

Citizens Electoral Council of Australia

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Federally Registered
Political Party

The Dollar System Has Already Crashed! Governments Must Protect Homeowners, Farmers, Banks

After a review of developments on the financial markets and world economy Nov. 7, the world's leading economist, Lyndon LaRouche, made the following emphatic points:

1. The U.S. dollar and financial system has already exploded. There should be no talk about how the crisis of the system is "coming"—it's already here. The crash of the dollar system will cause an explosion of the entire international financial system. Even the fawning French President Nicholas Sarkozy, addressing Congress Nov. 7, warned Washington that it's threatening the entire world economy by allowing the dollar to fall apart.

Already, pieces of the exploded planet are flying around like asteroids—but only a fool would say that the asteroids are "going to cause" the explosion! The planet has exploded! Only a fool or a liar would say anything to the effect of "a trend toward a coming crisis." The catastrophe is now.

According to Bank of England governor Mervyn King, the world's central bankers are holding conference calls every day. But they've lost all semblance of control of the hyperinflationary dollar crash underway. A few indicators:

The dollar is plunging at an accelerating rate against all currencies, leading a spokesman for the U.S.A.'s biggest creditor, China, to say on Nov. 7 that the U.S. dollar is "losing its status as the world currency."

Hyperinflation and speculation have brought the price of oil to near \$100, gold to over \$840, and most other commodities, including foodstuffs, into double digit price rises.

The U.S.A.'s largest banks, starting with Citigroup and Merrill Lynch, are reporting tens of billions of dollars of losses, a fact leading to downgrading of their securities, and the threat of detonation of the world's \$750 trillion-plus derivatives market. The infusion of *hundreds of billions* of dollars from the Federal Reserve has done nothing to stop the hemorrhaging.

The financial collapse is causing an accelerated rate of foreclosures, the downgrading of the multi-trillion-dollar market in municipal bonds, and the gouging of state and municipal budgets, to the point of a clear and present threat to the public welfare.

What will LaRouche's critics do now? They all were wrong, in denying this collapse, and now they've got to respond to it. What will they do? "The system is collapsing around your heads right now. This is *worse* than 1929, you idiots! This collapse will bring a new dark age!"

2. The Cheney/Bush government is totally discredited, and some combination of other forces will have to pick up the pieces. In reality, the current Administration is a fallen regime. Both the financial system and the government can only be revived by a new political combination. Somebody has to re-establish control over the dollar, and over the functioning of government. That combination had better start the process by implementing the *fire-wall* policy put forward in LaRouche's Homeowners and Bank Protection Act (HBPA). (See the back page.)



Lyndon H. LaRouche, Jr.



A home foreclosure in the 1930's. Today, scenes like this are zooming, with no end in sight.

3. The problem is that people in positions of power did not listen to LaRouche's warnings that this collapse was inevitable under their current policies. He told them that they had to act to freeze the system, and erect a firewall to protect the population and the banks, as a step toward full bankruptcy reorganisation of the bankrupt financial system.

Let's be blunt: *No one* is going to save the financial system. It *cannot* be saved. We are going to save the nation, and save the economy; but only a new financial system can carry out the rescue. And the first simple step had better be to carry out LaRouche's indicated "firewall" legislation now.

There is no alternative to Federal government action in the tradition of President Franklin Delano Roosevelt during the early 1930s.

Every other option has been discredited. Now is the time to ram through the only solution, the HBPA!

How Bad is the Mortgage Crisis?

It's far worse than you could imagine — a US\$20 trillion bubble in the U.S. alone, where some 2 million families are expected to lose their homes just in the next few months. And where the U.S. goes, Australia will quickly follow, especially given our insane property bubble; the 1.8 million of our households who are officially mortgage stressed; and the fact that Australian homeowners have a debt to annual income ratio of 175%, even worse than the 130% ratio in the U.S.

Consider the following indicative figures for the U.S., and for Australia:

United States. The state of Maryland: a staggering 639% increase in foreclosures over the past year. California: 600% increase in foreclosures. Connecticut, one of America's wealthiest states: 200% increase in foreclosures. Pockets of foreclosure throughout the U.S., including in the formerly industrialised states of Ohio, Michigan and Indiana have hit as high as 10,000%, with many well over 1000%.

Australia. Repossession writs for Sydney and the Central Coast of NSW: 447% in central western Sydney; 332% in Canberra-Bankstown; 270% in Fairfield-Liverpool; 203% in outer southwestern Sydney; 351% in Gosford-Wyong; 287 % in Newcastle, and so it goes.

