

Obama's Financial 'Regulation' To Rescue the Brutish Empire

by John Hoefle

June 19—President Barack Obama's so-called financial "reform" program was released this week, demonstrating yet again the fascist nature of his administration. While presenting these measures as correctives to a "culture of irresponsibility," what he actually did was to push America even further under the thumb of the parasitic financiers of the Brutish Empire! His June 17 speech, and the documents released with it, constitute a deliberate fraud, yet another sell-out of the United States and its people.

Obama's speech was a collection of misrepresentations and outright lies. While noting correctly that "a culture of irresponsibility took root, from Wall Street to Washington to Main Street," he neglected to mention how he and his administration have actively protected that irresponsibility, throwing trillions of dollars of public money down the rathole, and allowing bankrupt banks to continue to accept deposits and sell stock to the public. Rather than admit that this crisis was made possible by the systematic dismantling of the banking reforms implemented under President Franklin Roosevelt, and the systematic replacing of real regulators by cheerleaders who were captives of the sectors they were supposed to oversee, Obama blamed it all on the speed of innovation.

"A regulatory regime basically crafted in the wake of a 20th-Century economic crisis—the Great Depression—was overwhelmed by the speed, scope, and sophistication of a 21st-Century global economy," the

President claimed in his White House speech.

Not a word about how the Glass-Steagall Act, and other laws enacted under FDR, were removed from the books precisely because they prevented the creation of mega-banks, which engaged in wild speculation in everything from currencies to real estate, and ultimately blew up the world! Not a word about how the takedown of these regulatory protections was done at the behest of the international financial oligarchy, which used the takedown to move in on the United States, shut down our industrial might, and turn us from a nation of producers into a nation of consumers, whose consumption was financed with borrowed money, until the whole nation was bankrupt!

The problem was not the speed of innovation, but corruption on an almost unimaginable scale, starting with the financier parasites, the politicians and regulators they bought, and a population that tolerated such actions. That, Obama does not want to touch, because he is owned by the same financier oligarchy which led the assault—and which will benefit from his "reforms."

Save the Money, Kill the People

"There are those who will say that we do not go far enough, that we should have scrapped the system altogether and started all over again," Obama said in his speech. "I think that would be a mistake. Instead, we've crafted reforms to pinpoint the structural weaknesses that allowed for this crisis, and to make sure that these

problems are dealt with so that we're preventing crises in the future."

What a load of crap! The first sentence of that statement is clearly a reference to Lyndon LaRouche, the author of the proposal to put the international financial system through bankruptcy. Obama, we are reliably informed, is furious with LaRouche for exposing the fascist nature of his financial and health-care policies, and this comment reflects his fixation on LaRouche as his leading adversary.

The rest of that statement is pure sophistry, because it is the system itself that is the problem. Contrary to what Obama said, it cannot be fixed—and the failure of his own bailout programs shows it. Furthermore, the talk of preventing future crises is premature, because as the President well knows, this one ain't over. It is, in truth, only beginning, and the worst—far worse—is yet to come.

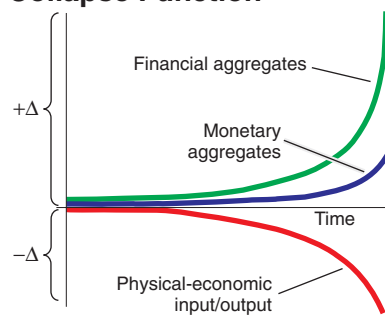
That Obama and his team realize that, can be seen in the main element of his reform, which is to give more power to the Federal Reserve. The same Federal Reserve, which, under Greenspan, led the U.S. into the creation of the largest financial bubble the world had ever seen, including the creation of off-balance-sheet derivatives, which grew into quadrillions of dollars and ultimately imploded! The same Federal Reserve which, under Ben Bernanke, has been "printing" money like crazy, in a vain attempt to keep that bubble from completely deflating—and destroying the dollar in the process! These are the idiots to whom Obama is going to give more power? In the name of protecting the people?

Obviously not. There's a different game afoot, and that is, the continued protection of monetary values, at the expense of the population. What Obama is really doing, is expanding the authority of the Fed to try to manage the collapse in such a manner as to save as much as it can. That's what the bank bailout is about; that's what the auto bailout is about; and that's what this latest "reform" is about.

Obama made that clear when he moved to protect the derivatives markets, rather than outlaw them, as LaRouche has proposed.

"We're also proposing comprehensive regulation of credit default swaps and other derivatives that have threatened the entire financial system," Obama said. "By setting common-sense rules, these kinds of finan-

FIGURE 1
LaRouche's Typical Collapse Function



cial instruments can play a constructive, rather than destructive, role."

Sure, and I've got a nice bridge I'd like to sell you.

Obama's reforms boil down to this: Keep the existing system going; turn more power over to the parasites; and restart the speculation machine. To pay for this, he's going to cut your health care, your Social Security, and whatever else is required. Save the money, kill the people.

His main economic advisors, Larry Summers and Tim Geithner, wrote, in an op-ed for the June 15 *Washington Post*, that the financial system "failed to perform its function as a reducer of risk." Risk is one of those buzzwords used to justify the insanity known as the derivatives market. One must protect oneself from changes in interest rates, currency values, bond defaults, and even changes in the weather, the bankers tell us—the same bankers who will willingly sell us such protection, for a fat fee.

This is a variation of the old mafia protection racket, in which they throw a brick through a shop window one night, and then drop by the next morning to offer to make sure it does not happen again; except in this case, the damage is done through the deliberate manipulation of financial markets.

Summers and Geithner also warned that "we live in a globalized world" and therefore need "international standards," which is precisely what the British are pushing as a way of creating a global financial dictatorship. The pair also defended the derivatives markets, calling, as Obama did, for more "regulation" of what must instead be banned.

For double-talk and hypocrisy, Obama's proposal is hard to beat. Meanwhile, we are losing jobs by the millions, throwing families into chaos. Trade flows, and imports and exports, are falling, and governments at all levels are cutting back services, ranging from police protection to medical care. Our very nation is breaking down.

What Obama is doing is trying to rescue the upper curves of LaRouche's "Triple Curve," by looting the lower curve. But the lower curve is the most important of all, because that's what keeps us alive. When it falls 100%, that's the final solution: We'll all be dead.

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