



# *Sirens' Song* *America's Betrayal*

# Sirens' Song

## America's Betrayal

Draft Rev. 13 – 7/16/15

Many revisions have been made including an interesting examination of Political Correctness and how Progressive Eugenics contributed to Nazi Germany and the Holocaust

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# **Sirens' Song, America's Betrayal**

## ***Prologue***

Several years ago an amusing story was circulated on the internet about a youngster, who we shall call Jimmie. Little Jimmie was at the time of telling, about five years of age, and much to the concern of his parents, had never spoken a word. The reason for his silence was not clear. Specialists agreed that there was apparently nothing physical to prevent his speaking. Test after test had been administered to try to solve this mystery, however the cause could not be found. Except for his infernal silence, there did not seem to be anything wrong with the boy. Jimmie's parents had decided that they should just accept the fact that he would not speak, possibly ever, and get on with life, treating Jimmie just as any five year old child. They were of course concerned that there would be problems when he began schooling, which was not far off. They expected that they would need to find some sort of special schooling to accommodate his deficit.

One morning, Jimmie's mother thought she would try something different for breakfast, and without telling anyone, substituted rolled oats, with a touch of cinnamon, in place of Jimmie's usual Coco Wheat. She thought this would be a healthier choice and was pleased with her decision to make the conversion. It is understandable that she was shocked and aghast when, after putting the first spoonful into his mouth, Jimmie let loose with a litany of profane expressions of dislike and disgust, such as his mother had never heard from anyone, let alone her previously non-speaking son.

When all had recovered from the unexpected experience, Jimmie's mother asked him why he had been silent all these years, and why he had suddenly begun speaking. He replied simply that he had never had any reason to complain before.

When I ask myself "Why should I have spent years of my life in discovery and in writing this book and worrying about the political scene in America today, especially when there is nothing I can do about it", I find myself identifying with Jimmie. It's not that I suddenly woke up and found out that Washington D.C. was acting contrary to our national interests. It is rather that these acts of destruction have suddenly accelerated to the point where it is hurting each and every citizen and has placed the entire nation (and to some extent the civilized world) in jeopardy.

Not long ago, Senate Majority Leader Harry Reid made the statement that: "We have a voluntary income tax system". Inside, I laughed about his comment, but later on decided I would take a look at what he said. In fact, according to the law, we DO have a voluntary system of paying taxes. Federal income taxes that is. If it were known and understood that this was the case, obviously fewer taxes would be collected, so our Federal government goes to great lengths to make it appear that this taxation is legal.

The actions of the Administration in fact make payment of individual federal income taxes compulsory if not legal. It is the tax collector who makes payment compulsory, not the law. Payment of taxes is compulsory to the point that you will have everything taken from you, hopefully short of your life,

should you fail to pay what the government says you should pay. But it is voluntary. Do you understand why it's voluntary? It is because the government lacks the legal authority, via the Constitution, to impose federal income taxes as it does. There is no Constitutional authority for the United States government to legally interact, under normal conditions, with any individual citizen. Careful reading of the Constitutional clauses which grant the United States government it's authority to tax, authorize it's taxing the various States (despite the fact that John Roberts asserts that the Congress has Constitutional authority to tax anything), and generally this taxation is to be apportioned among the States proportionately. Please keep it in mind that the Constitution which forms the Federal government is an agreement / compact / contract between the individual States and the then future United States government. While the preamble begins "We the People of the United States", the actual agreement was drawn up and agreed to by the various States, not "we the people". It authorizes and describes the relationship between the various States and the intended United States government. It gives over certain limited "powers" to the united government and retains the rest for the individual States. That was the intent of the framers of the Constitution. Even considering the 16<sup>th</sup> Amendment, there is no Constitutional authority for anyone in government to collect individual Federal Income Taxes, especially under a Progressive tax structure. Legally, they can't make it compulsory, therefore legally, it's voluntary. We are being lied to and robbed by the very government we depend on to protect us. That doesn't sound good, and is probably not the best tone on which to begin, however it doesn't get any better. Could anyone wonder why so many people regard taxation to be theft? I would not however recommend anyone to "neglect" paying taxes based on my analysis – you would not fair well.

When I am faced with a realization such as this, especially knowing that there is nothing I can do about it, my speaking voice increases in volume. My wife takes that personally, and life at home is not then ideal. Politicians want everyone to pay taxes to support them, so there is no value in speaking to a politician regarding an issue like this. Consequently, my only recourse is to "write a book" and hope someone reads it. At least this way, I'm not talking to the wall.

### ***Actions have consequences***

Most people have heard at least something about the Chaos Theory which was popularized in "Jurassic Park", or perhaps merely a portion of it. The theory can be thought of in the following manner: A system's sensitivity to initial conditions, and early changes to the system is popularly known as the "butterfly effect", so called because of the title of a paper given by Edward Lorenz in 1972 to the American Association for the Advancement of Science in Washington, D.C., entitled ***Predictability: Does the Flap of a Butterfly's Wings in Brazil set off a Tornado in Texas?*** The flapping wings represent a small change in the initial condition of the system, which causes a chain of events leading to large-scale phenomena. Had the butterfly not flapped its wings, the trajectory of the system might have been vastly different.

Several years ago, when the Personal Computer (PC) was first introduced, I began to teach myself to program in BASIC. This was a time when programming was far more elementary than is true today, so self taught programmers were not really something unique. My education progressed from BASIC through several different languages, to Windows and something called Visual Basic. One of the very first things that I learned in programming was that: if you asked a question and expected a reply, you absolutely had to account for EVERY possible answer. In BASIC, an unanticipated answer was likely to crash the program, or even the computer. Every possible answer had to be predicted, and the "trajectory" had to be anticipated from any given point onward within the program. Since the prediction of every possibility is often difficult if not impossible, it quickly became necessary to incorporate "error correction routines" into every program, so that when unforeseen problems occurred,

hopefully the program could recover itself to some reasonable point in the program.

A fact often ignored in politics is that our society and its government compose a very delicate system, which, just as the computer program above, runs a constant risk of crashing with improper input. There are almost always, “unintended consequences” to any action taken in government, no matter how altruistic or exacting the politician may believe himself / herself to be. For this reason, any new legislation must be researched in every way imaginable, before introduction, to insure that as few “unintended consequences” as possible can occur. Laws created to ostensibly accomplish one objective may end up causing something completely unimagined, perhaps even the near collapse of the world's economy such as we have recently witnessed. The research is rarely done; instead politicians create, in the shadow of their personal ideology, an imaginary world of perfection, a utopia, and fashion laws to attempt to make that fanciful world a reality. This has especially proven true when academics have been placed in control. This is good reason to restrict the enactment of laws to the fewest possible and only then when these laws are absolutely necessary.

In a very real sense, the legislative equivalent to a computer program's “error correction routine” can be found in our government's “enabling legislation”; our Constitution. The problem of course is that much legislation (many legislators) finds ways of circumventing the Constitution, or drives right over it. Much of our existing legislation should have been eliminated by the protective measures of the Constitution; however corrupt politicians, just like programs that intentionally circumvent their error correction routines, ignore the law and try to force their methods upon the system. Problems / crashes always ensue.

As a general impression, it has been amply demonstrated in history, that a politician extracted from the insular world of academia, while quite possibly being an expert in one area of government, will be found sorely wanting in other areas. These people invariably lack the ability to see “the big picture”, or possibly, more likely lack the ability to accept the wisdom of the “people” as superior to their own limited philosophy. It is well known that Woodrow Wilson, president of Princeton University when he was elected to the Presidency of the USA as a Democrat, instituted “Progressive” policies and expanded the purview of the federal government far beyond its existing bounds, and generally desired limits at the time. Curiously enough, his election was secured over Teddy Roosevelt, who was running on a newly formed “Progressive Party” ticket. Many feel that his (Wilson's) policies and programs, such as the Federal Reserve, the League of Nations, and others have been extremely destructive to the United States of America in the long run. Most of Wilson's agenda was accomplished because the United States was deeply threatened by and involved in the First World War at the time. The general population was looking the other way, so to speak. His success in “legislating” the Constitution (which he reportedly hated) out of existence has probably been the origination of the Progressive's need to manufacture crises in order to accomplish the Party agenda. The general population could not get rid of Wilson fast enough, although his legacy was much more difficult to deal with. It still continues in shadow organizations which teach and heavily influence the actions of today's politicians.

While there is something to say about the thought that “one should not point fingers” especially in politics, invariably the one issuing this sage advice is in some way responsible for whatever occurred to invite the finger pointing. Having said this, one cannot ever really fix a problem unless the cause of the problem is known. This has to be regarded in the same light as the first step in recovering from an addiction – admitting that there is a problem. It means that you must not only know that there is a problem but that you must know **exactly** what the problem is. The most obvious “second step”, where a cause can be ascertained, logically is removing that cause.

## ***How I came to care***

Sometime around 2002, when retirement began to loom as a pressing reality, my wife and I (after an assessment of our savings and future financial necessities), began investing in earnest in the stock market. As is probably true of anyone new to the stock market, we followed our investments on a nearly minute to minute basis. Obviously Social Security was not going to provide any sort of comfort in retirement, if indeed it was going to still be in existence in another fifteen years, which tentatively was time for our “Golden Years” to begin. Our investments at the time were not large, but with some determination we were able to invest with regularity and over the years these investments began to accumulate. Between 2002 and 2007, we were able to increase our savings by several times leaving us with the thought that maybe; just maybe, we would be able to live in a modicum of comfort after retirement in 2017. Little did we suspect that our little nest egg would be cut in half by the market convulsions of 2008.

When the market began its downward spiral in 2008, it was blamed on the sub-prime mortgage market. It was initially blamed on several companies that had heavily engaged in the practice of encouraging people to overextend themselves to own a house, in order to make extraordinary salaries for themselves. In truth, there was plenty of blame to go around. The focus of blame shifted like the sands of the Sahara, from various companies on Wall Street, to unqualified home buyers, to various individuals in the government, with especially long fingers pointed at President G. W. Bush and his administration, for instance Secretary of the Treasury, Henry Paulson. Another popular target was Alan Greenspan who was castigated for providing easy money for the country immediately after the attacks of September 11, 2001.

The primary target for all the fault finders became those on Wall Street who had profited greatly from the “housing bubble”, therefore somehow they had to be held responsible for it all. The magical word of the day became RISK. While it must be common nature to blame the guy who made the money, the explanations as a whole just didn't make sense. The bubble was conveniently blamed on President Bush, but then for the past eight years, everything unsavory that happened in the world had been pinned on Bush. It just didn't “feel” right somehow, so I determined that I would do some research and find out for myself where it all started, when, how, why and by whom. While the mechanics may have been hidden, the facts were all right there in plain sight. For some reason though, no one wanted to talk about reality, let alone inquire into the facts. Everything was spun politically for all it was worth to distract attention from the facts of the matter. The “press” seemed to have some vested interest in making sure that any fault should be ascribed to a time period after the year 2000. And, pretty much everything we know and believe is fed to us by the “press”. As time passed, this “press” has proven itself to be more and more irresponsible, biased and unreliable.

The “media” and “those who have taken control of the government” would have you believe that where the economy is concerned, “stuff happens”. After reading this, perhaps you may conclude that there were reasons and causes for it all.

***"Nothing in politics ever happens by accident; if it happens, you can bet it was planned!"***  
***[Franklin Delano Roosevelt]***

During his “State of the Union” speech on January 24<sup>th</sup>, 2012, President Obama called for the creation of a “federal unit” to further investigate lending practices that led to the housing crisis! If Mr. Obama simply reads this book, he will find out the real story behind the crisis he claims he wants to



investigate. On the other hand, as has been the case in the past, the purpose of this “unit” could be just to “cover up government involvement in the causes of the crisis. Protect the Party!

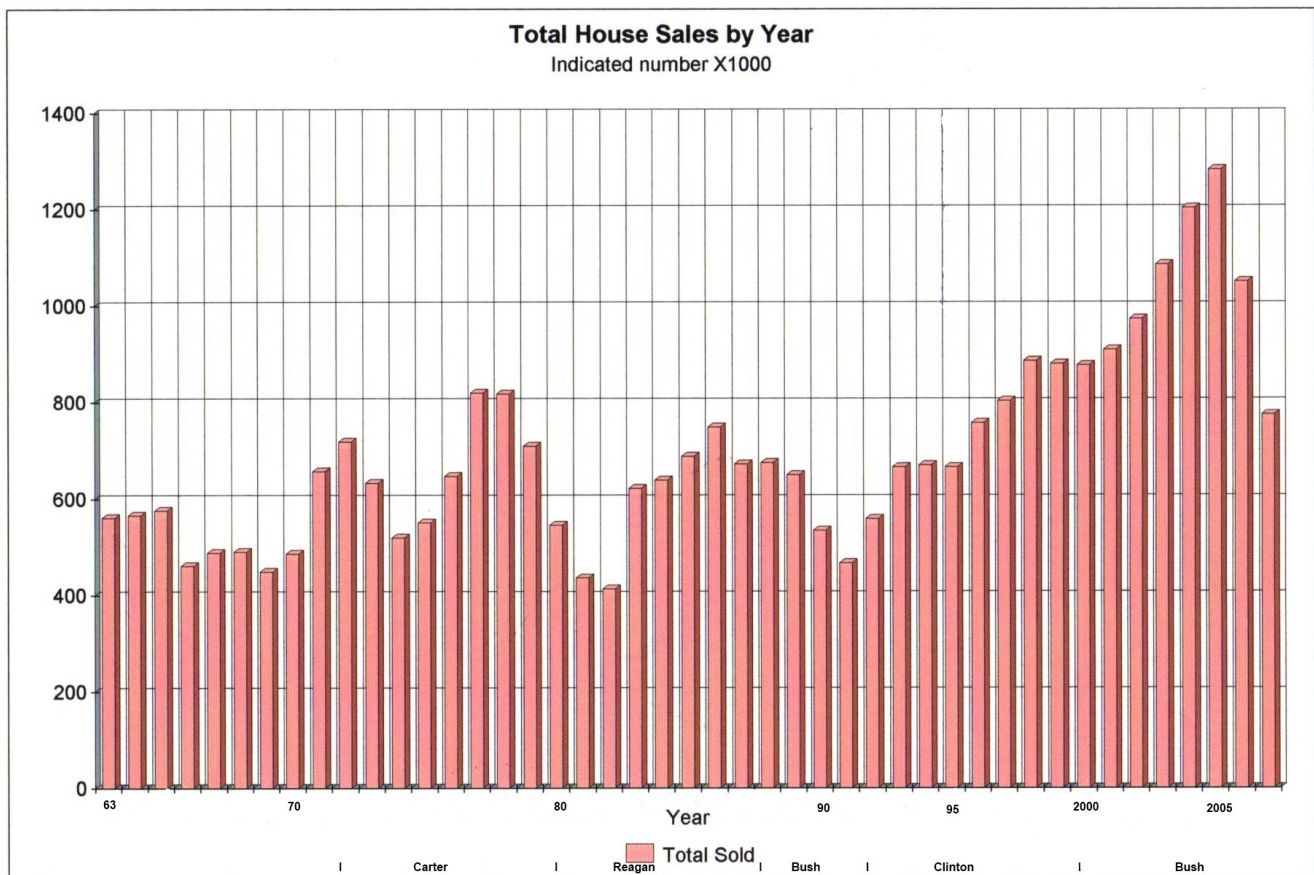
Remarkably in March of 2013, Barack Obama called for a comprehensive relaxation of lending standards in order to promote (lower quality) loans and possibly boost the housing industry. What is remarkable is that he was then calling for a re-institution of exactly the same conditions which led to the banking system failure in 2008. Isn't this Einstein's definition of insanity? Perhaps he did read this book and learned how to cause the banking industry's collapse. Obama's call included his public statement that any losses by banks would be covered by the taxpayers. While Clinton did essentially the same thing, even by launching legal action against banks who would not comply, he was never transparent enough to tell the public that they would be on the hook, should any banks fail. Perhaps this was what Obama meant by transparency – “in your face losers”.

### *My reasoning*

I started my inquiry by drawing a simple graph of numbers of house purchases and another of their sales prices over the past half century. The numbers were drawn from easily available government statistics.

What I found with regard to the “housing bubble” was revealing, but hardly surprising, since I had personally lived and worked through that time period. The “bubble”, or on my graph the spike, began in the latter years of Bill Clinton's administration, which again was in no way surprising. Something happened in that time period which caused the housing market as a whole to change dramatically. For that matter, a lot of strange things started happening in this country, during that time period.

I felt somewhat knowledgeable about the housing market during the years 1995 through 1998 because I was then working in the insurance industry both from the standpoint of a major insurer and that of our State (High Risk, Property) Insurance Plan. Something obviously was rapidly pushing the market toward insolvency. Sales prices of “high ticket” property, such as homes and automobiles, were becoming far higher than what we (in the insurance industry) considered to be the owner's “insurable interest” in the property. Loans were being made with almost no questions asked, for up to 125% of equity. Insurance companies as a rule don't like insuring that. Our agency began having problems justifying insurance to cover the full amount of home mortgages as well as loans on new automobiles. This trend began in full around 1994 – 1995. From a personal standpoint, I merely took note of these happenings and filed them away for the future, so to speak, because at that time, strange as it all seemed, I had no idea of what it meant or what its effects might be on the future.



What I found with overall regard to the housing bubble was certainly disappointing, but my investigations into this era led to far more shocking revelations and portents for democracy than I would ever have imagined. There was a conspiracy but this was no “conspiracy theory” to be marginalized. The facts are there for all to see, if one cares to look. What I discovered was the abject and planned betrayal of the American public and our system of government. I had no idea at the time what a can of worms I was about to peer into. This is a work of non-fiction, despite the fact that it reads like fiction.

### *The American dream*

Americans have achieved greatness, to a large extent because we are a trusting people. We trust each other to keep his or her word in business deals and in life. Witness the tradition of closing and securing a deal with a handshake. We trust that other members of our society have the same general interests and desires and aims that we have. America is renowned as the “great melting pot”, the place where people of all persuasions have come and integrated themselves into one homogeneous society. We have entrusted the daily operation of our government and our economy to persons who, lets face it, are essentially unknown to us as individuals. The solution to this has been to place our trust in one of the “political parties” to vet and field a candidate who (we believe) more or less agrees with the same principles that we do. Traditionally this country has been politically slightly to the right of center. The two major parties represent a leaning toward either the left (Democrat) or right (Republican) of the center. We trust our elected officials to do what is right (proper), as we understand the term. We expect our elected officials to act honorably.



Honor is a virtue which has been inculcated in us from youth. The Boy Scout Oath ; “On my honor, I will do my best, to do my duty to God and my country, . . .” There is an innate goodness in all of us, especially those fortunate enough to have been born and raised in the United States of America.

We expect the details of the daily operation of our government to “run in the background”. After all, we pay, and pay exceedingly well, “professionals” to do these things competently. It is most disappointing when we find that the people, in whom we have placed such enormous trust, are neither competent nor trustworthy. It is equally upsetting to discover that the inmates are now in charge of the asylum.

Over the years, America has invited people from outside its circle to become Americans and enjoy the benefits of living in a free society, financed by what is called “the free enterprise system”. The invitation has been extended to anyone who wished to improve themselves by joining the American society and becoming a part of it. The “great American dream” has been to escape stifling, usually excessive governmental, control or persecution so that the escapee could improve themselves and their position in life to the fullest extent possible, with the skills given them by their maker. Over the years this has been sought out by many, many members of other, less free societies and both they and America have benefited by their decision to migrate.

Somehow, solely for reasons of political gain, the American dream has become, instead of the ability to live life to the fullest through the expression of personal talents, the ownership of a home. Henry IV's “chicken in every pot” which had already become “a car in every garage”, now became a house for everyone. The necessity of earning enough to buy a house was discarded and was substituted with government guarantees. Political belief was and remains; that if the government will see to it that you can own a house, then **you will vote** for the person / party who gives you that house. When ownership became a liability for newly minted home owners, (because this very program disrupted the entire economy, here and around the world) the next step became; for government to step in and (appear to?) prevent the banks from recovering their investment in this scheme. That in essence was contrary to the virtual promises that the Executive branch of our government had made to these same banks, but of course top executives in the financial system as well as in government were to be protected from loss.

### *How to begin?*

My quandary became “how do I organize this mass of information into something people might possibly read and understand?” The situation we now find ourselves in has taken many years to grow and blossom into the disaster which is our government. Almost every step along the way was taken in apparent “good faith”, thinking that it would improve our lives overall. That is, the majority of people felt that it was in “good faith”, but what the majority never realized was that the whole progression was carefully engineered to drive the American people right off a cliff into what **Friedrich August von Hayek** (1974 Nobel Prize winner) termed **serfdom**, an apt description.

In 1956, Hollywood produced a film entitled “Invasion of the body snatchers”, which, intentionally or otherwise, very aptly described the very basic tenets of Communism. One way or the other, each individual (human) was forced to give up his or her individuality and prospects for any possible personal improvement in order for the collective to become supreme. In the case of the “body snatchers”, the “change” was brought about by an alien technology which simply replaced the individual with a clone, which became a “worker bee” or anonymous member of the collective. The elite (aliens) of course remained unaffected in order to direct the invasion and actions of (human)

society. What has happened to our society is much more insidious (as hard as that may be to believe), but equally as devastating and intended to produce an identical result. It is curious to note that the film opens with the star, Kevin McCarthy, trying to warn the rest of the nation of its impending doom. All too true to form, he was accused of being insane. Does any of this sound familiar? I have the feeling that my warning will be received in much the same manner.

Were (Bill) Clinton's subversive deals with his "public - private partners" part of the plan? You bet they were. So also is government's seizing control of healthcare, known as the "Affordable Health Care Act" or "Obamacare", which was literally forced upon the American public. Perhaps the most aggravating part of this investigation was finding out how little the American people were allowed to know about what was being done to them, until after the fact. As Speaker Nancy Pelosi said in a rare moment of (arrogant) honesty: "We have to pass the legislation before we can find out what's in it", knowing full well that the bulk of the American people were not in favor of the legislation.

Clinton has yet to tell us what he did, although he did manage to say that **"if he (or Al Gore) had still been in office (from 2000 to 2008) he would have seen it all coming and prevented it."** **In other words; we made a big mistake by electing a Republican.** Of course he would have seen it coming; having been one of the few people who knew what he had done to start the free-fall. It must have been crushing for Albert Gore to lose the subsequent Presidency to George W. Bush. Although it worked out well for the Clintons in the long run, losing a term in office by the Progressives just wasn't in the plan. You will learn how hard subversives worked for the next two election periods to try to eliminate all opposition to the Clinton's Progressive "movement".

In order to make enough sense of all this and put it on paper before my head explodes, I will first concentrate on reporting my initial investigation into President Bill Clinton's actions. Was it stupidity or treason? You make up your own mind about that question. Personally I do not believe Bill Clinton is stupid.

When the time comes for you to decide whether the "free enterprise system" is responsible for the financial catastrophe we now endure, as broadcast by several politicians and unbelievably by Charley Monger, number two at Warren Buffet's Berkshire Hathaway, you must first ask yourself one vital question. If your boss, the man who controls your paycheck, tells you to do something which is apparently legal and not at all dangerous to you (because he "has your back"), is it your responsibility when things go wrong or is it your boss's responsibility? To my mind, it is absolute stupidity to place blame on a "system" when things go wrong. The fault MUST lie with the individual who perverted the system for his own ends.

I found it supremely funny when I learned that the order given to "kill or capture Osama bin Laden" was couched in legalistic terms which were intended to place responsibility for the operation, should any failure occur, squarely on the military officer's shoulders. In other words Obama was telling the Seal Team that, although he really didn't want to do this, he would allow it however "if anything goes wrong it's your fault and you will bear the responsibility". That is what we are to believe is leadership?

***Have you ever had to make up your mind? - yourself?***

***(This is a letter written to friends in September 2008)***

***It serves as a summary of the Clinton involvement – but here serves as an introduction***

Have you bought into the idea that the Bush administration is responsible for the abysmal condition of the world's economy?

Do you believe that Bush screwed up because no weapons of mass destruction (WMDs) were found in Iraq?

Do you hate the Bush administration the way the Press wants you to?

Never before in the history of this nation has the "press" tried so hard and so long to influence your vote by withholding facts, skewing details and employing sleaze to discredit their opponents. The sad facts are that the tactics worked.

If you like your freedom, you should read the following. Be advised that this chronicles, not mistakes in judgment, but an intentional and sad betrayal of the American Trust, by Wm. J. Clinton, then the highest elected official in this country. It explains some of what is happening today.

### WMDs

Everyone in the country seems to have forgotten that it was the Director of the CIA who assured George Bush that he could safely assert "that Saddam was in possession of weapons of mass destruction"? That Director was George J. Tenent. George Tenent was inexplicably a hold-over from the Clinton administration. One explanation has it that he was deeply involved at the time in rebuilding the intelligence community that had been decimated by the Clinton administration. It may just as well have been that Tenent told Bush what he wanted to hear. In the end, Tenent was Clinton's man. Bush's acceptance of the CIA Director's findings and the subsequent inability to confirm them was immediately seized on by Howard Dean and formed the lynchpin of the DNC's power grab. This "power grab" bears marked similarities to the actions of the psychotic who declares: "If I can't have it, no one will". **The DNC and its Press have done everything possible to destroy George Bush and his presidency, and along with it OUR COUNTRY.**

While we are on the subject of holdovers from the Clinton administration, consider the role of Alan Greenspan in our current financial predicament. He too was a member of the Clinton administration. Ok, the Federal Reserve is supposed to function independently, but not really. He was (re) appointed by Clinton after being carefully, personally vetted in 1993 when his (Greenspan's) term was about to expire. Greenspan's recollection (from his autobiographical book) involved Bill and Hillary inviting him over for dinner, during which they apparently determined that he (Greenspan) would go along with their plans, without interfering.

**Where have our present financial problems come from? From Bill Clinton and those close to him in his administration.**

The data is out there. There are no secret memos, letters or logs; everything is essentially right out there in the public domain.

In 1995 Bill Clinton announced his "100 specific points" whereby his administration, in combination with private enterprise, would push the percentage of home ownership to 67% by the year 2000. These 100 specific points are called 100 actions in the National Homeownership Strategy, *[appended to this writing]*. He found it necessary to involve "private enterprise" for two reasons:

**First;** Congress essentially had told him to slow down, primarily for monetary reasons, in his push to build massive public housing. *Congress was interested in producing a balanced budget. This balanced budget is something that revisionists continually ascribe to Bill Clinton.*

**Second;** this country for many, many years had oscillated between about 60% and 65% home ownership. That could have been because this also represented the approximate percentage of the population who were productive enough to afford home ownership. Never the less, Clinton was determined to push this percentage upward and his administration eventually claimed well over the mandated 67%.

I think no one in their right mind would have faulted Mr. Clinton for wanting to leave such a triumph as his legacy to posterity, but the way he chose to accomplish it; without adequate thought of the future, without having

concurrence of Congress, or of the electorate - in short by going behind almost everyone's back, turns that legacy into an abomination.

Clinton's "100 specific points" were primarily drawn from a plan created by Henry Cisneros, Secretary of HUD, with help from Robert Rubin, Secretary of the Treasury. The original plan was drawn up in 1994 and was entitled **"The National Homeownership Strategy; Partners in the American Dream"**. To read a more enlightened viewpoint on this plan and some of its effects, go to:

<http://www.criterioneconomics.com/docs/20080226%20Market%20Commentary.pdf>

*[Unfortunately, this article is no longer available at this web site]*

This is an article written by Joseph R. Mason, a finance professor at Drexel University's LeBow College of Business, and Senior Fellow at Pennsylvania's Wharton School. This plan was the beginning of our current financial condition (the world's current financial condition), and Bill Clinton placed Henry Cisneros in charge of making it happen.

Cisneros' first objective was to get close to Fannie Mae and Freddie Mac and to encourage them essentially to buy any sort of mortgage that came along, and if it didn't meet acceptance criteria, change the criteria. This might be thought of as the "dumbing down" of the mortgage finance business. The idea here was to "repackage" mortgages, initiated by a list of acceptable originators, so that they could be packaged together and sold to unsuspecting investors as high return investments. These investments were represented as investments with considerably less risk than was actually true.

**In 1999, Steven Holmes wrote the following in the New York Times concerning developments of the mid 1990s:**

*Fannie Mae, the nation's biggest underwriter of home mortgages, has been under increasing pressure from the Clinton Administration to expand mortgage loans among low and moderate income people and felt pressure from stock holders to maintain its phenomenal growth in profits.*

*In addition, banks, thrift institutions and mortgage companies have been pressing Fannie Mae to help them make more loans to so-called sub-prime borrowers. These borrowers whose incomes, credit ratings and savings are not good enough to qualify for conventional loans, can only get loans from finance companies that charge much higher interest rates -- anywhere from three to four percentage points higher than conventional loans.*

*"Fannie Mae has expanded home ownership for millions of families in the 1990's by reducing down payment requirements," said Franklin D. Raines, Fannie Mae's chairman and chief executive officer. "Yet there remain too many borrowers whose credit is just a notch below what our underwriting has required who have been relegated to paying significantly higher mortgage rates in the so-called sub-prime market."*

**Well, Well, Well, We're in the Sub-Prime business.**

In case the above wasn't clear enough, the sub-prime business was alive and growing strong well before 1999. In fact it was installed **in the law** in 1995 in the Community Reinvestment Act (CRA) revision legislation. Government's encouragement and direction was what made it all possible. But then (from Clinton's perspective) sub-prime wasn't really the problem. The problem was what to do with all those questionable mortgages. It had already been decided (and undertaken) that they would be dumped on the stock market. The problem now became making it appealing / profitable for investors to buy these questionable mortgages. After all it is the job of investors to make money not to give it away.

After Fannie and Freddie had been brought on board, it became necessary to expand the involvement of Wall Street by combining the abilities of trading firms who could dispose of these combined and recombined mortgage instruments called variously CDOs, CMOs and other esoteric names, with banking facilities with deposits that could be leveraged and together represent, in fact or in fantasy, tremendous amounts of liquidity. Clinton decided to do this, by repealing the Glass-Steagall Act, on the obviously self serving advice of Robert Rubin, soon to be a prominent name on the board of directors of Citigroup, a company which benefitted greatly from Clinton's plan.

**Citi had already bought Travelers Insurance after favorable, "well placed" reassurances that, what should**

**have been an illegal sale would be made legal, by repealing the Glass-Steagall Act.**

The subterfuge is **nearly** complete.

Once the system of debt transfer was in place, it became apparent to some of the more highly placed investors that there was more risk involved in this method of doing business than they were led to believe in the "partnership". Then along came a remarkable invention. It was called "**Credit Default Swaps**" and regardless of the legal viewpoints, it amounts to insurance against defaults on such things as CDOs. Curiously the workings of the overall plan could be thought of now as an insured "debt redistribution" or "risk redistribution" as compared to the more commonly voiced "wealth redistribution". In a sense, the outcome of both is the same.

**Arthur Kimball-Stanley wrote the following in "Dissecting a strange financial creature", on April 7, 2008:**

*LAST MONTH, Bear Stearns had to be rescued by J.P. Morgan Chase after reportedly booking billions of dollars in credit-default swap (CDS) bets that it was unable to pay. Federal legislators have now decided to give credit-default swaps, one of the most popular derivative contracts traded on Wall Street, the attention they deserve. For those thinking about how the CDS market should be controlled, the most analogous example can be found in insurance law.*

What are credit-default swaps? **The New York Times's Gretchen Morgenson describes them as "insurance contracts." Morgenson wrote:**

*"In a [CDS] Credit Default Swap, two parties enter a private contract in which the buyer of protection agrees to pay the seller premiums over a set period of time; the seller pays only if a particular credit crisis occurs, like a default. These instruments can be sold, on either end of the contract, by the insurer or the insured."*

*Most law-school contracts professors couldn't do a better job. Yet, the description leaves out one small but important detail. Insurance regulators don't — at least not right now — consider CDS(s) to be insurance and consequently credit-default swaps are not regulated as insurance. In fact, credit-default swaps are not regulated by anybody.*

**(... Because)**

Bill Clinton signed the Commodity Futures Modernization Act (CFMA) of 2000 only weeks before leaving office.

This Act was fashioned and pushed through Congress by Clinton's Treasurer, **Larry Summers**. Among other things, the act kept the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC) from exercising jurisdiction over the then-fledgling derivatives trade between financial institutions, known as the over-the-counter derivatives market. The law took those regulators that were watching the growing derivatives market and told them to look the other way. **This law specifically prevents ALL regulation and oversight of Credit Default Swaps.**

**Wow, an entire moneymaking industry, without ANY oversight or regulation - what a bonanza.**

What no one has yet told you is that the real crisis exists because of something called **liquidity**. The volume or supply of **real** money seems to have **dried up suddenly**. In reality, it was never really there. There was no money involved, just promises and guarantees without end. People thought that there was real money behind those promises, but there wasn't, (kind of like the Federal Reserve System) and the longer it went on, the more this **funny money** expanded.

It expanded to the point where writing the books back to reality either had to be considered impossible, or economic suicide. It's the ultimate Ponzi scheme. Anyone caught up in it can't afford to admit it. The only entity capable of re-capitalizing the economy at that point was the Federal Government . . . read taxpayers. Of course that's what Bill Clinton wanted in the first place, however I doubt that either he or his financial genius, Robert Rubin could have foreseen the degree of economic disaster that his plans have wrought.

**Not enough?**

How about having the security of your pensions put in jeopardy? Consider the following *excerpt* from the **Joint Economic Committee of the Congress of the United States report published September 1995**.

*"Following the lead of such liberal thinkers such as Lawrence Litvak and **Derek Shearer (remember this name for later)**, Robert Reich, President Clinton's Secretary of Labor has become the champion of a self-described "radical notion" to use the massive \$3.5 trillion "honey pot" of wealth in the private pension retirement system as a new source to finance the liberals' federal spending solutions."*

*Accordingly, once this vast reservoir of money is tapped, ample funding will be available for the various federal spending projects that were threatened by the taxpayer revolt – to stop endless government spending. What this viewpoint overlooks, however, is that the private pension funds belong to the individual pension beneficiaries, not to the federal government. (But then, the Progressive viewpoint is that ALL money belongs to the government)*

**David A. Vise, in [the Washington Post, June 23, 1994], reported that both Reich and HUD Secretary Henry G. Cisneros individually reported to Congress that the Clinton administration strongly supports a major increase in "targeted pension fund investments".** In other words, the Clinton White House wanted to take charge of **how** private pension funds were invested. In so doing, Clinton could force investment of what he then estimated to be \$4.6 trillion in pension funds, the largest pool of money in the country, into his pet social projects. [Does this sound like some of the proposals that have been put forward by the Obama Administration? – It should.]

**This plan was recognized and stopped just in time by the actions of Congress.** Republicans resisted all such use of private pension funds to finance Clinton's public housing schemes or other social engineering experiments. They labeled these "targeted pension fund investments" as "retiree robbery". It would have taken your pensions and put them at risk. It would have "redistributed your wealth" to those who didn't earn it. I take no issue with compassion or caring for those who cannot care for themselves. I do take issue with what might be called taxation without representation, otherwise called legalized theft and make no mistake about it; **the Clinton brigade was constituted of thieves of the highest order.**

There should be public discussion of these matters before enactment, especially where taxation is concerned. But Bill Clinton chose to place himself far above any public discussion and used his office to interfere with the operation of the free market. In so doing he was interfering with the economy of the entire world. In this particular instance he failed, but in others he succeeded, as you will see.

Thanks for the financial crisis Bill. We needed the excitement. The only question that remains is "Is this the last one, or have you planted more time bombs out there?"

**[The above was the content of a letter sent by the author to friends in September, 2008]**

As a current addition to this description of how the Clinton administration attempted to take over the "honey pot" which was the American taxpayer's **personal** savings accounts, in order to use it to fund more Progressive social modification programs, I would like to add that while the Obama administration has made efforts to secure the same access to taxpayer private money for its own use, it has been fairly unsuccessful. In Obama's State of the Union speech in January, 2014 however, Obama ordered yet another attempt to gain access to your savings. He calls it myRA. Presumably this refers to the fact that the equity (your savings) contained within the program, which sounds similar to an IRA, will be used at his (the government's) whim to fund ADDITIONAL progressive spending.

That's a little like what has historically happened to Social Security Savings, whereby the government simply treated the contents of the Social Security accounts like its money, not a savings account. Note here that this new "savings venue", according to Obama's edict, is to be created by the Treasury without the aid of Congress or any legislation. That way the administration could tap the fund whenever desired without having to worry about Congress needing to allocate funding for whatever fanciful program he might want to fund. These people are so devious.

**William Jefferson Clinton  
Who was this man Bill Clinton?**

***I have always regarded William Jefferson Clinton as the LUCKIEST politician ever to have been in***



*office.*

But then Bill Clinton has the protection of the most powerful force in American politics and thought.

Bill Clinton was the darling of the American “press”, and remains so even as the “press” has morphed into “The Media”, driving the information sources of the Internet. It's not that Clinton has any particular charisma which naturally attracts people of the press; it's the ideology which now controls the “press” and is quietly espoused by the ex-president.

**He would not have been elected to the office of President except for two factors:**

1) The economy was in recession and in this regard, President George H.W. Bush had made the now famous blunder of shouting “Read my lips, no new taxes.” followed promptly by allowing taxes to be increased by his Democratic Congress (he broke the faith), and

2) H. Ross Perot chose this election cycle to enter politics by running for President and extolling the virtues of a balanced budget and elimination of our foreign deficit. Perot's presence combined with the stagnant economy created a fatal split in the American public's conservative leaning vote. Had it not been for this fantastic luck, ironically generated by his opposition, there is no way that this scandal plagued hick from Arkansas would have been elected in 1992.

The early 1990's were marked by an extremely stagnant economy. Clinton's mantra of “it's the economy stupid” was well chosen. The major problem facing America at the time, with the iron curtain having fallen, was its economy. There just didn't seem to be anything out there to hang a recovery on. Asian, Indonesian, and South American industries were taking over the manufacturing business, principally because of lower wages / production costs. Clinton would later introduce such attempts to save this situation as allowing Mexico (and Canada) to take over a portion of the manufacturing industry by creating NAFTA, but unfortunately the problem wasn't “too many American jobs”, it was too few.

Everything Bill Clinton had in mind to improve the economy worked quite the opposite to what he presumably envisioned. The savior of the Clinton term in office, and that of the American economy was Bill Gates. Gates acted rashly at times, in the fashion of many successful entrepreneurs to force the fledgling computer industry to preeminence in the economy. This of course led to somewhat of a boom and bust for parts of this industry, but the overall effect was to greatly increase the American economy, and our overseas trade. This was true for a while anyway. Of course, true to form, the final act in the “Clinton saved by Gates” performance would be Clinton's administration filing and facilitating lawsuits against Gates for perceived monopoly. Talk about an ingrate!

Yet Bill Gates personally seems to have forgotten all about that. He continues to trumpet the causes of the extreme left. As an example: Bill Gates seems to believe (for many years now) that an enlargement of quotas for worker permits for immigrants from foreign countries to work in his computer / software industry is not only advisable but necessary for the United States to retain its preeminence in the computer industry. In this assumption I feel that he is grossly misguided. His answer seems to be; to pump his private fortune and that of his friends overseas through “third world programs” and, for our children, “The Common Core”. Since Gates “fortune” has principally come from the United States, this in itself seems rather ungrateful.

My personal feeling is; if as he believes the computer literate portion of our learned society is lacking,

it would serve his purposes, of improving society's ability to supply his much needed programmers, by setting up relationships with a few / or many Universities to improve their output of the necessary educated individuals. There is NOTHING to gain (scientifically) by increasing immigration beyond America's overall security interests. Further to this subject, Gates has placed his fortune at the disposal of UNESCO's Common Core in order to force it upon the American school system and the programmable minds of our young children. His obvious intent is to produce a nation of droids to follow Progressive ways, rather than to encourage independent thinking in order to produce perhaps another Bill Gates some day. **Shame on you Mr. Gates.**

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Clinton was motivated by ideological leanings far more to the left than anyone in this country realized. It must be remembered that his initial (and lasting) impressions of Communism (the USSR) was spoon fed to him by then Senator William Fulbright, historically shown to be a Communist sympathizer and Clinton's first mentor. He believed (or claimed to believe) that everyone was **entitled** to own a home. He believed that home ownership was the solution to much of society's failure in that "pride of ownership" increased a person's active participation in society and would prevent anti-social behavior to a large extent. Society would be "happier". To the extent of proving this, his administration commissioned several studies of the topic and as he expected, the studies confirmed his conclusions (who would have thought it). Bill Clinton also believed that everyone was entitled to (free) healthcare. To this end, he assigned the "first lady", Hillary the job of planning and coordinating the institution of a National Healthcare Scheme. This was struck down by an overwhelming response from the public after extended secretive meetings with healthcare personnel, pharmaceutical personnel and of course politicians.

Clinton's first approach to the housing industry **problem** (as he saw it) was to try to get Congress to approve and fund various approaches to public housing. Yet another attempt involved convincing the legislature to give the administration the power to "direct" the investments of private retirement funds (your retirement savings) in order to fund his public housing, and other "social" projects. This would have given him the power to tap into those tremendous reserves of money which are held for citizens to take care of themselves in their retirement. Unfortunately for him, his plans in this regard were recognized for what they were and quashed by Republicans in Congress. What should have been clear by this time was that the Clinton administration wanted your money, all of it, for its own uses.

Having failed at moving an initially Democratic Congress, and then a Republican Congress to provide free to low cost housing for "inner city", or otherwise "economically disadvantaged" people, **Clinton launched the biggest behind the scenes, in your face, corruption of the federal government ever seen (possibly since FDR helped Red China into existence, or possibly since Woodrow Wilson sneaked us into WWI after campaigning against it).**

Clinton's plan was to slightly "improve" the **Community Reinvestment Act (CRA)** and use it to force banks to provide loans to lower income individuals who had insufficient credit for customary loans, and probably couldn't afford to pay the loan back in the end. Clinton's scheme made masterful use of the "carrot and stick" approach to business. **The carrot;** the government would promise to ensure that financial institutions had an improved market for their product, (loan) by combining loans and taking them off the lender's hands via Fannie Mae and Freddie Mac, without asking any questions, (since they are backed by taxpayer funds and would never be allowed to fail). These Government Sponsored Enterprises (GSEs) would take on the lender's risk in order to allow them to leverage their holdings further and consequently they could make more money, more money. These unholy alliances were

termed by the administration "**Public - Private Partnerships**".

**The stick** portion of the program was arranged in such a manner that if the Administration found out a lender was not doing as "was suggested", and by this time everything that lending institutions did was known by the administration, then the partner would face sanctions. Possibly the partner's preferred standing would be removed, or maybe even a fine would be issued. At times, government lawsuits were threatened or executed. Certainly when the time came that a lender wished to expand their business, they would find it rough going if they had not cooperated.

This was tasked to HUD Secretary **Henry Cisneros**. His plan was backed up by repeated "studies" which proved (to the Administration) without a doubt that crime would decrease and people would be ever so much happier and well off, if only they owned their own home. Loans could be provided, if not by the government itself, then by "partners" from the civilian financial community. Of course there were no studies to determine what would happen if these un-collateralized loans began to default. Cisneros' plan was published in 1995 as ***The National Homeownership Strategy*** and the Clinton administration launched a full scale program to increase home ownership far beyond anything that had ever existed before. Market considerations be damned.

The plan in the most general terms consisted of four parts:

1) Improve and implement the **Community Reinvestment Act** (CRA) to force banks to make ill advised loans. Strengthen existing regulatory bodies to enforce compliance with this new CRA.

2) Alter the law to permit Fannie Mae and Freddie Mac (FM2) to dispose of groups of loans, which originated from the above banks and from less responsible originators called simply Mortgage Companies such as Countrywide, and to extend this capability to sub-prime loans.

3) Encourage the creation of Collateralized Mortgage Obligations (CMOs) and Collateralized Debt Obligations (CDOs) for disposal in the stock market, to supplement absorption of sub-prime and other bad loans by GSEs. Eliminate size problems and the inability to diversify by large financial institutions by repealing the Glass-Steagall act.

4) Alter the derivative market to take derivatives out of public view, and eliminate any controls or oversight on them, particularly on an "insurance like" product called Credit Default Swaps (CDS). This would allow certain financial organizations to purchase insurance for their firm against credit defaults – mortgages that never get paid off. The major player in providing these insurance policies became the American International Group (AIG). The major thrust of this manipulation would be to insure that risk could be transferred to the stock market, and away from the (too big to fail) banking institutions which were to be effectively socialized and afforded as much protection as possible, so long as they "played ball" with the administration.

### ***Where did Clinton come from?***

Bill Clinton was 22 years of age in 1968 when he graduated from Georgetown University and, enrolled in Oxford University as a Rhodes Scholar. This was thanks to William Fulbright, Arkansas Senator, for whom Clinton worked during his junior and senior years at Georgetown. Clinton began working for Fulbright in the summer of 1966, at a time when Fulbright was under FBI investigation along with Senator Wayne Morse and others, suspected of collusion with the Soviets, an investigation which was

ordered by President Lyndon B. Johnson. This investigation produced a 67 page report detailing meetings and conversations between Fulbright and various Soviet Bloc entities. It was not pretty.<sup>1</sup>

Fulbright who was Clinton's (first) mentor was elected to the House of Representatives in 1942 where he served for two years. Perhaps his most remembered act in the House of Representatives was voting **against** the continuance of the Special Committee on Un-American Activities (Dies Committee or HUAC). Fulbright maintained that the investigation of **Communists** in government or anywhere else was “unnecessary and moreover was not in the interests of maintaining good relations with our allies [the Soviet Union]”. Despite his urging, the HUAC continued from 1938 through 1975.

Fulbright also formulated and succeeded in having the House adopt its first “**One World**” resolution – the **Fulbright Resolution** on September 21<sup>st</sup>, 1943. In this resolution, the House went on record (the Senate concurring) as favoring “the creation of appropriate international machinery, with power adequate to establish and maintain a just and lasting peace among the nations of the world, and the participation of the United States . . .

In other words, Wm. Fulbright began the process of doing away with United States sovereignty (in order to place us under the dominion of the Soviet Union). This was before the creation of the United Nations. In my estimation, this places Wm. Fulbright not only in the camp of Communism, but smelling somewhat like a traitor.

The United Nations was subsequently formed as a successor to the existing but failing League of Nations on October 24<sup>th</sup>, 1945.

This was Bill Clinton's mentor, an Oxford Scholar, and the man responsible for furthering his education at Oxford, itself a university well known for its Communist leanings. Clinton apparently listened closely to Fulbright, especially regarding Fulbright's anti-war stance concerning our involvement in Vietnam, and Fulbright's positions on the Soviet Union. Clinton was so impressed that he carried these impressions to Oxford, where he joined and participated in what were in fact Anti-American groups such as Group 68, a British analog to the Vietnam Moratorium Committee (VMC) (an anti-war group in America that Clinton worked with while trying to avoid his draft) and the British Peace Council (which was a part of the British Communist Party). <sup>2</sup>

In October and November of 1969 Clinton helped to organize protests in front of the U.S. Embassy against the war. He said: (about his conversations with Fulbright) he “learned enough to know that our policy (re: Vietnam) was doomed to fail . . . I felt very strongly about it.” Earlier in 1969 Clinton is said to have crossed the **Finnish** border and boarded a train on a one or two week pilgrimage to Moscow. <sup>3</sup> Critics have stated that Clinton remained behind the “Iron Curtain” for as much as forty (40) days - doing what? This time frame has never been publicly explained by Bill Clinton.

Clinton's top economic adviser was to become Derek Shearer (remember Derek?), an Institute for Policy Studies (IPS) [*a virulent Communist organization*] operative and advocate of Marxist socialism. Shearer became Ambassador to **Finland** for Clinton, there serving as his go between with the USSR.

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<sup>2</sup> Ibid

<sup>3</sup> The Clinton's letters – enrolled in the Congressional Record (pg. H5550) 7/30/93

He then served at the **Economic Strategy Institute**, and then the **Woodrow Wilson Scholars Center**. He is presently (at the time of writing) the *Director of Global Affairs* at **Occidental College**, handling the expansion of the college's international affairs programs? (Wasn't this said to be **Barack Obama's** undergraduate college?)

**“In a 1980 book he authored, Shearer confided that he and others were willing to so influence the Democratic Party that a President sharing their Marxist-socialist views could soon be elected.”**<sup>4</sup> It would appear that they have been successful in this endeavor more than once.

Bill Clinton survived many scandals before and while in office, perhaps the most remembered of which would be his affair with Monica Lewinsky. Several other names like Paula Jones, Gennifer Flowers and others almost too numerous to recall have come to light, but perhaps his most egregious act and one of his last acts as President in 2001 was to pardon Susan Rosenberg and Linda Evans who were apprehended while transporting 740 pounds of explosive for intended use in radical bombings. Both were convicted and sentenced in 1985, Rosenberg for 58 years and Evans for 40 years.

As a way of defining the man, let us take a look at “those defining moments” in Bill Clinton's life which have become a part of the public record. There is no way that I could produce an all inclusive list of events here – Bill Clinton was a busy boy.

The “Washington Weekly”, a well respected Catholic summary of politics in Washington D.C. compiled a list of “crimes” alleged to have been perpetrated by Bill Clinton. A listing of these accusations, which I will take no responsibility for, along with accusations against some within his administration, was published on June 24, 1996. The list was not meant to be exhaustive, and included the questionable activities of 33 of Clinton’s appointees. A portion of this list is repeated below:

#### BILL CLINTON

- (1) Used State Police for personal purposes.
- (2) Directed State Police to fabricate incriminating evidence against a political opponent: Terry Reed.
- (3) Conspired with David Hale and Jim McDougal to defraud the Small Business Administration.
- (4) Was complicit in the shipment of drugs through Arkansas.
- (5) Allowed laundering of drug money through ADFA.
- (6) Appointed and protected Arkansas Medical Examiner Fahmy Malak who repeatedly obstructed justice by declaring murders as "suicides" or "accidents."
- (7) Has never accounted for his actions during 40 days behind the Iron Curtain during the Vietnam War.
- (8) Tipped off Governor Tucker about an upcoming criminal referral.
- (9) Violated Arkansas campaign finance laws.
- (10) Violated his oath of office to uphold the Constitution by signing into law an ex post facto law, a retroactive tax increase.
- (11) Fired RTC chief Albert Casey to allow his friend Roger Altman to monitor and block Whitewater investigations.

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<sup>4</sup> “The Gramscian commie in the White House”, Dr. Samuel L. Blumenfeld, September 19, 2000, WorldNetDaily

- (12) Fired FBI director William Sessions to prevent an autonomous FBI from investigating the Foster suicide and from resisting cooperation in the Filegate operation.
  - (13) Fired all U.S. Attorneys to appoint Paula Casey to prevent Judge David Hale from testifying against Clinton.
  - (14) Offered State Troopers federal jobs in return for their silence about Clinton's crimes.
  - (15) Blocked Justice Department indictments after Inspector General Sherman Funk found "criminal violations of the Privacy Act provable beyond reasonable doubt" when former Bush employee files were searched and leaked to the press.
  - (16) Appointed friend and now-convicted felon Webster Hubbell to number 3 position in Justice Department in order to be able to block Whitewater criminal referrals.
  - (17) Blocked the criminal trial of Representative Ford, a Tennessee Democrat.
  - (18) Appointed a campaign activist to head the Commodity Futures Trading Commission, without the mandated "advice and consent" of the Senate, to derail a probe of his and Hillary's financial dealings.
- Bill Clinton is under investigation by Independent Counsel Kenneth Starr.

## HILLARY CLINTON

- (1) Took a \$100,000 bribe, camouflaged as futures trades, from Tyson Foods Inc.
- (2) Speculated in Health Care industry futures while overseeing legislative reform of same.
- (3) Failed to correct false testimony by co-defendant Ira Magaziner in Health Care trial.
- (4) Obstructed justice by ordering the shredding of Vince Foster's documents in the Rose Law Firm.
- (5) Ordered members of the Health Care Task Force to shred documents that were the target of a court probe.
- (6) Ordered the removal of documents from Vince Foster's office.
- (7) Told aides to lie about their removal of documents from Foster's office
- (8) Obstructed justice by keeping her billing records, a document sought under subpoena, in the White House residence.
- (9) Lied to investigators about her knowledge about billing records.
- (10) Lied to investigators about her involvement in the Castle Grande land flip con.
- (11) Ordered the use of the FBI to discredit Travel Office employees.
- (12) Lied to investigators about her involvement in the firing of Travel Office Employees.

IRA MAGAZINER, Hillary Clinton Senior Advisor



(1) Violated federal law when he held Health Care Task Force Meetings in secret and refused to release documents

(2) Lied in court about the composition of the Health Care Task Force.

U.S. Attorney Eric Holder found insufficient evidence for indictment of Ira Magaziner.

BERNARD NUSSBAUM, Former White House Counsel

(1) Obstructed justice in the Foster suicide investigation by blocking access, removing documents, lying about his removal of documents, and by retrieving Foster's pager from Park Police.

(2) Attempted to quash a Whitewater investigation at the RTC through White House liaisons.

Nussbaum has resigned and is under investigation for lying to Congress.

GEORGE STEPHANOPOULOS, Senior Advisor

(1) Took a \$600,000 loan below market interest and with insufficient collateral from Nations Bank, a bank having business before the Clinton Administration.

(2) Lied to Congress during Whitewater hearings.

(3) Attempted to have Whitewater investigator Jay Stephens at the RTC fired.

MIKE ESPY, Former Agriculture Secretary

(1) Took bribes from Tyson Foods Inc., which was under regulatory control of his Agriculture Department.

Espy has resigned and is under investigation by a Special Counsel

ROGER ALTMAN, Deputy Secretary of the Treasury

(1) Lied to Congress during Whitewater hearings.

(2) Lied to Congress about having lied to Congress.

(3) Instructed Ellen Kulka and Jack Ryan at the RTC to block the Whitewater investigation by L. Jean Lewis.

Roger Altman was forced to resign.

RON BROWN, Former Commerce Secretary

(1) Has taken bribes from almost everybody. Says it is part of the way Washington works. The allegations are too numerous and complicated to be detailed here.

Ron Brown was still under investigation by an Independent Counsel when he died in a plane crash in 1996. The investigation continues.

LES ASPIN, Former Secretary of Defense

(1) Through criminal negligence was responsible for the death of Army Rangers in Somalia. Aspin has never been held accountable in public hearings.

Les Aspin has resigned and is deceased.

WILLIAM KENNEDY, DAVID WATKINS, PATSY THOMASSON:

(1) Fabricated charges against White House Travel Office personnel to have the business taken over by Clinton friends.

(2) Coerced FBI and IRS agents into complicity with this scheme.

Kennedy and Watkins have resigned.

CATHERINE CORNELIUS, Travel Office employee

(1) Removed documents from White House Travel Office. Because those documents later became the subject of a trial against Office Director Billy Dale, that could amount to obstruction of justice.

PATSY THOMASSON, Director of White House Administration

(1) Lied to Congress about the composition of the Health Care Task Force and the size of its budget. (2) Obstructed justice when she removed documents from the office of Vince Foster.

MARGARET WILLIAMS, Chief of Staff to the First Lady

1) Obstructed justice when she removed documents from the office of Vince Foster.

(2) Lied to Congress about removing those documents.

Maggie Williams is under investigation by Independent Counsel.

JOSHUA STEINER, Treasury Department Employee.

(1) Lied to Congress about conversations with White House personnel about the RTC. (He also lied to his diary, but that is not a crime.)

Joshua Steiner has resigned.

LLOYD CUTLER, Former White House Counsel

(1) Lied to Congress about the contents of redacted documents.

(2) Attempted to withhold vital information from Congress, a felony.

(3) Obtained a confidential Treasury report and showed it to witnesses before they testified before Congress in the Whitewater in 1970. Has never been indicted for this crime which was similar to what the Watergate Plumbers spent time in jail for.

BRUCE LINDSEY, Senior Advisor

(1) As treasurer for the Clinton gubernatorial campaign in 1990, he signed withdrawals from Peny County Bank, the president of which has pled guilty to conspiring to conceal these withdrawals from the IRS and FEC.

Bruce Lindsey is an unindicted co-conspirator in the trial of the owners of Perry County Bank.

MARIAN BENETT, USIA Inspector General

(1) Covered up credit-card fraud by USIA Inspector General staff.

FEDERICO PENA, Secretary of Transportation

(1) State and federal contracts were awarded to companies in which he had a financial interest.

The Justice Department found insufficient evidence to appoint a Special Counsel.

HENRY CISNEROS, Secretary of HUD

(1) Lied to the FBI about payments to former lover.  
Under investigation by Special Counsel.

JANET RENO, Attorney General

(1) Fabricated charges of child molestation against the Branch Davidians in Waco, Texas.

(2) Ordered the use of military equipment against citizens of the United States

(3) Ordered the use of chemical agents against citizens of the United States.

ROBERT REICH, Secretary of Labor

(1) Lied to Congress when he wrote that there were no memos circulating in the Labor Department instructing staff to gather political material against the Contract with America. Such memos were later published. Under investigation by Congress. ***[This incidentally pertains to the Clinton administration program to destroy Newt Gingrich who stood in Clinton's way relative to the administration's exploitation of HUD]***

DONNA SHALALA, Secretary of Health and Human Services

(1) As Chancellor of the University of Wisconsin at Madison, she instituted speech codes which were found to be unconstitutional in federal court. She instituted thought police star chamber proceedings to drive politically incorrect people off campus.

CAROL BROWNER, EPA Administrator

(1) Used the EPA to campaign against Republicans running on the Contract with America, an illegal use of the executive branch for political campaigning.

Carol Browner is under investigation by Congress.

ROBERTA ACHTENBERG, Former Assistant Secretary of HUD

(1) Violated the First Amendment when she ordered HUD lawyers to silence citizens who spoke out against planned housing projects.

(2) Exceeded her authority when she had HUD staff threaten Allentown County to withdraw a "Use of English language encouraged" ordinance.

Roberta Achtenberg resigned to run for Mayor of San Francisco, a race which she lost.

DEVAL PATRICK, Assistant Attorney General for Civil Rights

(1) Used extortion to force banks to give preferential treatment to minorities.

Congress is investigating the possibility of impeachment based on abuse of power. [Now governor of Massachusetts.]

BRUCE BABBIT, Secretary of the Interior

(1) Paid a penalty for violating campaign finance laws during his 1988 presidential campaign.

HAZEL O'LEARY, Energy Secretary

(1) Abused taxpayer money for extravagant travels around the world.

Hazel O'Leary is under investigation by Congress.

WILLIAM PERRY, Secretary of Defense

(1) Intervened in a Chinese trade deal on behalf of a business partner.

CRAIG LIVINGSTONE, Chief of White House Security

(1) Was seen carrying a box from Foster's office the morning after Vince Foster died.

(2) Ordered confidential FBI background files on Hillary Clinton's political enemies, a violation of the privacy act.

Craig Livingstone is currently on paid leave and has been unable to pass FBI criminal background checks, and the White House has

admitted that 11 unnamed White House staffers have had recent drug use.

Unsubstantiated allegations of murder, treason, and conspiracy have been omitted from the above list.

In light of this record, it is appropriate to mention those Clinton Cabinet Secretaries who are not under investigation and have never had criminal allegations raised against them:

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Clinton pardoned the CIA director Duetch who had passed state secrets.

Clinton also pardoned Marc Rich for actions which involved national security.

Clinton lied under oath to a grand jury. He was not indicted but Libby was.

In the chapter of this book entitled *Sirens' Song*, there is a fairly long list of goals that was introduced into the congressional record in 1963 as stated goals (and methods) of Communism in conquering America. There are three that apply rather poignantly to the Clinton family.

No.41 [*Emphasize the need to raise children away from the negative influence of parents. Attribute prejudices, mental blocks and retarding of children to suppressive influence of parents.*] This needs little explanation, since Mrs. Hillary Clinton proudly wrote a book about the subject (*"It Takes a Village"*).

No. 40: [ *Discredit the family as an institution. Encourage promiscuity and easy divorce.* ] This again speaks for itself, considering the number of times Governor and then President Clinton was found in, or accused of sexual improprieties. But then, working hand in hand with No. 39, "it wasn't Clinton's fault"?

No. 39 [*Dominant the psychiatric profession and use mental health laws as a means of gaining coercive control over those who oppose Communist goals.*] This is not so much exemplified by the Clinton family, as it provides after the fact explanations of Bill's behavior.

John D. Gartner, PhD. of Johns Hopkins University Medical School, Assistant Professor of Psychiatry, and author of "*The Hypomanic Edge*", and "*In Search of Bill Clinton*" maintains that Clinton suffered from a medical condition which he terms "Hypomanic Temperament".

The "differential diagnosis" of this condition rests with the subjects "insatiable appetite" regarding the basic biological drives. All these "drives" such as sex, hunger, gambling, substance abuse and aggression would appear to be in overdrive. Behavior in these subjects is impulsive. We know Bill Clinton had a problem with his weight, not that there are not a lot of us in that category. Here we have the assertion that Bill Clinton; although subject to a "high functioning" bipolar disease was "*normal*". **It's a blatant attempt to convince ordinary people that this is normal behavior for over-achieving giants.** "*It wasn't his fault*". These "excuses", while finding favor with certain members of the psychiatric profession are regarded by most mere mortals as **claptrap**.

According to Dr. Gartner, Bill's mother Virginia seems to have served as a role model with regard to impulsive behavior. She is said to have left a "strong impression" on all, employing heavy makeup and wearing "inappropriately" strange clothing. She was a tireless extrovert, apparently compulsively

commanding attention. She chain smoked, gambled, drank, and partied, all while maintaining a career as a nurse anesthetologist. According to Dr. Gartner, extramarital sex was a lifestyle for Virginia, even an addiction. So we can see now that it really wasn't Bill's fault if he repeatedly engaged in extramarital affairs. It was his mother's fault. It wasn't his fault. He couldn't control himself. That's kind of a scary thought when applied to the President of the United States, but it follows well from Communist goal No. 39 above.

At this point in writing, I can't help but wonder at the similarities between the life styles of Clinton's mother and Barack Obama's mother, both single mothers for all intents and purposes, even in marriage.

I don't see much value in conspiracy theories, but what is going on here? Both Clinton and Obama essentially came out of nowhere to become an instant President. I know, Clinton was Governor of Arkansas, but the attitude expressed to me by friends from Arkansas was that making him President seemed like a good way of getting him out of Arkansas!

For that matter, how did an unknown peanut farmer from Georgia become governor in 1971 and President of the USA in 1976? There seems to be some connection, if only that there is no public record of achievement or failure (which cannot be manipulated by a biased press) for anyone to look at, for all three of these men. I am guessing that; when you have an apparently blank slate, you can make up any sort of persona that might prove acceptable to the voters.

## The Plan

***"Nothing in politics ever happens by accident; if it happens, you can bet it was planned!"***  
***[Franklin Delano Roosevelt]***

So how did the Clinton Administration cause the current state of financial affairs in the world? I will try and tie this together as we go along, however first we will examine "The Plan". How was it all done behind closed doors?

Bill Clinton became President in 1992, essentially by default, since the opposing vote had been more or less, evenly split between Fiscal Conservative (Independent) H. Ross Perot, and Republican George H.W. Bush. Bush to a large extent was later seen to have betrayed his Conservative base during his first term with his famous utterance of "read my lips, no new taxes", followed by allowing increases in taxes which were not accompanied by the concurrent reductions in spending which were promised by Democrats.

Otherwise, the campaign popularly centered about reducing the national debt, especially to foreign entities. Bill Clinton continually reminded his campaigners: "It's the economy stupid". Indeed the economy was stagnant and was eventually resurrected only by the creation of a new sector of the economy; the technical or computer industry.

Democrats in particular continue to repeat the fantasy that Bill Clinton somehow managed to balance the budget. This is absurd, and it was only through constant pressure by the Republicans in Congress that fiscal sanity was maintained during the Clinton years in office. For example, one of the first things that the Clinton administration proposed was a \$19.5 billion "stimulus program". Knowing now what stimulus programs do how does that square with any thought that Clinton had **anything** to do with



balancing the budget? This request was reduced to \$4 billion by Congress.<sup>5</sup> Congress balanced the budget in spite of Clinton's wish to spend. In a very real sense, Congressional Republicans saved Clinton's term in office. In his 1995 budget request, Clinton asked for \$110 million to provide new housing for Russian officers resettled from the Baltic republics. This was aid promised by Clinton at his 1993 summit meeting with Boris Yeltsin in Vancouver.<sup>6</sup> I wonder why Clinton felt it was American's duty to pay for resettling Russia's military officers. What is it about politicians, especially Democrat politicians like Clinton who feel that it is their job to right the world by giving away American taxpayer's hard earned money?

Clinton had campaigned strongly on (single payer) Health Care reform, and in January 1993, five days after taking office, he placed his wife Hillary in charge of a "task force" to iron out the details of government run healthcare, and more importantly to sell it to the voting public. Clinton (Bill) delivered his official speech to Congress on the revised healthcare scheme in September 1993. This scheme revolved around forcing employers to provide healthcare for all employees. The health care organizations were to be obtained from a pool of (tightly) government controlled health maintenance organizations (HMOs). This was to be the cornerstone of the administration's first-term agenda.

University of Virginia Professor Martha Derthick wrote in the **Washington Post** that:

"In many years of studying American social policy, I have never read an official document, [*referring to the "published" health care plan, (Hillarycare)*] that seemed so suffused with coercion and political naïveté . . . with it's drastic prescriptions for controlling the conduct of state governments, employers, drug manufacturers, doctors, hospitals and you and me."

Further conflict arose from the Democratic Party, and several competing plans were introduced. The local political opinion became; that healthcare revision would have to wait until the next Congress. The net result was the death of Hillarycare, by popular demand. Contrary to the Clinton Administration's anticipation, the next election (mid-term) was historically speaking, an overwhelming rush to the Republican Party. Clinton had visibly become far too socialist for America. **His agenda had to be stopped.**

The Clinton response was to act as though he had had an epiphany and **publically** moved away from his extremist agenda. He made a big show of how "big government" was dead and began rewriting the history of his first two years in office. He assigned his vice president to "make the government smaller". **This of course was entirely for public consumption, in order to get re-elected, in 1996.**

His failure at instituting his most aggressive approach to healthcare socialization must have been devastating to an ego like Clinton's. This however was not at all surprising, since the mandate given him in his first election was hardly overwhelming. Socialized Health Care was not popular, nor has it become any more popular in educated circles since.

After his failure in the healthcare arena, Clinton turned to the next most important item on his agenda, this being of course the transfer of wealth to lower income voters. His end game was to provide housing on the government tab for low to non-existent income earners. This was seen by him as the way to secure Democratic Party domination for the future. His goal seemed to center on the term of **forty years** for Democratic Party (Progressive) supremacy. Presumably he felt that total conversion to

<sup>5</sup> New York Times, ADAM CLYMER, *GOP Senators Prevail, Sinking Clinton's Economic Stimulus Bill*, April 22, 1993

<sup>6</sup> Wash. Post, Dan Morgan, *Administration criticizes GOP defense Priorities*, Feb 8, 1995

socialism could be accomplished in that time frame, without Americans fully realizing what was happening.

**"The American people will never knowingly adopt Socialism, but under the name Liberalism, they will adopt EVERY fragment of the Socialist program UNTIL America will one day be a Socialist nation without knowing HOW it happened." [Norman Thomas –Socialist party U.S. Presidential candidate (six times, between 1928 and 1948)]**

Clinton began by increasing the purview of the Housing Urban Development (HUD) by enlarging public housing grants and benefits for development companies to engage in “inner city” development. Mostly (as is easy for Congress to do), this was accomplished by securing funds for use down the road a few years. The change in politics of the House apparently caught Clinton a bit by surprise, since he had not quite gotten his ducks lined up for funding of all his housing programs, and eliminating HUD was the stated goal of the new Republican Congress.

## **National Homeownership Strategy**

Having failed at moving a Democratic Congress, and then a Republican Congress to provide free to low cost housing for “inner city”, or otherwise “economically disadvantaged” people, **President Bill Clinton launched the biggest behind the scenes, in your face, corruption of the federal government seen**, since Woodrow Wilson sneaked us into WWI after winning re-election by campaigning against entering the war, or possibly since FDR helped Communist Red China defeat our allies, the Nationalist Chinese.

### **Clinton Pushes “Homeownership Strategy”**

In the words of President Clinton regarding home ownership:

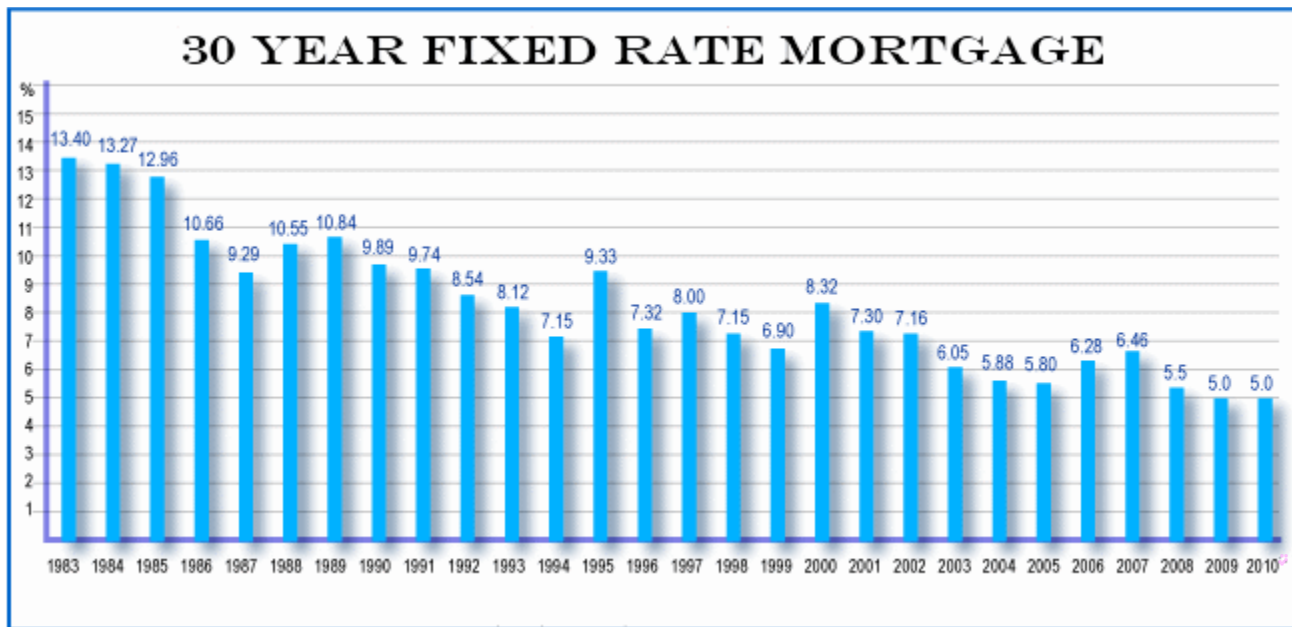
***“... but in the 1980's, as the Vice President said, that dream began to slip away. I ran for President in large measure because I wanted to restore that dream, to grow the middle class, shrink the under class, promote the mainstream values of work and responsibility, family and community, and reform Government in a way that would enhance opportunity and shrink bureaucracy.”***

*“We've made good progress, but we have to do a lot more. I ask all of you just one more time to look at that chart. [A chart then on display, not the chart below] and I wish I had a lot of other charts to show you that would reinforce that. Home ownership declines then stabilizes at a lower level. At the same time, more and more American families working harder for the same or lower wages every year, under new and difficult stresses. It seems to me that we have a serious, serious unmet obligation to try to reverse these trends. As Secretary Cisneros says, this drop in home ownership means 1.5 million families who would now be in their own homes if the 46 years of home ownership expansion had not been reversed in the 1980's.”*

[One reason that sales dropped in the 1980s may have been that mortgage rates were as high as **15.5% per annum** for a 30 year fixed rate mortgage]

*“Now we have begun to expand it again. Since 1993, nearly 2.8 million new households have joined the ranks of America's homeowners, nearly twice as many as in the previous 2 years. But we have to do a lot better. The goal of this strategy, to boost homeownership to 67.5 percent by the year 2000, would take us to an all-time high, helping as many as 8 million American families across that threshold.” **Bill Clinton, June 5, 1995***

As you can see by the graph below, the interest rates for the standard 30 year fixed rate mortgage dropped steadily from a high of 15.5% per annum in 1982 to 7.15% per annum in 1994. This drop in interest rates would make the proposition of taking on a mortgage much more appealing and the number of houses sold considerably greater without any government action.



If you will take a look at the (**Total Sold**) graph in my Prologue, you will see that Clinton's "trends" statement above is somewhat less than accurate. Certainly his portrayal of the 1980s bears little resemblance to the facts, since the 1980s represents a very slight drop (less than 5%) in home ownership increase, whereas the 1960s home ownership can be seen as much less than either of the above time periods. The only period during the 1970s where new home ownership increase can be said to have been high was 1977 and 1978 (coincidentally immediately after the introduction of the CRA in 1977?). In addition, the 2.8 million new homeowners claimed by Clinton between 1993 and 1995 (when this speech was given) was a non-event. The graph is essentially flat during these years. This was intended to be a justification for his massive push for low-income home ownership.

While all their "studies" are interpreted by the Administration to indicate that racial discrimination is at the heart of all social problems, the fact is that there is no real proof of this. In fact, with regard to home ownership, Clinton's programs would soon push many low-income families into home ownership, when in fact; they would otherwise have considered that this was not a wise choice for them.

**[An account of Clinton's program introduction recorded in The Washington Post, John F. Harris, June 6, 1995]**

*Surrounded by young couples who recently bought first homes, President Clinton yesterday said he wants the nation to increase the rate of ownership to an all-time high of 67.5 percent within five years and unveiled a list of "100 specific actions" that he boasted could achieve that goal but "not cost taxpayers one extra cent."*

*One reason the recommendations under the "National Homeownership Strategy" will cost nothing is that many of them are vague calls for further study. Others are grandiose but unenforceable declarations that housing organizations should modernize their procedures or better disseminate information. If anything, yesterday's event at the White House -- "America's finest public housing," as Clinton jokingly described his residence in an East Room ceremony -- showed how federal housing*

*efforts have entered an era of limits.* <sup>7</sup>

**It sounds to me as if the Post is trying to describe this as a non-event. If this was the case, all I can say is, they really missed one here.**

Unlike the large housing programs of the sort that flourished in the 1960s and 1970s, these initiatives were touted by Vice President Gore as an example of how Clinton has helped "reinvent the government" and that "helping homeowners does not necessarily require new government programs or new funds from Congress."

It would have been more accurate to say that the Administration intended to expand the housing market into areas which existing wisdom in the financial market refused to recommend, regardless of the consequences; whether the American people (Congress) wanted them to or not.

The recommendations in the "National Homeownership Strategy" were produced by the Department of Housing and Urban Development (HUD) as part of a **partnership** with numerous private groups such as:

The American Bankers Association,  
The Association of Community Organizations for Reform Now (ACORN),  
The National Council of La Raza  
The National Association of Counties, as well as with government-chartered firms such as:  
The Federal National Mortgage Corp. (Fannie Mae),  
Freddie Mac and  
The Resolution Trust Corp

Clinton boasted that the administration's home ownership strategy was designed to produce 8 million new homeowners by 2000, boosting the rate to 67.5 percent from the current level of about 64 percent.

Homeownership rates rose for decades (after veterans returned from WWII) -- in part because of guaranteed loan programs sponsored by the Federal Housing Administration, the Veterans Administration and other agencies -- from 43.6 percent of all households in 1940 to a high of 65.6 percent in 1980, according to materials released by the White House. During the 1980s, that rate slipped a shade but had nudged up slightly since 1993. *This would appear to be the "normal rate of home ownership for American taxpayers."*

Clinton said it needs to go higher still. ***"Want to reinforce family values in America, encourage two-parent households, and get people to stay home?"*** he stated. ***"Make it easy for people to own their own homes and enjoy the rewards of family life and see their work rewarded."***

***"This is a big deal,"*** he said. ***"This is about more than money and sticks and boards and windows; this is about the way we live as a people and what kind of society we're going to have."***

At his White House press conference, Clinton was introduced to an Allentown, Pa., couple - bookkeeper Jean Mikitz, 24, and her husband, Jim, 21, an auto mechanic. They had recently bought a \$58,000 home with an FHA loan, but faced numerous hurdles, including closing fees that were about \$1,000 higher than they expected. Publicity materials handed out by the White House said the National

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<sup>7</sup> The Washington Post, John F. Harris, Jun 6, 1995

Homeownership Strategy would "cut closing costs and down payment requirements."

When an administration official was asked later which of the "100 specific actions" presented by Clinton would have helped the Mikitz family, he cited measures that were either still in the formative stage -- *"the partnership should identify and promote effective methods of saving for home ownership" -- or would require Congress to pass changes in the tax code that would reduce revenue, such as revising the tax penalty for early withdrawal from Individual Retirement Accounts. Some actions were offered in dense, bureaucratic language. "To promote affordable housing . . . for low- and moderate-income families," one passage said, "Members of the partnership should utilize problem-solving, consensus-building, and mediation techniques to achieve multi-jurisdictional agreements for acceptance and development of affordable housing."*<sup>8</sup>

**With this announcement and these words, Bill Clinton planted the seeds of the destruction of the Financial System in the United States of America and the world.**

Bill Clinton, practically speaking, introduced the phrase, **"Public – Private Partnership"** to America's lexicon. Prior to this, the phrase was seen only in various but more obscure Communist publications. It invariably represents a pathway for wealth redistribution and should have caused ears to perk up the first time he used it.

As implied by Clinton here, it refers to arrangements whereby the government would establish certain goals, which compliant, selected, favored companies would strive to reach, through documented in-house plans. The government in turn would bestow upon those companies certain favored status and would effectively guarantee the companies solvency (as in taxpayer guarantees, granted but not necessarily written i.e. "Too Big to Fail"). In the language of post-crash America, this arrangement is called **"crony capitalism"**. By assuming far greater control of the U.S. Banking system, and to a lesser extent the U.S. Real Estate market, **Bill Clinton effectively made crony capitalism a way of life in this great nation.** In fact, this represents further socialization of the banking industry. Very little of the banking industry is not now totally under the control (regulation) of the Administration.

*[In October 2011, extremists on the left, exhorted by President Obama called a countrywide march / sleep-in to protest. Although it has been difficult to determine exactly what it is the marchers are protesting, it appears to be the "crony capitalism" that Bill Clinton established or at a minimum vastly enhanced in the 1990s. The obvious problem, and the reason that the purpose of "Occupy Wall Street" (OWS) seems somewhat elusive is that their complaint is essentially against the leftist agenda, yet they refuse to admit that even to themselves, as they invariably are part of the extreme left.]*

To accomplish his ends, Clinton employed both the carrot and stick approach. Financial companies would either do as the administration wished, with regard to making "unwise" loans to "inner city" and minority entities or, should they wish to do anything that required governmental permission in the future, such as expanding, they would be refused. In other words, the government was saying: "Do as we wish, or you die!"

*[Although few seem to have realized it yet; this is the same tactic employed by the Obama Administration to force its inane policies on the Catholic Church and / or its health care insurance companies, with regard to "paying for contraceptives and abortion causing "morning after pills".]*

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<sup>8</sup> Ibid

On the side of the carrot; large financial institutions were allowed to engage in riskier behavior, maintaining less in reserve, and they were assured that they would be backed by the taxpayer. That is, they would be declared “too big to fail”. **There was a firm understanding** that the taxpayer (or unsuspecting Wall Street share holders) would be left holding the bag, should anything go wrong.

**Laws would be altered to place HUD in regulatory charge of the GSEs, making them beholden to Secretary Henry Cisneros (HUD).** This was accomplished through “regulatory Reform” in 1992. Rules and then laws would be changed to permit and encourage the GSEs to take on responsibility for virtually any mortgage sent their way, regardless of the risk involved. Laws or regulations would be changed to permit huge financial institutions into being, which would appear invincible with regard to risky underwriting. Even more laws would be changed to permit **these** financial institutions to indiscriminately trade in derivatives, in an attempt to hedge risky mortgages. This derivative trading would be further immunized against any oversight or regulation, by more changes to the law.

These were the wordy, don't pin us down phrases, used in proclaiming Clinton's goals. The details would be left to more personal and private negotiations held chiefly by Henry Cisneros, Housing Urban Development Secretary. His guiding document, his blueprint for action became something he himself had already drawn up called “The National Homeownership Strategy”.

This “Strategy” begins with many assumptions which would have been argued, had it been released to national scrutiny, as it should have been. In effect it is a **PLAN** for greatly increasing home ownership; mostly by using lower income members of society, but designed with total disregard for any other effect it might have on society. A quick read of this document will undoubtedly leave the reader with the impression that it was created with the express purpose of increasing home ownership by any and all means. “*Damn the torpedoes, full speed ahead*”. Moreover it explored every means available to accomplish that goal without any consideration of unintended consequences.

*[Purely as an aside, the Republican congress which came into office in 1994 must have had some idea that there was something going on at HUD which was not good for the nation. They made a run at eliminating HUD as an agency, in an attempt to rein in federal spending and reduce budget deficits. HUD mobilized all the contacts it had already established in setting up the Homeowner's Strategy and went to work maligning Congress publicly, according to The Washington Post.<sup>9</sup> Propaganda was widely published to the effect that the Republican congress would put families (with children) out on the street. Before long, the plan became “**destroy Newt Gingrich**” according to testimony of the Inspector General of HUD before Congress, February 29, 1996. Obviously it worked. One can only wonder whether we would be facing any of the world wide financial crises that we now endure, had Gingrich been successful, instead of Clinton.]*

## **Studies (The groundwork)**

*One facet of any study that should always be kept in mind is that the result of the study should not be preconceived before the facts are in. Stated differently, if a study serves only to prove what the “researchers” already “knew”, the study is worthless. This is my opinion of most of the studies conducted by the government and / or the GSEs. The studies essentially prove what the originator needed them to prove; therefore they are worthless from any scientific standpoint.*

The following “studies” were commissioned by HUD in one manner or another:

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<sup>9</sup> The Washington Post, April 7, 1995, HUD Rallies criticized as Illegal Lobbying Efforts



## **Research on Discrimination in Housing and Mortgage Markets: Assessment and Future Directions** [*George C. Galster, the College of Wooster, 1992?*]

In 1991, HUD commissioned a study [**Turner, Struyk and Yinger, on housing discrimination in 25 metropolitan areas in the year 1989**]. This study found discrimination occurred in about 1/2 of “black and Hispanic” home seeker interactions. While the authors and others claimed their testing methods were accurate, apparently there have been **court findings that differ with that conclusion. Never the less, this study would appear to be the basis and justification for the direction taken by the Clinton Administration in its Homeowners Strategy, regardless of its accuracy.**

**Fannie Mae commissioned a study of loan patterns**, pros and cons, in 1993 called “*An Empirical Analysis of Metropolitan Housing and Mortgage Markets*”

**Fannie Mae commissioned another study in 1996 called “Urban Housing Policy in the 1990s”** emphasizing that home ownership is both highly sought by the public and central to public policy. Numbers of home owner households peaked in 1980 and was not expected to peak again until 2000. According to this study, Black and Hispanic families consistently lagged behind in the statistics. Immigrant populations on the other hand were found to be gaining significantly in home ownership. The GSEs were seen to be encouraging low income borrowing by reducing down payment requirements.