Free Australia From

In the course of the life of a nation or a people, there comes a time when their very existence hangs in the balance, as happened with Athens during the time of the great lawgiver Solon. That nation may then decide to make a profound change for the good, as did Athens under Solon, or, by its action—or its inaction—may bring great suffering, or even doom upon itself.

Such are the times in which we now live; times of crisis, in which, as the great poet Shelley wrote, mankind is capable of suddenly developing and comprehending “profound and impassioned conceptions respecting man and nature”.

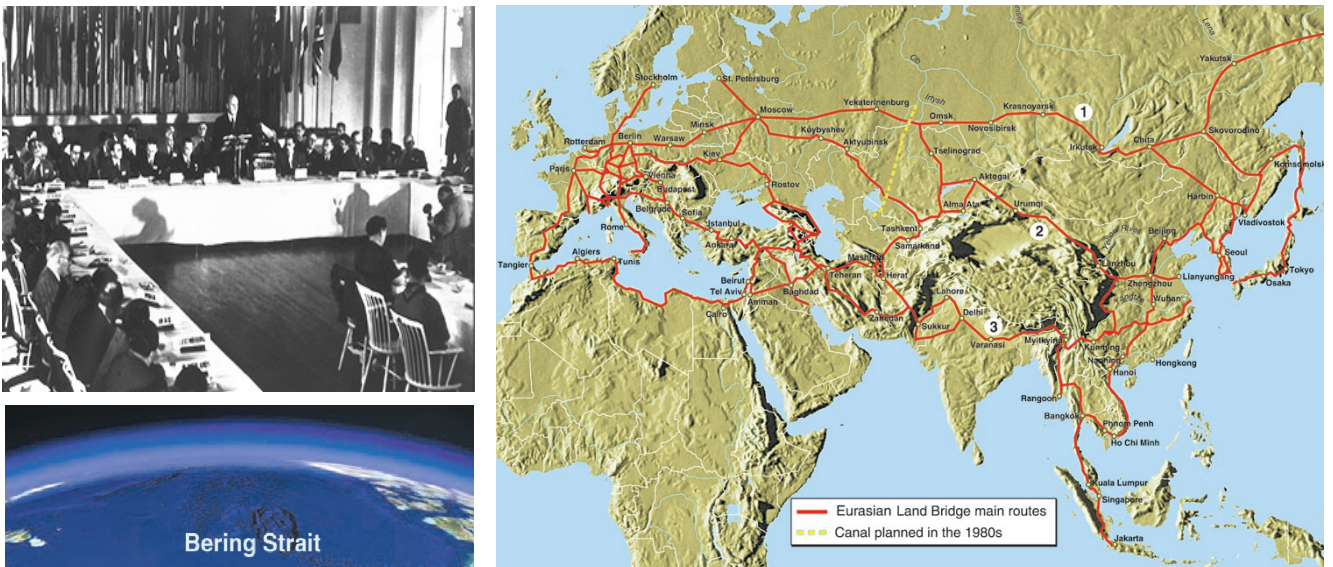
The coming weeks and months will suddenly thrust upon us the necessity for actions which will decide the fate of Australia for generations to come. Actions which seem almost impossible at the moment, will soon appear as the only ones which can secure the Common Good for ourselves and for our posterity, as well as allow us to take a proud place in a world concert of sovereign nation states. We have no sane choice but to enact the following five measures, all of which are urgent to free us from the City of London-centred British imperial system which has enslaved us, and whose continuance ensures a disaster for our nation.

1. The Homeowners and Banks Protection Bill 2007 (see p. 4).



Banks worldwide are already crashing, like Britain’s Northern Rock bank (l.), but this crash is much worse than that of the 1930s, which gave us mass misery and financier-sponsored mass fascist movements, like that of Australia’s New Guard under Eric Campbell (here leading a fascist rally at Sydney Town Hall). We must enact legislation to save our homes, farms and banks, like U.S. President Roosevelt (far right) did during the Depression.

