

the auto collapse process. LaRouche PAC released on June 12 (see box) the evidence that Lazard had repeatedly been retained by the UAW to analyze GM's, Ford's, and Delphi's books and advise the union on these corporations' demands for contract givebacks. The corporations had paid Lazard for its consultancies to the union! Lazard in November and December 2005 told the UAW that the health benefit cuts GM and Ford, respectively, were demanding, were absolutely necessary; agreeing to the cuts, the union cited this Lazard advice in a December 2005 letter to Ford employees.

But what, LaRouche asked, did Rohatyn and Lazard say about the huge executive salaries and bonuses being paid at the same time as the cuts, by GM, Ford, and especially Delphi? Did it also find them "absolutely necessary" for the company's survivable cost structure? And what about Delphi's overseas books and accounts, kept off limits in Rohatyn's "strategic bankruptcy" of only Delphi's U.S. operations? Did Lazard find it "absolutely necessary" that those books be hidden from the UAW, the court, and Congress?

The full dimension of the outsourcing of the entire basis of U.S. economic recovery and security, is clear in the following picture of successive waves of capacity lost.

From 1990-97, following the end of the Cold War, ac-

ording to industry sources, some 60 million square feet of industrial capacity of defense/aerospace contractors and companies was shut down, and its machine-tool content completely auctioned off. In late 2004, under changes made in Defense Authorization legislation, the "national defense reserve" of machine-tool packages for industry—maintained for 60 years by the U.S. military as an industrial "surge capacity" for a crisis, was similarly auctioned off from Defense Logistics Agency bases. And in 2006-07, some 80 million square feet of auto capacity, the last leg of U.S. machine-tool pre-eminence, is shut or scheduled to shut in just two years' time.

Ford's 'Way Forward' To Mexico

The debt crisis of the major automakers is continuing to deepen while Congress holds back, and auto plants close across the country. Total auto sales in the United States are steadily falling, month by month, as American households' real income drops (in May, real wages fell by another 0.7%; the drop is accelerating). Since the drop in auto sales is most pronounced in the Midwest region, home to hundreds of thousands of auto unionists who have strong loyalty to American car brands, "Big Three" sales are dropping faster than

Rohatyn's Looters 'Advise' UAW To Dismantle Industry

On June 12, the Lyndon LaRouche Political Action Committee put out the following press release.

Continuing investigations by the Lyndon LaRouche Political Action Committee now clearly demonstrate that the Lazard Frères banking group has controlled the Delphi Corporation bankruptcy from all sides. Former Lazard lead partner Felix Rohatyn and his associates at Rothschild Inc., acted as the financial advisors to Delphi from May of 2005 up to the week before Delphi's bankruptcy filing. Beginning no later than November 1, 2005, Delphi and the leadership of United Automobile Workers of America, agreed to hire Lazard as financial advisors to the UAW. Delphi paid the fees for Lazard's UAW consultancy.

Delphi's abuse of U.S. bankruptcy laws was succinctly described by *Business Week* as "globalization by bankruptcy." It is viewed by most informed observers as the first stage of an all-out assault by the same financial predators on General Motors, Ford, and Chrysler. The UAW membership, whose living standards are the primary target of the Delphi bankruptcy action, will be told by President Ron Gettelfinger in Las Vegas at the annual Convention

which began today, that there are no alternatives to the forced retirements and cheap buyouts of 30,000 production workers, and the shutdown and outsourcing of almost all of Delphi's U.S. productive capacity. Presumably his selling points to a formerly militant membership have been choreographed by "consultant" Lazard, which has put enormous pressure on the union leadership.

LaRouche PAC is presently circulating a mass pamphlet titled, "Rohatyn, the French-Nazi Connection." The pamphlet emphasizes that, in his assault on America's industrial base, Rohatyn is acting on behalf of Europe's synarchist bankers. Rohatyn has revived the World War II relationship between Lazard and The Banque Worms Group. U.S. war-time intelligence and the U.S. diplomatic corps identified this grouping as central to the synarchist banking operations which brought Adolf Hitler to power in Germany and arranged for his conquest of France.

In the same pamphlet, LaRouche PAC presents detailed documentation showing Rohatyn's control of the Delphi dismantlement through bankruptcy, and Rohatyn's personal actions against Lyndon LaRouche and his plan to save the auto industry and its strategically vital machine-tool capacity through re-tooling. At a webcast on June 9th, LaRouche called for an all-out mobilization against Rohatyn and his influence in the Democratic Party, stating that "we have got to kick ass like ass has not been kicked before," if the auto industry and the U.S. economy are to be saved.