

# EIR

Executive Intelligence Review

June 19, 1992 • Vol. 19 No. 25

\$10.00

Pagan 'Earth Summit' opens in Rio  
Making the Mideast's deserts bloom  
LaRouche wins North Dakota primary

**Save the planet's humans—  
Lift the ban on DDT!**



# DERAIL NAFTA

## fast track to rule by the big banks

EIR Special Report, May 1991

---

### **Auschwitz below the border: Free trade and George 'Hitler' Bush's program for Mexican genocide**

---

A critical issue facing the nation in this presidential election year is NAFTA, the North American Free Trade Agreement. Bush and Clinton both back it. This proposed treaty with Mexico will mean slave labor, the rampant spread of cholera, and throwing hundreds of thousands of workers onto the unemployment lines—on *both* sides of the border—all for the purpose of bailing out the Wall Street and City of London banks.

In this 75-page Special Report, *EIR's* investigators tell the truth about what the banker-run politicians and media have tried to sell as a once-in-a-lifetime opportunity to get economic growth started across the Americas. The Wall Street crowd—led by none other than Henry Kissinger—are going berserk to ram this policy through Congress. Kissinger threatened in April: "It should be signed by all parties, and should be defended on all sides as a political vision, and not merely as a trade agreement." Kissinger's pal David Rockefeller added: "Without the fast track, the course of history will be stopped."

With this report, *EIR's* editors aim to stop Rockefeller and his course of history—straight toward a banking dictatorship.

**\$75** per copy

Make check or money order payable to:

**EIR News Service**

P.O. Box 17390 Washington, D.C. 20041-0390

Mastercard and Visa accepted.



# EIR

## From the Editor

Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

Editor: Nora Hamerman

Managing Editors: John Sigerson, Susan Welsh

Assistant Managing Editor: Ronald Kokinda

Editorial Board: Warren Hamerman, Melvin Klenetsky, Antony Papert, Gerald Rose, Allen Salisbury, Edward Spannaus, Nancy Spannaus, Webster Tarpley, Carol White, Christopher White

Science and Technology: Carol White

Special Services: Richard Freeman

Book Editor: Katherine Notley

Advertising Director: Marsha Freeman

Circulation Manager: Stanley Ezrol

### INTELLIGENCE DIRECTORS:

Agriculture: Marcia Merry

Asia: Linda de Hoyos

Counterintelligence: Jeffrey Steinberg, Paul Goldstein

Economics: Christopher White

European Economics: William Engdahl

Ibero-America: Robyn Quijano, Dennis Small

Law: Edward Spannaus

Medicine: John Grauerholz, M.D.

Russia and Eastern Europe:

Rachel Douglas, Konstantin George

Special Projects: Mark Burdman

United States: Kathleen Klenetsky

### INTERNATIONAL BUREAUS:

Bangkok: Pakdee Tanapura, Sophie Tanapura

Bogotá: José Restrepo

Bonn: George Gregory, Rainer Apel

Copenhagen: Poul Rasmussen

Houston: Harley Schlanger

Lima: Sara Madueño

Mexico City: Hugo López Ochoa

Milan: Leonardo Servadio

New Delhi: Susan Maitra

Paris: Christine Bierre

Rio de Janeiro: Silvia Palacios

Stockholm: Michael Ericson

Washington, D.C.: William Jones

Wiesbaden: Göran Haglund

*EIR* (ISSN 0886-0947) is published weekly (50 issues) except for the second week of July, and the last week of December by EIR News Service Inc., 333½ Pennsylvania Ave., S.E., 2nd Floor, Washington, DC 20003. (202) 544-7010.

**European Headquarters:** Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, Dotzheimerstrasse 166, D-6200 Wiesbaden, Federal Republic of Germany  
Tel: (0611) 8840. Executive Directors: Anno Hellenbroich, Michael Liebig

**In Denmark:** EIR, Post Box 2613, 2100 Copenhagen ØE, Tel. 35-43 60 40

**In Mexico:** EIR, Francisco Díaz Covarrubias 54 A-3 Colonia San Rafael, Mexico DF. Tel: 705-1295.

**Japan subscription sales:** O.T.O. Research Corporation, Takeuchi Bldg., 1-34-12 Takatanobaba, Shinjuku-Ku, Tokyo 160. Tel: (03) 3208-7821.

Copyright © 1992 EIR News Service. All rights reserved. Reproduction in whole or in part without permission strictly prohibited. Second-class postage paid at Washington D.C., and at an additional mailing offices.

Domestic subscriptions: 3 months—\$125, 6 months—\$225, 1 year—\$396, Single issue—\$10

**Postmaster:** Send all address changes to EIR, P.O. Box 17390, Washington, D.C. 20041-0390.

As we write, George Bush has arrived after a rather bumpy itinerary to attend the Mother Earth cult festival in Rio de Janeiro, which is intended to spread mass psychosis around the world and institutionalize a global police state in the name of saving the environment.

Bush's day went badly on June 11. At breakfast, he tried to rally Congress to pass the balanced budget amendment, but that failed, at least for now. Then Bush stopped in Panama, where he expected to be greeted as the great Liberator. Instead he was driven from the podium by tear gas and rioting and fled to give his speech at the local U.S. Air Force base.

Although these failures and others herald the workings of natural law against the lunacy being promoted by the oligarchs who back Bush, that does not mean that we can be sure of defeating the kind of fascism being promoted in Rio: the most evil threat, in sheer scale, which has ever faced humanity. For that, we need a herculean effort to educate people to overcome the brainwashing of the environmentalist media.

The two big packets in this issue will help. In *Strategic Studies*, we print a news report from Rio, including the brave intervention on behalf of science by Governor Dixy Lee Ray; and Lorenzo Carasco's analysis of the philosophical disease behind the Earth Summit. The *Feature* hosts the trenchant contributions of a group of scientists who are exposing the genocidal intentions of the "environmentalists" who banned DDT, the most beneficial chemical ever made by man, 20 years ago.

I would also draw your attention to the *Economics* section. Since the lead article on Russia's resistance to the IMF was written, we received word that a 25-person demonstration was held in Moscow outside the U.S. embassy, in which members of the Democratic Russia movement demanded "Dump the IMF, Free LaRouche."

Two other articles in *Economics* have special pertinence to averting the war threat in the Middle East: an interview with Jordan's Dr. Haddadin on the key role of water development in any peace plan; and a review of a book by Islamic scholar Dr. Chapra, which argues for an economic system free of the evils of both Marxism and free-market capitalism because it is firmly rooted in morality, as shaped by religion.

Nora Hamerman

# EIRContents

## Interviews

### 7 Munther Haddadin

The former director of the Jordan Valley Authority, Dr. Haddadin currently heads Jordan's delegation to the Multilateral Talks on water, and is the principal expert on water issues on the Jordanian delegation to the Bilateral Peace Talks with Israel.

## Book Reviews

### 16 Can scientific Islam provide a 'third way' in economic policy?

*Islam and the Economic Challenge*, by M. Umer Chapra.

### 21 Do the 'revisionists' really understand Japan?

*Trading Places: How We Are Giving Our Future to Japan*, by Clyde V. Prestowitz, Jr.

### 35 Leibniz writings in a recent popular collection

*Philosophical Essays*, by G.W. Leibniz, edited by Roger Ariew and Daniel Garber.

## Departments

### 23 China Report

China's economy on the brink.

### 54 Andean Report

Judge orders terrorists to stand trial.

### 55 Dateline Mexico

"La Quina" conviction dooms Pemex.

### 72 Editorial

Bush, John Major, and more wars.

## Strategic Studies

### 28 Pagan 'Earth Summit' opens in Rio de Janeiro

U.N. Secretary General Boutros Boutros-Ghali inaugurated this modern-day version of a fascist Nuremberg Rally with two minutes of silence in honor of Mother Earth, the pagan goddess Gaia. Silvia Palacios reports from Rio.

### 30 Why the 'eco-pagan' movement wants to destroy the essence of Christianity

Lorenzo Carrasco Bazúa, in a speech to the founding conference of the Ibero-American Solidarity Movement in Tlaxcala, Mexico, traces the "sick naturalism" of the ecology movement back to Marxism, Romanticism—and the Pelagian heresy.

### 36 Dixy Lee Ray battles Rio green agenda

The former governor of the state of Washington, a biologist, confronted the environmentalists head-on, leading a Brazilian paper to brand her "the big bad wolf" of Eco-92.

**Photo credits:** Cover, World Health Organization. Page 17, Munir Nasr/UNWRA. Page 33, Unicef. Pages 39, 44, United Nations. Page 41, Stuart Lewis.

## Economics

### 4 IMF hits the rocks in Russian Republic

On the first anniversary of Boris Yeltsin's election as President of the Russian Federation, the economy is a shambles, with Weimar-style hyperinflation. Yeltsin's team has been unable to deliver the changes ordered by the IMF.

### 6 Japan hits U.S. with 'unfair trade' charges

### 7 Mideast water development: making the desert bloom

An interview with Munther Haddadin.

### 12 Currency Rates

### 13 Thousands of jobs needed in U.S. heavy manufacturing

### 15 Unemployment Coverup

### 20 Catholic monthly blasts American free traders

### 24 Agriculture

Dunkel woos farmers for GATT.

### 25 Banking

Olympia & York: the bankers' nightmare.

### 26 Business Briefs

## Feature



Before the banning of DDT, the World Health Organization dispatched medical teams around the world, like this nurse in India, to spray for pests carrying malaria, typhus, and other deadly diseases. Many millions of lives were saved.

### 38 Population control lobby banned DDT to kill more people

It is the 20th anniversary of the banning of the pesticide that has saved more human lives than any other man-made chemical. At a press conference sponsored by Conference-14, scientists presented the truth about this travesty: Not only is the ban scientifically incompetent, but it is based upon a policy of deliberate genocide.

### 40 Poison of 'Silent Spring' lingers on

By Dr. Thomas H. Jukes.

### 42 Exposing the myth of the 'danger' of DDT

By Dr. William E. Hazeltine.

### 45 Ecoindustry pursues 'unholy genocide'

By Dr. J. Gordon Edwards.

### 48 DDT ban means death for millions

By Edward G. Remmers.

## International

### 50 Turkish-Albanian alliance raises threat of Balkan war

The military pact signed with the blessing of Washington, is intended to give Turkey an Ottoman Empire-style protectorate over neighboring states to "protect" Muslim populations. The plan is a threat to just about everyone in the region.

**Documentation:** Statements from around the world on the danger of world war arising out of the recent developments in the Balkans.

### 53 Venezuela seethes with anti-IMF anger

### 56 International Intelligence

## National

### 58 Balanced-budget mania pushes nation to the brink

The Congress is threatening to institutionalize draconian austerity, by promoting a balanced budget amendment to the Constitution. The vote to submit the amendment to the states for ratification failed, but only barely.

### 60 LaRouche wins N. Dakota primary

There's a big media scramble on to try to pretend it didn't happen—but it did. Said LaRouche in a message to North Dakota voters: "It means no more than it means, but it means a great deal."

### 61 U.S. court re-opens Demjanjuk case

Will the Anti-Defamation League and their Office of Special Investigations finally have to answer for years of flouting the law?

### 62 Michigan serial killer remains at large

Someone must be determined to back Dr. Jack Kevorkian's crusade to legalize death on demand.

### 64 International law expert: No NATO intervention into Balkans!

An open letter to the U.S. Senate by Francis A. Boyle, professor of international law at the University of Illinois.

### 66 Whittle attempts to capitalize on disaster in U.S. education

### 68 Congressional Closeup

### 70 National News

## IMF hits the rocks in Russian Republic

by Rachel Douglas and Denise Henderson

Still reeling from the collapse of real estate giant Olympia and York, top international banking officials are evidently panicked at symptoms that the International Monetary Fund's (IMF) authority as a debt-collection enforcer could evaporate in South America and eastern Europe simultaneously.

U.S. Treasury Secretary Nicholas Brady has scheduled a surprise conference for June 24-25 in Washington, D.C. with 11 Ibero-American finance ministers. According to the Argentine newspaper *Ambito Financiero*, "A [U.S.] Treasury official said that the meeting is unprecedented. He added that Washington wants to reinforce Latin America's orientation toward reform."

Syndicated columnist Hobart Rowen reported June 4 that anxiety about debtors also dominated the supersecret International Monetary Conference in Toronto, Canada, where the "world's biggest commercial bankers" conferred. Rowen cited the "debt bomb" of 1982, when Mexico cut debt payments and imposed exchange controls. That was when economist Lyndon LaRouche's "Operation Juárez" program for debt moratoria and industrial development projects was under consideration by several nations. The Toronto conferees, according to Rowen, "took a retrospective look at the past decade and wondered if it [the debt bomb] can happen again. It already has, according to many European bankers, in the form of huge losses in loans to the former Soviet Union."

At the final session of the Toronto conference, former IMF director Jacques de la Rosière warned that IMF-mandated price liberalization in the republics of the former Soviet Union was also leading nowhere but to trouble. He told the German daily *Handelsblatt* that price rises could boost the income of still intact Soviet-era "monopolies" and cause a "process of impoverishment, with its running inflation and declining real wages, [which] could easily lead to political explosions, and a market-oriented transformation could no

longer be implemented."

If the IMF's credibility were broken in Ibero-America now, as began to happen in Venezuela and Peru earlier this year, it would be doomed in eastern Europe as well. Already in May, Poland's parliament scotched pension cuts and a wage freeze that the IMF had demanded.

### Russia: chaos and hyperinflation

Boris Yeltsin, nearing the first anniversary of his election as President of the Russian Federation, has proven unable to deliver the changes ordered by the IMF. Russia's membership in the Fund was certified on June 1.

Far from an orderly or even disorderly "market" economy, Russia is experiencing the breakdown of its monetary system. Lacking a perspective for industrial and infrastructure growth and politically unable or unwilling to privatize the agrarian sector in such a way that its productivity and output would increase, the Russian leadership hitched its reform process to a series of price liberalizations that quickly went out of control.

Price hikes on controlled-price foodstuffs took place on Jan. 1, March 1, and June 1. Energy prices went up at the end of May. Russian Central Bank officials admit an inflation of consumer goods prices by 740% in just the first four months of the year. According to *Izvestia* of May 14, the IMF forecast of 1,000% inflation in Russia for 1992 as a whole is an underestimate.

After years of dithering about how to "soak up the ruble overhang" in the then-Soviet economy, the hyperinflation of 1992 confronts Russian economists with the opposite problem. First Deputy Prime Minister Yegor Gaidar said May 31 that "possibly the gravest and most explosive element" of the current crisis is a physical shortage of banknotes. Last year, Russia printed 89 billion rubles; by June, it had issued 142

billion rubles in 1992, and it is preparing to print 200 billion more. The June run of 1,000-ruble notes is being doubled, and by July, there will be 5,000-ruble notes.

Cash-strapped enterprises, government departments, businesses, and other institutions in Russia have accumulated 2 trillion rubles of debt to each other, according to the *Neue Züricher Zeitung* of June 4. This includes a huge backlog of wages owed to state sector workers. The Russian parliament's budget committee reports that over 72 billion rubles in wages have not been paid. When Yeltsin flew to southern Siberia in May, his plane—in a modern version of the 1920s Weimar Republic shopper's wheelbarrow full of cash—carried 500 million rubles to pay oil workers who were threatening to strike.

Physical economic activity has slowed for other reasons related to the monetary crisis. Desperate for resources, the Russian Central Bank in May ordered Vneshekonombank (Foreign Trade Bank) to freeze hard currency accounts and then, according to *Izvestia*, to assess each client one-third of his total deposit for the privilege of reopening his account. Some German firms had to suspend their participation in modernizing and retooling Russian industries, because their customers' hard currency accounts were frozen.

### Shakeups in the leadership

In Siberia, Yeltsin told oil industry officials he would not continue on the IMF agenda: "Despite the demands of the IMF for the immediate freeing of energy prices, there is no way we can do that now." He then announced the dismissal of Energy Minister Vladimir Lopukhin.

Many suspect that Gaidar, the official most identified with accommodation to the IMF, will lose his job soon. Gaidar's "glorious career . . . [is] on the wane," wrote the *Moscow Nezavisimaya Gazeta* June 4. Gaidar's "boys," as his clique is known, will go first, and "Gaidar himself will probably be the last survivor."

During May, Yeltsin stripped his inner core of advisers, starting with State Secretary Gennadi Burbulis and, tentatively, State Adviser on Legal Affairs Sergei Shakhrai. Their ouster might placate the parliament and its speaker Ruslan Khasbulatov, who has been a frequent critic of the IMF and who clashed with Yeltsin's aides during April's Sixth Congress of People's Deputies. Then central bank head Georgy Matyukhin and his first deputy, Vladimir Rasskazov, resigned after refusing demands from parliament, collective farms, and other major borrowers to cut the prime lending rate from 80% to 50%.

Yeltsin's latest appointments reveal an attempt to cope in the short term, with help from the former Soviet military-industrial complex and energy industry, where his new cabinet members, Vladimir Shumeiko and Energy Minister Viktor Chernomyrdin, used to work. The Paris daily *Le Monde* on June 2 identified this group as "the 'industrial lobby' in Russia, which supports a more step-by-step liberalization of

the economy than that desired by the International Monetary Fund and Mr. Gaidar." On May 30, it added, "This lobby constituted itself . . . into a political movement, the [All-Russian] Union for Renewal, presided over by Aleksandr Vladislavlev, whose objective is to prepare an alternative ministerial team." (Vladislavlev, nonetheless, prefaced his remarks by stating his commitment to "the Gaidar general line.")

On June 4, the London *Guardian* reported Shumeiko's appointment as first deputy prime minister as the next step in such a "creeping cabinet reshuffle." Shumeiko, an engineer, used to direct the Krasnodar measuring equipment factory, served on Khasbulatov's staff, and has joined Vladislavlev's Union for Renewal.

Co-founder of Renewal is Arkadi Volsky, head of the Russian Union of Industrialists and Entrepreneurs. A figure with a long history in Russia's communist era, including as a trouble-shooter for the Gorbachov regime, Volsky is being touted in German and some Russian newspapers as the leader of a potential "transitional government" of managers, entrepreneurs, and industrialists, and as a future prime minister.

According to *Moscow News*, economists assembled by Volsky prepared a document for the new Russian cabinet, recommending "abandonment of the fundamental aspects" of the Gaidar program, including the planned elimination of energy price controls. The *Guardian* characterized the "shift of power away from the team of young economic theorists, led by Yegor Gaidar, who favored tight monetarist discipline. . . . It also appears to mean that the managers of state enterprises and the advocates of more government investment to revive Russia's production have gained ground."

### IMF 'aid' not forthcoming

So far, most discussions about "investment" in Russia have been coupled to illusions about miracle-working infusions from the IMF and World Bank, including the highly publicized \$24 billion so-called aid package from western nations. Even an official trying to disabuse Russians of fantasies about these funds, Deputy Finance Minister Leonid Grigoryev, perpetuated illusions. In *Izvestia* of April 30, he warned that "you can't buy anything" with the \$6 billion "ruble stabilization fund" that is supposed to become available first, followed by \$18 billion to support Russia's balance of trade. But calling for creation of "a national development agency, which could filter all investment projects . . . [because] we have to know how effective today's investments will be in the 21st century," Grigoryev said that then the IMF could "help us stand on our own two feet so that we might feed ourselves."

Others, however, have begun to say aloud that the IMF will provide no such help. *Izvestia* noted April 28 that while Russian experts are counting on being able to use the ruble stabilization fund by Aug. 1, IMF Director Michel Camdessus doubts that minimal conditions will have been met for the funds to be released.

# Japan hits U.S. with 'unfair trade' charges

by Kathy Wolfe

A new report on international trade issued in Tokyo on June 8 by Japan's Ministry of International Trade and Industry (MITI) has Washington and London in a tizzy. The "Report on Unfair Trade Practices by Major Trading Partners" charges that the United States is the most unfair of trading nations on earth, measured by nine out of ten world standards, compared to Europe and other nations (see table).

The 212-page report echoes charges by Democratic presidential candidate Lyndon LaRouche that Washington now makes legal rulings not by reason, but by logical positivist diktat, which LaRouche has dubbed "administrative fascism."

The report finds that the U.S. government "ignores commercial reality, in favor of arbitrary, mechanical rules" in bringing dumping charges against Japan without cause, and in using rules "to apply to products that have not been subject to any investigation. . . . One must wonder why the United States presumes that it alone is qualified to make these judgments," the report states.

The British press, led by the London *Financial Times*, denounced the report harshly, and White House press spokesman Marlin Fitzwater lost his temper in a rebuttal on June 8. "We have argued long and hard for free and fair trade," he said. "We have pressed a number of unfair trade practices with Japan and we have been quite concerned they do not allow us access to many of their markets. I would say that people who live in glass houses should be careful about their stones."

MITI Minister Kozo Watanabe stood firmly by the report in comments on June 9. "The report simply stated the facts as they are," Watanabe told reporters. "For America to be told the truth is probably not pleasant, but our position is that from now on, Japan will say the things that must be said, and do the things which must be done."

A MITI official said that the report means that Japan will no longer agree to "case-by-case" International Monetary Fund-style bilateral negotiations with the United States, but will increasingly haul the United States before the General Agreement on Tariffs and Trade (GATT) and other international forums for redress.

The report was issued by Japan's elite Industrial Structure Council (ISC), an advisory committee to Minister Kozo Watanabe. MITI's ISC is the body which designs and implements Japan's Hamiltonian high-technology, high-investment programs. It is made up of top Japanese government

officials, private sector industrialists, university specialists, and other leaders.

The MITI report says point-blank that it is the United States which must change to ease global trade frictions, not Japan. It holds the United States to its own "free trade standards," based on examining U.S. compliance with the clear-cut written rules of GATT.

Based on such an examination under the GATT rules, MITI accuses the United States of unfairly using import restrictions, government procurement, unilateral action against other countries, application of domestic antitrust policy to foreign countries, anti-dumping measures, origin rules, tariffs, protection of intellectual property, and regulations on services.

In fact, the only one of the ten standards the United States meets is fair regulation of investment.

The United States abuses international rules, arbitrarily enforcing anti-dumping measures (selling of products below fair market value) and rules of origin, the report charged. It said the United States is too quick to take such unilateral measures without examining the facts. The report specifically cites U.S. imposition of the now-expired "Super 301" trade retaliation law.

It also attacks the threat by U.S. Attorney General William Barr to apply U.S. antitrust law extraterritorially, which it labels as "excessive application of domestic laws to foreign companies."

In contrast, problems were found in European Community and South Korean trade policy in six areas; Indonesia, Thailand, and Malaysia in four; Australia and Canada in three, and "only one area is problematic in Hong Kong and Singapore."

## Japanese complaints of unfair trade

	U.S.	EC	Australia
<b>Violation of provisions</b>			
Quantitative restrictions	X	X	
Discriminations against foreign products in government procurement	X	X	X
<b>Unilateral actions</b>			
Unilateral measures	X		
Excessive extraterritorial application of competition law	X		
<b>Abuses of provisions</b>			
Arbitrary anti-dumping measures	X	X	
Arbitrary establishment of rules of origin	X	X	
Arbitrary changes in tariff classification	X	X	
<b>New areas</b>			
Deficiencies in protection of intellectual property	X		
Discrimination against foreign firms through investment measures			X
Restriction on trade in services	X	X	X

Source: Report on Unfair Trade Policies by Major Trading Partners.



# Mideast water development: making the desert bloom

*Dr. Munther Haddadin of Jordan has had long experience dealing with water resources. He has served as both a public official and private consultant throughout the Middle East. As a former director of the Jordan Valley Authority, with ministerial rank, he was responsible for heading Jordan's central water management institution during the critical years of its existence. He currently serves as chief of Jordan's delegation to the Multilateral Talks on Water, and as the principal expert on water issues on the Jordanian delegation to the Bilateral Peace Talks with Israel. He gave the following interview to Joseph Brewda and Marcia Merry in Washington on June 1.*

**EIR:** Could you describe the physical setting of Jordan and the greater region in terms of water and power?

**Haddadin:** The occurrence of water is unaware of the political boundaries, so one speaks of the region at large. It is an arid or semi-arid region, because, with the exception of the coastal strip on the East Mediterranean, and a bit in the southwest corner of the Arabian Peninsula, there can hardly be any agriculture there without irrigation. The source of water is precipitation, which is that part of the hydrological cycle where rainwater comes down from clouds which originate in the oceans and the seas. And that precipitation is simultaneously used for rain-fed agriculture in part of the region, but limited to the coastal strip of the East Mediterranean.

Outside of that rainy season, where simultaneous use of precipitation is possible, one has to have storage of the water that precipitates through rainfall, and that storage is either natural or man-made. By natural, we mean the ground water aquifers that feed the perennial flow of rivers, and wadis [seasonal streams] in the region, and that are also the drain for the flood-flows during the precipitation season. By man-made reservoirs, we mean the reservoirs that can be made by the construction of dams on the water-courses, to store flood-flow, and make it available for use later on, outside the rainy season.

The major rivers of the region, from east to west, are the Tigris, the Euphrates, the Orontes, the Jordan, and the Nile. All of them have storage facilities made by man, with the exception of the Jordan River basin, where the storage is actually natural, with a bit of intervention by man, and that

intervention is in the form of controlling the outlet of that river from Lake Tiberias through a gated structure, thereby using the lake itself as a reservoir for the storage of flood-flow (Figure 1).

The region between the Mediterranean and the desert east of Amman, is the region that faces huge imbalances in the population-to-water resources equation. There are today a lot more people than the water resources in that structure of land can accommodate. And when we say accommodation of man by the water resources, we mean the provision of the means to provide livelihood from these water resources, water needed to drink and clean and for various other domestic and municipal needs, and also to produce food. And that amount of water per capita is in accordance with variation in rainfall, because rainfall, as we mentioned, is capable of producing rain-fed agriculture—food.

But where that rainfall is not capable of producing that food, or also providing grazing land for livestock, which is again food for man, then we have estimated that about 2,100 cubic meters (m<sup>3</sup>) per year are needed for food requirements and drinking water requirements and other domestic use per capita. In areas where there is rainfall to raise rain-fed crops, then the requirement is less than that 2,100.

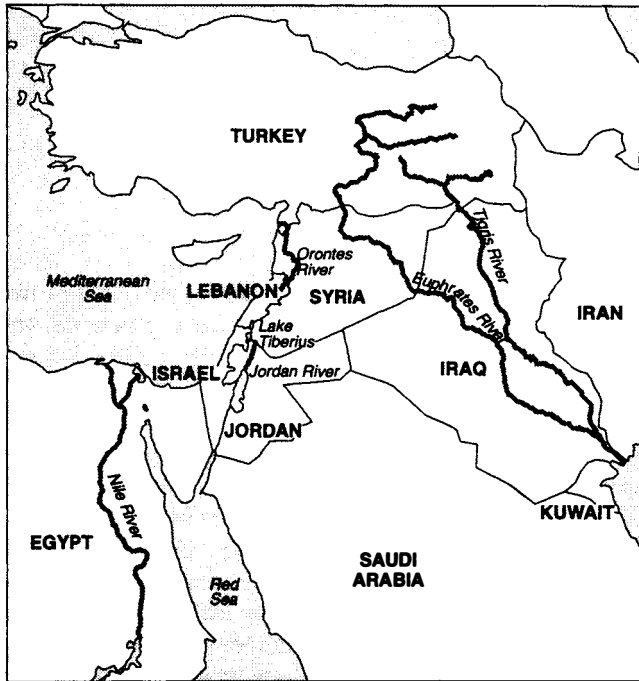
The above assumes that only 25% of that amount is lost between the source and the point of use, which is a reasonable assumption; that means an overall water use efficiency of 75%, which is something that very few countries in the world have achieved so far. But we know in our region that it can be achieved. And for a society to put its resources to good use and achieve that level of efficiency, I have also calculated that the per capita income in that country should not be less than \$2,500 per capita per year, where you take a portion of it for investment in infrastructure to make it so efficient as to allow the loss of only 25% of your water from the source to the point of use. If you are poorer than that, then your efficiency will go down proportionately. Take a country like Egypt, and you see that water use efficiency does not exceed 42%—fortunately for them, the lost water can be used again.

**EIR:** What about other countries in the region?

**Haddadin:** If you look at a country like Turkey, you see the water use efficiency does not exceed 38%. They have a lot

FIGURE 1

**The five major rivers of the Middle East region**



of water, but not enough wealth to divert toward investment in their irrigation sector to make it more water-tight. You look at Jordan, where we could achieve an efficiency of 80% in some regions in the summer, and some 60% in other regions, with an overall irrigation efficiency these days which averages 66%. We did that with a maximum peak of \$1,500 per capita per year, and yet we took away a share of other investments to put them in irrigation, and borrowed money, even from the outside, to achieve that. So, when you are cornered for water, you can come up with solutions that make water efficiency higher.

If we say that the water requirement at the source per capita in that region between the Mediterranean and the desert is 2,100 m<sup>3</sup> per capita per year, as we look at the availability, we see that it is short of that number; so much so, that, with today's population in Jordan of 4 million, you can calculate that a requirement of perennial flow of water is something like 1,200 m<sup>3</sup> per capita per year to produce our food and cope with our municipal requirements. The balance of the 900 m<sup>3</sup> per capita per year is provided by rain-fed agriculture. Of the 1,200 requirement, we only have 200. So, we only have 15% of the water we need in 1992 to maintain a balance in food trade. By food trade, I mean that you produce and consume food, and you export the surplus, but you also import other foods which you did not produce. To get a balance in that trade you need something like 1,200 m<sup>3</sup> per capita per year.

You look at Israel, and you see that requirement per capita is less, because of the advantage they have of rain-fed land. This is also the case in Lebanon. You look at Egypt, and you would definitely need that minimum of 2,100, if their efficiency is 75%, but we know that their efficiency is not that. So their requirement would go up to something like 3,500 m<sup>3</sup> per capita per year. The precipitation season there does not allow rain-fed agriculture; all their food production is irrigated. With that, one discovers why Egypt produces around only 60% of their food requirements.

Whoever thinks there is surplus water in the Nile should think again. Either you would have to double the Nile flow with the current efficiencies to maintain that balance in food trade for Egypt, or you would have to reduce consumption by one-half, through capital investments in irrigation systems, to make them more efficient in conveyance and distribution, and training farmers to operate these new systems. They would eventually wind up with drip irrigation systems on the farm, and pipe distribution systems, and maybe large, lined canals for conveyance, to minimize losses. Now, where would a country like Egypt come up with the capital to improve what the Pharaohs have done?

**EIR:** What countries are potentially food self-sufficient?

**Haddadin:** The countries that have potential to become food self-sufficient, in the political borders as known today, are Iraq, Lebanon, and Turkey. The other countries are not capable of reaching that level of self-sufficiency. They would have to be net importers of food at this time, and more so in the future, unless technological breakthroughs in biotechnology will increase food production per unit flow of water.

**EIR:** What should be done about this gap between available and needed water?

**Haddadin:** The gap has two terminals, the supply terminal and the demand terminal. The gap is in-between. Today we have much higher demand than supply, and the solution is to work on both. The supply side, through augmentation of the water resources, and, on the demand side, controlling the demand.

Look at the region between the Mediterranean and the desert. If you look at its water resources and its arable land, and precipitation, I've calculated that that region can possibly sustain something like 5 million people at the most, with today's technology. What do we have today? Something like 10 million people. The problem is carrying capacity.

To work and control the demand has also multiple avenues. One is research and extension. How best can you manage the limited water resources and produce the maximum tonnage of that limited flow of water that you can bring to that plant? We have depended in this field on research done elsewhere, in the developed sector. Instead of producing 2 tons per unit flow, you can produce 10 tons, using the same kind of water. How much and when to irrigate and what

kind of plant species should be used? There comes also the technological facilities of automatic control, so you can drip your water when the plant needs it exactly, balance the evapotranspiration with the water supply to the plant.

More importantly, you have to control the growth of population. And in that region you have two kinds of growth: One is natural and the other is man-made. It is man-made through forced migrations that create regional demographic imbalances. You throw more people into Jordan, and Jordan has to carry these people without resources. And then you bring in migrants from elsewhere in the world, like Israel has done. So, how do you plan to make a livelihood for all these people, the displaced and the newcomers, if you look at the resources of the region? Otherwise you would be totally dependent on other countries of the world for your subsidies.

On the natural growth, you have to work on education. There are cultural and religious factors that you have to cope with, where the population is indigenous and has roots in history. But there are also factors that governments today can put a control on, by controlling incoming waves of migrants. Why bring them into Palestine and Israel, when they can stay where they are, with an improved environment for living, like in Russia? They have better chances in Russia than they would have in Israel. So this is the demand side.

On the supply side, you speak of using the water more efficiently, of protecting the water resources from degradation in quality and pollution, to maintain them for sustainable use. Then you can tap the potential usage of the lower-quality water the region has, on the proper type of soils, sandy soils. These are within the reach of every country, if capital is made available. And brackish water, limited as it is in the renewable sense of water resources, but it is not very limited when you talk of fossil water.

**EIR:** Do you think it is a reasonable idea to use this fossil water?

**Haddadin:** The use of fossil water is not renewable. There will come a time when it is not there any more. So you don't want to end up like the coal mine villages in the U.S., that were set up and then had to be abandoned when the source of supply was gone. We should not use it, if we have lost hope of developing cheap and safe power, like fusion power. But if that hope is there, I would definitely go in and use the fossil water.

**EIR:** What about other methods?

**Haddadin:** Well, there is the transfer of water from one basin to another. And that, too, works within each country and the region at large. We carried out projects that transfer water from one basin to another for municipal purposes, and that is expensive. You practically run out of water resources that can be economically developed and transferred. They do it in Syria. They do it in Iraq, where water from the Tigris is transported to the Euphrates. They've done it in Israel, where

water of the Jordan River has been transported over to the desert. But by doing that, the Israelis are just using water against its nature. Naturally, you generate power with the use of water. In these cases, you need power to take the water out. That's where we treat water and energy as twins. To reclaim brackish water, you also have to have energy.

So the interbasin transfers have been made, in Jordan, from the Jordan Valley over to Amman, from the Azraq Oasis over to Amman, from the Jordan Valley over to Irbid, and from Wadi Wala over to Amman. In Israel, it's from Lake Tiberias all the way down through the National Water Carrier to the desert. In Iraq, from the Tigris down to the Thartar Depression over to the Euphrates. In Syria, from the Euphrates over to Aleppo. In Lebanon, from the Litani River over to the Awali River for power generation. This is possible within each country to relieve regional shortages.

When you look at a country like Syria and its inland water resources, you would find something like 900 m<sup>3</sup> per capita at this time, available to Syrians, only from the inland resources. You have to add to that their share of the Euphrates River. And that would bring them closer to self-sufficiency, or the balanced situation in foreign trade in food commodities. But you look at the Damascus area and you find the water stress there high, because of the demand for municipal water. You look at resources which historically have been used for agriculture, and now they have been diverted for municipal and industrial uses in the Damascus urban area.

That's why you see farmers around Damascus drilling wells, despite the legislation that prohibited that. There is an overpumping of ground water aquifers, to the extent that there is a drawdown of something like 7 meters per year, which is a danger to these aquifers, despite the availability of water elsewhere in the country. It is capital-intensive to bring water from the water-rich regions inside Syria to the high demand areas. But you could solve the country's problem in a fashion like that.

This does not, however, relieve the region of a shortage of water, and when you speak of the region, you go all the way down to the Arabian Peninsula, even over to Egypt.

If you look for the areas of water surplus at this time, you identify the Tigris, and Turkey as such.

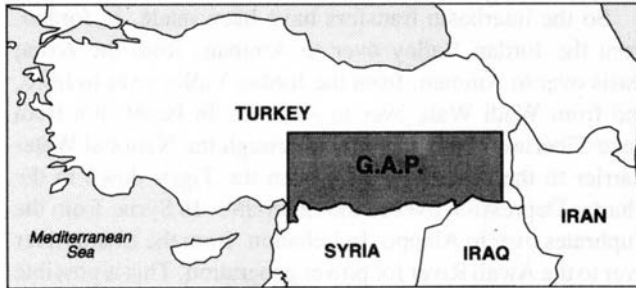
**EIR:** There seems to be increasing tension between Turkey, Syria, and Iraq over their shared use of the Euphrates and Tigris rivers.

**Haddadin:** If you look at the situation between Turkey, Syria, and Iraq, you look at a standoff over water-sharing of the Euphrates and the Tigris. More sensitive is the Euphrates, because of the actual dependency of Iraq—and of Syria—on the waters of that river. Turkey has also come in, too, to establish a dependency on the waters of the same river.

The storage facilities on the Euphrates itself total 106 billion m<sup>3</sup> worth of storage capacity. But the river's annual flow does not exceed 32 billion. So you have three times as

FIGURE 2

**Area targeted for development in the Southeastern Anatolia Project (GAP) in Turkey**



much storage capacity as you have flow. Granted a good part of that storage capacity is meant for power generation, but the new structures, primarily the Ataturk Dam, have a dual purpose: to consume water for irrigation and also use water for power generation.

If you look at the consumptive uses that are planned by each riparian [state] and the total thereof, you would need something like 55 billion m<sup>3</sup> of the Euphrates' flow to satisfy the planned consumptive use of the Euphrates water. But that river yields on the average something like 32 billion, so you are short of the claims by each riparian state as opposed to the total flow of the river. So what do you do in this case?

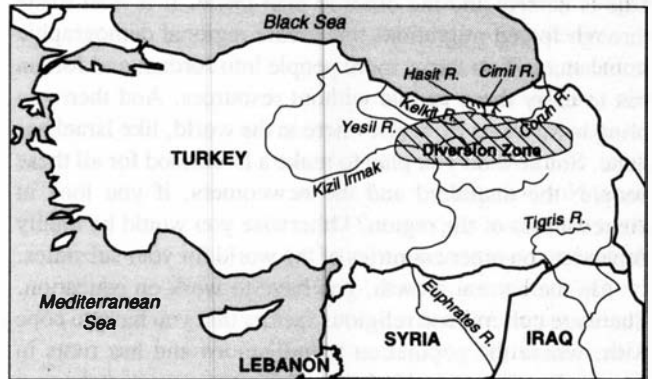
It is an established fact that the dependency that Turkey plans or has planned on the river is now being enforced at a late stage, compared to the usages in Iraq and Syria. And Turkey has a justified reason to do that, to develop Southeast Anatolia where poverty is very widespread, and to increase the population in that area, have it develop, and halt the rural-to-urban migration. It is a worthwhile objective that Turkey is after, under GAP, except that the water needed for that project will tip the balance of uses that the three riparians have previously talked about. [GAP is the Guneydogu Anadolu Projesi, or Southeastern Anatolia Project, a planned system of 21 dams and 17 hydroelectric power plants on the Euphrates and Tigris rivers. See Figure 2—ed.].

