

# EIR

Executive Intelligence Review

February 4, 1994 • Vol. 21 No. 6

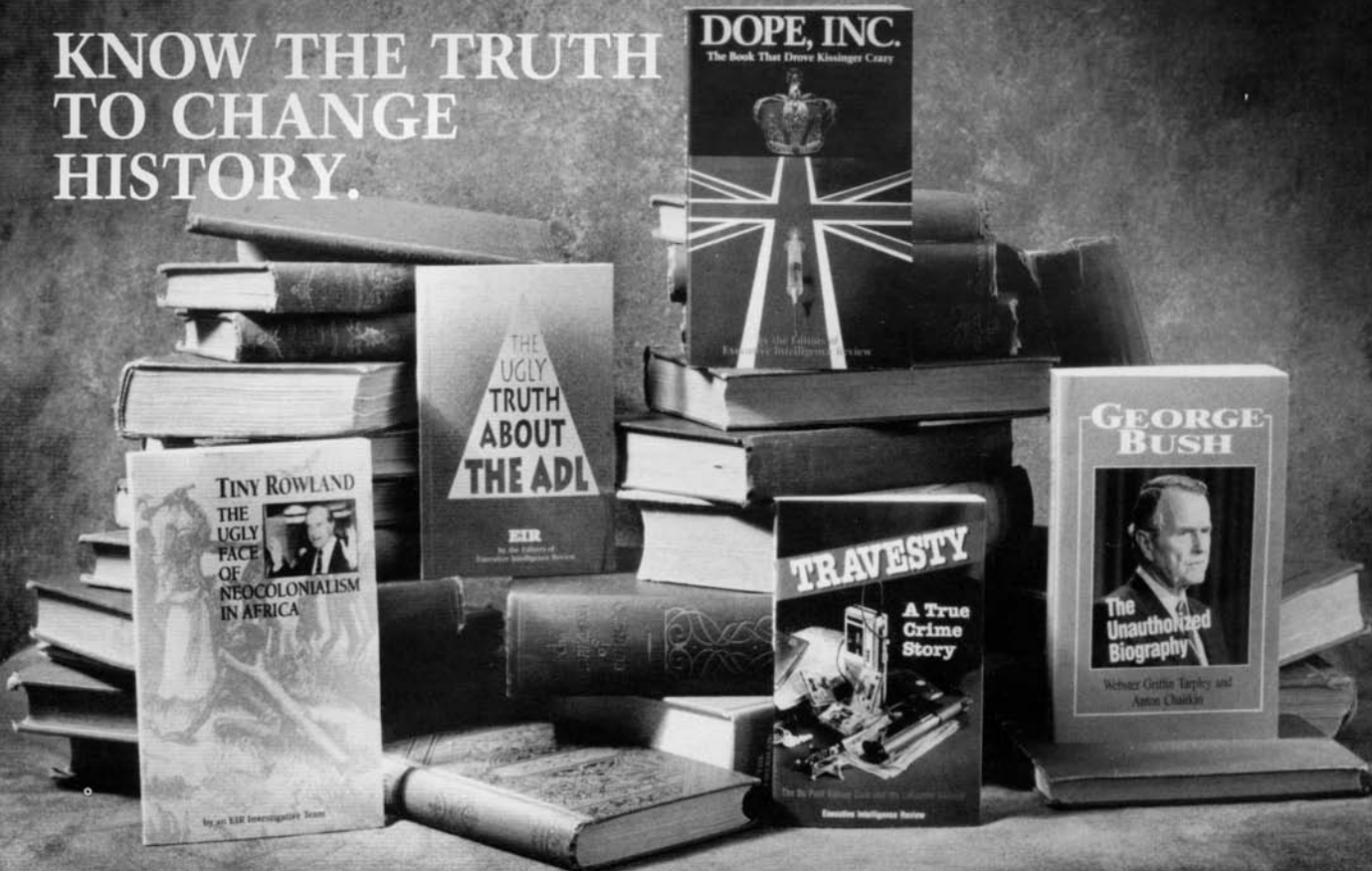
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*EIR (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July, and the last week of December by EIR News Service Inc., 333½ Pennsylvania Ave., S.E., 2nd Floor, Washington, DC 20003. (202) 544-7010. For subscriptions: (703) 777-9451.*

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**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.

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

## From the Editor

Lyndon LaRouche, shortly before his parole release from political imprisonment on Jan. 26, urged *EIR*'s economics staff and editors to rush into print with this week's *Feature*, in the wake of the Los Angeles earthquake and the January cold snap which spread hardship and suffering through the land.

Just in case the cover headline has confused anyone, we have no particular love for "Mother Nature." None of our colleagues would be caught dead out there among the tree-worshippers or the priest(ess)hood of Gaia. The point is, though, that while untramed nature can wreak terrible devastation, the whole of history is the account of mankind's successive efforts to counter and channel natural forces for the benefit of the human race and the development of the entire biosphere.

These efforts have not always been successful. Archeology is the study of failed civilizations which were unable to meet the challenges of nature, because oligarchist interests either hindered the development of creative minds capable of generating the necessary new inventions, or refused to allow the kind of society capable of implementing such inventions—or both.

We are now at such a historic turning-point. Mother Nature's recent tricks in the United States were minor, compared to the man-made catastrophe of the physical breakdown of American infrastructure, as Richard Freeman proves by applying the LaRouche-Riemann economic analysis to the intensity of economic activity on a per household, per capita, and per square unit of area basis.

Looked at from the standpoint of the world strategic picture reported in other articles, this decay is tragic. Whatever hopes Ukraine has for resisting the growth of a new, dangerous Russian empire, or India has for overcoming the spread of AIDS, or Ibero-America has for resisting the new wave of communist insurgencies—these hopes are immeasurably diminished if the United States goes down the drain economically.

LaRouche's method needs to be applied as public policy. This is why his breakthrough discovery in economics will be the theme of the Feb. 18-21 conference of the ICLC, the philosophical association he founded. Those wishing to attend should contact their *EIR* representative for information on registering, by Feb. 11.

*Nora Hamerman*

# EIRContents

## Interviews

### 11 P.R. Dasgupta

The project director of India's National AIDS Control Organization is a believer in the "safe sex" campaign of the World Health Organization, and is launching a poster campaign on that theme.

### 36 Roberto Maroni

The number two man in Italy's Northern League has the job of winning over the constituency of the former Communist Party, the Party of the Democratic Left.

### 47 Col. Mohamed Ali Seineldín and Capt. Gustavo Luis Breide Obeid

Two jailed Argentinian officers describe their role as "moral reference points" for patriots who want to reverse the crisis in their nation.

## Departments

### 51 Report from Bonn

Who really was Herbert Wehner?

### 72 Editorial

Good Night America.

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## Investigation

### 54 'Lula' da Silva and the new communist threat to Brazil

Luís Inácio "Lula" da Silva, the presidential candidate of the Workers Party, could win the October 1994 elections. Despite its leftist trappings, his party's military program is nothing but a copy of the anti-military guidelines the U.S.-based Inter-American Dialogue has been issuing since 1988. It is no accident that Lula belongs to the Dialogue.

**Corrections:** A printing error rendered illegible a particularly juicy section of Mark Burdman's book review, "Lockerbie: Coleman Case Targets Oliver North Network," in our issue of Jan. 7 (p. 51). The passage should have read: "Coleman claims that one of his assignments was to blow apart an Iran-Contra arms apparatus that involved North, U.S. televangelist Pat Robertson, and others. He also claims to have been the individual, acting in his capacity as a DIA agent in Lebanon, who blew the Iran-Contra story in November 1986, by leaking information of North's activities to the Lebanese *al-Shiraa* newspaper, and thereby triggering the Iran-Contra controversy."

In our issue of Jan. 21, p. 9, Chinese grain imports were incorrectly reported. Imports in 1992 were 11.62 million tons, and in 1993 about 7 million tons.

## Economics

### 4 Banco Latino crash bursts Venezuelan financial bubble

Bank regulators have closed the country's second-largest bank because of mismanagement and irregularities in the handling of public funds. The shock effects of this one will be felt far beyond Venezuela's borders.

### 6 World Bank joins hands with NGOs to deprive people of fresh water

### 7 Currency Rates

### 8 Spread of AIDS in India exceeds all the experts' predictions

By the mid-1990s, it is now estimated, more Asians than Africans will become infected each year—and the Indian government is not organized to deal with the crisis.

### 11 AIDS could lead to economic collapse

An interview with P.R. Dasgupta.

### 12 Sudan must break with the IMF to realize vast productive potential

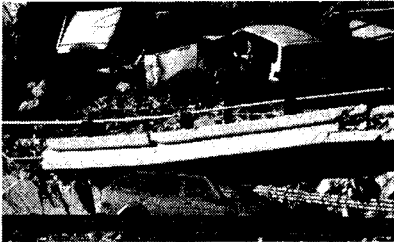
### 14 Opponents of space program on a rampage

### 15 Agriculture

And now: "rural empowerment zones."

### 16 Business Briefs

## Feature



The remnants of a Los Angeles highway interchange after the earthquake of Jan. 17.

### 18 Mother Nature didn't cause our economic collapse

With the earthquake and cold snap in January, America confronted the results of the obsolescence and lack of redundancy in every conceivable part of our obsolete infrastructure network: from electricity generation, to water systems, to inadequate engineering in the earthquake zone. Richard Freeman reports.

### 21 Milton Friedman and the California quake

Bankrupt economic policies dating back 20 years were the real cause of the disaster.

### 24 An electricity grid 'doomsday' scenario

### 26 A 30-year process of destruction of American infrastructure

### 30 Idiots cheer demise of infrastructure

### 31 'State of Emergency' national economic mobilization needed

## International

### 34 Italian Republic implodes, as 'new forces' move in

With the dissolution of Parliament and the call for new elections in March, the stage is set for the first government in 46 years not run by a coalition led by the Christian Democratic Party.

### 36 'We want a free market and a welfare state'

An interview with Roberto Maroni.

### 38 Chiapas separatist plot sparks resistance to breakup of Mexico

### 40 Will South Asia slide into war by miscalculation?

### 42 Moscow furthers its imperialist plan to gobble up Ukraine

### 44 European Parliament calls for removal of Lord 'Dr. Death' Owen

Documentation: The European Parliament's resolution.

### 47 Argentina needs a genuine alternative, jailed patriots say

An interview with Col. Mohamed Alí Seineldín and Capt. Gustavo Luis Breide Obeid.

### 52 International Intelligence

## National

### 62 LaRouche freed on parole, publishes his discovery

LaRouche's enemies were quaking in their boots as he walked out of prison on Jan. 26. Who is this man really, and why was he illegally jailed?

### 64 Government knows that LaRouche is innocent

Background to the news.

### 65 Inman ouster was run by Pollard's pals

### 66 Is DOJ out of control?

### 67 Floodgates open for new attacks on welfare

### 68 Illinois Democrats on the run from LaRouche

The 21-candidate slate running on LaRouche's policies is making the party bureaucrats see ghosts of 1986.

### 69 State Dept. pushes malthusian agenda

### 70 National News

## Banco Latino crash bursts Venezuelan financial bubble

by Jaime García and Cynthia Rush

In February 1985, the leadership of the Cisneros family financial empire and the affiliated Banco Latino used their influence within the Venezuelan government to order a raid on *EIR*'s offices in Caracas, the deportation of its correspondents, and a ban on the book *Narcotráfico, S.A.*, the Spanish-language version of *EIR*'s bestselling *Dope, Inc.* The Cisneros have for years been a central element in the corrupt financial and political network which surrounded and supported former President Carlos Andrés Pérez (CAP). The reason for their action against *Narcotráfico, S.A.* was the book's chapter which mentioned the family's link to Miami-based money-laundering banks and other international drug money-laundering interests, including in Cuba.

Almost nine years after *Narcotráfico*'s banning, on Jan. 14, 1994 bank regulators ordered the closing of Banco Latino, the country's second largest bank, because of mismanagement and irregularities in the handling of public funds which left it insolvent with liabilities estimated to be as high as \$5 billion. As the banking superintendent has also revealed, the bank was involved in a variety of speculative, off-balance-sheet operations, and had used public funds to benefit the companies owned by its own directors. The government has ordered a thorough investigation of the bank's activities, not the least of which is its suspicious and rapid growth from sixth-ranking in 1989 to second-ranking in 1993—coinciding with CAP's second term in office. During that period the bank opened several branches abroad.

As recently as November 1993, *EIR* had warned that after a Venezuelan judge ordered the closing of currency exchange houses on the Colombian-Venezuelan border, and bank branches in that area were investigated for drug money-laundering (including those of Banco Latino), the bank would go under because its access to drug monies would be cut off.

And so it happened.

The bank had an estimated \$5 billion in assets; about 10% of Venezuelan adults, more than 1 million people, held accounts there. Most of its directors were connected politically or through family relations to former President Pérez and his unsavory entourage. Among its directors were Ricardo Cisneros Rendiles of the Cisneros Group, which reportedly held 35% of the bank's stock, and Francisco Pérez Rodríguez, Pérez's brother. According to a report in the Jan. 14 *El Nuevo País*, Gustavo Cisneros had tried to get Chase Manhattan and Citibank to bail out the bank prior to the Central Bank's intervention, but failed.

Criminal charges have been brought against all the bank's directors, and their bank accounts ordered frozen. All have been banned from banking activities for life. President-elect Rafael Caldera has promised to abide by all legal decisions made against the bank and has called on its stockholders to meet their obligations to depositors. "The money in the banks doesn't belong to the bankers," he stated. Additionally, the Central Bank also intervened in 14 of Banco Latino's investment and insurance firms, including the Banco Hipotecario de Occidente; authorities in Curaçao did the same with the bank's offshore affiliate on the island, while the Miami-based Banco Latino International declared bankruptcy. The London *Financial Times* reported Jan. 15 that at least 11 of the country's 40 commercial banks are on the Central Bank's "watch list."

### Anglo-Americans are nervous

The bank's shutdown unleashed a financial panic whose repercussions are just beginning to be felt. There is no question that the repercussions will be felt beyond Venezuela's borders, in the context of a crisis-ridden international

banking system. According to Swiss banking sources, at stake is not the bankruptcy of a bank, but a crash of the nation's entire banking system just as President Caldera is about to take office, and the country's political stability is shaky at best. On Jan. 20, President Ramón J. Velázquez went on national television to appeal for calm, as hysteria swept the country.

The international banking community and Washington policymakers are also fearful that Banco Latino's demise may affect the economic policies adopted by the new government. Caldera has not yet defined his economic program but he is under intense pressure to continue the same free-market reforms begun by CAP, despite the havoc this would wreak on the country. A week after the bank closed, Gustavo Cisneros, president of the Diego Cisneros Organization (ODC), met personally with Caldera for two hours, supposedly to wish him a happy new year, but to also tell him that the financial sector's crisis is "solvable" and not to worry.

But according to the Jan. 25 *El Mundo*, Cisneros is the one who introduced Caldera to Henry Kissinger last December when the former secretary of state was in Caracas, and who is now trying to help Kissinger weasel his way into becoming Caldera's foreign economic adviser, just as he was for Pérez—with dire consequences for Venezuela. As he has done in the past when a crisis in Venezuela has threatened Anglo-American domination, State Department strategist Luigi Einaudi showed up in Caracas on Jan. 26, to threaten the government not to deviate from the international banking community's policies.

### **State's financial integrity jeopardized**

The seriousness of Banco Latino's collapse is that while it may bring down the banking sector's speculative operations, it could also destroy the finances of the state itself, including the Central Bank's monetary reserves and the national currency, the bolívar. This is due to the relative size of the bank, and the strange symbiosis it maintained with the public sector.

Although the bank was Venezuela's second largest in size, it was the largest in terms of deposits, with more than 1.2 million depositors. It also handled a large part of the funds, payroll, and pension funds belonging to the central government as well as to decentralized state entities and companies. Two million people are directly affected by the bank's shutdown. But in addition, the bank's administrators used the deposits of other state-linked agencies to carry out their illegal "business." Thus, oil companies, state-run companies in the industrial center of Guayana (Bolívar state), the Armed Forces, large government ministries, and innumerable other government agencies are also affected.

Half of the funds of Fogade, the deposit guarantee fund which is supposed to guarantee the deposits of all account-holders, were deposited in Banco Latino and are now frozen. Everyone mistakenly thought the bank was "too big to fail,"

perhaps because it also enjoyed significant backing from the government and political elites.

Authorities have tried to stem growing capital flight and runs on other banks, especially those most closely tied to the Grupo Latino, by pumping more liquidity into the system. On Jan. 21, they lowered the reserve ratio which banks must deposit in the Central Bank and eliminated restrictions on deposits in foreign currency.

### **The 'Latino Connection'**

Banco Latino's directors argued that the real cause of the Central Bank's action against it was a rumor campaign which in three months caused the bank to lose more than \$550 million in deposits, unacceptable for any bank. However, monetary authorities responded that what is really under investigation is the bank's misuse of depositors' money. The banking superintendent's official report on the decision to shut down the bank pointed to two extremely serious irregularities: 1) a "disproportionate" amount of off-balance-sheet operations which used public as well as depositors' funds. These operations, which amounted to 700-800 million bolívares, were subject to no official supervision or guarantees; and 2) a massive flight of the bank's liquid assets into its short-term lending operations, and from there into its offshore branch, Latino N.V. in Curaçao.

"These short-term operations handled up to 95 billion bolívares; normally these would not exceed 15 billion," the official report explains. It then adds: "In a short period of time, fed by these short-term operations as well as the liquid assets fund, the Latino in Curaçao increased its resources from \$950 million to \$2.160 billion." The report does not indicate what happened to those funds which fled to Curaçao.

Gustavo Gómez López, who was Banco Latino's president until December 1993, said in a statement sent from abroad (he has fled the country) that he will not surrender to local authorities, and charged that the bank's collapse was due to a political conspiracy which linked the institution to deposed President Pérez.

It's not surprising that many feel that CAP's downfall had a lot to do with Banco Latino's demise. His relationship to the bank has always been notorious, starting during his first administration in 1974 when the representative of the Rockefeller and Chase Manhattan group in Venezuela, Pedro Tinoco, took over as Banco Latino's president and reorganized it. The bank took in capital from the Pérez-linked Occidente Group, and from the just-emerging group which went by the name of the "Twelve Apostles." Among the latter was Tinoco and the Cisneros group. During CAP's second government the late Pedro Tinoco was named president of the Venezuelan Central Bank and head of the commission in charge of negotiating the country's foreign debt. Banco Latino achieved its spectacular growth by taking advantage of the speculative stock market bubble which had come to dominate the economy during that period.

# World Bank joins hands with NGOs to deprive people of fresh water

by Ramtanu Maitra and Susan Maitra

Another formidable enemy against development of physical economy has emerged in recent months, as the World Bank has decided to follow the diktats of the environmentalists, led and financed by various foundations and non-governmental organizations (NGOs) in the West. Mouthing a call for "sustainable development," a newfangled name for zero growth, the alliance has embarked on a program, similar to their destructive role against the generation of nuclear power, to prevent people, particularly in developing nations, from getting access to adequate fresh water.

Recently, this philosophy has been promoted in a water policy report produced by the World Bank. The report talks about the "guiding principles" of water resource planning and increased privatization and decentralization of water services delivery. It accuses various nations of mismanagement of water resources and a lack of accountability. It justifies its own role by including in the appendix the criticism that the World Bank has made against such commissions and omissions. The policy paper, following Adam Smith free-trade principles, outlines the concepts of comprehensive analysis, water pricing, and market mechanisms, and promotes water conservation and demand management as the panacea to water resource problems. The report also emphasizes user participation and environmental protection and restoration as the new policy of the Bank.

Among the cheerleaders for the World Bank's supposed shift to "environmentally friendly," local low-technology water projects is the Washington, D.C.-based propaganda machine called the WorldWatch Institute, which last month released its *State of the World 1994* report. One chapter, entitled "Rebuilding the World Bank," was written by Hilary F. French. At a Washington book preview briefing on Dec. 7, 1993, French said that the World Bank should be praised for adopting "new rhetoric" about how "sustainable development is now recognized as a pressing priority." But, French stressed, the NGOs will have to play a role to force the World Bank to "go for quality, not volume lending," i.e., low-technology, low-cost local projects.

## The funding profile

With detailed graphs and charts, the report points out that the World Bank had financed \$35 billion for water development during the decade between 1981 and 1990. More than half of all Bank lending for water went for irrigation and

hydropower projects. These two subsectors consumed \$21 billion over the 10-year period, with large dam-related lending accounting for \$12 billion. Rural water supply projects received only 5% of overall Bank lending for water management, while urban water supply received five times as much. Flood control, fisheries and port projects, and institutional development accounted for the rest.

Of the 85 countries receiving World Bank funds for water projects, ten countries borrowed 70%, with the top five, India, Brazil, Indonesia, China, and Mexico, accounting for 50% of overall borrowing. India alone received 20% of all Bank lending, exceeding \$7 billion. The Bank did not invest in any small-scale irrigation or water conservation projects in India and funded only one rural water supply project (\$1 million) and four watershed-management projects, accounting for \$162 million.

Last year, when India canceled the World Bank loan of some \$500 million scheduled for the mighty Sardar Sarovar Project, the Bank heaved a sigh of relief, thanking India for not subjecting it to further attacks from the NGOs, a.k.a. environmentalists.

## Growing clout of the NGOs

While it is evident that the World Bank was never fully committed to water development in the developing sector and had always listened carefully to the environmentalists, the process of the preparation of the latest report is a giveaway as to whom the Bank caters to. Over May 28-29, 1992, prior to the preparation of the report, the World Bank held a consultative "workshop" in Washington, D.C. which was attended by representatives from 18 NGOs. The Bank paid for the NGO representatives to attend and, following the workshop, the Bank staff prepared a memo, "Lessons from the World Bank/NGO Consultation," documenting the NGO position, which later found its way into the report. Earlier still, in January 1992, the NGO-sponsored Dublin Conference on Water and the Environment, which called for greater public participation and less governmental intervention, was also partly financed by the Bank.

During the May workshop, the NGOs made four specific proposals. The first was for the prioritization of alternatives, which underlines the necessity to look at all other alternatives before investing in large projects. It means prioritizing poor people's needs directly (which, incidentally, has become the



pet phrase of the Bank president in recent days), and removal of bias against small projects. This approach also emphasizes prioritizing sector loans for disbursements to many small, community-run projects.

The second point made by the NGOs was to promote community control and management of water, and public participation in water management planning. By "public," the NGOs meant themselves, water users, all affected people, and society at large. They also demanded participatory rural appraisal.

The third point dictated by the NGOs was to prioritize environmental restoration under the rubric of sustainable development. This called for maintaining the ecological integrity of entire river basins, preservation of wetlands and fisheries, incorporation of long-term decommissioning and impact costs into the analysis of projects, and emphasis on pollution prevention over pollution control.

The final point dealt with implementation. NGOs demanded complete transparency in World Bank operations and in World Bank-funded projects and programs, and enforcement of existing Operational Directives on environmental assessment, displaced populations, indigenous peoples, etc.

Although the NGOs claim that the latest report has not adopted all their recommendations chapter and verse, there is enough material in the report to suggest that that is exactly what the Bank did. The executive summary of the report contains the Bank's commitment to prioritize "improvements in operation and maintenance of existing irrigation systems and investment in small-scale irrigation and various water-harvesting methods." The same section promises that the "water supply needs of rivers, wetlands, and fisheries will be considered in decisions concerning the operation of reservoirs and the allocation of water." It also says that the "greater priority should be given to managing the demand for energy, identifying small-scale and renewable energy alternatives, and promoting watershed conservation practices."

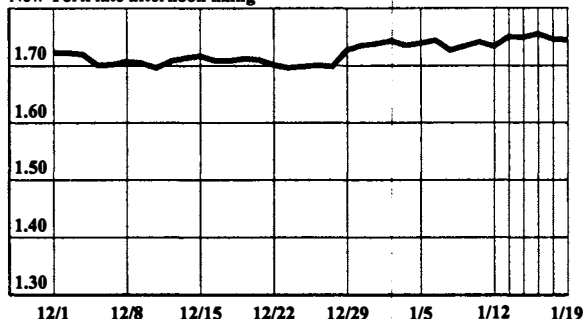
In the body of the report, the World Bank writes: "If the absence of adequate progress on priority actions is judged to produce serious misuse of resources and to hamper the viability of water-related investments, Bank lending in this area will be limited to the provision of potable water to poor households and to operations designed to conserve water and protect its quality without additionally drawing on a country's water resources."

The NGOs claim that during the preparation of the draft of the water policy report, the NGOs lobbied the executive director of the World Bank to include the specific language in the policy drawn from the position papers submitted by the NGOs at the consultative workshop. They also claim that not only the executive director but even the Bank engineers who were part of the original policy drafting team told them privately that "we have more in common with the environmentalists than we do with the economists; at least we both have experience with the actual resource."

## Currency Rates

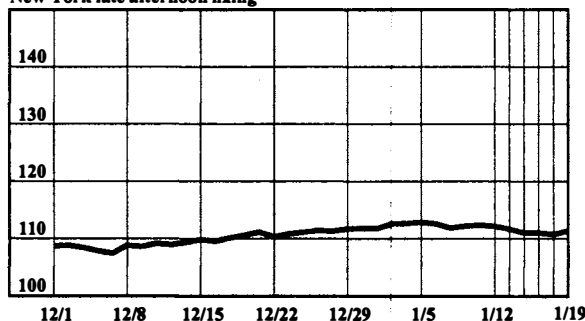
### The dollar in deutschemarks

New York late afternoon fixing



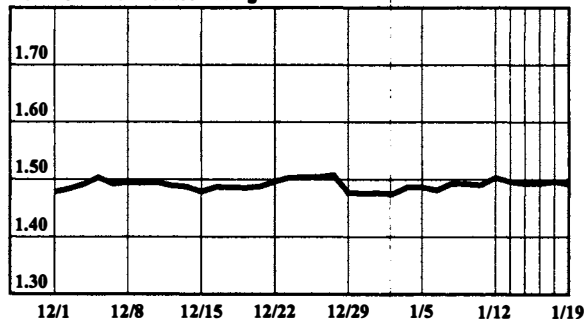
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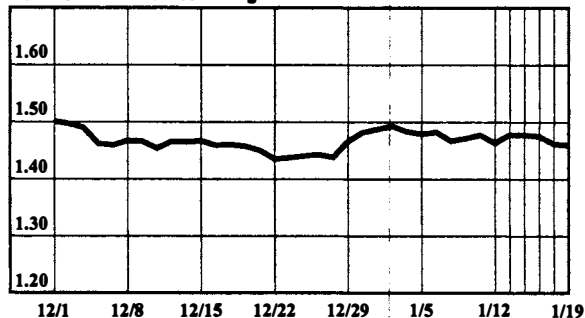
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



# Spread of AIDS in India exceeds all the experts' predictions

by Madhu Gurung

The Second International Congress on AIDS in Asia and the Pacific concluded in New Delhi on Nov. 12, 1993. Among other things, the magnitude of the danger posed by AIDS in India, as concluded by the meeting, came as a crippling blow to the Indian government, whose policies to combat AIDS seem minuscule compared to the need of the hour. Although Asia's first HIV (human immunodeficiency virus, the virus which causes AIDS) cases were not reported until the mid-1980s, during the short period since, the estimated number of cases has climbed to about 2 million, accounting for nearly one-sixth of the world's HIV infection. By the mid-1990s, it is now estimated, more Asians than Africans will become infected each year.