One observation which may be pertinent to this conversation involves the myriad of studies that have been conducted over the years concerning the principle reason for marital strife, possibly leading to dissolution of the marriage. **Never** has the lack of home ownership been cited as the reason for strife, but insufficient income or poor handling of that income nearly always tops the list of causes. It would seem that HUDs studies neglected to include this parameter in their investigations.

### ***Community Reinvestment Act (CRA)***

***“America has to get over her inordinate fear of National Socialism” [Jimmy Carter]***

The first step in Clinton's plan was to slightly “improve” the **Community Reinvestment Act (CRA)** and use it to force banks to provide loans to lower income individuals who had insufficient credit for customary loans, and by the usual ways of determining credit, probably couldn't afford to repay the loan in the final analysis.

Integrating “private partners” with the GSEs and making the GSEs more pliable was tasked to HUD Secretary **Henry Cisneros**. His plan was ostensibly backed up by repeated “studies”, each of which he claimed indicated without a doubt that crime would decrease and people would be ever so much happier and well off, if only they owned their own home. Loans could be provided, if not by the government itself, then by “partners” from the civilian financial community. Of course there were no studies to determine what would happen when these un-collateralized loans began to default.

Cisneros' plan was published in 1995 as “The National Homeownership Strategy” and the Clinton administration launched a full scale program to increase home ownership far beyond anything that had ever existed before. Market considerations be damned.

The Community Reinvestment Act, first introduced by the Carter administration in 1977, was intended

in Progressive fashion to reinvigorate inner cities and specifically to assist the “underprivileged” by ensuring that lending institutions were in fact making loans to low income borrowers. While this could seem to be a reasonable act of a socially aware government, the net effect was to FORCE those lending institutions to make loans which should have been considered inadvisable.

The Carter administration found the practice of what was called “redlining” to be objectionable in that it discouraged lending institutions from making loans in certain geographical areas, mostly in urban settings (encircled on maps in red), because statistically they were high crime areas and financially high risk areas for lenders and investors. **The maps themselves originated as "residential security maps"** from an organization called the *Home Owners Loan Corporation (HOLC)*. Insurance companies generally followed the same strategy. **How dare a financial institution refuse to make a loan just because the odds were that they would never be paid back?** How dare an insurance company refuse to cover properties or charge more to cover properties, just because they were built in areas infested with criminals? In typical fashion, socialism creeps in by small innocuous appearing increments. The American public has been duped into accepting what is benignly called Socialism, bit by bit for many years.

*From the Act:*

***Title VIII: Community Reinvestment - Community Reinvestment Act - States that the purpose of this Act is to require each appropriate Federal financial supervisory agency to use its authority, when examining financial institutions, to encourage such institutions to help meet the credit needs of the local communities in which they are chartered.***

***Directs each Federal financial supervisory agency in examining financial institutions: (1) to assess the institution's record of meeting the financial needs of its entire community; and (2) to take such record into account in evaluating the institution's application for a deposit facility.***

***Direct such supervisory agencies to report the results of such evaluations to Congress annually.***

It would be difficult to understand how it could be more clearly stated that, financial institutions were required to make loans to low income borrowers, regardless of their credit worthiness, or suffer the consequences. While other sections of the Act caution that high risk loans, which would put the financial institution in danger are not to be undertaken, the clear intent of the Act and certainly the manner in which regulators were to evaluate a financial institution's usefulness to society, promote just the opposite and indicate that those cautionary sections should be ignored.

The CRA was mainly targeted towards the four supervisory agencies: **the Board of Governors of the Federal Reserve System (the Board), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), and the Office of Thrift Supervision (OTS).**

The problem for the deposit and lending institutions was that the text of the law itself actually set forth no guidelines to prove compliance and therefore the regulatory agencies held hearings to settle the issue. Even then, the guidelines were still somewhat vague and quite flexible in their approach. It was difficult for the deposit and lending institutions to know exactly what would increase their compliance, as there were two parts to an examination record, a public record and a confidential record. The deposit and lending institutions rarely knew what was contained in the confidential record and **could not know who gave that information if they did obtain it.**

To address some of the resulting concerns Congress amended the CRA in 1989 to require public release of these examinations. With community groups becoming more organized, more combative and better informed, these groups began making more demands and protesting ever-increasing numbers of applications from deposit and lending institutions. New guidelines issued concurrently with this amendment appeared to demand greater emphasis on documentation as the deposit and lending institutions had to show compliance through day-to-day operations. Because of this perceived undue hardship, new guidelines were once again issued in 1992 which specifically said that a lack of documentation would not be the sole determinate of a poor rating. However, it was also stated that any well-run program was expected to include documentation.

*Even with all this involvement by the regulatory agencies, however, real progress towards the stated goal of increasing numbers of low, and moderate income homeowners was considered spotty at best and generally unacceptable by many in the regulatory agencies, in Congress and among community activist organizations such as . . . ACORN. The end result however is that ACORN now dictates who gets loans, regardless of the capability of the borrower to repay the loan.*

**As Clinton's chief economic adviser, Robert Rubin released the following from the Administration, on December 8, 1993:**

***“The reform of the Community Reinvestment Act is an essential building block in the efforts I’ve just mentioned. (‘Dealing with the problems of the inner city and distressed rural communities’)***

***In July the President asked the four banking regulators to reform CRA, to reduce paperwork in process and reward performance, and to get that done by January 1, 1994. We’re delighted to report that that has been accomplished on schedule. And in conjunction with the President’s Community Development Bank and financial institution legislation, which recently passed the House of Representatives, CRA reform will generate billions of dollars in new lending and extend basic banking services to the inner cities and to distressed rural communities around the country.”***

In the same release, Lloyd Bentsen (Treasurer) added the following: *[The Stick]*

***“In a nutshell, what we’re proposing to do is to make it easier for lenders to show how they’re complying with the Community Reinvestment Act. For those who aren’t familiar with the area of banking law, the changes we’re proposing are important because banks now have a very clear, quantitative standard by which their compliance can be judged. And that is very important to banks when it comes to ask regulators to approve mergers, new branches and the like.***

***Before our proposal banks had no certainty what affect the steps they were taking toward community reinvestment would have on applications. What we’re trying to do is to make credit more readily available for small business, for small farms and distressed areas of our country.”***

**The final Act (CRA) released by Treasury in 1995:**

***The purpose of the CRA regulations is to establish the framework and criteria by which the agencies assess an institution’s record of helping to meet the credit needs of its community, including low- and moderate-income neighborhoods, consistent with safe and sound operations, and to provide that the agencies’ assessment shall be taken into account in reviewing certain applications.***

***[At this point, even complaints made by such “community action” organizations such as ACORN now counted against a lending institution's evaluation. ACORN in a very real sense had been co-opted into the Clinton Administration.]***

*"The Community Reinvestment Act was set up to say to the bank regulators: Look, you guys go in and look at these banks and tell them, you got to take some of your money and invest it in inner cities and neighborhoods, and with people who otherwise would not get it so they have a chance to build homes, to build businesses, to create jobs, to build neighborhoods.*

*In the 20-year history of the Community Investment Act, 85 percent-plus the money loaned out under it to poor inner city neighborhoods has been loaned in the five years since I've been President. "*

***President Bill Clinton***

***January 21, 1998***

**The fix is now in. Either financial institutions make loans to low income borrowers as “suggested” by the various federal regulators, or they face sanctions of one sort or another. The Financial Industry would now be forced to participate in Clinton's redistribution of the wealth, whether they liked it or not. The future of the lenders would be to some extent protected through government actions, but as uncertain as this made the future of the financial industry, the financial geniuses at the top would be secure, since they knew the name of the game. They were after all, partners with the government. Actually, it sounds as though financial institutions were now a part of the government and certainly, thoroughly controlled by the government. This is what is called socialism.**

Clinton's plan in the most general terms consisted of four parts:

- 1) Improve and implement the **Community Reinvestment Act** to force banks to make ill advised loans. Make use of the Justice Department to insure that loans were made as directed, **or file legal action** to force compliance. Maintain regulatory pressure on the financial institutions to enforce compliance.**
- 2) Alter the law to permit the GSEs to dispose of groups of loans, originated from the above banks and from less responsible originators called simply Mortgage Companies, such as Countrywide.**
- 3) Encourage the **creation** of Collateralized Mortgage Obligations (CMOs) and Collateralized Debt Obligations (CDOs) for disposal of mortgages in the stock market to supplement absorption of sub-prime and other bad loans by the GSEs. *[CDO's and CMO's are financial instruments which are created by combining loans (mortgages) of varying risk to increase their salability in combination].* Also, the Administration would eliminate size constraints and the inability of large financial institutions to diversify by eliminating the Glass-Steagall act. This was accomplished on November 4, 1999, by passing the Financial Services Modernization Act (FSMA) of 1999 which repealed Glass-Steagall and permitted financial institutions to become large multi service organizations.**

One additional provision of the Financial Services Modernization Act (FSMA) of 1999 (also called The Gramm-Leach-Bliley Act) was to **permit** financial institutions to invest deposits from savings and checking accounts in “**creative financial instruments**” such as CDOs, CMOs and credit default swaps. This is how risk is transferred from the banks and government to Wall Street investors and insured funds controlled by banks and insured via. CDSs. It's a tangled web that was woven. It would seem

the thinking was; that the more twists and turns there were the less chance there was of discovery.

4) Alter the derivative market (via the Commodity Futures Modernization Act of 2000) to take derivatives out of public view, and eliminate any controls or oversight on them, particularly regarding an insurance-like product called Credit Default Swaps (CDSs). Financial “partners” would be allowed to “insure” themselves against default without government oversight or interference. The primary beneficiary of this arrangement appears to be Goldman–Sachs.

Least I forget, Robert Rubin, Henry Paulson, Roger Altman, Gene Spurling, Ed Liddy and too many others to mention, who were involved already had financial ties with Goldman-Sachs.

When it became clear how devastating the effects of the Commodity Futures Modernization Act of 2000 had been to the housing and stock markets, the New York Times (NYT) made great efforts to lay the responsibility for the shortcomings of the Act off onto Senator Phil Gramm, insinuating that he had worded the legislation in order to benefit his wife. They cited internal e-mails between Enron executives suggesting how to lobby Gramm, as evidence to support this argument.

Curiously, one excerpt from one of the internal e-mails cited states the following: *At his request, I met Lee Sachs, Assistant Treasury Secretary, who had requested the meeting after a brief conversation recently. Lee said that **senior-level negotiations led by Secretary Summers** were initiated last week between the CFTC and SEC and that progress was being made on the single stock futures issue (the major issue postponing movement of the legislation).*

Clearly the language of this legislation was being dictated, or at the very least *massaged* by the Clinton Administration. To some extent the NYT has implicated the Clinton Administration in the scandal without ever meaning to do so.

Summers’ enthusiasm for financial deregulation of derivatives conflicted severely with the views of Brooksley Born, who had become Chair of the Commodity Futures Trading Commission in 1996. Born had extensive previous experience working as a lawyer in the derivatives area and was concerned about the lack of oversight of this multi-trillion dollar financial market. Summers however in collaboration with Alan Greenspan, Robert Rubin, and Arthur Levitt, blocked Born’s efforts to initiate discussion of regulating derivatives. According to New York Times reporter Timothy O’Brien “They were all part of a very concerted effort to shut her up and to shut her down. And they did, in fact, shut her up and shut her down. Bob Rubin is not a guy who likes confrontation. He’s confrontation-averse. But he understands that you need someone in there who can swing a heavy axe, and that person was Larry Summers. He was the enforcer.”<sup>10</sup>

Former CFTC director Michael Greenberger has recounted how Summers called Born personally to accuse her of risking a major financial crisis with her proposal to discuss regulation of derivatives.<sup>11</sup> This specific “deregulation” was an integral part of Clinton’s Plan.

## ***GSEs***

As indicated, Henry Cisneros (HUD) was charged by Clinton with altering legislation if necessary, but

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<sup>10</sup> PBS Transcript, “The Warning”, October 20, 2009

<sup>11</sup> Remarks by Treasury Secretary Lawrence Summers to the Haas School of Business, University of California, Berkeley, December 6, 2000

primarily with making the Government Sponsored Enterprises, Fannie Mae and Freddie Mac act as willing receivers for mortgages of virtually any risk, made by “approved” lenders to low income borrowers. The goal was to convince the GSEs to provide this service “without questioning the borrower's bona fides.”

On February 16, 1995, the Department of Housing and Urban Development (HUD) having established most of it’s network of “partners” already, published an extensive set of proposed regulations revising the affordable housing performance goals for Fannie Mae and Freddie Mac, which had been established by the 1992 Federal Housing Enterprises Financial Safety and Soundness Act (GSE Act) The 1992 GSE Act was a follow on to what was called the Charter Act of 1954 which legitimized and expanded Fannie Mae, which itself was chartered by the FHA in 1938.

It is amazing how many of our problems with government today have resulted from executive orders stemming from the reigns of Woodrow Wilson and Franklin D. Roosevelt.

The goals referenced here are simply numbers of mortgages assumed by Fannie Mae and Freddie Mac, made to low income borrowers in various situations such as those in inner cities and in rural areas compared to the overall number of loans assumed. The goals would allow the GSEs (in this case) to count the various types of loans numerically to arrive at the desired goals. “Risk” simply stopped being a consideration in the race to make more loans to low income borrowers. Practically speaking, risk need not be considered because the GSEs were backstopped by the federal government, the taxpayer. While numerous studies were made to support the value of home ownership for low income families, so far as I have been able to determine, never was any interest shown in determining what would happen in the case of loan default of any scale. Once again the possibility of unintended consequences was totally ignored for political gain.

An article written by Judith Evans entitled, [*“HUD's Cisneros to Leave a Legacy of Public Housing Reform”*, *Washington Post*, November 30, 1996], quotes Cisneros as saying that part of his (HUD's) winning strategy was his ability to convince lenders, builders and real estate agents that there was money to be made in selling housing to low and moderate income individuals.

According to Lawrence H. White, [*“How did we get into this financial mess”*, *Cato Institute Brief*, November 18, 2008], part of this “convincing” involved **HUD initiated legal action** taken against lenders who refused to make **higher percentages of loans to minorities, than whites**. As a result of such political (legal) pressure, lenders began lowering their standards. (One can see that the reckless risk taking in making loans for mortgages was certainly not initiated by lending companies, rather dictated to them by the Clinton Administration.)

Andrew Cuomo, who succeeded Henry Cisneros to the Secretary of HUD position for Clinton’s second term, hiked the lenders affordable housing quota in 2000 to a full **50% of loans** having to be made to “underserved” borrowers, defined as low-income borrowers with “damaged credit”. Lending institutions now had to make half of their loans to borrowers who probably could not repay them. Then Cuomo forced Fannie Mae and Freddie Mac to accept them regardless of the risk. These quotas remained until 2004.

Robert Levin, former Executive Vice President and Chief Business Officer of Fannie Mae, and Daniel Mudd, former President and Chief Executive Officer of Fannie Mae, gave testimony before the Financial Crisis Inquiry Commission public hearing on "Sub-prime Lending and Securitization and Government-Sponsored Enterprises." in Washington, Friday, April 9, 2010. The panel was seeking a

firsthand accounting of decisions that inflated a mortgage bubble and triggered the financial crisis.

Concerning this meeting, Alan Zibel, (AP Real Estate Writer) reported that the two former Fannie Mae executives claimed that competitive pressures, combined with **the political goal of increasing home ownership**, were to fault for the company's decision to back these riskier mortgages, which fueled the housing bubble. In other words, political pressure was responsible for their part in causing the housing bubble – and the financial collapse of 2008.

### **Impact of the “Federal Housing Enterprises Financial Safety and Soundness Act”**

Congress passed the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 in an effort to address the problems indicated above. This act created the Office of Federal Housing Enterprise Oversight (OFHEO) with HUD to oversee Fannie Mae and Freddie Mac (FM2) and to ensure their continued economic stability and safety (**and compliance**). It also established **housing goals** for financing of affordable housing and housing in central cities and other rural and under-served areas to be set and enforced by HUD. These goals were eventually raised to 50% by Andrew Cuomo. It is inconceivable to me as a business man, that lenders could be required to make 50% of their loans to persons who they knew would probably never repay the loans. These goals were enforced by law under threat of lawsuit by HUD.

In 1993 and 1994, the law established these goals, with the goals to be set by HUD in 1995 and onward. This mandated that a certain percentage of loans purchased by FM2 **had to be written in low and moderate-income, under-served, and special affordable areas**. In other words, Fannie Mae and Freddie Mac were both enabled and **forced** to buy sub-prime loans in considerable numbers (amounting to something approaching 50% of all loans).

### **Unintended Consequences**

What are the unintended consequences of these actions? Prior to 1992 and the passage of the Federal Housing Enterprises Financial Safety and Soundness Act, if a lending institution wrote a sub-prime loan they essentially had to accept the risk of making that loan, and of whether or not that loan would be repaid. Fannie Mae or Freddie Mac (FM2) would not purchase the loan because sub-prime loans did not meet their guidelines. Therefore, not that many sub-prime loans were written and those that were written generally performed fairly well. But with the passage of this act, and the resultant lowering of FM2 guidelines to purchase sub-prime loans, these lending institutions could now, and were encouraged to make sub-prime loans with impunity. The lending institutions could make their money on origination fees and other charges while pushing the risk of the loan actually being repaid onto FM2. Thus, from 1992 onward, the number of sub-prime loans ballooned dramatically. Everyone (in government) applauded the great increase in the number of low and moderate-income homeowners.

**Very few noticed the risk** to Fannie Mae, Freddie Mac and the entire financial system.

### **Signs of Trouble**

There were signs of trouble that were mostly ignored. Amid investigations of mismanagement and questionable accounting practices and charges of outright fraud (in the GSEs), the Bush administration proposed a new regulatory agency under the aegis of the Treasury Department.

**The New York Times reported on September 11, 2003, *"The regulator has not only been out manned, it has been out-lobbied," said Representative Richard H. Baker, the Louisiana Republican who has proposed legislation similar to the administration proposal and who leads a subcommittee that oversees the companies. "Being underfunded does not explain how a glowing report of Freddie's operations was released only hours before the managerial upheaval that followed. This is not world-class regulatory work."***

**This same article contains the now famous quotes from two Democrats:**

***"These two entities -- Fannie Mae and Freddie Mac -- are not facing any kind of financial crisis," said Representative Barney Frank of Massachusetts, the ranking Democrat on the Financial Services Committee. "The more people exaggerate these problems, the more pressure there is on these companies, the less we will see in terms of affordable housing."***

***Representative Melvin L. Watt, Democrat of North Carolina, agreed. He said: "I don't see much other than a shell game going on here, moving something from one agency to another and in the process weakening the bargaining power of poorer families and their ability to get affordable housing".***

Even when faced with concrete evidence that Clinton's plan was headed south, it was as if Democratic Congressmen believed that if they said all was well, that would make it so. The "big lie" indeed is part and parcel of the Democratic Party ethos and is very effective, especially when the media is sleeping with the Party. In any case, the Democratic Congress was not about to take any action which might upset the redistribution of wealth that had been set in motion.

***Far from resulting from a lack of regulation, it is wrong-headed regulation that is the overarching cause of the entire mess. But rather than recognize this fact, Congress and others wish to rush in with ever more regulation to make up for this alleged lack. In the final hour, after all reasonable efforts to correct the problem have been ignored; the wise ones on high suddenly realize that some desperate measure is the only possible palliative. Thus we get bailout after bailout financed by taxpayers who chose to act prudently in their personal financial affairs to save those who did not. The entire system demands ruinous behavior and then bewails the behavior when it occurs. The market would work if the government would just leave it alone. But those who don't want the market to work will complain how the market has failed when it is really government intervention in the market that has failed. Thus bad regulation breeds more bad regulation until disaster occurs and the cycle is once again restarted.*** <sup>12</sup>

### ***Post Financial Disaster Interviews with Bill Clinton***

#### ***Clinton admits responsibility, then blames advisers, GOP for financial mess***

**Feb. 24, 2010**, Former President Bill Clinton spoke at the University of California at Berkeley, in Berkeley, Calif. Clinton warned of a slippery slope from angry anti-government rhetoric to violence like the 1995 Oklahoma City bombing, saying "the words we use really do matter."

In an interview that day on ABC's "This Week", former President Bill Clinton blamed everyone from his advisers to Republicans to himself for the country's financial mess.

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<sup>12</sup> Joe Reeser, op-ed written on 27 September, 2008



Clinton claimed in the interview that his Treasury Secretaries, Robert Rubin and Larry Summers, gave him bad advice on derivatives that overlooked the propensity of rich people to make “stupid decisions.”

<sup>13</sup> *[Please remember this statement]*

Clinton admitted his share of responsibility for taking that advice, but he also lashed out against the Bush administration, saying his successor abandoned “the whole regulatory apparatus” that would have headed off the financial meltdown.

*[I cannot avoid saying here that the regulatory apparatus he refers to and falsely claims that President Bush abandoned was created by the Commodity Futures Modernization Act (CFMA) of 2000, which specifically excluded oversight of over-the-counter derivatives which ultimately became the major problem – however only Clinton and his administration were appraised of this situation since they wrote the law.]*

**The following is the content of a letter to President George Bush, written by members of Congress in 2004 after he yet again informed them of the Government Sponsored Enterprises’ (GSEs) peril and recommended change and oversight. In other words, the Bush Administration warned Congress that changes had to be made to the GSEs to avoid catastrophic consequences.**

## **The Smoking Gun**

***The following letter, so far as I am concerned, is an unmitigated and unrepentant admission of responsibility for the soon to come financial meltdown by the undersigned Democratic members of Congress.***

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The Honorable George W. Bush  
President of the United States  
The White House  
Washington, DC 20050

Dear Mr. President:

June 28, 2004

We urge you to reconsider your Administration's criticisms of the housing-related government sponsored enterprises (the "GSEs") and instead work with Congress to strengthen the mission and oversight of the GSEs.

We write as members of the House of Representatives who continually press the GSEs to do more in affordable housing. Until recently, we have been disappointed that the Administration has not been more supportive of our efforts to press the GSEs to do more. We have been concerned that the Administration's legislative proposal regarding the GSEs would weaken affordable housing performance by the GSEs, by emphasizing only safety and soundness. While

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<sup>13</sup> THE DAILY CALLER - Published: 04/18/10

the GSEs' affordable housing mission is not in any way incompatible with their safety and soundness, an exclusive focus on safety and soundness is likely to come, in practice, at the expense of affordable housing.

We have been led to conclude that the Administration does not appreciate the importance of the GSE's affordable housing mission, as evidenced by its refusal to work with the House and Senate on this important legislation. It now appears that, because Congress has not been willing to jeopardize the GSE's mission, the Administration has turned to attacking the GSEs publicly. We are very concerned that the Administration would work to foster negative opinions in the financial markets regarding the GSEs, raising their cost of financing. If the intent is to get prohousing members of Congress to weaken their support of the GSEs' mission, it is a mistaken strategy.

Our position is not based on institutional loyalty, but on concern for the GSE's affordable housing function. We appeal to you to agree to work on legislative proposals that foster sound oversight and vigorous affordable housing efforts instead of mounting assaults in the press. We also ask you to support our efforts to push the GSEs to do more affordable housing. Specifically, join us in advocating for more innovative loan products and programs for people who desire to buy manufactured housing, similar products to preserve as affordable and rehabilitate aging affordable housing, and more meaningful GSE affordable housing goals from HUD.

The President

Page Two

For example, as a President that has a sincere appreciation for rural America, we urge you to direct the Rural Housing Service to place a high priority on working with the GSEs to close as many loans as possible this year to preserve the Section *SIS* rural housing stock, which is home to some of this country's poorest citizens.

In closing, we reiterate that an exclusive emphasis on safety and soundness, without an appropriate balance in focus on the affordable housing mission of the GSEs, is misplaced. Strong safety and soundness regulation and a vigorous affordable housing mission are not only compatible, but will reinforce each other. We ask you to work with us to craft legislation that achieves the proper balance in both areas.

Sincerely,

(All signed)

REP. BARNEY FRANK

REP. PAUL E. KANJORSKI

REP. MAXINE WATERS

REP. CAROLYN B. MALONEY

REP. LUIS V. GUTIERREZ

REP. MELVIN L. WATT

REP. GEORGE MILLER

REP. DARLENE HOOLEY

REP. NANCY PELOSI

REP. STENY H. HOYER

REP. JOHN D. DINGELL

REP. TOM LANTOS

REP. JOHN CONYER

REP. LUCILLE ROYBAL-ALLARD

REP. CHARLES B. RANGEL

REP. ROBERT T. MATSUI  
REP. RUBEN HINOJOSA  
REP. EARL BLUMENAUER  
REP. SANFORD D. BISHOP, JR.  
REP. JULIA CARSON  
REP. GREGORY MEEKS  
REP. MICHAEL CAPUANO  
REP. EDOLPHUS TOWNS  
REP. BENNIE G. THOMPSON  
REP. DANNY K. DAVIS  
REP. BRAD MILLER  
REP. RAUL M. GRIJAIVA  
REP. MARCY KAPTUR  
REP. ELEANOR HOLMES NORTON  
REP. DONALD PAYNE  
REP. BRAD SHERMAN  
REP. BARBARA LEE  
REP. CHAKA FATTAH  
REP. JAMES P. MORAN  
REP. SAM FARR  
REP. DENISE MAJETTE  
REP. ROBERT C. SCOTT  
REP. BETTY McCOLLUM  
REP. ANNA G. ESHOO  
REP. JAY INSLEE  
REP. DENNIS MOORE  
REP. HAROLD E. FORD, JR.  
REP. WM. LACY CLAY  
REP. STEVE ISRAEL  
REP. CAROLYN McCARTHY  
REP. JOE BACA  
REP. DAVID SCOTT  
REP. ARTUR DAVIS  
REP. JOSEPH CROWLEY  
REP. DONNA M. CHRISTENSEN  
REP. BOB ETHERIDGE  
REP. JAMES R. LANGEVIN  
REP. JAMES P. McGOVERN  
REP. CHARLES A. GONZALEZ  
REP. MAX SANDLIN  
REP. JOHN LEWIS  
REP. PATRICK KENNEDY  
REP. ROBERT A. BRADY  
REP. JOHN F. TIERNEY  
REP. ALBERT R. WYNN  
REP. WILLIAM D. DELAHUNT  
REP. JIM McDERMOTT  
REP. JOHN W. OLVER  
REP. CHRIS BELL  
REP. ROBERT MENENDEZ  
REP. JIM MARSHALL

REP. DAVID E. PRICE  
REP. SANDER M. LEVIN  
REP. MADELEINE Z. BORDALLO  
REP. RICHARD E. NEAL  
REP. MARTIN MEEHAN  
REP. STEPHEN LYNCH  
REP. MICHAEL M. HONDA  
REP. GARY L. ACKERMAN  
REP. NICK J. RAHALL

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**[This has to represent the most arrogant and irresponsible response that anyone could imagine under the circumstances. Not only did the blind politics of this Congress insure the financial disaster we now endure, it put in black and white the stupidity of the individuals who signed the letter. I recommend that each of you take careful note of those who signed this letter and make sure that they never again serve in public office. They are each and every one incompetent.]**

### **Spinning the lie**

Remarkably on April 15, **2010**, Speaker of the House Nancy Pelosi held a news conference in which she made a point of iterating the following: *“When [then] Senator Obama accepted the nomination in Colorado, the [Bush] Administration had kept from the public the idea that, in a matter of weeks, the financial community would be in crisis, and we would need to pass the TARP legislation.”*

Unfortunately Nancy’s comments were a complete fabrication as records tell a very different story about the Bush Administration and its part in this financial debacle. Take careful note of Nancy’s signature on the letter above, effectively telling Bush to stop trying to make changes to the GSEs in **2004**. Nancy just cannot stop herself from lying to promote herself and her Party.

**The following was posted by The Gateway Pundit on Sunday, September 21, 2008, 12:32 to recount attempts by the Bush Administration to have Congress address problems with GSEs  
[reprinted in its entirety with permission]**

*For many years the President and his Administration have not only warned of the systemic consequences of financial turmoil at a housing government-sponsored enterprise (GSE) but also put forward thoughtful plans to reduce the risk that either Fannie Mae or Freddie Mac would encounter such difficulties. President Bush publicly called for GSE reform **17 times in 2008 alone** before Congress acted.*

*Unfortunately, these warnings went unheeded, as the President’s repeated attempts to reform the supervision of these entities were thwarted by the legislative maneuvering of those who emphatically denied there were problems.*

*The White House released this list of attempts by President Bush to reform Freddie Mae and Freddie Mac since he took office in 2001.*

*Unfortunately, **Congress did not act on the president’s warnings:***

**\*\* 2001**

*April: The Administration’s FY02 budget declares that the size of Fannie Mae and Freddie Mac is “a potential problem,” because “financial trouble of a large GSE could cause strong repercussions in financial markets,*

*affecting federally insured entities and economic activity.”*

**\*\* 2002**

*May: The President calls for the disclosure and corporate governance principles contained in his 10-point plan for corporate responsibility to apply to Fannie Mae and Freddie Mac. (OMB Prompt Letter to OFHEO, 5/29/02)*

**\*\* 2003**

*January: Freddie Mac announces it has to restate financial results for the previous three years.*

*February: The Office of Federal Housing Enterprise Oversight (OFHEO) releases a report explaining that “although investors perceive an implicit Federal guarantee of [GSE] obligations,” “the government has provided no explicit legal backing for them.” As a consequence, unexpected problems at a GSE could immediately spread into financial sectors beyond the housing market. (“Systemic Risk: Fannie Mae, Freddie Mac and the Role of OFHEO,” OFHEO Report, 2/4/03)*

*September: Fannie Mae discloses SEC investigation and acknowledges OFHEO’s review found earnings-manipulations.*

*September: Treasury Secretary John Snow testifies before the House Financial Services Committee to recommend that Congress enact “legislation to create a new Federal agency to regulate and supervise the financial activities of our housing-related government sponsored enterprises” and set prudent and appropriate minimum capital adequacy requirements.*

*October: Fannie Mae discloses \$1.2 billion accounting error.*

*November: Council of the Economic Advisers (CEA) Chairman Greg Mankiw explains that any “legislation to reform GSE regulation should empower the new regulator with sufficient strength and credibility to reduce systemic risk.” To reduce the potential for systemic instability, the regulator would have “broad authority to set both risk-based and minimum capital standards” and “receivership powers necessary to wind down the affairs of a troubled GSE.” (N. Gregory Mankiw, Remarks At The Conference Of State Bank Supervisors State Banking Summit And Leadership, 11/6/03)*

**\*\* 2004**

*February: The President’s FY05 Budget again highlights the risk posed by the explosive growth of the GSEs and their low levels of required capital, and called for creation of a new, world-class regulator: “The Administration has determined that the safety and soundness regulators of the housing GSEs lack sufficient power and stature to meet their responsibilities, and therefore...should be replaced with a new strengthened regulator.” (2005 Budget Analytic Perspectives, pg. 83)*

*February: CEA Chairman Mankiw cautions Congress to “not take [the financial market’s] strength for granted.” Again, the call from the Administration was to reduce this risk by “ensuring that the housing GSEs are overseen by an effective regulator.” (N. Gregory Mankiw, Op-Ed, “Keeping Fannie and Freddie’s House In Order,” Financial Times, 2/24/04)*

*June: Deputy Secretary of Treasury Samuel Bodman spotlights the risk posed by the GSEs and called for reform, saying “We do not have a world-class system of supervision of the housing government sponsored enterprises (GSEs), even though the importance of the housing financial system that the GSEs serve demands the best in supervision to ensure the long-term vitality of that system. Therefore, the Administration has called for a new, first class, regulatory supervisor for the three housing GSEs: Fannie Mae, Freddie Mac, and the Federal Home Loan Banking System.” (Samuel Bodman, House Financial Services Subcommittee on Oversight and Investigations Testimony, 6/16/04)*

**\*\* 2005**

*April: Treasury Secretary John Snow repeats his call for GSE reform, saying “Events that have transpired since I testified before this Committee in 2003 reinforce concerns over the systemic risks posed by the GSEs and further highlight the need for real GSE reform to ensure that our housing finance system remains a strong and vibrant source of funding for expanding homeownership opportunities in America... Half-measures will only exacerbate the risks to our financial system.” (Secretary John W. Snow, “Testimony Before The U.S. House Financial Services Committee,” 4/13/05)*

**\*\* 2007**

*July: Two Bear Stearns hedge funds invested in mortgage securities collapse.*

*August: President Bush emphatically calls on Congress to pass a reform package for Fannie Mae and Freddie Mac, saying “first things first when it comes to those two institutions. Congress needs to get them reformed, get them streamlined, get them focused, and then I will consider other options.” (President George W. Bush, Press Conference, The White House, 8/9/07)*

*September: RealtyTrac announces foreclosure filings up 243,000 in August – up 115 percent from the year before.*

*September: Single-family existing home sales decreases 7.5 percent from the previous month – the lowest level in nine years. Median sale price of existing homes fell six percent from the year before.*

*December: President Bush again warns Congress of the need to pass legislation reforming GSEs, saying “These institutions provide liquidity in the mortgage market that benefits millions of homeowners, and it is vital they operate safely and operate soundly. So I’ve called on Congress to pass legislation that strengthens independent regulation of the GSEs – and ensures they focus on their important housing mission. The GSE reform bill passed by the House earlier this year is a good start. But the Senate has not acted. And the United States Senate needs to pass this legislation soon.” (President George W. Bush, Discusses Housing, The White House, 12/6/07)*

**\*\* 2008**

*January: Bank of America announces it will buy Countrywide.*

*January: Citigroup announces mortgage portfolio lost \$18.1 billion in value.*

*February: Assistant Secretary David Nason reiterates the urgency of reforms and says “A new regulatory structure for the housing GSEs is essential if these entities are to continue to perform their public mission successfully.” (David Nason, Testimony On Reforming GSE Regulation, Senate Committee On Banking, Housing And Urban Affairs, 2/7/08)*

*March: Bear Stearns announces it will sell itself to JPMorgan Chase.*

*March: President Bush calls on Congress to take action and “move forward with reforms on Fannie Mae and Freddie Mac. They need to continue to modernize the FHA, as well as allow State housing agencies to issue tax-free bonds to homeowners to refinance their mortgages.” (President George W. Bush, Remarks To The Economic Club Of New York, New York, NY, 3/14/08)*

*April: President Bush urges Congress to pass the much needed legislation and “modernize Fannie Mae and Freddie Mac. [There are] constructive things Congress can do that will encourage the housing market to correct quickly by ... helping people stay in their homes.” (President George W. Bush, Meeting With Cabinet, the White House, 4/14/08)*

*May: President Bush issues several pleas to Congress to pass legislation reforming Fannie Mae and Freddie Mac before the situation deteriorates further.*

*“Americans are concerned about making their mortgage payments and keeping their homes. Yet Congress has failed to pass legislation I have repeatedly requested to modernize the Federal Housing Administration that will help more families stay in their homes, reform Fannie Mae and Freddie Mac to ensure they focus on their housing mission, and allow State housing agencies to issue tax-free bonds to refinance sub-prime loans.” (President George W. Bush, Radio Address, 5/3/08)*

*“[T]he government ought to be helping creditworthy people stay in their homes. And one way we can do that – and Congress is making progress on this – is the reform of Fannie Mae and Freddie Mac. That reform will come with a strong, independent regulator.” (President George W. Bush, Meeting With The Secretary Of The Treasury, the White House, 5/19/08)*

*“Congress needs to pass legislation to modernize the Federal Housing Administration, reform Fannie Mae and Freddie Mac to ensure they focus on their housing mission, and allow State housing agencies to issue tax-free bonds to refinance sub-prime loans.” (President George W. Bush, Radio Address, 5/31/08)*

*June: As foreclosure rates continued to rise in the first quarter, the President once again asks Congress to take the necessary measures to address this challenge, saying “we need to pass legislation to reform Fannie Mae and*

*Freddie Mac.” (President George W. Bush, Remarks At Swearing In Ceremony For Secretary Of Housing And Urban Development, Washington, D.C., 6/6/08)*

*July: Congress heeds the President’s call for action and passes reform of Fannie Mae and Freddie Mac as it becomes clear that the institutions are failing.*

### ***So Bush did it?***

While changes should have been made to Fannie and Freddie long before 2005, it should be noted that **Harry Reid** single handedly stopped Senate consideration of any changes to Fannie Mae and Freddie Mac for a year and a half. Eighteen months. When the world’s financial condition is collapsing around you, 18 months is a very long time to refuse to do anything about it.

**Barack Obama has colossal nerve but absolutely no basis in reality in blaming the financial collapse on the Bush administration, when the truth of the matter is that it was entirely caused by a conspiracy within his Progressive Democratic Party.**

In 2005— Senator John McCain partnered with three other Senate Republicans in an attempt to reform the government’s involvement in lending. **Democrats blocked this reform.** <sup>14</sup>

***[The Bush Administration urged Congress officially (from 2001 to 2007) at least ten (10) times that the GSEs were in danger of failing, that better oversight was required and that the rules of their operation had to be rewritten. The Bush Administration additionally presented the same arguments seventeen (17) times in 2008 alone. The response each time by the Democratic Congress was that there was no problem – the GSEs were in no danger. ]***

***Rep. Barney Frank*** (Chairman of the House Financial Services Committee 2007-2011) *was the most vociferous in this matter. When the subject was brought before the House, he categorically stated that there was no problem with the GSEs and refused to take any action:*

***On June 27, 2005, a year after the above reprinted letter, telling President Bush to back off was sent, on the House floor Rep. Frank said:***

*"We have, I think, an excessive degree of concern right now about home ownership and its role in the economy. Obviously speculation is never a good thing. But those who argue that housing prices are now at the point of a bubble seem to me to be missing a very important point. Unlike previous examples we have had where substantial excessive inflation of prices later caused some problems. We are talking here about an entity, home ownership, homes, where there is not the degree of leverage that we have seen elsewhere. This is not the dot com situation. We had problems with people having invested in business plans for which there was no reality, with people building fiber optic cable for which there was no need. Homes that are occupied may see an ebb and flow in the price at a certain percentage level but you're not going to see a collapse that you see when people talk about a bubble. So those of us on our committee in particular will continue to push toward home ownership."*

***On May 20, 2010 on CNBC Barney Frank said the following of home ownership:***

*“... well one of my biggest differences with the Bush administration, even with the Clinton administration was that they overdid that. I have always been critical of this*

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<sup>14</sup> **Jim Hoft (The Gateway Pundit) on Sunday, September 21, 2008**

*effort to equate a decent home with homeownership. I think we should have been doing more to provide rental housing, my efforts have been to try and get affordable rental housing I was very much in disagreement with this push into homeownership and I think the fed government should not be artificially doing that. The goal is for people to have decent housing and I think beginning in the Clinton administration, exacerbated by Bush, we pushed people too much into homeownership..."*

[Barney's memory would seem to have conveniently slipped a bit in five years, between his vehement support of the GSEs as existing in 2004 and 2005, to his recollection (in 2010) of disagreement with that same policy. Amazingly he still rejects any responsibility and tries to focus blame on Bush. What a guy. What a hypocrite.]

*Bill Clinton signed the **Commodity Futures Modernization Act (CFMA) of 2000** only weeks before leaving office. The act was carefully ushered through the legislative process by none other than **Larry Summers**, Clinton's Secretary of the Treasury, and later Obama's principle financial adviser.*

***Among other things, this act kept the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC) from exercising jurisdiction over the then-fledgling derivatives trade between financial institutions, known as the over-the-counter derivatives market. The law took those regulators that were watching the growing derivatives market and told them to look away. This law specifically prevented ALL regulation and oversight of Credit Default Swaps, the mainstay of the Clinton plan to have Wall Street bankroll his liberal agenda.***



**Bill Clinton said: (when interviewed by ABC's Jake Tapper)**

*“On derivatives, yeah I think they were wrong and I think I was wrong to take [their advice] because the argument on derivatives was that these things are expensive and sophisticated and only a handful of investors will buy them and they don't need any extra protection, and any extra transparency. The money they're putting up guarantees them transparency”. “And the flaw in that argument was that first of all, sometimes people with a lot of money make **stupid decisions** and make it **without transparency**.”*

The former President also said: he “*was also wrong about understanding the consequences if the derivatives market tanked. The most important flaw was; even if less than 1 percent of the total investment community is involved in derivative exchanges, so much money was involved that if they went bad, they could affect a 100 percent of the investments, and indeed a 100 percent of the citizens in countries, not investors, and I was wrong about that.*” **It is positively amazing how smoothly the blame can be shifted from the man in charge to those stupid people with money. Clinton's failure to understand certainly didn't stop him from causing it to happen.** As I said before, I do not believe Bill Clinton is a stupid man, **or** that he didn't *understand* what he was doing.

Clinton also blamed the Bush administration for scaling back on policing the financial industry: ***“I think what happened was the SEC and the whole regulatory apparatus after I left office was just let go.” [Bill Clinton]***

***Remember now that Clinton's last act in office was to intentionally insure that no one could regulate Credit Default Swaps (CDS). Because of this, CDSs were not visible to regulators until the whole market collapsed.***

Clinton said he “*regretted not trying to regulate derivatives, but that Republicans would have stood in the way. Now, I think if I had tried to regulate them because the Republicans were the majority in the Congress, they would have stopped it. But I wish I should have been caught trying. I mean, that was a mistake I made.*” [Bill Clinton]

Here is yet another obvious Clintonian attempt to dissemble and shift the blame away from himself. Clinton's **INTENT** was to deregulate derivatives and make CDSs invisible to regulators in order to protect those whose help in the financial industry he had recruited and who he called his “**Public - Private Partners**”. It ultimately created the taxpayer protection for investments necessary to induce Wall Street investors to dispose of faulty mortgages. Probably the most culpable “Partner” in this regard would be Goldman-Sachs as both Robert Rubin's and Larry Summers' favorite banking “partners”.

**Secretary Larry Summers** made sure that CFMA - 2000 went through exactly as Clinton wanted. He made a point of giving a news interview shortly before having the bill passed, making certain that Congress understood that Clinton would veto the bill unless it was **exactly** as he wanted. The bill was passed (*by an unknowing Congress*) **exactly in the fashion that the Administration desired**. The propaganda press has made a point of referring to both the repeal of the Glass-Steagall Act and the Commodities Futures Modernization Act as being authored by Phil Gramm and merely supported by Larry Summers. **The fact is that these bills were an integral part of the Clinton administration's plan in order to dispose of what amounted to substandard loans.** As Larry Summers stated, the bills were **exactly** as the administration wished.

The flaw in Clinton's argument (that Bush did it), is that **everything that the government did to cause the housing disaster was done by the Clinton Administration**, not the Bush Administration. In fact Clinton's strange behavior in trying to place the blame on his Treasurer, when in fact the plan was put in place over a period of time that covered not one, but **two** corrupt Secretaries of the Treasury is simply not reasonable. There are so many flaws in Clinton's dissembling that **it is difficult to believe he wasn't fully aware of what was going to happen**. A reasonable person might even say that appearances indicate that the housing “bubble” was intentionally caused. It is documented that the Bush administration tried to warn Congress multiple times of the GSEs’ dangers to no avail.

I have the feeling that the Bush Administration never fully realized what was happening within the derivative market however.

*Notice that in the interview cited above, Bill Clinton just could not resist the urge for one last bit of class warfare by damning “rich people” for their propensity to make **stupid decisions**. I have to agree with him on this point, in so far as . . . they stupidly continue to support Progressive Democrat candidates.*

### **The official Progressive reaction**

Having seen all of the foregoing happen before your eyes, how would you expect a (Progressive) Democrat Congress to react? Since they were integrally part and parcel of the cause, a rational person would expect them to back off just a little and possibly make some corrections. Instead, their reaction was much the same as Barney Frank’s earlier denial. Congress tried hard to place blame on Republicans, saying that the disaster was caused by too little regulation. This was simply amazing, since the only connection with a lack of regulation was Clinton’s very specific demand that derivative trading NOT be regulated by anyone. The Progressive Congress then created what has been called, in honor of its writers, the Dodd-Frank bill. This bill in addition to many other things essentially completes the nationalization of the banking industry. This bill was foisted upon America with the false assertions that the (worldwide) financial crisis was caused by insufficient regulation and an unstable financial system.

Peter J. Wallison detailed the reasons for much of the financial crisis in a speech given on November 5, 2013, in which he concluded that, rather than because of an inherent instability or lack of regulation, the financial crisis was directly caused by government housing policies and actions in support of those policies, and that further regulation of the financial system via the Dodd-Frank Act was a “disastrously wrong response”. He maintains that the Dodd-Frank Act in fact causes even more catastrophic damage to the American financial system.<sup>15</sup>

### **American International Group (AIG)**

American International Group (AIG) is an insurance company, a large insurance company which was released to trade in derivatives by the repeal of the Glass-Steagall Act in 1999. Apparently AIG jumped directly into providing Credit Default Swaps for financial institutions, primarily Goldman Sachs. AIG’s bailout became one of the most controversial portions of TARP. The legislation which was

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passed enabling payments to **banking entities** that had made bad loans at the demand of the government certainly didn't include insurance companies. Yet somehow (Goldman Sachs protector) **AIG was bailed out**.

The principle provider of Credit Default Swaps for protection of defaults on the various mortgage instruments has been the American International Group. I am not familiar with the exact method for pricing, however CDOs and CMOs were thought of at the time as an extremely good risk, so prices for Credit Default Swaps (CDSs) were reasonably low. These instruments were rated highly by the universally accepted rating agencies, because of the nature of their combined risk averaging. There wasn't much thought of loss. As these Public – Private partnerships were set up, the guarantees implied by the government meant that the taxpayer would be on the hook. Risk for investors (according to the rating agencies) was assumed to be negligible. That is; so long as the investment of taxpayers is exempted from this argument.

## **The Socialization of America**

The question arises: Is the United States of America a socialist country? We go to great lengths to maintain the image that we are a capitalist society with “safety nets” to make sure that no one is “left behind”. I have to submit that, while we are not 100% socialistic, practically speaking the battle was never waged, but the victor has been Communism.

There is more than one way to invade a country and more than one way to force it into socialism.

Historically, Socialism has tried many approaches to inveigle its way into control of the United States of America. Until such time as they were able to hold sufficient political power to essentially rewrite the laws, Communism has had to rely on Unions and encouraging class warfare by inciting small groups to rebel against society. That would be the role of the “Community Organizer”. Goals were set forth as was documented by Cleon Skousen in the late 1950s and early 1960s for Communism to eventually control the USA and even the world.

Now that Communism (having laid all the groundwork) has control of our government, the current, only partially visible, and probably the final operation necessary to seize control of our lives is being put in place. I refer here of course to governmental “*Regulation*”. If an industry is regulated to the point where it can be told who to deal with, how much to charge for its services, how much to pay its employees, and how much it can pay its stockholders if anything, then government has control of the industry, de facto—the industry IS socialized.

The popular method (of nationalization) today is the “bailout”. Venezuela nationalizes companies by just taking them over forcibly. America bails companies out (with conditions), but the end result is the same. Bailouts involve the government trading taxpayer funding for control of a company's operations. President Obama maintains that his bailout of the automobile (unions) saved the automobile industry in America, a debatable statement. In August of 2012, President Obama stated that the government should bailout a lot more companies. There, you have heard his goal. Gradually, the U.S. economy is being socialized.

This is certainly the case with regard to the financial industry and, while the process started many years ago, the coup de grace was dealt by Bill Clinton. The Federal Reserve and its product, fiat currency, essentially represent a socialization of the financial industry so long as government regulates it. One can see the process by examining an historical timeline of our federal banking system

## **Historical timeline for the Banking Industry**

1791- First Bank of the United States – the first central bank – 20 year charter (non- renewed)  
In 1811 it was bankrolled by New York merchants and chartered by the State of NY.  
Today this is Citibank.

1816 - Second Bank of the United States chartered for 20 years (non-renewed) no central bank then until 1913 – The Fed.

1863 - The National Currency Act established a national currency (dollar) and dual banking system (state and federal) Created Office of Comptroller of Currency

1900 - Gold Standard Act of 1900. Only gold exchanged for dollar

1913 - Congressman Carter Glass sponsors legislation to create Federal Reserve Bank.

1927 - McFadden Act of 1927 which made Federal Reserve a permanent organization, prohibits interstate banking (prohibition not repealed until 1994)

Stock market crashed two years later (1929).

Depression 1929 – 1939.

1933 - Introduction of Federal Deposit Insurance Corporation (FDIC) by FDR in response to banking crisis resulting in the Banking Act of 1933.

1964 - Revised National Banking Act of 1864 – Expanded authority of Comptroller.

1977 - CRA includes direction for FDIC to examine even non-member banks for CRA compliance. Extends regulatory control of government to banks not covered by FDIC!

1978 - Financial Institutions Regulatory and Interest Rate Control Act of 1978 – Established Federal Financial Institutions Examination Council (FFIEC) which includes the Federal Reserve Board (FRB), the Office of the Comptroller of Currency (OCC), the FDIC and the Federal Home Loan Bank Board (FHLBB). Replaced by Office of Thrift Supervision (OTS) to supervise and regulate S & Ls by Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA)

1979 - Carter put Volker in charge of Fed.

Unemployment reaches 11%, prime rate 21.5%

Economy slows and stagflation becomes watchword of the day.

1980 - Carter bailed Chrysler for 1.2 billion.

1989 - Created Office of Thrift Supervision (OTS) to replace the Federal Home Loan Bank Board

1999 - Gramm-Leach-Bliley Act of 1999 – the most remarkable piece of (Democrat administration created) legislation ever blamed on Republicans. It amends the CRA so that holding companies cannot be formed until depository institutions are CRA compliant. It repeals provisions of Glass-Steagall Act of 1933. Etc.

2002 - Sarbanes-Oxley Act of 2002 – Establishes Public Company Oversight Board to regulate accounting firms that audit publicly traded companies.

# SIRENS' SONG

## The rush to self-destruction

Do you remember who the Sirens were? In Greek mythology, the Sirens were creatures with the head of a beautiful female and the body of a bird. At a distance they appeared most beautiful and complete. They lived on an island (Sirenum scopuli; three small rocky islands) and with the irresistible charm of their song they lured mariners to their destruction on the rocks surrounding their island. [Virgil V, 846; Ovid XIV, 88]

Does someone else get all the breaks? Does “Whitey” keep you down? Are you the wrong color for those good programs that give away money? Does your religion or your school teach things that you don't like? Is your religion discriminated against? Do others say bad things about you because of your color or religion, or about your religion? Are you made to do things differently in this country than you would in your own country? Does the government not give you enough? Since everyone else gets special favors from the government, why shouldn't you get the same money and entitlements, just because you are an illegal immigrant? You can't get a good job because someone else gets all the good jobs. Are you discriminated against in your job because of your color, your sex, your race, and your sexual desires? Are you angry with the world? Is there a conspiracy against you because you are homosexual? Is there a conspiracy to discriminate against you just because you are an illegal? Aren't you paying too much for your healthcare insurance? Don't those doctors charge too much for what they do? Don't you have the right to force someone else to care for you when you don't take care of yourself? Doesn't Whitey owe you a living because you are an African-American – everyone knows that they regard you as slaves? Wouldn't you like to get the wages that you think you deserve? The bosses make all the profit on your labor; shouldn't you be getting those profits? Why should you pay those high health insurance premiums, they just go into the pockets of the corporate executives? Don't you think that you are entitled to free health care? Why should they keep all that money they don't need.

Having traveled over a great deal of the “third world”, much of this sounds to me a bit like the “come on” issued by so many beggars and shills that meet ships and airplanes arriving in many Pacific countries. “Come meet my beautiful seester”! I say Pacific, because that has been my own experience, having ported in many countries scattered about the Pacific while serving in the U. S. Navy and afterward in the business world. On reflection, these are probably a universal call in less developed countries, and the purpose there, very transparently, is to part someone from their money. On second thought, this same purpose exists in the Sirens’ song today, even here, although it is carefully hidden.

We have all the answers for you. We can make your life so much better. It's not your fault. It's the man. It's the corporations. It's industry. It's Wall Street. It's capitalism. It's the bankers. It's Whitey. It's the landlords. There's a conspiracy against “alternate” lifestyles. It's those straights. It's the right

wing extremists. It's the right wing Nazis. It's people who hate you. It's the astro-turfers. We will lower your insurance premiums. "We'll own the insurance companies." We'll make the doctors take care of you. We need fundamental change to this corrupt society. The society doesn't work any longer. The healthcare system doesn't work any longer. Bush did this to you. We are in crisis. The status quo is no longer acceptable. The system is going bankrupt. We will give everyone free health care. Everything you hear from anyone besides us is disinformation. The Republicans are the party of "no", "They are the enemy" - vote for us. Do what we say. Believe us **only**. It's the right thing to do. It's the fair thing to do. We offer you hope. These are all statements heard publicly in the past few years, in America.

The most prevalent slogan which applies to this topic today is: "It's not your fault." It's not your fault that you are Fat? Ok, that's cruel? It's not your fault that you are overweight. Really? Weight gain is brought about by consuming more calories than you burn. End of story. So just whose fault is it that you eat more calories than you burn off? Now before I hear about those with metabolic disorders and psychological disorders, they are so few that they are not even worth discussing in polite society. Yes they exist but their numbers are grossly overestimated.

It's not your fault that you flunked out of high school, even though the criteria for graduating have been several times reduced in the past two decades. Public schools are set up these days such that only a moron could fail to graduate, and that might take some real work. But, it's not your fault? Of course it is your fault. Practically everything that you do or do not do in this world is done by your choice. Yes, it is your fault.

It's not your fault that you had no insurance when that hurricane came through and flooded your house? Not to worry, the government will make everything right, because it's not your fault, right? Yes it was your fault, totally your fault. There is no reason for other taxpayers, who were acting prudently all along, to make up for your lack of insurance, when you should have known that you needed that insurance. But the government will take taxes from those who pay taxes and give money to those who refuse to do what is necessary to help themselves. They have, and they will.

According to the current President, the only thing that is "your fault" is that you people aren't voting for him.

Possibly the most remarkable twist on this insane attitude concerns the Constitution's second amendment. The current administration and its supporters, most vociferously perhaps New York's Mayor Bloomberg repeat over and over again that guns do bad things and therefore must be controlled by the government. Remember now that the "big lie" principle requires only that the reiteration of some concept be done loudly and often – facts have no bearing on such an issue. This attitude has been adopted for very different reasons than is claimed, but please just for a moment let's examine these statements on their surface alone.

Is it not true that what these people really are saying is that human beings (people) are not responsible for anything, even murder? Are they not saying that it is the government's job to stop those nasty guns from being available (to be used in any way, even self defense)? Are they not saying that murder is caused by inanimate objects such as guns, absolving humans from responsibility? It is not the murderer's fault that he killed, it was the weapon's fault therefore we must control them. Of course the real reason is to remove the people's ability to defend themselves – that makes it easier to control "the people". The people must not be allowed to believe that they are responsible for anything – **the government must be seen to be in control of everything (of course there are a myriad of excuses**

why the government didn't protect you when it became necessary).

*As a matter of note here; Lenin and Alinsky both taught that the peasants, the people, are more easily managed when there is a crisis. The idea is that "if the people don't know what to do (when in crisis), provide an answer and they will accept it as 'gospel'". As Rahm Emanuel so transparently said: "A crisis should never be wasted."*

***For example:** It is a fact that there was no real crisis in medical care prior to the Obama administration. The Obama campaign and administration created the **illusion** that there was a crisis, so that they could provide a solution, regardless of how outlandish that solution was. Yes we had some minor problems in healthcare (mostly caused by government interference and those same problems continue today, amplified many times over under ObamaCare) which could have been solved by minor tweaks to the system. Obama's solution to his manufactured crisis effectively absorbed 1/6<sup>th</sup> of the economy into the government. The solution is absurd to anyone who has the slightest ability to observe objectively. The solution did however accomplish what it was intended to accomplish. **It placed everyone's health care and control, from birth to death, under government control. You must do as the government tells you or you will die.** The Medical Profession has been using this tactic for many years, and it works. There are even (para-military) troops provided for in the Affordable Care Act (ObamaCare), to make sure that you obey. What? You didn't know that? Now, setting aside the concept that the people of the United States have just had their freedom of choice stripped from them; can anyone conceive of a more inefficient way of handling healthcare than through our Federal Government?*

***Another glaring example** is to be found in "The Global Warming" mythology. This is an imaginary crisis that has been in the making for several years. Regardless what you may hear in the "Big Lie", there is absolutely no evidence that anything like global warming has been caused by man's actions. In fact, the Earth's average temperature has been slowly dropping since 1997. The crisis was created to accomplish two ends. First and foremost, the goal was to force (through government direction and regulation) companies to buy credits for the CO<sub>2</sub> (Carbon Dioxide) they produce. This purchase of credits would ultimately result in virtually total political control of the companies concerned, and would direct huge amounts of money into the pockets of the creators of the crisis (Al Gore and his associates principally in the USA). Secondly, the goal was to establish a source of funding (taxation) for the intended global control mechanism, otherwise known as the **One World Government**. Obviously the organization which has been designated to step in and take charge during this world wide crisis is the United Nations. All of Obama's crises these days seem to lead back to the creation of a **One World Government**, one way or another.*

*In writing this, I feel as though I am creating some theoretical conspiracy. The problem is that these are not my creation. **They are sadly very factual.** "Global warming", now renamed "Climate Change" is designed to increase the centralized control of government over business and since the primary producer of CO<sub>2</sub> (beyond animal life forms), is the energy industry, the goal of this scare tactic is to solidify control of the general population. In addition to the fact that the "global warming" myth was intended to vastly reduce your freedom, **it also, by virtue of the misdirection of the public understanding of weather, sadly has served to prevent the application of resources to solving real climate related problems.***

Patrick Moore, Canadian and co-founder of Greenpeace, one of the first "radical" environmental groups, recently resigned his membership in the organization he founded. His reason for leaving Greenpeace was that **"it had been taken over by Communists"**. The agenda had been changed from

protecting endangered species *to promoting the Communist agenda of world domination. (my words)*

During the Christmas season (2013), the (new) Greenpeace organization placed advertisements on the television, featuring an actor who remarkably resembles Fidel Castro dressed like Santa. The gist of this advertisement was directed at children telling them that Christmas might be cancelled this year due to “*Global Warming*”. ***(So all the innocent children out there should run crying and complaining to their parents about how the nasty people are hurting Santa and destroying Christmas for the children)*** Progressives/Communists simply have no sense of shame. *[To reinforce this thought, the IRS recently (2014) “lost / deleted” pertinent e-mails it was required by law to preserve, when Congress demanded to see them. The IRS Commissioner not only smiled and lied to Congress about the situation, he stated without equivocation that no apology was due the American people or it’s Congress. Progressives will say anything, true or false that supports their position – they truly have no sense of shame.]*

After his resignation, Patrick Moore made his (expert environmentalist) opinion known that “global warming is a **‘natural phenomenon,’** there’s no proof of man-made global warming”, and suggested that “alarmism” is driving politicians to create bad environmental policies. He also said he’s not the only environmentalist that believes like he does. In typical Communist revisionist fashion, Greenpeace now (2014) claims that Patrick Moore was NOT a co-founder, despite documentary evidence to the contrary.

*The theory behind getting political cooperation for creation of a **One World Government** is the same as that being used to destroy the United States of America. Take from those who have and give (some) to those who have not, or take from those who “do” and give it to those who “do nothing”. It’s Redistribution of wealth on an international scale. [What the proponents of this redistribution of wealth never say is that a healthy portion of that redistributed wealth is intended to go into their own pockets.] World wide this means: take from those countries that produce – those who “have”, and give some of it to those who do not produce, “have-not”. Thus “third world” countries, which have already been given (inexplicable) parity within the United Nations, will be anxious to vote for Communist proposals. Once again, votes are to be bought and paid for by United States taxpayers.*

### **Would you like to meet my beautiful seester?** ***The Sirens’ Song***

You deserve more. You are **entitled** to more. You are **entitled** to money. You are **entitled** to security. You are **entitled** to a job. You are **entitled** to health care. You are **entitled** to bring your country's culture to this country and maintain it to the detriment of this country. We will call it diversity. You are **entitled** to speak your own language, you do not need to speak English, and we will make Americans learn your language. Chaos is good. **You are not responsible** for what you do. We can dispose of the products of any of your transgressions in the womb, and we will trick the taxpayers into paying for it. You are **entitled**. Why should you have to work for anything? We will see that your (perceived) grievances are righted, just do as **we** say. If someone says that they don't like you or what you do, we'll call them racists or homophobes, or both. **Vote for us** and we will give you everything. If you're unhappy, just **vote for the Party**. Be Progressive.

We heard Hillary Clinton tell the world that she considers herself to be “**a modern Progressive**” in debates during her bid for the Democratic nomination in 2008. In 1969, as a Wellesley undergraduate, Hillary Rodham (to be Clinton), wrote a **92 page senior thesis** on Saul Alinsky and his methods. Hillary favorably compared Alinsky to Eugene Debs, Walt Whitman and Martin Luther King. Her thesis



was entitled *“There is only the fight: an analysis of the Alinsky model.”* This is a play on Alinsky's premise (and Lenin's) that “revolution is the issue.” **The (only) object is Power. Seriously, does this sound like someone who should be President of the United States of America?**

Hillary ended her thesis with: “Alinsky is regarded by many as the proponent of a dangerous socio/political philosophy. As such he has been feared – just as Eugene Debs (founder of the Social Democratic Party and “organizer”) or Walt Whitman (Poet) or Martin Luther King has been feared, because each embraced the most radical of political faiths – democracy.”

**NB: For Alinsky radicals, the definition of democracy is “getting those who are in, out”.**

Hillary was offered a job at Alinsky's new training institute in Chicago, when she graduated from Wellesley in 1969. Instead she opted to go to Yale Law School where she met Bill Clinton. After reaching the White House, she continued to lend her name to Alinsky affiliates in fund raising.<sup>16</sup>

Saul Alinsky, for those not familiar with him was a disciple of Lenin and Lenin's Communism. Marx, Engels and Lenin defined the ideology known as Communism. Saul Alinsky effectively defined the way in which this ideology should be used to gain **“power”** and spelled it out step by step in his courses and writings. Alinsky was essentially the “father” of **“community organizing”** in the United States. (*See the chapter on Saul Alinsky*). When you read the section of this book dealing with the organization of the “Shadow Party”, **you will note that Hillary Clinton was a plank owner in the founding of this subversive organization, designed to destroy the Republican Party and make the Progressive movement the one supreme political force in America.** Now doesn't that sound . . . democratic? How persuasive was Alinsky? Hillary Rodham Clinton's parents sent a “Republican” to Wellesley – Alinsky created and unleashed a Communist on the world as the same Hillary Rodham Clinton.

Barack Obama has repeatedly rallied the “union troops” in the name of the Progressive mother ship. He seems quite proud to brag about his “Progressive” policies. It's out of the closet. If anyone doubted that Obama was a Marxist, that doubt should have been removed by his speech on December 6, 2011, in which he decried the value of Capitalism and in so doing proclaimed the success of Communism in history, all in the name of Teddy Roosevelt! Both points are blatant distortions of the truth, but they are part of the “Big Lie” which is the Communist public relations con-game; **the Sirens' song.**

We have even, in the last several years, embraced the “Progressive Insurance Company”. This company, by the way, in addition to keeping the word “Progressive” out there in front of everyone by constant advertising, has been one major source of income to feed that giant propaganda machine, that Progressivism / Communism has become. That's just one source, in addition to the contributions of a claimed 100 multimillionaires and billionaires who wish to remain unnamed (for good reason), and who form the core of this “Progressive reform”. Now that's a bunch of despicable (Americans?). Note well that none of the Progressive movement's core supporters represent the “common man, or average American”. Instead **they are among America's wealthiest.**

I know, “Progressive” sounds so harmless, even banal – certainly not evil like “Communism”. Listen to the way in which Fidel Castro (an ardent and undeniable Communist and dictator) spoke of his

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<sup>16</sup> The Alinsky Model by David Horowitz

philosophy a few years ago:

*Mar 17, 2002*

*Cuban president Fidel Castro said (on) Sunday his friend and ally, President Hugo Chavez of Venezuela, could speak for him and his revolutionary ideas at a world development conference in Mexico this week.*

*"Even if I don't go, we, I, feel represented in your words," Castro told Chavez in a telephone call during a marathon live broadcast of the Venezuelan leader's weekly "Hello President" television and radio program.*

*Hailing the Venezuelan leader's "spirit and enthusiasm", the veteran Cuban president said Chavez would address the U.N. conference in Mexico as president of the Group of 77, which represents more than 130 developing countries.*

*"No other voice could be better than yours (Chavez) to defend the interests of the (Group of) 77. ... You will have the possibility of putting forward the point of view of the progressive people of the world," Castro added.<sup>17</sup>*

## What is Communism then, really?

***Progressive*** – the longest four letter word in the English language.

The word Communism has been virtually banned from polite conversation, at least in the media. It has been replaced by the words Progressive or left or most curiously “liberal”. Hillary Clinton declared herself in 2008 to be a “modern” Progressive. The word Progressive has been deemed and certainly portrayed by the media as something good. After all, we are several times a day bombarded with it in the form of the name of an insurance company.

There are several conflicting emotions generated by the use of the word “Progressive” associated with the insurance industry; some of which are good like protection and some of which are bad like “taking your money and then not producing when required”. A cynic might say that the latter is the reason the word was chosen in the first place, both for the insurance organization and the implementation of Communism in America. In any case, the word Progressive is placed before us incessantly via advertising and, perhaps in the manner of a vaccine, this repetition has inured us from the true implications of the word.

Many of us, (once it could have been said that most of the males in this country) went to war to defend the world against the spread of Communism. Upon returning home we found that our children had been taught (by Union teachers?) that the Communist way is the way of the future. They call themselves “liberals”, “pacifists”, “Progressives”, Socialists, and now Democrats. The fact is that, as the result of something we will examine later in this book, “Progressivism” has become the core of the Democratic Party. Youthful and party faithful bloggers have stated with no shame that “this country could use MORE Socialism”. Having said this, it is worthwhile knowing exactly what Communism is, and what it is not.

Communists have for many years deliberately confused and attempted to avoid any real definition of Communism. During the 1940s and 1950s, Communists managed to “allow” (legally) the definition of a Communist to become; one who belongs to the Communist Party, CPUSA, and who advocates the

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<sup>17</sup> [Mar 17, 2002 5:31 PM ET CARACAS, Venezuela (Reuters)]

government of the USSR (Russia) as being superior to that of the USA. Needless to say, this limits “provable defined Communists” to an unrealistically small pool. My definition of “being a Communist” would travel along the lines of that old saw: “if it looks like a duck, walks like a duck and talks like a duck” . . . don’t try to ride it like a horse.

Henry Hazlitt, a prominent journalist, writer and economist who lived shortly after the turn of the last century was probably most well known for his book “*Economics in One Easy Lesson*”. Hazlitt was famous for actively and publicly refuting virtually every part of Keynes philosophy on (big government) economics and accurately predicted the continual inflation brought on by government manipulation of monetary systems in the manner recommended by Keynes and the resultant financial catastrophe (that we now enjoy).

Hazlitt also spoke out in opposition to Communism or Marxism and declared that “*the whole gospel of Karl Marx can be summed up in a single sentence: **Hate the man who is better off than you are.***” A Communist must; “*Never under any circumstances admit that his (the man who is better off than you) success may be due to his own efforts, to the productive contribution he has made to the whole community. Always attribute his success to the exploitation, the cheating, and the more or less open robbery of others. [Does this give you the visual of Obama behind a microphone? It should.]*

*Never under any circumstances admit that your own (the Communist’s) failure may be owing to your own weaknesses, or that the failure of anyone else in your camp may be due to his own defects - his laziness, incompetence, improvidence, or stupidity. Never believe in the honesty or disinterestedness of anyone who disagrees with you.*”

**“This basic hatred is the heart of Marxism. This is its animating force. You can throw away the dialectical materialism, the Hegelian framework, the technical jargon, the ‘scientific’ analysis, and the millions of pretentious words and you still have the core: the implacable hatred and envy that are the *raison d’etra* for all the rest.”**<sup>18</sup>

Editor John Chamberlain in “The Freeman” while reviewing Hazlitt’s work said the following: “Not only does he (Hazlitt) kill Keynes; he cuts the corpse up into little pieces and stamps each little piece into the earth. The performance is awe-inspiring, masterly, **irrefutable** - and a little grisly. At times one almost feels sorry for the victim. **But, since Keynesian doctrines have created so much misery in the world, any sympathy is misplaced.** Hazlitt’s job had to be done.”

In case you missed the point, **Keynesian economics is the economics of Communism (big government)**. The two march in lock step and although both are based on false assumptions, neither can exist over the long term without the other and eventually, together they will fail. Our Federal Reserve is a prime example of Keynesian economics and by its existence is steering Free America to its own demise.

### **So what is Communism?**

The shortest most accurate definition of Communism is that it is: A lie - A Big Lie - “**The Big Lie.**”

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<sup>18</sup> Henry Hazlitt, originally published in the Freeman 1966, Vol. 16, No. 2, p. 9

The House Committee on Un-American Activities (renamed by less than patriotic members of the media “The House Un-American Activities Committee”) (HUAC) once defined Communism as: (The official definition) “**A system by which one small group seeks to rule the world.**”

Many people in this country believe that Communism (as it is known today) is a form of government that exists in a few far flung countries of the world, and has little to do us. Let me make this very clear: **Communism (“big C”) is NOT a form of government. [communism (small c) may be considered to be an inefficient form of government, but try not to confuse the two]** Communism is in fact, nothing more or less than a *super public relations scam, a confidence game, a cult, a fairy tale, an ideology, (a Sirens’ Song)* supporting some form of **dictatorship**. It constitutes a “club” (a cult) of like minded individuals and groups whose final objective is **World Domination**. More specifically, it employs a mental programming of (essentially immature) individuals in our society to cause them to believe that they are participating in the formation of a utopia. Needless to say, original thought is forbidden. The objective is singularly **POWER for the elite** - the “Party”, and it is accomplished by always claiming to do what is best for the “middle class or the working class” who of course are incapable of making their own decisions. The premier operatives in American Communism are termed “**community organizers**” after the teachings of Saul Alinsky (a disciple of Vladimir Lenin’s methods – some would say “as modified by Gramsci”)

Communism was codified, so to speak, by Karl Marx and Frederick Engels in 1847 / 1848 and has been continuously refined and “improved” (mostly by the Russians) ever since. When you get right down to it, Communism is just “words”, but those words are used to accomplish a very dangerous objective. It can also be considered to be **a refined culture of hatred**. Today’s definition of the word “Communism” would most accurately be: “**a pseudonym used to identify a totalitarian government which gained and maintains its POWER by deception, claiming falsely to be a utopian form of government working for the benefit of the “working” class of its population**”. It is a concept based on the grand deception that everyone will get what they need or want (from the government) and all things are controlled by, and come from, the government. This concept is of course a lie, but it only serves to justify a whole litany of lies, which will (they hope) not be recognized as such until it is too late to do anything about them.

Basically the (Communist) manifesto (published 1848) sets the stage of all (political) existence as one of **class struggle, manifested as hatred**. It defines everything unpleasant, particularly in Marx's observance of life, as a conflict between one group and another; between one *class* and another. It didn't really make any difference how the term “group” or “class” was defined. His definition revolved around the convenience of being able to pit one “class” against the other. Marx felt that (his) true Communism could probably never be obtained, but **ideally** it should result in the “working class” becoming the “ruling class”. The interim solution of some form of *beneficent* dictatorship would serve to keep order until . . . **the entire world was placed under the Communist umbrella**. Marx thought this would be a good idea, unfortunately, while Marx knew a great deal about manipulating people, he knew very little about the real needs of human beings. Communism panders to the “wants” of people (in order to get their votes), rather than to their “needs”. [Perhaps the most ironic concept in Marxism is the assertion that ultimately, the working class should become the ruling class. In America, which has always been the most jealously sought target of Communism, the “working class” **is** the ruling class, except where those regarding themselves as the elite (using the public relations slogans of Communism) have inserted themselves into government and people’s lives.]

Perhaps the most visible thing about Communism is that it always, very publicly proclaims itself to be,

or to represent the downtrodden “class”. It truly believes, or at least claims to believe that everyone else in the world, particularly the “class de jour”, is wrongly persecuting Communism, the current administration, Progressives, or whatever name Communism might be traveling under at the moment. Communism always claims to represent the “working class” which it claims to be downtrodden, and if you are of the “working class” and you are not unhappy with your life, talk to a Communist operative and he will show you that (really) you are terribly and irreconcilably unhappy with your situation in life.

Anyone truly examining this statement will easily see its absurdity. In fact **Communism represents only itself**, a self styled elite class which it believes is destined to “take care of” (rule) everyone. The “Party”, the elite class, the government makes all decisions. “From each according to his abilities, to each according to his needs”, and “we (the elite) will decide who has what abilities and who has what needs.” It's called an oligarchy, a form of dictatorship where decisions are made by the elite class. It is an often repeated exercise in arrogance.

In this country, one might ask “why would a wealthy person support this system since it represents, on its face, wealth redistribution?” Why would a Warren Buffett work to put this sort of government in place? Why would he espouse this redistribution of wealth theme and exhort his peers to pay even more taxes to this government? Those who support the system, just as Communist Party members in old Russia, stand to benefit from the system. **That's why.**

For example; In August 2008 (three months before Obama's election) Warren Buffett and Bill Gates, the first and third wealthiest men in the world at the time, made a pilgrimage to Canada to discuss the future of oil sands production in Canada. In November 2009 after the election, Buffett's flagship company purchased the remaining common stock (77% of the stock) of Burlington Northern, Santa Fe railroad. This is a company which positioned itself to benefit greatly from Obama's refusal to allow completion of the XL Pipeline across the U.S. Canadian border and has been transporting oil from Canada to the southern states since. Do you think there could be any relationship between Buffett and Gates having established themselves in a position to capitalize on Obama's election and subsequent denial of the XL Pipeline, and their funding and support for Obama's election?

More recently Buffett has “invested” somewhere around 3 billion dollars into the Burger King corporation, specifically to allow it to buy Tim Horton's, a Canadian coffee and donut purveyor. The reason for Burger King buying this Canadian company is advertized as allowing for what is called an “inversion”. Inversion here refers to the ability for Burger King to then move its headquarters out of the USA and into Canada. Being then effectively a Canadian company, the corporate tax rate for Burger King would be reduced from around 35% (US) to 15% (Canadian). That's a lot of money.

The question arises now as to (as Obama puts it) Burger King's and thus Warren Buffett's patriotism. I think the question is far more basic than patriotism; however it certainly exposes motives concerning that quality. You must consider the fact that the “uber wealthy” in this country (in the world also) desire to remain uber wealthy” and to exercise the control that goes with having all that wealth. One conclusion, with regard to Warren Buffett in this “investment” would be that his concern is entirely with the good old “free enterprise” goal of making money for himself and the stock holders of Berkshire Hathaway, or . . . his interest really lies with the furtherance of Communism's goal of singular world wide governance. The latter would certainly explain his jump from his often professed patriotism in the face of profoundly poor politically determined economic government policy. “The wealthy should pay their fair share of taxes”. What exactly does that mean to Warren Buffett (for example)? The meaning of each word in this statement must be subject to something akin to the

“Buffett Rule”. That is they must be understood to mean what Warren Buffett says they mean.

They (these elite) expect to be part of the governing “class” and to reap those benefits, making rules to favor themselves. Always remember: the object is **POWER** (which in reality is CONTROL). Those who suffer are those in the middle. Those who, for whatever reason, do not contribute to the system, will be taken care of at the expense of those who once had **the dream** of improving their position in the world and were willing to work for it. These “unfortunates” provide the voting base necessary to keep Communists in power (and the name of the game is **POWER**). As pointed out in this book’s chapter on the “Shadow Party”, George Soros rarely, if ever, has engineered a Communist “take over” which did not benefit him financially.<sup>19</sup> It would certainly appear that, in conspiracy with others of similar wealth, he has here purchased a Presidency and helped to destroy a country.

One should be aware that the creation of many, many, many . . . many named organizations is a hallmark of (both soviet style and Soros style) Communism. In the past these have been officially designated (when identified) as **Communist Front Organizations**. It is almost as though there is an attempt to avoid being accurately identified by too many people, and if one pompous name isn't attractive to enough people, the addition of a few more will increase the allure and the attraction to the same message. The internet has proven to be a godsend to “Communist Front Organizations”. They can create as many clones of themselves (with diverse names) as creativity allows. There is for all intents and purposes no investment required. A single person could run the entire organization, freeing others to create additional “Fronts”. For that matter one person could run many, each attracting the minds and souls of many differing unhappy souls, or innocent giving souls. A website can easily be tailored to appeal to whatever type of individual one might wish. There is no need to be truthful on the Internet. This same multiplicity of website “Fronts” is ideal for providing unscrupulous benefactors the means of effectively hiding their political “donations”.

The fact is that, what I have called **a public relations scam** (Sirens’ Song) is an effective appeal to anyone who feels unhappy in their position in life or “discriminated against” by virtually anyone. No matter what the cause of unhappiness, Communists can find or create a target “group” or “class” of person who is responsible for that discomfort and can find the answer to this or any problem by creating warfare between “groups” or “classes”. “We (the elitists) will take care of you” they say. **You need do nothing; just give us your power, give us your vote.**

The glory in this approach to public relations is that almost everyone is unhappy with some portion of their life. The down side to Communism is that it engenders hatred, **intentionally**, between groups in order to gain approval for a position – votes for a politician. Everyone feels that they are being discriminated against by someone or something, no matter who they are. **E v e r y o n e.**

Please understand this; everyone feels that others discriminate against them in one way or another. This is a human reaction to the stress of life and makes everyone susceptible to the “Sirens’ Song”. There are many psychological ramifications to this concept, however the facts are that it exists universally and it is a weakness of the human race that is continuously tapped into by those wishing to control people. Additionally, since the real face of Communism is almost never shown to the public, the basic instinct of humans is to help others of their own species who are in distress. The real nature of Communism lies not in helping these poor souls, but rather in exercising total control of their lives (and wallets) “from cradle to grave” in order to gain “power”.

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<sup>19</sup> “The Hidden Soros Agenda: Drugs, Money, the Media, and Political Power”, Special Report by Cliff Kincaid, October 27, 2004

This **public relations scam** (*Communism*), is today, almost always the campaign of choice to maintain dictatorships, “elite” oligarchies, or Fascism. It commonly claims to be a “Progressive Government”, reflecting the public relations scam, although the facts differ in that the **true** government takes the form of one of those just cited, a **totalitarian** government of one form or another. Everything just sounds so good, but in reality, Communism is a hollow promise constructed such that by the time the scam is recognized, it's too late to stop its advance. At least that's the plan. It is indeed today's *Sirens' Song*. ***Consider how “executive orders” and “executive” memos issued by the current Obama Administration have replaced congressional discussion and legislation. The shift has begun in American government, not even quietly, toward a dictatorship.***

The party “talking points” are carefully crafted, worded, choreographed and disseminated behind the scenes to all members of the privileged class of rulers. Included in this privileged class are of course those members of the press who, in more honest times, would certainly qualify as “fellow travelers” in Communism. Reflect for a moment on the “members only” (now defunct, but most certainly still existing under another name) web site called “**Journalist**”.

This site, when active, was frequented on a daily basis by most of the prominent, “left leaning” journalists, columnists, bloggers, talking heads and other like minded persons to make certain that they all wrote about / said the same thing, in the same way. It's called the “**Party Line**”. There is no room for independent thinking in Communism. The **Journalist** web site, it has been reported, was created by Ezra Klein, a prolific ex-Washington Post contributor. You must toe the Party Line. Be as outlandish (Al Gore's *Current – now al-Jazeera or AJAM - al-Jazeera America*) or hateful (*MSNBC*) as you like, just so long as you toe the Party Line. Ezra Klein kept the (Communist) faithful toeing the party line with “Journalist”. Since being exposed he now works through the **Vox** media group. The “flagship of Vox Media is Vox.com which of course is led by Ezra Klein. Is he still telling America's Communists what to say and how to say it, (via. Vox.com)? Pretty much so.

According to a recent posting in “the Mirror”, by Betsy Rothstein, the old “Journalist” has been reconstituted in lesser fashion as “Gamechanger Salon”. The nerve center is apparently run by one Billy Wimsatt, a left wing activist and political organizer. It's list is comprised of the usual suspects from The Washington Post, The Huffington Post, The Nation, NARL, Planned Parenthood, etc . . . it would seem the “pinko” members of the extreme left still require a central authority to keep their spin (distortions of fact) the same. They have a need to keep up with the “lie du jour”, so to speak.

Not so very long ago, this nation prided itself on it's ability to accomplish pretty much anything that it set out to do, and that same philosophy was part and parcel of the individual American ethos. Witness here Kennedy's outlandish decision to fly to the moon within ten years. But that was before the “Progressive / Communist” philosophy seeped into modern mainstream America. Actually it did first begin to creep into the fringes of society from the outside at about the turn of the twentieth century. At that time it was recognized for what it was and essentially driven out of the country or underground, with the exception of the “**Union Movement**” and **several elitist organizations**.

With the advent of Roosevelt's New Deal several years later, the ugly head of Communism began to rise once again, not to be beaten down to a manageable level until after WWII. This time the Communist Party and its myriad front organizations, underground subversives, and “fellow travelers” were attacked initially by a couple of Congressmen and defended predictably by the mainstream press.

Rep. Martin Dies initiated the “Dies Committee” in May of 1938, which eventually became the House Committee on Un-American Activities (HUAC). This committee was **co-chaired** by **Samuel**

**Dickstein** who was later **proven** to be a Soviet Agent, identified through the “**Venona Cables**”. It is positively amazing the ways in which subversives have infiltrated and influenced our country in the past, and continue to today.

HUAC exposed **280 salaried organizers of the CIO (union) as Communist agents** who were **on the payroll** of the Communist Party of the U.S.A (CPUSA). HUAC also exposed and published names of members of the press and Hollywood film genera who were associated intimately or loosely with Communism and its front organizations. (Have you ever heard the reality about these facts from the Press?) One has to wonder how many investigations were sidetracked by the presence of **(Comrade) Dickstein** on the committee. Yet the Media still maintains that nothing was ever proven, you know; “I didn’t do it, nobody saw me, you can’t prove a thing”. The “fourth estate” is now owned and operated by participants in the Communist public relations scam. As has been said by some, “The fourth estate has become “the fifth column.”

The most well known “exposer of Communists” during the 1940s and 1950s was Senator Joseph McCarthy, who named many Communists and “Communist sympathizers” inside the government, particularly in the State Department and even the White House itself. A good case can be made that these Communist operatives, within the White House and the State Department, so influenced Roosevelt toward the end of the Second World War, that it resulted in his withdrawing aid from the Nationalist Chinese, which he then directed to the Communist Chinese rebels. This ultimately resulted in China becoming a Communist run nation. Was that pleasing to Russia? Of course it was. That's what you call irony. Or is that subversion?

McCarthy also exposed a branch of the Communist underground which was hard at work in the American media, “guiding” public opinion. These and their descendants continue to this day to guide American thought without the average American being any the wiser. Today the “Press” is nothing more or less than a vast “Progressive” propaganda mill. A small part of this “Progressive propaganda mill” travels under the heading of “political correctness”.

For those of you who wish to know more about who the bad guys really were in the McCarthy era, and the effects they continue to have in America I would recommend to you “***Venona – Decoding Soviet Espionage in America***”, John Earl Haynes & Harvey Klehr. Perhaps the greatest exposé of Communism in the “Media” (then and now) today is Dr. Paul Kengor, author of several books, many articles, an outstanding speaker and professor at Grove City College in Pennsylvania.