**EIR:** What should be done about this?

**Haddadin:** One way of solving that standing dispute is to increase the flow of the Euphrates. How? If you look at Turkey and the coastal plain adjacent to the Black Sea, you will find that precipitation on that area is high enough and long enough in duration to demand minimum amounts of water for irrigation. You also will see a series of rivers originating in the Turkish plateau that flow north into the Black Sea. These rivers have been put to use for power generation only, and modest irrigation uses for the arable land in the north, closer to the Black Sea. When you check that, I think

FIGURE 3

**Proposal to augment the flow of the Euphrates River, by diverting southward some of the water now flowing into the Black Sea**



you will find that water of these rivers can be saved and diverted toward the Euphrates River, so that you maintain the irrigation requirements of the Black Sea area. The highest rainfall in Turkey is here, in the Rize region.

So you maintain the irrigation requirements for the plains of north Turkey near the Black Sea, and you divert the surplus waters toward the Euphrates. Doing that, you would also be able to generate power from these flows from the dams that are already constructed downstream on the Euphrates itself. And you increase that flow in such a way as to bring Turkish water into Turkey, over to the GAP. The Turkish part will irrigate Turkish land; plus their potential share of the regional flow of the Euphrates (see Figure 3).

These two waters, that of the Euphrates and the new waters that we add, can cope with the demands that the GAP project requires, and will leave enough water for the basin in Syria, and the basin in Iraq. There should be something close to 20 billion m<sup>3</sup> of water added as a result. That again requires heavy capital development in terms of investment. So when you bring in 20 more from the north to the 32 that there is on the average, that's 52.

Then, you can also work on the irrigation technology in all three states, so that you can produce the same, irrigate the same area with less water through higher efficiencies. And there you would have more surplus of water in the Euphrates basin, which you could share with other countries in the region.

**EIR:** What about drainage problems resulting from the new irrigation?

**Haddadin:** When these irrigation systems are at "cruising altitude" in terms of water uses, there will be drainage problems in the new irrigated areas, especially in the GAP region. The natural outlet for the drained water would be the Euphra-

tes basin itself. Now that by itself poses dangers on the quality of river water in the Euphrates, if you let the drained water blend with the flow of the river. This has been witnessed with the irrigation that is already there, in August 1989 at the Syrian-Iraqi border, where the salinity levels went up to 900 parts per million of total dissolved solids; and that is about triple the undisturbed salinity value in the Euphrates.

When more areas are irrigated, more drainage waters come in, and you have to protect the quality of the water. You can do that by building a huge drain in the river basin to intercept the drainage water and carry it away from the river course itself. Also, that drainage water has potential uses. Not essentially for the same cropping patterns that the river water can support, but with different cropping patterns in desert areas, you could start a livestock industry, fodder crops—barley and other fodder crops that tolerate lower-quality water. With that kind of development you open territories for civilization, for settlements for the growing population of these countries, be it Iraq or Syria.

With adequate engineering norms, you will be able to recover no less than 50% of the used water. Where would that water go? It would either go to aquifers and mix with the sweet water, or it would clog, and then you would have to dig trenches and drain it. Part of it goes through evapotranspiration into the atmosphere and water cycle, but no more than 15% of the water applied; so the other 85% finds its way into the Persian Gulf, or into aquifers, or gets clogged. The Iraqis have built such drains, the Great Drain, which they are still working on, between the Tigris and Euphrates. Maybe this new drain could be linked up with that Great Drain, and drain into the Shatt al Arab, which is not used anyway, except for navigation. And you will see the beneficial effect on the environment of the Gulf, with less-saline water flowing into it, brackish as it is (see **Figure 4**).

The same applies to the Nile basin. True, there are severe limitations on the transfer of Nile water outside the basin. There are nine riparian states on that river. You cannot just unilaterally transfer the water of the Nile elsewhere because of the needs of one riparian. But you could use the drainage water. You cannot reuse the drainage water in the Delta, because of the historic dependence of that delta on the fresh water of the Nile. But you could use it to open new territories in the Sinai, or in the west, depending on the lift that is needed.

**EIR:** What about the Jordan River?

**Haddadin:** I think people are giving it too much importance. The total flow of the river is not enough for the population of the region. It can sustain 5 million. It has 10 million. So regardless of how it's resolved, it's not going to solve anyone's problem. Any adjustment in water-sharing would shift part of the headache from one side to the other, but the headache is there. So, it's not new to me; it's not new to the Israelis. They have their headaches; we have our headaches. But we look at the water-sharing as a takeoff platform for

FIGURE 4

### The route of the 'Great Drain'



*A run-off channel, under construction by Iraq, to carry away used water, to protect the water quality of the Tigris and Euphrates Rivers, and regional groundwater.*

mutual cooperation. I cannot really go out with you, if I know you have stabbed me in the back several times, and you are about to stab me again. But then we clear up our record, set the record straight, and then join hands for future cooperation.

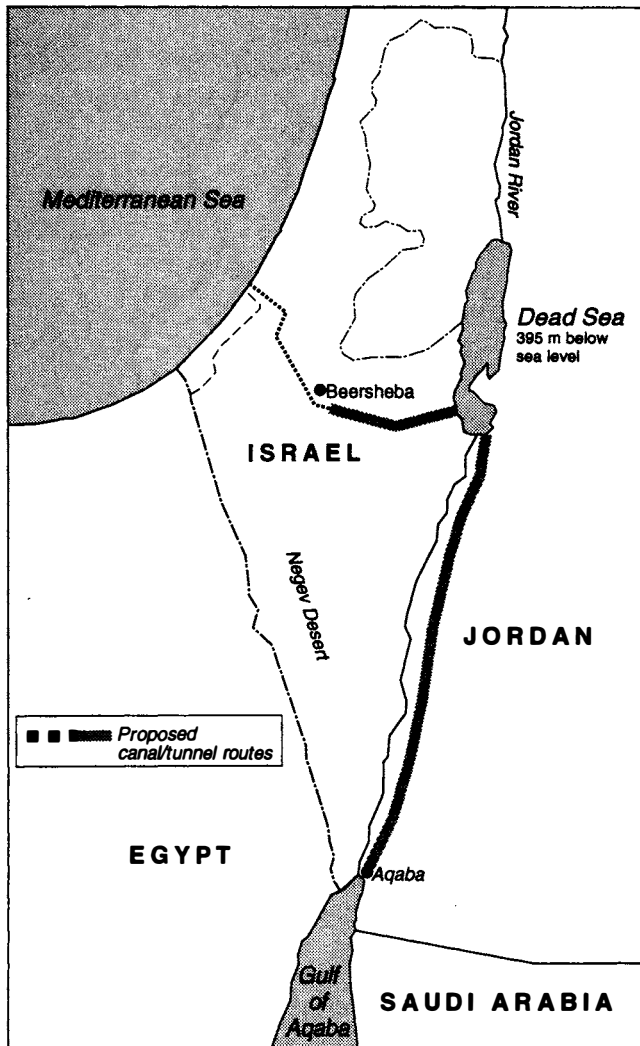
**EIR:** There have been proposals to build a canal from the Mediterranean to the Dead Sea and from the Red Sea to the Dead Sea.

**Haddadin:** Either of these schemes, from the Mediterranean to the Dead Sea, or from the Red Sea to the Dead Sea, has the objective of controlling the level of the Dead Sea. The Dead Sea has been receding because of man's activities, the diversion of the Jordan River waters to the Negev, our use of the basin. But our use drains back into the Jordan. So, our part of the responsibility is much less than the Israelis, where the entire water is diverted outside the basin. And there are the effects of the potash mining on both sides (see **Figure 5**).

The level of the Dead Sea has fallen dramatically and has an effect on the stability of the aquifers on both sides, we think. The water column of the Dead Sea, when high, will suppress the outflow of fresh water into the sea because of the pressure of the water column. Now, if that water column is lowered, the pressure is less, and then you lose your fresh water, on both sides of the Dead Sea. So, either of these plans has as its objective maintaining the historical level of the Dead Sea by transferring waters from the open seas to that closed lake, the Dead Sea.

FIGURE 5

**Proposals for a Dead Sea-Red Sea canal, and a Dead Sea-Mediterranean canal**

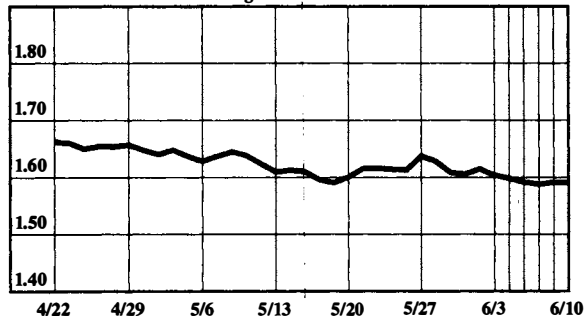


The Israelis have worked on a scheme that would transfer the water from the Mediterranean, and we, too, have worked on a scheme that would transfer water from the Gulf of Aqaba of the Red Sea in peacetime. The lake is a shared lake, so no party, we think, can unilaterally go and implement a project which would impact a shared lake. I think we both agree that the level of Dead Sea should be controlled and in a project that would have to be implemented in peacetime when the roads to cooperation are open. In that case the two schemes would be examined each on their own costs and benefits, environmental impact be that negative or positive, and see which come out more attractive. The days to come and the months to come would probably witness a dialogue over a project like this in the multilateral talks, and see how best that level of the Dead Sea be controlled.

# Currency Rates

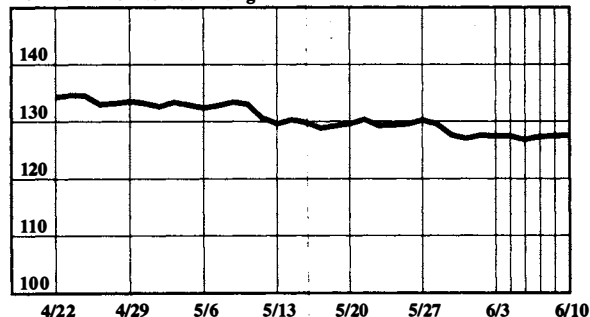
## The dollar in deutschemarks

New York late afternoon fixing



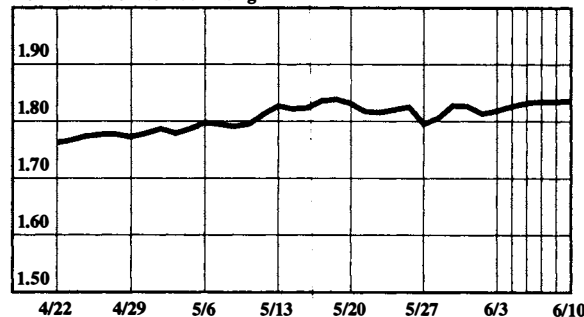
## The dollar in yen

New York late afternoon fixing



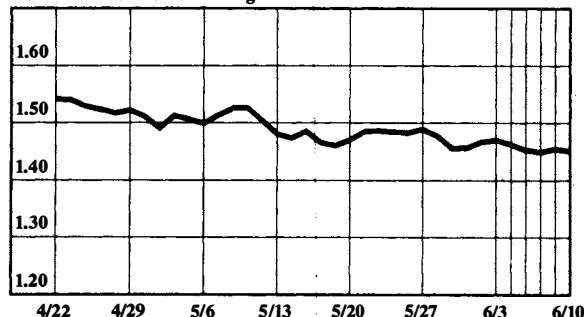
## The British pound in dollars

New York late afternoon fixing



## The dollar in Swiss francs

New York late afternoon fixing



# Thousands of jobs needed in U.S. heavy manufacturing

by Anthony K. Wikrent

U.S. Democratic presidential contender Lyndon LaRouche, in a March 8 national television broadcast, outlined a 10-point plan to create 6 million new jobs, based on initiating overdue essential infrastructure projects, and reviving heavy industry and high technology feeder industries. Three million jobs would come directly from the start-up infrastructure projects in the public sector, and another 3 million would come about as a result in the private sector. This program could get under way in the first year of a LaRouche administration, he said.

How can it be done? Since the U.S. government has had no real job creation program for the past 20 years or more, and has been lying about the level of unemployment and the decline in real wages, many Americans don't believe that so many jobs can be created so quickly.

We present here a graphic portrayal of employment trends in three U.S. capital goods-producing industries, to demonstrate how LaRouche's program can indeed create these millions of jobs.

The three industries shown here are turbines and turbine generator sets (Standard Industrial Classification 3511), which build the steam, gas, or water turbines and associated equipment used to produce electric power; construction machinery (SIC 3531), which produces the bulldozers, tractors, scrapers, graders, excavators, cranes, and other equipment used not only in construction, but also in mining and other materials handling activities; and railroad equipment (SIC 374), which produces the locomotives, freight cars, passenger rail cars, and other rolling stock for use on railways.

## The Eisenhower recession

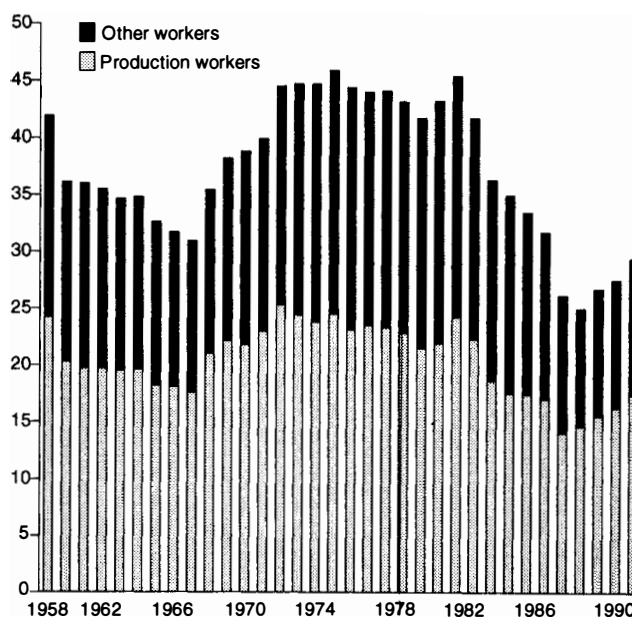
All three figures indicate the impact of the Eisenhower recession of the late 1950s, with declining employment levels. Then comes the dramatic reversal under the Kennedy administration. LaRouche's policies go basically in the same direction as Kennedy's: investment tax credits to rapidly accelerate the procurement and application of new capital goods equipment; a massive program of building the nation's infrastructure; encouraging the export of U.S. capital goods to help the development of the developing sector; and a crash space program.

Kennedy pressed ahead with the Apollo program to reach the Moon. LaRouche has outlined the Moon-Mars program,

to take up where Kennedy left off. The space mission serves as a *science driver*, demanding the invention, application, and assimilation of new technologies.

Note how in all three industries, the effects of the Kennedy-period policies are clearly seen in the steep increase in employment. The increase in job numbers in the railroad equipment manufacturing industry is particularly striking, with total employment jumping from 34,700 in 1961 to 61,100 in 1966, an increase of 76.1% in just five years. In the same time period, employment in the construction equipment industry increased 35.6%, from 96,300 to 130,600. In the railroad equipment manufacturing sector, employment increased 76.1%.

FIGURE 1  
**Employment in manufacture of turbines and turbine generator sets**  
(thousands of employees)



Sources: U.S. Dept. of Labor, Bureau of Labor Statistics, *Employment, Hours, and Earnings, United States, 1909-84*, and *Supplement to Employment and Earnings*, August 1989. Figures for 1989, 1990, and 1991 are for December of each year, from *Employment and Earnings*, February 1991 and February 1992.

## The 1980s downturn

Following the Kennedy boom, the drop in employment levels in all three industries reflects the wrong-headed economic policies adopted by the Lyndon Johnson administration, known as the "Great Society." At this time deindustrialization began in earnest, as post-industrial policies emphasized jobs in the service sector, consumerism, and environmentalism. The goal was population control, not satisfying the needs of a growing population.

In the cases of turbines and construction equipment, employment fell to almost half what it was at the height of the Kennedy boom. Employment in the manufacturing of railroad equipment spiked upward in the late 1970s because of a frenzied speculative boom in building and leasing rail equipment, touched off by the Staggers Act deregulation of U.S. freight railroads in 1979. After reality asserted itself, and deregulation helped push the United States into a depression, employment levels collapsed to less than half of what they had been.

These three industries represent some of the final capital goods-producing industries that would supply the equipment for a real recovery program, not only to rebuild America's crumbling infrastructure, but to gear up for new, advanced systems, like magnetically levitated trains. The need for new

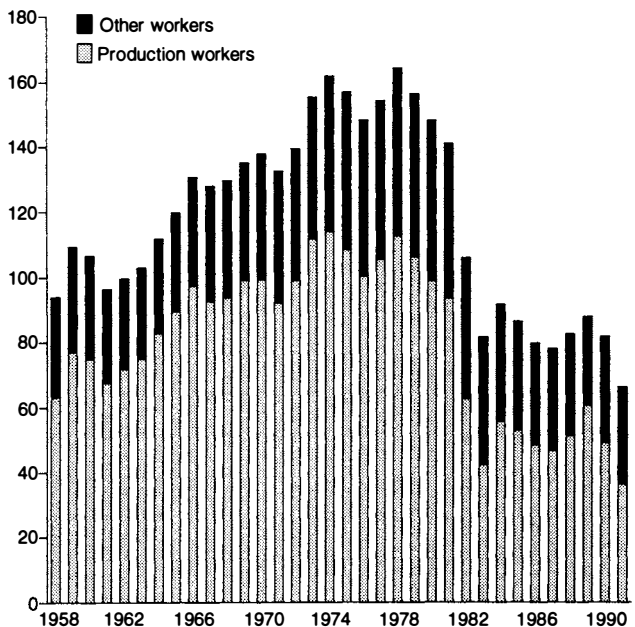
water supplies in many parts of the nation is critical. This requires nuclear-powered desalination plants at strategic points along the Pacific, Gulf, and Atlantic coastlines, and the initiation of the 25-years-overdue North American Water and Power Alliance (Nawapa)—the geographic engineering project that could divert water from the Arctic, southward along a natural trench in the Rockies, and then to central Canada, the High Plains, the dry Southwest, and elsewhere.

Many other industries will be carried along by this infrastructure approach, such as steel, foundries, other metals, fabricated metal products, metal forgings and stampings, metalworking machinery, pumps and pumping equipment, ball and roller bearings, air and gas compressors, blowers and fans, power transmission equipment, refrigeration and heating equipment, motors and generators, relays and industrial controls, and measuring and controlling devices.

The general impact of the LaRouche program on employment in all these industries can be expected to be much greater than the impact of the Kennedy program, simply because so much more now needs to be done. The major impediments would be the decrepitude of the U.S. industrial base, and the impoverishment and declining skill levels of the population.

FIGURE 2  
**Employment in manufacture of construction machinery**

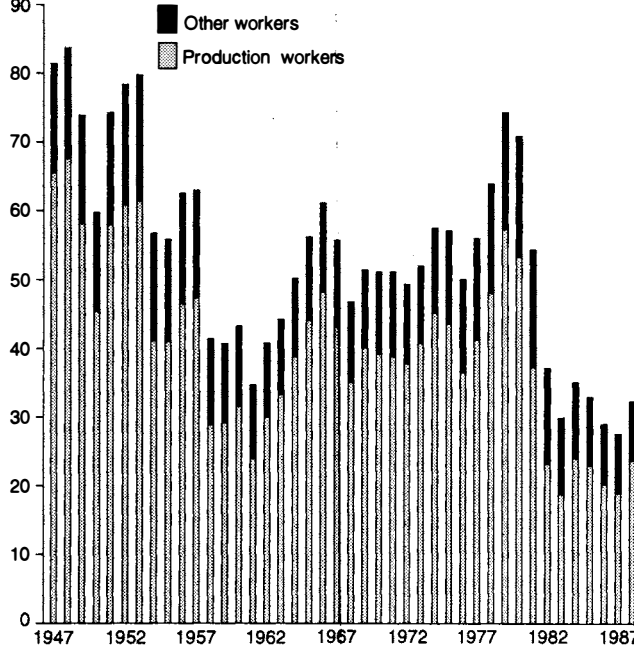
(thousands of employees)



Sources: U.S. Dept. of Labor, Bureau of Labor Statistics, *Employment, Hours, and Earnings, United States, 1909-84*, and *Supplement to Employment and Earnings*, August 1989; 1990 and 1991 figures are for December of each year, from *Employment and Earnings*, February 1992.

FIGURE 3  
**Employment in railroad equipment manufacturing**

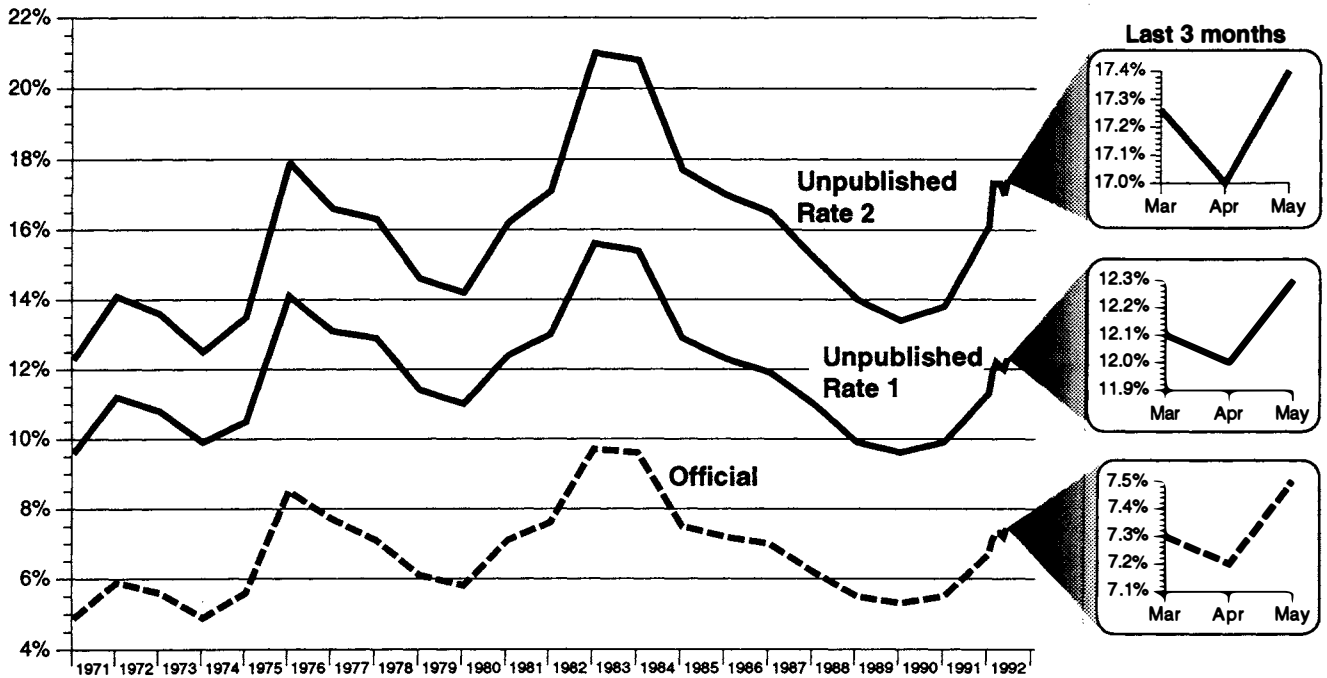
(thousands of employees)



Sources: U.S. Dept. of Labor, Bureau of Labor Statistics, *Employment, Hours, and Earnings, United States, 1909-84*, and *Supplement to Employment and Earnings*, August 1989.



# U.S. Unemployment Coverup



## Data used for unpublished unemployment rates

(thousands)

Year	Civilian labor force (a)	Official unemployed (b)	Want a job now (c)	Part-time, economic reasons (d)	Official U-5b rate b/a	Unpublished Rate 1 (b+c)/a	Unpublished Rate 2 (b+c+d)/a
1970	82,771	4,093	3,881	2,198	4.9%	9.6%	12.3%
1971	84,382	5,016	4,423	2,452	5.9%	11.2%	14.1%
1972	87,034	4,882	4,493	2,430	5.6%	10.8%	13.6%
1973	89,429	4,365	4,510	2,343	4.9%	9.9%	12.5%
1974	91,949	5,156	4,514	2,751	5.6%	10.5%	13.5%
1975	93,775	7,929	5,271	3,541	8.5%	14.1%	17.9%
1976	96,158	7,406	5,233	3,334	7.7%	13.1%	16.6%
1977	99,009	6,991	5,775	3,368	7.1%	12.9%	16.3%
1978	102,251	6,202	5,446	3,298	6.1%	11.4%	14.6%
1979	104,962	6,137	5,427	3,372	5.8%	11.0%	14.2%
1980	106,940	7,637	5,675	4,064	7.1%	12.4%	16.2%
1981	108,670	8,273	5,835	4,499	7.6%	13.0%	17.1%
1982	110,204	10,678	6,559	5,852	9.7%	15.6%	21.0%
1983	111,550	10,717	6,503	5,997	9.6%	15.4%	20.8%
1984	113,544	8,539	6,070	5,512	7.5%	12.9%	17.7%
1985	115,461	8,312	5,933	5,334	7.2%	12.3%	17.0%
1986	117,834	8,237	5,825	5,345	7.0%	11.9%	16.5%
1987	119,865	7,425	5,714	5,122	6.2%	11.0%	15.2%
1988	121,669	6,701	5,373	4,965	5.5%	9.9%	14.0%
1989	123,869	6,528	5,395	4,656	5.3%	9.6%	13.4%
1990	124,787	6,874	5,473	4,860	5.5%	9.9%	13.8%
1991	125,303	8,426	5,736	6,046	6.7%	11.3%	16.1%

### Monthly data (seasonally adjusted)

Year	Month	Civilian labor force (a)	Official unemployed (b)	Want a job now (c)	Part-time, economic reasons (d)	Official U-5b rate b/a	Unpublished Rate 1 (b+c)/a	Unpublished Rate 2 (b+c+d)/a
1991:	May	125,232	8,640	5,519 <sup>1</sup>	5,932	6.9%	11.3%	16.0%
	June	125,629	8,745	5,519 <sup>1</sup>	5,705	7.0%	11.4%	15.9%
	July	125,214	8,501	5,846 <sup>1</sup>	5,881	6.8%	11.5%	16.2%
1991:	August	124,904	8,488	5,846 <sup>1</sup>	5,892	6.8%	11.5%	16.2%
	September	125,607	8,442	5,846 <sup>1</sup>	6,374	6.7%	11.4%	16.4%
	October	125,549	8,582	5,932 <sup>1</sup>	6,328	6.8%	11.6%	16.6%
	November	125,374	8,602	5,932 <sup>1</sup>	6,408	6.9%	11.6%	16.7%
	December	125,619	8,891	5,932 <sup>1</sup>	6,321	7.1%	11.8%	16.8%
1992:	January	126,046	8,929	6,118 <sup>1</sup>	6,719	7.1%	11.9%	17.3%
	February	126,287	9,244	6,118 <sup>1</sup>	6,509	7.3%	12.2%	17.3%
	March	126,590	9,242	6,118 <sup>1</sup>	6,499	7.3%	12.1%	17.3%
	April	126,830	9,155	6,118 <sup>1</sup>	6,272	7.2%	12.0%	17.0%
	May	127,160	9,504	6,118 <sup>1</sup>	6,524	7.5%	12.3%	17.4%

<sup>1</sup>The want a job now figure is compiled quarterly. The figure used for monthly calculation of the Unpublished Rate 1 is that from the most recent available quarter.

## Explanatory Note

In May, over 6.1 million jobs and 6.5 million more semi-employed people were ignored by the U.S. government's Bureau of Labor Statistics in its calculation of the official (U-5b) unemployment rate. To bring out the truth, EIR is publishing the rates you would see if the government didn't cover up.

The widely publicized official unemployment rate is based on a monthly statistical sampling of approximately 57,000 households. But in order for someone to be counted as *unemployed*, the respondent member of the household (often not the person who is out of work) must be able to state what specific effort that person made in the last four weeks to find a job. If no specific effort can be cited, the jobless person is classified as "not in the labor force" and ignored in the official unemployment count.

But nearly 6 million of these discarded people are also reported on the monthly survey indicating that they "want a regular job now." EIR's *Unpublished Rate 1* is calculated by adding these discarded jobless to the officially "unemployed." The *Unpublished Rate 2* includes, in addition, over 6 million more people forced into part-time work for economic reasons such as slack work or inability to find a full-time job. These people show up as *employed* in the official statistics even if they worked only *one hour* during the survey week.

For comparability with the official rate, the EIR rates are calculated on the same base figure, the BLS defined *civilian labor force*. This figure comprises all civilians classified as either *employed* or *unemployed*. For a number of reasons the *civilian labor force* can be considered as a bloated figure. Its use as the divisor in unemployment rate calculations thus further masks the depth of the unemployment problem. Large segments of the population, who might not under healthy economic conditions be forced to seek work, have become a part of the *civilian labor force* over the past 25 years of "post-industrial society" economy. This includes young mothers, the elderly, and many college students.

# Can scientific Islam provide a 'third way' in economic policy?

by Muriel Mirak-Weissbach

---

### Islam and the Economic Challenge

by M. Umer Chapra

The Islamic Foundation and The International Institute of Islamic Thought, Leicester, U.K. and Herndon, Va., 1992

428 pages, hardbound, \$25; paperbound, \$15

---

Hardly had the sounds of one crumbling empire faded into the distance, when the rumblings of another impending crash, this time in the West, began to be clearly perceptible. The quasi-simultaneous undoing of the Soviet communist bloc and of the Anglo-American economic axis, dramatically posed the question, is there another, a "third way" to organize the economy, which avoids the pitfalls of both Marxism and liberal, free market economics? Several important works in this debate have appeared over the last two years, foremost among them the papal encyclical *Sollicitudo Rei Socialis* of John Paul II, and *The Science of Christian Economy* by Lyndon LaRouche. Recently, further contributions have been offered, this time from a different cultural matrix, that of Islam. Among the growing number of articles, essays, and lectures devoted by Islamic scholars to the discussion, is this volume by Dr. Muhammad Umer Chapra, which unequivocally presents Islam as the "third way."

Dr. Chapra's discussion is worthy of serious reflection on several counts. Most importantly, he addresses the need for an alternative, not from a purely pragmatic standpoint, but rather from a philosophical stance; he reasons, if the two systems prevailing in the former superpowers have failed, their defects—and therefore correction—must be sought in the underlying worldview. "Every society or system," he writes in his introduction, "is dominated by its own worldview which is based on a set of implicit or explicit assumptions about the origin of the universe and the nature of human life." Thus, in seeking to discover what poisons the "three economic systems . . . dominant in the present-day world—capitalism, socialism, and their joint offspring,

the secularist welfare state," Dr. Chapra dissects the Enlightenment philosophy, which he correctly identifies as common to the economic systems studied. The Enlightenment movement associated with the names of British empiricists Locke, Hume, and Berkeley as well as the German Kant, played, according to Chapra, "an important role in arousing general skepticism about God, immortality of the human soul, moral values, life after death, and other religious notions."

By degrading the notion of God to that of a "clock-maker," Newtonian thought extended its mechanical view of the universe to that of the human soul. Man became a thing, at the mercy of physical forces, without purpose. "If indeed there were some ultimate purpose in life, it was, according to Descartes, impossible for us to know."

Dr. Chapra carries his argument further to show how materialism and determinism derive lawfully from the Enlightenment's repudiation of religion. "Determinism," he writes, "implied that all the facts in the physical universe, and hence also in human history, are absolutely dependent upon and conditioned by their physical, social or psychical causes. Locke considered the human mind to be a *tabula rasa* which had no inner nature of its own and which served as raw material for the external social and economic forces to shape and design. Marx, Freud, Watson, and Skinner, all emphasized that human beings are conditioned by their environment, by factors outside their conscious control. Human behavior was thus explained as being determined by mechanical and automatic responses to external stimuli as in animals (Watson and Skinner), by unconscious mental states beyond their conscious control (Freud), or by social and economic conflict (Marx). Besides ignoring the distinctiveness and complexity of the human self, determinism led to a repudiation of moral responsibility for individual behavior. This was in sharp contrast with the religious view that human beings are responsible, and hence accountable before God, for their acts."

Worse still, such a view inevitably produces in a Jeremy Bentham the "hedonist approach of utilitarianism" according to which, "it was assumed that what gives 'pleasure' is 'good' and what causes 'pain' is 'bad,' thus 'good' and 'bad' or

'right' and 'wrong' were to be determined by the measurable criteria of 'pleasure' and 'pain.' ”

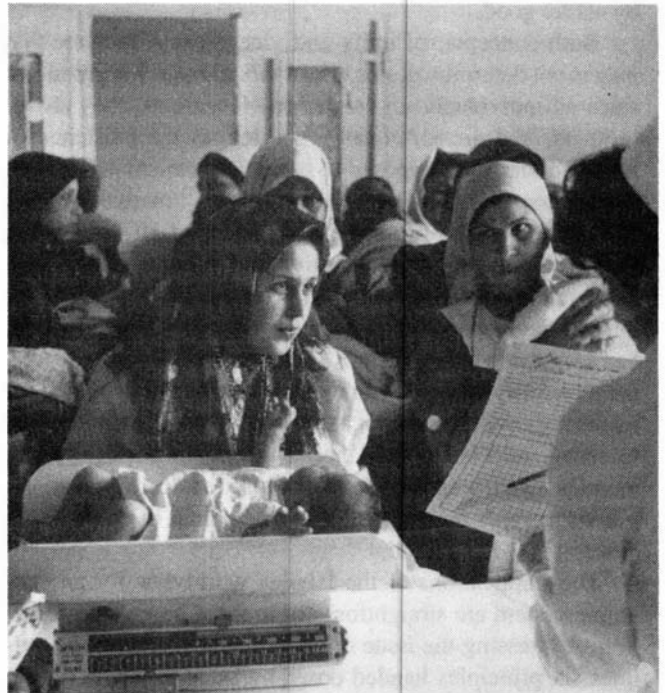
### **Failure of British capitalism and communism**

Translating the worldview thus summarized into economic theory and practice, Dr. Chapra identifies key concepts which shaped “the strategy of capitalism.” Among them are the notion of mechanistic economic laws according to which all would run smoothly if left alone (Adam Smith’s “invisible hand,” the “market forces,” “laissez-faire”); that of economic man, motivated solely by self-interest; and, the idea of “positive” (i.e., value-free) economics. In sum, they add up to a social Darwinism, which “freed economists from any sense of social or moral obligation.” Appropriately, the author chooses to quote Thomas Malthus, on the subject of useless eaters whom “Nature” dispenses with.

In his review of communism in the Soviet system and applied to eastern Europe, Chapra denounces Marxism for its delusion that the abolition of private property would create the basis for economic and social justice. He points out that “private property is only one of the sources of power in human society. There are other sources of power like physical prowess, mental ability, education, creativity, ambition and hard work, family relations, and positions of leadership in society and state.” Marxism ignored these qualities in practice, and failed to achieve a harmony of interests because a moral orientation was lacking. Chapra views the Soviet and eastern European economies as having shared with western models, what he views as an overemphasis on state-controlled, capital-intensive heavy industry, at the expense of small and middle-sized enterprises, especially regarding the independent farmer.

The failure of both systems, as well as their application to Third World countries, derives in his view from the absence of any moral values, such as those shaped by religion. In sum: “Since neo-classical, Keynesian, and socialist economics all have their origin in the Enlightenment worldview, they are secularist in their approach to the realization of human well-being and analysis of human problems. They place too much emphasis on consumption and material possessions as a source of human happiness. They disregard the role of moral values in individual and social reform and hence in development, and overemphasize the role of the market or the state. They are not inwardly committed to brotherhood and socio-economic justice and do not have a socially agreed filter mechanism of moral values. Their strictly this-worldly perspective does not provide a rationale for anything other than materialism and social Darwinism. Within this framework there is no motivation to serve social interest except where it is automatically served as an indirect result of serving self-interest.”

The solution, in Dr. Chapra’s view, must therefore lie in an economic system which is firmly rooted in morality, as shaped by religion. Such a system, he proposes, is Islam. In



*A health clinic for newborns at a Palestinian refugee camp in Jordan. In Dr. Chapra's conception of Islam, man is not a tabula rasa, and therefore Muslims must seek to "develop the entire human potential," which includes the physical and social infrastructure necessary for all human beings, who are brothers.*

line with his prior treatment of Marxism and capitalism, Dr. Chapra looks first at the religious and moral parameters of Islam, then at their application to economic thought.

### **The moral parameters of Islam**

“To create an equilibrium between scarce resources and the claims on them in a way that realizes both efficiency and equity, it is necessary to focus on human beings themselves rather than on the market or the state. Human beings constitute the living and indispensable element of an economic system.” In marked contrast to Enlightenment thought, Islam, Dr. Chapra shows, places man at the center. From the three fundamental principles of *tawhid* (unity), *khilafah* (vicegerency), and *'adalah* (justice), the author illustrates the parameters of *maqasid*, the goals of the Islamic faith. Unity signifies that “the universe has been consciously designed and created by the Supreme Being” and that it has a “purpose which gives meaning and significance to the existence of the universe, of which man is a part.” Man is God’s vicegerent, “endowed with all the spiritual and mental characteristics, as well as material resources, to enable him to live up to his mission effectively.” Man is free, endowed with free will, able to choose between right and wrong, and

by nature good.

Both concepts, of unity and vicegerency, indicate that man is not determined, nor is he a *tabula rasa*. Furthermore, since all individuals are created as vicegerents, they are all brothers, and are all equal. This defines the existence of social solidarity as opposed to social Darwinism: "The right attitude towards other human beings is . . . mutual sacrifice and cooperation to fulfill the basic needs of all, to develop the entire human potential, and to enrich human life." Man has been entrusted by God with resources, which, finite, must be developed efficiently and in equity. Every individual has a right and a duty to earn a respectable living; those who are physically hindered from doing so, are to be provided for by the society. Islam is not ascetic; it "requires an individual to satisfy all his essential needs to remain physically and mentally healthy and efficient to be able to fulfill his responsibilities towards himself and his society and, in doing so, to develop his total potential."

The implications of the Islamic worldview for an economic system are straightforward in Dr. Chapra's presentation. Addressing the issue of government spending, he outlines six principles handed down by Muslim jurists (in the *Majallah*), and discusses how they should be understood:

"1. The principal criterion for all expenditure allocations should be the well-being of the people. . . .

"2. The removal of hardship and injury must take precedence over the provision of comfort. . . .

"3. The larger interest of the majority should take precedence over the narrower interest of a minority. . . .

"4. A private sacrifice or loss may be inflicted to save a public sacrifice or loss, and a greater sacrifice or loss may be averted by imposing a smaller sacrifice or loss. . . .

"5. Whoever receives the benefit must bear the cost. . . .

"6. Something without which an obligation cannot be fulfilled is also obligatory."