According to a United Nations Development Program report, the three worst affected countries in Asia are Thailand (estimated to have 1 million HIV cases), Myanmar (Burma, with an estimated 450,000 cases), and India, with 150,000 cases. Furthermore, according to the most recent official projection, Thailand will have between 2 to 4 million cumulative cases of HIV infection by the year 2000 (in a population of 60 million), while India will have 5-6 million. The situation elsewhere in Asia currently appears less severe but, given the similar social and sexual behavior, the situation may soon be explosive.

## Hazy but frightening picture

According to the data collected by India's National AIDS Control Organization (NACO), the cumulative total of Western Blot-determined seropositive cases from Oct. 1, 1985 through to March 31, 1993 is 11,849 out of a total of 1,659,412 samples screened over that period. Within the high-risk groups that have been targeted for testing, the figure represents a seropositivity rate of 7.14 per 1,000. There has been a consistent increase in the prevalence of HIV infection in the country from 1985 through 1993. It is widely assumed that the number of recorded cases of HIV infection is deceptively low because of lack of diagnostic and testing facilities, small test samples, and, above all, inadequately trained physicians. Heterosexual promiscuity has been identified as responsible for the majority of these infections, as is the case worldwide, except in the Indian state of Manipur, which is located on the international drug trafficking route adjacent to the Golden Triangle. In Manipur, seropositivity within the

high-risk group was reported at 23% in 1990, 45% in 1991, and had reached an astounding figure of 56% in 1993.

HIV infection rates among female prostitutes have shown a similar explosive growth (see **Figure 1**). In India, the HIV rates among prostitutes in Vellore, Tamil Nadu, increased from 0.5% in 1986 to 34.5% in 1990. Among Bombay's female prostitutes, the corresponding figures have increased from about 1% in 1986 to 18% in 1990. Currently, 35% are HIV infected. What is worse is that it is evident that the virus has spread beyond prostitutes and their most frequent clients: migrant laborers, truckers, and students. Among the new victims are salesmen, executives, and Armed Forces personnel, housewives, and, sadly, newborn children.

According to one calculation by Dr. Khorshed Pavri, project director of India's Center for AIDS Research Control, Bombay's red-light district alone is adding three to four new HIV-infected people every hour. This means, of the world's 400 new HIV victims every 15 minutes, one is from Bombay.

Of 522 reported AIDS cases, various probable means of infection have been estimated: multi-partner sex (75.3%), blood transfusion (12%), and sharing non-sterilized equipment by intravenous drug users (6.5%) (see **Table 1** for the HIV breakdown). Almost 90% of the cases are attributed to those who are below 50 years of age, and more than two-thirds to those between 20 to 40 years of age.

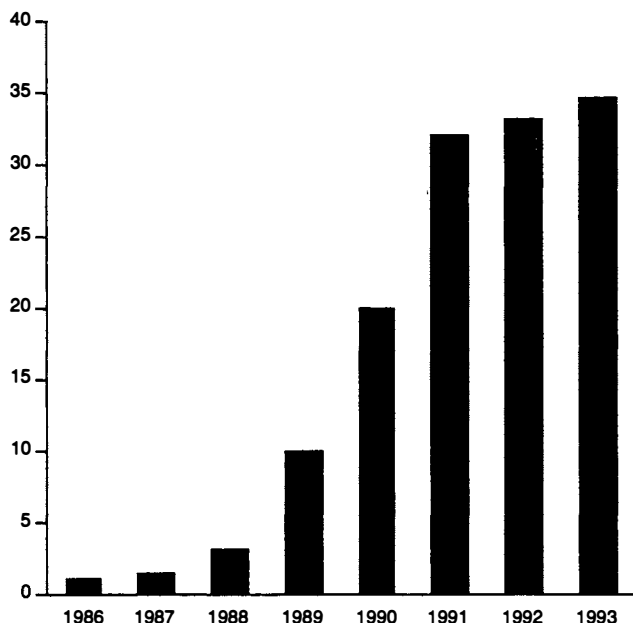
Authorities have come to realize that the real problem will arise when the 150,000 individuals who have been identified as infected start developing a debilitating range of afflictions called AIDS-related symptoms. In India, the major symptoms so far have been uncontrolled diarrhea, pneumonia, and tuberculosis. Surprisingly, there are no data available regarding these AIDS-related diseases.

P.R. Dasgupta, the director of NACO, admitted to this reporter that the collection of such data is a problem in India, because "the morbidity and mortality rates were already so high." But despite the high existing mortality rate, what cannot be ignored is that AIDS-related deaths are adding to mortality already.

## The Indian approach

In India, the National AIDS Control Organization was set up in 1987 as a separate organization by the Ministry of

**FIGURE 1**  
**HIV prevalence among prostitutes tested**  
 (percentage)



Health and Family Welfare to implement an effective control strategy. It has been strengthened and consolidated since 1992 at an estimated cost of 2.23 billion rupees for 1992-97. It has received a soft loan of \$84 million from the World Bank and some technical assistance from the World Health Organization. It has a number of coordinating bodies under it, parallel to which are the empowered committees, state AIDS cells, and state technical advisory committees. NACO has drawn up an extremely ambitious work plan (see interview). It is another matter whether it will get the kind of recognition required from the bureaucracy and the public.

Another organization working actively toward achieving a breakthrough in AIDS research, and the organization which pioneered India's AIDS Surveillance Program in the mid-1980s, is the Indian Council of Medical Research (ICMR). Their program includes long-term research, otherwise known as the Preparation for AIDS Vaccine Evaluation, or PAVE, initiated by the National Institute of Allergy and Infectious Diseases in the United States. The National AIDS Research Institute, which is primarily manned by people on deputation from the National Institute of Virology (NIV) in Pune, India, was also set up by the ICMR. A high-level team of experts from the U.S. National Institutes of Health (NIH), headed by Dr. Robert Bollinger, will work with Indian AIDS researchers to prepare the ground for testing the AIDS vaccines which are in various stages of development and testing in the developed countries. Research groups across the world are presently working toward the goal of perfecting 14 differ-

**TABLE 1**  
**Breakdown of sero-positives**

Category	Sero-positive	% of total
Heterosexually promiscuous	6,104	43.67
Homosexuals	41	0.30
Blood donors	2,226	15.38
Dialysis patients	119	0.88
Antenatal mothers	65	0.48
Recipient of blood, blood product	292	2.17
Relatives of HIV patients	122	0.91
Suspected ARC/AIDS	625	4.60
Intravenous drug users	1,823	13.43
Others	2,559	16.85
<b>Total</b>	<b>13,976</b>	

Source: National AIDS Control Organization, Ministry of Health and Family Welfare, Government of India

ent AIDS vaccines.

The preliminary program, the run-up to the trials of the vaccines, has been formulated by the ICMR in collaboration with NIH. The latter is reportedly willing to foot part of the research bill and has already allocated \$800,000 for the project. Referring to the astronomical pace at which the dreaded disease is spreading throughout India, Dr. S.P. Tripathy, director general of ICMR, has made it clear that "we cannot be slow in our responses."

Besides the human cost, the delay in AIDS research may affect India adversely in the wake of the recent completion of the General Agreement on Tariffs and Trade (GATT) round of talks. The Intellectual Property Rights stipulations directly affect the cost of producing medicines not already made and patented in India. According to the Indian Pharmaceutical Manufacturers Association, the lifesaving drugs patented abroad will cost much more in India when the new GATT regime comes into existence.

Medical officials in India are also working on adapting diagnostic technology for domestic production, thereby bringing down the currently high cost and technical requirements of testing. In this regard, a glimmer of hope came from the late-1993 visit of Dr. Jean-Claude Shermann who, along with two other French scientists, had isolated the AIDS virus back in 1983. Shermann's visit to India was sponsored by the Cambridge Biotech Corp., based in the United States. Cambridge Biotech Corp. markets HIV detection kits in India through its tie with Cambindia Biotech. According to Cambindia officials, plans are afoot to undertake manufacture of the detection kits in India. Testing may thus be simplified by having cheaper and less sophisticated test kits manufactured domestically. But unfortunately, a large portion of the World Bank loan to combat AIDS is tied directly to the import of

costlier kits, and cannot be used for indigenization efforts.

### **Blood supply poorly screened**

While promiscuity has been identified as a major source for the spread of the HIV virus, it is, however, not the only source in India. Despite warnings, the country's blood distribution system remains unsafe. A *Times of India* article on Dec. 11, 1993 reported that two government hospitals in New Delhi, ignoring the AIDS danger, continue to get their entire supply of blood through public tenders. The report created a public outcry. But in India, as in many developing countries, the buying and selling of blood is a highly developed industry where many people view themselves as recipients of blood and themselves seldom act as donors. Most of the blood is donated by "professional" donors, some of whom make a living out of the process. As NACO Director P.R. Dasgupta explained, the "professionals" are often brought in by the patients' relatives. The relatives refuse to give blood needed by the patient, and instead hire a professional donor and bring him in under a false name, claiming he is a relative of the patient.

Despite the risks involved in a "commercial" blood collection system, the practice cannot be stopped overnight, since about half the blood used in large urban hospitals is obtained from such a network. Moreover, the shortage of blood in this nation of more than 800 million souls is a problem of serious dimensions: Of the annual nationwide requirement of 50 million units of blood, barely 1.9 million units are available at any given time.

The major problem is that the blood is largely untested. On paper, the testing of every single bottle of blood for HIV has been mandatory since as far back as March 1989, but this statutory requirement has clearly not been adhered to. Even now, an estimated 85% of the blood supplied is not being tested for HIV.

At the same time, it has been found by the All India Institute of Medical Science, India's premier medical institution, that the incidence of HIV infection among "professional" donors is double that of voluntary donors. While Indian authorities and others have generally been keen to blame the "professional" blood donors for the spread of HIV, they seem reluctant to specify why untested blood is allowed to be used in the first place. The well-entrenched nature of the commercial blood donation system does not explain why blood that has not been tested is being used. Clearly, the control points needed to police this, whether at the hospital or within the blood collection organizations, do not exist or are not adequately staffed. The high percentage of seropositivity detected among blood donors is a clear indication of the urgency of enforcing the law requiring the testing of *all* blood.

Coupled with this problem of gross violation of blood-handling procedures is the carelessness with which surgery is conducted in many hospitals. Reports indicate that the lack of adequate measures during surgical operations has helped

to enhance the rate of HIV infection, through contaminated blood or unsterilized needles. According to a Bombay study, 6 out of 996 surgical outpatients became infected as did 28 of the 2,406 patients in the medical outpatient department. Another impediment in the way of supplying non-infected blood is the inability to screen blood supplies in smaller cities and towns due to the high costs involved. NACO is actively trying to rectify this shortcoming. However, as long as it does not accomplish its task, this will remain an unending source of infection.

The potential for rapid growth in HIV infection has been further enhanced because of the societal taboo that exists in most Asian countries against discussing sexual matters. There is a decided lack of sex education among the youth and, as such, there is very little awareness of the danger associated with sex and HIV. NACO, like similar institutions around the world, has concentrated its campaign on making people aware of AIDS dangers associated with sexual habits and has put an emphasis on the use of condoms. There are plans for NACO, with the help of the World Health Organization, to soon begin marketing condoms at an affordable price. At the same time, a large proportion of Indian women, because of their lower level of education and lack of access to educational material, remain vulnerable to sexually transmitted diseases. India's movement of population is very fluid. As a result of industrialization and urbanization over the past four decades, a large part of the rural population has moved into big cities, creating slums where, due to inadequate sanitary conditions, morbidity, and mortality are higher. The conditions prevailing in these slums leave people increasingly vulnerable to HIV and other deadly viruses.

### **The economic impact**

In addition, AIDS has potentially staggering economic consequences. The economic impact of AIDS derives in part from the large number of projected cases, each of which is very costly. The HIV-related illness tends to strain the resources of those affected and the families who have to bear the brunt of medical costs. The costs of the HIV epidemic will tell most heavily on the poor in Asia unless the government plans ahead to provide some sort of financial help to those afflicted with AIDS. The latest U.N. Development Program estimates indicate that the lifetime medical care in Thailand for an AIDS victim could cost as much as \$1,000-1,500; in India, \$900-1,400; and in Indonesia, \$1,300.

However, this is only a fraction compared to the loss of income caused by AIDS-related morbidity and mortality. Thailand is the only country in the region to estimate the upcoming costs of HIV and AIDS in terms of public and private expenditure. Thai officials found that health care costs would grow from \$1.7 million in 1991 to \$65 million by the year 2000. India has not made such economic estimates, nor does it have a policy to meet the financial demands HIV will carry.

## AIDS could lead to economic collapse

*During her investigation of AIDS in India, Madhu Gurung spoke with P.R. Dasgupta, project director of the National AIDS Control Organization, which handles the government program on prevention of AIDS in India. Dasgupta admitted that the basic data which could provide an insight into how volatile the AIDS situation is in India is inadequate. A strong believer in the "safe sex" campaign of the World Health Organization, he is in the process of launching a poster campaign on the subject. Asked if the advice would keep a person 100% safe, his comment was that the person would be "reasonably safe."*

**EIR:** You have many posters out that say that AIDS cannot be spread by close contact such as hugging, kissing, through toilet seats, and so forth. Our readers want to know, if a person follows what your posters say, are they 100% safe? Is the information you are giving really complete?

**Dasgupta:** We have identified particular risk behavior groups, and if the person keeps away from all these risk behaviors, I would say he is reasonably safe. It is like having precautionary medicine for a cold before you really get it, to be reasonably safe.

**EIR:** How would you identify those who are infected, and how many more have these people infected? Do you have any figures on that?

**Dasgupta:** Identification is possible by two tests—Elisa and Western Blot. There is no scientific way to find out how many others a person has infected. It is difficult to say. One can only speculate for sex workers [prostitutes].

**EIR:** How many prostitutes have been screened so far in India and how many persons frequent these prostitutes each day in a major city such as Delhi or Bombay?

**Dasgupta:** There has been sporadic screening in Bombay and Calcutta. There is no way of doing this, because much of it is underground and is dispersed and diffused.

**EIR:** Once you identify a person as HIV positive, what preventive measures are taken? Is the government looking after the full-blown AIDS cases? Are they given free medical treatment?

**Dasgupta:** On preventive measures, it is very general. We identify certain risk behavior groups. Identification and pre-

ventive measures are not necessarily related; they go side by side. On treating AIDS victims, the treatment for these persons in government hospitals is more or less free and subsidized. No special distinction is made, however, toward the AIDS cases.

**EIR:** You said that identification is done through Elisa and Western Blot tests. How many of these test kits are available at any given time? Is it not time now for India to manufacture these testing kits indigenously and not depend on foreign imports?

**Dasgupta:** We have about 162 AIDS centers in India. The exact number of Elisa testing kits available will be 200-300. Elisa is run in batches of 40-60 samples. For smaller centers, we provide rapid testing kits.

On the issue of indigenously manufacturing test kits, there are 26 offers currently before the Department of Biotechnology for taking up manufacture. The Department of Biotechnology and the Indian Council of Medical Research are doing a multi-subject study to find out how these kits perform under Indian conditions. It is possible that some of them will take up manufacture, but it is not easy to manufacture these kits and a lot depends on the availability of Indian antigens. Perhaps the technological breakthrough in this respect has not yet been made in this country. So, it will have to be developed with foreign collaboration, but there are good possibilities in the near future.

**EIR:** How big a threat is AIDS in the next 5-10 years? What is the growth rate of AIDS you foresee during this period? Is there any parliamentary group which considers AIDS a threat to India?

**Dasgupta:** It will be just a wild guess on my part as there is no basis with which I can justify, particularly as this question does not serve any purpose. It is not necessary to speculate on the number. What is necessary to comprehend is that it is a reality.

We have a consultative committee of members of Parliament attached to the Ministry of Health and they discuss all health and family related matters. We had about three meetings on AIDS.

**EIR:** The debilitating health problem that AIDS brings also causes problems to the country's economy. What do you think are the economic consequences of AIDS?

**Dasgupta:** We are scared that if we try to make a calculation about economic consequences, we will find a horrendous future waiting for us. The simple reason is that if we take into account the sexually active population, which is most vulnerable to AIDS, we must realize that this group provides the backbone to any country's work force. Whether it is the organized or unorganized sector, if it breaks out at an exponential rate within this group, in the manner in which it occurred in Africa, it can lead to a similar economic collapse. . . .

# Sudan must break with the IMF to realize vast productive potential

by Muriel Mirak-Weissbach

Sudan has neither the advanced infrastructure of Iraq, nor the massive oil reserves of Iran, nor the nuclear weapons capability of North Korea. But it has the largest land mass of any nation in Africa, with optimal climatic conditions for year-round agriculture. Given the technology, it could feed Africa, and beyond. That fact suffices to make Sudan a threat to strategic policymakers who plan to erect a new "Limes" barrier between the prosperous northern hemisphere and an impoverished south, condemned to disintegration. As a result, Sudan has been singled out in the western media as an outlaw nation, guilty of crimes ranging from forced religious conversion to torture. It was also added, in 1993, to the list of nations the U.S. State Department considers to support terrorism.

If its productive potential were fully exploited, Sudan could derail plans for starving Africa. Since the military government of Gen. Omar Hassan Al Bashir came to power in 1989, Sudan has been struggling to meet this challenge. Its basic goals were to achieve independence in food production, to overcome famine and ensure survival in the event of attack; and to further the process of industrialization, including exploiting its new oil resources.

As Minister of Agriculture Natural and Animal Resources Prof. Ahmed Ali Geneif told *EIR* in December, Sudan has made encouraging progress, even despite the "technological apartheid" policy to which it is subjected. The agricultural sector includes rainfed and irrigated land, as well as animal breeding and exploitation of vast natural forest resources. Its giant Gezira complex, the largest irrigated scheme in the world, is run as a joint venture between four government companies and the private Kenana. It produces dura, wheat, cotton, vegetables, maize, and fodder. "We need to maximize the utilization of technology in order to increase the productivity per unit area," stressed Professor Ahmed. Referring to a previous joint project between the Sudanese and Canadian governments in the eastern region of the country, the minister said, "The transition from traditional to modern methods which started taking place there was comparable to the process Canada had undergone, from a rainfed prairie agriculture to a modern form."

Another key area is livestock production. "Sudan has the second largest animal resources," he pointed out, "but they

are raised according to traditional methods. We need to modernize, by introducing ranching, and by integrating farming with livestock breeding." To encourage this, the government, which placed the Ministry of Animal Resources and the Ministry of Agriculture under one roof four and a half years ago, has introduced private farming, by giving land to people. "The farmer had land in the past, too," he said, "and worked it for the government, but did not have the responsibility for production which he now has." In addition to tractors, seed, and credits issued through the Farmers Bank and the Animal Resources Bank, "the government is trying to increase added value by integrating production with a food processing industry."

These measures, implemented with the means available to the literally embargoed nation, allowed Sudan to make significant strides, though not without pitfalls. As Dr. Hassan Atturabi, the man portrayed as Sudan's spiritual leader, put it in a press conference in December, "We have over 3 million animal breeders, and 10 million farmers. We have developed by the efforts of Sudan alone, even without the hundreds of millions of dollars we had before in bilateral loans, the Lomé agreement, the IMF [International Monetary Fund] and Arab countries' loans—now that's all gone. Why? It's politics. Sudan became independent, self-reliant, moved from hunger, in spite of all that aid, to be not only self-sufficient but to export, meat, fruits, vegetables, sugar."

Chief Justice Mahjoub Mohammed Salih, when asked by *EIR* why the Sudan was under attack, replied: "If left alone, we could become like a European country. We have land, people and oil, and we could develop our agriculture." Specifically, he pointed out, "We started producing wheat, which is America's controlling crop. They order Egypt not to grow wheat. Now we have sufficient crops, even without technology."

## The free-market pitfall

Sudan is justly proud of having reached self-sufficiency in food production. And the oligarchs who run the IMF are understandably enraged. Yet, in struggling to reach its goal of self-reliance so as to be beyond the reach of IMF blackmail, Sudan implemented free market policies of the type usually dictated by the IMF, and suffered the economic and

social fallout such policies inevitably produce. However, Sudan did succeed in vastly increasing its food output. Now, the government is attempting to alleviate the social problems, by reverting in part to more traditional state-guided policies.

Two years ago, Sudan introduced liberalization policies, as part of a scheme to restructure the economy according to a free market concept. This program, outlined in 1991 and introduced in early 1992 by then-Minister of Finance Abdul Rahim Hamdi, led to devaluation of the currency, aggravated by a two-tier exchange rate (official and black market), inflation (due to lifting some price controls and subsidies), increased taxation, and enhancing exports for foreign exchange required to buy particularly oil. In autumn 1992, the IMF circulated a letter which "welcomed the recent reorientation of economic policies by Sudan" while voicing "disappointment with Sudan's payment performance," which it proposed to improve by setting up a "monitoring" structure.

By the end of 1992, the negative effects of the liberalization program had fueled intensive criticism as inflation adversely affected living standards, particularly among those with fixed incomes. During a symposium on the theme in December 1992, criticism was directed particularly against Finance Minister Hamdi by Dr. Hussein Suleiman Abu Salih, the minister of social welfare, who charged that the system "liberalized prices while it curbed wages," and accused the banking system of engaging in usury (which is prohibited by Islam).

In the course of 1993, despite the continuing impact of the liberalization, Sudan's real production, particularly in agriculture, increased. Yet inflation, driven up by liberalized prices and exchange rates, made it more and more difficult for the domestic population to cope. By July 1993, the government recognized the urgency of revising the policy, and intervened to fix prices, though not for agricultural produce. This "regulated deregulation" was combined with issuance of ration cards for some staples (bread, cooking oil, soap, tea) to protect the poorest strata. It was reported in the English-language monthly *Sudanow* in September, that the annual budget for July 1993-94 allotted financial assistance to 2 million families, up from 500,000, a clear indication of spreading poverty. This has served as a stop-gap measure, but cannot be a solution. At the same time, Hamdi continued to defend those policies which cohered with the IMF's austerity recipe.

### **IMF pours oil on the fire**

The IMF's response to Sudan's plight has been to pour oil onto the fire. In 1992, the Fund's team visiting Sudan had refused to acknowledge the 11.6% increase in production that Sudan reported for 1991-92, and conducted haggling negotiations to force Khartoum to downsize its statistics. Clearly, the IMF did not want a "Sudan success story" to spread through the Third World. A year later on Aug. 13, 1993, after Sudan had implemented policies in line with the

IMF's, with disastrous effects, the Fund cancelled its voting rights, on grounds that it could not make the increased payments demanded on its \$1.2 billion debt. This came just after the U.S. Congress proposed establishing "safe havens" in southern Sudan and the British House of Lords heard a proposal to impose a weapons and oil embargo on Sudan. One day after the IMF's action, Sudan was placed on the State Department's list of terrorist states.

Leading persons in Sudan's political elite interpret the rapid-fire succession of financial, political, and psychological blows coming from Britain and the United States as the opening volleys of an assault that can only escalate. They have expressed justified worry that U.N.-issued sanctions may be forthcoming as a prelude to redeploying the military force in Somalia against Sudan.

While preparing the population to resist a possible invasion, with the training of men and women in Popular Defense militias modeled on the Swiss example, the government may also be preparing a shift in financial and economic policy, away from the IMF-style liberalization scheme. The most important signal of such a possible corrective shift came in November, when the finance minister who oversaw the liberalization, Dr. Hamdi, was replaced by Abdallah Hassan Ahmad.

The new minister differs from his predecessor in several ways. First, whereas Hamdi removed all subsidies, Mr. Hassan wants to keep subsidies for five years at least. Any liberalization of prices, he believes, must proceed slowly. On Jan. 1, in fact, subsidies were reintroduced, and a 50% increase in salaries for urban employed and pensioners was decided. Mr. Hamdi had believed that with liberalization, devaluation, and so on, Sudan would benefit by receiving foreign investment and credits, as the IMF and other institutions had indicated. Instead, despite the liberalization measures taken, credits and aid were cut. The new minister can have no illusions that such foreign help will arrive. Finally, though plans for privatization had been drawn up even for state industries, the government has decided to keep all profitable major industries under state control, including textiles.

There are plans for the Sudanese government to talk to the IMF again, but certain lines have been drawn. There is basic disagreement regarding the subsidies and the debt. Sudan has reintroduced subsidies to protect its productive capacities. As for the debt, the IMF demands \$150 million per year, whereas the government insists on defining what it can pay as a percentage of its GNP (not over 10%). Recent developments in Nigeria ("Nigeria Draws the Line Against Disintegration," *EIR*, Jan. 28, 1994) may provide important leverage to tip the balance against the IMF. If the Sudanese government returns to a policy of national control over credit, currency, and trade, reversing the IMF-style "free market" approach, it can stabilize its internal situation, while continuing its fight for economic growth, in independence.

# Opponents of space program on a rampage

by EIR Staff

Since the successful repair of the Hubble Space Telescope by astronauts aboard the Space Shuttle Endeavour in December—a feat which thrilled most of the world—opponents of the U.S. space program internationally have intensified their attacks, accusing the space pioneers of being spendthrifts, Nazis, and mass murderers.

The British magazine *Nature*, famous for its anti-scientific witchhunts, zeroes in on the National Aeronautics and Space Administration, trying to undermine the increased support NASA has received due to the Hubble victory. Astronomer Thomas Gold, former director of the center for space research at Cornell University, in an article entitled “Is NASA an Expensive Failure?” argues that “the succession of NASA failures cannot be ignored.” The Shuttle had proved enormously expensive, while the \$1 billion Mars Orbiter project had been inexplicably lost, and an Earth-mapping satellite is now floating uselessly in some unknown orbit. According to Gold, this violates the guidelines worked out in the early 1970s, when he was a member of two key committees, for a “cautious, step-by-step approach before any big expenditures.”

The London *Sunday Times* reported on the *Nature* article Jan. 16, in an article entitled “It Cost NASA \$1 Billion to Take This Picture, But It Is America’s Space Program that Needs a Sharper Focus.” The paper highlights other “doubting voices” as well, the various “distinguished commentators” who think that NASA’s “big thinking” is at the root of many of its problems, and who claim that the agency has “deliberately pursued mega-projects that appealed to the public’s imagination, but for which neither the science nor the engineering were adequately developed.”

What *Nature* and the *Sunday Times* are trying to destroy, is the kind of perspective expressed by NASA Administrator Daniel Goldin, who is quoted “joyfully” responding to the success with Hubble: “We are a can-do agency. We are not going to be afraid to reach out. The question now is, how far could—or should—that reach extend? Will it mean a revival of dreams of the journey into space, returning to the Moon and visiting Mars or beyond?” This view is shared by other NASA officials, “who talk of such possibilities and have long maintained that the current manned space endeavors are a necessary prelude to manned exploration of the planets,” the *Sunday Times* commented.

Meanwhile, in Germany, in an effort to discredit the scientists who developed the rocket technology that made the U.S.

space program possible, the Lutheran Academy of Tutzing and the U.S. government’s Smithsonian Institution held a seminar on the theme “Destruction through Progress,” near Erfurt Jan. 15-16, with a focus on Peenemünde, where Germany’s rocket development effort proceeded during World War II. Leading German rocket scientists came to the United States after the war, and formed the core of the U.S. rocketry program under Wernher von Braun, as Marsha Freeman recounts in her new book, *How We Got to the Moon: The Story of the German Space Pioneers* (Washington, D.C.: 21st Century Science Associates, 1993).

