

LaRouche:

Defeat the British Empire of Monetarism!

October 5, 2009—Behind the media veil of “recovery”, world civilisation is on the brink of a total financial and economic collapse unlike anything known in world history thus far. On 30th September, the last day of America’s fiscal year, U.S. statesman and physical economist Lyndon H. LaRouche, Jr., the world’s leading economic forecaster, again warned, “October is the setting which promises an on-rushing economic breakdown-crisis world-wide.”

Since July, LaRouche has forecast that the hopeless attempt to balance the books of innumerable bankrupt enterprises at the fiscal year-end, from major corporations and banks to virtually all 50 U.S. states, will unleash a global chain-reaction disintegration during October. Under present policies, that chain reaction is unstoppable; the only question which remains, is how soon it erupts into worldwide chaos. It is like a man who has advanced cancer or some other deadly disease—he is already doomed, the only question being when, precisely, he dies.

Whether in October, or shortly thereafter, without the urgent remedial actions proposed by LaRouche, a near-term chaotic breakdown of the system is guaranteed.

The Shadows on the Wall

America’s utter bankruptcy is evident in its publicly-funded \$23 trillion or more bailout of Wall Street and the City of London, and in the runaway collapse of its physical economy, which the bailout has only exacerbated. The following figures are only indicative of the crisis, mere shadows of a far deeper process:

* Five million jobs have been “officially” lost under President Obama—this despite a multi-trillion dollar “stimulus package”.

* 32 million Americans, over 20 per cent, are now either officially unemployed; forced to work part-time; or have simply dropped out of the labour force in the last 21 months, according to the wildly understated, lying official figures. Bankrupt States and cities are now cutting tens of thousands of jobs per month, savaging vital ser-

vices such as police, fire, sanitation, maintenance, etc.

* 48 of the 50 States are, by their own figures, hopelessly bankrupt, and, unlike the Federal Government, cannot print their own money. Therefore, like a cat chasing its tail, they are forced to continually cut more jobs and services in a vain attempt to balance their budgets, but each attempt causes their tax revenues to plunge still further, while the ongoing collapse accelerates.

* A commercial mortgage crisis is now unfolding, which is far larger even than the still-ongoing sub-prime mortgage crisis.

* U.S. banks continue to fail at a rate of 10 per month—109 have collapsed since Lehmann Brothers fell last September, 98 of them in 2009 so far.

Rudd’s Idiocy

The collapse of the U.S. will blow up the entire world. Therefore the message carried in September by “Kevin from Australia” to Rupert Murdoch, the world media and the G-20 nations convened in Pittsburgh, of Australia’s powering econ-



High finance bows to the Crown: the British Crown sits at the apex of the City of London-headquartered global monetary structure which is the British Empire. Pictured: Lord Chancellor Jack Straw genuflects to the Queen in the British Parliament in 2007.

omy, is absurd beyond belief. Just consider the dependence of our economy upon that of China, for instance, which in turn is inextricably interlinked with that of the U.S. For one thing, look at China’s dollar conundrum: if China dumps its \$2 trillion or so reserves of U.S. dollars, whose value is

disintegrating daily in a world hyperinflationary blowout like that of 1923 Germany, it will collapse the dollar, which will bankrupt its biggest customer and thereby itself; but if it holds its U.S. dollars in order to prop America up, America’s unstoppable bankruptcy will collapse the dollar anyway,

and bankrupt China, too. Thus, any short-lived appearance of health, such as Australia’s momentary windfall from a China stockpiling raw materials, is like the bloom on the cheeks of one dying of tuberculosis.

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Mass Strike Shapes U.S., World Politics— “LaRouche Plan” now on the table

The American people, pent-up with rage at the collapse of the economy, the \$23 trillion bailout of Wall Street and the City of London, and Barack Obama’s Nazi health care policy, poured into the streets in August and September. Sparked by the knowledge that Obama’s health care “reform” meant suffering or early death for themselves or their loved ones, hundreds of thousands of citizens—many waving Lyndon LaRouche’s poster of Obama sporting a Hitler mustache—packed town hall meetings across America to hammer their members of Congress. Several hundred thousand (and by some estimates as many as one million) gathered in front of the U.S. Congress on 12th September for the same purpose. LaRouche had forecast this unprecedented explosion in his 1st August, Webcast: “This is now the beginning of a riotous period, as the mem-



Mass strike: hundreds of thousands of Americans vented their hatred at the Government in Washington D.C. on 12th September, 2009.

bers of Congress ... go back to their home states, where they are going to be hiding from the citizens there, who are about to lynch them.”

