



The U.S. Economic Recovery Act Of 2006



Suggested
Contribution **\$5**



P.O. Box 6157 Leesburg, Virginia 20178

www.larouchepac.com

The U.S. Economic Recovery Act Of 2006

**Includes Lyndon LaRouche's
'Emergency Legislation, Now!'**

COVER: Franklin D. Roosevelt signs TVA legislation, 1933: Library of Congress.

© May 2006 LLPPA-2006-8

Paid for by the Lyndon LaRouche PAC, P.O. Box 6157, Leesburg, VA 20178.
www.larouchepac.com and Not Authorized by Any Candidate or Candidate's Committee

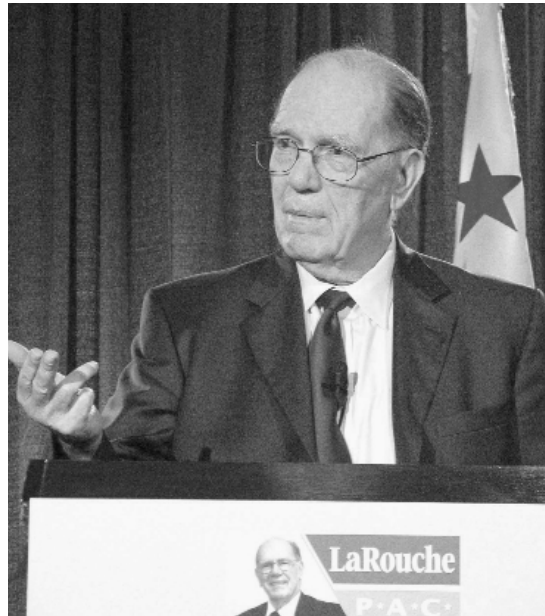
Vacuum in Bush-Cheney Administration: Crisis Requires Emergency Action by Congress On Launching Emergency Economic Action Now

by Lyndon H. LaRouche, Jr.
May 14, 2006

A series of crucial developments around the looming indictment of former White House Deputy Chief of Staff Karl Rove has created a situation in which Vice President Cheney is now overripe for emergency impeachment proceedings, and the President himself is experiencing the onset of a threatened personal systemic crisis. The mere fact of this situation, so fairly described, creates a threatened discontinuity in the functions of the Federal government, a discontinuity we can not permit to develop under the presently perilous global financial-monetary and related crises.

In such a setting, it is imperative that sensible leaders within the Congress take some appropriate form of prompt initiative, to restore a sense of faith in our Federal government among the relevant institutions here, among foreign governments, and our citizenry generally.

The pivotal economic and social crisis of the U.S.A. at this instant is the implications of an onrushing destruction of as much as two-thirds of the U.S. automobile industry. Failure to act immediately to prevent that catastrophe from being allowed



Lyndon H. LaRouche, Jr. speaking at a recent international webcast in Washington.

to proceed, would have incalculable effects on public confidence in the U.S. society here at home, and abroad.

At this juncture, my associates and I have elaborated a programmatic emergency action needed to prevent the collapse of the U.S. as a modern economy, through adapting the idled capacity of our automotive industry for urgently needed measures of reconstruction of lost and disintegrating basic economic infrastructure of our nation. Action to accelerate the adoption and implementation of that program now being prepared for Federal legislative action would restore

public confidence in our Federal government at a time the Presidency itself has the lowest level of still sinking public confidence in its recent history.

Cleaning the rascals out of the White House and Vice President's office is, unfortunately, an urgently needed action, but it is not an uplifting experience. Action by the Congress which gives our people reason for confidence in our Federal system, is the positive note urgently needed at the perilous moment of Vice President Cheney's looming, overdue downfall.

INTRODUCTION

We Must Save Our Auto Capacity Now

The drive by the LaRouche Political Action Committee (LPAC) to pass Congressional legislation to save the American auto industry from shutdown, is Congress's chance to stop the globalization wrecking ball before it completely destroys the United States' remaining industrial power. LaRouche put his movement on "war-room" mobilization May 1, with a report that more than 65 major auto-sector plants, with over 75 million square feet of machine-tool capacity, were being shut down this year and next.

"What is needed, therefore, is the creation of a Federal Public Corporation, by Act of Congress. This action should adopt the elements of the automotive industry which are being discarded by the automobile corporations, and which fit the characteristics which I have identified," LaRouche wrote in his May 2 message to "economists, legislators, and labor leaders."

The objective of the mobilization: to activate constituency demand and push Congress to intervene to "retool" the 50% or more unutilized capacity of the auto industry for production of new national infrastructure, particularly high-speed rail corridors and new electricity grids centered on nuclear power.

The pamphlet you have in your hands is the vital piece of ammunition you need in order to join this mobilization, a mobilization that will determine whether our nation, and the world, turn onto a course of prosperity, or descend into a New Dark Age.

The Emergency Actions

"They're outsourcing this nation to death," LaRouche said on May 9, referring to the bankrupt international financial circles and banks controlling the biggest industrial corporations. "Globalization is destroying us. We're losing all of our machine-tool capabilities and ability to produce industrial infrastructure. Let auto be dismantled, and the United States becomes a Third World economic country. Let's end this crap!"

Unless LaRouche's action is taken—and leads to new monetary reforms fostering Federal production credits and clamping down on speculation—a global financial crash will strike by October at the latest. Speculative *hyperinfla-*

tion, centered on the wildly expanding bubble in the world's primary commodities markets this year, shows where the "Greenspan era" of financial bubbles is going to end, and fast.

LaRouche's bold outline to lawmakers and unionists, "Emergency Legislation, Now!" is already on the desks of Congress and under serious consideration by half a dozen Congressmen. On May 9 and 10, the Vermont and Rhode Island Houses of Representatives weighed in with memorials to Congress asking for the "retooling" legislation, joining Alabama, and a number of city councils in hard-hit auto areas, which had already done acted on such memorials. A DVD documentary produced by LPAC—"Auto and World Economic Recovery"—on how to produce new infrastructure with unutilized auto-plant capacity, is being watched and circulated in Democratic organizations, city councils, unions, and on Capitol Hill.

Some Members of Congress see the protection and retooling of the shrinking auto industry, as LaRouche does, as the core of a package of urgently necessary legislation to rescue the U.S. industrial economy, and the General Welfare of America's people. This includes, for example, an increase and reform of the armed forces' structure around a much larger and more capable Army Corps of Engineers for "nation-building at home"; legislation funding specific parts of a new national infrastructure like high-speed rail and new river-navigation systems; national Medicare-modelled universal health insurance legislation sponsored by Rep. John Conyers of Michigan; and bankruptcy reform legislation to block corporations from blatant "globalization by bankruptcy" swindles.

The Machine-Tool Principle

Many interviews with unionists and engineers in auto facilities around the country, by EIR staff, make clear those employees' conviction that the underutilized auto industry, with its extraordinary density of machine tools, "can build anything," and is capable of retooling rapidly on specific plants for railroad stock, for lock-and-dam construction, for elements of power plants, and so forth. But these machine tools are being put in storage, transported to outsourced auto production in Mexico or

China, and even auctioned off cheap on websites, as the highly skilled machine-tool workforce is losing its employment.

The shutdowns will cost 75,000 skilled industrial jobs directly; and through immediate radiating effects on smaller supply plants and machine-tool shops, 300,000 more. What is about to be shut represents, in automobile-industry terms, the capacity to build 2.5 million or more cars and light trucks a year. But in terms of urgent national economic investment, it represents a unique industrial capability to build “a new national infrastructure” of transportation, power, and more.

And this is not the full measure of unutilized, “lost” capacity which could be restored. Since about 1985, five jobs have disappeared for every one which remains in a typical auto parts or supply plant; and two jobs have gone for every one that remains in a typical assembly or engine plant.

The tool-and-die centers of the auto sector are the core of its industrial creativity—“new-build” as some are called—where the machines and forms used by the rest of the industry are designed and built. They are already razor-thin lines of skills and capacity, in grave danger of disappearing entirely, outsourced to Asia.

Typical tool-and-die and metal shops are losing 50% or more of their workers. General Motors has five tool-and-die centers: the Mansfield Metal Center in Ohio; the Marion Metal Center in Indiana; Flint Tool and Die, Pontiac Metal Center, and Grand Rapids Metal Center, all in Michigan. Three of the five are being idled. Their employment—which makes possible the work of all 100,000 GM production employees nationwide—is falling this year from about 1,600 to just 1,275 workers now, and likely to 750 tool-and-die workers by July.

The clear threat now exists, that this creative core of the whole industry will completely disappear in the near term, with tooling completely outsourced to (typically) India, China, and Korea, and to small U.S. machine shops which often have to partner by computer with Indian or Chinese corporate operations. The loss to U.S. national industrial capabilities would be immense, all out of proportion to the numbers of employees involved. This is doubly dangerous because nearly the same degree of loss of machine tooling and product control by outsourcing, is occurring in the U.S. aerospace sector, the other remaining American fount of machine-tool capability, which has shrunk even faster than auto.

Saving Ourselves

In a radio interview on May 11, with a station in the auto city of Lockport, New York, LaRouche summarized the task this way:

“So we have the possibility of saving ourselves. And the United States is the nation which has—in our traditions and our legacy, we have the ability to deal with these problems. So, what we’re doing is to say: Let the Federal government adopt responsibility for keeping these plants functioning; accept the fact that they’re not going to be producing automobiles. Take the section that is *not* going to be producing automobiles, and use it for other things, with a heavy emphasis on restoring the machine-tool-design capability. Build systems for locks and dams for the river system; build power plants; build railway systems; build other basic economic infrastructure that’s needed in the states, the communities and so forth, and the nation as a whole.

“In addition to the labor force, build up six divisions, of military Corps of Engineers divisions: Because, if you’re going to build these things, like assemblies for locks on rivers and things like that that you’re acquainted with in Lockport, you’re going to have to have the labor to install them. . . .

“. . . We’re going to make a change in the world. We’re going to have to go to high technology that we’re not using now. The United States and Western Europe, and Europe in general, will have to become leaders in this. So, we’re going to think about, not trying to maintain the standard of living, we’re trying to maintain the condition of the environment; we’re trying to have a clean, safe environment; we’re trying to have a higher standard of living; we want progress in health care. We want people to live longer and to live better. So therefore, that means we’re going to be spending more effort on those kinds of things. Therefore, to do that, we must increase per-capita physical productivity: That means science and technology.

“. . . Our Constitution gives us the best, as Roosevelt showed: When we use our Constitution as a structure for determining the way our economy works, as Roosevelt did in pulling us out back of the mess we were in in 1933, when we do that, we have the greatest potential in terms of our system, for rapid improvement in economic performance. That’s there. We could become, in a generation, within 25 years, we could become again, the greatest economy in the world.”

—Paul Gallagher
May 13, 2006

For Economists, Legislators, and Labor

Emergency Legislation, Now!

by Lyndon H. LaRouche, Jr.

May 2, 2006

The purpose of the following communication is to prompt the immediate crafting of urgently needed emergency Federal legislation: Legislation to prevent the threatened immediate collapse of the U.S. national automobile industry from becoming the beginning of a virtually irreversible chain-reaction of destruction of approximately the entirety of the present physical economy of the U.S.A.

This communication has two sets of elements.

The first part, which is presented immediately below, is the proposal which summarizes the nature of the proposed emergency legislation.

The second part, the attached documentation, is a sample of the relevant facts assembled in raw form from discussions and related researches compiled, to date, since a meeting of automobile industry figures and others convened in Washington, D.C. during the evening of April 27, 2006.

Much work needs to be done, urgently, to refine the kinds of data identified in the appended, second portion of this transmission. The purpose of presenting that latter collation here, is to sketch the general proportions and characteristics of the challenge to be met if our nation is to meet the challenge of this national emergency. Despite the need for refinement respecting details, the legislative intention required for this crisis is already clear as a matter of principle.