## Peenemünde scientists slandered

Speakers at the Erfurt seminar included Michael Neufeld of the Smithsonian Institution, who tried to portray the work of Wernher von Braun and his team as an outflow of German nationalism and post-Versailles political romanticism, a kind of compensation for Germany’s defeat in World War I. Neufeld at least conceded what other speakers contested, namely that the theoretical work done by Hermann Oberth and von Braun was serious, but he proceeded to dismiss the rocket project as something that served no positive purpose in the end and just became a tool in the hands of the Nazis.

Prof. Rainer Eisfeld of Osnabrück University portrayed the project at Peenemünde as a romantic fixation that led directly to the 1943-45 creation of the SS extermination camp complex “Dora” and the underground “Mittelwerk” facility for production of the V-2 rocket, all serving Hitler’s *Wunderwaffen* myth, which was, Eisfeld charged, adopted by the Americans for their own aims of achieving superiority after 1945, when the Cold War broke out. Eisfeld—a sociologist who displayed his ignorance of natural science—is a senior member of the Mittelwerk Dora Memorial Foundation, which works closely with the U.S. Justice Department’s Office of Special Investigations (OSI) and Linda Hunt, who wrote a scurrilous book-length attack on German rocket scientist Arthur Rudolph (see *EIR*, Sept. 13, 1991).

Eisfeld said in his presentation that the 1929 German movie “Woman on the Moon,” for which Oberth was the scientific consultant, typified the mix of authoritarian ideology with romanticist aggressiveness that overshadowed the end of the Weimar Republic and paved the way for the Nazi march to power. Eisfeld slandered the entire Moon-landing project launched by President John F. Kennedy as a pure Cold War product, serving no other purpose than to demonstrate the potential of the military-industrial complex. Kennedy spoke of the Moon program as a propagandistic tool to capture the world’s attention, while he was fixated on closing the “missile gap” against the Soviets, Eisfeld said, and there was never anything else to the Apollo program.

The keynote by Rolf Hanusch of the Tutzing Academy, likened the technology of the rocket to the Biblical tower of Babylon, which stood as a symbol of man’s over-rating of his own powers, in the effort to become equal to God.



## And now: 'rural empowerment zones'

*Instead of rebuilding rural infrastructure, U.S. Agriculture Secretary Espy is offering rural "enterprise communities."*

**O**n Jan. 17, Agriculture Secretary Mike Espy joined President Clinton at the White House to launch the application process for localities to bid for participation in the administration's Empowerment Zones and Enterprise Communities (EZ/EC), a continuation of the Reagan-Bush cheap labor, low-infrastructure "enterprise zones" from the 1980s.

Launching this project when rebuilding programs are so urgently needed after the Mississippi-Missouri river flooding, the California earthquakes, and Hurricane Andrew, all of which would involve large-scale infrastructure improvements and highly skilled labor, is the latest example of policy wrongdoing from Washington, and dumb toleration by the public.

The stated goal of the EZ/EC program is "to revitalize communities and create jobs," but the methods offered are to degrade living standards and infrastructure to below poverty levels.

The plan calls for federal, state, and local taxes, and regulations and infrastructure standards (water, power, and social services supplies) to be waived as a sweetheart deal for select companies to come in and take advantage of paying nil taxes, and low wages.

In its inimitable lingo the U.S. Department of Agriculture (USDA) press release Jan. 17 said: "Empowerment Zones and Enterprise Communities will receive special consideration for various federal programs and other assistance, including social service block grants, new tax-exempt Facility Bonds, tax breaks for employment, and other special consideration

for existing federal programs."

The lineup of select companies which will be offered sweetheart deals for slave labor include food processing, light manufacturing, and bio-fuels firms. There are local prototypes of the EZ/EC system today in the farm states where such companies as IBP and ADM have extorted privileged tax relief and the right to pay low wages, and impose low housing and health standards, from local and state communities. Now these swindles are mandated nationwide.

Under the new federal plan, 3 Empowerment Zones and 30 Enterprise Communities will be designated for rural areas after a competitive application process. Espy will make the rural designations. For urban areas, 6 Empowerment Zones and 65 Enterprise Communities will be designated, with the final announcements made by Housing and Urban Development Secretary Henry G. Cisneros.

Localities that apply but do not receive official designation may still qualify for a graduated package of federal tax waivers and handouts that will serve as incentives to the select financial interests, and their front companies, on whose behalf this elaborate swindle is being arranged.

In free trade jargon, the new EZ/EC program will facilitate companies to "outsource" their wares domestically: A company, such as Corning Glass, based in rural New York, instead of relocating facilities to Mexico for cheap labor and license to ignore housing, health, and sanitation standards, can now expect to set up a cheap labor U.S. operation in one of the new Empowerment Zones.

This new slave-labor initiative comes at a time of massive dislocation in the U.S. farm belt. Relatively little levee rebuilding is taking place in the Upper Mississippi-Missouri river system. No new high-speed rail system is in the works.

Instead, farmers are being induced to sign away their rights to grow crops, and instead to enroll their land in a non-food, "wilderness" wetland zone.

One estimate is that 40% of the farmland in Minnesota may be soon gone, because of the combined impact of the financial farm crisis of the 1980s, the 1993 flood, and the current onslaught of environmentalist regulations and buyouts.

On Dec. 3, Congress passed a buyout law authorizing \$100 million to purchase towns in the Mississippi-Missouri flood plain, such as Grafton, Illinois. There are also buyout operations in Wolcott, Kansas, Des Moines, Iowa, and Springfield, Missouri, among others. These towns are not "revitalized." Certain buildings are relocated, the rest is shut down, and the economy and tax base is destroyed.

In Iowa, where all 100 counties were declared official disaster areas because of the 1993 floods, farmers may turn 17,000 acres of farmland back into marshes under an emergency government program.

Iowa farmers have made 157 bids, as of the Dec. 30 deadline, with a lot of the land along the Iowa, Cedar and Big Sioux rivers. The program claims that it is designed to help restore wetlands along rivers and to ease future flooding problems.

Officials estimate that between 5,000 and 6,000 acres in Iowa will be accepted into the program at a cost of \$6 million. USDA officials say they'll pay \$15 million for the program in Iowa and other states hit by last summer's floods.

# Business Briefs

## Germany

### Former minister calls for industrial vision

Former German Minister for Research Volker Hauff (Social Democratic Party) called for the formulation of an industrial policy for Germany, at the Friedrich Ebert Foundation in Bonn in mid-January. He said he supported the government plan to establish a National Commission on Technology, which he said represents an industrial policy.

Hauff said there are two successful examples of industrial policy in this century. One, a military example, is the military-industrial buildup in the United States during the Second World War. The other, a civilian example, is the Japanese model after the war. These should provide an orientation for Germany, he said.

BMW board member Wolfgang Reitzle, who criticized the lack of vision among German elites at the same meeting, also endorsed the National Commission on Technology. But, he said, today we need to do more than just give advice. We have to direct investments, we have to direct research funds, and we have to direct our best people into strategic projects.

## Transportation

### Germany, Russia will build railroad engine

Klaus Oertel, board member of the German company AEG, announced in Moscow in mid-January that an agreement with the Russian state railway has been reached to develop a new railroad engine by 1998. AEG has now entered the most important railway market in the world, Oertel said.

AEG, the Russian locomotive plant in Novocherkassk, and the Novocherkassk Institute for Railroad Engines plan to jointly produce 200 engines per year after it is developed. AEG will deliver the electronics, while the Russians will deliver mechanical parts and do the final construction.

The new railroad engine will be capable of working in a wide range of temperatures, from

-50°C to 40°C. It will be capable of withstanding sand storms and snow storms, and have a velocity of 300 kilometers per hour (180 mph).

According to AEG, Russia is planning to order 500 of these engines, and the company sees good market opportunities in China and Taiwan. AEG will be paid by Russia via Russian exports of the engine to third countries.

## Russia

### Chernomyrdin: Stop production slump

Russian Prime Minister Viktor Chernomyrdin told Interfax news agency on Jan. 21 that priority would be given to stopping the slump in production. "What sort of reforms or democracy can one talk about at a time when huge enterprises and private businesses come to a standstill while coal miners, oil workers, doctors, and journalists go on strike?" he asked. "No matter how progressive it might be, no theory can by itself salvage a huge country from shortages of food, energy, and commodities and, by definition, from social upheavals which will make the reforms next to impossible. . . . If we fail to boost production, we will fail to salvage the newly emerging market economy."

Valentin Sergeyev, a spokesman for Chernomyrdin, said on Jan. 21 that "the mechanical transfer of western economic methods to Russian soil has caused more harm than good," and that only "elements of western market economics" were contained in the new government's reform program.

Harvard Prof. Jeffrey Sachs, an advocate of "shock therapy" which has accelerated the production decline, and Anders Aslund from Sweden, quit their jobs Jan. 22 as advisers to Russia, in protest against the emphasis of the new government.

A Vienna-based expert on Russia told *EIR* that the production collapse is so far advanced that Chernomyrdin will be able to do no more than slow the decline. "I expect to see a slowing down of the production decline, to about 7-10% annually, down from its current rates," this source said. "It is not realistic to talk about growth potentials in Russia at this point, because matters have already deteriorated so far. If he can use a combination of methods, rang-

ing from price ceilings and price controls to measures to stimulate production, he can bring the decline under 10%, and that would be a great success, under current circumstances."

## Nuclear Energy

### Indonesia may be bowing to environmentalism

The Indonesian Minister of Research and Technology Jusuf Habibie, under pressure from environmentalists, said that residents near the site of a future nuclear energy electricity generating plant must decide whether the 600-megawatt plant should be built, Reuters reported Jan. 18. "The decision on whether or not the nuclear power plant will be constructed has to be based on the people's decision," he said.

A Japanese firm advised construction after a two-year feasibility study, saying it should start producing electricity by 2004. Officials say it will be built on the Muria peninsula in central Java.

Djali Ahimsa, director general of the Indonesian Atomic Energy Agency, previously said that Indonesia needed at least 7,000 MW from nuclear power under a new 25-year development plan which begins on April 1.

## Corporate Strategy

### Only maglev projects can save jobs at Thyssen

Germany's Thyssen Corp. reported an unprecedented DM 1.2 billion (\$750 million) loss for 1993, underscoring the assessment that only major projects such as the magnetically levitated (maglev) rail system can secure jobs for the steelmaking company. The loss is said to stem from the collapse of steel demand as well as of steel prices, but sources do not rule out that Thyssen has also run into problems because of speculation on the money markets, i.e., financial derivatives.

Thyssen, the main producer of components for the experimental Transrapid maglev

rail system, has not put much effort into promoting this unique product, which would enhance infrastructure projects on a broader scale. Such a perspective could create several thousand highly qualified jobs in an entirely new sector of the company's production.

In the management's emergency consolidation plan, the emphasis was put on a "streamlining" approach, which includes the scrapping, within one year, of 40% of the 39,800 jobs still remaining. According to this plan, Thyssen is to have a work force of only 22,000 by 1995.

## Biological Holocaust

### Haiti embargo causing starvation among children

As a result of the second oil embargo reimposed against Haiti by the United Nations in October, rural Haitians have been increasingly cut off from food and there is a growing number of deaths related to malnutrition. Transport of supplies to rural areas, where at least 30% of children already suffer malnutrition, has been all but shut down, relief efforts have been hampered, and prices on remaining small stocks of food have soared. According to Sister Maryann Bernard of the Hospital of Sisters of St. Francis, many of those with food are selling it to pay for funerals for their children.

The Haitian Health Foundation states that six communities suffer famine conditions—meaning that at least 11% of children suffer advanced malnutrition. It is the first time since statistics began being kept in 1988 that famine levels have been reached. Ironically, the famine regions reflect the most agriculturally rich areas in Haiti.

Although many parents have been able to leave their children with missions or orphanages where there are supplies of high-protein meals, there are an unknown number of children who die before their parents can bring them to the refuges. In the coastal town called the City of Poets, for example, only three of 15 buses that formerly went to the capital still run, while three ferries that had brought rice, cooking oil, and other staples have stopped. A 50-pound bag of

rice in an area where the annual income averages \$370, has tripled to \$45 since November.

The countryside has no medicine, anesthesia, rubber gloves, or even bandages. Water supplies are erratic, since there is often no electricity for the pumps. And, without fuel, farmers cannot grow their crops of coffee, cacao, and mangos, and must let their produce rot from lack of transport. Forests are being cut to produce charcoal for energy, including cutting down farmers' mango trees.

Rev. Joachim Samedy, a Catholic priest who displays ousted President Jean-Bertrand Aristide's picture on his office wall, said: "People supported [the embargo] because Aristide asked for it, and they thought that with the embargo the Army would leave. But, after all these months of embargo, we have catastrophe."

## Africa

### IMF blamed for student riots in Mozambique

The Mozambique News Agency (AIM) blamed the International Monetary Fund on Jan. 16 for problems that led to a riot at the Josina Machel school, the country's largest secondary school. "Corruption in Mozambican schools is a direct result of budgetary policies imposed on Mozambique by the IMF in the name of structural adjustment," AIM said. "The IMF policies have forced the real wages of teachers and education officials into a spiral of decline. It is hardly surprising that some of them try to make up for their falling living standards by extorting bribes from students."

A riot broke out at the Josina Machel school in the capital of Maputo on Jan. 12 as students attempting to enroll protested at what they said were attempts by some officials and teachers to extort money in exchange for enrollment documents. Enrollment in Maputo secondary schools ended several days earlier than planned, allegedly because the schools ran out of room. Notices announcing "No More Places Available" have appeared in several schools, including Josina Machel.

● **PALESTINIAN** officials asked U.S. Commerce Secretary Ron Brown on Jan. 19 for favored trading status equal to Israel's. "We asked him for preferential treatment and a free trade agreement . . . to help develop the Palestinian economy," Abu Libdeh, deputy director of the Palestinian development body Pccdar, told Reuters. "We cannot wait for agreements to be signed. Economic mobilization has to start immediately."

● **750,000 JOBS** in agriculture will be eliminated in the European Union through the outcome of the recent round of the General Agreement on Tariffs and Trade, reported *Agra-Europe*. The losses in farm income is estimated at about \$20 billion.

● **FIVE NATIONS** in Central Asia (Kazakhstan, Uzbekistan, Kyrgyzstan, Turkmenistan, and Tajikistan) have agreed on steps to prevent the Aral Sea, one of the world's worst ecological disasters, from shrinking further. They have pledged to pay 1% of their 1994 budgets into a joint fund to try to save the sea.

● **U.S. TAXPAYERS** with children and other dependents do not get nearly as big a tax break as they once did, says Eugene Steuerle at the Urban Institute, the Jan. 19 *Wall Street Journal* reported. If the exemption had been adjusted for inflation and real growth in income since 1948, it would have risen to \$8,652 in 1993, instead of the actual \$2,350.

● **UZBEKISTAN** announced its most far-reaching package of free market reforms so far on Jan. 22. President Islam Karimov decreed that state-owned trade and service enterprises will for the first time be auctioned off to anyone with money to buy. The decree follows the Jan. 21 reports that Uzbekistan is negotiating for its first credit from the IMF.

● **BOEING** announced on Jan. 21 that it expects to cut another 7,000 jobs through attrition and layoffs, UPI reported. The company cut about 17,000 jobs last year.

## Mother Nature didn't cause our economic collapse

by Richard Freeman

The *Philadelphia Inquirer* on Jan. 20 ran a banner headline, "The Deep Freeze," with the subheading, "Record Cold Strains Area Power Supply." The newspaper reported on below-zero Fahrenheit weather; the imposition by the local power utility, Peco, of rolling blackouts of anywhere from 30 to 90 minutes; the declaration of a state of energy emergency by state political authorities; and the closing of all Philadelphia government office buildings, and of many businesses in the Philadelphia area. Other stories describing the near icing-over of the Delaware River, upon which brings a significant portion of the ship-borne fuel deliveries to a good part of the East Coast, were fairly typical of myriad reports being run in newspapers from Minnesota to New Hampshire, from Kentucky to Ohio, during the cold snap of Jan. 14-22.

It was certainly cold in Philadelphia. On Jan. 19, it had reached  $-5^{\circ}\text{F}$  at the Philadelphia International Airport, the coldest temperature recorded there in nine years. The states of Ohio and Indiana recorded very low temperatures, in many locations in the range of  $-20^{\circ}\text{F}$ . Yet the Jan. 20 *Philadelphia Inquirer* stories contained a fallacy of composition, attributing the power shutdown to *the cold*. That is simply not true. The local Peco power utility would have had sufficient reserve capacity to handle peak demand, above its baseline power supply, had this cold snap occurred 25 years ago, or even 10 years ago. Back in the 1960s, U.S. power utilities maintained minimum reserve capacity of 17-20%, above baseline energy provision. Often they maintained reserve capacity of 30% or more. To use a phrase which is very well known in the aerospace industry, this reserve capacity represented a healthy "redundancy" in the system. Today, reserve capacity is one-third to one-half of 1960s standards. In fact, some of the nine principal electric power regions into which America is divided, have, for brief periods, reduced reserve capacity to as low as 6%, the danger threshold level defined by the North American Electric Reliability Council (NERC).

Power utilities are regulated. The regulators are drawn mainly from the ranks



*A bridge in West Virginia. The collapse of U.S. infrastructure of all types, as a result of the insane policies of free-market economics, has created catastrophes just waiting to happen.*

of financiers and environmentalists. Together, they have imposed stringent requirements on the utilities, functioning like a straitjacket on the electric power industry's ability to build new plants. The regulators have ganged up to enforce the backward dictum that it is cheaper to conserve, than to build new 250-1,000 megawatt power plants. The power of Wall Street can be seen in a 1993 court decision in Chicago, in which Commonwealth Edison of Illinois, the nation's biggest nuclear utility, was fined for having built a new plant, thus building "excess" capacity, rather than refunding to its customers part of the costs of building the so-called excess capacity.

What the United States was viewing during the Jan. 14-22 cold snap, and also during the Jan. 17 Los Angeles earthquake, was not the result of "natural catastrophes" at all. Nature was not to blame. Rather, America was viewing the results of the lack of redundancy in every conceivable part of its obsolete infrastructure network: from electricity generation, to the water main and clean water piping systems in the earthquake zone, inadequate rail and postal service, and the inability of tens of thousands of American factories to function during the cold snap.

America's infrastructure network is a junk heap. This is the price we pay for bending to 30 years of badly flawed policies; 30 years of the insane "free market" budget balancing of the sort recommended by fascist Milton Friedman and his epigone, Sen. Phil "Landfill" Gramm (R-Tex.); 30 years of treating infrastructure as waste and a "pork barrel," rather

than as the underpinning and driver of the economy that it really is. Infrastructure, as well as Hamiltonian national banking, and fundamental science, are three pillars of the American System of National Economy, which America has abandoned.

This report will prove that, although January had some very cold days, this was not, historically, a very cold January. In the previous 12 years, there have been three colder Januaries—1982, 1985, and 1988. We will also prove that a huge part of the damage in California—the broken buildings, the collapsed highways, and so forth—could and should have been prevented.

### **Chain reaction of disasters**

Let us look at what happened, as disasters were multiplied in chain reaction fashion. Had the cold snap lasted several weeks, instead of only eight days, the problems would have been magnified severalfold. They showed the thin margin on which infrastructure functions, and how it dysfunctions during even normal times:

**Freight traffic:** Conrail is the leading—and in many places, sole—rail freight hauler in 14 states in the Northeast and Midwest. But during the cold snap, Conrail barely functioned. Among the problems: cracked rails, signal failures, locomotive breakdowns, and an inability of crews to drive to work. The railroad ran shorter trains, because current designs of air brakes don't work properly in the deep cold—a problem that would not exist if the nation had committed itself 10

years ago to a maglev train system. Many rail and freight shipments ran between 12 and 36 hours behind schedule. This intersected the lack of infrastructure in industry, because many industries, due to cost-accountants' fanatical cost-cutting procedures, adopted what are called "just-in-time production schedules." This means that companies keep almost no inventory on hand, and order only the week before what they need for the next week's production schedule (this is supposed to save money on the overhead costs of stocking inventory). The result: With Conrail service collapsing, and no inventory on hand, factories closed.

**Electricity:** On Jan. 20, the electricity demand of Virginia Power Co., which covers Virginia and a part of North Carolina, hit 14,800 megawatts, and Virginia Power was unable to handle that demand. Virginia Power, as well as utilities in Washington, D.C., Maryland, New Jersey, Pennsylvania, and other states, imposed "rolling blackouts" from 15 minutes to as long as 90 minutes in certain regions, in order to handle the energy load. They were prepared to impose daily blackouts of two, three, or four hours. We will examine the matter of electricity generation and power supply in greater depth below.

**Package Service:** The U.S. Postal Service was semi-privatized a number of years back, and this made mail delivery service worse. Many people, no longer trusting the U.S. Postal Service, turned toward UPS, Federal Express, and other private systems for package delivery that has a chance of delivering a package somewhere within a week. But UPS built its hub in Louisville, Kentucky, where, during the period of Jan. 16-21, the airport was shut down, as were all the interstate highway routes into and out of the city. UPS chief executive Oz Nelson exclaimed Jan. 19, "A major storm has shut us down."

**Water:** On Jan. 20, a 135-year-old water main in Brooklyn, New York broke, turning a several-block area into a lake, damaging homes along the way. The rupture of water mains in Philadelphia became so serious that by Jan. 24, the city had only one-third the 1 billion gallons of water capacity level in its reservoir system that it required. In response, Philadelphia's water utility cut down water supply to a trickle to 547,000 of its citizens, and cut off water altogether to others.

### **Earthquake exposes inadequate infrastructure**

Parallel to the cold snap of Jan. 14-22, on the morning of Jan. 17, at 4:31 a.m., the earth in the San Fernando Valley of California trembled. An "upper thrust" earthquake, measuring 6.6 on the Richter scale, ruptured the earth's crust, causing heaving and dislocation, especially in the sprawling city of Los Angeles, for approximately 30 seconds, before subsiding, followed by a series of aftershocks. The damage from the quake was extensive: 4,000 homes demolished; major highway-freeway systems, including the Santa Monica Freeway, the busiest in America, with 289,000 passenger

cars per day, extensively damaged (the Santa Monica Freeway will take 12-18 months to repair); 300 schools severely damaged; two major water mains ruptured, cutting off water to 50,000 customers; electricity cut off to 40,000 homes; and bridges, hospitals, businesses, and other structures damaged.

By Jan. 27, as we go to press, it is ascertained that 54 people have died from the quake (had it not occurred at 4:31 a.m., but during rush hour, hundreds or thousands would have died), and at least 109 have died from the infrastructure breakdown occurring during the cold snap (and probably hundreds of elderly people who died from hypothermia, due to inadequate heating, were not counted). It is estimated that the total damage between the two disasters is \$35-37 billion, with the bulk of it associated with the earthquake.

However, just as with the cold snap, which was reported as one of the coldest in decades, when it wasn't, the quake was portrayed as extraordinarily powerful, when it wasn't. The 1985 earthquake in Mexico, for example, which measured 8.1 on the Richter scale, was more than 50 times more powerful than the Los Angeles tremor.

*Between one-half and three-quarters of the damage resulting from both the cold snap and the earthquake could have been prevented.* Japan, which has 130 million people and a land area less than California, lives on several earthquake faults every bit as dangerous as those in California. But it has gone way beyond the United States in developing new scientific infrastructure to deal with earthquakes, as well as better applying infrastructure that has been around for a while. The idea that mankind is simply helpless in front of earthquakes is preposterous. Yes, a few deaths of those directly swallowed up by the quake, and death by kindred quake-induced accidents, are not preventable. But most such quake deaths and most structural damage are completely preventable.

### **Planned deindustrialization**

Why weren't the preparations made, especially since southern California has experienced six quakes of approximately 5 on the Richter scale or greater since 1987, indicating that the pace of quakes is increasing? For the same reason that preparations were not made to protect the Upper Mississippi River, above Cairo, Illinois, from flooding, and thus \$20-25 billion worth of flood damage occurred on the Upper Mississippi during the Flood of '93. This was not an act of nature. The U.S. Army Corps of Engineers knows how to build standardized levees, river diversion channels, spillways, cutoffs, and other flood control measures on the Upper Mississippi, but was prevented from doing so. During the 1930s and early 1940s, it built such structural features on the Lower Mississippi, below Cairo, Illinois, which was much more prone to damage from flooding than the Upper Mississippi. During the Flood of '93, the Lower Mississippi experienced no damage, unlike the Upper Mississippi. Four-fifths or more of the damage from the Flood of '93 was preventable.

The Anglo-American bankers and their environmentalist friends don't want infrastructure built. Their real purpose is to deindustrialize and depopulate the United States. If this policy continues, the United States will disintegrate as a nation. These forces are trying to revert the agriculturally and industrially developed Mississippi flood plain back to swamps and buffalo preserves. They will attempt to turn California, which holds so much of America's agriculture and its highly skilled aerospace sector, into a sunny tourist land, after perhaps dividing it into three parts. They are deurbanizing the urban centers of the eastern and midwestern United States, which are suffering from power shortages not only in the winter, but also in the summer. Broken water mains, untreated and disease-transmitting sewage systems, bridges in disrepair, the breakdown of schools and hospitals, all of these factors are forcing the shutdown of civilized urban life.

Moreover, the United States has not repaired significant damage from previous disasters. For example, according to an article in the Aug. 23, 1993 *Journal of Commerce*, one year after Hurricane Andrew had hit Florida, in the neighborhood of Southwest Homestead, only 27 out of 494 buildings—5%—were being repaired. Hundreds of thousands of people living in South Dade County, which Andrew pulverized, face the ugly prospect of losing their insurance sometime during 1994, since the insurance companies are unloading their policies. Were another Hurricane Andrew to hit, these people, the lucky ones who were insured then, would be out in the cold.

Unless a vicious cycle is broken, the deterioration of infrastructure, and thus of the national economy, will accelerate. It is budget cutting and monetarist "free enterprise" which are responsible for this crisis.

This report will proceed in the following manner to document the lack of infrastructure redundancy and the infrastructure breakdown.

First, we will examine the catastrophes of January, bringing out the real untold story behind the treacherous policy that led to the worse damage during the Los Angeles earthquake. It will also look at the real frightening picture that characterizes U.S. electricity generation, power supply, and fuel consumption.

Second, we will take a longer historical look. Using the highest scientific standpoint, the LaRouche-Riemann economic model, which is rooted in the concept of the rate of change of relative potential population-density, we will examine the underlying causes of the decline of the last 30 years, which have precipitated the infrastructure breakdown today.

Third, we will examine the monetarist budget-cutting mentality which is responsible for the infrastructure crisis.

Finally, we will present the positive program, developed by Lyndon LaRouche, to end and reverse the crisis, ushering in a new era of growth through infrastructure development.

# Milton Friedman and the California quake

by Richard Freeman

What does free-market economist Milton Friedman have to do with the devastation caused by the Los Angeles earthquake? Plenty. The earthquake was a natural incident, but it was in no way the cause of the disaster that ensued. Nor did the disaster start on Jan. 17, 1994, but 20 years earlier, when Friedman's policies of usury and monetarist budget cutting took hold—as we shall see.