One of the saddest commentaries on the U.S. Government and the (MSM) press was their destruction of one of our greatest public heroes, for committing the dastardly act of being a patriot. Even today, sycophants create videos on you-tube to reiterate the contrived, erroneous and evil case concocted against Senator Joseph McCarthy.

Recent exposure of the “**Journalist**” scandal gives a fairly accurate portrayal of how subversive operatives communicate today, and broadcast their “Party Line”. (See details on the Journalist scandal below)

*We have recently had an obvious example, I believe, of how Communists react when exposed or threatened in the form of how they treated Lieutenant Colonel Allen West. Congressman West made the statement not long ago that there were somewhere around 70 or 80 Communists in Congress. The “Main Stream Media” went berserk for a short period and then some strange political things began happening. Col. West was shortly up for re-election, and suddenly his district was*



*gerrymandered such that he would essentially now be running in an entirely new constituency. George Soros established a “super PAC” run by past Bill Clinton aide Charles Halloran (at the request of Nancy Pelosi) and endowed it with some \$5 million specifically to defeat Col. West.<sup>20</sup>*

*When the election actually rolled around, West led throughout the day by a margin of about 2000 votes, but suddenly the results flipped within a period of less than 30 minutes to reflect his loss by 2500 votes. That represented an almost instant variance of around 4000- 4500 votes. Precincts in areas of Florida recorded vote totals which, in some cases were more than 140% of registered voters - MORE than the number of voters registered to vote. How could anyone conclude that this election in Florida was not fraudulent?*

Did you notice the number of times in the latter stages of campaigning (2012) that Obama remarked scornfully that some activity was right out of the 1950s? How many times did he, again scornfully, refer to Romney as dragging us back to the 1950s? I think he was afraid that we may rightly have associated him with the Communist activity that was exposed in that era. This may be a clue to understanding the Obama personality. **Things he ridicules (a la Alinsky) are the things he fears most.**

**Just for the record**, most if not all of those who McCarthy accused of being subversive, have been proven to have been precisely that, by historical documents obtained via. the decoded “Venona Cables” and recently (post cold war) released KGB, and other Soviet documentation. In 1995 when the “Venona Cables” were declassified, it became apparent that McCarthy had consistently **underestimated** the extent of Soviet espionage and infiltration into the United States government.<sup>21</sup>

In 1954, when a toast was made by a returning classmate during a Harvard Class Reunion; rejoicing “that Harvard had never produced an Alger Hiss or a Joe McCarthy”, John F. Kennedy stood up and walked out roaring “How dare you couple the name of a great American patriot with that of a traitor.”<sup>22</sup> While Kennedy had recognized the truth, where politicians, especially Harvard trained politicians are concerned, it would seem that “**right**” rarely makes for “**might**”. It’s pretty obvious where these Harvard trained politicians stand relative to America versus Communism.

The Communists won the battle against Joe McCarthy and destroyed his life. Never-the-less, its viewpoint in America was squashed and driven underground for a while (except in the unions since after FDR they inexplicably had official government protection). The **Progressive Party**, listed officially in the mid-fifties as a “**Communist front organization**”, hung around for a few years but soon disappeared from the headlines. The Progressive Party had in fact existed for many years, but had been gradually infiltrated and converted by the Communist party (CPUSA) starting in the 1930s.

The Progressive Party was resurrected in 1948 by the CPUSA for a battle against Harry Truman. (Note in Communist Goals below, #15 and consider: Is this now (2008 and beyond) the **Final Takeover**?)

Like Michael Myers in “Halloween”, Communism (here called Progressivism) keeps coming back - with a vengeance. The Communist mantra, similar to “divide and conquer”, goes more like “divide and lie”, or “divide, promise and lie”. Gain power by any and all means. All too many voters heard the Sirens’ Song and wanted to hear more. It would seem that each new generation must learn the lesson of Communism's hollow existence all over again. It **sounds** so sweet. It sounds like “Hope”. It rings

<sup>20</sup> [www.legalinsurrection.com](http://www.legalinsurrection.com), William A. Jacobson Wednesday, July 11, 2012 at 3:50pm

<sup>21</sup> SenatorMcCarthy.com

<sup>22</sup> Patrick J. Buchanan, WorldNetDaily.com

hollow and always leads toward servitude.

*The attraction of the Communist / Progressive movement is as devious, hollow and putrid as was the Sirens' Song. But the Sirens' Song was so alluring and full of **promise** that sailors just had to hear it. Like a moth to light, they drove their ships onto the rocks in trying to reach that **empty promise** heard in the Sirens' voice. In this same manner our Ship of State is fast approaching its destruction. The rocks are close ahead.*

*Odysseus is said to have sailed his ship to within earshot of the Sirens and having had himself bound to the mast and his sailors deafened by placing beeswax in their ears heard the Sirens' Song and sailed by, thus escaping their spell. Since the Sirens were said to be destined to die if anyone truly heard their song and escaped the spell, upon Odysseus sailing off, they flung themselves into the sea and drowned.*

America has been betrayed in so many ways by the “Media”, the DNC, its members and sycophants by singing the sweet Sirens' Song of Progressive Communism. **The Democratic Party, that so many of our citizens know and support, exists no more** – it has been taken over lock stock and barrel by Communists. And, to repeat another writer's proclamation, **the fourth estate has become the fifth column.**

**May the fate of the Sirens await the DNC and the “progressives” who have taken charge of it.**

### **What is wrong with our “state of mind?”**

*A question posed by W. Cleon Skousen in 1958 – “The Naked Communist”*

“First and foremost, ***we have been thinking the way the Communists want us to think.***” This is not intended to be simply an answer to a rhetorical question. There really is something very wrong with our state of mind and Skousen's answer reaches much more deeply than you may suspect.

Let me give you a few examples of what Skousen is talking about so you may better understand what I mean: A very common and widely applied question might be; shouldn't we do the right thing? Or perhaps shouldn't we give (government) money to those in need or those who are disadvantaged? Isn't it our duty to provide a safety net for those out of work or are unable to provide for themselves? How could you be so cruel as to refuse to give (government) money to those who (the elite have decided) need it? The question is always framed to include only the question of who should (the government's) money be given to.

**This question should rightly be;** do the elitists in government have the right to TAKE money or property from those who have worked / given of themselves already, for what is now coveted by the government? In many people's opinion, the government has no right to give away what it does not already have. To take and / or give something that belongs to another is **theft**, and it is this principle that our elitist government has operated on (unconstitutionally) for years. This essentially illegal operation has become unbearable for the general population since the advent of the Obama administration, because the **rate** at which this theft is occurring has essentially doubled since 2008. The administration continues to demand more and more (money) from taxpaying citizens. Anyone who has the temerity to complain about this abuse is branded by the administration and it's sycophants as an enemy to be marginalized.

Our Founding Fathers would be alarmed to learn how confused many of our people have become over such fundamental problems as coexistence, disarmament, free trade, the United Nations, recognition of Red China, and a host of related problems. Instead of maintaining a state of **intellectual vigilance**, we have taken **Communist slogans** as the major premises for too many of our conclusions. Let us go down a list of current strategy goals below, which Communists and their fellow travelers are seeking to achieve, but first consider the answers to the following questions which were posed to the master proponents and refiners of Communism:

When questioned as to why the USSR persisted as a totalitarian state, or to quote the exact question: Why do you not go ahead and prove that Communism will work in your own country before trying to force it upon other countries?" (Meaning: allow "the people" to rule vs. a dictator)

Lenin: "Final victory can be achieved only on an international scale, and only by the combined efforts of the workers of all countries." <sup>23</sup>

Stalin: "This means that the serious assistance of the international proletariat is a force without which the problem of the final victory of socialism in one country cannot be solved." <sup>24</sup>

This tells us two important things about Communism:

**First:** both Lenin and Stalin, who helped codify the existing form of Communism, knew that Communism as a form of government, **would not work**. Their government was a totalitarian form of government. Marx previously had rationalized this totalitarianism as an acceptable **temporary** form of governance.

**Second:** the ultimate goal of Communism was then, and remains today: **world domination**. Once that world domination is accomplished, there would never be any turning back. "***Freedom once lost is never recovered.***"

### Illegal Operations

Question: Must you Communists always resort to subversion and illegal political operations?"

Lenin: "The absolute necessity in principal of combining illegal with legal work is determined not only by the sum total of the specific features of the present period ... but also by the necessity of proving to the bourgeoisie that there is not, nor can there be, a sphere or field of work that cannot be won by the Communists .... It is necessary, immediately, for all legal Communist Parties to form illegal organizations for the purpose of systematically carrying on illegal work, and of fully preparing for the moment when the bourgeoisie resorts to persecution. Illegal work is particularly necessary in the Army, the Navy and the police." <sup>25</sup>

These are all part of the **campaign to soften America for the "final takeover"**. It should always be kept in mind that many loyal Americans are working for these same objectives because they are not aware that these objectives are **designed to destroy us**.

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<sup>23</sup> Quoted by J. Stalin in "Leninism", volume I, p. 170

<sup>24</sup> Stalin letter to Ivanov, p. 9

<sup>25</sup> V. I. Lenin, "SELECTED WORKS," Vol. X, pp. 172-173.

*Soviet premier Nikita Khrushchev famously used an expression (directed at the USA) which is generally translated into English as "We will bury you!" while addressing Western ambassadors at a reception at the Polish embassy in Moscow on November 18, 1956.*

*On August 24, 1963, Khrushchev remarked in a speech in Yugoslavia, "I once said, 'We will bury you,' and I got into trouble with it. Of course we will not bury you with a shovel. Your own working class will bury you," a reference to the Marxist saying, "The proletariat is the undertaker of capitalism", based on the concluding statement in Chapter 1 of the Communist Manifesto: "What the bourgeoisie therefore produces, above all, are its own grave-diggers. Its fall and the victory of the proletariat are equally inevitable".*

Judging by recent history, what Khrushchev meant was that **unions and (Communism's) moneyed friends in America** will bury you. It doesn't take a genius to look to Europe and see that it is the unions who are driving the unrest and insuring that any recovery which should take place does so only with the advancement of Communism. Communism is a "one way street". Once you go down that road, all other roads are blocked or preferably destroyed. The whole object is to make sure that there is no way out. There is only one party, the Communist Party or Democratic Party or whatever it may be called. **There is no return from Communism.** Granted, the Party may allow some stalwart individuals to appear to escape the system by appearing to enter the free market, but the results will be manipulated. It all becomes part of the larger **public relations scam**. The object of the struggle (all struggle) is POWER. **Everything** a Communist does is calculated to give him more POWER.

### **What are the Goals of Communists? (Now proudly referring to themselves as Progressives)**

One should read the following list carefully and think about how each "goal" has been carried out since 1958, and how achieving these goals has influenced our country in so many adverse ways. This is not a joke. This is not the natural growth of a civilization. This is not an accident. This is certainly not the intent of the founders of this country. This is the intentional "brainwashing" and "nudging" of a naïve (American) citizenry, in order to totally corrupt it, such that Communism can move right in and assume control – without a shot being fired.

Just think about what is being done to us. This was presented to and published by Congress in 1963 and essentially thrown out in the trash. Ask yourself now what we pay Congressmen those big salaries for.

The following was read into the Congressional Record in 1963 and debated (?):

#### ***Communist Goals (first published 1958)***

*[Cleon Skousen has recently been the object of a tremendous amount of revisionism and attack to reduce the effects of his projections of the intent of Communism. He was in fact an FBI Special agent between 1935 and 1951, working closely with J. Edgar Hoover in an era when Communism was recognized as a danger to the United States and he was intimately involved in documenting the same. It may be worth noting at this point that*

Senator Joseph McCarthy, in his quest to expose Communists in government, was "*anonymously*" fed information by "*someone*" in the FBI during this period]- my remarks

[From "**The Naked Communist**," by Cleon Skousen] This represents an organized compendium of Communist Goals to be accomplished and imposed upon the United States, which are to be found in various authoritative Communist writings and / or in testimony before Congress. These are the primary goals of Communism which will be pursued relentlessly [by them], using any and all means, legal and illegal.

**[Remember that these specific Communist Goals were exposed to Congress in 1963]**

1. U.S. acceptance of **coexistence** (with Communism) as the **only** alternative to atomic war.
2. U.S. willingness to **capitulate** (with Communism) in preference to engaging in atomic war.
3. Develop the illusion that **total (unilateral) disarmament [by] the United States** would be a demonstration of moral strength. [*Obama's current unilateral nuclear reduction orders*]
4. Permit **free trade between all nations** regardless of Communist affiliation and regardless of whether or not items could be used for war. [*Obama's purchase of helicopters from Russia for Afghanistan*]
5. **Extension** of long-term **loans** to Russia and Soviet satellites.
6. Provide **American aid** to all nations regardless of Communist domination. [*Gifts*]
7. Grant **recognition of Red China**. Secure the **Admission of Red China to the U.N.**
8. Set up East and West Germany as separate states in spite of Khrushchev's promise in 1955 to settle the German question by free elections under supervision of the U.N.
9. Prolong the conferences to ban atomic tests because the United States has agreed to suspend tests as long as negotiations are in progress.
10. Allow **all Soviet satellites individual representation in the U.N.** [*the breakup of the USSR*]
11. **Promote the U.N. as the only hope for mankind.** If its charter is rewritten, demand that it be set up as a **one-world government** with its own independent armed forces. (Some Communist leaders believe the world can be taken over as easily by the U.N. as by Moscow. Sometimes these two centers compete with each other as they are now doing in the Congo. – this was written in 1963 )
12. **Resist any attempt to outlaw the Communist Party.**
13. **Do away with all loyalty oaths.**
14. Continue giving **Russia access to the U.S. Patent Office.**
15. **Capture one or both of the political parties in the United States.**
16. Use **technical decisions of the courts** to **weaken basic American institutions** by claiming their activities violate **civil rights**.
17. Get **control of the schools**. Use them as transmission belts for socialism and current Communist propaganda. Soften the curriculum. Get **control of teachers' associations**. [*Unionize*] Put the **party line in textbooks**.
18. Gain control of all student newspapers.
19. **Use student riots** to foment public protests against programs or organizations which are under Communist attack.
20. **Infiltrate the press.** Get control of book-review assignments, **editorial writing**, and policy-making positions.
21. Gain control of **key positions in radio, TV, and motion pictures**.
22. Continue **discrediting American** culture by degrading all forms of artistic expression. An American Communist cell was told to "eliminate all good sculpture from parks and buildings, substitute shapeless, awkward and meaningless forms."
23. Control art critics and directors of art museums. "Our plan is to **promote ugliness**, repulsive, meaningless art."
24. **Eliminate all laws governing obscenity** by calling them "censorship" and a violation of free speech and free press.
25. **Break down cultural standards of morality** by **promoting pornography and obscenity** in books, magazines, motion pictures, radio, and TV.
26. **Present homosexuality, degeneracy and promiscuity as "normal, natural, and healthy."** [*Ongoing*]
27. **Infiltrate the churches** and replace revealed religion with "**social religion**". **Discredit the Bible** and

emphasize the need for intellectual maturity, which does not need a "religious crutch."

28. **Eliminate prayer** or any phase of religious expression in the schools on the ground that it violates the principle of "separation of church and state."

29. **Discredit the American Constitution** by calling it inadequate, old-fashioned, out of step with modern needs, a hindrance to cooperation between nations on a worldwide basis.

30. **Discredit the American Founding Fathers.** Present them as selfish aristocrats who had no concern for the "common man."

31. Belittle all forms of American culture and **discourage the teaching of American history** on the ground that it was only a minor part of the "big picture." **Give more emphasis to Russian history** since the Communists took over.

32. **Support any socialist movement to give centralized control** over any part of the culture--education, social agencies, welfare programs, mental health clinics, etc. [*Centralization makes it easier to control the masses*]

33. **Eliminate all laws or procedures** which interfere with the operation of the Communist apparatus.

34. **Eliminate the House Committee on Un-American Activities.**

35. Discredit and eventually **dismantle the FBI.**

36. **Infiltrate and gain control of more unions.** [*Are there any which not controlled by Communists now?*]

37. Infiltrate and **gain control of big business.**

38. **Transfer some of the powers of arrest from the police to social agencies. Treat all behavioral problems as psychiatric disorders which no one but psychiatrists can understand [or treat].**

39. **Dominate the psychiatric profession** and use mental health laws as a means of gaining coercive control over those who oppose Communist goals. [see the Nazis use of psychiatrists during WWII – Appendix (3)]

40. **Discredit the family** as an institution. Encourage promiscuity and easy divorce.

41. Emphasize the need to **raise children away from the negative influence of parents.** Attribute prejudices, mental blocks and retarding of children to suppressive influence of parents.

42. **Create the impression that violence and insurrection are legitimate aspects of the American tradition;** that students and special-interest groups should rise up and use "united force" to solve economic, political or social problems – [in other words strive to make people believe that conflict resolution is normally accomplished by extreme violence.]

43. Overthrow all colonial governments **before** native populations are ready for self-government.

44. **Internationalize the Panama Canal.**

45. **Repeal the Connally reservation** so the United States cannot prevent the World Court from seizing jurisdiction [*over domestic problems. Give the World Court jurisdiction*] over nations and individuals alike.<sup>26</sup>

Please remember that the above are NOT things that have been created today to account for "how our country has gone wrong" in the past several decades. These are not anything created to explain Communist activity.

**These are directives and statements of goals taken from Communist documents PRIOR TO 1958.**

These are in most cases Communist goals that have been successfully acted upon. These are the things that Communists have planned to do, and in many cases, have already done **TO US.** We have effectively given our freedom away to a foreign power. **This is the Communist Plan to destroy the United States of America.**

Many of these goals have shamelessly already been accomplished in the United States of America. Might we add yet another goal; "Have the President of the USA take a world tour and bow to all foreign leaders"? Might we add "Have the President of the USA declare that we are NOT a Christian nation"? Those which have not yet been accomplished are underway before our eyes. Somewhere in the vicinity of 80 (more or less) members of Congress are members of the **Progressive Caucus.** This is the Congressional equivalent of being a "**card carrying member**" of the Communist Party. **Voters simply have no idea who or what they are voting for.**

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<sup>26</sup> *Congressional Record--Appendix, pp. A34-A35 January 10, 1963*

*How have the Communists fared so far?  
What really remains of our jealously guarded sovereignty as a nation?*

*Please look to appendix (2) at the end of this work for details of this analysis*

## **You might be a Communist.**

How can one recognize who is a Communist or who is not? In 1949 the House (Sub) Committee on Un-American Activities published a series of pamphlets entitled ***“100 things you should know about Communism”***.

*The following are essentially quotes from those official pamphlets and little if anything has changed from then until today:*

Question: “What is Communism?” Answer: (The official definition) *Communism is “A system by which one small group seeks to rule the world.”* [Note here that **there is no mention of Russia**, or of the many elements Russia placed in this country to subvert our system of governance. Communism is in fact “a **system (an ideology)** by which one small group . . .” etc, etc. Communism as we recognize it today began with Karl Marx and has “evolved”, chiefly under Lenin, (thus Communism is also referred to as Marxism or Leninism) but like a chameleon it is difficult to recognize. It’s most consistent and recognizable feature is that it has and will always have as its end goal; **total world domination.**]

Question: “How do the Communists try to get control?” Answer: **“Legally or illegally, any way they can.”**

NB: For those of you who would dismiss the existence, powers or reach of Communism in this country and the world as being “a conspiracy theory”, pay very careful attention to what was just quoted. There is and has for a long time been a conspiracy designed and run by Communists here and around the world to take over the government of the United States of America. The fact that it sounds like a conspiracy theory is no reason to dismiss the facts. Communism and its willing accomplices intend to take control of the world “any way they can”. Before this can be done, the United States must be absorbed.

Question: If Communism took over the U.S.A, “What would happen to my insurance?” Answer: “The Communists would take it over.” Question: “What would happen to my bank account?” Answer: “All above a small sum would be confiscated; the rest would be controlled **FOR** you.” Question: “Could I leave my property to my family when I die?” Answer: “No, because you wouldn't have any to leave.” (property belongs to the state!) Question: “What are the differences between Communist promise and Communist performance?” Answer: “When it is agitating for power (“community organizing”, campaigning or barn storming around the country), Communism promises more money for less work and security against war and poverty.” **“In practice it has never delivered any of this.”**

Question: What is the official song of the Communist Party in the U.S.A? Answer: “The Internationale”. **It goes like this: “Tis the final conflict, Let each stand in his place; The**

***International Soviet shall be the human race.***” Sure sounds like they intend to take over the entire world – ***and they do.*** The above questions and answers are drawn from the government’s “100 things you should know . . .” They are not anything I have made up.

Very few in this country would admit to being a Communist, if they cared at all about their integration into the American society. If for no other reason, they would be ostracized by the very large proportion of freedom loving males, who at some time in their life were in the military and invested a large portion of their lives in defending America against the specter of Communism. Today the code word for Communist is Progressive, although there are many other euphemisms which indicate the same thing.

For instance, it would be safe to say: “If you call yourself a Progressive, then you must be a Communist.” “If you call yourself a socialist or a liberal, then you might be a Communist.” “If you belong to the Democratic Party and believe that Obama is a “Natural Born American” and a Democrat, then you might be a Communist.” Or perhaps you are just a Dupe.

In the same vein, “If you support the dictatorial control of the American people or circumvention of Congress by the Executive branch, then you probably are a Communist”. “If you believe that the recession / depression that exists today was caused by President Bush, then you might be a Communist.” “If you believe that today’s national deficit was caused by Bush, then you might be a Communist.” If you believe that Keynesian Economics, including the ramifications that it brings to the Federal Reserve System is the only solution to the country’s economic woes, then you must be a Communist. That includes Federal Reserve Chairman, Bernanke (now Janet Yellen) who is presently devaluing the value of everything you own by expanding the money supply to cover for the corruption of the Clinton Administration as well as enabling Obama’s re-distribution of American citizen’s assets (and effectively destroying the value of our older generation’s savings which were long worked for).

As Vladimir Lenin said; ***“The way to crush the bourgeoisie is to grind them between the millstones of taxation and inflation”.*** This part of his history book, Obama read carefully.

“If you believe that property and “money” belong to the government and exists to be doled out by government to the disadvantaged or whoever else **it** wishes, then you are probably a Communist.” “If you believe that the Federal Government should take money away from your hard earned wages, and give it to the part of society who (for whatever reason) is unable to, or refuses to support itself, *because it is the right thing to do*, you might be a Communist. *[The deceptively operative part of the foregoing statement lies, not in the giving part, but in the taking part, although the two are inextricably linked.]*

If you believe that the purpose of the United States government is to “do the right thing”, rather than rigorously obeying the Constitution, then you might be a Communist.

“If you believe that the United Nations is now the best solution to the world’s violence and disagreement, or conversely that the UN is not fanning the flames of dissent throughout the world, then you might be a Communist.” “If you support the United States of America’s continued presence in, and financial support of the United Nations and its International Monetary Fund (IMF) and World Bank, then you might be a Communist”.

If you believe that even in the face of overwhelming proof to the contrary, the world is in the throes of “Global Warming” caused by the actions of mankind, or if you support the United Nations Agenda 21, then you very well might be a Communist. “If you believe that the United Nations should reconstitute itself with a military and taxing authority in order to enforce its world wide governance, and that the



USA should make itself subservient to that governance, you most certainly must be a Communist”.

“If you believe that Obama is not a socialist and a Marxist, then you might be a Communist.”

“If you believe that the Rev. Jeremiah Wright preached Christianity, then you might be a Communist.”

“If you believe that Rachel Maddow and Keith Olbermann are journalists, then you might be a Communist”. If you believe that Bill Ayres, the terrorist in whose home Obama first announced his candidacy, was just a guy living in the neighborhood, then you might be a Communist.

**“If it looks like a duck, walks like a duck and talks like a duck . . . it’s a duck.”**

My use above of the word “might” instead of “must” comes about only because there are (a few) people who simply don't know any better. There was a time when, in order to be (legally) considered a Communist, one had to profess inwardly or openly that they preferred the USSR and its (totalitarian) governmental organization to America. The same is not necessarily true today, since the objective of (Communist) domination has shifted from Russian domination to (a Communist controlled United Nations) “One World Government Domination”. Still very few will admit to being a Communist and the “movement” continues to be conducted as a subversive movement, out of sight, out of mind, preferably.

***Incidentally, if any of the above suggests that you might be a Communist and that doesn't comport with your concept of yourself, you really should reassess your life.***

There are some who believe that they are, and claim to be “a liberal” or even a “socialist”, but certainly not a Communist. To them I say that they are either very, very naïve, or they are lying. People who claim to be Libertarians are most often properly classified as “liberal”. People who claim to be “liberals” are most often Communists. To help you understand why I feel this way, let me provide you with a few quotes issued by authorities on the subject.

***“The goal of Socialism is Communism” - Vladimir Lenin***

***“The American people will never knowingly adopt Socialism, but under the name Liberalism, they will adopt EVERY fragment of the Socialist program UNTIL America will one day be a Socialist nation without knowing HOW it happened.” – Norman Thomas, six time Socialist Party U.S. Presidential candidate.***

Thomas said additionally after his last candidacy: ***“I no longer need to run as a Presidential candidate for the Socialist Party – the Democrat Party has adopted our platform.”*** You can now see the method of America's betrayal.

## **Communism as a World Government simply will not work!**

The most remarkable thing about Communism on a worldwide basis is that; as good as it might **sound** to many, and as much as any number of people might believe in it religiously, it just will not work. First of all, the natural and even necessary progression of any socialist / communist government is toward fascism of one sort or another. It is however a fact that human nature will not long endure subjugation by a dictator, or an oligarchy. Secondly, Communist (dictatorial) governments do not

produce anything of tangible value on their own except for the inherent control and effective subjugation of their people.

Communism has for years, relied for its survival on the largess of the free world, and extortion. The socialist / Communist world has survived since WWI **only** by the grace of the free enterprise system that has been maintained primarily in the United States of America. If it were not for gifts by the USA to Socialist and Communist run countries, the world economy (outside of the U.S.A.) would have collapsed long ago. Perhaps that would have been the best thing that could have happened to the world economy, as it would have shown the tenets of Communism (embodied in the Keynesian economic model) to be totally inadequate as an economic system.

I read a “blog” not long ago in which a young lady flatly stated that Communism had historically NEVER worked, and never would (a concept I wholly agree with). Her remarks were countered by “someone” to the effect that one should never say “never”, and reminded her that Edison had tried 100 times before he invented the light bulb. Sounds like a good argument?

Whether the facts are accurate here or not, is of no importance, since it is VERY doubtful that “Edison tried the same thing 100 times before inventing the light bulb”. Einstein is often quoted as defining that type of behavior as “**insanity**”. I might add here that when something is not broken, one should not try to fix it. We have enjoyed an extremely productive form of life in this country, so long as government has kept its interference to a minimum. Why do the “self styled” elite believe that they must interfere with and fix society (through government) in areas where it is not broken?

Barack Obama, only a few months ago, in campaigning for his reelection declared that The American economic system, the capitalist system, had failed – indeed had never in history worked – and would be replaced (by him with Communism). And the American public reelected him after hearing that. Barack Obama denies that the American economic system has produced the most enterprising, egalitarian and productive economy and society to have ever existed.

Mr. Obama would have been better off in his speech (at least more truthful) by treating the collapse and dispersal of the Soviet Union as (what he calls) “a teachable moment”. The lesson to be learned was that even when a Communist inspired tyranny is able to grow to encompass most of an entire continent, with tentacles stretched out over most of the rest of the world, it cannot survive without (in the USSR’s case) the free world supporting it economically. I’m sorry to tell you this Mr. Obama but the tenets of Communism produce nothing of value and will not support a complete economy in any fashion. That is unless you would also claim that Greece has a thriving economy.

In a contrarian analysis, the fall of the “Berlin Wall” and the break-up of the USSR could be the worst possible things that could have happened to the “free world”. The primary method of operation for Communists has been, from the beginning, to conduct operations out of sight – subversively. Since the fall of the Berlin Wall, Americans have been “taught” or convinced that Communism has been defeated and no longer exists, certainly not here. Americans have always resisted the thought that the evil which is Communism could exist on our shores, but again I am sorry to tell you folks, it does exist – right here – and right now. Communism never went away, it never missed a beat. Americans just stopped believing that it existed.

**The Devil's greatest achievement was convincing the world that he did not exist.**  
[Baudelaire]

Communist tenets directly or indirectly influenced the development of John Maynard Keynes' system of macroeconomics which has been maniacally followed by British and American governments since the era of the "Great Depression". Despite the historical observation that this system of economic management (Keynes') does not have the effect it claims on the economy, adherents persist in favoring it versus more rational methods. It is in fact based on the concept that government must be large enough to control all things which influence economic growth and stability. Obviously Keynesian Economics becomes the choice of those who require governments to be "all controlling" for any reason. Keeping all this in mind, the way that the USA has allowed itself to be nudged, and in the last few years coerced into socialism is beyond belief. We as a nation believe that government functions in a manner which is beneficial to all of us. Finding that our representatives in Washington, D.C. have become part of a "group, or cabal" which feels that it has the right and power to exert the will of a minority upon "we the people", and that this group is self serving rather than the beneficent group of representatives that we thought, is a bitter pill to swallow. Americans have a very distinct tendency to place themselves into denial.

We have currently allowed the "leadership" of this great nation to be assumed by an unbelievably **elected** Communist. His background has been carefully obscured by his handlers, such that we really know **nothing** about him prior to his election and the co-opted legal system has insured our ignorance since the election. We do not know for sure even what his name is, or where he was born. The little that was known before his "election" indicated that he was raised and trained as a Communist; however this was carefully downplayed by the Democratic Party and the captured American media. This was the ultimate betrayal of the American people and it was engineered by the "Shadow Party", the DNC, and the American Press / Media.

### **In a nutshell**

One difference between the ideology of Communism and Freedom can be largely explained by examining a concept that has been skewed toward the left in this country, gradually over many years. Consider how we view the people who we have elected to the offices of the Presidency and Congress over the years. In the beginning, George Washington was elected as the leader of this, one day to be, great nation. At that time the people of this country were, on the one hand, used to and even comfortable with a king or dictator in charge. After all, that is the form of government they were accustomed to. On the other hand, the people believed that they had been abused by their king. They chose a form of government that relied on representatives of the people, themselves, to make the decisions which affected them.

Alexis de Tocqueville, visiting America in the 1830's, referred to America's form of representative government as "The Great American Experiment". Americans had created a government which effectively was not only of their creation, but designed to continue on as "a government of and by the people", a republican form of government which had never been attempted on so large a scale in the past, thus de Tocqueville considered it to be an experiment. Left leaning pundits distort the meaning of this quote by implying that America is intended to be a place of change and even that Barack Obama continues this tradition. Such absurdity can only be regarded as Communist propaganda since the tenets by which Barack Obama operates have originated in Communism as revealed to him by his mentor Frank Davis and his schooling in the methods and thought of Saul Alinsky.

Communism is not only offensive to freedom loving citizens but is an historically proven failure. *Remember Benjamin Franklin's quote in 1778 at the close of the Constitutional Convention: "We have given you a republic – **if you can keep it.**" There was no intention for changes to be made to*

*America's Constitution except after very careful thought. What existed in Franklin's mind was only the great fear that Americans would fail the nation in the future by letting their freedom be stripped from them through ignorance and apathy.* As a matter in passing here, another quote ascribed to de Tocqueville and well worth remembering is: “**Socialism is a new form of slavery**”. Add to this another Vladimir Lenin quote; “**The goal of Socialism is Communism**” and you have the whole story of Barack Hussein Obama's contribution to American society – his Hope and Change.

In effect, or in fact, the (Founding Fathers') idea was that citizens, “the people”, in small communicating groups would make the necessary decisions for their country, and these decisions would then be represented in the larger “government” by . . . *wait for it* . . . “Representatives”. No dictator was to single-handedly make decisions which affected their lives, and in fact, the President was tasked with carrying out the decisions of Congress (the representatives of the people and the States). He or she (the President) was to be the executive officer of the administration (not executive officer of the government or the country, but of the administration). George Washington did everything in his power to make sure that no monarch would again rule the United States of America.

In fact, the **House of Representatives**, the “people's house” was intended to be the principle seat of government. Legislation could be originated in either house; however whenever the government was to enact any form of taxation (or otherwise raising revenue), such legislation had to originate in the House of Representatives. The Senate existed only to review legislation to ensure that it would not adversely affect the individual republics (States) which its members represented. While it was anticipated that the States (the Senate) might wish to originate (a limited amount of) legislation, its purpose was to review legislation produced by the “House” and it was morally bound to do so, not refuse to consider legislation out of hand. There was no earthly consideration that a “majority leader” should effectively be able to veto legislation simply by refusing to present a bill before the Senate as **Senator Harry Reid** has done repeatedly since taking the reins of control in 2007.

Consider the concept that the President, and Congressmen (and women) are the **leaders** of this country. This is a concept which, I believe, is not only faulty but dangerous to our freedom. I believe that I (as an individual) am capable of making whatever decisions are necessary for me to live my life successfully and happily. As Frank Sinatra put it I'd rather do it “my way”. Some of those decisions might be bad ones, but they are **my** decisions. The government that our “founding fathers” set up for us was a government responsive to its citizens needs via representatives, not an interference in personal freedoms.

There are times when leadership is called for, such as when the nation (truly) requires mobilization for war. The Senate and House certainly need **internal** leadership to organize their activities (which should be minimal). But we as a people, and I in my personal case, do not need leadership. The people that I vote for are intended to REPRESENT my wishes, not the other way around. In a real sense, the way things were originally set up, these people work for me (and you). They are not in office to tell me how to live my life. I certainly didn't elect them for that purpose. It's called a representative democracy, not a dictatorship or an oligarchy.

Gradually over time, the focus of decision making has been shifted from the people, to those who are supposed to be representatives of the people, out of trust or just apathy. This is symbolized by the question, “does the government work for you, or do you work for the government?” Gradually greed and the quest for power have shifted decision making power from the citizens, where it rightfully resides, to the representatives and thus to the central government. **This is authority and power stolen. This is not the government the “Founding Fathers” had in mind for us.** This is not the government

formed by that “enabling” contract called the Constitution.

We don't need “wanna be” leaders in office, we need **representatives** of the people who listen to the citizens, and at the same time we, the people need to remain engaged in that initial decision making process. We need a spokesman; we need a person who represents us, not a leader.

**In the immortal words of Daniel Webster, "Hold onto the Constitution and to the Republic for which it stands ... for if the American Constitution should fail, there will be anarchy throughout the world."**

### **Progressivism, the movement to become PC or Progressive/Communist**

And you thought that PC stood for Political Correctness

The Progressive movement has always functioned from the cover of shadows, making every inroad possible into the main stream of American politics. Although the term is used around the world today for many different things, it originated in the USA as an (American) acceptable form of Marxism or Communism. It was disarmingly portrayed in the first instance as a movement toward scientific efficiency, especially in government. Theodore Roosevelt is the first acknowledged American President who aspired to “progressivism”, even creating (and once running on the ticket of) the “Bull Moose Party”, which eventually became the “Progressive Party”. Teddy didn’t get very far as a Bull Moose candidate, so he became a Republican Party candidate the next time around. I seriously doubt that Teddy’s Progressivism had much in common with what we are blessed with today. The primary (published) focus of Progressivism at the time was the introduction of science and efficiency into society (and government). While he did believe that the scope of executive responsibility should be expanded, he did not believe that the Constitution should be ignored. **Teddy did however lead the way in sneaking into office under false colors.**

Progressivism has been on the rise in the United States (government) for some time, mostly behind the scenes, where the general population of the country could not see what was going on, as exemplified by Clinton’s extensive corruption of America’s banking and overall economic systems. The pace of this rise was increased several fold after the election of Bill Clinton in 1992 and many times over after the election of Barack Obama in 2008. The reasons for this are apparent to anyone examining their “upbringing” in politics. Clinton was not seriously exposed to Communism until his college years, his tutelage by Wm. Fulbright and finally his pairing up with Hillary Rodham. By the same token, Obama was born into and schooled his entire life in Communism, becoming an operative or Community Organizer before seeking elective office. **A “Community Organizer” is a Communist Operative, an enemy of this country.** Both Barack Obama and Hillary Clinton have come out openly and admitted to being Progressives, yet most people have no real understanding as to what this means. Most people do not fully understand that Progressivism is no more than an American version of Communism. Most people do not understand further that this progressive iteration of Communism has replaced the leadership of the Democrat Party with its own. Can you imagine the 2008 voting by the Democrat Convention to remove all reference to GOD from its party platform? GOD was “allowed” back into the platform only because the leadership of the DNC (rightly) felt that such a vote would alienate too many “ordinary Democrats” and required a re-vote to reflect their thinking. Democrats or more properly Progressive Democrats, whom I shall for the sake of brevity, henceforth call Communists are in charge of our federal government and rapidly proceeding to destroy the greatest nation of all time.

Progressivism sounds like a striving for the betterment of society into the future, improvement in society, a good thing generally, where-as in fact Progressivism represents extreme regression and a return of society to an essentially feudal state of existence. It represents a nation ruled by a dictator, chosen by and serving “the elite”. Not surprisingly this is the same outlook toward the future sought by Islam, that of a return to a subservient past.

The unspoken, but obvious mantra of the Progressive “leader” is: “I know what is best for all. **Do as I say or I will hurt you.**” This sounds like something created in Chicago, but its roots grew from an unhappy Europe of the 19<sup>th</sup> century. Can there be any further wonder as to why, historically ALL involvement of the United States in war has been initiated by Progressive Presidents? The more immersed in Progressive ideology was / is the administration, the more aggressive was / is the President’s attitude toward America and the world generally.

What is a Progressive anyway? What’s so bad about being a Progressive? After all, as one Progressive miscreant claimed in a blog to me, we are just trying to help people!

Following this is a discussion of what happened to this country and the world, the last time Progressivism rose from the shadows, before it did once again in 2008 thanks to George Soros and his “Shadow Party”. Decide for yourselves who is helping who, but I should caution you that what you are about to read is factual, without any Progressive fiction, rationalization or re-writing – it is not a pretty picture:

As previously discussed, “Progressivism” constituted a *more American* (more acceptable in America) version of Communism, which is sometimes called Marxism in honor of the angry and somewhat deranged Jew, who set forth it’s doctrine in the “Communist Manifesto”. Communism by the same token is nothing more than the supreme glorification of “Socialism”, with a decidedly totalitarian twist.

As one commentator observed; *crabs are best boiled by slowly increasing the heat.* Otherwise those crabs might jump out of the pot. As Norman Thomas expressed the same concept, **"The American people will never knowingly adopt Socialism**, but under the name Liberalism (*ignoring the fact that liberalism actually means something quite different than Socialism*), they will (gradually) adopt every fragment of the Socialist program until America will one day be a Socialist nation **without knowing HOW it happened."** He continued by saying after his last run for the Presidency; ***"I no longer need to run as a Presidential candidate for the Socialist Party – the Democrat Party has adopted our platform."***

### **At the heart of the matter**

In 1902, David Starr Jordan, the first president of Stanford University published a book entitled “*Blood of a Nation*”. Later in his career, Jordan would be “called” as an “expert” to testify at the Scopes “monkey” trial in 1925. If you did not know, the Scopes trial was a trial said to be “staged” by the ACLU (in Tennessee) for the purpose of reducing religion to something inferior to “science” in the eyes of the State of Tennessee - (Creationism vs. Evolution). The trial made famous both William Jennings Bryan and Clarence Darrow who argued opposite sides of the question.

Jordan was at that time known to be a prominent member of the Bohemian Club, a decidedly leftist, elitist “journalist” club in San Francisco. Without a doubt, Jordan had become a darling of the elitist set in California. Those were the years following the publication of “*Blood of a Nation*”, which became in many ways a textbook for “Progressive” thought. Jordan graduated from Cornell University with a degree in Botany (plants), and then somehow became an expert in Ichthyology (fish). Jordan is

best known however for the ideology put forth in *“Blood of a Nation”* which set the tone for the wholehearted “Progressive” endorsement and furthering of **Eugenics** in America. Jordan had once served as a Director of the Sierra Club, and beginning in 1928 served as a “founding” Trustee of the **“Human Betterment Foundation”**, which was begun in Pasadena, California.

The “Human Betterment Foundation” was established to encourage the passing of **“compulsory” sterilization legislation** throughout the United States. **What’s that you ask? That** is legislation which legally authorizes your sterilization if “they” (the elites) have determined that you to fall into any of several pre-determined categories, which “they” have determined to be detrimental to a healthy society.

The primary method proposed to cleanse the population of the United States was compulsory sterilization – a slow but effective way to limit reproduction by lesser acceptable races and individuals. The next most often mentioned means of accomplishing the “Progressive” goal was “eugenicide”, and the most commonly suggested method of eugenicide in America was **“lethal chambers” or publically operated gas chambers. Surely I jest, you say?** Not at all, and I am not even stretching a point.

In 1918, Paul Popenoe, an Army venereal disease specialist during WWI, who later became a founding father of the practice of **“Marriage Counseling”** in America, co-wrote the widely used college textbook, *“Applied Eugenics”* which argued: “From an historical point of view, the first method which presents itself is execution”. *In other words, if they don’t fit the mold, kill them.* American Progressives effectively invented the use of “gas chambers” for Nazi Germany to destroy Jews long before the Second World War.

Early on, Popenoe had become interested in using the principles of German and Austrian marriage consulting services **for eugenic purposes**. He opened the “American Institute of Family Relations” in Los Angeles in 1930. The Institute was described even as late as 1960 as “the world’s largest and best known marriage-counseling center” with a staff of seventy. What are Eugenic Marriage Counselors? Only the concept of “voluntary” sterilization comes to mind.<sup>27</sup> How similar this organization sounds and in fact **is** to the “Planned Parenthood” organizations of today boggles the mind.

The Sacramento millionaire **eugenicist** Charles Goethe wrote the following to Pasadena millionaire **eugenicist** Ezra S. Gosney, in 1934, having just returned from a trip to Europe: (Gosney’s “work” (day job) was running the “Human Betterment Foundation”):

*“You will be interested to know that your work has played a powerful part in shaping the opinions of the group of intellectuals who are behind Hitler in this epoch-making program. Everywhere I sensed that their opinions have been tremendously stimulated by American thought and particularly by the work of the **Human Betterment Foundation**. I want you, my dear friend, to carry this thought with you for the rest of your life, that you have really jolted into action a great government of 60 million”.*

In other words you have sown the seeds that will grow into the Second World War.

The famed eugenic practices and studies carried out by Hitler’s administration before and during WWII, including the practices of the infamous Dr. Josef Mengele, had been set up prior to the war and

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<sup>27</sup> [Gosney, E.S.](#); Popenoe, Paul (1929). ["Chapter 7: Voluntary Sterilization"](#). *Sterilization for Human Betterment: A Summary of Results of 6,000 Operations in California, 1909-1929*. New York, New York, US: The Macmillan Company. p. 59. *“Troublesome Delinquents” section” people.”*

had been largely funded by the (American) **Rockefeller and Carnegie Foundations**. Oh, those Progressive elitists; always fighting for the middle and lower classes. To purify them perhaps?

The primary method of operation practiced in eugenics was forced sterilization, both in Germany and in the United States. The state of California alone would eventually sterilize over **20,000** patients in state-run hospitals under its eugenic laws; Nazi Germany would sterilize over 400,000.

*“Neuadel aus Blut und Boden”* (“*A New Nobility Based On Blood And Soil*”), written by Richard Walther Darré in 1930 (28 years after the Progressive American Eugenics policies had begun being installed into the legal system of the United States), proposed a systemic eugenics program, arguing for breeding as a cure-all for all the problems plaguing the state (of Germany). **This program was carefully adapted from the established Eugenics program already existing in the state of California.** Ultimately, some claim, the Nazi’s adopted Eugenics program originated in the state of Virginia.

On January 30, 1939 (the sixth anniversary of his accession to power), Hitler foretold the coming Holocaust of the Jews of Europe when he said: *“Today I will once more be a prophet: If the international Jewish financiers in and outside Europe should succeed in plunging the nations once more into a world war, then the result will not be the Bolshevization of the earth, and thus the victory of Jewry, but the annihilation of the Jewish race in Europe!”*

Could it be perhaps that, in his own mind, Hitler waged war because he feared the occupation and control of Germany (Europe) by Communism, rather than only because of the racial hatred of Jews which has been so popularly believed? Either way, it is clear that Hitler associated Communism (*Bolshevization*) with Judaism. He referred to the principle objects of his disdain as Komintern Jews (Comintern or Communist International Jews?) In public pronouncements concerning declared subversive activities which required government intervention, the use of the word Communist became a code word used synonymously with Jew.

Eugenics became the lynchpin upon which Hitler based his command of Germany. Just on the off chance that I have not been clear in the foregoing; the most hated premise of Hitler’s Nazi Germany; “Eugenics” was a **Progressive (American) invention** and prestigious, elitist American people (for example; the Rockefellers and Carnegies). American companies controlled by Progressives, financially supported and encouraged Hitler’s adoption and furtherance of eugenics. It is only a short leap to understand that Hitler’s Third Reich and the Second World War was a product of American Progressivism. These are not nice people, and they essentially have control of America today. When Americans argue that the Progressive agendas are un-American or just plain bad, they are condemned by the Rockefellers (the elitists) of today as being racists or McCarthy(ites). The Progressive defense of elitism is to “assassinate the character of the messenger”. Progressives never defend their agendas, they simply state (lie) that the issue has been decided already and anyone who disagrees must be eliminated via character assassination. It is difficult for ordinary Americans to understand such abusive and overwhelming egotism, but then this is the response taught and exemplified by Marx.

Meanwhile, back in America, from whence eugenics (Progressivism) came:

An early promoter of American eugenics and a eugenics activist was **Margaret Sanger**. Today Sanger is best known and praised by Progressive groups for her part in making abortion “universally” available



in the United States and for establishing "**Planned Parenthood**", an abortion business promoted by "progressive" administrations and politicians. "Planned Parenthood" was spawned from, and indeed is a current manifestation of "Progressive" Eugenics and in addition to abortions; most offices also offer and promote sterilization (internally called **Esure** by Planned Parenthood). Make no mistake about it however, "Planned Parenthood" was set up for and continues to promote the agenda of the "progressive" eugenicist. Planned Parenthood was established to reduce or eliminate the Negro race among others in the United States of America. In the "Progressive world" nothing is ever called what it really is e.g.: Affordable Healthcare is anything but affordable; "Abortion on Demand" is called "Planned Parenthood", etc.

I would guess that most people reading this would ascribe the avid practice of *eugenics* (eliminating people with unfavorable traits from society through such practices as forced sterilization or genocide) to Dr. Mengele or perhaps Hitler or Himmler during the Second World War. Certainly as a result of this war, **world public opinion** has officially declared *eugenics* to be a "**crime against humanity**". If it is still your belief that eugenics originated in Germany, you would be wrong. Edwin Black in his defining work on eugenics says the following: "*As I explored the history of eugenics, however, I soon discovered that the Nazi principle of Nordic superiority was not hatched in the Third Reich but on Long Island decades earlier—and then actively transplanted to Germany.*" <sup>28</sup>

Eugenics was indeed a creation of "Progressives" in the U.S.A. Eugenic principles such as forced sterilization and extinction or sequestration of undesirable persons into public institutions were **successfully put in place legislatively** in twenty-seven (27) states. Got that? Progressive eugenics was the "law of the land" in twenty-seven (27 or 33 by some accounts?) states in the U.S.A. Today, the "Affordable Care Act" (Obamacare) makes eugenics in the form of abortion and contraceptives, paid for by **ALL American taxpayers**, the law of the land. The same "rich cats" that supported Hitler's eugenics program are still running the show here in the U.S. of A. One might say that Hitler's Nazis were no more than our Progressives on steroids, or rather without adequate opposition, all too literally.

Generally this rabid discrimination (in the U.S.A.) was claimed (and advertised) to be a (humanitarian) method of protecting and taking care of feeble-minded, incapacitated or "unfit" individuals. The fact is that it was a means of removing selected individuals from society and the national "gene pool". All that was required was to have the official sounding "diagnosis" of "feeble-mindedness" applied to an individual – something that apparently could be done for a wide variety of reasons (some possibly political). The first and foremost reason, and in some circles the justification, for eugenics was what Hitler referred to as the "purification of the race".

Eugenics was in all cases a **racially motivated "pseudoscience"**, and in the U.S.A. it was intended to eliminate all but "Nordic" members of the society. Yes, that means, without equivocation, to eliminate non-"Nordic" members from society, or minimize any possibility of the perpetuation of the Negro, or Asian or Native American races in this country. How ironic it is that Barack Obama (about as far from being a member of the Nordic elite as one could be) should have struggled so to be elevated to the position of Chief Progressive.

*I find a remarkably unsettling analogy to this entire proposition in the 2012 National Defense Authorization Act (NDAA) in which the President or anyone deemed to be in authority, may label any American citizen as a terrorist and imprison that individual without Constitutional recourse (disappear them) – a wholly unconstitutional law. The "Progressive" elite's mind would be an amusing thing to*

<sup>28</sup> *War Against the Weak: Eugenics and America's Campaign to Create a Master Race.*, Edwin Black, New York: Basic Books, 2003

*see in action, if it were not for the fact that its singular purpose is to enslave the rest of us.*

California, which was the original jumping off point for American eugenics, actually became the third state to adopt legislation enforcing these “enlightened” policies on its citizens, but soon became the shining *Starr* in American eugenics. According to the Chicago Tribune, between 1924 and 1979, 65,000 Americans in 33 states were sterilized involuntarily under eugenic laws, 20,000 in California alone. That’s probably a conservative estimate. Again, according to the Tribune, The eugenics law from Virginia was used as a model for other states legislation as well as being transplanted to Germany for the Nazis.

Since it always operates in the shadows, the true intent of “Progressivism” is little known or understood by the vast majority of Americans, or even many of its vociferous supporters. The carefully crafted public image is one of compassion for “the middle class” and by implication “the lower classes” whoever they may be. The scheme is intended to entrap everyone who is not wealthy and does not have the Party’s “seal of approval”. The public relations image of “Progressivism” is a marvelous construct of what appears (and ONLY appears) to be good things. It is indeed the modern day “Siren’s Song” and sounds much too good to be believed (and indeed it is). There is no essential difference between the “Progressive” eugenicist of the days prior to WWII and Hillery’s “New Progressive” of today. The essential personality flaw of the “Progressive” of either generation is a god-like arrogance which allows, even demands the Progressive to believe that he or she knows how best other people should think, act, and live their lives, or perhaps to die.

After the end of WWII and after eugenics had been declared a “**crime against humanity**”, California eugenicists, in order to avoid ostracism and rather than cease eugenic activities, simply renamed their crusade “**human genetics**” and went on about their business. Now the emphasis *appears* to revolve about what can be learned about an individual through the examination of the individual’s **DNA**. Do not be surprised when huge databases containing DNA signatures of everyone “of interest” begin to show up, nor when it becomes “the law” that everyone must submit to DNA recording for some reason or other, such as the future possibility of having to identify a body destroyed in war, or identifying residue left behind after commission of a crime. Such rationalizing sounds good, but remains simply a ruse to identify, divide and control all ordinary members of society. Progressive eugenicists, Progressives, will not give up their insane belief that they have the **right** to control you and your future. The “Greatest Generation” saved us from the evils of those Progressives, known as Nazis during WWII. Little did they suspect that the same evil lay in quiet wait for them back home, only to spring forth a generation and a half later. [For more detail on Eugenic practices and Psychiatry’s role in its development and horror see Appendix (3)]

***Let me tell you a story.*** This is definitely a true story, but one which those involved would rather have vanished into the ether and not become known for what it really was. We are “taught” now, that it represented the seamy side of the ignorance of the past and has no relationship to anything today. **On the contrary**, this is an ongoing story – one which in its essence is still being carried on and encouraged by “progressive” politicians. In a very real sense it represents the very heart of “progressivism”. It, alongside control of “public” education represents the blatant attempt to inculcate the tenets of “progressivism / Communism” into the very heart of American thought. It represents the attempt to make “progressivism / Communism” the law of the land. One trembles to think of what America would be today if they had actually been fully successful prior to the Second World War, but then the same thing is being done to Americans today in an entirely different fashion. And Americans seem unable to recognize their imminent danger.

The story I am about to tell is about an institution which was established in eastern Pennsylvania called the *Eastern Pennsylvania Institution for the Feeble Minded and Epileptic*. It later became known simply as “**Pennhurst**”. As indicated by its original name, the establishment of this “state institution” was **sold to the taxpayers** as the answer to a “public crisis”; the crisis (de jour) being the mistreatment of the mentally ill (wink – wink). It is positively amazing how many crises arise to demand progressive solutions (according to progressive politicians). An additional benefit which was afterward surreptitiously added made Pennhurst a place to store and / or deal with society’s defectives generally. As originally instituted, it was intended to house a maximum of around 500 patients, however as time progressed, it became the home to more than ten times that number, many “living” in the hallways.

At this juncture, I cannot help but again comment on the fact that almost everything progressives do to the American society is done in supposed answer to a crisis. The crisis itself is invariably manufactured and amplified; if in fact it ever existed, by Progressives to give cover to their usually unconstitutional activities. There is no difference to be found in today’s politically corrupt activities. Witness here the methods used in forcing the “Affordable Care Act” of 2010 (ObamaCare) down the throats of American citizens. Anyone who has heard of The Massachusetts Institute of Technology’s Jonathan Gruber recently, will know that the current Progressive Administration actually hired him to teach Obama and his co-conspirators how to effectively lie to the American public in order to hide the odious results which would inevitably ensue from the institution of Obamacare.

Pennhurst was in fact the second institution opened in Pennsylvania for those with what are now called “intellectual disabilities” or what was called at the time “feeble mindedness”. The first was called the Polk Center; was opened in 1897, and still remains in operation in western Pennsylvania. At the time Polk was opened, the only facility in Pennsylvania that cared for “feeble-minded” individuals in any real fashion was called Elwyn School, again in eastern Pennsylvania.

Pennhurst was opened in 1908 and closed by court order in 1985. As a former “Special Assistant to Pennhurst’s Superintendent” has said, “Pennhurst was a mistake from day one, but it was a mistake made by ‘all of us’, following the dictates of the ‘best minds’ of its time.” The best “progressive” minds, the progressive elite minds, that is. Even when in condemnation of his own actions, arrogance exudes from the mouths of Progressives.

Pennhurst was not an institution which stood alone as the only example of “progressive” thinking. It was one of many such institutions which were set up across the nation in the early twentieth century. However, because Pennhurst eventually became the object of a defining lawsuit, it stands out.

As originally approved by the taxpayers, Pennhurst was set up to “humanely care” for mentally ill patients, who essentially were either being taken care of by their families or by no one. Progressive politicians declared that this home care (the status quo) was all inhumane or simply mis-treatment and that only the “State” could provide humane treatment / care for these individuals. Regardless what you may think of the original stated intent, the actual intent and the institution which Pennhurst became bear little resemblance to those stated intents. In either case it became simply another tool for the use of the Progressive eugenicist.

Pennhurst (as did all such similar public institutions) became a dumping ground for all persons who were labeled (by the State) by the elite class as defective, unfit, deviant, or otherwise unwanted by the elite in society. The underlying political ideology was “progressivism” – the supposedly non-political philosophy which dictated these operations was called “*Eugenics*”. The primary methods of dealing

with those people who were unwanted by society were segregation and sterilization. Gas chambers never really caught on in practice in America. Segregation functioned simply by getting these people out of the public view. Sterilization was intended to make sure that these defectives did not reproduce and further damage society. It doesn't take much imagination at all to understand that these institutions functioned as the physical manifestation of legislation created by America's progressive eugenicists with the end purpose of managing America's population and thought.

This is how Progressives think **and this is why the Progressive “movement” and its supporters must be exposed and eliminated from all positions of responsibility in this country.** There is no place for these convoluted, self-serving, arrogant people in positions of authority in a country espousing individual freedoms.

Have you noticed that the Progressives spoken of above are the (self styled) elite and the wealthy of our society. Carnegie, Rockefeller, the well traveled journalists and educators and elite of the time; these were the wealthiest people who then existed in this country. These were the Progressives of that time and today they have been replaced by George Soros, Bill Gates, Michael Bloomberg, Warren Buffett, Al Gore, Ted Turner, Jerry Brown, Tom Steyer (who has promised \$100 million to Democrat politicians who do his bidding) and the list goes on. Do you see any blue collar workers on this list? These are ALL egotistical elitists and the working man has no part in the Progressive scheme of things except to act as supplicants and to be controlled and used for the sake of power.

Rep. Nancy Pelosi exemplified the Progressive mind in her speech concerning ObamaCare in which she said “We must pass the bill before we can see what is in the bill, away from . . .” Of course what she actually meant was “We must pass the bill before *the stupid American public* can see what is in the bill, away from . . .” **And pass it they did.**

## **JournoList Exposed**

On July 26<sup>th</sup>, 2010, the existence of a web site called the **JournoList** was exposed. That web site was created specifically to “connect” approximately 400 prominent “Progressive” “propagandists” and was one of many (web sites) designed to ensure and grease Barack Obama's way into the White House. The site was started in 2007, but was closed down as soon as its existence became known publicly in 2010. While it operated, JournoList served as the authority on the “party line” to be followed by its members. While this web site no longer exists under the same name, no one who ever hears “liberals” speaking on the television or anywhere else would doubt the existence of some web site which serves exactly the same purpose. They all say the same things, the same way, often completely out of touch with reality.

According to Trevor Loudon, in his “New Zeal” web site, Mr. Loudon examined 106 of the members following this web site which he called Journalistas for common connections and found the following:

Of the known “Journalistas” and organizations listed below, most can be linked back to two interrelated groups:

1 - **Democratic Socialists of America (DSA)**, America's largest Marxist based organization and

2 - **Institute for Policy Studies (IPS)** – The Democratic Socialists of America's “brain”, the Washington DC based, far left “think tank”. Essentially we can say that the “talking points” or “spin” put out through the JournoList and utilized by the “journalists” below originated predominately or

entirely from the DSA.

According to Loudon, the DSA and the IPS dominate or influence several organizations which were affiliated with JournoList, including;

**The American Prospect** – Founded in 1990 by DSA affiliate Robert Kuttner. Current editor at large is leading DSA member Harold Meyerson

**Mother Jones** – Includes DSA member Adam Hochschild on its Board of Directors, plus some DSA affiliated staff and contributors. Hochschild was a supporter of **Progressives for Obama**

**Economic Policy Institute** - Led by DSA member Larry Mishel and IPS affiliate Jeff Faux and several DSA affiliated board members. This organization has contributed at least three officials to the Obama Administration, including Obama economic adviser and “Journalista” Jared Bernstein, CNBC regular.

**Center for American Progress** – Several staff and officials are affiliated with DSA and the IPS. *Writing of the Center’s relationship to the Obama Administration, former **Weather Underground** terrorist leader and “Progressives for Obama” supporter Mark Rudd said “There’s a whole govt. in waiting that Podesta has amassed at the “Center for American Progress”. They’re mostly progressives, I’m told...”*

**The Nation** – Edited by IPS trustee Katrina van den Heuvel, who presides over an editorial board which includes DSA members Norman Birnbaum, Barbara Ehrenreich (also an IPS trustee) and Deborah Meier, plus IPS affiliates Tom Hayden and Roger Wilkins.

**In These Times** – Created by IPS and run mainly by DSA members and affiliates. Based in Chicago, I.T.T.’s board of editors includes former Weather Underground terrorists and Obama associates **Bill Ayers** and **Bernardine Dohrn**.

**Progressives for Obama (PFO)** - Established by DSA members Barbara Ehrenreich, Tim Carpenter and Bill Fletchers, Jr. Ehrenreich and Fletcher are also IPS affiliates, as were two more of PFO’s six founders Tom Hayden and Danny Glover.

**Campaign for America’s Future (CAF)**– Founded in 1996, by several dozen DSA members and IPS affiliates, CAF is a major coordinator of the U.S. “progressive” movement. In recent years it has organized several major **Take Back America** and **America’s Future Now** conferences in Washington DC - which are attended by the cream of the U.S. progressive movement, including Barack Obama himself.

Apart from the DSA/IPS connection, leftist institutions like **The New Republic** and the **New Century Foundation** are well represented. There are two known connections to **George Soros ‘Open Society Institute’**.

Many major newspapers are also represented, as is national public radio (**NPR**), **CNN** and a host of leading “progressive” blogs and websites including leftist media “watchdog” **Media Matters**. Since Media Matters has been recently found to provide content and even verbiage for some of the major network “News Programs”, these networks are duly represented in this corruption.

The following 106 names are reported members of the now-defunct (or re-named) JournoList;

**Spencer Ackerman** – Wired, FireDogLake, Washington Independent, Talking Points Memo, The American Prospect

**Ben Adler** – Newsweek, POLITICO

**Mike Allen** – POLITICO

**Eric Alterman** – Professor of Journalism, City University of New York, *POLITICO*, *The Nation*, *Media Matters for America*, *Center for American Progress Fellow*, *Institute for Policy Studies affiliate*.

*In April 2003, Eric Alterman signed a “Statement on Cuba”, initiated and circulated by prominent Democratic Socialists of America member Leo Casey, calling for the lifting of trade sanctions against Cuba.*

*In the 1980s Alterman was listed as a “Guardian Associate” by the Maoist-oriented journal The Guardian. Alterman is a former protege and defender of the late I.F.Stone, a leftist journalist, secret Communist Party USA member and pre-WWII Soviet intelligence contact.*

**Marc Ambinder** – The Atlantic

**Greg Anrig** – The Century Foundation

**Ryan Avent** – Economist

**Dean Baker** – The American Prospect. in 2009 Dean Baker was a Contributing Editor In These Times.

**Nick Baumann** – Mother Jones

**Josh Bearman** – LA Weekly

**Steven Benen** – The Carpetbagger Report

**Jared Bernstein** – Economic Policy Institute

**Michael Berube** – Crooked Timber (blog), Pennsylvania State University.

*In April 2003, Michael Berube signed a “Statement on Cuba”, initiated and circulated by prominent Democratic Socialists of America member Leo Casey, calling for the lifting of trade sanctions against Cuba.*

**Lindsay Beyerstein** – Focal Point (blog) (formerly Majikthise).

In 2009 Lindsay Beyerstein was listed as a member of the Drum Major Institute Netroots Advisory Council

**Joel Bleifuss** – “In These Times” editor, long time Democratic Socialists of America affiliate.

*In October 2008, Joel Bleifuss was one of several thousand college professors, students and academic staff to sign a statement “Support Bill Ayers”, in solidarity with former Weather Underground terrorist Bill Ayers.*

**John Blevins** – South Texas College of Law

**Sam Boyd** – The American Prospect

**Rich Byrne** – Playwright and freelancer

**Ta-Nehisi Coates** – The Atlantic

**Jonathan Chait** – The New Republic

**Lakshmi Chaudry** – In These Times

**Isaac Chotiner** – The New Republic

**Michael Cohen** – New America Foundation

**Jonathan Cohn** – The American Prospect, The New Republic.

*In 2009 Jonathan Cohn was a Senior Fellow of New York based think tank Demos, which is an Institute for Policy Studies partner organization*

**Joe Conason** – The New York Observer

**David Corn** – Mother Jones

**Daniel Davies** – The Guardian

**David Dayen** – FireDogLake

**Brad DeLong** – The Economists’ Voice, University of California at Berkley

**Ryan Donmoyer** – Bloomberg

**Kevin Drum** – Washington Monthly  
**Matt Duss** – Center for American Progress  
**Eve Fairbanks** – The New Republic  
**Henry Farrell** – George Washington University  
**Tim Fernholz** – The American Prospect, New America Foundation  
**James Galbraith** – University of Texas at Austin, Campaign for America's Future  
**Todd Gitlin** – Professor of Journalism, Columbia University, *former leader of Students for a Democratic Society, Campaign for America's Future founder, Democratic Socialists of America member;*

*In April 2003, Todd Gitlin signed a "Statement on Cuba", initiated and circulated by prominent Democratic Socialists of America member Leo Casey, calling for the lifting of trade sanctions against Cuba. Progressives for Obama endorser*

**Ilan Goldenberg** – National Security Network  
**Dana Goldstein** – The Daily Beast  
**Merrill Goozner** – Chicago Tribune, The American Prospect  
**David Greenberg** – Slate  
**Robert Greenwald** – Brave New Films, a production company that produced a documentary for Ronnie Earle during the case against Republican Party leader, Tom DeLay  
**Chris Hayes** – The Nation  
**Don Hazen** – Alternet

**Michael Hirsh** – Newsweek, Take Back America conference, 2008  
**John Judis** – The New Republic, The American Prospect. *A former leader of Democratic Socialists of America's preceding organization, the New American Movement, which was formed from the Students for a Democratic Society and the Communist Party USA. Judis is the former editor of "Socialist Revolution" magazine and is an Institute for Policy Studies affiliate.*

**Michael Kazin** – Georgetown University. *A founder of Campaign for America's Future, editor of the Democratic Socialists of America controlled Dissent magazine and co-author of an history of the Communist Party USA with DSA member Maurice Isserman.*

*In April 2003, Michael Kazin signed a "Statement on Cuba", initiated and circulated by prominent Democratic Socialists of America member Leo Casey, calling for the lifting of trade sanctions against Cuba. A veteran of the 1969 Venceremos Brigade to Cuba.*

**Ed Kilgore** – democratic Party strategist

**Richard Kim** – The Nation

**Mark Kleiman** – The Reality Based Community.

*In 2005 Mark Kleiman served as an affiliated scholar of Center for American Progress.*

**Ezra Klein** – Washington Post, Newsweek, The American Prospect, 2010 Business Section columnist, Washington Post; *formed JournoList, February, 2007*

**Joe Klein** – TIME columnist

**Paul Krugman** – The New York Times, Princeton University, economics, world affairs, and Pulitzer Prize winner (*neo-marxist*)

**Lisa Lerer** – POLITICO

**Daniel Levy** – Century Foundation

**Alec McGillis** – Washington Post

**Scott McLemee** – Inside Higher Ed, Democratic Socialists of America affiliate

**Ari Melber** – The Nation

**Seth Michaels** – MyDD.com

**Luke Mitchell** – Harper's Magazine

**Gautham Nagesh** – The Hill, Daily Caller

**Suzanne Nossel** – Human Rights Watch.

*In 2005 Suzanne Nossel served as an affiliated scholar of Center for American Progress.*

**Michael O'Hare** – University of California, Berkeley

**Rick Perlstein** – Author, Campaign for America's Future. *Democratic Socialists of America affiliate*

**Harold Pollack** – University of Chicago

**Foster Kamer** – The Village Voice

**Katha Pollitt** – The Nation, *a member of Democratic Socialists of America and a supporter of Feminists for Peace and Barack Obama.*

*In April 2003, Katha Pollitt signed a "Statement on Cuba", initiated and circulated by prominent Democratic Socialists of America member Leo Casey, calling for the lifting of trade sanctions against Cuba*

**Ari Rabin-Havt** – Media Matters

**David Roberts** – Grist

**Alyssa Rosenberg** – Washingtonian, The Atlantic

**Alex Rossmiller** – National Security Network

**Laura Rozen** – Politico, Mother Jones.

*In 2009 Laura Rozen was listed as a Senior Correspondent of The American Prospect.*

**Greg Sargent** – Washington Post

**Thomas Schaller** – Baltimore Sun

**Noam Scheiber** – The New Republic

**Michael Scherer** – TIME

**Mark Schmitt** – The American Prospect. New America Foundation, *former Director of Policy and Research at the Open Society Institute*

**Adam Serwer** – The American Prospect

**Thomas Schaller** – Baltimore Sun (columnist), University of Maryland, Baltimore County (professor), FiveThirtyEight.com (contributing writer)(NYT)

**Julie Bergman Sender** – Balcony Films

**Walter Shapiro** – PoliticsDaily.com

**Nate Silver** – FiveThirtyEight.com (NYT)

**Jesse Singal** – The Boston Globe, Washington Monthly

**Ben Smith** – chief writer/columnist for the POLITICO

**Sarah Spitz** – NPR

**Adele Stan** – The Media Consortium

**Kate Steadman** – Kaiser Health News

**Jonathan Stein** – Mother Jones

**Sam Stein** – The Huffington Post

**Jesse Taylor** – Pandagon.net

**Steven Teles** – Yale University, New America Foundation Fellow

**Mark Thoma** – The Economist's View (blog), University of Oregon (professor)

**Michael Tomasky** – The Guardian, Contributing Editor of The American Prospect

**Jeffrey Toobin** – CNN, The New Yorker, writer for The New Yorker magazine – POLITICO

**Rebecca Traister** – Salon (columnist)

**Tracy Van Slyke** – The Media Consortium, Take Back America conference, 2008, former publisher In These Times

**Dave Weigel** – Washington Post, MSNBC, The Washington Independent

**Moirá Whelan** – National Security Network

**Scott Winship** – Pew Economic Mobility Project

**Kai Wright** – The Root, *The nation*, *The American Prospect*, *ColorLines*, *a radical publication of the Communist Party USA connected Applied Research Center*

**Holly Yeager** – *Columbia Journalism Review*



**Rich Yeselson** – *Change to Win* labor federation

**Matthew Yglesias** – *Center for American Progress, The American Prospect, The Atlantic Monthly, blogger, POLITICO, Open Society Institute affiliation*

**Jonathan Zasloff** – UCLA

**Julian Zelizer** – Princeton professor and CNN contributor

**Avi Zenilman** – POLITICO

**If nothing else is accomplished by the exposure of JournoList, it serves to eliminate the long held belief that the Media / Press serve to keep politicians honest. In fact we find that these “so called journalists” serve simply as shills for Progressives as organized through the Democratic Socialists of America. Now that's a sad state of affairs. The persons above, and more than 100 not named, while in all generosity may not be Communists, certainly consort with and take the advice and / or orders of Communists. I think it's pretty safe to say that the organizations indicated as employing these “journalists” listed above, should be regarded as Communist Front Organizations. If one listens to the “main stream” media today, you may reach the conclusion as I have, that there is still a web site out there giving good little (Communist) “Journalists” their marching orders.**

To quote the “NewZeal” web site: “As stated above, this is more than just a bunch of sloppy journalists and overpaid ‘*professors*’ with time on their hands. This is a group that conspired to bury damning information about Barack Obama, and conspired to make up lies about Sarah Palin, in order to influence the 2008 presidential election. And ... IT WORKED!”

That should send chills up . . . and down your spine.

These are the same sorts that conspire to push all of the radical leftist agenda. They are dangerous revolutionaries who should not be allowed to pose as journalists or teachers.

These radicals have destroyed the integrity of their “*professions*” and ravaged the trust of the American people. They have perverted their First Amendment rights completely. They have spit on both the Constitution and the American people. They should all be run out of the business. In reading through the above, I feel as though I have indeed just walked through a cesspool of hate and filth.

We can never trust the so-called “mainstream media” again.

## Betrayal America's Cancer

*When I was a child, I spoke as a child . . . I thought as a child.*

Many years ago, when I was in grade school, there were many things which stuck in my mind for all eternity. Since the subject of politics seems to have consumed my attention recently, my mind wanders

back to how my own opinions may have been formed. This is particularly important to me, since I know for a fact that my earlier years in high school and college were marked with an almost total lack of personal opinion with regard to the subject. My position in the world seemed to me to be one of absorption rather than action. By this I mean that I was perfectly content to allow others to espouse what ever position they wished, I listened, sometimes even mentally rationalized their position in my own mind, but certainly never acted on any of these many times wild ideas.

My grade school years followed shortly after the end of WWII. There were several politically oriented subjects which were “in the air” at that time. One of these was the idea of class structure in the American society. In the final analysis, it was determined that there was but one class in the USA. Implications that people who had more money than others, a natural condition, might somehow be regarded as being in a higher class, while the majority of us would be in the middle class and the dregs of society, bums, addicts, homeless, etc. should be regarded as the lower class, were resoundingly discarded. All of us are equal in the eyes of God, and in the eyes of the American society.

Obviously some of us were better off than others, but in America, we all had the ability to pull ourselves up “by our own bootstraps” and improve ourselves and our position in life. This improvement was encouraged by our society. This in fact was thought of as “The Great American Dream”. If indeed someone felt it necessary to exercise some superiority over another, it was acceptable only to claim that one was in an upper, middle or lower INCOME class. This was the only sort of class definition that was acceptable in American society. Only unions persisted in insisting that classes existed, and that was obviously because they needed these classes to conduct their class warfare - a convoluted form of blackmail.

In a similar vein, as school children, we were exposed to various forms of government, leaving us to decide at a later date perhaps, the value of each. I can remember however that I came away from these discussions with some very definite impressions of each type of government. For instance I came away feeling that a dictatorship was the most efficient form of government, since decisions could be quickly and positively made by the monarch or dictator in charge. At the other end of the spectrum, communism was perhaps the most in tune with individuals, although decision making probably suffered. The communism we learned of was not that espoused by Marx or “practiced” by Lenin however. Even at that time it was apparent that neither of the aforementioned forms of government accounted for individualism. Communism strives to treat everyone the same, a part of the collective, whereas a dictatorship regards individuals only as numbers / animals to be used and governed. The only government type which played to the individual was the democracy, of which there were various sub types.

As a child, the most humane form of government seemed to be communism, since everyone was treated equally. The work of the group was done by all, with whoever was best able to complete any given task chosen to do that job. The needs of everyone were provided for as each required, on a collective basis. In other words, if for example, those working in the fields required 2000 kilo-calories in sustenance each day, it would be provided them. If their work only required that they are to be given 1100 kilo-calories each day then that is what would be provided. If for instance an individual was thought to be mathematically inclined, they would be trained in mathematics and perhaps further trained as an engineer or teacher, or perhaps a rocket scientist, depending on the collective needs. The work chosen for any given individual was that for which he was best suited and that which was most required by the community. All assets, including money and human beings, were regarded as belonging to the collective. Health care was to be provided on an “equal” basis to all. Housing would be provided by the government based on the job, the requirements of the community and to some

extent size of the family, if in fact family was part of the equation. Procreation was an act determined by the community, for the collective good. Family size was to be determined by the community. What could possibly be wrong with a form of government which provided everything for everyone and told them what, when, where and how to do everything? But then we were children and we expected to have our needs taken care of . . . by our parents.

What could be wrong with that picture? I had to grow up some and interact with the world a bit more to be able to answer that question.

In the year 1965, when the war in Viet Nam was still ramping up, I enlisted in the U. S. Navy and traveled to Newport, R.I. to attend Officer Candidate School (OCS). At our first group assembly we were treated to a lecture by a very important looking gentleman, in uniform, who spoke to us about the reasons for those things we were about to do, and why it was so important on a global basis. The problem was, after his talk was completed, the overall impression was that we were about to enter a totally immoral and even illegal profession. America was committing terrible crimes against humanity and we were the naive tools of an immoral, capitalistic, imperialistic society. Remember now that “this class”, (the attendees at this assembly) were willing, or unwilling college graduates who were there to learn how best to serve their country. Were we to have been adjourned at that point, I am sure there would have been many defections from OCS. When a person (especially one in a position of authority, such as our lecturer) is free to make up reality without challenge, it is amazing how persuasive he or she can be.

What we soon learned was that we had just been introduced to a technique called “brain washing”, which really represented a new “language” that had been created and perfected in Russia – in essence, the language of Communism. It consists of carefully and skillfully intermixing obvious or agreed facts with lies and more importantly using the emotions of fear, shame, patriotism, love, desire and anything else that might work, to alter the individuals perception of reality to become that desired by the communicator. Today this technique is politely called “spin”, and seems to be perfectly acceptable in the Press and in campaigning for public office. The truth is that this new reality is a lie and should not be acceptable in public office, and certainly not in the “Media”.

An historically early but important part of the technique is what was termed in the 1950s, “The Big Lie”. Just keep repeating something often enough, loudly enough and for long enough, and people will accept it as fact. It's amazing, but it really works. Notice the use by the current administration of the term “*the now wholly discredited theory that he (Obama) does not meet the Constitutional requirements.*” when in fact nothing has ever been done legally, or in any regard, to discredit this accusation. In this particular instance, the administration was trying to bully a judge into accepting its assertion. The administration has used the same argument concerning “global warming”.

Global warming is a political farce (a big lie) engineered to bring control of virtually all manufacturing and energy production under the Administration's control, while extorting huge amounts of money from taxpayers, to go to the pockets of those who created the scare. A secondary purpose is to place U.S. sovereignty under control of the United Nations, but that's another story. The whole farce was supported by complicit “scientists” whose “evidence” has essentially been proven to be false and even “made-up”.

The only way to avoid being sucked in to Communism is to recognize the lies immediately. This is why Communist regimes must control newspapers, radio and television, and these days the internet, telephone, and social media. They can't afford to have their lies exposed before their purpose has been

served. This is why, once established in office, Progressives / Communists must establish control of all forms of communications (as per recent disclosures concerning the I.R.S. and the N.S.A.).

Through deceit, corruption, inattention and naivety, we have **allowed** Communists to seize control of this great nation. President Obama is by far the most skilled master of the “language of Communism” that has ever come to public notice, and for whatever reasons they individually may have had, the Press has willingly signed on to his party-line, even going out of their way to destroy any opposition.

I am certain that members of the Communist wing of the Democratic Party would call me an absurd alarmist, as would many of the more naive conservatives – in the original words of the Communist Party of the U.S.A (CPUSA), I'm “over reacting”. **But we are presently locked in a life or death struggle with Communism for control of America.** We have an Administration which certainly appears intent on dismantling the entire country, block by block. I'm not certain the nation will still stand by the time the 2016 elections roll around, and what does still stand will show the long lasting effects of “fundamental change”, as promised. Most of the rest of the world, including Europe has already been perverted, to the point where they no longer understand the concept of individual liberty. The weapon that is being used is a web of outright lies, spun into what we are to believe is reality.

Fox Broadcasting has been affected less than most of the media. However, perhaps because of the sheer volume of lies being spread about, even Fox puts a stamp of truth on many of them. The preponderance of the evidence indicates that Barack Obama is not even qualified to hold the office of President, yet Fox and indeed our astute members of Congress refuse to consider the truth of the matter, apparently out of some sort of fear of reprisal.

Let me give you one small, almost invisible example of what I am talking about. Several times I heard the statement, during the healthcare “debate” that “we have waited for change in healthcare for 50 or 60 years”. (What was really implied was that Progressives / Communists have been relentlessly trying to eliminate the Constitution and remake the U.S. Government for almost 100 years). That sounds very much like healthcare has somehow been doing something terrible to the American public for 50 or 60 years and the good guys have been trying to fix it for all those years. The Democratic Party website said that the Democratic Party has been talking about trying to fix healthcare insurance for almost a century! I don't have any idea how old you, the reader may be, but I can tell you that both of these statements are total hogwash. Fifty years ago, healthcare insurance was more of a concept than a reality. Sixty years ago, healthcare consisted of a provider and patient. And you know what? We paid our medical bills in cash or kind and I never heard of anyone declaring bankruptcy on account of medical bills. The addition of insurance and governmental interference has done little but drive the cost of healthcare up astronomically.

You need to stop simply accepting these absurdities of the left as fact. You are probably our last hope. We have a totally out of control government with none of those promised constitutionally guaranteed checks and balances. So many times in the past year, I have heard Democrats boast about what they want to do now, because the eight years of the Republican administration did something wrong or failed to accomplish something or other. The Democratic Party has had **total control of both houses of Congress** since January of 2007. Why did the Democratic Party do nothing in those two years except try to find any way possible to impeach George Bush? I have a very different idea of what has happened and it really does involve a grand conspiracy – but I know; we just can't accept the notion that people in high places would conspire to seize control of the greatest nation ever to exist.

**And while I am on my high horse:**

Stop using or accepting the phrase “Middle Class” to describe people like me. It is degrading to those of us to whom you refer. The phrase was openly and widely debated in the 1950s and it was accepted that the term was biased as well as erroneous and should not be used in polite society. You see, the term implies the necessary existence of an “Upper Class” and a “Lower Class”, neither of which exists in this country except in the minds of certain elitists, for personal gain. At that time it was agreed that the term “Middle income class” would be acceptable, if that indeed is what is being referred to.

Use of the term “Middle Class” was continued by unions principally, in their interminable use of imaginary class distinctions to further their own agendas. Unions claim to represent “the workers” of America, whereas in fact they legitimately can claim to represent somewhere around 7% of American workers. The Democratic Party in its need to control, and in consideration of its alliance with unions has picked up the term “middle class” and uses it in a “divide and conquer” strategy. I guess it seems quite natural to those striving for power, because they really do believe that they are in a class superior to us voters. Tain't so. **This is the language of the “Leninist” Community Organizer. This is the language of Barack Obama.**

The most glaring fallacy in Communism has to be the answers to the questions: Who determines what or who is best for any given job, and what is required by an individual? What happens to someone who wants more out of life than the average in the community? What happens to creative individuals who want to create or do something that the collective community (the governing elite) does not want them to do? For that matter, what happens to creativity? Governments do not create anything except crises, regulation and paperwork (*and unhappiness*). How does a community improve itself or grow? It doesn't. And what happens to ownership of property? **There isn't any, the community owns everything.** People sort of exist on what ever the community gives them, doing whatever the government (of the community) says to do. **The concept of personal freedom that we, in this country all accept as our God given right, ceases to exist.** If an individual objects to his treatment in the commune, he or she can always leave. If we give up our right to freedom in this country, we will not get it back, and to be perfectly honest, there isn't anywhere else to go.

Communism as delivered by Lenin, the Communism that we know and which affects each and every one of us on a daily basis now, is not the communism earlier discussed. Rather it is a totalitarian government shrouding itself in the mantle of communism. There you have it. Communism is not communism; it is an ideology that supports a totalitarian government, a dictatorship. It is efficient in the ways of regulation and control, but hardly humane. The mantle of communism serves as an arrogant **public relations scam**. By those intimately involved, it is treated as a secret and sacred religion. It can never be allowed to be subjected to close scrutiny. It's the **“lie that will never fly”** in the manner it claims. It is not intended to. One has but to listen carefully to the “sweet” words of the **community organizer**, and then compare those very words to his actions. The two rarely if ever compare. The problem is that the average citizen hears only that sweet song, the *sirens' song*, and never compares the words to the deeds.

Lenin began his revolution essentially in the same manner of operation as does the community organizer, the nihilist. In fact today's “community organizers” find their origins in the methods of Lenin, which lead up to the Communist Revolution, culminating in 1919 with the elimination of Tsarist Russia and was **customized for the American audience by Saul Alinsky**. Some believe that Alinsky was influenced by the “teachings” of Antonio Gramsci, an Italian Marxist who advocated gradualism (progressivism) as opposed to revolution. For me, and for the purposes of “community organizing”, the difference is irrelevant. Lenin is quoted as saying ***“The point of the uprising is the seizure of***

*power; afterwards we will see what we can do with it."*

At another place in this book, remarks on Saul Alinsky similarly quote him as saying "The issue is never the issue; the issue is always the revolution." And in response to the question; "why do you want to organize?" his answer was a forceful ***"FOR POWER. There is no other answer"***.