The Policy

1. The Threat To Be Defeated

For a little less than two generations, about forty-two years, the presently leading circles of government and private enterprise in our national economy have been persuaded to adopt the delusion that a so-called “post-industrial” orientation for our nation’s economy is both an available, and even an inevitable long-term option. Under influence of what has been this increasingly popular delusion, the independent agriculture, manufacturing, health-care systems, and our republic’s basic economic infrastructure

generally, have been collapsing, per capita and per square kilometer, throughout virtually all of our national territory.

The best illustration of these effects is the case of what had been the Midwest heartland on which our victory in World War II had largely depended. We are now faced with the presently accelerating, cumulative collapse of the once eminently powerful agro-industrial potential, per capita and per square kilometer, of an area including the western portions of the states of New York and Pennsylvania, and the entire states of Ohio, Michigan, and Indiana. This region is otherwise identified as including the heart of the U.S. national automotive industry.

Over these recent decades, as the leadership of our economy shifted into the hands of the white-collar generation of the so-called “68ers,” the emerging leadership of our economy, including the leaders in the institutions of government, became accustomed to the spectrum of special ideologies associated with “post-industrial society,” “outsourcing,” and “globalization.” As a result of this cultural-paradigm-shift over the intervening decades, most of the people who have come to occupy relevant positions of leadership in industry and government, lack any instinctive appreciation of the effect of a collapse of the U.S. automotive manufacturing industry as now combined with the currently accelerating, hyperinflationary rocketing of the prices of primary materials globally.

This pattern is illustrated by the contrast between the strong political reaction to the obvious impact of soaring petroleum prices, and the contrasting, more or less negligent reaction to the even more rapidly accelerating hyperinflation in other categories of primary materials. Thus, whereas our more kindly souls among those in leading positions of power and influence, are concerned with the need for measures to ameliorate the effects of sudden mass unemployment and pension cancellations in the five-state region to which I have pointed here, and relevant other locations, they have shown virtually no grasp of the threat of being very continued existence of our nation in the combined effects of an early disintegration of the U.S.-owned national automotive industry and the currently hyperbolic

rate of global hyperinflation in prices of primary materials.

In other words, the ideology which came to the surface as the “post-industrial” outlook among the university-bred “68ers,” produced a politically influential generation of today, which has become conditioned to think of economy in terms of money as such, rather than in terms of the production and distribution of the essential products on which human life depends for its physical perpetuation. In these layers, there is virtually no comprehension of the actual role of technological progress as such in the process of design and production of the physical means of human existence.

Usually, influential circles in these indicated strata of leading influence, have rarely exhibited a comprehension of those features of our economy which defend us against an increasing threat of being thrown back now, suddenly, into something which would be considered by most people, as being dumped virtually into a relatively stone-age existence. It is not understood that, in light of the degree of concentration of the entire machine-tool-design capability in the aircraft and automobile industries, the immediately threatened collapse of Ford, General Motors, et al., would mean a threatened collapse in the direction of what would suggest “stone-age” conditions for nearly us all.

The object of appropriate forms of Federal legislation now, should be to prevent such a colossal national tragedy, while we still have a true national automotive industry to defend.

2. The Urgent First Step

As the appended facts illustrate, the U.S. is now faced with the apparent inevitability of the more or less immediate junking of a majority of the productive capacity of the present roster of U.S. national capacity for the production of automobiles and related elements.

Apart from the physical facilities of the relevant, threatened plants, these plants represent not only a current, but also a much larger labor-force, representing those either now, or recently associated with production in these plants. These plants represent not only employment of the labor associated with production there; entire communities, including many business organizations, hospitals, schools, and so forth, depend upon those plants’ continued operation for their life. Taking the list of what are known to be the immediately threatened plants already identified in the attachment to this report, we must recognize that a large part of the entirety of the indicated, five-state, core area depends as a whole on the contributing part these plants have represented.

In considering the options for employment of the sections of the labor-force associated with those listed plants, we should divide the principal body of operatives associated



U.S. Army Corps of Engineers

Some auto facilities can produce the structural elements for the infrastructure critically needed all over the upper Mississippi, Ohio, and Missouri River systems. Here, construction under way (on the Ohio at Louisville) of a modern, 1,200-foot lock chamber and gates (center) to replace the aged, undersized existing lock (right). U.S. Army Corps capacity and funding are lacking: This project was delayed so long, the old lock cracked and closed the river.

with the plants, into two major categories: those associated with production of the product issued from such premises, and those associated with the design of the product and machine-tools on which the required quality of production by the larger portion of the labor-force depends. It is the combination of these two interdependent components of the productive labor-force which will be required for the urgent missions indicated in this report. It is that two-faceted feature of those combined, assorted places of employment, which ought to occupy the center of the attention to these matters by the U.S. Congress and others.

As Walter Reuther and others emphasized at the verge of the war against Adolf Hitler, these plants can produce many other things of national importance besides automobiles. Railroad systems, power plants, essential elements for rebuilding the port and inland-waterway systems, are only typical of the work for which these industries are as well suited as production of automobiles as such.

From our national experience of the past, including the important example of the Kennedy Moon-Landing mission’s net benefit to our national economy, we know that the kinds of projects needed for repair of our currently decadent, and other collapsing national basic economic infrastructure, in water, power, mass-transit, and other essentials, are best suited to the work to be done by government at the Federal, state, and local level. The inevitable employment of private contractors in furthering the success of these government projects in public infrastructure, is the natural stimulant, under our constitutional system of government, for the promotion of rapid recovery in the private sector.

As we should have learned from the way in which the Reconstruction Finance Corporation operated under

President Franklin Roosevelt, when labor employed in such public works is employed efficiently, the increase in the net income of the nation per capita and per square kilometer is greater, per annum, than the rate of annual amortization of the investment.

For example: The continued increase of the average productive power of labor in the U.S. from the beginning of recovery measures launched under Harry Hopkins' mission, until the 1964 beginning of the official U.S. war in Indo-China, was a period of the highest rate of net physical growth during the Twentieth Century as a whole, and the greatest rate of improvement of the U.S. standard of living.

The net gain to the nation as a whole, from publicly sponsored programs such as the Tennessee Valley project and the space program, is not measured in profit as private entrepreneurship is usually measured, but, rather in the net physical gain to national or regional productivity as a whole from the installation of relevant public works.

However, especially since the 1977 advent of deregulation, the net physical income of the lower eighty percentile of our population has been consistently declining over about three decades; the current, net effect of that cumulative decline, is now imminently catastrophic. When the unpaid costs of production represented by neglected basic economic infrastructure are taken into account, for most of our population, the years since 1977 have been a frightening saga of decline toward the brink of what is presently a threatened global economic breakdown-crisis for sometime in the relatively near future. The cumulative physical effects show that the official arguments which deny such physical reality of recent U.S. economic history, are simply a reflection of wildly fraudulent, willful, and often hysterical forms of so-called "marginal-utilitarian" miscalculations of the rate of inflation, over about a quarter-century to date.

What is needed, therefore, is the creation of a Federal Public Corporation, by Act of Congress. This action should adopt the elements of the automotive industry which are being discarded by the automobile corporations, and which fit the characteristics which I have identified broadly in this present report.

3. The Superiority of the U.S. System

The ability of the U.S. Federal government to launch a general economic recovery of this type, for the sectors and also the whole of the U.S. economy, is implicitly defined, as a matter of principle of government, in Treasury Secretary Alexander Hamilton's Reports to the U.S. Congress.

That, our nation's constitutional system, reflects our founders' attention to the lessons of the practice of the pre-1689 Massachusetts Bay Colony and the proposals respecting paper money by Benjamin Franklin.

Our constitutional form of government and economy, unlike the typical economies of Europe, defines a credit-system, rather than a European style of monetary system. This is expressed by the monopoly over the utterance of and regulation of the circulation of money created by the Federal government. This contrasts with the typical European government, whose economic policies are subject to control by monetary systems which are dominated by private, often

also predatory financier interests which have been expressed as central banking systems. Under our Constitution, our banking system is subject to regulation by the Federal government through those instrumentalities of national banking which rely on the lawful monetary credit created by the Federal government, rather than the inferior mechanisms associated with the prevalent practice of European states.

The issue and circulation of our republic's lawful money serves us not only to promote the circulation of commodities, but as credit invested in the creation and maintenance of long-term capital improvements in both the public and private sectors.

For example, the most important categories of investment have a physical life-span of between one and two generations, a span of longer than approximately twenty-five to fifty years. The Tennessee Valley development is a useful illustration of the point. Or, as post-war Germany's emulation of our President Roosevelt's investment of public credit in promoting both public infrastructure and private entrepreneurship illustrates, the growth of the economy as a whole is accelerated not only by the initial outlay of public credit, but, additionally, by the circulation of progressive chunks of repayments which serve as additional increase of the total financial capital in circulation for investment in the economy as a whole.

Take the case of the impact of the operations of the Kreditanstalt für Wiederaufbau in post-war Germany, a program which Deutsche Bank's Hermann Abs promoted as a way of capturing the method of President Franklin Roosevelt's use of the RFC for such effects. Under the protection of the post-war, fixed-exchange-rate system established by the initiative of President Franklin Roosevelt's U.S.A., during the period into about the mid-1960s, the monetary depreciation of medium- to long-term investments was protected by a U.S.-dollar-denominated fixed-exchange-rate world system. It was only when that system was disrupted, chiefly by the combined actions of the first Harold Wilson government of the United Kingdom and the prolonged effects of U.S. government policies under the ruinous conditions of the prolonged U.S. war in Indo-China, that the Bretton Woods system was wrecked by the growing influences of policies contrary to the discipline of Franklin Roosevelt's fixed-exchange-rate system.

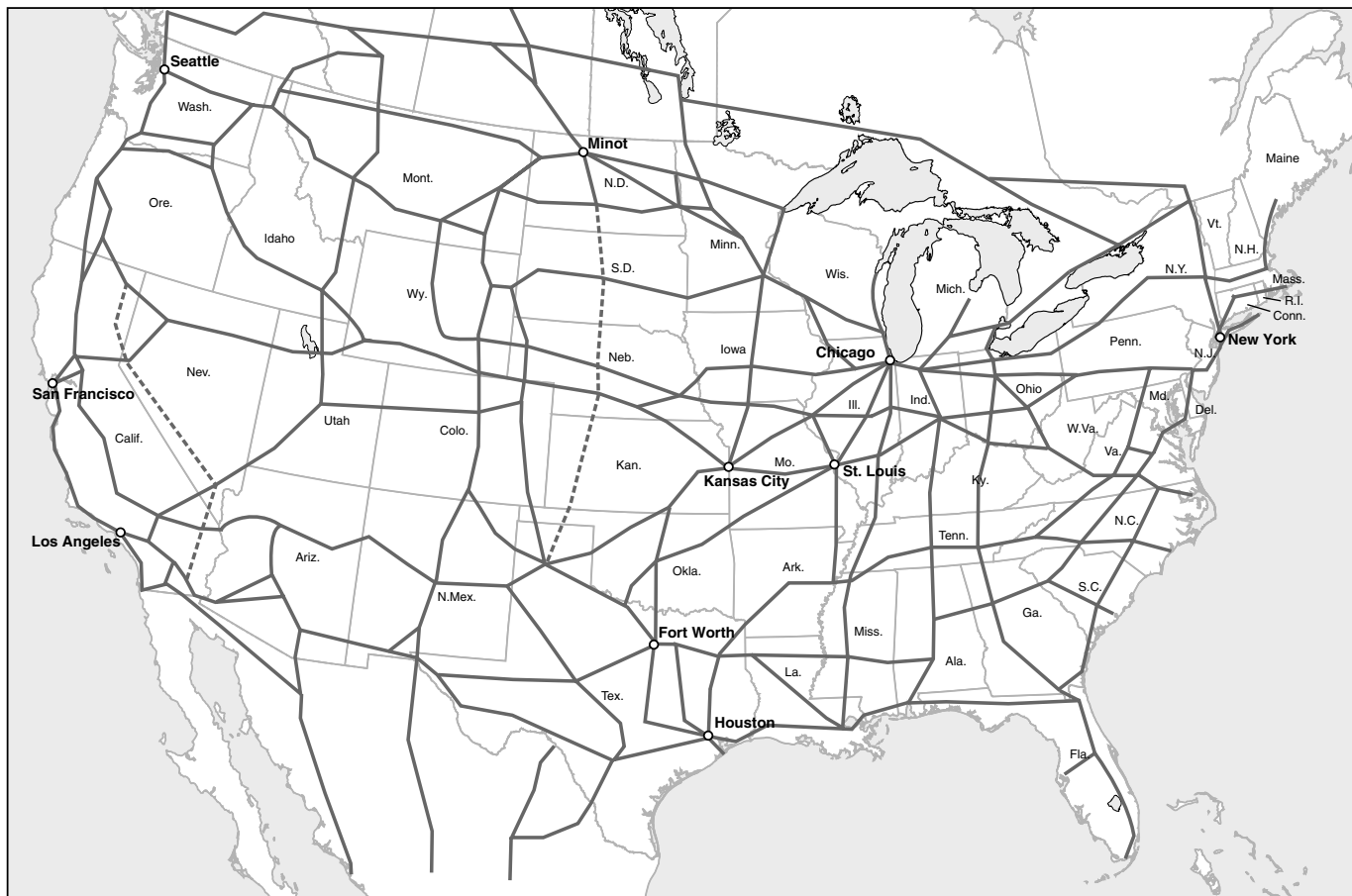
The following summary point of explanation is required at this point.

