

release on the Connecticut home of Carlos Hank González.

The Mexico activities of William Colby and Ramsey Clark, both long-time Weiner collaborators, indicate strong affinities with Weiner's work.

Colby is a fanatic population-reduction advocate whose special target is Mexico. In an August 1979 article in *San Diego Magazine*, Colby wrote:

"An intelligence report which clearly indicated an invading force of many millions immediately off our shores, threatening turmoil and disruption of the lives of our citizens and physical destruction of our urban areas, would . . . cause immediate emergency action by our national leadership. In fact, all of these threats stand starkly before us, but most Americans have scarcely noticed the threat. . . . The reason for our lack of interest is that the forces off our shores are economic and social rather than military. The population of Mexico today is about 65 million [and] is confidently predicted to at least double by the end of the century."

Colby has stated that it would be futile to attempt to seal the U.S.-Mexico border because "there aren't enough bullets to go around."

Starting in early 1980, Colby discussed with Weiner an in-depth study on the U.S.-Mexico border and immigration flows. Weiner reported to interviewers at the time that the study "will predict what will happen if the United States decides to go ahead with shutting down the border."

Starting in the fall of 1981, according to a *New York Times* profile (Oct. 29, 1981), Colby's principal advice to clients on Mexico was: "*Expect a devaluation of Mexico's currency before next year's general elections.*"

Ramsey Clark's shift from Iran to Mexico was simultaneous with Weiner's, in the winter of 1979-80. On Feb. 7, 1980, he co-chaired a panel of the PEN International writers club in New York convened to examine human rights violations in Latin America. A theme of the conference was that Mexican human rights violations were parallel to those of the Shah in Iran.

In an interview shortly thereafter, Clark stated that "the first thing that comes to my mind in thinking about Mexico is the example of Iran. Iran is the perfect case study on how oil revenues caused a disaster by pushing industrialization. . . . What has to be questioned is the desirability of industrial expansion, especially in a country with the cultural tradition of Mexico. The Mexico government is in fact highly aristocratic. And once you have that, and once you add rapid urbanization, popular resentment and chaos begin, and you have a revolution."

Clark is currently commuting between the United States, Central America, and Mexico, in public support of the Jesuit and Socialist International-directed forces in the Central American bloodbath.

Wharton School Mexico must halt

by Kathy Burdman

"In Mexico City, the growth of the city and the population altogether is mushrooming out of control. . . . We must forcibly introduce contraction, reverse the process where the population is growing out of bounds.

"It's already 14 million, which is ridiculous for any city! Why, if it keeps growing at this rate, it's going to be over 40 million by the year 2000. This city can't support even 14 million, let alone twice that number. It's an impending population catastrophe."

Is this the voice of Dr. Aurelio Peccei of the Club of Rome? Or is it some radical Mexican leftist?

No, this is the quiet voice of Dr. Russell Ackoff, Professor of Social Systems Science and Director Emeritus of the Busch Center at the Wharton School of Finance and Commerce of the University of Pennsylvania. The Wharton School, the world's largest business school with nearly 4,000 students and 200 faculty, has trained many of the professional managers running the world economy today, from the United Nations and the International Monetary Fund to the U.S. government, and major corporations. It has also trained a great many managers of Mexican private corporations, and some in government.

But, contrary to what is expected of a business school, Wharton is training managers to *overthrow* the current Western system of capitalist-based industrial growth and technological progress, and implement a zero-growth new world order based on the policies of Parson Malthus.

Wharton's Busch center, headed by Dr. Ackoff, and the Wharton Econometric Model, run by Nobel Laureate Dr. Lawrence Klein, sell their advice in Mexico as "sound business practice." In fact, their economics and computer-based econometrics sell only one thing: policies of economic contraction deliberately designed to kill upwards of 20 million Mexicans over the next decade.

The quiet Dr. Ackoff, in an interview with a European journalist below, for example, details his plan to ship 7 million people out of Mexico City, and prevent another 26 million from entering or being born in the city during the next 18 years. This is to be done by first "forcibly" removing all industry from the city, shutting down factories, and creating mass unemployment. Secondly, Ackoff advises dismantling the Mexican federal government

operatives say development

itself, which would alone remove 45 percent of the city's population.