The author explains:

"Since general well-being has to be an essential objective of all public spending in accordance with maxim 1, then maxim 6 would require that all physical and social infrastructure projects, which help realize this objective through accelerated economic growth, job creation, and need fulfillment, should be given priority over those that do not make such a contribution. Even among the indispensable infrastructure projects, maxim 2 would demand the giving of preference to projects that would help remove the hardship and suffering caused, for example, by the prevalence of malnutrition, illiteracy, homelessness, and epidemics, and lack of medical facilities, clean water supply, and sewage disposal. Similarly the development of an efficient public transport system should acquire priority in accordance with maxim 3 because its absence causes hardship to a majority of the urban population, adversely affecting efficiency and development, and leads to an excessive import of cars and petrol. While these cars provide extra comfort to a smaller proportion of the

suburban population, a reduction of their imports and diversion of the savings to import of public transport vehicles could be justified on the basis of maxim 4; such a measure would not only reduce the pressure on foreign exchange resources but also provide comfortable transport services to the majority, with lower congestion and pollution on urban roads."

Concretely, Dr. Chapra contemplates the application of such maxims to an economic strategy, based on public and private sector development, financed through Islamic banking methods. To encourage the development of a layer of independent entrepreneurs in Muslim developing countries, he proposes vast land reforms to build family farms, and small and medium industrial enterprises. On the former, he again highlights the crucial role of infrastructure: "The most serious disadvantage is the absence of the external economies of an efficient infrastructure (irrigation and drainage, extension services, roads, schools, electricity, and health facilities), due to neglect of the agricultural sector in government budgetary appropriations."

For a Muslim, in a sense, what Dr. Chapra presents is nothing new, although his endeavor to reconcile Islamic moral precepts with modern economic realities may necessitate clothing old truths in new garb. To a non-Muslim, unfamiliar with the debate raging in the Islamic world, the author's arguments will sound either refreshingly thought-provoking or arrogantly threatening, depending on the partisan leanings of the reader. Or, more to the point, depending on the internal interlocutor in the non-Muslim world whom the author has in mind.

This is a crucial point, for the debate on the "third way" is not, cannot be, an academic exchange. On its outcome may depend the life or death of hundreds of millions of human beings. In this light, certain questions raised by the reading of this book are important to articulate and introduce into the continuing debate, also in the Islamic world.

## The Islamic world today

In point of fact, the Islamic world is in turmoil. Certain glaring injustices, brought to the world's attention in the course of the anti-Iraq war, cry out for correction. The condition of the general population in countries like Saudi Arabia and Kuwait, or the United Arab Republics (U.A.E.), a condition in some cases bordering on slavery, begs redress, from a strictly Islamic point of view. Dr. Chapra does not ignore this; from the very outset, he acknowledges that none of what he is elaborating as Islamic economics has been implemented by Muslim governments. He does not hesitate to admit that Muslim countries, looted by colonialism, failed to satisfy the aspirations for justice of their populations following independence. Eager to point out social injustice, he proposes drastic shifts in consumption patterns in many Muslim countries, using tariffs and taxes to discourage import and consumption of luxury goods, while liberalizing the market for all real

needs. When one reads that Dr. Chapra has been a senior economic adviser at the Saudi Arabian Monetary Agency for 26 years, one must assume that he knows whereof he speaks.

But the issue has broader implications, beyond the monied oil sheikhdoms of the Arabian Gulf. Since the Soviet Union has come apart at the seams, and the Adam Smith free market vultures, described all too graphically by Dr. Chapra, have moved in to feast on the carrion of Marxist economics and to kill whatever might have survived communism, those republics historically linked to Islam, the Central Asian republics, have presented an opportunity for development in the direction the author indicates. Iran, Turkey, and Pakistan are all vying for the status of preferred partner for these republics; all three are Islamic, yet each has its own brand of economics and finance. And each may be preaching one thing, practicing quite another. For example, although Iran and Pakistan both boast of having introduced Islamic banking methods, which abhor usury and even decline to exact interest on loans, yet both are currently negotiating with international banking institutions like the International Monetary Fund, regarding precisely such usurious loans. In the case of Iran, which has the physical economic potential to become a powerhouse for the region, compromise with the Adam Smiths of the IMF has gone so far, that the country is allowing foreign capital to buy over 49% of individual firms. Not to mention the fact that Teheran has instituted forms of population reduction measures which fly in the face of the teachings of the Prophet. The government of Pakistan is trumpeting its introduction of Islamic banking, yet is placing the country's industrial plant, equipment, and labor force on the altar of "privatization" to foreign speculators. As for Turkey, though its national model of industrial development may be packaged in an attractive wrapping, the fact that the current government is being used as a pawn of Anglo-American strategic gambling for military hegemony in the entire region, must undermine its credibility as an "Islamic alternative."

### **A conceptual problem: the debt**

Thus, the question is legitimate: What country or countries does Dr. Chapra envision as vehicles of the policy he champions? Whatever nation might take up the challenge the author presents, must deal first with the most pressing problem facing the developing sector—as well as eastern Europe: the foreign debt burden. Although he expresses concern at the debt service burden "aggravated by relatively high interest rates and excessive exchange rate instability," Dr. Chapra does not address debt reorganization or moratorium as an option. This does not mean he ignores the reality of the leading lending institutions, like the International Monetary Fund, which he accurately portrays as a body ready to reward countries for reducing imbalances, regardless of what cost this might entail in living standards or overall economic health. But bucking the IMF seems out of his ken. Indeed, when discussing the debt crisis, he seems at least as con-

cerned with the fragility of the banks as with the suffering of the debtors. "The inability of these countries to service their debts has jeopardized the health and stability of the entire international monetary system," he writes. And, in an oblique reference to the Peruvian government policy under Alan García to allocate only 10% of foreign exchange earnings to debt servicing, he writes: "Some countries have already announced their resolve to service their debts only to a certain portion of their export receipts. If some of the major debtor countries were also to announce their conversion to this strategy, the problem faced by banks would undoubtedly be severe."

From the standpoint of Islam, usury, as practiced by the IMF, is by no means tolerable. The most obvious application of the Prophet's teaching to modern-day realities would entail orderly debt moratoria on all categories of usurious debt, followed by the issuance of new credit, earmarked for productive investment only. Why this approach, which has found support over the last 20 years from many Islamic political forces, does not appear in Dr. Chapra's book, remains a mystery.

There is a conceptual problem in Dr. Chapra's book underlying the ambiguity around the debt question. The problem, which appears in the opening pages and remains constant throughout the volume, involves the identity of the economic theories (and respective institutions) outside Islam, the interlocutors of any Islamic economist. Dr. Chapra speaks throughout of "capitalism" and Marxism. The former he associates exclusively with the tradition of the Enlightenment, British empiricism, Locke, Hume, Adam Smith, Malthus, and so on, and attributes to this tradition the advances made in western European industrialization as well as the source of all evils today. There is no real elaboration explaining how the one worldview can have been responsible for both progress and degeneration. Dr. Chapra's error (and he is certainly not alone among today's economists) lies precisely here, in equating "capitalism" with the Adam Smith tradition, which were better identified as usurious, monetarist, free market economics. Chapra calls the usurious IMF an instrument of "neo-classical liberalization."

### **Another 'third way'**

There does exist another, actually noble tradition, which properly goes under the name of capitalism. This is associated with the banking and economic policies of Alexander Hamilton and the great Friedrich List. It is this latter tradition, responsible for the industrialization of America as well as of Germany and most other successful economies in the 19th century, which, in explicitly rejecting Adam Smith monetarism, predicates economic progress on the development of human labor power potential, human creativity, through science. It is this tradition, which finds no mention in Chapra's book, that is the ideal historical interlocutor for scientific Islam.

Which brings us to the concluding point: To whom is Chapra's book addressed? Or better, who are the partners in dialogue who should join Islamic economic theorists in hammering out truly a "third way"? If outside the Islamic world there has been one healthy economic current, responsible for real development, it has been the mercantilist school of Hamilton and List, continued today by LaRouche, as well as in certain Catholic traditions, stretching from Leo XIII to the current pontiff. Historically, these currents have not been at loggerheads with Islam, but have in various moments converged to bring about some of civilization's highest achievements. From Charlemagne's collaboration with Baghdad's Haroun al-Rashid, to the transmission of Arab science through the Renaissance to medieval Europe, culminating in the extraordinary achievements of Moorish Spain, the two cultures—Islamic and Christian—have succeeded in furthering human progress, by virtue of the fact that they share certain fundamental values, which, though proper to each religion, are *universal* in character. In other words, the worldview which Chapra attributes to Islam is not unique, but is coherent with that of apostolic Christianity, such that the economic models springing from each are compatible.

The question implicitly posed by Chapra's book, therefore, is both epistemological and political: If, as he asserts, Islam carries the promise of social justice emanating from its commitment to the universal brotherhood of mankind, then Islam must be eager today, as in the distant past, to seek out those co-thinkers in other monotheistic religious traditions, who lay equal emphasis on these universal values.

Bombarded with propaganda about "Islamic fundamentalism on the rise" and similar bogeymen, many in the West are avidly profiling works, like that of Dr. Chapra, on the perspectives Islamic economics has to offer. Some are well-intentioned; others are seeking to find ways of dressing the old monetarist formulas, including outright usury, dear to Smith and Malthus, in what might pass as "Muslim" garb. At the same time, many thinkers in the Muslim world seriously grappling with these real issues, are scouring the horizon in the West, in search of kindred minds. What they are most avidly looking for is a school of thought which brings economic theory and practice into coherence with morality. This may explain why the recently released book *The Science of Christian Economy*, despite its name, has had such a fascination for Muslim intellectuals.

## Catholic monthly blasts American free traders

"These neo-conservative theologians could be financed by the same CIA that once paid the progressives," says the editorial (entitled, "U.S. Theologians Against Vatican II") of the May 1992 issue of the internationally circulated Italian Catholic magazine *30 Giorni*. The targets of the outspoken piece are Michael Novak and the gang of the nominally Catholic "pro-Bush theologians" in the United States. The *casus belli*: the campaign launched by the "emerging neo-conservative Catholic intellectual" George Weigel in the magazine *First Things* against "Roman anti-Americanism." Wrote Weigel: "It is an anti-Americanism that can be found in the Roman left, an ideological deformation based in part on the [European] continental and Latin American resentment vis-à-vis the position of the United States in world affairs and, in part, concerning Gulf war, on anti-Zionism."

*30 Giorni* explains that this is a direct attack on the Holy See and that Weigel and his neo-conservative friends, the former Lutheran pastor John Richard Neuhaus and the "inseparable" Michael Novak, known for his "theology of capitalism," are the organizers of an international conference in Liechtenstein next July on the 1991 encyclical *Centesimus Annus*. In reality they are falsifying the

meaning of the encyclical, which reflected on the social doctrines of the Church 100 years after the famous encyclical *Rerum Novarum* of Pope Leo XIII.

The Rome-based monthly points out that the U.S. "neo-con" group, which was the first to go into print in the *Wall Street Journal* with the analysis that *Centesimus Annus* was an endorsement of U.S.-style capitalism, lifted quotes out of context from the very section of the encyclical which the pontiff himself described as being offered as the basis for further discussion—the evaluation of the fall of communism in Europe in 1989.

"We are facing a new form of 'American heresy' already condemned by Leo XIII," writes *30 Giorni*, aiming its heavy artillery against the American group. "While exalting American civilization and accusing others of leftism, these pro-Bush theologians forget the most important things." One of the things forgotten is "the condemnation by the Vatican II Council and Paul VI of the identification of the Kingdom of God with a specific social and political system. This condemnation, taken up again by Cardinal Joseph Ratzinger with the liberation theologians, must be brought with equal force to the attention of these neo-conservative theologians who could be financed by the same CIA that once used to pay the progressive theologians."

"But the word of the New Testament cannot be canceled, and even less so because of U.S. money and blackmail," concludes the editorial.

# Do the 'revisionists' really understand Japan?

Part 3, by Kathy Wolfe

---

## Trading Places: How We Are Giving Our Future to Japan

by Clyde V. Prestowitz, Jr.  
Basic Books, Inc., New York, 1990  
353 pages, paperbound, \$12.95

---

Since the first edition of *Trading Places* in 1988, former Reagan trade adviser Clyde Prestowitz has spoken frequently in favor of Japanese criticisms of the rotted U.S. economy. After President Bush's January trip to Japan, he strongly attacked free trade ideology as a major problem in the United States, which it is. Now Prestowitz and his fellow "revisionist" economists, as they dub themselves, can't understand why they are called "Japan bashers." They say they only want to revise the misconception in Washington that Japan is just another free market economy.

Vice President Dan Quayle told the Council on Foreign Relations (CFR) on April 27 that a major "source of negative rhetoric about U.S.-Japan relations is the revisionist school. Its popularity has provided an intellectual framework for stereotyping Japan as a predatory economic juggernaut which must be stopped, before it buys up America. The Japan of the revisionists is a monolithic economic animal . . . incapable of change, and unforthcoming in negotiations."

That Quayle is an idiot can hardly be denied, but notice the result of his statement. Quayle was immediately hailed by Tokyo as "Japan's favorite American." As a Japanese Foreign Ministry spokesman told the press on May 11, "No one has gone as far as he in defending Japan-U.S. relations." Yet with friends like Quayle, Japan doesn't need enemies.

What is going on here? A reading of Prestowitz's book, which founded revisionism, sheds some light. In fact, it is very harsh on Japan; to be precise, much of what it says about Japan is not true. *Trading Places* is presented as an economic history of the United States in the 1980s, which allegedly proves that Japan's use of free trade helped destroy the U.S. economy.

But without discussing *British* monetarist policy for the United States and the role of Paul Volcker, the Federal Reserve, and their Anglophile followers in the Reagan adminis-

tration, any economic history of the United States is absurd. Prestowitz was in both Reagan administrations and knows what Volcker and the Fed did. Where's the exposé on British or CFR policy for the United States in the 1980s?

And why drive Japan into the arms of free traders from the CFR such as George Bush and Dan Quayle? Later articles will address these issues. Here, let the reader judge revisionism by its own words.

## The end of the 'American Century'

Part I of *Trading Places*, entitled "The End of the American Century," justifiably locates the New York Stock market crash of October 1987 as the end of the United States as a world power. Prestowitz reports that between the time he joined the Reagan Commerce Department as an aide to Undersecretary Lionel Olmer in 1981, and the end of 1987, the United States lost its consumer electronics, auto, semiconductor, and other industries to Japan, and became the world's largest debtor; all too true.

How did this happen? Here, his argument becomes problematic. Washington allowed Japan to "target" major U.S. industries for destruction, Prestowitz writes. "Japan, Inc.," he says, is one huge cartel, with which no free economy can compete. Japan's Ministry of International Trade and Industry (MITI) runs Japan as a cartel, he states, modeled on John D. Rockefeller's "Standard Oil, which, having gained a monopoly position in one market, would raise prices and use the profits thus generated to slash prices in new markets, in an attempt to drive competitors out of business."

To hit its targets, Japan "dumped" on U.S. and all foreign markets, Prestowitz writes. "The Japanese had lower capital and personnel costs. While locking foreign interests out of their home market, they drove aggressively into foreign markets, making whatever bids were necessary to get the business without regard to short-term profit."

In Chapter 2, "Losing the Chips," given as a case study, Prestowitz presents 40 pages of industrial horror stories about Japanese dumping on the U.S. semiconductor industry. Japan began this, he writes, in 1957, when MITI established "an Electronics Industry Deliberation Council . . . to select products and projects in R&D for special promotion, to set production, quantity, and costs targets" using "the creation of cartels deemed useful by MITI. . . . Obsessed by the

fear of foreign domination, the new Deliberation Council declared Japan's top priority must be to build a world-class computer industry, and IBM became the target. . . . The decision to target IBM was thus seen as a matter of national security. The result was an effort that can be compared to the U.S. Apollo program."

U.S. firms were forbidden to sell in Japan. "One high-ranking MITI official was well known for throwing import license applications into the wastebasket.

"The final factor was dumping, the practice of selling below cost or below the price at home, in foreign markets. . . . Japanese production costs were higher than those of the Americans, as reflected by the high prices in the Japanese markets. Nevertheless, the Japanese came into the U.S. market with prices well below those prevailing in either country. . . . The only problem was that dumping is illegal, both under U.S. trade law and under the international rules of the GATT."

An advertisement in the October 1981 *Scientific American* placed by 17 Japanese electronics companies "quite simply declared victory," wrote Prestowitz. "The ad emphasized that any lingering doubts that Japan had surpassed the United States had been put to rest. . . .

"The government of Japan would do all in its power to ensure the industry's success. Its policies reduced risk, and lowered the cost of capital in Japan to a third of that in the United States. . . . When entering a new market, they could afford to price at whatever level was required to get the business. As a top NEC [Nippon Electric Co.] executive said to me, 'When the market is growing and you are trying to establish your position, is no time to worry about profit.'

"None of the U.S. companies had the financial resources and government backing the Japanese had. No U.S. company could slug it out with the Japanese juggernaut. . . . The prediction of the Japanese . . . was soon confirmed."

At the end of 1984, Prestowitz continued, "The U.S. semiconductor industry was staring death in the face. It reported losses of nearly \$2 billion for 1985 and 1986, while 25,000 lost their jobs. The Japanese companies lost twice as much money as the Americans in semiconductors, but as they had foreseen, in a contest of deep pockets, theirs were deeper. As U.S. companies abandoned more segments of the industry, the Japanese expanded market share. . . .

"By the summer of 1987, even mighty AT&T had stopped producing RAMs [random access memory]. . . . It was now totally dependent on the Japanese, as were most other major U.S. computer and electronics companies. . . . MITI is now the arbiter of the world semiconductor industry. By controlling Japanese production, it determines world prices and the availability of critical devices.

"In the summer of 1987 I was asked by a major American semiconductor manufacturer to use my contacts at MITI to help arrange an increase in its supply of a key chip. That one of the pioneers in the U.S. semiconductor industry was now reduced to begging MITI for chips was a measure both of

MITI's power and of how far the Americans had fallen."

## Why would Japan do this?

What monstrous nation could do this to an ally? Is Tokyo that bad? In the chapter "What Makes Japan Run," Prestowitz answers that Japanese are nice people, but Japan is a dangerous, authoritarian state, motivated by paranoia. He does not use those words; he says Japan has replaced the U.S.S.R. as the enemy image for America:

"The Japanese government views industrial performance as akin to national security and pours enormous energy into ensuring that its industry is the world leader," he writes. Thus, Japan "is by nature" obsessed with controlling the rest of the world economy:

"In 1857, the Shogun's adviser Masayoshi Hotta observed: 'Our policy should be to conclude alliances, send ships to foreign countries, conduct trade, copy the foreigners, foster our strength and complete our armaments, and so gradually subject the foreigners to our influence until, in the end, all countries of the world know the blessings of perfect tranquility, and our hegemony is acknowledged throughout the globe.'

"Hegemony. Power. These are what ultimately concern nations and determine the lives of their citizens. . . . Today the real challenge to American power is not the sinister one from the Eastern bloc, but the friendly one from the Far East. U.S. industry is not withering in the face of Soviet competition. . . . We respond to the Soviets because defending against a military threat is seen as a legitimate government role, but [we] have difficulty responding to Japan's challenge."

Prestowitz argues that Japanese society is inherently authoritarian. "At the top of Japan's closeknit homogeneous hierarchy are the great ministries of its government and the officials who run them. 'Prime ministers come and go, but we ministry officials are forever,' " Prestowitz quotes an official saying. "An official in Japan's civil service has a mission to make Japan the best in whatever area of endeavor he is engaged, a goal that derives from the view the bureaucrats hold, that they function 'not as public servants, but as public mentors.' "

MITI runs the Japanese Diet and most of the rest of the government, not the other way around, he states. Legislative proposals "are developed by MITI with the advice of MITI's Industrial Structure Council. The council reviews MITI proposals or makes ones of its own, which are discussed in sessions closed to the public. Legislation is drafted and submitted . . . to the Diet, where it is rubber stamped without significant debate. . . . It is accurate to say of Japan that the politicians reigned, while the bureaucrats ruled.

"The failure of America to comprehend the Japanese economic challenge . . . is the greatest national scandal since the end of World War II . . . [which] allowed Japan to destroy many of America's high-tech industries. Read this book," urges the promo on the jacket of *Trading Places* by Prestowitz's professor, Chalmers Johnson.

This is not Japan-bashing?



## China's economy on the brink

*China's stock exchanges are going wild, while Deng begins "shock therapy" to shut down heavy industry.*

The symbols of Deng Xiaoping's heralded economic "reform," the newly opened stock exchange operations in Shanghai and Shenzhen, are now exploding into chaos, with fantastic events that would pass as a script for a Hollywood farce if not for the fact that hundreds of millions of lives are at stake. The "booming South of China" has been the subject of special reports in the leading press throughout the world over the past weeks, praising the success of the Deng reforms. But the speculative binge that has accompanied the rapid development in the South is already faltering, while in the real world of the rest of the country, a social and economic explosion is rapidly approaching.

Since China opened the Shanghai stock exchange in 1990, the first since pre-revolution days, stock prices have increased fivefold, as speculation rapidly made a few men very rich. With shares earmarked for sale either to "Chinese only" or to "foreigners only," the speculation in both types reached fever pitch following Deng's call for more rapid "opening up" during his trip to the South in the spring. The floors of the exchange houses were scenes of frenzy that made Wall Street look tame by comparison. Organized syndicates hired gangs who controlled the positions in the lines, facilitating the control over selected issues by the syndicates. (One individual investor was killed on the trading floor for trying to break through the gangs to get to the counter.)

The authorities then lifted all restrictions on daily share price fluctua-

tions, and the market rose by nearly 50% in a single week. Price/earning ratios skyrocketed. Beijing finally moved in to try to salvage the situation.

Syndicate trading was outlawed during the last week of May, which led to a free-fall collapse of the market. The traders, unable to get through the queues to sell their shares, panicked. On Monday, June 1, a special annex was opened where only selling was permitted, hoping to ease the panic. Shanghai's *Liberation Daily* reported on June 2 that the annex was stamped, security police lost control of the crowd of more than 5,000 fighting to get to the counter, and it was closed after two hours. The Chinese press is carrying stories of individual investors who hanged themselves after losing a few thousand dollars.

Nevertheless, plans are proceeding to make more issues available on the two exchanges, and a futures market is now in the early stages. Also, Reuters reported on June 1 that the shares offered to foreigners (called B shares) are going to be under increasing pressure from foreign "China Funds." Already four such funds, worth \$180 million, are in the market, and another five totaling \$150-200 million are on the way.

Behind this lunacy is the fact that Beijing, with the International Monetary Fund and World Bank teams in on every step, is beginning to implement an economic death sentence on the state sector industries, which make up almost the entirety of the medium and heavy industry in the country. These industries are slated for either closure,

or for transformation into joint stock companies, where their fate will be thrown to the wolves in Shanghai.

Deng visited Beijing's Capital Iron and Steel Corp. at the end of May. The trip was an opportunity for the state-controlled press to inform the workers that the bloodletting is beginning—and will continue. Said the *People's Daily*: "In the course of reform, the jobs of some will be changed and their incomes lowered temporarily. It is possible that some will be temporarily unemployed. . . . If you say that reform means breaking the workers' iron rice bowl, then in the future they will get a silver rice bowl, a golden rice bowl." Workers who have lived through decades of similar promises of a golden future under Maoism are not likely to be relieved.

The German daily *Handelsblatt* reported on May 18 that there was already unrest in some factories over the layoffs, pointing out that in China, losing a job also means losing one's apartment, as well as health care and other benefits. There is no "social safety net" to rely on.

The extent of the layoffs was confirmed by the official *China Daily* on May 10, which reported that industrial employment had *fallen* by 1.17 million in the first quarter alone. This figure *includes* those who are finding work in the foreign sweatshops in the "booming South." Employment in state- and collectively-owned industries dropped by 1.22 million (out of a work force of about 142 million), while foreign industries added only 61,000 workers.

This, of course, does not even take into consideration the 100-200 million unemployed peasants. This is the means by which the cost of labor is held to about \$30 per month in the free trade zones. It is also the means by which a new holocaust is in the making.

## Dunkel woos farmers for GATT

*International farm groups heard calls for support for "the landscape" and for the cartels, rather than for farmers.*

**T**he International Federation of Agricultural Producers (IFAP) held its biannual conference in Quebec City, starting May 25. The featured speaker, before 300 delegates from leading farmer organizations from 55 countries, was Arthur Dunkel, secretary general of the General Agreement on Tariffs and Trade (GATT).

Dunkel is the U.N. bureaucrat responsible for ensuring the completion of the "Uruguay Round" of trade "reforms." He and his Anglo-American backers are attempting to wipe out national protection and subsidy of agriculture, as the first item on their incompetent "free trade" agenda. This strategy cannot succeed as long as significant resistance to it remains among farm organizations. Dunkel's job was therefore to convince the delegates to accept his program, known as the "Dunkel draft," as the basis for a GATT agreement on agriculture.

The "Dunkel draft" was presented to world governments in March, in an attempt to resolve the impasse in negotiations that developed when European farmers forced their governments to resist huge cuts in producer income proposed by the U.S. negotiators.

Dunkel's text, which is widely believed to represent the U.S. position, as well as the interests of the multinational grain cartels, emphasizes cutting the income of farmers and reducing world food "surpluses." But there are no surpluses! Over the past five years, world grain output has plunged. Even during the conference, news broke of the U.S. government's

inability to supply flour and other foodstuffs to programs for the needy.

Nevertheless, Dunkel attempted to present his program as a *fait accompli*. "The draft final agreement sets the scene for the conclusion of the round," he said. He characterized the only obstacles as problems in "political perception," meaning the continental European governments' reluctance to accept U.S. demands for reduction in agricultural output. This reluctance is based in part on pressures from farmers, and in part on the desperate food needs in the former Soviet bloc and elsewhere.

Dunkel represented himself as a "party above the fray," who was engaging in a dialogue with the conference participants. He attempted to persuade them that eliminating support for agricultural prices would benefit farmers. Under the "Dunkel draft," he said, payments could still go to farmers for such things as environmental protection and "adapting to structural adjustment." Farmers could continue to be compensated, he said, as long as this was not related to production. Such payments make it possible, he said, "for governments to directly support farmers in all their functions beyond agricultural production proper. The right it confers on them, for example to protect the landscape and the environment, is a first, a premier. It encourages a progressive switch from policies that support prices to policies that support people, namely the rural community, which plays such an essential political and social role in every society." How

there could be a rural community without farmers, he did not explain.

Why would farm leaders invite the instrument of their demise into their midst? Many have been brainwashed into sharing Dunkel's stated concern for "overproduction." Despite the fact that free trade policies already enacted in the U.S. have caused wheat production to decline by 28% over the last decade, and that European wheat exports would be cut in half under the Dunkel draft, delegates from the U.S. and Canada expressed concern that the Dunkel draft would disrupt national "supply management" programs and lead to surpluses. The Canadians pressed for an exception for their marketing boards on the grounds that the boards help to limit production. U.S. Farmers Union President Leland Swenson, who is also a vice president of IFAP, argued that eliminating price supports would cause farmers to produce too much.

The IFAP format was not designed to develop policy in the interests of producers. In fact, it does not even take positions on issues at its meetings. The IFAP conferences only discuss policy "issues" developed by the group's secretariat in Geneva.

There was no debate on whether GATT actually would benefit farmers. According to one report, the central discussion among involved the supposed benefits of GATT to underdeveloped nations. The argument was that although it may harm producers in the advanced nations to allow cheap food imports from developing economies, they must accept this hardship so that the developing nations get their chance to grow.

The reality is that no one benefits from such a policy except the cartels, which are thereby allowed unrestricted access to national economies, and the banks, which get paid from the earnings of the Third World exports.

## Olympia & York: the bankers' nightmare

*The banks are taking huge losses on their O&Y loans, but that's only part of the story.*

Papers filed by Olympia & York Developments Ltd. in its bankruptcy filing in Canada, even though they conceal more than they reveal, give the most detailed look yet at the failed company's balance sheets. The picture shows why bankers are quaking in their boots.

The Canadian banks have already reported their exposures to O&Y. Out of a total of \$2.5 billion in O&Y loans, \$2 billion has been declared non-performing. The Canadian Imperial Bank of Commerce reported that 81% of its \$714 million of loans to O&Y was non-performing, compared to 65% of \$648 million at the Royal Bank of Canada, 62% of \$523 million at the Bank of Nova Scotia, 100% of \$393 million at the National Bank of Canada, and 96% of \$274 million at the Bank of Montreal. Canadian Imperial set aside \$830 million in special reserves for its O&Y losses in the second quarter, giving it a loss of \$365 million, the largest quarterly loss in the history of Canadian banking.

According to the data filed with the bankruptcy court, which cover only the parent Olympia & York Development Ltd. and its 28 subsidiaries involved in the Canadian bankruptcy, the largest lender to O&Y was the Hongkong & Shanghai Bank, with an exposure of \$787 million. The bulk of that, \$750 million, is part of the \$2.5 billion loan made by a syndicate of banks to O&Y Resources Credit Corp. for London's Canary Wharf real estate boondoggle.

That syndicate also includes: the Royal Bank of Canada, which lent \$250 million; a syndicate led by Dai-

Ichi Kangyo Bank of Japan, which lent \$250 million; and a syndicate led by Crédit Lyonnais of France, which lent \$1.25 billion.

According to a study by Toronto brokerage McLean McCarthy, the securities used as collateral for this \$2.5 billion loan have a current value of only \$1.6 billion, or 65¢ on the dollar. That means that these banks have already lost \$900 million.

A syndicate led by Citicorp, which lent \$500 million, has done even worse, relatively speaking. The collateral backing the loan is worth just \$145 million, or 29¢ on the dollar. Two major Japanese banks are members of this syndicate: Tokai Bank, which loaned \$250 million, and Dai-ichi Kangyo, which loaned \$180 million. These banks have already lost \$355 million.

Overall, according to McLean McCarthy, the value of the collateral backing O&Y's \$4 billion in securities-backed loans, is now worth just under \$2.9 billion, or 72¢ on the dollar.

These loans do not tell the whole story, however. The Canadian bankruptcy filing covers only about \$7.5 billion of O&Y's admitted \$11.3 billion in debt. The Canadian filing does not include loans made directly to O&Y's Canary Wharf subsidiary, nor does it include loans made for U.S. real estate properties.

Furthermore, many billions more in liabilities do not appear in any of the above categories.

In its Canadian bankruptcy filing, O&Y reported \$78 million in so-called interest rate swaps, used to lock

in fixed rates of interest. In an interest rate swap, a party with a floating interest rate on an obligation, swaps interest payments with a party with a fixed interest rate obligation. O&Y's interest rate swap obligations, according to the *Wall Street Journal*, are actually \$140 million, nearly twice what was originally reported.

The notional amount of those interest rate swaps was reported in the May 14 bankruptcy filing as \$835 million, but, according to the *Journal*, O&Y has an additional \$800 million in swaps from banks such as Citicorp and J.P. Morgan, for a total of more than \$1.6 billion. According to the *Journal*, the question of whether the \$1.6 billion in principal is at risk along with the \$140 million in interest, is "a topic of debate."

As an incentive for firms to relocate to O&Y office buildings, O&Y often bought out their new tenants' existing leases. The amount of such buyouts has not been revealed, but American Express, one of the companies which agreed to move into Canary Wharf, maintained that the value of O&Y's promise to buy out Amex's current leases was large enough to give it a seat at the creditors' table in the bankruptcy negotiations.

Overall, according to European banking sources involved in the O&Y negotiations, the total debt of O&Y runs from a minimum of \$25 billion to as much as \$47 billion, once all the swaps, lease buyouts, and other exotic financing tricks are added in.

The fact that O&Y doesn't have enough assets to cover its liabilities, was made clear in both the U.K. and Canada. In Canada, the creditors were publicly feuding over where each stood in the repayment line. In the U.K., two potential bidders for the corpse of Canary Wharf said that the project was worth no more than one-fifth of the amount it cost to build it.

# Business Briefs

## Labor

### Rail unions threaten strike in June

U.S. labor unions are threatening another rail strike come June 24, the *Journal of Commerce* reported. Three emergency boards appointed by President Bush to consider stalled negotiations in three railroad labor disputes appear to be siding entirely with management.

The three disputes are between the International Association of Machinists and most major freight railroads; Amtrak and six unions representing 7,500 workers; and ConRail and the Brotherhood of Maintenance of Way Employees. These workers have not received any pay raises since 1988.

Meanwhile, Northwest Airlines has sent a letter to its 47,000 workers, warning that the airline might not survive if the workers don't agree to work-rule changes and productivity improvements, i.e., speedup. The International Association of Machinists Lodge 143, which represents 24,000 of Northwest's workers, termed the letter a "negotiating ploy" in present talks on a new contract. This is the first time Northwest, the subject of a 1989 leveraged buyout, has publicly admitted that its financial situation is less than rosy.

## Resources

### Environmental lunacy is biggest threat: scientists

A letter signed by 264 scientists warns that "irrational" environmentalism is the greatest threat facing mankind. The letter, addressed to the heads of state attending the Rio Earth Summit, was issued in April, but was first published June 1 on the editorial page of the *Wall Street Journal*.

The text reads in part:

"We are . . . worried, at the dawn of the 21st century, at the emergence of an irrational ideology which is opposed to scientific and industrial progress and impedes economic and social development.

"We contend that a natural state, sometimes idealized by movements with a tendency to look toward the past, does not exist and has probably never existed since man's first appearance in the biosphere, insofar as humanity has always progressed by increasingly harnessing nature to its needs and not the reverse. . . .

"We stress that many essential human activities are carried out either by manipulating hazardous substances or in their proximity, and that progress and development have always involved increasing control over hostile forces, to the benefit of mankind. . . .

"We . . . forewarn the authorities in charge of our planet's destiny against decisions which are supported by pseudo-scientific arguments or false and non-relevant data.

"We draw everybody's attention to the absolute necessity of helping poor countries attain a level of sustainable development which matches that of the rest of the planet . . . avoiding their entanglement in a web of unrealistic obligations that would compromise both their independence and their dignity.

"The greatest evils which stalk our Earth are ignorance and oppression, and not science, technology, and industry, whose instruments, when adequately managed, are indispensable tools of a future shaped by humanity, by itself and for itself, overcoming major problems like overpopulation, starvation, and worldwide diseases."

Among the 264 scientists who affixed their signatures to this statement were 46 Americans, 27 of whom have won Nobel Prizes.

## Finance

### 'Off-balance-sheet' risks could be '90s debt bomb

Off-balance-sheet liabilities could be the debt bomb of the 1990s, warned Allan R. Taylor, head of the Royal Bank of Canada, at the International Monetary Conference (IMC) meeting in Toronto. Taylor reminded participants of 1982, "when the debt bomb detonated in the case of Mexico and many saw the international financial system facing a collapse." Although

this bomb has been defused, 10 years later, Taylor warned, banks engaged in derivative products like swaps and options "must understand, which new risks they entered and how to manage these risks."

*Washington Post* columnist Hobart Rowen reported a few details of the semi-secret meeting of the "world's biggest commercial bankers" in Toronto. "It is just a few months short of 10 years since the news of Mexico's impending default on its international debt swept through the annual meeting of the World Bank and the IMF [International Monetary Fund] held here in Toronto in September 1982. The 'debt bomb' caught the banking world by surprise. It was just not supposed to be possible." Now the powerful bankers meeting in Toronto "took a retrospective look at the past decade and wondered if it can happen again. It already has, according to many European bankers, in the form of huge losses in loans to the former Soviet Union."

Wilfried Guth, a member of the board of Deutsche Bank, reportedly made the joke that bankers recognize their past mistakes and make new ones. As one surveys the recent collapse of Olympia & York Development Ltd., Guth's sardonic warning becomes clear. O&Y owes banks and other lenders \$12 billion. "It's about what we lost in Brazil," one French banker joked.

## Energy

### Russians plan to restart nuclear program

An official with Russia's State Nuclear Energy Safety Agency has confirmed an earlier report that Russia will resume its nuclear energy program, six years after Chernobyl. *Komsomolskaya Pravda* had reported that Yegor Gaidar had signed an order on March 26 to resume construction of an unspecified number of new power plants and to increase the capacity of existing ones.

According to Reuters, the document he signed grants "considerable privileges to regions where construction of a nuclear station was being renewed." But, the newspaper stat-

## Briefly

ed, although that action might head off local protests, it could provoke an angry reaction from environmental groups abroad.

European politicians and environmentalists have tried to shut down the former Soviet nuclear program, but there are already shortages of electricity in the Far East and Siberia, and nuclear energy is seen to have the highest growth potential for new power generating plants. As the output of oil and coal has dropped, the nuclear option has looked more and more attractive to Russian government officials.

Meanwhile, Philadelphia Electric vice president Nick DeBenedictis, wrote a June 4 commentary in the *Philadelphia Inquirer*, stating, "It would be negligent not to plan for more nuclear energy." Even using the most optimistic projections of what can be "saved" through conservation, DeBenedictis states that the equivalent of 200 one-gigawatt generating stations, or 400-600 smaller ones, will have to be built in the next 20 years, according to the Department of Energy. Virtually no such large baseload power plants are even in the planning stages for the next decade.

### Space

## U.S., Russian scientists finish Antarctic trip

U.S. and Russian scientists recently completed an Antarctic expedition aimed at learning more about Mars. The joint expedition to investigate the physical, chemical, and biological properties of ice-covered lakes is part of a broad program at the NASA Ames Research Center to study life in extreme environments on Earth to gain an insight about life on Mars. "Research in the Antarctic using telepresence is helping to define the technologies we will use during future missions to Mars," Dr. Donald DeVincenzi of Ames states in a NASA press release.

Telepresence is the use of remote-controlled robotic systems in difficult environments, which become the researchers' eyes and hands.

Meanwhile, President Bush and Russian

President Boris Yeltsin will discuss space programs at their upcoming summit. According to the June 5 *Washington Times*, lifting the ban on the use of former Soviet rocket launchers for U.S.-made satellites may be a result of Yeltsin's visit to Washington. The Soviet-developed Proton rocket, which has been the workhorse of the Russian space launch program, could be used to launch an International Maritime Organization satellite, which is owned by a 64-nation consortium, and built by General Electric. The Russian bid for the satellite launch would be one of five.

Other space items on the agenda will deal not with commercial, but joint R&D projects, which have been under discussion between NASA and the Russian space agency, and which will depend upon stability in the Russian program.

### Food

## Government runs out of supplies for soup kitchens

The U.S. Department of Agriculture has suspended donations of government food from its storehouse in Atlanta, Georgia to various so-called soup kitchens, from which food for 250,000 people in the state has been provided each month. Government food stocks are running so low nationally that there is enough on hand only for the next few weeks.

Nationally, 7 million Americans receive some amount of food every month through local "food banks," that provide relief, and rely on government donations. Children will be especially hard hit as schools close and subsidized school lunch programs end for the season.

Moreover, in May, the USDA announced that as of July 1, it will no longer have enough flour to distribute to schools and relief programs, and other recipient agencies, such as prisons, hospitals, and orphanages, because supplies have run out for the "bonus" program these agencies rely on. The USDA will make available only the minimum non-bonus foodstuffs it has committed itself to providing.

● **EASTERN EUROPEAN** economies continue their steep decline, according to the latest review by the Vienna Institute for International Economic Relations. According to the report, industrial production declined by 11%, agricultural output by 5%, and GNP by 16% in 1991. None of the former socialist states can expect a recovery in 1992, it said.