This important distinction was implicit in President John F. Kennedy's investment tax-credit program. A fixed-exchange-rate system is implicitly a "fair trade" system, rather than a "free trade" system.

The "free trade" system of the post-1763 British East India Company and later British Empire, the "free trade" system praised by London-educated Karl Marx, is a product of a modern, Anglo-Dutch Liberal outgrowth of a medieval system, the Venice-directed Lombard banking system, which had crashed during Europe's Fourteenth-Century New Dark Age. Indeed, the presently onrushing crash of the revised system of financial-derivatives bubbles unleashed by former U.S. Federal Reserve Chairman Alan Greenspan during the 1987-2006 interval, is essentially a

FIGURE 1

Proposed 42,000-Mile-Long Network of National Electrified Rail



Source: Hal Cooper.

This intercity route network of electrified rail would transport freight and passengers, largely on upgraded existing rail lines. A new high-speed maglev network will be constructed along the existing interstate highway system.

reflection of the same follies seen in the collapse of the medieval Lombard League and the John Law bubbles of the early Eighteenth Century.

In contrast to such European models of liberal financial systems under the boot of independent central banking systems, the American System's constitutional design was premised on the vigorous defense of the integrity of public credit.

In general, although the Federal government must mobilize credit for any purpose where this is urgently required in the public interest, the objective of a competent U.S. Federal administration is to capture the relatively greatest portion of issue of monetized and other public credit in the form of long-term physical investments in productive improvement of basic economic infrastructure, private industry, the improvement of the productive powers of labor, and in the development of those individual creative mental potentials on which all forms of human progress ultimately depend.

Wise U.S. policy measures progress today in intervals of approximately twenty-five years, a quarter-century, the span of development of new individuals from birth through intellectually developed maturity for the work and life of a contemporary truly modern, productive society. In accord

with that concern, rather than strewing utterances of credit as money along the streets, we tie up the utterance of new credit, as much as possible, in long-term investments, with emphasis on investments which have a foreseeable, useful physical life of one or more generations.

To secure the inherent fungibility of such utterances of credit, we require the governing instruments of a fixed-exchange-rate, "fair trade" policy.

Thus, as long as there is a net improvement in the expression of the productive powers of labor year by year, the ability of society to invest in combined public and private capital improvements is limited chiefly by the limits of opportunity for successful such added investments.

Flooding money virtually into the streets of wild-eyed real-estate and other forms of gambling, as misguided Kemp-Roth was such a piece of folly, and as "M3" was flooded under Chairman Greenspan, and still today, is what must be curbed in the interest of fiscal responsibility. The chief effect of the utterance of Federal issue of public credit must be tied up in, predominantly, long-term and inherently productive investments in basic economic infrastructure and technological progress in increasing the physical quality and productivity of accumulated investment in private entrepre-

neurship. This rule of prudence is the indispensable key to the measures by the U.S. government required to address and conquer the problem typified by the presently onrushing collapse of the U.S.'s machine-tool-design sector.

Government can efficiently utter vast floods of credit as capital for improvements, on the condition that this capital is directed to, and tied up within suitable long-term investments in public improvements and efficient private entrepreneurship. Investments in financial instruments for purely financial speculative purposes or conspicuous consumption of the relatively financially privileged, should be very highly taxed, relatively, whereas investments for physical increases in the quantity and productivity of the economy, are to be treated preferentially. The rule is not "soak the rich," but give preference to prudence.

It must be taken fully into account, that the present world monetary and financial system has entered the end-phase of a global economic breakdown crisis, a phenomenon absolutely more serious than any mere general economic depression of the type experienced during the relevant part of the 1930s.

The economies of western and central Europe, like that of the U.S.A. presently, are currently operating at levels far below sustainable breakeven. These economies are, in turn, the essential market on which the economies of all Asia depend, a dependency of such degree that a collapse of the U.S. dollar would set off a chain-reaction which would bring down every part of the world system, such as India and China, which attempted to continue to operate within the bounds of the present IMF system. The present hyper-inflationary spiral of financier speculation in primary materials such as metals and petroleum, has no other cause than the fact that leading financial circles are rushing into such holdings in their recognition of the imminent collapse of the entire world's present financial-monetary system.

At present, regard for safe policy requires that we must estimate the threatened collapse to be no more than months distant, unless a drastic reform were to prevent that collapse. What is being proposed in this report is such an urgently needed immediate reform. Any government which would not make such a change, must either be reformed, or events will reform it in the most unpleasant manner conceivable.

4. The Concrete Action Required

The listed and other comparable elements of the automotive industry scheduled for discard must be taken over immediately by the U.S. Federal government. Their essential productive personnel and present facilities must be promptly assigned to suitable categories of work consonant with the special capabilities of a modern, machine-tool-design-driven engineering and manufacturing function.

The following list is exemplary:

- 1.) **Ocean ports and inland waterways of transportation.** This indicates an associated role of these adopted industrial capacities, and the U.S. Corps of Engineers.

The enlargement of the U.S. Corps of military engineers,

TABLE 1
Large-Volume Components for a New Advanced Nuclear Plant (1200-1500- MW range)

Equipment	Number (Range)	Comments
Pumps, large	71-100	
Pumps, small	80-484	
Tanks	49-150	from 600-150,000 pounds
Heat exchangers	47-104	All sizes, types, material 2,100-250,000 pounds
Compressors, vacuum pumps	12-26	
Fans	61-123	600-45,000 pounds
Damper/louvers	730-1,170	
Cranes and hoists	25-50	
Diesel generators	2	10 MWe
Prefabricated equipment modules	64-133	Preassembled packages including mechanical equipment, piping, valves, instruments, wiring, etc.
Instruments of all kinds	1,852-3,440	
Valves of all kinds	9,633-17,891	

Source: *U.S. Job Creation Due to Nuclear Power Resurgence in the United States*, Volume 2, page A-125, November 2004, Idaho National Engineering and Environmental Laboratory.

Construction of the large numbers of nuclear power plants required to revitalize the nation's power and transportation sectors, and to provide fresh water by nuclear desalination, means gearing up U.S. industry to produce all kinds of equipment, large and small. Auto-parts-producing facilities, now idle, could be converted to manufacture for the nuclear industry.

together with its complements in the National Guard organizations of the states, should be a leading, greatly expanded element of the proposed reforms. This should anticipate the needed role of organizations paralleling the intention of the CCC program of the 1930s, for the cooption of youth who may be taken out of tracks of social desperation into educational and related programs of development leading them toward a fruitful future as citizens with prospects of healthy families of their own.

The depletion and other wrecking of the engineering and other national-security functions of our military services redouble the importance of the natural civilian functions of a military Corps of Engineers in today's world, at home, and at large.

The prime example is the complex of river systems feeding, chiefly, into the Mississippi, between the Rocky and Allegheny mountains, from the Canadian border to the Gulf of Mexico.

- 2.) **Reversing the depletion of national aquifers, by aid of nuclear-power application to desalination and related water purification programs,** but integrated with the sundry programs complementing development of ocean ports and waterways.



Transrapid

A maglev train at Long Yang Road Station in Shanghai, China; the train was built by Germany's Siemens Corp.

4.) Reorganization and development of mass transportation.

From the late Seventeenth Century onward, the process of colonization of North America was focussed on the development of roads, developed waterways, and, later, railroads. This was associated with a clearer conception, established during John Quincy Adams' tenure as Secretary of State, of an integrated territory of a continental nation, from Atlantic to Pacific, limited only by a northern border with Canada and a southern border with Mexico. The integration of the U.S. by trans-continental railway systems, as under John Quincy Adams' one-time protégé, President Abraham Lincoln, established the U.S. as a continental power too powerful to be conquered

by foreign military attack.

During the course of the post-1968 shift to a "post-industrial utopia," this integrity of the U.S.A. within its own territory has been ruined, and almost destroyed.

This degeneration of the U.S. has been marked by coinciding relative abandonment of large, formerly developed agro-industrial regions of the nation, and a congestion of flimsy structures, often of Hollywood-set-style construction in areas of suburban sprawl, and skyrocketing urban prices of housing and other tenancy.

This functional degeneration of the internal physical organization should remind us of the ills of Mexico City, Cairo, Alexandria, and generally comparable, bloated and mass-poverty-stricken regions of the world's developing sector.

There is a desirable setting of limits on the size of functioning urban areas, and similar sorts of functionally defined limits on efficient suburban sprawl around cities.

Much of this decadence and its concomitant disorder, has been a by-product of the campaign of radical deregulation launched, during 1977-1981, under the auspices of the Trilateral Commission. The addition of deregulation to the growing 1968-1976 post-industrial orientation, was continued after 1981 as a generation-long degeneration of land occupancy and use throughout the U.S. territory considered as a whole.

This process of decadence, extended now over more than a quarter-century—i.e., more than a generation of the lives of our citizens—has too many people losing much of their lives in inherently wasteful lapsed-time for daily commuting, and similar waste of lives in travel associated with daily routines. Residence, regular community functions, and work should be accomplished within incurred lapses of times not in excess of that during the days when the typical resident could walk to a number of available options for employment, to shop, to school, and so on. The develop-

3.) Aggressive development of power from sources of high energy-flux density, such as nuclear fission, and a quarter-century mission to bring functioning thermonuclear fusion applications on line.

This element of the program takes into account the fact that the growth of human requirements has tended to deplete the relatively richest concentrations of essential raw materials found within the sediments of the Earth's Biosphere. The foreseeable problem for the two generations immediately ahead, is not a set of absolute limits, excepting the case of depletion of fossil fresh-water resources. Rather, the threat is, that without an early and rapid increase in the energy-flux-density of relevant processes, the increase of cost of production, as measured in per-capita terms, would soon produce a critical world situation. To cope with the rising cost of employment of such resources, the world must now undertake some dramatic shifts in economic perspectives.

The first step of reform, must feature the use of high-temperature, gas-cooled nuclear-fission reactors, for not only desalination and related tasks, but the production of synthetic, hydrogen-based fuels, to replace the present degree of reliance on the transport and combustion of petroleum and natural gas, and to shift the use of those latter resources toward their better role as chemical feedstocks for production of needed products. This is also to be viewed as a mission of cleaning up the messes which cling stubbornly to current practices.

This means the immediate development of generally usable prototypes in production and use of such synthetic fuels.

The longer-range mission must be the management of mineral resources generally, to reverse the present trend of rapidly increasing the per-capita cost of production of refined primary commodities.

ment of the whole area of the U.S.A. should, once again, emphasize decentralized, economical scales of daily life's routine, distributed rationally over the territory of our nation.

This means a complementary return to proper emphasis on mass transport of people and goods. This means a relative deemphasis on long-haul highway transport of freight, and greatly increased emphasis on a functionally integrated, rational configuration of water, rail, and air transport. This means, inclusively, the use of maglev trunk-routes for high-density transport of people, and also of freight, It means high-speed rail for intermediate connections among urban and suburban areas. It means rationalized organization of air transport, relative to these improvements in rail. It means, inclusively, cutting back on the vast waste of human life caused by what should be considered unjustified time lost in commuting by highway and other means.

