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LaRouche Leads Global Fight vs. Synarchist Bankers

by Kelly-ann Paull

July 4—This issue of the *New Citizen* is devoted to exposing the international cabal of financiers and corporate cartels now pushing for world fascist rule under the rubric of “globalisation”. Known to U.S. and other national intelligence agencies as the “Synarchy”, this crowd installed the fascist régimes in Europe during the 1920s and 1930s, and would have secured world fascist rule during the 1940s, had not President Franklin Delano Roosevelt (FDR) mobilised the United States as the “arsenal of democracy” to win World War II.

At the end of the war, Roosevelt established the Bretton Woods international monetary system, which was designed to end colonialism, and also, through tariffs, fixed exchange rates and national banking, to establish a system of collaborating, perfectly sovereign

nation states worldwide. The Synarchists have destroyed that Bretton Woods system, and now intend to eliminate nation states themselves, through “privatisation” (the theft of national infrastructure) and globalisation.

U.S. statesman and physical economist Lyndon H. LaRouche, Jr. is leading a global fight to defeat the Synarchy by establishing a “New Bretton Woods” monetary system. The American Revolution of 1776-1789 established the United States as the first perfectly sovereign, national-banking centred nation state in history, one whose Constitution was devoted to the “General Welfare” of all of its citizens, and which was the “Beacon of Hope” and Temple of Liberty for the rest of mankind. For those historical/cultural reasons, no other nation besides a mobilised U.S. has the potential strength to defeat the Synarchy. Toward that end, LaRouche is leading a titanic fight

inside the Democratic Party, to kick out the Synarchists such as Lazard investment banker Felix Rohatyn, who own a part of the party because of their financial power, and return it to the party of FDR.

On June 9, LaRouche gave an international webcast in which he outlined a strategy to defeat the Synarchy, the opening portion of which you will see on page 2. (The full webcast on DVD may be obtained from the CEC for free.) As you will see from the accompanying articles, the parallels between the Synarchy’s attacks on the U.S., and their attacks on Australia are remarkable, though lawful, given that “old Labor” was inspired for its fight for national banking and for the Common Good by what the Americans had done. In the U.S., as in Australia, the Synarchy is destroying the auto industry, and particularly its vital machine tool sector; smashing the trade

unions and lowering the living standards of most of the population; ripping up and/or selling off vital infrastructure in water, rail, energy, health and education; and attempting to establish a police state.

The pillars of the Synarchy, such firms as Rio Tinto, Royal Dutch Shell, and Felix Rohatyn’s Lazard, have systematically looted Australia, as well as the U.S. Our April 2004 *New Citizen* “named the names” of the entire Synarchist apparatus in Australia, from its early 1930s sponsorship of mass fascist armies in Sydney and Melbourne through its establishment of the Liberal Party, into the activities of those firms and families today. You will see, for instance, that the pro-Hitler Robert Menzies represented Shell in Australia in the mid-1930s, whose boss Sir Henri Deterding, was a key funder of Hitler and a key figure in the Synarchy. In fact,



American statesman Lyndon H. LaRouche, Jr. gave an extraordinary webcast on June 9.

the Synarchy tried to install Menzies as prime minister of Britain during World War II, to replace the Roosevelt-allied Churchill in order to make a deal with Hitler. And from that 2004 *New Citizen*, as well as this one, you will see that the family of Prime Minister John Howard have always been toadies for the Synarchy. Nor is it surprising

that the infrastructure-looting Macquarie Bank, whose activities are also exposed in that earlier *New Citizen*, is partners with Lazard, the Synarchy’s flagship.

Powerful though it is, the Synarchy can be beaten. If you want a future for yourself, or for your children, then you must join the LaRouche-led global battle to defeat them.

The Howard Family: Stooges for the Synarchy

by Gabrielle Peut

Shortly after he became prime minister in 1996, Prime Minister John Howard proclaimed, “I was brought up to believe that about the best thing you could do in your life was to start up a business with nothing, work your insides out, hope you earned a bit of money, and pass a bit of it on to your kids.”

We have all heard the tearful saga of how the “hard work and sacrifice” of John’s father, Lyall, slaving away in his little garage in Sydney, launched the family fortunes, enabling his son to rise to become prime minister. This is all a lie. Going back to at least Howard’s grandfather, the family has been nothing but stooges for the Synarchy, which is where the Howard family money actually comes from.

John Howard himself was first elected prime minister thanks to a crucial boost from Rio Tinto, one of the pillars of the world minerals cartel (see the CEC’s 1998 pamphlet, *Stop the British Crown Plot to Crush Australia’s*

Unions). His nephew Lyall Howard is today Rio Tinto’s Manager for Government and Regulatory Affairs, from which post he can presumably contact his uncle on behalf of the company. John Howard’s father Lyall was employed in the 1930s by Colonial Sugar Refining (CSR), the chief sponsor of both of Sydney’s fascist armies in the early 1930s, the New Guard and the Old Guard. Lyall himself was a member of the New Guard. But the story actually begins with Howard’s grandfather.

