

receivables. Two of National Century's largest clients have already filed for Chapter 11 bankruptcy protection, and many others are expected to do so imminently.

On Friday, Nov. 8, Tender Loving Care Health Services, which provides home health-care services to over 60,000 patients, filed Chapter 11 bankruptcy in Brooklyn, saying that it is owed \$6.8 million in medical bills purchased by National Century. "This has been a catastrophe for many health-care companies," said a consultant to Tender Loving Care. "We're not sure if we can meet our next payroll." Complicating matters, is that the company is a unit of Med Diversified of Andover, Massachusetts, which itself is 33% owned by National Century. Med Diversified has now filed suit against National Century, J.P. Morgan Chase and Morgan officer Hal Pote, and against Bank One, charging them with with fraud.

Then on Nov. 12, PhyAmerican Physician Group of Durham, North Carolina, which manages 2,200 doctors who care for 3.5 million patients in 30 states, filed for bankruptcy protection in Baltimore. PhyAmerica and NCFE were both sued by PhyAmerica shareholders in 2000, who accused PhyAmerica's head and NCFE of "systematically looting" the company. PhyAmerica and NCFE paid \$4.7 million to settle the lawsuit.

Another court action has been under way in Baltimore, where the U.S. Attorney has said that NCFE was improperly taking on receivables from the BluePoint Nursing and Rehabilitation Center.

Legal actions are also under way in Ohio, where 68 health-care companies which staff nursing homes and hospital emergency rooms, and who are owed money by National Century, obtained a court order directing that health insurers and the Federal government pay them directly, instead of sending the funds into a National Century "lockbox" as had been the practice. But National Century then won a restraining order to reverse the first court order.

The Nov. 13 *New York Times* quoted an executive at another health-care receivables company, saying, "There's going to be enormous disruption in the market." Noting that many health-care companies already face long delays in collecting claims, he added: "Take away any kind of liquidity and a lot of companies will go out of business."

As of Nov. 15, National Century itself was reported to be on the verge of filing for bankruptcy protection. "Any company in this situation would consider bankruptcy as an option," a company spokesman said.

The tragedy is that much of this could have been prevented, had Congress taken up the issue of D.C. General in the Summer of 2001, instead of ducking the issue. Had it done so, the Financial Control Board's cover-up of the already-documented financial scandals surrounding National Century and DCHC would have been exposed, and its Wall Street sponsors would have had to run for cover then, instead of now.

## LaRouche on Election, And His Candidacy

Addressing a Nov. 12 Stockholm *EIR* seminar audience, in his first international meeting following the Nov. 5 American elections, 2004 Democratic Presidential pre-candidate Lyndon LaRouche assessed his own rising influence in U.S. politics, after the stunning defeat of the Democratic Party faction most opposed to his Franklin Roosevelt-style recovery measures.

Asked about his current political plans, LaRouche pointed to the "catastrophic defeat of the leadership of the Democratic Party, the fascist part of the Democratic Party, the Democratic Leadership Council, in the last election." Democratic Party national chairman Terry McAuliffe is being hounded out of his position, LaRouche said, and Sen. Joe Lieberman (D-Conn.), a DLC founder, is not returning telephone calls after eight of the 11 Congressional candidates he campaigned for lost, and a ninth faces a runoff.

"All those Democrats who went explicitly against the direction I proposed have been defeated, at least all the prominent ones. . . . These Democrats lost more heavily than others around the nation, because the population *hated* them, and would turn out to vote *against* them, where they wouldn't turn out to vote *for* other Democrats."

### Reality Has Struck

In the lower 80% of family-income brackets in the United States, and increasingly, in the lower half of the upper 20%, reality has struck. Taking just the lower half of the upper 20%, people have lost from many thousands, to millions, of dollars of their savings—and a growing number, their jobs—in recent months, LaRouche said. "If you look at what's going on in the White House, contrary to some European views which are illusory, the result of the Nov. 5 election was not that Bush was given great support—*he was not*. This was no victory for Bush. It was a defeat for the right-wing leadership of the Democratic Party, which has no policy. The Bush White House is going through a phase-shift. It wants to get rid of the Iraq war. It can't *say* it wants to get rid of the Iraq war, but it wishes to. Because the Iraq war is a *bummer from start to end*."