What was happening, LaRouche explained to a meeting of diplomats on 19th August in Washington, D.C., was a breakdown of the entire system, and a “mass strike” by the population in response. This heralded a phase change in

U.S. politics from anything prevailing in the entire post-World War II period. “What you have is a break, by the citizenry generally”, with their so-called leaders, he said. “The leading issue has been the health-care issue, the breakdown of the health-care system. But that’s not the only issue. You have a situation, where the typical patriotic American views his government, his President, and

the typical member of Congress, with hatred.”

“Wir Sind Das Volk”

The only comparable process in the recent several decades is what unfolded in communist East Germany in late 1989. Despite threats of armed repression, and the realisation that they might well be killed (many had made out their wills beforehand), 70,000 East Germans had

gathered in Leipzig on 9th October to protest what might have seemed, on the surface, to have been relatively minor restrictions, such as those on travel. However, as in the U.S. today, it was no single issue which brought the East Germans into the streets, nor any single issue which culminated in the mass demonstrations of hundreds of thousands under the heartfelt cry, “Wir sind das Volk!” (We are the People!), which brought down The Wall on 9th November. In fact, despite the gathering protests, a mere week before The Wall fell, Communist Party leader Erich Honecker and the East German ruling elite had celebrated what they predicted to be a “1,000 year Reich” of their Communist Party.

As now, also back then, LaRouche had forecast what was to come. When Soviet General Secretary

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British Monetarism Turns Public Health into Mass Murder

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Jews in slave labour camps, for instance, sharply reduced Germany's national wages bill, and providing only the minimum calories necessary for maximum work output in the camps, reduced expenses even further. Hitler initiated his "T-4" euthanasia program in 1939 to exterminate the "useless eaters", or "lives unworthy of life", who he said were a "drain" on the war efforts; he then set up the concentration camps as a direct extension of T-4.

Similarly, British Prime Minister Tony Blair established NICE in 1999, to ration the care provided under Britain's universal health care system, the National Health Service (NHS). In an interview with *Time* magazine on 27th March, 2009, NICE chairman Sir Michael Rawlins coldly laid out the Nazi-like mathematical formulae NICE employs to determine how much money a life is worth:

Time: Why is NICE needed? Shouldn't you get the drugs you need when you are sick, regardless of cost?

Rawlins: All health care systems are facing the problem of finite resources and almost infinite demand.... We are best known [for looking] at a new drug, device or diagnostic technique to see whether the increment in the cost of that treat-

ment is worth the increment in the health gain....

Time: How is that measured?

Rawlins: It's based on the cost of a measure called the "quality-adjusted life year." A QALY scores your health on a scale from zero to one: zero if you're dead and one if you're in perfect health. You find out as a result of a treatment where a patient would move up the scale. If you do a hip replacement, the patient might start at 0.5 and go up to 0.7, improving 0.2. You can assume patients live for an average of 15 years following hip replacements. And .2 times 15 equals three quality-adjusted life years. If the hip replacement costs 10,000 GBP [about US\$15,000] to do, it's 10,000 divided by three, which equals 3,333 GBP [US\$5,000]. That figure is the cost per QALY.

Time: So by the cost per quality-adjusted life year, you are basically deciding how much a year of life is worth?

Rawlins: Yes. The most controversial area is where you place the dividing line between what is cost-effective and what is cost-ineffective. That is the "How much is life worth?" question.... *The judgment of our health economists is that somewhere in the region of 20,000-30,000 GBP per quality-adjusted life year is the [threshold],*

but it's not a strict limit. [Emphasis added]

Physician Warnings: NICE Kills

A March 2009 *European Journal of Cancer* editorial attacked NICE, saying that the agency—in its rulings on which treatments are to be accessible, and under what conditions—has become more restrictive, year by year, and increasingly, has based its rulings not on clinical effectiveness, but on *cost effectiveness*. Last year, to take only one example, NICE rejected four drugs for advanced kidney or lung cancer, while acknowledging, as reported in *The Independent* of London, that "the drugs do extend life by up to six months, but the money would be better spent on other patients".

NICE has also progressively reduced accessibility of radiology treatments for cancer, causing those who have gone through chemotherapy to wait many months for radiation treatments, or to forgo them entirely. After six years of NICE, the wait for radiology had doubled to six weeks; after ten years, it had nearly doubled again to 11 weeks, according to the (U.S.-based) Commonwealth Foundation.