The Los Angeles earthquake was not an exceptionally powerful quake (see **Table 1**). An expert in the field, Richard McCarthy of the California State Seismic Commission, stated simply, "This is not a big earthquake." But he added, "We shouldn't have had so many failures." A member of the California Department of Transportation, Jim Drago, said, "We had what you would call a catastrophic collapse. *This was a surprise.*"

For now, it may be impossible to physically halt earthquakes, and difficult to predict them, but it is still not inevitable that large damage must result. Apartment complexes, water mains, aqueducts, electricity lines don't ever have to crumble; homes, businesses, and critical highway overpasses need never collapse again. At least \$20-25 billion of the damage of the quake of Jan. 17 could have been avoided. There exist 1) state-of-the-art technologies that should have been applied to structures throughout Los Angeles, and weren't, and 2) emerging advanced technologies whose research should be adequately funded, and whose final product should be built in earthquake zones. The Japanese, who are the most advanced in the world in seismic structural engineering, are already doing this.

## The gutting of California infrastructure

In 1980, *EIR* founding editor Lyndon LaRouche co-authored a book entitled *The Ugly Truth About Milton Friedman*, which exposed Friedman's brand of usury-driven free-market economics. Friedman ruled out all dirigistically directed physical economic growth in which government credit-generation plays a role in expanding manufacturing, agriculture, and infrastructure. Such growth increases the tax revenue base, while expanding social services, without increasing taxes. In reality, this Hamiltonian approach is the only way to balance the federal budget. Instead, Friedman considered only the money flows in the economy as important. Friedman declared that drug-money dependent Hong Kong was his model of the best economy in the world, and

TABLE 1

**The frequency and size of earthquakes**

Richter Scale magnitude	World-wide occurrence
8 and higher	1 per year
7.0-7.9	18 per year
6.0-6.9	120 per year
5.0-5.9	800 per year
4.9 or less	9,150 per day

Source: Global Seismology and Geomagnetism On-line Information Service.

openly advocated legalizing cocaine.

Friedman was the guiding hand and ideological father of Howard Jarvis's California Proposition 13 movement in 1978, a populist tax revolt meant to destroy California's tax revenues and infrastructure. Friedman and his protégé Sen. Phil "Landfill" Gramm of Texas, were the ideological sponsors of the 1985 Gramm-Rudman federal budget-balancing act, which in the next eight years added an astonishing \$120 billion to the federal budget deficit. Finally, Friedman was an ideological author of the derivatives market: In 1971, he founded the Chicago Board Options Exchange to trade speculative derivatives. This market has exploded in size, and charted the course of the economy, along with other key actions, into a usury-driven "post-industrial" society.

After June 6, 1978, California taxes for infrastructure took a nose dive. On that date, Howard Jarvis, a representative for the apartment building real estate interests, with a major boost from the media and a faction of Wall Street, convinced 65% of California voters to vote for Proposition 13. Proposition 13 had a nice populist ring: "Taxes and Washington politicians are the root of all evil. Eliminate them, and everything will be fine!" This is hogwash.

In 1979, as Proposition 13 became state law, taxes were rolled back on California residential properties to 1% of the residential properties' 1975 assessed valuation. Thereafter, as a result of a complementary law, future property taxes were limited to the annual rate of inflation or 2%, whichever was lower, and required a two-thirds vote of the state legislature to impose any new state taxes. A subsequent amendment, part of the same tax revolt, required that any proposal to raise taxes which appeared on the California ballot, could not pass with a simply majority, but would require a two-thirds vote.

When Jarvis fought to pass Proposition 13 in 1978, the U.S. economy was in trouble. There were a series of national economic policy decisions with deleterious effects: the 1971 decoupling of the dollar from gold, the 1973-75 oil shock, the 1978-79 oil shock, which was just starting, and the cumulative effects of post-industrial policy, dating back to 1965-67. Taxes did fall on homeowners, although homeowners

were enjoying in California a 75% run-up in the value of their homes between 1975 and 1978. Jarvis and his friends wanted the increased value of their homes, but not the taxes that went along with that. Moreover, they wanted to focus matters locally, and not take on the national depression, which if they had, and the tax base had been rebuilt, there would not be need for tax increases.

It is useful to see some of the groups that benefitted from the "people's tax revolt." Twelve percent of the Proposition 13 tax reductions went to landlords; business properties accumulated an additional 28% of the reductions, but within this 28% figure, there is a sharp differentiation. Standard Oil of California, which backed the tax revolt, saved a staggering \$47 million the first year alone.

The "tax revolt" sought to obliterate the local tax base, and did. It deliberately created a whole group of people, who, provided they did not move, would pay year after year, effectively the same 1% tax rate, with minor inflation adjustments. In California, in some counties, as many as 82% of the residents have not moved since 1978. This wiped out the tax base, and severely hampered local government. Money for education, police, and other services dried up. In Humboldt County (population, 120,000), the county had to cover worn roads with *gravel*, rather than with more expensive pavement. Robert Hendrix, the former administrative officer of Humboldt County, said, "We're on our way back to 1934 in the way our roads are maintained."

The last point is of great importance for our earthquake story. County and local governments cannot be counted on for undertaking the expensive overhauls needed for earthquake protection. The Milton Friedmanite-shaped "tax revolt," brought into existence through the vehicle of Howard Jarvis, brought California's county and local governments to this precipice.

### Onset of the national depression

Meanwhile, in 1985, the U.S. Congress passed the Gramm-Rudman budget-balancing bill. Local revenue-sharing and other programs that aided state governments, as well as local governments, especially infrastructure funds, were slashed. Nonetheless, between fiscal year 1985 and fiscal year 1993, because of Gramm-Rudman, the U.S. annual budget deficit widened by an additional \$120 billion to over \$300 billion.

The U.S. physical economy's breakdown hit California with a fury. Between 1987 and 1992, U.S. defense spending, in inflation-adjusted dollars, fell by 40%; further cuts are now in store. The aerospace-defense industry, representing, along with the machine tool industry, the most capital-intensive plant and equipment, and most highly skilled work force in America, is being decimated. Over 30% of the aerospace-defense sector is concentrated in California. So far, 162,000 California aerospace-defense workers have lost their jobs. Those workers earned between \$35,000 and \$75,000 per



year. Their tax revenues are now eliminated. Since mid-1990, California has lost over 450,000 jobs, and 100,000 people, net, have emigrated from the state.

Gov. Pete Wilson, a George Bush Republican, has cut more than \$12 billion from the state budget over the last few years, in an insane bid to balance the budget, while not addressing the issue of the national depression.

This chain of events, is the *rigorous reason* that on Jan. 17, a natural incident was transformed into a catastrophe for the citizens of Los Angeles.

### **State-of-the-art infrastructure not used**

Before the earthquake occurred in Los Angeles, state-of-the-art structural engineering designs already existed to retrofit existing structures.

Take the case of highway or freeway support columns, upon which the deck of the highway rests. Columns built before new stringent requirements went into effect in 1988 in Los Angeles, consist of vertically standing steel support bars (called rebars), encased in a circular concrete moulding. The problem is that under the stress of an earthquake, the concrete in the old column shears apart, leaving the exposed steel bars standing alone, to support the entire weight of the highway deck. Under these conditions, and the continuous vibrations caused by the earthquake, the steel bars would, in turn, buckle, sending the deck plummeting to the roadway below.

Had state-of-the-art retrofitting been applied, a set of steel rings and/or a sheet of steel would have been wrapped around the concrete encasement of the highway support columns. A layer of polystyrene would have been inserted between the concrete and steel to provide cushioning and insulation.

Thomas Hanks, a seismologist with the U.S. Geological Survey in Menlo Park, California, told the Jan. 18 *Wall Street Journal* that roadway damage Jan. 17 appeared to exceed damage caused by the 1971 quake at Sylmar, which is near Los Angeles. While noting that the Jan. 17 quake was centered closer to heavily populated areas of the San Fernando Valley, Hanks nevertheless challenged the effectiveness of the state's highway improvement efforts. "We've had 23 years [since the Sylmar quake], to gather knowledge, pour more cement, and install more reinforcing steel," he said, "yet more bridges came down."

The reason that, in the quarter-century since the Sylmar quake, many of the most important structures in Los Angeles had not been retrofitted, was budget-cutting.

Beginning in 1971, following the Sylmar quake, the state of California spent hundreds of millions of dollars installing devices to prevent roadways from being knocked off their supporting pillars during periods of seismic stress. Then, after the 1989 Loma Prieta quake hit the San Francisco Bay area, the state initiated a second round of construction to reinforce pillars and foundations holding up the highways.

The job cost \$3.4 billion, but after more than three years,

only \$1.5 billion was laid out for the job, less than half. As a result, only 300 of the 865 bridges and overpasses designated for reinforcement were modernized.

This was typical of California's performance. Highway officials said that the worst roadway damage occurred at overpasses where columns and foundations hadn't yet been reinforced. The eight-lane Santa Monica Freeway is a glaring example. It was scheduled for retrofitting, but this was not done, and 289,000 vehicles travel on it daily. The Santa Monica Freeway is the most heavily traveled highway in America. Had the Jan. 17 earthquake struck during rush-hour, when the freeway has peak traffic, there could have been hundreds or thousands of deaths. *Now it will be closed for repairs for 12-18 months.*

Only a tiny portion of the older buildings in the region which should have been retrofitted—with some state assistance—to meet the more stringent and scientific design limits imposed on construction in 1988, have had this done. The Northridge apartment building which collapsed and killed 16 residents, for example, reportedly had a "soft" or unreinforced first floor, which would have to be strengthened by steel supports to meet today's building standards. This was not done. Old masonry buildings, where poor Hispanics live, collapsed. More than 11,000 dwelling units have either collapsed or been permanently condemned because of the quake. Many thousands of people are living in tents or in the open air.

Two aqueducts in the San Gabriel Mountains ruptured, shutting off water service to almost 50,000 customers. The aqueduct system should have been retrofitted, but wasn't. The list goes on. Power supply was knocked out, a few days after the quake, to 100,000 people. Environmentalists had forced the closure of four gas-burning plants in the environs of Los Angeles, which had supplied 80% of the city's power. Now, Los Angeles must "wheel in" power from other areas and even other states, and that system broke down.

Through it all, as Governor Wilson toured the earthquake zone, rather than offering a solution, he emphasized the ideological theme that, come what may, *no new taxes* will be raised.

### **More advanced technologies**

Retrofitting and other state-of-the-art technologies are vital and could have prevented, perhaps, between one-half and three-quarters of the \$30 billion in damage associated with the quake. This would have been a godsend, saving more than half the lives that were lost. But one of the crimes committed for the last 10 years is that new and far more advanced engineering technologies for resisting earthquake damage were not explored and pushed forward toward testing and implementation. This is not surprising, since California and the United States as a whole did not even utilize existing technology.

Expenditure on earthquake-resistant engineering techno-

logies in the United States is far less than \$1 billion annually. Compare that to the \$30 billion-plus damage from this quake, and the \$4.5 billion damage from the 1989 San Francisco Bay quake.

One idea is to develop "active" quake-resistant technologies, which are different from the "passive" systems in use since 1971. The Japanese are leading the way in this. The idea of active rather than passive systems has two main aspects. First is the development of "smart materials," which have special properties. One "smart material" is a fluid mixture of mineral oil and aluminum oxide. When electricity passes through the fluid, it becomes more viscous. The higher the applied electrical voltage, the greater the viscosity of the mixture. Earthquake vibrations automatically transmit current to, and thus activate, the smart material. A structure in an earthquake zone would be built into the smart material. During an earthquake, the change in viscosity of the smart material, would allow the structure to yield to the quake, but also transmit back to the quake some of the quake's own energy. The structure is no longer a passive sitting duck.

Dr. Saïd Saïdi, professor and researcher of Civil Engineering at the University of Nevada at Reno, told the Jan. 20 *Wall Street Journal* that smart materials applied to bridges "can absorb a great deal of energy." He said that such materials can allow bridges to sway without collapsing.

Another "active" approach, being studied by Tsu Soong, professor of civil engineering at the State University of New York at Buffalo, uses hydraulic systems and/or steel tension wires to produce repelling forces which counterbalance and right a structure against the jolts of an earthquake.

The exciting feature of this earthquake research, is that it does not accept the condition of soil or of the earth's substrate as given.

This research is run on a shoe-string budget in the United States. No force in government or outside it has actively demanded it be developed and funded appropriately. Most of these American research projects are years away from the development phase.

This is not the case in Japan, however, which leads in these technologies, and has already the technologies in several areas. The Japanese have also experimented with constructing buildings on rubber pads, something that has belatedly been picked up in the United States, and is now being tested in 10 U.S. structures. Japan has a population of 130 million, living in an area one-third the size of California (population 30 million); thus its urban structures are closely packed. Japan is a nation living directly over some earthquake faults. Unlike the United States, Japan takes that situation, and human life, very seriously, and the Japanese have an "Earthquake Day" every year. Everybody learns what to do during an earthquake. In some parks, there are earthquake simulator rooms, which shake strongly. A family enters the rooms and learns what to do.

Japan also leads the United States in the building and use of "shake tables," which shake violently and are used to test the seismic features of scale-model replicas of structures to be built. Shake tables are to earthquake structural engineering what wind-tunnels for testing airplanes are to aerodynamic engineering. Yet, while the United States has only one table, which is 20 feet long, Japan has 20 such tables, with one table on the island of Sinkoku, which was used to test scale models of nuclear plants, being 50 feet long. Larger tables allow larger models to be employed in the tests, and thus more accurate knowledge to be obtained.

One final note. The earthquake did open up the question of having Los Angeles build a mass transit system. Up through the 1950s, the Los Angeles area was served by an excellent mass transit system called the Red Car. It was essentially an over-sized trolley car, sometimes more than one car linked together, which travel on railroad-type tracks around the county. The Red Car system was simply bought out by a cartel which was formed for this purpose, consisting of, among others, companies associated with automobile and bus interests. This cartel immediately shut the system down and scrapped it. The same thing was done in Baltimore and other cities. Now is the time to push ahead on a modern, fast, and comprehensive Los Angeles mass transit system.

## An electricity grid 'doomsday' scenario

by Richard Freeman

The January cold snap forcefully raised the question of just how close the eastern two-thirds of the United States' power grid may have come to a power blackout lasting several days, had the policy of "rolling brownouts" not worked.

First, we settle the question: Just how cold was January, really? The National Climatic Data Center attempts to quantify the cold by a measure called "heating degree-days." A heating degree-day indicates how many degrees the day's mean temperature fell below 65°F. So, if Day X had a mean temperature of 0°F, then Day X had a "65 degree-day." Then the sum of the heating degree-days for a month is stated as a cumulative total. With the temperature for some of the last days of January 1994 estimated, the National Weather Service projected that January 1994 would produce a 1,017 degree-day month. If that projection holds true, then this January will not be as cold as January 1985 or January 1988. January 1982 was a 1,130 degree-day month, a full 10%

colder than this January. Although January 1994 may have produced more *extreme* low temperatures, placing peak energy demands greater than those of other recent Januarys, the unusual weather merely exposed the overall fragility of the system.

### The brink of collapse

Nonetheless, this January pushed much of the nation's power grid to its outer limits, using a procedure by which the whole system could have failed. The partial failures of the current power grid system were not due to the record cold, but the inadequacy of the system, an inadequacy that would not have existed 25 or even 15 years ago. We will use the case of Virginia Power, the major electricity supplier to Virginia and to a part of North Carolina, to illustrate the point.

As early as 1990, the Virginia State Corporation Commission (SCC), the agency that regulates the state's utilities, wrote a scathing report on Virginia Power, blasting the company's decision to buy, by the year 2000, up to 31% of its electricity output from generating plants it did not own. The SCC also criticized Virginia Power for overestimating the capacity it had, while underestimating the peak demand of electricity use it would have to supply. Clearly, Virginia Power was trying to produce as little power as it could, and to get by with as little power as it could. The State Corporation Commission's staff report concluded, in very strong language, that "the most disturbing aspect of this case is not the problems identified by the parties. . . . It is the *company's refusal to admit, at least publicly, that its capacity-planning and acquisition process is experiencing problems that need to be corrected*" (emphasis added).

Apparently, Virginia Power never corrected the problems identified by the SCC. Spurred by pro-financier, pro-environmentalist regulators, Virginia Power, like almost every utility in the nation, devised various schemes to reduce demand. In fact, utilities have a category called "interruptible demand," which counts as an addition to the utility's capacity, *which is the utility's ability to shut off electricity to customers during peak load periods*. Sometimes the utility pays for this privilege of shutting off customer's electricity, and sometimes it doesn't. For example, Pepco, the utility that supplies electricity to metropolitan Washington, D.C., effectively pays customers to allow it to turn off their electricity. Pepco permits residential customers to save \$7 to \$9 per month during the summer. Pepco installs a radio-activated device that allows it to turn off the customer's air-conditioner compressors for 13 minutes out of each half-hour on up to 15 summer afternoons.

During the cold snap of January 1994, Virginia Power and other utilities were turning off customers' power—without asking the customers—as a way of keeping its electricity grid from becoming unglued. Not just Virginia Power's grid was affected, because wheeling (trading) electricity among

utilities is so common these days, and because almost all the utilities are in the same fundamentally tenuous condition as Virginia Power. It was the entire East Coast electricity grid that was at risk of becoming unglued.

On Jan. 19, Virginia Power began implementing a policy of "rolling blackouts"—temporary, but repeated, shutdowns of power to its customers. By 6:00 a.m. on the morning of Jan. 19, Virginia Power knew that demand had risen above the level it had predicted the previous night. So Virginia Power cut voltage by up to 5% throughout its system. That wasn't enough. So at 8:23 a.m., Virginia Power ordered rolling blackouts, eliminating 400 watts of its load. Still not enough. Twenty minutes later, Virginia Power lopped off 800 megawatts of power supply from the system. This meant large numbers of customers were losing power. The utility's procedures required the blackouts to be carried out through a checklist of priorities that was to preserve power to hospitals, police, fire and rescue operations, and public services such as water and sewage.

Some priority customers weren't protected at all, however. The sewage treatment plant in the state capital of Richmond, for instance, was blacked out without warning. At a Suffolk peanut-processing plant, a company spokesman explained, "We shut down for [four shifts] because we could never get an answer about whether we'd seen the end of the blackouts." This plant lost a huge batch of peanuts, which it was about to hoist from a boiling bath when the power went out.

Virginia Power was committed—in fact, locked in, as a matter of iron-clad policy—to instituting deeper and deeper power cuts to get out of the crisis that it was in on Jan. 19. The reason, a company spokesman explained, is that if demand kept outstripping supply, this would have forced an automatic, computer-driven dumping of power users across the whole nation. Virginia Power would not have had to do anything.

In this doomsday scenario, a computer would have, at a certain point, triggered the whole process, without Virginia Power's being able to stop it. In Virginia, this would have meant that almost 5,000 megawatts of Virginia Power's electricity would have been dumped, more than six times the amount of power that the company had eliminated in rotating blocks. Then there would have been a total blackout lasting several days, during the cold winter weather. An official of a Virginia Power subsidiary, Gus Kappatos, told the Jan. 23 *Richmond Times* that if the strategy of rolling blackouts "hadn't worked out, everyone would have been out of [power] for days." Does America really want to live this close to the edge? The only thing that pulled Virginia Power out of this scenario, is that the weather warmed up. What if a real cold wave, colder than any of the winters of the last 15 years, were to strike? The nation would face a catastrophe worse than any it has yet seen.

# A 30-year process of destruction of American infrastructure

by Richard Freeman

The breakdown of the Conrail system's ability to deliver goods across 14 states of the Midwest and Northeast during the Jan. 14-22 cold snap comes as no surprise. In fact, it is a chilling confirmation of a 30-year trend of the breakdown of every basic form of infrastructure in America. Economics is surely not the arrangement and trading about of scraps of money, though this holds great fascination for financiers. Rather, the essence of measurable economic science is the relationship between rates of scientific and technological progress, as cause, and the increase of the productive powers of labor, which drives the economy forward, as a result.

How is this achieved? Through man's mind, creative reason's sovereign power, acting in the living image of God (*imago viva Dei*). Man's mind creates and advances science and technology, which modifies and fosters improvements in his own power of labor. This increases the rate of relative potential population density, as economist Lyndon LaRouche has discussed in many published locations (see, for example, *The Science of Christian Economy*, Washington, D.C.: Schiller Institute, 1991).

As LaRouche emphasizes, infrastructure is indispensable to this process. Before a producing firm can start business, it must have available to it the quantity and quality of basic economic infrastructure required by the scale of business operations and by the type of business and the level and kind of technology. Without the necessary infrastructure, not a business, not a household, not a city, not a state could exist. He who defends a Robinson Crusoe "free market" economics based on pure exchange and trading, beware. He who denies the role of infrastructure, denies his own existence.

To understand economic processes, one must look at them as historical processes, over the long term. But one must also examine them on a *per capita*, *per household*, and *per square kilometer* (or *square mile*) basis. These are like power functions. The *per square kilometer* basis allows one to view the intensity of an economic process per land area. The *per capita* and *per household* basis tells one how intensively the household—the delta of least economic action—as well as the individual, act upon and shape, acting through the economy, man's intervention upon nature.

If one employs the LaRouche-Riemann economic method to examine the American economy, one can see that the Jan. 14-22 cold snap was a minor event, a tertiary triggering

mechanism, which simply rooted out and brought to the surface the 30-year collapse of American infrastructure. *EIR* analyzed this collapse in its Jan. 1, 1994 special issue, "Thirty Years after JFK: Restore Economic Sanity." We forecast that disasters, such as of January, would occur, and *EIR* Economics Editor Christopher White asked, "Could the United States Go the Way of Russia?"

Look at **Figure 1**, which describes America's railroad network, showing kilometers of track, divided by key parameters. The 1967 values were set equal to 1.0, and subsequent years are compared to 1967. Notice that on the *per square kilometer* basis, railroad trackage slightly increased and then stayed constant, but that on a *per capita* basis and *per household* basis, it fell, approximately 15% and 30%, respectively. Notice further, that the policies during period 1979-82, when

FIGURE 1  
**Railroad network**

(indexed to 1967=1.0)

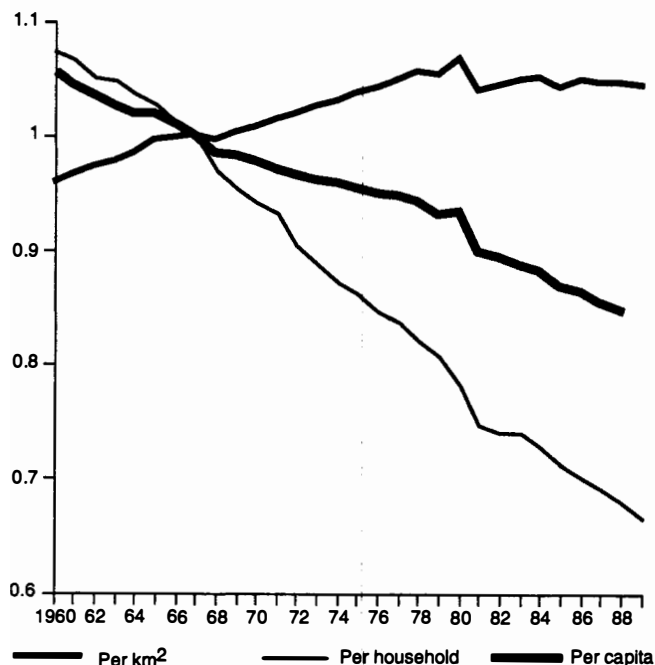
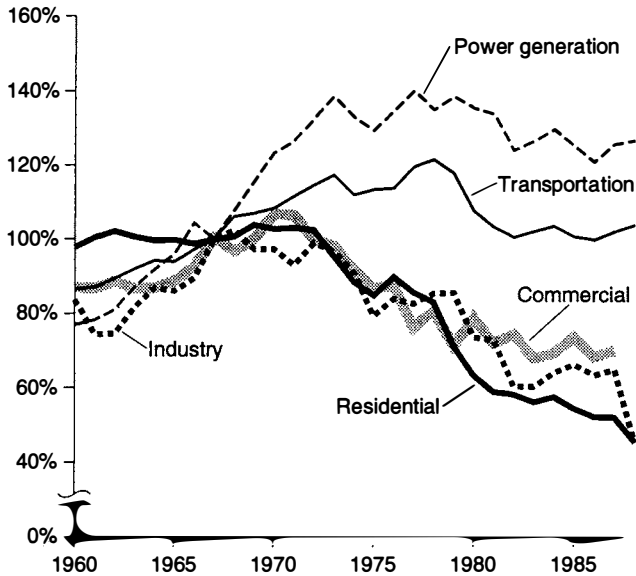


FIGURE 2  
**Fuel consumption**  
 (percent of 1967 levels)



Source: EIR.

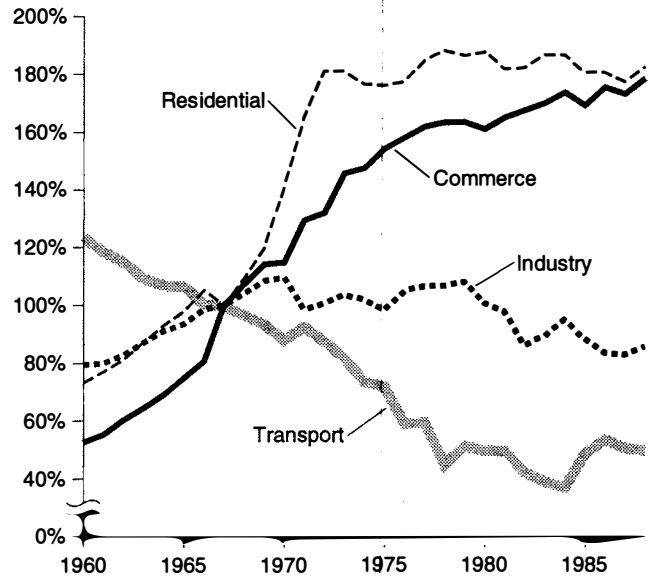
Federal Reserve Chairman Paul Volcker instituted his policy of astronomically high interest rates, caused the parameter levels of rail trackage to take another dip downward. This means that the American rail system is deteriorating in its ability to handle the per capita and per household needs of America. That represents a policy of attrition of our rail system which would correlate with the overall lack of upkeep of rails, such that during the recent cold snap, Conrail's brake system did not work; its tracks cracked, etc.

### Fuel production and consumption

Next look at fuel consumption. Figure 2 shows fuel consumed by end-use sectors of the economy, on a *per household* basis, that is, the amount of fuel consumed by industry, households, or others, each divided by the number of households. Again, 1967 values are set equal to 1.0, and subsequent years are compared to 1967. Industry and household consumption of fuel, on a *per household* basis, fell nearly 60% from their 1967 levels. Some fools will say this reflects energy conservation; what it really shows is that steel blast furnaces and other manufacturing enterprises that use fuel closed down. Use of fuel for transportation rose through approximately 1977, the year before the second oil shock, but then tapered off. (This reflects primarily the use by motor vehicles of 60% of the oil in the economy.)

The consumption of fuel for power generation (electricity) showed a 40% rise above 1967 levels. This showed a trade-off: In an attempt to counteract the sharp decline in

FIGURE 3  
**Electricity consumption**  
 (percent of 1967 levels)



Source: EIR.

industry and household consumption of fuels, the United States developed a heavier reliance on electricity. Electricity is a more highly organized and powerful form of energy.