It can be seen early on that the community organizer's, (Alinsky's) purpose in life was to destroy everything which was established. He saw himself as one might imagine the "Grim Reaper". Lenin, who Alinsky worshiped, had a totalitarian take-over in mind when he started, but he never let on his intentions. He acted first in the manner of Alinsky's community organizer. Then he established his totalitarian regime. "Alinsky" was the subject and hero of **Hillary Clinton's** worship and college thesis, which for obvious reasons was hidden from public perusal for many years, **until after she had publicly proclaimed that she was "a modern Progressive" during her Presidential primary campaign in 2007.**

***"The American people will never knowingly adopt Socialism, but under the name Liberalism, they will adopt EVERY fragment of the Socialist program UNTIL America will one day be a Socialist nation without knowing HOW it happened."***

***[Norman Thomas -Socialist party U.S. Presidential candidate (six times, between 1928 and 1948)]***

I would add to the concept above that acceptance of socialism has been accomplished by slowly shifting control of virtually every facet of our lives from the individual to an elite group. This is done one small increment at a time and is instilled from the youngest age by our "public school system" and to a large extent, our health care system. After all we have given the government full control of what will be taught to our children, and with "ObamaCare" we must do as the government says or we will die. For most of us, the fact is that we have given extensive control of our lives, from cradle to grave, to the government. For those within the government it means that members of the elite have given control of their thoughts and actions to "the Party", the super elite.

Why would people give up their freedom in order to have someone else take care of them? In America, that has to be a manifestation of the "big lie". What's the lie? "The truth of this lie is that what has been promised can't be done". This is a promise which the elite have no intention of fulfilling, simply because they can't, and they will have made their fortunes and left office before their perfidy is discovered. We see today that the promise of entitlements to take care of everything a person is too lazy or incompetent to do for themselves is being made to secure votes and being made quite successfully. The "big lie" is that these entitlements are sustainable, which of course they are not. By the time the truth of this matter is seen by the voting public, those politicians will be long gone from office and in the case of the United States of America, the next step will require relinquishment of its sovereignty.

The most magical part of the plan is that it can seemingly be funded without the average citizen recognizing that he / she is being robbed. Our economy, and to a large extent the world's economy is controlled by our Federal Reserve, a "private" bank chartered by and guaranteed by the United States taxpayer. They are fully capable of creating inflation or deflation in our currency at the drop of a hat, and the individuals who are most affected by the Fed's actions are those who have played the game and spent their lives saving "for that rainy day".

The savings which our senior citizens have salted away for their "retirement" are reduced in value

every time the Fed expands the amount of currency in existence. “Quantitative Easing, QE 1 through 3 so far and looking like ad infinitum” each represents a quiet but massive tax on those savings which were intended to support the older population through the end of life. And very few even realize that they are being swindled with each “easing” by deflating the value of the dollars they hold. A senior may still have \$100,000.00 in their savings account five years from now, but he / she will be surprised to find that it will only then buy \$50,000.00 worth of sustenance. Oh well, Ron Paul tried to warn us of what was being done to us, he just didn’t do a good enough job of it.

### **Woodrow Wilson (President 1913-1921)**

It would appear that Lenin had nothing short of disdain for Woodrow Wilson. In a 1918 letter to American workers he denounced Wilson as a “vulture, a scoundrel, a bloodsucker, a shark, a modern slave owner, a wallower in filth and luxury, who held Americans on the verge of pauperism”. He reassured the workers (of America) that “The truth is that no revolution can be successful unless the resistance of the exploiters is crushed”

In a speech to the Moscow Organization of the Revolutionary Communist Party of Britain (RCPB) [published in *Lenin, Collected Works, fourth edition* (Moscow Progress Publishers, 1966, 449)], Lenin asserted that the American President was too stupid to stand up against (Soviet) Communism. In 1920 he said: this “Greatest State in the world, standing before them, as a grand prize in waiting, was led by a President who was an utter simpleton.” referring of course to Woodrow Wilson.

**The “grand prize in waiting” was, and continues to be the United States of America. And the conquest continues.**

Wilson in turn decried Communists in Russia, as “those Bolsheviks; barbarians, terrorists, and tyrants engaging in indiscriminate slaughter”, as “the most consummate sneaks in the world”. Bolshevism he declared was “an ugly and poisonous thing that feeds on the doubt of man.” He repeatedly cautioned Congress and the world, of the Bolshevik’s expansionism throughout the world and America.

**N.B. At this time in history, Communism was divided between two groups, East and West – Bolshevism and Progressivism. We had two competing varieties of Communism – one totalitarian in fact and one putatively Democratic.**

Wilson refused to establish diplomatic relations with the Bolsheviks saying, “. . . we cannot give friendly reception to agents of a government which is determined to conspire against our institutions; whose diplomats will be the agitators of dangerous revolt; whose spokesmen say that they sign agreements with no intention of keeping them.”

**The arguments between Wilson and Lenin would appear to be akin to two cousins on a board of directors, squabbling over the implementation of a company logo and who should best represent the future of Communism.**

It comes as no surprise however, that Lenin endeavored to ingratiate himself to those left leaning individuals in the United States as well as the rest of the world. The grass, for some, is always greener on the other side of the fence. His objective was to gradually replace governments around and throughout the world with his version of Communism. Unions and the CPUSA in 1920 sent out fliers throughout their many organizations in the United States, to “**Boycott Elections – Overthrow the Capitalist Government - Establish the Soviet Government – Don't Vote! – Strike! *The amazingly***

*tolerant Americans are too stupid to stop Communism's advance."*

Strangely, considering the events of the years to follow, the elections referred to were for the constitution of and entrance into the "**League of Nations**". Lenin could not bear the thought of any form of Communism other than his own becoming the "**one world government**", and that was the ultimate objective of the **League of Nations**.

The CPUSA declared that the Wilson administration's reaction against (Soviet) Communism generally was an **over reaction**. That became the Party Line. That accusation, originally hurled by Communists against Progressives, (Wilson), is still the Party Line of Communists against all who disagree with their policies and claims, particularly Republicans these days.

In 1916, Wilson campaigned for the Presidency by declaring that he would never allow the USA to enter into the war which became WWI. In 1917 after being elected, he **promptly** requested a declaration of war from Congress. Oh well! At the same time in history, the United States became infested with something called anarchists (community organizers?). Wilson tried to differentiate carefully between Anarchists and Communists, and presumably Progressives. Is there any parallel to be drawn here between that sudden appearance of Anarchists to battle alongside Communists then, and today's appearance of "militant" Islam, supported by Progressives?

Woodrow Wilson's Attorney General was Alexander Mitchell Palmer, a Quaker / Progressive. In 1919, a few weeks after his taking office, a bomb was sent to Palmer's home but intercepted and made safe. A few months later, another was detonated on his porch. The blame for this was laid at the feet of the extreme left, which for Wilson variously included Communists, Anarchists, (and Germans). Wilson and Palmer set up massive wiretaps and it is reported that these resulted in **more than ten thousand** people being arrested, most of whom were deported.

A reasonably fair minded individual would find little fault with Palmer's actions, he having had his family personally threatened and his life several times threatened in issues of "*Communist Labor*, 1920". **Revisionist history** however records his actions as being instrumental in creating the "red scare" of internal (US) Communist subversion after WWI. A bad thing (we are told)! Palmer is "remembered" not as one who recognized the subversive intent of Communists in the US, but rather as one of many scare mongers who unfairly over reacted and maligned Communists. He "**over reacted**".

Alexander Palmer (even as a Progressive) is perhaps the first of many patriots who have had their reputations sorely damaged by attempting to call attention to the very real problem of Soviet Communist infiltration and subversion in the US Government. Following Palmer, of note, were Martin Dies (TX Democrat) who headed the House Un-American Activities Subcommittee, J. Edgar Hoover, FBI Director who even today suffers repeated personal insults, and Senator Joseph McCarthy, who was destroyed politically and personally by "liberal" media assassins.

All of these patriots were labeled, by the left, as overreaching, paranoid, and self serving and were accused of drumming up inordinate fears of Communism. In the same way that Israel should be worried regarding today's Iran threatening Israel's existence (I mean really; they have threatened to wipe Israel from the face of the Earth), so America should be much more worried than it seems to be, regarding the Communist threat to absorb America into a larger Communist world. "We will bury you". There is no such thing as an **inordinate** fear of Communism. It is real, be afraid; it just operates under a dozen different, more innocuous sounding names today.



Their patriotism was denied and punished by Communists and liberal Democrats and favor currying Republicans within our government, within the Media, and by sympathetic citizens. They were accused of being paranoid, being perverts and persecuting “innocent” people. History alone has **disproved** most of these charges; however you will still see revisionists, in the “main stream media”, writing of the perils of McCarthyism.

Communists have a penchant for putting labels on people like “Birthers” or “Agenders” (those who dare to expose the U.N.s Agenda 21) in order to try to discredit them by ridicule. As Alinsky pointed out, ridicule is one of the Communist's (community organizer's) most powerful weapons. The left has characterized every pursuit of the Marxist menace as an uncalled for, “Red Scare” by paranoid U.S. government personnel. Obama has adopted a habit now of characterizing any and all criticism of him as belonging in the 1950s. Remarkably, to one who recalls history, this sounds less like ridicule than an unconscious admission of his adherence to Communist doctrine.

For those of you who believe that Communism is not something to fear, physically, consider that **since** Lenin's Communist Revolution, 101,030,000 people have been killed in the name of establishing a Communist Government in Russia and China alone. An additional 5,000,000 deaths are associated with Lenin's Communist Revolution itself. The Socialist Hitler only killed 12,000,000 in a world wide war.

### **They found him at Princeton University**

In 1913, America ushered in a new and virulent form of subversion with its election of Woodrow Wilson to the Presidency and in April of that year, the ratification of the 17<sup>th</sup> Amendment to the Constitution. William Howard Taft preceded Wilson and he himself was essentially appointed by his predecessor Theodore Roosevelt. All tended toward the “Progressive” or Communist way of organizing society and in each case the American people hoped that the successor would be an improvement over his predecessor. Each time they were historically proven to be wrong, however Woodrow Wilson, the only PhD to serve as President, and being essentially ignorant of anything beyond Academia began the destruction of America in earnest. The battle, which has purposefully been kept hidden in the shadows, out of the sight of the voting public, is actually between those who believe in an extremist form of Socialism (Communism) which they benignly call “Progressivism”, and those who believe in a Republican form of government and its individual freedoms.

***Put in contemporary American political terms, this battle is between “big government” which essentially controls the population, and “minimal government”, which is itself controlled by the population. While the United States of America was formed as a way of better representing those states (which were united) in world affairs and smoothing disputes internally, there is no satisfying the power cravings of some individuals.***

Woodrow Wilson, in support of his Progressivism, had written vehement articles while in academia, in condemnation of the Constitution. **This of course didn't stop him from falsely swearing allegiance to it once he was elected President.** After attaining the office of the Presidency he set out to accomplish his version of Utopia, trying hard to silence any dissenting voices. His actions, in the latter regard, were so clearly in violation of the Constitution that the Supreme Court found it necessary to issue landmark decisions to restore the God given right of freedom of speech.<sup>29</sup>

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<sup>29</sup> *Progressive Legacy, Townhall Daily, Thomas Sowell, 2/14/2012*

In 1913, supposedly in response to various forms of State governmental corruption, (most of which was likely manufactured to support the idea of this Amendment), State Legislatures rushed to ratify the 17<sup>th</sup> Amendment which in fact repudiates the very Constitution which it amends. This was not the first of many successful attacks on the Constitution carried out by “Progressives”, and was to be followed by many more. Put simply, the 17<sup>th</sup> Amendment takes the (mandated) representation of States under the Constitution (the Senate), away from the States and replaces it with a redundant representation of the general population. That **sounds** OK, placing the people in charge of electing the Senate, right?

**Wrong**, and I will explain the many reasons why this is wrong - a virtual treason to the Constitution.

When the Constitution was written and enacted, it was a “contract” or compact as it is more often called, between “**we the people**”, a phrase which refers to the **citizens of the various States** which existed at the time (and was made binding on any States who would subsequently join the union), and **a mutual government which did not yet exist**. The government to be formed was **a union of the representation of the States** for the primary purpose of military protection and for the purpose of unified dealings with foreign countries (and entities not included or regarded as citizens such as Native Tribes) and between each other (the States). In other words, for each State, the new government existed to relate to the rest of the world in a unified manner, that of a position of strength, which would be impossible to match by the States as individual entities. It is important to recognize and remember that the Constitution is a contract, not a “conditional” contract nor an “implied” contract, but one which is regarded as “joint and several”. It is unfortunate that there is no neutral referee (although the Supreme Court is supposed to be this neutral referee), to adjudicate infractions of this contract, however it is worth noting that when one party to a contract consistently violates the terms of the contract, (as is the case concerning our Federal Government) it may justly be considered null and void by the other parties to the contract.

Practically speaking, there were **three parties** to this “contract”. The first of these, and always deemed as the most important of these, is “**we the people**”, the citizens. The second party to the “contract” was the United States of America, or the **government** which was to be formed by the Constitution. And the third party to this “contract” was the individual **States**. The Constitution was created, drawn up and signed by **representatives of the States** (not “we the people”). After all, the U.S.A. was to be a collection of these States with mutual interests, each ceding certain powers to the combined government essentially to create an atmosphere of co-operation and strength through union. The Constitution was in fact a contract between the individual States (Republics) and the United States of America. There were many reasons and justifications for creating this union, **but the chief point here is that there were three (3) parties to this contract, although “we the people” were represented in this contract through and by “the States”**.

**There is no direct link in the formation of the United States government between “we the people” and the United States of America. The contract or Constitution in reality was an agreement between the various States to form a common government between and superior to them, for specific purposes, enumerated in that Constitution. Of particular note here is that in reality, in fact, this contract is between the various States and applies only to them and the newly formed government of the United States. There is no control of the citizenry given over (willingly or knowingly) by “we the people” to this United States government. To the contrary, the United States government is specifically forbidden from acting in certain ways, especially toward citizens. In other words, there is no authority for the United States government to “reach out and**

touch” any of the citizens of the various States, except in cases of treason. Essentially the business of the United States government is to be carried out between itself and the various States, not the individual citizens of those States. The various States are to be “guaranteed a Republican form of government” unto themselves.

*[Quite aside from the present discussion, it should be noted that, this being a contract between (two or) three parties, entered into voluntarily, it has no application whatsoever to parties who are not part of the contract. That is, it has no validity when attempts are made to provide benefits or penalties for those who are not citizens of the various States. [N.B.] No one who is not a United States citizen has ANY Constitutionally guaranteed rights or privileges. Furthermore, citizens are guaranteed those rights and privileges, where ever they may be found. In addition to this, until such time as this contract is voided legally, it is a valid contract verbatim. Regardless what some would have you believe, “Interpretation does not change the meaning of words”.]*

There are three terms which are used essentially interchangeably within the Constitution. They are “the People”, persons, and citizens. All of these refer to the same entity, which is one who reasonably could be deemed to be a citizen of a State. Citizens of the States became automatically citizens of the United States of America. One must remember that, when written, the Constitution had no reason to anticipate that some residents of the United States might not be citizens. Congress was tasked by the Constitution to sort this problem out, with certain limitations.

In obvious recognition of the three parties above, one of the operating entities, which were to be formed within the new government, was constituted to represent each of the parties to the contract. The Executive branch obviously was intended to represent the yet to be formed union of the States. The “upper house” or Senate was intended to represent the States and their individual interests. The “lower house” or House of Representatives was intended to represent the third party to the contract, “we the people”. Existence of three houses was to ensure that none of these elements overstepped its authority. These are the so called “checks and balances”.

### ***The 17<sup>th</sup> Amendment***

Ratification of the 17<sup>th</sup> Amendment served as the insane response to a manufactured “crisis”. Does that method of operation sound familiar? Create a “non-existent” crisis and use it to accomplish a corrupt agenda? As you will see in discussions concerning the Saul Alinsky Method, it was his method as well as his hero, Lenin's, to first create a crisis and then provide the (self serving) solution to it.

Ratification of the 17<sup>th</sup> Amendment very effectively disenfranchised the individual States. That had to be morally difficult to do. First one forms a contract with someone and then after all the ceding of powers resulting from the contractual union is completed, then one tricks that individual out of all representation and power remaining, effectively abrogating the entire contract and the reasoning behind it. The 17<sup>th</sup> Amendment makes the individual States irrelevant, and eliminates all ordinary input and control of the federal government by the States. But, no one can say that the disenfranchisement of the States was not anticipated.

***THE FEDERALIST No. 58, at 392 (James Madison) (Jacob E. Cooke ed., 1961) (“Peculiarity [in the Constitution] lies in this, that one branch of the legislature is a representation of citizens; the other of the states.”).***

*During the debates over the proposed amendment, Elihu Root, New York Senator, former Secretary of State and War, and then future Nobel Peace Prize winner, recognized the folly of this act.*

*Root favorably compared "the people" in the original mode of selecting senators, to Ulysses, heroically bound to the mast that "he might not yield to the song of the siren .... so the American democracy has bound itself... and made it practically impossible that the impulse, the prejudice, the excitement, the frenzy of the moment shall carry our democracy into those excesses which have wrecked all our prototypes in history." The creation of a Senate elected by the States would prevent hysteria from directing the United States to degenerate into excesses led by such forces as the Media.*

*Just as the Goddess Circe had warned Ulysses, "no one," Root argued, "can foresee the far-reaching effect of changing the language of the Constitution in any manner which affects the relations of the States to the General Government. How little we know what any amendment would produce!"<sup>30</sup>*

As a result of the 17<sup>th</sup> Amendment, we now have two bodies of government which theoretically represent "we the people", a far cry from the original intentions of the "founding fathers". These are the House of Representatives and the Senate. These "representatives" occupy tenures of different length, but both do the same job. Both are elected by the general population and both represent the general population. Both create and or massage legislation in essentially the same way. Both represent the same people who are (in the case of both) subject to the same unwise (hysterical) pressures from the media. With two houses representing the same group and being placed in office by the same group, we now have very simply a single "Congress", of two parts which meet separately. Where is the logic in this? As it can be seen, what all too often ensues from this arrangement is governmental chaos.

There is no system of checks and balances as was originally intended, and constantly proclaimed. The ONLY "checks and balances" found to exist in our federal government is found in the fact that there is more than one "party" in the government, and that fact cannot be depended on for anything as has been so evident in recent legislative events. Votes are unashamedly bought and sold by members of Congress. While party affiliation implies that a member will support legislation along party lines, 'taint so. While there are primarily two parties in the USA, they effectively act as a single party, claiming that they vote their conscience. The fact of the matter is that: There is no system of checks and balances in our federal government, and the first official act to destroy any accountability was the adoption of the 17<sup>th</sup> Amendment. This may be considered the most un-American and / or un-Constitutional action ever completed by the U.S. government. It can easily be imagined by Root's discussion above exactly why we have devolved to the state of misrepresentation we now endure.

Implementation of the 17<sup>th</sup> Amendment which was in essence **unconstitutional**, was forced down the throats of the American people by Wilson creating a crisis (what a surprise), one which maintained absurdly that the States were not capable of electing Senators, and destroyed the value of that Constitutional Government created by the "founding fathers". It certainly destroyed the "Compact" between the States, entered into by "we the people". The contract was between the States and the Union of the States, and this amendment totally disenfranchised the States as to their input to the United States government. The reasoning for the 17<sup>th</sup> Amendment can only be thought of as being motivated in accordance with the following discussion:

One quality of humanity which was seen only distantly by the framers of our Constitution was the

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<sup>30</sup> 1996-1997 NORTHWESTERN UNIVERSITY LAW REVIEW

susceptibility of the general population to excessive or undue influence being exerted upon it collectively which could in some way affect the outcome of governance. This was the primary reason for intentionally having the Senate being made responsible to the States' (government) rather than the people directly. In today's parlance this excessive influence is called propaganda or more benignly spin. We see a glowing example of such undue influence on the general population being exerted daily by the media. Most of the main stream media today has been co-opted by the "modern Progressive" movement, otherwise known as Communism and the propaganda issued by them makes the press essentially an organ of the Party.

Wilson managed to disenfranchise the individual States by shepherding through the 17<sup>th</sup> Amendment to the Constitution. It appears that the current administration's intent is to now disenfranchise "we the people" by brute force and the help of a corrupted Congress and "Press".

Certainly actions such as launching warfare in a foreign country without consultation with, let alone the direction or permission of Congress represents what should be regarded as impeachable if not treasonous behavior by the "Head of State". Obtaining legislation such as the National Defense Authorization Act of 2012, which includes (Obama's) language to authorize the "President" to (single-handedly) strip a citizen of his / her constitutionally guaranteed rights, disenfranchises "we the people" and should constitute an act of treason if it were not for the fact that it involved the action of Congress. None-the-less, this has technically created a monarchy, an obvious breach of the intent of the Constitution and fully justifies the States and the people to consider the Executive Branch's authority, privilege and protections guaranteed under the Constitution to be null and void.

Obama's attempt to disarm the now disenfranchised American population with total disregard of the 2<sup>nd</sup> Amendment guarantee of a citizen's right to keep and bear arms without infringement is such an egregious offense to constitutional government that the Obama administration should step down from government. It no longer has the moral authority, or Constitutional authority to maintain its position in government.

As a mere matter of note, the 16<sup>th</sup> Amendment (ratified 1913) to enable progressive "income taxes" was introduced by the same group four years earlier than the 17<sup>th</sup>, as was the 18<sup>th</sup> (Prohibition) one year later. This was a sad time for the American people. Both the 16<sup>th</sup> and 17<sup>th</sup> Amendments **NEED** to go the way of the 18<sup>th</sup> Amendment. **Repeal them.** Restore the Constitution.

### ***Legislation Enacted During the Wilson Administration***

#### **Underwood-Simmons Tariff Act (1913)**

The first successful downward revision of the tariff since the Civil War, the Underwood-Simmons Tariff Act enacted an across-the-board reduction in tariffs, making manufacturers more efficient and providing consumers with competitive pricing. **To compensate for lost revenue, a rider to the act created a small, graduated income tax. *[Without Constitutional authority but nevertheless the first step to our income tax]***

#### **Federal Reserve Act (1913)**

The banking system was put under governmental supervision, **supposedly** loosening Wall Street's grip on the nation's finances. ***[This act is considered by some to be Wilson's most significant, unconstitutional and most heinous accomplishment.]***

### **Seventeenth Amendment (1913)**

This amendment provided for direct popular election of senators. *[A direct violation of the original compact.]* This was the “first shot across the bow” by Progressives to disenfranchise the States as a participant in the Federal government and guardian of both “State’s Rights” and the individual’s freedom.

### **Federal Trade Commission Act (1914)**

The Federal Trade Commission was charged with enforcing antitrust laws and preventing the unlawful suppression of competition.

### **Clayton Antitrust Act (1914)**

The trusts were attacked and labor **unions protected** under this act. This law prohibited interlocking directorates and clearly defined unfair business practices. **Labor unions were exempted from antitrust** considerations. Benefiting labor further was the legalization of peaceful strikes, picketing and boycotts. *[Another regrettable act.]*

### **Seaman Act (1915)**

Considered the Magna Carta of American seamen, this act set standards for the treatment of merchant sailors.

### **Farm Loan Act (1916)**

This legislation made it easier for farmers to secure loans.

### **Keating-Owen Child Labor Act (1916)**

The child labor act limited the work hours of children, forbade the interstate sale of goods produced by child labor, and **began a new program of federal regulation on industry.**

### **Adamson Act (1916)**

This legislation established an eight-hour workday for railroad employees, and dramatically averted a potentially crippling railroad strike.

### **Workingmen's Compensation Act (1916)**

With this act the government provided financial assistance to **federal employees** injured on the job.

### **Eighteenth Amendment (1919) - Prohibition**

This amendment prohibited the manufacture, sale, or transportation of intoxicating liquors and their importation and exportation. *[Later Repealed]*

### **Nineteenth Amendment (1920)**

This amendment extended to women the right to vote.

**Wilson's Progressive influence** did not end when he was voted out of office. Rather he left us with a legacy so widespread and pervasive that it is difficult to identify all of it. In any case however, one can be assured that these legacy organizations are striving to bring about the **One World Government** that Woodrow Wilson had in mind when he created the League of Nations. One such example, an organization which travels amazingly beneath the radar, yet in plain view of the world is the **WACA** or **World Affairs Council of America**. It attempts in every way possible to influence, especially American politicians and “dignitaries” to lead the world into a **One World Government**.

The **World Affairs Council (WACA)** states that it began in 1918 in America, after the First World War, when the US was forming its positions in world affairs and in its own political direction. This was also the same period in time (coincidentally?) when Marxism began to influence politics and politicians in this country, and strangely coincident with the formation of Communist International (COMINTERN) offices in this and other countries. For those of you, who regard the "One World Government" as a "conspiracy **theory**" or radical right scare tactic, look into the carefully worded purposes of the WACA. This is an organization professing altruism, but seeking to guide American investors and power brokers in their thinking and inter relationships with the rest of the world. In a very real sense, the WACA represents the nursery for individuals who believe they are America's elite. Below is one Congresswoman's wise response to a minor plea for membership sent to members of Congress and others in 1976, (by the **World Affairs Council of Philadelphia - predecessor of the WACA**).

**If you consider yourself to be an American, you should read, absorb and forever remember every phrase and nuance of Representative Holt's statement to the House of Representatives below.**

***United States Congressional Record January 19, 1976, page 240***

Representative Marjorie S. Holt (Maryland):

*"Mr. Speaker, many of us recently received a letter from the World Affairs Council of Philadelphia, inviting members of Congress to participate in a ceremonial signing of "A Declaration of Interdependence" on January 30 in Congress Hall, adjacent to Independence Hall in Philadelphia.*

*A number of Members of Congress have been invited to sign this document, lending their prestige to its theme, but I want the record to show my strong opposition to this declaration.*

*It calls for the surrender of our national sovereignty to international organizations. It declares that **our economy should be regulated by international authorities**. It proposes that we enter a "New World Order" that would **redistribute the wealth created by the American people**.*

*Mr. Speaker, this is **an obscenity** that defiles our Declaration of Independence, signed 200 years ago in Philadelphia. We fought a great Revolution for independence and individual liberty, but now it is proposed that we participate in a **world socialist order**.*

***Are we a proud and free people, or are we a carcass to be picked by the jackals of the world, who want to destroy us? When one cuts through the high-flown rhetoric of this "Declaration of Interdependence," one finds key phrases that tell the story.***

*For example, it states that 'The economy of all nations is a seamless web, and that no one nation can any longer effectively maintain its processes of production and monetary systems without recognizing the necessity for collaborative regulation by international authorities.' How do you like the idea of "international authorities" controlling our production and our monetary system, Mr. Speaker?*

*How could any American dedicated to our national independence and freedom tolerate such an idea? . . . America should never subject her fate to decisions by such an assembly, **unless we long for national suicide**. Instead, let us have independence and freedom . . . **If we surrender our independence to a "new world order" . . . we will be betraying our historic ideals of freedom and self-government. Freedom and self-government are not outdated. The fathers of our Republic fought a revolution for those ideals, which are as valid today as they ever were. Let us not betray freedom by embracing slave masters; let us not betray self-government with world government; let us celebrate Jefferson***

***and Madison, not Marx and Lenin."***

I like her use of the phrase: **“a carcass to be picked by the jackals of the world, who want to destroy us.”** It seems so very apropos today having observed our “President” kowtowing to the world as his first act in office and the world praising him for it – **no doubt making plans for the feast.**

***TEXT OF WAC DECLARATION:*** *(In case you would like to read this mockery for yourself)*

***World Affairs Council of Philadelphia, 1975***  
***A Declaration of Interdependence***

*When in the course of history the threat of extinction confronts mankind, it is necessary for the people of the United States to declare their interdependence with the people of all nations and to embrace those principles and build those institutions which will enable mankind to survive and civilization to flourish.*

*Two centuries ago our forefathers brought forth a new nation; now we must join with others to bring forth a new world order. On this historic occasion it is proper that the American people should reaffirm those principles on which the United States of America was founded, acknowledge the new crises which confront them, accept the new obligations which history imposes upon them, and set for the causes which impel them to affirm before all peoples their commitment to a Declaration of Interdependence.*

*We hold these truths to be self-evident: that all men are created equal; that the inequalities and injustices which afflict so much of the human race are the product of history and society, not of God or nature; that people everywhere are entitled to the blessings of life and liberty, peace and security and the realization of their full potential; that they have an inescapable moral obligation to preserve those rights for posterity; and that to achieve these ends all the peoples and nations of the globe should acknowledge their interdependence and join together to dedicate their minds and their hearts to the solution of those problems which threaten their survival.*

*Let us then join together to vindicate and realize this great truth that mankind is one, and as one will nobly save or irreparably lose the heritage of thousands of years of civilization. And let us set forth the principles which should animate and inspire us if our civilization is to survive.*

*WE AFFIRM that the resources of the globe are finite, not infinite, that they are the heritage of no one nation or generation, but of all peoples, nations and of posterity, and that our deepest obligation is to transmit to that posterity a planet richer in material bounty, in beauty and in delight than we found it. Narrow notions of national sovereignty must not be permitted to curtail that obligation.*

*WE AFFIRM that the exploitation of the poor by the rich, and the weak by the strong violates our common humanity and denies to large segments of society the blessings of life, liberty and happiness. We recognize a moral obligation to strive for a more prudent and more equitable sharing of the resources of the earth in order to ameliorate poverty, hunger and disease.*

*WE AFFIRM that the resources of nature are sufficient to nourish and sustain all the present inhabitants of the globe and that there is an obligation on every society to distribute those resources equitably, along with a corollary obligation upon every society to assure that its population does not place upon Nature a burden heavier than it can bear.*

*WE AFFIRM our responsibility to help create conditions which will make for peace and security and to build more effective machinery for keeping peace among the nations. Because the insensate accumulation of nuclear, chemical and biological weapons threaten the survival of Mankind we call for*



*the immediate reduction and eventual elimination of these weapons under international supervision. We deplore the reliance on force to settle disputes between nation states and between rival groups within such states.*

*WE AFFIRM that the oceans are the common property of mankind whose dependence on their incomparable resources of nourishment and strength will, in the next century, become crucial for human survival, and that their exploitation should be so regulated as to serve the interests of the entire globe, and of future generations.*

*WE AFFIRM that pollution flows with the waters and flies with the winds, that it recognizes no boundary lines and penetrates all defenses, that it works irreparable damage alike to Nature and to Mankind threatening with extinction the life of the seas, the flora and fauna of the earth, the health of the people in cities and the countryside alike and that it can be adequately controlled only through international cooperation.*

*WE AFFIRM that the exploration and utilization of outer space is a matter equally important to all the nations of the globe and that no nation can be permitted to exploit or develop the potentialities of the planetary system exclusively for its own benefit.*

*WE AFFIRM that the economy of all nations is a seamless web, and that no one nation can any longer effectively maintain its processes of production and monetary systems without recognizing the necessity for collaborative regulation by international authorities.*

*WE AFFIRM that in a civilized society, the institutions of science and the arts are never at war and call upon all nations to exempt these institutions from the claims of the chauvinistic nationalism and to foster that great community of learning and creativity whose benign function it is to advance civilization and the health and happiness of mankind.*

*WE AFFIRM that a world without law is a world without order, and we call upon all nations to strengthen and to sustain the United Nations and its specialized agencies, and other institutions of world order, and to broaden the jurisdiction of the World Court, that these may preside over a reign of law that will not only end wars but end as well that mindless violence which terrorizes our society even in times of peace.*

*We can no longer afford to make little plans, allow ourselves to be the captives of events and forces over which we have no control, consult our fears rather than our hopes. We call upon the American people, on the threshold of the third century of their national existence, to display once again that boldness, enterprise, magnanimity and vision which enabled the founders of our Republic to bring forth a new nation and inaugurate a new era in human history. The fate of humanity hangs in the balance. Throughout the globe, hearts and hopes wait upon us. We summon all Mankind to unity to meet the great challenge.*

*Written by Henry Steele Commager*

Ample evidence exists of very sophisticated plans to assume control of this United States of America, the most successful and creative society ever to have existed on planet Earth. The intent is to place us in a subservient position within a **One World Government, a New Order of Civilization**. To effect a Fundamental Change in America. Does any of this sound familiar? Remember that this missive was sent out in **1975**.

## **World Affairs Councils of America**

The World Affairs Councils of America (WACA) is an organization dedicated to educating or

**indoctrinating** "leaders" into (*the New World Order*). It is still very active and increasing its influence, especially in the USA. Many members of the "Power Structure" of the United States have attended this organization in one capacity or another, both Democrat and Republican. This is definitely not an organization dedicated to U.S. Sovereignty. Another web site that seems to be a part of the WACA, with very specific purposes is "southerncenter.org/".

For those of you who believe that the USSR collapsed and therefore, **as President Clinton taught us**, Communism and its grand world control schemes no longer exist; you should spend some time on this web site. It is the aim and intent of Russia (Communism) to tell you how you should think and live your lives. This is the consummate example of the **Public Relations Scam** that is Communism.

"Learn to live in the international community. Give up your **outmoded nationalistic interests** and let us show you how you can (*stop living a life of free choice and*) contribute to **our** view of a single world government." The WACA was probably not conceived directly in Russia, but its intent certainly was. The intent is to totally preoccupy the American public with carefully described worldwide atrocities, and virtually demand American interference in them. Notice they are not really demanding worldwide interference, just American interference. America is being "gently nudged" into spending large amounts of its wealth in essentially non-productive parts of the world, because "it's the right thing to do", according to the WACA.

We are encouraged to think of ourselves as citizens of the world, even though the slightest amount of logic applied to this thought would make it absurd. The WACA appears in a very real sense to be an earlier (and continuing) incarnation of George Soros' Open Society. Could there be a connection, for instance, between Colin Powell's attendance at WACA meetings and his insistence of George W. Bush that anything damaged by our troops **MUST** be fixed. That we **MUST** rebuild Iraq and Afghanistan politically, just because we dropped a bomb on Saddam Hussein. While our Constitution demands that "the government" defend us against threats against our safety, there is neither justification, nor authorization whatsoever for "Nation Building". "The right thing to do"? Nonsense. The government of the United States of America is established to do certain limited things, none of which is nation building, nor "the right thing". If it is not specifically authorized by the Constitution, it is **NOT** legal.

**The Devil's greatest achievement was convincing the world that he did not exist.**  
[Baudelaire]

**I would like to interject at this point a quotation by David Horowitz which is more thoroughly explained in another section of this book: *Communists "... camouflage their agendas by calling themselves at different times; Communists, socialists, new leftists, liberals, social justice activists and most consistently progressives. My parents, (Horowitz's) who were card carrying Communists, never referred to themselves as Communists but always as 'progressives', as did their friends and political comrades.*"**

While we are encouraged to believe that Communism exists no more, that belief in itself is part of the grand subversion. It would appear that so long as the word is not spoken, no one will accept that Communism even exists. This sounds a little like pre-historic prohibitions against speaking a name expecting the speaking to make the entity suddenly appear. All media networks have obviously signed on to the pledge. It's a corollary to the "big lie". If the name (Communism) is never heard, the disease simply does not exist and they would really prefer to not have the general population know that they do exist.

Were Communism to be viewed through the eyes of a physician, the very fact that it travels below the radar, tricking the defense mechanism (for the human body, the immune system) into not recognizing it for what it is, Communism or Progressivism would be seen as a disease called Cancer; a space occupying lesion that ultimately results in the death of the organism.

If one listens to and believes what is published repeatedly, in Hollywood especially, Communism is not a danger. Communism, Hollywood believes was a creation of McCarthyism. As one “actor” recently stated, Obama couldn't be a socialist. Look at all the bailouts given to the banks. This simpleton either does not himself understand, or believes that we know nothing about the “liberal” ties to big money, which is called these days “Crony Capitalism”.

Since the days of Bill Clinton, the “Financial System” in this country IS part of the government. Those who bitterly complain of banking system abuses are in fact misdirecting their complaint. Their complaints should be directed at the government, since the “Banking System” is directed and maintained by the government. Big money, on the other hand believes that it will become an integral part of the “ruling elite”, the “class” represented in Russia by the Communist Party.

### **WACA History**

*“The World Affairs Councils of America is the largest nonpartisan, non-profit grassroots organization in the United States dedicated to educating and engaging the American public on global issues. Over 500,000 people a year benefit from the network programming, including members and participants”. **This is the organization's claim.***

To say that the WACA is a liberal organization would be a gross understatement. By all appearances it co-opts the most prominent political or media figures worldwide to speak, or learn, or share at its meetings. At the writing of this account, the most prominent would be Supreme Court Justice Breyer. A relatively new **member** of the WACA is Brian Williams, NBC's pride and joy. He has often recounted his story of (the helicopter in which he was riding) being struck by rocket fire while heroically chasing a story in Iraq in 2003. In 2015 he admitted that he was actually not in the helicopter which was struck. In fact he was headed the opposite direction and not even near the referenced attack. He made his story up. But then that's what Progressives do. In the “news industry” this activity is called embellishment and is quickly forgotten / shoved aside, witness Connecticut's Dick Blumenthal claiming he was in Vietnam, when in fact he was never there. In the real world, this is called lying and it's the basis for **everything** done within the Progressive “movement”. If a Progressive says **anything** to you, you can bet it is a lie and that includes statements made by that great imposter sitting in the Oval Office.

Recently (Brian) Williams conducted an interview with Tim Cook of Apple in which he quietly planted the idea of changing the Constitution to permit Barack Obama to order Apple (or any company) to relocate all manufacturing to the states. [Please note that I am not suggesting that Apple should or should not relocate its manufacturing facilities – I am simply pointing out how subversive suggestions are sneaked into the public consciousness.] This (the WACA) has to be the most remarkable example of conceptual brainwashing (for lack of a better word) ever to exist in this country. It claims to aspire to the most lofty of goals, and at a cursory glance appears to do so, while in fact, it acts as a subversive recruiter for One World Communism.

The World Affairs Councils of America has a long and storied history that stretches back some 90 plus

years. Two groups, the Foreign Policy Association (FPA) and the World Affairs Councils worked together in the same organizational system from 1918 until the early 1950s. The FPA was begun in the spring of 1918 by a small group of individuals who worked with **President Woodrow Wilson**. These included journalist and social reformer **Paul Kellogg** (a founding member of the ACLU), who also served as the FPA's first president.

**The following is loosely taken from the WACA web site: (Just in case anyone reading this believes that American involvement in worldwide violence (war) is not a Progressive intent)**

*The founding members, as they put it, were concerned that at the end of World War I, Americans would choose an isolationist foreign policy over one of engagement and worked to nurture grassroots citizen involvement in international affairs. By 1947, these two groups operated as a national organization that was composed of a network of independent community councils. Today that network extends nationwide and world wide.*

*"In 1986, the National Council of World Affairs Organizations national office was established in Washington, D.C. This office evolved into the World Affairs Councils of America (WACA). Today, WACA is the country's largest non-profit organization dedicated to fostering grassroots understanding and engagement in international affairs and seeks to involve as many citizens as possible in an exchange of ideas, knowledge and understanding of global issues."*

*"The national office of the WACA works to develop new program opportunities to distribute to member councils. This includes a variety of national program series, an annual national conference, five flagship programs, Leadership Missions to other countries, and other opportunities."*

*"In addition to providing program opportunities, the WACA acts as the central hub for the council network, connecting councils with resources, opportunities, and of course, with each other. Councils often turn to the WACA for assistance with capacity building and organizational development. The WACA staff visit several councils every year and work hard to help councils accomplish their goals."*

**Just stop here for a second and digest the fact that the WACA does NOTHING except tell others (including our policy makers) how to think and act . . . (just think about it) . . . !**

The Foreign Policy Association was founded in 1918 as the **League of Free Nations Association**, under the chairmanship of journalist **Paul Kellogg**. "Distinguished" Americans in support of President Woodrow Wilson's efforts "to achieve a just peace", included **John Foster Dulles (Founder of the Council of Foreign Relations (CFR) and Chair of the Carnegie Endowment for International Peace (which hired Alger Hiss as president – check for yourself who Alger Hiss was))**, who authored "**War or Peace**" suggesting that the U.N. was a stepping stone for one world singularity, and **Eleanor Roosevelt (many times related to Communist activity and associations)**. The League of Free Nations Association was reconstituted in 1923 as the **Foreign Policy Association** with a self proclaimed commitment to the careful study of all sides of international questions affecting the U.S.

In the 1920s, The Foreign Policy Association (FPA) initiated Saturday luncheon discussions on foreign policy in New York City. The luncheon discussions quickly grew and in 1938, 19 women formed FPA's "Off-the-record" lecture series (*in order to learn even more about "international" affairs*).

In the 1940s, the FPA pioneered international affairs radio discussions by broadcasting New York meetings and weekly talks on "The World Today" over the NBC network. Later, as the discussions among citizens spread, the FPA branches across the U.S. became forerunners of the independent World

Affairs Councils founded in the 1950s. Meanwhile, the FPA's publications, Foreign Policy Reports (1925–51), Foreign Policy Bulletin (1920–61) and Headline Series (1935–present) became known and (we are told) respected at the time for their ostensibly clear and impartial analysis of foreign policy issues.

The WACA, although begun by associates of Woodrow Wilson, who were obviously Communists in “liberal clothing”, has gradually shifted its **outward appearance** slightly to seem to the uninitiated to be a Conservative to middle of the road organization. Today you might find that its “leaders” are largely drawn from a pool of activists called Neo-Conservatives or Neo-Cons. The name literally means new-conservative and represents one who supports the essence of Communism (at least the big government control part of the ideology) masquerading as a Conservative or in the political arena a Republican.

This term was coined by Socialist party leader Michael Harrington to describe the rightward turn of onetime liberals, and it was proudly accepted first by Irving Kristol (by some recognized as the grandfather of Neo-Conservatism), then by most of the others. Conservatives may have a more conservative leaning when it comes to fiscal policies, but still generally support “liberal” social policies.<sup>31</sup> Why do they fall under the umbrella of Communism? This is because; regardless the means used to get there, **the primary goal is world domination, a one world government**. The variety of disguises into which Communists creep is unending.

These **subversives** have been active and acting to persuade influential Americans in every way possible for many, many years. Their outreach to politicians and other persons in the public eye is particularly concerning. Have you ever heard of these groups? You should have a thorough knowledge of each one of them since they are working hard to determine your future.

They are not elected in any way, do not represent the government, and certainly do not represent the American people. They represent themselves; a group of elitists who desire the United States to be subservient to a Communist led “One World Government”.

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<sup>31</sup> Conservapedia, NeoConservatism

## FDR

**It is an established fact that there was a certain love affair between the Roosevelt administration and Communism in Russia.**

### *Potemkin Progressives*

Potemkin or Potyomkin Villages drew their original name from (possibly mythical) villages built in Russia which it is said were designed to trick empress *Catherine the Great* into believing that all was peaceful and well in the Ukraine and the Crimea.

In the late 1920's and 1930's, after Stalin came to power in the USSR, it was seen to be desirable to invite influential Americans to the USSR, in order to “persuade” them of the validity of the Communist objective of **world domination**. In order to do this, “Potemkin villages” were constructed and populated by propagandists to appear to anyone observing, that the USSR was indeed the ideal community of hard working, well cared for, happy Russians. In short, this was done to prove (to anyone visiting) that the Lenin / Stalin Communist system really worked as advertised. Since access to the USSR was restricted severely by the government, visitors only saw what the government wished them to see. The many liberal progressives who were invited to visit these Potemkin villages were given very carefully managed tours, and encouraged to carry their pleasant and informative experiences back to America.

George Bernard Shaw, who from time to time attempted to justify Stalin's brutal tactics was one of the earliest of these Dupes (as Paul Kengor, PhD refers to them) invited to the USSR propaganda tours.

### *The USSR's inculcation of the gullible.*

Given Communism's penchant for lifting concepts, names and ideas from whoever best served the cause, it can't seem strange that one of the most popular appellations affixed to Communist enterprises would be “Progressive Democracy”. This ploy serves to catch not only members of the old Progressive movement, but also those who would proclaim their love of a democracy. In the 1950's a list of “Communist Front Organizations” was published by Congress. An amazing number of those Communist Front Organizations had the word Progressive in their name, including the **“Progressive Party”**.

The Progressive Party itself was re-constituted in 1948, **by the Communist Party**, in order to place Henry Wallace in contention for the Presidency, as the Progressive Party candidate, against Harry Truman. The ruse didn't work that time. Just remember that the Progressive Party was officially labeled as a “Communist Front Organization”. This is not something I invented.

# Betrayal, Part two

***"The American people will never knowingly adopt Socialism, but under the name Liberalism, they will adopt EVERY fragment of the Socialist program UNTIL America will one day be a Socialist nation without knowing HOW it happened." [Norman Thomas -Socialist party U.S. Presidential candidate (six times, between 1928 and 1948)]***

Let me start, not at the beginning, but with the era in which Progressivism really began to roll. Let's just take a brief look at the years centering about the administration of Franklin Delano Roosevelt.

FDR began his tenure at a time when the USA was well into a depression, caused essentially by a widespread distrust of the banking system. Most feel that a large portion of the blame for the "Great Depression" must be borne by the Federal Reserve (yes, Woodrow Wilson's Federal Reserve) and its contraction of the money supply at the time. When bankers started to get short of a supply of cash, (because people were removing their deposits from the banks and the Federal Reserve was tightening) they began to become more aggressive in calling in debt.

You may see from this, knowing (past Fed head) Bernanke's obsession with the Great Depression, the reason he (Bernanke) felt that it was so imperative that the reduced supply of money (liquidity) in 2008 had to be dealt with immediately.

Since the economy was primarily agrarian in nature in those days, farmers, who required loans to function, found themselves unable to repay their debts (or produce food) and it became an ever increasing death spiral toward bankruptcy. The Great Depression began officially with the stock market crash of October 29, 1929; about nine months after Hoover took office. It began in the United States but quickly spread to the rest of the world, a pattern to be repeated in 2008. American unemployment rose to around 25%, while in other areas of the world, unemployment rates in excess of 33% were commonplace.

**Hoover**, a Republican and a self declared **Progressive** after the Teddy Roosevelt style, attempted to bring the depression under control primarily by entreating citizens to follow his example of years earlier and dedicate themselves to volunteer work. It must be pointed out at this time that the emphasis of "progressivism" in the days of Teddy Roosevelt was efficiency (in government) as opposed to social welfare.

The Hoover administration was essentially unable to get the economy restarted and FDR joined the battle by bringing on the big guns . . . of big government that is. FDR had what might be termed a multi-faceted approach to getting the country back to work, which he called his "New Deal". FDR established work projects through the Works Progress Administration or (as re-titled in 1939) the Work Projects Administration (WPA). These of course were designed to, in today's vernacular, improve / restore the infrastructure.

Franklin D. Roosevelt appointed Henry Wallace, a prominent **Communist** of the day, to be his Agricultural Secretary. In **1933** Wallace drafted the Agricultural Adjustment Act (AAA). The AAA paid farmers **not** to grow crops and **not** to produce dairy produce such as milk and butter in order to increase prices and profits for farmers. It also paid them **not** to raise pigs and lambs. **The money to**

**pay the farmers for cutting back production of about 30% was raised by a tax on companies that bought the farm products and processed them into food and clothing – this was a double whammy for consumers. The AAA also became involved in trying to help farmers who had been destroyed by the creation of the Dust Bowl in 1934.**

**In 1936 the Supreme Court declared the AAA unconstitutional.** The majority of judges (6-3) ruled that it was illegal to levy a tax on one group (the processors) in order to pay it to another (the farmers). In 1938, another AAA was passed without the processing tax. **It was financed out of general taxation and was therefore acceptable to the Supreme Court.**

**While this slight of hand was sufficient to satisfy the Supreme Court of the day (1938), this process remained a questionable procedure since the outcomes were the same, and the taxpayer was punished in the same way. We see very nearly the same un-constitutional legislation today with taxes (fines) being extracted from those who don't comply with the government's demand that they buy (health care) insurance, and these fines (taxes) being used to pay subsidies to those who represent themselves as too poor to buy that same insurance. In fact this is exactly the same Progressive scheme that was declared unconstitutional in 1938 – so why is it now constitutional in 2012?**

The gamut of alphabet programs instituted by FDR included the Civilian Conservation Corps (CCC), the National Youth Administration (NYA), the National Recovery Act (NRA), the National Industrial Recovery Act (NIRA), the Public Works Administration (PWA) the Federal Emergency Relief Administration, the (AAA) as mentioned above, the National Housing Act (1934), the Federal Securities Act (1934), and the Social Security Act (1935).

**[The National Industrial Recovery Act (NIRA) was declared unconstitutional in 1935, so Roosevelt used the National Labor Relations Act (NLRA) to achieve his goals. The NLRA granted unions incredible bargaining power by forcing businesses to accept collective bargaining. As a result, union membership more than doubled and the number of “strike days” doubled in one year—from 14 million in 1936 to 28 million in 1937. This surge in union strength—and the high wages it brought—was an important factor in the persistently high unemployment rates of the 1930s. In other words, *FDR's pro-union policies helped prevent people from finding jobs and prolonged the effects of the depression.*]**

### **As you can see, Big Government had arrived.**

Henry Wallace (the Communist) was Roosevelt's Vice Presidential candidate in 1940 and became so at the express demand of FDR, who reportedly said he would refuse to run if Wallace was not accepted as his running mate. Curiously in his last term, by some accounts Roosevelt, having had some disagreement with Wallace accepted Harry Truman as his VP candidate. Other accounts have the change being made at the demand of the Democratic Party and still others suggest that the American people realized what was being done to them and wanted Wallace out.<sup>32</sup> In any event, following FDR's death, Wallace ran for the Presidency as a (resurrected) **Progressive Party** candidate and lost to Truman (and Dewey). **Remember that Dewey actually won the popular vote, but lost the election.**

“Former Social Security Commissioner (1978-1979) Stanford Ross criticized the founders of Social Security for generating public support by advancing the fictitious belief that a worker ‘pays for’

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<sup>32</sup> The Alinsky Model by David Horowitz



benefits with ‘contributions’ rather than taxes, and has an ‘earned right’ to particular benefits.

Ross advised Americans to reject the ‘myth’ that Social Security is a pension plan and accept it as a tax on workers to provide for the ‘vulnerable in our society’. Here in lies the difference between the public perception of Social Security (the way it was sold to the public by the Roosevelt administration), and the way politicians view Social Security.

An act perhaps entitled “truth in legislation”, by which all legislation would be required to explain **all** its ramifications (in writing) would be beneficial. “Senator Patrick Moynihan, a somewhat conflicted but moderate Democrat went further, calling Social Security taxes ‘outright thievery’ from young working people.”

The final comment on Franklin Delano Roosevelt’s presidency must examine the fact that he attained the office of the Presidency only with the extreme help of the “press”, in hiding his infirmities before and during his time in office. The average citizen had no idea that Roosevelt was confined to a wheelchair due to having contracted polio (or as some say, was afflicted by Guillain-Barre Syndrome) at age 29. Nor did the average American suspect that (in all probability) Roosevelt suffered, during his last years, from metastasized (to the brain) cancer. This cancer **MUST** have affected his judgment.<sup>33</sup> His administration has been severely criticized for making far too many concessions (to the Russians) during the writing and execution of the Yalta Treaty, in addition to several strategic errors in favor of Communism and adverse to American interests which were made during the course of the war.

Having said that the FDR administration was far too cozy with Communism than would have been considered prudent by most Americans, an interesting quote (ascribed to FDR) is to be found inscribed near his statue at the Pentagon in Washington, D.C.

*They (who) seek to establish  
Systems of government based on  
The regimentation of all human beings  
by a handful of individual Rulers.  
Call this a New Order.(?)  
It is not new & it is not order.*

In his own way, FDR had cautioned this country against allowing itself to succumb to the Sirens’ Song, as he had earlier cautioned us not to allow the unionization of public servants in the government’s employ. That Sirens’ Song then and now is Progressivism or Communism and this once great nation ignored Roosevelt’s warning.

## **Communist Party, USA (CPUSA)**

*What is Communism? The official U.S. Government answer in 1949 was “**A system by which one small group seeks to rule the world.**” How do the Communists try to get control? “**Legally or illegally, any way they can.**”*

In the run up to the 2012 elections, it became apparent that, while the polls indicated a growing favorable impression of “Socialism”, it is abundantly clear that relatively few in the general population knew anything about what “Socialism” actually is, and virtually nothing about Communism except that (the Communists say) many people were falsely accused of being a Communist, long ago (in the 1940s

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<sup>33</sup> "FDR's Deadly Secret," Dr. Lomazow and Mr. Fettmann

and 1950s). Communists claim that these accusations were never proven, however a factual examination of Russian documents released since “detente”, as well as an examination of “the Venona Cables”, indicates conclusively that those accusations were well founded.

Under the direction of the *Communist International* (COMINTERN), the *Communist Party (USA)* was formally established in Chicago in 1919, immediately after the Russian Revolution. One should wonder how this fact is related to the immoral phenomenon in the United States often called “Chicago Politics”. This was one of Lenin’s first acts after establishing his reign of terror in Moscow, although in reality, in America, it was an offshoot of the “*Socialist Party of America*” which had been established in 1901. The existence of CPUSA was characterized by two outstanding events termed “the Red Scare” and “the Second Red Scare”, the first took place from about 1917 to 1920 and the second from 1947 to 1957. These were periods roughly and curiously corresponding to first, the establishment of the CPUSA and the U.S. entry into the First World War, and the second to the conclusion of the Second World War and the realization that our “administration” had become all too cozy with Soviet Russia. The two events could also be said to correspond to the latter stages of the Presidencies of Woodrow Wilson and Franklin Delano Roosevelt. **They were both (Red Scare and Second Red Scare) in fact partially successful attempts to purge Communists from our government.**

For our purposes here, consider the fact that the first Red Scare centered around communist infiltration into various societal groups, notably the unions on one hand, and urban elitists on the other. The second Red Scare revolved about the discovery and revelation, before and during WWII, of the massive infiltration by Soviet Communists into the United States government. Communists were found to be positioned even as highly as the executive branch, especially the Department of State, as well as having similarly infiltrated into the country’s major media and educational systems.

There were three principal investigators into this subversion in Congress: the first two were gently eased out but the third, Joseph McCarthy refused to go quietly. He, somewhat naively persisted, believing that right would triumph. In fact, even **he** failed to understand the degree to which our culture had been subverted by Communism over the years since Wilson had first deigned to consider “Progressivism”. The mid thirties (1930s) had seen the virtual assimilation of what was once called the Bull Moose Party, or Progressive movement into Communism. Certainly some members actually became members of the Communist Party, but more often they simply “went to school” with the Communists or Marxists, and joined a more publicly acceptable “party”. Since the basic philosophies were more closely attuned with the Democratic Party, that generally, but not exclusively became the Party of choice for undercover Communists. This constitutes an almost exact description of the present occupier of the “oval office”.

Sometime in the 1940s, it more or less became the policy (of the Communist agenda) to “take over” the Democratic Party. And so they did gradually, still covering themselves loosely only, by admitting when pressed that they were Progressive Democrats.

# Betrayal, Part three

## *Art imitates Reality*

I recently watched “*Batman, The Beginning*”, for the second time. The first was in 2005 and I have to admit that much of the symbolism intended or not, was lost on me at the time. As a quick refresher, the city of Gotham had become essentially corrupt with gangland running the show by paying off most of the politicians. The general population was out of work and running in fear for their lives. Food and staples were difficult to come by. People lived on the edge of starvation. The economy was in a shambles.

The principle cause of this mess we discovered was an organization designated the “League of Shadows”, controlled by Liam Neeson character Henri Ducard. The intent or purpose of the “League of Shadows” was to reduce Gotham to a pile of rubble so that the League could rebuild it as they envisioned it should be, rising as it were, from the ashes of corruption like the proverbial phoenix. The first step was to completely destroy the economy of Gotham. The final plan was to expose everyone in Gotham to a secret gas with hallucinogenic properties so that they would all turn against each other and destroy the city and its population. Batman of course was to save the people of Gotham from their final destruction.

## *Reality*

The Shadow Party, as it would come to be called, was launched on July 17, 2003 at El Mirador, which was George Soros’ Southampton estate on Long Island. At this meeting of political strategists, wealthy donors, left-wing labor leaders and progressive activists, Soros laid out his plan to defeat George Bush in the 2004 presidential election. Soros’ intent was to create a super-party in his own image, based on the nearly defunct Democratic Party, and espousing “Progressive” ideals. These “ideals” are discussed in other areas in this book.

Attendees included such notables as Soros’ Open Society Institute (OSI) director Morton Halperin; former Clinton chief of staff John Podesta; former Clinton speechwriters Jeremy Rosner and Robert Boorstin; Sierra Club executive director Carl Pope; labor leader and former Clinton advisor Steve Rosenthal; EMILY’s List founder and abortion-rights activist Ellen Malcolm; and major Democrat

donors such as Lewis and Dorothy Cullman, Robert McKay, Robert Glaser, and Peter Lewis.<sup>34</sup>

The consensus among those in attendance was that favorable voter turnout, particularly in 17 “swing” or “battleground” states (*Arizona, Arkansas, Florida, Iowa, Maine, Michigan, Minnesota, Missouri, Nevada, New Hampshire, New Mexico, Ohio, Oregon, Pennsylvania, Washington, West Virginia, and Wisconsin.*) would be the key to unseating President Bush.

Steve Rosenthal and Ellen Malcolm, CEO and president, respectively, of a newly formed but poorly funded voter-registration group called America Coming Together (ACT) suggested that voters in those swing states should be recruited and mobilized as soon as possible.<sup>35</sup>

Agreeing, Soros told the pair that he personally would give ACT \$10 million to help maximize its effectiveness. A few other attendees also pledged to give the fledgling group large sums of money:

Soros's billionaire friend Peter Lewis, then chairman of the **Progressive (Insurance) Corporation**, promised to give \$10 million; Robert Glaser, founder and CEO of RealNetworks, promised \$2 million; Rob McKay, president of the McKay Family Foundation, committed \$1 million; and benefactors Lewis and Dorothy Cullman pledged \$500,000.<sup>36</sup>

By early 2004, the administrative core of George Soros' Shadow Party was in place. It consisted of seven ostensibly “independent” nonprofit groups, all but one of which were headquartered in Washington, DC. In a number of cases, these groups shared each others’ finances, directors, and corporate officers; occasionally they even shared office space.<sup>37</sup>

### **The seven groups were:**

1) **America Coming Together (ACT):** Jump-started by Soros' \$10 million grant, ACT in 2004 ran what it called “the largest voter-contact program in history,” with more than 1,400 full-time paid canvassers contacting potential voters door-to-door and by phone.<sup>38</sup>

2) **Center for American Progress (CAP):** This entity was established to serve as a think tank promoting leftist ideas and policy initiatives. Soros, enthusiastic about the Center's potential, pledged in July 2003 to donate up to \$3 million to help get the project off the ground.<sup>39</sup>

From the outset, CAP's leadership featured a host of former high-ranking officials from the Clinton administration.<sup>40</sup> *Among these were Clinton's national security speechwriter Robert Boorstin; former head of Clinton's National Economic Council, Gene Sperling; and former senior advisor to Clinton's Office of Management and Budget, Matt Miller.*

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<sup>34</sup> <http://www.richardpoe.com/2005/10/06/part-1-the-shadow-party/>

<sup>35</sup> [Ibid](#)

<sup>36</sup> Laura Blumenfeld, “Soros’s Deep Pockets vs. Bush,” *The Washington Post* (November 11, 2003)

<sup>37</sup> David Horowitz and Richard Poe, *The Shadow Party* (2006), p. 182

<sup>38</sup> David Horowitz and Richard Poe, *The Shadow Party* (2006), pp. 196-198

<sup>39</sup> Laura Blumenfeld, “Soros's Deep Pockets vs. Bush,” *The Washington Post* (November 11, 2003)

<sup>40</sup> David Horowitz and Richard Poe, *The Shadow Party* (2006), p. 189

Hillary Clinton, a plank owner in the “Shadow Party”, predicted that the organization would provide “some new intellectual capital” with which to “build the 21st-century policies that reflect the Democratic Party's values”.<sup>41</sup>

George Soros and Morton Halperin together selected former Clinton chief of staff John Podesta to serve as president of CAP. Podesta said his goal was to develop CAP as a “think tank on steroids,” featuring “a message-oriented war room” that “**will send out a daily briefing to refute the positions and arguments of the right.**”<sup>42</sup>

3) **America Votes**: This national coalition coordinated the efforts of many get-out-the-vote organizations and their thousands of contributing activists.<sup>43</sup> George Soros' support for America Votes would continue well past 2004. Indeed he would donate \$2.15 million to this coalition in the 2006 election cycle<sup>44</sup> and another \$1.25 million in the 2008 cycle<sup>45</sup> and yet another \$1.25 million in 2010.<sup>46</sup>

4) **Media Fund**: Describing itself as “the largest media-buying organization supporting a **progressive** message” in the United States, this group produced and strategically placed political ads in the print, broadcast, and electronic media.<sup>47</sup>

5) **Joint Victory Campaign 2004 (JVC)**: This fund raising entity focused on collecting contributions and then disbursing them chiefly to America Coming Together (ACT) and the Media Fund. In 2004 alone, JVC channeled \$19.4 million to the former, and \$38.4 million to the latter.<sup>48</sup> Soros personally gave JVC more than \$12 million that year.<sup>49</sup>

6) **Thunder Road Group (TRG)**: This political consultancy coordinated strategy for the Media Fund, America Coming Together, and America Votes. Its duties included strategic planning, polling, opposition research, covert operations, and public relations.<sup>50</sup>

7) **MoveOn.org**: This California-based entity was the only one of the Shadow Party's core groups that was not a new startup operation. Launched in September 1998, **MoveOn** is a Web-based political network that organizes online activists around specific issues, raises money for Democratic candidates, generates political ads, and is very effective at recruiting young people to support Democrats.<sup>51</sup> In November 2003, Soros pledged to give **MoveOn** dot Org \$5 million to help its cause.<sup>52</sup>

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<sup>41</sup> Matt Bai, “Notion Building,” *New York Times Magazine* (October 12, 2003)

<sup>42</sup> [http://www.sourcewatch.org/index.php?title=Center\\_for\\_American\\_Progress](http://www.sourcewatch.org/index.php?title=Center_for_American_Progress)

<sup>43</sup> <http://www.discoverthenetworks.org/groupProfile.asp?grpId=6527>

<sup>44</sup> [http://www.opensecrets.org/527s/527cmtdetail\\_donors.php?ein=204359961&cycle=2006](http://www.opensecrets.org/527s/527cmtdetail_donors.php?ein=204359961&cycle=2006)

<sup>45</sup> [http://www.opensecrets.org/527s/527cmtdetail\\_donors.php?cycle=2008&ein=204359961](http://www.opensecrets.org/527s/527cmtdetail_donors.php?cycle=2008&ein=204359961)

<sup>46</sup> <http://www.nytimes.com/2010/09/30/us/politics/30dems.html>

<sup>47</sup> <http://www.discoverthenetworks.org/groupProfile.asp?grpId=6712>

<sup>48</sup> <http://www.discoverthenetworks.org/funderprofile.asp?fndid=5342&category=79>

<sup>49</sup> <http://www.opensecrets.org/527s/lookup.php?cycle=2010&donor=george%20soros&page=1>

<sup>50</sup> <http://www.discoverthenetworks.org/groupProfile.asp?grpId=6713>

<sup>51</sup> <http://www.discoverthenetworks.org/groupProfile.asp?grpId=6201>

<sup>52</sup> <http://www.dailykos.com/story/2003/11/11/55615/610>

According to Ellen Malcolm of America Coming Together (ACT), the financial commitment which Soros made to these Shadow Party groups in 2003 “was a signal to potential donors that he had looked at what was going on and that this was pretty exciting, and that he was going to stand behind it, and it was the real deal.”<sup>53</sup> As Byron York observed, “After Soros signed on, contributions started pouring in.” ACT and the Media Fund alone took in some \$200 million including **\$20 million from Soros alone. This type of money was unprecedented in American politics.**<sup>54</sup> *These seven groups constitute the nucleus of a 24 / 7 - 365 days a year campaign of disinformation and propaganda to effectively destroy the American government and replace it with a Clinton / Soros inspired “Progressive” regime. The campaign continues.*

### **Never let anyone convince you that a Presidency cannot be bought.**

In 2005, the Shadow Party had its first formal meeting in Scottsdale, Arizona. This formal meeting was brought together by Rob Stein of the **Democracy Alliance**, and a veteran of Bill Clinton’s Commerce Department, and of New York investment banking. The meeting was intended to gain commitments from a large group of millionaires and billionaires who were invited to this meeting. The nucleus of this Group was early on known, for lack of a better name, as the **Phoenix Group**, presumably implying that the Democratic Party would rise from the ashes of its own demise.

*Because of its secretive nature and subversive intent, journalists quickly began to describe the result of the Phoenix Group meeting and the resulting plethora of “527” political committees and websites promoting Progressive Democratic Party agendas as “The Shadow Party”. Its purpose was to essentially assume control of and reform the Democratic Party, **and the American society**, and transform them into something entirely different, that would be solely controlled by “Progressives”.*

**The stated purpose of this “Shadow Party” was to destroy the Republican Party and assume control of the government using the name and membership of the Democratic Party, the funding of the Shadow Party’s millionaire and billionaire members, and the subversive methods of the Progressive faction, again spearheaded by George Soros, Hillary Clinton and Harold Ickes.**

Dick Morris’ described Harold Ickes, with whom he worked during the Clinton era in the following way: *“Whenever there was something that he [Bill Clinton] thought required **ruthlessness or vengeance or sharp elbows and sharp knees or, frankly, skullduggery**, he would give it to Harold.”*<sup>55</sup>

Senior Democratic National Committee (DNC) officials had been briefed prior to the meeting. DNC Chairman Howard Dean was aware of it, in part though his friendship with Stein, but one senior DNC source said the organizers “kept that list [of attendees] kind of tight.” Sarah Ingersoll, de facto spokeswoman for Stein’s Democracy Alliance, said it was “a very preliminary meeting of committed donors interested in building a community to support Progressive infrastructure.”

While there has never been an official release of attendees, the following lists, released by

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<sup>53</sup> Byron York, *The Vast Left Wing Conspiracy* (2005), p. 61

<sup>54</sup> Byron York, *The Vast Left Wing Conspiracy* (2005), pp. 86-87.

<sup>55</sup> WND Democrats have 'ruthless' new campaign strategy, Bob Unruh, 11/04/12

[[discoverthenetworks.org](http://discoverthenetworks.org)] are thought to be representative but certainly not exhaustive:

<b>Alterman, Eric ;</b>	<b>Bing, Stephen ;</b>
<b>Booth, Heather ;</b>	<b>Borosage, Robert ;</b>
<b>Brock, David ;</b>	<b>Clinton, Hillary Rodham ;</b>
<b>Exley, Zack ;</b>	<b>Fonda, Jane ;</b>
<b>Glantz, Gina ;</b>	<b>Glaser, Robert ;</b>
<b>Halperin, Morton ;</b>	<b>Ickes, Harold ;</b>
<b>Kest, Steven ;</b>	<b>Lewis, Peter ;</b>
<b>Malcolm, Ellen ;</b>	<b>McAuliffe, Terry ;</b>
<b>McKay, Robert ;</b>	<b>Onek, Joseph ;</b>
<b>Podesta, John ;</b>	<b>Pope, Carl ;</b>
<b>Rathke, Wade ;</b>	<b>Richards, Cecile ;</b>
<b>Rosenberg, Simon ;</b>	<b>Rosenthal, Steve ;</b>
<b>Sandler, Herb and Marion ;</b>	<b>Soros, George ;</b>
<b>Stern, Andrew ;</b>	<b>Trumka, Richard ;</b>
<b>Villaraigosa, Antonio ;</b>	<b>Weiss, Cora ;</b>
<b>Wiley, George Alvin</b>	

### **Highly Politically Oriented Groups which were represented include the following:**

<b>21st Century Democrats ;</b>	<b>Air America Radio ;</b>
<b>America Coming Together ;</b>	<b>America Votes ;</b>
<b>American Association for Justice ;</b>	<b>American Constitution Society for Law and Policy ;</b>
<b>American Federation of Labor - Congress of Industrial Organizations AFL-CIO ;</b>	
<b>American Federation of State, County, and Municipal Employees ;</b>	
<b>American Federation of Teachers ;</b>	
<b>Association of Community Organizations for Reform Now (ACORN);</b>	
<b>Brennan Center for Justice ;</b>	<b>Campaign for America's Future ;</b>
<b>Campus Progress ;</b>	<b>Catalist ;</b>
<b>Center for American Progress ;</b>	<b>Center for Progressive Leadership ;</b>
<b>Change America Now ;</b>	<b>Citizens for Responsibility and Ethics in Washington ;</b>
<b>Defenders of Wildlife ;</b>	<b>Democracy 21 ;</b>
<b>Democracy Alliance ;</b>	<b>Democracy For America ;</b>
<b>EMILY's List ;</b>	<b>Human Rights Campaign ;</b>
<b>Institute for Policy Studies ;</b>	<b>League of Conservation Voters ;</b>
<b>Media Fund ;</b>	<b>Media Matters for America ;</b>
<b>Meyer, Suozzi, English and Klein, PC ;</b>	<b>Midwest Academy; MoveOn ;</b>
<b>Moving Ideas Network ;</b>	<b>NARAL Pro-Choice America ;</b>
<b>National Association for the Advancement of Colored People ;</b>	
<b>National Education Association ;</b>	<b>New Democrat Network ;</b>
<b>New Organizing Institute ;</b>	<b>People for the American Way ;</b>
<b>Planned Parenthood Federation of America ;</b>	
<b>Project Vote ;</b>	<b>Secretary of State Project ;</b>
<b>Service Employees International Union ;</b>	<b>Shadow Party ;</b>
<b>Sierra Club ;</b>	<b>Think Progress ;</b>
<b>Thunder Road Group ;</b>	<b>USAction ;</b>
<b>Vote For Change ;</b>	<b>Working Families Party</b>

## Primary Funding Sources

**Joint Victory Campaign 2004 ;**  
**Open Society Institute ;**  
**Schumann Center for Media and Democracy ;**  
**Tides Foundation and Tides Center**

*The above funding sources are not inclusive of individual “donors” but are primarily controlled by George Soros.*

As indicated above, the Phoenix Group (Shadow Party) met officially in Scottsdale, Arizona in 2005 after the disappointing (for Soros) defeat of John Kerry and re-election of George W. Bush. Soros spelled out the preliminaries of his plan for **destroying the Republican Party**, slash and burn style. Afterward it was his intention to destroy (as in Batman) the economy of the United States and any remaining cohesiveness in the American society. To further follow the analogy of Batman, the forceful re-introduction of “class warfare” in every way possible into American society would substitute effectively for Henri Ducard's “secret gas”. Certainly the effect would be the same, inducing every group of individuals that could be theoretically isolated to turn against every other. Never in the history of the United States has this degree of divisiveness been seen or even contemplated.

Following this, Soros, through his Progressive iteration of the Democratic Party intended to rebuild the United States as a major player in his scheme of a One World Government, or as he calls it, the “Open Society”. Who should now play the role of Batman to save the world in our reality based drama is anyone's guess. One thing for sure, it's not Barack Hussein Obama.

Prominent in this first “official meeting” were George Soros, Peter Lewis (Progressive Insurance), their sons and about 70 others who understandably didn't want to have the public know about their involvement. To know the motivations of the Phoenix Group, we must examine one George Soros previously known as Gyorgy Schwartz and the operations he has been known to engage in.

The **Democracy Alliance** was to act as a clearinghouse (for contributions of the millionaires and billionaires above) and it was expected to channel much of its money to new organizations and existing ones such as John Podesta's **Center for American Progress** and David Brock's **Media Matters for America**.

In the “Shadow Party” we see the core of George Soros' plan, along with several like minded wealthy individuals, to take over the government of the United States and quickly and quietly turn it into Soros' idea of a Communist utopia. As he envisioned things, of course, he would be pulling all the strings (and profiting from each tug of the strings). More on Gyorgy Schwartz later.

Soros is said to have dedicated his wealth to the cause (having donated an estimated 23 million dollars to those questionable “527” groups in 2004 alone). He warned attendees that the Progressive ascendancy would take time (**national attitudes would have to be reshaped**). **After all, his plans required destroying not only any outside (other than Progressive) input to government, but the American way of life.** Individual freedoms were to be severely restricted. George Soros was speaking as the voice of authority in these matters, since he is said to have initiated or financially supported more than one subversive movement around the world. It would appear that his involvement in these affairs has always resulted in at least the potential of his making MONEY.



It is understandable why most of the attendees wished anonymity. The subversive nature of the meeting which resulted in the formation of what journalists began calling “The Shadow Party”, would be frowned upon by the American public if fully known and understood. To this day, very little is publicly known about the identities of these wealthy “government makers”, however positions taken by some very influential “millionaires / billionaires” indicates their more than passing interest.

One understanding that should be gleaned from the above discussion is that, while the party continues to claim and benefit from the concept that the Democratic Party is derived from grass roots – that is; from the lower income classes, the facts belie this assertion. This “reincarnation” of the Democratic Party was conceived by, planned by, created by, controlled by, and funded by **some of the wealthiest people in America**.

Prominent names such as Warren Buffett, Bill Gates, George Soros and family, Michael Bloomberg, (the wealthiest people in America) and others mentioned in this book are the real (Progressive) Democrat Party. Those lower income members are no more than the “beard”, to make the “Party” look like it is composed of “ordinary people”. The inclusion of “lower income” or “grassroots” workers is by design, in keeping with the public relations scam, the Sirens’ Song that is Communism. Most of these millionaires and billionaires, except for a handful remain steadfastly anonymous to Americans. Due to the subversive nature of the organization, these wealthy Americans don't want anyone knowing who they are.

The Shadow Party was highly successful in its stated purpose, however when the Phoenix arose, it bore little resemblance to the Democratic Party that so many average Americans supported. The name remained the same to attract naïve and or unenlightened individuals, but the heart of the organization was now owned by Progressives. Still, the average Democrat voter continues to blindly support the Party without realizing that their beloved Democratic Party has been taken over by Progressives, enemies of this country espousing propaganda which sounds a little like the Democratic Party, but more like Lenin's Russia.

***One could use the analogy of the American political system resembling a baseball diamond.***

Historically, second base would represent the mid-line of American politics, with a constant tug of war going on between Democrats pulling the play toward third base and Republicans resisting and moving the play toward first base. There are no home runs in this game, and hopefully no one ever gets home. Politics is a matter of the game. The problem with Progressives is that they really aren't on the playing field. They are far out in left field and in American politics, that isn't even part of the game. The Progressive (Soros) intent is to effectively take the ball out of play, and keep it. End of game.

***What do Democrats believe in?***

Now that is a very good question. Usually one can look at past performance and come up with a pretty good idea of what an organization or an individual is all about. The most remarkable thing about the Democratic Party, historically, is that it simply has no enduring character except regarding the subject of progressive eugenics. By this I don't mean that its beliefs have changed or been modified over time, in response perhaps to changing morals, or security or world considerations. That would be a

reasonable expectation. This is something one would expect any large organization to do. Rather what I mean is that the Democratic Party has very apparently seized upon one socially oriented cause after another and taken the position calculated to bring it the largest number of votes. It is in fact totally a party of special interests, despite its ironic demonizing of its opponents as pandering to special interests. On thing is absolutely certain; the Democrat Party has NEVER represented the wishes of the American majority, despite its claims to do so and its constant attempts to re-write history.

I happened to be working in Great Britain when Jimmy Carter was running for office. I had never heard of Carter; however his campaign became the laughing stock of British television. One of the British TV stations had a journalist with camera, trailing along behind Carter everywhere he went for a period of time. They filmed him going from one speaking venue to another, and saying things which were diametrically opposed to what he had said at the previous stop, on the same day. They filmed many instances of this strange behavior, and believe me, it was hilarious to watch on the "Telly". I had never heard such prevarication in my life. I found after returning to the States, that it was banned from showing on American television. Wonder why? And Carter was elected. I bring up this story only to show that Democrats have established a pattern of telling any single given group of people anything that they think they want to hear. Is that pandering to special interests? Truth no longer even enters the equation. Of note also is the fact that the documentary was banned from showing in the United States. That demonstrates some real political control of the media.

**For instance:** The Democratic Party spent years (officially from 1856 through 1864 as found written into those years party platforms) before and after the civil war attempting to keep "Negros" "in their place". Vicious support of the *Fugitive Slave Act* was a hallmark plank of the Democratic Party platform for many years. *The Fugitive Slave Act* created "commissions" specifically for the purpose of hunting down and returning slaves who might have escaped the confines of their "owner". The **Democrat Party platform** of 1868 demanded "the abolition of the **Freedmen's Bureau; and all political instrumentalities designed to secure Negro supremacy.**" The Democrat Party has never been a friend to persons of color until it became politically impossible to continue in opposition, while the Republican Party had as a party platform plank the condemnation of slavery as early as 1864. The 13<sup>th</sup>, 14<sup>th</sup> and 15<sup>th</sup> Amendments to the Constitution ensuring the universal right to vote by citizens and the end to slavery was passed by Republican administrations and defended in the 1870s when Democrats sought to repeal them.

Furthermore, while revisionists will stumble over themselves to point out that women's suffrage was supported by the "progressive era" starting in 1900; the Republican Party platform of 1876 encouraged women's suffrage and called for (Republican) legislators to enact appropriate legislation. In a similar vein, the Republican platform of 1892 demands "the universal ability for citizens to vote in all states" regardless of color or sex. It further "condemns inhuman outrages in some southern states against some citizens for political reasons."

Actor, Danny Glover (ignoring the facts) has vociferously claimed that the second amendment was designed to keep guns out of the hands of black citizens. His claim is exactly the opposite of the facts. The second amendment to the Constitution implies that all citizens have the "God given right" to self protection. The fact is that laws in several of the southern states, notably Florida were enacted (unconstitutionally) to prohibit slaves from owning or possessing firearms. These were enacted by Democrats. The "Second Amendment" insures that all citizens have the right to keep and bear arms and was defied (by Democrats) to enact legislation in several states which did in fact prevent "black citizens" from owning firearms. Listen up Danny; it was Democrats who denied black citizens the "God given right" to own firearms, not Republicans and certainly not the "Founding Fathers". If there is one action which seems to exemplify the Democrat Party through the years it is that it enjoys displaying contempt for the Constitution and enacting legislation which is patently un-Constitutional.

Former New York Mayor Michael Bloomberg, in favor of removing guns from society recently (2015) said, while talking at the Aspen Institute, that *95 percent of murders fall into a specific category: a male minority between the ages of 15 and 25. Cities need to get guns out of this group's hands to keep them alive, the former three-term mayor said*, according to The Aspen Times. Mr. Bloomberg, **funds** the (anti-Constitutional) gun-control advocacy group "Everytown for Gun Safety". This manner of thinking describes exactly the Progressive manner of thought which is: *"I or we the elite must tell you how to act and what to do because you are not capable of anything worthwhile without our guidance". We must guide your every thought for the greater good.*

By more than one account, the Ku Klux Klan (KKK) was formed as a wing of the Democratic Party after the war, specifically to harass and combat those pesky Republicans who kept passing legislation freeing slaves and trying to integrate these slaves and immigrants into society. In the beginning their actions against "blacks", Italians, Orientals etc. were almost incidental. The purpose was to dispose of Republicans who were in favor of integration and / or immigration.

It has always been amusing hearing the lengths to which the Democratic Party would go to spin the actions of their own Senator Robert Byrd, who single handedly filibustered the "Civil Rights Act", and earlier acted as a recruiter, or "Kleagle", for the KKK. The "Democrat Party spin" was to claim that it was a youthful dalliance and / or a means of getting votes for his election when he started out in politics. Progressives are much practiced and very good at rewriting history.

In any event, with the entrance of Martin Luther King (whose family was staunchly Republican until his conversion), it suddenly occurred to those bigoted Democrat Party officials that, by using the (Communist) tactic of class warfare together with "community organizing", they could make it look as though Republicans were unfriendly to people of color, and gain a whole new class of Democrat voter and it's attendant political power. It was probably the first wholesale use of intentional **class warfare** in American politics, and it was very successful. Operatives such as Jesse Jackson, Al Sharpton and others serve today to perpetuate that class warfare and make sure that the black community stays loyal to the Democrat Party despite the fact that there isn't and never was any logical reason for its support.

### ***Unions and Communism***

#### ***Vladimir Lenin: "Trade Unions are the Schools of Communism"***

Not long ago, the "Communications Workers of America" (a union) Vice President Chris Shelton compared the Governor of New Jersey to Adolph Hitler, with no subtlety whatsoever. Shelton's remarks were occasioned by a union protest directed at the Governor's attempts to bring a hint of sanity and parity to New Jersey Government employees' pension and benefit packages.

While Shelton's remarks were obviously designed to inflame the audience and denigrate the Governor, his just as obvious ignorance of historical fact is glaring (and frightening). Communists and other socialist groups have desperately tried, since the Second World War ended, to convince people that Nazi's were evil because they represented the extreme right of the so called political spectrum. A glance through UNESCO's "Common Core" (which amazingly has been adopted by 45 States as the authorized standard for education) indicates that Progressives are actually trying to redefine the word "**fascism**" for our children as right wing extremism. That is, teachers are to teach this to our children, and they will subsequently be tested on it.

For those who aren't familiar with the English language, Merriam-Webster defines fascism as "... a centralized autocratic government headed by a dictatorial leader (with) severe economic and social regimentation and forcible suppression of opposition". That sounds a bit like the Obama administration, and precisely the opposite of what "right wing extremists" seek.

Shelton's remarks were designed to play into this revisionist line of thinking, associating “the right” with evil.

The historical problem here is that **Nazi's were Socialists**, and socialism is pretty much by definition on the “left”. Hitler, in fact, was close to the consummate socialist dictator. If you examine it carefully, the successful socialist state MUST do exactly what Hitler did. Think what is meant by the phrase “class warfare”.

How did Hitler gain ascendancy in prewar Germany? This question has remarkable implications when actions are compared one on one to what has been legislated or proclaimed by the administration here in the United States in the past few years. Hitler refined and carried out a campaign of class warfare such as the world had not seen before. He pitted ordinary Germans against Jews. He pitted Aryans against everyone claimed to be inferior. He pitted Germans against the “inferior” world that had defeated Germany a few years earlier in the First World War.

The Versailles Treaty of 1919 imposed severe conditions on the “losers” of the First World War. For the world, it represented the formation of the League of Nations, which following the Second World War morphed into the United Nations, and for Germany it represented the origin of the Weimar Republic. The League of Nations (to prevent future wars) was essentially a creation of **Woodrow Wilson** intended to instill his “progressive” thoughts and ways throughout the civilized world. The League of Nations however was never ratified by the United States Senate, it having recognized that the United States would be essentially giving up its sovereignty by joining.

**The severity of Wilson’s treatment of Germany was probably the greatest causative force behind Hitler’s rise to power and the Second World War.** One condition of the Versailles Treaty was that the possession of fire arms was to be limited (in Germany) to a certain minimal number, maintained by the “armed forces” and police. This registration and limitation of arms was used, as would be expected, to locate and confiscate all arms from those Germans who might then oppose Hitler’s police state and totalitarian take over of Germany, and the subsequent world war.

