

U.S. \$ Collapse Heralds Doom:

Go for LaRouche's New
Bretton Woods

November 26, 2004—In each of the past seven weeks, the value of the U.S. dollar has set record lows, and its collapse now dominates the world's financial press. Terms such as "Armageddon" and "global financial collapse" are commonly being used to describe the process underway, in which the dollar has lost over 50 per cent of its value to the European currency unit, the euro. As of March, 2003, for instance, US 90 cents would buy one euro; now, it takes \$US1.33 to purchase one euro, and the end of the dollar's fall is nowhere in sight.

The crash of the dollar—the world's reserve currency—reflects the collapse of the U.S. economy. The U.S. had emerged from World War II as by far the world's mightiest economy. However, beginning in the mid-1960s, it turned toward a "post-industrial" society, in which the U.S. (and the dollar) have survived by "outsourcing" into cheap-labour areas, and by other forms of globalist looting of much of the rest of the world, accompanied by threats, assassinations and coups as necessary. (See p. 2.) Thus, the U.S. is now a

huge debtor, with a one-half trillion dollar current account deficit, and a \$US 7.384 trillion national debt. Some \$2.8 billion dollars must flow into the U.S. economy every day (including in purchase of U.S. dollars, or dollar denominated instruments such as U.S. stocks or government bonds) from the rest of the world, in order to keep the U.S. afloat. As the London *Economist* magazine noted in late November, the U.S.'s "finances now look more like those of a banana republic, than an economic superpower."

Foreign nations holding this staggering debt are now on the horns of a dilemma: if they hold on to dollars or dollar-denominated instruments such as U.S. Treasury bonds, as the dollar falls so does the value of their holdings. However, if they try to unload any significant amount of dollars in order to protect themselves, they risk crashing the entire world's monetary system. Nonetheless, as seen by the steadily falling dollar, they are increasingly moving to dump dollars in favour of euros or other currencies. In the last three days alone, top officials in the Chinese, Russian and

British central banks have issued sharp warnings against the dollar's disintegration, with the Chinese, who hold a staggering \$514 billion, and the Russians (with \$114 billion) announcing that they would be "diversifying" out of the dollar. Such announcements naturally add to the dollar slide; the only question now is, *when will the slide become a rout?* However, whether quicker or slower, the world is inexorably heading toward the greatest financial collapse in centuries.

LaRouche Warns of
Fascism

Behind closed doors in London, New York and other financial capitals, the ongoing collapse is the sole topic of discussion. The London-centred financial oligarchy is not merely waiting for the collapse, but is putting in place the preconditions for fascist dictatorships worldwide, to maintain their power in the new Depression. Chief among the measures they deploy, is that of world "terrorism", which enables complicit or merely frightened governments to establish the preconditions for fascism. In Germany in Febru-



1. Adolf Hitler and Hjalmar Schacht, president of the Nazi central bank, and the man who built up and controlled the Hitler regime on behalf of the synarchist financial oligarchy. r. U.S. statesman and the world's leading economist, Lyndon H. LaRouche, Jr. In the global financial collapse now underway, every nation must choose between the financiers, or LaRouche's New Bretton Woods. For LaRouche's latest statement on the crisis, see p. 4.



ary 1933, the Nazis lit the infamous "Reichstag Fire", which allowed them to seize power under the guise of fighting "Communist terror". Similarly, the 9/11 atrocity was in fact orchestrated by financier-directed elements within the U.S. military establishment—the only ones with the capability to pull off such a highly-complex operation. To the extent Osama bin Laden may have played a bit part, one should remem-

ber that he has been an Anglo-American asset ever since the Americans and British built up his organisation to fight against the Soviets in Afghanistan in the 1980s.

In an interview with a Russian newspaper on November 26, Lyndon H. LaRouche, Jr., the world's leading economist, whose economic forecasts over the past forty years have all proven accurate, sketched the current political/financial terrain

in the following terms:

"I don't think that the President, the incumbent President, knows what the word [fascism] means. But, I do think that Vice President Cheney and some people like George Shultz, who are at a higher rank in this structure, do know. What I mean by it, as George Shultz would know from his father, from the 1920s and so forth: That in the 1920s and 1930s and

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Government Plans to Slash
Health Care, Murder Australians

John Howard and Health Minister Tony Abbott continually proclaim that there is "no crisis" in health care. They are lying. As most Australians know, and as documented in the graphs and anecdotal reports on pages 3-4, we have a severe health crisis. Howard can readily find tens of billions for deadly "competition payments" and to pay debt, but cannot find the funds to fix our disintegrating health care system. And what are the billions which the government pumps into "private health insurance"—instead of fixing public hospitals—but a bail-out to the financiers who run the insurance companies? And, as even the Organisation for Economic Cooperation and Development (OECD) charged recently, Howard is creating a two-tier health system, where those who can af-

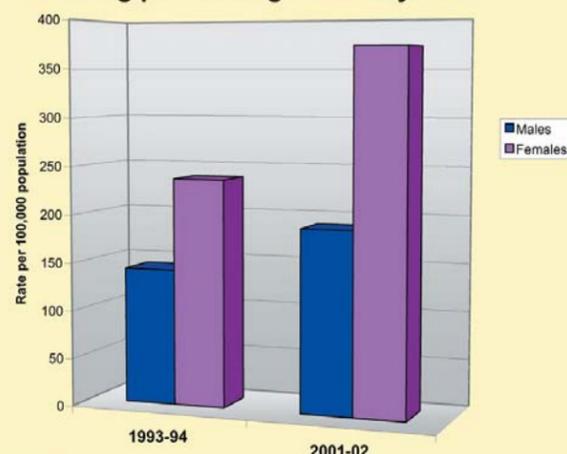
ford high-quality health care get it, and those who can't, don't, and just suffer or die in silence. Moreover, the government's ostensible great concern with terrorism on Australian soil is shown to be a cynical lie, by what they have done to the health system, which can hardly deal with a small train wreck, let alone any sort of mass casualties, or even a flu epidemic, such as the worldwide epidemic which world health officials now view as inevitable sometime in the next few years.