● **THE PRESIDENTS** of top universities in the United States are quitting for lack of the funds needed to run their institutions. Michael I. Sovern, president of Columbia University, has announced that he is stepping down. He is the fourth top university president (Yale, Chicago, and Duke) to quit in recent months, citing the "difficulties of leading complex institutions in a time of limited resources."

● **BEAR STEARNS** former directors Edward Downe, Jr. and Fred Sullivan are among seven individuals being sued by the Securities and Exchange Commission for an insider trading scheme in which the men made over \$13 million between 1987 and 1989. The SEC called this "one of the most significant and largest insider trading cases ever."

● **AT&T** has hired 100 scientists at the General Physics Institute in Moscow, and Corning Glass has hired 115 from the Vavilov State Optical Institute and the Institute of Silicate Chemistry, in St. Petersburg, for work on fiber optic cables, which, coupled with small, low-power lasers, are being developed for long-distance phone and data communications systems. The Russians will each receive \$40 per month.

● **TUBERCULOSIS** rates are soaring in the state of Maryland. Roxbury Correctional Institution in Hagerstown is facing a possible epidemic of drug-resistant TB. After discovering an inmate with active TB had been prematurely returned to the general population, testing was begun. Warden Jon Galley told *EIR* that 389 inmates and 28 guards (20% of the population), have tested positive.

## Pagan 'Earth Summit' opens in Rio de Janeiro

by Silvia Palacios

The U.N. Conference on Environment and Development (UNCED), which opened in Rio de Janeiro, Brazil on June 3, represents the world oligarchy's efforts to impose a cultural and philosophical paradigm shift upon the people of this planet. With the opening of the Earth Summit, as the conference is known, the Christian concept that man is in the living image of God, and was given the Earth to populate and subdue it, is now being replaced by the pagan concept that man is no better than an animal, and indeed, somewhat worse!

Anglo-American world power has employed the U.N. to pull off the largest international meeting in history, with a gathering of over 100 heads of state. The goal of the summit is to have these governments now translate this philosophical paradigm shift into formal treaties for the depopulation of their nations, through mass sterilization, legalized abortion, euthanasia, and economic genocide.

As was discussed at the founding conference of the Ibero-American Solidarity Movement (MSI), held in Tlaxcala, Mexico on May 18-22 (see *EIR*, June 5), the Earth Summit has nothing whatsoever to do with "protection of the environment." Rather, it represents the implementation of the "new world order" promoted by U.S. President George Bush, in which such pseudo-scientific frauds as "sustainable growth," the "ozone hole," "global warming," and so forth are put forward as part of an irrationalist and genocidal malthusian agenda based on the myth of finite resources.

U.N. secretary general and Anglophile agent Boutros Boutros-Ghali, in his June 3 inaugural speech to UNCED, most clearly summarized the fascist perspective of this new order. Ghali condemned to death millions of human beings, when he asserted that "nature no longer exists in the classic sense of the term. . . . We no longer have the right to the logic of the infinite. It is this enormous epistemological break

which, in the end, the Earth Summit symbolizes for the historians."

The U.N. bureaucrat delivered the *coup de grace* to the world's surviving confidence in science and technology as the foundation upon which to build prosperous nations, by describing this fundamental principle of economic science as antiquated and void, to be replaced by the fallacious notion of sustainable development. "We need to begin with an act of collective reflection," said Boutros-Ghali. "We should equip ourselves with great courage, because this reflection implies risks: the risk of our being forced to give up our sacred myths and economic principles."

The mores of this new order, which augurs more economic and moral destruction than that already caused by the usury of the International Monetary Fund (IMF), were also presented by Boutros-Ghali, who inaugurated the Earth Summit with a two-minute silence in honor of the Earth, that is, to the pagan goddess Gaia.

### Stopping the 'birth clock'

The Earth Summit organizers have set off an avalanche of demographic terrorism. For example, at the entrance to the conference center, they placed an enormous clock which registers the number of births occurring throughout the world, in contrast to the area of productive land on the planet, which is shown as shrinking in direct proportion to the increase in population.

The conference's malthusian purpose is not merely propagandistic: Drastic reduction of world population growth is one of its primary short-term goals. Thus, UNCED Secretary General Maurice Strong, a Canadian millionaire and member of the malthusian Club of Rome, joined Boutros-Ghali in the opening session to warn that humanity was facing the danger of runaway population growth. "The population needs to

stabilize itself, and quickly. If it does not do so, nature will do it more brutally," he threatened.

Stopping the clock could be achieved by controlling growth rates or by strangling the economic capacity of Third World nations. Either path gives official sanction to the population policy designed in 1974 by former U.S. Secretary of State Henry Kissinger, whose National Security Study Memorandum 200 maintains that population growth must be controlled if natural resources considered "strategic" to the United States are to be safeguarded.

World Bank President Lewis Preston backed the idea of Mostafa Tolba, director of the U.N. Environment Program, of launching an ambitious program of global family planning linked to foreign debt reductions. Lewis proposed that his institution open a line of credit for programs that would reduce population growth rates, given that such growth "is putting unsustainable pressure on the use of natural resources."

The malthusianism consecrated at the Earth Summit was an urgent demand of the Anglo-Americans, and is the essence of the ecologists' bible *Our Common Future*, by Norwegian Prime Minister Gro Harlem Brundtland. One of the brains behind the Earth Summit, she has never denied that her thesis was taken from the *Global 2000 Report* prepared by the Trilateral Commission administration of Jimmy Carter, which demanded the elimination of one-third of the world's population by the year 2000.

The British monarchy, which has played a central role in the Earth Summit, has been intransigent on the population question, which explains why it is battling the Catholic Church. At the Rio meeting, Perfidious Albion went out of its way to make its fight with the Vatican public. It reached the point that, the conference scarcely begun, the British delegation issued a harshly worded official note opposing the concerns of the Vatican representative to the summit, Archbishop Renato Martino. The archbishop had delivered a powerful defense of life and the dignity of man to a plenary session, during which he ridiculed the lies of Britain's Thomas Malthus which impregnate the formal working document of the Earth Summit, known as Agenda 21.

### **Environmental tyranny**

An idea of the tyranny the Earth Summit would impose upon the world was revealed by Brazilian Foreign Minister Celso Lafer, a renowned Zionist and Frankfurt School alumnus, in a May 31 interview with the daily *Jornal do Brasil*. Lafer asserted that what was required was a set of legal instruments to enforce a "new environmental order." He inclined toward creation of an environmental police force, under the extraterritorial jurisdiction of the U.N., as has been proposed by the Brundtland Commission and enthusiastically embraced by, among others, former French Prime Minister Michel Rocard. "This is a matter that is open. One of the ideas would be to broaden the definition of the U.N. Economic and Social Council to include the environmental issue," said Rocard.

Lafer elaborated the details of the colonialist new order: the new era of diplomacy will be one of "creative adaptation"; accepting limits on sensitive technologies transfer; and all of Ibero-America would be subject to IMF free-market dictatorships.

The Earth Summit protagonists, especially the group of nations seated on the U.N. Security Council and their lesser allies like Brazil, have packaged their proposals in Agenda 21, a flood of rules and regulations which the governments have committed themselves to fulfilling, and in the draft slated to become the Declaration of Rio de Janeiro. In both, the central idea is to formalize a system of supranational control over political, economic, and financial processes, guided by environmental concerns. Rewards will be apportioned to those nations which self-impose so-called sustainable development.

Such protagonists of the "environmental order" as the United States, Britain, and Norway, seek to turn the World Bank into just such a financial police force, whereby economic aid would only flow to those nations which yield to the environmental dictates of the eco-fascists. Specifically, the Norwegian delegation is asking that the International Development Association of the World Bank—which finances aid programs to the poorest nations of Africa and Asia—be turned into the principal financial channel for the environmental protection programs of Agenda 21.

The 27-point Declaration of Rio de Janeiro, which will be signed by the heads of state at UNCED, is a masterpiece of dictatorial design, drafted by the one-worldists without even lip-service to the concept of national sovereignty. Those governments which do not wish to live outside the bounds of the new environmental legal order will have to alter the juridical foundations of their states, creating legal procedures for compensating ecological damage while conditioning all national development projects on not "causing damage to the environment of other states."

### **A new religion?**

The confrontation between the Vatican and England lies at the center of the paradigm shift represented by the Earth Summit. For some time, the British royal house and their oligarchical associates have taken up the green banner as the guiding doctrine behind a new religion to replace Christianity.

Martin Palmer, ecological adviser to Prince Philip, has just published a book whose central thesis is that the tradition of Plato and the fathers of the Catholic Church, particularly St. Augustine and St. Thomas Aquinas, is responsible for placing "the human mind at the center of everything." Similar complaints are being made by the Club of Rome, one of the organizations responsible for launching the aberrant new cultural parameters symbolized by the Earth Summit. Its president, Ricardo Diez Hochleitner, told the Spanish daily *El País* on June 3 that the summit could bring about a new religion that would recognize "man's limits" and bring "peace with nature."

# Why the 'eco-pagan' movement wants to destroy the essence of Christianity

by Lorenzo Carrasco Bazúa

[Editor's note: The following speech was delivered at the founding conference of the Ibero-American Solidarity Movement, held on May 18-21 in Tlaxcala, Mexico. Citations of other authors have been translated from the Spanish, and might not agree with the wording of the original English.]

Many think that the United Nations Conference on Environment and Development (UNCED) will be a failure, since it is already proving difficult to arrive at significant accords in diverse areas of climate control. But this vision is mistaken: The Eco-92 conference is already completing its primary commitment to bring about a change in the so-called "cultural paradigms." In school, the children are talking of nothing but protecting nature, and the intrinsic evil of human activity.

It is not merely circumstantial that UNCED may have been planned for this year to coincide with the Quincentenary of the arrival of Christopher Columbus on our continent and the beginning of his process of evangelization, intending with the conference to diminish the universal importance of that which we celebrate here. And it is not circumstantial, because the proposal for the Eco-92 conference, which was organized to be the most important event of our century—for some, the inaugural conference of President George Bush's new world order—hopes to establish the principles that constitute in their essence, an attack on the most fundamental Christian values, placing the concern with nature "per se" on the same, if not on a higher plane than the preoccupations with man and his struggle to reproduce and expand the bases of civilization, which were the motive force for the maritime discoveries and the very soul of the evangelization.

In reality, the so-called "environmental agenda" of the one-worldist oligarchs is nothing new, but is an actualization of the old malthusian concept of limited resources, and limits to the size of the population that can enjoy them. Consequently, the one-worldist strategy requires, as a fundamental condition, the control of population growth in the underdeveloped countries, just as obstacles are placed before their scientific, technological, and economic growth.

These proposals are hidden behind the pompous term "sustainable development," based on the supposition that the planet's limited natural resources and the equally restricted capacity for sustaining the biosphere may not permit the expansion of the benefits of modern industrial society to all

the people on the planet—an assumption which is not only scientifically incompetent, but also morally unacceptable. As a continuation of the old proposals of Adam Smith for an international division of labor, the promoters of sustainable development now propose a division in the restrictions to economic development, which if carried to its ultimate consequences, would mean a virtual "freeze" of civilization's progress to a level much inferior to what is possible and what is required for human dignity. This is, in fact, the central contention that Eco-92 will try to impose.

What is intended is an inversion of values to produce a cultural distortion incompatible with the Judeo-Christian heritage that made possible the development of western civilization, based on the concept that man is *imago viva Dei*, in the living image of the Creator; and as such, is *capax Dei*, that is, capable of participating in the divine Creation, which means man's capacity to know and transform nature and his relationship with it, by means of his science and technology, that is, by means of his labor.

Borrowing from these ideas, a true disfiguration of the human being is proposed, lowering him down to the level of irrational beings endowed, under this view, with the same "rights," in the final instance, as in the essence of the so-called Gaia hypothesis—the Earth Mother—favored by the ideologues of environmentalism. This mental attitude explains the noisy international mobilizations in favor of animal species considered endangered, paid for by important financial funds, in contrast to the cold indifference they show toward the proliferation of the "illnesses of misery," like cholera, which spreads precisely because of the deterioration of the human environment, at the hands of the conditions imposed by the international financial institutions, while the International Monetary Fund (IMF) and the World Bank on the other hand have proclaimed themselves as champions of environmentalist causes.

This mental distortion, for example, by former Brazilian environment secretary José Lutzenberger, a sick ultra-malthusian, would say that a poultry farm is nothing more than a concentration death camp for chickens and hens—when in reality, from the point of view of modern technology, poultry farms have become true chicken motels, whose highest, transcendent destiny is a good roasting on the grill.

This same attitude can be seen in the statements of the



various choruses of “environmentalism,” as in the case of the “commandant” of the seals Jacques Cousteau, who, in a recent interview, stated that the survival of nature depends on the disappearance of 350,000 human beings per day, and that the worst ecological catastrophe in the history of the human race was the discovery of America by Christopher Columbus. The same disdain for the human species is propagated by Prince Philip of Britain, when he declared that if he were reincarnated, he would prefer to come back as a deadly virus, in order to help control the population. This we can also see in the most recent study of the Club of Rome, in which without modesty it is recognized that the enemy of that institution is “humanity itself.”

### **Ecologism, pagan animism**

We must now enter into aspects perhaps a bit complicated to explain, but fundamental for a greater understanding of the problem of the cultural roots of this plague of irrational ecologists and their oligarchical owners, whose war-cry is that they are “children of Gaia,” “*imago viva Gaia*”—the children of the Earth Mother, whom they have turned into a cult figure. According to their theories, man is nothing more than a “passenger like any other animal or vegetable of the planet Earth traveling through the universe.” This type of idea has always been associated with the essence of oligarchical thought since at least Hesiod in his *Theogony* explained the origin of the world using a deterministic conception of nature. First there was Chaos and then Gaia (the Earth) and Eros. From Eros was born Hell and Death, and from these deities the rest of the elements and gods were developed, subject to a cruel hierarchy that ends with Zeus.

It is this pagan conception which is the logic of the British oligarchy and its principal members’ insanity, when we see them commune with plants, or recognize Eros in their esteemed animals, which can well be one of the origins of so many matrimonial scandals of the British royal family (if you can even term those cross-breedings marriages).

Another characteristic idea of the oligarchical irrationality is that which says that nature, whose fixed laws violated by man, in spite of scientific and technological progress, will take cruel revenge, provoking great catastrophes that will return the world to its natural origins, that is, the “eternal return” formulated first by Empedocles, and whose fundament was the negation of the existence of whatever fundamental unique substance, of whatever idea of God, of whatever directionality of the universe, in order to be able to proclaim, as he customarily did before his disciples, “I am for you an immortal god and I am not a mortal.” In this, there is no difference between this and the same attitude of President George Bush when he massacred the Iraqi people and proclaimed himself the Zeus of the new world order and the “Pax Universalis” for the next 100 years, when justice will be only his capricious dictates, as we saw in the invasion of Panama.

Certainly, the ideas of Empedocles, especially regarding the existence of the four primary impenetrable substances—earth, water, fire, and air—and his principle of hedonistic force resultant from the struggle between love and hate, served as the basis for much of Aristotelian theories, which are in their turn the basis of all the belief structures of the oligarchy in general, in spite of history, and the ecologist movement in particular today.

But aside from affirming the rotten nucleus of all these oligarchical beliefs, we should ask ourselves how the majority of the population—even the relatively sane and rational sectors—passively allows the proliferation of such ideas. Related to this, we should analyze the dissemination of liberalism among the population at large which, especially over the last several decades, has allowed the irrationalism characteristic of environmental groups to predominate.

Here I want to mention two speeches which coincidentally were given on the same day, Sept. 1, 1990. The first one was by Lyndon H. LaRouche at the Schiller Institute conference in Crystal City, Virginia, in which he warned that “the most profound element of the current world strategic crisis is the obvious attempt by certain individuals to eradicate Christianity from the planet.”

The second speech was by Cardinal Joseph Ratzinger at the Ninth “Rimini Meeting” of *Comunione e Liberazione* [an Italian Catholic political movement], in which he denounced the reemergence of the Pelagian heresy and caused a real uproar. Although he was referring specifically to an internal Church matter—the danger of Christianity becoming merely a system of ethics—the issue is the same: the nature of the profound world crisis and the oligarchy’s insistence on destroying Christianity. Together these two speeches allow us to more accurately characterize the sick naturalism which underlies the ecology movement, and at the same time understand the origin of liberalism and the liberal systems which arose as a result of the 18th-century Enlightenment. As I will attempt to prove, the Enlightenment was an infectious form of the Pelagian heresy, from which the Romantic movement of the 18th century, Marxism in the 19th century, the Frankfurt School’s modernism at the beginning of the 20th century, and the most degenerate form of today’s ecology movement all emerged like a cancer.

### **The Pelagian heresy and environmentalism**

To locate Pelagianism historically as a heresy, we should say that it developed during the 4th century, primarily among the Roman aristocracy, just as the barbarians were invading a Roman Empire enmired in moral bankruptcy and a corrupt leadership which had lost all credibility. Many in the Church thought that the empire could be saved merely by incorporating Christian morality into the Roman judicial system. That is, they wanted to touch up the corpse, which, in fact, meant burying Christianity altogether. It was then that Pelagius’s ideas, which transform Christianity into a system of ethics,

fall like pearls on the oligarchs who sought a way to breathe life into the Roman Empire.

This is not unlike the period we're living through today, with the collapse of the imperial Versailles system, the loss of credibility of all those political and institutional structures which emerged from the liberalism predominant in this century. We also see some within the Church trying to put a Christian veneer on George Bush's new world order. This doesn't even include the Theology of Liberation leaders, Frei Beto and Leonardo Boff, who, after the fall of the Berlin Wall and the collapse of Nicaragua's theocracy, now proclaim ecology's "revolutionary content."

Marxist theology of liberation is a form of Pelagianism within the Church, in which man can attain his salvation through revolutionary fantasies.

By eliminating divine grace, which is the essential characteristic of Christianity, Pelagius also eliminates the root of a marvelous juridical revolution which the Christian era introduced. That is, the element which St. Paul particularly emphasizes in his Letter to the Romans, when he tells us that the law in itself doesn't bring justice, as this comes only through outside divine intervention, *extra divinum* through grace, which was the essential content of natural law from St. Augustine through St. Thomas.

For the Pelagians, law and free will are sufficient to achieve the good, without any higher assistance. This is why St. Augustine distinguishes law from grace, because law by itself is impotent to sanctify man. This can only be achieved through divine grace given to humanity in the person of Christ.

St. Augustine saw that what was behind Pelagianism was Aristotelianism, both as regards its radical naturalism, as well as man's supposed self-sufficiency in the areas of justice and morality. We will see these two aspects of Pelagianism again with the emergence of the Enlightenment.

## **Pelagianism, America, and the Enlightenment**

Now, allow me to jump ahead a good deal to develop the parallel between Pelagianism and the Enlightenment, skipping over some other matters.

All political, philosophical, moral, religious, and juridical theories of the Enlightenment stem, on the one hand, from the theory of "man's natural goodness" which is the same as the Pelagian negation of original sin, and on the other hand, on the assertion that justice and law are based only on man's nature, which possesses certain immanent natural rights. When these are discovered by reason, natural law emerges, but this is not the natural law derived by divine law.

Although the theory of "natural goodness" had existed from remote times, it was only with some particularly fantasy-ridden descriptions of the trips to the New World that it became popularized in Europe at the beginning of the 16th century, and later gave birth to the idea of "the state of nature" as the image of a "Golden Age" through which humanity had lived and in which the state did not exist. Thus, there were

no limitations of any type, except those imposed by nature itself, or by custom, or as the result of the interaction between pleasure and pain, as Aristotle would say. This is the naturalist essence of any type of liberalism. It was this conception which spawned the idea of the "noble savage" of Rousseau's *Social Contract*. Thus, many fantastic descriptions portrayed the Indians as people living in a kind of earthly paradise, simply ignoring the terrible diseases, premature aging, barbaric customs, and cannibalism they practiced.

The essays of Michel Eyquem de Montaigne (1533-92), the school of natural law of Hugo Grotius (1583-1645) and his disciple Samuel Pufendorf (1632-94), as well as the theories of John Locke (1632-1704) which underlie the Enlightenment of Jean-Jacques Rousseau (1712-78) and François Marie Arouet, alias Voltaire (1694-78), were based on this conception of the "natural goodness of man." Thus they fought what was for them the disturbing interference of any transcendent meaning of man in the organization of education or the sovereign nation-state. The difference between Locke and Hobbes is exactly what St. Augustine explained as the difference between Pelagians and Manicheans. Both stem from the same principle, but Hobbes, like the Manicheans, takes the intrinsic perversion of man as his point of departure. In both cases, man is reduced to his animal, or irrational state, eliminating from law the notion of justice based on higher reason. That is, man was reduced to his bestial state, his dignity as a human being destroyed, and his higher mission trampled on.

The theory of "natural goodness" was then a reintroduction of Aristotelian naturalism, full of Cartesian rationalism and an anticlerical radicalism which was called "the philosophy of lights" promoted by Freemasonry and which in turn unleashed the intellectual mob which generated the French Revolution of 1789.

## **The cannibals and the French Revolution**

To show the influence of the Indians of the New World in the theory of the Enlightenment, I want to quote from its founders. I'll begin with the essay "On the Cannibals" by Montaigne based on the book *History of a Trip Made to the Land of Brazil* (1528) by the Calvinist Jean Levy, which inspired Bacon, Locke, Montesquieu, and Rousseau. Montaigne equates the biological and spiritual identity of man with the beasts: "Returning to the matter, I see nothing barbaric or savage in those peoples [of the New World]; and in truth, everyone calls what is not practiced in his country barbaric. . . . We call those people savage just as we call savage what nature produces without man's intervention. Not so with the others; but that epithet should really be applied to those who alter processes and culture and whose natural development is modified. . . . There is no reason for art in its works to excel over nature, our great and powerful mother. . . . Not even by appealing to all our strength and talent would we be capable of reproducing the most insignificant

bird's nest. . . .

"No one has ever conceived of such natural simplicity elevated to such a degree, nor has anyone ever believed that society could exist with so few skills; I would tell Plato that this is a country where there is no trade of any kind, or literature or mathematics; where the name of no magistrate is known; where there is no political hierarchy, nor rich nor poor. Contracts and succession are unknown; in the field of work, they know only idleness; parents receive the same respect as anyone else; clothing, agriculture, metalworking are unknown; neither wine nor wheat is consumed; the words for lies, treason, dissimulation, avarice, envy, slander, or pardon are heard only rarely. How far is the Republic envisioned by Plato from such perfection! 'These are men who have sprung from the hands of God.' 'Like them, these were the first laws of nature' " (quoting Seneca and Virgil).

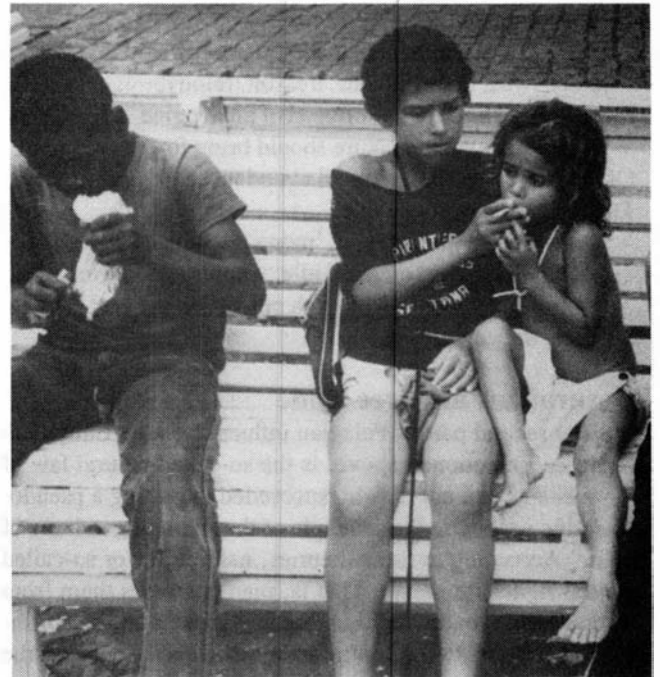
The only real advantage of the system described by Montaigne is that the illiterate Indians were spared the distasteful experience of having to read him!

Two hundred years later, in a famous speech on arts and sciences (1750), Rousseau endorsed Montaigne's vision, saying that the source of corruption of "the natural goodness of man" was scientific and technological development—an argument which could well be the rationale used by today's backers of sustainable development: "The savages of America, who walk around entirely nude and who live only from the fruit of their hunt, could never be tamed. What type of yoke could be imposed on men who need nothing.

"I dare not speak of those happy nations which know not the names of the vices which cause us so much trouble to repress, of those savages of America whose simple and natural police Montaigne undoubtedly prefers not only over Plato's laws, but truly, over all that philosophy could ever imagine as the most perfect for the government of peoples. He quotes a number of relevant examples. . . .

"It is as if luxury, dissolution, and slavery had been for all times the punishment for the proud efforts we have made to leave happy ignorance behind, in which I do not include eternal wisdom. . . . People, know once and for all, that nature wanted to protect you from science, just as a mother pulls a dangerous weapon from her son's hands; that all secrets which she hides from you, are other evils from which she defends you. . . . Men are perverse; they would be even worse if they had had the misfortune to be born wise.

"Astronomy was born of superstition; eloquence, of ambition, hate, adulation and the lie; geometry of avarice; physics of infantile curiosity; all of them, and morality itself, of human pride. The sciences and the arts therefore owe their birth to our vices. . . . If our sciences are useless for their proposed end, they are even more dangerous in the effects they produce. . . . Answer me, then, illustrious philosophers, you through whom we know why bodies are attracted to each other in a vacuum: What, in the revolutions of the planets, are the relationships among the areas covered in



*These homeless Brazilian children are not products of "overpopulation," they are products of the IMF's policy of bleeding the Third World. Note that the boy on the left is preparing to inhale cleaning solvent, while next to him, a girl is giving a toddler a puff of a cigarette—both intended to stave off hunger.*

equal times? What are the curves which have joined points, points of inflection and retrogression, as man sees everything in God, as if without communication, the soul and body correspond to each other as do two clocks? Which of the stars can be inhabited? Which insects reproduce themselves in extraordinary fashion? Answer me, I say, you from whom we receive such sublime knowledge. If you had never taught us such things, would we with this be less numerous, less well governed, less to be feared, less flourishing—or more perverse? Recognize then how unimportant is your work."

William Shakespeare (1564-1616) dedicated one of his last works *The Tempest* (1611) to explicitly and frontally combatting Montaigne's conception of "natural goodness," using the person of Caliban (Cannibal), a savage and deformed slave, who in a moment of euphoria shouts "freedom and prosperity," as if foreshadowing the mobs of the French Revolution which would follow two centuries later. Let me briefly quote a dialogue from *The Tempest*.

"Gonzalo: I' the commonwealth I would by contraries Execute all things; for no kind of traffic would I admit; no name of magistrate; Letters should not be known; riches, poverty, And use of service, none; contract, succession, Bourn, bound of land, tilth, vineyard, none; No use of metal, corn, or wine, or oil; No occupation; all men idle, all; And women too, but innocent and pure;

No sovereignty—. . .

All things in common nature should produce  
Without sweat or endeavour: treason, felony,  
Sword, pike, knife, gun, or need of any engine,  
Would I not have; but nature should bring forth,  
Of its own kind, all foison, all abundance,  
To feed my innocent people.

“*Sebastian*: No marrying ’mong his subjects?

“*Antonio*: None, man; all idle; whores and knaves.

“*Gonzalo*: I would with such perfection govern, sir,  
To excel the golden age.”

### Natural law and free trade

The second part of Pelagian influence on the Enlightenment, as I mentioned above, is the so-called natural law of Grotius and Pufendorf, who succeeded in putting a pseudo-scientific veneer on the principle of the “natural goodness of man.” According to these theories, natural law or so-called natural rights are innate. That is, man possesses them from the beginning, naturally, and reason discovers and establishes them as “just.” The central idea, which is the same as the Stoics, is to live according to nature, which is the same as living according to “reason” derived from the individual’s natural existing proclivity—a kind of natural virtue toward justice.

Thus, what we might call the “divine” component of law and reason is eliminated. And although it is recognized that natural law, as well as human nature, is based on God, He cannot change it. This is exactly the Pelagian argument against the intervention of divine grace. Thus, natural law, as Grotius stated, remains valid “even if God were not to exist or didn’t concern himself with human matters.” From here, justice and morality would no longer be associated with a universal idea, but rather with a natural instinct for sociability—*appetitus societatis*, as Grotius called it—such that, as Aristotle said, man is nothing but a “social animal.”

The state rests on a contract among individuals, a social contract, respected by virtue of the mere convenience of seeking immediate collective security. Society is a mechanical aggregate of individuals and their interests, in which justice is reduced to a statistical result.

There is one interesting note for purposes of this conference. Grotius grew up in a time in which Anglo-Dutch colonial companies were just being set up. They found his naturalist theories of law to be useful. In 1607, in the Low Countries, propaganda for the creation of the East India Company began to spread, at the same time that plans were made to unleash a brutal war between the Portuguese and Spanish on one side, who were fighting for a closed and protected sea, against the Dutch, in favor of an open sea and the conquest of Brazil. It is in that context that in 1609 Grotius published his famous work *Mare Liberum*, in favor of commercial freedom of the seas, that is, in favor of free trade. This is very relevant because those same Dutch circles who were attacking Portu-

gal and Spain for their protectionist policies, were also tied into the Black Legend, presenting the Spanish conquistadors and evangelists as cruel exterminators of the kindly American Indians. In order to defend the oligarchic Dutch commercial interests, it was necessary to modify the fundamental right, eliminating the “divine” by consecrating the “natural,” a work that fell to Grotius and Pufendorf.

### Locke and the ‘*tabula rasa*’

The third important influence for the Enlightenment arose from John Locke (1632-1704); who found in Voltaire, Montesquieu, and Rousseau his most loyal propagandists. The principle of “natural goodness of man,” based, as we said, on the fanciful descriptions of the most savage peoples found in America, was for Locke a lever to reintroduce the Aristotelian conception of the human mind as a *tabula rasa* [blank slate]; or, in technetronic terms, Locke would say the mind is an blank computer disk, whereon, by means of sensations and experience, we gain knowledge about the physical world and ourselves, we “input” information. Locke thought that children, like savages, showed that in their minds “innate ideas” did not exist—not even the idea of God, as Plato defended it, and much later Leibniz refuted Locke. Locke’s conception of the human mind is a mechanical importation of Newton’s conception of the physical universe. Point-masses, moving about in an empty, infinite space, and subject to various fixed relations, are Locke’s simple or complex ideas of what’s inside the mind.

What Locke does is simply turn Galileo or Newton’s telescope to observe the inside of his own mind, and to demonstrate that there was no creativity there—which was certainly true in his case. For that reason, Newton’s maxim, which denied the necessity of hypothesis, as well as that of Locke would be, without exaggeration, the following: “No idea is created or destroyed, but only stolen.”

We also see the same conception based on radical naturalism in Montesquieu, who, in “The Spirit of the Laws,” says: “From such perfect human liberty is necessarily derived the political liberty of the citizens of that state, in that their leaders are never tyrants. And liberty is the object of the political organization of savages. By not knowing about coinage, they don’t know inequality . . . because goods cannot be transformed into rights, and necessities therefore are equal and satisfy equally. Finally, by not knowing about coinage, they do not know the violence of some against others, and when such violence appears, the weak unite and defend themselves against it.”

And in defense of colonialism and slavery, Montesquieu also makes use of the same naturalistic ideas: “We already stated that excessive heat diminishes the strength and courage of men, and that there was in cold climates a certain strength of body and spirit that made men capable of enduring acts, painful, great and daring. . . . It does not fall to us, then, to fear that the cowardice of the peoples in hot climates may

have made them be turned into slaves, and that the courage of the people in cold climates may have kept them free. It is a consequence that derives from natural causes.”

To sum it up, we can see that the Pelagian naturalism in all its currents crystalized in the Enlightenment. Even more, it is that idea of “natural goodness” which is behind the slogans of the French Revolution: Liberty, Equality, and Fraternity, which their propagandists thought were the qualities of earthly paradise, the Golden Age in which man lived before original sin, and from which the Indians of the New World supposedly descended. The Jacobin Terror of the French Revolution was a necessary outcome of the right of rebellion, not based on the divine rights of the individual, proceeding from grace, but the natural “Grotian” right that returns man to the “state of nature,” where man avenges himself against man.

### The New Order and sustainable development

The attack on grace, as the essence of Christianity, is expressed, also in a nested manner, in the concept of sustainable development. To exemplify the preceding, let me quote from a recent article by [Brazilian] President Fernando Collor de Mello:

“Scientific and technological evolution, which radically altered life on the planet, is only one dimension of the civilizing process. The other dimension that completes this process, and gives it an ethical sense, is the universalization of the cardinal values of the Enlightenment. . . . One of the central reflections of our time is the conception and implementation of the idea of sustainable development.”

The essence of sustainable development is that it establishes a fixed relationship between man and nature, between society and the means for creating the preconditions for its reproduction, which implies zero technological growth. This is the antithesis of Lyndon LaRouche’s conception of potential relative population density. St. Augustine would tell the defenders of “sustainability,” as he told the Pelagians—“Try to merge grace with nature”—when what is actually happening is that an arbitrary specific relationship with nature is imposed on man. He thus becomes incapable of altering nature through the discovery of new laws of the universe.

So, the human mind is effectively reduced to a simple receptor of sensations and experiences just like any other animal, as Locke explains. Through the elimination of divine grace, man’s creative capability and divine spark, which is only kindled in relationship to the charity of the living God, is taken from him. Thus man is *incapax Dei*, unable to participate in divine creation or creative scientific thought, unable to change ideas and behavior, incapable of perfection—a slave to nature, which coheres very well with Aristotelian systems of logic and with malthusianism.

For St. Augustine, the sanctification of man demands close cooperation between grace and free will, between a divine force and the human being. “With grace, God inspires

## Leibniz writings in a recent popular collection

Anyone who has tried to follow Lyndon LaRouche’s lead and get into the reading of Gottfried Leibniz, rather quickly encounters the problem of a dearth of available, in-print editions—not to mention the inadequacy of many translations. Happily, there is a trickle of paperbound editions coming into print over the past three years.

One such volume—the source of the translation from Leibniz’s *Principles of Nature and Grace, Based on Reason* (1714) which is quoted in the accompanying article—is the 1989 edition edited by Roger Ariew and Daniel Garber and put out by the Hackett Publishing Company in Indianapolis and Cambridge. *Philosophical Essays* by G.W. Leibniz, 346 pages long with indexes and a non-nonsense buff-colored paper cover, sells reasonably for \$10.95 (cloth, \$37.50).

It includes the familiar “Discourse on Metaphysics” and “Monadology” in new translations, but also renders into English a selection of Leibniz’s less known writings about other philosophers, Hobbes, Descartes, Spinoza, Malebranche, Locke, and Berkeley, plus some of his writings on Newton. As Ariew and Garber stress in their introduction, “Leibniz’s thought can only be understood fully in the context of the contrasts he draws between his thought and that of others.”

One problem the editors identify, is that a definitive edition of Leibniz’s complete works in the original languages (he wrote mainly in Latin and French, sometimes in German) is only very slowly being published. The only comprehensive editions are those edited over a century ago by C.I. Gerhardt. Ultimately, all modern translators are hindered by the lack of definitive originals, and many Leibniz works remain unpublished in any form.

A particular strength of this edition—besides the fact that it contains the full *Discourse on Metaphysics* and much of the correspondence it provoked—is the stress on Leibniz’s relation to the scientific debates of his time. Numerous writings, illustrated with his own clear diagrams, delineate the great thinker’s criticisms of the reductionism of Descartes, Spinoza, and Newton. One unusual short piece offers an interesting solution, after his visit to Italy in 1689, to overcoming the Church’s opposition at that time to the Copernican system of planetary motion.—*Nora Hamerman*

the desire for good, so that it is done with pleasure, not distaste." "This is the gentleness which God gives so that our land may produce its fruit: because we perform the true good, not through fear of temporal bad, but because of the attraction which the good itself produces. Good works should be performed for love and not fear, not for fear of punishment but delight in justice. This is true and authentic freedom. . . . He who is satisfied, content and happy, acts with freedom."

### The divine spark and grace

This joining of forces in which human will, invited by divine grace, participates in Creation is, as I see it, the individual's divine spark. We are the image of God by virtue of creative reason, and creative reason exists by virtue of the attraction of divine grace. Through grace, man advances from the republic of simple free will to the republic of true freedom.

And, as for our job, let me conclude by quoting Gottfried Leibniz's *Principles of Nature and Grace*, dedicated, together with the *Vindication of God*, to the defense of the conception of original sin and grace, threatened by the precursors of the Enlightenment: "That is why all minds, whether of men or of genies, entering into a kind of society with God by virtue of reason and eternal truths, are members of the City of God; that is, members of the perfect state, created and ruled by the greatest and best of monarchs. Here there is . . . as much virtue and happiness as is possible. And this is accomplished without disordering nature (as if what God prepared for souls disturbed the laws of bodies), but through the very order of natural things, in virtue of the harmony preestablished from all time between the kingdoms of nature and grace, between God as architect and God as monarch. Consequently, nature itself leads to grace and grace perfects nature by making use of it. . . .

"Since God is the most perfect and happiest, and consequently, the substance most worthy of love, and *genuinely pure true love* consists in the state that allows one to take pleasure in the perfections and felicity of the beloved, this love must give us the greatest pleasure of which we are capable whenever God is its object. . . . For the love of God fulfills our hopes, and leads us to down the road of supreme happiness, because by virtue of the perfect order established in the universe, everything is done in the best possible way, both for the general good and for the greatest individual good of those who are convinced of this, and who are content with divine government, which cannot fail to be found in those who know how to love the source of all good. It is true that supreme felicity (with whatever *beatific vision* or knowledge of God it may be accompanied), can never be complete, because since God is infinite, He can never be wholly known.

"Thus our happiness will never consist, and must never consist, in complete joy, in which nothing is left to desire and which would dull our mind; but must consist in a perpetual progress to new pleasures and new perfections."

## Dixy Lee Ray battles Rio green agenda

by Geraldo Lino

Amidst all the unscientific yammering at the so-called Earth Summit, or Eco-92, conference in Rio de Janeiro, Brazil about how the concept of human progress is the greatest threat to the environment of this planet, there was one rare voice willing to confront head-on the "sky is falling" wailings of the environmentalists: Dr. Dixy Lee Ray, the biologist and former governor of Washington State. Her boldness led the daily *Journal do Brasil* to dub her "the big bad wolf" of Eco-92.

Though she was not an official delegate, she caused enough turbulence with her whirlwind visit to the halls of Earth Summit for the Brazilian media to feature her presence as a major event. She also furnished ammunition for the debate, just getting under way in Brazil, against the anti-development bias of the majority of the proposals from the radical environmentalists.

Dr. Ray's intervention had all the more impact because she has successfully combined careers in both science and politics. In addition to earning a Ph.D., she has been granted honorary degrees by 22 American universities, chaired the U.S. Atomic Energy Commission, and served as White House adviser on energy and the environment during the Nixon administration. From 1977 to 1981, she was the chief executive of the state of Washington.

