

that is more than double the interest which the Argentine government offered on similar paper a year ago, only months before its default.

Brazilian private corporations are in the same boat, and they hold a foreign debt estimated at \$120 billion, more than the \$95 billion in official foreign debt which Argentina defaulted on in December 2001. All eyes are on Eletropaulo—the main electricity distributor for the city of São Paulo, the third largest in the world—today owned by U.S.-headquartered AES Corporation. Eletropaulo met a \$120 million bond payment Aug. 21 only because the state-owned National Economic and Development Bank (BNDES) provided the cash. Where Eletropaulo will get \$225 million for a loan coming due on Aug. 26, is unknown.

In their stampede out, the foreign banks are cutting off even trade credits for Brazil's companies. Central Bank President Arminio Fraga claims that trade credits have been cut by 20%, but most private sources report the cuts have been by far more than 50%. Exporters say that trade credits have dropped from \$16 billion to \$5 billion, Brazil's *O Globo* reported Aug. 20. Those being offered have much shorter maturities and prohibitive interest rates. According to Roberto Segatto, President of the Foreign Trade Association, interest rates have risen from their pre-crisis levels of 3-4%, to an average of 12%.

Desperate to extend the game a bit longer, Fraga and Treasury Minister Pedro Malán succeeded in scheduling—with some difficulty—a personal meeting with top representatives of 10-12 U.S., European and Asian banks on Aug. 26, in the offices of the New York Federal Reserve. The IMF will likely send a representative. Their stated goal is to convince the banks to restore credit lines, and give a "signal of confidence" in Brazil. Should their request be refused, the result could be an uncontrolled stampede by foreign money from Brazil.

West Nile Lesson: Restore Public Health

by Marcia Merry Baker

At least 1,000 cases of West Nile virus are expected in the United States before "mosquito season" ends this Fall, according to the most conservative mid-August estimate of the Centers for Disease Control and Prevention, the Federal disease-monitoring agency. There could easily be over three dozen deaths, from a virus which only arrived in this country in 1999, but has reached 41 states so far this Summer. Surprise? Not to anyone watching how the U.S. public health infrastructure has been taken down during the past three decades of deregulation. The lesson of the current West Nile

outbreak is, restore the public health system—pest control, surveillance, food and water safety programs—as the front line of protection against disease.

The U.S. Federal Public Health Service originated in 1798 as the Marine Hospital Service, centered in Boston. The PHS evolved to include a full range of capabilities, from laboratories, to quarantine centers, and research. In 1869, Massachusetts became the first state to create a public health department, and soon many others followed suit. A new public health era was begun by the Social Security Act of 1935, in which Title VI authorized Federal grants for state and local health departments. The Centers for Disease Control grew out of a 1942 program to eradicate malaria in the Southern part of the United States where military facilities were concentrated. In 1962, it took the lead in the worldwide eradication of smallpox by 1970.

However, as of the late 1970s, this progress was stopped. With the advent of the "post-industrial" policy shift, public health capabilities were drastically reduced. Core local functions such as disease monitoring, pest control (rats and vermin), and mosquito control, have been all but eliminated in many areas, including those in Louisiana where the West Nile epidemic took off.

In Fall 2001, during the anthrax attacks, public health networks were barely up to the task. Muhammad N. Akhter, MD, Executive Director of the American Public Health Association, warned at the time, "The demands to investigate these latest anthrax cases are rapidly outpacing our ability to act." Dr. Tom Milne, Executive Director of the National Association of County and City Health Officials told *EIR* in October 2001, that of 3,000 counties nationwide, 180 are without any kind of state or local public health center, and many have only a single nurse who has no capacity to do anything on public health issues. Some have no computers, no statewide communication system, nor "disease detectives."

The situation is now worse, as in the past 12 months, budget crises have hit all the states, which have responded by cutting public health further. One alarmed Colorado county official, Dr. Adrienne LeBailly, Director of Larimer County Department of Health and Environment, gave a warning which was foreseen by many: "The increases in diseases, injury and death that will come to our county as a result of these cuts is almost certain to exceed the harm ever caused by bioterrorists in our county. The net result is that our public health services will be in worse shape soon than they were before Sept. 11."

Louisiana: Center of Outbreak

At present, the center of the West Nile virus outbreak is in Louisiana and nearby Gulf Coast states, where the environment is most favorable to mosquitoes, the vector of the disease. Out of 300 reported cases and 14 deaths as of Aug. 22, the South had 296, and of those, Louisiana had 147 cases, with 8 dead.