Figure 3 shows electricity consumption, expressed on a *per household* basis. Notice that a huge leap in electricity consumption is registered by the category "commercial." Its path from 1960 onward was straight up. This reflects, in a sense, a waste of the higher energy form. The commercial sector also doubled its share of the total output of electricity consumed in the economy between 1960 and 1990. Residential use of electricity also increased up through about 1972, and then it tapered off. This is largely for heating/cooling functions, and appliances. Notice that industry, which could benefit from revolutionary applications of electricity, such as laser machine tools, actually saw its consumption of electricity, on a *per household* basis, fall by more than 10% relative to 1967 levels. Overall, after 1972, electricity consumption *per household* for all the sectors either stayed flat or fell.

Now let us go one step back in the electricity-generating process, and look at the utility companies acquiring the requisite capital goods to keep up their generating capacity. Table 1 shows installed new turbine generator capacity at U.S. electric utilities. Turbines and generators are the *sine qua non* of electricity generation. When hydro or steam flows activate rotary motion in turbines, this motion induces current in the generator. On a *per capita* basis, newly installed turbine generator capacity in 1990 was one-sixth the level it was in 1969. Even on a *per square kilometer* basis, 1990

TABLE 1

### Declining installation of turbine generator capacity by U.S. electric utilities

Year	Installed capacity (megawatts)	Per capita (watts)	Per household (watts)	Per km <sup>2</sup> (watts)
1969	22,291	109.9	358.2	2378.3
1970	27,741	135.2	437.5	2959.7
1971	26,087	125.6	405.2	2783.3
1972	31,924	152.0	478.7	3406.0
1973	35,392	167.0	518.5	3776.1
1974	36,397	170.1	521.0	3883.3
1975	34,440	159.4	484.2	3674.5
1976	20,421	93.6	280.2	2178.7
1977	27,525	124.9	371.0	2936.7
1978	22,729	102.1	298.9	2425.0
1979	17,195	76.4	222.3	1834.6
1980	22,406	98.3	277.3	2390.5
1981	15,177	65.9	184.2	1619.2
1982	13,236	56.9	158.4	1412.2
1983	10,032	42.7	119.5	1070.3
1984	19,730	83.3	231.0	2105.0
1985	17,108	71.6	197.1	1825.3
1986	16,065	66.7	181.6	1714.0
1987	11,443	47.0	127.8	1220.8
1988	8,068	32.8	88.5	860.8
1989	7,312	29.5	78.7	780.1
1990	4,504	18.0	47.6	480.5

Source: Edison Electric Institute.

levels were but one-fifth those of 1969. This is the crowning proof that the Jan. 14-22 cold snap did not *cause* "rolling blackouts." The trend over 20-years-plus was for utilities to drastically reduce their net additions of fundamental green-field electric generating capacity; that caused the crisis.

**Table 2** shows the new orders for power transformers, of a size of 501 kilo-volt-amperes (KVA) or larger. Large power transformers, of 10,000 KVA and above, are used to step up the voltage of electricity generated by a power plant, usually between 2.4 and 30 kilovolts (KV) to the higher voltage (sometimes as high as 765 KV) required to efficiently move the current through hundreds of miles of transmission lines. These power transformers are known as generator transformers. Along the transmission lines are other power transformers known as shunt reactors, which operate to keep the voltage up to the required level over long distances. Where two different transmission systems interconnect, autotransformers operate to adjust the voltage level of one system to another. There are also transformers of varying size to download the power from the transmission lines to factories, and even smaller ones, to supply homes. The *per square kilometer* fall of two-thirds between 1972 and 1992 is stunning.

TABLE 2

### Declining new orders for power transformers (for transformers 501 kilo-volt-amperes and larger)

Year	New orders (thousands mega-volt-amperes)	Per capita (MV-A)	Per household (MV-A)	Per km <sup>2</sup> (MV-A)
1972	184,978	.88	2.77	19.74
1973	232,244	1.09	3.40	24.78
1974	293,012	1.37	4.19	31.26
1975	109,299	.50	1.53	11.66
1976	111,189	.50	1.52	11.86
1977	122,793	.55	1.65	13.10
1978	136,959	.61	1.80	14.61
1979	140,970	.62	1.82	15.04
1980	134,646	.59	1.66	14.37
1981	98,224	.42	1.19	10.48
1982	81,727	.35	.97	8.72
1983	70,732	.30	.84	7.55
1984	66,797	.28	.78	7.13
1985	66,004	.27	.76	7.04
1986	80,110	.33	.90	8.55
1987	78,974	.32	.88	8.43
1988	83,872	.34	.92	8.95
1989	89,309	.36	.96	9.53
1990	89,876	.35	.96	9.59
1991	80,745	.31	.85	8.62
1992	62,474	.24	.65	6.67

Source: Edison Electric Institute.

### The construction industry

**Figure 4** rips apart the idea that America is building new structures. Yes, America is building office buildings and shopping malls, but the crucial parameters are manufacturing plant sites, educational facilities, and hospitals. Figures for new building construction for each of the three, expressed in millions of square feet of new annual construction, were gathered by the Dodge/McGraw Hill research firm. These figures were then put on a *per capita* basis. Again, the value for 1967 was set equal to 1.0, and every other year was compared to 1967. Hospital new floor space construction, expressed on a *per capita* basis, was off 20% from 1967 standards, and manufacturing and schools were each off by 50% or more.

Finally, let us look at **Table 3**, an array of materials and capital goods that figure prominently in most infrastructure projects (as well as some homebuilding). The materials are gravel and crushed stone, clay, bricks, and cement. The capital goods are bulldozers and graders and levellers. A bulldozer is a machine with a large blade mounted squarely in front of a tractor unit, which is used to level or clear away excess soil and debris. A grader or leveller is equipped with a sharp cut-

FIGURE 4

### New building construction

(square feet, per capita, indexed to 1967=1.0)

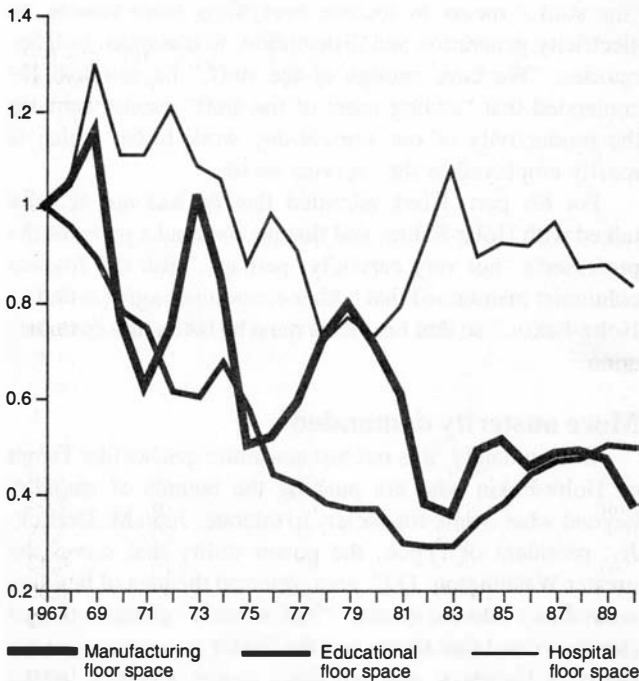


TABLE 3

### Falling materials and capital goods production

(per household basis, 1967=1.00)

Year	1967	1973	1979	1982	1990
Gravel and crushed stone	1.000	1.023	0.914	0.624	0.575
Clay	1.000	1.022	0.759	0.459	0.544
Bricks	1.000	0.999	0.850	0.451	0.598
Cement	1.000	1.045	0.911	0.632	0.689
Bulldozers	1.000	1.200	0.713	0.334	0.306
Graders and levellers	1.000	0.786	0.748	0.383	0.349

ting edge designed to slice off topsoil, and usually has a lift capability to discard it. In this case, values were placed on a *per household* basis and compared to 1967 values. Notice that the falls, across the board, amounted to 30-65%.

When looked at from this 30-year historical perspective, American infrastructure, from rail to electricity generation, from new manufacturing plant construction to capital goods for road work and the like, is going through the floor. This was taking place long before the cold snap of January 1994 or the Jan. 17 earthquake. It will continue, transforming other moderate or garden variety natural incidents into major catastrophes, unless policy is reversed.



*Workers repair a water main break in Washington, D.C. in November 1993. The decay of urban infrastructure long predates the January cold snap, being the result of 30 years of incompetent economics.*

# Idiots cheer demise of infrastructure

by Anthony K. Wikrent

While the tragic results of the failure to maintain and modernize U.S. infrastructure are obvious to anyone with eyes to see, the surprising thing is how militantly stupid the so-called experts are who are responsible for the crisis in the first place.

Take the assistant vice president of the Federal Reserve Bank of St. Louis, John A. Tatom. In a policy analysis published by the radical free enterprise Cato Institute, and excerpted by the *Journal of Commerce* on Aug. 20, 1993, Tatom argued that the infrastructure crises of America are "mythical." No matter that millions of acres of some of the world's richest farmland, located in his district, have been turned into a sixth "Great Lake" by the absence of the flood-control projects the Army Corps of Engineers had wanted to build on the upper Mississippi and Missouri rivers in the 1950s—for Tatom, the key question was whether spending on infrastructure has a positive effect on "private sector productivity."

Tatom attacked the findings of Bates College Prof. David Aschauer and Boston Federal Reserve Bank analyst Alicia Munnell, who found a correlation between infrastructure development and growth of productivity. He accused them of "an elementary statistical fallacy called 'spurious regression.' In this case, the result is a slight twist on the familiar fact that if two wholly unrelated measures have similar trends over time, they can appear to have a statistically significant relationship when none, in fact, exists." According to Tatom, the correlation Aschauer and Munnell found between infrastructure and productivity is rendered statistically insignificant by the "Granger causality test." As it has been observed, there are lies, damned lies, and statistics.

## Quacks and liars

Then take the *Wall Street Journal* of Jan. 4, 1993, which carried a front-page column by Lindley H. Clark, Jr., prominently citing Syracuse University Prof. Douglas Holtz-Eakin's argument that infrastructure projects must be subjected to cost-benefit analysis, and that government capital spending has "essentially zero" impact on productivity.

When *EIR* reached Holtz-Eakin by telephone and asked what he thought of the historical role played by the Erie Canal, he admitted that his "research" had been limited to

the period from the 1960s to the present, i.e., the "post-industrial" era. He said that he had not read much about earlier periods. In fact, he flatly stated, "I don't know very much about the subject of infrastructure development."

The professor referred to infrastructure collectively as "the stuff," meant to include everything from sewers, to electricity generation and distribution, to transport, to laboratories. "We have enough of the stuff," he asserted. He contended that "adding more of the stuff" cannot enhance the productivity of our present-day work force, which is mostly employed in the "service sector."

For his part, Clark admitted that he had not actually talked with Holtz-Eakin, and that he had read a paper of the professor's "not very carefully, perhaps." But the *Journal* columnist maintained that "other economists agree with Dr. Holtz-Eakin," so that his views must be taken into consideration.

## More austerity demanded

Unfortunately, it is not just academic quacks like Tatom or Holtz-Eakin who are pushing the bounds of stupidity beyond what is safe for society to tolerate. John M. Derrick, Jr., president of Pepco, the power utility that serves the greater Washington, D.C. area, rejected the idea of building redundancy into the system. "You wouldn't design a church [for the crowd that shows up] for Easter or a synagogue for the High Holidays, and you don't design a system for the absolutely unprecedented level we might hit," he said. That was on Jan. 20—the very day that Pepco issued an ultimatum to the U.S. government forcing the shutdown of Washington, D.C. because there was not enough electrical generating capacity on the U.S. central- and north-eastern seaboard to handle a week-long cold snap.

Pepco spokesman Tom Welle told the Jan. 20 *Washington Times* that new power plants "are expensive. . . . The solution is not to build another power plant. It is far cheaper to curtail the use of electricity."

Then the *Wall Street Journal* on Jan. 24 demanded in its lead editorial, "The Earthquake's Opportunity," that the government save 20% on the cost of rebuilding Los Angeles's shattered infrastructure by jettisoning its practice of paying prevailing wage rates to its construction workers.

The *Journal* went on to demand that mass transit projects be abandoned, and the money diverted to gerry-rigged "shuttle services run by entrepreneurs" (perhaps rickshaws powered by opium-addicted coolies?); all apprenticeship programs in the construction trades be eliminated to enlarge the "tax savings"; and a complete ban on repairing damaged schools. There shouldn't be any new schools built, either, but rather the establishment of "innovative" charter-type schools in rented commercial office space, according to the *Journal*. Finally, to put a point on it, the *Journal's* editors flat-out demanded that Medicaid be cut.



# 'State of Emergency' national economic mobilization needed

by Marcia Merry

The earthquake in California and Arctic freeze across much of the United States in January show the need for a declaration of federal economic emergency, not merely "official state disaster" designations. What is required is a mobilization of the nation to begin to rebuild out of the wreckage that now characterizes the entire U.S. economy.

There are four main features of such an emergency program. First, a state of national economic emergency must be declared. Second, the federal government must nationalize the Federal Reserve System, the private agency acting to thwart the development of the economic base of the country. Third, a national program of large-scale infrastructure and development projects in the areas of energy production, water, transportation, education, and health care must be undertaken, and a list of priority rebuilding projects for the worst-hit "natural" disaster areas must be begun. Fourth, restructuring and moratoriums on repayment of international and domestic debt, in order to facilitate private industrial, agricultural, and related enterprises, and research and development efforts, must be implemented. Here we outline the infrastructure development effort.

## No ordinary 'relief' effort

Only by means of this overall economic mobilization will the "relief" be possible for the disaster-struck regions—the California earthquake zone; the Mississippi-Missouri flood zone; the hurricane zones. There are specific, immediate requirements for each region, as indicated in other sections of this report. However, no significant rebuilding can take place without a revitalization of the economic base of the nation.

This in turn addresses the issues, raised by some in the incoming Congress and by President Clinton in his Jan. 25 State of the Union address, of how to solve the problems of unemployment, crime, and despair now taking the nation down. An infrastructure-led rebuilding program will involve the direct and indirect creation of at least 6 million skilled jobs, and another 2-4 million jobs of all kinds.

Look at Los Angeles: Even without the Jan. 17 quake, which measured 6.6 on the Richter scale, the region has been rocked by the loss of 202,000 highly skilled aerospace jobs in only the last five years.

Look at the 10-state region in the upper Mississippi-Missouri river basin: Even before the once-in-500-years flood of

1993, rural counties had been hit so hard by financial ruin of family farms, shutdown of independent food-processing operations, and of farm machinery manufacturing and related services, that hundreds of counties have become depopulated, and once-thriving cities are ghost towns.

Is an infrastructure and jobs mobilization "practical"? The answer to that is posed by the questions: Is clean water practical? Is housing practical? Is food practical? Is living out a full life span practical? Are families practical? The Federal Reserve has said no. Such demands are too costly and impractical.

## Will the public force the issue?

In contrast, national leadership groups have been issuing reports on the disastrous state of nation, and the need to take action. The important question is, when will the public force the issue, and the groundbreaking begin?

In winter 1992, the National Conference of Mayors issued a two-volume, twin-telephone book-size report called "Ready-To-Go Projects," which outlined projects that could be started immediately in cities across the country for transport, water, health, education, and other infrastructure and urban services. Next to none has been completed. In December 1993, the National Conference of Mayors issued another report, documenting the growing joblessness, homelessness, and hunger in the cities. The worst rate of decline was found to be in Los Angeles—before the earthquake.

The mayors thought that after the 1982 U.S. recession, when they formed an ad hoc committee to report on the urban impact of the downturn, that the situation would be temporary and would "clear up." Today, as the mayors issue their 11th annual homelessness report, the situation has reached crisis proportions. The "State of Black America," released in January by the Urban League, paints the same picture.

To deal with the crisis, economist Lyndon LaRouche offered an emergency "recovery" program of the type outlined above on a national half-hour television broadcast on March 6, 1992. LaRouche conducted a campaign for President based on this emergency program, along with his vice-presidential running-mate Rev. James Luther Bevel, an associate of Dr. Martin Luther King and a long-time civil rights leader in the fight for economic justice. The program was published in thousands of copies as a book, *The LaRouche*



*A U.S. Army Corps of Engineers water project at Applegate Lake in Oregon. The Corps has the know-how to carry out an emergency infrastructure reconstruction program; now, it must be put to use in a combined public-private effort.*

*Bevel Program to Save the Nation; Reversing 30 Years of Post-Industrial Suicide* (Leesburg, Va.: Independents for Economic Recovery, LaRouche for President, 1992).

## No quick fix

Below is a summary of the key points of the LaRouche-Bevel physical infrastructure program required for the national emergency we face today. What is clear is that there is no physical output capacity for a “quick fix” for the nation’s infrastructure deficit. For example, to resume building needed nuclear-powered electric-generating capacity, and nuclear-powered desalination plants, requires in turn a steel output capacity that must itself be increased. In the meantime, increased electricity generation can be obtained by selectively installing more advanced magnetohydrodynamic systems to “top-off” more power from existing coal-fired plants.

There are dozens of similar examples in terms of short- to medium-term improvements for transport, water, housing, education, and health services. For example, parts of the vast floorspace of overbuilt commercial structures (malls and office blocks) can be selectively turned into multiple housing units. The tricks of the trade for these conversions were perfected as nineteenth-century factory buildings were converted to condominiums when urban centers were gentrified over the 1980s, often displacing thousands of families. Now it’s time to put these methods to good use.

But such steps do not obviate the approach required, which is that of the World War II-style War Mobilization Board, under which a demobilized, depressed economy was converted into a production machine. From that perspective, these are the guidelines for infrastructure needs.

## ‘Create’ new water supplies

Some foolish people think that the water supply shortages now hitting many states, especially California, are somehow predetermined by nature. Nothing is further from the truth. What is required is to start up the long-delayed water improvement and nuclear-powered desalination programs to “create” new volumes of usable water, and to reverse the ecological decline otherwise occurring.

People also think that broken water pipes and floods in the winter are inevitable. Again, foolish thinking.

Here are the key points of the national water infrastructure development program:

**Desalination.** The Atlantic and Pacific Oceans and the Gulf of Mexico constitute “reservoirs” of virtually limitless capacity, given the installation of advanced technology nuclear desalination facilities—the modular high-temperature gas-cooled reactor (MHTGR) design. If these plants are sited at key points along the Pacific, Gulf of Mexico, and Atlantic coastlines, their sweetwater output can reverse the water shortages and ecological degradation (such as saltwater intrusion into coastal aquifers) now taking place.

The Metropolitan Water District of Southern California, which is bigger than many nation’s water systems, has before it a custom design by General Atomics for an MHTGR modular installation that could produce 106 million gallons of fresh water a day, in addition to 466 megawatts (MW) net electric power output. This prototype is adaptable for other locations.

**Nawapa.** The northwest region of North America receives about one-quarter of all the rain and snow hitting the continent. A plan, the North American Water and Power Alliance, developed in the 1960s by Los Angeles engineer Ralph Parsons, would divert 15% of this flow (now draining northward) into a 500-mile by up to 10-mile-wide natural reservoir called the Rocky Mountain Trench, through British Columbia, thence southward to provide water to the Canadian prairie provinces and Great Plains states, and to the Southwest, including Mexico.

An additional 135 billion gallons a day could be provided to the United States, and additional volumes to Canada and Mexico.

Construction time is estimated at 10-20 years, depending on techniques used. The project should proceed in three phases, so that the benefits of each stage lay the groundwork for succeeding development. Phase 1: Sending water eastward across the Canadian Plains provinces, providing water for irrigation there as well as navigable channels that would connect the Pacific Ocean to the Great Lakes, allowing for the regulation of the Great Lakes and St. Lawrence Seaway

levels for the first time. Phase 2: Sending water southeast across Montana and the Dakotas, where it would recharge the depleted Ogallala Aquifer on the High Plains, augment the flow of the Missouri and Mississippi rivers, and link the Canadian Plains with the Mississippi by a navigable canal. Phase 3: Channeling water to the Southwest.

**Regional projects.** The arbitrary bans, imposed in the false name of "environmentalism," must be lifted on tapping such flows as, for example, the runoff of the northern California rivers, now going out to sea unused.

Repair and replace local water systems. If you look at the United States in terms of its 18 continental hydrological regions, broken down further into 314 sub-basins, and look at the overlay of population concentrations, you can see systematically what kind of water and sewage treatment is needed to meet use needs and maintain the environment in an improved condition. For example, some 35 million people are located in the Mid-Atlantic hydrologic region.

The task is to make repairs and replacements in the water and sewage treatment facilities wherever needed, on a priority timetable. In this century, most treatment facilities have been built with an intended life span of 50 years, and with a built-in projection for serving two to three times the number of users served when first opened. However, these constraints have been exceeded in thousands of locations. Break-downs are routine, and therefore, the Arctic freeze caused water emergencies.

### **Build railways, waterways, highways**

The transportation network is to the economy as a whole what the arteries and veins of the circulatory system are to the body. It must be capable of moving goods and people where they are needed, in the most timely and efficient way. By the end of the 1980s, the U.S. transport network as a whole was moving about 5 billion tons of goods through the economy every year—about 56 tons of goods moved through the economy for each household in the nation. In fact, not since the 1950s has the per-household volume of goods shipped been so low. Moreover, the goods are moving in the most energy-wasteful and environmentally destructive way. Shipments by truck, the least efficient, account for over 40% of the total, while shipments by rail account for about 28%, pipelines for about 17%, and waterways only about 12%.

Alongside this, the passenger transport system is in disarray. Total rail length in the country has declined by 25% (for both freight and passenger service) over the past 25 years. Highways are full of pot-holes, collapsing bridges, and congestion. Air transport is more dangerous, congested, and less convenient.

**How to rebuild.** The cheapest mode of transportation is by water, but waterborne commerce is slower, such that the mode is suited to movements of those bulk goods, such as coal and grain, which do not require speedy delivery.

For most other purposes, rail ought to be the mode of

choice. The standard for assessing relative costs is provided by the measurement of how many tons each mode can move how many miles in an hour. On this basis, a two-track railroad operating three trains an hour at only 60 miles per hour (mph), moves the same bulk of goods as far in an hour as a fleet of 330 trucks of 20-ton size driven at 60 mph for an hour. High-speed rail systems can function for passenger traffic at speeds in the range of 200 mph.

The United States should undertake to develop such high-speed rail systems, with the objective of rebuilding the railroad system as the freight mover of choice. This high-speed rail network should be interfaced with water transport, though ocean and internal waterway ports, to take advantage of the benefits of both modes for rebuilding the country's industrial base.

The rebuilding program for the nation's transport grid should begin with the flood-ravaged Midwest, the depression-ravaged Eastern Seaboard, and the area in between known as the "rust belt," bounded by the Mississippi and Ohio rivers, and southward to the region of the Tennessee and Tombigbee rivers.

**Maglev.** The revolutionary technology called magnetically levitated trains should be the centerpiece of the rebuilding of the national transportation system, by installation on key links in the grid to allow high-speed passenger traffic and eventually to accommodate high-value freight. The 900-mile journey from New York to Chicago could be completed in three hours. And there are no problems with freezing and cracking of the tracks such as during January's Arctic cold snap. Maglev systems would pay for themselves in wasted passenger-hours saved. Estimates are that \$40 billion of economic value is lost to traffic delays in the nation's eight most congested urban centers—a sum which could finance the construction of 3,000 miles of maglev networks every year.

### **Go nuclear**

By the end of the 1980s, the North America Electric Reliability Council (NERC) had estimated that, with approximately 2% annual growth in demand for electricity, 200-300 gigawatts of generating capacity (a gigawatt is approximately enough energy to supply a city of 1 million people) would have to be added to the inventory of generating equipment. But by now, less than one-third of that, or 86 gigawatts, can be accounted for as planned, of which 28.7 gigawatts were under construction as of the early 1990s. With a 10-year lead time to complete construction of even a coal-fired generating plant, no wonder that the blackouts are here—with or without an Arctic freeze.

**Restore nuclear industry.** What is needed is the establishment of an industry for the mass production of modular nuclear plants, such as the modular high-temperature gas-cooled reactor proposed by General Atomics. Development of our nuclear fission capabilities will provide the bridge to nuclear fusion, the energy source of the twenty-first century.

## Italian Republic implodes, as 'new forces' move in

by Claudio Celani

Italian President Oscar Luigi Scalfaro on Jan. 16 dissolved the Parliament and announced general elections for March 27, thereby declaring the end of the First Italian Republic. For 46 years, from 1948 to 1994, Italy has been ruled uninterruptedly by a coalition led by the Christian Democratic Party (DC), a party inspired by traditional, family-oriented values that guaranteed Italy's firm commitment to the western alliance and ensured a remarkable degree of economic development and prosperity. But the DC and the other established non-communist parties, due to a tremendous economic crisis and devastating corruption scandals, have lost their power—maybe forever—and risk disappearing altogether from the political spectrum. The new Parliament which will be elected in March will be dominated by "new" forces, most of whom express anti-national, free market economic and political interests. Their personnel will be inexperienced, apolitical, and will rely on technocrats to make decisions in any field.

In reality, the new Parliament will not rule anything, and is in danger of impotently overseeing the advance of radical separatist agendas to break up the Italian nation, or of being the transition toward a more authoritarian regime. Some observers, like Carlo Caracciolo, editor of the geopolitical magazine *Limes* and member of a powerful oligarchical family, predicts the emergence of a "Polish-like situation," a victory of the left and a technocratic government. Far from bringing stability, the coming changes in the political landscape will bring greater turbulence. A possible, indeed highly probable, development is the impeachment of President Scalfaro, starting as soon as the elections are over, and the election of a new President who will be no obstacle to a constitutional

reform. Caracciolo indicates that such a President could be Carlo Azeglio Ciampi, a former central banker who is at present head of government.

### A new Mussolini or a new Mazzini?

Prof. Giuliano Di Bernardo, head of the Grand Lodge of Italy, the pro-British branch of Freemasonry, agrees that "the situation will remain fluid for at least one more year" and that "the real new Italian leader has not yet emerged." Di Bernardo, who is representative of the emerging, Venice-centered financial-oligarchical powers in Italy, complains that the Northern League, the protest party which electorally dominates northern Italy, is not going to last, because "they do not have an ideology." Di Bernardo is therefore pushing for the emergence of a "new, mystical, national ideology." Di Bernardo does not say it, but he is thinking to a new Mussolini, or a new Mazzini.

Di Bernardo's oligarchical friends, like the De Benedetti and Benetton financial groups, are currently backing the left-wing cartel which is leading the polls for the March 27 election. A contradiction? Not really. Achille Occhetto, the head of the biggest leftist party, has sworn loyalty to the "international markets" in a series of meetings with Anglo-American bankers. Occhetto promised that if his party, the Democratic Party of the Left (PDS), goes into the government, he will guarantee "continuity with the budget-balancing policy of Prime Minister Ciampi." Occhetto promised that he would raise no obstacles to the policy of privatizing major state-owned industries. For this, he has been twice publicly endorsed by international speculator George Soros's Italian

partner, broker Isidoro Albertini, in the De Benedetti-owned daily *La Repubblica*.

To beat the leftist bloc, due to the recently approved new electoral law, any party would need at least 35% of the vote. The collapse of the Christian Democracy (which has changed its name to the Italian Popular Party, or PPI) has created a vacuum that could be filled by the neo-fascist Italian Social Movement (MSI), which recently won up to 40% in local elections in Rome and Naples. Frenetic attempts to build an alliance between the PPI and the Northern League—quite an incompatible couple—have so far failed, despite the fact that the League has abandoned its radical plan for splitting Italy into three states. Media magnate Silvio Berlusconi, a sort of Italian Ross Perot, has proposed himself as the leader of the “moderate bloc” and has founded a national party called Italy Force (Forza Italia). Berlusconi has a rival in Mario Segni, a former Christian Democrat and a technocrat who is praised by the London *Economist*.

