slow down the process by going to court, rather than the political mess being resolved quickly and democratically in an election, as in 1932 (N.S.W.) and 1975.

"Christopher Pearson is accurate in saying the task would not be easy. When he gave up his attempt at codification, Gareth Evans said it was "a labour of Hercules...frankly, I think the task is impossible". So Prime Minister Paul Keating abandoned the project, deciding "the conventions should remain as they are – unwritten".

"The 1998 Convention also decided codification was too difficult. So the referendum model tried to transfer the conventions to the president, allowing them to continue to develop and keeping them out of the courts.

"Incidentally they are not codified in New South Wales, as Professor Williams suggests. "Established constitutional conventions" are specifically preserved. And the ACT is a bad example. The financial excesses of the Carnell government in relation to the Bruce Stadium would not have occurred if the constitutional system forced on them had properly respected the essence of the Westminster system.

"A reasonably diligent administrator or governor would have sent that one back. And if the Carnell government had persisted it would have faced the fate of the Lang and Whitlam governments. Paul Keating says codification " impossible" ..."

"ON TARGET" is printed and published by The Australian League of Rights, 145 Russell St., Melbourne.
Postal Address: GPO Box 1052, Melbourne, 3001. Telephone: (03) 9650 9749, Fax: (03) 9650 9368.
Subscription $40.00 p.a.