Under this same general heading of economic mission-orientations, we must take into account the presently inevitable, now onrushing general collapse of the nation's great real-estate bubbles. As suburban areas around Washington, D.C. exemplify an important aspect of this anomaly, most of the development so-called is of poor, sometimes unspeakably poor quality, and situated in areas in which necessary infrastructure is not supplied, or is vastly inadequate relative to any reasonable standard of urban and suburban planning. The inevitable collapse of the leading real-estate bubbles of this and related areas, defines imperatives for distributing economic functions of the nation widely, thus reversing the trends of the recent quarter-century.

Moving people into rationally designed communities of a relatively decentralized character, around the nation, means a shift of places of employment and so forth, to the effect of a health-promoting decompression of congested localities, and the need for a highly efficient national transport system, which shifts the daily costs and lost time of commuting downward, in favor of highly efficient modes of mass transport among population centers.

This needed change means shifts in the distribution of power plants, shifts in the development and management of fresh-water supplies, and promotion of the development of green in presently decadent and arid regions of the national territory. This is also required to prepare us to meet the growth of population we must reasonably expect for the coming two generations.

5.) In principle, the relevant portions of the present automotive sector have an already established overlap with our space and general aeronautics programs.

So far, the accomplishments of our space program have implied less and less emphasis in fact on exploring other planets, than on exploring the common systemic nature of



Ford Motor Co.

This Windsor, Ontario Ford assembly complex, still employing 2,200 production workers, is being closed despite recent heavy capital investment of hundreds of millions of dollars into its machine-tool and flexible production capabilities.

the Solar System which we share with the other regions of our Solar System as a whole. As the demand for scientific progress grows relative to life on even this, our immediate planet, the distinction between life and physical chemistry on Earth and the physical chemistry of the Solar System generally will tend to vanish. There are processes in the Solar System and even beyond which represent the power to control crucial aspects of the conditions for our existence on Earth itself; we must go out to explore and meet those processes. The natural commonality of space-oriented aeronautics and the work and products of the machine-tool sector back here on Earth will naturally meld as the name for physical science becomes, quite naturally, applied astrophysical science.

The immediate practical implication of that same point, is that the current requirement for mastering the Biosphere in depth, is a requirement which includes the need to raise the qualitative level of production in Asian society and Africa, for example. This means that those more developed regions presently in places such as Europe and the Americas, must emphasize mobilization of their own efforts in the direction of science-intensive approaches to the needs of the planet and its populations as a whole.

On this account, it is to be stressed that the same machine-tool-design principle which marks the driver of a successful automotive and aeronautic industry, is the principled feature of experimental designs of test of principle in fundamental scientific work. The challenge of industry during coming decades, will be to upgrade the natural potential of all machine-tool-design work to the level of the refined use of those skills in fundamental scientific discovery. This is work to be carried forth in ways which echo the mobilization of the automobile industry for victory against Hitler's warfare.

Use It or Lose It: Auto Capacity 50% Unused And Going, Going, Gone

by the Staff of *Executive Intelligence Review*

The large assemblage of critical auto-industry capacity whose near-term closing or sell-off has already been announced, is represented in part by the map and table of 64 auto assembly, production, parts and supply complexes on pages 12-14. It comprises 73 million square feet of industrial capacity, much of it richly supplied with machine tools, and with machines of both high precision and flexibility, and large force and lifting capability. If you add the square footage not being utilized in plants that are scheduled to remain open, the total amount of industrial capacity not being used is at least 100 million square feet.

The planned shutdowns will cost 75,000 skilled industrial jobs directly; and through immediate radiating effects on smaller supply plants and machine-tool shops, 300,000 more. What is about to be shut represents, in automobile-industry terms, the capacity to build 2.5 million or more cars and light trucks a year. But in terms of urgent national economic investment, it represents a unique industrial capability to build the United States “a new national infrastructure” of transportation, power, and so forth.

Interviews with representatives of the engineering and production workforces in the industry make clear, among other things, that this is by no means the full measure of unutilized, “lost” capacity which could be restored. Since about 1985, five jobs have disappeared for every one which remains in a typical auto parts or supply plant; and two jobs have gone for every one that remains in a typical assembly or engine plant. The Lockport, New York Delphi Corporation facility which makes heating and cooling systems—one of the very few *not* marked for shutdown by Delphi’s bankrupt management—serves as an example. Though the complex will apparently remain open, the largest production building at Lockport is completely empty and used only for storage now; two other production buildings operate at 50% and 33% capacity; the machine-tool-making part of the complex has shrunk from 550 to 250 highly skilled employees; and the overall workforce has fallen in 15 years from 11-12,000, to about 3,700 now, and still shrinking.

And among some of those plants about to close this year or next: Delphi in Columbus, Ohio employs 845 of what was once a workforce of 5,000; Vandalia, Ohio Delphi electronics has 650 workers of its 1990 total of

2,400; General Motors’ Pittsburgh Metal Center has 600 remaining of a peak of 3,500 workers; the Ypsilanti, Michigan Visteon parts employed 4,000 workers at one time, and now has 700, with 9 of its 12 stamping presses recently unused; and the Adrian, Michigan Delphi plastic injection mold plant, with a legacy of many industrial missions since World War II (see article, p. 24), has 385 workers left of its 1,150 workforce 20 years ago. Among assembly plants, Ford’s Hazelwood facility outside St. Louis is typical: It employed 3,000 skilled production workers only 11 years ago; but had shrunk to 1,700 employed when it closed down on March 11.

Thus, take this highly adaptable unutilized auto sector capacity, and employ it in building a critically needed new national infrastructure under a Federal reorganization; and as many as 2 million Americans would be newly employed, or re-employed in industry—in a nation which has *lost* 2 million industrial jobs in five years.

Fail to do so, and recent reports show that the majority of this unutilized capacity will have been demolished by 2008. Its rich stock of machine tools will be sold for scrap or “wind up in Mexico” and low-wage outsourcing locations in Asia and South America, where auto firms are “parking” increasing amounts of that machine-tool stock in their globalized operations.

Plant Capabilities for the Legislation’s Purposes

A survey of some examples of closing, and otherwise underutilized, auto capacity shows that not only can it be employed for Federal, general-welfare purposes of construction of vital economic infrastructure: It has been so employed. Older facilities all over Western New York, Ohio, Michigan, Missouri, and elsewhere famously produced aircraft and many other munitions during World War II, as the result of a national “conversion” process proposed by the United Auto Workers’ Walter Reuther already at the end of the 1930s. In 1945 Reuther proposed they be reconverted to railroad building and housing construction, through Federal authorities; though this wasn’t implemented, many plants continued to convert to make other products besides automobiles.

Veteran auto workers report that the older auto plants—with their larger spaces, heavy machinery, and

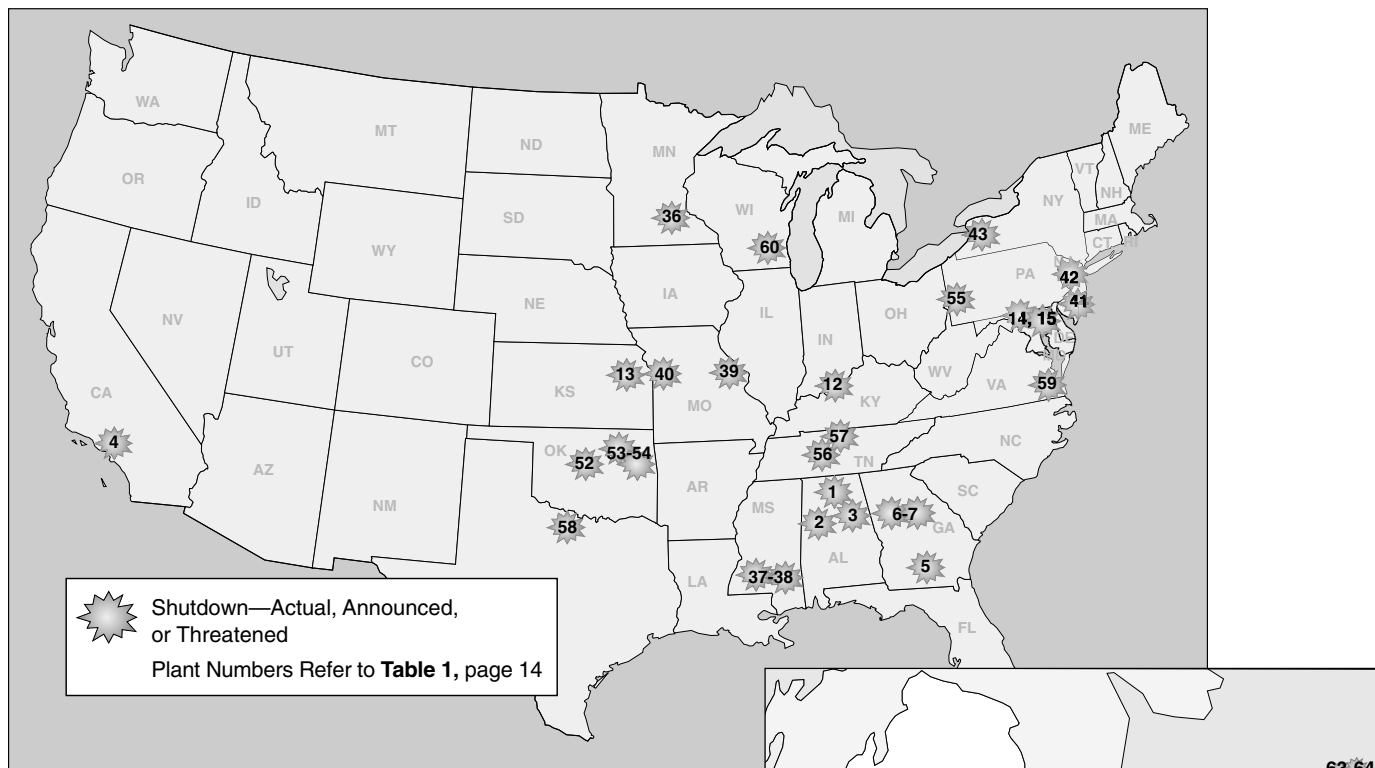
rail as well as truck doors, are industrially more adaptable than newer plants often built to produce a single product. It is a striking fact that the automakers, in many cases, have recently poured hundreds of millions in new machinery and equipment investments into these established plants, only to turn around and shut them down under the savage “demands” of globalization. This is true of the Norfolk, Virginia Ford assembly plant, for example, of the Ford and GM plants in Oshawa and St. Catherines, Ontario, and others. These plants are capable and versatile.

Nuclear fuel rods were fabricated and other nuclear-plant parts made—as in LaRouche’s proposed legislation—by both the Fenton (St. Louis) Chrysler facility, and the

Adrian, Michigan Delphi instrumentation plant in the 1950s. The Adrian plant produced aluminum during World War II and the late 1940s; aircraft parts and brakes for aircraft and army trucks during the Korean War; fabricated nuclear fuel rods and piping in the 1950s for Bridgeport Brass Company; then produced aluminum again in the 1960s, for Harvey Aluminum and for Martin Marietta; and then from 1974 until now, built and operated plastic injection molding presses for Chevrolet and for Delphi.

The necessity to completely rebuild and refurbish the ancient, too-small, and outworn dams of the entire upper Mississippi River system, has been recognized by many in Congress. As LaRouche proposes, the large modern mitre

FIGURE 1
64 ‘Excess’ Auto Plants Available for Operation by a Federal Infrastructure Corporation



Industrial Capacity Challenges Congress: Use It or Lose It

“Here’s how this thing is going to work. You’ve got somewhere in the range of 35-40% capacity utilization, among the Big Three auto companies. We know it most concretely in the case of General Motors, that it’s about a 35% utilization, in order to actually produce their market share of cars and trucks and SUVs and all of this. . . . So, that section of these auto companies, we’re going to hive off, and they’re going to continue to operate the way they’re operated. But we’re going to take the unused capacity under receivership of some kind of temporary government agency, and take that idle plant capacity, the laid-off workers, and give them specific, vital assignments in this rebuilding of the country’s infrastructure. So we’re going to actually put those elements of the auto sector that are right now either unused, or underutilized, . . . into Federal government receivership reorganization. And we’re going to hire workers back, and we’re going to emit Federal credit.”