Ironically, New Orleans has the world-class Tulane

LaRouche to Bush: Overturn DDT Ban

This press release was issued by the LaRouche in 2004 Presidential campaign committee on Aug. 16, 2002.

Lyndon LaRouche, pre-candidate for the Democratic Party Presidential primary in 2004, today called for overturning the ban on DDT, in the public health fight to repel the West Nile virus and other mosquito-borne disease vectors.

He said, “The banning of DDT was always based on scientifically fraudulent assertions. And there’s no reason that the President of the United States should not intervene now, to force through measures to re-introduce DDT. Maybe the United States isn’t producing it any more, but other countries are. I, personally, call on the President of the United States to take necessary measures to overturn

the banning of DDT, taking into account the fact that the argument for banning it was always fraudulent. We can not kill people for the sake of condoning a fraud—as we should have learned from the Enron case.”

As of August, 38 of the continental states report the presence of West Nile virus in mosquitoes. The Gulf Coast states are the hardest hit by infection and deaths. Mosquitoes flourish in the Gulf sub-tropics, and in recent years, health measures have been drastically cut under the budgetary constraints in Louisiana, Mississippi, and nearby states, and by lack of Federal public health infrastructure.

The use of the pesticide DDT, discovered in the 1940s, was banned in the United States in 1972, based on fraudulent claims that it caused harm to the environment. In fact, it is rightly regarded as the most life-saving man-made chemical in history, during the decades of its concerted use. Today, over 200 million new cases a year of malaria occur, in the absence of DDT to fight insect-borne diseases. (A review of the DDT story is in *21st Century Science & Technology*, Fall 1992, “Environmental Hoaxes Kill; Save the Earth with Technology.”)

School of Public Health and Tropical Diseases, with a long history of expertise in battling mosquito-borne illness, particularly malaria. It was founded in 1834. But impoverished state and local governments have abandoned anti-mosquito programs. The U.S. Gulf Coast and Southeastern states are on the watch list for other mosquito-borne diseases, including dengue (haemorrhagic fever) and various forms of encephalitis.

Martin Rowland, a New Orleans civil engineer contacted Aug. 22, reported that there has been a general mobilization of spraying trucks, draining of stagnant water, and other measures, since the West Nile outbreak, but stressed, “In recent years, the budget outlays for precautionary sanitation measures were reduced below the minimum needed.” He reported large numbers of broken water culverts, walls, and decaying structures, with pools of standing water, where the mosquito-breeding hazards are obvious. This is especially dangerous in New Orleans, a delta city in the sub-tropical latitudes.

Rowland estimated \$1 billion in water and sewer infrastructure is required to make the water system of greater New Orleans safe. In the midst of the West Nile emergency there, pre-scheduled public hearings took place in August, on the proposal for sewer rates to double in the next five years, to help defray \$600 million in urgent sewage treatment repairs the City Council and Sewerage and Water Board want to start. The big international water privateer companies—Vivendi Universal (U.S. Filter), Suez (United Water), RWE-Thames Water (American Water Works), and others—have attempted to cajole the beleaguered city to sell off the entire New Orleans

water works to private interests. But the debacle of Enron and the other energy privatizers has politically tainted such privatization bids, and the sell-off idea is now on hold.

In Atlanta, where the city waterworks was sold off in 1999 to United Water, there is now a growing movement to cancel that 20-year contract.

Follow-Up LaRouche’s Call for DDT

Rowland said that the New Orleans situation required the ban on DDT use be ended. He said that the worst infestation and cases of illness are appearing to the north of the city, where there is a more rural environment with large swampy areas, and a vulnerable, sparsely settled population. DDT is more effective, and above all longer-lasting, than its substitutes in such areas in particular.

On Aug. 15, David Hood, Louisiana Secretary of Health and Hospitals, declared that the state would go into deficit-spending to fight mosquitoes—allowed because the Governor has decreed a state of emergency over the West Nile virus. The state will spend \$3.5 million, matching the \$3.5 million advanced by the Federal government. The Air Force has come in to assist with spraying, but the process is hampered because they cannot fly at night (too much risk of hitting power lines and other features), when the house mosquito—a main disease carrier—is active. There are 60 types of mosquito in Louisiana; 40 can carry West Nile, and the main two types have been identified. Counties are now in the process of applying to the state Office of Emergency Preparedness, hoping for funds to carry out various spraying and related measures.