Ackoff's urban plan for Mexico's capital is called the "International City Project." It was commissioned by Carlos Morán, Director General of the Mexican Ministry of Housing and Public Works SAHOP (Secretaría de Asentamientos Humanos y Obras Públicas) in 1978, and submitted as a formal government plan to SAHOP, to the Mayor of Mexico City, Hank González, and to President López Portillo's office.

Just who is behind Wharton, and how did it get into a position in Mexico to even hint at such a proposal?

Mexico: the next Iran?

The Wharton School is the major outpost in North America for the Tavistock Institute in England, the leading psychological warfare bureau for the British oligarchy and heir to the policies of Parson Malthus. Since 1970, key Wharton centers have been personally run by Dr. Eric Trist, Knight Order of the British Empire, who was chairman of Tavistock for 15 years before moving to Wharton in Philadelphia.

Trist, now retired Chairman Emeritus of Wharton's Management and Behavioral Sciences Center, was one of the brains behind the zero-growth population-control movement from the early 1950s. He has spent his career developing training programs to sell Malthusian policies to government and business managers, and helped train many of the founders of the Club of Rome.

In particular Trist insisted that "excess" population growth in the Third World would be a major source of "world tension" by 1960. Trist and Ackoff identified populous Third World countries such as Iran and Mexico for devastation, and Ackoff was actually deployed to Iran during 1977-79 to begin training Muslim fundamentalist groups in what eventually became the ideology of Ayatollah Khomeini's fanaticism. The major economic accomplishment of Khomeini's Iran has been to empty the city of Teheran of industry, drastically reduce its population, and throw Iran's economy back to the 14th century.

Mexico has been targeted by Wharton for the Iran treatment for some time, starting with the innocuous-seeming entry of Nobel Laureate Dr. Lawrence Klein

into the country with his computer econometric model, "Diemex," during the early 1970s. It was Klein and computer econometrics that began the first "soft" presentation of zero-growth ideology in Mexico. The Diemex model was "cooked" to purport to prove the insane idea that high-growth policies would inevitably harm Mexico by causing inflation and raising income disparities. (See *EIR*, Feb. 10, 1981.)

And in 1976 Dr. Ackoff began sending into Mexico a series of secret planning documents which called for a radical reorganization of Mexican society. The first paper, "Some Observations and Reflections on Mexican Development" dated Nov. 1, 1976, "created such a stir that the Mexican government revoked my entry rights, for a time," Ackoff told a reporter recently.

In it, the racist Ackoff announced that Mexico should stop importing Western machinery to develop its economy, and concentrate instead on "cultural development," especially use of Indian and other backward art and music. "Development is not a condition defined by wealth," he wrote, "It is a condition defined by what people can do with whatever they have." This is simply Ayatollah fundamentalism, in Mexican dress.

In a recent interview, not excerpted below, Ackoff not only repeated this call for Iran-style "cultural" development, but admitted he was calling for a "primitive communist state" in Mexico. "Capitalism has never worked in the Third World, you know," he said. "You either get mass poverty, or violence." He advocated establishment of communism in Mexico, "which can better mobilize the national culture and will."

Ackoff has also had much experience training terrorists. It was he who in 1967 created the "Mantua Project" in Philadelphia, a black ghetto "cultural program" which produced the "MOVE" cult now responsible for the murder of several Philadelphia policemen. One of Ackoff's graduate students who worked on the Mantua Project, a Mexican named Miguel Szekely, is now replicating the experiment in Mexican villages in the Western state of Nayarit, Ackoff stated. In his 1976 paper, Ackoff called for "more organized and coordinated peasant agitation" against the government.

After 15 years of pouring such ideas into Mexico, Ackoff and Lawrence Klein now claim influence. Klein brags he is bringing the entire economic planner elite of the incoming De la Madrid administration up to Wharton for training in economic modeling and planning early this year. He claims to have trained many of these men, led by one Rogelio Montemayor, a Wharton graduate in computer econometrics.

Klein revealed that he has written a new "policy-planning" computer model to "run" the Diemex model, which will enforce zero growth as a policy in Mexico. This new "optimal control" model can even be used to enforce policies of population reduction, he states.

Wharton's Russell Ackoff demands decentralization and contraction

The following interview with Dr. Russell Ackoff, Chairman Emeritus of the Wharton School's Busch Center for Social Systems Science, was conducted on Dec. 12, 1981. Dr. Ackoff founded the Busch Center and, having worked at the Tavistock Institute in England for over a decade, serves as a member of the editorial board of Human Relations, Tavistock's magazine.

