

United States,” on what is collapsing, and what must be done. LaRouche commissioned a series of animations of economics—especially of infrastructure development historically, and for crash development today.

**Sept. 4:** Labor Day Conference in Reston, Virginia. LaRouche stressed in his keynote, “The greatest issue today, in terms of government policy, is the question of basic economic infrastructure.”

**September:** The pamphlet, *‘It’s the Physical Economy, Stupid!’*—Lyndon LaRouche, 2004, was released by the Lyndon LaRouche Political Action Committee, for mass circulation.

## 2005

**March:** LaRouche issued an alarm, and call to action by the Senate, on the threat of shutdown of the U.S. auto/machine tool sector. He repeats this throughout the year, calling for retooling auto capacity for transportation infrastructure development. Over the ensuing 15 months, more than 20 state and city resolutions are introduced calling for Congressional action to intervene against the auto shutdown, and launch infrastructure-building.

**Dec. 30:** LaRouche article appeared in *EIR*, titled, “How Not To Build a Recovery: A Tale of Two Bozos,” in which he dissects a piece of chicanery written by Rohatyn and Warren Rudman for the *Washington Post*, entitled, “It’s Time To Rebuild America: A Plan for Spending More—and Wisely—on Our Decaying Infrastructure.” LaRouche describes Rohatyn’s efforts as part of the “globalized system of imperial rule by . . . many private financier interests,” aimed at destroying national governments. LPAC issues the statement for mass circulation as a public warning of the Rohatyn menace.

**Dec. 30:** LaRouche’s paper, *Rebuilding the U.S.A.: Travel Among Cities*, appeared in *EIR*, as a guide to economic animations to depict transportation and the historical development of the United States; and programs needed today “in restoring our presently ruined and endangered national public transportation (air, rail, navigable waterways) and power grid.”

## 2006

**Jan. 27:** *Deficits As Capital Gains—How to Capitalize a Recovery*, is a 35-page *EIR* feature by LaRouche, on how to conceptualize and finance economic recovery.

**March 27:** At the Rohatyn/Rudman National Press Club event on their Commission for Public Infrastructure, Rohatyn was forced to admit publicly, in response to questions from LaRouche Youth Movement and *EIR* representatives, that he opposes the FDR perspective on infrastructure funding and programs.

**May:** *The U.S. Economic Recovery Act of 2006* is issued by LPAC, as what Congress must do to halt the liquidation of the auto/machine tool industrial core.

**July 20:** LaRouche to hold an LPAC international web-cast in Washington, D.C. on the topic, “Rohatyn As Satan.”

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## Transatlantic Initiative

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# Rohatyn Courts Mayors For Urban Looting

by Elke Fimmen

Lazard’s Felix Rohatyn has been working, since at least 1999, to put together a forum for selected mayors from cities around the world, to convince them that globalization is here to stay, and they have to learn how to live with it. A big part of this organizing effort, is to sell U.S. and international mayors on the idea of privatizing large chunks of their taxpayer-funded urban infrastructure. Rohatyn’s other goal, which he shares with all synarchist bankers, is to strip away the powers of the sovereign nation-state.

The drive was officially launched in January 1999, when Rohatyn addressed a meeting of the U.S. Mayors Conference in Washington, D.C., on the theme of “Cities, Europe, and the Global Economy.” He praised “the role of regions of cities” in the globalization of the world economy, besides the competitive drive of the private sector. He singled out the big European investment in the United States as an important factor. For the future, mayors would have to learn to work in partnership with the private sector, and also “compete internationally in new ways.” Then, he invited the mayors present, to work with him and John Kornblum, to convene a U.S.-German-French mayors meeting in 2000 in Lyon, France, “center of an international economic region, that extends from Barcelona, Spain, to Geneva, Switzerland, north into Germany, and south across the Alps to Turin in northern Italy.”

Rohatyn’s partner, Kornblum, was U.S. Ambassador to Germany (1997-2001), and is currently the chairman of Lazard’s branch in Germany.

## Lyon, 2000

The first Transatlantic Summit of Mayors took place a year later, April 6-8, 2000, in Lyon. It was organized by Rohatyn, who was then U.S. Ambassador to France, Kornblum, J. Thomas Cochran (executive director of the U.S. Conference of Mayors), together with Aspen France and the Aspen Institute Berlin. Major foundations and corporate sponsors included the German Marshall Fund of the United States, American Airlines, and ONDEO Services (including United Water, Lyonnaise des Eaux, and Eurawasser). The conference was held under the umbrella of the New Traditions Network (NTN), which had emerged since 1994, and is coordinated by the U.S. Embassy Public Affairs Section.