A June 10, 2006 article in *The Age* demonstrated that Grandpa Howard and his son Lyall (Howard’s father) were both frontmen in the 1920s for W.R. Carpenter, one of the two firms which basically ran New Guinea after the Versailles Treaty (which ended World War I) took the country from Germany and handed it to Australia. Author David Marr wrote that Lyall Howard “had cashed in his status as a returned digger to ‘dummy’ for the trading house W.R. Carpenter and Company Ltd. His own father Walter was doing it too. The Howard

case provoked secret, official investigations at the highest levels in Canberra, but they and their powerful backer got away with the scam.”

When Australia took over New Guinea, PM Billy Hughes promised “New Guinea for the returned servicemen.” The diggers were to be given first crack at the lucrative, formerly German-run copra plantations, with highly favourable financing. The colony was nominally run by the Expropriation Board set up by the Australian government to ensure a smooth transfer of the plantations to the diggers. However, as documented in a June 1997 article by Peter Cahill in the *Journal of Pacific History* entitled “A prodigy of wastefulness, corruption, ignorance and indolence: the Expropriation Board in New Guinea 1920-1927”, the real rulers of New Guinea were the two Australian trading companies which dominated the lucrative copra trade, Burns Philp and Carpenters. Wrote Marr, “Both were desperate to mop up the



John Howard’s father Lyall (l.) was a well-paid front man for Synarchist corporate cartels in the 1920s and 1930s, and a member of their fascist New Guard. John Howard’s nephew Lyall, a Rio Tinto executive, continues the family’s Synarchist tradition.



old German plantations. Both were using dummies: ex-diggers who bought in their own names but signed management of the businesses over to their backers.” This allowed Burns Philp and Carpenters to acquire the plantations for a fraction of what they would otherwise have had to pay, and they paid their “dummies” handsomely for use of their names. Grandpa Howard

and his son Lyall made out like bandits on the scam. On paper, at least, they were “planters on a great scale with estates scattered all around the Bismarck Sea.” In reality, neither ever set foot on “their” plantations. For their savage looting of New Guinea and its people, W.R. Carpenters was known as “Would Rob Christ”, while Burns Philp was called “Bloody Pirates”.

According to records in the National Archives, in June 1927 Carpenters paid dummy Lyall Howard a handsome fee for his role in the scam, enough, say, to open a service station. The following month, Grandpa and Dad took over the Wardell Garage and Service Station in Dulwich Hill, and the Howard family was off and running. Ah, the virtues of hard work!

WATCH LaRouche on DVD Call 1-800-636-432 for a FREE DVD

LaRouche's June 9 Webcast: "We're on the edge of Hell, Globally"

The following are LaRouche's opening remarks. The DVD of this powerful webcast is available from the CEC.

We are now in times, as you shall soon discover, throughout the United States, throughout the hemisphere, and throughout Europe in particular, we're living in times of the type that most of you living today have never dreamed could happen, let alone experience.

I am a forecaster, among other things, and probably the best economist in the world. And that's not a brag, that's simply a fact. I made some discoveries back in the course of the late 1940s, early 1950s, and as a management consultant, I applied some aspects of my discoveries to the current situation at that time, 1956. I was looking at the situation, 1955-1956, in the automobile and other industries in the United States, and I said, "This has come to an end. We're going to have, by early 1957, the deepest recession of the post-war period." And in February 1957, we had the deepest recession of the post-war period.



Lazard's Felix Rohatyn (l.) and former U.S. Senator Warren Rudman announced a Lazard-run private "Infrastructure Fund" last year as a counter to LaRouche's proposals for a national banking-financed, infrastructure-led recovery. Lazard is partners in three joint ventures with Macquarie Bank, another notorious looter of infrastructure.

Encouraged by that, I went further with long-range forecasting, based on an understanding of the characteristic mistakes built into the current policy of the 1950s of the United States, including the policies of [Federal Reserve Chairman] Arthur Burns. And I warned, I said we face the following situation: "Unless we change these policies which are now in effect, the policies established in 1954 under the Arthur Burns change in the credit practices of the United States, we will go into the

1960s, and by the middle of the 1960s, we will enter a period of crises, of serious international monetary crises. And if it is not corrected then, by the beginning of the 1970s, we shall experience a breakdown of the existing international monetary system." Each one of these forecasts came on, was fulfilled in a timely fashion.

In 1967, the British pound-sterling went belly-up, in October-November of that year. From January through February of 1968, the U.S. dollar went, not belly-up, but went into a

Defeat the Synarchists—Fight for a National Bank

III. The Pro-Hitler, Fascist Origins of the Liberal Party

THE 1930's SYNARCHIST ASSAULT ON AUSTRALIA

"And therefore, the essential conflict is between the national interest and the financiers. Hitler was not a creation of a bunch of dummies in brown uniforms. Hitler was the creation of bankers..."

"The bankers of this type, the private bankers, created Hitler, because there was a financial crisis, and under conditions of financial crisis, if the government is accountable to the people, it is the bankers that will pay, not the people. And therefore, the bankers say, 'It's the people, it's the government, that has to go.'"