London oncologist, Dr. Karol Sikora, a professor of cancer medicine at the Imperial College School of Medicine, wrote in the 12th May, 2009 *New Hampshire Union Leader*, under the title "This Health Care 'Reform' Will Kill Thousands": "As a practicing oncologist, I am forced to give patients older, cheaper medicines. The real cost of this penny-pinching is *premature death for thousands of patients*—and higher overall health costs than if they had been treated properly...." [Emphasis added]

He added, "If NICE concludes that a new drug gives insufficient bang for the buck, it will not be available through our public National Health Service, which provides care for the majority of Britons.... Partly as a result of these restrictions on new medicines, British patients die earlier."

It's Coming Here

The British are heavily promoting the NICE model all over the world, through NICE International, which brags that it has developed such excellent "evidence-based" decision-making tools on what services and medicines are to be provided, and what are not, that they can "produce guidance even in the absence of (high quality or generalisable) evidence"! In the United States, Barack Obama and his chief health adviser, Ezekiel "EZ-kill" Emmanuel, have based the centrepiece of their health care reforms on NICE: a federal health board to ration care called the Federal Council on Comparative Effectiveness Research. Sparked by Lyndon LaRouche's naming Obama as a "new Nero" in his 11th April 2009 webcast, the American people took to the streets against Obama's NICE-based reforms.

In Australia, Kevin Rudd betrayed the intention of his much-touted health reforms, by appointing Professor Stephen Duckett—who designed the notorious Casemix funding model so that Jeff Kennett could slash public hospital funding in Victoria by 10 per cent in two years in 1992-94—to his Na-



How to fix health care? MORE BEDS! Instead, Australia's governments are turning to Britain's NICE, to kill patients so they can slash health care costs even further.

tional Health and Hospitals Reform Commission to prepare for a federal takeover of public hospitals. (The nurses of the Alberta Health Service in Canada accused Duckett in September this year of "bullying and misleading the public" in his new job as CEO and President of the Alberta Health Service in Canada, where he is cutting \$1 billion from that health budget.)

One reason Rudd is pushing for a federal takeover of public health, is because the Kennett-style "reforms" which have gutted public health care, haven't been uniform across Australia. For example, New South Wales, for all of its problems, rejected Duckett's Casemix as a funding model, the only state to do so. A federally-run system would ensure health care could be rationed across-the-board.

Rudd's federal takeover proposal coincides with a full-on NICE re-shaping of Australian public health. Two Australians are on the International Advisory Board of NICE International: Dr. Suzanne Hill the Secretary to

the World Health Organisation's Expert Committee on Essential Medicines, and Emeritus Professor Lloyd Sansom AO, the chairman of the Pharmaceutical Benefits Advisory Committee. Through Sansom, NICE potentially already influences the rationing of medications, given recent decisions by Sansom's Pharmaceutical Benefits Scheme (PBS) to cut certain cancer medications.

NICE's fingerprints are also all over the 2008 report by Peter Garling SC into Acute Care Services in NSW Public Hospitals. When Garling delivered the Centre for Health Governance, Law and Ethics 2009 Oration at the University of Sydney, he laid out a Nazi-like legal/ethical rationale for health care cuts: "One is entering the field where economic rationalism comes face to face with individual standards of morality, individual values and a multitude of different perspectives..." he said. "Should the baby live? And should the grandparents die? *There is no single and obvious answer to these questions.*" [Emphasis added]

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course, that has served him very well....

When it was decided in 1995 that Rudd should enter Federal Parliament, the path was cleared for him to win Labor Party pre-selection for the federal electorate of Griffith, by a branch-stacking campaign so extensive it sparked a nationwide scandal about Labor Party branch-stacking, which was investigated by the ABC's *Four Corners*. Rudd failed to win Griffith on his first try, in 1996, but he was pushed through in 1998. And fellow Labor MPs who questioned his credentials, or the circumstances of his wife's curious rise to riches in business, were quickly gagged.

His Labor credentials were indeed curious, including as they did, his membership in the neo-conservative Australian-American Leadership Dialogue; his regular attendance at the notorious Mont Pelerin Society front, the Centre for Independent Studies; his support for the Iraq war which Tony Blair had personally launched via his "sexed-up" dossier on Saddam Hussein's non-existent nuclear bomb; and his connections to the British-backed pro-independence, rabidly anti-China networks in Taiwan. But all these went unquestioned as Rudd was fast-tracked through the ranks of the party to become the Leader of what he liked to call "Her Majesty's loyal Opposition".

And so, when Labor's defeat of the discredited Coalition government loomed as inevitable in 2007, and Her Majesty wanted to guarantee that the ALP replacement for her faithful servant John

Winston Howard wouldn't resort to "old Labor" policies in the face of the economic collapse, she had the perfect candidate.