However, as bad as the health system now is, there are plans afoot to loot it even more. The Productivity Commission has just called for "reform" of health care, a code word for financier looting. With that report, and with the major media banging the drums for "reform", the stage

is set for the financier-puppet Liberal government to gouge billions more out of the already-inadequate health budget.

The Liberal and Labor parties claim that Australia has a "great economy". Is an economy "great", when its citizens suffer and die needlessly, or when Australia is a world leader in youth suicide? Is the purpose of a national economy to provide for the Common Good, most emphatically including high-quality health care and an optimistic future for all its citizens, or to line the pockets of the financiers who own both our major political parties? The answer to that question lies in whether the average citizen decides to take up his or her responsibilities to organise and fight for the Common Good.

Hospital Separation rate for suicide & self-inflicted injury among persons aged 15-24 years



Source: Australian Institute of Health and Welfare

Australia's youth suicide and self-harm rate has soared, as Labor and the Liberals have systematically destroyed our economy—and our youths' hope for the future—through privatisation, deregulation and globalisation on behalf of the financier oligarchy. (A "hospital separation rate" is the number of individuals who complete an episode of hospital care within a specified time, expressed as a rate per population. Patients may separate from the hospital via discharge, transfer, or death.)

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beyond, a group of international financiers, known as this cartel, the Synarchist International, organised a series of fascist coups, beginning with the 1922 coup under the banker Volpi di Misurata in Italy. Which dominated Europe, up to the border of the Soviet forces, up to 1945.

"Now, this same group of financial interests, which we defeated in the war, we never crushed the financial interests. We took some of the Nazis out of the system, we took some others as victims—but, we never shut down the financial end of the backers of the Hitler phenomenon. They became the right wing in the Anglo-American system... Now, what's happened is, we've come now, again, to a great financial crisis internationally, like that of the 1919 Versailles period, post-Versailles period—1918 to 1933. And once again, financial interests, the same pedigree as before, have moved to set up, now a sort of an imperial—it's called 'globalisation'—an imperial version of a fascist world system... They no longer want what we call republics: They want a dictatorship by financier power, which is in a life-death struggle to maintain its former power on the planet."

Australia's Position

In the early 1930s, Australia, along with the rest of the world, faced a choice: to either grow our way out of the Great Depression through national bank-financed great infrastructure projects, as key figures in the ALP such as Frank Anstey, Jack Lang, John Curtin and others argued, or to proceed with brutal austerity on the population at large, which would guarantee the debts to the bankers ahead of the Common Good. The Bank of England sent its number two man, Sir Otto Niemeyer, here in 1930, to deliver the orders to our local financial oligarchy: pay the debts, even if the population starves. To ensure that the federal Scullin Labor government or the NSW Labor government of Jack Lang were either whipped into line, or driven from power, the financial oligarchy organised mass fascist armies, such as the Melbourne-based League for National Security (LNS) and the fascist Old and New Guards in Sydney, as documented in the April 2004 issue of the *New Citizen*. John Howard's father, Lyall Howard, was a member of the New Guard, many of whose leaders (along with those of the LNS and the Old Guard) were also leaders in the newly-formed bankers' party, the

United Australia Party, the precursor to today's Liberal Party.

Some 70 years later, PM John Howard is continuing his father's efforts to establish fascism in Australia, by ramming through 30 police-state bills in the last two years. ASIO has been given many of the powers of Hitler's Gestapo, while the Australian army has been authorised to shoot and kill Australian citizens for the first time in history.

Moreover, Howard has led an austerity drive against the Australian population (one initiated by Hawke and Keating), through privatisation, deregulation, competition policy, etc.—all means by which the financial oligarchy sucks the blood of ordinary Australians. Perhaps the most dramatic indicator of the looting, is the way in which our once-proud health system has been systematically destroyed, as documented in this *New Citizen Extra*.

As for our supposed "great economy", it is constructed on a gigantic consumer debt bubble, just like that of the U.S. Household indebtedness has soared from 80 per cent of annual income to 140 per cent under Howard, while the additional tax burden since Howard took office is \$2,000 per household! Private sector debt soared \$126 bil-

lion (15 per cent) this year to June, most of which was used to buy property, further pumping up what is a worse mortgage bubble than even the ones in the U.S. and U.K. Like the U.S., our trade deficit has soared, reaching a record \$24.68 billion for 2003-2004. Our current account deficit (of which the trade deficit is a part) is a record \$50 billion, a shocking 6.5 per cent of GDP. Foreign debt has doubled under Howard, to \$406 billion; it would have been much higher, had not some \$60 billion from one of the world's largest privatisation programs been handed over to bankers to pay for the public portion of foreign debt. Infrastructure has also been severely looted, as manifest in the constant blackouts in Queensland and elsewhere; in the notorious collapse of the Sydney transit system, where tens of thousands of passengers have gone back to driving their cars because it is so unreliable; and in water, where, in the midst of the worst drought in 100 years, federal and state "water reform" policies provide virtually no new supplies, but simply sock the consumer for higher charges.

The Way Out

In the 1930s, the U.S. avoided fascism by applying the infrastruc-

ture-centred economic recovery policies of President Franklin Delano Roosevelt, who directed credit to build the U.S. economy as the "arsenal of democracy" which won World War II. Under Prime Minister John Curtin, we also directed credit, and industrialised Australia almost overnight.

As LaRouche has repeatedly explained, sovereign governments must now put supranational financier institutions such as the IMF and World Bank, as well as their own bankrupt banks and central banks, into bankruptcy, and direct vast volumes of new credit into infrastructure-centred recovery of the physical economy. This "New Bretton Woods" policy would mean a return to the fixed-exchange rates, tariff protection and national banking policies of the old, successful Bretton Woods system. (See p. 4.) The general principles of economic recovery are spelled out by LaRouche in one of his recent papers, "Animation and Economics", available from the CEC, or at www.cecaust.com.au.

With the depression now roaring down upon us, we must urgently build a political movement in Australia, such that the principle of the Common Good prevails over the murderous self-interests of the synarchist financiers.