2. The New Bretton Woods International monetary system.

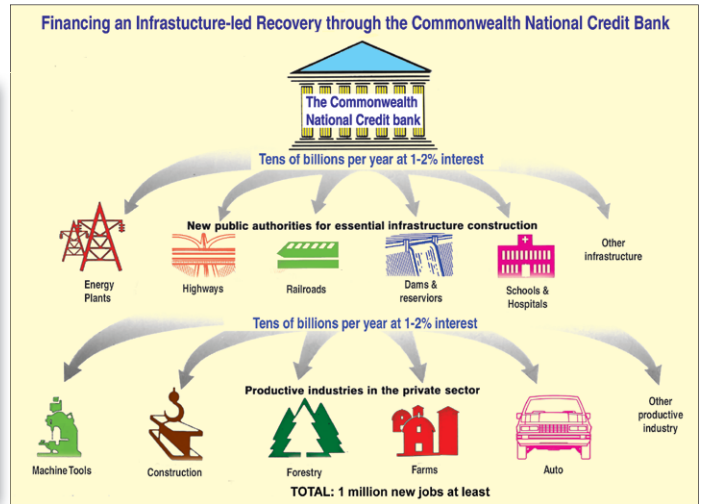
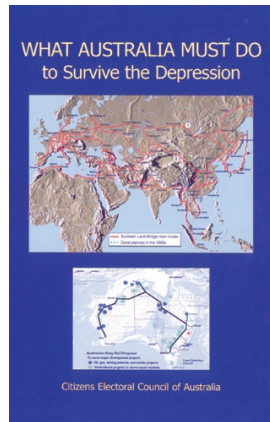


At a conference in 1944 in Bretton Woods, New Hampshire (l.), Roosevelt established an international financial system of fixed exchange rates and tariff protection to foster agro-industrial growth, a system demolished by the now-disintegrating system of globalisation. Thus, we need a return to the Bretton Woods system, which will foster great infrastructure projects upon which to anchor global economic recovery. These include the Eurasian Land Bridge (above) and the Bering Strait Tunnel (l.) between Russia (l.) and the U.S. (r.), which will link almost the entire world by rail.

British Imperialism!

3. A National Bank.

Following consultation with LaRouche in 1994, the Citizens Electoral Council drafted legislation for a new national bank modeled upon the original Commonwealth Bank established by King O'Malley. That legislation may be found in the CEC's 2001 book, *What Australia Must Do to Survive the Depression*. We must take control of credit away from private financiers; only national banking-generated credit will allow us to build our way out of this present financial crash.

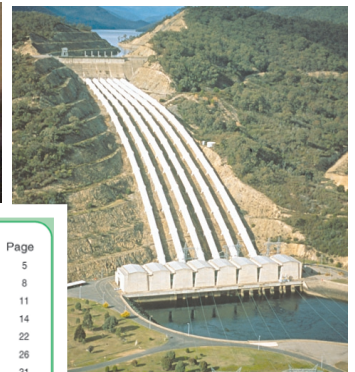


4. Great Infrastructure Projects.

Special Report
The Infrastructure Road to Recovery—

Let's Build Our Way Out of the Depression!

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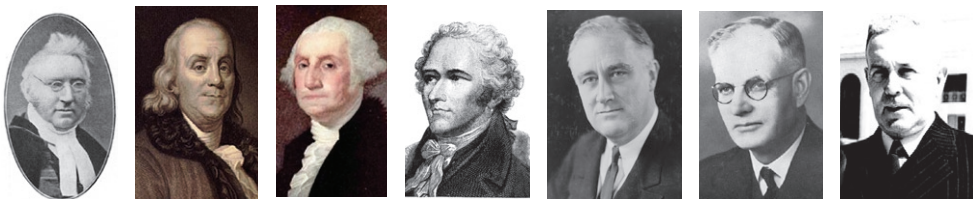


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The Snowy Mountains Scheme, called the "Eighth Wonder of the World" when it was built.

In a Special Report in its February 2002 *New Citizen* (above), the CEC outlined a series of great development projects to unite our continent and provide good jobs for all Australians. The centerpiece of our programme was a series of 18 major water projects, which were already urgent then and which would have put us well on the road to overcoming our present water crisis. The British financial oligarchy designed the ideology of "environmentalism" to brainwash us (and the world) and to keep us as backward peasants. The founder of the science of biogeochemistry, the great Russian scientist Vladimir Vernadsky (above; 1863-1945), gave birth to the concept of *The Biosphere* in his 1926 book of that name. But, he emphasised, a new era, that of the human cognition-centred "Noosphere", was lawfully superceding the Biosphere, just as the higher "material-energetic" power of the Biosphere came to supercede the previously dominant inorganic domain of the Earth. In otherwords, environmentalists are insane, and acting against the natural ordering of the Universe.