Turning to the White House, and the well-known mental limitations of its occupant, LaRouche said that some Europeans think the United States *should* be a parliamentary system—but it should not. In the Anglo-Dutch model of liberalism which produced parliamentary systems, including parliamentary systems devised as a reform of monarchies, these "reforms" were associated with a parallel government called a central banking system, which is independent of effi-

cient control by the government. The United States has the same problem—a financier oligarchy given independent powers by government—but that “is not in our Constitution,” LaRouche said. This oligarchy “is the faction which created the *system* of consumer society, of American neo-imperialism, which is attempting, at the point of its death, to emerge supreme in the world today.”

So, today, a fundamental interest of the United States, embedded in the history of the Kennedy and Franklin Roosevelt Administrations, is coming to the fore: “People say consumer society was a failure, rule by the upper 20% of parasites has been a failure, because the upper 20% are largely parasites. And we have to go back to representing the lower 80% as much as anything else. So this is the mood in the population. The problem is, a lack of leadership. So therefore, we have a problem of sorting out leadership. On the one side, we have the Democratic Party.

“I will now move to take over the Democratic Party,” LaRouche emphasized, “by consent of the voters who voted down hardcore Lieberman supporters more than anybody else, in the last election. Lieberman and Gore lost the election. And so did Mondale. But that’s the issue.”

### Why Run for President

The person running for President of the United States has extraordinary power, LaRouche explained: “Under our Constitution, the Presidency *is* the Executive Branch of government. Not the Congress—it’s not a parliamentary system. . . . But in the Presidency of the United States, there’s a large apparatus of civil servants and people out of government, but who were formerly associated with government, who represent the Presidency. These are the forces without which the President cannot act. The President is not capable of running the world as Emperor, expressing his *will* from the throne. The United States is run by a Presidency. . . . It’s in that layer, in the Presidency, on which I have focussed, as well as the people in general.”

That power “is why I’ve always run for President—it’s the only post that can change the system. Running for Congress will not change the system; running for Congress and trying to build your way up to become Prime Minister or something like that, will not solve the problem. You have to move directly to control of the leading role of the Executive Branch of the Presidency. Anyone who does not run for President, is not serious about saving the United States—or supporting somebody who’s running for President. Because the candidate for President is the person *outside* the Presidency who’s in the wings, who offers the alternative. The primary constituency for action of the candidate lies within the Presi-



*The Swedish Parliament in Stockholm. Lyndon LaRouche addressed a Stockholm seminar audience shortly after the Nov. 5 American elections, assessing his own rising influence and next political steps in the United States. The question of Presidential, as opposed to parliamentary powers to change the world, was a significant subject.*

dency and related institutions of the Executive Branch. If you have support from the people, and from these elements of the Presidency, you can change the system of the United States fundamentally.

“Now, that is where I concentrate. I concentrate on that with the Presidencies and similar institutions of other countries, as in South and Central America; in dealing directly with leading circles in Russia; in China; in India, and so forth; Korea—which represent something analogous to that. The view is, if we can provide the world a visible leadership, of the type which is moving in the direction we see now in the Phnom Penh meeting [the Nov. 4 ASEAN meeting, which put aside conflicts to address economic development of the Mekong River basin in particular—ed.] and similar meetings, if we can have a sense of that in Europe as well; and if we can use the crisis to get the United States to accept the kind of rebuilding programs which I’ve outlined, for which we have support in Europe—as in Italy, and for which we have increasing support *in* the population.”

LaRouche told his Stockholm audience that “[President] Bush is in a situation where he has no chance. . . . They know it. Bush and his father, and others, are haunted by the fact that he could be dumped in the same way his father was dumped in 1992, because of the economic crisis.” Bush, LaRouche forecast, will be pushed more and more in the direction of an economic stimulus program, but, “War is not an economic stimulus program, especially this kind of nonsense they’re proposing now. An economic stimulus program in the world today, is large-scale infrastructure, and high-technology investment,” usually credit put up for a 25-year duration, at a 1-2% simple interest rate, generated by government, LaRouche said.