—Lyndon H. LaRouche, Jr., December 16, 2003

Anglo-Dutch parliamentary systems are a puppet show, in which the strings are held by central banks, which in turn are controlled by a cabal of private financiers. In times of crisis, these private financiers destabilise the parliamentary systems, and replace them either with parliaments that will bow to their interests, or even, as happened in much of Europe during the 1930s, with outright fascist regimes.

It is not acknowledged in standard history texts, but fascist military coups were prepared for Australia, too, in the early 1930s—at both the state and federal levels. The would-be perpetrators were Synarchists in the mould of Mussolini and Hitler, and their back-



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 - Hanson, Costello: One Coward, One Liar
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The Australian wing of the Synarchy sponsored fascist armies in the 1930s, and are pushing a police state today, as the CEC documented in its groundbreaking April 2004 *New Citizen* (right, and top).

severe crisis. In 1971-1972, the existing world monetary system of that time was shut down.

I have never made a mistake, in a long-range forecast. Every time I have forecast, it has happened precisely as I forecast it: that unless certain changes were made, certain things would happen. It has always happened.

It is now happening.

I warned earlier this year, of this crisis presently happening. It is now happening. During the past three months, the rate of acceleration of collapse on international markets, as well as in the U.S., has increased; there is a combination of hyperinflation like that of Germany 1923, and collapses in whole sections and whole chunks of financial markets. That process will continue. I have estimated that, unless there's a change, the entire international financial system could collapse by approximately September of this year, or even earlier.

It will happen. I don't make mistakes in these matters.

And many people in the world now, reluctantly or otherwise, agree with me, that I've been right on this, that that's the situation.

There is no hope for the United States, if the Congress walks away from this session, and goes out and campaigns to a population that *hates it increasingly*, especially Democrats, and there's not much hope that this nation will not go into chaos.

The Road to Hell Is Paved With Denial

Now, you have additional problems here, and I'll deal with this—this is going to be a tough presentation for many of

you, because you will tend to deny the facts that I present to you. Because people do that. It's like looking at what happened in New York City on Sept. 11, 2001. When people are faced with horrible events, they try to say, "It's not happening. Tell me, it's not happening! It isn't happening! It couldn't happen! It's not happening!" And they say, "You have to be wrong. Because I can't believe it would happen"—even when it's happening! "No! It didn't happen. I can't believe—it couldn't have happened!" That's what people are like. And therefore, they will deny, and deny, and deny.

And that's how they go to Hell.

Now, my job is not to sit back and gloat, and say, "Okay, you're going to Hell." I don't take much pleasure in that sort of thing. Besides, I'm not working for that guy, down there. But, Rohatyn is!

And therefore, it's important that you understand the ugliest facts you've ever heard about, in truth. Facts that pertain to the immediate situation, now.

You're going to have to learn, also, a couple of history lessons, that almost no one has learned in any educational institution generally, in the past 40 or 50 years. You're going to have to learn something about what the United States is, and why enemies of the United States, such as Felix Rohatyn and his ally, George Shultz, are determined to *destroy this country!* And to face the ugly fact that many members of the Congress, Senators and others, are either not going to fight Rohatyn on this, or are going to look the other way and pretend they didn't know what was happening.



Looking Behind The Venetian Curtain

by John Hoefle

Reprinted from *Executive Intelligence Review*.

In the world of international finance, there are those who steer events, and those who react to events. While the latter are often better known, greater in number, and seemingly more powerful, true power rests with the former. At the centre of the global financial system, squatting like a spider at the centre of its web, are the ultramontane imperialists, the Venetian financier oligarchy and its Norman chivalric partners. The wealth of these oligarchic families is historically concentrated in tangible things—land, oil, precious metals, strategic minerals—and in controlling the financing and trade of those items and other necessities and conveniences of life.

In the Venetian system, the perpetuation of the power of the group over world affairs is paramount. The families' funds, or *fondi*, are pooled for maximum effect, and deployed through a network of financial institutions which hide their origin from an unsuspecting public. This network includes insurance companies like Assicurazioni Generali of Venice, central banks like the Bank of England and the U.S. Federal Reserve, and merchant/investment banks like Rothschild and Lazard Frères, whose individual power is but a reflection of the power of the system as a whole.

The Con of Globalisation

The post-World War II activities of Lazard (the Frères has been dropped) is indicative of the way this *fondi* system works. Lazard has been at the forefront of the mergers and acquisition business, which itself is a euphemism for the creation of a global network of giant cartels more powerful

than nations, which control the necessities of life, and set the terms for their availability. This process, which is explicitly designed to destroy the United States and the very concept of the nation-state, is Felix Rohatyn's life's work.

The oil industry is perhaps the best example of how this process works. It is dominated by a cartel of giant companies which control the distribution and processing of crude oil and its byproducts, and a network of financial institutions which set the price through manipulations of the futures markets. This system, which reaches deep into the pockets of people around the world, was set up by Royal Dutch/Shell and its investment banks, Rothschild and Lazard, using the manipulated oil crises of the 1970s and people like the notorious Marc Rich. (Rothschild and Lazard were also behind Enron, which was part of an operation to do to electricity and natural gas pricing, what they had already done to oil.)