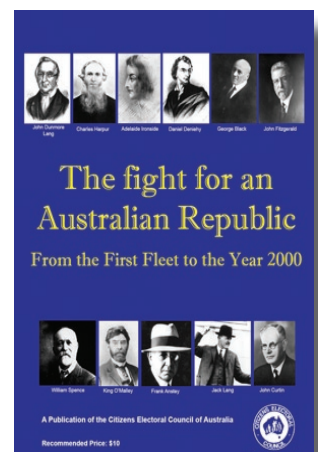
5. A Great New Republic.



The great republicans (l. to r.) John Dunmore Lang, Benjamin Franklin, George Washington, Alexander Hamilton, Franklin Roosevelt, John Curtin, and Ben Chifley, all consciously fought the London-centred financial oligarchy.

The Bank of England and British Crown ordered the sacking of Prime Minister Gough Whitlam in 1975 (r.), who threatened to "buy back the farm" from the British raw materials cartel and build great infrastructure projects.

The CEC's 1999 pamphlet (r.) tells the story of our noble, deep-rooted republican tradition, which has been almost entirely written out of standard Australian histories.



PETITION

Government Must Enact *Homeowners and Bank Protection Bill 2007, Now!*

Statement of Purpose.

The world is presently in a far worse global financial crisis than that of the 1930s Great Depression. In this dire emergency, therefore, Governments must act to defend the Common Good, as did U.S. President Franklin D. Roosevelt, and our Federal and state governments to a lesser extent, in the 1930s.

For example, President Roosevelt in April 1933 introduced legislation to stop home and farm foreclosures, declaring that it was “national policy ... that the broad interests of the Nation require that special safeguards should be thrown around home ownership as a guarantee of social and economic stability...” One month earlier, his Bank Holiday reorganised the nation’s failing banks under Federal protection.

In the emergency caused by World War I, the Australian Federal Government passed the *War Precautions Act 1916* and its *Commonwealth Moratorium Regulations* to stop foreclosures until 1920. In part modeled upon that precedent, every state in Australia enacted legislation during the Depression to stop home and farm foreclosures, including Queensland’s *Home Purchasers Protection Act*; Victoria’s *Unemployed Occupiers and Farmers Act*, and *Financial Emergency Act 1932*; and, the most effective of them all, Jack Lang’s New South Wales *Moratorium Act* of 19th December 1930, which, as amended, ultimately stopped all foreclosures until 1937. Additionally, the Federal Government passed the *Farmers’ Relief Act*, which provided £12,000,000 to the states for the relief of farmers.

The intent of all of this legislation was to protect the Common Good, as summed up in the paper, “Moratorium Legislation”, read into Hansard on November 15, 1935:

“It was not expedient in the national interest that the welfare and comfort of the community should be unnecessarily imperilled by allowing debtors to be crushed out of existence...”

All parties agreed, conservative as well as Labor.

The principles of the *Homeowners and Bank Protection Bill of 2007*, proposed by economist Lyndon H. LaRouche, Jr., are urgently required to meet this present crisis, both for the U.S., and for Australia. It requires emergency action that only the United States Congress, or our Federal Parliament, has the ca-

pability to enact. This bill includes the following provisions:

1. Parliament must establish a Federal agency to place Australian licensed retail Banks, Credit Unions and Building Societies under protection, freezing all existing home and family farm mortgages for a period of however many months or years are required to adjust the values to fair prices, and restructure existing mortgages at appropriate interest rates. Further, this action would also write off all of the speculative debt obligations of mortgage-backed securities, derivatives, and other forms of Ponzi Schemes that have brought the banking system to the point of bankruptcy.
2. During the transitional period, all foreclosures shall be frozen, allowing Australian families to retain their homes and farms. Monthly payments, the equivalent of rental payments, shall be made to designated banks, which can use the funds as collateral for normal lending practices, thus recapitalising the banking systems. These affordable monthly payments will be factored into new mortgages, reflecting the deflating of the housing bubble, and the establishment of appropriate property valuations, and reduced fixed mortgage interest rates. This shakeout will take several years to achieve. In the interim period no homeowner or family farmer shall be evicted from his or her property, and the Australian licensed retail Banks, Credit Unions and Building Societies shall be protected, so they can resume their traditional functions, serving local communities, and facilitating credit for investment in productive industries, agriculture, infrastructure, etc.
3. State premiers shall assume the administrative responsibilities for implementing the program, including the “rental” assessments to designated banks, with the Federal government providing the necessary credits and guarantees to assure the successful transition.

We, the undersigned, demand that our Federal Parliament enact such legislation immediately.

Name	Town	State	Email	Phone