LaRouche Launches Attack On Shultz's Fascist Vulcans

by Jeffrey Steinberg

The following article is reprinted from the December 3 issue of Executive Intelligence Review, founded by Lyndon LaRouche. It summarises LaRouche's initial evaluation of the extraordinary importance of a new book which chronicles the murderous private financier power which stands behind such institutions as the International Monetary Fund, World Bank, and all of the so-called "independent central banks" of the world, including our own Reserve Bank. The "Vulcan" apparatus described below, named after the Roman god of fire and metalworking, was the cabal of advisers assembled by former U.S. Secretary of State and Bechtel corporation executive George Shultz, to shape and control the George W. Bush administration, long before Bush was even elected. It was Shultz who convinced U.S. President Richard Nixon to take the U.S. dollar off gold in 1971, which ended the postwar Bretton Woods system, and ushered in the present, disastrous, now-collapsing system of "globalisation". For a more thorough treatment of Perkins' sensational charges, see Lyndon LaRouche's "The Follies of the Economic Hitmen: Re-Animat-

ing the World's Economy" at www.cecaust.com.au.

The publication and initial widespread circulation of a book, *Confessions of an Economic Hit Man*, by John Perkins, has prompted Lyndon LaRouche to launch a major new international flanking attack against George Shultz's fascist "Vulcan" apparatus, an attack which could catapult the Perkins book to the top of the international best-seller lists, and drive the would-be controllers of the Bush-Cheney "Halliburton Regime" into new, greater-than-ever fits of wild-eyed rage.

The Perkins book recounts the author's decades-long career as a self-described "economic hit man" (EHM), working through multinational corporate cover, on behalf of international financier circles, to bankrupt and loot the key nations of the developing sector, by saddling them with unpayable foreign debts and grabbing control of their strategic raw materials wealth. Much of this was done through LaRouche's long-standing adversaries at the International Monetary Fund and World Bank. Indeed, LaRouche and associates have identified this *modus operandi*, in published locations, over many decades as "bankers' arithmetic."

As Perkins has explained repeatedly, 9/11 drove him to break a long silence, because he was now convinced he must expose this apparatus behind the "economic hit men."

As Perkins reported in a Nov. 11 interview with Amy Goodman of *Democracy Now*, "When the economic hit men fail in this scenario, the next step is what we call the jackals... [who] come in and try to foment a coup or revolution. If that doesn't work, they perform assassinations, or try to."

During his own career as an "economic hit man," employed by the New England engineering firm Chas. T. Main, Inc., Perkins reports that he saw two heads of state who tried to defend the interests of their own people against the vultures of the International Monetary Fund and World Bank, assassinated in fiery plane crashes: Panama's chief of state Omar Torrijos and Ecua-

dor's President Jaime Roldos.

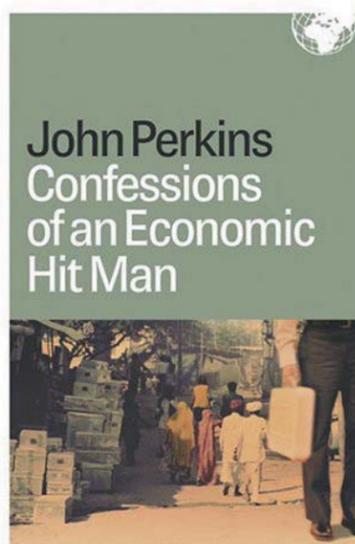
Perkins named George Shultz, the former Bechtel executive, Secretary of State, and creator of [Bush's National Security Adviser] Condoleezza Rice's "Vulcan" neo-con apparatus, as a pivotal player in the apparatus into which Perkins was recruited for his role as an economic hit man. It is that network associated with Shultz and others, which Perkins has now come forward to expose.

The Real Deal

At this moment, an investigative team of *EIR* editors and reporters, under the personal direction of LaRouche, is cross-gridding the material contained in the Perkins account, with documented real-world events which have already been known to us over the past several decades. LaRouche and his *EIR* colleagues have been prominent players in many of those events, events and players which do conform to the picture presented by author Perkins in his own autobiographical story, with several important caveats.

The most crucial of the facts which Perkins reports stand up to the standard of the rich vein of personal experience and knowledge we have accumulated over these decades of our sometimes crucial role in important parts of world affairs. There is, however, a certain fallacy of composition in his view of the operations he describes. Therefore, we adopt his report insofar as it corresponds to our prior knowledge of these matters; but, the key part, which his book seems not to recognise, defines the point at which we must make clear the most crucial facts of the matter.

The international financier circles described by Perkins as an "American global empire" are, in fact, part of an apparatus centred, not in the U.S.A., but in Western Europe, particularly in the City of London. This apparatus, an extension of the Venetian rentier-financier oligarchy, later morphed into what is today called the "Anglo-Dutch Liberal system" of private central banking, characterised by a Physiocratic obsession with vise-



The new book by John Perkins, which describes his own, insider's role in the murderous activities of the global financial oligarchy. The chief opponent of that oligarchy for the past 40 years has been Lyndon H. LaRouche, Jr.

grip private cartel control over strategic raw materials, and a deep commitment to a Malthusian nightmare of radical world population reduction.

That Anglo-Dutch system was fully consolidated by the 1763 close of the Seven Years' War, and was, for the next century, dominated by the British East India Company of Lord Shelburne, Jeremy Bentham, Adam Smith, Edward Gibbon, and James Mill. It was this same apparatus, later under Lord Palmerston, that orchestrated the Southern secession and the U.S.A. Civil War. In the 20th Century, through its Bank for International Settlements (BIS), it installed Adolf Hitler and the Nazis in power in Germany, Mussolini in Italy, Franco in Spain, and other subservient fascist regimes in other parts of Eurasia.

Today this apparatus is behind the Bush-Cheney Administration, as most clearly shown by Shultz's role in installing Condi Rice at the President's side, to "Vulcanize" George W. Bush's brain.

LaRouche vs. the 'EHM'

The history of the LaRouche movement is, above all else, a his-

tory of 40 years of combat against this Anglo-Dutch oligarchy. Thus, the events described in the Perkins book take on special, broader meaning when cross-gridded with that direct experience.