*Some fear that enabling this possibility in the United States is precisely the reason for the Obama administration and Democrat legislators around the country rabidly trying to register / restrict firearm ownership in contravention to the Second Amendment to the Constitution. Some also postulate that without (President) Wilson’s harsh limitations on German citizen firearm ownership following World War I, the Second World War would never have come to be.*

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Hitler improved the financial position of his class by taking everything he could find from those classes of people he despised, even including their gold teeth, their labor and ultimately their lives. The extension of this thinking obviously led to an attempt to subjugate the rest of the world. That’s called world domination. Hitler was the ideal socialist. Until he decided to take over Russia, (another Socialist State) the Nazi's and the Soviet Communists were partners, despite the fact that Hitler blamed everything bad that happened in Germany on “the Communists”. Russian Communism was a socialist dictatorship, just like the Nazis. The difference was, and is that they were competitive iterations of the same system, as is Communist China, North Korea, Cuba, Venezuela, and just as is a part of the American system. The “part of the American system” that I refer to here is anything called “Progressive”. The word “Progressive” in effect is “code” for Communist. (*Progressing toward the Communist utopia?*)

The war cry of Communism; the most pervasive socialist ideology today, is CLASS WARFARE. Communists exist and thrive by pitting one class against another, and if a class doesn't exist where they

want to conduct warfare, they will create one, or more, classes. Look about yourself in this country today. Almost everyone in the country has been herded into one “class” or another. We are under active attack by Communism. **The problem is that Americans are in total denial.**

Jimmie Hoffa (Jr.) recently introduced the President of the United States by proclaiming his union (Teamsters or the union movement in general) to be the President's army. He then exhorted *the President's army* to “take the sons-of-bitches out”, referring to the Tea-Party. He declared that the unions were at WAR against the Tea-Party. Does that sound like inciting the unions (which have a history of violence) to violence. It certainly does to me. More importantly, does that sound like America? Only to union backers and Communists in general. More recently, Senator Schumer of New York has on more than one occasion exhorted the I.R.S to persecute the “Tea Party” out of business, publically. I find it so difficult to understand why the citizens of the United States, let alone those of New York would stand for this sort of unethical if not illegal action by a sitting Senator.

Unions today are organized to **create** class struggle, even when the “class” that they represent is better off than the one they are conducting warfare against. Union ideology is the SAME ideology as was that of Hitler's Nazi Party. The name of the game is POWER. (Isn't this the same result as sought by Alinsky? Surprise, its all the same people and ideology) Time after time this quest for power by demanding wages and benefits beyond reason has priced U.S. made products totally out of the competitive world market.

In October 2011, we were blessed with the spectacle of “Occupy Wall Street (OWS)”. OWS appears to be a second attempt at the resurrection of the ancient SDS (1969), “Days of Rage” which was organized to demonstrate on September 17<sup>th</sup> of 2011, but fizzled. Shortly afterward, President Obama issued a now infamous call, ostensibly to the Black Caucus, which resulted in a disorganized demonstration of unions, students, Communist and Socialist groups and the generally disorderly usurpation of public and private facilities in New York City and several other cities in the USA, and supposedly around the world. This must be regarded as President Obama's army, and I would guess this is how they “compete” with the Tea Party.

The union knife of thuggery works not only to help union causes; it works to prevent assistance from outside non-union sources, at times compounding the nation's misery, but then who cares about the nation's misery when power for the unions can be advanced. A few days following the advent of Hurricane Sandy, a large contingency of electrical workers from Alabama (non union volunteers) presented themselves to a staging area in Virginia for further travel to specific areas in New Jersey. They were met at this point by representatives of the I.B.E.W. who announced that they would not be allowed to continue further unless they joined the union. This was of course not an acceptable choice, so effectively the union turned a large contingency of specialist volunteers away from an area desperately needing all the electrical workers that they could find. A fine example of Union patriotism.

### **Does anyone now detect the irony in Shelton's attack on Governor Christie?**

We are a nation that has historically prided itself in not having any classes, or in other words, that all of us are of the same class. With the advent of the current administration, the nation has become nothing but one little group after another struggling against each other. Thank you for that, President Obama, you community organizer, you.

Socialism as a governing ideology can produce very little beyond control of people's lives and actions. Socialism cannot continue to exist without the constant infusion of free or stolen wealth. (As a prediction of one possible future, Communism as a “one world government” after reducing the free market in the United States to extinction – a stated goal – will result in total world anarchy and destitution). Communism CAN NOT exist without Capitalism to “struggle” against. It's a totally flawed ideology. Communism as a world wide entity will fold like a house of cards, without the United

States as a free society and economy.

In Winston Churchill's words, "The inherent blessing of socialism is the equal sharing of **misery**." Margaret Thatcher enlarged on that statement by implying: "The problem with Socialism is that eventually you run out of other people's money". Anyone who doubts that anarchy and misery is the ultimate fate of the world without the "wealth creating" presence of the United States, or more accurately the "free market", need look no further than the present situation in Greece. Greece, once considered "the cradle of western civilization", "the birthplace of democracy", has been in the Socialist camp for many years now, and today appears totally incapable of further managing its own financial affairs. As I write this, the infusion of "Trillions of U.S. Dollars" is being contemplated and appears to be a forgone conclusion. That's U. S. taxpayer dollars. The United States has, long ago become the willing bank for Communism throughout the world.

### *When did the Financial Collapse begin?*

The so called Wall Street Market provides primarily two services. The first of these, because it represents a tremendous amount of capital, is to provide that capital for investment and growth of business. As a result of the interplay between the company and the public, the monetary worth of the company is thus determined. The second service that Wall Street provides is purely speculative. Stated differently, it is a gambling enterprise, pure and simple. In short, people gamble on the market, buying and / or selling and hoping or expecting to increase their wealth. A peculiarity of this gambling enterprise is that the actions of its participants and occasionally the actions of an outsider, can at times greatly affect the trajectory of the market.

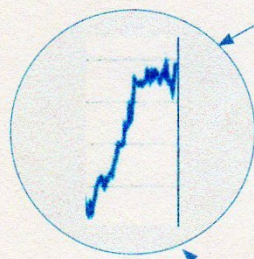
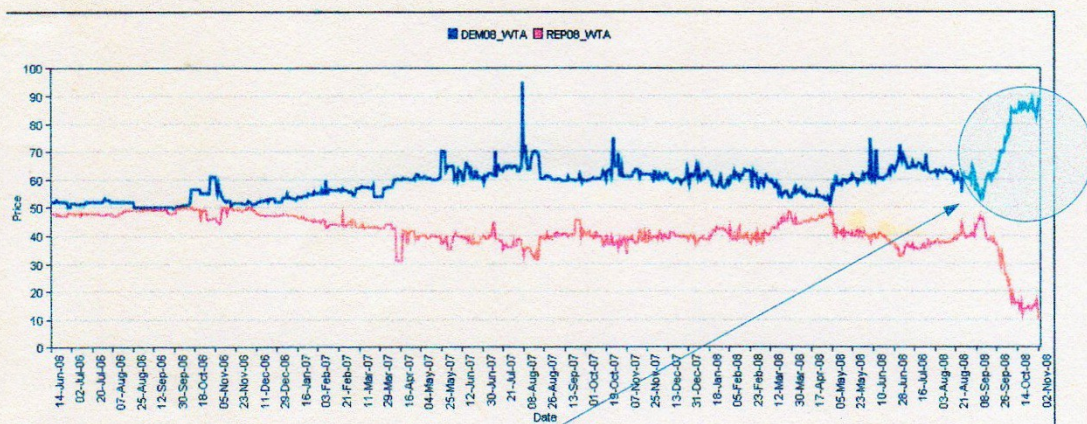
So long as the economy grows, the odds of improving your position are pretty good. Just remember that it is a gamble. You can win or you can lose. What remains an absolute is that those who speculate in the market over time become very knowledgeable regarding the economy of the United States and the world. It is even possible to wager on the failure of companies, the value of commodities, or even countries through the stock market. Betting against the Pound Sterling made George Soros into a multi-billionaire. Rumor has it that he also assisted in causing the deflation of that currency, which is what made him so wealthy. Who knows except George Soros?

Broadly, the speculative portion of the stock market is based on what are called derivatives, which are not stocks per se, but rather are properties or guarantees of some description which depend on what happens to a specific stock or grouping of stocks. The largest means of participating in this portion of the market is done by purchasing and selling "options". This part of the stock market is purely speculative, that is pure gambling. There is no actual investing in anything, let alone a stock. I cannot help but question the morality of this segment of the stock market, but it is where the greatest wealth is made and lost.

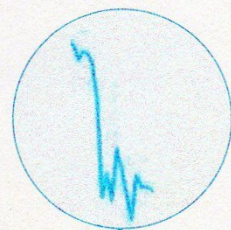
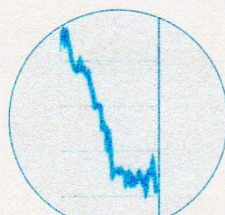
Wall Street is not the absolute indicator of financial health, however one can glean an understanding of what (some) people are thinking, at any given time, about the immediate future of the market (the society) by examining what they are buying (what they are placing their faith in). As a whole, "the market" represents / displays the dynamic health of the American economy, modified only slightly by feelings about the worldwide economy. If one looks at the following graphs, one can see that, in 2008, as Wall Street came to recognize that Barack Obama was about to become President of the USA, the market experienced an immediate downward spiral. Investors were not happy.

The upper graph (below) represents the “market's evaluation” of the probability of Barack Obama being elected (in blue), with a sharp upward turn in mid-September, 2008, two months before the elections. The lower graph represents a graph of the Dow 30 averages, which you can see turns sharply downward in mid-September, 2008. The movement of the Dow corresponded inversely and directly to the probability of an Obama victory in November of 2008.

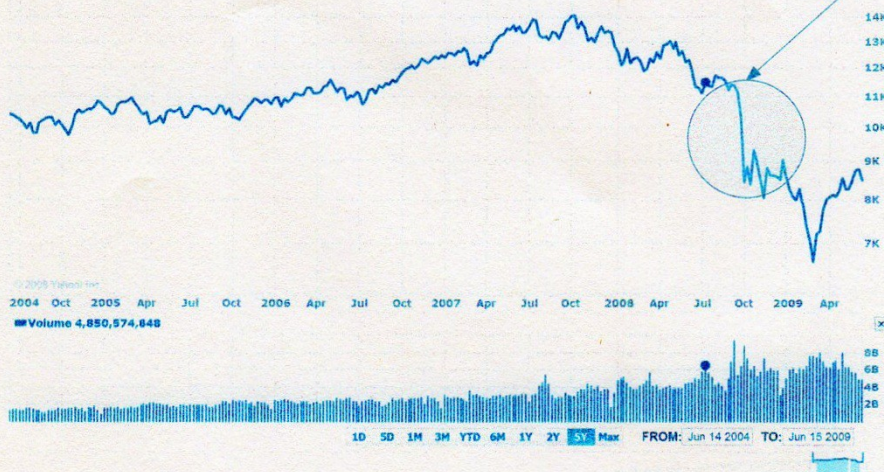




Inverted



Week of Jun 30, 2008 : ^DJI 11,268.5303



The top graph represents Wall Street's odds on Obama being elected. The circled section represents the time frame roughly of Sept - Dec of 2008

The bottom graph represents the Dow Jones Industrial average. The section circled represents roughly the same time period for both graphs. On a broad scale, you will see that these graphs just prior to the election are in many ways identical. Why do you suppose that so much money was withdrawn from the market during that period of time? The market leads the economy. Is the answer to why we are in recession to be found in these graphs?

I have heard many times now that the downturn in the economy served to persuade people to vote for Obama. In my humble opinion, nothing could be further from the truth. The economy, at least as reflected in the stock market, responded to the certainty that Obama would be elected by plummeting,



rather than the other way around. It's what financial gurus call reacting in anticipation.

Much has been said and repeated over and over again about the “recession”, when it began, why it began, what started it? First of all, one MUST understand that any given financial system depends on people being employed and buying things. In order for either to flourish, that old standard, “**trust**” must be maintained. Our financial system is in fact a very finely tuned and fragile beast. Mess with it and it will disintegrate, bit by bit.

Recession implies that the Gross Domestic Product (GDP) of the nation is receding. On a graph, the line would no longer be inclining, nor staying level but would be declining. The accepted definition of determining when we were beginning a recession has long been when the GDP became negative (the graph declining) for two months consecutively. At that point we were officially in recession. The recession technically ends when the graph hits bottom. Generally it is accepted that if a recession (without actual recovery) lasts for two years, it is a depression. Stated differently, if the graph doesn't begin to incline **appreciably** for two years after a substantial recession, we are in a depression. **We are in a depression.**

Exactly when this last recession actually began seems to be a mystery, since the definition has become, for political reasons very esoteric. A look at the official records of GDP shows that the first drop in GDP occurred in the third quarter of 2008. The second drop followed in the fourth quarter, indicating that (in the fourth quarter) we were in a recession. Naturally the current administration claims that really it started in 2007, however that isn't borne out by the official statistics, unless you change the meaning of the words. Relate for yourselves this information with the graphs above concerned with movements of the stock market, and you will see a definite relationship between political expectations and our economy.

Ron Suskind in his 2011 book “Confidence Men” makes the following revelations regarding his interviews while researching the book:

*Peter Orzag (Chairman of Global Banking at Citigroup) said of Larry Summers: “Larry just didn't think the president (Obama) knew what he was deciding.” Orzag related that Summers commented to him: “we're really home alone”. “I mean it,” “We're home alone. **There's no adult in charge.** Clinton would never have made these mistakes.”*

*Suskind then relates: “I actually laughed out loud when I read that last part. Because **the seeds of the Great Recession were planted while Clinton was “the adult in charge”** — at the urging of none other than Larry Summers (and his partner in crime, Robert Rubin). “*

*“And now, the Big Dog (Clinton) admits listening to those guys was a big mistake.”*

Overall, Suskind appears to believe that Obama is in over his head, but infers that this is because he has chosen the wrong advisors. Suskind relates after multiple interviews, many with Obama, that his advisors are fighting him every step of the way. They resist change and submarine his (Obama's) efforts to fix the economy.

Suskind's sycophantic approach to national politics is hardly worthy of a second glance except for his accurate observation, probably unconsciously given, stating the obvious; that “the seeds of the Great Recession were planted while Clinton was in charge.” I personally find Summers' estimation of Barack Obama to be most interesting and amusing.

# The Players

## Howard Dean

Howard Dean was born 17 November 1948 in East Hampton, New York into a wealthy family. He served as governor of Vermont from 1991 to 2003, and ran for his party's nomination for President of the United States in 2004. Dean practiced medicine in Vermont from 1978 to 1982 when he ran for and was elected to the Vermont House of Representatives and subsequently to the office of Lieutenant Governor of the state in 1986. He became governor in 1991 upon the death of then governor Richard Snelling.

In 2004, Dean finished third behind John Kerry and John Edwards in the Wisconsin primary, after which he resigned his campaign. Dean is most famous for his “scream” at the Democratic Iowa caucus in 2004 following his concession speech, at which time he announced his plan to begin campaigning “24 / 7” for the Democratic Party in all fifty states (the Secretary of State Project). In February, 2005 he was “elected” as chairman of the Democratic National Committee (DNC), the party's guiding and coordinating organization. Howard Dean is an undoubted adherent to Communism with the intelligence of a small child.

Dean is even more famous for his statement that “The United States is already a socialist country”. “All that remains is to determine *how socialist* we are to become in the future.” This of course came after Obama's Patient Protection and Health Care Act was passed. Dean further stated that to undermine the healthcare act . . . would mean first undermining the United States of America! Dean essentially perfected the first use of the internet in both raising money and in organizing the vote. These methods were essentially reproduced by Barack Obama in the 2008 election cycle.

Dean became a darling of Hollywood, with a documentary film about his campaign being produced and aired in November 2008, and a movie, eventually entitled “The Ides of March” which was released in October, 2011. The latter was written by a staffer in the Dean campaign.

## Secretary of State Project

When he became chairman of the DNC, Dean threw himself into something called the “Secretary of State Project”. The Secretary of State (SOS) Project was yet another 527 political organization which allowed unlimited donations from America's wealthy. The “SOS” was created by Rob Stein, former chief of staff to Rob Brown under the Clinton administration. This same Rob Stein (who also became the organizer of the Phoenix Project) later created the “Democracy Alliance” to funnel those unlimited donations of George Soros and his billionaire cronies to “Democratic Party” organizations and candidates.

Among the founding members of the “SOS”, and donors were billionaire George Soros, Peter B. Lewis, Susie Tompkins Buell, trial lawyer Guy Saperstein, trial lawyer Fred Baron, movie director Rob Reiner, Norman Lear, Drummond Pike, Rob McKay, Rutt Bridges, Patricia Stryker, Rob Glaser, Rob Johnson, Anne Bartley, Jonathan Heller, Charles Rodgers, Gail Furman, Davidi Gilo, Rachel Pritzker Hunter and the **Service Employees International Union (SEIU)**.

Despite the many platitudes of “guarding the public against Republicans”, the clear intent of this

project was to insure that as many Progressive candidates as possible were installed into each State's respective "Secretary of State" position. The reason for all this was to sway any election time decisions (of the Secretary of State) and vote counts toward Soros' candidate. **As has been said: its not the voter turn out that counts, it's who counts the votes.** That would be the Secretary of State, and the goal was to destroy opposition to Progressives at both State and Federal levels, by controlling the vote counting process.

The Secretary of State Project was to pay special attention to the so called swing states. That is; of most importance was to secure the Secretary of State position for "Progressives" in the following states: Iowa, Minnesota, Nevada, New Mexico and Ohio — where the difference between victory and defeat in the 2004 presidential election was no more than 120,000 votes in any one of them. These were not the only states preyed upon, but these all (since 2006) now have a Secretary of State who is beholden to the Progressive movement.

Howard Dean was instrumental in making the Secretary of State Project work, and George Soros was instrumental in funding it. It is positively amazing how often the name Soros appears when any serious discussion of subversive political manipulation occurs.

## **The Lion of the Democrat Party**

The titles of “Lion of the Democrat Party” and “Lion of the Senate” have both been used to describe Edward M. Kennedy, Senator from Massachusetts, by the “elite media”. The term is thought to refer to his ability to coerce votes from other senators to pass his favored legislation. Based upon his ability to stand in front of the Senate (and the television cameras) and prevaricate without end, the use of the word lion may be more accurately thought of as a misspelling.

Edward Kennedy first came to fame through an affair now commonly called Chappaquiddick. According to NYPD Detective Tony Ulasewicz, the death of a young woman, Mary Jo Kopechne, occurred on July 18, 1969 after an RFK campaign staff (“Boiler Room Girls”) party. The evidence concerning the incident indicates that Ted Kennedy suddenly drove his car off the road into a body of water (at or near a bridge) which overturned and covered his vehicle, and he then presumably escaped to safety while allowing his passenger (Kopechne) to die. Mary Jo’s “official” cause of death was ruled by the coroner to be drowning.

Anthony Ulasewicz, a seasoned investigator was called upon by then President Richard Nixon to head up an investigation. His findings (mostly ignored by the press) included the fact that while the body was hurriedly disposed of without an autopsy, there was evidence that no water was inhaled by Kopechne, thus a verdict of drowning should have been ruled out – yet it stands today. Mary Joe was either killed before the car entered the water or died from suffocation as a result of depleting the oxygen from an air pocket remaining in the vehicle, i.e. she was abandoned to die.

Since Kennedy’s first calls after escaping from the car were to his staff members, only calling authorities later, cowardice would be the best face that could possibly be put on this tragedy. A total cover-up followed and the story of the “accident” as related by Kennedy which made little sense, in any event was an impossible tale of events. The people of Massachusetts continued to re-elect Kennedy inexplicably. To quote Ulasewicz: “They keep electing Ted Kennedy when they know that at worst he’s a murderer, at best he’s a sniveling coward”.<sup>56</sup>

Forty one years later, the elite media still ignored Mary Jo’s death, applauding Kennedy as the Lion of the Democrat Party; however Kennedy’s wife, Joan, reportedly began drinking immediately after Chappaquiddick and eventually divorced Kennedy in 1982. Kennedy claimed to the (local) Catholic Church that his promise of infidelity in the marriage vow was bogus, thus he was granted an annulment. **Wow.**

## **Was “The Lion” a Patriot?**

Most people are aware that HillaryCare, the predecessor of ObamaCare was originated by Ted Kennedy, or generously speaking, from his offices. After reading what follows here, it would not be difficult to believe that most if not all of HillaryCare was composed in the USSR and simply massaged and delivered to the Clinton administration by Sen. Kennedy.

Ted Kennedy was first officially welcomed to Moscow by then President Mikhail Gorbachev in March of 1990 (according to the archives of the Gorbachev Foundation). However, Larry Horowitz,

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<sup>56</sup> *Teddy Kennedy: the Lion of the Democrat Party?*, September 20, 2005, Jim Kouri, Renew America.com

Kennedy's chief of staff had already made it a habit of traveling to Moscow "several times a year", something that can be said of no other Congressman or their aides. Generally, when U.S. Congressmen traveled to the U.S.S.R. they did so in groups. This was not the case with Kennedy – he always visited without other members of Congress being present.

According to KBG reports, as found in "*The Crusader: Ronald Regan and the Fall of Communism*" by Professor Paul Kengor, these reports (first released by Tim Sebastian in 1992 in the Sunday Times) reveal how Kennedy secretly offered himself to the KGB for them to work together to undermine President Ronald Regan. The proposal had been reportedly conveyed to the Soviets by former Senator John Tunney in 1983. It proposed that Kennedy and the KGB should "in the interest of world peace," take some joint measures against "the militaristic policies of Ronald Reagan."<sup>57</sup> I am certainly not a lawyer, but to me these words are words of treason conveyed to active enemies of America.

Senator Ted Kennedy worked closely with the Marxist Institute for Policy Studies (IPS) (see comments about the Journalist), a virulent anti-American organization which was actively working to disrupt the government of Ronald Reagan and to undermine in any way possible his anti-communist message around the world. Remarkably, inexplicably, the IPS was requested by Congress on two occasions (1978 and 1982) to provide a study of the American budget, and both times recommended cuts to the military budget of around 50% along with several socialist oriented changes. The first request was signed by 56 members of Congress, the second 50 members. IPS was recognized to be trying to strengthen its ties with Congress (the Democratic Party) and with the unions simultaneously.<sup>58</sup>

Phenomenally, many books and articles have been documented and written about Edward Kennedy's (including his aide's) complicity with the Soviet Union in trying to discredit and really destroy Ronald Regan and America's concept and implementation of policy regarding Communist world involvement. Why these articles have not made more of an impact on American opinion is far beyond my comprehension. All I can suggest is that the unworthy, unyielding and omnipotent control which the "National Media" exerts on American citizens clouds their collective vision (and wisdom).

Considering the foregoing and knowing that avid supporters of Communism such as William Fulbright, Ted Kennedy, John Tunney and many others have existed in the halls of Congress and have each influenced American thought in their own way, it is a wonder that American society has been able to sustain itself as long as it has.

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<sup>57</sup> *The Crusader: Ronald Regan and the Fall of Communism*, Professor Paul Kengor, 10/13/2009, HarperCollins

<sup>58</sup> Obama's Master George Soros: Supporting America's Enemies at Home and Abroad, Cliff Kincaid

## Saul Alinsky (1909-1972)

The following is derived from his “Rules for Radicals”

Why is Alinsky important to a discussion of today's political situation in America? It is because much of what we see in politics today stems from Alinsky's thought and teachings. Today's administration is totally controlled by disciples of the radical Alinsky. Barack Obama studied Alinsky and, learning the method exceedingly well, reportedly taught it himself at Harvard. It would seem that he accepted his first (and only) job as a “**community organizer**” on the south side of Chicago. If one wants an explanation as to why Barack Obama acts so often in ways which seem highly illogical or even irrational, one must simply read what Alinsky taught as illustrated in his book “Rules for Radicals”. In many ways, if you understand how Alinsky thought, you can predict Obama's future actions. Obama is in many ways the epitome of the “community organizer”. Virtually every action he takes politically is governed by his understanding of Alinsky's version of Leninism. The sole purpose of his existence and everything he does is to gain or increase his **power**. Barack Obama is a “community organizer and as such is totally incapable of governing the nation. This is not intended here to be a criticism, just to state the obvious – he is not capable of governing.

Hillary Clinton also sang the praises of Alinsky and was also offered a job with his organization, turning it down to attend Yale. More importantly perhaps is that the much publicized organization ACORN is formed in the image of Alinsky, so to speak. There is just something wrong about the fact that the only two candidates offered up to the American public by the Democrat Party, for President in 2008, were both thoroughly indoctrinated Communists, and the American public was kept in the dark.

As you read about Alinsky, you should note that “the **community organizer** exists to destroy what is established”. **That's all**. Barack Obama is not capable of creating anything but destruction. Anything other than destruction simply is not in his DNA.

In his book *Rules for Radicals* (1971), from which the following is drawn, Alinsky demonstrates what his life is all about in his choice of quotes preceding the text. His final quote, one of his own creation states: “Lest we forget an over-the-shoulder acknowledgment to the very first radical: from all our legends, mythology, and history (and who is to know where mythology leaves off and history begins – or which is which), the first radical known to man who rebelled against the establishment and did it so effectively that he at least won his own kingdom – Lucifer.”

***I find this a telling revelation of both the man's arrogance and his self proclaimed embodiment of evil.***

Alinsky grew up in Chicago, ostensibly raised as a Jew. He believed anti-Semitism was so prevalent in those days in Chicago that “he accepted it as a fact of life”. He regarded himself as “one of the few (Communists) who survived the Joe McCarthy holocaust of the early 1950s”. *A remarkable distortion of what actually happened*. Those were the times in which the radical element (which Alinsky regarded himself part of) within the American society managed to drive that patriot, Senator Joe McCarthy to his early death. Alinsky believed that the generation, to which he speaks in his book, a generation growing up in perhaps the 1970s, has totally rejected all things materialistic as a measure of success. **He believes, among other things that the “middle class” has rejected home ownership as a standard for success.**

It would appear that the events leading up to the housing crisis / financial crisis have repudiated

Alinsky's ideas. His estimation of his purpose for existence seems sad to say the least. Alinsky had begun to realize that radicalism, and specifically the Communist form of radicalism is not what he once believed it to be. In short he appears to have become somewhat disillusioned with Communism near the end. While he simply cannot understand the happenings of the world, he seems to be beginning to doubt his own superiority of thought. He cannot understand why everyone does not think in the same manner as he, yet one ruling factor in his life is that he wants to "make a difference"; he does not wish to do the things as his parents and friends, but something different. How many teenagers have expressed the same sentiment, yet they grew out of it. Alinsky rails against the thought that wisdom indeed comes with age, suggesting that elders should somehow see things as a younger person, an impossible and absurd situation.

Alinsky himself falls victim to the ignorance of the gains that have been made over time, since the Declaration of Independence. **The audience to which he speaks does not recognize or therefore appreciate the freedoms that have been bestowed upon them by their forerunners. Alinsky encourages them to ignore their ignorance, and appears to glory in his own ignorance. He speaks to the individual's search for the truth, the search for meaning, but in fact he equates this with the individual's need to subjugate themselves to some sort of collectivism, in so many ways, the antithesis of individual meaning.** While Hillary Clinton sees Alinsky as someone to be emulated, a careful reading of his singular work would cause one to see him as someone clinging to thoughts and conclusions formed in childhood, without benefit of mature council or even thought, indicating a more than passing immaturity in Clinton's thought processes.

Alinsky seemed to be unable to accept the concept that individuals can find truth, fulfillment and happiness in themselves, the concept that most religious thought espouses. Such concepts as; being truthful or good, simply for the sake of truth or good are alien to him. To be complete according to Alinsky, an individual must interact and influence or interfere with the happiness of others. To me this seems to be a very strange concept; however it pervasively defines Communism and so called "liberal" thought generally.

Alinsky says: "The spirit of democracy is the idea of the importance and worth in the individual, and faith in the kind of world where the individual can achieve as much of his potential as possible." [*This is what I believe to be the "great American dream".*] He then proceeds to teach methods of growing small groups to assume control of these individuals. Alinsky espouses the most supreme perfidy imaginable. How ironic?

The sum total of Alinsky's introduction to his ***Rules for Radicals*** is to instruct individuals to guard against the destruction of America's democracy by outside forces, and for the individual to guard against their uniqueness and individualism being taken away by ***big government*** (my words). Following this, he proceeds to teach "community organizing" to allow "the community" to become that smothering force of big government he has just railed against. One has to wonder if Alinsky ever realized what a mass of contradictions his mind appeared to be. He of course fell into the trap of believing that his is the divine way, preaching the irony of forming an organization to seize power (and give it to the people?). The irony of course is that the emphasis is on seizing power, by any means, and forgetting about the fact that this "power" will never be given to "the people" – but it sounds so good. Alinsky, as good as the words sound, exemplifies the methods of the Communist. Say anything, promise anything, do anything to anyone, so long as it has the desired result. The purpose and method are an unrelenting struggle to gain power for the machine that is Communism.

Alinsky is one giving voice to the idea that **"the words we use matter"**. He and all "dyed in the wool"

Communists believe (I think rightly) that people are influenced not only by the ideas that they “hear”, but also by the words that are used in portraying these ideas. Communism as a whole has confiscated, corrupted, and enlarged upon many words or names that actually have nothing to do with Communism.

Consider for instance the Communist use of the words “democratic and democracy”. People have for many years associated the word democratic with something good. People have associated these words with something chosen by the people, for the people, of the people, etc. Communism of course is not something of the people, but rather something done to the people stealthily by an “elite” group or “party”. Yet, the language of Communism, and indeed by repetition ascribed to Communism, implies that it is somehow democratic in nature. Nothing could be farther from the truth, but the words they use, over and over again claim otherwise. “The Big Lie”. e.g. “The Democratic People’s Republic of Korea (or any of many such organizational titles). The Korean government is a totalitarian government which bears no relationship to the words Democracy or Republic nor is it in any way controlled by “the People”, yet those are the words chosen for people to hear and see regarding North Korea.

Alinsky refers to his work as “revolution, tempered by evolution”. The nearest word we have to reality in this case is probably the term he settles for; “community organizing”. Community organizing relies on “in your face” demonstrations which leave little room for rational discussion or opposition. “We have our ways”.

Alinsky strives to have the reader accept that his “revolution” is not the revolution of Communism; that the attribution of revolution to Communism is wrong, and his revolution is something entirely different. I take strong issue with this assertion. His radical movement, his revolution is nothing more or less than one more iteration of Lenin's Communism or Mao's Communism or Marx's Communism. It is nothing more than an ideologically based **public relations scam** designed to promote the agenda (read here: assumption of power) of one dictatorship or another.

Alinsky claims to have essentially no ideology. He claims to be working in and for an “open society”, a “free society”. (I wonder if he and George Soros got together over this one) He cleverly mixes theory of government and religion into one lump. Both of these he claims are ideologies, to which he claims superiority in some manner. He claims that the dilemma of the “open society” “organizer” is that there is no ideology; that the goals shift constantly – the organizer “is ever on the hunt for the causes of man's plight . . . “. In short what he actually says is that **there is no real reason behind anything that he does**. He does what he does to make trouble, stir the pot. There is a real attempt here to subconsciously avoid responsibility for his very extensive and influential, subversive actions.

Alinsky's summation of his concept of “ethics” was: “To me ethics is doing what is best for the most”. The most obvious question, which is never answered, becomes: “As determined by whom?” Who determines what is best, and who determines who exactly is “the most”? Alinsky presumably determines the outcome of this contest, and that is a problem. Perhaps this is the reason for acting for a defined “class” of people rather than people in general. The definition of the “class” may be, for instance homosexuals, or government employees, or auto workers, or as a larger class “workers”. The point is that it then becomes easier to determine exactly what the “most” is for the sake of a debate. Alinsky is a genius when it comes to logically justifying his positions, so long as one accepts his starting point and any number of assumptions contained within his arguments, which (within those arguments) are stated as unequivocal fact. The fact is that many of Alinsky's facts are not really facts, simply his opinion.

At one point Alinsky declares effectively that anyone disagreeing with his “facts” is “either a fool or



liar or both". An amazing statement, having already determined that the "ethical" position of radicals (Communists) permits and even demands one to lie when it serves their "ends". His discussion of morality implies that the moral course of (in this specific case, warfare) any operation, the ends justify the means, and then one should, after the fact, cloak the means in moral garments. That is, one should modify history to suit the goals, making ones means appear (after the fact) to be the moral right.

This is how a Communist thinks and acts: Do what ever serves your purpose, then go back afterward and make your actions appear to be the moral high ground. I would draw your attention at this point in simplistic fashion to something that recently occurred in our contemporary history. With a battle over increasing the national "debt limit" taking place, past President Clinton stepped forward and made the most astounding statement: to paraphrase him, he said "If it were me in this situation, I would invoke the Fourth Section of the 14<sup>th</sup> Amendment to borrow in the name of the U.S. Government, without regard to Congressional approval, and let the courts settle the matter afterward."

I would point out that he could just as logically have invoked the 1<sup>st</sup> Amendment, since it bears about as much relationship to the action suggested as does the 14<sup>th</sup> Amendment. Mr. Clinton however was demonstrating his (progressive) disdain for our Constitution and the law in general. From a Communist's standpoint, this strange behavior is justifiable as the means being justified by the ends. In this case, it of course adds an additional dimension to the perfidy. In fact, there was not really a case for increasing the national debt made, just a lot of wild claims and threats, remarkably thrown out by the administration. The Communist strategy would have been (after acting alone to de facto raise the debt limit) to proceed to "lie without end" to ensure that everyone with a memory or writing ability, would see the action of the President as the correct and even moral thing to have been done. "Change the history to suit the goals."

Alinsky positions his every argument as from one who is battling the government. As an example, he cautions that one must account for the "opposition" being able to conveniently ignore laws, or make new laws to counter his efforts. The supreme irony here is that we are faced with a strangely reversed life experience, in every way. The radical is now in the position of running the government and has now the ability as well as the means of using or ignoring, or revising those same laws that Alinsky feared being used (or ignored) to his disfavor. *The inmates are now in charge of the asylum.*

In his justification for maintaining a flexible approach to revolution, and in his praise of Lenin, Alinsky glowingly restates Lenin's overview of the Bolshevik strategy: "They have the guns and therefore we are for peace and for reformation through the ballot. When we have the guns, then it will be through the bullet." ***Thus it was, and thus it is.***

As a basis of virtually all his philosophical insight, Alinsky divides mankind into three classes. From a radical's standpoint, everyone belongs to one of these three classes. "Have's", "Have not's", and "Have-a-little, Want-more's". These three classes relate directly to the American Communist's classes; unspoken (Elite's), Middle Class, and (unspoken) Poor or Lower Class. Here is one place where the use of unacceptable "words" becomes the battle cry of Communists. In America, the implication of any class system is abhorred, and in fact non-existent, except for the Communist (public relations scam) in his incessant claim that Capitalism hurts everyone except the "rich". This of course is the same ploy used by followers of Marx, who related every advancement in the world, in any direction, somehow to a struggle between the classes, and to Lenin / Stalin who adopted this as the mantra of their totalitarian governments, and their intentions of taking over of the world.

Alinsky maintains that the "Have's" make the laws and the "Have-not's" want to change the laws, and

further that the “Have-a-little’s” find ways to alter their morality in order to maintain the status quo. The glaring difference to be found in the present Communist administration is that they believe, or claim to believe that it is the “Have-a-little’s” (the middle class), who are being damaged by capitalism. At the same time, they **claim** to be taking from the rich to give to the poor like some disturbed Robin Hood, while in fact they are “taking from” their middle class to transfer to their “poor”.

The major flaw in all of Alinsky's arguments appears to be that revolution is a universal morality in its own right. Further to that thought, he believes that it constitutes a natural right and nature of mankind. My thoughts on this subject would be that successful revolutions, where there is a morality to be attached, are, or should be as individual as the participants in them. In other words, “just” revolutions occur for a reason, and there should be no necessity to attach morality to them. If they are conducted for reasons that are against the innate desires of the population, they will eventually be replaced.

Remarkably Alinsky regards Machiavelli's opinion that “politics has no relation to morals', to be his major weakness.” Actually Alinsky's was not an opinion that politics should be based on sound morals. In this regard, he must admit that he agrees with Machiavelli. What is meant by this statement was that any politically oriented decision must be cloaked in a moral disguise. Even when the politics is overtly and obviously self-serving, it must be portrayed as “the right thing to do”, “the fair thing”, “for the good of the country”, for the good of whatever! You must LOOK (appear to be) moral, regardless of what you do.

In this you can perhaps see the difference between the two ways of dealing with being caught in a compromising situation that have been demonstrated several time in the past few years, in our government. One approach says: I got caught, I'm sorry, I apologize, it will never happen again, it happened because . . . The other approach says: It never happened, I'm going to sue, It's partisan politics, It's a lie, You never caught me, I got hacked.

The first approach accepts responsibility for the action, whatever it may have been. The second denies everything and strikes out at the accuser. The second approach is normally the preferred approach for the Communist\* – he or she believes that any morality that may be attached to the situation is entirely a public impression. It's entirely a public relations problem. The fact is that this individual is not in possession of anything approaching morality. Again, to the latter individual, morality is not anything to be regarded as real, simply a public perception. Once again, if you say it long enough, often enough and loudly enough, then people will accept it as a truth.

[\*There is no mandate for personal responsibility in Communist governance – everything is the responsibility of the government.]

To quote: “The organizer, the revolutionist, the activist or call him what you will, who is committed to a free and open society is in that commitment anchored to a complex of high values. These values include the basic morals of all organized religions: their base is the preciousness of all human life. These values include freedom, equality, justice, peace, the right to dissent . . .” How hypocritical is that?

Alinsky rails against the use of “words” which he considers less than accurate or specific in any case. Yet the Communist ethic he teaches annexes such words as democratic, progressive, humane, peace, peaceful, universal, for the good of, for all, etc. etc. How hypocritical is that?

In reading Alinsky and his attempt to philosophize, I can't help but remember the years of my own

philosophical soul searching and, on the one hand; why I found reading the philosophy of others so tedious and annoying, and on the other, the singularity of my own conclusions.

There are two (personal) conclusions which I might share with you:

While we are hopefully all taught certain moral principles, gleaned from the interests of society via mores, religion, or law, in the final analysis we determine our every action by one simple tenet; We act immediately (first) in the way that best serves our own self interests. Period. If the action appears altruistic, then our self interest at the time is to feel good. If the action appears selfish, then our self interest at the time was perhaps self preservation or growth, or whatever.

At the time of commission, our every act is committed in our own self interest. Alinsky maintains that self-interests are fluid implying that morality is fluid. I maintain that, although it might sound like the same thing to some, we have a multitude of self-interests, not necessarily conflicting ones that manifest themselves when decisions are made. It's not that self-interest changes, but that there are many areas of self-interest. The real conflicts occur in that decisions must be made within the constraints imposed by mores, religion or law. These don't dictate our decisions, rather they limit or place bounds around our decision making process.

The second overarching conclusion I would like to share is that; what Alinsky refers to at several points as complementarity, I understand to be what is commonly referred to in scientific circles as homeostasis. That is that there is a tendency of any system to remain in its natural state regardless of the forces applied from the outside. Homeostasis can be overcome by a large excess of some force from the outside, but this requires an unusually large force, one that is not normally encountered. He could also be referring to the normal operation of most systems which depend on an agonist – antagonist relationship to cause and regulate movement.

Alinsky suggests that there are NO “everlasting moral concepts”, that like Obama's (and Progressives generally) view of the Constitution, morals must change with the tide. Alinsky is genuinely a genius when it comes to rationalizing his lack of any moral underpinning.

At one point, Alinsky gives an interesting account of Kashmir and its relationship with India and Pakistan which bears only the slightest resemblance to what actually happened. If one reads the actual U.N. Documents relating to this affair one can see that Alinsky has, for whatever reason, skewed his opinion and thus that of the reader far to the side of Pakistan.

Alinsky's view of the U.S. vs. Russia at the time of WWII was conflicted. He was first against them then for them. Alinsky deftly avoids any recognition of existing politics and political actions at the time, blending American personal feelings with governmental necessity. Complicating his story of our involvement with Communism during WWII was the always unmentioned ties between FDR and the Soviets.

**The following were expressed by Alinsky regarding the personality of a community organizer:**  
(I would ask that you compare Alinsky's ideal personality of a “community organizer” with what you might know of Barack Obama)

- 1) “The organizer must become schizoid, politically, in order not to slip into becoming a true believer.”
- 2) He knows that there can be no action until issues are polarized to this degree (100% on the side of

the angels and 100% on the side of the devil). [This explains why so many crises have been created and why pure divisiveness so characterizes the Obama Administration]

3) The organizer must have a monumental ego. Effectively he knows that the world is against him, but he is always right. To him, ALL values are relative! A FLEXIBLE PERSONALITY IS DEMANDED!

4) He believes that he has no need for an ideology or panacea? He is secure in himself? He is an agitator, a nihilist, effectively he lives to destroy!

5) The organizer finds his goal in creation of power for others to use. (As opposed to the leader seeking power for himself)

6) The primary requirement of an organizer is the art of communication. People only understand within their own experience – get inside them.

7) “It is only when the other party is concerned or feels threatened that he will listen – in the area of action, a threat or a crisis becomes almost a precondition to communication.”

8) “People have to make their own decisions.” (As guided by the “organizer”)

9) **Guide their decisions** by asking leading, disparaging questions concerning a path suggested which does not lead the way you wish. Then praise and confirm the “right” answers when they appear. Perhaps this is what leads to the perception that government only chooses the “right” solution when nothing else is left.

### **Alinsky’s Facts of life:**

One must respect and obey **Power**.

Love is a human frailty that the people distrust.

**Power and fear** are the fountainheads of faith.

The first job of the organizer is to bait establishment into labeling him as a “dangerous enemy” - that puts him on the side of the people. Identify him as a Have-not to give him Street creds.

*Obama's praise by the press curiously works against his credibility as an Alinsky organizer.*

An organizer must stir up dissatisfaction and discontent; provide a channel into which the people can angrily pour their frustrations. He must also provide a mechanism that can drain off the underlying guilt for having accepted the previous situation for so long a time. (thus the constant condemnation of Wall Street and business in general – it’s their fault)

Your purpose (the organizer): to agitate to the point of conflict. But you **MUST** provide a solution to the conflict.

No one can negotiate without the power to compel negotiation. (strike) The purpose of an organizer is gaining this power.

**FIRST JOB: Create the issues** or problems. Until people know that they have a problem, it doesn't exist. **A single issue is fatal – there must be multiple issues.**

“...it is equally difficult for you to surrender that little image of God created in our own likeness, which lurks in all of us and tells us that we secretly believe that we know what's best for the people.” He believes that the organizer must respect the dignity of the people with whom he is working – that they cannot be denied the elementary right to PARTICIPATE fully in the solutions to their own problems. (Or more importantly BELIEVE that they have participated in these decisions)

The thrust of organizing is “how the Have-not's can take power away from the Haves.” Alinsky couldn't care less about improving the lot of the Have-not's, the purpose of the organizer is to redistribute what the Haves have to the Have-not's. *The emphasis is always on the “taking” rather than the “giving”.*

### **Rules of power:**

- 1. Power is not only what you have, but what the enemy thinks you have.**
- 2. Never go outside the experience of your people.**
- 3. Whenever possible, go outside the experience of the enemy.**
- 4. Make the enemy live up to their own book of rules**
- 5. Ridicule is man's most potent weapon \* \* \* \* \*always remember #5**
- 6. A good tactic is one that your people enjoy**
- 7. A tactic that drags on too long becomes a drag**
- 8. Keep the pressure on (with different tactics and actions)**
- 9. The threat is usually more terrifying than the thing itself**
- 10. The major premise for tactics is the development of operations that will maintain a constant pressure upon the opposition.**
- 11. If you push a negative hard and deep enough it will break through into its counter side.**
- 12. The price of a successful attack is a constructive alternative**
- 13. Pick the target, freeze it, personalize it, and polarize it.**
- 14. Divide and conquer your enemy**

**“He that is not with me is against me” [Luke 11:23]  
100% for or 100% against!!!**

### ***An analysis of “The Alinsky Model” by David Horowitz***

The following is derived from that work

“*The Alinsky Model*” by David Horowitz, indicates that Alinsky regarded himself as the Lenin of post – Communist America. That would be a reasonable insight except that Communism continued in America long after McCarthy and related attempts to eradicate Communism from this country. In fact it continued provably long after Alinsky's death in 1972 and even today. Horowitz essentially believes that Alinsky effected a coalition of Communists, anarchists, liberals, Democrats, black racialists and social justice activists who were effectively anti – war, (or anti – American) and eventually placed one of their own in the White House. As Barack Obama summarized these developments at the height of his campaign: **“We are the ones we've been waiting for.”**

Alinsky taught and worked with Cesar Chavez for ten years. He assumed the mantle of Martin Luther King after he died, and formulated a form of racial blackmail in his dealings with Eastman Kodak in Rochester N.Y. Following this, these methods became the standard operating procedures for the civil rights movement, taken up by Jesse Jackson and Al Sharpton.

**In 1969, a Wellesley undergraduate named Hillary Rodham (to be Clinton), wrote a 92 page senior thesis on Saul Alinsky and his methods. Hillary (favorably) compared Alinsky to Eugene Debs, Walt Witman and Martin Luther King. Her thesis was entitled “There is only the fight: an analysis of the Alinsky model.” A play on Alinsky's “revolution is the issue.”**

**Horowitz believes that the Alinsky model radicals are driven more by “The Ends justifies the Means”. They will say anything (and pretend to be anything) to get what they want, which is resources and power. According to Alinsky, the only reason for “organizing” was POWER.**

NOTE: as recounted by a previous student: “When Alinsky would ask new students why they wanted to organize, they would invariably respond with selfless bromides about wanting to help others. Alinsky would then SCREAM back at them that there was a one word answer: You want to organize for POWER!” [From the model]

Alinsky tried to differentiate himself (organizers) from Communists (a hard task) by refusing to identify any goal or “end game” whereas, the typical Communist goal was said to be the Soviet state. Actually according to the U.S. government it was world domination. This constituted a very weak argument in my opinion. As he claimed to see it, his object was to build a power base from which to destroy the existing society and its economic system (Capitalism). Yet if he were asked directly, his evaluation of the “Communist system” would be all **favorable**.

Their goal is to mobilize the poor and “oppressed” as a battering ram to bring down the system.

Hillary ended her thesis thus: “Alinsky is regarded by many as the proponent of a dangerous socio/political philosophy. As such he has been feared – just as Eugene Debs (founder of the Social Democratic Party and “organizer”) or Walt Witman (Poet) or Martin Luther King has been feared, because each embraced the most radical of political faiths – democracy.” **NB: for Alinsky radicals, Democracy = getting those who are in, out.** Hillary was offered a job at Alinsky's new training institute in Chicago, when she graduated from Wellesley in 1969. Instead she opted to go to Yale Law School where she met Bill Clinton. After reaching the White House, she continued to lend her name to Alinsky affiliates in fund raising.

Obama, coming on the scene later, never met Alinsky, however in 1986; he was offered and accepted a job with the Alinsky team to organize residents on the south side of Chicago. Alinsky, according to Galluzzo's manual of the Alinsky methods, taught that “self interest is the only principle around which to organize people.” He goes as far as to advise trainees to “GET RID OF DO - GOODERS IN YOUR CHURCH AND / OR ORGANIZATION.” As the now famous picture of Obama in front of a blackboard portrays, “Power Analysis' and 'Relationships (are) built on Self Interest . . .”

Prior to his becoming a full time elected legislator, Obama dedicated his time to the largest RADICAL Organization in the USA; ACORN – built on the Alinsky model of “community organizing”. Remember Alinsky taught and emphasized that morals are flexible and cannot / will not get in the way of a community organizer's goals.

The Wall Street Journal compiled his (Obama's) major accomplishments for ACORN:

- 1991 Took time off from law firm to run voter registration drive for **Project Vote** (which has been absorbed into ACORN since)
- 1995 Became ACORN's attorney – engaged in a lawsuit against Illinois (State) to implement federal motor voter law, which loosened up voter requirements, later exploited by ACORN to flood voter rolls with fake names [the Alinsky Model]
- 1996 Obama, “the candidate” listed ACORN first among supporters for his campaign.

Alinsky believes that the EGO is necessary and supreme, especially his. In his dedication of ***Rules for Radicals***, Alinsky praises Lucifer as the first radical (so effective he won his own kingdom) and compares himself proudly to the same.

A radical makes no attempt or claim to be a builder. Rather an organizer is a destroyer. (To obtain a kingdom on earth?) “The radical's only real world efforts are those which are aimed at subverting the society he lives in. He is a nihilist.”

Marx himself summed up the radical's passion by invoking a comment of Goethe's Mephistopheles: “Everything that exists deserves to perish.”

**“ per Horowitz; “The many names of Satan are also a model for the way radicals camouflage their agendas by calling themselves at different times Communists, socialists, new leftists, liberals, social justice activists and most consistently progressives. My parents (Horowitz), who were “card carrying” Communists, never referred to themselves as Communists but always as “progressives”, as did their friends and political comrades.”**

The Progressive Party was (re) created by the Communist Party to challenge Harry Truman in the 1948 election, **because he (Truman) opposed the spread of Stalin's empire.**' (The reference to the word progressive had been around politically since its use was associated with the Bull Moose Party of Teddy Roosevelt. The ideas were similar and were part of Woodrow Wilson's agenda, but they were not formalized until the Communist Party jumped in and assumed control with Henry Wallace, FDR's Vice President vs. Harry Truman. The American people then recognized what was being done to them and put an end to it by making Truman the VP candidate rather than Wallace)

'The Progressive Party was led by Roosevelt's Vice President, Henry Wallace, and was the vehicle chosen by the Communist Party to lead their followers out of the Democratic Party, which they had joined during the “popular front” of the 1930s. The progressives joined the Democrats during the McGovern campaign of 1972 and with the formation of a 100 plus member Progressive Caucus in Congress and the ascendancy of first Bill Clinton and then Barack Obama to the Presidency have become its most formidable political force.

### ***Horowitz, a converted (Communist) speaks as an insider.***

The radical hubris: “If you rebel against God's command then 'you shall be as gods’” This reference to Biblical verse testifies to the fact that Satan – the radical (concept), has been around for a long time.

*As Horowitz reminds us, “let us not forget that the first kingdom won by a*

*radical was Hell.” It is “Typical of radicals not to notice the ruin they leave behind.” “This in a nutshell is why conservatives are conservative and why radicals are dangerous. Because conservatives pay attention to the consequences of actions, including their own, and radicals don't.”*

**Deception is the radical's most important weapon** and has been so since the 1960s. “Racial arsonists such as Al Sharpton and Jeremiah Wright pose as civil rights activists; anti-American radicals such as Bill Ayers pose as patriotic progressives; socialists pose as liberals. The biggest indicator of their success in this endeavor is when conservatives lump them all together and refer to them as liberals (not one of these is truly a liberal).

**“The politics of personal destruction is an inevitable weapon of choice for the radical.” “. . . The moral code that you live by requires you to wage war without quarter.”**

**Ridicule is the most powerful weapon that a radical has at his disposal.** [Look around today]

As Alinsky's hero, Lenin said: “the Capitalists will sell us the rope to hang them by”. The problem with conservatives is that they believe in the system and believe in its rules of fairness and inclusion. These rules can be used by the unscrupulous enemy to destroy them. Fairness and inclusion or pluralism is the Achilles heel of democracies and the arrows of radical groups are all aimed at it.

A note on ACORN: One can never expect ACORN to obey or even concern itself with fairness or the law with regard to elections. They simply do not, or refuse to understand those concepts. Alinsky taught that morality is relative (to the ends / goal) therefore if the law doesn't work to your advantage, forget about it.

Quoted from both Alinsky and Obama's Van Jones (and Lenin): “The issue is never the issue; the issue is always the revolution. This is taken directly from Alinsky's teachings.”

Also from his teaching: “. . . instead, advance your radical goals by camouflaging them; change your style to **appear** to be working within the system.” “It was Lenin's idea too, from whom Alinsky appropriated it in the first place.”

Alinsky's quote from dictator Mao Zedong: “political power grows out of the barrel of a gun”. When Lenin returned to Petrograd after exile, he modified the above as a pragmatist: “Bolsheviks stood for getting power through the ballot, but would reconsider after they got the guns.” **Considering the forgoing, it must be seen that America's Second Amendment stands as a large impediment to the Communists' “end game”.**

**The radical's theory of democracy, as that of the totalitarian dictator is: “One man, one vote, and one time.” Vote for me now, and you will never have to do it again.**

Alinsky's advice on selling socialism: **“Don't sell it as socialism;** sell it as progressivism, economic democracy and social justice.” “Work within the system “boring from within”, “Any revolutionary change must be preceded by a passive, affirmative, non-challenging attitude toward change among the mass of our people. “ In other words, it is first necessary to sell the people on change itself, the **“audacity of**



**hope,” and “yes we can.”**, thus spoke Alinsky.

In Horowitz's view, the theory of class struggle, responsible for every inequality in existence, as preached by Marx was “rubbish when Marx wrote it – deadly rubbish considering the tens of millions of individuals slaughtered by those who believed it – and it is still rubbish. But it remains the bedrock of radical belief, the foundations of all its destructive agendas.

In his book Alinsky explains, “We are concerned with how to create mass organizations to seize power and give it to the people. **POWER is to be SEIZED.**”

In Marx's schema, (of class struggle being the history of all societies), our capitalists are the oppressors, and wage earning workers are the oppressed. “Post-Communist' radicals have added women and sexual and racial minorities to the list. To compare women and minorities in a democracy to slaves and serfs, or capitalists to slave owners and feudal lords, as Marx and his disciples do, is delusional.”

**“The radical creed is a religious myth – the most destructive religious myth in the history of mankind.”**

In the reality of American democracy, social and economic divisions are between the Cans and Can-nots, the Dos and Do-nots, the Wills and Will-nots. **By and large, those with wealth in America are first generation wealthy and have created that wealth for themselves as well as hundreds or thousands of other Americans.** But then that just does not fit with the “Radical Fantasy”.

Lenin wrote: “the purpose of a political argument is not to refute your opponent, but to wipe him from the face of the earth.” **The mission of Alinsky radicals is a mission of destruction.**

The radical organizer, Alinsky explains, “does not have a fixed truth – truth to him is relative and changing (everything to him is relative and changing)”. Liberals share the Radical's utopian agenda of a just and peaceful world, only they are hampered because they wave scruples. They generally approve of the radical's ends, but not the means.

France's radical Pierre Joseph Proudhon's most famous epigraph was: “Property is Theft”. In reality, it is socialism that is theft. Radicals believe that their goals (lofty goals **they** believe) justify criminal means, and can be relied on to lie, steal votes and even justify murder when committed by their political friends.

If the means advances the cause, they are justified. Besides, “everybody does it.” “Life is corrupt, everybody is corrupt, and corruption is just business as usual – Chicago style. The determination of choice exists between the individual conscience and the good of mankind, the choice must always be for the latter. But WHO is to determine what is good for mankind? Who is to determine the ultimate justification for anything?

Horowitz concludes by summarizing that; what radicals like Saul Alinsky create is not salvation, but chaos. Horowitz then asks: **“And Presidential disciples of Alinsky, what will they create?”**

## **The Clinton Treasurers**

In his blog of April 4, 2010, Robert Reich, who was Clinton's Labor Secretary, wrote that “he believed that: if any single person was responsible for the bubble which resulted in the financial collapse of 2008 it was Alan Greenspan.” Reich felt that Greenspan lowered the Fed's lending rate virtually to zero and held it there. Obviously "It doesn't take a brain surgeon to understand that if money is free, banks will take it and lend it out."

Reich felt that: “If any three people are most responsible for the failure of financial regulation, they are Greenspan, Larry Summers, and my former colleague, Bob Rubin. In 1999, they advised Congress to repeal the Glass-Steagall Act, which since 1933 had separated commercial from investment banking. By 1999, Wall Street was salivating over such repeal because it wanted to create financial supermarkets that could use commercial deposits to place bets in the financial casino. That would yield the Street trillions. At the same time, Greenspan, Summers, and Rubin also quashed the efforts of the Commodity Futures Trading Corporation (CFTC) to regulate derivatives when its director began to worry that derivative trading already was getting out of control.”

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I have included the above, because it supports my contention, however indirect and unintended, of where our financial problems originated. Robert Reich's analysis is much over simplified and technically fails in some areas, for example: Reich contends that Greenspan caused the whole financial debacle by lowering the Fed interest rate to virtually zero and keeping it there for too long.

Greenspan lowered Fed rates after “911” (2001), and held them there for almost three years until beginning to raise them again in 2004. How would Reich now justify Bernanke's Fed lowering the Fed rate to below 1% in 2008 then to virtually zero in 2009 to be kept there until 2014 or beyond (as a goal?). Mr. Reich is one who believes with religious zeal that John Maynard Keynes is the only economist of value in history. In his opinion money belongs to the Federal Government, to be doled out as it sees fit – obviously I disagree with him on this point.

Reich points out rightly those two pivotal points in causation which were the repeal of Glass-Steagall and the rewrite of the Commodities Futures Trading Commissions Act of 1974, or the Commodities Futures Modernization Act of 2000. These were hallmarks of the Clinton administration's time in office and indeed represented the legislative side of the Clinton plan which resulted in the destruction and effective socialization of our financial system in America.

### **Robert Rubin**

Robert Rubin was born in 1938. He served as Clinton's Secretary of the Treasury during both of Clinton's terms in office. In Clinton's first term, Rubin was his Director of the National Economic Council (a Clinton creation), between 1993 and 1995. In 1995 he stepped into the office of the Treasurer upon the resignation of Lloyd Bentsen. Rubin himself resigned in 1999 to move to Citigroup, one of those “public / private partners”. Rubin was succeeded as Treasurer by Laurence Summers in 1999.

Prior to his work in the White House, Rubin worked at Goldman Sachs. He began in 1966 as legal

council and worked his way up to “the management committee” (with Jon Corzine who subsequently became a corrupt governor of New Jersey). He then became co-Chairman of Goldman Sachs in 1990. Clinton lured him away from Goldman Sachs upon his election in 1992. Robert Rubin served as Bill Clinton’s closest financial advisor from the beginning to the end.

Rubin left the office of Treasurer to serve as Director and Senior Counselor for Citigroup. He later became (temporarily) Chairman of the Board of Citigroup. He coincidentally served as the economic advisor to Obama’s transition team. He left Citigroup under somewhat of a cloud due to Citigroup’s massive losses caused by misguided mortgage investments, on January 9, 2009. He now Co-Chairs (since 2007) the fabled **Council on Foreign Relations (CFR)** and sits on the board of Harvard University’s Executive Board. In short, Robert Rubin has been right in the middle of everything which has caused our current financial catastrophe.

Although official criticism has never stuck, repeal of the Glass-Steagall Act was conveniently brought about by Rubin’s pressure on Clinton to get rid of these regulations and allow massive integration of the financial industry in which he was then to become a major player. Many people believe that this is **one principle factor** in causing the current financial disaster around the world.

Most importantly for Rubin, this repeal enabled him to join Citigroup which had already consumed Travelers Insurance Company, at a time when the assumption was technically illegal, but was made legal only by the repeal of Glass-Steagall. That was extraordinarily convenient and according to some reports has netted Rubin some \$50,000,000 in nine years since.<sup>59</sup>

It should be noted and remembered that Citigroup required (cumulatively) \$2.5 trillion in TARP funds, loans and guarantees in order to stay afloat starting in 2009.

While at Citigroup, Rubin encouraged the company to make riskier and riskier investments, especially in areas related to real estate investment and mortgages in furtherance of his work within the Clinton administration. Rubin joined the Citigroup payroll in 1999, around the time it became legal for Citigroup to become the financial giant it has become.

In July of 2006, another high roller joined the Citigroup payroll named Jacob (Jack) Lew. The kindest evaluation of Lew’s involvement with Citigroup and (at points the simultaneous employment by) the Federal Government would be that it was checkered. Lew was employed by Hillary Clinton’s State Department as Deputy Secretary of State for Management and Resources immediately after leaving Citigroup in 2009.

Lew continued to maintain a Limited Partnership in Citi Venture Capital International (CVCI), even after technically leaving Citigroup. Lew accepted an appointment, by the Obama administration of Director of the Office of Management and Budget in 2010. While acting within the Department of State, and after accepting Obama’s appointment, he continued to maintain his interests in Citi as a limited partner. This sounds like somewhat of a conflict of interest.

What can be said of Lew’s tenure at Citigroup is; while he accrued millions of dollars in bonuses, Citigroup lost 85% of its stockholder value.<sup>60</sup>

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<sup>59</sup> Wikipedia, Robert Rubin

<sup>60</sup> *Treasury Nominee Jack Lew Retained Citigroup Foreign Investments After Joining Obama State Department; Public kept in Dark*, Pam Martens: January 14, 2013, Wall Street on Parade

Barack Obama appointed Jack Lew to the position of U.S. Treasurer in 2013. This whole scenario presents itself as very incestuous.

## **Barack Hussein Obama A mystery?**

The 44<sup>th</sup> elected President of the United States of America represents one of the greatest mysteries of all time. From his reputed autobiographical books to the present day, no one officially knows anything verifiable about the man. Where was he born? I don't know, and apparently neither does he. He has claimed at different times to have been born in both of the two largest hospitals in Hawaii however neither of these has any record to support this. His autobiography claims that he was born in Kenya. He has never produced credible documentation to prove that he is even a citizen of this country because the "birth Certificate" which sycophants so vociferously defend is an obvious forgery.

He claims that his father was Barack Obama, a resident / citizen of Kenya, which at the time entitled him (the sitting President) to British citizenship (or subject hood?). By the same token, this fact would, to my understanding bar him from the Presidency. Yet he sits in the Oval Office. The bottom line here is that Barack Obama has not produced even one scintilla of evidence that he is eligible to sit as President of the United States of America. How could the citizens of the greatest nation to have ever existed on the face of the earth have elected someone who they knew absolutely nothing about to rule their country and a major portion of the earth? Better yet; how could the many politicians who claim to represent the citizens of the United States allow such a patently unqualified person to sit in the oval office? While I have no idea how this era will turn out for America, one thing is almost certain: that several persons who are today in power, such as the sitting Chief Supreme Court Justice, John Roberts, Representative Nancy Pelosi and Senator Harry Reid, will be remembered as traitors to the United States of America for their parts in creating the Obama regime.

### **What do we know about Obama?**

We know that two autobiographical books were published, presumed to be written by him, in which he claims to have been essentially raised by his grandparents and initially educated in Communism by Uncle Frank (Davis) in Hawaii. Frank Davis, assuming this is who Obama was referring to in these books, was a rather intelligent, bitter, but crude man who was steeped in Communism and in the ways it could appeal to a black man. He obviously drilled the ideology of hatred upon which Communism thrives into the young Obama's head, possibly daily, and for many years.

We know that Obama has sequestered pretty much anything which would shed any light on his true identity or past history, without any legitimate reason for doing so. We know that he is intent on forcing Americans to accept the tenets of Communism, especially the idea that everyone should share equally in the profits earned by all, which certainly means the end of the "American Dream". The "American dream" has always been that a person could be anything they wished to be, have what ever they wished so long as they were willing to work hard enough for it.

Obama and his closest supporters, who have each individually benefitted immensely from his term in

office, have very literally turned the most modern country of the world from one in which individuals lived their daily lives in hope, love, pride and a sense of security and belief in family and the “American dream”, into one of constant fear and loathing. Never in the existence of this country have fraudulent identities been forced upon both small and large groups of people intentionally for no other reason than to set them against each other. This has always been the land of “can do”, of working together toward a goal, yet today, thanks to Barack Obama, this is fast becoming the land of “can’t be done, unless the government does it”, and people actually believe that. The “Big Lie” has consumed every ounce of common decency and intelligence that ever existed in Washington D.C. and in the operation of our government. Mr. Obama is without doubt a highly placed liar. The sheer number of times he has lied before the American public must place him in a category called the “pathological liar”. What is most difficult is determining what further classification should be applied to his perversion. Should he be classified as a Pseudologia Fantastica or more simply a Compulsive Liar? I don’t know, but either way, he should not be in the Oval Office.

## **Our common enemy**

In many ways, the United States of America has for many years represented the world’s only hope for individual freedom. The “elite” of the world see the United States, it being governed by a system of self determination, as being ripe for the picking. This is especially true knowing that global Communism has been wheedling and cajoling Americans for over a century now into believing that Communism is somehow more responsive to their needs, with promises never to be kept – the Sirens’ song. The greatest danger in this regard arises from within our children who have been mentally corrupted at an age when they are most vulnerable.

**We as Americans are today being attacked by two separate and distinct ideological powers** which both threaten to destroy the very freedom that we enjoy, and so many of us accept this without seeming to realize that it exists. The first of these obviously has become the real subject of this book, and that is Communism. It’s real, it’s virulent and it’s all around us. It’s most vicious and dangerous proponent resides in the White House.

The second ideological power which threatens our nation is Islam. Notice please that I did not say Islamic extremists, I said **Islam**. A few years ago, the world was at war against Germany. Not every German was a Nazi, in fact Nazis were somewhat of a minority in the country, never the less we were at war with Germany. The current Administration’s insistence that “I.S.I.L.” for instance, is not “Islamic” is in the same vein as saying that “Nazi’s were not German”. Mr. Obama might say “we were not at war with Germany; we were at war against people who perverted the essence of the German people”. Wait a minute; we **were** at war against Germany.

I maintain that those Muslims who came to this country in order to escape intolerance of any sort, and who revised their allegiance to the United States were and are more than welcome to live the American dream, under all the protections of the Constitution, but recognize that those Muslims who live in true peace are the anomaly. They are a welcome anomaly certainly, never the less an anomaly. Like it or not, I.S.I.S., Boko Haram, al-Qaeda, etc. are the true face of Islam.

The fact that there are Muslims who reject violence and seek peaceful living does not alter the fact that the “real” Islam is a warring ideology, which intends to assume control of the entirety of Planet Earth (by violent means when necessary). Of note is the most recent declaration by Al-Shabaab that its adherents should (destroy) attack the “Mall of America” as well as popular “malls” in Canada and the

U.K.!

From its inception in the 7<sup>th</sup> century, Islam has expanded its influence continually if gradually, in the same fashion as “*the creeping crud*”. Remember the “Cordoba Initiative”? That referred to building a mosque on or very near the site of the 911 destruction of the twin towers in New York City. Cordoba is an historical reference to the Muslim capital of Spain which Islam oozed into and militarily captured in the 7<sup>th</sup> century, and was essentially driven out of in the 9<sup>th</sup> century. The object of this “initiative” was to remember the loss of Spain **in celebration of the conquering of New York City**. The most important object (of the Cordoba Initiative) was to instill an acknowledgement that Islam had indeed inflicted a memorable blow upon the United States, the “Big Satan”. Again, the most dangerous proponent of Islam resides in the White House.

When I suggest to most people that Communism and Islam, in reality are very similar, I receive the most negative responses. But, does no one remember how Russia defended Syria against the world’s accusations of the use of chemical warfare not so very long ago. They even convinced naïve members of the United States government as well as members of the United Nations which claims to represent the world and even other member nations within Europe, to allow it (Russia) to handle the situation by having Syria transfer or “destroy” their chemical weapons of mass destruction. What a joke that was, that “destruction” is still in process and probably will continue for many years to come, probably until they are used in anger. Do you not remember how Russia has resisted any U.S. intervention in Syria, even though its citizens are being periodically slaughtered by that Russian backed government? Do any of you realize that this so called I.S.I.S. (L) was established, protected, funded, trained and deployed from Syria? Are you so naïve as to believe that Russia is not involved extensively in I.S.I.S.? Do you believe it is simply coincidence that I.S.I.S. made its gruesome appearance on the scene at about the same time as Russia invaded the Ukraine?

## Never Forget!

That: Communism is an agency of a foreign power. So too, those who actively support Communism's principles are agents of this foreign power. “Community Organizers” are THE low level agents of this foreign power. In the same way that al Qaida and its spin-off “I.S.I.S.” are the destructive forces now associated with Islam, so Communism is the destructive force associated with Russia, and the U.N. Both of these aspire to World Domination, which is termed by Communists the “One World Government” and by Islamists “The (One World) Caliphate”. **Both of these ideologies teach hatred of others and recruit almost solely on that basis.** If you wish to survive, stop deluding yourselves. Your world is about to be destroyed from within.

The Soviet Union's “breakup” and dispersal was more or less another tactic in the quest for world domination. Communism is alive and well today, and celebrates its current inroads into the United States. Remember that, so far as Communism is concerned, it is perfectly acceptable, perhaps preferable, to totally destroy the United States in order to establish the World Order that would be the final endgame of Communism. The United Nations is the intended mechanism for world rule, but that is not written in stone. The U.N. is totally saturated with Communists for that purpose and expectation, however should the U.N. be replaced by another ruling organization that would be fine, so long as Communism controls it. Funny how that final endgame is always just around the corner, so that THEN Communism could exist without the necessity of its totalitarian government. And it will always be just around the corner - the game is to convince gullible people that utopia is just around the corner, even though it cannot ever come to fruition. It's not really intended to happen. It's called public relations,

propaganda, or B.S. It's called the Sirens' Song.

The second front is represented by Islam. Contrary to what Muslims would have you believe, Islam is not in any way peaceful. Since the 6th century when it came into being, it has been a military aggressor and it continues its aggression by reproducing and expanding its numbers into adjacent lands. It's kind of like an alien, ever-growing slime that oozes beyond any container it is in. It took a long time for Spain to drive Muslims back off the Iberian Peninsula after their invading and conquering Spain in the 7<sup>th</sup> century and establishing Cordoba as their stronghold. Does the name Cordoba now sound familiar to you? It's pretty much the only place that Islam has conquered and been unable to hold on to or regain after time. It's an embarrassment, but Islam still wants it back.

Because it represents far more than a belief system, because it is in fact the government of a Muslim's every thought and action, I question whether it is appropriate to classify Islam as a religion, certainly in any legalistic sense. It is a political system, and an organized cult of hatred with its own set of (public) laws. Essentially anyone who is not part of the group - not a Muslim, is its enemy. A Muslim's "holy book" espouses killing infidels, or non-Muslims. Religion is merely a focal point used to tie the whole together, justify its hatred and its existence and recruit new members. Both Communism and Islam represent and engage in the worship of "Hatred" and proselytizing on that basis. As mentioned elsewhere in this book, Communism represents the hatred of anyone who "has" more than you, whereas Islam represents the hatred of anyone who is not (like you) Muslim. Both are contrary to the basic desires and feelings of most Americans, and I believe we can essentially hold one entity responsible for introducing the ideologies of these hate filled organizations to the American society today; George Soros. Of course Soros was ably assisted by his close friend Hillary Clinton and the other wealthy members of his "Shadow Party".

Communism and Islam have one very curious thing in common. Both function within foreign societies on the express basis that "anything is justified so long as it leads to, promotes, or accomplishes the goals of their organization". In simple terms, this means that you can't trust anything a member of either says. Lying has, for both, been elevated to an art form. For both, the righteousness of lying has been formally codified in their instructions and teachings.

America has accomplished more technologically and financially than any other group in the world has ever before done, in a very short period of time. And you had better believe that there are many out there who simply want to steal and in fact **are** stealing what we have created. One reason for America's astonishing accomplishment is the belief system called TRUST. It is this trust in each other and their intentions that has allowed us to work together and (once again) accomplish more than was ever anticipated before in history. We have taught our children to be competitive, but to work as a team from the earliest of years. This has often been touted as the primary justification for having sports in our schools, and rightly so. Be aware however, that the seeds of the destruction of this trust have been planted in many areas of our children's development. This is America and traditionally we work as a team, and it is hard for us to understand that there are actually people in the world who want to run the team, but not be part of it, or simply just steal the product. Communists and Muslims have absolutely no compunctions about lying, cheating, stealing or even killing the opposition when it becomes beneficial to them. You cannot trust or believe **ANYTHING** that a Communist or a Muslim says. We are a tolerant people, but **we can no longer afford to be gullible or stupid**. Both of these groups are using our "tolerance" and our "trust" against us. If you don't believe me, may the Grand Mufti issue a Fatwa on your life.

Communism tolerates and at times encourages Islam only because it believes that in the long run it can

control it. Recently Obama stated while speaking in Estonia, that (in essence) with the world's help, "we" can shrink I.S.I.L. to the point where it becomes "manageable". Americans refuse to admit it, but Obama's reference to I.S.I.L. (becoming "manageable") was not for the world at large to happily coexist with I.S.I.S.(L), but rather to the ability for Communism to "manage" these insane proponents of Islam. It's that simple, and it's probably a big mistake on their part. In his first speech recognizing I.S.I.S. (L) to the American audience, Obama started out by stating flatly that I.S.I.L. (The Islamic State of Iraq and the Levant) is NOT Islamic. It would appear that Islam has now formally been incorporated into Communism's "Big Lie". The bigger the lie, the more easily it will be accepted?

Later, in a speech before the United Nations, Obama stated "... no external force can change the hearts and minds . . ." Yet this is precisely what Progressives / Communists believe they have the right and duty to accomplish. Their weapons in this regard are the legislation of laws and even commencement of wars to enforce this "right and duty".

You must remember that many times, especially when on the world stage, Obama thinks and speaks, not for America, but rather for world wide Communism. For Americans, the health of Communism or the manageability of I.S.I.S. (L) is irrelevant, because we cannot allow either to affect even the semblance of conquest in America. Shamefully, the current head of our government is in league with, not just one of these groups, but with both of them. Never since the "Civil War", has the United States of America been in such peril, and yet many stick their heads in the sand and expect someone else to keep them safe.

#### ***Islam's World History of Conquest: -----***

In 630, Muhammad led 10,000 Muslim soldiers into Mecca and turned the pagans' most prominent spot, the Ka'aba, into the Masjid al-Haram Mosque. *This is the same Ka'aba, toward which Muslims worldwide dutifully pray, and at some time in their lives are required to visit and kiss. The Ka'aba was originally built as a pagan shrine before Islam existed.*

In 634, Rightly Guided Caliph Umar conquered Syria and turned the Christians' most prominent spot, the Church of Job, famous for being visited by Saint Silva in the fourth century, into the Mosque of Job.

In 637, Caliph Umar conquered Hebron and turned the second-most prominent spot in Judaism, the Cave of the Patriarchs, into the Ibrahimi Mosque. (This was repeated by Saladin in 1188.)

In 638, Muslim generals Amr ibn al-As and Khalid ibn al-Walid conquered Gaza and turned the prominent fifth-century Byzantine church into the Great Mosque of Gaza.

In 638, Caliph Umar conquered Jerusalem. In 691, Caliph Al-Malik ordered the Dome of the Rock built on the most prominent spot in Judaism, the Temple Mount, followed by Caliph Al-Walid building the Al-Aqsa Mosque there in 705.

In 651, Muslims conquered Persia and turned Zoroastrian temples in Bukhara and Istakhr into mosques.

In 706, after Muslims took Damascus from the Byzantine Empire, Caliph Al-Walid turned the prominent Orthodox Church of St. John the Baptist into the Umayyad Mosque.



In 710, Gen. Muhammad bin Qasim conquered Pakistan, defiled the prominent Sun Temple in Multan, which housed the great idol "sanam," and erected a mosque.

In 784, after the conquest of Spain, Emir Abd ar-Rahman turned the prominent Visigothic Christian Church of Saint Vincent into the Great Aljama Mosque of Cordoba.

After the conquest of Egypt, Caliphs al-Mamun (813-833) and al-Hakim (996–1021), turned prominent Coptic Christian churches and Jewish synagogues in Cairo into mosques.

In 831, Muslims conquered Palermo, Sicily, and Asad ibn al-Furat turned the prominent Church of Saint Mary of the Assumption into the Great Mosque of Bal'harm.

In 1193, Muslims conquered Delhi, India, and Qutbuddin Aibak turned the Red Citadel in Dhillika, the most prominent spot of the last Hindu rulers, into the Qutb Minar Mosque.

From 1250-1517, Mamluk Muslims controlled the Golan Heights and used the ancient Synagogue of Katzrin as a mosque.

In 1387, Turkish Muslims conquered Thessaloniki and turned the Katholikon Monastery and the Church of Aghia Sophia, which housed the relics of Saint Gregorios Palamas, into mosques, as Symeon of Thessaloniki recorded: *"The greatest number of the buildings of the churches fell to them, of which the first was the Holy Church of the Savior. ... These were trampled underfoot and the infidels rejoiced in them. ... Most of the religious buildings in the city were despoiled, while altars were demolished and sacred things profaned."*

On May 29, 1453, Sultan Mehmet II conquered Constantinople and turned the great Byzantine church, Hagia Sophia, into the Ayasofya Mosque. This was largest church in Christendom for a thousand years prior to this. The church's four acres of gold mosaics were covered with whitewash and verses from the Quran.

In 1458, Sultan Mehmet II conquered Athens and turned the Greeks' most prominent spot, the Parthenon on Acropolis hill, into a mosque. When Venetian Gen. Francesco Morosini drove the Muslims out in 1687, a cannonball hit the **gunpowder stored in the mosque**, blowing it up.

In the 15th century, Ottoman invaders turned Saint Clement's Macedonian Orthodox Monastery in Plaosnik, Balkans, into the Imater Mosque.

From 1519-1858, Muslim Mughal rulers gained control of India and turned over 2,000 Hindu temples into mosques, including demolishing the Temple of Ram Janmabhoomi in Ayodhya, the birthplace of Rama, and replacing it with the Babri Mosque.

India's Mughal Muslim ruler, Jahangir (1605-1627), wrote in Tujuk-i-Jahangiri: "At the city of Banaras [was] a temple. ... I made it my plea for throwing down the temple ... and on the spot, with the very same materials, I erected the great mosque."

In 1543, Hayreddin Barbarossa's 30,000 Muslim troops wintered in Toulon, France, and turned the prominent Toulon Cathedral into a mosque.

In 1570, under Sultan Selim II Khan, Muslims conquered Paphos, Cyprus, and Gov. Mehmet Bey

Ebubkir turned the prominent Christian church into the Great Mosque of Paphos.

In 1571, Muslims invaded Famagusta, Cyprus, and turned Saint Nicolas Cathedral, a rare Gothic church, into the Lala Mustafa Pasha Mosque, and Saint Sophia Cathedral in Nicosia, constructed in 1228, into the Selimiye Mosque.

In 1588, Sultan Murat III turned the Eastern Orthodox Church of Saint John the Forerunner in Constantinople into the Hiram Ahmet Pasha Mosque.

In 1781, after having conquered the Old City of Acre, Ottoman Muslims turned the Roman Catholic church built by Crusaders into the Jezzar Ahmet Pasha Mosque, where a hair from Muhammad's beard is supposed to be preserved.

In 1923, Muslims expelled Greeks from Turkey and turned Orthodox churches into mosques.

In World War II, Nazis allied with Bosnians and turned the prominent Artists' Gallery Museum in Zagreb, Croatia, into a mosque.

In the 1950s, Muslims expelled Jews from Arab lands and turned synagogues into mosques.

Algerian Muslims warred against French colonial rule till France pulled out in 1962, after which the Cathedral of St. Philippe was turned into the Ketchaoua Mosque. Violence against Jews caused 30,000 to flee and the Great Synagogue of Oran was turned into the Mosque Abdellah Ben Salem.

In 1974, Turkish Muslims invaded northern Cyprus, and prominent Greek Orthodox churches were turned into mosques. (Today, Russia is establishing / enlarging Russian Naval Bases in Cyprus.)

In 1981, Muslim immigrants to the Netherlands converted Amsterdam's historic Catholic Sint-Ignatiuskerk into the Fatih Mosque, and a synagogue in The Hague into the Aksa Mosque.

On Sept. 11, 2001, Muslim terrorists attacked the (internationally) most prominent spot in America, the **World Trade Center**. In less than 10 years, the number of mosques in New York City has skyrocketed to over 140. While the effort continues, "The Cordoba Initiative" has not yet succeeded in building its Mosque of conquest within eye shot of the ruins of the World Trade Center, commemorating its loss of Spain and conquest of America.<sup>61</sup>

Recently Islam attacked and murdered twelve cartoonists / journalists at work in the office of a Parisian magazine (which had previously re-printed a Danish cartoon critical of Muhammad). Paris represents to a large extent the bastion of the Communist elite in Europe. Do Communists still believe that they can "manage" Islam? My guess; of course they do. Communism is an ideology, a belief system, not a form of intelligence.

This attack has been called by journalists an organized attack, as opposed to the "lone wolf" attacks we have seen here and in other places around the world. Something different! I say; "not so". With "social media" essentially running the world in "non-elite" circles, these attacks are all very much organized.

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<sup>61</sup> The above chronology has been adapted from William J. Federer, author of "What Every American Needs to Know about the Quran: A History of Islam and the United States."

The worldwide history of Islam clearly indicates that it is not and has never been a “religion” of peace, nor has it been the creator of civil goodness and education as once proclaimed by Barack Obama. Rather Islam has been historically a virulent political and military aggressor, which upon conquering one region after another, consolidates and confirms its power by forcing the local inhabitants to convert to Islam, or pay a prohibitive tax, leave the area, or die. Holy places to other religions in these areas are either destroyed or converted into mosques. You have seen via television broadcasts recently all about Islam’s destruction of churches (and Christians) in Iraq and other parts of the Middle East as I.S.I.S. spreads its Caliphate. Stand by America, Communism and Islam are upon your shores, at your doors, and neither will allow your dissent. Speaking as an American, any person who is persuaded by Islam, or by any other “religion”, is welcome to live and grow in America under the strict provision that they live by America’s laws (and public traditions) and leave the effort to make changes to America behind. If they cannot do this, they are not welcome, they should be so informed, and under these conditions I am unable to understand why they would want to remain in this country.

## **My Conclusions and additional comments**

Many people have asked me: “What are your conclusions?” This book ostensibly deals with two distinct subjects; the origins of the financial collapse or near collapse (of 2008?), the results of which we (and the rest of the world) continue to face, and the invasion and take-over of the country by what are essentially foreign ideologies, which we also continue to deal with. The two are inextricably linked.

With regard to the first, it is my opinion that the financial disaster which continues to threaten the entire world is solely the responsibility of our government, specifically the “Democratic Party”, and for the most part was initiated by Bill Clinton. I do not say that there have not been contributions by members of an opposing party, both Republican and Independent. I cannot say in this case whether those contributions have been made knowingly or out of stupidity. It is apparent on examination however that those efforts made by Democrats have been intentional and well coordinated. This is a part of what I have called “America’s Betrayal”. Policies instigated secretly by Bill Clinton led to the widely publicized breakdown of our banking system in the following years.

This nation was founded to allow for the fullest expression of something called individualism. Certainly this expression should not injure innocents; however having declared this intent, it then becomes the job of the Judiciary to keep this playing field level. If you seek evidence to support my conclusion, simply consider the fact that the “Bill of Rights” primarily exists solely for this purpose and was made a prerequisite to many states in signing onto the Constitution. Communism (and Islam) seeks to eliminate the freedoms which are attached to individualism. “The collective”, or collectivism which refers to the state of tyranny totally controlled by “elitists” has ALMOST fully replaced the individual in America, thanks mainly to the corrupted press and a high degree of political complacency in the public, compounded by widespread treason by our elected officials.

The transition is not yet complete, but without American citizens quickly becoming aware of their dire situation and acting quickly to destroy our enemies, it soon will be. Once fully implemented, nothing short of a bloody revolution will allow Americans to regain the freedom they so readily and easily gave up. Although the thought is thoroughly repugnant, I must conclude that the American “Individual” is dead or about to perish.

## **Comparisons between the Medical Industry and Communism**

Sometimes it would appear that the Medical Industry, more specifically the Pharmaceutical Industry and the “big government industry” known as Communism went to the same school. The primary object of both is to make the (feeble minded / unsuspecting) population dependant upon their services.

Consider what might be thought of as the “perfect drug”.

**From the standpoint of the patient**, the perfect drug would be one which healed a patient from many ailments, without fail, with a single course of treatment, and without any mortality issues. And of course the cost of the drug would be close to nothing.