Q: You directed a coordinated project for Mexico City.
A: Yes, Mexico City was deeply concerned with the deteriorating quality of life, extreme congestion, and it all stemmed from excess population. They simply could not maintain such a population on their limited and shrinking resources, such as the depletion of the water supply. The major problem was how to stop the growth of the city and the population altogether, which was mushrooming out of control, and to begin to induce a real *contraction* of the city and the population there.

The problem in Mexico City was much worse than the one we faced in Philadelphia. Philadelphia is already becoming a post-industrial city. It is already contracting nicely by itself, it is already shrinking. In Mexico City we had the opposite problem: we had to forcibly induce contraction in a situation where the population is growing out of bounds. It's already 14 million, which is ridiculous for any city, and it won't stop. Why, if it keeps growing at this rate it's going to be over 35 to 40 million by the year 2000. Now this city can't even support 14 million, let alone twice that number. This is an impending population catastrophe.

Q: How many people can the city support?

A: It ought to come down to half of that at least, no more than 7 million. That's still a lot, of course but I suppose the infrastructure can be stretched to handle it.

Q: What did you propose to do to induce contraction of the city?

A: We made a number of proposals. First and foremost, we proposed to move the federal government out of the city altogether. That would get rid of a lot of population right there; about 45 percent of the city is employed by

the federal government. The government also ought to be dispersed for *political* reasons.

Q: You mean this should be done to reduce the power of the central state?

A: Certainly, the city is too much of a center and the federal government responds too much to the city as a political power base, which in turn gives the federal government too much power. The government should be dispersed to get a more equitable distribution of wealth throughout Mexico, which would decentralize the power base of the Federal government, and force it to respond to the needs of the local areas.

The federal government concentrates on national policy too much. It needs to spend its resources on the regions. So, for example, we proposed they find the worst state with the most backward educational system, and disperse the Ministry of Education out there. Find the most backward state agriculturally, and decentralize the Ministry of Agriculture there.

Q: You mean, take the central government apart?

A: Certainly. Put the ministries out where the problems are, force them to redistribute the wealth and power. Then the other major proposal we made was to prohibit all further industrial development in Mexico City whatsoever, to forbid any new factories from being built, and instead to reverse this and to force industry already there to move out of the city and disperse itself. The Banco de Mexico [central bank] has lead the charge, they've already moved out of the city, they're aware of our advice.

Q: You say "force" industry out? How would this be done?

A: First thing to be done is to make it unprofitable for industry to be in the city, using the free market. For example, if Mexico were to charge the true cost of infrastructure to industry, which is heavily subsidized by the state, they couldn't afford to stay at all. Charge them the true cost of water, of power, of transport. That would mean doubling or tripling, at least, the prices of all these services.

Then we give tax breaks on land costs and to people who move out of the city to build factories.

Third, we move education and culture out of the city. The problem is that Mexico City is the educational and cultural center, where people and companies like to be because there is a high quality of life. We have to move education and culture out of the city, forget the city and develop it elsewhere. We have to reverse the process of education and culture, it's too centralized.

We wrote the plan and submitted it to the Minister of SAHOP and President Portillo's office, as well as to the mayor, Hank Gómez.

Q: Don't you mean Hank González?

A: As I recall, his name was Gómez. I directed the study. Now it's in the hands of SAHOP and the mayor.

Q: What else did you propose?

A: We also proposed decentralizing the Mexico City government, moving city agencies into sectors and neighborhoods, and decentralization of services.

Then we proposed not to build the huge transportation plan which the mayor had to extend the subways and to build huge new streets and highways. We told him not to build them, that it would cause a terrible increase in congestion which was already intolerable. Building more transportation just brings more people into the city, exactly the wrong thing. If, for example, there were no airplanes from New York to Paris, no one would ever hardly go to Paris.

But Hank went ahead and built it anyway, he said he liked our ideas, but he was already committed to the politicians.

But now they're beginning to see we were right, since things have only gotten worse and the subway system doesn't even work that well.

Q: How has your plan been accepted, otherwise?

A: The results are mixed, and slow. Hank is very supportive and he has a good deal of influence in the national government. He's a spokesman for these ideas in the President's cabinet. He likes most of it, but he feels that some of our ideas are simply politically unfeasible.

Q: What is the status of your project now?

A: Well, Mexicans are finally beginning to realize that there are limits to growth, I hope, but it's too slow.