In her 1990 book *Trashing the Earth* (Regnery Gateway, Washington, D.C.), Dr. Ray scientifically disproved, one-by-one, most of the alarmist myths of the environmentalists, such as "global warming," the "ozone hole," acid rain, and so forth. In September, she will follow up with another book on the same subject entitled *Environmental Overkill*.

### New books released

In Rio, besides looking in on proceedings of the official conference, Dr. Ray visited the Global Forum, the "parallel conference" of the non-governmental organizations (NGOs), which she described as "a poorly organized, third-rate county fair." She also did some public speaking, including at a forum sponsored by *21st Century Science & Technology* magazine at Rio de Janeiro's Federal Uni-

versity. Two new books were introduced to the scientists and journalists attending the forum: *The Holes in the Ozone Hole: the Scientific Evidence that the Sky Isn't Falling*, by Rogelio A. Maduro and Ralf Schauerhammer; and *Global Warming: the Rest of the Story*, by Gerd R. Weber.

Even before arriving in Rio, Dr. Ray had attracted the attention of the Brazilian media. The magazine *IstoE* published an interview with Dr. Ray in its June 3 edition, predicting that hers "will be one of the most controversial voices at Rio-92." *IstoE* quoted her as saying that "Rio-92 will be a carnival, a big publicity stunt. And that's good, because we will have a real problem if countries do agree to adopt radical measures regarding the environment. In truth, there is no scientific evidence to prove that there have been the so-much talked-about damages to the environment, and no country, including the United States, is in the position to spend money on things that are not important."

### **Invoking the mantra**

After she arrived in Brazil, Dr. Ray said in an interview published by *O Estado de São Paulo* on June 8: "I found exactly what I expected to find. Everything was decided beforehand: the 27 principles of the Rio Declaration and the 115 proposals on Agenda 21. Now we are being told, in very careful language, that the first step will be taken here in Rio. That the first step is to get all the countries to sign accords to eliminate poverty, to reduce the population explosion, and to generate sustained development. I have heard that often: sustain development. I think that nobody knows what it means, they just repeat it as if it were a mantra."

She added, "We have to truly ask ourselves why the world is developed in the North and underdeveloped in the South. What prevented development from occurring in the South?" For her, there is a twofold answer: economics and science, and technology.

The economic reason has to do with the foreign debt of developing countries, "and it involves the International Monetary Fund and development projects that were in fact controlled and directed by the international organizations," she said. The other reason has to do with the question of energy. "What makes a country economically developed is industrialization and energy," she said. "When I speak of energy, I mean electricity. The entirety of the high-technology world is totally dependent on electricity. The issue is this, how do we generate electricity?"

Dr. Ray summarized her answer to *IstoE*: "Nuclear energy, used responsibly, is safe, economical, and the best way to produce electricity that we know of. It is being used all over the world." In an interview in the June 5 *Jornal do Brazil*, she said: "There are 485 nuclear generators in the world today. Until now, there have only been two accidents, one at Chernobyl and the other at Three Mile Island. There

were no victims from the American one. In Chernobyl there were victims because Russian technology was absolutely inappropriate. The technological level of nuclear plants today assures complete safety."

Dr. Ray also criticized the negotiations for a treaty on the climate, which would reduce the global level of carbon dioxide emissions released into the atmosphere. "They want to reduce dioxide production by 20%. If that were achieved, we would be affecting every manufacturing process, every industry, every mode of transportation, the entire production process. Simply, the world's economy would be ruined."

She stressed that global warming is not a scientific certainty, and that there is no proof that any warming is indeed occurring. However, she told *IstoE*, if there is warming, "even if we double the amount of dioxide emissions, it would still be caused mainly by water, water vapor in the clouds. . . . If Earth is going to warm up, cutting back carbon dioxide will not make a bit of difference."

Dr. Ray attacked the fraud of the "ozone hole" and the proposals of the Montreal Protocol to ban chlorofluorocarbons, halogens, and other substances containing chloride and bromide. "The hole in the ozone layer was first described in 1956 or 1957 in Antarctica. They say that freon gas, which is used in refrigerators and air conditioners, is the villain in this case. That's nonsense; it is a totally mistaken view. This is another case in which there is absolutely no scientific evidence. It is no more than a theory."

### **'Modelists' cover for environmentalism**

In every intervention, Dr. Ray severely criticized those scientists, whom she called "modelists," who contribute most to giving a scientific cover to alarmist theories. As she told *IstoE*: "Those who agree with the ecologists are the ones who depend on computer modeling more than on measuring what's happening in nature. I believe that what takes place in nature should be the basis for practical conclusions. Only nature, through evident phenomena, can provide us with a scientific base."

The environmentalist movement also came in for criticism. "There are persons that want to preserve nature," said Dr. Ray. "That is very positive. But, for the most part, their leaders are not scientists. They are lawyers or people who have recently become environmentalists, they are what we call activists. They are the type of person that always protests; for or against war, anything, they always want to protest."

Dr. Ray concluded on a note of optimism: "Twenty years ago, before the ecologists became so radical, so anti-business, so anti-industry, I saw positive things [coming from it]. Today I cannot, looking at the whole picture, view that movement with the same eyes. I have no doubt that industries behaved irresponsibly, that many mistakes were committed, and that there were even some deliberate acts of irresponsibility that hurt nature. But I think that we have improved, and that we will continue to improve."

## Population control lobby banned DDT to kill more people

by Marjorie Mazel Hecht

The story of how the insecticide DDT was banned 20 years ago and the consequences of that ban are a lesson in what environmentalism really means—how policies made on the basis of scare stories instead of scientific evidence kill people. Most people don't know the real DDT story, so effective was the multimillion-dollar propaganda campaign the environmentalists waged to shape public perception that DDT, along with all other pesticides, was bad for wildlife, plant life, and human life.

The May 21 Washington press conference reported here, marking the 20th anniversary of the DDT ban, documents the millions of lives lost as a result of the environmentalists' victory in banning DDT. The press conference was sponsored by Conference-14, a coalition concerned with fighting environmental extremism. The scientists who participated in the press conference are all veterans of the war against the environmentalists' false charges concerning pesticides. They document here, as they have over the past three decades, that DDT does not have the harmful effects alleged by the scare-mongers: It does not cause cancer in humans, it does not cause birds' eggshells to thin, and it is not long-lasting in the soil or in ocean water.

This was the first time that these scientists were able to present the real story of DDT to so many national journalists. Among the 35 people in the audience were several Washington columnists and representatives of think tanks, two wire services, two newspaper chains, and three industry-oriented publications, plus Monitor radio news, C-Span, and a local cable TV program.

### A lifesaver

DDT, which came into use during World War II, in a very short time had saved more lives and prevented more diseases than any man-made chemical in history. Millions of troops and civilians, in particular refugees, were saved from typhus because one DDT dusting killed the body lice that spread that dread disease. Malaria, today one of the world's leading killer diseases, was nearly eradicated in many countries in the 1960s as a result of DDT spraying that controlled the mosquitoes that spread the disease. In addition, DDT use in agriculture promoted





*Unicef teams dusting youngsters with DDT in the remote village of Caycay, Peru, in 1952. The program was highly successful in wiping out typhus in the area. Today, such diseases are on the rise again, and this region of Peru has become a stomping ground of the Shining Path terrorists.*

gains in crop production directly, by controlling insect pests, and indirectly, by freeing farm workers from malaria.

How did the ban of such a beneficial substance occur? The story goes back to 1962, when biologist Rachel Carson published *Silent Spring*, a diatribe against pesticides and DDT in particular. Carson wove facts and falsehoods together to portray a world that would soon be devoid of birds, bees, and wildlife in general because of indiscriminate pesticide use. Within the next few years, groups like the Environmental Defense Fund, the Audubon Society, and the Sierra Club used Carson's propaganda to recruit members and raise money—lots of money.

By 1971, the Environmental Defense Fund (EDF) had forced the Environmental Protection Agency to hold hearings on DDT. There were seven months of hearings and 9,000 pages of testimony, at the end of which the EPA hearing examiner, Edmund Sweeney, ruled that on the basis of the scientific evidence, DDT should *not* be banned.

Two months later, EPA administrator William Ruckelshaus banned DDT. He admitted that he was doing so for political reasons, and that he had not read any of the transcript of the hearings.

If Ruckelshaus had read the DDT hearing transcript, he would have seen that the testimony presented by the witnesses for the group he personally supported, the EDF, was shoddy and, in some cases, deliberately false. For example, Dr. George Woodwell, testified about a 1967 article in *Science* magazine, coauthored with the EDF's chief scientist, in which he reported very high residues of DDT in a Long Island

salt marsh. It turned out, under oath, that he had sampled the salt marsh in the very place where the Mosquito Commission spray truck emptied out! When asked if he ever published a retraction, he stated, "I never felt that this was necessary."

DDT was the "mother" of all the environmental hoaxes to follow, from saving the lousewort, to the ozone hole. The pattern is the same: A catastrophic scenario is put forward, the media promote it, and the campaign fills the coffers of those who invented it. No matter how wild the scenario, once it is repeated often enough, people come to accept it as fact.

Like the environmental hoaxes that shaped the Earth Summit in Rio de Janeiro, the underlying motive is population control. Alexander King, the malthusian who heads the Club of Rome, stated this bluntly in an interview that appeared in the 1990 book *The Discipline of Curiosity*. King, who was a British chemist in wartime England, describes his role in using DDT with troops and the "enormous numbers of lives" it saved. Then he says: "My own doubts came when DDT was introduced for civilian use. In Guyana, within two years it had almost eliminated malaria, but at the same time the birth rate had doubled. So my chief quarrel with DDT in hindsight is that it has greatly added to the population problem."

Entomologist Gordon Edwards (see speech, below) calculated that the environmentalists' ban on DDT and other pesticides kill 100 million people per year.

The science and technology exist to prevent such genocide, if the political will can be mobilized to make policies based on saving the humans, who are, after all, the only creative resource on this planet.

# Poison of 'Silent Spring' lingers on

by Dr. Thomas H. Jukes

*Thomas H. Jukes is a professor of biophysics in the Department of Integrative Biology at the University of California at Berkeley.*

Thirty years after its publication, we still live in the shadow of Rachel Carson's book *Silent Spring*, which has many untruths, exaggerations, and, worst of all, omissions.

Here is how she started her fable.

"Some evil spell had settled on the community. Mysterious maladies swept flocks of chickens. The cattle and sheep sickened and died. Everywhere was a shadow of death. The farmers spoke of much illness among their families. There had been several sudden and unexplained deaths not only among adults, but even among children, who would be stricken suddenly while at play and die within a few hours.

"The few birds seen anywhere were moribund. They trembled violently and could not fly. It was a spring without voices. On the farms, the hens brooded, but no chicks hatched. The apple trees were coming into bloom, but no bees droned among the blossoms, so there was no pollination.

"In the gutters under the eaves of the roofs, a white granular powder still showed a few patches; some weeks before it had fallen like snow upon the roofs and the lawns, the fields and the streams."

This was Carson's introduction to her condemnation of DDT, which had saved more lives and prevented more diseases than any synthetic chemical in history. The World Health Organization had pointed out that whole populations had DDT dust in their clothes, and millions of people had the interior walls of their houses sprayed year after year, sometimes for more than 20 years, and that the only injurious effects had been with huge overdoses such as using DDT by mistake for pancake flour. What a supreme irony that a woman should attack the use of DDT that has saved the lives of countless children from the deadly disease of infant malaria.

## No effect on hatchability

In contrast to Carson's allegations, DDT had no effect on hatchability in chickens, even when fed to hens at 200 parts per million (ppm) of diet. Honeybees are resistant to DDT. DDT had virtually eradicated malaria in many nations, including the United States. Countries that were uninhabitable because of malaria were freed from the disease, and people moved in. Their crops were protected against insects

by DDT, so the food supply increased.

In postwar Europe, DDT halted the spread of typhus fever, which is transmitted by lice, and is considered to be a deciding factor of all wars preceding World War II. Conditions in Germany in 1945 were ripe for a catastrophic outbreak of typhus fever. The infamous Dachau and Belsen extermination camps were packed with innocent people whom the Nazis had marked for slaughter. And 20,000 cases of typhus fever were estimated to have occurred in Belsen in early 1945. Dusting with DDT powder was started in Germany in May, and by June typhus had practically disappeared. Similar experiences with DDT in the control of typhus fever have been reported in six other countries.

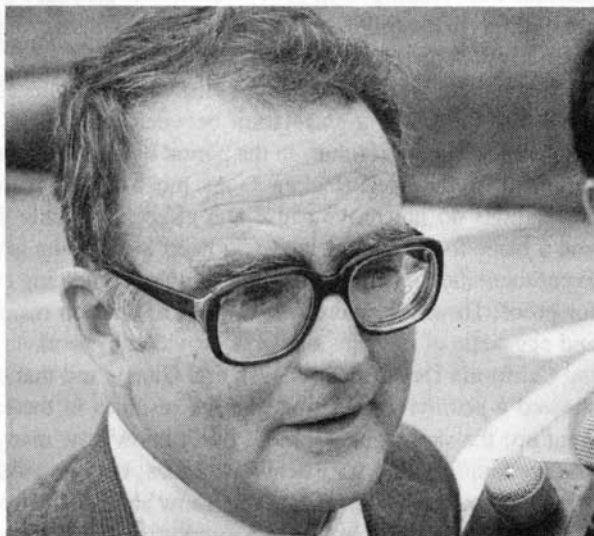
Allegations were made that DDT would interfere with reproduction in animals. This was investigated in detail by the California Department of Public Health, and Dr. Alice Ottoboni, an experienced toxicologist, was in charge of the experiments. She found that DDT in a diet had no effect on the number or the health of young rats. Females receiving 20 ppm in the diet reproduced for 15 months, while the controls only had a reproductive life of 9 months. Dogs were kept for three generations with a daily dosage up to 10 milligrams daily. No adverse effects were seen on these beagle dogs. Indeed, the females came into breeding two or three months earlier than did the controls. These results were reported in 1977, but by then most people had become convinced that DDT was a poison that should be banned. . . . The results lead me to wonder whether, perhaps, DDT killed parasites in the digestive tracts of these experimental animals.

Rachel Carson's most emotional statements were reserved for songbirds, and she said that the American robin was "on the verge of extinction." Unfortunately for her, but fortunately for the robin, the well-known ornithologist Roger Tory Peterson, one year after the publication of *Silent Spring*, announced that the robin was probably the most numerous bird on the North American continent. He also pointed out that the red-winged blackbird was undergoing a population explosion. I pointed out that this bird lives in marshes and swamps, which carry the avian malaria parasite in mosquitoes. Perhaps spraying with DDT had led to a rapid increase in red-winged blackbirds.

## No cancer increase found

Carson also related anecdotes of people who had sprayed their houses with DDT and had shortly afterwards died from leukemia. The actual facts are that no cases of cancer occurred in a group of 35 workers in a DDT factory who, for periods ranging from 9-19 years, absorbed daily up to 400 times as much DDT as the general population. The total number of workers in this factory was over 1,000 in 23 years of operation, and no cases of cancer came to light. This was investigated by the U.S. Public Health Service.

More recently, it was found that the inhabitants of Triana,



Bud Houston, moderator of Conference-14's May 21 Washington press conference on DDT, exposed the unprincipled role of William Ruckelshaus (shown here), who, as chairman of the Environmental Protection Agency (EPA), banned DDT 20 years ago. Said Houston:

"The environmental movement is based on the idea that mankind is too hard on Mother Earth, and the only way to reduce the impact on Mother Earth is to reduce the population, and they want to do that by starvation and disease. Groups like the Audubon Society and the Environmental Defense Fund forced Ruckelshaus to outlaw DDT 20 years ago. He didn't even read the EPA research study that he had commissioned, a study that said there's hardly anything wrong with DDT.

"But he outlawed it, and 40 million have died from malaria in the Third World countries. So, they say their program is working. I don't agree with that."

Alabama had accidentally participated in an experiment in exposure to DDT. This was because DDT residues at the site of an insecticide plant had gotten into the local river, and were present in fish. These fish were being caught alive and well, with DDT contents ranging up to 627 ppm. The people of Triana were investigated by the U.S. Public Health Service, and the main measurable effect was an increase in a blood enzyme. The conclusion was, "The effect is small and probably does not influence well-being." Nevertheless, the company which was responsible settled out of court for \$24 million, saying, "We live in a time when the popular perceptions regarding a chemical are inconsistent with the scientific facts." The person in Triana with the highest blood levels of DDT was about 90 years old, and rode a bicycle to work every day.

### Natural pesticides in food more common

A second legacy of *Silent Spring* is a deeply rooted public fear of pesticide residues in food. The first question is, "Are the residues there?" A survey by the California Department of Food and Agriculture showed that 99% of 9,000 samples were within tolerance levels set by the U.S. Environmental Protection Agency; indeed, 76% of the samples had no detectable residues. Only 0.23% were in violation. A similar survey in Oregon turned up only 0.5% in violation, and even in these cases, there was a big margin between the residue found and the toxic level.

The story does not end here. Prof. Bruce Ames of the University of California has shown that 99.9% of pesticide residues in food are those of natural pesticides that have been developed by plants to fight their enemies. Some plants even make cyanide. Ames's calculations show that the daily intake of synthetic pesticides is less than 0.1 milligrams per day,

compared with about 1,500 milligrams of natural pesticides. Moreover, half of the natural pesticides that have been tested are shown to be carcinogenic at the maximum tolerated dose. He points out that there are 10 milligrams of known carcinogens in a cup of coffee, more than the pesticide residues that you eat in a year.

We are protected against these poisons by our own defense mechanisms, and by antioxidants in our diet. Ames points out that we are spending 3% of our gross national product on EPA regulations, most of which are unnecessary. For example, the EPA sets tolerance levels as 380,000 times below the level that harms an experimental rat. Dr. Ames regards this as "sheer insanity," and he points out that pesticides are actually protective against cancer because they greatly increase the supply of fruits and vegetables which are essential for the protection of human beings against cancer. He lists the causes of cancer as 30% smoking, 35% from unbalanced diets that are high in fat, 30% as a result of chronic infections, 25% from hormones that are produced in our bodies, only 2% as occupational, and less than 0.1% as a result of pollution.

Much needs to be done in preventing cancer, and we should focus on the elimination of use of tobacco and alcohol, coupled with improvements in diet, including lowering the fat content and increasing the consumption of fruits and vegetables produced with the aid of pesticides.

Finally, in the words of Dr. Samuel Simmons of the U.S. Public Health Service, "Most of the peoples of the globe have received benefit from DDT, either directly by protection from diseases carried by insects, or indirectly by better nutrition, cleaner food, and increased disease resistance. The discovery of DDT will always remain a historic event in the fields of public health and agriculture."

# Exposing the myth of the 'danger' of DDT

by Dr. William E. Hazeltine

*William Hazeltine is a retired entomologist with over 30 years of experience in applied insect control. He was formerly manager-environmentalist of the Butte County, California, Mosquito Abatement District.*

To begin with, let me point out that it is impossible to disprove a myth. We can only look at the data that are used to support it and the data that are used to refute it, and see, in balance, whether the concept, the theory, the hypothesis, whatever it is, is consistent with all the data.

I want to talk about two or three examples, and look at some things in detail, regarding the DDT dilemma.

## The Brown Pelicans' eggs

The first issue is the Brown Pelican on the coast of California. It was said that these birds were laying eggs that were 40% thin. This was discovered in 1968, shortly after the Santa Barbara oil spill. People went out to the Channel Islands of California and discovered thin eggs. The allegation was made that this thin-shelled condition was due to DDT or a metabolite of it, one of the breakdown products, called DDE.

It was observed that the eggs were thin. There were only a few eggs reported as present in the nests there the first year (1968), and the report was that there were only four young that survived and flew away from the island.

There were various mechanisms that were proposed, as part of the followup research, to allege that DDT was the cause of those thin eggs. Something was said about an enzyme being necessary to call up the calcium from the long bones in the bird. When a bird puts the eggshell on an egg, it's a very rapid process. You have to be able to have a store of calcium to call up, and there were proposals that DDE was blocking a certain enzyme in the parent bird, and that this was the cause of the thin shells. Those were the allegations that we were faced with.

Now let's look and see what the data say. First of all, ducks were one of the models used for bird egg-thinning. Ducks were fed a diet of DDT, at 40 parts per million, for a fairly long period of time, and the maximum thinning that could be achieved was about 15%—not the 40% seen in the pelicans. We also know that the residues in the fish that the

pelicans were feeding on in 1969, were a little bit over 3 parts per million. In the following two years, the residues dropped down to about three-quarters of a part per million.

Next, there were some data published which alleged to show that there was a correlation between residues in the eggs, reflecting the residues in the parent bird, and the measurement of the shell thickness. As most of you realize, correlations do not prove cause and effect; they only give you a basis for suspicion, and you need to do some actual experimentation, such as a feeding study or something else, for proof. However, there was one set of data on residues and eggshells of pelicans that was provided by workers for the California Department of Fish and Game, and that data showed a *positive* correlation. As the residues in the eggs went up, the shells got *thicker*. I don't know how many of you are familiar with statistical techniques, but one guiding rule is, if you have a set of data that show an opposite trend, it signals that you do not have a supporting correlation. If shell thickness or thinness is correlated with pesticide residue, it should be consistent. If it is not consistently correlated, there is no cause and effect conclusion which can be drawn.

There were also some publications that showed that the California pelican residue/shell thickness data were not showing any particular trend. One worker tried to combine Florida, the Carolinas, and California—three clumps of data—and then draw a correlation line. As statistical workers will tell you, this will lead you to spurious conclusions. You just can't derive a correlation with that kind of data.

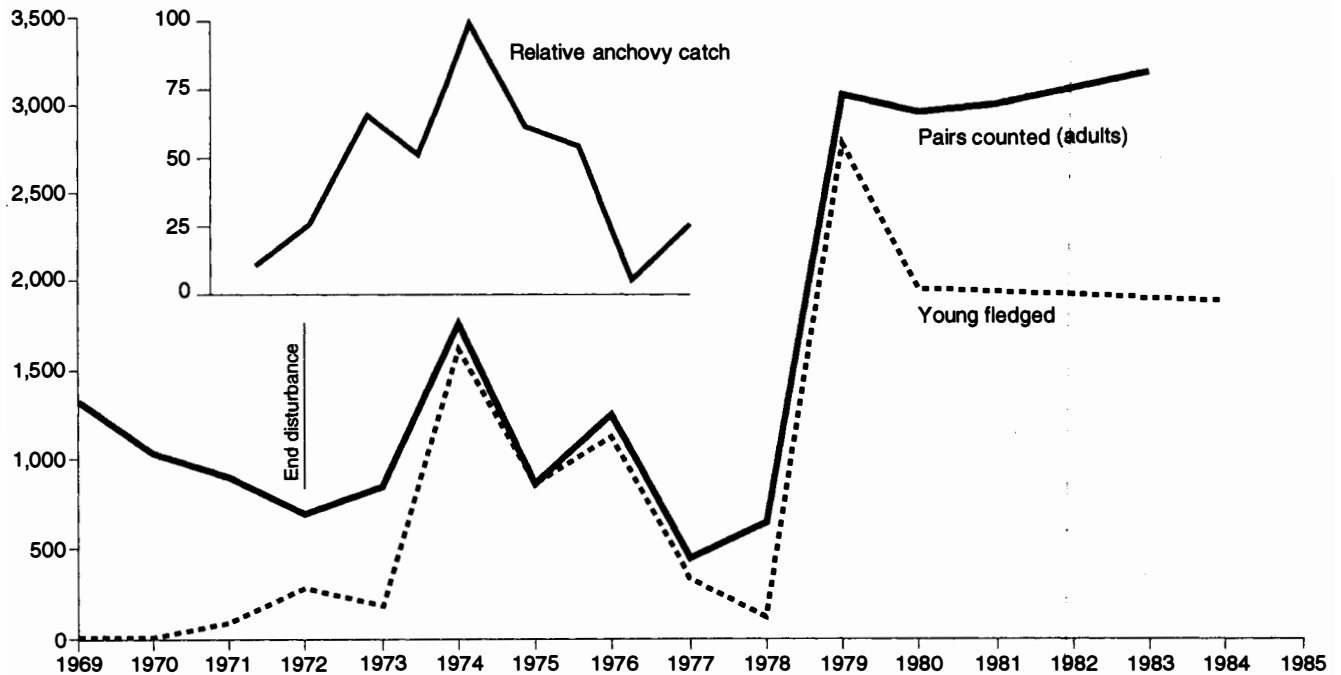
Another interesting sidelight: At the time that the DDT issue arose, it was suggested that the DDT was having adverse effects on birds. A worker at the University of Missouri decided that there were too many pigeons on campus, so in order to reduce the number of pigeons, without having dead birds falling out of the air and exciting the students, he decided that he was going to slip the birds a dose of DDT, and cause diminished reproduction: They just wouldn't produce young, and he could control the population that way. He concluded that the experiment was a miserable failure, because he could *not* control the pigeon population by dosing those birds.

There's another factor that most people do not want to admit. That is that on the Channel Islands there was a disturbance factor. Some of the workers, including Eddie Albert and a few others, who went to the islands after the oil spill, looking for adverse effects of that Santa Barbara oil spill, were the ones that found the thin eggs. The records show that in 1967 there was no nesting, as well as the following year, 1968.

It's also interesting to go back in history. There were records of observations in 1898 and again in 1910. People went to the islands, and the following year they went back. In 1898, there was nesting, but none the following year. In 1910, they observed 500 nests on the island; the following year, there was

FIGURE 1

**Brown Pelicans on the Anacapa Islands**



no nesting. Obviously in 1910, there was no DDT.

If you look at the disturbance factor, in 1969, after the thin eggs were discovered, there were at least six trips to the island. Scientists collected 54 eggs, which was apparently about 95% of the total egg production on the island, but they only reported data on 23 of those eggs. They shot five of the birds. In Florida, people observed that the pelicans incubate those eggs between their feet, and if you flush the bird, the wings start flapping and the feet contract, and mashed eggs are usually the consequence. In 1970, there were five young produced, and there are records of disturbance through 1972 at least, and maybe through 1973.

Figure 1 shows the numbers of adult birds and young on the islands. Beginning around 1974, there was a very rapid increase in numbers of birds nesting plus the successful fledging of young. Even more telling from this graph, is that there was another crash in that population, after the DDT residues had gone down. That, to me, is one of the most telling bits of evidence to suggest that the idea of eggshell thinning and DDE, as being the cause of the pelican problems, is really unsustainable. It really is refuted.

So first of all, correlations of egg residues and shell thickness do not fit, and improper statistics have been used. Residues in female birds do not fit. Workers analyzed the two female birds that were shot in 1969. Interestingly, the higher-residue female had thicker eggs than the lower-residue female.

Now, it turns out that the abundance of anchovies was probably the most important cause of the thin pelican eggs. Workers in the Department of Interior showed that you can account for approximately 80% of the variation in productivity in pelicans, by the abundance of anchovies. If birds don't get their proper nutrition, you're not going to get egg production. So looking at the anchovies, and accepting this as probably the most likely cause for the problems, and recognizing that the data on anchovies were produced by some of the same people who testified at the public hearing that DDT was supposed to have adverse effects, it seems to me that we have some real problems of credibility. And the issue before us today really is credibility.

**DDT residues in soil and water**

Take a look at a different topic now, the issue of ocean residues and soil residues. The commonly held idea is that DDT lasts forever, or an exceedingly long time; this is very popularly believed.

There are some data produced by the Department of Interior. One of the people who was a witness at the public hearing on DDT, was in charge of the laboratory where this work was done. Without going into a lot of details, let me tell you that the experimentation was to put DDT in sea water, seal it, periodically take samples, and look at not only the DDT, but also the degradation products. The experiment showed that in about a 38-40 day period, in sea water, there

was about a 90% loss of DDT. That pretty well undoes this idea that the residues last forever.

There are two examples of soil residue loss to consider, one in forest soils, and one in the marshes of Long Island. It turns out that some of these data were deliberately biased, according to one of the witnesses under oath. They were looking for the *highest* residues that they could find. One of these workers was singled out by the hearing officer at the public hearing on DDT as an incredible inaction, where workers found out that their data were faulty, and they never bothered to correct them.

A worker tried to duplicate the findings on forest soil, so he went into the forests of New Brunswick, but could not duplicate the residue level that had been published, until the workers told him that the man took his samples on the air strip, and these were alleged to be the forest soil samples. Well obviously, they had calibrated the aircraft there, they had loaded and mixed the materials there, and sure enough, he looked at the airport soil and found high levels.

These are the problems that we get into if the data are not looked at clearly and objectively, and evaluated in detail.

## Effects of DDT on humans

I want to talk about some human effects, because this is the area of greatest concern. What about us, or people, in relation to DDT?

First of all, it is important to look at the basic issue, that most of the expected adverse effects on people are extrapolated from test animals, mice, rats, dogs, whatever. It is important to consider this, particularly with the issue of cancer, since this is the biggest issue that will cause concern on the part of people.

Let me point out to you that with DDT, mice are not a predictor for human impact, and they do not meet the protocol of the cancer research people. Mice and rats have different physiologies. The control of mice, in the old days, used to be with DDT. Control of rabid bats, even today, is with DDT. Mice do not have a capacity to degrade DDT in the liver. That's where the major degradation begins.

I asked one of the researchers at the public hearing, "How can you continue to cite mouse cancer data, when it violates your protocol? The protocol says that you do not use a test animal that has a physiology different from humans, if you're going to try and extrapolate that information to predict problems in humans." Rats have a physiology similar to humans, and so do dogs. But with mice and DDT, you can't "turn on" their liver enzyme, and liver enzymes are the garbage disposal system, or the foreign chemical disposal system. Therefore, the issue of looking at mice data, as compared to rat data, is an important issue to consider when looking at DDT and cancer risk.

It is interesting to look at a very nice study that was done with rats, on rates of DDT degradation. In this experiment, a worker used excised rat tissue. It was a very well-done

study. The study used not only DDT, but all of its breakdown products, to treat rat tissue, and to do analysis of residues over time. What was found out, is that the first two-thirds of the metabolism is in the liver, and the last third in the kidneys. The experiment also provided some information so that we can extrapolate the speed of degradation. If rats were used, without preconditioning, they found that over a 24-hour period there was about a 15% metabolism excretion rate. So the next day you would expect to find only 85% of that original dose. If those animals were pre-dosed, or preconditioned, by giving small doses of DDT ahead of time, then the rate of loss was something like 25%, and this was within a 12-hour period. They found DDA, and other breakdown products, showing that metabolism had occurred to cause this loss.

In another study, a 17-year-old had jaundice, and they had been treating him with barbiturates. This was in England, where they have a greater tendency to experiment. They then treated that teenager with DDT, at 90 mg a day for six months. They were able to build up a liver residue of something like 200 parts per million at the end of the experimental period. But they controlled his juvenile jaundice, and the physicians who examined him said that he had better liver clearance than if they had been using the barbiturates as a therapy.

It's also interesting to consider the human impact of DDT at very low levels. We're told that this "might have some adverse effect." But it equally well might have a beneficial effect, such as with juvenile jaundice, if the unborn infant is exposed to very low levels of materials that can turn on their liver. Researchers say the mother causes the same liver response with alcohol as well as with DDT, but with alcohol they recommend not drinking too much, because "you don't want to get the fetus drunk," and you don't want to start some addiction problems later on.

On the issue of cancer, it would seem to me that it is important that we very clearly do *not* accept or continue to accept the "DDT—what ifs," nor allow them to continue. If we allow possibilities to set policy, we will find that we will continue to lose very beneficial tools, such as pesticides, for agriculture and public health.

Let me tell you an experience. At the time I was employed, I asked for the use of about 50 pounds of DDT, to treat a particular mosquito problem. The request was denied, on the basis that this mosquito was only associated with dog heartworms; we could not produce data to show that it was connected with encephalitis or one of the other viral diseases of people. As a consequence, the use was denied. This to me makes no sense.

It leads me to the conclusion that the decisions on DDT were largely political rather than scientific. If any of you want to discuss this afterward, or want to look at the mass of information that is available to refute the hypotheses that DDT causes all of the alleged effects, I would be happy to discuss it with you or to show you the published studies.

# Ecoindustry pursues 'unholy genocide'

by Dr. J. Gordon Edwards

*J. Gordon Edwards is a professor of biology at San Jose State University, San Jose, California.*

Imagine how DDT would have been praised in the press and on radio and television if organizations with the financial clout and the plethora of uncensored publications of the Audubon Society, the Sierra Club, the Environmental Defense Fund (EDF), and more than 150 other pseudo-environmental groups were campaigning to *protect* it, rather than to outlaw it. This chemical has saved more human lives and enhanced human existence far more than any other ever devised by humans. There would have been television specials aplenty, revealing the spectacular success of DDT, and every magazine and newspaper would have been peppered with the following facts:

DDT saved millions of human lives during the past 25 years, by controlling the insects that transmit disease to people—the mosquitoes that give us malaria, yellow fever, encephalitis, and elephantiasis, the lice that transmit typhus, the flea vectors of plague, and the tsetse flies that spread African sleeping sickness and nagana. These horrible ailments are not simply a part of the “good old days” before pesticides . . . they are still prevalent in many countries today. They are still being fought desperately by the World Health Organization, the Pan-American Health Organization, the U.S. Public Health Service, the Centers for Disease Control, the Agency for International Development, and many other dedicated groups of humanitarians, *and pesticides are still their major weapons!*

DDT has eliminated much of the illness that formerly prevented millions of inhabitants of tropical lands from performing a good day's work. DDT permitted people to occupy and produce food in large areas of Africa, India, and Asia that were formerly uninhabitable because of disease-bearing insects and other arthropods. This was especially important, for malnutrition in children causes irreversible brain damage, dooming the victims to a life of subnormal mentality and inferior accomplishments.

DDT and other pesticides contributed heavily to the spectacular agricultural success in the United States and abroad, boosting farm productivity, raising farm income, and keeping food costs low. The many businesses that depend on agriculture prospered far more than they could have if crops still depended on arsenic, cyanide, fluorine, nicotine, lead,

lime-sulfur, and the other “natural” pre-DDT insecticides, (and more than they ever will if pesticides are forcibly replaced by “alternative control measures”).

## Forests, wildlife saved

DDT saved hundreds of millions of acres of forest in North America from decimation by gypsy moths and other insect pests, and thereby prevented extensive flood damage and loss of topsoil. When forests are destroyed, the natural home of much of our wildlife is also gone and the ecosystem is adversely affected for decades, probably forever. In the 1950s, DDT eradicated gypsy moth populations in the eastern United States wherever it was properly applied. Forestry experts pointed out that “there was no survival of the insect. This has been proved by the work conducted in Pennsylvania from 1944 to 1958, where no infestation has ever survived a single aerial treatment with DDT, on 1,109,458 acres” (Nichols, J.O., Pennsylvania Miscellaneous Bulletin No. 4404).

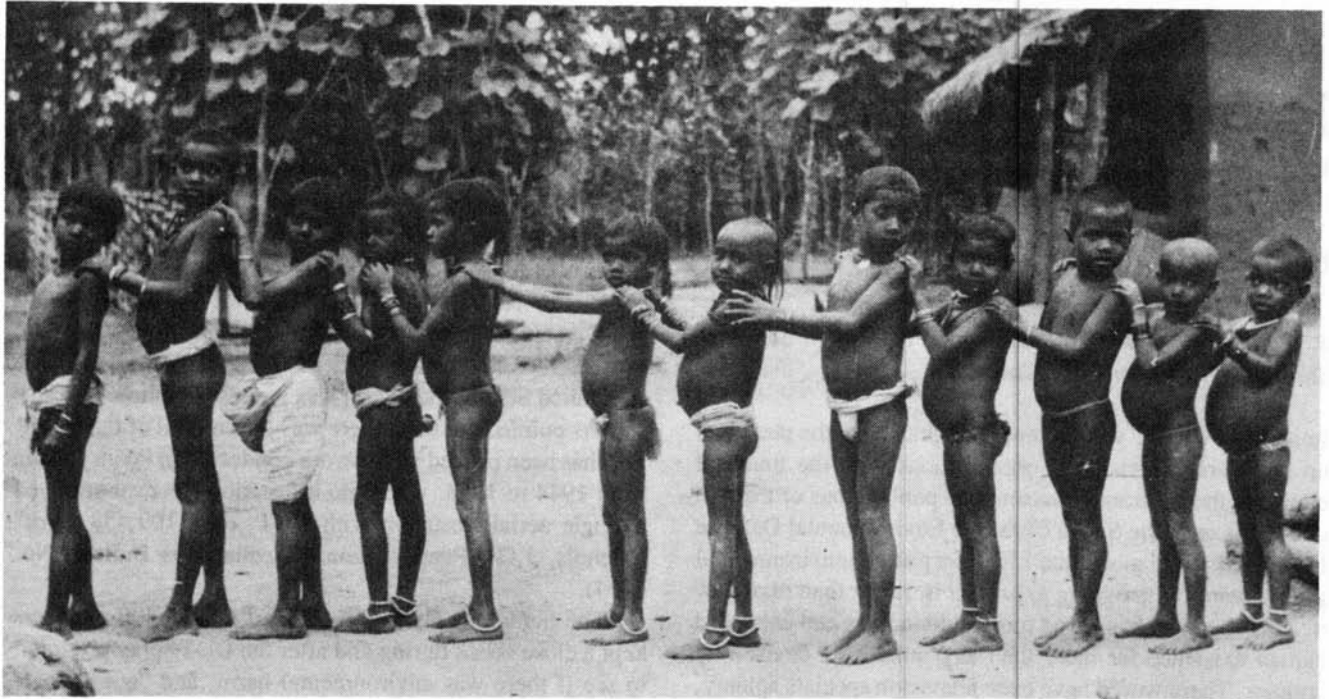
The Scranton, Pennsylvania Bird Club's 400 members kept a close check during and after the DDT spray program, to see if there was environmental harm, and “not a single case of poisoning attributable to the DDT treatment was reported.”

A National Audubon Society study by C.T. Brues reported in 1947 that “following the destruction of gypsy moth caterpillars by spraying DDT, the woodland presented a much healthier appearance and provided an apparently optimum environment for the natural animal fauna.” Audubon officials were satisfied that “no damage had been done to bird life, including nestling birds.”

After DDT use was stopped, that pest spread quickly through every eastern state, killing millions of mature oak trees and other hardwoods, as well as conifers and underbrush. Birds, mammals, and other wildlife will suffer for decades as a result.

Small infestations of gypsy moths have been eradicated in the western United States, but the cost was hundreds of times greater than if they had been treated with a pound of DDT. An uncontrollable catastrophe is now facing us because a new strain of gypsy moth has been imported on larch logs from Siberia. Unlike the European strain, which was so destructive in the eastern states, this new strain has females that fly, and it will certainly not be easy to contain them, even if DDT use is again permitted (as it finally was, to control a destructive Douglas-fir tussock moth outbreak that had persisted for several years in the 1970s).