**From a pharmaceutical company’s standpoint** the “perfect drug” would be one which provided enough relief for patients to allow extremely attractive advertising, provided relief for an ailment which was incurable and life threatening, provided relief, but not a cure so that the drug would be taken regularly and for the lifetime of the patient (a steady stream of income for the company), and the overall effect and demand for the drug must support profit margins which are many times any cost or investment made into the production and sale of the drug.

In defense of pharmaceutical companies, it must be here said there are often very high costs involved in discovery, testing and proving the efficacy and safety of the drug to the Federal Food and Drug Administration’s (FDA) satisfaction. However, time has shown that any good pharmaceutical company will exaggerate these costs as greatly as possible to permit higher (reasonable and customary) pricing of the end product and a profitable perpetuation of the company. The latter is a personal opinion obviously, but not an unreasonable one I think. Another “not unreasonable” conclusion here is that the costs of drugs of all types are escalated greatly by the manipulations and collusion by the government of and with the Pharmaceutical industry.

Many exact comparisons between Medical Industry intent and Government intent (politics) can be made.

## **Comment about the Financial Debacle**

Recently a man named Jack Lew was appointed (and confirmed) to the office of Treasurer by Barack Obama. Jack Lew was, between 2006 and 2008, a well placed executive at Citicorps operating in the area of hedge funds and private equities. This group, during his tenure accrued massive losses which ultimately resulted in the well known bank bailouts. He was deeply involved in the bank’s transactions leading to its need for a bailout and the financial distress wrought upon the world financial system. This is the man rewarded for his service by the offer of the office of the Secretary of the Treasury.

## **Clear and Present Danger**

Several quotes from the past have haunted me, while writing this book and I pass them along for your perusal:

Franklin Delano Roosevelt, whatever one may think of him as President, was a very astute politician. He after all managed to be elected four times to the Office of President of the United States, all the while hiding the fact (from the general public) that he was unable to walk or even stand unaided. He made this statement, disputing the often held belief that “stuff happens”:

***"Nothing in politics ever happens by accident; if it happens, you can bet it was planned!"***  
*[Franklin Delano Roosevelt]*

Yet another quote which haunts me is:

***The Devil's greatest achievement was convincing the world that he did not exist.***  
*[Charles Baudelaire- French Philosopher living in the mid 19<sup>th</sup> century]*

“According to Henry Hazlitt, the whole gospel of Karl Marx can be summed up in a single sentence:

***Hate the man who is better off than you are.***

Never under any circumstances admit that his success may be due to his own efforts, to the productive contribution he has made to the whole community. Always attribute his success to the exploitation, the cheating, and the more or less open robbery of others.

Never under any circumstances admit that your own failure may be owing to your own weaknesses, or that the failure of anyone else may be due to his own defects - his laziness, incompetence, improvidence, or stupidity. Never believe in the honesty or disinterestedness of anyone who disagrees with you.

This basic hatred is the heart of Marxism. This is its animating force. You can throw away the dialectical materialism, the Hegelian framework, the technical jargon, the 'scientific' analysis, and the millions of pretentious words and you still have the core: the implacable hatred and envy that are the *raison d'être* for all the rest.”

*[Henry Hazlitt, originally published in the Freeman 1966, Vol. 16, No. 2, p. 9]*

“A nation can survive its' fools, and even the ambitious. But it cannot survive treason from within. An enemy at the gates is less formidable, for he is known and he carries his banners openly. But the traitor moves among those within the gate freely, his sly whispers rustling through all the galleys, heard in the very hall of government itself.

For the traitor appears not a traitor--He speaks in the accents familiar to his victims, and wears their face and their garment, and he appeals to the baseness that lies deep in the hearts of all men. He rots the soul of a nation--he works secretly and unknown in the night to undermine the pillars of a city--he infects the body politic so that it can no longer resist. A murderer is less to be feared.”

*[Cicero, 42 B.C., Roman Statesman, orator, and author]*

What words could more accurately describe the current occupant of our White House, even down to his use of “getto-speak” when addressing the audience of a principally black institution?

Cicero wrote these words a long time ago, but there is nothing to be said today which could more adequately describe the plight of the United States of America.

We are faced with the situation today of being controlled by a government which is patently Communist in its ideology with regard to finances, foreign relations and trade, and in its control of the American population and the country’s resources. The Obama administration exercises an unprecedented amount of executive office control that has been systematically enabled over many years. You should take note of the fact that nearly all Progressive / Communist (legislative) encroachment on our lives has occurred while the country has been at war, or under the excuse of “a time of national emergency”. The reason for this observation most probably involves the relative ease with which the nation has allowed wartime administrations to continue their wartime control of the population after the threat has ceased, rather than demanding that conditions be returned to pre-war conditions.

Woodrow Wilson made tremendous changes to our society based on the need to come together and produce for the nation at war during WWI. This in itself was not a bad thing; however the failure to return the country to its pre-war republic status can be considered nothing short of evil. Americans had become used to a dictatorial administration and since additional changes were not attempted, post war the administration was allowed to stand. Exactly the same situation occurred with FDR and the Second World War. Many of the “executive orders” authorized only because we were at war, have been allowed to stand for decades and some even amplified by later administrations. **We continue today to be in a “state of emergency”.**

One difference with the current administration lies in the fact that the nation is not involved in an all consuming declared war. There is no obvious excuse for Americans to have been ignored “for the greater good” as may have been construed during Wilson’s and FDR’s time in office. Never-the-less, crises have been almost daily manufactured to essentially cover up the Administration’s coercion from the public view.

### ***Racial Tensions***

There is a segment of our population which benefits greatly by **exploiting** race, even when there are no racial issues involved. Somehow the individuals who “stir the pot” are proclaimed by the news media to be brave defenders of their roots, or at the very least they are defended in virtually every racially motivated thing they say. I am thinking here of the Al Sharptons, the Jessie Jacksons, the Charles Rangel and many more of the same ideology.

As I write this, an amazing dialogue comes to mind, which I heard on the television not long ago. A commentator named Carl Jeffers was being interviewed in part about accusations directed against the Democratic Party of voter fraud in the last (2012) election. His (Jeffers) intent was to bring it to the listeners’ attention that there were valid reasons for the administration to bring suit against states for requiring an ID to vote. His argument essentially was that there were infractions of the freedom to vote that are never brought to the attention of the public.

Jeffers cited as an example the case of a bus full of “African - American” voters which was turned away from a polling place, and told that they could not vote there. Carl, the first word that springs to mind is “DUH”. It sounds to any rational person; a lot like this was a bus full of potential voters who were not eligible to vote, and in fact his continuing account supports the concept that there were a lot of votes registered by ineligible voters. How many polling centers did this bus visit that day? The story was said to have taken place in Florida, and it is now well known that several precincts in Florida submitted vote counts far in excess of the number of properly registered voters for those precincts.

### ***An International Problem***

We are today exposed and indeed at war with **two ideological entities, both of which have declared that it is their intent to “take over” the world.** Both function as oligarchies run by small elitist groups essentially hidden from the public view. Neither of these is new, and both are aware that the United States must be eliminated from the battle (because The United States still believes itself to be under the control of it’s people) before world conquest can be pursued.

In 1955, the Committee on the Judiciary, United States Senate, published a “Handbook for Americans” concerning everything known about Communism at the time which should be known by citizens.<sup>62</sup>

### ***What can be done?***

The United States of America runs on taxpayer money. Without this continual infusion, the government might be brought under heel. That is it may be forced to do its job and only its job, as determined by the people who fund it.

Progressives have used the unions, as Communists have all over the world (call them what ever you may), to impress their will upon the general populace. The response (world wide) has been apathy or “what can you do?” It is an uncontested fact that the major unions in this country are controlled by Communists, making the members of those unions complicit drones in the conversion of the world to Communism.

One fanciful suggestion I might make is to form a Taxpayers Union, demanding all the “rights” and governmental protections of unionization. Of primary importance of course would be that the leadership of such a union would never fall under Communist influence and that the goals would be clearly set forth with minimal dues (\$.50?) and no action should be initiated until adequate membership is confirmed. At this point; a return to Constitutional principles such as Congressional approval of ALL financial commitments made by the government could be demanded. The very concept of operating the government for an entire Presidential term as we are now experiencing without a budget violates the very essence of the law, violates the essence of America and quite frankly is obscene.

### ***What has built America and made her strong***

The civilization, progress and indeed wealth of any nation in recent history has been it’s possession of, and ability to make use of exploitable natural resources, including especially energy and human resources. While it is true that the health and welfare of individuals must be kept to the forefront when

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<sup>62</sup> The Communist Party of the United States of America, what it is, how it works, a handbook for Americans, December 21, 1955, United States Government Printing Office, Washington: 1955

considering decisions which may affect the environment, it is also true that the overall picture of American civilization, now and in the future must be intelligently considered and all factors weighed when passing legislation involving the welfare of the nation. Lately no consideration at all has been given the financial welfare of our country or our individual citizens when energy matters are considered, or if they are taken into account the overall welfare of the nation and individual citizens are regarded as unimportant by governmental rules and policy makers.

It is an incontrovertible fact that the phenomenal success of America's progress over its lifetime has been due in large part to the availability of "cheap" energy, both for individual use and industrial (and governmental) use. Those who would intentionally damage this availability, either through excessive taxation, excessive regulation, sequestration of resources or the extreme animus to natural geological energy sources which has been demonstrated by the current administration must be seen as enemies of progress, enemies of America, and indeed enemies of civilization as a whole.

On the other hand, it is to the benefit of **One World Communism** to reduce and control the available energy supply.

### ***In Conclusion of an inevitable multitude of conclusions***

The unavoidable conclusion to any credible examination of the current political history of the United States is that we are under attack, perhaps for the last time, by foreign agents employing the Communist approach and ideology to sway the people into giving up the remaining rights of American citizenship – one by one.

#### **Never forget the following:**

Communism is, in the words of the House Committee on Un-American Activities; "**A system by which one small group seeks to rule the world.**" When America gives up its Constitution and falls to the (Communist) "One World Government", the conquest will be complete. We will all be "serfs", excepting those with elite standing of course.

Also keep in mind the House Committee on Un-American Activities' declaration comparing Communist promises versus Communist performance; "Communism promises more money for less work and security against war and poverty." "**In practice it has never delivered any of this.**"

Communism is not in any sense new. In comparison to the "great experiment" in self government which is America, Communism is quite primitive. It is simply another (very polished) iteration of the tyrannical governments seen across the world since the first time one man subjugated another and said: "I do this for your own good (because you are not capable)".

A goal of the past few generations in this country has been for parents to shield their children from reality and provide them with everything that they themselves were "deprived of". This seemingly noble goal has set the stage for those children assuming that they should have everything in life provided for them – if not by their parents, then by the government, which has been all too anxious to assume parenting in order to make those children dependant on and compliant with governmental demands.



One question more than any other has troubled my mind since beginning my investigations into the *Sirens' Song* and its influence on American politics and our way of life: Knowing that Saul Alinsky dedicated his book, his work and essentially his life to the work of Lucifer (the representation of everything that is evil), and at the same time knowing that Hillary Clinton wrote in praise of Alinsky's dedication to these principles, and appears to worship at the same altar as does Barack Obama, what should I think of those in the general population who worship and / or have voted for either one?

The fact is that, as Leon Skousen wrote in 1958 when asked "what is wrong with our state of mind?" said, "We are thinking the way the Communists want us to think." This is the purpose of "PC", popularized as "politically correct" but more truthfully standing for Progressive / Communism. Communists now dictate HOW you should THINK and react to everything.

### ***A Nation of Givers***

America has always been a nation of givers. Our laws have always been designed to favor those who shared a part of their wealth with charities. We have traditionally encouraged the basic tenets of "caring for my brother" espoused by Christianity. Before I am attacked by those who don't like what I just said, it's a fact. Judeo-Christian behavior permeates the laws and traditional behavior of this American culture – it's a fact.

What is most egregious and lamentable is the turn of our culture from the rule of the givers to the rule of the takers. The "Golden Rule" under Communism has become "Hate those who have more than thee and take from them all you can." Although everything broadcast to the public about the changes being imposed upon Americans is made to sound like giving; as in giving healthcare to those who do not have it, giving pecuniary benefits to those who lack in some manner, redefining the word marriage to include groups of people who obviously do not meet the basic qualifications of marriage, that is the ability to procreate, etc. The words say **give**, but the remedies, the actions say **take**.

We are being remade into a nation of takers for the ultimate sole purpose of enabling the status of those "community organizers" who represent One World Communism, or for the American audience, **Progressives**. They should be driven into the sea to suffer the same fate as the Sirens whose methods they have adopted.

### **Isolationism**

Isolationism is yet another "# - card" like the "race – card" and any other divisive area which is frequented by "Progressives" but made off limits to more moderate persons. The word "Progressive" itself is part of this absurd ideology. "Communist" is never, never used to describe those who subscribe to this very un-American, and "one world government ideology." Communists repeatedly refer to themselves as "Progressives" which they say is not Communism. In truth it is all the same (evil) lie, first codified by Marx and Engels.

We have in this case a situation where the elite (Progressives) believe that the United States and they in particular have a "Manifest Destiny" to go out into the world at large and see to it that everyone lives according to their (the elites') rules, and by so doing everyone will be happy and well. Furthermore, they (the elite) believe that it is their duty to force Americans to believe as they do and act as they would have us act. Some call this utopianism.

Isolationism became a “bad word” during the rule of Woodrow Wilson. Wilson created many of the modifications to the American government which have led to total disregard for our Constitution, or more properly a body of politicians who pay “lip service” to the Constitution (proclaiming and swearing an oath before the American public that they will support and preserve the Constitution) while proposing laws and executive orders which serve to disregard and diminish this very same Constitution. The members of the Supreme Court itself are as guilty as any in swearing or affirming an oath of their office and promptly disregarding it. These are despicable persons, each and every one.

## **Barack Hussein Obama**

Having studied all, and I do mean all of the evidence available concerning Obama’s qualification for the presidency of the United States of America, I conclude that he stands about as much chance of being eligible as does Vladimir Putin. The only evidence of his birthplace that Obama has ever submitted for credible scrutiny is an obvious fraud. It is no wonder that Obama should take every opportunity to denigrate the Constitution possible. The Constitution says that he is not, nor was ever qualified to occupy the office of President. So why did Nancy Pelosi vouch for him as Speaker of the House? Why did Harry Reid refuse to allow his eligibility to be examined by Senate investigation? Why did John Roberts swear him into office knowing full well, or at the very least he should have known, that the man was ineligible? Very simply, this nation has been betrayed by these individuals as well as others, and these crimes against the country do constitute treason as defined by the Constitution.

I would leave you with one final quote, which is engraved upon the wall behind Franklin Delano Roosevelt as he sits in his memorial in Washington, D.C. It quite naturally suggests that this was a subject on his mind before his death, perhaps heavy on his mind and perhaps even an expression of regret regarding his tenure in office:

***They (who) seek to establish systems of government based on the regimentation of all human beings by a handful of individual rulers. . . call this a “New Order”. IT IS NOT NEW AND IT IS NOT ORDER.***

I’m sure it is open to interpretation, but to me this is an acknowledgement by Roosevelt, and perhaps a warning that we should be very wary of “The Sirens’ Song”.

## **Appendix (1)**

### **The National Home Ownership Strategy**

*[This document has been scanned from hard copy and because of this some inaccuracies have been introduced in its replication. This is regretted; however the general intent and content remain evident. Because of this, page numbers in the Table of Contents have little to no meaning]*

*[As you read this document, notice its attempt at propaganda in its use of the word “affordable” a total*

*of 105 times in its 65 pages of text.]*

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## CHAPTER 1

### THE NATIONAL HOMEOWNERSHIP STRATEGY

#### PURPOSE

The purpose of the National Homeownership Strategy is to achieve an all-time high level of homeownership in America within the next 6 years through an unprecedented collaboration of public and private housing industry organizations. The strategy was prepared by the U.S. Department of Housing and Urban Development (HUD), under the direction of Secretary Henry G. Cisneros, in response to a request from President Clinton.

Based on the research and advice of literally hundreds of national experts, program specialists, and practitioners in all aspects of the homeownership process, this report represents the best thinking and the best ideas to expand homeownership to millions of households by the end of the year 2000.

The National Homeownership Strategy is an action document, not an academic exercise. It is a call to action and a resource for thousands of national, State, and local organizations in the private and public sectors. The National Homeownership Strategy is based on the premise that specific, plausible actions, implemented through the collaboration of national, State, and local housing partners, can make a difference in expanding homeownership levels in the United States to an all-time high. The heart of the National Homeownership Strategy is contained in this report's 100 proposed action items. The fundamental commitment of the homeownership strategy is that these 100 actions be carried out through a national partnership and a series of State and local partnerships. These 100 actions are designed to generate up to 8 million additional homeowners by the end of the year 2000. While each of the participating organizations are already undertaking activities to increase homeownership, a broad-based, active partnership is the only way that America can achieve record high homeownership by decade's end. No Federal program, nor any combination of Federal policies and programs alone, can generate the millions of additional homeowners that the President and the partners are committed to creating.

This chapter discusses the importance of homeownership, the primary themes of the strategy, the importance of shared approaches, and the proposed goals of the national partnership. A summary of the 100 proposed actions appears at the end of the chapter.

## WHY HOMEOWNERSHIP?

Most scholars, public policy makers, industry analysts, and civic and community leaders agree that supporting homeownership is good for America, and will produce four fundamental benefits:

1. Homeownership is a commitment to personal financial security. Through homeownership a family acquires a place to live and raise children and invests in an asset that can grow in value and provide the capital needed to start a small business, finance college tuition, and generate financial security for retirement.
2. Homeownership is a commitment to strengthening families and good citizenship. Homeownership enables people to have greater control and exercise more responsibility over their living environment.
3. Homeownership is a commitment to community. Homeownership helps stabilize neighborhoods and strengthen communities. It creates important local and individual incentives for maintaining and improving private property and public spaces.
4. Homeownership is a commitment to economic growth. Homeownership helps generate jobs and stimulate economic growth. The design, construction, and rehabilitation of homes employ local labor and use a vast array of American-made products and services. Home building has often led the economic recovery from national recessions due to its strong job multiplier effect and because increased housing starts and home sales represent renewed economic confidence. Owning a home serves as one of the main symbols of economic and social success and is a primary aspiration for most

Americans. Recent surveys indicate that 86 percent of all adults prefer to own a home, and two-thirds of all renters would buy a home if they could afford one. Homeownership creates economic prosperity for families and communities and acts as a dynamic generator of economic growth. Every new home creates 2.1 jobs directly related to construction, and many more jobs through increased demand for household goods and services. Because home building and homeownership contribute to national prosperity, the expansion of homeownership in this Nation has been supported for many years by public- private partnerships. From the Homestead Act in 1862 to the GI Bill of Rights in 1944, key Federal Government innovations such as the Federal Housing Administration (FHA), Department of Veterans Affairs (VA) home loan guaranty program, Department of Agriculture's Rural Housing and Community Development Service, Federal Home Loan Bank System, Fannie Mae, Ginnie Mae, Freddie Mac, and others have mobilized private capital to enable the average working family to buy a home with little or no down payment.

## BACKGROUND

In the spring and summer of 1994, Secretary Henry Cisneros met with leaders of major national organizations from the housing industry to solicit their views about establishing a national homeownership partnership. In August 1994 these planning sessions culminated in a historic meeting at which industry representatives agreed to the formation of working groups to help develop the National Homeownership Strategy. The working groups met frequently from late August through mid-December. Overall, more than 50 organizations and hundreds of people were engaged in the working group process. These working groups are listed below.

Establishing Goals.

Cutting Financing and Transaction Costs and Increasing Availability of Financing.

Cutting Production Costs.

Targeting Areas and Building Communities.

Opening Markets and Targeting Under-served Populations.

Improving Homeownership Education and Counseling.

Raising Awareness and Expanding Opportunities.

Determining Governance.

## STRATEGY THEMES

The National Homeownership Strategy combines private and public sector resources and commitments to implement three broad approaches designed to make homeownership more affordable, accessible, and available. The goal of reaching all-time high national homeownership levels by the end of the century will be accomplished by:

- Cutting the costs of homeownership, including financing, production, and transactions costs and fees, to make homeownership more affordable, make financing more available, and simplify the home buying process to make it easier to purchase and own a home. Streamlining transaction costs, expanding creative financing and public gap financing, and making technological improvements in loan underwriting will reduce the costs of homeownership. Changing conventional methods of design and building less expensive houses will enable many more low- and moderate-income families to purchase homes. Regulatory reforms will allow developers and builders to reduce the costs of land assembly, housing construction, and home rehabilitation, making homeownership more affordable for willing home buyers who are now priced out of the housing market.

Opening markets for homeownership, to increase choice and remove barriers, making homes, mortgage financing, and property insurance more available and affordable for every American. Across all income levels, African-American and Hispanic-American households have lower homeownership rates compared to other groups with comparable incomes. At the same time, low- and moderate-income households are much less likely than higher income households to own homes. Breaking down racial and ethnic barriers and increasing access for other under-served households will extend homeownership opportunities to millions of families and enable minority households to own homes in a much wider range of communities.

- Expanding opportunities for homeownership, to raise awareness and make homeownership a reality for millions of people through education and counseling, information technology, communications media, and community involvement. Many would-be homeowners are not aware that they can own a home with—or more often without—special assistance. Broad-based outreach and marketing will spread the word to young and old, low- and moderate-income as well as more affluent households, minority families, and new immigrant populations that they can indeed become successful homeowners. Targeted education and counseling can train millions of individuals and families in the basic financial practices and technical skills needed to purchase and maintain a home.

All 100 actions contained in the National Homeownership Strategy support one or more of the three themes.

## SHARED APPROACHES

All of the housing industry organizations that participated in the development of the National Homeownership Strategy work day-in, day-out assisting American households to become homeowners. Whether for profit, social benefit, or community stability, every housing industry participant strives to enhance opportunities for first-time homeownership. Over time, these organizational efforts have generated one of the highest levels of homeownership among all developed Nations in the world. If each housing industry participant performs its homeownership functions in an efficient manner, the national level of homeownership should increase over the next 6 years. If so, then why are these organizations making a commitment to the National Homeownership Strategy and actively engaging in a long-term partnership to expand American homeownership? The answer is that with greater collaboration comes "synergy"—a realization that the whole can be greater than the sum of its parts.

The National Homeownership Strategy suggests that much more can be achieved by collaboration among housing industry participants; that by establishing common goals, working together, sharing successes and improving the flow of information, the national partnership can more dramatically increase homeownership levels in the United States by the end of the century. Hence, the National Homeownership Strategy clearly acknowledges that by working together to solve obstacles to home buying, we can collectively and individually achieve greater progress. Virtually all of the actions contained in the report will benefit measurably from a shared approach. For example:

- Nonprofit homeownership counseling providers, private mortgage insurers, secondary market investors, associations representing lending institutions, Federal agencies, and State and local governments can improve homeownership counseling by collaboratively establishing a national training center and curriculum.
- National and local partners can improve understanding and use of innovative down payment alternatives, such as lease-purchase and home buyer savings clubs.
- Home builders, Federal agencies, and associations representing State and local governments can agree

to disseminate examples of fast-track planning reviews of affordable home developments.

- National and local partners, including financial institutions, secondary market investors, the Federal Government, State and local governments, and national nonprofit housing organizations, can improve industry understanding of public-private financial leveraging approaches. These are a few of the many collaborative actions that will help achieve all-time high levels of homeownership in America.

## NATIONAL HOMEOWNERSHIP GOALS

Given the actions and collaborative approaches described in this report, the members of the partnership propose to generate up to 8 million additional homeowners by the end of the year 2000, which translates into a national homeownership rate of up to 67.5 percent. Despite its many benefits, homeownership has increasingly slipped out of reach for many Americans. From 1940 to 1980, the national homeownership rate rose from 43.6 percent of all households to 65.6 percent. Since 1980, the overall ownership rate has declined to a current rate of about 64 percent. While this rate has been increasing in the past 2 years, the Nation's homeownership rate is still well below its historic peak.

Although higher income households headed by persons over 45 years of age have held steady, the homeownership rates for younger households and those with lower incomes have faced a much more difficult situation. Between 1980 and 1991, homeownership rates for households headed by persons under the age of 35, both married and single, fell by nearly one-fifth, from 44.5 percent to 37.8 percent. In the same decade, homeownership rates for moderate-income households fell by 10 percent, with a 17-percent drop for low-income households. And the homeownership rate for very low-income families with children declined from 37 percent to 29 percent. In addition, homeownership rates remain substantially lower among minorities than among whites. In 1993, 43 percent of African-American households and 40 percent of Hispanic households were homeowners, compared with 70 percent of non-Hispanic white households. This gap exists regardless of income levels: both higher income and lower income minorities are less likely to own their homes than white households of comparable incomes.

The National Homeownership Strategy will attempt to help all American households become homeowners, including middle-income families. However, the statistics presented above point to a special responsibility and an important opportunity to target under-served populations and communities, including low- and moderate-income households, minorities, young adults, families with children, legal immigrants, people with disabilities, Native Americans, and residents of inner-city neighborhoods and rural areas.

## NEXT STEPS

Issuance of the National Homeownership Strategy is an important milestone in the march towards establishing a viable, long-term partnership. The strategy contains 100 actions for the partnership to implement. These proposed actions are statements of what can be accomplished. The actions are the foundation—the starting point—of steps that should be taken to increase homeownership opportunities. Each of the participating national organizations will sign a partnership agreement that identifies the actions and describes the specific contributions they will make to support the National Homeownership Strategy. The partnership agreements are discussed more fully in the next chapter. Partnership agreements have already been signed by more than 50 national organizations. Over time, it is expected that the number of national, State, and local organizations becoming partners in this process will continue to grow, further enhancing opportunities for collaboration.

The partnership also will form a governance structure designed to guide this landmark homeownership initiative through the year 2000. Recommendations regarding the roles of a governance structure are discussed in more detail in the next chapter.

## SUMMARY OF THE NATIONAL HOMEOWNERSHIP STRATEGY CONTENTS

The 100 actions contained in these chapters often refer to steps that the "partnership" should undertake in the general sense. In effect, the 100 actions in this report represent recommendations for the partners. The partnership agreements prepared by each of the participating organizations provide the specific contributions needed to support each of these actions.

Chapter 2 of this report summarizes the partnership agreements and proposed long- term structure of the partnership.

Chapters 3 through 8 include discussions of key elements of the National Homeownership Strategy. Below is a list of the subjects for each chapter:

Chapter 3: Production.

Chapter 4: Financing.

Chapter 5: Building Communities

Chapter 6: Opening Markets.

Chapter 7: Homeownership Education and Counseling.

Chapter 8: Raising Awareness.

## NATIONAL HOMEOWNERSHIP STRATEGY LIST OF PROPOSED ACTIONS

Action 1: Assessing Regulatory Impacts on Affordable Homeownership

Action 2: Modernizing Planning, Zoning & Subdivision Laws

Action 3: Education and Technical Assistance for Regulatory Reform

Action 4: Consensus Building and Mediation Techniques for Affordable Homeownership

Action 5: Statewide Standards for Impact Fees

Action 6: Models of Regulatory Flexibility and Development Controls

Action 7: Expanded Research on Regulatory Reform

Action 8: Building Code Reform

Action 9: Education and Outreach for Higher Density Home Construction

Action 10: Fast-Track Administrative Review Procedures for Starter Homes

Action 11: Removing Barriers to Mortgage Financing for Starter Homes

Action 12: Stock Plans and Guidance Materials for Starter Homes

Action 13: Flexible Regulations to Accommodate Home Rehabilitation

Action 14: Home Rehabilitation Research

Action 15: Technical Evaluation and Guidance Materials for Energy Conservation

Action 16: Affordable Home Technology Program

Action 17: Information, Training, and Technical Assistance for Innovative Technologies

Action 18: Affordable Home Design and Construction Awards

Action 19: Stock Plans for Building Affordable Homes

Action 20: Enhanced Home building Product Evaluation

Action 21: HUD Technical Evaluations of Home building Products

Action 22: Research on Technological Innovation for Affordable Homes

Action 23: Regulatory Review of Manufactured Homes

Action 24: State Participation in Manufactured Homes



- Action 25: Cooperative Research for Manufactured Homes
- Action 26: Manufactured Home Industry Initiatives
- Action 27: Zoning and Land Development Reform for Manufactured Homes
- Action 28: Access to Financing for Manufactured Homes

## FINANCING

- Action 29: Alternative Approaches to Home buying Transactions
- Action 30: Technological Improvements in Mortgage Financing
- Action 31: Lender Processing Time Reductions
- Action 32: Standardize Home buying Settlement Procedures
- Action 33: Bulk Purchase of Home buying Settlement Services
- Action 34: Local Government Development Fees and Home ownersuip Trust Funds
- Action 35: Home Mortgage Loan-to-Value Flexibility
- Action 36: Subsidies to Reduce Down payment and Mortgage Costs
- Action 37: IRAs and 401(k)s for Homeownership Down payments
- Action 38: Savings Plans for Homeownership
- Action 39: Mortgage Options and Home buyer Education
- Action 40: Home Mortgage Foreclosure Requirements
- Action 41: Home Purchase and Rehabilitation Financing With FHA 203(k)
- Action 42: Conventional Financing for Home Purchase and Rehabilitation
- Action 43: Home Rehabilitation Financing
- Action 44: Flexible Mortgage Underwriting Criteria
- Action 45: Public-Private Leveraging for Affordable Home Financing
- Action 46: Reinventing FHA Single-Family Home Mortgage Insurance
- Action 47: Native American Home Financing Needs
- Action 48: Small Rental Properties to Support Affordable Homeownership
- Action 49: Continuation of the Mortgage Revenue Bond Program and Mortgage Credit Certificates
- Action 50: Energy Efficiency and Home Mortgage Underwriting
- Action 51: Cooperative Homeownership

## BUILDING COMMUNITIES

- Action 52: Homeownership Education and Technical Assistance for Communities
- Action 53: Spotlight on Successful Local Partnerships
- Action 54: Employer- Assisted Homeownership
- Action 55: Location-Efficient Home Mortgages
- Action 56: Comprehensive Community Revitalization
- Action 57: Homeownership Zones
- Action 58: Federal and State Resources for Affordable Homeownership
- Action 59: Promoting Mixed-Income Neighborhoods
- Action 60: Redeveloping Vacant Properties
- Action 61: Mortgage Credit for Rural Areas
- Action 62: Rural Home Financing Demonstration Program
- Action 63: Expanding Rural Home Financing
- Action 64: Homeownership Capacity Building in Rural Areas
- Action 65: Rehabilitating Rural Homes
- Action 66: Homeownership Opportunities for Native Americans

## OPENING

- Action 67: The President's Fair Housing Council
- Action 68: Voluntary Fair Housing Self -Enforcement and Affirmative Marketing by Homeownership Industry Organizations
- Action 69: Metropolitan Regional Fair Housing Initiatives
- Action 70: Voluntary Self-Enforcement and Affirmative Marketing by Mortgage
- Action 71: Access to Home Mortgage Lending Data
- Action 72: Research on Fair Lending and Insurance Issues
- Action 73: Market Review of Under-served Groups and Communities
- Action 74: Workplace Diversity in Hiring and Promotion
- Action 75: Research on the Homeowners Map Impacts of Diversity
- Action 76: Mentoring Minority-Owned Homeownership Businesses
- Action 77: Marketing Homeownership Products and Programs in Foreign Languages
- Action 78: Tailoring Home Design and Construction to Diverse Populations
- Action 79: Homeownership Models That Work
- Action 80: "One-Stop" Home Financing Catalog

## HOMEOWNERSHIP EDUCATION AND COUNSELING

- Action 81: National Institute for Homeownership Education and Counseling
- Action 82: Federal Efforts to Build Local Homeownership Counseling Capacity
- Action 83: Research on Homeownership Education and Counseling
- Action 84: Clearinghouse for Homeownership Education and Counseling
- Action 85: Curriculum Development for Homeownership Education and Counseling
- Action 86: Training and Accreditation for Homeownership Education and Counseling
- Action 87: Cultural Sensitivity and Diversity in Homeownership Education and

## COUNSELING

- Action 88: Education on Alternative Forms of Homeownership
- Action 89: Task Force on Long-Term Funding of Homeownership Counseling
- Action 90: Nonprofit Business Planning for Homeownership Counseling Organizations
- Action 91: HUD Allocation of Counseling Funds
- Action 92: Showcasing Successful Collaborative Homeownership Counseling Programs
- Action 93: Local Homeownership Counseling Roundtables

## RAISING AWARENESS

- Action 94: Publicizing Homeownership Opportunities and Achievements
- Action 95: Homeownership Site Visits
- Action 96: Successful Transitions to Homeownership
- Action 97: Homeownership Educational Centers and Special Events
- Action 98: Educating Home buyers and Homeowners Through Technology and the Media
- Action 99: Home buyer Access to Government-Owned Homes
- Action 100: Research Networks and Information Clearinghouses on Homeownership Data

## CHAPTER 2

## PARTNERSHIP STRUCTURE

This chapter briefly discusses the means by which participating organizations will become partners in this process, and the governance structure that will help the partnership achieve the homeownership goals over the next 6 years.

## PARTNERSHIP AGREEMENTS

The strategies and actions contained in the National Homeownership Strategy are the foundation for creating a national partnership as reflected in the partnership agreements. Partnership agreements are intended to be good faith commitments that the partners are making to each other and to the partnership as a whole, rather than a legally binding obligation to the Federal Government or to any other entity. The partnership agreements serve as a mutual pledge, enforceable by the goodwill and corporate conscience of each partner. These agreements list the specific contributions of the respective organization in support of the 100 actions in the National Homeownership Strategy.

Each partnership agreement contains a general statement of purpose, applicable to all partners, along with two attachments that explain the partners' contributions:

Attachment A is a list of the actions—drawn from the 100 actions in the National Homeownership Strategy—that the partners will take over the next 6 years.

Attachment B describes the specific contributions that each partner will undertake over the next 6 years to support the actions listed in Attachment A. These contributions include existing initiatives that the partners will expand, as well as new initiatives.

## NATIONAL PARTNERS IN HOMEOWNERSHIP

The National Homeownership Strategy and the partnership agreements are essential to ensure success. Yet many previous reports with comprehensive, thoughtful recommendations have gathered dust on office bookcases. Therefore, in order to organize the partnership's efforts, keep the strategies and actions on course, and ensure long-term accountability, a governance structure should be created by the participating organizations.

The appropriate governance structure should:

- Create ownership of the process and goals and ensure that top policymakers "buy in."
- Foster creativity, idea sharing, and information exchange, and forge new partnerships.
- Ensure focus, continuity, and accountability, and promote strong leadership.
- Communicate that it is a genuine public-private partnership and not an indirect method

for Federal agencies to influence private action.

After review of alternative structures, we will establish a framework to govern the activities of the partnership and to carry out the National Homeownership Strategy. The structure should communicate that this is a public-private partnership and not a government program. To be successful, however, the partnership structure should remain close to, and be aware of, new Federal housing, community development, and economic policy directions. We therefore propose that there continue to be significant ties to the President and the Secretary of HUD. The partnership structure should ensure continued focus, continuity, and accountability. At the same time, by specifying a completion date the partners can ensure that an organization does not become an end in itself. The proposed characteristics

of such a partnership structure are described more fully in the summary below:

Name: National Partners in Homeownership or National Council on Homeownership

Legal Authority: To be determined

Composition: Membership should be composed of all partners, defined as organizations entering into partnership agreements. A smaller executive committee or steering committee, selected by the membership, can assist in oversight activities and establishing policy.

Standing or ad hoc committees can be formed to address specific policies or issues, or to assist in carrying out the functions of the partnership. Membership on subcommittees need not be restricted to partners, but subcommittees should be chaired by a participating member appointed by the chairperson of the partnership structure.

Oversight: Oversight can be provided by a chairperson and a vice chairperson. The chairperson, vice chairperson, and partnership coordinator (staff), under the supervision of the chairperson, would possess the authority to act on behalf of the partners on a daily basis, conforming to any general policies and specific directives established by the membership.

Staffing: A small staff is recommended, consisting of a partnership coordinator, a second professional staff person, and an administrative support person. There are two alternatives for acquiring staff resources:

- (1) Hire staff using monetary contributions from the members, foundations, or other sources, or
- (2) obtain contributions of staff time from the members, through a "loaned executive" approach.

The partnership also should consider requesting HUD to assign one full-time staff year to this effort during the term of the partnership.

Timing: The partnership structure should be established quickly upon execution of the partnership agreements and should be designed to "go out of business" at the end of the 6-year effort.

Accountability: Partnership agreements set forth the activities and strategies to be undertaken by each partner over the course of the 6-year effort. The partnership structure should establish overall homeownership goals and interim benchmarks, as opposed to individual partner report cards.

Additional Partners: Although the partnership will be large and inclusive, much activity should, by necessity, take place outside of Washington, D.C., with organizations, institutions, and even individuals not currently participating in this effort. As a result, secondary organizations should be formed and designated "community partners."

#### Roles and Responsibilities of the Partnership:

Although the specific roles of this entity will be established by the partners, possible responsibilities might include the following:

1. Encouraging development of smaller partnerships by serving as a catalyst to unite organizations and individuals in carrying out projects or other efforts to support the National Homeownership Strategy.
2. Encouraging and assisting State and local governments to participate in homeownership activities and facilitate development of grassroots efforts.
3. Maintaining a central information clearinghouse to share ideas and distribute information.
4. Providing technical assistance to partners and member organizations.

5. Maintaining partnership accountability and tracking overall progress in achieving goals.
6. Recognizing and publicizing successful efforts of the partners.
7. Advising the President of the United States, the Secretary of HUD, and other housing leaders on matters relating to the homeownership goals.
8. Working with partners to encourage preparation of special reports and studies on topics of critical interest.
9. Recommending measures to coordinate activities of Federal, State, and local government agencies, private institutions, and individuals.
10. Encouraging training and education in the field of homeownership in cooperation with appropriate public and private agencies and institutions.
11. Preparing an annual report of partners' activities, including progress toward achieving the National Homeownership Strategy goals.
12. Coordinating formal and informal meetings of various partnership committees.

## LOCAL PARTNERSHIPS

For the National Homeownership Strategy to succeed, organizations and individuals at State and local levels must be motivated and mobilized to implement the partnership's strategies to increase homeownership. Groups or persons that have direct contact with potential home buyers or that can influence local homeownership resources should be informed and deployed to administer those components of the partnership's action plan that are relevant to their particular circumstances and missions. In addition, information must flow freely back and forth between members of the partnership and local organizations so that lessons may be learned from successes and failures, progress will be reported, and any guidance or recommendations will be considered and distributed.

The partnership should also seek to use other channels of communication to provide as much information as possible to a wide range of people, including local housing providers not affiliated with national partners. National partners can play a significant role in fostering local activity. Yet the emergence of viable local partnerships should not be orchestrated at the national level using an overly prescriptive model. Rather, local partnerships must grow differently in each community, reflecting the skills, knowledge, long-term relationships, leadership capabilities, and current policies and programs of local housing organizations. At a minimum, however, national partners should:

1. Ensure effective communication. National partners should transmit information regarding the National Homeownership Strategy to their members and affiliates. This information should be designed to encourage these community partners to adopt the goals and recommendations of the National Homeownership Strategy. It also should describe clearly and understandably how to implement those recommendations. For example, once the partnership is established and the national partners have agreed to their contributions, each partner should communicate its goals to each of its affiliates with information regarding how to meet those goals by the end of the year 2000.
2. Provide motivation and leadership. National partners should explain to their members and affiliates how the National Homeownership Strategy benefits them. State and local partners should then try to organize efforts to generate enthusiasm and provide structure for community activities.
3. Maintain information, progress reports, reporting, and acknowledgments. Partners should collect and disseminate information about the National Homeownership Strategy, including descriptions of recommended actions, successful programs, and progress reports on national efforts. Partners should also develop recognition or awards programs to publicize and reward successful efforts under this initiative. If so requested, the partnership structure should prepare and disseminate such information to local groups on behalf of the partners.

The following is a list of the National Partners in Homeownership as of June 1, 1995.

THE NATIONAL HOMEOWNERSHIP STRATEGY:  
PARTNERS IN THE AMERICAN DREAM

56 Organizations Have Signed Partnership Agreements by 6/1/95

American Bankers Association  
American Institute of Architects  
American Land Title Association  
American Planning Association  
America's Community Bankers  
Appraisal Institute  
**Association of Community Organizations for Reform Now (ACORN)**  
Association of Local Housing Finance Agencies  
Center for Neighborhood Technology  
Community Development Financial Institutions Fund  
Corporation for National Service  
Council of American Building Officials  
Council of State Community Development Agencies  
Enterprise Foundation  
Fannie Mae  
Federal Home Loan Bank System  
Freddie Mac  
Habitat for Humanity International  
Housing Assistance Council  
Local Initiatives Support Corporation (LISC)  
Manufactured Housing Institute  
Mortgage Bankers Association of America  
Mortgage Insurance Companies of America  
National American Indian Housing Council  
National Association for the Advancement of Colored People (NAACP)  
National Association of Affordable Housing Lenders  
National Association of Counties  
National Association of County Community and Economic Development  
National Association of Home Builders  
National Association of Real Estate Brokers  
National Association of Realtors  
National Bankers Association  
National Community Development Association  
National Community Reinvestment Coalition  
National Conference of States on Building Code Standards  
National Congress of Community Economic Development  
National Cooperative Bank  
National Council of La Raza  
National Council of State Housing Agencies  
National Fire Protection Association  
National Foundation of Consumer Credit

National Foundation of Manufactured Home Owners  
National Hispanic Housing Council  
National Low Income Housing Coalition  
National Neighborhood Coalition  
National Trust for Historic Preservation  
National Urban League  
Neighborhood Reinvestment Corporation  
Resolution Trust Corporation  
Social Compact  
U.S. Department of Agriculture  
U.S. Department of Housing and Urban Development  
U.S. Department of Veterans Affairs  
United Homeowners Association  
United States Conference of Mayors  
Urban Land Institute

## CHAPTER 3

### PRODUCTION OVERVIEW

The National Homeownership Strategy proposes a series of actions to promote homeownership by reducing the costs of building new homes and rehabilitating existing homes. In a competitive environment, lower production and development costs will translate into more affordable prices for new and rehabilitated homes. More affordable prices will increase the pool of eligible home buyers, expand home sales, and lead to higher homeownership rates.

### KEY PRINCIPLES

The strategies and actions in this chapter reflect the following principles:

- A successful strategy must be collaborative in nature and build on the direct involvement and support of many distinct interest groups and constituencies involved in the housing development process.
- Although high production costs are a national problem, the specific causes and many of the solutions vary significantly across regions and within regions.
- Innovative, cost-effective methods to rehabilitate the older housing stock can expand homeownership opportunities, particularly in central cities, and should play a major part in any overall strategy for cutting production costs.
- Steps to reduce production costs must be consistent with existing market mechanisms and should not compromise public health, safety, environmental protection, or State and local autonomy.
- Cutting production costs to expand homeownership should include technical assistance to housing providers to offer a broader variety of alternative housing types and options than are currently available.
- In reducing production costs, it is important to develop housing that is not only affordable but also enhances the neighborhood and the community.
- A program to lower production costs cannot succeed if it is designed as a short-term quick fix. Substantial cost reductions are more likely to result from many small steps than from a few great leaps, requiring a broad vision in program design and attention to detail in implementation.
- Successful results will require sustained, multi-year commitments from the Federal Government and every other private and public organization with a significant role to play. As the

primary Federal agency charged with promoting homeownership, HUD should take a leading role in organizing, coordinating, promoting, and supporting specific initiatives to reduce housing production costs.

## STRATEGIES

There are five major strategies for expanding homeownership by cutting production costs:

1. Reduce regulatory barriers to affordable homeownership.
2. Expand the supply of starter homes.
3. Eliminate barriers to cost-effective home rehabilitation.
4. Stimulate technological innovation in home building.
5. Eliminate regulatory and financing barriers to the availability of manufactured housing.

### Reduce Regulatory Barriers to Affordable Homeownership

**STRATEGY:** The partnership should undertake a 6-year cooperative effort to encourage regulatory reform and stimulate the reinvention of State and local housing development approval processes to lower costs and expand supply by eliminating any unnecessary, excessive, or duplicative regulatory barriers to the production of affordable homes. **Issues and Impediments:** Regulating housing development is primarily a State and local responsibility. State and local governments use this authority to protect the health, safety, and welfare of their citizens. Also, State and local governments regulate housing development to promote public objectives: planned growth, fire safety, energy efficiency, environmental protection, quality of life, and others. Although most development regulations are intended to promote safe and livable communities, they come at a price—increased costs of construction. Numerous housing policy studies have demonstrated that many communities have unnecessary or duplicative regulations that can be modified to reduce production costs without compromising valid public objectives. Antiquated State planning laws, overly stringent subdivision standards, exclusionary zoning practices, and outdated building and development standards all impede the production of affordable homes. In some cases these requirements are intentionally designed to limit density of development, exclude low-income families, or minimize future public costs of infrastructure maintenance. In many other instances they exist primarily because of inertia, tradition, lack of information about potential alternatives, or the lack of time and expertise required to rewrite applicable laws and regulations. Efforts to implement significant reforms, especially with regard to land development and zoning issues, have had only limited success.

Regulatory barriers to affordable housing often reflect important and sensitive local issues, including the values of self-governance. To the extent that the Federal and State governments propose regulatory revisions, they should do so with an appreciation and concern for the regulatory role and authority of local governments. Of equal importance are local concerns about neighborhood quality, income mix, and other issues that are often imbedded in existing regulations. In the collaborative spirit of this partnership, participants should be prepared to discuss these sensitivities and seek new solutions to regulatory barriers that do not undermine legitimate local concerns.

### Action 1: Assessing Regulatory Impacts on Affordable Homeownership

The partnership should urge HUD to lead a Federal effort to review existing Federal regulations and policies to assess their cumulative impact on housing costs and develop alternative policies to mitigate adverse impacts. Also, Federal agencies proposing regulations that affect housing costs should evaluate the impacts of their proposals on homeownership and develop options to mitigate adverse impacts on production and operating costs.



## Action 2: Modernizing Planning, Zoning, and Subdivision Laws

The partnership should work in cooperation with the American Planning Association to support and complete the Growing Smart Initiative—a program for modernizing America's planning, zoning, and subdivision control laws. Within 3 years, this effort will produce model legislation for State governments to consider in reforming their community planning and land development enabling legislation. Reforms will include a variety of legislative options and alternatives such as comprehensive planning requirements, housing elements, "fair share" standards, and State goals and policies to be implemented through local developmental controls. Regulatory reform envisioned through the Growing Smart Initiative has already helped promote affordable homeownership in the State of Oregon. Oregon law now requires localities to prepare comprehensive plans identifying vacant land available for development, estimate what will be needed to meet future needs, and make land allocations and zoning to meet projected housing needs. Together with statutes that provide for settling land-use disputes and The Portland, Oregon, area's unique Metropolitan Housing Rule, under the Statewide Planning Program, has stimulated affordable housing and friendly land-use and zoning requirements in more than two dozen jurisdictions surrounding the city of Portland. The rule has kept housing costs down by requiring the area's 27 jurisdictions to decrease lot-size requirements. Towns and counties are thus mandated to plan and allocate growth areas for meeting their fair share of the region's affordable housing needs. One community, for example, had planned for only 371 additional multifamily dwellings in its comprehensive plan, which was adopted in 1972. Between 1985 and 1989, having revised its plan and zoning to meet the Metropolitan Housing Rule requirements, the jurisdiction witnessed development of 1,981 multifamily units. Streamlining local permit procedures, Oregon's Statewide Planning Program is helping developers build lower cost homes.

## Action 3: Education and Technical Assistance for Regulatory Reform

The partnership should initiate an education and technical assistance effort to promote the concept of regulatory reform among State and local governments. For example, partners should focus on the impact of State regulations on the cost of housing and provide technical assistance to encourage review and reform of State planning and enabling legislation. To help local governments modernize their zoning and related development controls, the partners should help:

- (1) Develop specific technical guidance materials on recommended housing standards, land-use types, and development criteria;
- (2) Assist local governments in the review of existing ordinances to promote voluntary reform; and
- (3) Develop alternative regulatory tools.

## Action 4: Consensus Building and Mediation Techniques for Affordable Homeownership

To promote affordable housing projects for low- and moderate-income families, members of the partnership should utilize problem solving, consensus-building, and mediation techniques to achieve multi-jurisdictional agreements for acceptance and development of affordable housing. Within 2 years, partners should establish a demonstration technical assistance and training center that will develop joint problem solving skills to facilitate the acceptance of affordable housing. The 1969 Massachusetts Zoning Appeals Law, more commonly known as the "Anti-Snob" Zoning Law, was one of the Nation's first statewide efforts to open the suburbs to low- and moderate-income housing. To enforce this law, the Commonwealth created a comprehensive permit system and a board where appeals of local development decisions could be made. As a result, Massachusetts has increased the availability and

acceptance of affordable housing in many areas of the Commonwealth. In Hartford, Connecticut, 26 jurisdictions used consensus-building techniques to negotiate "fair share" targets for affordable housing and develop a means for each jurisdiction to pursue actions appropriate to their circumstances. This voluntary compact approach to meeting regional housing needs signaled the beginning of a change in thinking about local housing policy. As a result of the agreement, more than 4,000 units of low- and moderate-income housing were built in these communities.

#### Action 5: Statewide Standards for Impact Fees

Under West Virginia Code, Chapter 124, Article 7:20-1, Fees and Expenditures for County Development: Local Powers Act, impact fees may not exceed a proportionate share of the costs required to accommodate new development. Before requiring payment of any authorized fee, the county must show evidence that some reasonable benefit from any capital improvement is realized by the development project. Planning requirements also require adoption of a county wide comprehensive plan, comprehensive zoning ordinance, subdivision control ordinance, formal building permit process and review system, including the State building code, and capital improvements. In addition, standards of service must be developed and maintained for capital improvements that are funded by the fees.

The partnership should encourage statewide standards for impact fees on new construction that are legally defensible, fair, and enforceable. Many impact fee systems do not clearly define the types of facilities that can be financed by impact fees, nor require a "rational nexus" test for the amount of the fee, the nature of the facility, and the benefit to the development, nor eliminate disproportionate burdens on lower cost housing. Although 23 States now have statewide legislation regarding impact fees, such legislation should be expanded to most States within the next 6 years.

#### Action 6: Models of Regulatory Flexibility and Development Controls

In 1982, HUD initiated the Joint Venture for Affordable Housing (TVAH) as a public-private partnership to reduce housing costs by changing unnecessary regulations and encouraging the use of innovative construction design and materials. Cost savings of up to 30 percent were documented for each home built as part of the JV AH program in communities across the Nation. As a result of the JVAH, single-family home developments were built in communities across the Nation, where local officials agreed to review regulations and simplify approval processes. For example, Phoenix used the JV AH project as an opportunity to review and modernize its entire set of approval-processing procedures. Under the new procedures, the builder saved over 3 months in processing time, with interest and overhead savings totaling \$2,198 per house in 1984, or about 5 percent of the average home sales price. The partnership should establish a series of continuing demonstration projects to promote regulatory reform of housing development. For example, partners should support demonstrations that show how to build low-cost, high-quality housing by taking full advantage of regulatory flexibility and reforms. Also, partners should initiate demonstration projects to reinvent the administration of development controls, by reducing the average time for housing project review and approval and actual development by 50 percent without undermining quality, environmental protection, or meaningful citizen input.

#### Action 7: Expanded Research on Regulatory Reform

Members of the partnership, including Federal, State, and local governments, should expand research efforts to:

- Prepare model land use regulatory standards and housing development guidance materials for

consideration and use by State and local governments.

- Identify and analyze State and local land development review and approval processes and systems; document the length of time required, the causes and extent of delays that are commonly encountered, and the impact of delays on affordable homeownership; and develop appropriate recommendations for consideration by State and local governments.

## Action 8: Building Code Reform

The partnership should work to eliminate those barriers in building codes and code administration that limit affordable homeownership. Specifically:

- Partners should encourage and support State and local governments to adopt and maintain the latest edition of the applicable model building codes promptly after publication and without technical amendment. State and local partners also should work with model building code organizations to improve the consistency of code administration and minimize potential for conflicting interpretations of the codes, through ongoing training and wide dissemination of code interpretations to interested parties. For more than two decades, the Commonwealth of Virginia has been a leader in the establishment and enforcement of building code regulations. Today all 170 of the State's building departments enforce the Uniform Statewide Building Code for standard construction, maintenance, and fire-safety regulations and procedures. This code provides criteria for design elements such as energy and water conservation, retrofit requirements, production of manufactured homes, and new construction requirements, including conformity with national electrical, gas, plumbing, and mechanical standards. Many of these requirements directly affect housing affordability, safety, and durability. When proposing code requirements, model building code organizations should explicitly consider the potential impacts of code changes on housing affordability; production cost, including operation costs; as well as public health and safety.
- State governments should promote greater efficiency in the regulation of modular home construction by participating in interstate agreements that facilitate reciprocity in the regulation and approval of modular homes. Increasing single unit access to a wider range of housing markets will generate cost savings through scale economies.
- Local governments already recognize the value of consistent code administration. For example, the city of Lancaster, California, organized a task force to expedite the application, review, and approval process for new development and new uses for existing development. In Hawaii, Maui County has established a committee to identify and introduce new and creative ordinance changes to strengthen the development of affordable housing.

## Expand the Supply of Starter Homes

**STRATEGY:** The partnership should establish a National Starter Home Initiative to promote expanded production of starter homes for first-time home buyers and encourage the private market to increase the supply of starter homes for all families who want and can afford to buy them. **Issues and Impediments:** The new entry-level or starter home is fast becoming a thing of the past. Construction of single-family detached homes that are 1,200 square feet or less has diminished dramatically in the past 25 years. In 1970 36 percent of new single-family homes were less than 1,200 square feet; by 1992 that figure had dropped to 10 percent. During the same period, the median new home size grew from 1,385 square feet to 1,920 square feet, and prices increased accordingly. Home buyers with equity from the sale of their previous homes have demanded larger homes. First-time home buyers who typically have little savings have been forced to purchase older homes, leaving the new home market to the trade-up buyers. New homes also include amenities that buyers might forgo in exchange for lower purchase prices. Recent studies have found that although potential home buyers desire larger homes, they would accept an

affordable home with unfinished space for future expansion or a smaller than typical home on a small lot if it is both attractive and affordable. In addition, housing types common at the turn of the century, such as two-family dwellings (duplexes and flats) and homes with accessory apartments that provide rental income to help pay the mortgage, are not being built today due to zoning restrictions, lending and appraisal guidelines, local development standards, local government concerns regarding absentee ownership, and market preferences. Many of these housing alternatives, more available in older cities, can give lower and moderate-income families the ability to become first-time home buyers.

Communities of "court homes," called Los Abanicos, located in Rancho Santa Margarita, California, are a new single-family housing concept of building innovator ROC. Los Abanicos are single-family homes that offer the privacy of mini-cul-de-sac living. The homes are typically arranged in courts of seven or eight units apiece, separated by minimal side yards and front setbacks. The builders took advantage of every inch of space in figuring how to fit the units together. Los Abanicos is specifically tailored for the first-time home buyer. The innovative all-included approach includes every aspect of the home in the purchase price. Eight styles of floor plans are available, with residences ranging from 870 to 1,474 square feet. In the first 14 weeks that Los Abanicos was on the market, it registered 81 sales, nearly 6 sales a week. Whatever the causes, the trend toward building larger homes has pushed many first-time buyers out of the new home market. Removing regulatory barriers and taking affirmative steps to increase the production of smaller single-family homes and alternative "income generating" homes will expand homeownership opportunities for first-time buyers.

#### Action 9: Education and Outreach for Higher Density Home Construction

The partnership should undertake a comprehensive education and outreach initiative to promote zoning for higher density single-family homes. Partners should encourage local zoning reform by reviewing land supply, local development regulations, and zoning requirements in major housing market areas and providing technical assistance to local governments. The partnership should also implement a program of education for land developers, home builders, and mortgage lenders on the market potential and desirability of smaller starter homes.

#### Action 10: Fast-Track Administrative Review Procedures for Starter Homes

The partnership should develop and disseminate to State and local jurisdictions a model system to fast-track all administrative review procedures for homes that meet established starter home criteria. For example, the city of Louisville, Kentucky, has significantly streamlined its development process by consolidating all local permitting, inspection, licensing, and code enforcement functions and creating a Red Tape Reduction Office. Developers of affordable housing and other projects now experience less paperwork, fewer delays, and virtually no regulatory confusion.

#### Action 11: Removing Barriers to Mortgage Financing for Starter Homes

The partnership should review lending and appraisal guidelines to identify barriers to mortgage financing for small starter homes and similar arrangements that facilitate first-time homeownership, such as two-family homes and homes with accessory apartments. Steps should be taken to reduce or eliminate such barriers.

#### Action 12: Stock Plans and Guidance Materials for Starter Homes and Impediments:

Low- and moderate-income families often cannot become In response to a challenge by the Citizen's

League of Grand Rapids, Michigan, to the Greater Grand Rapids Home Builders Association, local builders designed a prototype house using the latest building materials and incorporating simple construction and design, energy efficiency, a maintenance-free exterior, expandability, and contemporary styling. This building method allows modest-income families to achieve homeownership and allows for growth as incomes increase and/or families expand. The benefits of this approach include not burdening the household with a large mortgage, thereby enabling them to save funds to add on to the house and possibly use their own skills for finishing work. The partnership should build on current design competitions that promote homeownership by developing and disseminating stock plans and guidance materials for high-quality starter homes. Plans should reflect broad customer preferences at both the national and regional levels. Eliminate Barriers to Cost-Effective Home Rehabilitation.

**STRATEGY:** Because the older existing housing stock can serve as a major resource for affordable homeownership with renovation or rehabilitation, the partnership should undertake a strong effort to reduce the cost of rehabilitation and to reduce the regulatory barriers to low-cost, affordable rehabilitation.

**Issues and Impediments:** Many households that have previously been excluded from homeownership, including minority and lower income families, reside in central cities where the housing stock is older and opportunities for new construction are limited. Thus, any large effort to expand homeownership among these families must include rehabilitation of the housing stock in these areas. Home rehabilitation reflects a continuum from minor fix up, through remodeling and renovation, all the way to total "gut" rehabilitation, with each action presenting technical and financial issues requiring regulatory flexibility. Although some communities have already developed flexible regulatory and administrative processes to accommodate home rehabilitation, many others have not. Given the wide range of conditions and choices, home rehabilitation entails difficult regulatory challenges. In the past building codes generally required that when a given percentage of a structure was replaced, the entire building had to be brought up to new construction code requirements. Over the years improvements have been made in the regulatory system to accommodate home rehabilitation. In the late 1980s HUD developed a series of rehabilitation guidelines to permit localities, in a flexible manner, to make choices and tradeoffs in building codes, standards, and other requirements and thereby make cost-effective rehabilitation feasible.

### The model building

The State of New Jersey is currently developing model rehabilitation standards to be adopted throughout the State. The project will be completed by the fall of 1995. The goal of this effort is to create a more predictable and uniformly enforceable regulatory system related to rehabilitation, thus increasing productivity and reducing costs. Code organizations have also made significant strides in accommodating home rehabilitation in their code structures. New or emerging requirements in areas such as lead-based paint abatement, asbestos removal, energy efficiency, fire safety, and protection from natural hazards represent further constraints to cost-effective home rehabilitation. Other new requirements involve off-street parking accommodations and zoning restrictions intended for new construction, or design rules more appropriately applicable to new construction. Although many of these requirements protect public health and safety, they can add to costs, deter rehabilitation, and inadvertently lead to abandonment or disinvestment rather than improvement of existing structures. Moreover, developing and applying new and innovative products and technologies is also a problem in the home rehabilitation industry. Rehabilitation contractors frequently adopt and modify technologies that have been developed for new construction and are not necessarily cost-effective for home rehabilitation. Furthermore, dissemination of information on innovative rehabilitation systems and

technologies is largely ineffective due to the fragmented nature of the industry.

#### Action 13: Flexible Regulations to Accommodate Home Rehabilitation

The city of San Diego was able to facilitate the cost-effective construction of single-room occupancy (SRO) hotels and thus foster the production of affordable housing by actively working to waive a number of building code requirements. For example, prior to San Diego's SRO revolution, builders were required to provide a 1:1 ratio of parking spaces to living units. Local officials realized that this requirement was irrelevant to SRO hotels, where residents are unlikely to own cars. Since parking spaces cost as much as \$20,000 each, a waiver of the 1:1 requirement and subsequent construction of fewer spaces resulted in considerable savings. The partnership should work with model code groups to initiate a national effort to ensure that State and local building codes and related regulatory systems accommodate affordable home rehabilitation and renovation. This should include a comprehensive program to disseminate information on the latest regulatory tools as well as technical assistance and training on interpreting, enforcing, and administering the regulations.

#### Action 14: Home Rehabilitation Research

The partnership should work with the home remodeling and rehabilitation industry to undertake a research program for developing cost-effective rehabilitation technologies and techniques specifically focused on individual component systems of the home such as foundations, mechanical systems, and electrical systems and on the problems of lead-based paint and energy efficiency.

#### Action 15: Technical Evaluation and Guidance Materials for Energy Conservation

The partnership should establish a technical evaluation and dissemination program and develop guidance materials to accelerate the adoption of cost-effective energy conservation technologies in home rehabilitation and remodeling. Stimulate Technological Innovation in Home building.

**STRATEGY:** The partnership should lead a public-private effort to accelerate adoption of technological innovation in the home building industry to increase the use of innovative new technologies and produce less costly and more energy- and resource-efficient new homes.

**Issues and Impediments:** Technological innovation has been a major force in reducing the costs of housing construction. If today's homes were built with the technologies of 50 years ago, they would cost far more than they do. Continuing innovation in home building technologies offers further opportunities to cut production costs. Innovative methods and materials also have great potential for improving energy efficiency and promoting the efficient use of natural resources. The key to success on each front is to accelerate the rate of adoption of technological innovations. Engineering analysis and testing have resulted in widespread acceptance of many changes in traditional wall-framing techniques. Many of the OVE (optimum value engineered) techniques were developed and tested by the National Association of Home Builders National Research Center. In Valdosta, Georgia, Gary Minchew has long been a proponent of the OVE framing system. His detailed COM recording system provided a unique breakdown of where costs were saved with OVE. Total cost savings amounted to more than \$1,200 per unit when compared with conventional construction.

Although the methods and materials used to build homes have evolved significantly over the years, technological innovation in home building remains painfully slow. This is reflected in the lengthy period, sometimes as much as 40 or 50 years, between the time when new home building technologies

become available and the time they become standard practice. Many factors complicate and inhibit attempts to accelerate the use of new technology in home building:

- The chain of production for housing includes many components, and the communication between different segments is frequently poor or nonexistent.
- The construction process is horizontally fragmented among multiple trade subcontractors whose cooperation is essential for successful change, but their cooperation may not be forthcoming when dealing with new technologies and methods.
- The costs of changing to new technologies can be high, and obtaining sound technical information to permit intelligent decisions about the use of new technologies can be very expensive.
- New technologies often enter the market at higher prices than those of their competitors, even though they can offer substantial cost savings compared to the technologies they replace.
- Manufacturers and home builders can impede the processes of new product evaluations for code approval.
- Despite their long-term savings potential, innovative technologies often increase the immediate cost of construction, particularly for low- and moderate-priced homes.
- Home builders are reluctant to modify traditional methods and materials due to concerns about market acceptance, the risks of product failure, and fear of exposure to potential future legal liability from purchasers or subsequent owners.

The action items described below address each of the principal barriers to more rapid adoption and greater use of technologically innovative products and processes in home building.

#### Action 16: Affordable Home Technology Program

The partnership should initiate a National Affordable Home Technology Program to show how innovative construction methods, materials, products, and development practices can help build affordable and energy-efficient homes and subdivisions. The partners should have under construction at least 10 subdivisions demonstrating innovative technologies and land development techniques.

#### Action 17: Information, Training, and Technical Assistance for Innovative Technologies

Members of the partnership should undertake an effort to raise awareness about how technological innovation can promote affordable homeownership. For example, members might sponsor a national program of training and technical assistance to the home building industry designed to reduce builder costs of adopting innovative technologies. In addition, the partners should share technical and marketing experiences through seminars, workshops, exhibits, demonstrations, and newsletters to communicate the message that by increasing housing industry productivity, technological innovation can increase the affordability, quality, and energy efficiency of new homes.

Habitat for Humanity is planning to build a 200 unit affordable-housing development in Homestead, Florida, with the active participation of the steel industry. All of the homes will be built out of steel framing donated by the steel industry. Research on steel framing has been a cooperative effort of the National Association of Home Builders, the American Iron and Steel Institute, and HUD. Under this project, it will be possible for HUD to station researchers at the Homestead site during the framing and finishing stages. Observations will be made on practical installation problems encountered during the development process. The Homestead site will provide an opportunity to create a living laboratory to create improved construction efficiency, resulting in lower installation costs.

#### Action 18: Affordable Home Design and Construction Awards

The partnership should sponsor annual partnership awards to recognize exemplary achievements in the design and construction of both subsidized and market-rate affordable and/or lower cost homes. This program will provide the foundation for an outreach program in which recipients of awards will participate in a series of benchmark seminars and workshops to educate builders about exemplary techniques of design and construction. Frost-protected shallow foundations are foundations for slab-on-grade construction, a practical alternative in regions where more costly deep-foundation construction methods are used. Stem wall foundations bear directly on the soil without the need for a separate spread footing. This type of foundation can reduce housing construction costs by eliminating the need for separate spread footings, thereby reducing labor and material costs. Materials that can serve as an alternative to lumber or plywood, such as engineered wood products, light-gauge structural steel, and concrete systems represent a new class of structural products that have evolved over the last two decades.

#### Action 19: Stock Plans for Building Affordable Homes

The partnership should explore the feasibility of developing and disseminating a series of stock affordable housing plans for use by the building industry. The designs would emphasize quality high-density homes that are easy to construct and would identify opportunities for incorporating new technologies.

#### Action 20: Enhanced Home building Product Evaluation

To accelerate the introduction of new products and promote their broad acceptance, the partnership should undertake an effort to improve the product evaluation process. Efforts should include: (1) accelerating the development of a nationally recognized, comprehensive evaluation process with evaluation criteria for different classes of products based on objective technical research, and (2) working with product evaluation service representatives, new home warranty providers, property insurers, and home builders to link product approval to coverage under new home warranties or other insurance arrangements.

#### Action 21: HUD Technical Evaluations of Home building Products

HUD should review the scope, procedures, and use of the current HUD Technical Suitability of Products program and its Ex-Tech 233 program. HUD also should develop a plan to expand and promote broader recognition of the program to alleviate concerns about product liability. By promoting the use of new or improved building products that are technically suitable for HUD housing programs, the Technical Suitability of Products program serves as a quasi-official product evaluation system. However, inadequate staffing and constrained financial resources limit the number of new products approved each year. HUD's Ex-Tech 233 program provides FHA mortgage insurance for environmental technologies and protection for lenders if experimental technologies fail. However, this program is rarely used. HUD should work in cooperation with the homebuilding industry to make the Ex-Tech 233 program more applicable to current needs. Revisions should include streamlining paperwork requirements and integrating the program with the current FHA minimum property standards and mortgage insurance procedures. HUD also should develop and implement a method for extending coverage of the program beyond FHA-financed homes.

#### Action 22: Research on Technological Innovation for Affordable Homes



The partnership should develop a public-private housing research agenda for guiding both private and public research efforts to develop new technologies for affordable, energy-efficient, resource-efficient housing. Partners also should develop a private-public funding mechanism to support continuing dialogue through periodic roundtables, conferences, and workshops involving government agencies, manufacturers, engineers, architects, academics, home builders, and others to identify research needs and priorities. Eliminate Regulatory and Financing Barriers to the Availability of Manufactured Housing.

**STRATEGY:** The partnership should initiate a series of major regulatory, administrative, legislative, research, and educational initiatives to eliminate barriers to the availability of quality, affordable manufactured housing and to its acceptance among State and local regulatory agencies and financing entities.

**Issues and Impediments:** Manufactured housing is a major source of affordable housing, especially for many lower and moderate-income families living in rural and suburban areas. In 1994 over 300,000 manufactured homes—one out of every five single-family homes built—were added to the national housing stock. Most purchasers of manufactured homes who would not otherwise be able to purchase a home express satisfaction with their home. Yet, prospective home buyers face Federal, State, and local regulatory, as well as financing, barriers. Some of these barriers stem, in part, from the public's perception of the quality, safety, and durability of manufactured housing. There is general support among the home building industry, consumer groups, and government regulators that the following initiatives will increase the availability of manufactured housing:

- Continuation of a Federal preemptive building code and a uniform enforcement system to facilitate interstate commerce and ensure affordability.
- Fair and timely administration of construction standards.
- Strong Federal-State regulatory. North Carolina has one of the most comprehensive and successful State programs for manufactured housing in the nation.

Key elements of the program include: .

- Establishment and enforcement of consumer Complaint tracking-staff process and handle State installation standards and other Home Setup and Anchoring-The state train. appropriate regulatory programs. dealers and sets up companies on proper techniques for inducing and handling. Effective, market-driven consumer Setup Standards—The State will publish a manual on generic setup requirements for all manufactured homes. Warranties. Tie-Down Requirements—North Carolina has required tie down of all manufactured and mobile homes since 1970. Third-Party System-A third-party inspection agency has been used since 1970 to enforce State restrictions and re-licensing finance . Requirements. Warranty Program—North Carolina requires a 12-month 1-1 warranty on all new homes for "substantial" defects that affect Manufactured housing -----the performance of the home. Status—it is the only housing built under a Licensing—Manufacturers, setup companies, dealers, and sales personnel must be licensed by agencies. Federal preemptive code. As such it is the only form of housing in which the Federal Government, working in cooperation with private industry and State and local governments, plays the leading role in the construction process. The performance nature of the HUD code, with emphasis on value engineering and uniform enforcement, has allowed a range of technological innovations in the use of materials and procedures.

For a number of reasons—legal considerations of property title and taxation, sales and distribution systems, zoning and land-use patterns, and family income—most manufactured homes are owned as personal property rather than as real estate. Such ownership requires that these homes be financed with consumer loans rather than with conventional home mortgages. Home buyers who wish to locate their manufactured homes on land they own or are purchasing deserve access to mortgage financing. There

now are barriers to placing a mortgage on a property that includes a manufactured home. Manufactured home financing has evolved along a separate path from other single-family home financing. As a result, communication between traditional mortgage lenders and the manufactured housing industry has been somewhat limited. Because the demand for locating and financing manufactured homes as real estate is growing, the partnership should work to break down the barriers to mortgage financing so that purchasers of manufactured homes are not unfairly denied access. Similarly, many urban and suburban communities limit the availability of manufactured homes through regulatory and zoning practices. As a result, manufactured housing has evolved as a primarily rural form. Under many local zoning- and ordinance-related development controls, such housing is either completely excluded because it is not considered a single-family dwelling, or it is relegated solely to manufactured home parks.

#### Action 23: Regulatory Review of Manufactured Homes

HUD should work in cooperation with State and local governments, private industry, and consumers to review and update its current system of regulating manufactured housing. This effort should include, but not be limited to:

- Adopting a consensus-based process and streamlined procedures to promote timely updates and the development of standards to ensure that manufactured housing is both a safe and affordable form of housing.
- Reviewing the current private inspection system to ensure effective inspections.
- Promoting the availability of consumer protection that is equal to or broader than protection for other forms of single-family residences. California has led the way in the use of manufactured homes in traditional subdivisions. As a result of State legislation permitting HUD-code homes to be developed in single-family neighborhoods, there has been greater public acceptance of manufactured housing. For example, using local redevelopment funds, the Poway Redevelopment Agency in Poway, California, developed the Haley Ranch Estates. The Haley Ranch Estates consist of 65 rental units starting at \$250 a month, which is well within reach of families earning low and moderate incomes.

#### Action 24: State Participation in Manufactured Homes

The partnership should improve and strengthen the role of State governments in manufactured housing. For example, partners should encourage more States to assume regulatory responsibilities, develop appropriate installation standards and inspection procedures, and evaluate the adequacy of consumer protection programs.

#### Action 25: Cooperative Research for Manufactured Homes

The partnership should initiate cooperative research and demonstration efforts to accelerate the development of technologies for manufactured housing. Specifically, HUD and the manufactured home industry should:

- Evaluate new technologies for potential use in the next generation of manufactured homes to achieve efficiency, affordability, quality, and durability.
- Initiate cooperative research efforts to develop cost-effective and safe installation technologies to obtain private financing.
- Initiate education and dissemination efforts to accelerate research into innovative, efficient, and effective construction practices.

#### Action 26: Manufactured Home Industry Initiatives

The partnership should determine the feasibility of establishing programs to improve nationwide installation standards and enforcement and generate an industry-wide consensus on warranties that offer consumers comprehensive coverage on both the manufactured home and its installation. Working together, home manufacturers, retailers, and other industry segments should:

- Provide technical assistance to State governments and encourage them to establish installation standards and corresponding enforcement programs.
- Identify and promote voluntary industry guidelines for market-driven warranties offering consumers comprehensive coverage of manufactured homes that includes installation.

#### Action 27: Zoning and Land Development Reform for Manufactured Homes

The partnership should identify and promote zoning and land development policies that are more conducive to manufactured housing. As part of this initiative, partners should develop model legislation for States and localities to adopt that prohibits exclusion of manufactured housing solely on the basis of HUD certification. The partners also should produce design and land development criteria and guidance materials for use by housing developers and local governments, to facilitate inclusion of manufactured housing in their jurisdictions. To supplement these efforts, the partnership should offer a cooperative program of education and technical assistance to encourage nationwide acceptance of the model legislation within 6 years.

#### Action 28: Access to Financing for Manufactured Homes

The partnership should undertake a comprehensive program to expand the availability of financing for purchasers of manufactured homes who wish to own their homes. This program should include:

- An improved and simplified FHA financing program to replace the existing FHA Title I home modernization program.
- Simplification of the FHA 203(b) program for manufactured housing.
- Provision for adequate loans to cover installation of manufactured homes.
- Review of the technical criteria for acceptable manufactured home installation standards.
- Review of the appraisal guidelines of manufactured homes.
- Education and marketing on the availability of mortgage financing for manufactured homes.

## CHAPTER 4

### FINANCING OVERVIEW

The cost, terms, and availability of mortgage financing are of critical importance to the level of homeownership. Indeed, the substantial rise in homeownership rates after World War II can be traced not only to increasing prosperity, but also to the widespread availability of long-term, low down payment, fully amortizing first mortgage loans. America's current mortgage finance system usually provides a steady and reliable source of market-rate mortgage money, but the transaction costs linked to home purchase and financing remain stubbornly high. In addition, the current housing finance system does not adequately serve all financing needs, especially those characteristic of older, urban neighborhoods, certain rural communities, and low-income borrowers. There is widespread expectation that the mortgage finance system, and indeed the housing system generally, is on the verge of a period of dramatic change stemming from industry consolidation, redesigned processes, and the application of automation. It is vital that this change in the mortgage finance system be guided by a commitment to increase opportunities for homeownership for more families, particularly for low- and moderate-income and minority families, and to increase the national homeownership rate to an all-time

high. For many potential home buyers, the lack of cash available to accumulate the required down payment and closing costs is the major impediment to purchasing a home. Other households do not have sufficient available income to make the monthly payments on mortgages financed at market interest rates for standard loan terms. Financing strategies, fueled by the creativity and resources of the private and public sectors, should address both of these financial barriers to homeownership. The current housing finance system includes a large number of participants: secondary market entities, government and conventional lenders and insurers, for-profit and not-for-profit enterprises, firms with national scope and those with local expertise. Each of these has a contribution to make, and progress requires both appropriate competition and cooperation among these participants. What these participants share is a commitment to extending the benefits of homeownership.

## KEY PRINCIPLES

The strategies and actions in this chapter reflect the following principles:

- No single financing strategy will suffice to increase homeownership rates; the variety in housing markets, home buyer needs, and property characteristics will necessitate multiple answers to financing issues.
- Competition among housing and mortgage industry participants is a driving force in reducing financing costs, but competition increasingly must be supplemented with cooperation and collaboration to share ideas and leverage resources.
- Changes in lending processes designed to reduce financing costs must not compromise consumer or investor protections.
- The housing finance system must effectively combine national and international capital markets with local housing expertise.
- Progress in reducing financing costs and increasing the availability of financing must benefit underserved populations, reach diverse property types, and help strengthen communities.
- New information technologies are creating opportunities to reduce costs by re-engineering both the mortgage process and the real estate sales process. Whenever possible, savings should be passed on to consumers through an open, competitive marketplace.

## STRATEGIES

The financing recommendations contained in this chapter are reflected in 23 actions that support three primary strategies. These strategies are based on the following subjects:

1. Cut transaction costs.
2. Reduce down payment and mortgage costs.
3. Increase availability of financing.

### Cut Transaction Costs

**STRATEGY:** The partnership should support analysis, publication of information, and education regarding the transaction costs associated with homeownership and should support efforts to reduce these costs by retooling the mortgage loan borrowing process.

**Issues and Impediments:** Transaction costs cover the professional and technical services necessary to complete the purchase of a home. These costs can vary widely among lenders, governmental jurisdictions, and service providers—even within geographic locations. Professional and technical service costs may include fees for the home purchase, attorneys, property appraisals, title review and insurance, loan processing, loan document preparation, and credit reports. The cost of these services is

largely paid, directly or indirectly, by the home buyer. Transaction costs can add significantly to the upfront cash needed to purchase a home. Moreover, the home purchase process does not contain adequate consumer education and counseling to encourage comparison shopping for professional and technical services, identify less expensive sources for these services, and reduce transaction costs for the home buyer. Also, purchase of home transaction closing services typically is undertaken by each individual household, precluding cost savings that might accrue from volume purchase of such services. For example, negotiating discounts for bulk purchase of title insurance and property appraisals is not a general practice. Finally, home buyers often are unaware, particularly at the early stages of the home buying process, of the total cash required for the transaction. They tend to focus primarily on down payment needs and can become disillusioned when they realize that the accompanying closing costs can add thousands of dollars to their upfront cash needs.

#### Action 29: Alternative Approaches to Home buying Transactions

The partnership should explore alternative methods of processing title insurance, appraisals and legal services, to reduce transaction costs for the home buyer without increasing risk to the mortgagee or investor. For example, lenders and secondary market investors are increasingly looking at ways to lower appraisal costs by applying sophisticated decision models to their property databases. To explore such alternatives properly, the partnership should also directly involve representatives of the appraisal and title insurance industries.

#### Action 30: Technological Improvements in Mortgage Financing

The partnership should initiate industry efforts to develop and use technological and legal infrastructure to streamline and automate origination processes. These efforts include electronic data interchange, a whole loan-book entry system, electronic repositories for property transaction information, and other efforts to reduce the costly, paper intensive, and often duplicative processes currently associated with mortgage loan origination. Technological advances in recent years designed to automate and streamline loan underwriting can dramatically re-engineer the mortgage loan borrowing process. Yet, many lenders are not taking sufficient advantage of computerized loan origination systems to lower costs. For example, use of automated underwriting services, such as Freddie Mac's new Loan Prospector and Fannie Mae's new Desktop Underwriter, can result in significant loan processing improvements. Such improvements include reductions of up to 20 to 30 days in underwriting and processing time, faster loan settlements, less paperwork, greater lender assurances of loan acceptability by the secondary market purchaser, and a less intrusive loan application process. Automation improvements are likely to reduce processing costs to lenders by more than 20 percent. Secondary market investors are also automating Freddie Mac's Loan Prospector which is being tested as to the process for purchasing mortgages which have been originated by selected lenders nationwide, investors and lenders. *(Section of text here lost)*

#### Action 31: Lender Processing Time Reductions

Members of the partnership, including organizations representing home mortgage lenders, appraisers, secondary market investors, and government agencies involved in lending, should design procedural and technological improvements to measurably reduce processing times. Historically the mortgage loan process has taken 30 to 60 days from application receipt to loan approval. The system is dependent upon timely receipt of income, employment, credit, and down payment verifications; property value determinations; and other loan requirements. For the lender loan processing can be time consuming and staff intensive. For the consumer long loan processing intervals can cause uncertainty and risk

associated with fluctuations in interest rates. Shortening the processing time from application to closing will reduce hedging costs for secondary market participants and funding uncertainty for portfolio lenders. Long processing time frames inevitably add to the costs of obtaining a mortgage for the home buyer. For its part FHA should continue to streamline its single-family home mortgage insurance program by emphasizing product competitiveness and incorporating operational changes that reduce processing times. Shorter loan-processing times can lower costs generally borne by home purchasers.

#### Action 32: Standardize Home buying Settlement Procedures

The partnership should support standardization of settlement closing instructions. This standardization can eliminate much confusion, delay, and expense in communication between settlement agents and lenders, which should benefit homeowners. Under the current system, every lender communicates unique requirements, forms, certifications, funds, handling mandates, and other documentation needs through closing instruction letters. Each of these letters addresses the same sets of topics, but in its own unique format and language. If such letters were standardized in format and language, settlement agents could more efficiently and effectively find and understand the information most pertinent to each aspect of the home purchase transaction.

#### Action 33: Bulk Purchase of Home buying Settlement Services

Re Max Beach Cities (RBC) in Redondo Beach, California, has negotiated volume discounts with several local employers in exchange for employee referrals. RBC works with its subsidiaries, Coastal Financial Mortgage, Beach Cities Escrow, and First American Title Company of Los Angeles to provide a 25-percent discount on real estate sales commissions, standard escrow fees, and standard title fees. RBC also discounts loan origination fees by 1/2 percent. RBC's program works for all involved: employers provide a benefit to employees at no cost to the company, employees receive a total reduction in fees of approximately 1 percent of the home purchase price, and RBC increases its volume of business. In the 4 1/2 years that RBC has been working with TRW Space and Electronics Division, it has provided nearly \$4 million in discounts to TRW employees. While remaining mindful of the Federal Government's Real Estate Settlement Procedures Act (RESPA) regulations, the partnership should investigate the feasibility of bulk purchase of settlement services such as title insurance, appraisals, and legal work to reduce acquisition costs for home buyers. Purchasing any good or service on a volume basis typically results in a lower per-unit cost. Bulk purchase of settlement services might be coordinated by employers, labor unions, nonprofit housing developers, neighborhood associations, or other groups with an interest in promoting homeownership for particular households and properties.

#### Action 34: Local Government Development Fees and Homeownership Trust Funds

In Greensboro, North Carolina, one penny of the city's ad valorem tax is allocated to the Greensboro Housing Partnership Trust Fund for the exclusive use of affordable housing initiatives. In 5 years, the one-penny tax has generated over \$4.5 million and has been used to leverage \$37 million. The trust fund has been invested in new or rehabilitated housing for residents earning 30-50 percent of the area's median income. The partnership should encourage State and local governments to develop affordable housing trust funds using dedicated revenue sources. These trust funds would be specifically for affordable homeownership purposes. The partnership should also encourage State and local governments to waive or reduce development fees on homes purchased in certain neighborhoods or by under served populations. Reduce Down payment and Mortgage Costs

STRATEGY: The partnership should support initiatives to reduce down payment requirements, to

encourage savings for down payments by first-time home buyers, and to reform the basic contract between borrowers and lenders to reduce interest costs. Issues homeowners face because they are unable to come up with the required down payment and closing costs. In many instances, these prospective first-time home buyers find that developing the proper savings patterns to accumulate sufficient cash for the down payment is difficult. In addition, the amount of money necessary for a down payment continues to vary greatly from lender to lender based on many factors, including lender criteria, secondary market investor requirements, and mortgage insurer guidelines. Although the variety in loan products available to the borrower is commendable, it can prove confusing to a first-time home buyer. Also, some lenders are not flexible about other forms of down payment assistance such as public subsidies or unsecured loans that might supplement the home buyer's savings. Nevertheless, great strides have been made by the lending community in recent years to reduce down payment requirements, particularly for low- and moderate-income home buyers. This trend is encouraging and should be continued with support from the partnership. The monthly costs associated with owning a home also remain an obstacle for many potential home buyers. The most significant monthly housing cost for most new homeowners is the monthly mortgage cost. The mortgage loan factor that most dramatically affects long-term mortgage affordability is the interest rate charged to the borrower. When mortgage rates are high, many households are precluded, at least for a while, from the opportunity to own a home. Low mortgage interest rates sustained over an extended period of time can have a compelling, beneficial impact on mortgage affordability and the rate of homeownership in America. Although interest costs are largely a function of external economic factors that cannot be controlled by members of the partnership, to a lesser extent mortgage interest rates also are affected by factors such as the likelihood of mortgage prepayment by the homeowner, loan assumability by future home buyers, mortgage insurance, loan risk, and other elements.