About 30 mayors participated, including 10 from the United States, and 20 from France and Germany.

## Macquarie Bank Ltd's Imperialist Family Tree

Today's foremost owner of once-public infrastructure—toll roads, ports, power services—is the Australia-based Macquarie Bank Ltd, also operating through various subsidiaries including its Macquarie Infrastructure Group, Macquarie Airports, and Macquarie Communications Infrastructure Group. Macquarie also has three investment partnerships with Lazard: Macquarie Lazard Master Global Equities Fund; Macquarie Lazard Asia Pacific Share Trust; and Macquarie Lazard International Share Trust.

Rohatyn's fascist euphemism for private takeover of public infrastructure today, is "public-private partnerships." A short list of the Macquarie PPP-type holdings so far:

**Macquarie Infrastructure Group** owns stakes in the Chicago Skyway and Indiana Toll Road; owns the Greenway Toll Road west of Dulles International Airport; owns a U.K. ferry service, and part of the M-6 Motorway; and just bought the Pittsburgh electric company, Duquesne Power, on July 6.

**Macquarie Airports** owns stakes in the air terminals of Rome, Copenhagen, Brussels, and Sydney airports.

The origin of Macquarie Bank Ltd., Australia's largest investment bank, takes it back right to the heart of imperialist cartels. Macquarie Bank Ltd, was set up in 1969, in Sydney, as Hill Samuel Australia Ltd., the Australian arm of Hill Samuel Bank of London—a case of a new whorehouse in an old chain.

Marcus Samuel, later Viscount Bearsted, was the founder of Shell Transport & Trading. Shell merged with Royal Dutch, led by Henri Deterding, in 1907, and in 1911 the company, now known as Royal Dutch Shell, bought Azerbaijan oil fields from the Rothschilds, making the Rothschilds the largest shareholders in both Royal Dutch and Shell. Deterding was notorious for his support of the Nazis and Hitler.



Sir Marcus Samuel

Hill Samuel itself was a product of a 1965 merger between M. Samuel, Marcus Samuel's bank, and Philip Hill, Higginson, Erlanger. Head of the bank was Sir Kenneth Keith, a director of Eagle Star, one of the core companies of the British Empire. Erlanger was the bank of Baron Emil Erlanger, which made the famous Erlanger Loan to help fund the Confederacy. Such is the pedigree of Macquarie.—*John Hoefle*

Among the "key issues addressed at the summit," we find the full "globalization is inevitable" mantra:

- What are the economic and social impacts of globalization?
- How should they be managed in the context of change?
- What is the impact of globalization on urban management?
- How are German, U.S., and French cities positioned to seize the opportunities in the globalization process?
- How can the city achieve sustainable development within the context of global changes?

The meeting was opened by former prime minister of France, mayor of Lyon, and synarchist Raymond Barre, who declared that globalization generates "challenges for economic development and can strain the social cohesion of cities and communities." However, "new opportunities would inevitably arise from the increased competition resulting from globalization." Another former prime minister, Alain Juppé, mayor of Bordeaux, said that "governments today are too small for big things, and too big for small things"—that's why cities are so important in the globalized world.

Ambassador Rohatyn said how proud he was, that this was the first time ever something like this had been done, to bring together "European mayors to address critical issues of globalization." It was reported in press coverage of that event, that Rohatyn, as ambassador to France, had made a special point of decentralizing the U.S. Embassy to several French cities, to reflect his view, that that is where the significant political and economic action is taking place.

Ambassador Kornblum encouraged mayors to "ignore the admonishments of foreign ministries not to engage in foreign affairs," but to become "global players" themselves. The subsequent discussion focussed on how to attract businesses "that are no longer bound to a geographic area"—i.e., globalized interests.

This theme of bypassing or eliminating the institutions of the nation-state was pervasive at the conference. Denver Mayor Wellington E. Webb declared: "If the 19th Century was the century of empires and the 20th Century the century of nation-states, then the 21st Century will be the century of cities." He ended on Rohatyn's favorite theme of so-called public-private cooperation: "The potential for the cities is limited only by our imagination, creativity, and joint effort of

our local public/private sector cooperation.”

Tulsa Mayor Susan Savage said that “globalization is bringing about new ways of thinking about boundaries and the national sovereignty of nations,” and described how the “explosive growth” of the world’s population leads to migration into the cities, which corresponds “to a depletion of natural resources.”