Rothschild, in particular, has a long history with Royal Dutch/Shell. By the early 1900s, grabbing control of newly discovered oil fields and the oil trade was a major concern of the *fondi*. Rothschild, acting for its masters, bought oil interests in pre-Soviet Russia and built up a fleet of tankers. In 1911, Rothschild consolidated its Russian oil interests into Royal Dutch and Shell Transport and Trading, making the House of Rothschild the largest shareholders in each of those since-merged companies. The close relationship between the bank and the oil company remain to this day, as both

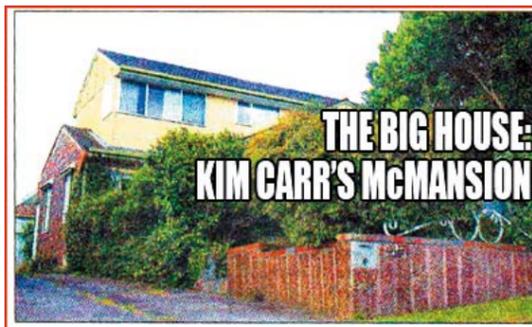


The Venetians founded modern central banking. They proclaimed their continuity from what the Bible called the "Whore of Babylon", by adopting its symbol of a winged lion.

push globalisation. Lazard has its own connections to Royal Dutch/Shell, representing the company in France, and both Lazard and Rothschild have been active in Houston. Lazard, through its investments in the business enterprises of the Bush family, has played a key role in inflicting two Bush Presidents upon the world, and it was Rothschild's George Soros who bailed George W. Bush out of his failed oil venture.

Both Lazard and Rothschild are tightly connected to the international metals and minerals business. Rothschild was involved in the financing, and with it, ownership interests, in Cecil Rhodes' De Beers diamond operations and Rio Tinto, now one of the world's largest metals companies. Lazard counted among its clients Philipp Brothers, then the world's largest metals-trading company, and Englehard Industries, the world's largest refiner of precious metals, which it merged into a company 22% owned by Anglo American. Lazard is also closely tied to the shadowy Société Générale de Belgique (SGB), a company with extensive raw materials holdings. SGB's chairman is Viscount Etienne Davignon, who is also the chairman of the Bilderberg Group and a former European Union steel czar, who launched the global restructuring of the steel industry.

Pathetic Whinge-bag Attacks LaRouche, CEC



Sprawling: Senator Kim Carr's home in Pascoe Vale, Melbourne



ALP Victorian Senator Kim Carr (r.). This tub of jelly is the "hard man of the Victorian Left"? While crusading against McMansions, hypocrite Carr lives in one himself in Pascoe Vale. But maybe that is the only size house he could fit in. See http://andrewlanderyou.blogspot.com/2005_12_01_andrewlanderyou_archive.html for more info. Carr ranted in Parliament on June 20 that LaRouche and the CEC are "anti-Semitic", a line cooked up by the Leibler brothers.

Rohatyn's Fascist Roots Are Showing

by Jeffrey Steinberg and Pierre Beaudry

Reprinted from *Executive Intelligence Review*

During and immediately following the Second World War, U.S. intelligence agencies, including Military Intelligence, the State Department, and the Office of Strategic Services (OSS), developed exhaustive files on the Synarchist International, the international financier and industrial cartel behind the Fascist and Nazi Axis.

To appreciate the depth of understanding of the Synarchist International among U.S. intelligence professionals of that era, just consider the following brief summary of a 100-page July 1941 U.S./French dossier on the French Synarchist organisations—the Synarchist Movement of Empire (SME), the Synarchist Revolutionary Convention (SRC), and the Secret Committee of Revolutionary Action (SCRA), the military leadership arm of the SME, also known as the “Cagoulards” (“the hooded ones”):

“The Synarchist movement is an international movement born after the Versailles Treaty, which was financed and directed by certain financial groups belonging to the top international banking community. Its aim is essentially to overthrow in every country, where they exist, the parliamentary régimes which are considered insufficiently devoted to the interests of these groups and, therefore, too difficult to control because of

the number of persons required to control them.”

The dossier continued, “SME proposes therefore to substitute them by authoritarian régimes more docile and more easily maneuverable. Power would be concentrated in the hands of the CEOs of industry and in designated representatives of chosen banking groups for each country.”

Vichy France

In France, the United States maintained diplomatic relations with the Nazi puppet Vichy régime, in part, as a means of maintaining links to French resistance circles, including military resistance networks inside the Vichy government. Thus, the U.S. had extensive access to intelligence on the French Synarchist apparatus, which dominated the Hitler collaborationist Vichy government in southern France (Hitler directly occupied the north of France, including Paris, and, in 1942, grabbed all of France, sending the remnants of Vichy into exile in North Africa).

In 1943, President Franklin Roosevelt assigned William Langer, the Director of the Research and Analysis Branch of the OSS, to prepare an official account on the complex and controversial U.S. diplomacy toward Vichy France. His report was published in declassified form in *Our Vichy Gamble* (New York: Alfred A. Knopf, 1947). Langer drew upon thousands of pages of classified wartime documents. He would later take a leave of absence from his post as chairman of the History Department at Harvard University to organise the CIA's



Royal Dutch Shell boss of the 1920s-1930s, Sir Henri Deterding, above left, and in his Nazi uniform, financed Hitler in the 1930s. Sir Robert Menzies was his representative in Australia.