The Audubon Society's annual Christmas Bird Counts determined that there were notable *increases* in the numbers of birds seen during the 20 years of greatest DDT presence. The increase could be attributed, in part, to the control of plant pests, resulting in more natural food in forests, prairies, and marshes, more abundant cover, and safer nest-sites. However, DDT in the diet has repeatedly been shown to



*Malaria-infected children in India. One of the symptoms of the disease is an enlarged spleen. DDT saved more lives than any other chemical invented by man, and the zero population growth people were so mad about that, they banned it.*

enhance the production of hepatic enzymes in mammals and birds. Those enzymes inhibit tumors and cancers in humans as well as wildlife.

### **DDT decreased cancer risk**

DDT apparently prevented cancer in humans with a high daily exposure to the chemical in DDT manufacturing plants. Among workers there, U.S. Public Health Service researchers found that there was not a single case of cancer during massive exposures of 9-19 years. Those workers used no protective equipment, and contained up to 630 parts per million (ppm) of DDT residues in their fat tissue, compared with normal levels of less than 10 ppm in non-employees. Other health researchers fed DDT to volunteers at rates up to 35 milligrams per day for nearly two years, with no adverse effects. (The average intake by normal Americans at that time was about 13 milligrams *per year*, indicating the total lack of harm from traces of DDT in our diet.)

DDT did not readily kill honey bees, as did the "substitutes" that replaced it (70-85,000 colonies of bees were killed annually in California by those substitutes). Bee pollination is essential for the production of high yields of most crops, so agriculture suffered greatly as a result of the DDT ban.

The World Health Organization (WHO) stated: "This remarkable chemical lifted millions of people from starving, malnourished, disease-ridden level of existence at which they had previously languished. It was sprayed on the inside walls of homes, which resulted in the death of malarial mosquitoes that rested on the walls after a blood meal. The mosquitoes,

therefore, did not live to transmit the parasites to other people in the vicinity, and epidemics of malaria were abruptly halted." In 1965, the National Academy of Sciences wrote, "In a little more than two decades, DDT has prevented 500 million deaths that would otherwise have been inevitable." The July 1990 issue of *World Watch* stated: With more than 1 million Amazon dwellers expected to succumb to malaria this year alone, Brazil has a major health crisis on its hands. DDT is fast-acting, long-lasting, and cheaper than any other pesticide that works on mosquitoes." In 1973, the WHO stated that 100 million human beings who would have died of insect-borne diseases are alive today because of DDT. A German study takes issue with this figure in *Parasitology Today* (vol. 5), saying that the actual studies in many tropical countries indicate that the figure should be five times that high, for it includes 300 million cases in Africa, 170 million in Asia, and 15 million in Latin America, and about 2.3 million will probably die every year of malaria alone!

Dr. William Bowers, head of the entomology department at the University of Arizona, cites DDT as "the most important discovery of all time" and estimates that "in malaria control alone it saved almost 3 billion lives."

In his autobiography, Dr. Albert Schweitzer wrote: "How much labor and waste of time these wicked insects do cause us . . . but a ray of hope, in the use of DDT, is now held out to us." Rachel Carson dedicated *Silent Spring* to Dr. Schweitzer, but implied that he was opposed to DDT and other pesticides.

In view of these biological and humanitarian considera-



tions, Rachel Carson, the Audubon Society, the Sierra Club, and the Environmental Defense Fund might have campaigned successfully for the construction of great monuments to DDT. Instead, the so-called "environmental" groups devoted millions of dollars to the campaign *against* DDT. Their activities doomed millions of acres of forest, ruined the natural habitat by permitting needless devastation of native vegetation, depleted agricultural productivity, and doomed hundreds of millions of people to death from insect-borne disease, malnutrition, and starvation. Their lack of concern for human life was exemplified by the Sierra Club president in 1971 when he told reporters: "The Sierra Club wants a ban on DDT, even in tropical countries where it has kept malaria under control." Similar statements have been made by leaders of most other so-called environmental organizations.

### Attacking humanity

*Why would these organizations take this strong anti-DDT position?* It doesn't take much research to arrive at an answer. Those opponents of DDT were better financed and better staffed than any other propaganda force in history, receiving donations from hundreds of thousands of citizens who have been convinced that the organizations deserve their financial support. Pseudo-environmentalism is truly a big business! Their tax-exempt income has financed the publication of glossy advocacy journals and books, in which censorship is absolute. The readers are so thoroughly brainwashed that it is not surprising that they become biased against pesticides. The same holds true for a great proportion of the writers and reporters for magazines and newspapers, as well as television and radio personnel. I believe the majority have good intentions and noble goals, but few realize the true objectives of the ecoindustry. The major goals of those groups are *first*, the accumulation of money and property, *second*, the enhancement of political power, and *third*, the decimation of humans in the Third World countries by any means possible.

Dr. Charles Wurster, alleged to be the "chief scientist" for the Environmental Defense Fund (EDF), wrote in *BioScience*: "If the environmentalists can win on DDT, they will achieve a level of authority they have never had before. In a sense, then, much more is at stake than DDT."

Dr. Wurster also illustrated the third point outlined above, when, according to Victor Yannacone, a founder of the Environmental Defense Fund, he responded to a reporter's question if banning DDT would not result in the further use of much more toxic insecticides, answering: "So what. People are the cause of all the problems; we have too many of them; we need to get rid of some of them, and this is as good a way as any." Yannacone also reported Wurster's response to a reporter's question about the relative value of humans and pelicans, which was: "It really doesn't make a lot of difference because the organophosphates act locally and only kill farm workers."

Such "environmentalist" views about humans are not

scarce: Lamonte Cole told a college audience that "to feed a starving child is to exacerbate the overpopulation problem." Alexander King, the president of the Club of Rome, which is active in more than 40 countries on five continents, wrote: "My own doubts came when DDT was introduced for civilian use. In Guyana, within two years it had almost eliminated malaria. So my chief quarrel with DDT in hindsight is that it has greatly added to the population problem."

### Ecoindustry is well financed

Financially, the non-profit, tax-exempt pseudo-environmental groups are even more incredible. The September 1990 issue of *Outside* magazine listed many of those organizations and discussed their methods and their finances. Environmental Defense Fund president Fred Krupp has a salary of \$125,000; Audubon president Peter Berle makes \$140,000; National Wildlife president Jay Hair gets \$200,000, plus his chauffeur; Natural Resources Defense Council president John Adams gets \$120,000, and his senior attorneys receive \$80,000; the Nature Conservancy president makes \$185,000 (and the group has assets of \$600 million); Sierra Club president Mike Fisher only draws \$85,000 (he recently resigned, and no wonder!); the Sierra Club Legal Defense Fund's president does better, earning \$133,000; Wilderness Society president George Frampton receives \$120,000; the head of the American Wildlife Foundation is paid \$122,000; and the World Wildlife Fund limps along with Kathryn Fuller getting \$188,000 and Russell Train \$102,000. Not bad, for the non-profit groups that Americans are frightened into supporting.

So, we continue to be victimized daily by untruthful propaganda by organizations whose major business is the accumulation of money and power, and unholy genocide in underdeveloped countries throughout the tropics. They seek to win even further concessions at the Earth Summit in Rio de Janeiro, Brazil in June and, perhaps, will get an international green police force empowered to boost their power and income still further.

Originally, I was concerned about pseudo-environmentalism primarily because of the untruthful and unethical behavior of a few "scientists" who were pandering to the ecoindustry, for the sake of a few grants and publications. That still bothers me, but the "big picture" has gotten much larger, and is still growing. Without the help of our news media [to expose the fraud], they will become more and more powerful and, perhaps, succeed in becoming the most powerful force in the world. They had only a few million dollars with which to fight against DDT, but they succeeded (thanks to William Ruckelshaus, who overruled the judge after seven months of hearings by the U.S. Environmental Protection Agency). Now they have billions of dollars and almost total media support to launch even more destructive fraudulent propaganda concerning "global warming," the "greenhouse effect," "the hole in the ozone," and so on and on and on.

It really makes you think!

# DDT ban means death for millions

by Edward G. Remmers

I'm with the American Council on Science and Health in New York City. We're a consumer education association. We devote a lot of our attention to public health issues, and we try to determine which public health issues are real and major, and which are insignificant and hypothetical—the kinds of issues that we're bombarded with daily by radio and TV programs.

Consider the following statements about DDT:

"In a little more than two decades, DDT has prevented 500 million deaths that would have otherwise been inevitable." This is according to the prestigious National Academy of Sciences in 1965.

"The withdrawal of DDT would be a major tragedy in the chapter of human health, and is unjustifiable in the light of present knowledge. Vast populations in malarious areas would be condemned to the frightening ravages of malaria." World Health Organization, Feb. 12, 1971.

"DDT is not carcinogenic, mutagenic, or teratogenic [causing birth defects] to man, and these uses of DDT do not have a deleterious effect on fish, birds, wildlife, or estuarine organisms." Edmund Sweeney, Hearing Examiner for the Environmental Protection Agency (EPA), April 24, 1972.

Mr. William Ruckelshaus, the EPA administrator, regarding his ban on DDT: "Science, along with economics, has a role to play . . . [but] the ultimate decision remains political."

## A life-saving chemical

DDT has certainly saved more lives than any other man-made chemical that has ever been made so far. As a young boy during World War II, I remember seeing pictures of hundreds of thousands of refugees being dusted with DDT under their clothing. I remember people taking a mixing bucket with bare hands, and mixing DDT into a solution of water before the DDT was applied. I also remember people drinking DDT cocktails. According to one of the reference books that I have here, you can drink a DDT cocktail and not suffer serious effects, depending on the level.

Table 1 shows the situation in Ceylon, which is now called Sri Lanka. Before DDT, in 1946, there were 2.8 mil-

lion cases of malaria. In 1963, at the height of the spraying program for DDT, it dropped from 2.8 million down to 17! Then in 1969, five years after the end of the DDT spraying program, the number of cases of malaria went up to 500,000. Before DDT there were 12,500 deaths per year; in 1963 the number of deaths fell to 1; in 1969, five years after the stop of DDT spraying, the number of malarial deaths increased to 113.

There is no evidence that DDT causes harm to humans when it is used as intended.

The lack of availability of DDT around the world is increasing the number of malarial cases, and now it is also increasing the number of AIDS cases.

In Africa, there are large numbers of children going into hospitals with anemia that results from malaria. They go in for blood transfusions, and in Africa, they don't do a real good job of checking their blood supply for antibodies to the AIDS virus, and in some cases, in Africa, they can't afford disposable blood collection equipment—syringes and things like that. So what is happening in Africa today, in many cases, is that children go into hospitals with malaria, but they then come out with AIDS. As you very well know, there is no cure for AIDS at the moment.

## A policy of actual genocide

We feel that DDT has become one of the "dirty dozen" that the "New Age" environmentalists have picked on. When you take a look at the scientific data—and we consider our organization to be in the scientific environmentalist camp—we see that DDT was banned primarily based on myths. Myths having to do with cancer in humans, and myths having to do with thin eggshells.

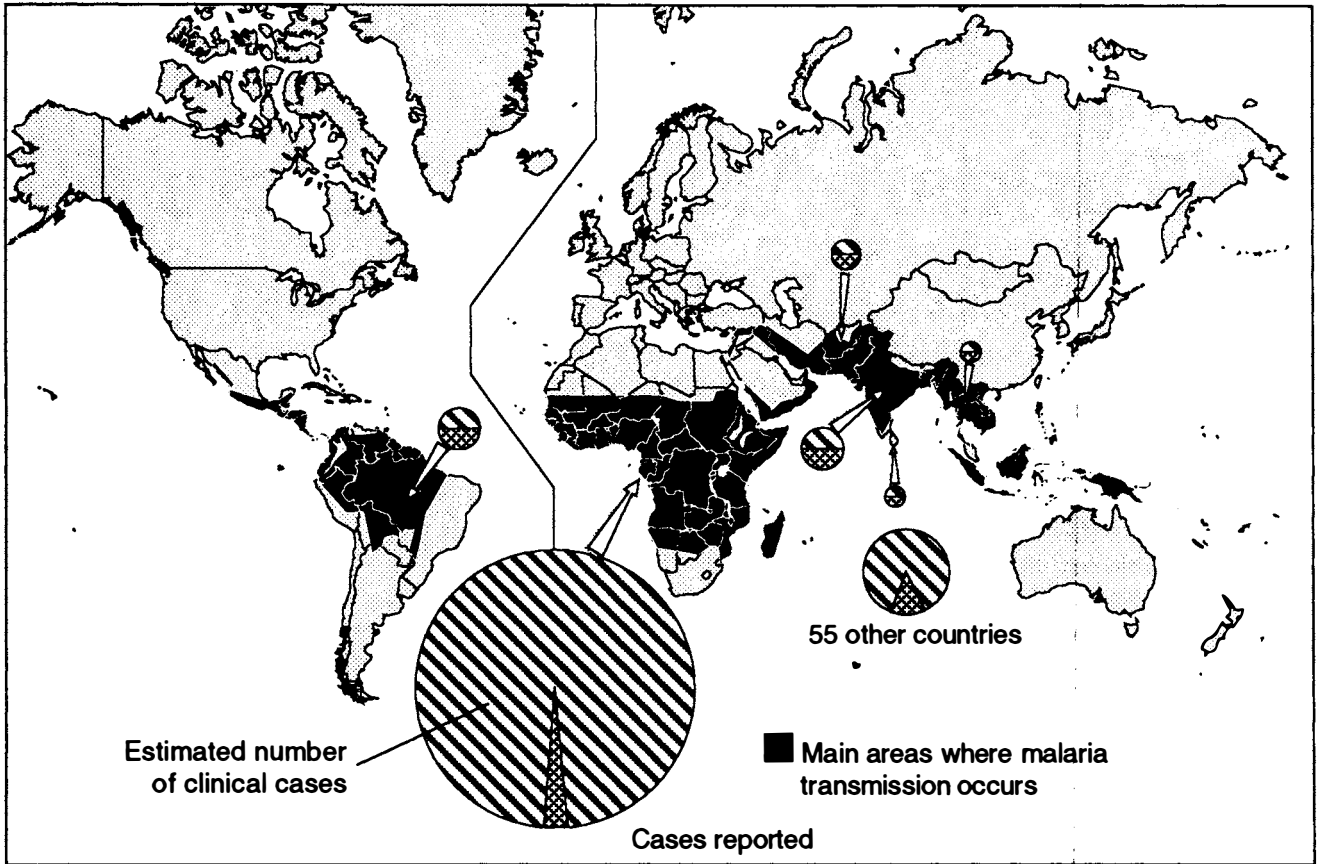
Now I would like to try to answer the question, why did the global eradication program for malaria fail? I'd like to focus on one of several reasons, which has to do with the "Silent Springers." Certainly the people who have died unnecessarily from malaria and typhus and other diseases whose vectors can be readily controlled through the use of DDT—these people really faced a "Silent Spring."

Rachel Carson's book had a tremendous negative impact.

TABLE 1  
Malaria in Ceylon (Sri Lanka)

Year	Number of cases	Number of deaths
1946 (pre-DDT)	2,800,000	12,500+
1963 (large-scale DDT spraying)	17	1
1969 (5 years after end of DDT spraying)	500,000	113

FIGURE 1  
**Malaria incidence**



Source: World Health Statistics Annual, 1990

She was certainly not a scientist; her literary skills far surpassed her scientific skills, and unfortunately this book became widely accepted, widely adopted in our school system. We find that typically, on these kinds of issues, it takes anywhere from 25 to 100 years to get the truth out. To have a regulatory agency change its policy takes anywhere from 25 to 50 years, to correct an error, as in the case of cyclamates or some of the other things that have been banned.

### The ZPG lobby

Who are the opponents of DDT? It's the anti-population group, by and large. People who are trying to promote zero population growth, or people who would like to reduce the Earth's population from its present 5-6 billion people down to 1 billion. I don't know how they arrive at that figure as being the optimum number of people on this Earth, but there are groups out there that have this policy of actual genocide. We find that these are the same people who are very strong

opponents of the use of DDT. On the other hand, when you start looking at the proponents of DDT, you'll generally find that they're people who advocate a pro-growth policy, controlling population growth with moderation, and the previous speaker, Dr. Edwards, pointed out some of the ways of moderating population growth.

We don't feel that banning DDT, and a policy of genocide that is associated with that, is the way to control population around the world.

Right now, the best estimate is that 1 million to 2 million people are dying each year from diseases that could easily be controlled through the use of DDT, and that somewhere between 100 million and 200 million cases of malaria are created every year as a result of the lack of DDT.

At the American Council of Science and Health, we place human health vastly above environmental health. And we feel that we should keep our priorities in that particular sequence.

# Turkish-Albanian alliance raises threat of Balkan war

by Konstantin George

The conclusion of a Turkish-Albanian military alliance on June 1, signed in the framework of Bush administration preparations for an "Operation Balkan Storm" military move against Serbia, marks a giant step in the direction of a Balkan war. It has reintroduced the pre-World War I system of Balkan bilateral military alliances, accompanied by the explosive reintroduction of a Turkish military presence in the Balkans.

The alliance was impossible without the blessing of Washington. It followed a visit to Albania by Assistant Secretary of State Lawrence Eagleburger, a close associate of former Secretary of State Henry Kissinger.

The pact is no mere "defensive" agreement. The signing of the Turkish-Albanian Pact in the Albanian capital of Tirana by Turkish Prime Minister Suleiman Demirel and Albanian President Sali Berisha was accompanied by a Turkish declaration resurrecting the military-political doctrine of the former Ottoman Empire, in which Turkey accorded to itself the "right" to militarily intervene anywhere in the Balkans or other neighboring states to protect Muslim populations.

## **New world order targets Greece**

The Turkish-Albanian Pact has made operational the Anglo-American design of assigning to Turkey, their designated regional junior partner, a neo-Ottoman role of dominating the Balkans. This is the Balkan component of George Bush's "new world order." The pact, together with the U.S.-sponsored U.N. sanctions against Serbia, is a coherent strategic package directed against both Serbia and Greece, a nation which has attacked or threatened no one. The economic blockade of Serbia is causing havoc in Greece, which depends on transit routes through Serbia for its overland trade with the European Community (EC), of which it is a member. Some 36% of all Greek exports and 44% of all imports are

transported through Serbia. All pleas for compensation from the EC have fallen on deaf ears.

Greece is being targeted because it is the main obstacle to an Anglo-American-steered Turkish reconquest of the Balkans. Greece, through its strategic geographic position, commands the entrance to the Balkans, and its Armed Forces, after the post-communist disarray of the Bulgarian Armed Forces and the protracted war situation in former Yugoslavia, are the only effective non-Turkish military force remaining in the region. The forces of the new world order, under the cover of punishing Serbia, are striving to redraw the Balkan map. Under this scheme, Greece is slated for destabilization and dismemberment.

Greek leaders and the citizenry are aware that the country is in mortal danger. Greek Prime Minister Konstantin Mitsotakis responded on June 1 to the twin shock of the sanctions immediately followed by the Turkish-Albanian military alliance: "There are dark clouds on the horizon of our national interests. Now, we have to look ahead, because possibly our Fatherland will already soon be confronted with tragic dangers."

## **Will NATO intervene?**

The Turkish-Albanian Pact takes on added significance as the entry point for a possible U.S.-led NATO intervention into the Balkans, because Russia, in a government statement on June 4, ruled out U.N. military actions "of any sort" as a followup to sanctions against Serbia. Russia and France have publicly questioned the validity of punishing Serbia for the continued fighting in Bosnia, most of which has been conducted by ethnic Serbian militias, in many cases outside the control of Belgrade. The Russian statement has doused American plans for military action via the U.N. or the Conference on Security and Cooperation in Europe (CSCE).

The Turkish-Albanian Pact overnight converted Albania into a base of operations for Turkey to intervene in the Balkans under a U.S. umbrella. Under the terms of the pact, Turkey has pledged that it will come to the aid of Albania if it were attacked, and would support Albania in a military intervention across the border in the Serbian-controlled and Albanian-inhabited region of Kosovo, should the Kosovo Albanians be attacked by Serbia. Speaking in Tirana, Demirel declared that "whatever happens in Kosovo concerns us." Demirel defined Turkey as the protector of all Muslims on the territory of Serbia and Montenegro: "If anything should happen in Kosovo or in the Sandjak Region," a Muslim minority area outside Kosovo straddling the border of Serbia and Montenegro, "we shall stand by your side, together with you."

### **A trap: war in Kosovo**

At first glance, some of this might sound justified, given Serbia's record of aggression against Croatia and Bosnia and its oppression of the Kosovo Albanians. A closer look, however, reveals a Washington-Ankara design to ignite an armed insurrection in Kosovo, forcing the Serbian Army to attempt to crush it, and thus give Ankara the grounds to put the Turkish-Albanian Pact into practice. There is a bitter historical irony in this. The present Turkish policy is a mirror-image of the Russian imperial czarist policy of inciting Christian insurrections in the Balkan regions occupied by the Ottoman Empire, by inspiring them with the promise of Russian support. Almost invariably such ventures ended at the cost of the populations in revolt, who were savagely massacred by Ottoman forces.

U.S. policy, directed through Turkey, has the goal of shifting the epicenter of conflict in former Yugoslavia toward the south, beginning with Kosovo, and extending into the multi-ethnic Republic of Macedonia.

The present reality is that no one, including Serbia, has been thinking of attacking Albania. Serbia has its hands full deploying forces in Croatia and Bosnia, and is nervous about a U.S.-led "Balkan Storm" intervention.

### **Shock therapy increases risk of war**

The second reality is that no outside force could do more harm to Albania than its present American-controlled government. The ruling Democratic Party has been the recipient of generous U.S. funding. The greatest threat to Albanian security is the ruthless adherence to International Monetary Fund "shock therapy" austerity policies by the Albanian regime. A "made in Washington" civil war could develop after the next round of shock therapy measures announced by the Berisha regime to take effect on July 1. Reflecting the mass closures and plundering of industrial plants and mines, 80-90% of Albania's industrial work force is unemployed, and survives through a policy of the old government that pays them 80% of their former wage. The July 1 measures will

abolish these payments, leaving the urban population penniless and hungry. The breakdown in the rural areas is equally catastrophic. Through lack of seed, at most 45% of arable land has been or will be planted this year, making the entire country dependent on foreign food aid.

Under these conditions, the Berisha regime has been tempted to engage in foreign military adventures to distract popular attention from the domestic crisis. Before June 1, tiny Albania had no capability to match such temptations. Now, backed overtly by Turkey and covertly by the United States, the situation has changed completely. This threatens a very dangerous phase change in the Kosovo situation.

Before June 1, the Kosovo Albanian leaders, wishing to prevent a needless bloodbath and mass expulsion of Albanians, were firmly against armed insurrection, with the added argument of knowing they could count on no foreign military backing. Their best leaders, as exemplified by Dr. Ibrahim Rugova, the noted writer who was recently elected President of Kosovo in informal elections held May 24 in defiance of the Serbian authorities, are against armed insurrection. "The number of radicals is increasing daily. I am still keeping the situation under control but only at great effort," Rugova said in an interview with the German weekly *Der Spiegel* published June 8.

These leaders know that as long as they can prevent giving Serbia the pretext to expel the Kosovo Albanians *en masse* into Albania, Kosovo will peacefully become independent in the near future. The Kosovo region is almost exclusively Albanian in population. As long as no war erupts, Serbia, especially given its present status as international pariah and its economic isolation, can occupy Kosovo, but cannot hold it for long.

The eruption of fighting in Kosovo would start a rapid escalation toward a Balkan-wide war. First, most refugees from a Serbian expulsion of ethnic Albanians, given the economic conditions inside Albania, would go to the neighboring Republic of Macedonia, where they would expect to receive food and shelter from the republic's large (25%) Albanian minority. Macedonia, which has a one-third Muslim minority, would never tolerate a mass resettlement on its territory of Muslim Albanians. In short, a new crisis would materialize, bringing with it the application of the Turkish-Albanian Pact in "defense of Macedonian Albanians." Neither Greece nor Bulgaria could allow a Turkish military presence in former Yugoslav Macedonia, and the stage for one variant of a Balkan war would be set.

The other manner in which a Balkan war could be touched off is through the combination of a Kosovo conflict and Serbia, then faced with three war fronts plus the embargo, would decide to "go for broke," seizing former Yugoslav Macedonia, and thereby establishing a direct land link with Greece. For different reasons, neither Turkey nor Bulgaria would allow a Serbian conquest of the Republic of Macedonia, and a Balkan war would therefore ensue.

# Balkan crisis fraught with danger of world war

**Sergei Yastrzhembsky**, spokesman for the Russian Foreign Ministry, gave a press briefing on June 6, following a Russian delegation's fact-finding visit to Belgrade.

Yastrzhembsky expressed concern that the conflict in the Balkans could turn into a third world war. He began by stressing Russia's respect for each of the states of the former Yugoslavia, then warned that "the ethnic principle" is very dangerous. "A blind commitment to this principle may lead the situation in the Balkans to a global explosion fraught with a third world war."

Yastrzhembsky said that while the Serbians had a right to self-defense, "in Bosnia and Hercegovina, however, we see other motives for action based on hatred, ethnic intolerance, and vengeance. Such motives should be categorically denounced and rejected regardless of their source." He warned some Russian press against whipping up "extremist forces" which could "precipitate a new spiral of insanity and fractional war."

Pressed by the correspondent from the Serbian newspaper *Borba*, who claimed that Serbia was in the right and the U.N. report recommending sanctions in the wrong, Yastrzhembsky said, "I am not going to discuss semantics with you." Russia's position, he said, "is neither pro-Serbian nor pro-Croatian, nor pro-Slovenian," because Russia has "traditional links" to all the states in the Balkans.

Asked what his grounds were for saying the war in the Balkans could spread, he said: "Allowing the crisis to reach a point of no return may involve all those [religious and political] forces which are now watching developments in Bosnia and Hercegovina with restraint. . . . [They] may become involved in the conflict. It is in the context of these considerations that we are expressing the fear that, God forbid, the situation may have such an outcome."

**Aleksei Nikiforov**, the first deputy chairman of the Third European Department of the Foreign Ministry added his assessment at the same press briefing:

"Hostilities may spill over to the south of former Yugoslavia. . . . I think that the uncertainty regarding the legal status of the Republic of Macedonia is becoming an increasingly destabilizing factor. There are other factors indicating

that in principle the epicenter of the Yugoslavian crisis is gradually shifting southward. One of the aims of our visit was not just to contribute toward the settlement of the conflict that is raging on, contribute to the success of the U.N. peacekeeping operations, but also to prevent the emergence of new flash points."

**El País**, Spain, by Hermann Tertsch, June 8:

The Balkans could soon descend "into a catastrophe like that which Central Europe lived through in the Thirty Years War of the 17th century," as a result of the combination of the adventurism of Serbia's Slobodan Milosevic and the inefficacy of the European systems of security. The Thirty Years War brought not only economic ruin to Europe, but also "the rule of the strongest, in a terror exercised by bands under the control of leaders without scruples."

Tertsch forecast that the kind of Serbian irregular groups' terrorism that has been seen in Croatia, Bosnia, and Kosovo, will soon move into Serbia itself, as the post-Milosevic power struggle intensifies. The most likely alternative to Milosevic in Serbia, is not something rational or democratic, but rather a dictatorship of Vojislav Seselj, head of the Chetnik militias, and the most popular politician in Serbia.

At the same time, what is now threatened, is that Albania will start imitating Serbia, and will start supporting its fellow Albanians outside Albania, in Kosovo, in Montenegro, in Macedonia, in pursuance of a "Greater Albania." This could create a "permanent conflict" with Serbia and Macedonia, and soon, possibly, with Greece as well. This is the path to the Thirty Years War model, Tertsch wrote.

Egyptian Foreign Minister **Amr Moussa**, June 9:

The Islamic Conference Organization, meeting in Istanbul the third week in June, will be considering a military intervention to defend Bosnia.

According to one informed source consulted by *EIR*, the Egyptian foreign minister's declaration reflects an intent in various governments in the Islamic world, to prevent the Turks from acting alone in Bosnia against Serbia. The Saudis and others are increasingly getting involved in the Bosnian crisis.

**Daily Telegraph**, London, June 10:

The Turkish press is increasingly carrying calls for "Islamic volunteer brigades" to fight in Bosnia, with the Bosnians being referred to as "our kin," in recognition of the fact that it was under the Ottoman Empire that there was a mass conversion to Islam in Bosnia. The Saudis decided to become more active on the issue, after coming under increasing attack from Iran and Libya for doing nothing to help the "martyrs" in Bosnia. In Pakistan, the press is giving more and more attention to the slaughter in Bosnia, while there is talk among Muslims of shifting the base of the *jihād* fighters from Afghanistan to the Balkans.

# Venezuela seethes with anti-IMF anger

by José Ignacio Mussett

Since the attempted coup in Venezuela on Feb. 4, the demonstrations against the International Monetary Fund (IMF) have intensified, but with a new ingredient: Everyone is asking for the resignation of President Carlos Andrés Pérez, known by the acronym of "CAP." In a desperate effort to keep CAP in power, his government has reverted to the stale old strategy of frightening the citizens with the phantom of subversion. It is not that subversion doesn't exist in Venezuela; what is happening is that it is being promoted by the government itself.

CAP, a weatherbeaten "State Department socialist," has long ruled what the Rockefeller-Kissinger crowd vaunted—until Feb. 4—as the "most stable democracy in Latin America." CAP's foreign sponsors can neither afford to keep him, nor to let him go; either way risks discrediting their whole phony democratic gameplan.

According to a report from a source in the Defense Ministry, published in the Caracas daily *El Globo* on May 26, there have been 1,376 demonstrations against CAP in Venezuela in eight months; 925 of these before Feb. 4, and 451 after that date. In the first week of June the demonstrations reached a high point of intensity, and were characterized by kidnapping, looting, raids, injuries, and death in the principal cities of the country: Caracas, Barquisimeto, Maracaibo, Maracay, Valencia, Cumaná, and Mérida, among others.

In the wake of these demonstrations, which are mostly by students, the police and the National Guard have raided several universities. Looting has been reported in Maracay, capital of Aragua; in Cumaná, capital of Sucre; in Coro and Barquisimeto. Some cities have been put under military control, but they have not succeeded in quelling the disturbances.

## The 'subversion'

The government has used the theme of "subversion" as a pretext to repress the popular outcry against the measures dictated by the International Monetary Fund. In that light, the ex-director of the Military Intelligence Directorate (DIM), Herminio Fuenmayor, an intimate friend of President Carlos Andrés Pérez, "may have warned" that "there is an extreme left" that is pressuring the Armed Forces to carry out a "state coup." Interior Minister Luis Piñerúa Ordaz stated on May 28 that "measures were taken" and that "that neutralized the

actions predicted."

What measures were adopted, and what actions were neutralized? Sixty-year-old ex-guerrillas who operated in the 1960s were put under pressure, and the organizational secretary of a party was accused of being behind the "subversion." It was said that the subversion organized the national demonstrations.

Nevertheless, Defense Minister Gen. Fernando Ochoa Antich declared, according to *El Diario de Caracas* on May 30, that "the detentions are a good move, but they will not put an end to the disturbances."

Many think that the government wants to polarize the country between the false choice of corrupt democracy or Marxist subversion. In fact, it is CAP's government which has the most connections with Ibero-American Marxist guerrillas.

It is not by accident that CAP has been the mediator in every process of "pacification" on the continent, which has delivered whole countries over to communist subversives under the approving eye of the U.S. State Department, whether it be in Colombia, Peru, El Salvador, or Nicaragua. Nor is it accidental that Fidel Castro, the communist boss of Cuba, has supported and promoted CAP.

## The truth

The real origin of the demonstrations lies in the brutal economic austerity under which the country lives, and which is reflected in the immense fiscal deficit. The estimates of the deficit vary from the official calculation of 80 billion bolivars, up to 350 billion bolivars—that is, \$5 billion. Instead of confronting the usury of the creditor banks and declaring a debt moratorium, CAP is putting his efforts into a combination of tax increases, new government loans, currency devaluation, and increasing privatization of state industries, besides the decree at the beginning of May lifting price controls.

Faced with this situation, the military, far from settling down in their barracks, are becoming more and more restive. One investigation by the Military Intelligence Directorate, published in the daily *El Nacional* June 6, says that of those questioned, "97.7% say that the government has not delivered on the promises it made to better the standard of living," and that "88% indicate that the government does not exercise price controls over the most basic food products."

On the other hand, a group of sergeants in the National Guard said: "We know that the jig is almost up. The majority of the sergeants in the National Guard consider Feb. 4 as a patriotic rebellion. We know that the country is moving like a wounded beast toward disaster. . . . The cost of living has climbed with a frightening speed, impelled by the violent corruption that exists at all levels, from the President of the Republic on down."

Everything seems to indicate that the seething will continue in Venezuela, while the general opinion of the population is that this system won't last much longer.

## Judge orders terrorists to stand trial

*Is Colombia's Gaviria prepared to defend the M-19 to the death—of whatever remains of the justice system?*

On May 18, a “faceless judge”—one of the special magistrates designated for dealing with crimes of terrorism and drugs, whose identity is kept under wraps—called to trial 31 top leaders of the narco-terrorist M-19 guerrilla organization, on charges of having incinerated the national legal archives during the Justice Palace siege of 1985, and for having kidnapped and murdered a number of the Supreme Court’s magistrates during that siege.

If the Colombian government and Congress were to approve a bill currently before the legislature, whose sole objective is to prevent the amnestied M-19 leadership from going to jail, “the collapse of the justice system is imminent,” warned the June 3 editorial of the anti-government newspaper *El Espectador*.

Indeed, the Gaviria government is facing a major dilemma: Either it complies with the judge’s order and refuses to acknowledge the amnesty agreement by which the M-19 was legalized, meaning that all members of that group would be immune from prosecution for any action carried out before the amnesty date of December 1989; or the government interferes with the independence of the justice system and confirms that what really rules in Colombia is the “law” of narco-terrorism.

The fact is that while the M-19 did benefit from the 1989 amnesty and pardon, the decree specifically omitted pardon for “atrocious crimes.” The M-19, according to the “faceless judge,” committed atrocious crimes against the justice system in its Nov.

6-7, 1985 siege of the Justice Palace. Ironically, the new Constitution, which was shaped and approved in large part by the amnestied M-19 leadership, also clearly establishes that presidential pardons *cannot* be extended to those who have committed atrocious crimes.

Although M-19 leader Antonio Navarro Wolf argues that he bears no responsibility for the 1985 holocaust because he was out of the country at the time, the judge bases the charges against Navarro precisely on his statements made from abroad. In December 1985, Navarro told the Mexican magazine *Cuadernos Políticos* that the terrorist assault on the Justice Palace, in which over 100 people died, was fully justified because the M-19’s objective was “to destroy one of the last, if not the last, of the country’s respectable institutions. We evaluated the significance of the Supreme Court in a country which believes in nothing, and in which there remain only two institutions: the church and the Supreme Court.”

When the decision of the “faceless judge” was delivered, the M-19 leadership ran to President César Gaviria, who pledged to intervene to prevent their jailing. At the same time, both houses of Congress gave their full backing to the M-19, and are desperately seeking a “formula” that can overturn the judge’s ruling. Further, Navarro Wolf and the other M-19 leaders have declared themselves in defiance of the court order, prompting *El Espectador* to counter in a June 2 editorial: “It is curious that even as Navarro proclaims his disrespect for

the law, he nonetheless is pressuring for passage of a law that would interfere with the actions of the court.” The editorial further warned Navarro that to disobey the judge’s order is to declare oneself beyond the law, and went on to charge that the government and congressional effort to ram through legislation that would prevent the jailing of the M-19ers “is to deal a treacherous blow to the state of law, while stripping away the essence of justice as the guarantor of the democratic ideal.”

On June 3, the Council of State, the country’s highest administrative court, warned both the government and Congress not to interfere with the application of the law, and accused those institutions of “seeking an agreement that has the unquestionable intent of de-activating justice.”

So, for now, the Gaviria government is up against the wall. It cannot afford to destroy the last illusion of a functioning justice system, nor can it afford to allow its M-19 allies, including one cabinet minister, to go to jail. In the latter case, not only would its “peace pact” with the M-19 become null and void, but it would pull the rug out from any future “peace negotiations” with the other narco-terrorist groups, the FARC and ELN.

This crisis could put an end to 10 years of treasonous “peace talks” with the narco-terrorists, 10 years which have spelled the ruin of Colombia’s national institutions, an assault against the Armed Forces, the destruction of the economy, spoilage of the country’s vast natural wealth, and demoralization of the population. Of course, Gaviria could ignore the judge’s ruling and stand by his peace pact with the terrorists. He would undoubtedly lose the remaining 1% of his “popularity,” leaving him in a situation worse than that of his colleague across the border in Venezuela.



## 'La Quina' conviction dooms Pemex

*The sentencing of Joaquín Hernández Galicia clears the way for the destruction of Mexico's oil company.*

**T**he disguised privatization of Petróleos Mexicanos (Pemex) has come full circle, with the conviction of Joaquín Hernández Galicia, known as "La Quina." On June 2, the Mexican government announced that the former head of the Mexican Oil Workers Union had been found guilty of "the crimes of murder one, resisting arrest, stockpiling of weapons, and the illegal introduction into the country of weapons reserved for the private use of the Armed Forces."

These charges were first brought against him after he was kidnaped from his home on Jan. 10, 1989, and arrested along with 44 other union leaders in an extensive military-political dragnet staged by the incoming government of Carlos Salinas de Gortari.

Incredibly, the conviction comes two years after the legal limit established by the Mexican Constitution, which says no one can be held for longer than a year without a conviction. The blame for this illegal delay, according to the prosecution, lies with the defense for allegedly "offering irrelevant evidence" in La Quina's defense. The truth is that the Attorney General's office had demanded, on two separate occasions, that the court revise its earlier findings, because it had found Hernández Galicia *innocent*, on the grounds that the government had offered insufficient proof against him. Now that the court has upheld the government's charges, it is expected that La Quina will be sentenced to up to 50 years in jail.

Of course, the trial was not really against La Quina, but rather against

the company which most directly represents the interests of the Mexican people. The final push to convict La Quina came as the North American Free Trade Agreement (NAFTA) negotiations entered the home stretch. The Bush administration has demanded that the Salinas government clear the playing field of anyone who might oppose signing over Mexico's oil to the Wall Street cartels, as part of the NAFTA deal.

Indeed, on June 5, just three days after the Attorney General's announcement, President Salinas announced his "sentence" against Pemex. In a breakfast meeting with the top directors of the company, including the Mines and Energy Minister Fernando Hiriart and Pemex director Francisco Rojas, Salinas gave a speech demanding the revision of Pemex's entire structure, and threatening the oil workers with dismissal if they do not cooperate. Certain Mexican newspapers have unofficially leaked a draft document reportedly containing the plan for the "re-dimensioning" of Pemex. According to these reports, Pemex is to be turned into a holding company for eight separate entities with decentralized decision-making and "broad autonomy of action." The new "mini-Pemexes" will make up a *Pemex Corporativo*.