Indeed, the list of assassinated world leaders, who fought for national sovereignty and economic development, extends far beyond the Torrijos and Roldos cases, and includes: Indian Prime Ministers Indira and Rajiv Gandhi; West German bankers Jürgen Ponto, Hanns-Martin Schleyer, and Alfred Herrhausen; and Italian Prime Minister Aldo Moro.

In the domain of Perkins' personal experience, economic warfare, we have seen the decimation of Mexico, at the point that then-President José López Portillo, in 1982, took up LaRouche's "Operation Juarez" plan for a debt moratorium and a new global financial system; the Balkan Wars of the 1989-99 period, to block the realisation of LaRouche's plan for a European productive triangle; and the perpetual warfare in Southwest Asia, to fulfill Zbigniew Brzezinski's evil pledge to the late Shah of Iran that there would be "no new Japans" allowed to develop in the Persian Gulf or south of the Rio Grande. The two Iraq wars of 1991 and 2003 are but another legacy of that Brzezinski pledge, which had earlier been made policy by Brzezinski's GOP alter ego, Henry A. Kissinger, in his infamous 1974 National Security Study Memorandum 200, which defined Malthusian population warfare, and Anglo-American raw materials cartelisation, as official national security policy of the United States.

Through front outfits like the late-1970s "Nuclear Club of Wall Street," the very nexus of corporate and banking interests described by Perkins, the London-centred financial oligarchy sought, directly, on a number of occasions, unsuccessfully, to silence LaRouche and crush his movement altogether.

The documentation of this historic fight, which fills out Perkins' personal account of the "economic hit men," will be presented, in great detail, in the next several issues of *EIR*.

The New Citizen

Published & printed by:
Citizens Media Group Pty Ltd
595 Sydney Rd Coburg Vic 3058
PO Box 376 Coburg Vic 3058
ACN: 010 904 757
Tel: 0393540544 Fax: 0393540166
Editor Craig Isherwood
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USA Bureau Allen Douglas

The *New Citizen* newspaper is the official publication for Special & Feature reports for the federally registered political party, Citizens Electoral Council of Australia. Copies of this and past editions can be purchased as single copies by telephoning 1-800-636-432, Mon - Fri 9.30 - 5.00 pm or writing to Citizens Media Group Pty Ltd at the above postal address.

LaRouche on the "Great Crash of 2004-2005"

London LaRouche issued a statement on Nov. 28 on the escalating world monetary crisis, centred on the US dollar's rapid depreciation. The current world monetary tensions are the cutting edge of the systemic crisis of the global economic-financial system.

In his statement, LaRouche warned against "voices heard from Asia and Europe, which propose an immediate withdrawal from the collapsing US dollar now, while, they propose, something of value must still be salvaged by pulling away from the dollar, 'in time.' Contrary to their delusions, the trend toward a 'basket of currencies,' as an alternative to the dollar, will merely accelerate the already onrushing world-wide depression.

"Among most of my visible leading rivals to be found among the world's notable economists and political figures, most, until now, have either flatly denied that such a monetary-financial crisis was already in progress, or have insisted that reforms must be confined within the conditions specified by authorities such as those two predatory instruments of world government which have done the most to cause this depression-breakdown over the course of the recent thirty-odd years, the International Monetary Fund (IMF) and World Bank."

LaRouche pointed to his record of correctly forecasting the crucial turning points in global monetary affairs during the past decades, notably "the 1967 sterling and 1968

dollar monetary crises, and the [Bretton Woods] monetary breakdown of 1971-72," up to "the hot phase of the 2004 U.S. Presidential election-campaign."

LaRouche denounced the "manifest corruption or, simply incredible degree of ignorance" of those who "either opposed me, or simply try to change the subject to diversionary local, or even totally irrelevant issues.... Such a pattern of mental and moral disorders among the majority of a nation's leading official and popular opinions, defines a real-life Classical tragedy, such as Athens' suicidal folly of its Peloponnesian War, the New Dark Age of Europe's Fourteenth Century, the 1618-1648 Thirty Years War, and the two great 'World

Wars' of the Twentieth Century."

"The proximate source of our U.S. national tragedy today, is the assumption of politicians and others, that we must operate within the bounds of the ideology of contemporary liberalism," as typified by the ideology of Zbigniew Brzezinski, Samuel P. Huntington, "and other avowed co-thinkers of the tradition of H.G. Wells' *The Open Conspiracy* Ideologies such as those act on the behaviour of populations and their leaders as an electrified fence herds cattle."

"There is a grievous shortage of qualified political leaders, such as I am, who insist on breaking those fences.... My systemic assessment of the implications of the trends of policy-shaping within the IMF sys-

tem has been proven correct, and those who have opposed my assessment, over that interval of time, have been systemically wrong. The crucial point about those systemic implications, is that unless my remedies are adopted as a reform now, the entire world monetary-financial system has now reached the point of inevitable ongoing disintegration, that there is no hope for civilisation unless my corrective measures, as I have proposed, will either be adopted, or civilisation as we have known it, is doomed for generations yet to come.... Join me, to win. Give up your 'Baby Boomer' and other generational delusions. That is your only chance. That is our only chance."

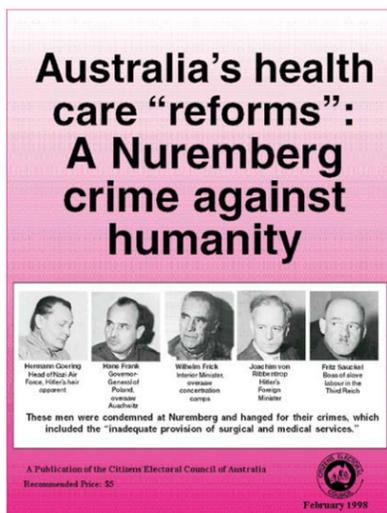
Financiers Loot, Destroy Australian Health System

The following graphs and anecdotes portray a health system in the process of collapse, due to systematic looting over the past decades, under both Labor and Liberal state and federal governments. What follows is only a tiny fraction of what has been reported by the media, and that in turn is only a tiny fraction of the shocking reality.