Office of National Estimates, the premier U.S. intelligence community analytical agency, and he served on the President's Foreign Intelligence Advisory Board from 1961 until his death in 1977.

Langer's *Our Vichy Gamble* carefully delineated the Vichy régime factions, and identified “the Banque Worms clique” as the most hard-core of the pro-Hitler elements. ... “These people were as good fascists as any in Europe. They dreaded the Popular Front [France's 1930s pro-labor government—ed.] like the plague and were convinced that they could prosper even under Hitler's iron rod. Many of them had long had extensive and intimate business relations with German interests and were still dreaming of a new system of ‘synarchy,’ which meant government of Europe on fascist principles by an international brotherhood of financiers and industrialists.”

Langer continued: “But peculiarly identified with the Darlan régime was the Banque

Worms et Cie, headed by Hippolyte Worms ...”

And, as another late 1940 report from U.S. intelligence recorded, “The aims of the Banque Worms group are the same as those of ‘Synarchie,’ and the leaders of the two groups are, in most cases, identical.”

Royal Dutch Shell, Lazard, and Banque Worms

It is no surprise that the managing director of Lazard Frères, André Meyer, should show up on a 1944 U.S. Military Intelligence list of known wartime Synarchists. Banque Worms, from its inception, was virtually a creation of Lazard, and both Lazard and the Worms group were leading French assets of the Anglo-Dutch combine, centred in Royal Dutch Shell and in the Rothschild banking organisation. Hippolyte Worms, the founder of Banque Worms, was a shipping magnate, whose business was built on its contracts to deliver Royal Dutch Shell oil. He was also

Can you pick the Fascist?



Notorious Jewish fascist Vladimir Jabotinsky twice tried to join forces with Hitler in the 1930s. The journal of Mark Leibler's Australia/Israel & Jewish Affairs Council (AIJAC), *The Review*, was founded by supporters of Jabotinsky. Its former editor, ALP Victorian MP and LaRouche-hater Michael Danby, proclaimed Jabotinsky to be merely a “much misunderstood centre-right Zionist ideologue”. Leibler is a “tax minimisation” specialist for Australia's Synarchy; the billions he has saved the Big End of Town ultimately come out of your pocket.

one of 12 founding members of the Synarchist Movement of Empire (SME), the secret organisation behind the delivery of France over to Hitler and the Nazis. Lazard Frères was the French investment bank for Shell, and it was in that capacity that Lazard was instrumental in the creation of the banking arm of the Worms group, Banque Worms et Cie. ...

“The Lazard managers,” the document continued, “did not want to burn all their bridges with Germany because they still had friends in the German world of finance. Furthermore, the Lazard house in France was the official bank of the Royal Dutch, a Dutch company with British capital. Furthermore, the president of Royal Dutch, Sir Henri Deterding, after having served England for a long time, had shown a certain sympathy for Hitler's Germany and

provided funds to the National Socialist Party without breaking with the business world of the City of London. At the time of Munich, Deterding contributed to ‘expediting’ Mr. Chamberlain before Hitler in Godesberg in September 1938. Because of the position of Deterding, the directors of Lazard and especially André Meyer, had to adopt an attitude of expectation vis à vis Hitler, regardless of his anti-Semitism. It appears that they approved of Munich.”

The André Meyer of the Munich treachery and the promotion of the Worms clique, would, at the close of World War II, adopt Felix Rohatyn as his protégé and successor as managing partner of Lazard. Meyer once described Rohatyn in a *New York Times* interview: “In some respects, I consider him as my son.”

The Synarchist Devastation of the U.S. Economy (cont. from p.4)

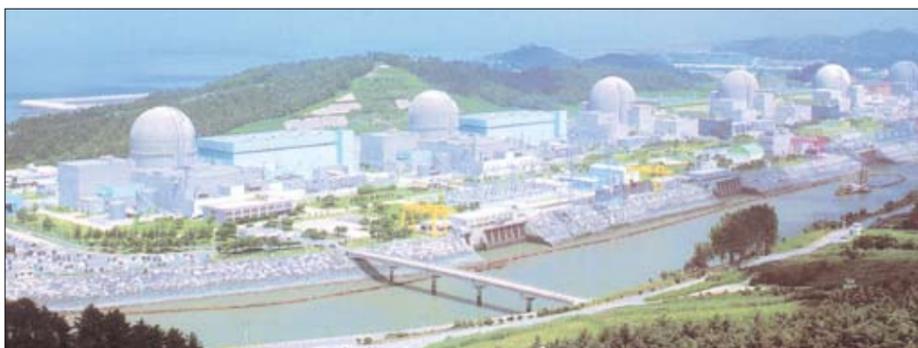
Cont. from Page 4

income. So despite the major auto companies' cheapening of cars by outsourcing and globalisation, they are cheapening the wages at the same time, and their sales crisis gets worse.