Q: What more needs to happen to change government thinking?

A: Probably a catastrophe. The Mexican government is far too stable. They refuse to introduce major change, and as a result they're going to get a social explosion. There is going to be a social disaster of some horrible

magnitude from the terrible maldistribution of wealth in Mexico.

Q: Do you mean similar to Iran?

A: Mexico is different, but the population pressures building up in the poorer regions will converge on the government somehow. They have one more Presidency to stop it. We'll have to see what the next President does.

A: *"We wrote the plan and submitted it to the mayor [of Mexico City], Hank Gomez."*

Q: *Don't you mean Hank Gonzalez?*

A: *As I recall, his name was Gomez. I directed the study, Hank is very supportive and he has a good deal of influence in the national government.*

—From an interview with
Dr. Russell Ackoff of the
Wharton School

Excerpts from a journalist's Jan. 30 interview with Dr. Ackoff:

Q: Is there a way to use culture to develop Mexico and the LDCs generally?

A: Yes, if you mean native culture. That's the highest form of culture there is. What do they need Western culture for? Everybody sings and plays music in Mexico, and paints and does pottery and woodwork. The culture's pervaded by art. It's only when you industrialize that you start to kill art. . . . What good would it do to expose them to Picasso? Mexico's got Rivera, Siqueiros, Covarrubias, what the hell do they need Picasso for?

Q: What about Leonardo?

A: Why do they need Leonardo? They've got some of the greatest architecture, the greatest muralists, marvelous musicians, unbelievable arts and crafts all over the

place, why in the world, of all the things they need from the developed world, would they go get something they've got plenty of, and usually of a superior quality?

Q: Your concept of cultural change as opposed to sheer, brute growth seems to me to be a fundamental redefinition of the same problems formulated in *Limits to Growth* and the other early works of the Club of Rome.

A: Yes, we make a fundamental distinction between development and growth. They're not the same thing and they're not even necessarily connected. You can grow without development, and you can develop without growth. We use the concept of development, one of the most important aspects of which is culture. . . .

The mad efforts of many developing countries, among which is Mexico, to acquire the latest technology and use it the way we do, is a *technological obstruction*. They don't need the technology, they don't know how to use it, but they spend huge amounts on getting it. I don't know of any country in the world that misuses computers and has more of them than Mexico . . . terrible misuse of resources and people. And what they don't have is enough appropriate technology. They have a lot of inappropriate technology. . . .

Mexico for example is tremendously developed aesthetically. India—incredible poverty, incredible ignorance. But unbelievable beauty. We look at the undeveloped natives and we usually say, "What's the point of developing them, they're happy!" They have quite a good quality of life, and a terrible standard of living. But in our country we said that the only way to better life is to increase the standard of living. But what we've begun to learn—and this is the point of books like *Small Is Beautiful* and to a certain extent implied by Forrester [Club of Rome]. There is obviously a point beyond which increased standard of living begins to destroy quality of life.

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INTERVIEW

Klein intends to depopulate Mexico

Excerpts follow from a reporter's Jan. 22 interview with Nobel laureate Lawrence Klein, father of the Wharton School's econometric models.

Q: How does someone like the government of Mexico take what you do and use it within the overall futures planning capability, like what Russ Ackoff is trying in Mexico?

A: I'll tell you what we're trying to do in Mexico. Our original project in Mexico started in 1969, we've been there over 12 years, and we have over 100 users.

Q: This is Diemex you're talking about?

A: Dee-Ah-Mex, yes. It originally had only a short-term forecast, but then we made 10-year projections with the emphasis on short-term policy. Now, there are two things in Mexico that we've been considering. One is that we trained a team from Pemex, who built an energy-sector model for Mexico; we trained them here and then they go back and do their own thing. Pemex trainees were here, and we helped them put up an energy-sector model.

And now the new government, incoming De la Madrid, has as his chief economic adviser one of our close students, Rogelio Montemayor, and we're in close touch with them, and there is a tentative project now to have a team come here from Mexico and go over our techniques of applying methods of optimal-control engineering.

Q: This is the for the whole government, or just Pemex?

A: No, no, this is for the whole government. The Pemex thing is done; they keep it running. Montemayor is an adviser to De la Madrid in his present ministry, and when De la Madrid becomes president, next year, he'll probably have Montemayor closely advising him. We've been in touch with them and I think a team is coming here soon to study applicational techniques of optimal controls.