The collapse in health care will get far worse, as Productivity Commission-backed "reforms" are introduced to "save money", and as the federal government moves to take over all health care, as demanded by Health Minister Tony Abbott, and by NSW Premier Bob Carr, who just wants to dump the healthcare system he has ruined, and be done with it. Leading medicos are already warning of Nazi-style rationing of health care, as reported by Channel 9's *Sunday* program on July 18. Said Malcolm Fisher, Director of Intensive Care at Northern Sydney Health, "It's the crippled, the old, the addicted, the mentally infirm and the chronically ill who will suffer from medical rationing. There is no question. And the poor."

However, that rationing has already begun, by virtue of inadequate funding. Already, Queensland aged-care residents are being fed for as little as \$4 per day, less than that of prisoners, and you wouldn't keep a dog in the living conditions of many aged care facilities. (Aged care, pharmaceutical benefits and Medicare are federal government responsibilities.) Australians are dying because they can't get health care, such as heart bypass patient Barry Clague, who died on August 2 at Monash Medical Centre in Melbourne after waiting four months for surgery.

We had a severe national health crisis already by 1998, in which people were already dying back then for lack of health care, as the CEC documented in its pamphlet, "Australia's health care 'reforms': A Nuremberg crime against humanity". The response of Labor and Liberal governments? *They closed ten more public hospitals and cut back hundreds more beds in existing hospitals*, such that the number of public beds nationwide dropped 7 per cent between 1998 and 2001-02. (*Herald*



The CEC's 1998 pamphlet documented numerous cases of needless deaths due to cutbacks in healthcare. The situation has deteriorated since then.

Sun 7/04/04 As the CEC charged in its pamphlet, Nazis were hung after the war, when the Nuremberg tribunal found them guilty of "inadequate provision of surgical and medical services." No wonder that governments are extremely secretive about health care statistics, and that such statistics are often released only under intense pressure. Typical was the Victorian Bracks government's repeated refusal in 2004, to release the public hospital bed numbers, claiming they "didn't know" how many beds were in the system. (*The Age 22/10/04*) When they finally released the figures, it emerged that the government had cut 224 beds—the equivalent of a major metropolitan hospital—even as people were already dying for lack of access to timely medical care.

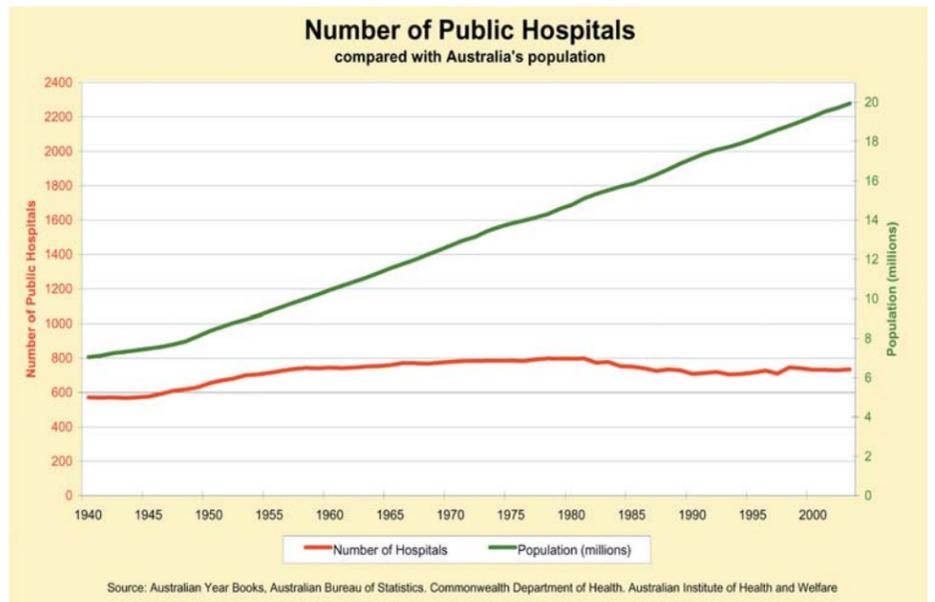
Emergency Department Chaos

Most hospitals in Australia's major cities are subject to chronic *access block* (when patients spend more than 8 hours in emergency before an acute-care bed can be found); or to *bypass* (when they accept only the most critical patients); or to *Hospital Early Warning System* (HEWS, also known as pre-bypass, when a hospital accepts only critical patients, or those with a chronic illness who have a history with that hospital). Hospitals actually on bypass are frequently forced to claim they are only on HEWS, in order not to have their funding cut.

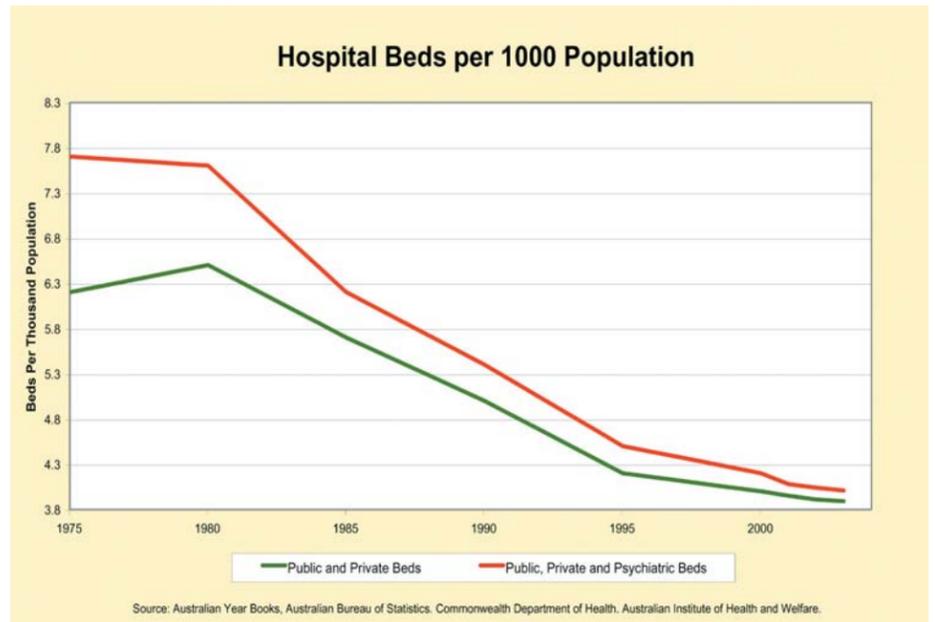
Typical were Victorian hospitals, which went on bypass only 1054 times last year, but on HEWS 3471 times. (*The Age 13/10/04*) And even by official figures,