What is happening to these plants? Their machinery content is being sold off within months of their closing, in auctions of entire plants at once, from floor to ceiling. The machine tools, even if new, are usually sold for 15-20 cents on the dollar of their replacement value. Those that are not scrapped are then, for the most part, shipped out of the country, because the majority of the buyers in these, largely Internet, auctions are foreign firms, and in some cases, foreign divisions of the same auto companies which are selling them off. The destinations, most often, are in Asia, or in Mexico and a few other Ibero-American countries.

This Internet auction process—tens of millions of square feet of the most productive capacity which U.S. industry still has—has caused shock among those in Congress, and other elected officials, who have learned about it from LaRouche's Political Action Committee.

At the beginning of June, we delivered another shock—the revelation that the Delphi Corp. bankruptcy—the centrepiece of the unravelling and outsourcing of the entire industry, with 25 auto plants of that company closing down—had been “strategically planned” for



The Yonggwang nuclear power station, South Korea. America's idle auto plants could be converted to produce nuclear power plants and other vital infrastructure.

Delphi by the fascist banker Felix Rohatyn, personally. Rohatyn is Lyndon LaRouche's leading enemy for influence in the Democratic Party in the United States.

Felix Rohatyn is perhaps the most active “mergers and acquisitions” banker in the world; he has represented the Lazard Frères bank group, and was trained there by André Meyer; this places Rohatyn in the centre of the heritage of synarchist fascist bank circles in Europe in the 1920s and 1930s, centred around Lazard Frères and Banque Worms. For ITT's board, Rohatyn helped plan the Pinochet takeover in Chile. His public U.S. roles have been in planning bankers' takeovers of government functions and infrastructure, including privatisation of military logistics and warfighting, and including the bankers' dictatorship established over New York City in its bankruptcy crisis of 1974-75.

Since Rohatyn has prominently opposed LaRouche on the entire auto crisis question,

the revelation that he personally planned the worst outsourcing debacle in U.S. industrial history, has had a very healthy shock effect.

Mexico and U.S., Nuclear Power

On June 14, another shocking revelation in a Midwest newspaper is that Ford Motor Company's top management has been in secret talks with Mexico's government about moving a large part of the auto assembly it is closing down in the United States, to Mexico, with tax concessions and other subsidies from the Mexican government. It seems that with globalisation, the United States private sector requires Mexicans to do everything, because at much cheaper wages—whether by importing the immigrants, or by exporting the industry.

Is this good for Mexico? LaRouche has said that the cooperation policy must be one of cross-border economic development, Great American Desert greening projects and other infrastructure, with a

border open to migration. Here is how he has discussed this specific question:

“We have to think about upgrading the entire world population.... How do we do that? We create large projects, which utilize high technology, as expressed by science and by the machine-tool sector, to drive projects. We absorb the less-skilled layers of the population, into supporting roles, but being upgraded through their association with technological progress. We then take the United States and Western Europe, which still have advanced-technology and have the technology-driver capabilities.... And we insist that those areas which are capable of maintaining a high-technology driver program, commit themselves to specialising in things that are needed by the rest of the world which needs access to that technology.... They need a large infrastructure-development program, of cooperation among them, to be able to develop their countries, in concert.”



The remains of a steel plant near Pittsburgh, Pennsylvania. Not content with merely shutting plants, the Synarchy is literally dynamiting them to stop the U.S. from any hope of an economic recovery.

This is the role of nuclear technology—but also, of the retooling of the auto industry's advanced capacities. The United States still has advanced nuclear technology institutes and firms—the LaRouche Youth Movement in Southern California toured one of these company's facilities two weeks ago, seeing the entire potential process of constructing the pebble-bed type fourth-generation high-temperature nuclear reactor. But let us start building the reactors! Then it becomes obvious, the United States no longer has supply firms to build the pressure vessels, the heat-exchangers, the compressors and vacuum pumps, the mass production of pumps, valves, and piping involved. The constructing firm will have to turn to the military or the national laboratories for fuel assemblies.

These systems can be built in auto plants, especially in the auto supply plants which are much more rich in machine tools, than the assembly plants—in the past, in fact,

auto plants in both St. Louis and Adrian, Michigan have built nuclear fuel assemblies; auto plants in many locations have built compressors and full aircraft jet engines; auto plants in Michigan and Louisiana have built rockets for the space program; auto suppliers in California have built satellites. Probably only for the nuclear pressure vessels' construction, will entirely new facilities have to be built.

The relationship LaRouche described is not only that between technology-driver economies and those nations which need nuclear technology. It is also the relationship, in infrastructure projects, between the skilled machining without which they can't be done, and the much larger number of semi-skilled and unskilled jobs which are always thus created.

As the financial markets crash, the demand for such projects will force the U.S. Congress to act, given that LaRouche and his movement have clearly shown them, what action must be taken.

The Synarchist Devastation of the U.S. Economy

by Paul Gallagher

The following are excerpts from a presentation by EIR economics editor Paul Gallagher to a June 15, 2006 Mexico-Argentina conference on nuclear energy. His account of the carnage the Synarchists have wrought against the American economy—supposedly the world's strongest—is breathtaking. Australia has been hit by the same forces, with the same result. Subheads have been added.