The technique is to establish a super-function called a "welfare function" or a "gain function" which will have targets in it: growth targets, inflation targets, balance of payments targets, debt targets, and so on. We will then minimize the distance between actual economic

performances generated by our model [Diemex] and the target values [i.e. the new policy judgements made by the super-model] over the path of the next 10 years or so. We want to have an intensive investigation here of these optimality problems, in connection with our Mexican model [Diemex] in training the planning team of the next government.

You see, an optimal control model—here is the model: $F(Y, X, Z, O)$ is Diemex; $Loss(Y-Z^*, Z-Z^*)$ is the optimal-control model. These $F(Y)$ s are targets for growth or whatever; these $F(X)$ s are other variables in the system, things that are part of the system but not yet current. These $F(Z)$ s are instruments of policy like oil sales, taxes, monetary policy, etc; and these $F(O)$ s are coefficients.

Now we set up a loss function $Y-Y^*, Z-Z^*$ and these are the optimal settings of the growth targets and the instruments. And these are to be a minimum [i.e., they are to minimize the divergence between the Y s such as GNP growth they want, and the Y^* which Diemex will actually predict; they seek to minimize the difference $Y-Y^*, Z-Z^*$]. We've designed Diemex for this setup.

We then ask the [Mexican] government to state their preferences. How badly they want to avoid inflation, how much they want to achieve growth—their trade-off between growth and inflation [i.e., Klein sets up a series of “critical choices,” of two bad policies, “low growth and low inflation” versus “high growth and high inflation”].

Q: How do they know what they have to trade off? So much unemployment will give them so much disinflation?

A: Well, they have to tell us something about the intensity of their feeling for wanting to hold down prices at the same time, knowing they can't do both. $Y-Y^*$ is symbolic of lots of choices.

Q: So if $Y(1)-Y(1)^*$ were growth, and $Y(2)-Y(2)^*$ were inflation, then they would have to say “We want our delta [divergence] for the first one to vary a lot, [i.e., let the growth fall if it has to] but we really want inflation down, we want Y_2 to have very small divergence?”

A: Yes, exactly—they must give us weights. And a guy like Montemayor and his associates will find that a meaningful problem and can give us that.

So then what we're going to do is to train them on computer techniques for handling these problems. First, for setting up the Diemex model in this mode, then for carrying out the optimization. Now, this has already been done for dissertations here; we have one done by Oscar Ruffant. He studied Mexico here, he is at the Interamerican Development Bank now.

Q: So then after you've trained this group, you're going

to have the equivalent of [in the United States] when [Budget Director] Stockman and [Council of Economic Advisers head] Murray Weidenbaum sit down together?

A: Yes.

Q: And they will use Diemex and this second thing as a government model?

A: Probably. You see, in all the Latin countries, they have plans and they talk. There's often a gap.

Q: What will it mean for growth in Mexico?

A: My guess is that in the end they will probably recommend some policies that will be rather conservative, that won't say “Go hell for broke to grow.” Because it would generate big inflation and balance-of-payments difficulties and probably social disturbances. I've often said, in a very casual sense in interviews in Mexico, that they should avoid the Iranian kind of development.

They can't say, “Now we have a lot of oil money, we're going to eliminate poverty in Mexico, and make everybody well off;” then they're going to generate a very big inflation. They're going to generate such a big social transformation particularly on income distribution, that they're going to get a lot of instability.

Q: What about the population problem?

A: Well, there are two possibilities. One is that we just try and predict what the population path would be, and the other is we'd try to suggest to authorities about ways of achieving population limitation.

Q: I think with a model like this, you could make a very strong case for a radical change in the population policies in some of these countries.

A: Oh yes, that's not always easy. . . .

Q: That's the beauty of this, doesn't it [population] fall in like any other factor when you have something like this?

A: Yeah. . . . Yes, well, the Diemex model now does not have a big demographic component. But when we get into this kind of planning, that would be discovered to be an item of high priority, to introduce a demographic module into the system.

Q: Do you have any idea of an optimum population. . . .

A: Oh, yes. I think we'd like to shave a point off the growth rate. I think it's been growing at 3 percent, we'd get 3 percent down to 2 percent. That's just a guess.

Q: You said the second part is make some recommendations how . . . presumably birth control won't be enough.

A: Yes, broad things like education and letting women in the labor force . . . that cuts down childbearing.