Victorian hospitals went on bypass 238 times in the June quarter, more than double the March quarter rate, and far above the June quarter of the previous year. In Adelaide, the number of patients waiting more than 12 hours in the Royal Adelaide Hospital's emergency department has increased by 80 per cent in the past year. (*Adelaide Advertiser 8/10/04*) Even then, they are frequently put on a trolley for many hours, instead of a bed. Australia-wide, almost one-third of patients treated in all 85 of the nation's emergency departments wait eight hours or more for a bed to become available, and a survey of medical specialists in all major metropolitan and regional hospitals by *The Australian* "confirmed that the situation in emergency departments had deteriorated sharply" just in the last year (*The Australian 8/6/04; 4/5/04*)

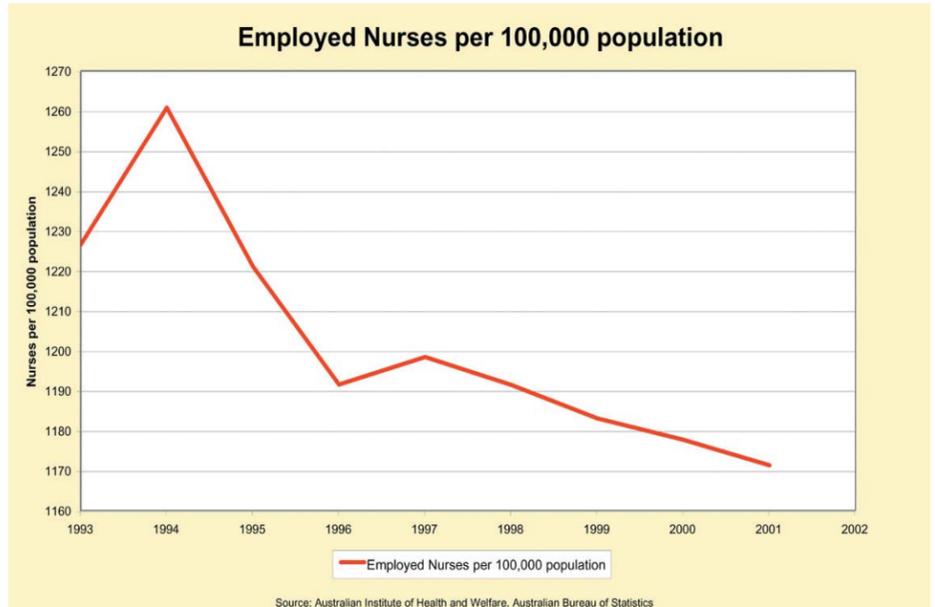
And jammed emergency rooms due to lack of beds, means that ambulances are forced to spend up to nine hours or more waiting to unload their patients. Ambulance crews in Sydney spent over 3800 hours in June waiting to unload their patients. Time spent waiting to offload patients rose 59.2 per cent compared to a year ago, despite transporting 5.2 per cent fewer patients. In July, there were 14 ambulance crews per shift unavailable in Sydney, and ambulance response times to 000 calls have therefore begun to increase. An investigation by *The Australian* found that "the situation in emergency departments had deteriorated sharply". One Sydney doctor warned, "It's outrageously dangerous. I don't think the community understands what



Note that the number of public hospitals started to fall off just when Hawke and Keating began their economic rationalist "reforms" in 1983. While the population rose rapidly, the number of hospitals fell.



The hospital beds per 1000 population plummeted throughout the entire period of the Hawke-Keating-Howard "reforms", which began in 1983.



is happening." And in Canberra, "The most potentially dangerous situation in 20 years has developed" in Canberra Hospital. According to a senior nurse, the hospital had to swing into "internal disaster mode." (*Canberra Times 24/7/04*) The situation has become so bad, that last year over 30,000 fed-up people walked out of emergency departments, reported *The*

Age of July 19.

A Sydney emergency specialist, who asked to remain anonymous for fear of retaliation by the NSW Health Department, recalled a night at one city teaching hospital when 12 ambulances were queued outside the emergency department, because all other hospitals in the area were on "code red", or bypass. The same specialist had to treat a six-year-old boy in respiratory failure on the floor because there was no emergency bed. The child eventually received a bed when another patient having a suspected heart attack gave up his bed. (*The Australian* 4/5/04)

At least two Sydney hospitals (Blacktown and Ryde) were forced to go on "code black" on August 22 and 23, effectively closing down their emergency departments to all patients. This is the unofficial term used by ambulance drivers when a hospital goes beyond code red and even critical patients can't be admitted. Code blacks are usually reserved for major emergencies such as train crashes. Meanwhile, eight Sydney hospitals were on code red for at least six hours on the evening of August 22, turning ambulances away. This was on a warm weekend with the lowest winter flu levels ever recorded. At 2.30 am the next morning nine ambulances were crammed into every available spot, including the disabled parking space reserved for visitors and improvised spots along the access road to the Fairfield Hospital Emergency Department. (*Daily Telegraph* 25/8/04) Notwithstanding this disastrous situation, the NSW government announced in September that it would close and sell two Sydney public hospitals, in order to "raise revenue".