Beginning in February 2005, Economist Lyndon LaRouche publicly forecast that the major United States automobile companies were in a profound debt crisis and headed for collapse. Within 30 days, LaRouche had written a memo, "Strategic Action by the Senate," which warned that preventing the virtual disappearance of the U.S. auto sector, depended on a Congressional intervention to use the discarded capacity of that sector, for large-scale modern infrastructure projects desperately needed by the nation. In April 2006, in a meeting with state elected officials and heads of auto union locals, LaRouche introduced an outline of Congressional emergency legislation, to create a Federal Public Corporation, and to act through it to take the scores of auto plants being closed down, and issue credits for their retooling for building rail transport, power, water and other infrastructure.

Arsenal of Democracy

Here is the way Lyndon LaRouche described the auto/machine-tool sector, the "last line" of such technological capability left in the United States:

"We have in society, certain categories of people who are associated with the machine-tool sector of industry. If you want production, if you want progress, science is not enough.

"For example: Suppose you're a scientist, you make a discovery: How do you certify a discovery? Well, you have to design a test apparatus, which actually is a test-of-principle apparatus. Now, in that apparatus, you will have built in something, which actually is new. It tests the principle you have never consciously used before. You're testing to see if it actually works, the way you have conjectured it would.

"Now, once you've done that, and it does work, now you have a secret you've discovered: That test apparatus, that you designed, is the basis for what

we call, a 'machine-tool design.'

"Now, this is the way you take a population which has moderate skills, moderate scientific skills, and through the machine-tool approach, you produce product and systems whereby a large population, thousands of people, can work around a few hundred people, who are involved in machine-tool design. In a sense, the machine-tool designer, by introducing innovation into the productive process, and employing thousands of people in using the innovation, increases the productive powers of labour of the entire population. So, what they're trying to do by destroying General Motors, and the rest of the auto industry, and the aircraft industry, is destroying the machine-tool capability of the United States! Which means, what? We no longer have the ability to develop technology, we can only copy other people's. We're being destroyed."

Already today, the United States: has only two domestically owned potential builders of nuclear plants, and those builders have no suppliers at all in the United States, should they receive contracts to resume building nuclear plants at home; has no builder of any kind of railroad cars, and only one maker of railroad locomotives; has no domestically owned producer of modern tanks for warfare; does not domestically produce guidance elements for space rockets and missiles; has outsourced production for the majority of parts content for civilian aircraft, and a large fraction of parts content for military aircraft. As the Machinists union's president Thomas Buffenbarger told a Washington, D.C. conference in May, "the United States doesn't produce the means of its own prosperity; and now, it can no longer even produce the means for its own military security."

The lathe is one of the oldest and most common of machine tools. The "potter's wheel" of production of industrial machinery, the lathe's flexibility and precision determines the exactness and the variety of machine shapes that can be made, symmetrically around an axis. In the production of high-speed electric rail locomotives and cars, wheels, magnets, springs, and many other parts must be "turned" to within tolerances of one-tenth or one-twentieth of a millimetre—for magnetic levitation systems, even greater precision in

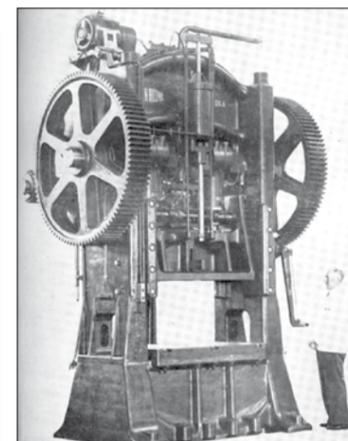
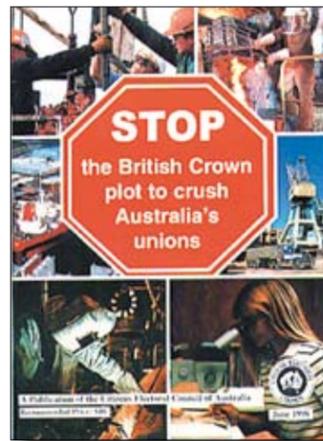
relatively large mechanical parts is required. And these tolerances must be optically measurable over an entire assembly—say, of a rail car's wheel-and-axle truck, or its suspension.

Lathes capable of this precision are found in the auto supply plants now being closed down wholesale in the United States, along with the flash-optical systems to measure the tolerances—and these machine tools are being auctioned off over the Internet, at pennies on the dollar, as the plants close.

This is but one example. If Congress takes this priceless unused capacity, and preserves the workforce which is experienced in using it, and issues credit and contracts, it has taken hold of the basis for a new national infrastructure for the United States. If not, the completely post-industrial economy crashes in the ongoing collapses of its financial bubbles.