Even if the conservative bloc were to come together against the leftist cartel, they still have to explain to the voters what difference there is in their economic program. From Northern League leader Umberto Bossi to Berlusconi, from Mario Segni to PPI leader Mino Martinazzoli, the “moderate” leaders all sound like clones of Margaret Thatcher, pushing privatization, budget-balancing, and deregulation of the labor market.

### What can be done?

Realizing the danger of involution in the Italian political situation, Pope John Paul II made a powerful intervention at the beginning of January, calling on Italians not to forget all the positive achievements of the Catholic party, the Christian Democracy, in postwar Italy. The pope also warned against putting an entire political class on trial, as the media are presently doing, helped by the ongoing trials against political corruption in Milan. The pope called for “unity of Christians in politics,” which has been interpreted as support for the new Popular Party. Earlier, at Christmas, the pope had called for the unity of the country, to counter the separatist plans pushed by the Northern League.

The problem facing the church is that, while it is aware of the crisis hitting Italy due to secularization and the devastating effects of Thatcherite economic policies, yet when it comes to suggesting remedies, church or Catholic leaders lean toward “social policies” like reduction of the work week, in order to create employment for everybody. Such “remedies” are not going to solve the crisis, which requires massive investment in high-technology, capital-intensive projects. The LaRouche movement in Italy, called the Solidarity Movement, has issued a program to create 2 million jobs, through a Hamiltonian credit reform and a large-scale infrastructural plan, and has called for a coalition of national forces on the basis of that program.

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## A profile of Italy's new political forces

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*Italian politics has long been noted for its byzantine character, and now, with the proliferation of new parties and the renaming of old ones, it is no surprise that many foreign observers find themselves confused. Here is a thumb-nail sketch of the most important institutions and individuals.*

**Democratic Party of the Left:** The PDS is the heir of the old Italian Communist Party, which even under the late Enrico Berlinguer, who died in 1984, had abandoned revolutionary goals in favor of a pro-western, reformist policy centered on an alliance with Catholic forces. Under Achille Occhetto, the present secretary general, the party underwent a radical change, and its reformist character, based on family-oriented and pro-industrial values, was compromised with the progressive shift toward a radical ecologist, globalist malthusian ideology. After 1989, the party changed its name, at the same time losing its traditionalist faction. The PDS still maintains a reliable trade union base, which, together with middle-class and professional layers, forms its constituency, spread throughout the country. The PDS candidates recently won most local elections in large cities like Turin, Rome, Genoa, and Naples.

**Democratic Alliance:** A group of intellectuals with no popular base, the Alliance is the instrument for oligarchical control of the PDS. Its leader, Ferdinando Adornato, dictates to Achille Occhetto every step he must take.

**Party of Communist Refoundation:** This is the “traditionalist” faction which split from the PDS. Usually labelled as “hardline communists” due to the presence of the former pro-Soviet faction in its leadership, headed by Armando Cossutta, the party has a pro-worker policy, opposing deindustrialization and privatization of state-sector industry. It has a strong base in the northern industrial centers, like Turin and Milan, and in the labor movement.

**The Network (La Rete):** The new party formed by Palermo mayor and former Christian Democrat Leoluca Orlando is a jacobin party which, thanks to its anti-establishment and anti-Mafia campaign, made sweeping electoral gains both in recent local elections. The Network does not have a real program, which means that the party will dissolve as soon as it assumes any government responsibility.

**Greens:** Like similar groupings in other nations, the Italian Greens are for radical malthusian and environmentalist policies.

**Radical Party:** The party founded by Marco Pannella and now led by Emma Bonino is for “moral” deregulation of drugs, family, school, and all aspects of social life. It campaigns against the death penalty and for disarmament.

**Republican Party:** This was the “IMF party” in the old

establishment. It never had a popular base and is not going to survive as a party. Its leader, Giorgio La Malfa, wants to join the left, but has a bad image since he was accused of corruption.

**Socialist Party:** The PSI is the party most hit by corruption scandals, and has almost disappeared from the electoral map in recent votes. Its leader, Ottaviano Del Turco, wants to dissolve it and join the PDS. The faction led by former Prime Minister Bettino Craxi will not follow him, and is looking for a place in the "moderate" bloc.

**Social Democratic Party:** The PSDI has consistently been a member of Italy's government coalitions, but today it is not going to survive, and its leaders are looking for a place in the "moderate" bloc.

**Christian Democracy:** The DC, hit by corruption scandals which many see as steered by international Freemasonry, has dropped many old constituency groups and changed its name to the **Italian Popular Party**, thus going back to the name of the DC's predecessor party founded by Luigi Sturzo in the 1920s. A defensive step, this has two negative connotations: First, the name "Christian" was dropped as a concession to secularization; and second, Sturzo's Popular Party was more oriented toward free market liberal economics than the DC. Sturzo himself, in the postwar period, opposed industrialist Enrico Mattei's strategy of national independence through the state presence in the economy. Mattei's friends in the old DC leadership are all out now. The present head of the PPI is Mino Martinazzoli, but he is soon to be replaced. Candidates for leading the party are Soros's friend Romano Prodi and neo-conservative philosopher Rocco Buttiglione, who recently characterized himself as one who chose "not to be on Saddam's side during the Gulf War." The PPI is expected to receive no more than 10% of the votes in the upcoming election.

**Northern League:** Dominating northern Italy with an average of 40% of the votes, the League is absent in the rest of the country, and therefore is seeking alliances. Its leader, Umberto Bossi, has recently abandoned the idea of establishing a separatist Northern Republic, maybe as a result of blackmail around an investigation into illegal financing of his party. The League is pushing, however, for considerable fiscal autonomy of regional administrations, a total absence of the state from the economy, and a full deregulation of the labor market. In an interview with *EIR* (see below), the League's number two-man, Roberto Maroni, says that he would not oppose selling Italian industries to speculator George Soros.

**Mario Segni:** A media product, Segni is a former Christian Democrat and the son of a former President of the Republic. He has led a campaign for the reform of the electoral system that many have described as corresponding to the "Plan of Democratic Rebirth" written by Licio Gelli, head of the famous Propaganda-2 (P-2) secret freemasonic lodge.

Segni is suspected of being a Freemason, but nobody can prove it yet. He recently founded a movement called Pact for Italy. He has been courted both by the left and by the right to run as prime minister. He has not yet decided, though, leaning more toward the "moderate" portion of the political spectrum.

**Italian Force:** This is the network of "clubs" created by media magnate Silvio Berlusconi. Berlusconi's TV empire is second in the world only to Ted Turner's Cable News Network; he owns three private channels in Italy, one in France, and one in Poland. He owns also a supermarket chain and a construction operation. Berlusconi is not liked by the international financial markets, which dropped the day he announced his entrance into politics. That is probably due to the fact that he does not push for the globalization of the economy as much as everybody else does. Berlusconi is a friend of French President François Mitterrand and of former PSI leader Bettino Craxi. He has been a member of the secret P-2 freemasonic lodge, but he explains that he joined the P-2 only because he had been promised investments in Latin America. Projected electoral results: not more than 10%.

**Italian Social Movement:** After dramatic electoral growth in recent local elections, especially in Rome and Naples, the MSI changed its name to **National Alliance**. MSI Secretary General Gianfranco Fini is trying to abandon the party's Mussolinian image in favor of a more moderate one; at the same time, his party was favored by the candidacy of the Duce's granddaughter, Alessandra Mussolini, who was almost elected mayor of Naples. Accused of being the last defenders of "statism," the MSI is, like every other party, moving toward free market positions. As for foreign policy, Fini was pro-American until 1989, and takes a pro-Serbian position on the Balkans. The MSI has been ostracized and kept out of the attempts to form a "moderate" coalition. The MSI is viewed by many traditionalist Catholics as the genuine defender of family-centered values.

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## Interview: Roberto Maroni

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# 'We want a free market and a welfare state'

*Mr. Maroni is the number two man in the Northern League, and heads its caucus in Italy's Parliament. He is the closest collaborator and friend of Umberto Bossi, the head of the*

*League, who gave him a special deployment: to take over the constituency of the Party of the Democratic Left (PDS). Therefore, he tends to have a "left" profile. He was interviewed by telephone by Claudio Celani on Jan. 3.*

**EIR:** Bossi described, in an interview Dec. 22, a visit which he, together with you, paid to Mr. Giulio Andreotti a few years ago. According to the published account, Andreotti told Bossi that he had "shut up" a political party that annoyed him, by having the financial police start an investigation of them. Can you confirm that statement?

**Maroni:** Yes, sure.

**EIR:** Which party was that?

**Maroni:** Well, it is an easy guess.

**EIR:** I know about a party that underwent such an attack and was closed down. It was the LaRouche party.

**Maroni:** Oh, no, it is not that. Andreotti meant the Communist Party.

**EIR:** Did he say that explicitly?

**Maroni:** Yes, he said the PCI, the Italian Communist Party. It was Christmas 1990, and that action was decided on the basis of a failed attempt to get all parties to agree on new legislation for party financing.

**EIR:** Mr. Maroni, in 1990 Andreotti was prime minister. It is not very credible that in his position he would say such things openly.

**Maroni:** In fact, I think it slipped through his tongue [laughs].

**EIR:** The League has recently been under attack, accused of illegal financing. Do you think that Andreotti is behind that?

**Maroni:** Well, there is the Christian Democracy, the party system. For sure, Bettino Craxi is behind the Sama affair. [Sama, the former manager of Ferruzzi, has revealed that he gave 200 million lira illegally to the League—ed.] Craxi had tried already once, unsuccessfully, to stop us through Castellazzi, a former League leader who split, but failed miserably. Now he is trying again.

**EIR:** What do you think their aim is? To have you join the so-called moderate pole, with Berlusconi?

**Maroni:** No, they simply want to stop us. We had already made our choice at the Congress, to declare our availability to join a moderate alliance that excludes the MSI [Italian Social Movement].

**EIR:** You are the "left wing" of the League. Don't you feel in trouble now, after that choice?

**Maroni:** No, our policy does not change. It is still the policy of taking away a large chunk of the constituency of the PDS. We are not right-wingers, and if we criticize the present "welfare state," it is because we are in favor of a real welfare state. We are for the free market, but against savage liberalism.

**EIR:** If you want votes from the working class, you have to promise them concrete things: jobs, pensions, health care.

**Maroni:** We do. We tell them that they need a better social system, not like the present one. For instance, we are for the presence of the state in the health sector, in support of the weaker part of society, and so on. But the state must get out of all those activities which are better done by private firms.

**EIR:** Talking about privatization, it is now proven that Italian companies are being bought by their international competitors, just to close them down.

**Maroni:** That is what is going on now, with privatizations done by the present government. We are against such "remote control" privatizations. Therefore we propose that nobody can buy more than 0.5% of a privatized company. In this way, everybody can participate, also from abroad.

**EIR:** What about international speculation, are you also liberal on that?

**Maroni:** No, as I said, we are not for unbridled liberalism. We must introduce rules at the European Union level.

**EIR:** We proposed a tax against speculation, especially against derivative instruments.

**Maroni:** What are they?

**EIR:** It is when you bet money on the future performance of a currency, or of a stock market index, things like that. I know that you are against taxes, and you may be right in that. But this is a tax against something wrong, against speculation.

**Maroni:** I do not think you can be effective with that. Real speculation, the speculation that causes great damage, is not going to be put under control through such means. We need a total change, from the bottom up.

**EIR:** Would you sell an Italian company to George Soros?

**Maroni:** Why not? With one condition: that he does not run it. We have to go back to a distinction between industrial culture and financial policy. In this context, we have to put under control the real "financial mafia" represented by Mediobanca. That is the structure through which economic power legislates for itself. If you take Agnelli, De Benedetti—these are no industrialists, they are financiers. But their time is over. They have to step aside.

# Chiapas separatist plot sparks resistance to breakup of Mexico

by Gretchen Small

“Why is separatism, secession, so frightening? . . . The concept of self-determination is not based on the state, but on the people. . . . There is no rationale that says that it is better to have 20 states rather than 2,000. . . . For me, the ideal would be to have only one world state. Why not? But with a lot of local autonomy. Perhaps we will get there some day.”

So argued Rodolfo Stavenhagen on the eve of the outbreak of the so-called “ethnic” insurgency in Chiapas, Mexico in the November-December 1993 issue of Argentina’s *Revista de Antropología*. A prominent anthropologist and Maoist, Stavenhagen is today a leading player in the Chiapas crisis, both as a member of the Mexican government’s National Human Rights Commission, and president of the Inter-American Development Bank’s Indigenous People’s Fund, an outfit whose role in financing and fomenting so-called indigenous revolts in the Americas against the nation-state was detailed by *EIR* two weeks ago.

As Stavenhagen stated in *Revista de Antropología*, he and his co-thinkers view ethnic violence as the means by which “the post-colonial state,” premised on the “idea of a homogeneous nation-state, of citizenry for all,” will be destroyed. Guatemala, which borders Chiapas, will be the test case in Ibero-America where “the nature of the state itself must be rethought” along ethnic lines, he specified.

Stavenhagen’s diatribe confirms *EIR*’s charge that the Anglo-American financial interests orchestrating the Chiapas events are out to eliminate the nation-state itself, implementing in the process the old British geopolitical project to carve up the Americas into smaller, ethnically based satrapies. That project has long foreseen the creation of a mini-state carved out of Chiapas and parts of neighboring Guatemala. Already the first talk of a separate Chiapas has been raised. According to the Madrid newspaper *El Mundo*, “Captain Cristóbal” of the Zapatista National Liberation Army (EZLN), has proclaimed that “if its demands are not met, the EZLN will declare Chiapas independent.”

Mexican analysts have begun to warn that if the government continues to grant the demands of the EZLN, it will bring about the “dismemberment” of the Mexican nation. Writing in *Novedades*, *Reforma*, and *Impacto*, analysts point to three demands of the EZLN and its national and international support apparatus which, if met, will, de facto, split

the nation:

- the demand that the government grant the EZLN belligerent status, a precondition for international recognition of the territory held by the EZLN as a separate nation;
- the proposal for an “exchange of prisoners” between the EZLN and the government, which would de facto grant the EZLN belligerent status;
- the most vociferous demand raised internationally: that the Mexican Army withdraw altogether from Chiapas.

As Juan Bustillos, director of *Impacto*, wrote in the magazine’s Jan. 22 issue: “If the government decides to grant belligerent status, then it should be prepared to resign itself to having belligerence permanently in Chiapas and to permit it to spread, financed by foreign governments and organizations. This would be the first step to the creation of a demilitarized zone, in which the Mexican government would abdicate its authority, which would be . . . the beginning of the end of the republic.”

Nationalists have begun to rally in defense of the institutions. Advertisements defending the Mexican Army have appeared in newspapers nationally. Two thousand people demonstrated in San Cristóbal de las Casas, Chiapas on Jan. 25, demanding the Army stay to protect the area. Reports abound that “profound disgust” at the government’s handling of the crisis is spreading through the military high command.

On Jan. 26, eleven media turned out in Mexico City for a joint press conference called by *EIR* Ibero-American editor Dennis Small and the head of the Ibero-American Solidarity Movement in Mexico, Marivilia Carrasco, to release *EIR*’s new Special Report on Chiapas, “‘Shining Path North’ Explodes in Mexico.” *Excelsior*, Mexico’s largest daily, headlined its article on the conference, “International Banks Finance the EZLN,” and reported Small’s warning that if the insurgency is not put down, “we will witness a balkanization of Latin America, in which Mexico will come to mean a new Bosnia.” A private *EIR* seminar on the same subject was attended by over 50 people, including military officers, Catholic priests, and businessmen.

## Carving up southern Mexico and Guatemala

The project to carve a new state out of Chiapas and the northern regions of Guatemala is far more advanced, however.



er, than has been recognized in either of the targeted nations. Yielding to the hue and cry raised by EZLN-supporting human rights activists, the Mexican government ordered the Army to pull out of the cities and towns it has been protecting in Chiapas Jan. 20, and hand over distribution of food and medicines to the myriad non-governmental organizations (NGOs) operating in the area. Two days later, government envoy Manuel Camacho announced that he had reached an agreement with the EZLN to exchange 100 terrorists held by the Army, for the former governor of Chiapas, Gen. Abasalon Castellanos Domínguez, kidnapped by the EZLN as one of their first acts of terror.

That latter deal, however, has yet to be implemented.

Attempting to propitiate the insurgency's "indigenous" cover, the government of President Carlos Salinas also handed control over "indigenous" policy to the Inter-American Dialogue, one of the principal foreign bankers' groups running the separatist revolt. Beatriz Paredes Rangel, a member of the Dialogue, was named to head a new national commission on indigenous peoples. The Dialogue has a special Ethnic Division project which coordinates closely with Stavenhagen's Indigenous Peoples' Fund; the head of the Dialogue project, radical anthropologist Donna Lee Van Cott, also argues that racial conflicts serve to force through a "rethinking" of "the very concept of nation state and national culture."

Once named, Paredes first met with confessed Guatemalan terrorist (see her biography, *I, Rigoberta*) and Nobel Peace Prize winner Rigoberta Menchú, who has been personally coordinating "indigenous" resistance to the Mexican nation in Chiapas since the EZLN went into action. Both women have been working closely with radical "indigenous peoples" groups in Chiapas which are demanding that the government "demilitarize" Chiapas, "recognize the bravery of the EZLN," and grant them belligerent status, as the first steps toward an "urgent reformation of the Mexican state."

Complementing the political and military advances of the EZLN on the Mexican side of the border, however, has been the little-noticed establishment of new areas of virtually "liberated territory" under the control of the Guatemalan Revolutionary National Union terrorists (URNG). just across the border. The Guatemalan side of the operation is under the personal direction of Menchú. Like Stavenhagen, Menchú recently threatened to unleash ethnic warfare in Guatemala, telling a press conference in Bogotá, Colombia Dec. 1, "I hope that we do not have to turn ourselves into an ex-Yugoslavia."

At the beginning of 1993, she staged the return to Guatemala of more than 2,000 of the approximately 45,000 refugees who have lived in U.N. camps in the south of Mexico for over ten years. That was internationally publicized, providing favorable propaganda for the publicity-hungry Menchú.

Not reported, however, is that, with U.N. backing, the

refugees refused to live in government-designated lands, where at least minimal infrastructure existed, and insisted instead on establishing themselves in an undeveloped area in which the Guerrilla Army of the Poor (EGP) terrorists are active. There they formed Peoples' Resistance Communities (CPRs) as "liberated territory" where no government authority is allowed to operate. The Army is not allowed within a certain perimeter of these CPRs; refugee commanders have ordered that no child in the camps be registered with national authorities; all mayors, teachers, or other officials named by the government have been rejected by the CPRs.

## U.S. policy debacle

Terrorist forces are rallying across Ibero-America off the Chiapas insurgency. On Jan. 25, some 1,100 delegates of narco-terrorist and so-called popular movements and parties began a four-day conference in Havana, Cuba. At the top of their agenda, according to Argentine delegates, will be organizing "autochthonous peoples" to defend "their" lands, in the wake of the Chiapas uprising.

But what are Washington and the U.S. elites saying? The U.S. media have uniformly fawned over the EZLN *comandantes* in a manner reminiscent of the *New York Times's* infamous 1958 promotion of Fidel Castro, while painting all military operations, even simple arrests, as human rights violations of innocent peasants.

Assistant Secretary of State Alexander Watson—just back from Peru where he demanded that the Peruvian government overturn the conviction of every Shining Path terrorist tried by a military court, including that of Shining Path's leader Abimael Guzmán—told the press corps in a State Department briefing Jan. 25 that "things are going really quite well in Latin America." He stated that the U.S. government has no evidence that "any external actors were involved" in Chiapas, specifically adding, "I don't think that it's linked with the Guatemalans at all."

He singled out Camacho for special praise for his handling of the crisis, and emphasized that the U.S. government had warned the Mexican government that it was concerned about military violations of human rights—*before any allegations had been raised*—because the U.S. government sought, and seeks, for the Mexican government to "deal with this situation in a political way." The warnings on human rights began "from the outset," Watson said. "It was not reacting to information. It was preemptive"—an unusually frank admission that the attacks on the Mexican military began before they had ever fired a shot against the assaulting terrorists.

The next day, CIA director James Woolsey and Defense Intelligence Agency officials testified before the Senate Intelligence Committee that the situation in Chiapas is under control. The DIA is barely monitoring the situation, because it is not viewed as a threat to U.S. national security, the senators were told.

# Will South Asia slide into war by miscalculation?

by Ramtanu Maitra and Linda de Hoyos

Since late December, U.S. President William Clinton has personally intervened twice to up the ante in the "human rights" campaign against India. On Dec. 27, the President signed two letters that caused consternation in Delhi, giving new impetus to the cause of an independent Kashmir and the Sikh separatist movement in Punjab, now mostly dormant. In so doing, the Clinton administration, anxious for a victory on the nuclear non-proliferation front in the wake of its December backdown on North Korea, is playing a dangerous game of escalating already high tensions between India and Pakistan.

Clinton's first missive went to Dr. Ghulam Nabi Fai, executive director of the Kashmiri-American Council based in Washington. The letter, which Fai scurried to fax worldwide, said: "I am looking forward to working with you and others to help bring peace to Kashmir. . . . I share your belief that, in order to face dilemmas in a post-Cold War landscape, we all must look closely at our policies with regard to human rights."

Fai, who has been a star performer at "human rights" conferences organized by British House of Lords member Lord Avebury, is a proponent of an independent Kashmiri nation, as opposed to simply joining India's section of Kashmir with Pakistan. Fai underlined that the letter "demonstrates that the President cares about human rights in Kashmir and is committed to helping all parties achieve a peaceful solution."

The day after Clinton signed the letter to Fai, Soviet President Boris Yeltsin dispatched a note to Indian Prime Minister Narasimha Rao expressing his concern for a "just solution" to the Kashmir crisis. This marked a turn-about for the Russians; during his January 1993 visit to Delhi, Yeltsin had said: "India must keep its integrity and keep united and we support its policy on Kashmir."

Clinton's second letter was sent to Rep. Gary A. Condit (D-Calif.) and pressed the case of Sikh rights. Clinton wrote: "I am aware of the chronic tensions between the Indian government and the Sikh militants, and share your desire for a peaceful solution that protects Sikh rights." Clinton noted that "the human rights abuses still occur in Punjab."

As soon as this letter was made public, Prakash Singh Badal, the Akali leader who urges a separate Khalistan be formed out of India's Punjab state, announced that he is planning a statewide "people's movement" march for the end of January.

This Clinton letter drew a response from New Delhi. An official of the Indian External Affairs Ministry stated, "We reject any statement that speaks of a solution that protects Sikh rights." He said the letter "cannot but have a negative impact on our bilateral relations;" and "comes in the wake of a series of negative pronouncements . . . by U.S. authorities on such issues as Kashmir, human rights, and Punjab." The letter on Punjab is particularly egregious for India, since the situation there is peaceful—with the Punjabi Sikh population having reviled the drug-terror mafia parading under the Khalistani banner. Thus, the spokesman said, "India rejects any statement that speaks of a solution that protects Sikh rights." Second, India's commitment to human rights and democracy is "axiomatic to India's existence. We do not accept external prescriptions in this regard."

U.S. interventions against India in the region had begun with the Oct. 28 pronouncement by Robin Raphel, assistant secretary of state for South Asian Affairs, that the United States considers all of Kashmir as disputed territory between India and Pakistan. The statement was an about-face for Washington, which had previously indicated its understanding that India and Pakistan would settle the dispute bilaterally. Instead, Raphel, implying backing for an independent Kashmir, a policy first pushed from London, said that no peaceful settlement could come to Kashmir "unless agreed to by the people of Kashmir."

## Charging the atmosphere

The U.S. intervention made news in India soon after talks between Indian and Pakistan Jan. 3-4 which resulted in no progress on any outstanding issues. Sources in Delhi fear that Pakistan is prepared for no concessions on Kashmir and that India and Pakistan could slide into war over the next year. Although U.S. Ambassador to Pakistan John Monjo arrived back in Islamabad on Jan. 20 with a new package of proposals, he reportedly has linked a proposed trip by Pakistani Prime Minister Benazir Bhutto to Washington with progress in Indo-Pakistani talks.

However, internally, Pakistan is not prepared for any concessions. In a strident announcement on nationwide TV Jan. 23, Bhutto said that the "resolution of the Kashmiri issue is the top-most agenda of my government's foreign policy. Kashmir is the jugular vein of Pakistan and the day is not far

when it will be a part of this country." She said Pakistan will push the U.N. Human Rights Commission in Geneva to "expose" Indian repression against Kashmiris, and called upon all Pakistanis to observe a strike on Feb. 5 to show resolve for a plebiscite in the Kashmir Valley.

Pakistani vehemence on the issue had formerly been heightened by the statements of Pakistan Foreign Minister Sardar Assef Ali Jan. 8 during a visit to Uzbekistan. At a news conference, Sardar Assef declared, "Unless the Kashmir dispute is solved peacefully on the terms of international law and United Nations resolutions, there cannot be lasting peace in South Asia. And this time around, the concern of the world, the concern of South Asian countries and regional countries is that if a war takes place in South Asia, it might become a nuclear war."

Indeed, Pakistani military officials have indicated that if war breaks out, nuclear weapons will be the first option for Pakistan, given its inability to defeat India in a conventional war.

Threats echo the constant refrain from Washington that India and Pakistan are on the verge of nuclear war, and the Kashmir dispute is at the root of it. The United States is trying to force both India and Pakistan to sign the Nuclear Non-Proliferation Treaty. Ambassador Monjo's proposals to Pakistan for negotiations include considerations of "regional security," and according to Pakistani Foreign Secretary Shahrar Khan, "India is now talking about the whole gamut of the nuclear issue at the bilateral level."

But while the United States fans the insurgencies in India and boosts Pakistani hopes of U.S. backing, it is blackmailing Pakistan. A report by the House Republican Research Committee on "The Islamic International," charges that Pakistan's Interservices Intelligence (ISI) has aided terrorist-insurgent operations throughout India. The report charges that Pakistan offered to give all possible help to separatist insurgents in the northeastern Indian state of Manipur organized as the People's Liberation Army, funneling money and arms through Myanmar (Burma). The report also asserts that the most telling impact of the ISI was the emergence in summer 1992 of the United Islamic Liberation Army in northeast India, now the dominant subversive group against the government.

The charges revive the atmosphere of last spring, when the United States threatened to place Pakistan on the list of "terrorist" countries. The report charges the ISI, known to be financed by drug money and not accountable to the government, with a series of terrorist acts against India, including a bomb explosion at Delhi airport June 25, 1991, and bombs onboard an Air India plane Dec. 1, 1991. Among other goals, the report claims, the Pakistani ISI, working with the Indian Student Islamic Movement, wants to carry out sabotage and unleash a regime of terror that will cause panic and whip up communal passion.

Amid all the diplomatic pronouncements from Delhi, Islamabad, and Washington, on-the-ground tension is esca-

lating. On Jan. 19, Delhi police seized 150 kilograms of explosives from three Muslims, who later said they were in touch with the ISI. The police claim that the plan was to set off explosions in Delhi on Republic Day, Jan. 26.