In Canberra, thirteen senior public hospital physicians from the Canberra and Calvary Hospitals issued a scathing public letter in which they

charged there had been a 54 per cent rise in workload and a 500 per cent increase in patients experiencing excessive waiting times teamed with a reduction in hospital beds. "It is our collective opinion that patients' lives are being endangered to an unacceptable extent at an unacceptable frequency". (*Canberra Times* 25/08/04)

In Adelaide, Coroner Anthony Schapel found that 59-year-old Virginia Vasallo died after she had been misdiagnosed by doctors in the Queen Elizabeth Hospital's emergency department, but also blamed the stressed, overworked situation in which doctors found themselves. He found the department was operating at twice its proper capacity and that because there were no available in-hospital beds, patients sometimes had to wait hours, or even days, on trolleys. (*The Australian* 4/5/04)

In Tasmania, Ted Rayment, Royal Hobart Hospital chief executive, said access block, and the pressure it placed on emergency departments, was the greatest problem faced by public hospitals.

"We put non-paediatric patients into paediatric beds and, occasionally, males into maternity wards. We lurch from crisis management to crisis management." (*The Australian* 4/5/04)

The number of public hospital beds in all states is shockingly low. While a functional system should have around five beds per 1000 population (which Australia used to have), the Northern Territory leads the list with 3.76 beds per 1000, down to Victoria at the lowest with only 2.26 beds per 1000. (*The Age* 30/06/04).

Soaring Waiting Lists

Under these circumstances, waiting lists have blown out, with "hundreds of patients waiting in pain for more than a year" in Victoria. (*The*

Age, 8/11/04) They are often very restricted or even unable to function, typically waiting for common surgery such as shoulder and elbow operations, hip and knee replacements, and hernia operations; their conditions often deteriorate, necessitating more serious surgery when they finally do get it. Some patients become so desperate that they borrow money, and hospitals desperate for cash allow them to "jump the queue", reported Victoria's Health Services Commissioner Beth Wilson to *The Age* of November 9, 2004. In fact, "There are waiting lists, and there are waiting lists to join the waiting lists", reported *The Age*. The elective surgery list in Victoria rose sharply, increasing by 3486 for the June quarter to 42,120. And, the Australian Institute of Health and Welfare reported that a stunning 13,000 people took themselves off Victorian surgery waiting lists last year alone, at least half of whom had been waiting 111 days, while 20 per cent had been waiting over a year, and 10 per cent for at least 637 days! Even many heart patients wait far longer than is either desirable, or safe.

Even when hospitals have enough personnel, they frequently have vacant operating theatres in order to cut costs. Graeme Campbell, member of the Royal Australian College of Surgeons told *The Australian* of 25/11/04, that "Most hospitals in Australia are rationing access to operating theatres."

Patients not only drop off waiting lists in despair, but are also shoved out of the hospital prematurely, the only way hospitals have of dealing with chronic access block. Therefore readmission rates start to rise, as they have in Victoria. (*The Age* 6/8/04) This "revolving door health care" further compounds the situation.

Deadly Impact on Doctors and Nurses

Tired and overworked doctors and nurses inevitably make mistakes, and patients suffer or die. But hyper-crowded hospitals, blown-out waiting lists, and too few doctors and nurses, take a heavy toll on the doctors and nurses themselves. There is a "high level of suicide and emotional ill health among doctors" according to a report from the Royal Australian College of General Practitioners, "The Conspiracy of Silence: Emotional Health Among Medical Practitioners". The report found that female doctors are six times more likely to commit suicide than other women; one-eighth of metropolitan GPs have a severe psychiatric disturbance; more than 30 per cent of doctors report high levels of mental disturbance; all doctors have a heightened risk of suicide, as do their spouses, and their children "have a significantly higher rate of psychiatric breakdown." Many doctors quit because of "emotional burnout". (*The Age*, 19/9/04) The Australian Medical Association estimates the national shortfall of GPs at between 2500 and 3500, with only 600 training places per year. (*Herald Sun* 8/6/04) Strung-out nurses are quitting in droves, leading to a predicted forecast of a shortage of 40,000 nurses by 2010. (*Daily Telegraph*, 27/9/04)

Junior doctors in Queensland are compelled to work dangerously long hours in public hospitals because of overwhelming demand and a lack of resources. Qld Health overcomes the "illegality" of having doctors work such shifts by rostering them for 16 hours and asking them to do the next eight hours "on call". Dr. Andrew Doneman was 20 hours into a 24-hour shift when he saw a 10-year old girl who

had fallen from a bunk bed in January 2002. He was prosecuted when she died due to internal bleeding and swelling of the brain after he sent her home. The court was told the doctor's fatigue levels would have been equivalent to a blood-alcohol reading of 0.05 per cent.

Cost to Patients Rising

While health care has deteriorated, its cost to patients has soared. Under the Howard government, the cost of going to the doctor has increased by 72 per cent. (*Herald Sun* 6/9/04), while an international survey showed that, in Australia, "cost barriers to treatment emerged as a more likely problem than in most other countries." 14 per cent of Australians reported that "they had paid out more than \$US 1000 (\$A1250) in medical costs the previous year, second only to the U.S. (*Sydney Morning Herald* 4/11/04). And, the federal government has cut funds to the Pharmaceutical Benefits Scheme, so people will pay 30 per cent more for drugs in 2005.

The above covers only a portion of the health care categories in crisis. Not mentioned are the widely-acknowledged severe crisis in mental health; the abysmal situation in dental care (with waiting lists already as long as five years, Howard cut \$100 million from the dental program); the antiquated and worn-out equipment in many hospitals; or the absolute scandal in aged care (which is predicted to suffer an additional \$3 billion shortfall in funding over the next ten years), among others (*Sydney Morning Herald* 26/10/04).

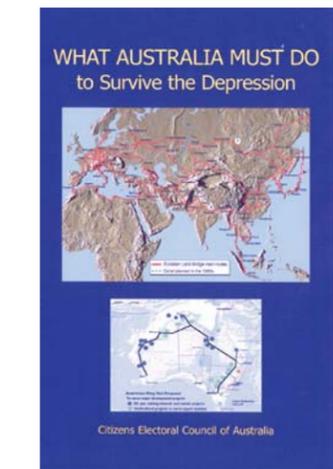
The solution? While other things must be done as well, the single most urgent thing, is to "throw a wall of money at it." And that will never happen, until the citizens of Australia force the government to establish a real national bank.