During World War II, the leadership on whom the entire anti-fascist world of nations depended for production of the sinews of war—President Franklin Roosevelt, and his chief production aide Harry Hopkins—showed the number-one importance they gave to the number and quality of machine tools America's factories and machine shops possessed, by referring to the entire nation's productive capacity as "machine tools." Following major wartime conferences, Hopkins would issue summaries: the orders for military operations which had to go out to each of the top U.S. and British commanders, would be listed; and then, "and orders to be given to Machine Tools, that priority is the production of light warships for transport..." or something similar.

"Machine Tools," to Hopkins and Roosevelt, referred immediately to the Defence Plants Corporation; and to the national machine-tool reserve which they had deliberately called into being, stored at various armories and military bases, immediately available for lease to any corporation that was retooling for a war-industry production mission. "Machine Tools," to Hopkins and Roosevelt, meant the ability to retool, to shift production to what was urgent to the national economy and military capability—and the ability to produce entirely new types of facilities, for new breakthroughs like the nuclear Manhattan Project. Thus, to them, "Machine Tools" were the primary potential to defeat the fascist powers.



Already in 1996, the CEC issued the above pamphlet which exposed Rio Tinto's early "IR reforms" aimed to destroy our skilled, unionised labour force. Without it, we will never rebuild our devastated machine tool industry, in which we were world leaders during World War II, when we built this 100-ton drawing press, used for pressing, or "drawing" metal blanks into the desired shapes.

From at least October 1940 onwards, the United Auto Workers union founder and leader Walter Reuther had called national attention to the fact that the strongest retooling capacity the nation had was in its auto and auto supply plants—the country's most technologically progressive industry, and the creation of just the previous 25 years. As Reuther foresaw, these auto plants became the nation's retooling reserve for military production, its Arsenal of Democracy.

"A Century of American Empire"

What has happened under globalisation, that LaRouche declared war upon in his [Democratic] Party Platform, and is fighting to reverse? Here are the most important parameters.

In 1989-90, "the Berlin Wall came down," and the economic/national security competition between two superpowers, the United States and Soviet Union, quickly lost all approximation of a balance. Around the United States Administration of George H.W. Bush, father of the current White House resident, an explicitly "imperial" faction emerged toward power, epitomized by current Vice President, then Defence Secretary Dick Cheney, his controllers in the Project for the New American Century (PNAC) and Committee on the Present Danger (CPD), notably George Shultz, and others. This faction believed that global, "imperial" looting of poorer nations' workforces should take the place of national production. Globalisation, from that policy shift onwards, no longer knew any bounds.

From 1990-97, an incredible 65 million square feet of industrial space in the American defence/aerospace industries, was closed down and the advanced machine-tool reservoir within it, auctioned off. National employment in the aerospace industry fell from 900,000 to 550,000—by 40%—in those few years, and has fallen more slowly but continuously since.

During 2004, Internet auctions were held at military bases in California, by which most of the "national defence reserve" of the United States was sold off, as if on E-Bay. This national defence reserve consisted primarily of a reservoir of advanced machine tools "packages" for various lines of industrial production. After World War II, it had been preserved and maintained by act of Congress—the National Industrial Reserve Act of 1948—expanded by the 1973

National Defence Reserve Act of 1973; modernised in Defence Appropriations annual bills. But amendments in 1992—when Dick Cheney was Defence Secretary—and then in 2002, focussed instead on the Defence Secretary's responsibility to declare this reserve surplus and sell it off, relying instead on private machine-tool capabilities—which had themselves been auctioned off continuously during the 1990s. Under Defence Secretary Rumsfeld's "military modernisation" doctrine, the machine-tool reserve was surplus and was sold off.

The third leg of the United States' once-pre-eminent machine-tooling capabilities was auto.

Now, in 2006-07, we face the scheduled closing down of at least 65 major auto plants, taking into account closings announced only by General Motors, Ford, and their biggest suppliers Delphi Corp., Visteon Corp., and Tower Automotive Corp. Many of the other major suppliers have been thrown into bankruptcy in the crisis, such as Dana Corp., Collins and Aikman Corp., and Johnson Controls, as well as Delphi and Tower Automotive—but their shutdowns are not shown here.

Although there have been periods of layoff and shutdowns in auto for 25 years, this is a completely new order of magnitude.

More major plants are being closed down in two years, 2006-07, than in the previous three decades. Some 75,000 skilled industrial jobs are being eliminated directly, and including the indirect effects on the supplier industries, 300,000 skilled jobs will disappear if this is allowed to proceed, representing a third of the entire auto sector.

The closing plants constitute nearly 80 million square feet of capacity, most of it full of versatile machine tools. This is more than the frightening shutdown of 60 million square feet of aerospace capacity in eight years during the 1990s. And it is the only large, diversified reservoir of machine-tool capability—and matching workforce skills—which remains to this country.

The immediate factor closing these plants is the global fall of real wages of workforces, in the globalised economy. Indeed, this fall in real wages is the objective of globalisation, and it is working. Real wages are falling throughout North America, Europe, and Japan, while the lowest-wage nations and regions are looted of their labour. Under these conditions, auto sales steadily fall; they are very sensitive to drops in real household

Continued Page 3.

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The Synarchists are dismantling America's vital machine tools, represented here, which are centred in the U.S. auto industry. Australia's machine tool sector has already been obliterated.

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