#### Action 35: Home Mortgage Loan-to-Value Flexibility

Lending institutions, secondary market investors, mortgage insurers, and other members of the partnership should work collaboratively to reduce home buyer down payment requirements. Mortgage financing with high loan-to-value ratios should generally be associated with enhanced home buyer counseling and, where available, supplemental sources of down payment assistance. The amount of borrower equity is an important factor for The New Jersey Housing and Mortgage Finance Agency in assessing mortgage loan quality. However, the Agency administers its no-down payment 100 Percent Mortgage Financing Program to many low-income families who do not have access to encourage homeownership among lower income households. Sufficient funds for a down payment. While members of the partnership have already made significant strides using the program, more must be done. In 1993, 52 percent of the households of the partnership have already made significant strides using the program were single-parent families, and 73 percent were minority households. Reducing this barrier to home purchase, more must be done. In 1989 only 7 percent of home mortgages were made with less than 10 percent down payment. By August 1994, low down payment mortgage loans had increased to 29 percent.

- Many local lending institutions in recent years have developed innovative low-down payment programs for first-time home buyers.
- Private mortgage insurers generally provide coverage up to 95 percent of home value, and in some instances even higher loan-to-value ratios are permitted.
- Fannie Mae and Freddie Mac have instituted affordable loan products for home purchase that require only 3 percent from the purchaser when an additional 2 percent is available from other funding sources, including gifts, unsecured loans, and government aid. In addition, Fannie Mae recently announced a 97-percent first mortgage requiring only a 3-percent down payment.
- The Federal Government offers assistance to help home buyers obtain very low down payment mortgages. FHA mortgage insurance facilitates the purchase of homes with down payments of less than 3 percent, and VA provides guarantees for no-down payment mortgage loans to qualified households.

- State and local housing finance agencies offer taxable and tax-exempt mortgage financing products with competitive rates and flexible loan-to-value requirements.

As members of the partnership explore creative means of providing low-down payment financing to potential home buyers, a concerted effort should be made to share success stories and to learn what set of factors generates high loan volume and solid payment histories.

#### Action 36: Subsidies to Reduce Down payment and Mortgage Costs

The partnership should support continued Federal and State funding of targeted homeownership subsidies for households that would not otherwise be able to purchase homes. Notwithstanding the growing number of high loan-to-value mortgage products available today, many households, particularly low- and moderate-income families, will need subsidies to supplement down payment and closing funds or to reduce the monthly obligation on a home purchase mortgage. Subsidy funding can be provided by many sources, including State and local governments, foundations, private sector donations, religious organizations, employers, and others. Historically, the Federal Government, through HUD, has been the most prominent provider of subsidies for this purpose. Federal sources of subsidy dollars for Home Development Fund homeownership should be made as flexible as possible. It uses HOME program funds to provide 20-year, fixed-rate loans with a 3 percent interest rate. As HUD moves to a block grant performance-based help very low-income families build and approach to fund affordable housing needs at the State level purchase their homes, of the families assisted, level, it is important that maximum discretion 95 percent have incomes below 50 percent of the area median. As a result of the adrenal \*\* prided to State and local agencies and that a housing units created under this program, a new process is established to ensure that the SUCCCSSCS tax base is being established and jobs are being achieved through HUD'S Community Development created- Block Grants (CDBG), the HOME program, and the HOPE 3 program are not lost in the HUD transition. State governments, operating through community development and housing finance agencies, will continue to be very important funding sources for homeownership subsidies. State affordable housing trust funds, mortgage revenue bonds, and mortgage credit certificate programs should continue to help address homeownership needs, particularly as Federal housing and community development funding discretion increases. State agencies should be encouraged to ensure that sufficient funding is set aside from their overall budget resources for low-income homeownership down payment and mortgage subsidies.

#### Action 37: IRAs and 401 (k)s for Homeownership Down payments

The partnership should support legislation that removes negative tax consequences for early withdrawal of money from tax-deferred individual retirement accounts when the money is used for down payment assistance by first-time home buyers. The legislation also should permit the so-called "back-end account" of non-tax-deductible contributions, which would allow taxpayers to withdraw funds for a first-time home purchase after 5 years without penalty or taxes on earnings. HUD analysis indicates that at least 600,000 households in the next 5 years would benefit from withdrawing funds from their retirement accounts for a first-time down payment option. Members of the partnership also should identify existing household assets that may be converted to down payment assistance, subject to income tax and other considerations. For example, many households now participate in tax-advantaged savings vehicles (such as 401 (k) plans), which historically have not been available for down payment on a home.

#### Action 38: Savings Plans for Homeownership



The Federal Home Loan Bank of New York has used its Affordable Housing Program (AHP) to assist lower income first-time home buyers through the First Home Club program. Eligible families open a First Home Club savings account at a local financial institution and systematically deposit funds to cover down payment costs and closing fees. Upon completion of a required home ownership counseling course, a family's savings are matched on a 3-to-1 basis, up to a maximum of \$5,000, with funds from the AHP. The partnership should identify and promote effective methods of saving for homeownership. Such methods may include use of household homeownership accounts and savings clubs, whereby savings are dedicated specifically for down payments and closing costs. The family budgeting discipline from these programs can also improve the potential for stretching mortgage loan underwriting ratios. Members of the partnership also should support homeownership education and counseling efforts that assist households to save for home purchase. Saving for a down payment represents a significant challenge for a large number of households. Many households pay so much for rental housing and other existing monthly obligations that accruing adequate funds for the down payment and closing costs has not been feasible. Examples of homeownership accounts might include:

- Lease-purchase programs where a portion of the household's rent payment accrues toward the down payment.
- Employer-assisted home buyer savings plans, sometimes including incentive-based employer contributions or loan features using pre-tax savings.
- Lender-initiated savings plans, whereby the lender provides enhanced savings rates or preferred customer mortgage terms to encourage homeownership.
- Formal and informal "home buyers clubs," which generate savings through the reinforcement of group participation.

Homeward Bound, Inc., of Phoenix, Arizona, operates a lease-purchase program for formerly homeless families. Unlike traditional lease-purchase programs, Homeward Bound does not collect rent and hold it in escrow for future home purchase. Rather, residents pay minimal rent (enough to cover taxes, insurance, and administrative costs) and work closely with a case manager to develop their own savings plan. Residents must resolve personal debt and acquire savings for a down payment within 2 years. This method of savings is a greater challenge to residents—building long-term responsibility and teaching self-sufficiency. In its first 2 years, Homeward Bound has helped 28 families to purchase homes.

- Nontraditional savings such as the "sou-sou" approach, whereby individual households contribute a fixed amount of money periodically to a third party, who holds the funds and distributes the money to members of the group on a rotation basis. Depository institutions should consider how they can add certainty to these revolving funds without undermining the group savings incentive.

#### Action 39: Mortgage Options and home buyer education

The partnership should consider methods of itemizing the cost of mortgage terms to help the home buyer weigh mortgage options and their associated costs. Furthermore, any options in the terms of the mortgage contract ought to be clearly disclosed to consumers to encourage the best choice. In today's mortgage market, the costs of mortgage money reflects a sophisticated, capital markets valuation, based on the terms of the contract between borrower and lender. The interest rate charged to the home buyer will directly reflect the terms such as loan assumability and the right of prepayment. Most prospective home purchasers do not realize that the inclusion or exclusion of such loan conditions can affect the interest rate on their mortgage.

#### Action 40: Home Mortgage Foreclosure Requirements

The partnership should analyze existing State foreclosure laws and support future efforts to implement streamlined foreclosure procedures that are more consistent from State to State. The cost of mortgage money reflects, in part, the investor's estimate of credit costs. These credit costs are, in turn, affected by State laws concerning foreclosure. State laws vary considerably in the rights and obligations of the lender and the homeowner in the foreclosure process. Notwithstanding the benefits of establishing a more systematic foreclosure process, no such changes should be supported by the partnership if the rights and interests of the homeowner are unduly jeopardized. Increase Availability of Financing.

STRATEGY: There is a vital need to increase the availability of financing for forms of homeownership that the current mortgage finance system does not address effectively. The partnership should seek to identify the expertise required for such financing, provide assistance to enable potential home buyers to afford such financing, standardize loan features to permit streamlining, and broaden the secondary market for such loans.

Issues and Impediments: Mortgage financing is readily available in the United States, due to a competitive market place, stable home values, and a sophisticated capital market infrastructure. Nevertheless, some forms of homeownership financing are not sufficiently available in all markets. There have historically been inadequate levels of mortgage financing for combining the purchase and rehabilitation of single-family homes, owner-occupied small rental properties (two- to four-unit structures), manufactured housing, cooperative housing, rural housing, and Native American housing. Mortgage financing is not always adequately available in certain neighborhoods or areas experiencing an economic downturn. Financing for the combined purchase and rehabilitation of single-family housing is not widely available on a national scale, due in large part to:

- (1) the perceived risk by conventional lenders associated with the timely and satisfactory completion of the rehabilitation,
- (2) the lack of experience in this form of financing among lenders, mortgage insurers, and secondary market investors, and
- (3) inadequate coordination at the local level among lending institutions, real estate professionals, government agencies, and nonprofit organizations. As a result, housing in substandard condition that might be available at affordable prices for low- and moderate-income households cannot be financed at all or must be financed in stages—first by a purchase mortgage and subsequently by a rehabilitation loan. In some sections of the United States, two-, three-, or four-unit properties are a prevalent part of the housing stock. These properties are ideal for low- and moderate-income home buyers that can use the income from the rental units to supplement other sources of income to meet monthly homeownership expenses. However, mortgage financing for such structures is sometimes difficult to obtain. To achieve all-time-high levels of homeownership by the end of the century, a greater percentage of lower income households must find ways to become owners. Less expensive housing, including manufactured homes, cooperative and mutual housing, and community land trust housing are possible solutions, but mortgage financing must become more readily available for these alternatives to succeed.

Finally, obtaining sufficient funds to purchase a home for many low- and moderate-income American households will require government and nonprofit financial support. Public subsidy programs can help fill the gap between mortgage lender availability and home buyer affordability. Yet, despite many years of public-private sector experiments—including many notable success stories—there continues to be a lack of consistency in the way local governments and nonprofit housing organizations use subsidy dollars to leverage private mortgage money to support affordable homeownership. In the future, as State and local government discretion in the use of Federal housing funds increases, greater information sharing among States and localities as to what works will become increasingly essential.

#### Action 41: Home Purchase and Rehabilitation Financing With FHA 203(k)

The partnership, in collaboration with HUD, should seek to expand the number of conventional lending institutions and other FHA-approved lenders actively participating in the FHA 203(k) program. Partnership efforts also should include increasing risk-sharing opportunities and **more fully developing the secondary market for this product.** The FHA 203(k) program provides government-backed insurance for purchase and rehabilitation financing. In the past, many lenders considered the 203(k) program administratively cumbersome and expensive to implement. However, significant improvements have been made in the past 2 years. In fact, HUD expects to double its business in 203(k) loans in fiscal year 1995.

#### Action 42: Conventional Financing for Home Purchase and Rehabilitation

The Columbus Housing Partnership (CHP) is a nonprofit organization in Columbus, Ohio, that uses the 203(k) Dreambuilder Mortgage to finance home rehabilitation. CHP uses 203(k) in two ways:

- CHP purchases HUD-foreclosed homes and rehabilitates them using bank-provided 203(k) loans. Low-income home buyers secure financing to buy out CHP's 203(k) loans.
- home buyers locate homes that need rehabilitation. They secure 203(k) financing from a HUD-certified lender and hire CHP as their general contractor. CHP rehabilitates the homes with no loan risk and very low contracting fees. The Joint Ministries Project, a group of inner-city Minneapolis churches and community organizations, set out to make Minneapolis a "city of homeowners." The organization's housing development arm, Damascus Development Corporation, secured a revolving line of credit with TCP Bank to purchase and rehabilitate up to 50 HUD-owned vacant and boarded-up properties. For rehabilitation, Damascus contracts with a development company that uses subcontractors from the local area. Residents lease the rehabilitated homes from Damascus, with a portion of their rent escrowed and held for future purchase of the property. Fannie Mae purchases mortgages upon completion of rehabilitation and GE Capital provides needed mortgage insurance. The partners should work to increase the availability of conventional financing for home purchase and rehabilitation. Efforts should include establishing partnerships between lenders and entities with rehabilitation experience. Purchase and rehabilitation lending should not become the exclusive preserve of FHA or other public financing mechanisms. Local partnerships involving lending institutions, real estate professionals, and nonprofit organizations, with support from national secondary market investors and private mortgage insurance companies, can use their expertise to dramatically increase the volume of purchase-rehabilitation lending.

Local partnerships composed of lenders and local government or nonprofit housing providers should be established. Local mortgage lenders can underwrite loans, but typically do not have the staff or experience to oversee the rehabilitation process, although local government housing agencies and many nonprofit housing providers specialize in managing home rehabilitation. In some instances, the collaborative effort of the lender and local agency might also include public subsidies to:

- (1) reduce borrowed amounts so that financing costs do not exceed post-rehabilitation property values, and
- (2) establish short-term credit enhancements, such as guarantees, to cover a portion of the risk associated with home rehabilitation. To establish a broad-based conventional market for home purchase and rehabilitation lending, members of the partnership also should identify and share existing purchase and rehabilitation models. These models should be replicated on a larger scale.

#### Action 43: Home Rehabilitation Financing

Members of the partnership, particularly lender organizations and secondary market investors, should work to expand financing opportunities for home rehabilitation needs. In addition, HUD, in collaboration with other partners, should seek to improve the use of the FHA Title I Home Improvement Program as a viable form of rehabilitation financing for lower income homeowners. Currently many homeowners face home improvement needs that are difficult to finance from conventional financing sources, due to property value limitations or owner credit and total debt-to-income problems. Without the availability of rehabilitation financing, properties will continue to deteriorate, further deflating home values and homeowner motivation.

#### Action 44: Flexible Mortgage Underwriting Criteria

The partnership should support efforts to increase local lender awareness and use of the flexible underwriting criteria established by the secondary market, FHA, and VA. In recent years many mortgagees have increased underwriting flexibility. This increased flexibility is due, at least in part, to local lender community reinvestment strategies and liberalized affordable housing underwriting criteria established by secondary market investors such as Fannie Mae and Freddie Mac. Yet, many prospective home buyers still cannot qualify for a conventional mortgage. Some of these home buyers cannot qualify without intensive counseling or subsidies. However, many households may qualify if local lenders are encouraged to use compensating factors in underwriting loans or more flexibly interpret secondary market purchase requirements. For example, Freddie Mac last year initiated Underwriting Barriers Outreach Groups, which brings lending industry and community groups together to review Freddie Mac guidelines. These meetings have led to clarification of many Freddie Mac loan purchasing requirements. Freddie Mac is publicizing these clarifications to inform participating lenders of existing underwriting flexibility and that the "cookie cutter" approach to lending may unintentionally exclude good borrowers from obtaining mortgage financing.

Similarly, Fannie Mae is increasingly looking at compensating factors to traditional underwriting criteria for establishing credit and income stability. The firm's actions include establishing a loan review board to review the affordable housing loans sold to the company that underwriters believe do not meet Fannie Mae guidelines and a "flexibility hotline" that lenders can call for answers to underwriting questions.

#### Action 45: Public-Private Leveraging for Affordable Home Financing

The partnership should support development of a comprehensive, nationwide analysis of local public-private home buyer programs to ascertain which elements are indicators of long-term leveraging success. In addition, the partnership should sponsor interactive forums, training or other technical assistance efforts for local partners to promote replication of proven approaches. Many would-be home buyers, especially low- and moderate-income households, cannot rely solely on conventional mortgage financing to obtain a home. In these instances, government agencies and nonprofit organizations must use their flexible resources to the maximum extent possible to leverage private financing—in effect serving as a catalyst to make deals work that would otherwise prove infeasible. In Connecticut, People's Bank and the Commonwealth Mortgage Assurance Corporation (CMAC), a private mortgage insurance company, have developed the Risk Share Program to allow conventional financing for low-income home buyers. Under Risk Share, home buyers may use medical, utility, and landlord payments as credit references. The program allows for nontraditional employment histories, employment histories with gaps, short-term employment, and frequent job changes. The loans are insured by CMAC based on a layering of risk. CMAC assumes the first layer of risk; People's Bank assumes the second. Risk Share has closed \$1.4 million in loans with no delinquencies to date. To assist low- and moderate-

income home buyers, Wisconsin's lending industry joined forces and created the Closing Cost Assistance Program (C-CAP). C-CAP merges a 3-percent buyer down payment with a secondary loan to finance transaction costs. Funds are provided by the Federal Home Loan Bank of Chicago and the State of Wisconsin Division of Housing and backed by a purchase agreement with Fannie Mae. C-CAP reduces risk by pooling loans from lenders throughout the State. A revolving fund ensures that assistance is extended to future home buyers. There are hundreds of examples of successful local government and nonprofit leveraging programs throughout the United States—in urban and rural settings, operating on a large scale, and neighborhood-based—involving one lender or through statewide consortia with many lenders. The flexibility provided in HUD's CDBG and HOME programs has made this leveraging possible in many instances. There is, however, no national information exchange or compendium of program models which local lenders, nonprofit groups, or local government agencies can use for guidance on how to establish successful public-private initiatives.

#### Action 46: Reinventing FHA Single-Family Home Mortgage Insurance

HUD and other members of the partnership should work together to reinvent the FHA single-family home mortgage insurance program. FHA single family insurance has been instrumental in helping millions of home buyers to obtain mortgage financing. In fact in fiscal year 1994, FHA endorsed over 1.3 million single-family loans—43 percent more than in the previous year. Over two-thirds of these loans assisted first-time home buyers. Yet to remain an essential, integral part of the mortgage financing system that functions efficiently in a rapidly changing capital market, FHA must become more entrepreneurial and more responsible to its customers. In the short run, FHA has already made significant improvements in its mortgage underwriting criteria, including the following:

- Recognizing additional income sources, including overtime, bonuses, and part-time income.
- Considering long-term obligations to include only debt extending 10 or more months and eliminating child care as a recurring debt.
- Allowing use of cash saved at home or in private savings clubs.
- Increasing flexibility in qualifying ratios and compensating factors.

Over the long run, more must be done. **The Clinton Administration proposes reinventing FHA as a wholly owned government corporation**, which can more quickly and entrepreneurially enter into creative partnerships with the public and private sectors. These partnerships would utilize FHA's current "full faith and credit" for individual loans and pool loan insurance, reinsurance, risk-sharing, securitization, and other forms of credit enhancement. The new FHA, working with diverse partners, will expand the reach of the private sector to families, communities, and markets historically underserved by the private mortgage market.

#### Action 47: Native American Home Financing Needs

To promote homeownership for Native Americans, Federal and State partners should expand policies and programs that empower tribes to design homeownership models that meet their cultural, spiritual, and functional needs. Insured mortgage financing should continue to be available on reservations, and funding should continue for the HUD Section 184 loan guarantee program and the VA Native American Direct Loan Program. Native American homeownership needs also should be considered in the establishment of HUD's Affordable Housing Fund. Furthermore, members of the partnership, including HUD, VA, the U.S. Department of Agriculture (USDA), the private lending community, and organizations representing Native American tribal interests, should engage in discussions with the Bureau of Indian Affairs to increase the timeliness of title searches and approval of loan documents. Mortgage financing for Native American households, particularly on tribal lands, is not readily available. This is due to many factors, including the poor economic conditions on many reservations,

the existence of trust land that cannot be used as collateral for financing, and the predominance of public housing. In recent years, HUD and other Federal agencies have made significant strides in delegating funding decisions to tribal governments and Indian housing authorities. Newer Federal initiatives such as the Indian HOME program and Section 184 loan guarantees, increasing State focus on tribal housing needs, and greater secondary market investor involvement are beginning to make a difference in helping Native American families become homeowners.

#### Action 48: Small Rental Properties to Support Affordable Homeownership

Members of the partnership should provide opportunities for low-income home buyers to purchase. Schenectady Federal Savings and Loan Association of Schenectady, New York, is using owner-occupied, small rental properties. The partners a \$375,000 direct subsidy from the Federal Home efforts should include exploring the development of Loan Bank of New YOA to assist in the alternative lending approaches; seeking creative uses of acquisition and rehabilitation of 30 duplexes The retrofit resources in conjunction with homes will have one owner-occupied unit and one r J rental unit. The homes will either be purchased conventional first mortgages; and streamlining the from HUD's foreclosed inventory or donated by appraisal process. As discussed fully in Chapter 7, the city of Schenectady, Financing from Homeownership Education and Counseling, additional Federal sources as well as from a local lending consortium is also being used. home buyers of small rental properties should also ingage in training in the management of rental properties prior to home purchase. Owner-occupied small rental properties, which are typically two- to four-unit dwellings, are a critical component of the affordable housing stock in many communities. These properties are often sought by low- and moderate-income home buyers who need the rental income to help meet their home mortgage payments. In many markets, however, mortgage financing for these properties is not readily available for a number of reasons, including the risk associated with home buyer inexperience in managing rental property, the risk of unexpected rental vacancies, the cost of emergency repairs, and the problem of missed or late rental payments.

#### Action 49: Continuation of the Mortgage Revenue Bond Program and Mortgage Credit Certificates

The partnership should promote the continuation of the Mortgage Revenue Bond (MRB) program. Mortgage Revenue Bonds receive a Federal tax exemption, enabling moderate-income home buyers to obtain mortgages at below-market Interest rates or with low down payments. State and Revenue Bonds and HUD HOME program to local government housing finance agencies operate the offer. No-down payment mortgage tor first-time MJJB program which has helped more than 1.6 million home buyers with incomes equal to or less than 80 percent of the area median. The MRS program is American families buy their first homes. Most of these used to finance below-market interest rate first purchasers have UIComeS significantly below their State's or metropolitan area's median income value is provided at no interest with funds from the HOME program. Georgia, Kansas, Louisiana. In addition, the partnership should promote Michigan, North Carolina, and many other States operate similar programs. continuation of Mortgage Credit Certificates, which make homeownership more affordable for lower income home buyers by reducing their Federal tax liability. Maintaining adequately funded MRB and Mortgage Credit Certificate programs can directly and immediately increase homeownership among low- and moderate-income families that partners have targeted.

#### Action 50: Energy Efficiency and Home Mortgage Underwriting

The partnership should encourage consideration of changes in secondary market and conventional lender qualification systems for borrowers and in the property appraisal process to incorporate

considerations of energy efficiency. Federal agencies should promote new qualification systems and study the energy efficiency impacts on current FHA, VA, and USDA home financing programs. High energy costs can substantially increase a homeowner's monthly housing costs. This may come as a hardship, especially to homeowners who do not anticipate these costs. Increasing a home's energy efficiency not only improves homeownership affordability, but also increases the property value of the home and promotes a cleaner environment.

#### Action 51: Cooperative Homeownership

The partnership should seek to increase the availability of financing for cooperative housing both through the development of new cooperative housing and the conversion of existing rental housing to cooperative resident ownership. Renters often become more involved in the quality and long-term viability of their homes when they become members of a cooperative. Although cooperative housing does not provide all of the ownership advantages available through fee-simple ownership, households can exercise much greater control over their living conditions than they can as tenants. Yet, lack of adequate public and private financing for cooperatives is a major impediment. In addition, enhanced awareness of the benefits of cooperative housing, particularly for low- and moderate-income households who cannot afford the costs associated with fee-simple ownership, must also be addressed before cooperative home ownership can be significantly increased.

## CHAPTER 5

### BUILDING COMMUNITIES OVERVIEW

Achieving the goal of higher homeownership will demand place-based strategies that recognize the special problems and opportunities created by the diverse communities that make up the fabric of American life. Place-based strategies are sensitive to local conditions and build on State and local institutions. This chapter discusses ways to increase homeownership by building local institutional capacity and creating maximum homeownership opportunities in under served geographic areas. This chapter reflects both an analysis of those community-based factors that affect the ability of Americans to achieve the dream of homeownership, and identifies strategies to boost homeownership that capitalize on community resources and are sensitive to the special needs of different types of communities.

### KEY PRINCIPLES

The action recommendations in this chapter for building communities are based on the following principles:

- To increase the number of homeowners living in affordable, safe, and decent homes, the partnership must overcome obstacles to producing and rehabilitating low-cost housing.
- The national partnership efforts will succeed only if State and local governments, State housing financing agencies, community groups, trade associations, and private sector firms come together to provide assistance suited to the characteristics of local communities and populations.
- Efforts to expand homeownership in distressed areas must include comprehensive community and economic development to restore viable housing markets. Otherwise families may end up buying homes in communities that lack stable and sustainable long-term investment opportunities.
- Efforts to increase homeownership should improve opportunities both in the communities where low- and moderate-income families now reside, as well as in areas where they may want to reside.
- Assessment of mortgage loan default risk by home mortgage lenders and underwriters should be

based on accurate factual assessments, not on flawed information or stereotyped images about the risk profiles of urban neighborhoods or rural communities.

## STRATEGIES

There are four key community building strategies that address local conditions, capitalize on community resources, and build on local institutions:

1. Build local capacity.
2. Expand homeownership opportunities in areas of employment.
3. Revitalize distressed and declining urban neighborhoods.
4. Increase opportunities for homeownership in rural areas.

### Build Local Capacity

**STRATEGY:** The partnership should encourage the development of increased local capacity to undertake and foster affordable homeownership among all potential actors, including private developers, lenders, insurers, realtors, and nonprofit and public agencies.

**Issues and Impediments:** Although members of the partnership will be devising ways of expanding homeownership on a national level, increasing homeownership in targeted areas will depend largely on local service providers who have knowledge of and experience in the areas they serve. Thus, the partnership should propose actions that expand the capacity of local actors—allowing them to do what they do best. Key local partners in the homeownership development process include, State and local governments, State and local housing finance agencies, community residents, local businesses, realtors, home builders, community-based nonprofit organizations, national nonprofit intermediaries, mortgage lenders, mortgage and property insurers, title companies, appraisers, fair housing groups, religious groups, and many other public agencies and private firms. Building capacity among local nonprofit organizations is essential. Although the level of affordable housing development and management undertaken by nonprofit groups has grown dramatically over the past two decades, their skills and resources vary widely. In some communities nonprofit organizations may lack the expertise and funding to accomplish their goals, and in other communities such groups may not even exist. It is critical that nonprofit and other local organizations develop the expertise necessary to successfully continue their unique and growing role in affordable homeownership development and management.

Fostering cooperation among participants in the housing industry is also important. In most local housing markets, mortgage lenders, real estate professionals, and other private sector housing providers can do more work with local nonprofit and government entities to address the needs of low-income, moderate-income, and minority households. An important objective of the partnership should be to build homeownership capacity through the establishment of strong local partnerships. Much like the national partnership, each local partner should work with other partners to establish goals, measure progress, and celebrate the successes of expanding homeownership.

### Action 52: Homeownership Education and Technical Assistance for Communities

The partnership should design and undertake a comprehensive local education and technical assistance housing. In Colorado. Approximately 250 individuals campaigning to build the capacity of local housing attend the conference to exchange ideas and develop providers too work collaboratively. actions to mitigate barriers to affordable rural housing. Rural Housing Now goes beyond dialog to help form partnerships with providers, government pQf example, partners Can disseminate information



on successful homeownership strategies rural housing opportunity team that has held that highlight the roles of each key actor. In addition, workshops around the state to bring partners should consider sponsoring group facilitations. expertise to local communities or local interactive forums to promote better understanding of the relative roles of each player in the homeownership process. These forums should offer public and private sector organizations an opportunity to discuss their objectives and requirements so that each partner is sensitive to the needs of the other participants, enabling them to work collectively to strengthen the design and implementation of their homeownership strategies.

#### Action 53: Spotlight on Successful Local Partnerships

The partnership should publicize how localities have successfully established local partnerships. These periodic showcases should feature local representatives from a particular community—from the public and private sectors—who will conduct presentations on how they are building a successful local partnership to improve homeownership opportunities and community revitalization. By showcasing a particular community's progress, these sessions will update the national partnership on state-of-the-art local initiatives that can be used as models for other communities with similar homeownership issues and needs.

#### Expand Homeownership Opportunities in Areas of Employment

**STRATEGY:** The partnership should foster homeownership opportunities that allow families, especially low- and moderate-income households, to live within reasonable proximity to employment centers.

**Issues and Impediments:** Many low- and moderate-income families are unable to find decent, affordable housing in areas of economic growth. The development of affordable homes is often limited in these areas due to many factors, including housing costs, zoning ordinances, and market forces. Consequently, low- and moderate-income persons are often unable to purchase homes in the communities where they are employed, and either must remain renters or must commute long distances to their jobs. Many communities do not recognize the benefits of providing homes for low- and moderate-income families, even when such housing is needed for essential service employees such as teachers, police and fire personnel, and other local government workers. In some cases local zoning ordinances, development fees, and other planning requirements are intentionally designed to limit development and exclude low- and moderate-income families. In other instances market forces, cost issues, traditions, lack of information about potential alternatives, or the lack of time and expertise required to rewrite applicable laws and regulations inhibit development of homes for low- and moderate-income families employed in the local community.

#### Action 54: Employer-Assisted Homeownership

The partnership should identify successful models of employer-assisted homeownership and promote wider understanding and acceptance of these models among public and private organizations. High housing costs and other factors have led some employers to provide home buying assistance to employees so that they can obtain affordable homeownership closer to their work sites. Employer-assisted housing programs, including savings plans, transaction cost assistance, down payment assistance, free home buyer counseling, construction programs, and public-private partnerships, hold enormous potential for expanding homeownership. Yet, many employers, public and private, do not recognize the benefits that can accrue from such programs or are not aware of their potential and practicality.

## Action 55: Location-Efficient Home Mortgages

The partnership should examine whether underwriting standards properly reflect the household savings that can accrue from families owning homes close to their places of employment. Lawrence, Massachusetts, developed an employer-assisted housing partnership with First Essex Savings Bank and two large local employers. First Essex waives origination fees, reduces closing costs, and provides homeownership counseling for eligible low-income employees. Together, First Essex and the employers provide a down payment grant of up to \$1,500. The city provides two additional sources of assistance if necessary:

- (1) a deferred loan up to \$1,000 for additional down payment assistance, and
- (2) a deferred forgivable HOME rehabilitation loan up to \$40,000. In addition to providing residents with affordable homeownership opportunities close to work, Lawrence's employer-assisted housing program has helped to revitalize and stabilize neighborhoods. According to a recent study sponsored by the Natural Resources Defense Council, people who live near their place of employment experience substantial economic savings in transportation costs that can be applied to their housing needs. For example, the study suggests that households in the San Francisco Bay Area save \$350 to \$450 per month by living near the urban centers. If fully and reliably recognized in home mortgage underwriting as a valid income equivalent, this level of savings could amortize as much as an additional \$50,000 in homeownership borrowing as a function of location efficiency. Demonstrations should be undertaken to determine whether the level of quantifiable savings warrants broader use within the home mortgage lending community. Revitalize Distressed and Declining Urban Neighborhoods.

**STRATEGY:** The partnership should coordinate efforts to expand the capital base by promoting loan financing and equity investment in infrastructure, economic and business development, and community building to ensure that targeted urban neighborhoods can provide the services critical to attracting and retaining homeowners.

**Issues and Impediments:** Distressed urban areas present great challenges to raising homeownership rates. These areas often suffer from a variety of economic ills: long-term disinvestment, concentrated and persistent poverty, lack of job opportunities, crime, anemic housing markets, deteriorated housing stock, and environmental problems. They also suffer from a lack of capital because financial institutions have been unwilling or unable to make loans or provide banking services in these communities. In addition, local residents in distressed areas have difficulty saving and generally have few assets of significant value, and many businesses and equity investors with available capital avoid these communities due to perceived risks and the low-income of the population.

Decaying infrastructure—including streets, parks, and schools—negatively affects the quality of life in some urban communities and creates a disincentive to homeownership. Not surprisingly, homeownership rates are relatively low in these communities and tend to decrease as the neighborhood further deteriorates. Moreover, declining communities may not be conducive to long-term homeownership.

Neighborhoods in the early stages of housing market problems and other indicators of economic distress may not be chronically under-served by public or private institutions but they are at risk of becoming so. Stabilizing and improving existing levels of service in these communities is therefore critical to successful homeownership strategies. Opportunities for homeownership can quickly be lost if disinvestment is not immediately stopped. As part of larger economic development strategies, concentrated investment in housing and community infrastructure in distressed and declining urban neighborhoods can make a significant contribution to stabilizing and elevating homeownership rates.

However, the level of investment must be sufficient to reach a critical mass for increasing homeownership rates in targeted areas, reversing the economic disinvestment and altering the social psychology of decline. This community reinvestment often must rely on new construction and rehabilitation of a sizable fraction of a neighborhood's housing stock and a significant improvement in residents' attitudes and optimism.

#### Action 56: Comprehensive Community Revitalization

The partnership recognizes that targeted,

A partnership between the city of Rochester, First Savings and Loan Association of Rochester, comprehensive investment of public and private, and the North East Block club Alliance (a local resources is essential for successful community nonprofit) is taking a comprehensive approach to revitalization. Partners should participate in activities like neighborhood revitalization. A development of units for large, low-income that support comprehensive programs for neighborhood families, is being constructed on a 5.3-acre city block. A subsidiary of First Federal is constructing the property with the assistance of local, minority subcontractors. At-risk high school students assist Effective community revitalization involves with housing construction through a school program. consideration of a broad range of activities. The city government re-subdivided irregular lots into 40- by 100 foot uniform lots. Rochester also services, including housing, economic development, contributed approximately \$400,000 in infrastructure education, infrastructure improvement, financing, and improved public safety. Any of these activities alone are insufficient to improve the quality of life in a development in adjoining block, .re neighborhood and sustain it over the long term. First Place has acted as a catalyst for local developed, properties being upgraded, and the city is building a 1,000-pupil school on the next block For example, flexible funding for strategic infrastructure needs, including school improvements, park improvements, and upgraded roads and public transit systems can increase the neighborhood's ability to attract investment and tie community residents to job opportunities in the metropolitan area. Development of public safety action plans in inner-city neighborhoods, including incentives for police officers to become homeowners in these communities, can decrease crime and improve neighborhood confidence. Business expansion through economic development activities can improve retail and professional services and create employment opportunities for local residents. Many of these elements are components of the Empowerment Zones and Enterprise Communities program.

One of the most important aspects of comprehensive community revitalization is the need for more capital to invest in many of our Nation's older and less prosperous communities. Local residents and businesses located in these neighborhoods are generally under-served, both by lenders and by equity investors. Members of the partnership should work together to bring new sources of financing into under-served areas, by using such targeted tools as the Community Reinvestment Act (CRA) and the new Community Development Financial Institutions Fund (CDFI). Bridging the capital gap for low- and moderate-income communities is a vital prerequisite for expanding homeownership.

#### Action 57: Homeownership Zones

Partners should work with HUD to encourage the creation of local homeownership zones in communities with federally designated Empowerment Zones and Enterprise Communities or State-designated enterprise zones. The purpose of homeownership zones is to pull together a local partnership of public and private resources to increase homeownership on a large scale. The construction or rehabilitation of hundreds of homes can create opportunities for affordable homeownership and at the same time bring new investment, improved incomes, greater public safety, and an increased demand for schools, services, stores, and streets. The concentrated local impact of

homeownership zones can help spawn genuine neighborhood revitalization, civic spirit, community involvement, and homeownership that goes beyond the scope of the initial number of homes sold.

#### Action 58: Federal and State Resources for Affordable Homeownership

The partnership should support continued

The Connecticut Housing Finance Authority (CHFA) offer, mortgages, discounted interest rates/points, availability of sufficient public resources to help finance and fees to stimulate homeownership in targeted affordable homeownership. These efforts may include urban areas of the state. CHFA also uses more substantial investment in demolition, acquisition, lenient qualifying guidelines for mortgages in these areas, which tend to underperform suburban rehabilitation, and new construction for critical communities economically. CHFA mortgages are a fraction of the housing stock in targeted communities; available to residents of public housing and those receiving section 8 assistance. Mortgage feature increased investment in moderate rehabilitation of fixed rates that are generally 1 1/2 to 2 percent properties in targeted neighborhoods; and selected below market, carrying 1 percent origination fee. Investment in streets and parks to enhance local homeownership.

Federal support for homeownership in the future is essential and should be provided in a manner that gives broad discretion to State and local government agencies and nonprofit organizations. State and local agencies should be permitted flexibility in the design and implementation of housing and community development activities to respond better to specific neighborhood needs. The newly proposed HUD Affordable Housing Fund and the existing CDBG and HOME programs fulfill this need. Similarly, continued Federal authorization of Mortgage Revenue Bonds and Mortgage Credit Certificates should be strongly supported by the partnership.

#### Action 59: Promoting Mixed-Income Neighborhoods

The partnership should encourage the development of urban neighborhoods providing a wide range of housing choices to families of all income levels. A diverse income mix can help to break down urban social and economic barriers, creating a climate where positive social and market dynamics can take hold. As a result, the partnership should support strategies to encourage middle- and upper-income homeowners to move to distressed urban neighborhoods. Incentives should include favorable zoning regulations along with tax and financial incentives for developers or home buyers. Where feasible, HUD and other partners should also support efforts to help public housing tenants attain homeownership.

#### Action 60: Redeveloping Vacant Properties

The partnership should encourage efforts to

The Los Angeles Housing Department's (LAHDs) Small Site, Development program<sup>TM</sup> was initiated after the civil unrest in Los Angeles in 1992. This program government agencies and encourage the banking create, homeownership opportunities for large, low- industry to adopt supportive recycling of foreclosed income families, eliminates blighted vacant lots in distressed residential areas, and encourages home builder Partners solid support State and local efforts, employment of local minority businesses. LAHD to revise tax foreclosure and redemption laws and to provide HUD HOME program hinds to local minority developer, to con<sup>\*TM</sup>, single-family homes developed in fill property investment and development on vacant lots. LAHD estimates that 40 homes per policies that promote neighborhood revitalization. year will be developed and sold through the Small Sites Development program. Unoccupied and untended homes have a corrosive effect on urban neighborhoods, yet public

and private policies often do not adequately address this problem. In addition, vacant lots, created through demolition of housing in established neighborhoods, often become eyesores, lessening the willingness of community residents to make investments in their homes. Increase Opportunities for Homeownership in Rural Areas

**STRATEGY:** The partnership should undertake to expand homeownership in non-metropolitan areas through interventions that recognize the unique social, economic, and demographic aspects of rural and small-city America.

**Issues and Impediments:** There are numerous factors that impede homeownership in non-metropolitan areas. For example, poor housing quality is one factor underlying the low rates of homeownership. Rural units tend to be older, and there is very little new construction in rural areas to replace units that are falling out of the housing stock. The relative prevalence of substandard units in rural areas affects the availability of mortgage financing for many properties and limits the number of decent homes in the housing stock available for purchase.

Housing costs have increased in rural areas, even as peoples' incomes have stagnated or decreased—making homeownership increasingly less affordable. Rates of cost-burden in rural areas now rival those in urban areas, debunking the myth that rural housing generally is more affordable. High housing costs also limit the options of first-time home buyers and make it more difficult for renters to save for down payments. Limited rural access to mortgage credit also makes homeownership difficult. There are multiple causes for this phenomenon, including lack of financial institutions in many rural areas, poor service in existing branch banks, strict underwriting standards in local banks, and discrimination in mortgage lending. Financial institutions in rural communities have also had difficulty achieving economies of scale in mortgage lending, mortgage pooling, and mortgage sales to the secondary market. Lenders that operate in rural areas typically require low loan-to-value ratios because they fear potential declines in property values or that properties may be over-appraised. With a limited number of qualified appraisers, secondary market sales become difficult. Many rural communities lack local housing development and homeownership assistance capacity and they also suffer from an absence of knowledge about Federal housing programs. In short, rural areas are at the end of the information line. This is compounded by the small size and low budgets of local governments in most rural areas. If local governments have any paid housing staff at all, they are likely to be part-time, overworked, underfunded, and unable to effectively address housing needs. Finally, inadequate infrastructure also impedes homeownership. New home construction is particularly difficult in rural and remote areas. Roads may not be suitable for heavy trucks and machinery. Public water and waste water treatment facilities may not exist, and lines may not extend to the proposed site, thereby increasing costs. Many rural communities also experience difficulties in financing infrastructure development and improvements when they are unable to be rated for issuing municipal bonds.

#### Action 61: Mortgage Credit for Rural Areas

Given the lack of mortgage credit in rural areas, The partnership should initiate a series of activities to Rural Properties. The new underwriting standards increase the availability Of capital for housing finance. Outlined in the Guide are more responsive to rural Specific actions may include:

- Housing conditions because they ease water and waste water, physical obsolescence, and general requirements.
  - Encouraging national banks to increase mortgage loan activity in non metropolitan areas.
- Encouraging local private lenders to become FHA, VA, USDA, Fannie Mae, and Freddie Mac approved lenders.
- Exploring options to enable more lenders to pool mortgage loans from rural areas.

## Action 62: Rural Home Financing Demonstration Program

The partnership should use the three federally designated Empowerment Zones in rural areas—their efforts to finance projects serving low-income Kentucky Highlands, the Mississippi Delta, and the people. Eastern West Virginia Community Action South Texas Colonies—to experiment with HCW Agency (EWVCAA) exemplifies this creativity by combining funds from a variety of sources. Using lending approaches. Utilizing money from the West Virginia State Housing Finance Improving accessing to mortgage credit in administrative cosu, EWVCAA will produce 25 units of rural areas is a many-tiered problem. Some local affordable housing mi, year. banks often adhere to overly conservative underwriting criteria, and economies of scale to sell pooled loans in the secondary mortgage market are difficult to achieve. Home mortgage lenders operating in rural areas typically require low loan-to-value ratios because there are no adequate comparable sales, and they have difficulty determining market values of rural properties. Many small rural banks tend to be inflexible and conservative in reviewing home mortgage financing requests due to a lack of knowledge regarding new financial instruments such as flexible home loan underwriting requirements established by secondary market investors and private mortgage insurers. Obtaining clear title to land in some rural areas is also a continuing problem. Clear title sometimes cannot be established because of poor recordkeeping or because of inherited properties. Members of the partnership should ??

The Nevada Community Reinvestment Corporation is a consortium of 19 financial institutions participative on . pro-work to improve the availability of financing pro-rata basis in a \$40-million revolving loan pool. A portion of under-served areas. Accordingly, partners this fund is used to provide construction and permanent representing rural interests, lending mortgage loans to build new homes for households earning up to 60 percent of the median income in Nevada's rural counties. Secondary market investors, private mortgage insurers, the appraisal and title industries, housing providers and Federal, State, and local governments should use the three new rural Empowerment Zones as laboratories for rural home mortgage lending innovations. Lessons learned in these areas can subsequently be applied on a national scale.

## Action 63: Expanding Rural Home Financing

The partnership should support the increased availability of mortgage financing from local, State, regional, and national lending institutions and government agencies. To promote greater conventional mortgage financing in rural areas, secondary market investors, in concert with local lenders and housing finance providers, should develop underwriting guidelines that specifically address rural homes. As an example, Fannie Mae recently developed new underwriting guidelines for rural areas that are reflected in its Guide to Underwriting Rural Properties. Federal and State governments also are essential providers of financing in rural areas. USDA should continue to play an important role in assisting low- and very low-income households in obtaining home mortgage financing via its no-down payment Section 502 program. In addition, 40 percent of funding from the proposed HUD Affordable Housing Fund would be distributed to States and can be used to structure specific homeownership programs that meet the unique characteristics of rural housing markets within each State.

## Action 64: Homeownership Capacity Building in Rural Areas

The partnership should support capacity- building activities for housing developers, regional planning councils, councils of government, and rural nonprofit organizations, including more efficient use of technical assistance funding from Federal and State agencies. The U.S. Department of Agriculture's

Rural Housing and Community Development Service (RHCD) Section 502 program provides low-income, rural home buyers with a mortgage payment subsidy that reduces the interest rate to as low as 1 percent. If a Section 502-assisted household's payments exceed 20 percent of its household income, up to 25 percent of the payment calculated at a 1-percent interest rate may be deferred. The Section 502 subsidy must be repaid at the time of sale. Section 502 has been very successful. Currently, approximately 30,000 families become homeowners through this program each year. Many rural areas do not have a sufficient supply of affordable housing providers and lack adequate development capacity for new home construction. Technical assistance can be sponsored by the Federal Government through HUD's proposed Affordable Housing Fund, its existing HOME program, USDA, and State housing finance agencies.

#### Action 65: Rehabilitating Rural Homes

The partnership should undertake to increase the number of Americans owning homes in rural areas that are of good physical quality. Members of the partnership should develop and disseminate information on how to rehabilitate homes in a cost-effective manner. Also, housing finance partners should explore expansion of existing home mortgage products or development of innovative new mortgage products, including FHA 203(k) loans, that promote housing rehabilitation in rural communities. The housing development activities of Brattleboro Area Community Land Trusts (BACLTL), located in Brattleboro, Vermont, have been made possible in, large part by extensive capacity-building efforts. As a community housing development organization under HUD's HOME program, BACLTL receives comprehensive capacity-building technical assistance and pass-through funds from a HUD-funded nonprofit intermediary. Technical and financial assistance has been provided for board of directors development, computer enhancement, hiring of additional staff persons with technical expertise, and staff training. As a result of these capacity-building efforts, BACLTL has produced 40 units of affordable rural housing in the last 2 years. Subsidized loan and grant programs help low- and moderate-income homeowners in rural areas improve the adequacy of their homes.

Ozark Opportunities, a community-based nonprofit organization located in Marshall, Arkansas, uses Federal USDA Section 504 and State weatherization funds to assist rural low-income homeowners in making repairs to improve or modernize their homes and remove health and safety hazards. This type of rehabilitation assistance is critical in a county in which 13 percent of homeowners live in substandard housing. Housing quality problems of rural homeowners are more severe than those of the Nation as a whole—the proportion of homeowners living in non metropolitan areas who experience severe or moderate physical housing problems is 50 percent higher than that of homeowners nationwide.

#### Action 66: Homeownership Opportunities for Native Americans

HUD, USDA, the Bureau of Indian Affairs, the Federal Home Loan Bank System, secondary mortgage market investors, and other members of the partnership should undertake collaborative efforts to increase homeownership opportunities on reservations. To accomplish this goal, members of the partnership need to understand the unique nature of tribal organizations, cultures, and economies; the complexities of land ownership and government status; and the relationships among various Federal, State, and tribal agencies. Barriers to higher levels of homeownership should be identified and strategies for overcoming them developed through consultation with all interested parties, including the tribes and the Federal agencies that provide financial and technical assistance. For example, this year HUD plans to sponsor "Indian Homeownership—The First Generation," a series of 14 workshops for tribal leaders and housing managers that will help tribes improve their capacity to produce

homeownership opportunities on reservations and other tribal lands. The sessions will involve representatives from all relevant Federal agencies, the Federal Home Loan Bank System, secondary mortgage market investors, and private lending institutions.

## CHAPTER 6

### OPENING MARKETS OVERVIEW

Many racial and ethnic minorities have not realized the American dream of homeownership. African-American and Hispanic-American families, for example, traditionally have had lower homeownership rates than white families. According to the most recent census data, the national homeownership rates are 43 percent for African-American households, 40 percent for Hispanic-American households, and 70 percent for non-Hispanic white households. There are numerous reasons for this disparity. As laws and culture have changed with the progress of civil rights, many private sector housing industry organizations, including local lenders, real estate professionals, and nonprofit groups, have worked hard to open the doors of opportunity for minorities and other under served populations. Yet discrimination—both real and perceived—stubbornly persists. In many instances racial and ethnic minorities, families with children, people with disabilities, and others have been denied the same opportunities to purchase a home that are available to similarly situated non-minorities. These problems have been documented in numerous studies, including recent research by the Urban Institute and the Federal Reserve Bank of Boston. There are other factors that also make it difficult for these families to own a home. For example, some households who lack an understanding of the home buying process may require special attention and assistance to make a successful transition from renter to owner. In addition, the lack of awareness about homeownership opportunities among people who can afford to buy a home suggests a need to improve outreach efforts within the home buying industry. As part of the overall National Homeownership Strategy, there is a special need to reach out to families who have traditionally had less opportunity for homeownership by removing the barriers that prevent or dissuade low- and moderate-income households, minorities, legal immigrants, families with children, and others from purchasing and owning their homes.

### KEY PRINCIPLES

The strategies and actions in this chapter reflect the following principles:

- Homeownership for people and communities locked out by discriminatory practices should be seen as part of the Federal goal of affirmatively furthering fair housing.
- Locally developed and implemented strategies are among the best approaches to fully enforcing fair housing and lending laws and addressing the needs of and obstacles to homeownership among members of traditionally under served communities.
- Mortgage and insurance underwriting guidelines should be written to consider a greater diversity of factors that assist individuals in under served markets to own their own homes.
- The secondary mortgage market should ensure that underwriting guidelines are clear and consistent, and local mortgage lenders should be encouraged to take advantage of flexibilities built into these guidelines.
- Greater coordination between fair housing regulators and banking regulators is necessary to ensure consistent enforcement of fair housing and lending laws.
- Employee diversity within the homeownership delivery system can help reach new customers and clients.

**STRATEGIES:** The recommendations for action to open markets and target under-served populations



in this report are grouped under four broad strategies:

1. Promote fair housing by removing barriers to purchasing a home.
2. Promote fair lending and insurance by removing barriers to capital and credit for buying, owning, and maintaining a home.
3. Increase diversity in the homeownership delivery system by removing employment and career barriers in business and professional environments that can open markets for under-served groups facing discrimination.
4. Increase outreach to under-served groups by extending homeownership opportunities and removing barriers to information.

## Promote Fair Housing

**STRATEGY:** The partnership should promote efforts to open housing markets by eliminating discriminatory barriers in the advertising and sales of homes.

**Issues and Impediments:** Recent research conducted by the Urban Institute has documented substantial evidence of widespread discrimination in home sales markets. The Urban Institute study found that African-American and Hispanic-American home buyers were treated less favorably than non-Hispanic whites of comparable occupation and income one out of every two times they visited a real estate agent to inquire about houses advertised for sale in local newspapers. This inequitable treatment is one reason that African-Americans and Hispanic-Americans have much lower homeownership rates than non-Hispanic whites, regardless of economic and social mobility in other areas of accomplishment. Effective compliance with fair housing provisions requires several key elements. Testing of home sellers and sales agents is necessary to determine where residual discriminatory practices, intentional or inadvertent, still exist. This is the first step to making individuals and institutions aware of problems that need correcting, preferably through voluntary action, or if necessary, through law enforcement. Nonprofit groups and coalitions such as the National Fair Housing Alliance have specialized in training testers and conducting testing, as have many government agencies, but additional efforts should be pursued. Overall, more testing is desirable. HUD provides Federal funding support for testing through the Fair Housing Initiatives Program for nonprofit organizations and the Fair Housing Assistance Program for State and local governments. Despite recent budget increases, Federal resources for these efforts are limited and should be supplemented by other public and private financing sources. Also, many people involved in private housing market sales activities are not aware of their statutory fair housing responsibilities. This lack of knowledge is an impediment that must be overcome with education and outreach. For example, fair housing testing results can be used to inform and educate the housing industry and the general public. Many public and private sector organizations, including housing industry trade associations and private firms, currently engage in significant education and outreach activities to inform their own members, employees, and the public about their civic responsibility to open markets and expand homeownership opportunities through fair housing practices. Enforcement of the Federal Fair Housing Act is one of the tools to ensure that individuals and families who want to own a home are able to do so. HUD, the lead Federal agency for enforcing fair housing, is reorganizing its Office of Fair Housing and Equal Opportunity to create 10 Enforcement Centers across the country. This reorganization will enable HUD to enforce the Fair Housing Act more efficiently and aggressively and to work more closely with the U.S. Department of Justice and other enforcement agencies. These 10 centers will be organized to coordinate resources and activities at the regional, State, and local levels, where action can be more effective.

**Action 67:** The President's Fair Housing Council

The partnership should encourage the President's Fair Housing Council to convene periodic meetings among Federal agencies and State, local, and private sector partners that are open to all organizations within the housing industry. The President's Fair Housing Council is responsible for working with a wide range of Federal departments and agencies to lead the Federal Government's efforts to affirmatively further fair housing and eliminate discriminatory barriers to expanding homeownership opportunities. The partnership should work with the President's Fair Housing Council to discuss and coordinate methods of advancing fair housing through outreach efforts involving the public and private sectors on a national, State, and local basis.

#### Action 68: Voluntary Fair Housing Self-Enforcement and Affirmative Marketing by Homeownership Industry Organizations

The partnership should support voluntary commitments to engage in fair housing enforcement and affirmative marketing to under served groups and people facing discrimination in homeownership markets. Voluntary agreements by industry organizations, particularly by national organizations that can help publicize and spread their commitments to State and local associations and to individual firms and agencies at the local level, are an essential element of opening homeownership markets and targeting under served populations. Signatories to these agreements can include a wide array of associations and institutions, covering professional appraisers, property surveyors and inspectors, building code officials, and many other actors in the home sales process. HUD and housing industry associations such as the National Association of Home Builders, the National Association of Realtors, the National Association of Real Estate Brokers, and the National Association of Real Estate License Law Officials have worked together to develop voluntary affirmative marketing agreements that advance fair housing goals, particularly for homeownership. These agreements are designed to eliminate discrimination in home sales and rentals, with emphasis on sensitivity and outreach to under served households and actions to promote diversity within the housing industry. Some of the basic elements of voluntary affirmative marketing agreements include:

- Affirmative marketing to racial and ethnic minorities, women, people with disabilities, families with children, and other groups that have suffered from housing discrimination.
- Disseminating information, educational materials, and other publications, including fair housing handbooks.
- Organizing and participating in fair housing conferences.
- Providing fair housing training programs for the industry, including State and local associations, and requiring training and continuing education for professional licensing and certification.
- Engaging in media outreach and education.
- Establishing and observing fair housing standards for public advertising and marketing, including Federal guidelines.
- Advertising and outreach to traditionally under-served populations.
- Promoting nondiscrimination in hiring and greater diversity within the housing industry and the trade associations to increase membership and participation by minority groups.
- Expanding community involvement in fair housing education and enforcement.
- Encouraging State and local trade and professional associations, individual firms, and association members to sign voluntary affirmative marketing agreements.
- Engaging in record keeping to document affirmative marketing initiatives such as advertising and outreach, employee training, and increasing diversity.

#### Action 69: Metropolitan Regional Fair Housing Initiatives

The partnership should promote the formation of metropolitan regional fair housing activities such as

Chicago's Leadership Council for Metropolitan Open Communities or the Twin Cities Regional Council (Minneapolis-St. Paul, Minnesota). Regional fair share agreements for affordable housing, such as in New Jersey and Connecticut, should be expanded to include homeownership and fair housing initiatives that explicitly encourage metropolitan diversity and expanded locational choice for home buyers, particularly those from under-served groups. Program elements should include fair housing enforcement, testing, voluntary approaches, homeownership counseling to expand fair housing choices, and additional outreach efforts.

### Promote Fair Lending and Insurance

**STRATEGY:** Because expanded access to capital, credit, and insurance is essential for increasing homeownership opportunities for all Americans, the Partnership should promote fair lending and insurance to open markets to traditionally under-served groups.

**Issues and Impediments:** Fair Lending—Few people are able to buy or own a home without obtaining financing from banks and other lending institutions. The widespread availability of mortgage financing has helped make homeownership a reality for many American families. Yet the existence—or the perception—of discrimination in providing mortgages to prospective home buyers and refinancing to existing homeowners continues to be an impediment to expanding homeownership. For example, a large-scale study by the Federal Reserve Bank of Boston in 1992 found that, even when the data were corrected for income and other measurements of creditworthiness, African-Americans were 60 percent more likely to have their home mortgage loan applications denied than similarly qualified white applicants. A more recent Federal Reserve study has documented higher loan default rates among minority borrowers, leaving open to question the extent of lending discrimination. No comprehensive strategy for expanding homeownership can succeed without a significant commitment to fair lending that includes both voluntary actions and law enforcement. Voluntary fair lending actions are being undertaken by many lending institutions throughout the Nation. On the enforcement side, the Federal Government has primary responsibility, though lack of coordination in the past has hampered the regulators. Federal departments have recently begun working together to increase such coordination. The President's Fair Housing Executive Order of January 1994, which specifically mandated strengthening fair lending regulations, provided the impetus for creation of the Inter-agency Task Force on Fair Lending. For the first time, this Task Force, consisting of 10 Federal agencies, is clarifying and providing guidance regarding the practices and policies that constitute discrimination in lending. HUD is also supporting increased testing by State and local government agencies and nonprofit organizations to identify potential bias in mortgage lending. Fair Insurance—Inability to obtain property and mortgage insurance can be another obstacle to homeownership for under-served households. In most cases prospective home buyers must first get homeowner's insurance before obtaining a mortgage. Unfortunately, there remain significant differences in the availability and affordability of homeowners and private mortgage insurance according to the racial composition of the communities where the homes are located. For example, a recent homeowners insurance discrimination study completed by the National Association of Insurance Commissioners, a comprehensive analysis of 33 metropolitan areas published in December 1994, concluded, "There is considerable evidence that residents of urban communities, particularly residents of low-income and minority neighborhoods, face greater difficulty in obtaining high-quality homeowner's insurance coverage through the voluntary market than residents of other areas." Various social and economic conditions associated with race, including differences in insurance loss experience and risk exposure among neighborhoods, account for part of this gap. However, unlawful discrimination also plays a part, as demonstrated by recent court decisions and by the results of insurance testing efforts that have documented substantial disparities among households with similar insurance risk factors, differing only in the racial composition of the neighborhoods in

which they live.

The President's Fair Housing Executive Order directed Federal agencies to address discrimination in the property insurance industry by clarifying and strengthening fair housing enforcement guidelines. To implement this directive, HUD will issue regulations for the property insurance industry under Title VIE of the Fair Housing Act. To ensure that all voices are heard, HUD has held public meetings around the country and met with representatives of the property insurance industry, trade associations, homeowners, civil rights advocates, State insurance commissioners, community organizations, and many others. As with fair lending, HUD will supplement testing for property insurance discrimination by State and local government agencies and nonprofit fair housing groups.

#### Action 70: Voluntary Self-Enforcement and Affirmative Marketing by Mortgage Lending and Homeowners Insurance Industry Organizations

The partnership should encourage voluntary commitments from industry groups and individual firms to fair lending and fair insurance practices through accords or statements of principles. Agreements of this type should be made not only by the complete array of institutions that engage in home mortgage lending, but also by companies that underwrite mortgage insurance, title insurance, and homeowners insurance (property, casualty, and hazard); by property appraisers and settlement companies; and by others that affect access to capital, credit, and insurance for homeownership. As an example, a voluntary fair lending commitment by a mortgage lender with the partnership could include:

- Applying home mortgage underwriting standards with as much flexibility as reasonably possible.
- Administering second review programs to ensure that home mortgage underwriting standards and available flexibility are applied in a nondiscriminatory manner.
- Adopting reliable programs for self-monitoring and taking appropriate corrective actions when fair lending problems are discovered.
- Engaging in community outreach and marketing to previously under served groups.
- Using best efforts to develop a workforce that reflects the cultural, racial, and ethnic diversity of the lender's market area.
- Setting performance targets that will serve as benchmarks to indicate whether these best practices efforts have been successful.

Voluntary best practices agreements by individual home mortgage lenders and lending industry associations offer an excellent road map for achieving the goal of all-time-high homeownership by the year 2000. For example, on September 14, 1994, HUD signed a Fair Lending—Best Practices Agreement with the Mortgage Bankers Association of America, which, with more than 3,000 members, is the Nation's largest organization of mortgage lenders.

#### Action 71: Access to Home Mortgage Lending Data

The partnership should support Federal efforts to enhance local fair lending efforts by improving access to Home Mortgage Disclosure Act (HMDA) data. This information has not been easily accessible or usable for community-based and nonprofit organizations working to ensure implementation of fair lending practices. HUD, along with private foundations and other Federal agencies, has computerized HMDA data and put this data online with other important public databases containing information on home mortgage lending practices of private financial institutions, along with demographic characteristics about communities and housing markets these financial institutions serve. Users will benefit from a variety of free services, including online access to databases through dial-up and the Internet, technical support on database search and retrieval, and outreach and training for community groups. Users will also receive technical assistance and training in contacting and communicating with

organizations that can help them use and interpret the HMDA data.

#### Action 72: Research on Fair Lending and Insurance Issues

The partnership should support additional research on the sources of discrimination in mortgage lending and property insurance and ways in which these sources can be corrected to open markets and expand homeownership opportunities for under served populations and communities. HUD is currently funding a major study of discrimination issues in urban property insurance to increase understanding of potential solutions.

#### Increase Diversity in the Homeownership Delivery System

**STRATEGY:** The partnership should promote diversity within the homeownership industry workforce as a means of improving outreach to under-served markets and expanding homeownership opportunities.

**Issues and Impediments:** Racial and cultural differences present a number of obstacles for families seeking homeownership and for those in the home buying industry trying to help them. Potential homeowners among under-served groups often find it difficult to relate to businesses and professionals that represent very different cultures, ways of communicating, and operating styles. In addition, many housing service providers frequently have difficulty understanding and communicating with potential clients and customers from diverse backgrounds. Promoting diversity at all levels within the home buying industry can help overcome racial and cultural barriers to homeownership. Prospective home buyers from under-served groups will be better able to interact with housing service providers, and the housing industry will be better able to adapt its practices and programs to the needs of under-served populations and communities.

#### Action 73: Market Review of Under-served Groups and Communities

Partners and their members should conduct a market review of traditionally under-served communities in their localities to determine the feasibility and benefits of increasing the number of minority professionals within their workforce to service those markets.

#### Action 74: Workplace Diversity in Hiring and Promotion

The partnership should encourage minority organizations to determine racial minority real estate brokers, salespeople, and ancillary their current level of personnel diversity, salaried employee, in the real estate business, increase their diversity through hiring and REMAP is a loan program designed to help racial minority promotional efforts, where necessary, and applicants who wish to begin a career in real estate or related provide educational seminars to highlight outreach activities both within the organization and in the communities served by the organization. Partners should also use market reviews of workplace diversity to create comprehensive plans for encouraging the entry of minorities into a broader range of positions as well as promoting the continued advancement of minorities within their organizations.

#### Action 75: Research on the Homeownership Impacts of Diversity

The partnership should support and conduct research on the potential benefits of workplace diversity in terms of expanding homeownership opportunities through greater sensitivity to and understanding of

under served populations and communities.

#### Action 76: Mentoring Minority-Owned Homeownership Businesses

The partnership should create and support mentoring programs that provide technical assistance to minority-owned businesses in the housing industry. The purpose of these mentoring relationships is to develop stronger ties between minorities and the mainstream housing industry and to facilitate homeownership investment in underserved communities.

The Minority Loan Officer Development School at the Center for Financial Studies in Fairfield, Connecticut, is a series of educational sessions designed to improve services to minority and under served groups through education and diversification of the lending workforce. The program, sponsored by America's Community Bankers, is intended for employees of member institutions involved in the mortgage lending process who want to expand their skills in reaching culturally diverse groups. The sessions focus on the home mortgage loan interviewing and processing functions; new business development through community outreach strategies and designing loan products; loan underwriting, secondary market options; as well as topics in consumer and commercial lending.

#### Increase Outreach to Under served Groups

STRATEGY: The partnership should increase outreach to promote homeownership opportunities among households traditionally excluded from the private homeownership market, including low- and moderate-income households, legal immigrants, families with children, young adults, people with disabilities, and ethnic and racial minorities.

Issues and Impediments: Expanding homeownership opportunities should reduce the gaps that exist among different groups and communities. Groups that have historically lower homeownership rates include many people who can afford to own a home but are not aware of the available opportunities, or who need special assistance to successfully make the transition from renter to owner. If these barriers can be overcome, homeownership will rise dramatically. As one example of the potential impacts on the housing market by prospective homeowners who are currently under served, according to a recent report by the Harvard University Joint Center for Housing Studies, there would have been more than 1.5 million additional home sales since 1990 if legal immigrants had been purchasing homes at the same rate as non-Hispanic white households. As another example, an additional 1.3 million native-born minority households would be homeowners today if they had purchased homes at the same rate as native-born non-Hispanic white households since 1990.

#### Action 77: Marketing Homeownership Products and Programs in Foreign Languages

The partnership should support the publication and dissemination of homeownership information in a wide variety of languages and in formats adapted to the needs of people with disabilities. Partners should also make available outreach and assistance programs, mortgage financing, home sales and settlement services, property inspections, homeowners insurance, property appraisals, home maintenance and repairs, and related activities in multiple languages and in other ways tailored to underserved groups and communities. The National Puerto Rican Coalition (NPRC) provides technical assistance to community housing development organizations (CHDOs) under a cooperative agreement with HUD. In 1994 NPRC helped local Latinos form a new CHDO to address the homing crisis facing the Puerto Rican and Mexican farm workers. Assistance offered includes:

- \* Comprehensive Spanish language homeownership counseling explaining the rights and

responsibilities of homeownership in the United States and how the USDA 502 program works.

- Coordination and implementation of Spanish-language homeownership training sessions.
- \*K: Provision of interpreting services for home buyers during home closings.
- Followup with quarterly Spanish language homeownership responsibility training sessions for new homeowners.

#### Action 78: Tailoring Home Design and Construction to Diverse Populations

The partnership should encourage architects and home builders to develop non-traditional products such as large homes with in-law units for multi-generational households and extended families, homes accessible to people with disabilities, and homes designed for elderly households.

#### Action 79: Homeownership Models That Work

Self-Help Enterprises in Visalia, California, creates affordable homeownership opportunities for rural low-income farm workers who live in seriously substandard, overcrowded rental housing. For the past 30 years, Self-Help Enterprises has produced thousands of new and rehabilitated homes using sweat equity. The group transfers skills, instills pride, and creates housing choices for people from previously under served markets. With the homeowners doing construction work on their own homes, the sweat equity approach to producing low-cost housing has created a stable community and provided a method of instilling pride and responsibility in homeownership. The partnership should identify replicable local homeownership examples of models that work—and make the information available, either through a source book or database, to mortgage lenders, real estate brokers, and nonprofit agencies for use in designing effective and profitable programs for affirmative outreach and creative financing for under served populations. HUD will publish one version of such a source book, to be put together by representatives of many public and private housing organizations, as part of the development of the National Homeownership Strategy. Subsequent editions of the publication will be compiled by the partnership.

#### Action 80: "One-Stop" Home Financing Catalog

The partnership should compile a one-stop catalog of home financing products, from both the public and private sectors, that are specially targeted to under served populations and communities. Federal agencies and national trade associations should work with nonprofit and private sector partners at the local level to develop new user-friendly home financing products that are easy to understand and that meet the specific needs of targeted populations and communities.

### CHAPTER 7

#### HOMEOWNERSHIP EDUCATION AND COUNSELING OVERVIEW

Homeownership education and counseling play essential roles in expanding homeownership opportunities for American home buyers, particularly low- and moderate-income families and other under-served households. Counseling provides a critical link between first-time homeowners and an increasingly complex real estate industry, and it helps families gain access to mortgage financing. In addition, by educating households about the ongoing responsibilities of homeownership, counseling can help families maintain ownership of their homes over the long term. Homeownership education and counseling takes many forms. Services may include outreach to explain the home buying process; information about the types of properties and financing available to potential home buyers; pre-

purchase counseling to help individual households overcome specific obstacles to homeownership; and post-purchase guidance to assist families in carrying out homeownership responsibilities such as maintenance and budgeting. Counseling also is often crucial in preventing or coping with mortgage loan delinquency and default. At times, homeownership counseling can be provided effectively in group settings and may involve basic home buying education; in many instances, however, more intensive one-on-one counseling may be needed to fully prepare the household for home purchase. To reach a record level of homeownership by the end of the century, education and counseling must become a more integral part of the home-buying process for families having difficulty purchasing a home, especially low- and moderate-income and other under-served households. Homeownership counseling agencies, particularly nonprofit organizations, must be given the tools, both financial and technical, to carry out this mission successfully. Yet, the homeownership counseling industry is still in its adolescence. The partnership must increase the availability of quality counseling in all local markets and broaden the awareness among mortgage lenders, real estate professionals, government agencies, mortgage insurers, nonprofit organizations, and other partners that homeownership education and counseling can make a profound difference.

## KEY PRINCIPLES

The strategies and actions in this chapter reflect the following principles:

- Education and counseling should serve the diversity of home buyers and include outreach to under-served populations.
- Homeownership counselors and trainers must be sensitive to and representative of the diversity of potential home-buyers in the communities they serve.
- Education and counseling must reflect the full range of home-buyer needs—from initial outreach and first-time home-buying to mortgage-default prevention.
- Although education and counseling can help households at every income level, it should be an integral part of the home-buying process for low- and moderate-income and first-time home-buyers who require such assistance.
- Local homeownership counseling provided by nonprofit organizations, mortgage lenders, real estate professionals, local governments, and others must be financially sustainable over the long run.
- Real estate sales professionals, mortgage lenders, government agencies, nonprofit organizations, and other providers in the home buying process must pool their resources to improve and expand homeownership education and counseling.
- Comprehensive education and counseling should be available to all prospective and current homeowners, regardless of income.

## STRATEGIES

There are three major strategies to expand homeownership opportunities through homeownership counseling and education:

1. Improve the quality and effectiveness of homeownership education and counseling efforts.
2. Develop a more predictable stream of funding and resources.
3. Enhance coordination among local housing providers.

The combined impact of these strategies can create a new paradigm among mortgage lenders and insurers, home builders, real estate brokers, nonprofit organizations, and government agencies to make homeownership counseling an integral component of the services made available at the local level to potential home buyers.



## Improve the Quality, Consistency, and Effectiveness of Homeownership Education and Counseling Efforts

**STRATEGY:** The partnership should analyze the current system for providing homeownership education and counseling and undertake a series of initiatives to improve the quality, consistency, and effectiveness of existing efforts.

**Issues and Impediments:** Homeownership education and counseling is an emerging industry with increased involvement by home mortgage lenders, real estate professionals, local governments, and nonprofit organizations. Although some organizations have considerable experience in providing information to potential home buyers and helping families overcome obstacles to homeownership, many others, particularly nonprofit organizations, are relatively new and still learning. As a result, there is a lack of consistent quality in the counseling services these agencies provide. Comprehensive homeownership counseling requires a set of particular skills and knowledge. The counselor at the local level must be familiar with real estate issues, mortgage financing, personal financial management, home maintenance, fair housing, consumer protection, and many other aspects of the home buying process. Counselors must be able to help clients deal with economic difficulties and other problems that threaten homeownership. In addition, counselors must possess strong communications skills. The ability to overcome language and cultural barriers affecting homeownership is very important. Although some counselor training for nonprofit organizations is presently available from national nonprofit organizations such as the National Federation of Housing Counselors, National Foundation of Consumer Credit Counselors, Neighborhood Reinvestment Corporation, ACORN, Habitat for Humanity International, and many others, there is no one curriculum or training program available to all nonprofit homeownership counseling agencies. Many local nonprofit counseling agencies—particularly those not affiliated with a national or regional nonprofit organization—receive no comprehensive training or curricula. The lack of standardization of homeownership education and counseling curricula compounds the problem. Some counseling organizations specialize in delivering a specific type of counseling. But even with highly focused counseling efforts, the techniques, terminology, written materials, and teaching methods used by homeownership counseling agencies vary greatly.

### Action 81: National Institute for Homeownership Education and Counseling

Given the vital need for a strong homeownership counseling industry, the partnership should support establishment of a National Institute for Homeownership Education and Counseling to promote greater consistency in this highly decentralized industry. Such a center would accelerate the learning process among all providers—public, private, and nonprofit. The Fannie Mae Foundation is currently sponsoring a feasibility study for such a center. The feasibility study will be used to determine how a center might:

- Serve as a clearinghouse for homeownership materials, information, and consulting advice.
- Sponsor and/or fund homeownership counselor training programs.
- Conduct research into effective counseling approaches and potential new approaches.
- Provide guidance to local groups in establishing coalitions with mortgage lenders and developing funding arrangements.

HUD, national nonprofit organizations, real estate professionals, home mortgage lenders, and other members of the partnership are also exploring many of these issues. Fannie Mae will share the results of the feasibility study with members of the partnership and other organizations interested in training for homeownership education and counseling and will identify areas where partners can lend their support to this concept.

## Action 82: Federal Efforts to Build Local Homeownership Counseling Capacity

Partners should work with HUD to enhance

HUD has designated between 750 and 800 organizations M FHA-approved homeownership Federal efforts to build capacity among nonprofit counseling agencies. Approved agencies are eligible homeownership Counseling Organizations. HUD to apply for Federal financing. In fiscal year 1994, provided financial support for counseling activities for 435 agencies received approximately \$9 million in HUD funding. many years through the CDBG program and FHA's counseling program. However, funding for FHA counseling in the past has been very limited, and it emphasized mortgage default and delinquency counseling at the expense of pre-purchase homeownership counseling. HUD has requested expanded budget appropriations to support pre-purchase and post-purchase homeownership counseling. Increased funding would enable HUD to support aggressive, long overdue capacity-building efforts within the homeownership counseling industry. This capacity building could include such steps as improving counseling curricula, producing comprehensive guidebooks and instructional materials, improving computer capabilities for counseling agencies, and conducting nationwide education and training for HUD-approved homeownership counseling agencies.

## Action 83: Research on Homeownership Education and Counseling

The partnership should support further research by public and private entities regarding the effectiveness of local homeownership counseling efforts. Previous research on the effectiveness of homeownership counseling is extremely thin. Several studies focusing on post-purchase counseling are dated and inconclusive. There are no known significant studies on the effectiveness of pre-purchase counseling. Two- to four-unit properties are a substantial part of the housing stock in many cities, providing critical affordable housing opportunities not only to owners but also to renters. Freddie Mac has conducted research within the home mortgage lending and non-profit housing industry to identify the most effective training methods that prepare homeowners to be successful landlords and property managers. In the spring of 1995, a training manual will be introduced to assist lenders and counselors in qualifying potential homeowners who wish to purchase two- to four-unit properties. HUD is working to strengthen the framework for future research on homeownership counseling, with a particular emphasis on pre-purchase counseling. For example, HUD will try to define what constitutes a successful program. HUD also will identify data needs for evaluating programs. Research should be undertaken to explore the impacts of homeownership education on levels of homeownership and mortgage delinquency rates. In addition, research should assess the impacts of different forms of homeownership counseling, such as classroom versus one-on-one counseling, and intensive short-term counseling versus an extended series of sessions.

## Action 84: Clearinghouse for Homeownership Education and Counseling

To ensure that all homeownership education and counseling providers have comprehensive and timely information, members of the partnership should support establishment of a clearinghouse to disseminate homeownership counseling and education materials. Education and counseling does not end with the home purchase. Habitat for Humanity International calls its counseling program "Nurturing." In addition to home buyer counseling, Nurturing helps recipients with life issues such as renegotiating mortgage terms, finding employment, and dealing with financial and personal crises. Habitat for Humanity gives Nurturing credit for its low mortgage-delinquency rate of less than 1 percent. The clearinghouse could compile available counseling manuals and other materials from nonprofit organizations, lending institutions, private mortgage insurers, secondary mortgage market

purchasers, and other relevant organizations to develop "best practice" models, documents, forms, and manuals, and determine the best methodology for making this information accessible to interested parties. In determining the role that a clearinghouse should play, members of the partnership should consider the aforementioned homeownership counseling plans being undertaken by HUD and the feasibility study being conducted by Fannie Mae, as well as the information dissemination activities already being performed by various national nonprofit and private-sector organizations.

#### Action 85: Curriculum Development for Homeownership Education and Counseling

Operation Impact of St. Louis is working with the St. Louis Community Development Agency to create an Interactive Multimedia Training System. The system uses text, video, audio, and quantitative information to provide counseling in understandable modules. Coast Federal Bank of Los Angeles has produced home buyer videotapes and a House Hunting Guide. The House Hunting Guide contains checklists for home buyers, a chart for determining monthly payments, and a glossary of real estate terms. Chattanooga Neighborhood Enterprise (CNE), Inc. teaches a pre-purchase course called Fastrak. CNE developed the Fastrak curriculum based on materials already in print and in consultation with local experts at the University of Tennessee and in social service agencies. Intervention counseling. Any standardized materials that have been developed by Given the lack of agreement among providers on the essential elements of homeownership education and counseling, the partnership should work collaboratively to foster housing industry consensus on topics to be covered in training. Homeownership education and counseling should include the full range of topics essential to understanding the process of selecting and employing real estate professionals, attorneys, and other agents; selecting and obtaining a mortgage loan; and the full costs and responsibilities of maintaining a home. At a minimum standardized homeownership education should include separate modules and training materials for general education and outreach and pre-purchase, post purchase, and delinquency curriculum should incorporate innovative courses local counseling agencies throughout the country. The purpose of this effort is not to produce a set of homogenous training materials. Different approaches and levels of detail are appropriate for different audiences. In all cases, however, efforts should be made to ensure that written manuals and reference materials are easy to understand and thorough, reflecting the best of existing homeownership counseling training materials.

#### Action 86: Training and Accreditation for Homeownership Education and Counseling

Although a national homeownership counseling center does not currently exist, a number of nonprofit and for-profit firms currently offer counseling training workshops on a national level. For example. Housing Services of America, based in Washington, D.C., offers a 2-day comprehensive counseling workshop. In the past 3 years, this training has reached more than 1,500 counseling providers—including staff of local lenders and non-profits and for-profit organizations. Once a counseling training curriculum has been developed, the partnership should develop a training mechanism to reach local homeownership education and counseling agencies. Partners should also determine whether the training should be conducted by a national education and counseling training institute or by multiple training providers. At a minimum, however, training should cover the following: Sessions on outreach, general education, pre-purchase, post-purchase, and delinquency-intervention counseling.

Skills in communicating effectively in a group and a person-to-person setting. Information on the needs of under-served populations. Ongoing instruction, that is, education of local counselors must include updates and refresher workshops. The National Foundation for Consumer Credit\* Consumer Credit Counseling Service offers a certification program to ensure the professional quality of its counselors. To become certified, counselors must have met a minimum requirement of 3,000 hours of

nonprofit consumer credit counseling. Counselors must also pass extensive examinations. To remain certified, counselors must submit annual documentation of continuing education and professional development. In addition to the above, members of the partnership should discuss the feasibility of establishing a certification program. The objective would be to establish an accreditation program that is broadly recognized and valued within the housing industry. Certification should be granted only to prospective home buyers who complete the course work and pass tests substantiating their grasp of the material. Over the long term, members of the partnership, including HUD, secondary mortgage market investors, conventional mortgage lenders, private mortgage insurers, and others, should consider counseling agency accreditation as a prerequisite to providing funding support to homeownership education and counseling agencies. However, given the legal issues related to State regulations and licensing of professionals, more research in this area is needed.

#### Action 87: Counseling, Cultural Sensitivity and Diversity in Homeownership Education and

Even small-scale efforts can have a meaningful impact. People's Bank in Bridgeport, Connecticut, developed a homeownership counseling course for local Spanish-speaking residents. The course was presented by industry professionals to 36 residents in a series of 8 seminars. People's Bank translated the sessions and provided individual counseling. People's Bank also provided its own training materials, written in Spanish. Fannie Mae's Spanish version of the Guide to Homeownership was also used. The sessions were successful in breaking down the language barrier to homeownership: in just 6 months following the seminars, 4 out of 10 families had purchased homes. Because language and cultural barriers often hinder homeownership opportunities for low- and moderate-income households, the partnership should work to increase cultural sensitivity and diversity in the homeownership counseling industry. For example, the partnership should ensure that the approved training curriculum has the flexibility to respond to the needs of under served households, including low-income families, persons of color, ethnic minorities, households headed by females, and recent immigrants. The partnership should also ensure that training materials are widely available in Spanish and other languages. In addition, partners should work together to enhance employee diversity within local education and counseling organizations.

#### Action 88: Education on Alternative Forms of Homeownership

Partners should collect and disseminate information on alternative forms of homeownership, including the legal, financial, and management issues associated with: Cooperative housing, where members of a cooperative organization purchase shares of stock that entitle them to membership in the cooperative and give them the right to occupy a housing unit. Mutual housing, which is owned and managed by a corporate entity, generally a nonprofit association, where residents become voting members of the association. Lease-purchase programs, which allow renters to apply a portion of their rent payment to the cost of purchasing their residence. Condominium ownership, which provides fee-simple title to the residential unit and a specified share of the building and land. Community land trusts, which involve owning a residential building and improvements to the property, with a long-term lease of the land from the owner, generally a nonprofit organization. The intended audience would include housing developers, mortgage lenders, residential property management agents, and home buyers. Alternative homeownership forms such as those cited above can benefit households that otherwise may not be able to own their homes. Develop a Steady Stream of Funding for Homeownership Counseling Providers

**STRATEGY:** In order for nonprofit homeownership education and counseling to become an integral part of the home buying process, dependable and adequate sources of long-term funding must be established. **Issues and Impediments:** One of the most important prerequisites to building homeownership counseling capacity is finding a stable source of revenue to support counseling efforts.

For most nonprofit counseling providers, funding to pay for qualified staff and other The Boston Five Cents Savings Bank used a subsidy from the Federal Home Loan Bank of Boston to provide gap financing for SO cooperative townhouses and duplexes for households earning less than 60 percent of the area median income. The Louisville Housing Services Corporation (LHS), a nonprofit subsidiary of the Housing Authority of Louisville, used Federal funds to convert two public housing developments into 258 condominium units for purchase by public housing residents and other low-income families. LHS provided low-interest mortgage financing for purchasers and invested the proceeds in development of additional low-income homeownership projects. Using a \$200,000 advance subsidized by the Affordable Housing Program from the Federal Home Loan Bank of Boston, Church Community Housing Corporation (CCHC) of Newport, Rhode Island, purchased and rehabilitated three single-family homes. CCHC sold the homes to families with incomes below 80 percent of the metropolitan area's median income. CCHC maintains a 99-year ground lease to ensure the continued affordability of the units. administrative costs is extremely limited. Although client fees can cover some of the costs, homeownership counseling providers must depend on other sources of revenue—government, foundations, private sector, and transaction-based—to support their operations. For many community-based nonprofit organizations, seeking funding for operational needs can seem like a full-time occupation leaving less time for clients. Funding for homeownership counseling activities historically has come predominantly from public sources, such as CDBG funding from a locality or directly from HUD. But to the extent that counseling can deliver many new business prospects to realtors, lenders, home builders, utility companies, and others, a more systematic process of funding homeownership counseling services that involves funding from the private sector should be encouraged. Obtaining funding support will be more effective once the quality and consistency of local counseling efforts can be improved through the steps described in this chapter.