A New Bretton Woods

A New Bretton Woods international monetary system means a return to the best features of the original Bretton Woods system of 1944-1971, including tariff protection, fixed exchange rates and government support, through banking and otherwise, for agriculture and industry.

The original Bretton Woods system was established at a conference of 44 nations beginning on July 1, 1944, in Bretton Woods, New Hampshire, convened on the initiative of U.S. President Franklin D. Roosevelt. On July 22, the group agreed to create an International Monetary Fund (IMF) and a Bank for Reconstruction and Development, later known as the World Bank. The main purpose of these institutions was to help rebuild the European countries that had been devastated by war.

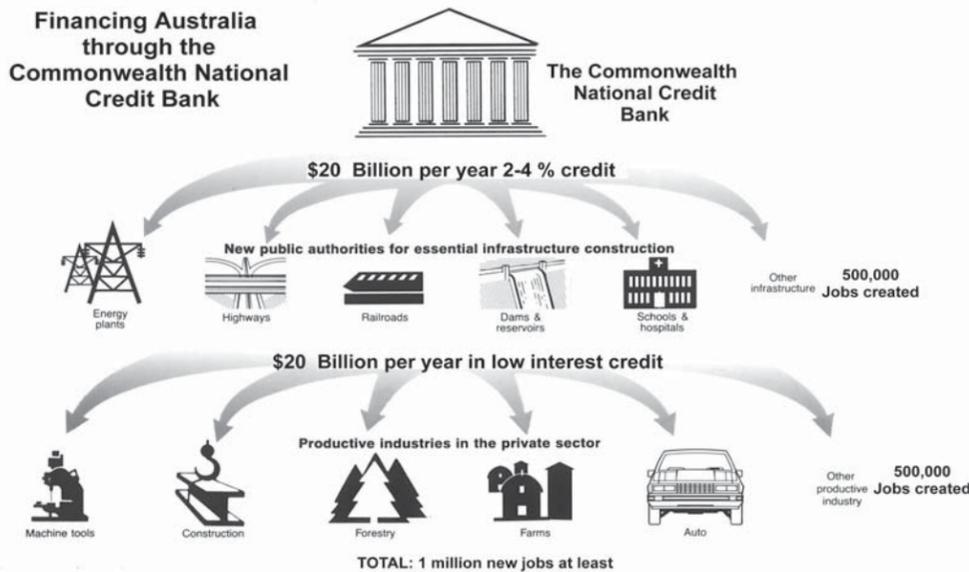
The core of the new system was the arrangement for fixed currency parities, to make it possible to revive world trade. The value of the dollar was pegged to a specific weight of gold and it functioned as the accepted substitute for gold. Exchange rates of other currencies were to be changed in relation to



The CEC's 2001 book pictured above, features extensive writings by LaRouche on the New Bretton Woods, the Eurasian Land-Bridge, and how to organise national and international economic recovery.

the dollar or gold, only as a measure of last resort, after national policy measures had been exhausted. Long-term investment and trade could thus be undertaken on a stable currency background, and the risk of dramatic currency losses and speculation was nonexistent.

From the beginning, however,



there were clashes between the "free-trade" colonial policies of the British delegation, and the concepts of President Roosevelt, who had told Britain's Sir Winston Churchill as early as 1941, that the United States was not going to fight the war in order to restore Britain's system of colonial looting. After Roosevelt's death, unfortunately, his economic policies were abandoned by successive Presidents (with the exception of John F. Kennedy), and the IMF and World Bank increasingly came to play the role of instruments of neo-colonial looting, on behalf of the London-centred financier oligarchy. When President Nixon finally took the dollar off its gold backing in 1971, the Bretton Woods system became defunct, and the present system of floating exchange rates and "globalisation" (looting) was established.

In calling for a New Bretton Woods, Lyndon H. LaRouche, Jr. has specified the following steps, which must be taken immediately:

1. Sovereign governments must put the bankrupt IMF and World Bank through bankruptcy proceedings, and must freeze all of the \$45

trillion or so of outstanding debt worldwide. They will write off worthless debt, such as derivatives and other speculative paper, as well as most or all developing sector debt, most of which has already been paid several times over. Governments must protect people, productive enterprise, and useful trade in hard commodities and science-related services.

2. The credit and issued public Treasury debt of national governments must be protected at all costs; otherwise, the necessary measures of economic recovery and growth would not be possible.

3. There must be no mass evictions, or breaks in continuity of operations of essential production and distribution of goods and essential services, as happened in the U.S. under President Hoover from 1929-31, and in Australia for almost the whole decade of the 1930s. Such blunders must not be repeated today, in any country.

4. The United States must act in concert with other governments, to put the existing financial and monetary system into bankruptcy, and to put a new world monetary system into place.

5. A global recovery program must be adopted to foster immediate recovery in world hard-commodity trade, and to provide an urgently wanted general stimulant for the private economies of the participating nations. The core of such a recovery program is the Eurasian Land-Bridge, creating corridors of high-technology infrastructural and industrial development from the technology centres of western Europe across to the huge population centres of Asia, with "spiral arms" extending to Africa and the Americas.

6. National banks must be established to replace private financier-controlled central banks, in order to provide huge volumes of national credit to rebuild and expand presently crumbling infrastructure, and thus launch economic recovery. In Australia, using the model of what the Curtin government did during World War II, and of our original Commonwealth Bank, we could rapidly create over a million jobs in basic infrastructure, with an enormous spin-off into private industry. The necessary infrastructure in great water projects, power, transport, space exploration, education and health, are spelled out in the April 2004 issue of the *New Citizen*.

For a **FREE COPY** of the blockbuster April 2004 *New Citizen*, which exposed the financier oligarchy's assault on Australia going back to their drive for fascism in the 1930's, and old Labor's heroic struggle against them, call toll-free **1800 636 432** or, send in this coupon to CEC P O Box 376 Coburg Vic 3058

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