The dissolution of the oil workers' union is, of course, indispensable for the dissolution of Pemex itself. According to the leaked draft, the workers of each "mini-Pemex" will have to negotiate their contracts, one by one, with their new "corporate" leadership.

It is already an open secret that the reorganization of Pemex is designed to bring about the dissolution of the union and its contract, with the firing of the current 144,000 employees—to then rehire only 50% of these under new "conditions." In the three years of the Salinas administration, and since La Quina's arrest, 100,000 of the 1988 work force of one-quarter million have already been fired.

This splitting up of Pemex, as if it were a vacant lot thrown on the speculative real estate market, is the result of five years of work by the international consulting firm McKinsey, which was given access to all the strategic information known as Pemex's "black boxes": per barrel cost of production, types of machinery and duration of use, geological maps of the Mexican subsoil, service and personnel records, and so forth.

However, there is a deeper strategic goal behind the breakup of Pemex. As the NAFTA negotiations have advanced, it has become clear that what the United States really seeks is access to Mexico's oil wealth.

According to the magazine *Oil and Gas Journal* and the American Petroleum Institute, Mexico ranges between being the United States' second and fourth oil supplier. The U.S. Geological Survey estimates that Mexico could have as much as 210 billion barrels in reserve, on top of the proven 62 billion barrels registered in June 1991. Leaving aside the optimistic projections of interested parties, it is clear that with its current proven reserves alone, Mexico has double the proven reserves of the United States, which were estimated in 1988 at 26.5 billion barrels.

Turning Mexico's oil into U.S. proven reserves is the sole purpose behind the Salinas decision to splinter Pemex, and to lock away all who oppose his plan.

# International Intelligence

---

## ***Landsbergis warns of KGB coup in Lithuania***

Lithuanian President Vytautas Landsbergis warned on May 26 that forces linked to the former communist regime and the KGB may try to pull off a coup d'état against his government. A government crisis has been brewing in Lithuania ever since the resignation of Prime Minister Vagnorius.

Part of the reason for the crisis was the defeat of a referendum which would have permitted elections to the parliament in Lithuania. The rules of the referendum were such that it would have needed almost 100% support to pass.

In a speech to the parliament, Landsbergis asked, "Are we not being dragged backward to partocratic rule . . . and to the restoration of the old regime with a new name?" Landsbergis blamed behind-the-scenes forces which were either directly KGB or KGB-inspired.

"I do not intend to cover up the coup d'état if it continues," he said. He suggested that the parliament itself pass the law allowing elections, and that the elections be held on Aug. 23, the anniversary of Lithuanian independence and of the signing of the Hitler-Stalin Pact.

---

## ***Indian lawmaker wants probe of rights in U.S.***

An Indian parliamentarian has demanded that an official Indian delegation be sent to the United States to investigate human rights violations during the Los Angeles riots, the *Hindustan Times* reported May 27.

As the television pictures of the riots were broadcast internationally, "in the space of days the First World paragon had been reduced to a Third World metaphor," the newspaper wrote.

Parliamentarians raised the issue that had such riots occurred in an Indian or any other Third World city, the U.S. government would have been sending delegations to protect "human rights." Parliamentarian Aran-

gil Sreedharan said that the media "would have blown it up and questioned the very existence of the country."

"Viewers in India were amused when a Los Angeles official pleaded on television with the media not to project the image to the outside world as if the whole of America's second-largest city was in flames," the article reported. "Pompous and self-righteous America has been taught a lesson from its own history."

---

## ***Hungarian criticized for freemasonic ties***

Former Hungarian foreign minister Gyula Horn was attacked for his freemasonic links, in an editorial published by the weekly *Magyar Forum* on June 5.

Horn had received the annual award of the German Freemasonic Association in Frankfurt a week before. *Forum* publisher Istvan Czurka described this as an example of how the international freemasonic "mafia" is penetrating eastern Europe.

Czurka, who is also the vice chairman of the governing Hungarian Democratic Forum party, warned against the fraternal links between liberalism and Bolshevism that have turned, in more than one case, into profitable business relations.

The case of the former communist daily *Nepszabadsag*, which is now majority-owned by the German Bertelsmann publishing group, is further evidence of masonic efforts to gain control of the media. The aim of that is to eliminate national-Christian values from Hungarian society, Czurka wrote.

---

## ***Kuwaiti official accuses Washington on Gulf war***

A senior Kuwaiti official has charged that the United States did relatively little to bring the Iraqi occupation of Kuwait to an end, and got involved in the Persian Gulf war only for its own self-interest.

National Council Speaker Abdul-Aziz

Masaeed charged that the Bush administration did not rush to the aid of its Gulf ally as a result of its support for Kuwait, but because of its desire to protect the security of oil fields. He also asserted that Saudi Arabia did more to free Kuwait than the United States did, Masaeed further charged U.S. Ambassador to Kuwait Edward Gnehm, Jr. with currently interfering in Kuwait's internal political affairs.

Masaeed's accusations were initially reported in a Saudi Arabian magazine called *al-Majall*.

The Bush administration scrambled to put the best face on the incident. State Department spokesman Joe Snyder said on June 5: "As soon as we learned of these remarks, we instructed our ambassador, Skip Gnehm, to raise the matter at the highest level of the Kuwaiti government. We were told categorically that the Speaker of the National Council's views 'do not represent those of the government of Kuwait.' "

---

## ***Zimbabwe paper covers LaRouche rights violation***

The May 16 issue of the *People's Voice*, a 30,000-circulation weekly newspaper published in Harare, Zimbabwe, ran major coverage of U.S. violation of the human rights of presidential contender Lyndon LaRouche. The story was accompanied by a photograph of Henry Kissinger.

The article outlined the charges reported by the U.N. Special Rapporteur, that LaRouche is being persecuted for his beliefs, "which have clashed with the prevailing commitments of the U.S. government. Mr. Lyndon H. LaRouche, 70, who is in his third year 'as George Bush's political prisoner,' believes that the world is in an unprecedented crisis which threatens the existence of the human race. This crisis is economic, strategic, cultural, moral and spiritual in character. He believes that man has the capacity to create solutions to that crisis. His beliefs strongly oppose all forms of demographic warfare against developing nations, debt collection at the expense of hu-

man existence, and all infringements against national sovereignty.”

The article quoted from testimony to the U.N. of the International Progress Organization, which challenged U.S. hypocrisy in proclaiming a *Pax Universalis*, yet refusing to recognize human rights violations within its own borders. The origins of the targeting of LaRouche are traced to the 1982 correspondence between Henry Kissinger and then-FBI director William Webster. “The disputes between LaRouche, Kissinger, and others in and out of government were over policy questions including Third World development and international monetary reform. Many of the disputes dated back to the 1970s. Recently declassified government documents allegedly reveal the targeting of 13 Third World countries for radical depopulation programs and disparage the efforts of the movement for a new world order for encouraging economic optimism and resistance to depopulation plans.”

## ***Czechoslovakia's partition seen as 'inevitable'***

The potential breakup of Czechoslovakia in the aftermath of parliamentary elections on June 6-7, and the repercussions this could have on Europe, were widely discussed in the European press on June 8.

The lead editorial of France's *Le Figaro* claimed that the partition of the country is now “inevitable,” and that Czechoslovakia could be the “new domino to fall,” in the wake of the dramatic changes already seen in the former Soviet Union and the Balkans. *Le Figaro* wondered what effects this will have on Hungary, given that there are several hundred thousand ethnic Hungarians living in an uneasy peace with the majority Slovaks in Slovakia.

The daily *Libération* asked whether the processes that have been seen in the former Soviet Union and in the Balkans will now be seen in central Europe, although the paper tends to think that the conflict can be resolved peacefully in Czechoslovakia. Spain's *El País* headlined that the Czech

election results make “the division of the country quasi-inevitable.”

In the voting, Finance Minister Vaclav Klaus received 34% countrywide, 40% in the Czech parts of the republic, while the HZDS party of Slovak nationalist Vladimir Meciar received 38% in Slovakia. Meciar is in a position to block initiatives that Klaus will now put forward, through various coalitions that can be formed in the Czech parliament. BBC said that the future of President Vaclav Havel appears to be in doubt, since he had gone out on a limb to oppose the “populist” Meciar.

The real underlying tension in the country concerns Slovak opposition to the “shock therapy” policies of the ultra-monetarist Klaus. In Slovakia, 12% unemployment has fueled resentment against radical market reforms which have hit hardest at the republic's heavy engineering and arms industries.

## ***Khmer Rouge blocks Cambodian peace plan***

Claiming that the agreement for all Vietnamese troops to be withdrawn from Cambodia has not been carried out, the Khmer Rouge guerrillas are refusing to allow U.N. troops into their territory. Phase two of the agreement, following a phase one establishment of a Supreme National Council under Prince Sihanouk and a U.N. Transitional Authority in Cambodia (UNTAC), was to be the disarmament and demobilization of the four armies.

China is publicly voicing support for the agreement and calling on the Khmer Rouge to go along. Thailand's National Security Council Secretary General Charan Kulvanich refused to take any special initiative to bring the Khmer Rouge into line. “It is hard for Thailand to press the Khmer Rouge to honor their cease-fire because we merely regard Cambodian factions as our neighbors,” he said. “We are neither a negotiating committee for the U.N. nor Cambodia's Supreme National Council, so international communities should not expect Thailand to do much on this matter.”

● **TEN PERCENT** of the world's refugees are now European, mostly due to the war in former Yugoslavia, U.N. High Commissioner for Refugees spokesman Sylvana Foa told a news conference in Geneva on June 5. She said that there are about 1.7 million former Yugoslav refugees or displaced people, out of a world total of about 17 million.

● **THE VATICAN** has appointed Archbishop Antonio Franco as papal representative to Ukraine. Speaking to the bishops of the Ukrainian Greek Catholic Church (Uniate), Franco stressed: “Ukraine is a ‘touchstone’ of sincerity and desire for a dialogue, either from the Catholic or the Orthodox sides. The papal representative in Ukraine, if he wants to be loyal to his mandate, cannot stand aside from this task.”

● **ITALY'S MOOD** is ominously reminiscent of the pre-Fascist period, warned pollster Giuseppe De Rita of the Censis polling agency, in an interview with *La Repubblica* published on June 8. “People want leaders who represent localistic interests,” he said. “This kind of society risks becoming barbaric, a kind of jungle, the same emotional wave we saw in the pre-Fascist period.”

● **ALAN GARCIA**, the former Peruvian President, surfaced at the Colombian Embassy in Lima on May 31, and was granted political asylum. García had been “underground” since President Fujimori's imposition of a state of emergency on April 5. He was acting on orders of the APRA party to leave Peru.

● **SUDANESE LEADER** Dr. Hassan al Turabi was the target of an assault at the Ottawa airport on May 26, while on a speaking tour in Canada. An official statement released by the Popular Arab and Islamic Conference, of which Dr. Turabi is the secretary general, called the attack an “assassination attempt.”

# Balanced-budget mania pushes nation to the brink

by H. Graham Lowry

At both federal and state levels, government budgets in the United States are on the verge of complete collapse. The attempt to manage the crisis, *under the same policies which created it*, has become a mad scramble which is also ripping apart the nation's political institutions.

In the Congress, the issue of the economic crisis has been turned into a debate over whether that body should even have the power to oversee the finances of government—a fundamental responsibility which the Constitution assigns to the Legislative branch. The debate is driven by the hue and cry over the federal deficit, which, by any honest accounting, will top \$500 billion this year. Thus the Congress is threatening to institutionalize draconian austerity, by promoting a balanced budget amendment to the Constitution.

A House vote June 11 to submit the amendment to the states for ratification fell only nine votes short of the required two-thirds majority. The final tally was 279 votes for, and 153 against. Its backers do not intend to give up the effort. But regardless of whether or not it can be passed on a subsequent attempt, the underlying issue remains: What is to be done about the deepening U.S. economic depression, other than futile and increasingly crazed attempts to balance the budget? Even for most of the amendment's opponents, the debate is about *how*—rather than whether—to enforce austerity.

House Speaker Tom Foley (D-Wash.), who opposes the amendment for the "horrendous" effects it would have on the economy, fears it could be ratified by the states within a year. He recently noted that most state legislatures have already memorialized Congress in favor of it, under the specious argument that 44 of the 50 states are required by law to balance their budgets—therefore, why not the federal government? The states, however, can resort to issuing bonds

for capital spending on such things as infrastructure, for example, while the proposed amendment would deny that authority to the federal government and limit its appropriation of funds strictly to the amount of revenue it takes in.

At a time when decades of destructive economic policies make it urgent that massive federal funding be devoted just to rebuilding the nation's infrastructure, the amendment would write off any hopes for recovery. Moreover, without such measures to reconstruct the country's physical economy, the tax base will continue to collapse far below its currently flattened level. Official unemployment soared to 7.5% in May, the highest level in eight years, guaranteeing a further dropoff in revenues.

Even by the Labor Department's fudged figures understating the case (see page 15), the decline from a year ago in the productive sectors of the economy is sufficient cause for alarm. Unemployment in construction rose nearly 2 percentage points; in mining, 1.4; in manufacturing, 0.3; and in agriculture, 2.3. Among the nation's once-productive urban centers, New York City posted an official unemployment rate of 10.5% in May, up a full point in just one month.

## **Euthanasia for a sick economy**

With or without a constitutional amendment to enforce it, the legislative bloodletting required to balance the federal budget under current policies is unimaginable. A study for the House Budget Committee released May 26—using absurd deficit projections based on a magical assumption of renewed economic growth—put forth a scheme for eliminating the deficit over the next five years. Current spending levels would have to be cut by \$38 billion the first year, \$70 billion the second, \$113 billion the third, \$173 billion the fourth, and \$237 billion the fifth year.

To reach less than half the \$38 billion in cuts the first year without raising taxes, the Congress and the White House would have to agree to scrap the space station, the superconducting supercollider, and the Seawolf submarines; shut down veterans hospitals; and slash or eliminate federal funding for mass transit, airports, community development, small business loans, rural housing, and maternal health care. Over five years, entitlement programs—such as Social Security, Medicaid, and Medicare—would be cut by at least \$297 billion, which is “only” about \$30 billion more than last year’s entire deficit.

The opportunity to enforce entitlements cuts—and smash the already marginal living standards of the poor, the sick, and the elderly to smithereens—is precisely the reason that President Bush and his budget director, Richard Darman, have lobbied so zealously for the balanced budget amendment. As Darman declared in a television interview June 9, “The problem is, from the President’s standpoint, two-thirds of the budget never comes to him for review. Two-thirds of it grows and grows uncontrollably every year. . . . That’s where our spending problem is, and there’s got to be some additional discipline to force us to attend to it.” Meanwhile, Bush has moved to accelerate entitlements cuts by the states, by waiving current federal regulations mandating certain minimum levels of welfare and medical assistance.

### **The collapse of the states**

Those who argue that budgets must be balanced only by cutting spending, raising taxes, or both, should take a closer look at what has happened to the budgets of state governments across the nation. Nearly three-quarters of the states racked up significant deficits this year, even though half of them imposed major spending reductions and tax hikes which were supposed to keep their budgets in line. Most dramatic is the case of California, which last July enacted record budget cuts and tax increases totaling \$14.3 billion, only to announce on May 20 of this year a further deficit of \$10.7 billion. The combined shortfall of \$25 billion is more than 40% of the state’s entire budget. Without making further massive cuts immediately, Gov. Pete Wilson has declared the state will be broke by the end of June.

Even current levels of federal spending cuts are blowing out more state budgets as the July 1 beginning of the new fiscal year approaches. In New Jersey, where the legislature is considering \$1 billion in further cuts in a proposed \$16 billion budget for next year, the state treasurer announced June 3 that the Bush administration had rejected its claim for \$450 million in back Medicaid reimbursements. The money had already been counted on the ledger sheet for the current budget, and its loss has set off another budget-cutting binge.

Most states have also resorted to accounting tricks and shifting the burden of costs to local communities, in an effort to keep the balanced-budget game going. A number of states, including Illinois, have proposed taxes on health care provid-

ers, to cover what the state already owes them. A health maintenance organization (HMO) covering 58,000 Chicago area residents, including 43,000 Medicare recipients, filed for bankruptcy June 3, citing the state’s failure to keep up with Medicaid reimbursements. To make matters even more absurd, state regulators had cited the HMO in March for failing to operate with sufficient funds, thus preventing it from signing up new members or re-enrolling old ones.

The scramble to find new revenues without reviving the real economy has turned some state budgets into veritable floating crap games. Iowa is one of a number of states which have legalized riverboat casinos in the name of boosting revenues and expanding jobs. Two of the five floating casinos plying the Iowa side of the Mississippi River recently announced they were steaming off in search of more lucrative waters, after complaining of multimillion-dollar losses due to Iowa’s low-stakes limit. Days later, one of the company’s remaining boats filed returns with the Iowa Racing and Gaming Commission, showing net operating revenues of more than \$50 million for its first 11 months of operation, and a net profit of \$6.6 million.

### **Needed: a ‘balanced President amendment’**

Only a complete reversal of the nation’s economic policies can bring about the recovery which its current leaders believe will magically occur. Democratic presidential candidate Lyndon LaRouche recently observed that the nation doesn’t need a balanced budget amendment, rather, “What we need is a balanced President amendment.”

There is evidence that more and more Americans agree with him. In North Dakota’s June 9 Democratic primary, LaRouche was declared the winner with 28% of the vote (see following page). In a campaign statement released following his victory, LaRouche declared, “It means that the issues which I have raised in the course of the campaign, will be forced to the surface and must be debated and discussed at the highest level, not only in the United States, but internationally.”

While the North Dakota primary was a presidential preference poll, rather than a vote to elect delegates to the Democratic convention, the LaRouche victory is the most powerful development to date in its potential to shift the discussion of how to deal with the economic crisis. North Dakota’s voters had the opportunity to see a 30-minute television broadcast on June 7, presenting LaRouche’s “Program for an Industrial Recovery.” LaRouche proposes creating 6 million new jobs, by federalizing the Federal Reserve as a national bank, to issue \$600 billion a year in loans at 2-4% interest, for public works infrastructural projects, and high-technology private sector engineering and industrial undertakings.

The North Dakota results, which Cable News Network called a “shocking development,” may signal the beginning of the end for the deficit reduction mania which has pushed the nation to the brink.

# LaRouche wins N. Dakota primary

by John Sigerson

On June 11 the office of the secretary of state of North Dakota confirmed that the winner of the June 9 Democratic primary election for the President of the United States was Lyndon H. LaRouche, Jr., the jailed economist-statesman who is inspiring growing numbers of people around the world to stand up and fight for the reconstruction of the depression-wracked economy.

With 50 of 53 counties in the state reporting their final totals, LaRouche emerged with 29.8% of the vote, or 7,053 votes, leading by a wide margin over H. Ross Perot (15.8%) and Bill Clinton (5.7%). The votes for Perot and Clinton were write-ins, since Perot is still not an official candidate, while Clinton had not bothered to apply for official ballot status in this “beauty contest” primary, whose results are not binding on state delegates to the Democratic national convention in July. LaRouche also defeated two other candidates whose names did appear on the ballot: Nevada businessman Charles Woods, who gained 27%, and nightclub comedian Tom Sheikman, a Clinton supporter who had been placed on the ballot by party officials.

LaRouche’s victory was the fruit of an intensive campaign by a well-organized electoral machine in a state which has suffered terribly from the grain cartels’ genocidal strategy of reducing the world’s food supply. Two days before the election, a half-hour campaign broadcast was aired on the state’s major NBC television station, detailing LaRouche’s industrial and agricultural recovery program, calling for creating 6 million new jobs by nationalizing the Federal Reserve and replacing it with a national bank.

Some North Dakotans remember when their own State Bank of North Dakota functioned in the 1920s to protect farmers and grain elevator operators from the speculators and grain cartels. Today, threatened farm foreclosures number in the thousands. On the other hand, North Dakotans enjoy the highest educational level in the country, and the state ranks lowest in the number of hours of television-viewing by school-age children.

In the days leading up to the primary, hundreds of LaRouche supporters spread throughout the state to distribute literature and posters. The popular talk show host John Ruby—who has interviewed spokesmen for LaRouche’s policies frequently in the past—conducted his own preference poll for the primary candidates, and found LaRouche running second behind Perot and ahead of Bush. In the final days,

LaRouche supporters helped get out the vote by telephone, calling through general phone directories.

News of the LaRouche victory was instantly flashed around the world. Cable News Network announced the victory as a “shocking development.” The bankrupt UPI wire service attempted to make light of the news, commenting that “North Dakota kissed spring goodby with a presidential primary that made up for humor what it lacked in clout.” But in Europe the results were eagerly taken as a sign that finally, Americans are showing resistance to Bush’s hated “new world order” and to the International Monetary Fund, whose policies are plunging eastern Europe into war. The Italian daily *L’Unità*, under the headline “Among the Democrats, a Prisoner Wins,” reported that “in the American primaries, the vote is more and more of protest,” as could be seen when “the citizens of North Dakota, heirs of Sitting Bull, got enraged” and voted for LaRouche. Similar reports were circulated internationally by the Associated Press and Agence France Presse.

Candidate LaRouche, commenting on the significance of his victory, said that “it means no more than it means, but it means a great deal. It means that the issues which I have raised in the course of the campaign, will be forced to the surface and must be debated and discussed at the highest level, not only in the United States, but internationally.” He forecast that his victory “will influence significantly major political decisions in economic and other matters in many parts of Europe, and I think, perhaps, to some degree or other, elsewhere as well.”

## Media dirty tricks

LaRouche’s point was not lost on the establishment controllers of the news media. Twenty-four hours after the news of LaRouche’s victory first went out, Associated Press replaced its earlier accurate reports with an item claiming that “Texas billionaire Ross Perot yesterday emerged as the write-in winner of Tuesday’s Democratic presidential primary in North Dakota,” supposedly with 28%, ahead of “three minor candidates whose names were on the ballot.” This lying report, which had no basis in anything being reported by the North Dakota secretary of state, was picked up the next day by many newspapers, among them the *Los Angeles Times*.

In a press release, LaRouche campaign director Mel Klenetsky described the AP release as “willful fraud.” “This represents a dirty trick, being run by thugs and gangsters in AP . . . comparable to Watergate and Irangate, and the appropriate heads at AP should roll because of it. A wire service like AP has a moral responsibility to the American people—not to mention to its paying subscribers—to report the simple truth.” Klenetsky called for an official investigation of AP’s behavior, and said that the LaRouche campaign is asking the appropriate ethics committee in Congress, as well as the Federal Communications Commission, to look into the matter.

# U.S. court re-opens Demjanjuk case

by Katherine R. Notley

Shortly before the arguments in front of the Israeli Supreme Court to overturn the death penalty of John Demjanjuk ended June 9, the U.S. Sixth Circuit Court of Appeals ordered the U.S. Justice Department to turn over all evidence it has showing that the retired Cleveland auto worker was not the Treblinka concentration camp guard "Ivan the Terrible." The appeals court's June 5 move was highly unusual, because the court itself initiated the review of its 1986 decision to uphold Demjanjuk's extradition to Israel to stand trial. It had upheld extradition on the basis that Israel had charged Demjanjuk with murder. The three-judge panel in Cincinnati, Ohio has given the Justice Department until July 15 to produce evidence both of Demjanjuk's innocence and the department's knowledge of it. Demjanjuk, 72, has been in prison in Israel since then, and was sentenced to death in 1988.

Both the U.S. review and the appeal in Israel center around the defense's discovery that "Ivan the Terrible" was one Ivan Marchenko. Demjanjuk's defense attorney Yoram Sheftel has charged that the U.S. Justice Department's Office of Special Investigations (OSI) knew shortly after it targeted Demjanjuk in 1977 that there was a wealth of testimony identifying Marchenko as the murderous concentration camp guard. Demjanjuk was extradited on the basis of forged documents from the KGB; in late December 1991, an Ohio congressman revealed that as early as 1978, the State Department had sent a cable to its embassy in Tel Aviv drawing on the testimony of 21 Treblinka guards all naming Marchenko.

According to Demjanjuk's son-in-law Edward Nishnic, on Dec. 12, 1978, the OSI obtained 100 pages of eyewitness testimony from Ivan the Terrible's colleagues among the guards at Treblinka in Poland, which identified him as Ivan Marchenko. All of the affidavits were made within a year of the war's end, Nishnic told a Washington, D.C. television station on Dec. 23, 1991. Moreover, by 1981, the OSI had obtained a checklist from the Polish government, of people who had made sworn statements about Ivan the Terrible which correlated name by name with the 1978 affidavits.

Nishnic, interviewed from Jerusalem, did not blame the Israeli government, but the OSI, and expressed sympathy for Ivan the Terrible's victims, who, in their testimony against

Demjanjuk, might have thought he had been the Treblinka murderer; however, he pointed out, the affidavits naming Marchenko were not only made shortly after the events took place, but sworn to by Marchenko's comrades, not by his torture victims 45 years after the fact.

## The OSI 'Nazi hunters'

The OSI was formed as the result of strong lobbying by the Anti-Defamation League (ADL) as part of the Justice Department, ostensibly to hunt down and extradite Nazis who had illegally entered the country. In 1974, then-Rep. Elizabeth Holtzmann, an ADL intimate who had worked hard to establish a Nazi-hunting unit within the Justice Department, tried to have the Immigration and Naturalization Service put one Tscherim Soobzokov on its list of "war criminals." Despite repeated failures by a grand jury to confirm any of the bogus charges against him, the Holtzmann apparatus leaked the phony evidence to the *New York Times*, including a KGB-forged identity card showing Soobzokov was a Nazi. Although Soobzokov sued the *Times* for libel and obtained a settlement, he was threatened with "Jewish justice" by ADL/FBI informant Mordechai Levy, a "former" member of the Jewish Defense League. Despite pleas to the FBI for protection against the constant death threats, Soobzokov was killed by a pipe bomb in 1985.

OSI charges against another man, Elmars Sprogis, also turned out to be false, but he was still targeted by Levy. His house was bombed the same day Tscherim Soobzokov died. The FBI agent investigating the bombings turned out to be Levy's case officer.

The OSI's real purpose was to consolidate the global power-sharing condominium between the U.S. and the U.S.S.R.: The KGB would provide documents targeting Baltic, Ukrainian, and other refugees from communism as Nazi war criminals to the OSI and the OSI would have justification to extradite the victims, usually into the arms of Soviet justice. The case of Karl Linnas was typical: An Estonian, he was targeted by the KGB, which provided documents to OSI. Although the U.S. never recognized the Soviet Union's rule in Estonia, Linnas was extradited there to stand trial under Soviet law. He died in prison shortly thereafter.

The case of Austrian President Kurt Waldheim brings Israel into the Yalta power-sharing arrangement: While the KGB generously provided forgeries "proving" Waldheim's war crimes, the real story is that Austria, where emigrating Soviet Jews made their first stop toward freedom, was refusing to force them to settle in Israel.

## Reason for optimism

Similarly in the earlier Demjanjuk case, the OSI was used to ride roughshod over the U.S. Constitution: The extradition proceedings were premised on Israel's indictment of him, although no crime was committed on Israeli soil or against

Israeli citizens or residents. The only other person sentenced to death in Israel was Adolf Eichmann.

"History will record that it's all a plot," involving the United States, the Soviet Union, and possibly Israel, John Demjanjuk's defense lawyer Yoram Sheftel told the Israeli Supreme Court June 2, in completing his summation in the "Ivan the Terrible" appeal. Sheftel explained that a special division of the U.S. Justice Department, which in 1979 became the Office of Special Investigations (OSI), had as early as 1978 received information from Soviet authorities naming Ivan Marchenko, not Demjanjuk, as the operator of the Treblinka gas chamber. "It should have then stopped prosecuting John Demjanjuk." He went on: "Not only is my client not 'Ivan the Terrible,' it has also become clear that this fact has been known to the Soviet Union for 48 years, to the United States for 14 years . . . and there is suspicion that also here [in Israel] it has been known for 14 years. The trial . . . was nothing but a conspiracy, and this is how it will go down in history."

Observers believe that the Israeli Supreme Court will overturn Demjanjuk's conviction, prompting the prosecutors to claim that they can prove he was a concentration camp guard at the camp at Sobibor, and therefore Israel can keep him in prison. Justice Aharon Barak exploded in response: "Unless you have proof beyond a reasonable doubt that Demjanjuk was at Treblinka, there is no point in proceeding." Earlier Barak had commented about the Sobibor charges, "There is the same reasonable doubt as exists regarding Treblinka."

### **OSI perjury being investigated**

The doubts raised by the OSI's dirty dealings in the Demjanjuk case have prompted an investigation into another similarly fraudulent extradition. The Justice Department's Office of Professional Responsibility has been ordered by Attorney General William P. Barr to look into "allegations that OSI officials, including director Neal Sher, committed perjury and covered up evidence to guarantee extradition of convicted war criminals Andrija Artukovic and John Demjanjuk," according to the *Washington Times* on June 10. Artukovic, a Croatian, was extradited to Yugoslavia, where he had been sentenced to death by firing squad. He died in prison in 1988. Henry deZeng, an investigator who was hired by Artukovic's family, traveled to Zagreb in 1990, where he found nine boxes of archives not only completely contradicting evidence used to extradite Artukovic, but showing that the crimes for which he was sentenced to be shot *had not occurred*. Moreover, deZeng discovered that the OSI investigators who assembled the case against Artukovic had inspected the same material in 1983.

"They read the same contradictory information," deZeng told the *Times*, "but they had publicly targeted Artukovic and it was too late to stop, even after they found out they lacked a case."

## **Michigan serial killer remains at large**

by Linda Everett

Serial killers, who stalk their victims, study their habits, and painstakingly plan and commit ritual murder, generate such outrage and fear that authorities and crime experts employ every effort until the killer is apprehended. Thus, it defies all reason that a known murderer is able to repeatedly issue statements on his murder plans to the media, manipulate his victim's vulnerable psychological profile for months on end, carefully record the victim's "request" to be killed, school the family in their role in the prearranged killing, and then snuff out the victim's life, at which point the killer and his attorney pronounce his victory, his innocence, and his intention to continue.

Yet, this scenario fits exactly the activities of Jack Kevorkian, who, on May 15, claimed his fourth known "suicide" victim in his two-year campaign to make murder on demand legal. As Michigan Sen. Fred P. Dillingham (R-Fowlerville) described it, Kevorkian "is almost on a rampage here."

On May 15, Susan Williams, 52, of Clawson, Michigan, died in her home after inhaling carbon monoxide from a gas mask. Present at the time of death were Kevorkian, his sister Margo Jannis, Williams's son, and her sisters. Kevorkian's attorney, Geoffrey Fieger, told the press that Kevorkian had nothing to do with the death. The attorney said that Williams "had multiple sclerosis" and "her life was worthless." Moreover, Fieger said, if Kevorkian "is imprisoned for something that is not a crime in this state, that is an act of compassion and reason and is thoroughly medical in nature," Kevorkian would attempt to kill himself.

At the home of Mrs. Williams, Oakland County Medical Examiner Dr. L.J. Dragovic found Fieger personally "running that death scene," and said that he was "totally disgusted." "They showed the ultimate disrespect for someone's death," Dragovic said. Everyone was eating pizza and watching television. Fieger offered officials drinks.

### **Death ruled a homicide**

Kevorkian, who is consistent only in his propensity to lie, now admits he obtained the cannister of gases that killed Williams, attached it to her bed, and put the valve and the mask within her reach. However, Dr. Kanu Virani, chief deputy medical examiner of Oakland County, ruled on June



5 that the death was the result of homicide—not suicide. Only when an individual takes his or her life entirely by their own hand does a suicide occur. But, as Dr. Dragovic explains, “In forensic medicine, death rendered by someone else constitutes homicide. This ‘assisted suicide’ terminology is a concoction they have fabricated to avoid prosecution.”

Dr. Virani told *EIR* that 99% of the events in the latest death indicate premeditation of murder. “The majority of the procedure was done entirely by one or more persons other than Susan Williams. The procedure or act was homicide right from the beginning: Someone other than Williams brought the gas cannister into the house, someone else opened the first two valves on the cannister of gas, someone else modified the third valve such that Mrs. Williams,” who did not have the necessary finger movement, “could have taken a token action in the procedure.” She was “physically incapable” of raising her arm to attach the cannister or to attach the mask around her neck.

### Death, lies, and videotape

In his psychological manipulation of his victims into requesting his “suicide help,” Kevorkian videotapes them and their families. In the four tapes of Williams, her husband, son, and four sisters before her death, Kevorkian asks leading questions, most of which are answered by Williams’s family members—not by the victim—who join Kevorkian in denouncing the victim’s life as worthless. A priest who saw Williams prior to her death wrote that she had no clear-cut idea whether she wanted to live or die. He said her mind was clouded by events and people around her. While a licensed physician is duty-bound to fulfill a legal obligation to save patients, Kevorkian’s only aim is the death of his “patients”—his “counseling” is incitement to suicide.

While Fieger was grandstanding that Kevorkian’s role in these deaths is “thoroughly medical,” the fact is that Kevorkian was stripped of his medical license last November. He never had training or experience in treating anyone. He is *not* a retired pathologist, but was *fired* as a hospital pathologist when his “experiment,” of transfusing dangerously potassium-overloaded blood from a corpse into a lab technician nearly caused the death of the technician.

Kevorkian says he doesn’t need a medical license to kill, but wants to create a “new field” in medicine, so that “terminal” patients can be referred to death specialists. But, he told the ABC News program “Good Morning America” on June 8, “anybody can see a patient is suffering, any person, even a layman, can tell when a person’s terminal. It doesn’t take a doctor.”

That explains why Chief Medical Examiner Dragovic found “virtually nothing” of a disease process in Kevorkian’s second victim, Marjorie Wantz, who was “suicided” on Oct. 23, 1991 after the Fieger-Kevorkian team claimed she was chronically ill, incurable, and in intractable pain. The other victim who died on that day was Sherry Miller, who had

multiple sclerosis. Fieger mischaracterized her illness as “a terminal disease” and “malignant,” to build support for the deaths.

### Protection for a killer

It is increasingly believed that a political agenda is being advanced via Kevorkian’s murder spree. Kevorkian and Fieger, two dangerous lunatics, are being allowed to monopolize the media, to convince the general population to accept and choose euthanasia in lieu of those life-saving medical treatments and critical state services for the handicapped and poor that are being slashed because of cost. Those targeted, like the hundreds of individuals with multiple sclerosis who called the Multiple Sclerosis Society, are alarmed that their future holds only a “Kevorkian” solution.

Once a legislator commits himself to sacrificing human life by rationing health care just to balance a budget, legalizing death on demand becomes politically expedient. Michigan Rep. David Hollister (D-Lansing), a well-known advocate of euthanasia and rationed health care, proposes that the state could control health costs by having patients pay a user tax for every medical service. Anyone with chronic or complicated medical problems would find it impossible to pay for the regular medical care needed just to live. Obviously, for those so persuaded, Kevorkian’s solution would be cheaper.

At least three of the four judges involved in Kevorkian’s case have endorsed doctor-assisted or prearranged death. There are glaring legal inconsistencies as well. In December 1990, when District Judge Gerald McNally erroneously dismissed a murder charge against Kevorkian in the June 1990 death of Janet Adkins, he ignored a 1920 ruling by Michigan’s highest court (*People v. Roberts*) that found the defendant guilty of first-degree murder for giving his wife the poison she used to take her life. McNally, who later said there is a place for Kevorkian-style death in society, repeated Fieger’s lie that Michigan has no law against assisted suicide, and that Kevorkian is thus guilty of no crime.

Allan Falk, commissioner of the Michigan Court of Appeals, legal adviser to the appellate judges and justices of Michigan for 20 years, and lawyer and expert in analysis of statutes and precedents for two decades, says they’re wrong. In testimony before a committee of the U.S. House of Representatives in December 1991, he delineated how McNally’s use of a court of appeals ruling (*People v. Campbell*), as well as that court’s reasoning itself, was faulty. No court of appeals, he argued, has the authority to overrule a Supreme Court precedent (in this case, *People v. Roberts*). Also, at common law, Falk says, when the aider or abettor to a suicide is present when his advice is carried out (as was Kevorkian in all instances), he is guilty of murder in the second degree. He also pointed out that assisted suicide, as a felony, is punishable by imprisonment for five years and/or a fine of \$10,000. So, according to Falk, “There is no lack of applicable law criminalizing Kevorkian’s conduct.”

# International law expert: No NATO intervention into Balkans!

*On May 1, Francis A. Boyle, a professor of international law at the University of Illinois at Urbana-Champaign, sent an open letter to the U.S. Senate warning them of a Bush administration plan to radically transform the North Atlantic Treaty Organization (NATO) by illegally granting it the powers to conduct peace-keeping missions, and to operate outside of western Europe. The current NATO charter limits NATO to a defensive mission within western Europe. To grant such new powers requires a formal revision of the 1949 charter by all 16 member states. The U.S. Constitution requires that any treaties or revisions of treaties, of which the charter is an instance, be approved by the U.S. Senate.*

*The occasion of Boyle's letter was an article in the International Herald Tribune of April 24, which showed that the pretext being used by the Bush administration to revise NATO's mandate was the need to stop "future Yugoslavias," referring to Serbia's bloody intervention, first into Croatia, and now Bosnia. In fact, Serbia's wars against its neighbors had been encouraged by the Bush administration. It appears that one of the reasons that the White House provoked these wars was to have the pretext to keep U.S. troops in Europe, and otherwise effect a transformation of NATO's mission.*

*On June 4, a NATO foreign ministers meeting in Oslo, Norway approved a U.S. government demand delivered by Deputy Secretary of State Lawrence Eagleburger that NATO allow the use of its forces for "peacekeeping" purposes, and outside of NATO territory. The foreign ministers chose to ignore the fact that such a decision clearly requires a revision in the NATO charter, and consequently formal treaty revision decisions by the chancelleries and parliaments of each member state.*

*According to sources at the meeting, certain European members of NATO did block a U.S. effort to have NATO immediately promise its military assistance in implementing U.N. economic sanctions against Serbia, and in delivering humanitarian aid to Bosnia. According to these same sources, the Bush administration has not given up on using the new de facto revision as the basis for a NATO strike against Serbia. Reportedly, the White House will attempt to ram through this plan at the NATO heads of state summit in Helsinki in July.*

*An edited text of Professor Boyle's letter follows.*

Dear Senator:

I am writing about a matter of grave public concern that relates to the exclusive right and power of the United States Senate to give its advice and consent to Treaties under article 2, section 2, clause 2 of the United States Constitution. As you can see from the attached article by Joseph Fitchett, entitled "NATO as Peacekeeping Force: The Momentum Builds," published in the *International Herald Tribune* of April 24, 1992, the Bush administration is attempting to transform NATO from a purely defensive alliance into some type of peacekeeping organization with supposed authorization to operate in a manner and in an area that would contradict the NATO Pact. Yet, the NATO Pact is a "Treaty" that has received the advice and consent of the Senate and therefore is the Supreme Law of the Land under article 6 of the United States Constitution. Nevertheless, the Bush administration is informally attempting to fundamentally alter its basic provisions without obtaining the further advice and consent of the United States Senate.