TABLE 1

Shutdowns/Sell-Offs Ongoing, of Major Auto Plants

No.	State	City	Type of Facility	Hourly Workers	Salaried Workers	Plant Millions Sq. Ft
1	Alabama	Athens	Delphi Electrical/Steering	2,037	174	0.7
2	Alabama	Cottondale/Tuscaloosa	Delphi thermal and interior	225	40	0.2
3	Alabama	Gadsden	Delphi thermal and interior	185	40	0.3
4	California	Irvine	Delphi electronic systems	89	4	0.2
5	Georgia	Fitzgerald	Delphi Batteries	363	22	
6	Georgia	Atlanta/Hapeville	Ford Assembly	1,978	174	2.8
7	Georgia	Doraville	GM Assembly	2,856	220	3.6
8	Indiana A	Indianapolis	Visteon Steering Components	1,800	300	
9	Indiana	Anderson	Delphi Energy & Chassis	791	89	0.5
10	Indiana	Muncie	GM Transmission	385		
11	Indiana	Kokomo	Delphi Environment & Safety	2,421	2,913	2.3
12	Indiana	Corydon	Tower Automotive stamping	800		
13	Kansas A	Kansas City	Visteon IP/Lamp Assembly	95	15	
14	Maryland	Baltimore	GM Assembly	883	120	3.0
15	Maryland	Baltimore	GM Transmission (PT)	376	68	0.4
16	Michigan	Adrian	Delphi thermal and interior	387	66	0.3
17	Michigan	Grand Rapids	Delphi energy and chassis	543	110	1.8
18	Michigan	Coopersville	Delphi energy and chassis	575	95	0.3
19	Michigan A	Monroe	Visteon Chassis	1,330	220	
20	Michigan A	Milan	Visteon Powertrain	900	150	
21	Michigan A	Saline	Visteon Interiors	1,585	265	
22	Michigan A	Ypsilanti	Visteon Chassis	770	130	
23	Michigan A	Plymouth	Visteon Climate Control	1,245	205	
24	Michigan	Wixom	Ford Assembly	1,663	167	4.7
25	Michigan A	Chesterfield Twnshp	Visteon Seating Foam	155	25	
26	Michigan	Lansing/Delta Twnshp	GM Assembly	130	16	
27	Michigan	Lansing/Grand River	GM Assembly	1,303	185	2.
28	Michigan	Lansing	GM Metal Center	1,514	144	1.
29	Michigan	Flint East	Delphi Exhaust Systems	649	84	1.1
30	Michigan	Flint East	Delphi Energy, Engine	2,173	257	4.2
31	Michigan	Flint North	GM Powertrain	2,262	360	
32	Michigan	Saginaw	GM Malleable Iron (PT)	292	41	0.3
33	Michigan	Saginaw	Delphi energy and chassis	1,015	185	0.7
34	Michigan	Saginaw	Delphi steering systems	3,780	1,200	1.0
35	Michigan A	Shelby Township	Visteon Interiors/Exteriors	1,415	215	
36	Minnesota	St. Paul	Ford Assembly	1,805	160	2.1
37	Mississippi	Brookhaven	Delphi electronic	479	44	0.2
38	Mississippi	Laurel	Delphi Energy Systems	73	9	0.2
39	Missouri	St. Louis/Hazelwood	Ford Assembly	1,589	153	3.2
40	Missouri A	Kansas City	Visteon lamp assembly	95	15	
41	New Jersey	New Brunswick	Delphi Batteries	283	29	
42	New Jersey	Linden	GM Assembly	1,654	88	2.6
43	New York A	West Seneca	Visteon Compressors	110	85	0.3
44	Ohio	Kettering	Delphi Thermal Systems	1,094	147	2.6
45	Ohio	Moraine	Delphi Energy & Chassis	1,145	113	0.3
46	Ohio*	Moraine	GM Assembly	3,821	344	4.1
47	Ohio	Dayton	Delphi Compressors	1,409	252	1.2
48	Ohio	Vandalia	Delphi Interiors	641	3	0.7
49	Ohio A	Sandusky	Visteon Lighting	1,285	215	
50	Ohio	Columbus	Delphi thermal and interior	737	105	1.4
51	Ohio	Sandusky	Delphi energy and chassis	930	212	1.3

(continued)

gates for these many scores of obsolete lock-and-dam systems, could be built at the Delphi plants in Buena Vista Township, or at Lockport, New York. The latter has rail doors and a "North High Bay," with 80-foot ceilings, 100-ton cranes, and large presses, where aircraft were built 60 years ago; the former has a huge bay with 2,000-ton press-

es and drop forges, three stories tall and set three stories into the ground, and two railroad doors. This plant could also build high-speed railroad stock or other heavy infrastructure. There are numerous other such plant layouts being closed or going unused.

The St. Louis area's five major auto assembly plants of

TABLE 1 (Continued)

Shutdowns/Sell-Offs Ongoing, of Major Auto Plants

No.	State	City	Type of Facility	Hourly Workers	Salaried Workers	Plant Millions Sq. Ft
52	Oklahoma	Oklahoma City	GM Assembly	2,534	200	3.9
53	Oklahoma A	Tulsa	Visteon Glass	600	100	
54	Oklahoma	Tulsa	Delphi	118	6	
55	Pennsylvania	Pittsburgh	GM Metal Fabricating	541	72	0.9
56	Tennessee	Spring Hill	GM Assembly	5,067	709	5.2
57	Tennessee A	Nashville	Visteon Glass	730	120	
58	Texas	Wichita Falls	Delphi energy and chassis	198	30	0.5
59	Virginia	Norfolk	Ford assembly	2,400		
60	Wisconsin	Milwaukee	Delphi energy and chassis	485	70	0.5
Canada						
61	Ontario	Windsor	Ford Engines	2,200		
62	Ontario	St. Catherines	GM Powertrain	300		
63	Ontario*	Oshawa Plant #1	GM Assembly	1,000		
64	Ontario	Oshawa Plant #2	GM Assembly	2,300		

The Last Decade: 1996-2005

State	City	Type of Facility	Workers	Company	Year Closed
Alabama	Athens	Electrical, Steering	2,037	Delphi	2001
Indiana	Indianapolis	Foundry	881	Chrysler	2005
Maryland	Baltimore	Assembly	883	GM	2005
Michigan	Detroit	McGraw Glass	717	Chrysler	2003
Michigan	Detroit/Mound Rd.	Engine Plant		Chrysler	2002
Michigan	Dearborn	Assembly	2,000	Ford	2004
Michigan	Detroit/Mt. Elliot	Tool & Die	290	Chrysler	2003
Michigan	Dearborn	Vulcan Forge	80	Ford	2003
Michigan	Detroit	Tank	536	Chrysler	1998
Michigan	Flint/		1,200	GM	1999
Michigan	Saginaw	Malleable Iron (PT)	292	GM	
New Jersey	Linden	Assembly	1,654	GM	
New Jersey	Edison	Truck Assembly	900	Ford	2004
New York	Tarrytown		3,456	GM	1996
Ohio	Brook Park/Cleveland	Aluminum Casting	78	Ford	2003
Ohio	Toledo	Machining	1,628	Chrysler	2003
Ontario	Windsor/Pillette Rd.			GM	2001-03
Quebec	St. Therese	Assembly		GM	2002

A = Facility in Ford Motor Company's "Automotive Components Holdings, LLC," as of Oct. 1, 2005

*Third shift at the plant will be eliminated; figure represents one-third of the plant's production workforce.

Sources: Industry employees; General Motors Corp.; Ford Motor Co.; Delphi Automotive; Visteon Corp.; *EIR*.

GM, Ford, and Chrysler (the Ford plant just having closed to auto production), together with the many surrounding suppliers and machine shops, are served by railroads at a kind of national hub; the city area also features railroad repair yards. They constitute an ideal center for new construction of electric locomotives, rolling stock, and other components of a high-speed rail system for the nation—as LaRouche's outlined legislation intends. The Chrysler plants and one of the Ford plants have had major investment into new tools, robotics, etc. in the past decade. The Chrysler plants built aircraft in the 1940s, then tanks through the Korean War, and finally nuclear fuel assemblies in the 1950s.

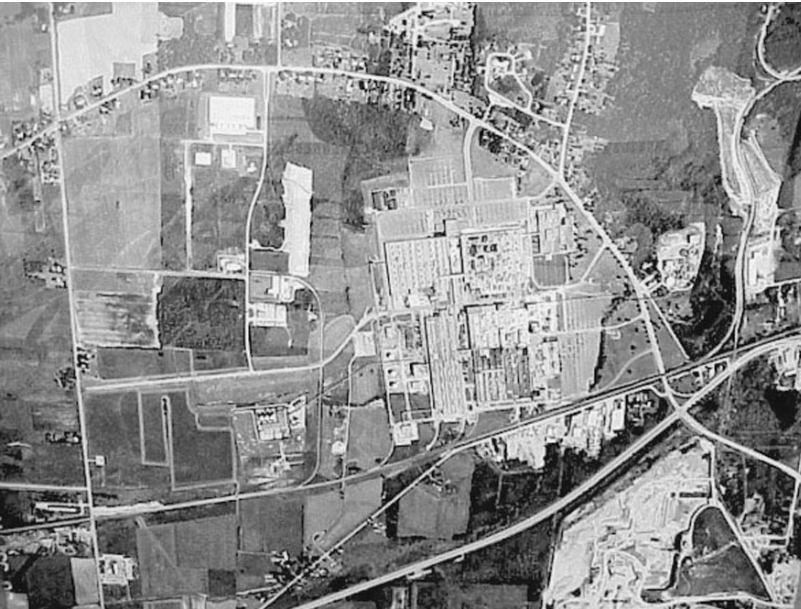
The Michaud, Louisiana plants where NASA has built major rocketry were Chrysler plants; the connection to aeronautics is clear in many parts of the auto industry.

The Lima, Ohio Chrysler plant, about to shut down with only 200 of its 3,800 workers remaining in 2001, was taken by General Dynamics to produce the Abrams Tank, now having a production workforce of 800.

And ironically, several Michigan auto-parts production plants have long had contracts to produce quality personal and automotive armor for police departments—even as Members of Congress complained bitterly that U.S. soldiers were dying needlessly in Iraq due to inadequate production of armor for Humvees. Why was the Pentagon not instructed to get the Humvee armor built in auto plants, which could have rapidly retooled to mass-produce it?

Specifically, Machine Tools

The tool-and-die centers of the auto sector are its centers of industrial creativity—"new-build" as some are



Niagara Falls Historical Society

Just a portion of the Lockport, New York auto plant complex now owned by Delphi Corporation, a part of which has been closed down—and other parts 50-70% underutilized. Served by railways (below) and highways, with heavy lifting machinery in one huge bay, the plants here have built aircraft in the past, and could build rail systems in the immediate future.

called—where the machines and forms used by the rest of the industry are designed and built. They are already razor-thin lines of skills and capacity, in grave danger of disappearing entirely, outsourced to Asia.

Typical tool-and-die and metal shops are losing 50% or more of their workers. General Motors has five tool-and-die centers: the Mansfield Metal Center in Ohio; the Marion Metal Center in Indiana; Flint Tool and Die, Pontiac Metal Center, and Grand Rapids Metal Center, all in Michigan. Three of the five are being idled. Their employment—which makes possible the work of all 100,000 GM production employees nationwide—is falling this year from about 1,600 to just 1,275 workers now, and likely to 750 tool-and-die workers by July. (A comparable Delphi Corp. “new-build” center at Lockport has fallen from 550 to 250 millwrights, tool designers, die makers, plastic form makers, and so on.) A “corporate standard die” is the basic measuring unit of highly skilled machine-tool work, and GM’s machine-tool centers have already dropped from 1,600 to 1,000 corporate standard dies/year of work, a 40% fall-off.