#### Action 89: Task Force on Long-Term Funding of Homeownership Counseling

Members of the partnership, including mortgage, secondary mortgage market representatives, sectors of the housing industry to finance real estate sales professionals, private mortgage comprehensive home buyer outreach education. insurers, HUD, national nonprofit organizations, and The center is funded by its members —48 home mortgage lenders, the DuPage Association of others should establish a task force to develop a viable Realtors, metropolitan area corporations, private plan for long-term funding Of nonprofit homeownership counseling efforts. The task force should draw upon affirmative outreach efforts, home buyer seminars, the recommendations of Fannie Mae's feasibility study, credit education seminars, and individual counseling. HUD-FHA single-family education and counseling. The center serves as a bridge between potential home buyers and housing service providers, helping reports, and data provided by national nonprofit families overcome impediments and utilize available organizations involved in Counseling efforts. Services to accelerate home ownership. Potential funds include Federal grants, the use of home sales transaction fees, as well as other private and nonprofit contributions to financially support homeownership counseling efforts. This partnership task force should develop a series of recommendations to be shared with all the members of the partnership within 6 months of their first meeting.

#### Action 90: Nonprofit Business Planning for Homeownership Counseling Organizations

Because some nonprofit organizations lack the business expertise to secure adequate funding for their homeownership education and counseling efforts, the partnership should develop guidance materials and training workshops that focus on nonprofit business planning, fundraising methods, and establishing sound management, accounting, and budgeting systems.

## Action 91: HUD Allocation of Counseling Funds

The partnership should coordinate local homeownership counseling funding with HUD's counseling budget and encourage revisions in HUD's process for allocating counseling funds. Subject to adequate budget appropriations, HUD should overhaul its current system of funding local nonprofit counseling agencies. In the past FHA has allocated counseling funds based on the number of households assisted, which has created inappropriate incentives for the counseling agencies. HUD's funding allocation system for future years should take into consideration the capacity-building needs of local nonprofit counseling agencies. **As an incentive for counseling providers to expand their revenue sources, HUD should consider working more closely with national and regional nonprofit counseling providers and allocating all or a portion of its counseling grants on a matching-funds basis.**

**Enhance Coordination of Local Efforts**

**STRATEGY:** The partnership should foster greater cooperation between the real estate and lending communities at the local level and homeownership education and counseling providers.

**Issues and Impediments:** There are literally thousands of public, private, and nonprofit organizations that provide homeownership education and counseling at the local level. Yet, many participants in the home buying process do not fully understand the benefits that can be derived from such assistance. Greater national and local efforts must be undertaken to demonstrate the value of counseling. Last October a widely representative group of public, nonprofit, and private sector homeownership education and counseling organizations met with HUD to discuss the current status and future needs of FHA's counseling program. There was general agreement among the participants that many realtors and lenders do not adequately understand homeownership counseling, perceive counseling as unnecessarily slowing down the mortgage qualifying process, and lack confidence in nonprofit counseling providers. If counseling is to become an integral part of the home buying process for millions of American families, it is important to dispel the misperception that homeownership counseling is not cost effective. **Homeownership counselors must be seen as part of a local partnership, with the common goal of assisting more households to qualify for and sustain homeownership.**

## Action 92: Showcasing Successful Collaborative Homeownership Counseling Programs

The partnership should develop a brief guidebook and one or more videos highlighting successful local homeownership counseling programs. There should be several versions available of the guidebook and video: one designed specifically for local home mortgage lenders, another for real estate professionals and home builders, and another for nonprofit groups and local government agencies who work in this field. These materials should emphasize the merits of public-private collaboration and the business-related benefits that can accrue from such counseling efforts, including increased mortgage lending volume, expanded home sales markets, Community Reinvestment Act credit for lenders, and other economic incentives.

## Action 93: Local Homeownership Counseling Roundtables

Members of the partnership representing real estate professionals, home mortgage lenders, nonprofit organizations, and government agencies should investigate the feasibility of sponsoring local group facilitations or roundtable discussions concerning the integration of homeownership education and counseling into the home buying process. Homeowners, including low-income homeowners, should actively participate in these roundtable discussions. The discussions should include services to be provided, referrals, timeliness of counseling, fee structures, communications linkages, and technical

information sharing. Most importantly, these facilitated sessions should dispel the many myths about homeownership counseling and help build lasting bridges between the private sector and nonprofit counseling agencies.

## CHAPTER 8

### RAISING AWARENESS OVERVIEW

One major component of the new National Homeownership Strategy—to increase American homeownership to a record high by the year 2000—is a long-term public education campaign. This nonpartisan educational, informational, and promotional effort should be undertaken by representatives of every major element of the homeownership community: home mortgage lenders, government agencies, nonprofit groups, and housing providers. Participating organizations should make a commitment to undertake individual activities designed to promote homeownership for the target markets they can reach most effectively. In addition, partners should work as part of the overall partnership to carry out specific national, regional, State, and local public information strategies. A public education and awareness campaign should focus on the population groups and geographic areas where the greatest success can be achieved. A nationwide increase in homeownership levels will most likely be achieved by developing useful information for and promoting the concepts to:

- Families who pay substantial monthly rent but who believe homeownership is beyond their financial reach.
- Potential first-time home buyers, families with children, young adults, ethnic and racial minorities, and legal immigrants.
- Families who can benefit from home mortgage insurance programs and other forms of homeownership financing assistance from the public and private sectors. A public awareness campaign should also seek to accomplish the following: Re-establish and promote homeownership as an achievable goal for extending the benefits of the American dream. Highlight the importance of homeownership as an American value, and encourage homeowners and renters to get together and become involved in supporting the National Homeownership Strategy. Reinvigorate the idea of increasing savings as an important component of home buying and homeownership.
- Identify what works: programs that successfully ensure that all potential home buyers from diverse economic, ethnic, racial and cultural backgrounds are welcome in the homeownership process through a variety of innovative outreach, educational, and counseling programs.
- Focus on inspirational success stories profiling individuals and families that have successfully overcome challenges and made the transition to homeownership.

### KEY PRINCIPLES

The strategies and actions in this chapter reflect the following principles:

- Homeownership can be increased by raising public awareness of the advantages to be gained and the opportunities available—particularly for young renters, racial and ethnic minorities, low- and moderate-income families, and families with children.
- Many people who would otherwise not seek homeownership can be educated and encouraged to become homeowners.
- Homeownership is more available and can be more affordable than is commonly perceived, and this information should be communicated through outreach efforts.
- Creating nationwide visibility for the National Homeownership Strategy can help the partnership reach the goal of all-time high homeownership in America by the end of the century.

## STRATEGIES

There are two fundamental strategies for raising awareness and expanding opportunities:

1. Increase homeownership awareness through public outreach.
2. Expand homeownership opportunities through education initiatives.

### Increase Homeownership Awareness Through Public Outreach

STRATEGY: The partnership should reach out to the general public, including targeted groups and communities, to raise awareness of homeownership opportunities.

Issues and Impediments: Unlike earlier time periods in our history, such as the 1950s and 1960s, homeownership as the American dream is too frequently viewed as out of reach, or not even possible for a large segment of potential homeowners, primarily those with lower incomes, young adults and families, racial and ethnic minorities, and recent legal immigrants. Although the home building, home sales, and home mortgage lending industries often engage in marketing and promotional activities, these efforts do not always produce the desired results for millions of American families. Instilling a can-do attitude among those renters who have given up on the American dream of homeownership will require a long-term approach, using both traditional and new techniques of education, awareness, and encouragement.

### Action 94: Publicizing Homeownership Opportunities and Achievements

The partnership should undertake public outreach activities to promote homeownership opportunities for all Americans. Many partners have developed materials that focus on the psychological barriers to homeownership and the need to reach out to potential home buyers who feel that owning a home is not attainable. Rather than reinventing the wheel, the partnership should determine how existing materials can be used most effectively in their public outreach efforts. Activities under this initiative should include the following:

- **Public Service Messages**—The partnership should initiate a national campaign of broadcasting public service messages on radio and television. These announcements supporting homeownership can feature notable public officials, business and civic leaders, sports and entertainment figures, or ordinary citizens describing how they became homeowners. The National Advertising Council frequently lends its expertise to worthwhile campaigns, and the partnership should seek its assistance in designing and implementing a national homeownership public awareness campaign.
- **National Homeownership Day**—The partnership should establish an annual event such as a national homeownership day, week, or month to be coordinated among the partners, who would help sponsor and organize local, regional, State, and national events.
- **Homeownership Stamp**—The partnership should ask the U.S. Postal Service to issue a homeownership stamp, which could be reissued each year.
- **Publicizing Success Stories**—The partnership should actively publicize and promote success stories—including programs, initiatives, campaigns, and partnerships, as well as individuals and families who overcame obstacles and succeeded in making the transition to homeownership—to maximize exposure of the positive accomplishments through implementing the National Homeownership Strategy. This initiative could include producing and broadcasting a public television documentary series on homeownership success stories.
- **Countdown to Homeownership**—The number of homeowners required to reach the 6-year goal, and the numbers who have become additional homeowners each year, can be displayed as part of a public countdown, updated each spring in conjunction with National Homeownership Day to keep the Strategy news-oriented and in the public eye. For example, to reach 8 million homeowners by the end of the year 2000, one homeowner would need to be added every 24 seconds, 24 hours a day, 7 days a



week, 365 days a year.

**Celebrating Anniversaries and Milestones**—The partnership should celebrate and publicize key anniversaries, such as the 60th anniversary of the Federal Housing Administration (FHA) and the 50th anniversary of the GI Bill of Rights (VA) both of which occurred in 1994. In addition, the partnership should celebrate and publicize important milestones, such as every millionth homeowner or when the previous all-time-high national homeownership rate of 65.6 percent is surpassed. The Road to Home Ownership is a comprehensive buyer education package developed as part of United Guaranty's affordable housing initiative. The program helps mortgage lenders of all sizes meet their internal affordable housing guidelines. The educational package guides potential borrowers through the necessary preparations towards owning a home, including correcting past credit problems; looking for a house; applying for a mortgage; financial management of the mortgage commitment; and maintenance of the home.

**Consumer Education Literature**—The partnership should publish and distribute consumer-oriented, educational information for homeowners and prospective home buyers. This information can be distributed through mass mailing of brochures and newsletters by utility companies, credit card companies, and other large service firms that bill their customers.

#### Action 95: Homeownership Site Visits

Partners should make frequent site visits, accompanied by prominent people, homeowners, home buyers, home builders, mortgage lenders, homeownership counselors, realtors, and many other actors in the process. Such visits should be used to gain publicity as part of a broader awareness campaign. These events should emphasize the people who benefit from homeownership programs, and some of them, carefully selected, should participate in the site visits. This initiative will be particularly important in demonstrating the value of programs such as homeownership counseling or financing assistance. The homeowner families are the real beneficiaries, and it is their determination and discipline to save and invest, act responsibly and succeed that enables these programs to make a difference.

#### Action 96: Successful Transitions to Homeownership

The partnership should emphasize successful transitions to homeownership among under-served households, including immigrant families, former public housing residents, and families who previously experienced unsafe and inadequate housing conditions.

Homeward Bound, Inc., of Phoenix, Arizona, is using a HOPE 3 grant to develop a hot new ownership program modeled on the continuum-of-care concept. The Homeward Bound program uses a lease-purchase model to allow adequate time for families to become financially, emotionally, and legally stable prior to taking on homeownership responsibilities. Counseling and training are also provided by the Arizona Housing Trust Fund, Bank One, and the city of Phoenix.

The Homeward Bound program received the 1993 President's Volunteer Action Award in recognition of outstanding individuals and organizations engaged in volunteer community service. Inspiring transitions should receive local, state, and national publicity. In each case the role of homeownership counseling, public outreach, family services, special financing, technical assistance, and other forms of support should be highlighted as part of the success of genuine partnership efforts.

## Expand Homeownership Opportunities Through Education Initiatives

STRATEGY: The partnership should initiate and support broad-based and targeted educational programs to expand homeownership opportunities.

Issues and Impediments: Many people are not aware of the opportunities available to them for attaining homeownership or the steps to achieving the goal of owning a home. Educational programs can help teach and inform potential home buyers and existing homeowners about methods of successfully becoming a homeowner and sustaining homeownership over the long term. Surveys and community research have consistently identified the lack of basic housing market knowledge as one of the principal reasons why many potential homeowners do not own their home.

### Action 97: Homeownership Educational Centers and Special Events

The partnership should seek to educate the public about the benefits of and opportunities for homeownership through established information centers as well as at special events. Activities that the partnership should undertake include:

- Homeownership Centers—The partnership should help establish community-based homeownership centers—home stores—to provide counseling and information in cities and metropolitan areas.
- Home Fairs—The partnership should sponsor home fairs, special events where members of the public can obtain comprehensive homeownership information from a variety of housing industry and home financing providers.
- High School and College Programs—The partnership should develop and promote homeownership, finance, and savings education courses and programs for high school and college students.

Homeownership education workshops were held on July 11, 1994, at Olive-Harvey College on Chicago's far south side. This event attracted more than 1,000 persons. The workshops were sponsored by the Neighborhood Housing Services of Chicago, Inc. Forty-three exhibitors were featured. Among the exhibitors were banks, mortgage companies, savings and loan associations, real estate brokers, government agencies, and community organizations. The workshops were provided in both English and Spanish with programs on the mortgage process and personal credit.

### Action 98: Educating home buyers and Homeowners Through Technology and the Media

The partnership should use the latest technology to reach a broad array of potential homeowners. Activities that the partnership should undertake include the following: "News You Can Use" for Local Media—Small daily newspapers—as well as paid and free weekly newspapers—reach many potential homeowners. The partnership should provide "news you can use" information to these publications through both paid and free media and also to local radio and television news stations, including small stations and cable broadcasters.

The HOPE-St. Louis Interactive Multimedia Training System is a unique component of "Operation Impact", in St. Louis, Missouri. The System is primarily being established as a home buyer counseling system. It is being produced with the Graphics Division of the St. Louis CDA. The System combines text, video, audio and quantitative information in a broad array of modules that convey information in an understandable manner to potential home buyers. Computer Electronic Information—The partnership should utilize the information highway of computer-based methods to distribute information and ideas. These could include computer software programs or games designed to explain housing costs and other homeownership concepts and terminology. It could also include providing informative text that is distributed to thousands of local computer bulletin boards and to online computer services with millions of users.

#### Action 99: home buyer Access to Government-Owned Homes

The partnership should work to improve coordination among Federal agencies in selling government-owned and foreclosed homes to consumers, especially to low- and moderate income first-time home buyers. Federal agencies, including HUD, VA, the U.S. Department of Agriculture, Federal Deposit Insurance Corporation, Resolution Trust Corporation, and Federal Housing Finance Board, should cooperate with Fannie Mae, Freddie Mac, the Federal Home Loan Bank System, and other key organizations such as State and local government agencies, public housing authorities, homeownership counseling providers, and nonprofit neighborhood housing developers to improve outreach and access to government-owned properties. Effective actions can include joint databases that list all available homes from every Federal source, and training and employing homeownership counselors to explain home buying opportunities to potential consumers.

#### Action 100: Research Networks and Information Clearinghouses on Homeownership Data

The partnership should closely track the national homeownership rate and other important data both nationwide and for targeted population groups and geographic areas, identifying key trends and using this data to publicize successes, monitor progress, and design homeownership policies and program strategies. The partnership should build a national information network with researchers from public and private organizations across the country. Performance of the National Homeownership Strategy should be carefully measured and widely publicized, and answers to question should be provided such as: How many homeowners are there now? How many will there be at any particular point in the future? How many more are we actually getting as we move forward? Essential data to track and publicize include:

- Local and regional project successes, including housing starts and home sales, large-scale development projects that revitalize communities, and special subdivisions.
- Local and regional demographic successes, including young first-time home buyers, low-and moderate-income households, racial and ethnic minorities, families with children, legal immigrants, and other groups.
- National, regional, State, and local economic successes, including increased jobs and investment through rising housing starts and home sales, savings from lower mortgage interest rates, and other indicators.
- Performance measures, benchmarks, and numerical targets for important economic outputs such as single-family home mortgage loan production, and for key homeownership goals such as greater numbers of young families buying their first home.
- Initiatives that make homeownership more affordable by reducing costs and by making financing more available.


### Appendix (2)

***An analysis of the progress made by Progressives/Communists in accomplishing the goals of Communism in America, which were recognized by the Federal Bureau of Investigation prior to 1958.***

This represents an organized compendium of Communist Goals derived from various authoritative Communist


writings and testimony before Congress. These are the primary goals of Communism which have been and will be pursued relentlessly [by them], using any and all means, legal and illegal. Taken together, they represent the master plan for control of the world after first reducing the U.S.A. to subservience. Below please find a brief estimate of how Communism has fared in capturing the USA since 1958. In order to be complete, it would be necessary to update this section on a daily basis, thus it obviously is somewhat dated at the time of writing. The origin of this “list” is explained earlier in this book.

1. U.S. acceptance of **coexistence** (with Communism) as the **only** alternative to atomic war.




*This would appear to have been thoroughly accomplished, as the USA is contemplating and enacting a unilateral nuclear disarmament with full acceptance of Communist nations all around us. The Clinton administration taught us that Communism no longer exists. In addition, the word “Communist” is simply no longer used in the public purview to refer to America’s enemy, these days we refer to Progressive or “Liberal”, and these of course (we are taught) are good things, not Communist. If no one uses the word, I guess it doesn’t exist. We even have Barack Obama sitting in the White House as a “Progressive Democrat”.*

2. U.S. willingness to **capitulate** (with Communism) in preference to engaging in atomic war. (That is, convince the American population that this is a necessity – “better Red than dead”)




*This again seems to have been accomplished; with Obama having withdrawn missile systems from Poland, given U.S. land located in Alaskan waters to Russia, and reportedly (according to at least one source) having committed to training Russian troops on U. S. soil. Putin once again has begun ramping up his anti-American rhetoric and Obama has committed the U.S.A. to further nuclear stockpile reductions. Russia has grabbed bits of Georgia and the Ukraine to be now part of Russia, and further threatens energy supplies in the Ukraine . . . and the U.S.A . . . does nothing. Russia now owns / controls nearly one half of American uranium deposits. Did everyone take note of the fact that Putin reminded the world that Russia was a nation with extensive nuclear capabilities, when the subject was broached concerning the temerity of any nation assisting the Ukraine in its conflict with Russia? While our Congress may have locked the list you are reading away in the Congressional Record more than half a century ago, and forgotten all about it, **I suggest that Putin has not forgotten any part of the plan.***

3. Develop the **illusion** that **total (unilateral) disarmament [by] the United States** would be a demonstration of moral strength.



*As noted in #1 and #2 above, this is underway. Part of Obama’s current foreign policy includes unilateral force and nuclear reductions including massive nuclear reductions as a sign of good faith? Obama appears to have decided that we no longer need to support Israel, despite his having made many statements to the contrary.*

4. Permit **free trade between all nations** regardless of Communist affiliation and regardless of whether or not items could be used for war.



*Simply as an example: Witness Obama’s purchase of helicopters from Russia for Afghanistan. A One World government would facilitate this with “Open Borders – Soros style”. Most recently, Obama has issued “Executive Orders” designed to remove travel and trade restrictions with Cuba (effectively telling Congress it matters not what our Representatives and Senators say).*

5. **Extension** of long-term **loans** to Russia and Soviet satellites.



*And forgiveness of existing loans.*

6. Provide **American aid** to all nations regardless of Communist domination.



*As this is being written, John Kerry, recently confirmed Secretary of State, is traveling throughout the Middle East making gifts of aid (in the tens of millions of dollars each) to pretty much every country he stops in, while Obama continues to punish the American public for not rising up against the “sequester” by releasing criminals to the public streets and with-holding government services. Obama demands amnesty for illegals and more “open border” immigration laws, and in support of these revised policies he refuses to enforce existing border laws. To emphasize the point by creating yet another crisis, he invited “children” from South / Central America to flood the borders and has had them placed in multiple states, without any consultation or forewarning. In fact the destination of these “children” is being kept a closely guarded secret in the White House. Along with these “children” which have been given free access to the United States, are “hitch hiking” many proven criminals and unfriendly foreign nationals. All of this is patently unconstitutional, if it could be proven.*

7. Grant **recognition of Red China**. Secure the **Admission of Red China to the U.N.**



*Red China assumed the United Nations seat both in the United Nations and in the Security Council on October 25, 1971, thus replacing our ally; the Republic of China (Taiwan).*

8. Set up East and West Germany as separate states in spite of Khrushchev's promise in 1955 to settle the German question by free elections under supervision of the U.N.



*Sometimes free elections produce results not dictated by the Communist elitists.*

9. Prolong the conferences to ban atomic tests because the United States has agreed to suspend tests as long as negotiations are in progress.



*The U.S.A. has not carried out any testing since this time; however the same is not true of nations antagonistic to the U.S.A. such as North Korea.*

10. Allow **all Soviet satellites individual representation in the U.N.**



*The well advertised break-up of the Soviet Union has provided the necessary stage to allow multiple and individual representation in the United Nations and is being pursued rigorously. The so-called “break-up” of the Soviet Union increased Russia’s presence at the United Nations by at least 12 nation states. Granting independence to segments of Russia’s “sphere of influence” nations like Yugoslavia and Czechoslovakia increased Russia’s presence by at least 4 more nation states. The Ukraine and Belarus were members of the United Nations since 1945, so one can see why Russia feels it necessary to bring them back into the fold today, rather than for them to remain independent. These countries are still expected to support Russia in the United Nations.*

*United Nations member nations added as a result of USSR “break-up”: (dates cited are years admitted to U.N.)*


*\*Armenia March 2, 1992 freed from USSR 1991*

*\*Azerbaijan March 2, 1992 freed from USSR 1991*

*Bosnia and Herzegovina May 22, 1992 freed from USSR (Yugoslavia) March 3, 1992*


Croatia May 22, 1992 freed from USSR (Yugoslavia) 1991  
Czech Republic January 19, 1993 freed from (USSR) Czechoslovakia same year  
\*Estonia September 17, 1991  
\*Georgia July 31, 1992  
\*Kazakhstan March 2, 1992  
\*Kyrgyzstan March 2, 1992  
\*Latvia September 1991  
\*Lithuania September 17, 1991  
\*Moldova March 2, 1992  
Slovakia January 19, 1993  
Slovenia May 22, 1992  
\*Tajikistan March 2, 1992  
\*Turkmenistan March 2, 1992  
\*Uzbekistan March 2, 1992  
Russia October 24, 1945 (orig. member)  
Ukraine October 24, 1945 (orig. member)  
Belarus October 24, 1945 (orig. member)

11. **Promote the U.N. as the only hope for mankind.** If its charter is rewritten, demand that it be set up as a **one-world government** with its own independent armed forces. (and taxing authority)




*Some Communist leaders believe the world can be taken over as, (or more) easily by the U.N. as by Moscow. Sometimes these two centers compete with each other as they are now doing in the Congo. [This was written in 1963.] Anyone who reads the news would probably come to the conclusion that the world is in turmoil currently – Communist driven messages from the U.N. such as the “Core Curriculum”, “worldwide gun control”, and “Agenda 21, being foisted upon an unsuspecting American public are a few examples of this “engineered crisis to be averted”.*

12. **Resist any attempt to outlaw the Communist Party.**



*Done – in fact the thrust of operatives in this country and around the world, as well as those dupes who think there is anything good about Communism has been to deceive people into believing that Communism no longer exists as a threat to civilization and freedom.*

13. **Do away with all loyalty oaths.**



*Done, however when dealing with Communists or other groups advocating their world domination, oaths of any kind seem somewhat irrelevant since these groups and their representatives commonly lie and rarely abide by any oath which they may have taken. This apparently applies to such oaths of loyalty (to the Constitution) as are sworn by every member of our government at one time or another*

14. Continue giving **Russia access to the U.S. Patent Office.**



15. Capture one or both of the political parties in the United States.



*This has been fully accomplished within the Democratic Party and to a lesser extent within the Republican Party. There are several Republican Congressmen who would, if the truth be known, be more at*

home in the current Democratic Party. Communists are now referred to as Progressives and while control of the Democrat Party has been assumed by Progressives, all Progressives are not to be found in the Democrat Party. As a matter of fact, many of them appear as high ranking members of the Republican Party. One must always remember that a keystone of Progressives or Communists in the United States of America is **deception**.

16. Use **technical decisions of the courts** to weaken basic American institutions by claiming their activities violate **civil rights**.



*This has been manifested publicly in what is called “Political Correctness” (PC). Actually the courts have, with little question, been co-opted as forums for political correctness with the law meaning very little when compared to the belief system of the individuals officiating. More and more of these officials have been persuaded to lean far to the left of center. With the addition of Islam to the equation, even more avenues to the destruction of the American society have been found. Shariah (the law of Islam) is certainly being consulted and at times substituted for American law generally by appointed justice officials with absolutely no legal justification. The definition of marriage is today being redefined by the courts to invalidate the values of the family and of our society.*

17. Get **control of the schools**. Use them as transmission belts for socialism and current Communist propaganda. Soften the curriculum. Get **control of teachers' associations**. [Unionize] Put the **party line in textbooks**.



*[NB: It is UNESCO's stated intention to provide a core educational syllabus for U.S. schools –*

*Indications already appear that these curricula will present a much more favorable impression of Communism throughout the world, and a minimum of and distortion of information about American history. Indications are that what information is allowed about American history would be an extremely biased viewpoint promoting the thought that America was founded by racists and warmongers.]*

*Since writing the foregoing, a reported 45 states including the District of Columbia have adopted (since 2010) something called the “Common Core State Standards Initiative”, which represents an unparalleled stupidity in State governments. The issuing organization describes these “Standards” as being developed by a combined scholarly group involving the states only, without federal government involvement. They do acknowledge that they have consulted with international organizations!*

*Both the name of the initiative and the initiative itself are a lie (surprise, surprise). This so called “state initiative” is a restatement of UNESCO's “Education for All” program. Their key document is called “The Dakar Framework for Action: Education for All: Meeting Our Collective Commitments.”*

*Read the full text here:*

<http://unesdoc.unesco.org/images/0012/001211/121147e.pdf>

**This agenda is being forced upon state educational boards and legislatures (not to mention it's corruption of our children's minds) by the apparently endlessly deep pockets of Bill Gates, or more specifically by the “Bill and Melinda Gates Foundation” which is additionally supported by none other than the “Oracle of Omaha”, Warren Buffet. These are two of the richest individuals in the world – the “grass roots” as Communists like to call it. Let's not forget that; for its work in this area, the “Bill and Melinda Gates Foundation” was, in 2010 awarded the J. William**



**Fulbright “Prize for International Understanding”.** Read about Bill Clinton’s education in Communism (in this book) to understand why this is noteworthy and should put every American on high alert.

*I have no intention of further examining this organization; however I strongly suspect, based on “rumors” concerning some of the core curricula coming from schools having been placed under this umbrella that this is an attempt to brainwash our children into knowing nothing of truth – only learning what the “One World” (Communist) government wants them to know (propaganda). Our children are being taught early (in accord with Stalin’s philosophy of the advancement of Communism) to believe the Communist “Big Lie”, without question.*

*Again, I can not exaggerate the dangers of this set of standards, nor the disgust with which I view it. I feel strongly that any American who loves his country and his children will view these “Standards” in much the same way as I. For more details of how these “Standards” are designed to brainwash your children into hating the United States of America, its founders and everything it stands for, I suggest you read “The Story Killers” by Dr. Terrence Moore.*

18. Gain control of all student newspapers.



*This is ongoing – only things that are considered to be PC (Progressive / Communist) are permitted in most student newspapers. Only Communist operatives or “dupes” are allowed to speak at such official collegiate ceremonies as Graduation.*

19. Use **student riots** to foment public protests against programs or organizations which are under Communist attack. *[For example: Bill Clinton’s activities in the U.K.]*



*Protests called out by Obama, such as “The Occupy ‘Movement’” probably would fall into this category. Racial protests (riots) in aid of imagined slights of the “black community” as has occurred in Ferguson, MO recently certainly fits this bill, as did the demonstrations seen in Florida’s case against George Zimmerman. In both instances, Obama sent operatives from the Department of Justice’s “Community Relationship Service” (CRS) to assist local organizations (under cover of night). The Community Relationship Service was established essentially as a mediation device by the “Civil Rights Act of 1964”. These days the service appears to operate primarily as a **community organizing** arm of the Obama Justice Department, supported by thugs imported from outside the area. **You must remember that;** a Community Organizer as the term is used today IS an agent of Communism. He is a purveyor of this entirely foreign and false ideology.*

20. **Infiltrate the press.** Get control of book-review assignments, editorial writing, and policy-making positions.



*This is so much a part of today’s world, it is not really worth speaking about except to say that, with very few exceptions, all those with access to the public (via the main stream media) are fully engaged in the formulation and promulgation of Communist propaganda. The New York Times and Washington Post have been known for years to be bastions of only slightly softened Communist Propaganda. Paul Krugman of the New York Times for example has pushed all the fallacies of Keynesian economics as gospel for years, falsely spinning its obvious failings into positive events for the nation.*

21. Gain control of **key positions in radio, TV, and motion pictures.**





*There is a well established clique of left leaning extremists in Hollywood and virtually all publishing and broadcasting venues; some are Communists, some followers, and some somewhat cowardly and fearful for their own welfare. This clique determines largely who is employed in the film and television industries, thus it becomes advantageous for many to “become” dupes. Followers of “their messiah” Obama have been very public in their support of Communist policies. Al Gore even began a full blown propaganda cable network station called “Current”, only to shortly afterward sell out to Islam (Al Jazeera) for somewhere between \$70 million and \$500 million (depending on how favorably or unfavorably the source regards Al Gore).*

22. Continue **discrediting American** culture by degrading all forms of artistic expression.



*One American Communist cell was told to “eliminate all good sculpture from parks and buildings, substitute shapeless, awkward and meaningless forms.” **Desecration of Christian symbols ranks right at the top.** Communists are instructed to call this desecration “art”, therefore perfectly acceptable – even enlightened.*

23. Control art critics and directors of art museums. “Our plan is to **promote ugliness**, repulsive, meaningless art.”



*Recently it has become a fad to display “art” which has a decidedly anti-Christian message, without any real redeeming value. The First Amendment to the Constitution is used on a daily basis by Communists now, as they misconstrue it to justify such blasphemy. Nos. 24 and 25 (below) are a continuation of this same thought and again both seem to be a daily part of our culture.*

24. **Eliminate all laws governing obscenity** by calling them “censorship” and a violation of free speech and free press.



*Pornography or otherwise insensitive or offensive (to Christian or Family morality) actions are now promoted as “normal” in American daily life. What more could I say in regard to this effort? It is only necessary to look about oneself in today’s daily life.*

25. **Break down cultural standards of morality** by promoting pornography and obscenity in books, magazines, motion pictures, radio, and TV.



*This is done now on a daily basis. For instance; to be a teen star these days, one must participate in outrageous behavior, especially with regard to sexuality, homosexuality, immorality or anything destructive of “Family Values”.*

26. **Present homosexuality, degeneracy and promiscuity as “normal,** natural, and healthy.”



*The primary objective for most of these “goals” is to destroy Americans’ reliance on morality as a guiding light as well as destroying cohesion of the nuclear **family**. With the destruction of the nuclear family goes the destruction of individual self reliance. This of course is a necessary goal for Communists in order to coerce the individual into giving up his / her independence and submit to total government control or serfdom.*

*One method adopted recently is to promote marriage as being a right which has been denied to homosexuals.*

*Since marriage exists for the welfare of procreation and the children thus produced, it is difficult for a reasonable person to understand how the connection can be made between marriage and homosexual unions since procreation and production of children cannot occur in such unions. Never-the-less the concept has been pushed by the present administration and Obama specifically in order to further bring about increased disunity of families, and self styled “enlightened” individuals blindly follow these perverted “leaders”. Is the average American aware of a recent study concluded by Johns Hopkins University which found that 57% of American “millennials” children are born “out of wedlock”? Yep, it’s working.*

*Communism cannot stand against the competition offered by the family unit; therefore, accordingly, for Communism to succeed, the family unit must be destroyed. One approach in aid of this destruction is the absurd concept first publicly pushed by Hillary Clinton, that “it takes a village”. The thought that public school teachers can and should teach **everything** to your children means that such things as love, loyalty, religion, righteousness, family unit cohesion, morality, etc. are to be disposed of as bad for the collective. It’s bad for Communism, because the only loyalty allowed to the Communist collective is loyalty to the Party. This is commonly manifested as loyalty to the dictator. Zero tolerance for disagreement is zealously enforced within Communism.*

**27. Infiltrate the churches** and replace “revealed” religion with "social" religion. **Discredit the Bible** and emphasize the need for “intellectual maturity”, which does not need a "religious crutch."



*Social Religion is essentially Communism disguised as Christianity. “Liberation Theology”, originally a south of the border mutation of Catholicism, advertises itself to be a reversion to the gospel teachings, wherein nothing is owned by anyone and everything is available for everyone. I can only point out that this is the fodder of which cults are born. My previous discussion of “small c” and “large C” C(c)ommunism applies here. The basic preaching of Liberation Theology claims to adhere to communism (small c), which indeed was at the core of the apostles’ relationship to Jesus and to each other. The problem is that Liberation Theology supports Communism and pretends / teaches (falsely) that it is teaching the word of Jesus. I only pray that the recently elected Pope’s comments concerning the free enterprise system (which I consider ill-advised at best), do not spring from any leanings toward Liberation Theology.*

*By way of example; Christianity believes in and promotes giving to and caring for those who are in need, whereas Communism believes in an elite governing body of some sort (a government) TAKING from those who “have” in order to support themselves as well as those in need. Christianity is a very personal concept, whereas Communism is essentially the concept that everything belongs to the governing elite and is to be controlled at their discretion. Liberation Theology and other similar cults blur the difference, never the less; Christianity and Communism have nothing in common except the words and phrases which have been co-opted from Christianity.*

**28. Eliminate prayer** or any phase of religious expression in the schools on the grounds that it violates the principle of "separation of church and state."



*This is daily ongoing – N.B.: “separation of church and state” is a Communist inspired phrase, oft repeated by the A.C.L.U. and others “with an agenda”. It is NOT a phrase which is contained in or even inspired by the United States Constitution.*

*This Communist inspired phrase implies that the “Church” and “Government” should remain exclusive of each other in every way. This is not true and was never the intent of the framers of the Constitution. The First Amendment **simply** forbids the federal government and by extension all state governments from making laws in respect to religion or in any prohibition of an individual person’s exercise of religion. For instance; if Congress were to pass a law which forbade a student from praying in school, that would be unconstitutional.*

**Communists would try to convince you that the opposite was true. This is an extension of #16 above and is**

*directed at the destruction of America's moral character. Indeed decisions by courts following this twisted misstatement of Constitutional prohibitions should be regarded as illegal (unconstitutional) violations of the government's prohibition against interfering with a citizen's right to worship. Nothing here however would construe a "church generated" law which affects other than the worshiper to supersede existing "secular" law.*

29. **Discredit the American Constitution** by calling it inadequate, old-fashioned, out of step with modern needs, "evolving", and a hindrance to cooperation between nations on a worldwide basis.



*This is ongoing, especially with Obama riding rough shod over the Constitution at every opportunity. How many times have we heard the **Communist** term "evolving" applied to the Constitution by Obama and members of Congress? This is how Communists want you to see the Constitution. Communists do not want you to think (believe) that you have any rights which have not been "given to you" by the government. The "Common Core Standards" as currently installed in the schools of 45 States, demands that the Constitution of the United States of America be taught as an "evolving" document (once again; this is a Communist concept). That it be taught as a document which may be interpreted in any fashion that Progressives might choose in order to support their distortions of fact. The fact is that the Constitution is not a set of suggestions, as it is regarded by the current administration, but rather an "iron clad" contract. This fact is meaningless however if no one safeguards this contract.*

*The Communist agenda cannot be supported or allowed by the Constitution as it currently exists, thus the obvious answer for Communists is to eliminate the Constitution or as is the case within the current Administration and Congress, simply ignore its mandates. Supreme Court justice Ruth Bader Ginsburg has publicly stated that she does not believe that our Constitution is a good example or should be followed by others writing a Constitution. Since she has sworn publicly, as a condition of her employment that she would "support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same . . ." how can she defend her continued presence on the court? If this Justice cannot be depended upon to honor her oath and personal integrity, how can she be trusted to make judgments on laws and actions which potentially affect all of America's citizens?*

*In my opinion, the root cause of the current governmental disregard for Constitutional guarantees is that Obama is heavily invested, and with good reason, in destroying (particularly) the guarantees of that contract which we call the United States Constitution. The reason, very simply put, is that he does not appear to be constitutionally qualified to sit as President, and strictly speaking should have been removed from that office long ago. He simply laughs at any suggestion, let alone demand, that he prove his qualification for office. So far Obama has not produced any credible evidence to indicate that he is American born (an American citizen), forget that he has not produced evidence of nor allowed an examination of his "natural born" status.*

30. **Discredit the American Founding Fathers.** Present them as selfish aristocrats who had no concern for the "common man."



*There is an ongoing campaign on the internet to falsely convince people that the founders were racists and backed slavery. Nothing could be further from the truth. The Democrat political party on the other hand spent many years backing and expanding upon slavery, to especially include the Fugitive Slave Act.*

*The founding fathers were involved in creating a lasting union of 13 states, each of which had differing thoughts about how such a union should operate. Our Constitution was the masterful result of diplomacy among these states and in no way condones the hatred which many of those "Liberal" individuals (bereft of intelligence) spouting off on the internet repeatedly claim.*

31. Belittle all forms of American culture and **discourage the teaching of American history** on the ground that it was only a minor part of the "big picture." **Give more emphasis to Russian history** since the Communists took over.



*Reports concerning the Common Core curriculum seem to indicate that nationwide testing will require that students in various levels of the educational system will learn and understand these very things. According to this Communist take-over plan, Americans must understand how much they are indebted to the world at large for everything and how America in the past has adversely affected the underdeveloped world. The Communist revisionist views of history are to be taught as though they were fact to our impressionable students. Future citizens are to know nothing of the greatness of the United States of America or how our system of self government enabled this to happen, nor how individuals around the world had their life, status and well being improved by the mere existence of the United States of America. As Elizabeth Warren (as a devout Communist) said; you didn't earn anything yourself, you didn't build anything yourself. Someone else (read here the government) did it for you.*

32. **Support any socialist movement to give centralized control** over any part of the culture--education, social agencies, welfare programs, mental health clinics, etc.



*Centralization makes it easier to control the masses. Enlarge the central (Federal) government to allow its control of every facet of a citizen's life – cradle to grave. The simplest example available would be the "Affordable Health Care Act". Clinton's assumption of America's financial industry and the subsequent collapse of this system as we knew it are yet another example.*

33. **Eliminate all laws or procedures** which interfere with the operation of the Communist apparatus.

34. **Eliminate the House Committee on Un-American Activities.**



*This was accomplished in 1975, thanks largely to the tireless efforts of Sen. J. William Fulbright (Bill Clinton's mentor)*

35. Discredit and eventually **dismantle the FBI.**



*The obvious alternative would be to corrupt the FBI causing it to work for Communist goals in the American society. As part of the Obama administration, it would appear that this alternative has become the choice of world-wide Communism.*

36. **Infiltrate and gain control of more unions.**



*Are there any major unions which are not controlled by Communists now? Certainly the entrance of Wade Rathke's A.C.O.R.N. and S.E.I.U. since 1970, which were both formulated, along with the "New Party" among other "leftist" organizations to put Communist (Progressive) politicians in office. Let us not forget that Barack Obama was a member of and was promoted by this "New Party".*

37. Infiltrate and **gain control of big business.**



Shadow Party members? Since 2008, the Federal Government has essentially seized control of the Banking industry (the portion which was not already under its control). It has seized control of the automotive industry. It has seized control of every part of the energy industry that it has been able to seize. It has seized control of the Communications industry, trying very hard to dictate what information should be released to the public. Through its various agencies, it has seized control of virtually every facet of the business world, against all reason.

38. **Transfer some of the powers of arrest from the police to social agencies. Treat all behavioral problems as psychiatric disorders which no one but psychiatrists can understand [or treat].** [N.B.: the Nazis extensive use of psychiatrists during WWII – Appendix (3)]



Who exactly is “Homeland Security” and why have they procured millions of rounds of ammunition (specifically designed to kill humans) over the past two or three years? Who is it that FEMA expects to kill in the future or house in the “so called” FEMA camps which have been constructed around the country? Does the increased appearance of highly publicized gun wielding “nut cases” (who just happen to be heavily influenced by “progressive thought”) really justify the government confiscation of all weapons which are not under direct government control? Registration and classification of people who are “dangerous” to government must both be seen as precursors to confiscation . . . and of course these mental determinations are to be made by government controlled psychiatrists. This can only be seen as shades of Hitler’s Germany.

By “Presidential edict”, or Executive Order (2014), Obama has cleared the way legally for psychiatric records to be passed to the authorities such that ownership of weapons is to be denied to anyone deemed to be under psychiatric treatment, and in most cases, confiscation is “legally” authorized. Be very, very careful about visiting with a Psychiatrist or Psychologist today.

39. **Dominate the psychiatric profession** and use mental health laws as a means of gaining coercive control over those who oppose Communist goals.



Ever wonder why most psychiatrists seem so enlightened / liberal – also note the recent effort to prohibit gun ownership to those on a questionable (list) maintained by the government of unstable minds. Who exactly is it that declares these people to be unstable? **Is this not simply another way of eliminating opposition as was the intense Progressive interest in eugenics?** There were innumerable “reasons” that a person could be committed to a Progressive facility for the feeble minded, even many would say, politics. [see Appendix (3)]

40. **Discredit the family** as an institution. Encourage promiscuity and easy divorce. Change the public perception from marriage being a “license” to create life in the confines and protection of a family, to some kind of right to artificially re-define ones self. [For instance, promote “same sex marriage”.]



This is an ongoing effort and from a Communists viewpoint perhaps their **most important** – the intent is to cause Americans to believe that promiscuity, homosexuality, pedophilia, even bestiality are “normal activities”. A trusting “nuclear family” is not compatible with the Communist ideology.

While the general public seems unable to see it, probably the most transparent attempt to destroy the “institution of the family” is seen to be the vociferous insistence of self proclaimed enlightened individuals to include same-sex marriage into government pronouncements based on some imagined discrimination directed against homosexual individuals. **Once again, we are arguing the merits on the basis of how Communists want us to**



**think, rather than on any basis of fact.** The argument has been framed as straight people having a privilege given them which homosexuals are forbidden. This is one of those demagogic substitutions which in reality has nothing to do with the intent of same-sex marriage.

Without laboring the point, marriage, for all its restrictions and problems is intended to provide a framework for civilization. It creates that nuclear family unit which becomes the basis for civilization. The importance of “the family” is to provide a place in the world – in the civilized world for the child. Many expansions of this structure have been produced, including unfortunately (in my opinion) monarchies of the past and present. While this expansion into a monarchy may be regarded as a bad thing, the remaining structure, which is rooted in the “family”, is essentially the glue that holds the world’s civilization together.

The objective of Communism is to destroy this glue, the nuclear family and thus destroy civilization as it exists – to be replaced (at the point of a gun) by a Communist dictatorship. Traditional marriages exist for the continuation of society and for its children, not for the expression of an individual’s “love” or for providing an outlet for their prurient interests, nor for insurance purposes. (Insurance policies can be written in any manner that is agreeable to both parties as can government “policies”. These provide no necessity or justification for destroying societal organization.)

Effectively, a marriage license is a license to have children and create a “family”, a future for society. How is any of this accomplished with the “marriage” of two homosexuals? How can the family be continued as the basis of civilization under such circumstances? The answer is: It can’t, and that is a primary goal of Communism . . . **Destroy the “family”.**

In the “elite” Communist’s view, the simple masses must be taught to rely solely on the elite (government) without influence from anything outside Communism such as the (nuclear and extended) family. Think of Kathleen Sebelius’ recent reference to “our federal family”. The heads of FEMA and Homeland Security have both used the same terminology recently in public speeches. You can believe this insidious “party line” is not a spontaneous invention but rather Communism’s re-education of the public at work.

What control the state legitimately should have over this “license granting” (since marriage existed long before “governments”) is certainly debatable, however in any case the fact remains that this is a construct of society, not governments, and is designed solely to mate male and female in order to create or continue society through families. Once again we see how the interference of government serves to advance the agenda of Communism while essentially destroying civilization as we know it.

41. Emphasize the need to **raise children away from the negative influence of parents.** Attribute prejudices, mental blocks and retarding of children to suppressive influence of parents. [**“It Takes a Village”**]



More than anything else, this directive is to insure that utopian / collectivist principles can and will be inculcated into the nation’s children at the earliest possible age. Once again the “Common Core” comes to the foreground. What principles do you suppose “Common Core” advocates want inculcated in our children’s minds rather than family morals? In Stalin’s words; **“Give me four years to teach the children and the seed I have sown will never be uprooted.”** Stalin also said; **“A lie told often enough becomes the truth.”**

This has taken on an unbelievable impetus over the past two generations. Today we are forced to argue the very merits of the institution of marriage. This “institution of marriage”, which has been on the Earth for longer than any governments (per se) has always formed the nucleus of society, around which the remaining institutions of society have been built.

The nuclear family; father, mother and child or children is extended in what has long been termed the extended family to include siblings, uncles, aunts, cousins, grandparents, etc. To some degree or other, each member of

*this extended family is bound to care for all others. In addition to other attributes, this extended family provides a psychological sense of belonging which the society at large cannot. It is the Communist's intention for the collective group to somehow insinuate itself into the position of replacing this extended family with the state taking over all functions of the family and with the expectation that the same feeling of belonging will be established with Communism.*

*The family represents a threat to Communism, in that members have become accustomed to relying on their family for many, mostly psychological benefits that are coveted by those who believe themselves to be elite members of the "Communist / Progressive movement". This mandate is further broken down and aided by numbers 24 through 28 above and of course culminates in number 40. For Communism to consume the minds of our entire society, families and churches (both of which command some degree of loyalty) must be eliminated. All so called "secret societies" (excepting of course those which exclusively support Communism) must ultimately be disbanded.*

*Obviously, the various legitimate churches have in the past supported the concept of the nuclear and extended families, and have even offered to act in the place of missing members of the extended family. Charities spawned by any benevolent group where they are seen by the general society as beneficial, must be eliminated and any necessary functions which have been performed by them will be assumed by the government. The destruction of both the Churches and traditional family structure are intended to drive then-to-be unattached citizens to Communism. In the now famous words spoken during the DNC convention in 2012, **"government is the only thing we all belong to"**. It is hard to imagine a more apt description of how Progressives view the American public. By Progressives, the public is seen to be working for the government – **they own us**. We should not be permitted to "belong" to any other organization. **In their eyes we are already serfs.***

**42. Create the impression that violence and insurrection are legitimate aspects of the American tradition;** that students and special-interest groups should rise up and use "united force" to solve economic, political or social problems –



*In other words strive to make people believe that conflict resolution is normally accomplished by extreme violence. Teach the concept of conflict resolution by murder (Hollywood is a tool) . . . and when this inevitably leads to public displays of frustration and violence, blame anti-Communists and perhaps use the crisis thus created to demand the confiscation of all weapons. The assumption here is that a large central government can always control an unhappy population by force if necessary. Removal of weapons from public possession is an obvious and necessary early step in achieving control by the government.*

**43. Overthrow all colonial governments before native populations are ready for self-government.**



*Naturally Communism will step in to assist new government formation as transpired in Europe after the Second World War – this is not directed specifically at the U.S.A. – more likely at today's Africa.*

**44. Internationalize the Panama Canal.**



*The Panama Canal was built by the United States after taking over a French initiative which was failing. The canal was built on land owned by Colombia at the inception, but shortly ceded to "rebels of the isthmus". The rebellion was doubtless aided by the United States and resulted in the U.S. purchasing the Panama Canal Zone from Panama, the lease and administration to last **"in perpetuity"**. For some reason, after the canal was built and operating, local Panamanians began to lobby for return of the purchase. After several starts, restarts, threats and changes in U.S. administrations, it was agreed to essentially give the canal and the land back to*

*Panama. This defies all reason.*

*The final treaty was agreed and signed by (Progressive) Jimmie Carter, who quite frankly, just gave America's interests in the Panama Canal Zone away. This was finally agreed to be completed at the end of 1999, and included about a six mile wide strip of land through the isthmus, the canal itself and all buildings and appurtenances contained therein.*

*I leave you with the exclamation of Senator Strom Thurman when he was informed of the content of the treaty: "Why, we (built) bought and paid for that canal"? I would second that.*

**45. Repeal the Connally reservation** - so the United States cannot prevent the World Court from seizing jurisdiction over U.S. domestic problems.

*Give the World Court jurisdiction* over nations and individuals alike. **Obama is working on this one.**

*Before ratifying the United Nations Charter in 1945, the Senate was wise enough to amend the section dealing with the World Court by barring the Court from jurisdiction over matters which were essentially domestic "AS DETERMINED BY THE UNITED STATES." Those six words, authored by Senator Tom Connally (D-Tex), are known as the "Connally Reservation" and are the only thing which COULD prevent the World Court from interfering in American internal affairs on the pretext that our tariffs, immigration laws, school curriculums, etc. affect American relations with other countries and are therefore "foreign" and not "domestic." Very powerful interests in Washington have been trying to get that "Connally Reservation" repealed ever since.*

*It hasn't happened yet, however Obama seems to feel free to ignore Constitutional restrictions, therefore I doubt that he would have a great deal of respect for this reservation especially since it does not specify who is responsible for making such a determination. My intuition tells me that this restriction does not exist in Obama's mind.*

**Text containing the numbered lines above is to be found in the Congressional Record, 1963 <sup>63</sup>**

Overall, even the most optimistic patriot must admit that, not all, but nearly every one of the above Communist objectives has already been met in our society, and the general population actually believes that these are the "natural" progressions of a civilization. There is little realization or understanding in the general public that they have essentially been brainwashed (or duped) into believing and thinking as Communists want them to. They have become "politically correct (PC)".

### **Appendix (3)**

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## **Psychiatry's role in the holocaust \***

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<sup>63</sup> **Congressional Record--Appendix, pp. A34-A35 January 10, 1963**



German psychiatrists proposed the extermination of mental patients before Hitler came to power. Then in Nazi Germany, organized psychiatry implemented involuntary eugenical sterilization and euthanasia, ultimately killing up to 100,000 German mental patients. The six psychiatric euthanasia centers utilized medical professionals, fake death certificates, gas chambers disguised as showers, and the mass burning of corpses.

Psychiatrists from the euthanasia program also participated in the first formalized murders in the concentration camps. Inmates were "diagnosed" on euthanasia forms and sent to the psychiatric euthanasia centers. These facilities later provided the training, personnel and technology for the larger extermination camps.

Medical observers from the United States and Germany at the Nuremberg trials concluded that the Holocaust might not have taken place without psychiatry. This paper summarizes psychiatric participation in events leading to the holocaust, and analyzes the underlying psychiatric principles that anticipated, encouraged, and paved the way for the Nazi extermination program. Psychiatry played a key role in the events that unfolded in Nazi Germany leading up to the mass murder of the Jews and other groups considered alien to the German state. According to many observers at the Nuremberg trials, psychiatry was the "entering wedge" [1] into the holocaust and the tragedy might not have taken place without the profession's active leadership. This paper summarizes psychiatry's role and attempts to answer the question, "What psychiatric principles could have led to these abuses?"

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\* Based on a paper presented at "Medicine without Compassion", a conference on the history of medicine in Nazi Germany, in Cologne, Germany in 1988. I wish to thank Benno Muller-Hill, Charles G. Rolland and Jeffrey Masson for their help.

## What psychiatry did in Nazi Germany

In July 1945 the war had been over for more than 3 months in his sector when a young officer, Robert Abrams, was approached in a U.S. Army public relations office in occupied Germany by a demobilized German army physician [2,3]'. The physician had returned from the front to find that German psychiatrists were **killing mental patients in the state hospital in his home town of Kaufbeuren.**

On arriving at Kaufbeuren, Abrams asked some of the children in the street about the hospital and they replied, "Oh, that's where they kill people". Most of **the records of the mass murders had been destroyed; what remained showed** a death rate of 25% during the previous year. The lethal methods were poisoning and slow death through starvation on "scientific diets". The victims included 100 children.

The crematorium ovens had been active up to the arrival of the American soldiers, with an admitted 350-400 cremations during the first 6 months of 1945. **But unlike the extermination camps, which shut down with the impending arrival of allied troops, the psychiatrists had maintained their extermination program.** Abrams reported that a psychiatrist who led him through the hospital showed no remorse. He was not a Nazi party member, and believed that he had acted in the name of medicine. The nurses belonged to religious orders. The psychiatric director of the institution hanged himself in reaction to Abrams' arrival.

Records uncovered by Abrams confirmed what we now know about the systematic murder of mental patients that began in late 1939 and early 1940 before the large-scale extermination of the Jews ([5,6];

also, see ahead). Hundreds of euthanasia forms had been filled out by two doctors in the hospital and then sent to Berlin for evaluation by professors of psychiatry. When one of the Berlin professors approved euthanasia, the sentence was carried out. Chronicity and incapacity for work were key criteria. The selected patients were then shipped to holding facilities and then ultimately to one of the six psychiatric extermination centers - Hartheim, Hadamar, Sonnenstein, Grafeneck, Brandenburg, and Bernberg [5].

Up to 100,000 German psychiatric inmates were killed before Hitler ended the official program late in 1941 [6,7].

In response to criticism from the public and religious leaders, Hitler withdrew his official approval from the euthanasia program and turned his attention to the holocaust. However, local state hospital doctors continued killing the patients within the state hospitals themselves, destroying another 70,000 inmates [8].

Thus, with the end of the euthanasia bureaucracy organized from Berlin, psychiatrists resumed the program as they had originally begun it [6], on their own in individual mental hospitals. New patients continued to be admitted and then exterminated.

<sup>1</sup> This important episode has never been described in the professional literature, except for Proctor's [4] brief quotation from an earlier publication of mine in a popular magazine.

<sup>2</sup> *The Trials of War Criminals* [5] concludes that "the Euthanasia Program can only be described as mass murder" (p. 804).

Eventually, 250,000 to 300,000 patients were murdered throughout Europe according to the Allied estimate at the Nuremberg Doctors' Trial [5], p. 66). By the end of the war, some of Germany's large psychiatric facilities were empty. Hitler's views on the unofficial continuation of the euthanasia program are not known.

In *A Sign for Cain* [9], psychiatrist Fredric Wertham lays the blame for psychiatry's activities fully at the feet of the profession:

The tragedy is that the psychiatrists did not have to have an order. They acted on their own. They were not carrying out a death sentence pronounced by someone else. They were the legislators who laid down the rules for deciding who was to die; they were the administrators who worked out the procedures, provided the patients and places, and decided the methods of killing; they pronounced a sentence of life or death in every individual case; they were the executioners who carried out or - without being coerced to do so - surrendered their patients to be killed in other institutions; they supervised and often watched the slow deaths. (p. 161)

### **From euthanasia centers to extermination camps**

The euthanasia centers played a central role in developments leading to the larger holocaust. They pioneered approaches later used in the extermination centers: medical experts to justify the killings as medical procedures, gas chambers disguised as showers, and the mass cremation of bodies to avoid legal entanglements over corpses [8,10]. In *The Murderers Among Us* [11], Simon Wiesenthal observes that the psychiatric euthanasia centers were structured like medical schools: Hartheim was organized like a medical school - except that the "students" were not taught to save human life but to destroy it as efficiently as possible. The deaths of the victims were clinically studied, precisely photographed, scientifically perfected. (p. 315)

Wiesenthal's description may be exaggerated. There was little or no actual medical training taking place [10]; yet the pretense of medical authority and treatment helped to justify the murders, and to inure the personnel to committing atrocities.

Wiesenthal raises the question that has puzzled if not plagued many observers of the Nazi atrocities: How had the perpetrators of the holocaust become emotionally hardened to performing their grim tasks? Machines broke down, but the people handling them never did. How could it be that the people operating the gas chambers and ovens were more reliable than the machines? Had they been trained mechanically *and* psychologically to stand the terrific strain? The question bothered me for years. All facts pointed toward the conclusion that special cadres of technically skilled and emotionally hardened executioners were trained somewhere. Castle Hartheim and the other euthanasia centers were the answer. (p. 315)

The presence of physicians and other health professionals in the euthanasia centers gave a false security to the victims who did not realize their fate until the very end. Faked death certificates were intended to disguise the deaths as natural in origin in order to hide an inmate's fate from his or her family and the public.

When the giant extermination centers were set up in the east, a psychiatrist from the euthanasia program was, for a short time, one of the first commandants [6]. Consultants from the euthanasia program helped set up these extermination camps and personnel from the program initially staffed them [1, 6]. Christian Wirth, who supervised the euthanasia center at Hartheim, was designated supervising inspector in the early stages of the extermination camps, including Belzec, Sobibor and Treblinka. Wirth's role demonstrates the direct relationship between the euthanasia program and the holocaust ([10], pp. 53- 54; [11], p. 314). Wirth's successor at Hartheim, Franz Stangl, later became commandant of Treblinka ([11], p. 314). Asked how he became inured to killing people, Stangl explained that he had been trained by doctors in the euthanasia program in 1940. Not only the personnel but the physical plants became utilized in the holocaust. Equipment from the psychiatric murder centers was dismantled and shipped east for the larger camps [7]. In another direct link, the first extermination camp, Chelmno, "was originally planned as a euthanasia institute" ([10], p. 86).

Furthermore, the first systematic murders of concentration camp inmates took place in the euthanasia centers under the direction of teams of psychiatrists led by Werner Heyde. These teams "diagnosed" and selected victims using the psychiatric euthanasia forms, then had the inmates transferred and sent to their deaths at the psychiatric extermination centers [5,6]. The criteria were now "racial" and political. As Mitscherlich and Mielke [12] stated, " ... in the concentration camps prisoners were selected by the same medical consultants who were simultaneously sitting over the destiny of mental institution inmates" (p. 117). Meyer [8] estimates that 10 000 were killed in this early stage of the holocaust.

In camps that combined slave labor and extermination, physicians continued to play a role in performing "selections". As many observers have noted, physicians decided who would go to the gas chambers and who would temporarily survive to perform labor at Auschwitz and directed the murder program, determining at a glance who were healthy and strong enough to become slave laborers and who would die immediately [13]. However, psychiatric specialists were no longer heavily involved. The new doctors often came directly from the Nazi-dominated medical schools without advanced specialty training.

### **From eugenics and euthanasia to the holocaust**

Mitscherlich, who was the official representative of German medicine at Nuremberg, and his co-author Mielke [12], concluded that the eugenics and euthanasia programs paved the way for the holocaust. After describing the eugenics law and the supporting commentary on it written by psychiatrists Ernst Rudin and other eugenicists, they commented:

**This became the starting point for a line of development that inexorably led to enforced "mercy death" for the incurably insane on the one hand, and, during the war, on the other, to plans for exterminating races declared to be inferior - Poles, Russians,--Jews, and gypsies. (p.90)**

Leo Alexander [1] was the United States Army representative at Nuremberg. Although himself a staunch supporter of electroshock, lobotomy and eugenics (see ahead), he too concluded that the euthanasia program was a stepping-stone on the way to the larger holocaust: According to the records, 275,000 people were put to death in these killing centers. Ghastly as this seems, it should be realized that this program was merely the entering wedge for exterminations of far greater scope in the political program for genocide of conquered nations and the racially unwanted. The methods used and personnel trained in the killing centers for the chronically sick became the nucleus of the much larger centers in the East, where the plan was to kill all Jews and Poles and to cut down the Russian population by 30,000,000. (p. 402). The representative from the American Medical Association, physician Andrew Ivy [12], observed: Had the profession taken a strong stand against the mass killing of sick Germans before the war, it is conceivable that the entire idea of technique of death factories of genocide would not have taken place. (p. xi)

Psychiatry was not only critical in implementing "scientific" extermination; it proposed and discussed the possibility openly before Hitler came to power. In 1920 the German professor of psychiatry, Alfred Hoche, with co-author law professor Karl Binding [14], published the first academic treatise justifying large-scale medical exterminations. They called for destroying "lives unworthy of living", namely, incurable mental patients. This led to a lively debate within German medical, legal and theological circles during the 1920's, preparing the way for later acceptance of the murder program when Hitler took power.

### **Eugenics and Nazi Germany**

Eugenics, or the prevention of life deemed unworthy, led in Germany to euthanasia or the termination of life after birth. Numerous observers have seen eugenics as a step toward euthanasia [4,7,8,15]. In Nazi Germany, the involuntary sterilization program begun in earnest in the mid-1930s was replaced by euthanasia in the late 1930s and early 1940s [4].

Hitler's *Mein Kampf* [16] was not written until 1924, and its theories and even its language clearly borrow from those of scientific eugenicists. Speaking of the future Nazi State, Hitler declared: It has to make the child the most precious possession of a people. It has to take care that only the healthy beget children. ... Thereby the State has to appear as the guardian of a thousand years' future, in the face of which the wish and the egoism of the individual appears as nothing and has to submit. It has to put *most modern medical means* at the service of this knowledge. It has to declare unfit for propagation everybody who is visibly ill and has inherited a disease and it has to carry this out in practice. Cp. 608) [italics added]

**The prevention of the procreative faculty and possibility on the part of psychiatrically degenerated and *mentally sick people*, for only six hundred years, would not only free mankind of immeasurable misfortune, but would also contribute to a restoration that appears hardly believable today. (p. 609) [italics added]**

Hitler reportedly read the leading German eugenic textbook while writing *Mein Kampf* in prison ([4], p. 60; see also [17]). A copy of Hache's autobiography [18], published in Germany during the war, contained an advertisement quoting Hitler in lavish praise of Hache's life and work. While eugenics ini-



tially developed outside psychiatry, its most staunch support eventually came from within the profession. Throughout the Western world, including Germany and the United States, mental patients were by far the most frequent victims of sterilization and castration. Most of the several hundred thousand people sterilized between 1934 and 1939 in Nazi Germany were labeled mentally ill [8].

The international psychiatric leadership of the early twentieth century, from Kraepelin to Bleuler, largely supported eugenics. Peter Lehmann [19] located an advertisement from Bleuler in praise of a leading eugenics textbook that in turn specifically supported Hitler's programs. Ernst Rudin was a leading figure in international psychiatry, the recipient of **Rockefeller funds**, the author of many articles on the genetics of schizophrenia, and the director of the Department of Heredity of the Kaiser Wilhelm Institute of Psychiatry. He strongly influenced Hitler's 1933 sterilization law and helped write the official commentary on its interpretation. On his 70th birthday in 1944, the psychiatrist was given a medal by Hitler as "the path finder in the field of hereditary hygiene" ([20], p. 26).

### Parallel events and parallel attitudes in America

Hitler's eugenics program, including the involuntary sterilization of hundreds of thousands of people, received international support from psychiatry and the **eugenical movement**. As one of the authors of *Eugenical Sterilization*, an official report of the American Neurological Association [21], Leo Alexander himself had praised the program. Since he was German-trained and German-speaking, Alexander probably bears primary responsibility for writing "it is fair to state that the Sterilization act is not a product of Hitler's regime, in that its main tenets were proposed and considered several years earlier, before the Nazi regime took possession of Germany" (p. 22). The authors of *Eugenical Sterilization*, led by Abraham Myerson, one of America's most respected psychiatrists, praised Hitler's legislation: **It will be seen that this law is very precise and, as appears later, conforms closely with the present knowledge of medical eugenics. The law is hedged around with safeguards. The report was supported by the Carnegie Foundation. Provisions are made for trial, appeal, and execution of the law with characteristic German thoroughness.** (p. 22)

The authors of *Eugenical Sterilization* also cited a publication by W.W. Peter in which Hitler's sterilization program is justified as a political and social necessity. In the article, Peter [22] stated "The present load of social irresponsibilities is liabilities which represent a great deal of waste" (p. 190). The authors cited no criticism of Hitler's eugenical program and they would have found it difficult to locate any.

Rudin was encouraged about the feasibility of implementing mass sterilization by the American eugenicist Paul Popenoe, who traveled to Germany to describe California's official state program that had sterilized 15,000 mental patients. While Popenoe was not a psychiatrist, he was in charge of statistical analysis for the California involuntary sterilization program in its state mental hospital system. In 1930 he called for the involuntary sterilization not only of psychiatric inmates but of their families [23].

When Hitler's sterilization laws were put into effect in January 1934, Popenoe in America **quickly lavished praise on both the German dictator and his programs**. Writing in the *Journal of Heredity*, Popenoe [17] quoted enthusiastically from *Mein Kampf*. He reported that Hitler read and studied "to good purpose" one of the **most respected modern eugenics texts while in jail. "From OTIC point of view"**, Popenoe declared, **"it is merely an accident that it happened to be the Hitler administration which was ready to put into effect the recommendations of the specialists"** (p. 257). He provided the full text of the German involuntary sterilization legislation and reported that **one-third of inmates were being sterilized**. He concluded "the present German government has given the first example in modern times of an administration based frankly and determinedly on the principle of eugenics" (p. 260).

Many articles in American and English professional journals praised Hitler's eugenics programs or promoted similar alternatives. For example, shortly after the promulgation of the Nazi sterilization laws, the *Journal of the American Medical Association* [24] published a lengthy report on the law and its many expected benefits. Without hint of criticism, it observed that 400,000 German sterilizations were soon expected. Brief, positive reports on events in Germany continued to appear for some time in the journal.

Marie Kopp [25] described her 1935 interviews with German authorities involved in the sterilization program. She made clear the inspiration the Germans received from American counterparts: **"The leaders in the German sterilization movement state repeatedly that their legislation was formulated only after careful study of the California experiment as reported by Mr. Gosney and Dr. Popenoe" (p. 763).** She pointed out that the legislation had been formulated in government circles prior to Hitler's ascension to power and furthermore that **"the legal sterilization of mental incompetents originated in the United States" (p. 763).**

Writing in 1938 in *Eugenical News*, F.J. Kallmann [26], America's leading psychiatric geneticist, argued that sterilizing every mental patient would not be enough to destroy the allegedly recessive gene for schizophrenia.

Satisfactory eugenic success in the heredity-circle of schizophrenia can not be secured without systematic preventive measures among the tainted children and siblings of schizophrenics. Especially inadvisable are the marriages of schizoid eccentrics and borderline cases, when contracted with individuals who either manifest certain symptoms of a schizophrenic taint themselves or prove to belong to a strongly tainted family. (p. 113) Kallmann called for coercive state interventions for eugenic intervention, including both sterilization and the prevention of marriage. Kallmann was aware of the comparison between his proposals and those being implemented in Germany. He had only recently left Germany, where he had proposed such sweeping sterilization measures that even the Nazis considered them too extreme [4,6]. These measures included the same ones he advocated in *Eugenical News* after his arrival in America (see above). Kallmann's article was directly followed in the same journal by an article by Rudolph Binder [27] openly praising Hitler and Germany's sterilization of an estimated 300,000 people. Without mentioning euthanasia, but in language similar to that used in Germany to support the euthanasia program, Binder complained that "These useless, hopeless and harmful people receive the best of care" (p.116). Praise came in the same year from American psychiatrist Aaron Rosanoff [28] in his textbook, *Manual of Psychiatry and Mental Hygiene*. In a lengthy section on eugenics, Rosonoff cites with approval the extensive sterilization being carried out in the United States (he estimates 25,000) and the more expansive program in Germany. Rosonoff later raises the question whether or not eugenics itself smacks of "nazism and fascism" (p. 812), but concludes that the ethics of eugenics are "scientific" rather than political in origin. According to Proctor ([4], p. 117), "After the war, allied authorities were unable to classify the sterilizations as war crimes, because similar laws had only recently been upheld in the United States". In effect, these particular atrocities could not be defined as criminal by the tribunal because they were international in scope, representative of psychiatric activities throughout the western world.

Not only eugenics, but medical murder found support at the highest levels of American psychiatry. It, too, grew from those who initially supported eugenics and then moved to more radical solutions.

Foster Kennedy, an influential American psychiatrist and neurologist, supported widespread eugenical sterilization and castration [29]. At the 1941 annual meeting of the American Psychiatric Association

[30], he called for the extermination of incurably severely retarded children over the age of five. His goal was to relieve "the utterly unfit" and "nature's **mistakes**" of the **Agony of living** and to save their parents and the state the cost of caring for them. He concluded, "So the place for euthanasia, I believe, is for the completely hopeless defective: nature's mistake; something we hustle out of sight, which should not have been seen at all" ([30], p. 15) .

**Had Kennedy succeeded in promoting euthanasia in the United States, then presumably the German medical murder program would also have been exonerated, much in the same way as the German eugenical sterilization program.**

The opposing viewpoint, by another leading American psychiatrist, Leo Kanner [31], was presented the following year. Kanner warned against "haughty indifference toward the feeble-minded" (p. 17). He cited William Shirer's [32] report that an estimated 100,000 German mental patients had already been murdered. Kanner declared: Psychiatry is, and should forever be, a science dunked in the milk of human kindness. Does anyone really think that the German nation is in any way improved, ennobled, made more civilized by inflicting what they cynically choose to call mercy deaths on the feeble-minded? (p. 21)

Thus the debate over the medical murder of developmentally retarded persons took place despite professional awareness that a similar program was already in progress in Germany!

An official unsigned editorial in the same issue of the American Psychiatric Association's official journal supported Kennedy's position rather than Kanner's [34]. Using language indistinguishable from Hoche and the perpetrators of the German euthanasia program, the editorial speaks of "disposal of euthanasia", "merciful passage from life", "a method of disposal", and even facetiously "a lethal *finis* to the painful chapter". Recognizing that American mothers might respond with "guilt" over killing their children, the editorial suggests a public education campaign to overcome emotional resistance. This proposed euthanasia program was especially threatening because the Nazi exterminations had begun with children [4,5].

In summary, many psychiatric and public health officials in the west fully supported the eugenics program in Nazi Germany, including involuntary sterilization and castration, and California provided a eugenical model for planners in Germany. A few American authorities openly supported euthanasia itself, including the prestigious *American Journal of Psychiatry*.

### **The principles and practices behind psychiatric involvement in the holocaust**

We can summarize the ways in which psychiatry acted as an entering wedge into the holocaust: First, international psychiatry helped develop eugenic philosophy and, more so, the eugenic practices of castration and sterilization. This paved the way for the euthanasia program.

William Shirer [32] had reported on the "mercy killing" program, with an estimated 100000 deaths, but he inexplicably left the entire story out of his later and definitive work [33]. There has been a tendency for historians to suppress information about the psychiatric murders, perhaps in deference to modern psychiatry. Kanner has the mistaken impression that the German's were killing only the "feeble-minded", but their euthanasia program encompassed anyone confined to a mental health facility and included pediatric hospitals as well.

Second, German psychiatry provided the first formal justification for mass extermination with Binding and Hache's 1920 book. Third, German psychiatry scientifically justified and implemented extermina-

tion programs in the state mental hospitals as early as March 1938 ([6], p. 12). This was before Hitler officially approved the action and before the euthanasia program became formally organized out of Berlin. When Hitler eventually withdrew official support from the euthanasia killing centers and instead utilized them in the holocaust, individual psychiatrists and hospitals continued destroying their patients, with at least one hospital persisting after the Americans had occupied its sector. Thus the murder program began and later resumed within the state mental hospitals, without central or official approval and supervision. Fourth, psychiatry demonstrated that large holding camps - state mental hospitals and the smaller collection centers - could contain inmates at minimal cost and in an orderly fashion while awaiting shipment to their death. Fifth, psychiatry developed the medical umbrella and the technology for the six euthanasia institutions. This "medicalized murder" involved the presence of physicians and other health professionals to disguise the lethal purpose from the victims, the use of medical experts to justify killing, faked death certificates, gas chambers disguised as showers, and the mass burning of bodies. Through these means, psychiatry proved that personnel could be inured to killing large numbers of people. Sixth, even though there were some protests against the euthanasia program ([5], p. 65 and p. 67; [8]), the psychiatric euthanasia program demonstrated that Germans would accept the extermination of a group of their own people. Seventh, teams of psychiatrists conducted the first formalized murder of Jewish concentration camp inmates by evaluating them on euthanasia forms in preparation for their transfer to the psychiatric euthanasia centers. Eighth, when the giant extermination camps were built in the east, staff from the euthanasia program acted as consultants in their establishment and became the initial personnel. The psychiatric euthanasia center gas chambers were dismantled and moved east for the perpetration of the holocaust. One of the extermination camps, Chelmno, was built initially as a euthanasia center. Ninth, psychiatry, along with the rest of organized medicine, helped establish the principle of treating the "volk" (people) as a body, justifying the removal of allegedly parasitic individuals from the nation's body ([16], p. 314). This theme of treating society at the expense of the individual was central to the perversion of medicine and the justification of the exterminations [6]. A number of historians have pointed out that the scientific bureaucratization of murder was a unique quality of the holocaust [35]; but none seem to have given credit to the source. Bureaucratic, scientific killing was invented and first implemented by organized psychiatry. This is one reason why physicians Mitscherlich, Alexander and Ivy each separately declared that psychiatry was key to the holocaust and that the tragedy might not have happened without the initial **euthanasia program**.

### **Fundamental principles of Western psychiatry: before the Nazi era**

Long before German psychiatry began to discuss and implement the destruction of mental patients, Western psychiatry had adopted a number of principles and practices that paved the way for the more radical German "solutions". The first and probably most important is involuntary treatment. As Szasz [36,37] has described, coercive psychiatric treatment violates western principles of liberty and justice. Involuntary treatment is the primary or root psychiatric power, justifying psychiatry's support by the state. Involuntary treatment enables psychiatry to become a ready instrument of social control, from Germany's extermination program to the former USSR's psychopolitical prisons for dissidents [38]. In the United States today, involuntary psychiatry is frequently used, much as it originated historically [39], to incarcerate and control unsightly homeless "street people". This protects society from having to face difficult political and social issues of unemployment, poverty and homelessness [40,41].

The second fundamental practice is state mental hospital psychiatry. Based on involuntary treatment, the state mental hospital system created giant lockups in which psychiatrists became accustomed to brutality disguised as treatment. In Germany, and elsewhere, the state hospitals had such high death rates in the 1930's that they were already virtual extermination centers. As a medical expert in the landmark Kaimowitz case [42] in Michigan in 1973, I urged the three-judge panel to apply the Nuremberg



code to American state mental hospitals on the grounds that they are coercive and humiliating in a fashion similar to the German concentration camps. In their final opinion, the judges specifically cited the code in putting an end to psychosurgical experiments in these facilities (the opinion is reprinted in [43]). The third principle concerns the application of medical "diagnosis" to psychological, spiritual, social and political problems. The use of diagnoses establishes a hierarchy of superior (allegedly non-nal) and inferior (allegedly mentally ill) people. **It "medicalizes" human conflict, permitting "treatment" of the victims. This fit Nazi ideology and paved the way for "selections" in extermination centers.**

Psychiatry continues to provide this directly political function in the USSR, where the term "sluggish schizophrenia" was created to justify involuntary "treatment" of **political dissidents** with the same drugs usually reserved for more traditional psychiatric inmates [38].

The fourth and closely related psychiatric principle is the biological or medical model for human differences and psychological disorders. This model postulates the inheritance of presumably abnormal behavior and hence justifies eugenics. It excuses inhumane activities by declaring the victim biologically inferior [40,44,45].

**Involuntary treatment, state mental hospitalization and other psychiatric activities may be viewed as both general principles of psychiatry and as specific practices, depending on the focus of the discussion.**

The fifth principle is physical assault on the body and the brain with disabling and damaging interventions. For centuries, control over mental hospital inmates was maintained by inflicting pain on their bodies and by exhausting them with toxic agents. Then in the 1930s, insulin and metrazol shock aimed directly at damaging the brain, rendering patients more docile or easier to manage [46]. Later in the 1930s, ECF and lobotomy became the major treatment modalities in state hospitals. Routinely inflicting brain damage prepared doctors for outright killing. Muller-Hill provided me with a German journal report [47] that remarkably illustrates the close psychological connection between shock treatment and outright killing, expressed in the dreams of doctors who administer electroshock treatment.

I was commander of German shock troops who were attacking the French Maginot Line. My soldiers and I were wearing shock machines on our backs instead of army packs. The electrode was like a flame thrower which we merely had to point toward our enemies. We destroyed all life in front of us, including the plants. The most horrifying part of the dream was that the corpses of our enemies behind us were still moving in epileptic seizures [as in shock treatment] and I had the horrible feeling that they would roll upon us and crush and choke us. The dead behind us were more disquieting than the still living enemies in front of us. (p. 780) In addition to shock and lobotomy, a variety of toxic substances were inflicted upon American mental hospital inmates during the 1930's and 1940's, including cyanide doses that virtually obliterated the higher brain (reviewed in [46]). While German doctors were subjecting Jews to freezing water experiments in the extermination camps, Canadian and American psychiatrists were freezing mental patients into comatose states by packing them in ice, sometimes with lethal results [48,49]. The aim was to control behavior and ameliorate "mental illness". After the war, these "treatments" continued, at least one paper citing classified reports from the Nazi freezing experiments [50].

**Brain-damaging treatments enforce psychiatric authoritarianism by reducing the patient to a state in which he or she is more amenable to suggestion and control.** The use of suggestion, intimidation and other methods of coercive control can be found in many institutions; but only in psychiatry

is the doctor permitted to **damage the patient's brain in order to render the victim more amenable to control**. I have called this crucial process the production of iatrogenic helplessness and iatrogenic denial [40,51,52]

**The sixth basic principle is involuntary eugenics, involving state control over human reproduction by means of castration and sterilization.** It is frequently, but not always, associated with the medical model and biological psychiatry. Psychiatry did not invent coercive eugenics - it evolved from many sources within and outside the medical and social sciences - but psychiatry quickly became its most effective champion.

**Translated by Benno Muller-Hill and Jeffrey Masson.**

The seventh principle is euthanasia or, as applied in Nazi Germany, mass murder. Of all the psychiatric activities under Hitler, only euthanasia was not widely accepted throughout the Western world as a psychiatric principle. However, as noted, it was openly discussed and endorsed within the American Psychiatric Association and the *American Journal of Psychiatry*.

### **Selection in psychiatry and the holocaust**

There is still another principle, usually unstated, that is critical to psychiatry and to the holocaust alike. It is *selection*. A number of writers have emphasized the role of doctors in "selecting" patients for death. Lifton's *Nazi Doctors* [13] describes the use of this euphemism at Auschwitz and makes clear that the so-called selections were made by medical doctors. The term "selection" was intended to invest murder with medical respectability. Selection took place in the extermination camps the moment of victims alighted from the railroad cars, the more healthy and physically able being sent to slave labor and the remainder to the gas chambers. It also took place throughout life in Auschwitz, including on the medical wards.

Without being named as such, selection has always been intrinsic to psychiatry and is found at its very origins during the industrial revolution, when urban centers became flooded with homeless people. Institutional psychiatry initially developed during the early industrial revolution as a method of removing homeless people from urban streets for indefinite incarceration in the newly created state mental hospitals [39]. Civil commitment laws, written for the purpose, allowed physicians to by-pass the criminal laws with their complex due process. This facilitated sweeping from the streets the poor, the indigent, the mad and the homeless, especially unsightly beggars.

Selection played an important role within the hospital system. Some patients were selected for work, others were shunted off to languish and die in dungeon-like wards. Workers helped support the institution and were more likely to survive. In the 1930s selection took on a new meaning, as patients were chosen as targets for the various brain-damaging therapies. These were typically the more troublesome patients. At the same time, psychiatric selection also targeted inmates of institutions who were thought fit for sterilization or castration. Psychiatrists did not find it inconsistent with their understanding of professional ethics and civil liberties to decide whose reproductive potential would survive and whose would not.

I have collected unpublished first-hand reports of how the lobotomist, Walter Freeman, would make his selections while touring state mental hospitals throughout the United States. He would walk down a ward, come up quietly behind patients, and either clap his hands or pinch the patients. If they jumped in response, they had enough life in them to merit lobotomy. If they did not jump, they were already so

subdued that damaging their frontal lobes would not accomplish anything. Selection, in mental hospitals or in extermination camps, has rarely been based on subtle principles.

### **An underlying moral law**

Commenting on psychiatric activities in Nazi Germany, Benno Muller-Hill [6] observes:

**Almost no one stopped to think that something could be wrong with psychiatry, with anthropology, or with behavioral science. The international scientific establishment reassured their German colleagues that it had indeed been the unpardonable misconduct of a few individuals, but that it lay outside the scope of science. The pattern of German anthropology, psychiatry and behavioral science continued essentially unchanged, and it will continue so, unless a substantial number of scientists begin to have doubts and to ask questions. (p. 87)** In another recent book, Robert Lifton [13] falls prey to exactly the point Muller-Hill is making. Lifton emphasizes the "Nazi" role, often to the exclusion of the psychiatric role. He never approaches the task of understanding the basic principles within psychiatry that made it so compatible with Hitler's totalitarian oppression. Instead he gives the impression that the psychiatrists were somehow twisted by the Nazi's and turned to bad ends.

Under the sub-head of 'Genuine Research', Lifton cites the example of shock treatment in the extermination camp at Auschwitz. He writes "Prisoner physicians could themselves sometimes initiate genuine research, like the program in electroshock therapy developed by a Polish neurologist" (p. 298). Lifton appears to approve of one of the Nazi camp doctors for his *collegial* relationship in sponsoring imprisoned Polish neurologist's experiments with shock treatment. Without skepticism, Lifton cites his informant as saying of the shock treatments that "the process was genuinely therapeutic" (p. 299). In a book that should have aimed at raising ethical awareness, Lifton takes no firm stand against involuntary shock treatment at Auschwitz, instead labeling it as genuine research.

### **Other than legitimate research, could there be another reason why shock was used in the camps?**

Shock fits perfectly into a totalitarian system for suppressing people by damaging their brains and blunting their minds. In the 1940s, it played that role in crowded state mental hospitals in America as well, sometimes being given to whole wards to subdue the inmates. Lifton is silent also on one of the most important issues surrounding the psychiatric crimes in Germany - the failure to bring psychiatrists to justice at the Doctor's Trial. This was due in part to the fact that Leo Alexander, a staunch supporter of eugenical and biological psychiatry, was the chief investigator of psychiatric crimes. Alexander was a primary source of information for Lifton's book.

### **We must ask, "Is there a basic moral flaw that underlies the ethical failures of psychiatry"?**

One fundamental flaw is the reduction of the human being to an object devoid of inherent worth or inviolability [44]. In Muller-Hill's words, "It seems to be that to reduce other people to the status of depersonalized objects is of no help whatsoever to them" (p. 101). Trying to view people "objectively" can be demeaning in itself [44]. It also tends to lead toward further degradation of the individual into sub-human status. In the Nazi ideology, the Jews became "pests" or "vermin", In psychiatric ideology, patients become "diseases" or biochemical and genetic aberrations. Devoid of inherent value, they become suitable for various inhumane solutions, including involuntary treatment and, ultimately, sterilization and extermination [45].

It seems necessary to conclude that the inherent, basic principles of psychiatry were not only consistent with Nazi totalitarian and racist aims, but anticipated, encouraged and paved the way for Hitler's eugenic and euthanasia programs.

## **“Without psychiatry, the holocaust would probably not have taken place.”**

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