

Facing the Depression:

A Fascist Police State, or Economic Development?

Feb. 10—The world is now plunging into the worst financial crash in over 600 years, since the banks of northern Italy collapsed in the 14th Century, ushering in the Black Death and depopulation of Europe by one-half. Contrary to the hysterical cries that “Recovery is just around the corner!”, the collapse will only worsen, as long as that which has caused it—the private financier-dominated globalist system of free trade—is not overthrown.

Look at a few facts. Over the last thirty years, a US\$400 trillion debt bubble, by far the greatest in history, has been built up, which is *ten times* the entire world's Gross Domestic Product. (See p. 3) As the world's leading economic forecaster, U.S. 2004 Presidential pre-candidate Lyndon H. LaRouche, Jr., has shown with his famous “Triple Curve”, the only way that even the interest payments on that debt can be paid, is by savagely cutting into the actual physical economy upon which that debt sits, like a succubus. Thus, even in supposedly wealthy countries like Australia, less and less is

spent on such basic infrastructure as education, health care, roads, railroads, energy, etc., and more is spent on paying debt, while families now require 2-3 jobs or even more to survive, whereas one job per family was sufficient in the 1950s or early 1960s. The *appearance* of wealth has been maintained only by that looting, accompanied by the greatest printing press orgy in history, particularly in the United States and Japan. That process has now reached its limits.

Will the United States be the “engine of world economic recovery”? The United States *physical economy* has collapsed by an average of 2-3% per year since 1970, as LaRouche and his associates at the weekly *Executive Intelligence Review* have documented. The now-tattered *appearance* of prosperity, is due largely to the political/military muscle behind a highly over-inflated dollar, which, under IMF supervision, has effectively looted much of the rest of the world. Typical is the ongoing disintegration of the nation of Argentina, where several governments

have collapsed in quick succession since December, with no end in sight, or in the world's second largest economy, Japan. At Anglo-American demands, the Japanese have flooded both Japan and the world with yen at 0% interest throughout the 1990s. This has kept the dollar afloat, as Anglo-American banks borrow at 0% and invest or re-loan at higher rates, but it has done nothing for the Japanese economy, whose banks—the world's largest—are drowning in an estimated US\$1 trillion in bad debt, and are widely acknowledged to be bankrupt. When the yen blows, so will the dollar. Other nations, notably Turkey and Poland, are bankrupt, as well, and will soon follow Argentina into the maelstrom.

Reflecting the disintegration of its physical economy, U.S. corporations are collapsing at a breathtaking rate, despite a record 11 Federal Reserve interest rate cuts in one year. The largest corporate bankruptcy in history, that of Enron, has rocked the United States



Today it is the refugees who are interned. In the wake of the September 11 U.S. coup attempt and the blizzard of police-state laws now underway both in the U.S. and here, tomorrow it may be you. Photo: AAP Image/Rob Hutchison

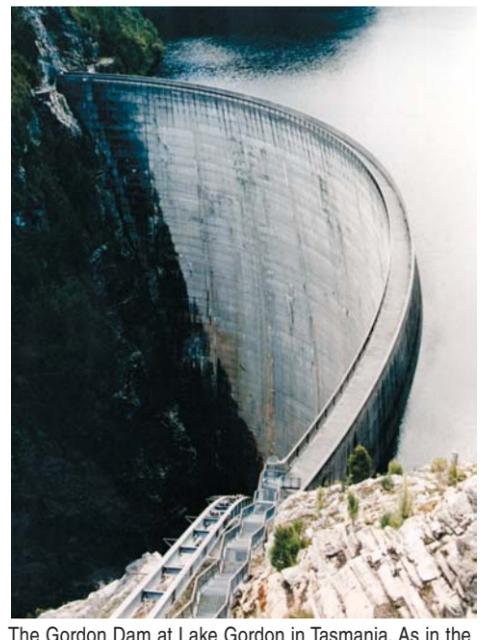
political and financial establishment, while dozens of other well-known U.S. companies, including many of its largest retailers, among them its second largest, K-Mart, have followed Enron into bankruptcy. Fifty-five steel companies have dis-

appeared in the last 18 months alone. Several airlines have disappeared, others are surviving momentarily due to government intervention, and even the once-mighty United Airlines is expected to file for bankruptcy almost any day. And the list goes on.

The 1930s precedent

In the early 1930s, as the Great Depression deepened across the globe, the world witnessed two diametrically opposed methods of dealing with it. The first was that

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The Gordon Dam at Lake Gordon in Tasmania. As in the 1930s Great Depression, today we face a choice: we either go with the kind of great infrastructure-led recovery typified by Roosevelt's public works program, or with the fascist war machine of Hitler. Photo: Elisa Barwick

CEC Launches National Economic Recovery Program

Throughout the second half of February, the Citizens Electoral Council of Australia will hold a series of press conferences across the nation, to release the inspiring new feature report, “The Infrastructure Road to Recovery”, contained in this special edition of the *New Citizen*.

Presenting the report to supporters in the CEC's national headquarters in Melbourne on January 12, CEC National Secretary Craig Isherwood explained, “Since every other political party in the country has either capitulated to economic rationalism, or simply has no idea how to solve the present profound economic crisis, we had to take it on our own shoulders to do the job. The enormously exciting package I am presenting to you today, is the result of thousands of hours of research, and of discussion with scientists, engineers, water spe-

cialists, shire councillors, industrialists, farmers, trade unionists and experts of all sorts, from all over the country and from outside as well, on the technical side of what needs to be done. This is the sort of thing that governments—or the major parties, for that matter, with all their resources—should be doing, but refuse to.”

However, continued Isherwood, “This national program, as inspiring as it is, can only be seen in the global strategic reality: The context for which we in Australia can launch the economic recovery program we specify here, is the New Bretton Woods/Eurasian Land-Bridge proposal developed by Lyndon LaRouche. In World War II, in alliance with the America of President Franklin Delano Roosevelt and General Douglas MacArthur, Australia contributed decisively to

changing the course of history for the better. Now, in collaboration with Mr. LaRouche, the torchbearer of that American tradition, the CEC intends for Australia to do that once again. We must bring Australia in behind the New Bretton Woods, and launch the sort of recovery program from the last couple of decades of the ‘globalist’ night-mare of Hawke/Keating/Howard, which will secure a proud future for our nation, and for our neighbours in Asia, for generations to come.”

Isherwood concluded, “The great dream shared by President Roosevelt and by Prime Minister John Curtin during World War II, and also by Treasurer and later Prime Minister Ben Chifley, was that a newly-industrialised Australia would serve as a launching pad to help free much of Asia from British, Dutch, French and Portuguese



CEC National Secretary
Craig Isherwood

colonialism. Let us now make that dream a reality. Over the coming months, the ‘Infrastructure Road to Recovery’ must be debated at every level of government throughout this nation, until it is finally adopted.”

For more details on the press conferences, or to arrange for a speaker from the CEC to present a talk on the “Infrastructure Road to Recovery” to your organisation, call 1-800-636-432.

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