The clear threat now exists, that this creative core of the whole industry will completely disappear in the near term, with tooling completely outsourced to (typically) India, China, and Korea, and to small U.S. machine shops which often have to partner by computer with Indian or Chinese corporate operations. The loss to U.S. national industrial capabilities would be immense, all out of proportion to the numbers of employees involved. This is doubly dangerous because nearly the same degree of loss of machine tooling and product control by outsourcing, is occurring in the U.S. aerospace sector, the other remaining American fount of machine-tool capability,

which has shrunk even faster than auto.

In a DVD on auto retooling just released by LaRouche PAC, “Auto and World Economic Recovery,” several auto union leaders and local elected officials stress the national security question constantly brought up by auto and aerospace workers. What happens if, in a time of extended war, United States industry has become *completely* dependent for machine tooling, on Asian nations, and can’t design weaponry, or NASA space activity, without purchasing “outsourced” machine design? As one union representative put it: Through globalization, we are actually oppressing China by the massive outsourcing of manufacturing there, exploiting super-low wages. What if tensions over this, lead to real hostilities, and we have at the same time become strategically dependent on China or other Asian nations for our machine-tool capabilities?

Congress can head off just such a potential strategic predicament, as well as serving the nation’s general welfare, by intervening as LaRouche proposes.

Engineering and design workforces in the auto industry perform a function related to creation of machine tools, though also heavily involved in “styling.” These workforces would play an important role as the mobile inspection/planning force for an industry-wide “retooling,” assessing the rapid conversion of appropriate plants to specific infrastructure building. Though not yet *in extremis* like the teams of tool-and-die workers, they are also shrinking. Ford’s workforce, for example, is 11,000 for engineering, design, and analysis. One design team there had 1,500 engineers and designers at its peak in the early 1980s; 7-800 in 1995; and now, 350. Outsourcing, in this case, has gone primarily to India.

The potential represented by this engineering capacity is breathtaking. One employee of a leading automaking engineering department told *EIR* that there has been a revolution in machining through the use of what is called the “flexible design process.” Built into the flexible design process are hundreds of robots and advanced machine tools. There are transfer machines: for example, one transfer machine may move a work-product to say 12 coordinated work stations, where a specific operation is done, in a specific time and order, and then it is moved through and between successive work station. This process dramatically increases the speed of operations, because the robot can choose and load parts much faster than people.

In retooling, the engineer indicated, the machine tool designs for new products are typically able to be installed within two weeks, after they are designed. In some cases, the old production lines don’t even have to be shut down, but installation of the new line can go on in parallel.

State-City Function and Revenue

Local elected officials throughout the auto plant-closings locations of the Upper Midwest and South, are hold-

ing meetings, hearings—the case of Lansing on April 29, attending demonstrations—and searching for solutions to the loss of a large portion of their revenue base. The imminent closing of Saginaw, Michigan’s remaining two parts plants, for example, lays off the equivalent of 10% of the city’s shrinking population, and takes away even more of its tax base. The school system revenues of two Ohio cities, Batavia and Sharonville, are knocked down 30% by the closing of a Batavia plant. Hazelwood, Missouri will probably lose its police force and other services along with its Ford plant, having to turn to the state or county for police protection. In Michigan, Ohio, and Indiana, home real estate valuations are falling statewide, and tax revenue with them.

The desperation solution of huge tax giveaways to auto companies, to try to induce them to maintain operations or start new ones, can’t work. The State of Mississippi (see article, p. 60) in 2004 gave up \$460 million in tax breaks, free land, and straight subsidies to

Nissan, averaging \$60-70,000 per job “created” by Nissan with its Canton plant. Now Mississippi is finding, due to Nissan’s extreme low wage policy, that at best it will take 20 years of payroll taxes to recover the revenue lost. Note the small city of Fenton, Missouri floating \$1 billion (!) in industrial development bonds to implement tax abatements for the Fenton Chrysler plants. And note Missouri proposing to eliminate entirely its state sales tax on cars made in Missouri, forgoing \$1,000 per vehicle to try to keep the assembly plants open.

Such local “solutions,” like local attempts to find a way of saving an auto plant by “converting” it to fit a niche in the local service economy, are just straws in the wind of the collapse of auto under globalization. A Federal solution as LaRouche puts forward, through the issuance of Federal infrastructure-building credit, can maintain and expand these bases of state and local tax revenue as well.

It’s Been Done Before!

The proposal to retool the auto industry in order to meet the vital needs of our nation, has a precedent in the period of World War II. On the initiative of UAW leader Walter Reuther, in 1940, the FDR government carried out a dramatic transformation of auto plant capacity, from making cars, to making materiel for the war. Reuther’s plan, entitled “500 Planes a Day,” was, in fact, surpassed, once the transformation got underway.

At the conclusion of the war, Reuther made an equally dramatic proposal for reconvertng the auto plants back to meet not only transportation, but other urgent needs. Unfortunately, that proposal was not acted upon.

We quote Reuther:

1940: “The workers in the automotive industry believe that the way to produce planes quickly, is to manufacture them in automobile plants. The automotive industry is operating at only half its potential capacity.”

“New plants cannot be built and put into operation in less than 18 months. In 18 months Britain’s battle . . . may be lost, and our own country left to face a totalitarian Europe alone.” And then the key driver-concept: “We propose, instead of building entirely new machines, to make the tools required to adapt existing automotive machinery to aircraft manufacture.

“We propose to transform the entire unused capacity of the automotive industry into one huge plane production unit. . . . No industry in the world has the tremendous unused potential productive capacity of the American automotive industry, and no industry is as easily adaptable to the mass production of planes.”

1945: In July of that year, as it was clear the war was won, Reuther published a paper entitled, “Are War Plants Expendable?: A Program for the Conversion of Government-Owned War Plants to the Mass Production

of Modern Railroad Equipment and Low-Cost Housing.” Excerpts follow:

“There will be those who will label this program impracticable; who will assert that wartime production facilities cannot be converted. A similar cry was raised by spokesmen of the automotive industry in the fall of 1940, when labor called for conversion of that industry to war production. At that time, we heard that only 10-15% of the industry’s machinery was convertible. Yet three years later, on November 22, 1943 . . . Mr. K.T. Keller, President of the Chrysler Corporation, testified before the Truman Committee of the United States Senate that ‘around 89%’ of Chrysler’s machines had been converted to war production—and could be converted back to civilian production. . . .”

Public Authorities Proposed

“We propose that the Congress set up two public authorities, similar in organization and function to the Tennessee Valley Authority: a Housing Production Authority, and a Railroad Equipment Production Authority.

“These public corporations will be authorized to operate government-owned war plants as they become available in a comprehensive program for the manufacture and distribution of low-cost housing and modern railroad rolling stock.

“Within 90 days after this program had been authorized, modern railroad cars could be rolling out of the Willow Run plant. . . .

“With final victory, we can employ, through this twofold program, six million people who would be engaged directly and indirectly in the mass production and mass distribution of rolling stock and low-cost housing.”

DISCUSSION MEMORANDUM

Rebuild U.S. Military Around A Corps of Engineers Function

by Jeffrey Steinberg

In recent conversations with Lyndon LaRouche, the following set of basic observations and proposals emerged.

1. During his 1989-1993 tenure as Secretary of Defense in the George H.W. Bush Administration, Dick Cheney presided over a radical transformation of the U.S. military, which has now reached a crisis point, where many flag officers, active-duty and retired, have warned that the entire military structure has been hollowed out, nearly to a point of total destruction. The extension of the Iraq mission, and the looming prospect of a broader Persian Gulf military engagement targetting Iran, would be the proverbial “straw that broke the camel’s back” of the U.S. military altogether.

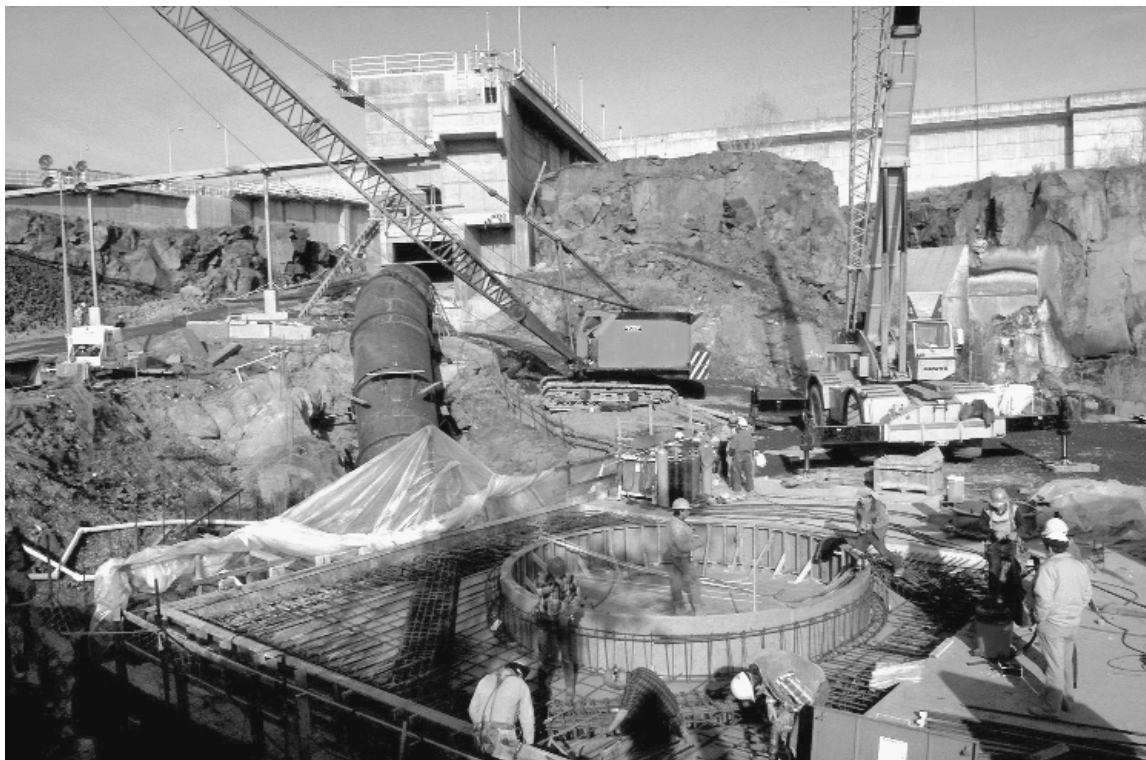
As Secretary of Defense, Cheney first cut the size of the U.S. Army by one-third. During his tenure, the U.S. Army went from 18 divisions down to 12 divisions. Once the military had been severely downsized, under the ostensible “peace dividend,” brought about with the collapse of the Soviet Union, the United States shipped 500,000 troops to the Persian Gulf for Operation Desert Storm. Then Cheney turned around and hired Halliburton to conduct a \$10 million study into how to “outsource” and “privatize” key military support functions. Having created a gaping hole in the military’s readiness, Cheney shoved privatization and outsourcing down the throats of the uniformed military. It was a carefully orchestrated seduction, one in which Cheney played an important, albeit bit part. Others with greater intellectual capacity, like George Shultz and Felix Rohatyn, did the planning. Cheney was the compliant thug who did the implementation. And, of course, when the Clinton Administration came into office, Cheney stepped in as president and CEO of Halliburton, and transformed the petroleum-infrastructure company into the *primo* Pentagon contractor, once he became Vice President in 2001.

2. In reviewing this rough chronology, in light of *Executive Intelligence Review’s* recent in-depth and highly critical study of the outsourcing of national security, Lyndon LaRouche proposed a simple solution to the dilemma of the military’s increasing dependence on Private Military Corporations (PMCs): Reverse direction

altogether, and build back up to an 18-division Army once again. But the focus should be on a real expansion of those capabilities—active and active reserve—that are today vitally needed.