Mrs. Moneybags

Meanwhile, another key component of the Rudd story was unfolding, that of his wife Therese Rein's rags-to-riches rise in business, which has netted the PM and his wife a conservatively-estimated \$60 million fortune. Rein's Ingeus company earns all of its income from government outsourcing. She won her first government contract in 1993 when Paul Keating outsourced job placement for the long-term unemployed, and enjoyed a windfall in 1996-97 when the Howard government abolished the Commonwealth Employment Service (CES) and established the private Job Network. By then, the board of Rein's "independent" business included Wayne Goss, Qantas director and former Commonwealth Public Service head Mike Codd, and former ASIC regional commissioner Barrie Adams. Following Tony Blair's 1995 election as British Prime Minister, she won similar contracts in Britain, reportedly leveraged through Goss' former political adviser Michael Stephenson who switched to advise Blair. Following Rudd's 2007 election, Rein sold out of the Australian side of her business, supposedly to avoid a conflict of interest. But the conflict of interest is now bigger than ever: the vast majority of the Australian PM's household income now comes directly from the British government.

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Yuri Andropov rejected President Ronald Reagan's historic 23rd March, 1983 offer to share a new anti-missile system with the Soviets, LaRouche warned that if the Soviets tried to mobilise their creaking economy to outpace the U.S. and its allies in developing the Strategic Defense Initiative (SDI, which LaRouche himself had authored), then the strain of that effort would collapse the Soviet system "in about five years". On 12th October, 1988, LaRouche followed up with a historic address at the Kempinski Hotel in Berlin, where he forecast that the wall would soon come down, leading to the reunification of East and West Germany—something which no other human being on the planet expected at that time.

The Mass Strike

Now, we have entered a similar situation. At certain periods in history, LaRouche has explained, echoing the words of the great poet Percy Bysshe Shelley in his *Defence of Poetry*, certain dynamic processes take over a population, and great masses of people then act on an entirely different basis than anything apparent just days or weeks before. Since the writings of the German revolutionary and economist Rosa Luxemburg in the early 20th Century, such a

process has been known as a "mass strike". Despite the fact that terrified U.S. Congressmen are hiding from their constituents and therefore this process is not as visible as it was in August and early September, it is nonetheless still growing in the U.S., and it is simmering in many other nations. [To better understand the "mass strike", see the LPACTV video *The Dynamics of Mass Strike* authored by LaRouche's Political Action Committee (www.larouhepac.com/lpactv), and listen to the moving 10th October, 2009 LaRouche Show on radio (www.larouhepub.com/radio/archive_2009.html), featuring members of LaRouche's movement in Germany who were present during the October 1989 events there.]

Again, this *dynamic* social process of the mass strike unleashes the previously unthinkable. In the current, unprecedented breakdown crisis of the entire global economy, it means that the imperial death grip of the City of London and its Wall Street appendage on the world, may be suddenly broken, and that an entirely different international political and economic order may emerge to replace it. LaRouche has authored the guidelines for precisely such an urgently needed new global system in his "LaRouche Plan" released on 30th September.



The LaRouche Plan

LaRouche's plan for the U.S. is necessary for the entire world economy. "There's no part of the world, which presently has an ongoing program, or capability, to independently survive the present financial crisis," LaRouche said. "The only way it is going to be done is the same way the United States is going to have to do it."

The first measure of the LaRouche Plan is to enforce the U.S. Constitution which specifies the U.S. is a credit system, not a monetary system, by putting all commercial banks—not investment or merchant banks—through bankruptcy reorganisation. The accounts in the commercial banks which meet the Glass-Steagall standard, largely the cheque and savings accounts of ordinary customers and trading ac-

counts of businesses, will receive full protection under renewed Glass-Steagall measures which protect people's deposits from predatory speculation (see p. 5). The worthless "crap" paper, which LaRouche calls "Bernanke money", held by the investment banks and hedge funds etc., will not receive protection, but will be wiped out in the bankruptcy reorganisation.

The next step is to issue Federal credit principally into government infrastructure projects, to generate a recovery. Private entrepreneurs who subcontract to an infrastructure project will receive protection and accessibility to credit, similar to subcontractors under war production during World War II. This way, the projects will create skilled, blue-collar jobs in infrastructure, agriculture and industry, which will generate real wealth and a real recovery—not white collar jobs, service jobs, or so-called "green" jobs.

The LaRouche Plan will also fix health care, by eliminating the abominable Health Maintenance Organisation (HMO) system which structures health care to generate profit ahead of actual clinical care, and going back to a Hill-Burton standard, the post-WWII Congressional Act which mandated minimum beds per thousand people in every county in the United States.