

our local public/private sector cooperation.”

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

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

Berlin, 2001 and Washington, 2002

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

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

Denver, 2003

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

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

Renault Bid for GM Steps Up Cartelization

by Richard Freeman

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

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

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

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

of whom are African-American—\$9.50 to \$12 per hour, on average, 60% below what a member of the United Auto Workers Union makes. Many Canton workers must work for 18 to 24 months as temporary workers, during which time they receive no benefits. If he has the chance, Ghosn will make this an industry-wide standard.

Mergers and Buyouts

Lazard and the wealthy families of Synarchy see Ghosn as the perfect *gauleiter* instrument to accelerate the cartelization process to Nazi proportions in the auto industry. During the past 10-15 years, the six biggest automakers have carried out a frenzied process of mergers and acquisitions, at each step jettisoning more and more valuable capacity and workers:

General Motors is being hotly pursued by Renault. However, Renault-Nissan would be getting more than GM itself, because GM had been snatching up auto companies on its own. In 2001, GM purchased the remaining 50% of Saab of Sweden, after having bought 50% of the company in 1990. In 2002, GM purchased 100% of Daewoo of South Korea, and several decades ago, GM purchased 100% of Holden of Australia. During the late 1990s and early 2000s, GM bought significant shares of Japanese automakers Subaru, Suzuki, and Isuzu, and of Italian automaker Fiat. It has sold off all but a shrunken 3% share of Isuzu.

Layoffs for 1998-2008: 40-50,000 (projected).

Toyota: In 2001, Toyota increased its stake in Hino Motors, Japan's largest independent truckmaker, to 50.1%. In 1999, Toyota purchased 100% of Daihatsu of Japan. In the 1990s, Toyota bought 100% of Densu, a major Japanese global auto parts producer. In 2005, Toyota bought 8.7% of Fuji Heavy Industries, the maker of Subaru.

Layoffs for 1998-2008: Unknown.

Ford bought 100% of the Swedish company Volvo's car-making capacity in 1999. In 1996, Ford increased its stake in Mazda (Japan) to a controlling 33.4%. In 2000, Ford bought 100% of Land Rover (Britain). In 1993, Ford bought 100% control of Aston Martin (Britain), purchasing the portion it did not already own. In 1989, Ford bought 100% of Jaguar (Britain).

Layoffs for 1998-2008: 40,000 (projected).

Renault, in 2002, raised its stake in Nissan of Japan to a commanding 44%. In 2000, it bought a 70% stake of Samsung Motors (Korea), the motor division of Samsung. Now, Renault seeks to buy 20% of GM.

Layoffs for 1998-2008: 25-30,000 (projected).

Volkswagen, in 1990, increased its stake to 100% ownership of Seat, the largest automaker in Spain. In 1991, Volkswagen bought Skoda, the largest automaker in the Czech Republic. In 1998, it bought 100% of Bentley (Britain) and 100% of Lamborghini (Italy). In 1964, Volkswagen had bought 100% of Audi (Germany).

Layoffs for 1998-2008: 25-30,000 (projected).

Daimler Benz in 1998, purchased 100% of U.S. auto-

TABLE 1

Motor Vehicle Production, 2005

Name of Company	Number of Units Produced* (Millions)	Percentage of World Total
General Motors	9.098	13.9%
Toyota	8.350	12.8
Ford†	6.927	10.6
Renault-Nissan	6.111	9.4
Volkswagen	5.211	8.0
Daimler Chrysler	4.816	7.4
Subtotal top six	40.531	62.0
World Total	65.319	100.0

*includes production of cars, light trucks, SUVs, vans, heavy trucks, and buses

†includes one-third of Mazda production

maker Chrysler. In the 1990s, it bought a stake in Mitsubishi Motors of Japan; it now owns 22%. Daimler also owns 85% of Mitsubishi Fuso, maker of Mitsubishi's trucks. In 1981, Daimler bought 100% of Freightliner, the largest heavy truck producer in North America.

Layoffs for 1998-2008: 30-40,000 (projected).

Lazard at Center

During this process of cartelization, Lazard shows up as advisor and consultant, not only at Renault, but also at GM, Ford, and Volkswagen. For three decades, the managing director of Lazard in New York was Felix Rohatyn.

Almost the entire auto industries of Sweden, the Czech Republic, Great Britain, and Australia were swallowed up, along with important sections of the auto industries of Japan, South Korea, Spain, the United States, and Germany. As **Table 1** shows, these six predator companies dominate nearly two-thirds of the world's car output, becoming aligned into a cartel more powerful than governments. These companies are stalking more takeover targets. That is not to say that each of the auto companies is synarchist-run, but the synarchists control the overall process, and are sinking their teeth into several companies. The merger of Renault-Nissan-GM would create an entity to regiment the whole process.

The factories and workplaces that will be kept open will be those in the Third World, where low wages and sweatshop conditions prevail, as indicated by the June 14 leak that Ford Motor Company plans a massive move of its auto assembly operations to Mexico, even as it shuts down 7 of its remaining 18 assembly plants in the United States and Canada.

Earlier in July, auto sales for the United States in June were announced: Ford's sales were down 6.9%; Daimler-Chrysler's 15%; GM's 25.6%; and Nissan's a startling 19%. Unless Congress adopts Lyndon LaRouche's Economic Recovery Act quickly, there will only be a fraction of the U.S. auto industry functioning by December.