Norbert Gansel, mayor of the northern German port city of Kiel, pointed out the fact, obvious to all, that there is “no money” in the cities with which to fight social problems. This is clearly Rohatyn’s cue to bring in private companies to loot the cities.

### **Berlin, 2001 and Washington, 2002**

The second meeting sponsored by the New Traditions Network was in Berlin on May 20-22, 2001, on the theme “Immigration in the Era of Globalization, Future of Housing and Transit Development.”

Then, at a Washington meeting of the U.S. Mayors Conference in April 2002 (see accompanying article), billed as an “International Summit on Terrorism and Travel/Tourism,” many international mayors joined the American hosts. Among them were Social Democrats Bärbel Dieckmann (Bonn), and the aforementioned Norbert Gansel (Kiel). Gansel is said to be a personal friend of John Kornblum. As mayor in 1997-2003, he enforced a strict austerity budget, making Kiel number one among the big German cities in paying its debts, including by privatization of key municipal assets. Dieckmann and her husband, the former Social Democratic justice minister of North Rhine-Westphalia, are strong proponents of the environmentalist current of the party; she is president of the Council of World Mayors on Climate Change; and executive president of the Council of Communities and Regions of Europe.

### **Denver, 2003**

The next summit, “The Second International Conference of Mayors: The Role of Mayoral Leadership in Achieving Sustainability in the World’s Cities,” took place in Denver on June 5-8, 2003. (This was apparently the last meeting to take place under this particular institutional structure.)

The Mayors and Business Council Plenary breakfast was addressed by Howard Menaker, Manager of Public Affairs for George Shultz’s company, Bechtel. Other notable speakers were: Maury Myers, the president and CEO of the sponsoring company, Waste Management; Australian Ambassador to the United States Michael Thawley, on the Australia-U.S. Free Trade Agreement; the senior vice president and general counsel of DuPont, Stacey Mobley; the vice president and general manager of U.S. Filter Services group; and Detroit Mayor Kwame Kilpatrick, chairman of the Council for Investment in the New American City. There were also representatives from Japan, Korea, Africa, and the United Nations.

# Renault Bid for GM Steps Up Cartelization

by Richard Freeman

The maneuvering of the Lazard-connected Renault-Nissan Motors to acquire a 20% share, or greater, of General Motors, represents an accelerated push to create a synarchist-directed world auto cartel, placing the advanced machine-tool capacity of the auto sector in the hands of financiers, and above the control of sovereign nation-states. During the past ten years, this drive had intensified, while the largest six auto producers, under the guiding hand of Lazard and the synarchists, snatched up tens of auto companies that had been the backbone of their nations’ economies. These six alone now produce almost two-thirds of the world’s auto output.

On July 14, Renault CEO Carlos “Le Cost Killer” Ghosn flew to Detroit to meet with GM CEO Rick Wagoner to discuss Renault’s proposed “alliance.” Publicly, Wagoner has been cool to the idea, while Las Vegas gambling king Kirk Kerkorian, who has purchased 9.9% of GM’s stock, has allied with Ghosn to try to compel the merger. In a July 13 interview with the *Wall Street Journal*, Ghosn made clear that he is following an end-game scenario to get hold of a significant share of GM. Ghosn said he doesn’t want some vague alliance: “You need some kind of a shareholding [of GM] to make sure you are serious about it.” He added, “I would not go through with all this if I didn’t think there was a big prize.”

Preliminary reports of the meeting indicate very little, but Renault will not give up. Were Ghosn’s takeover assault to succeed, he would subject GM to fascist economics, even on top of the deep cuts and layoffs that GM has made so far. Ghosn’s arrival at Renault in 1996, and his rise in the ranks, are due to the Lazard investment bank. In 1995, François de Combret, the managing director of Lazard’s Paris office, arranged for the government-owned Renault to be privatized. In 1999, Lazard spearheaded Renault’s taking a commanding 37% stake in Japan’s Nissan; the share has since been increased to 44%. Also in 1999, Ghosn was sent into Nissan to carry out a bloodbath: He slashed production and eliminated 20,000 production workers, an unheard of event in Japan. For this action, in 2000, he was promoted to CEO of Renault.

At the same time, as part of his globalization offensive, Ghosn is implementing a slave-labor plan at Nissan’s Canton, Mississippi plant. Nissan pays its Canton workforce—85%