The NATO Pact is what international law professors call a collective self-defense agreement that is concluded under article 51 of the United Nations Charter. Pursuant thereto, the NATO Pact can only be triggered in the event of an armed attack against its member states, subject to a geographical restriction designed to exclude their colonial possessions. By definition, however, such a collective self-defense agreement does not have the legal power to engage in so-called peacekeeping operations, as is being proposed by the Bush administration here.

Under the terms of the United Nations Charter, such peacekeeping operations can only be mounted by the United Nations Organization itself, or by a so-called "regional arrangement" that is organized under Chapter 8 of the United Nations Charter. But NATO has been organized under article 51, which is part of Chapter 7. As a matter of international law, NATO could indeed be transformed into a Chapter 8 regional arrangement endowed with the legal power to engage in such peacekeeping operations. But such a fundamental transformation of NATO would require a formal amendment to the NATO Pact.

The principles at stake here can best be illustrated by reference to the legal and political situation that applies to

the Western Hemisphere. The Rio Pact is a collective self-defense agreement concluded under article 51 of the United Nations Charter, and includes most of the states of the Western Hemisphere. The Rio Pact has received the advice and consent of the United States Senate and is therefore the Supreme Law of the Land under the Constitution.

Nevertheless, as a matter of both international law and United States domestic law, the Rio Pact can provide no legal authority for its member states to engage in any type of peacekeeping operations. Rather, that authority has been formally delegated to the Organization of American States, which is a regional arrangement established under Chapter 8 of the United Nations Charter. The OAS Charter is also a Treaty that has received the advice and consent of the United States Senate.

To be sure, there is an overlap in membership between the Rio Pact and the OAS. But the diplomatic, legal, political, and indeed military practice here in the Western Hemisphere for the past 40 years has been that only the OAS has the authority to set up so-called regional peacekeeping operations. By contrast, the Rio Pact can be triggered in the event of an armed attack upon one of its member states. These same principles would also apply analogously to the NATO Pact.

I am not suggesting that it would be legally impossible to transform NATO into a Chapter 8 "regional arrangement" with the power to field peacekeeping operations. Such a transformation can occur by means of formally amending the NATO Pact. But it is a well-established principle of constitutional law that a Treaty cannot be amended without the advice and consent of the Senate to that amendment. The transformation of NATO from an article 51 collective self-defense pact into a Chapter 8 regional arrangement for peacekeeping operations would constitute a fundamental transformation of the nature of the treaty commitment that would go to the very heart of what the Senate had originally consented to when it gave its advice and consent to the NATO Pact.

What the Bush administration is trying to do here is to make an end-run around the Senate by quietly negotiating on a change in operating procedures for NATO without obtaining the further advice and consent of the Senate. If the Bush administration is allowed to get away with this fundamental transformation of NATO without receiving the advice and consent of the Senate, this maneuver will severely undermine if not subvert the constitutional right and power of the Senate to give its advice and consent to Treaties.

Indeed, what the Bush administration is really trying to do here is to make an end-run around the Senate in order to avoid a vigorous public debate over the wisdom of sending United States troops on peacekeeping missions in eastern Europe as part of their so-called "New World Order." You will note from the article that one of the key requirements of this fundamental transformation of NATO will be the participation of the United States troops in so-called NATO

peacekeeping operations in eastern Europe. But this gets into serious policy questions and considerations that the Constitution clearly delegates to the Senate, if not both Houses of Congress.

In my professional opinion, it would be total folly for United States military forces to be used as some type of component unit for NATO peacekeeping operations in eastern Europe, and perhaps within the constituent Republics of the former Soviet Union. Rather, I think the better approach would be to turn the Conference for Security and Cooperation in Europe (CSCE) into a formal regional arrangement organized under Chapter 8 of the United Nations Charter, which would then have the legal authority to deploy peacekeeping operations within its member states. It is clear that the Bush administration opposes this approach to maintaining international peace and security in eastern Europe and the former Soviet Union because the Bush administration wants to develop some rationale for keeping United States military forces in Europe.

But whether you agree with my policy analysis or not, it seems to me that such a fundamental transformation of the very meaning and purpose of the NATO Pact requires the advice and consent of the United States Senate. Under the terms of the Constitution, it is for the members of the Senate to debate and decide these weighty questions of national policy. The Senate must not allow the Bush administration to make an end-run around the Constitution and around the American People in order to keep U.S. troops in Europe and then to put them into unspecified but certainly far more dangerous circumstances than they are currently situated in. For example, do the American People really want United States military forces trying to keep the peace in the constituent Republics of the former Yugoslavia (e.g., Bosnia and Hercegovina)? Or the former Soviet Union (e.g., Nagorno-Karabakh)? I think not.

In addition, there exists a virtual plethora of other constitutional and legal issues related to this proposal for NATO that concern Status-of-Forces Agreements, congressional funding, domestic implementing legislation, etc. These problems are too numerous to list here. I doubt very seriously that the Bush administration has given serious consideration to any of them. Rather, they seem to be more interested in cutting a deal behind closed doors with their putative cohorts in Europe than they are in explaining their intentions in an honest and forthright manner to the American People and Congress.

I certainly hope that you and your colleagues in the Senate will not allow the Bush administration to get away with this proposal for NATO without a struggle. After all, that is what our Founding Fathers clearly envisioned when they drafted our Constitution with its well-considered system of checks-and-balances: a struggle for power among its constituent units. That is the only sure protection that the American People have against presidential tyranny.

# Whittle attempts to capitalize on disaster in U.S. education

by Joyce Fredman

The latest results of the National Assessment of Educational Progress, a congressionally mandated rating of schooling in America, underscore the horrendous state of learning that faces our students. With such a disaster as public education has come to be, proposals ranging from reform to revolution have been heard, all attacking the current bureaucracies of academia.

The latest challenger is one Christopher Whittle, who grabbed headlines when he snared the president of Yale University to head his Edison Project, a for-profit national school system. However, his proposals beg the question, "Might not the devil you know be better than the one you don't?"

## Johnny can't read or write

Popularly known as the National Report Card, the National Assessment of Educational Progress issued its results from a study of approximately 13,000 students in 1988 and 25,000 students in 1990. The data was from grades four, eight, and twelve. Their answers spell national disaster.

One-quarter of fourth-graders and one-fifth of eighth-graders studied said they never discussed what they read in class. Forty-five percent of fourth-graders, 63% of eighth-graders, and 59% of twelfth-graders said they read fewer than 11 pages a day. Students' reading performance was rated on a scale of 0-500. For 1990, the national average proficiency for the fourth grade was 233; for the eighth grade, 261; and for American high school seniors, 289.

Not surprisingly, the same children have no problem turning on their television sets. Sixty-two percent of fourth-graders, 64% of eighth-graders, and 40% of twelfth-graders said they watch at least three hours of television a day. Twenty-five percent of fourth-graders said they watch more than *six hours daily*.

The results of another study from the same board released one month earlier had shown that students' writing abilities aren't any better. The board was to evaluate the "best" writing examples of fourth- and eighth-graders.

The average sample submitted for the eighth-graders was only 140 words, or a few paragraphs. Revisions were practically unheard of, and only 1% of the students indicated they had written a draft or used an outline. Analytic writing was

practically non-existent, as were poetry and research.

The conclusion of one member who oversaw this study was understandably grim. "Careful, analytic writing seems virtually absent from the schools. Quite frankly," said Phyllis Aldrich, "it appears that [students] are not asked to do very much and that the quality of their best efforts is often pretty poor."

When Benno Schmidt, Jr., the former president of Yale University and former dean of the Columbia University Law School, defended his decision to join the Edison Project, he cited similar studies which confirmed the dismal state of affairs in our classrooms.

"One in five young Americans drops out of high school. Nearly half of all high school graduates have not mastered seventh-grade arithmetic. American 13-year-olds place near the bottom in science and math achievement in international comparisons. One-third of 17-year-olds cannot place France on a map of the world. Only about one in 10 high school graduates can write a reasonably coherent paragraph," Schmidt said.

The above, of course, deals with those who stay in school. But many of our youth don't even get that far. The Management Information Center (MIC) book in Philadelphia offers a glimpse at the dropout rates in that city. The information becomes even more interesting with the realization that Philadelphia is probably quite typical of American cities today. According to the figures in the MIC book for 1990-91 (produced by the Office of Accountability and Assessment), just staying in school is an achievement in itself for more and more children.

For the Philadelphia school district, 44% of high school freshmen fail ninth grade. In 1987, some 17,438 students entered the ninth grade. By 1991, only 7,855 had made it to their senior year. Close to 1,000 of those never qualified to graduate. In other words, *less than half* of the pupils who entered public high school in 1987 in Philadelphia graduated in the next four years. This is after the passing grade for the district had been lowered from 70% to 65%.

It's little wonder that the present defenders of public school education are so defensive. But attack as they might, the truth is exemplified by what Arnold Fege, the director of

government affairs for the National Parent Teachers Association, conceded: "It's very hard to challenge someone who says he wants to improve the public schools." Thus, enter Christopher Whittle: businessman, millionaire, and would-be savior of the schools.

### **The Ross Perot of education?**

H. Ross Perot has been characterized as a superslick, albeit successful, salesman, whose popularity is due to the lack of talent of his competitors, rather than his own merit. The same could easily be said of Christopher Whittle.

Whittle appalled many scholars and parents by taking coaching lessons from Republican media expert Roger Ailes. Showing his admiration of Hollywood techniques for pitching his plan, he stated, "Warren Beatty and Arnold Schwarzenegger can sit down at eight and not get up until five," doing non-stop interviews.

Needless to say, the education establishment was rankled when Whittle announced his Edison Project, a multibillion-dollar proposal to build 1,000 top-flight schools that operate for the same annual cost per pupil as do the public schools—\$5,500. The first 100 elementary schools are to open by 1996. Soon after the turn of the century, Whittle hopes to be operating all 1,000 campuses serving 2 million students. What's more, Whittle plans to make a substantial profit off what he characterizes as the "private research and development arm of the public schools." Not everyone would call it research and development.

Whittle first came to national attention with his controversial Channel One television network. This station provides a 12-minute news round-up for close to 8 million students within both the public and private school systems. News is not all that is covered on the station; so are advertisements for Nike, Burger King, and other commercial products. Through successful marketing of Channel One, Whittle made millions.

It isn't only the tacky commercials that give pause to Whittle's brainchild. There are connections to the Bush administration that bear investigation, given the well-known stance of the administration for a parent's right to choose schools. The vouchers that allow taxpayers to transfer their dollars from public to private education would more than assist the Edison Project financially.

The personnel of the Edison Project are clearly plugged into Bush. Chester Finn, Jr. is one of the board members of the Edison Project. He also is a former assistant U.S. secretary of education who advised both Presidents Reagan and Bush. Education Secretary Lamar Alexander was a business consultant of Whittle Communications and held stock in the company. Deputy Secretary of Education David Kearns used to be on the Time Warner board, members of which are now financial backers of the plan. While both Alexander and Kearns have been mum about Whittle's plan, they have been enthusiastic supporters for

the Bush administration's voucher proposals.

Assistant Secretary of Education Diane Ravitch is quite open about her support of the idea, claiming that competition is what is needed to improve the present state of affairs. "You are not betraying the American ideal if you leave a public school," she said. "It doesn't matter where kids go to school, as long as they get a good education."

Ravitch is not alone in her thinking. Peter D. Relic, president of the National Association of Independent Schools, a group representing 1,000 private elementary and secondary schools, was even more blunt: "We need radical change in American education, not tinkering, but a revolution. So my reaction to Whittle and Schmidt is that there is now a chance that change will come, I say, welcome into the fray."

The desperation about schooling is not limited to the conservatives. Liberal columnist William Raspberry stated that "if Whittle and his investors are willing to undertake all the risks on the bet that this time the miracle really is at hand, I say let them go for it. American education could use a miracle or two."

### **'New Age' education**

The media mogul's idea of miracles is not necessarily everyone else's. Each school would be linked by closed-circuit television to a central studio, raising the possibility of a one to 1 million teacher-to-student ratio. Whittle wants his students equipped with the latest technology, predicting that students could spend up to three hours daily on "electronic learning systems."

In response to a query regarding the importance of traditional classrooms with walls, Whittle indicated he found the notion antiquated. "This is a question that worries me a great deal. It's part of the old model that feels almost inescapable. We all have this sense that you must have a physical facility. I want us to question that. One of my fears is that we're not going to be radical enough in that regard."

Whittle's technetronic orientation and New Age ideas about architecture are not the only problems. Other than empty phrases, there has been little discussion so far of curriculum. The brochures the Edison Project sends out are full of laudable goals, such as reducing bureaucracy, making learning fun again, introducing new educational technology to students, and abolishing current academic subject boundaries—otherwise known as "political correctness."

But nowhere is there mention of a classical curriculum or the in-depth study that is badly needed in order to turn around the poor performance of today's students. In fact, very few in this debate have mentioned anything other than finances and today's societal woes. Jonathan Kozol said, "I dread the thought of the profit motive infiltrating a noble area of public aspiration." But until noble aspirations have concrete agendas which address the lack of intellectual standards, students are not safe in any of our schools, public or

## **O**ne-year halt on nuclear testing approved

The House voted 237-167 on June 4 to ban U.S. testing of nuclear weapons for one year, provided that the former Soviet republics continue their unilateral ban on nuclear weapons testing. The measure is part of the military budget package now before Congress.

The White House opposes the measure, and Secretary of Defense Richard Cheney, in a letter to the House, argued that testing was necessary in order to keep nuclear weapons functional. Cheney also said that a U.S. moratorium would not deter "rogue nations" from testing weapons of their own. In May, China exploded a 1 megaton bomb, far exceeding the superpower limits on such tests.

A similar proposal for a nuclear testing moratorium in the Senate has 45 cosponsors. Sen. Mark Hatfield (R-Ore.), a long-time supporter of a nuclear test ban, said that he thought that the Senate would pass the measure.

"The strong support throughout Congress for a pause in nuclear testing," said Senate Majority Leader George Mitchell (D-Me.), "clearly demonstrates that this is an idea whose time has come." Mitchell is working to jockey the legislation through the Senate.

## **H**ouse committee approves tougher sanctions on Cuba

The House Foreign Affairs Committee approved legislation on June 4 which would toughen economic sanctions against Cuba, now suffering severe economic problems with the decline in aid from eastern Europe and the former Soviet Union.

The bill, supported by the Bush administration and Cuban-American

groups, would penalize foreign subsidiaries of U.S. corporations which do business with Cuba, although they would be allowed to fulfill existing contracts. The legislation would also allow the President to impose economic sanctions against nations aiding Cuba, and any vessel transporting goods to or from Cuba would be barred from U.S. ports for six months.

## **O**pposition mounts to balanced budget amendment

Opposition to the proposed balanced budget amendment to the Constitution is mounting. Debate was scheduled to begin on the proposal on June 8, but was postponed two days as a lobbying operation by a broad coalition of trade union forces, including the AFL-CIO, was launched in Washington to kill it. The coalition has radio advertisements running in 14 states, and has bombarded Congress with analyses, letters, and telegrams warning of what it sees as the dire consequences of enacting the amendment. The U.S. Chamber of Commerce has also decided to lobby against the amendment, fearing that it would result in large tax increases which would primarily hit the business community.

On June 8, Families U.S.A., a national health care advocacy group, issued a study warning that enactment would cause drastic cuts in Social Security and Medicare for 42 million people, forcing 1 million elderly persons into poverty. The campaign complements the efforts of the House and Senate Democratic leadership who are working to stop the amendment.

President Bush gave a press conference, where he supported the amendment on June 4. Rep. Charles Stenholm (D-Tex.), the chief author of the amendment, believes that he still has the 290-vote majority needed

for passage. The amendment will still, however, have several obstacles to overcome in the Senate. An alternative amendment, submitted by Rep. Richard Gephardt (D-Mo.) calls on the President to submit a balanced budget.

## **F**etal tissue use in research approved in Senate

The Senate on June 4 approved by a vote of 85-12 a bill to lift the ban on the use of fetal tissue in medical research.

The White House, which has threatened to veto the measure, has said that it would support a measure that only allowed research with tissues obtained from miscarriages and tubal pregnancies. Opponents argue that tissue from miscarriages and tubal pregnancies is mostly unusable.

While the Senate vote is more than the two-thirds needed to override a veto, the same measure was passed by the House at the end of May without a veto-proof majority. The right-to-life movement adamantly opposes lifting the ban, seeing it as a step which would further legitimize abortions.

Sen. Mark Hatfield (R-Ore.), a purportedly pro-life advocate, disagreed. "This is not an abortion issue," said Hatfield. "We must focus on the literally millions of people . . . who could benefit from this research."

## **S**enate moves to restrict China MFN status

Senate Majority Leader George Mitchell (D-Me.) introduced a resolution which would place restrictions on the issuance of Most Favored Nation (MFN) status for China on June 4—the third anniversary of the Tiananmen Square massacre—just one day

after the White House announced that it was renewing that status despite China's continued violation of human rights and its violent suppression of dissent.

The legislation stipulates that the President may not recommend the continuation of a new 12-month period of MFN status unless he certifies that China has taken steps toward adherence to the Universal Declaration of Human Rights, has acted to prevent export to the United States of products produced by prison labor, and has made "overall significant progress" in ceasing religious persecution and in adhering to the guidelines of the Missile Technology Control Regime.

The Senate is likely to pass the legislation, but it is doubtful that it will be able to override an expected White House veto.

## **Pell calls for military move against Serbs**

In statements on the Senate floor on June 4, Senate Foreign Relations Committee Chairman Claiborne Pell (D-R.I.) called for tougher actions against the Serbian aggression in Bosnia-Herzegovina.

Although the U.N. has imposed sanctions against Serbia, Pell said that they would take too long to take effect. He proposed further action on the part of the United States, including "immediate military actions" to stop the killing. "We should seek a Security Council resolution authorizing the use of air power against Serbia," he said.

Pell also called for a "tightly enforced blockade" against Serbia and Montenegro, utilizing the naval forces of the U.S., NATO, Russia, and Ukraine. The U.S. cannot legally authorize NATO deployment without senatorial advice and consent on the

changes to the alliance's treaty (see page 63). "We should promptly seek a U.N. Security Council resolution authorizing the use of these naval assets to blockade the coast of Montenegro," Pell said. He also recommended that "either under Article 57 or pursuant to a Security Council mandate," the U.S. should consider military action against the artillery now pounding Sarajevo.

## **CIA predicts slow reform in CIS**

John McLaughlin, director of Slavic and Eurasian affairs at the CIA, said that the agency "expected the process of reform to continue moving forward in Russia and elsewhere," but that it would be "contentious" and would "move in fits and starts," in testimony before the Joint Economic Committee.

McLaughlin indicated that reform would be characterized by "recurring crises." "At best," he said, "we are probably looking at a decade-long process." McLaughlin pointed out that even with the cuts in defense spending, "Russia will remain the predominant military power in Eurasia."

Kathleen Horste, an analyst with the Defense Intelligence Agency, testified that although Russia has reduced defense spending by 15%, this was less than the 15-20% drop in production during the last year.

## **Gore woos minorities to environmentalism**

Sen. Albert Gore (D-Tenn.), congressional guru of environmentalism, is now trying to bring black and minority groups into singing paeans to his "nature religion." On June 4, in comments on the Senate floor, Gore re-

ferred to a 1987 study done by the United Church of Christ Commission on Racial Justice which argued that in the United States, those who are economically disadvantaged and politically less powerful are much more likely to suffer from the results of environmental degradation than others.

Couching his rhetoric in pseudo-theological terms, Gore said that society must acknowledge its "responsibility to change what we are doing, because what we are doing now degrades the Earth's environment and diminishes our human capacity and human spirit."

In a press conference on June 8, Gore succeeded in mobilizing Rep. John Lewis (D-Ga.) and other black politicians to join his crusade.

## **Trade bill drops curb on Japanese imports**

The Trade Subcommittee of the House Ways and Means Committee on June 9 dropped a controversial provision in the trade bill which would have slapped restrictions on sales of Japanese cars made in U.S. factories as well as those shipped in from Japan. Committee Chairman Dan Rostenkowski (D-Ill.) said a less harsh substitute would be attached to the bill. Rostenkowski felt that the defeated provision would have the "unintended consequence of chilling foreign investment in the United States."

The legislation includes provisions which would require the United States to initiate an investigation, under Super 301, into Japanese practices that hinder imports of U.S. cars and auto parts to Japan. Any evidence of anti-competitive behavior uncovered in such an investigation would be turned over to appropriate government agencies for antitrust action.

# National News

## New scandal hits Clinton campaign

Arkansas medical examiner Dr. Fhamy Malak protected the mother of presidential candidate Gov. Bill Clinton from medical malpractice charges, according to the June 2 NBC News program "Dateline." Clinton's mother, a nurse-anesthetist, allegedly botched a medical procedure on a patient who died in the operating room, possibly as a result of the botched procedure. The death, however, was ruled a homicide, and a man did jail time as a result.

Jesse Chandler, a former aide to Malak, said that Malak covered up the incident in order to protect the governor's mother. It was implied that the incident is part of a pattern of irregular activities attributable to Malak during his tenure, which involved controversial rulings about the cause of death in various cases.

According to NBC, Susie Deer, a 17-year-old white girl, was riding in a car full of youths who were shouting racial taunts at a black man and his wife. The black man, Billy Ray Washington, threw a rock in response, and it struck the girl in the face. The girl died on the operating table, and the death was ruled a homicide by Malak, but hospital records indicate that the girl may have died as a result of cardiac arrest induced when the anesthetist (Clinton's mother) had difficulty inserting a breathing tube.

Washington spent two and a half months in jail until his lawyer successfully appealed his conviction. Clinton denies that he took any actions to protect his mother.

## LaRouche files appeal on 2255 with Fourth Circuit

Attorneys for Lyndon LaRouche, William Wertz, and Edward Spannaus filed an appeal with the U.S. Fourth Circuit of Appeals on June 5 after federal Judge Albert J. Bryan denied their 2255 motion.

The 18 appeal issues include all of the 16 claims raised in the 2255 itself, including the illegal "concert of action," the suppression of evidence of government misconduct

under Executive Order 12333 and other "covert actions," conspiring with the Anti-Defamation League, and the bad faith bankruptcy forced upon companies run by associates of LaRouche.

The appeal also includes two additional issues, that Judge Bryan "erred in failing to recuse himself on grounds of bias," and in not granting discovery and an evidentiary hearing to develop all of the claims.

## Los Angeles police denounce gang extortion

The commander of the Los Angeles Police Department (LAPD) West Bureau's CRASH anti-gang unit, Lt. Brad Merritt, reacted sharply to gang demands for control of city funding programs. "These guys, with their so-called peace conferences and negotiations . . . are basically saying: 'Give us all we want and we won't shoot up the city anymore.' That sounds like old-style Mafia extortion to me," Merritt told the June 3 *Los Angeles Times*.

LAPD anti-gang officers arrested 22 members of a Crips gang faction on June 2 for their looting of a Korean-owned car stereo shop during the second day of the urban unrest in Los Angeles, and their beating of a white bicyclist. The gang, known as the Venice Shore Line Crips, made off with an estimated \$80,000 in merchandise in less than two minutes.

Det. Matt Blake, an officer in the anti-gang CRASH unit, told the *Los Angeles Times*, "This was definitely organized—no doubt about it."

## King jury acted properly, says lawyer

The *American Lawyer* magazine has a June cover essay that declares, "Maybe the Jury Was Right" in the Rodney King beating trial, the June 2 *Washington Post* reported.

"Staff writer Roger Parloff carefully goes through the evidence in the notorious Simi Valley trial, reviewing the videotape and the sequence of blows, and comes to the conclusion that the jury acted not just

plausibly but properly. Reading it with an open mind is a challenging exercise, but worth the trouble if you are so equipped.

"I can't remember a time," says Parloff, in his very last paragraph, "when I have ever felt so hesitant to say what I believe. In writing this piece I am concerned about the reactions of friends, relatives, and people I work with who will see this article's headline and byline and never read the rest. And I am terrified at the prospect of quotation out of context. After all, imagine if the media were to summarize this article the way it summarized the trial."

## Bush's 'Pax Americana' not to promote peace

George Bush's *Pax Americana* has little to do with peace, but rather with undermining peace efforts, charged Stefan Baron, chief editor of the leading German business weekly *Wirtschaftswoche*, in an editorial in the early June issue.

The collapse of the former U.S.S.R. seems to be in the interest of the United States, Baron wrote: "Acting like an investor that speculates on the falling price of an enterprise in trouble gone bankrupt, the administration in Washington, D.C. is cold-heartedly watching the increasing chaos in the CIS [Community of Independent States]."

"The government in Bonn, however, and also that of Tokyo, which have to fear the most from the chaos, is afraid of taking a course against the Americans and engaging more in the East beyond monetary injections.

"The Japanese for example, who have a strong interest in the development of the raw material riches of eastern Siberia, are rudely being prevented by Washington from doing so. The Americans fear it would make the far-eastern economic giant even stronger. And at the same time, the U.S. aircraft producer Boeing Corp. is offering \$1 billion to the aircraft factory in Ulyanovsk where the most efficient transport aircraft of the world are being produced—not with the aim of continuing the production there, but with the aim of closing it down in order to thus eliminate a potential competitor.

"On the territory of the former Soviet



---

Union, the Americans are currently waging a reckless fight for political and economic world supremacy. Germans and Japanese are told to step back behind the geopolitical interests of the U.S.A. Meanwhile, the fuse at the CIS powderkeg is still lit. The *Pax Americana* has little to do with peace."

---

## LaRouche campaign head target of break-in

The home of Mel Klenetsky, the national campaign coordinator for Lyndon LaRouche's Democratic presidential campaign, was broken into and vandalized over the weekend of May 29-31. Nothing appeared to have been taken. According to a local Loudoun County, Virginia Sheriff's Deputy who is investigating the incident, evidence suggests that Klenetsky was targeted for harassment.

Two weeks before the break-in, a glass patio door was smashed by a high-speed projectile, while two young children were playing nearby.

On the evening of May 30, the weekend of the break-in, LaRouche addressed the nation in a half-hour paid political broadcast carried on three national television networks. The show documented how Henry Kissinger and numerous of his associates plotted to put LaRouche in jail.

The unit which is investigating the incident is headed by Sheriff's Deputy Lt. Terry McCracken, who helped prepare the raid on offices of LaRouche associates in Leesburg, Virginia on Oct. 6, 1986.

---

## Hentoff hits 'hate crimes' fascism

Columnist Nat Hentoff blasted the Anti-Defamation League's (ADL) newly introduced "Hate Crimes Sentencing Enhancement Act of 1992" as deeply subversive of the Bill of Rights, in the May 30 *Washington Post*.

Hentoff wrote that the bill, sponsored by Rep. Charles Schumer (D-N.Y.) and Sen. Paul Simon (D-Ill.), would potentially increase the sentence for a federal offense by

one-third. The extra jail time could be based on gossip or other prosecution material not subject to the same standards of evidence as are required for the proof of guilt. An offense would become a "hate crime" if it was "motivated by hatred, bias, or prejudice, based on . . . race, color, religion, national origin . . . gender, or sexual orientation" of the victim.

Hentoff quoted Robert Peck of the American Civil Liberties Union (ACLU), who said that the bill is "an invitation to police and prosecutors to inquire into the beliefs and associations of defendants in order to establish the hate element," which could lead to "fishing expeditions or McCarthyite tactics by law enforcement officials to find something that isn't there."

Hentoff wrote that the ACLU is divided on whether to adopt the "hate crimes" policy, and that its national board is leaning toward such bills if they are "narrowly" drawn. In that case, he wrote, it would be time "to start a new organization devoted to advocacy and litigation of only First Amendment rights and liberties."

---

## Southern Baptists urged to reject freemasonry

The upcoming Southern Baptist Convention is being urged to declare membership in Masonic lodges to be incompatible with Christianity. James C. Holly, a physician from Beaumont, Texas, has sent out a 5,000-piece mailing calling Masonry "devilish," and saying that its "occultic, satanic, and sensual nature" is "an evil that must be removed from the church."

Robert C. Singer, grand secretary of the Masonic Lodge of New York, said that the opposition to Masonry is "based on misunderstanding," in a June 6 AP wire story, but conceded that there are "certain religious overtones in ritual work." Singer pointed out that many U.S. Presidents have been Masons.

Three conservative Protestant denominations, the Lutheran Church-Missouri Synod, the Assemblies of God, and the Presbyterian Church in America, oppose Masonic membership. AP reported that Roman Catholicism lifted its prohibitions against Masonry in 1974, but the Vatican reimposed them in 1981, calling membership "a serious sin."

## Briefly

● **THE OFFICE** of New York City Mayor David Dinkins has reversed itself and will now grant a permit for an event celebrating Christopher Columbus on July 4. Art Piccolo, director of the Italian Historical Society of America, had been denied a permit, but protests by Italian-Americans and Hispanics led to the ban being lifted, the June 1 *New York Post* reported.

● **KIKI CARTER**, the head of the anti-nuclear Food & Water group in Florida, has informed the Vindicator food irradiation plant that she has quit. "I could no longer say the things that Food & Water wanted me to say," Carter said. She said that she was still opposed to food irradiation, however.

● **VIRGINIA** Gov. L. Douglas Wilder will visit seven African nations (Senegal, Nigeria, Ivory Coast, Gabon, Angola, and Zambia), and address the Organization of African Unity in Senegal during a trade and cultural mission June 13 to July 4. Wilder plans to meet with South African President F.W. de Klerk and African National Congress president Nelson Mandela, and has said that he may drop the state's divestiture policy in South African investments.

● **HAMILTON JORDAN**, who headed Jimmy Carter's campaign in 1976 and served as his chief of staff, and Edward J. Rollins, who has run campaigns for the GOP since 1980 when he came to Washington with Ronald Reagan, announced on June 4 that they have joined Ross Perot's presidential campaign. Rollins will be Perot's campaign manager, and Hamilton a "co-chairman and a strategist."

● **A GREEN PARTY** candidate in the "beach boy" 53rd California Assembly District, lost to "none of the above," his only opponent in the June 2 elections.

● **IRAN-CONTRA** prosecutors have convened a new grand jury to investigate the role of former Defense Secretary Caspar Weinberger in the affair.

## Editorial

### *Bush, John Major, and more wars*

Just as the North Dakota primary vote for Lyndon LaRouche demonstrates massive discontent with the U.S. administration by the American people (discontent which the Perot candidacy is designed to defuse), so, too, a similar mood is sweeping Europe. Here, the target is the plan to submerge the nations of Europe into a supranational entity. But the dramatic repudiation by the Danes of the Maastricht Treaty has catalyzed a wave of political remoralization. Polls in Germany, Norway, and Britain show that voters there are prepared to follow the Danish example.

Seen in a broader context, Americans and Europeans are registering their growing discontent with the destructive policies of the International Monetary Fund (IMF) and the Anglo-American free-market ideology. There is even a revolt within British Prime Minister John Major's own Tory party, where 100 Conservatives have announced their opposition to the treaty, thus rebelling against their own leadership.

The Bush administration has put its weight behind European integration as a way of forcing the Germans into line behind Anglo-American foreign policy. Ironically, the same people who are now considering armed intervention against Serbia, cite the unilateral recognition of Croatia by Germany in support of their argument. In other words, they wish to orchestrate wars and economic chaos as they choose.

Are we to see a Desert Storm on the European continent? The parallels to war against Iraq are chilling, although there is one crucial difference. Claims by the U.S. propaganda machine that the nation and people of Iraq were guilty of atrocities that made intervention necessary, have been largely disproved, which even the U.S. media admit. The Serbs, on the other hand, have inflicted a slaughter on the Croatian, Slovenian, and Bosnian people.

A similarity emerges in the role of the Bush administration, which encouraged Iraq to believe that the United States had no interest if it were to occupy Kuwait. There is Ambassador Glaspie's message to President Saddam Hussein before Iraq moved against Kuwait. In the case of Serbia, the United States and Britain signaled a go-ahead to Serbian aggression by vigorous-

ly opposing Germany's recognition of Croatia.

The peoples of Croatia and Slovenia have fought for their right to be nations under conditions in which to remain within the fictional nation of Yugoslavia, meant to be condemned to the harsh austerity being imposed upon Yugoslavia by the IMF. In the 18 months before the outbreak of war, living standards and industrial production throughout Yugoslavia were reduced by 40%. If we look at the outbreak of "small" wars around the globe, we find a similar situation everywhere.

The worsening global depression, exacerbated by the usurious demands of the IMF, is creating the conditions whereby increasingly desperate populations are trying to fight against tyranny. The kind of supranational European entity which would be created by the Maastricht Treaty, were it to be ratified, would place Europe under a tyranny equal to that of the former Soviet communist government.

Every facet of the danger may not be clear to the Danes and others who oppose the treaty, any more than the deeper issues may have been completely clear to the Croatian freedom fighters, but it is the reality. We applaud the action of the voters of Denmark, just as we applaud the voters who voted for LaRouche in North Dakota. And we applaud the actions of the Schiller Institute which catalyzed resistance to Serbian aggression against Croatia by forming the worldwide coalition to save Croatia.


There is an opportunity now to make up for the missed historical chance of 1989, when LaRouche's proposal for massive investment in a "Productive Triangle" from Berlin, to Paris, to Vienna, which would be the focal point for the expansion of infrastructure to the east, was not implemented. It is necessary to say "no" to tyranny, but the bankers' dictatorship of the IMF through supranational agencies such as would be put into place by the Maastricht Treaty, can only be successfully opposed by a concerted effort by the nations of Europe for development.

In such an environment, Serbian aggression can be contained. Without this, military intervention into Serbia can only bring the world closer to world war.

Subscribe to

# 21<sup>st</sup> CENTURY

## SCIENCE & TECHNOLOGY



In the Spring 1992 issue:

- Living in Space: A New Window on Physiology
- Riemann the Physicist
- Irradiated Strawberries: Sweet Victory
- Escaping the Web of Eco-Propaganda

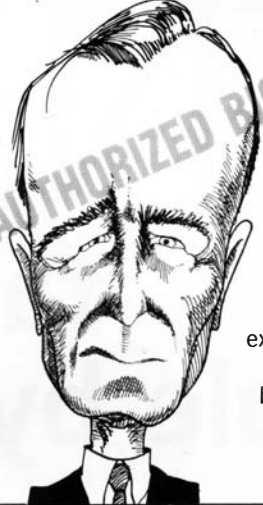
\$20 for one year, U.S.A. (4 issues) or  
\$38 for two years (8 issues).

Send check or money order to:  
**21<sup>st</sup> CENTURY**  
P.O. Box 16285, Washington, D.C. 20041

Subscribe to

# THE NEW FEDERALIST

the national weekly newspaper of the American System



**George Bush**

The New Federalist is currently serializing the explosive soon-to-be-published book by Webster Tarpley and Anton Chaitkin.

**Subscriptions are \$35 for 100 issues.**

Send check or money order to:  
**The New Federalist**  
P.O. Box 889, Leesburg, VA 22075

# Executive Intelligence Review

**U.S., Canada and Mexico only**

1 year .....	\$396
6 months .....	\$225
3 months .....	\$125

**Foreign Rates**

**Central America, West Indies, Venezuela and Colombia:** 1 yr. \$450, 6 mo. \$245, 3 mo. \$135

**South America, Europe, Middle East, North Africa:** 1 yr. \$470, 6 mo. \$255, 3 mo. \$140

**All other countries (Southern Africa, Asia, and the Pacific):** 1 yr. \$490, 6 mo. \$265, 3 mo. \$145

**I would like to subscribe to**  
*Executive Intelligence Review* for

1 year    6 months    3 months

I enclose \$\_\_\_\_\_ check or money order

Please charge my    MasterCard    Visa

Card No. \_\_\_\_\_ Exp. date \_\_\_\_\_

Signature \_\_\_\_\_

Name \_\_\_\_\_

Company \_\_\_\_\_

Phone (    ) \_\_\_\_\_

Address \_\_\_\_\_

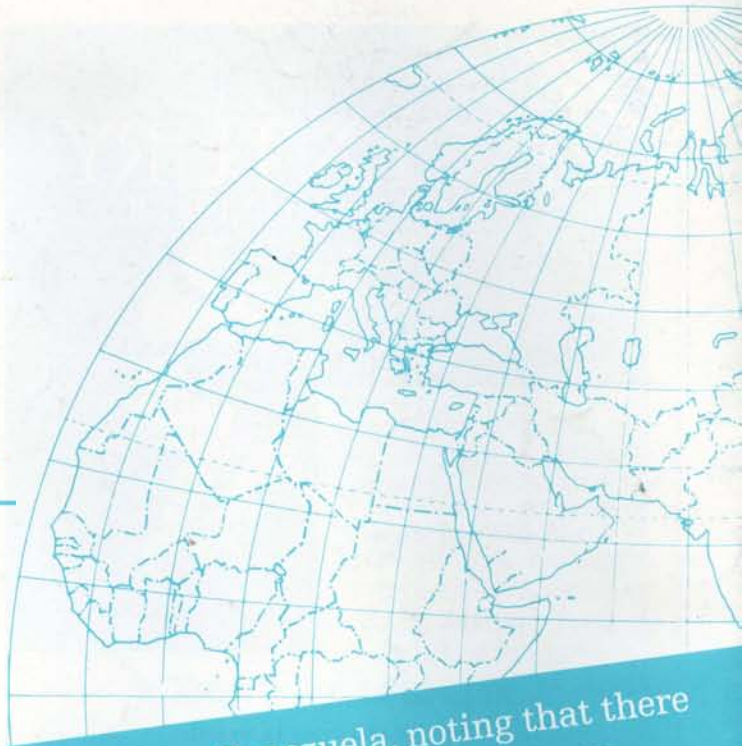
City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_

Make checks payable to EIR News Service Inc.,  
P.O. Box 17390, Washington, D.C. 20041-0390.

# You will be way ahead of the news if you subscribe to

## **EIR** CONFIDENTIAL ALERT



December 5, 1991

EIR Alert reports coup rumors in Venezuela, noting that there are constant meetings among the lower ranks of the army about a military coup, but that the high command opposes it.

February 4, 1992

A "colonels' coup" against Venezuela's Carlos Andrés Pérez takes over a large part of the country, but is suppressed by the high command.

October 22, 1991

EIR Alert reports that Lord Carrington is considering a "Cyprus" model to resolve the Serbian war against Croatia.

January 1992

The United Nations decides to send troops to Croatia to enforce a Cyprus-style partition of Croatia.

Isn't it time you knew months, sometimes years, before the rest of the world, what policy options were in the works? EIR Alert has its finger on the pulse of London and Washington, where such skullduggery is devised. We also present the alternatives, which are being increasingly discussed in Europe and Ibero-America, and reported by our special correspondents. We cover economics and strategic stories—some of which will never be published anywhere else.

EIR Alert brings you 10-20 concise news and background items, twice a week, by first-class mail—or by fax (at no extra charge).

Annual subscription (United States): \$3,500.

Make checks payable to:

**EIR News Service**

P.O. Box 17390

Washington, D.C. 20041-0390