In Kashmir, a major gun battle broke out between Indian and Pakistani troops on Jan. 10 along the line of control in the Nowshera, injuring 12 soldiers on both sides. The gun battle took place immediately after a series of explosions in the Indian part of the Kashmir Valley, with Indian intelligence charging that the bombers had crossed the border from Pakistan and then returned. Meanwhile, the governor of Kashmir in India, Gen. K. V. Krishna Rao, has claimed that Pakistan is preparing to send more than 10,000 Afghan mujahideen into the Kashmir Valley to escalate the violence.

India was also keen to note a U.S.-Pakistani joint military exercise in early January for high-altitude training in the rugged mountains of Peshawar, involving 150 U.S. commandos.

There is no question that a war between India and Pakistan could occur by miscalculation, in an atmosphere fraught with diplomatically devised alternating provocative and conciliatory statements on both sides, and with intervention from Washington. In pressing for advantage, it is easy for things to get out of control, as the following story from the Indian press indicates.

Dr. Sohan Singh, a mastermind of the Khalistani movement, was recently arrested and told investigators that in 1990, there was discussion between the Khalistanis, militant Muslims, and Afghan mujahideen leader Gulbuddin Hekmatyar to set up "Radio Khalistan" in Afghanistan and that Hekmatyar would ensure that Khalistani terrorists would have sanctuary in Hekmatyar-controlled areas of Afghanistan. Then-Pakistani Prime Minister Nawaz Sharif and then-President Ghulam Ishaq Khan agreed to the scheme. However, then-Pakistani Army chief Gen. Mirza Aslam Beg pointed out that the tension between India and Pakistan was already very high, and that India was already accusing Pakistan of carrying out a proxy war in Punjab. Beg reportedly argued that if Khalistanis were allowed to set up shop in Hekmatyar territory, India would open up a front and full-scale war would become inevitable.

One thing is certain: If the Kashmir and other disputes are to be resolved, they will have to be negotiated in a different framework from that provided by the United States, with its emphasis on non-proliferation of nuclear technology and "market democracies." The Mideast accords, based on mutual agreement for regional economic development as long proposed by U.S. statesman Lyndon LaRouche, is the only possible route to solve the Kashmir dispute. Such an accord fashioned around economic development would necessarily involve not only India and Pakistan, but also Iran and the newly independent states of Central Asia. It also provides the only possible route to resolving the years-long war in Afghanistan.

# Moscow furthers its imperialist plan to gobble up Ukraine

by Konstantin George

A serious blow was dealt to the ability of Ukraine to continue to exist as an independent state at the Clinton-Yeltsin summit on Jan. 14, in the "tripartite" Moscow declaration which Ukrainian President Leonid Kravchuk was forced to sign, agreeing to the surrender to Russia of all nuclear weapons on the territory of Ukraine. Implementation of the accord would strip Ukraine of its only effective military deterrence against reconquest by Russia, which is planned by the Moscow leadership to occur in 1994.

Ukraine, the largest of the non-Russian former Soviet republics with a population of 51 million, enormous resources, and a rich national history and culture, declared its independence in 1991. Whether it survives 1994 in independence against the "Third Rome" imperial winds blowing in Moscow, could well determine the fate of Eurasia as a whole.

The complicity of Washington in Moscow's plans to reabsorb Ukraine into a Russian superpower ruling the territory of the old Soviet Union was effectively admitted when the latest U.S. National Intelligence Estimates concerning Ukraine were leaked to the press. As portrayed in the lead article of the Jan. 26 *International Herald Tribune*, these "estimates" are reported as a "consensus" arrived at by the various U.S. intelligence agencies: the Central Intelligence Agency (CIA), the Defense Intelligence Agency (DIA), the State Department's Bureau of Intelligence and Research, and the National Security Agency (NSA).

The estimates, to quote from the article, predict that: "Ukraine's worsening economy would spark ethnic conflict that would split the country and create a new dispute over the fate of the nuclear weapons it has just agreed to give up. . . . A significant minority of Ukraine's population of 51 million would favor reunification with Russia—which for all its economic and political troubles is considered better off than Ukraine. . . . The Ukrainian populace would then swiftly divide along ethnic and geographic lines, with the Russian minority in the country's eastern regions pressing for secession and the Ukrainian majority in the western region seeking not only to remain independent but also to prevent the eastern territory from returning to Moscow's control. The result could be violence, possibly with Russia's military involvement."

These estimates are self-fulfilling prophecies of what will probably happen in Ukraine, if the policies of Washington and Moscow continue unchanged.

## Crimean elections hoax

Immediately after U.S. President William Clinton left Moscow, the Jan. 16 "presidential" elections were held in the Ukrainian autonomous region of Crimea, a region which has a two-thirds ethnic Russian majority. The sole issue in the elections was whether Crimea will remain part of Ukraine, or secede and unite with Russia. The majority of the vote was split among the three candidates who campaigned for union with Russia; Yuri Meshkov led the field with 40% of the vote. This was the first election on Ukrainian territory since the near-complete breakdown of Ukraine's economy, and since the onset of a winter of despair, in which privation has reached levels not seen since the postwar years.

In the run-off election on Jan. 30, Meshkov will face Nikolai Bagrov, who came in a poor second with 18% of the vote on a platform calling for Crimea to stay in Ukraine as an autonomous region. If Meshkov wins, as appears certain, he will call a referendum for March 27, to decide whether Crimea remains in Ukraine, or secedes and joins Russia. The date March 27 was shrewdly chosen to coincide with the date for parliamentary elections for all Ukraine.

The problem has been compounded by the appeasement policy of the regime of Leonid Kravchuk in Kiev. Under the Ukrainian Constitution, no region, "autonomous" or not, has the right to elect a "President." The Crimean "presidential elections" were flagrantly unconstitutional, but despite repeated appeals by the Ukrainian national-patriotic opposition party, Rukh, to President Kravchuk to declare the Crimean "election" null and void, Kravchuk did nothing. Ukrainian sources maintain that the Ukrainian President has been privately told both by Washington and Moscow to "accept the inevitable," that "Crimea is lost" and will "revert" to Russia. These sources also assert that Kravchuk has been misled into believing that Moscow will be assuaged by taking Crimea, and will not press further territorial claims, i.e., against eastern Ukraine.

Otherwise, there are reports of a broad, short-term "deal" between Moscow and powerful sections of the Communist *nomenklatura* (the old, privileged party and governmental bureaucracy) which still dominates in Ukraine, whereby in exchange for swallowing the loss of Crimea, this clique will benefit from Moscow's influence to crush the Rukh opposition in the March 27 elections. One of the ugliest sides to this "deal" is a massive pre-election campaign of terror against

Rukh figures.

As to the secession threat being limited to Crimea, all evidence points to the contrary. In eastern Ukraine, especially in the coal and heavy industry regions of Donetsk and Lugansk, pro-secessionist forces have successfully stirred up popular rage over the horrendous economic conditions, and a broad majority blame the crisis on Ukraine for having broken with Russia and having become independent. The outcome of the Crimean election and the paralysis of Kiev have fueled the secessionist dynamic.

## The reign of terror

In formal terms in Ukraine, there is the government, led by the former Communists, and there is the patriotic opposition, led by Rukh, under the chairmanship of Vyacheslav Chornovil. In real terms, there is a strong third force drawn from the Communist *nomenklatura*, which permeates the government and parliament, and whose mission is to soften up Ukraine for partition and reconquest by Moscow. The method is to engineer a head-on clash between the regime and Rukh, in order to prevent the only political combination that could save the nation: a Rukh heavily strengthened in the coming elections, working in alliance with the factions among the former Communists who are committed to the integrity of the Ukrainian nation.

Central to the scheme is an escalating terror wave against Rukh candidates. Since last autumn, local Rukh candidates have been regularly subject to assaults, beatings, and in several cases, arrests on bogus charges. The terror campaign went into high gear, timed with the Crimean elections, immediately after the Clinton-Yeltsin summit in Moscow.

On Jan. 15, a group of armed men attacked the Rukh headquarters in Kiev, and abducted Rukh Deputy Chairman Myhailo Boichyshyn, who also heads the Rukh Secretariat and was the director of the Rukh election campaign. As of Jan. 26, there was still no word concerning his fate.

Western media behavior indicates that the operations against Ukraine benefit from the complicity of the Anglo-American intelligence services. The election campaign leader of the main opposition party was kidnapped and has been missing for 11 days (as of this writing), and in this entire time there has not been one single report of the abduction in any major western media.

The *nomenklatura* in Ukraine did its best to suppress news of the abduction internally. Ukrainian TV's main evening news program continually blacked out the story, confining coverage to a brief mention once in another news slot. It wasn't until Jan. 19 that Rukh Chairman Vyacheslav Chornovil was interviewed by Ukrainian TV on the matter. He declared that the attack was the most outrageous in a growing pattern of "political terror unleashed by the Communist authorities of Ukraine prior to the March 27 parliamentary elections," and that the attacks were clear evidence of "an intimidation campaign against the opposition to prevent a victory

of the democratic forces" on March 27.

Rukh issued a statement protesting that Ukrainian TV had blacked out the story in its 9 p.m. primetime news programs, saying: "Any TV and radio company in the world would have broadcast as a top story in the news program the news of the armed assault on the headquarters of the main opposition party and the disappearance of the head of this party's secretariat."

Within Ukraine, the Rukh campaign protesting the abduction has at least broken the news blackout. The powerful "third force" in the *nomenklatura*, however, had a handy reserve option to excuse its inaction. Officials of the Interior Ministry, led by the deputy minister, Gen. Valentyn Nadrygailo, and of the security services, manufactured a story that the kidnapping was a "normal" crime, and "not political," citing vague "reports" that a ransom was being demanded, as in any "ordinary" kidnapping. Well-placed Ukrainians in exile, who fear to be identified, have told this author that the "ordinary kidnapping" and "ransom money" line was already being circulated by persons from sections of the American and Canadian intelligence communities, being conveyed to diaspora Ukrainians, concerned and outraged over the abduction, before the line was then picked up by officials of the Kiev Interior Ministry.

The Kiev Interior Ministry and security services, who are larded with "ex"-KGB personnel, didn't merely pick up the line, they added a few embellishments of their own to it. In actions which Rukh vehemently protested, on Jan. 25 security investigators began warning businessmen who had contributed to the Rukh election campaign to stop engaging in "illegal dealings" with Rukh and "stop giving bribes" to Boichyshyn. This "story" was a desperate attempt to give a shred of "credibility" to the "ransom money" lie. Something had to be conjured to "prove" that Boichyshyn had money to pay a ransom.

The "ransom money" fairy tale provided the final excuse for the Ukrainian parliament and government to refuse repeated calls by Rukh for a full-scale government and parliamentary investigation into the political kidnapping of Boichyshyn. The affair has all but extinguished any possibility for an effective teaming up of all Ukrainian forces committed to the nation against the Moscow-allied *nomenklatura*, especially since other acts of terror continue to multiply against the Rukh and to build up the climate of confrontation.

On Jan. 19, the son of the local Rukh leader and candidate for parliament in the town of Bilgorod-Dnistrovsky in Odessa region, Pavlo Otchenashenko, was beaten and hospitalized with severe head injuries. On Jan. 20, in the city of Vinnitsa, the local Rukh candidate for parliament, Serhiy Budko, former head of the social and psychological department of the Ukrainian Air Force, was assaulted by unknown persons. The evening before the attack, Budko had received a phone call threatening his life unless he withdrew his candidacy.

# European Parliament calls for removal of Lord 'Dr. Death' Owen

by Mark Burdman

During the last summer, the Schiller Institute, the organization founded by Helga Zepp-LaRouche, launched an intensive international mobilization to remove Britain's Lord David Owen as European Union "mediator" in the Bosnia crisis, charging that Owen was carrying out British geopolitical policy to back Serbian aggression and to eliminate the nation and people of Bosnia-Herzegovina. While Owen, whose well-deserved nickname is "Dr. Death," has held onto the post through January 1994, continuing to diplomatically "manage" the genocide being carried out against the Bosnian people, his brief career has been seriously undermined by the first decision from an important European institution that has taken up the Schiller Institute call. On Jan. 19, the European Parliament in Strasbourg, by a vote of 106-95 with 29 abstentions, voted for the replacement of Owen by a "new EU negotiator with a proper mandate and a new strategy for exercising it." The vote is technically non-binding, since only the European Council of Ministers can remove him, but Owen's authority and credibility have been irretrievably damaged.

The European Parliament vote was remarkable in two ways: First, it was motivated and backed by an unusual coalition of forces normally on opposite sides of the political fence, ranging from members of the European Parliament (MEPs) of the "right-wing" European People's Party to the Greens; the only exception to this anti-Owen trend was the Socialist bloc, which refused to join in the resolution against him. Second, the pro-Owen vote came overwhelmingly from the 77 British MEPs. Party divisions were overcome among these British MEPs, as they banded together to defend the Union Jack. The anti-Owen vote came primarily from the Germans, Dutch, Italians, and French. The vote, then, was a rallying of European continental political forces against Great Britain, something which is truly exceptional in European politics.

The element of the continent-versus-Britain in the vote was only made more interesting by the fact that Owen immediately received the backing of British Prime Minister John Major and other British officials. On Jan. 20, Major declared, "David Owen has not spared himself in the search for a peaceful settlement on Bosnia. . . . He enjoys the full support of the British government." British dailies reported that

Major was "angered" by the attack on Owen.

By so certifying the genocidalist Owen, Major has only further underscored the rottenness of his own government, which has become notorious for its hypocrisy and craven immorality. Its endorsement of Owen only adds to the list of reasons why that government should be retired at the earliest possible date. Already, Major has the lowest approval rating of any British prime minister in several decades.

Other support for Owen came from curious quarters, outside the European Union. On Jan. 24, Russian Deputy Foreign Minister Vitaly Churkin said that it would be best if Owen were to stay in his post, since the appointment of a new mediator would only encourage "the warring parties" in the belief that there was a new agenda for Bosnia. This was seconded by the speaker of the Bosnian Serb rump parliament Krajisnic. Owen, of course, has very special relations with the Bosnian Serb *nomenklatura*; Bosnian Serb leader Radovan Karadzic, like Owen, is a psychiatrist, and, like Owen, trained in the mind-destroying techniques of the Tavistock Institute (see "Nazi Psychiatrists Behind Serbia's Reign of Terror," *EIR*, Feb. 12, 1993). In his autobiography *Time To Declare*, Owen boasts about his own support for use of electro-convulsive shock therapy and leucotomy against psychiatric patients, during his years as a neuro-psychiatrist at St. Thomas' Hospital in London.

Regrettably, the European Union has also reaffirmed its support for Owen, distancing itself from the parliament's decision.

## 'Bosnia would disappear soon'

In an interview with *EIR* on Jan. 20, Dutch MEP Arie Oostlander, a member of the European People's Party who was instrumental in bringing the motion against Owen, declared that a central motivation for the action was that he and his colleagues were "disturbed a lot" by Owen's "close relations" with British Foreign Secretary Douglas Hurd, who "informally gave a mandate for Dr. Owen" in the Bosnia negotiations. In practice, then, Owen had not been really working on behalf of the European Union, but rather on behalf of the British Foreign Office.

Oostlander reported that he had been told by knowledgeable Croatian politicians, that Croatian President Franjo



A Schiller Institute-sponsored demonstration against the European Union's "negotiator" Lord David "Dr. Death" Owen, outside the British Consulate in Chicago in August 1993.

Tudjman claims to have seen a letter from Hurd to Owen, saying that "the division of Bosnia-Herzegovina between Serbia and Croatia would be okay." Because of such views, "I don't trust what Owen is doing," said Oostlander. "We would prefer to have closer relations between the Croats and Bosnians." He further charged that Owen himself had recently given an interview to the Dutch magazine *Elsevier*, in which "he said that, if there would be a military alliance between Serbia and Croatia, the crisis would be settled quickly, because Bosnia would disappear soon."

It is such kind of thinking, he said, that motivated many MEPs to vote against Owen. Oostlander stressed that "Owen will be weakened by this vote, and we hope it will contribute to his disappearance as European mediator."

In comments made to BBC radio the same day, Oostlander charged that Owen's crimes included continually "aligning himself to the strongest party," and using the word "Muslims" to refer to the "anti-apartheid government of Bosnia-Herzegovina." Oostlander reported that anti-Owen MEPs wanted the current round of negotiations in Geneva to be stopped, the arms embargo against Bosnia to be lifted, and the declaration of NATO about bombing Serbian positions to "become a reality." He said that "the legality of the government of Bosnia-Herzegovina against racist forces must be strengthened."

He stressed that the tactical aim of the resolution was to

pressure the European Council of Ministers to change policy. That body is "not under the control of European citizens," and "the European Parliament attitude toward Owen reflects its attitude toward both the council and Owen."

### Anti-Owen sentiment in Britain

Support from within Britain for the removal of Owen came from Prof. Adrians Hastings, on behalf of the London-based Alliance to Defend Bosnia-Herzegovina, in a Jan. 22 letter to the London *Guardian*. Hastings affirmed that there "were five excellent reasons" for Lord Owen's "immediate replacement" as the EU peace envoy in the Balkans. He then proceeded to draw up a bill of indictment of his genocidal lordship:

"The first [reason] is that in 18 months he has achieved nothing. It is time that somebody else was given a chance.

"The second is that he has never exercised an independent role as a neutral mediator. His policy has followed that of the British government. No wonder our ministers praise him.

"The third is that he has no less consistently favored the side of the Serbs. He has accepted their most outrageous claims and fantasies as reasonable. He has covered up their deceptions. On the other side, he has frequently bullied the Bosnian President. At the last Geneva meeting, he managed to imply that it was the Bosnians, refusing to accept terms wholly destructive of their country, who were guilty of prolonging

the war.

"The fourth is that the one thing he still claims as his own, the Owen-Vance plan, was disastrous in its consequences, being the proximate cause of the breakdown of the Muslim-Croat Alliance which until then had been Bosnia's greatest source of strength. He has never admitted this colossal mistake.

"The fifth is that all his policies have been based on an acceptance by the international community of successful aggression and ethnic cleansing. When challenged, he has defended himself on the ground that this was inevitable, given the world's refusal to intervene militarily or raise the arms embargo on the Bosnian government, yet whenever there has been a possibility of the world moving into action in this way, he has thrown his weight against it with the fatuous phrase, 'Give peace a chance.' In practice, this has meant futile conferences in Geneva while in Bosnia, Serb aggression continued, based on a huge superiority in armaments. He has, in collusion with the British government, gerrymandered the circumstances in which a sellout to aggression could be justified as inevitable."

In our Aug. 27, 1993 issue, Hastings contributed an article calling for Owen's removal entitled, "Lord Owen Was Appointed to Do Great Britain's Dirty Work."

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## Documentation

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# Resolution to remove Owen

### The European Parliament,

A. having regard to the desperate condition of the people in Bosnia-Herzegovina and their belief that they have been betrayed by the failure to ensure respect for the minimum standards of international law,

B. having regard to the fact that a large proportion of the population of Bosnia-Herzegovina is still maintaining a multi-ethnic society,

C. having regard to the continuing attacks against the civilian population and the frequent interruptions of the supply of humanitarian aid,

D. having regard to the isolation by blockade and siege of towns and large areas,

E. having regard to the dissatisfaction of the Unprofor [U.N. Protection Forces] troops and their commanders, as expressed by General Briquemont and General Cot, with the weakness of their mandate and the lack of resources needed to implement U.N. decisions,

F. having regard to the requests for U.S. military participation in stopping the violence,

G. having regard to the reluctance of EU member states to provide extra troops in spite of solemn promises to that effect,

H. having regard to the mandate, the strategy and the lack of results achieved by the U.N. and EU negotiators, who consistently attempt to divide Bosnia-Herzegovina along ethnic lines, even though it is a member of the United Nations,

I. having regard to the statements of the North Atlantic Council and the U.N. Security Council,

### 1. Demands:

(a) that the over-riding aims of EU policy in Bosnia be to achieve a negotiated settlement and to prevent the spread of war in the Balkans;

(b) the recognition and protection of the legal government of Bosnia-Herzegovina to a viable state;

(c) the determination to turn Unprofor into "peace-making" troops since the failure to establish peace dooms "peace-keeping" to failure;

(d) troops to ensure, by their active intervention, the safety of all "safe areas" as promised by the Council and the Member States;

(e) the opening of supply routes and the airport to Tuzla, which is the biggest area where the Bosnians still maintain a multi-ethnic civilian government;

(f) an end to the "strangulation" of Sarajevo;

(g) an end to the blocking of the rotation of Unprofor contingents;

(h) the dismantling of artillery positions from which cease-fires are broken and the elimination of sniper activities pursuant to the NATO decision of 11 January 1994;

(i) that every effort be made to keep civilian and Unprofor casualties to a minimum;

(j) active diplomacy and pressure on Croatia in order to end Croatian attacks on Bosnia-Herzegovina and to restore good relations between the two countries;

(k) sanctions against the Belgrade regime to be rigorously maintained until all Serb aggression against Bosnia-Herzegovina is ended;

(l) active assistance to all those throughout the former Yugoslavia who support human rights, democracy, and dialogue against chauvinism and ethnic cleansing;

(m) that political, operational, and financial support for the International Tribunal for War Crimes in former Yugoslavia be part of the common action program of the European Union;

(n) the nomination of a new EU negotiator with a proper mandate and a new strategy for exercising it;

II. Instructs its President to forward this resolution to the Commission, the Council, the Secretaries General of the U.N., NATO, and the WEU [Western European Union] and the governments of Bosnia-Herzegovina, Croatia, and Serbia.



# Argentina needs a genuine alternative, jailed patriots say

*The following interview with Argentine Army Col. Mohamed Alí Seineldín and Capt. Gustavo Luis Breide Obeid, which was sent out to the major Argentine dailies, was made available to EIR. Both men are imprisoned at the Magdalena Prison in Buenos Aires as a result of their involvement in the Dec. 3, 1990 uprising against the Army high-command. Seineldín has described himself as a political prisoner.*

**Q:** Colonel Seineldín, can you tell us what you are—a military leader, a politician, a revolutionary?

**Seineldín:** I am simple a soldier of the Fatherland, who will not turn his back on his responsibility. I was called upon by young Army officers who were worried about the uncertain destiny to which our institution was being led. . . . We were not understood. Today, given the serious crisis facing the nation as a reflection of the world crisis, a group of fellow citizens understood that the ideas I hold (which are not “my ideas” but are the product of the evolution of national thought over time) offer an answer and a genuine alternative. They have taken me, undeservedly I would say since there are many better than I, as a *reference point* for their own consolidation.

**Q:** But you have formed a political movement. . . .

**Seineldín:** You are referring undoubtedly to the Movement for National Identity and Ibero-American Integration (MINeII). I don’t think it is correct to say that I have formed it. Rather, let us say that, given the vacuum and current absence of national movements, added to the political crises facing the nations of Ibero-America, a group of worthy and concerned citizens called upon me to place myself at the front of this enterprise. These gentlemen are the ones who, with praiseworthy endeavor, brought about the MINeII.

I should clarify that this is a patriotic movement, and not a political party.

**Q:** Is it true that you are its leader?

**Seineldín:** No, this is not so. Remember that I am a prisoner. What kind of leadership can I exercise from prison?

The MINeII has its properly elected officers on the national as well as the provincial and local levels across the nation. Its leading figures are Dr. Camilo Mata, of Rioja,

president of the Federal Council, and Dr. Roberto Pey, of Tandil, president of the board of directors.

I repeat: Both my case as well as that of Captain Breide Obeid, secretary general of the movement, more represent *moral reference points* that a group of citizens have found relevant. As to why I have received this undeserved distinction, you would have to ask the movement’s officers, not me.

**Q:** For what purpose was this movement created?

**Seineldín:** The MINeII is the result of the very serious political crisis our country is going through. It is its response.

Given the current crisis facing our nations—the result of the decadence, corruption, and inabilities of the partyocracies, which constantly threaten republican life—the national movement should serve as the *insurance and guarantee* of continuity. If in earlier periods we had had a structurally strong organic movement to rely upon, there never would have been the coups d’état which were born of the weakness and/or consent of those same political parties.

**Q:** What do you consider to be the political perspectives of the MODIN [the political movement set up by former Col. Aldo Rico]? Is it not the same as the MINeII? Aren’t the differences merely ones of appearance, part of a political strategy to end up being the same thing?

**Seineldín:** This is a long question. To answer these doubts properly, I am going to divide my response in three:

1) The MODIN is nothing more than a political party with the name “movement.” I think that, by entering the “partyocracy game,” it is going to end up like all the other “little” parties, absorbed by the large ones through negotiations, deals, arrangements, etc., despite the good intentions it may have.

2) As I have already explained, the MINeII is a movement, since it is above all the divisions on ideological, sectoral, or other subordinate grounds; It managed to join together all those wills which together constitute a genuine national sentiment in pursuit of national greatness and protection of its values. In contrast, the political parties are subject to the rules imposed on them by the system. We well know what this means today: to seek power at any cost, not to serve but to serve oneself, to the benefit of a tiny fraction or of



Col. Mohamed Ali Seineldín (third from left) and Capt. Gustavo Luis Breide Obeid (second from right), leaders of the MINeII patriotic movement, which will release a statement of program in March. "The only choice is a change in economic direction."

mere personal interests.

3) In conclusion, I am telling you that the MINeII at the current time has absolutely nothing to do with the MODIN. Of this you may have no doubt.

**Q:** How would you react to a possible pardon for the MTP [Movement of All for the Fatherland] guerrillas and for the military prisoners in Magdalena Prison?

**Seineldín:** This is a matter that is beyond our control. If it were to occur, it would surely not be to benefit us but, on the contrary, to confuse society even further, by trying to mix a group of nationalist and Christian military men and civilians with another group who respond to international ideologies and interests.

Personally, it would not make me happy at all. I have never liked confusion.

**Q:** Is your relationship with the Army and with the rest of the Armed Forces irreconcilable?

**Seineldín:** We are soldiers and, as such, we feel proud to belong to an institution which both *founded and is fundamental to the nation*. It is on this basis, and in defense of the Fatherland, of its greatness, of its integrity, and of its permanent values, that we have risked life, liberty, family, career, comforts. . . .

The Army is more than the individuals and circumstances which affect it. Unity exists and will always exist, whenever

the Fatherland is in danger.

I would like the rest of the questions to be answered by the secretary general of the movement, Dr. Gustavo Luis Breide Obeid.

**Q:** Colonel Seineldín has been deeply critical of the political parties. Does this mean that you do not believe in the expression of the people's will?

**Breide Obeid:** Here is the crux of the problem. What we seek to do is to shatter a myth, to be realists, to call things by their real name.

Now I will ask you something: Do you really believe that today's politicians represent the will of the citizenry? On the contrary! It has finally become apparent that a senator no longer represents the will of his province, nor a congressman that of the citizens who elected him; the congressmen "belong to the party" and answer, in the end, to ideological criteria and, at times, only to the personal interests of a group of leaders.

With this diminished representativity, the political parties are destroying the essence of the *representative, republic, and federal* system which our national Constitution established. The political parties have set themselves up as an end in themselves. They no longer represent anyone.

**Q:** However, in each election, millions of citizens demonstrate by their vote their confidence in one or another party.