3. First and foremost, LaRouche emphasized the need to revitalize and vastly expand the Army Corps of Engineers, and similar engineering components of the other services, active duty, Reserve, and National Guard. Taken in the context of LaRouche’s May 2 legislative proposal for emergency action to create a Federal bankruptcy administration to revive the dormant production capacity of the automobile-manufacturing sector, with its vital machine-tool capacity, the build-up of the military engineering capacity serves a number of vital requirements. First, the Corps of Engineers plays a critical role in any major expansion of U.S. infrastructure, from water management and high-speed rail, to a vast expansion of America’s power grid, to rebuilding urban centers with new hospitals, schools, etc. There is virtually no ceiling on the amount of vital work that the Army Corps of Engineers can achieve, provided there is a vast Federal government emission of low-interest, long-term credit for these vital infrastructure projects. Even in its present vastly reduced capacity, LaRouche believes that the Army Corps of Engineers still has blueprints for many of the key infrastructure programs that are vitally needed for our nation’s future well-being, and which would provide employment for the soon-to-be-extinct American skilled auto worker. Second, the Corps of Engineers also has a vital overseas mission, training engineering corps from friendly nations, playing a leading role in the launching of vitally needed, large infrastructure projects in Africa, Southeast Asia, South and Central America, etc.

4. The Corps of Engineers, along with the Veterans Administration, and the Public Health Service, represent a critical component of our national disaster response capacity. The Department of Homeland Security has already shown itself to be a bureaucratic nightmare. DHS could be eliminated or significantly downgraded. A study of the Clinton Administration will show that when FEMA



The Army Corps of Engineers will have to play a vital role in expanding American infrastructure and upgrading the skills of the workforce. Here, construction by the Army Corps at the Dalles Dam in Oregon.

U.S. Army Corps of Engineers/Bob Heims

was upgraded to full Cabinet status, and placed under the command of a competent specialist, it was able to perform at a very high level. A revived FEMA, working in conjunction with a revived Army Corps of Engineers, Veterans Administration, and Public Health Service, could play a central role in kick-starting an American economic revival, reversing the past 40 years' trend to deindustrialization, outsourcing, and post-industrial service and entertainment ("Bread and Circus") insanity.

5. LaRouche also emphasized two important psychological benefits from such an expansion of the military, with this reorientation back to the traditional notion of military engineering. There are two segments of the American population that are in big trouble, as the result of collapse of the U.S. physical economy and the disastrous U.S. occupation of Iraq. In every American city, there are a majority of young people who are truly facing a "no future" world. In the poorest areas, there are young people already caught in a life of drugs, crime, hopeless poverty, lack of basic education, and no job opportunities. Many are already second-generation victims of this deep lumpenization and culture of despair and brutality. These young people represent a critical part of the future of our country, and they must be rescued from this disaster. They represent a critical resource for this expanded military-engineering capability. In the 1930s, under the New Deal, it was the Army Corps of Engineers that ran the Civilian Conservation Corps (CCC). Then, as now, there were young men and women, caught in the grip of poverty and hopelessness. They were given job skills. Furthermore, they were taken out of their environment and given a chance, and thrown together with people from other parts of the country with similar

experiences and feelings of helplessness. Given a mission, a job, and a sense that the nation could be turned around, they responded. They later became the soldiers who defeated Fascism in World War II. Along with the urban and rural poor youth, there is another element of the "forgotten America" that must be given a real sense of mission and opportunity. These are the returning Iraqi war wounded, many in their early 20s. Many have suffered life-altering injuries, amputations, etc., and are now suffering from the shock of having their futures taken away. These people could be vital to a revived Corps of Engineers and similar military expansion. They may no longer be able to play a role in a combat unit, but their experience, their valor, their leadership skills, can be put to use, in various training and other capacities. Give them a sense of meaning again in their lives. They more than deserve it for what they have sacrificed for their country.

6. Such a revival of the American System tradition of military engineering, through an expansion of the U.S. military, would more than pay for itself. Right now, our national economy is on the verge of total destruction. As LaRouche has emphasized, if we allow the automobile-manufacturing sector to be wrecked, the United States will become a junk nation. Launch a major infrastructure revival, using the idle capacity of the automobile-manufacturing sector, with its strong machine-tool component, to rebuild our nation's infrastructure; expand the Corps of Engineering function to play a pivotal role in that effort, as the Corps was pivotal to the New Deal job-creation and infrastructure expansion; and the net increase in real wealth of the United States will sustain the effort—and then some.

HYPERINFLATION LIKE WEIMAR 1923

World System on Weimar Collapse Curve

by Lyndon H. LaRouche, Jr.

April 20, 2006

The fakery of the outgoing Alan Greenspan administration, in burying the “M3” report, was clearly intended to conceal the fact that the rate of rate of increase of world prices of primary materials has the world as a whole currently on the same kind of “least-action pathway” curve of hyperinflation which gripped Weimar Germany during the second half of the year 1923 (**Figure 1**).

Comparing the present rates of rates of increase of primary materials prices with the pattern for Germany 1923, indicates the likelihood that, under present U.S. and European policies, the world system could reach a point of collapse of the monetary system by not much later than September 2006, if not earlier.

Under the present trends in policy-making in the U.S. government, both in the careening economic-financial lunacy of the current Bush Administration, but also the “Alfred E. Newman”-like diffidence of a negligent U.S. Congressional fraction of the Democratic Party, the likelihood is that the world system as a whole will be in a U.S.-dollar-triggered collapse-phase before Autumn.

The point is not to predict what could happen by Autumn; the point is to kick the relevant political circles in the Democratic Party with the proverbial two-by-four prescribed for reluctant donkeys, and to do so hard enough, soon enough, and often enough, to move to the kind of emergency reform of U.S. policy which could stave off an otherwise onrushing general breakdown-crisis of not only the U.S. system, but the world system as well.

There is a relative handful of persons, typified by the Brookings Institution-based Hamilton Project team, who are capable of understanding this, and who already have command of most of the essential facts to be considered. There are professionals in other parts of the world, who could begin to understand this quickly, if they were kicked hard enough to come to the necessary state of wakefulness.

The world is thus, now, in the terminal phase of a hyperinflationary collapse of not only the dollar-system, but the world-system as a whole. To bring this into focus, consider the elementary features of the way in which Federal

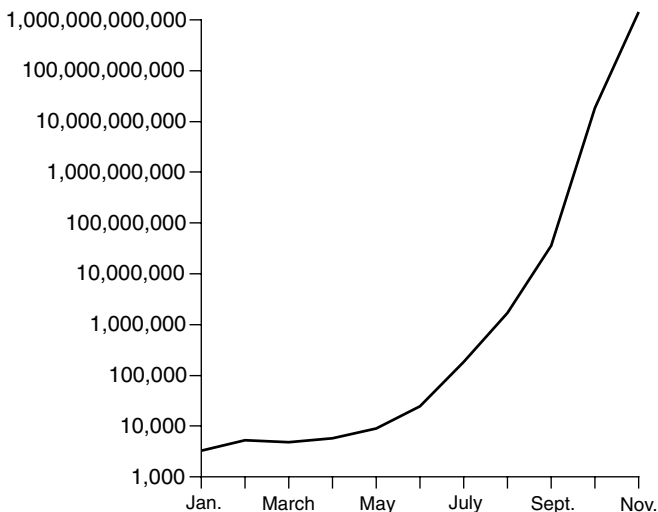


A German housewife in 1923—lighting a fire with worthless currency to cook her breakfast.

Reserve Chairman Greenspan’s lunacy orchestrated the 1987-2006 phase of the relevant hyperinflationary cycle. Keep three illustrative curves in view: 1.) my “Triple Curve,” which, since January 1996, has described the general char-

FIGURE 1
Weimar Hyperinflation in 1923:
Wholesale Prices (1913 = 1)

(logarithmic scale)



acteristics of the ongoing collapse-function of the 1995-1996 interval (**Figures 3-4**); 2.) The curve of 1923 Weimar, Germany hyperinflation (Figure 1); and, 3.) The current hyperinflationary rate of rate of increase of primary commodity prices, as led by petroleum and metals (**Figures 2 and 5**).

(Leave the “supply-and-demand” freaks, and other statisticians from Swift’s Island of Laputa, to play with themselves behind the barn, where they will be happy.)

Essentially, what Greenspan did, was to bail out the banks whose coffers had been emptied by the events of October 1987, by laundering the mortgage-based securities packages of Fannie Mae and Freddie Mac. The real-estate bubble was built up to its presently cancerous proportions for this continuing purpose. This, in turn, provid-

FIGURE 3
LaRouche's Typical Collapse Function

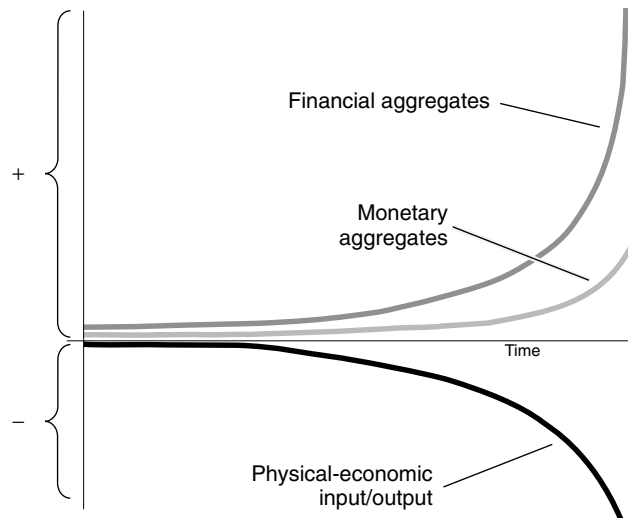
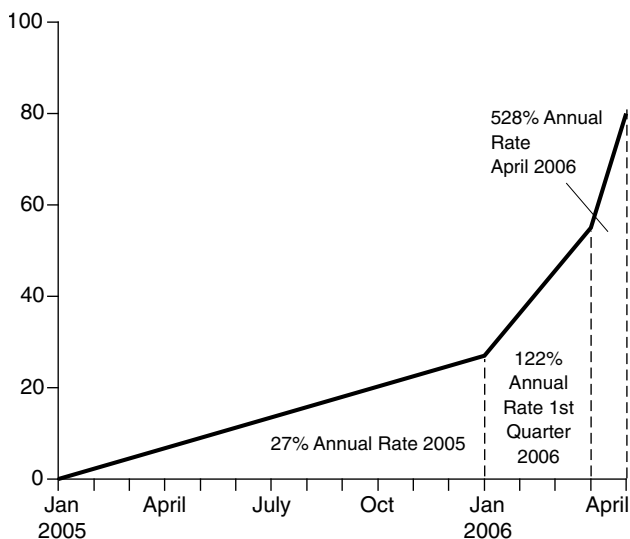


FIGURE 2
Futures Market Mean Price Inflation for 14
Primary Commodities, January 2005-April 2006

(% Rise from January 2005)



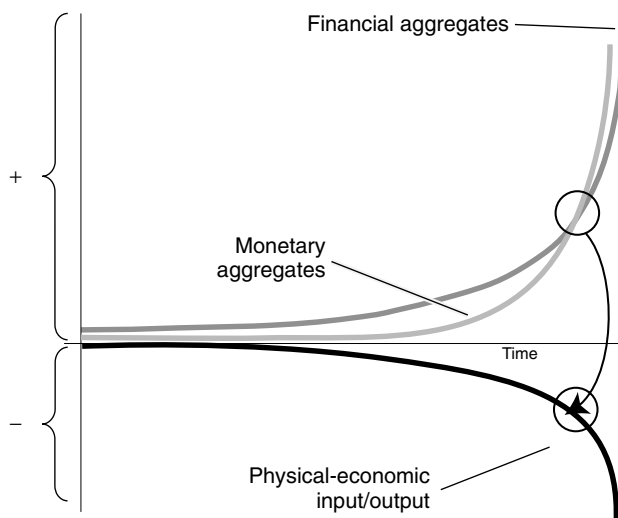
Sources: www.thefinancials.com; ICIS Chemical Business; E/R files.

ed the baseline of monetary and derived financial emission for what was to become a hyperinflationary expansion of a physically contracting economy. (See my Triple Curve.)

In the end, this became the core of a global financial-monetary bubble comparable to that of medieval Venice’s tool, the Lombard League of Europe’s Fourteenth-Century collapse into a New Dark Age. However, in this case, the end-game phase of this hyperinflationary process was cornering of the world market in primary materials.

For those shrewd enough to recognize that the present

FIGURE 4
The Collapse Reaches a Critical Point Of
Instability



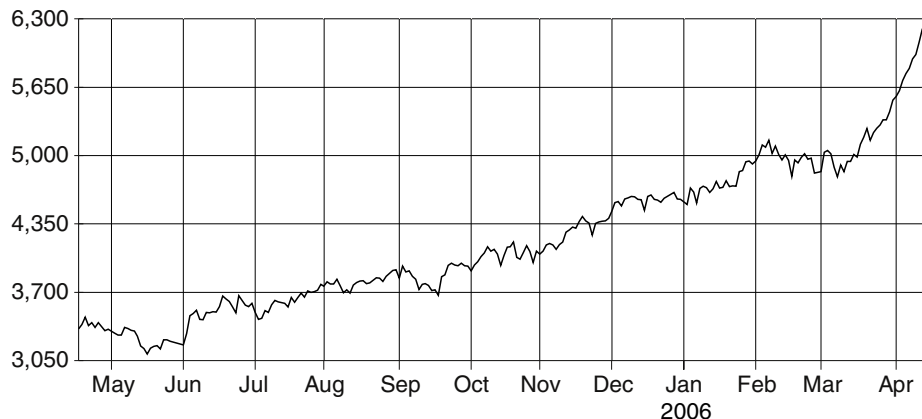
world financial system is already hopelessly doomed, the witting class of predators must have a “landing place” outside the bounds of such a general financial-monetary collapse. Essential raw materials represent that landing-place.

Therefore the rate of inflation of the rate of inflation in the market for primary commodities is the characteristic curve of the present world monetary-financial system. This rate of rate of inflation, as reflected in the concealed behavior of M3, is the curve which corresponds to the Weimar Germany hyperinflationary curve of June–November 1923.

Underneath it all, is Leibniz’s catenary-cued principle of physical least action, the fundamental principle of the Leibniz infinitesimal calculus and Leibniz’s original correct discovery of the natural-logarithmic function

derived from the double-catenary characteristic of the least-action principle. The comprehension of such systems in general, is found in the work of Riemann on hypergeometries.

FIGURE 5
Copper Prices
(April 18, 2005–April 17, 2006)



A Flood of Funds, Central Banks Feed It

Figure 2 shows the average annualized rate of inflation of the futures-market prices of a basket of 14 “primary commodities,” into which speculative funds’ money has been flooding, while their last gulf—the U.S. real estate/housing bubble—has started to shrink. The rates are shown for three periods: a year, followed by a quarter; followed by a month; graphically illustrating the continuing acceleration of the rate of inflation in those commodities. The commodities are: Brent crude oil, propane, and gasoline; the common plastic base HDPE (high-density polyethylene extrusion); the metals zinc, copper, aluminum, tin, lead, nickel, and platinum; and the precious metals gold, silver, and palladium. **Figure 5** shows the actual futures price of one of those—copper—over the last 12 months, as a sample which shows the same increasing rate of the rate of inflation as the basket of 14, without the brief, wild fluctuations shown by some of them along the way.

For 2005 as a whole, the futures prices of the basket of 14 primary commodities inflated by 27.3%; then in just the first quarter of 2006, they inflated by another 22.2%; and in April 2006 (actually, in *just the first 19 days of April*), by a further 14.9%.

The modern-era’s model for this accelerating inflation—*hyperinflation*—is 1923 Weimar Germany (**Figure 1**), particularly the June–November period of that year which ended with Reichsmarks losing their value entirely.

The driver for this hyperinflationary process is hedge funds and commodity index funds pouring speculative

money in, irrespective of any “fundamentals” of supply or demand. While forecasts had been that speculative funds flows into commodity index funds would increase from \$80 billion in 2005 to \$120 billion this year, the figure appears to already have reached \$100 billion by April. And these index funds are only one part of the huge flows from banks, hedge funds, private equity funds, derivatives speculators, and even the now-besotted “conservative” institutional funds like pensions. This flood of funds begets a second inflation driver—mergers. In gold, for example, since September 2005, there have been at least 20 significant mergers and/or acquisitions (M&A) in the global gold industry alone (compared to just 5 in the first half of 2005), reports Merrill Lynch. The same is true for aluminum, nickel, and especially energy companies.

Central bank monetary emissions are fueling this bubble process, the extreme point shown in **Figure 3** of Lyndon LaRouche’s Triple Curve Collapse Function. As LaRouche notes, the U.S. Federal Reserve, from its March 23 weekly report on, suddenly suppressed public release of information on its broadest money-supply measure, known as M3, although acknowledging that the Fed is, of course, still gathering and computing this information.

The rate of expansion of M3 has accelerated, even as the financial press abounds with talk of “tightening” by the central bank. For the 13 weeks ended Feb. 27, M3 had grown at a very high 8.7% annual rate. Since then, the data are “classified.”

—Paul Gallagher

Machine Tools Crucial For National Security

The significance of saving the machine-tool sector of the U.S. economy, which largely resides in the auto industry, goes directly to the issue of the national security of the United States, as the following statements by Midwest political and union leaders point out.

Phil Cavanagh
Wayne County Commissioner

“...The tool and die industry is gone, for all intents and purposes. And that worries me, because in World War II, it was the Arsenal of Democracy. So, in war, we could look upon our own people, we could look upon our own industries, to defeat the enemy. Now, if we have a war, America has all these planes and bombs, etc., but we don't have the tool-and-die industry, we don't have the mechanisms to make things ourselves, because we shipped that all over seas. We're going to globalization. But I consider it a national security issue. We can't take care of ourselves.”

Marty Green
Tool and Die Committeeman, Local 730 UAW
Grand Rapids, Michigan

“It is scary. I'm in the automotive type industry. But the die-making groups are spread among the aeronautic industry, or the agriculture industry. And, without tool and die, or without plastic injection molders, if we're going years from now, and we become involved in some small war where we need bombs to be made, or planes to be made—or guns to be made, anything like that—it's going to require a tooling base, to make those things. So, it does bother me. So, I'm hoping that it never happens, I'm hoping we're never in that type of war again. But somewhere

along the line, I don't want to be the one relying, or I hope our country is not relying, on a country—say, China, that has maybe bought up our raw materials and owns the die-making or tool-making knowledge to build those things. And if we're needing bombs, weapons, seals made for space shuttles—it'd be nice to have some control here in America.

“And, I'm hoping that our political people are in tune to that, because it's very scary. I mean, we have a space shuttle blow up, because of a seal not working one time. I would hope that we have complete control of some of those things in this country. Because, if we start outsourcing everything, we've lost our manufacturing base to produce those things, and we're relying on other people. And it's awful scary, and it's putting yourself in a very poor position. . . .”

Oscar Bunch
UAW Leader
Toledo, Ohio

“I think if we had an all-out drive by our government, yes, I sure do [think we could get a mobilization to save the industry—ed]. I think if we can motivate the people to realize this is something we had to do to save our industrial base. Because this is the biggest threat we've got. We talk about the terrorists. The biggest threat we've got is being attacked, and not having the industrial base to fight back. That's a major threat to us. And people don't even realize that today.

“So, we're not equipped to fight a war. We see that now, just with this little war in Iraq. We're talking about 150,000 people there. World War II, we have 15 million people at the war.”

What You Can Do

You, as an American citizen, have the responsibility to act *now*, to save the auto industry, with its vital machine tool capability, and the nation. LPAC's campaign to win the battle for LaRouche's emergency legislation is deadly serious, and we need your help.

Among the immediate steps you can take:

- **Immediately call one of LPAC's offices**, listed on the back cover, and find out how you can get more copies of this pamphlet for distribution.

- **Call the offices of your Congressman, Senators, local representative, trade union leader, or other civic leader**, and demand that they inform themselves about this campaign, and lend it their support.

- **Order a copy of LPAC's latest DVD, “Retool the Auto Industry to Save the Nation,”** and begin to organize showings for your friends and neighbors.

- **Log on to www.larouchepac.com** and find out where you can send a contribution to support this vital effort to save our economy.

Resolutions To Save the Auto Industry

In March 2005, Lyndon LaRouche sent a message to the Senate, urging them to save the auto industry, which is the chief center of U.S. machine tool capacity. Among the various actions taken by localities since then, are official appeals demanding Congressional attention.

In May 2005, the Cleveland City Council passed a resolution of this type. Other major auto-belt cities did likewise over the ensuing weeks, including Detroit (May 8, 2005), Wayne County (Mich.) Commission (June 1), Buffalo, N.Y. (June 14), Columbus, Ohio (June 20), Pontiac, Mich. (June 21), Flint (June 27), St. Louis (July 8), and Louisville, Ky. (Oct. 13).

Vermont is the tenth state in which such a resolution has been introduced, and the third state in which at least one legislative chamber has passed the measure, the other

two being Rhode Island and Alabama.

On May 11, 2005, a resolution was filed in the Kentucky House of Representatives, followed by states including Missouri (May 13), Michigan (concurrent House and Senate, May 18), Rhode Island (June 28), Tennessee (July 6), Alabama (July 20), Mississippi (Aug. 8), New Jersey (Aug. 29, 2005 and again March 6, 2006), Ohio (Aug. 2), Rhode Island (February 2006), Vermont (April 2006), Kentucky State Senate (March 16, 2006). In Alabama, on July 20, 2005, an emergency resolution was passed by the House of Representatives.

The texts of all these resolutions are available on www.larouchepac.com. We include here, as a model, the resolution just passed in Rhode Island.

WHEREAS, An increasing number and variety of relevant specialists are warning that the collapse of the national economy could occur if certain stop-gap and long-term actions are not adopted and implemented to forestall the threats to our economy from the problems associated with the automotive and machine tool sectors of our economy. The loss of the physical capabilities of the automotive industry, and especially its tool sector, could mean the end of America's leadership as a world economic power; and

WHEREAS, It is in the best interests of our national homeland security to have a strong and vibrant manufacturing and industrial sector, capable of producing the necessary machinery and technology to defend the citizens of the United States and protect our interests abroad, but sadly our manufacturing and industrial sectors have been experiencing a dramatic reduction in capacity and production over the last several decades; and

WHEREAS, Government has an obligation to promote economic activity through the creation of new capital investment, which will result in the expansion of employment opportunities and help jumpstart long-term capital investment by private investors. As government leaders, we must ensure the continued viability of our automotive and machine tool industries, which creates the bedrock of Rhode Island and America's economy. The loss of these vital economic anchors would be a disaster with incalculable chain-reaction consequences for our nation and the world; and

WHEREAS, One of the key options is federal capital investment in diversification of the productive potential of the automotive and machine tool industries into a broader mixture of production. Our nation needs to shift into the domain of essential capital goods and economic infrastructure, such as the repair, expansion,

and improvement of our national railway systems, and the development of other urgently needed infrastructure projects. The result of this will be to save existing manufacturing jobs and create large new areas of employment in infrastructure and manufacturing for our citizenry in a manner comparable to the best of the New Deal programs that rescued the nation and the world from the ravages of the Great Depression; now, therefore be it

RESOLVED, That this House of Representatives of the State of Rhode Island and Providence Plantations hereby urges Congress to intervene on behalf of national and related interests to ensure that the productive potential of the automobile industry, with its featured technology and machine tool capability, be held together in place; and be it further

RESOLVED, That this House of Representatives of the State of Rhode Island and Providence Plantations hereby urges the United States government to intervene to vastly expand the construction and maintenance of infrastructure projects and related industries in the nation. The impact of this intervention on the state of Rhode Island will be to provide thousands of productive jobs, repairing our infrastructure. At least ten million jobs could be created nationally in these endeavors, while at the same time maintaining the auto production of General Motors Corporation, Ford Motor Company and their respective subsidiaries. This initiative will restore our tax base and increase the standard of living, in physical terms of our citizenry; and be it further

RESOLVED, That the Secretary of State be and he hereby is authorized and directed to transmit duly certified copies of this resolution to the Rhode Island Delegation to the Congress of the United States.