**Breide Obeid:** This is the trap. A dialectic scheme, a false option, has been imposed on us. We are told that this is the only system there is and that anything else is chaos, dictatorship, economic anarchy. Therein lies the role of the MINeII: as a true, possible, concrete alternative. We seek a genuine peaceful *national revolution* which, based on true *representativity* and legitimate *participation*, will win for our country a more just social order. In sum, it seeks to assure that each citizen not merely live, but live well, in dignity.

**Q:** How does the MINeII think all this will come about. Is it going to form some political party for 1995?

**Breide Obeid:** I would like to make the answer to this question quite clear. Colonel Seineldín has been categorical on this: He will never participate in any contest among fractions or parties. Neither will the movement as such; but, there are two ways in which our ideas can participate in shaping the destinies of the nation:

a) Our movement is non-sectarian, and places itself above divisions and differences. It thinks of the Fatherland as a whole. Our activists come from nearly every national political current, and those who identify with our principles do not have to give up membership they may eventually hold in some party. These men, strong on the principles of the movement, could influence these parties with our ideas.

b) This does not mean that, if some political parties (be they on the national, regional, or local level) choose to join the principles of our movement in their entirety, that they could not become a political front, which could seek to reach an elected position that would enable it to actively concretize our ideas. Should this occur, this front could eventually rely on our total support. In any case, it should be clear that neither the movement as such, nor its officers, will participate in an electoral contest that prevents us from acting on the ethical, moral, and spiritual plane, from which to illuminate the path to great solutions that will make the Fatherland great and its citizens happy.

**Q:** Where does the MINeII get its money?

**Breide Obeid:** Your question should be separated into two points: that which refers to the movement as such, and that which concerns the families of those of us who are held in civilian and military jails.

Regarding the movement, I can tell you that its activities are financed by the voluntary support of each one of its members.

Regarding the families of all imprisoned personnel, their support comes from their own efforts and sacrifice, from the crafts and work carried out in prison and from the help of some friends, offered out of complete altruism and generosity. This latter support is not constant and barely covers the costs of the families' travel on visiting days, and other emergencies.

We also know that there are many people who have

offered to help our suffering families, and who have been victimized by unscrupulous people who have grown rich on our pain. Others who are indebted to us have, out of resentment, undertaken to assuage their own consciences by confusing people and saying we are wealthy and need nothing. These are some of the bitter experiences that jail has taught us.

**Q:** On another subject, are there possibilities of a repeat "Santiago" uprising?

**Breide Obeid:** As long as the economic policy does not change, the answer is—of course. The government is in a deadend: If it sticks with the adjustment policy, there will be a social explosion. If the plan is kept unchanged, the economy will sink. The only choice is a definite change in economic direction, toward a plan of stability but with growth, development, and social justice. This is still possible.

I don't believe in "solutions" at the cost of the hunger of millions of families, nor do I believe that the answer is a return to economic anarchy. Take a look at the absurdity one sees in the nation today, where there are "impoverished" provinces because their resources are administered by the central authority which "monitors" their economies. And this is called federalism? They have lost their autonomy and have even become de-personalized, absorbed by an overbearing and inhuman centralism. Only by taking advantage of and developing resources at their place of origin, and making optimal use of them, can one achieve the rooting and growth of jobs, and the peaceful order that the entire country demands. Only through a balance between the guiding and harmonizing function of the state and private free enterprise can this ghost be driven away.

**Q:** This is easy to say, but does such a plan exist?

**Breide Obeid:** I can assure you that it does. The MINeII has put it together and, in March, will publicly present it to society through its officers.

**Q:** What position will you take toward the coming elections of constitutional convention delegates and toward the legislative assembly itself?

**Breide Obeid:** It depends on whether the vote is mandatory or not. If it is mandatory, we will encourage blank votes; if it is voluntary, abstention. What is important is to show our absolute rejection of this dirty annulment maneuver, since it is based upon and supported by a spurious and shameless pact, carried out by political leaders behind the backs of the people, in systematic violation of all the norms determined by our Constitution for its modification. I insist: *No more false choices!*

**Q:** What is your personal view of reform of the Constitution?

**Breide Obeid:** I think it needs to be updated, fundamentally with regard to the issues of participation and representation.

But under current circumstances, we are convinced that these gentlemen should be more concerned with complying rather than with changing it. The national Constitution is too serious to be changed by the mere personal whims of two politicians. More serious still is that, once it is adulterated, what guarantee do we have that it will be complied with in the future?

**Q:** What in your opinion are the main hypotheses of conflict our country faces?

**Breide Obeid:** It is first important to define what we mean by hypothesis of conflict. Hypothesis of conflict is the confrontation of interests between two or more nations: confrontation that goes beyond the will of the actors. To be clearer still, if Argentina maintains that the Malvinas are Argentine and yet the Malvinas is occupied by the British, a hypothesis of conflict exists; despite the foreign minister's shrill insistence on maintaining carnal relations with the British, the hypothesis of conflict continues to exist. Therefore, we have a conflict of interest with any country that has interests counterepoised to our own. From a hypothesis of conflict to a hypothesis of war (never desired), there can be an abyss.

**Q:** What do you think Mexican "Zapatismo" represents? Is it a new form of subversion or an armed expression of the national and popular will?

**Breide Obeid:** This is a difficult question to answer; unfortunately, we are asked to return to dialectical games of good versus bad. The situation in Mexico, as with many countries on the continent, is nothing more than the result of an economic policy which responds to multinational interests, which added to injustice and marginalization, drives people to the limits of their resistance.

Ethnic conflicts have also been "imported," exacerbating indigenism to fragment us still further, to divide us and more easily exploit our natural resources; they have planted sects which weaken our spiritual values; they have turned Ibero-America into a center for the production, traffic, and consumption of drugs, into a marketplace of organs, of children, of prostitution. Here we find the root of this violence, and here again are the usual violent elements who, taking advantage of the gravity of the situation, introduce an ideological twist which leads to an evil as bad or worse than the one that is supposed to be eliminated.

Many try to find the ideological foundations of this drama. Neither liberalism nor communism, neither left nor right; the solution is not ideological.

**Q:** What is your analysis of the growth of the right wing in Europe, and the repercussions this could have in our country??

**Breide Obeid:** The resurgence of the right in Europe is the logical result of a globalist and hegemonic policy that exacerbates national, regional, ethnic, religious, and other sentiments. That is why we must stress that these emerging move-

ments respond to their own characteristics which, in many cases, differ from our concept of the national interest. Thus you have the Holy Father's explicit condemnation of xenophobia, of indiscriminate massacres for reasons of race or religion. This has nothing to do with our reality, where the search for our own national identity is not based on exclusion, discrimination, or hatred.

**Q:** But then, how are we to understand your proposal for a national revolution? Do you honestly believe that Argentina can develop alone, isolated from the world?

**Breide Obeid:** I believe that it is absolutely legitimate to reaffirm our will to *be*, to *exist* as a sovereign entity. That is why our movement is called National Identity, in defense of that which today has become diluted by religious, cultural, political, economic, and even linguistic aggressions. But the MINEI also proposes Ibero-American integration since this is its natural context; that which, from its origin and throughout its history, has constituted a real community, not merely of men but of interests, of dreams, of ideals. Was it not these ideals which guided our finest heroes? We defend our identity, but we understand that the world today requires complementarity, a sharing of projects and of efforts. Thus we open up to a real, possible, and authentic integration which necessarily goes beyond the economic aspect. It is in Ibero-America that we will be able to fully develop our potentials.

**Q:** Bill Clinton announced at Christmastime that abortion would be freely available in the United States. What is your view of this?

**Breide Obeid:** This strikes me as a contradiction. Those who claim to be the leading defenders of human rights are facilitating and legalizing the most atrocious of genocide, the assassination of the most defenseless of human beings: the unborn child. Beyond the irrefutable ethical and moral arguments against abortion, we could ask ourselves the following questions: If there had not been an abortion, would there have been a birth? So, what right do I have to deprive an innocent human being of the possibility of existence?

**Q:** What do you think of our country's insertion into the new world order?

**Breide Obeid:** I think it was a serious error on Argentina's part to bet on a project, believing erroneously that its realization was inevitable. The NWO was never consolidated, nor will it be. The "apparent" fall of an ideology was confused with the victory of its opposite number, but we have clearly not arrived at that much-trumpeted "end of history." Rather, it is but one more cycle of man's arrogance. Worse still is that the logical and natural reactions to an order which seeks to institutionalize a hegemonic power as head of an empire, has placed the planet in one of the most unstable periods of its history.

### Who really was Herbert Wehner?

*Studying just-published dossiers and private notes may shed a light on many a dark affair.*

This author joined the LaRouche movement in May 1974, when Chancellor Willy Brandt, then the chairman of the German Social Democrats (SPD), resigned over a spy affair involving his closest aide, Günther Guillaume. His resignation came just as Germany was struggling with the economic, strategic, and political repercussions of the 1973 “Yom Kippur” Arab-Israeli War and the ensuing Arab oil boycott.

When Brandt was replaced by Helmut Schmidt at the chancellory, and massive austerity was imposed under the pretext of fighting the effects of the oil shock, this seemed to serve the Trilateral Commission of David Rockefeller and Henry Kissinger in its plans for a reorganization of the western world around the design for “fascism with a democratic face.”

It was known in early 1974 that Kissinger and Brandt had clashed when Brandt balked at allowing U.S. airlifts to Israel from bases in Germany, during the Yom Kippur War. The German government gave in to heavy pressure, but Kissinger swore revenge against Brandt. After all, Kissinger had played a key role in early 1969, in sabotaging a continuation of the Grand Coalition (Christian and Social Democrats) then in power, and preparing the socialist-liberal coalition that made Brandt chancellor. Kissinger believed that Brandt owed him a favor—a debt that was to be paid in 1973.

Brandt’s reluctance to sail along with at least some of the Trilateral Commission’s plans also had to do with his resentment against Kissinger for the “arrogance of power” Brandt felt in him. Brandt’s widow revealed

that interesting story on Dec. 18, 1993, in a *Frankfurter Allgemeine Zeitung* essay. Her remarks, based on previously unpublished private notes of Brandt, aired aspects of transatlantic tensions that hadn’t been known to a broader audience in Germany.

This detail may put a missing stone in the mosaic of the period of German postwar history more broadly known as *Ostpolitik*, the diplomatic opening to the East. It had always been a puzzle why Wehner, the parliamentary whip of the Social Democrats in Bonn, changed views about the liberal Free Democrats. In 1968 he had wanted to kick them out of the parliament by a change in the election laws; yet in secret talks in late 1969, Wehner wooed the same Free Democrats as a coalition partner for a socialist-liberal government, after that year’s September elections.

This about-face was widely ascribed to Wehner’s reputation as a “power tactician,” as a move in the project of making a Social Democrat—Willy Brandt—chancellor in Bonn for the first time since the West German republic was founded in 1949. Wehner had already played a key role in the overthrow of the late 1950s’ SPD party chairman Erich Ollenhauer, and after a short interlude with chairman Fritz Erler, also helped steer Brandt’s election as new SPD party leader in 1964.

The fact that Wehner also helped engineer Brandt’s downfall in May 1974, posed questions as to his loyalties. If not for himself, for whom else did he stage Brandt’s exit and his replacement by Helmut Schmidt? Or, from the standpoint of *Ostpolitik*—why would the “grand tactician” Wehner, an ex-Communist and postwar left-leaning Social

Democrat, stage a crisis in Bonn that brought to power a committed atlanticist and great admirer of Kissinger like Schmidt?

Documents from former East German intelligence archives have just been made public, indicating that Wehner kept secret contact, in the late 1960s and early 1970s, with senior East German leaders. Some, like Erich Honecker, he knew from their days together in the pre-war German Communist Party. He kept contact even when he was Bonn minister of all-German affairs in the Grand Coalition of 1966-69—in 16 cases, without telling Brandt.

These dossiers suggest that Wehner never stopped being an agent of the Comintern and the postwar KGB, even after becoming a member of the West German Social Democrats in 1946. The dossiers don’t tell, however, what Brandt’s private notes made available by his widow point to: Wehner met Honecker in 1946, in the British zone of occupation, under the eyes of the British authorities. It was, after all, British intelligence officers who debriefed Wehner during his 1942 arrest in Sweden—the arrest that made him a “convert from communism to social democracy” and paved his way into the SPD in 1946. Was Wehner, who died in January 1990, an Anglo-Soviet agent?

This may explain why he helped oust Kissinger’s adversary Brandt in 1974; it may also explain why Wehner made the SPD party executive pass that late 1974 “incompatibility” decree outlawing any contact between SPD party members and the LaRouche movement, which Kissinger also saw as an adversary. In order to combat LaRouche’s programmatic influence in the party, in late 1974, slanders of LaRouche as an alleged right-wing “CIA” creation began to penetrate the leftist SPD.

# International Intelligence

## ***Parisians demonstrate against deschooling bill***

Six hundred thousand people demonstrated in defense of public education in Paris on Jan. 16. Coming from all regions of France, the demonstrators included teachers, students, parents, and trade unionists, many of them Catholics.

The French government catalyzed this protest by introducing a bill aimed at changing the Falloux Law, dating from 1850, which defines the responsibility of the national government in financing and controlling schools. The new law was to decentralize the financing of the school system, allowing regional and local authorities to finance private schools in a new way. More than a fight between parochial and secular schools, many people feared the onset of competition between private schools and public schools, driving ultimately to a decentralization and privatization of the school system.

Despite the fact that the left-wing parties and a few Freemasons are trying to use this popular mobilization for their own purposes, this large, peaceful demonstration reflected a deeper anxiety about the visible dismantling of the French state apparatus, in the name of economic liberalism.

## ***Kozyrev tells Estonia, Latvia: We're staying***

Russian Foreign Minister Andrei Kozyrev declared that Russian troops will not leave the Baltic republics of Estonia and Latvia. Kozyrev was addressing a conference on Russian policy toward the Community of Independent States and the Baltics on Jan. 19.

"We should not withdraw from these regions, which have been in the sphere of Russian interests for centuries, and we should not fear these words," he said. Kozyrev called the "protection" of the "Russian-speaking population" in the former Soviet Union "one of Moscow's main strategic interests."

The news agencies Tass and Interfax stressed that Kozyrev had specifically included Estonia and Latvia in his definition of regions from which Russia will not withdraw. Kozyrev added that "though military domination is not in Moscow's interests, it would be dangerous to create a vacuum because it might be filled by unfriendly forces." His speech came only three days after the Russian Army's "shoot to kill" order was given to Russian forces in Estonia and Latvia, if attacked or "provoked" by officials or forces of the Estonian or Latvian governments.

German Foreign Minister Klaus Kinkel, asked to comment on Kozyrev's threats on Jan. 19, said he was "a bit worried," but said he wanted to see the full text of the Russian foreign minister's remarks before commenting further. Kinkel said that no such views had been voiced by Kozyrev when he met him shortly after the Russian elections, so that the report about Kozyrev's latest remarks did not seem to reflect what the Russians have told them their policy on the Baltic issue is. Kinkel invited the foreign ministers of the three Baltic states to Bonn.

## ***Britain backed Azeris in war with Armenia***

The British government knew of and gave "tacit support" to an Azerbaijani operation to recruit British mercenaries for its war against Armenia, reported the London *Independent* on Jan. 24, citing Lord Erskine of Rerrick, who was involved in the project. The Foreign Office admitted that it knew of the project, even as it also admitted that there is officially a British arms embargo against both Armenia and Azerbaijan.

Lord Erskine, who is a consultant to senior Azerbaijani ministers, confirmed that negotiations were in an advanced stage between Azerbaijan and a group of British and Turkish businessmen, in a company called Summit (Consortium) Ltd., to arrange the deal. A Turkish businessman, Mustafa Mutlu, and an unidentified British businessman, both based in Turkish-occupied Northern Cyprus, were the pointmen for the deal. The

*Independent* reported that Azerbaijan was prepared to pay up to £150 million annually, drawn from its oil revenues, for arms and mercenaries. Privately chartered Russian aircraft had been put on standby to begin flying in arms and men.

Sources identify Lord Erskine as an operative of British intelligence. He was named last year by Michael Mates, then-Northern Ireland minister responsible for security affairs, as a "member of the security services." The British government denied this, but has now admitted that he had been providing information to the Foreign Office, which he had told last year of the plans to supply Azerbaijan with men and weapons, during a meeting with a senior ministry official.

## ***Civil Rights Movement chooses slate in Germany***

The Civil Rights Movement-Solidarity, a political party in Germany founded by Helga Zepp-LaRouche, held its national convention on Jan. 23, and elected a slate of candidates for the June 12 elections for the European Parliament.

Mrs. LaRouche gave the keynote speech, underlining that the ruling politicians have failed to find a way out of the economic and political crises, and that the task of the Civil Rights Movement-Solidarity is to step forward into that policy vacuum and provide leadership. She described particularly the crisis in Italy, where the traditional parties have fallen apart and new parties have been created, but there remains a programmatic and political vacuum.

The politicians missed the great historic opportunity of 1989, when communism fell, she said, and so we are now faced with potentially the worst catastrophe in modern history. The situation in Russia is a threat to world peace, and the western financial system is in a systemic crisis, which could lead to a collapse like that of the Middle Ages.

The slate of candidates elected includes Helga Zepp-LaRouche; Anno Hellenbroich; Helmut Eichinger, farmer; Werner Similowski, miner; Monica Ripamonti, pianist;

Dr. Helmut Böttiger, publisher; Katharina Surek, nurse; Heiko Ziemann, electrician; Elke Fimmen; Stefan Blassauer, farmer; and Karl Kasimir, insurance agent.

The convention was addressed by Jacques Cheminade of the Schiller Institute in France, who recalled the great French-German humanist heritage, from "Colbert, Carnot, Leibniz to LaRouche," and called on everybody to join that "family." A representative from Bosnia appealed to the participants to continue the fight to save Bosnia, and blamed European politicians for having betrayed the culture and dignity of their countries. Vladimir Matveev of the Russian Democratic Movement also addressed the meeting.

## ***Is Britain's Hurd blackmailing Turkey?***

British Foreign Secretary Douglas Hurd may be blackmailing Turkey to drop its support for Bosnia, according to reports from Europe.

A well-informed defense source in London said that "Turkey will be put into a corner" by parallel diplomatic moves coming from both the West and the East. "The Turks are very nervous about the situation in Bosnia, with winter conditions causing more deaths, and the Serbian spring offensive, which will come. It is time to call in our debts with the Turks. They have been given a lot of money by Europe. We should be telling them, 'Bring your friends, the Bosnians, into line, and make sure they agree to a diplomatic settlement, or you're going to lose aid from the West.'" He said such diplomatic and economic threats could readily be complemented by pressure on Turkey from the Russians.

As he was speaking on Jan. 20, Hurd was in Turkey for talks including the German and Turkish foreign ministers. Hurd said, according to BBC, that "the Bosnian Muslims [sic] had to decide what was in their best interest"—continued fighting or a diplomatic settlement. The onus, in other words, is entirely on the multi-confessional government in Sarajevo, which Hurd calls

"the Muslims." Hurd was also reported to have said, according to unnamed British sources cited by BBC, that Britain had "not decided yet" whether to withdraw its troops from Bosnia.

Linked to all this, is a report in certain British newspapers, that the Turks are demanding assurances from Britain that Britain is not planning to help create an independent Kurdish state.

## ***Pope to parents: Turn off the television***

Pope John Paul II attacked television and challenged parents to "simply turn the set off," in a message for the church's 38th World Day of Communication on Jan. 24. He said that television for the most part had negative effects, and spread "degrading values and models of behavior by broadcasting pornography and graphic depictions of brutal violence." It offered "distorted, manipulative accounts of news events," used advertising to exploit base instincts, and glorified false visions of life.

He said that even when individual programs were not morally objectionable, the medium still had a negative effect by isolating family members "in their own private worlds." "Forming children's viewing habits will sometimes mean simply turning off the television set: because there are better things to do, because consideration for other family members requires it, or because indiscriminate television viewing can be harmful," he said. "Parents who make regular, prolonged use of television as a kind of electronic baby-sitter surrender their role as the primary educators of their children." Video-dependency is depriving families of conversation, shared activities including prayer, and leaves little time for other sources of news, entertainment, education, and culture, he said.

Parents should not take the assault from television sitting down, but join together to demand higher standards. "To guarantee that the television industry will safeguard the rights of the family, parents should express their legitimate concerns to media managers and producers," he said.

## ***Briefly***

● **CROATIAN** intellectuals, members of the Catholic clergy, and refugees in Zagreb have founded the Assembly of Croats in Bosnia-Herzegovina, in opposition to the proposed three-way ethnic carve-up of the republic. A spokesman said that Mate Boban, the acting president of the self-styled "Croat Republic," did not represent the political will of his ethnic kin in central Bosnia.

● **WILLY BRANDT** suspected that there was another top communist spy in his entourage, besides Günther Guillaume, Brandt's widow, Brigitte Seebacher-Brandt, revealed in an interview with the German daily *Bildzeitung* on Jan. 24. In related news, Gerhard Fleischle, an editor of Deutschlandfunk radio in Cologne, was arrested on Jan. 20 and charged with having been a spy for East Germany's foreign intelligence service.

● **TURKISH PRESIDENT** Suleyman Demirel called for the end of U.N. sanctions against Iraq, in an interview with Reuters on Jan. 18. "The people on the street in Iraq suffered too much from the sanctions. Turkey also suffered a lot from the sanctions, millions of dollars," he said. "The territorial integrity of Iraq is very important. If it is broken down there will be great problems in this part of the world."

● **NORTH SOMALIA** rebel leader Mohamed Ibrahim Egal has called on the West to recognize the break-away state of Somaliland and give it aid. "The West must recognize our state as sovereign. The decision to end our union with Somalia is final," he told reporters. Somaliland, which used to be a British colony, declared its independence from Somalia in May 1991.

● **PAKISTAN** sealed its main Khyber Pass border post with Afghanistan on Jan. 24, preventing a U.N. relief convoy and refugees from crossing the frontier. The move follows a new round of fighting in Afghanistan which began on New Year's Day.

## 'Lula' da Silva and the new communist threat to Brazil

*The following is taken from EIR's January 1994 Special Report, " 'Shining Path North' Explodes in Mexico" :*

There is every indication that 1994, the year in which presidential elections are scheduled, will see the culmination of the slow but systematic process of Brazil's institutional decomposition. This morbid state originated with the debt crisis of the so-called 1979 "Volcker Revolution," when the U.S. Federal Reserve arbitrarily raised interest rates and transferred to both the Third World, and to the industrialized areas of the advanced sector, the burden of its speculative operations, in order to preserve the corpse of the Bretton Woods system.

This process of decomposition is clearly expressed in the collapse of national institutions, victims of unbridled corruption—a collapse fed by a system in which the sense of justice has been exterminated. Influenced by a corrupt party system which transformed democracy into a clearing house, society has begun to descend into a Hobbesian world in which, on the one hand, there is a minority of ever-more selfish individuals who seek survival at any cost—the war of all against all—while an enormous mass of poor are victimized by those who feed social hatred and class struggle. Thus, the neo-liberal policies indiscriminately imposed by Brazil's President Fernando Collor de Mello feed the growth of the communist beast ensconced in the ranks of the Workers Party (PT), under the defiled cassocks of Marxist Liberation Theology. Neo-liberals and Marxists are two sides of the same coin.

Thus we are approaching the October 1994 elections with the PT candidate, Luís Inácio "Lula" da Silva, emerging as the favorite; the only resistance left, once the party system has collapsed, is the institution of the Armed Forces, which, as the power of last resort, will have to halt the destruction of the Brazilian nation-state.

Opting for what has been called "pragmatic accommodation," the PT hides a strategy based on the old communist theses of the "popular front," promoted in the 1930s by the Third International. These were the same forces which simultaneously directed the Spanish Civil War and the attempted takeover of 1935 in Brazil, which sought the overthrow of nationalist leader Getulio Vargas and the imposition of a communist dictatorship. In a word, *the PT proposes a violent seizure of power*, using for the moment a classic Leninist popular front as a Trojan horse.

But the PT's "popular front" strategy wasn't the result of a factional struggle between moderates and radicals within that party, as some misinformed—or ill-intentioned—individuals wish to present it both in party publications and in the national media. The truth is that this strategy is a line dictated by the so-called São Paulo Forum, the coalition of the continent's narco-terrorist and pro-terrorist organizations which coordinates with Cuba and to which the current PT leadership conspicuously belongs. The political offensive which sees 1994 as the year in which sovereign nation-states will be dismembered and replaced by neo-communist tyrannies, is coordinated through this Cuban-run coalition.

The São Paulo Forum, and the PT as its prototypical party, is in fact the intelligence product of three interrelated movements:

First, the São Paulo Forum takes up, decades later, the efforts of the Soviet-led Comintern (the Third Communist International), which holds tragic memories for Brazil, to annihilate the nation-state. Like the São Paulo Forum today, the Third International promoted ethnic and racial divisions, using the theories of an army of anthropologists, ethnologists, and indigenists trained in France, England, and the United States to transform nation-states into a mosaic of balkanized, ethnic states.





*Luis ("Lula") Inacio da Silva joins other candidates groomed by Cuba's São Paulo Forum and Washington's Inter-American Dialogue to take over Ibero-America's presidencies, at a Princeton University seminar in April 1993. From left: Rubén Zamora of El Salvador's FMLN; Antonio Navarro Wolf of Colombia's M-19; Lula of Brazil; Pablo Medina of Venezuela's Radical Cause.*

Second, the São Paulo Forum is the legitimate heir to the continental communist Latin American Solidarity Organization (OLAS) founded in 1967 in Havana, by Soviet-directed Cuban intelligence to coordinate the efforts of the guerrilla and terrorist groups which in the 1960s and early 1970s operated on the basis of the "foci theories" propagated by Argentine guerrilla Che Guevara and France's Régis Debray. This is extremely important for Brazil, because the guerrilla activity of that period was coordinated by OLAS from Havana, where Brazilian Communist Party leader Carlos Marighella received military training, and where he wrote the pamphlet *Some Questions about the Brazilian Guerrilla Movement*, which became the primary training manual for the continent's armed groups. This manual was analyzed particularly carefully by Prof. Friedrich August von der Heydte in his book *Modern Irregular Warfare*, published in Brazil by the Army Library, as well as in other countries.

During the period of the '60s and early '70s, Carlos Marighella's National Liberation Action attracted to Brazil a good number of Dominican friars who belonged to the networks of the "popular church" or "Christians for Socialism," as the currents belonging to Marxist Theology of Liberation were called in Chile under the government of Salvador Allende. Among those friars was Frei Betto, currently the primary adviser and spiritual guide to Lula as well as director of the São Paulo Forum's magazine, *América Libre*.

Third, the preceding brings us to the São Paulo Forum's most important element: Marxist Theology of Liberation. This is the bizarre theology of the continental neo-communist movement grouped in the Forum, whose central "chaplain"

is undoubtedly Cardinal Paulo Evaristo Arns, Archbishop of São Paulo and one of the primary spokesmen for Lula's electoral campaign and for the "popular front" strategy for the 1994 presidential elections.

Cardinal Evaristo Arns has for decades been tied to those networks of the alleged defenders of human rights which serve as the perfect cover for continentwide terrorist operations.

The Workers Party (PT) is the clearest example of a party structure which the São Paulo Forum seeks to create throughout the continent, as Lula himself admitted in an interview with Frei Betto published in the April-May 1993 issue of *América Libre*:

"The PT is, for Brazil and the continent, the first party which emerges with the goal of becoming a party of the masses with the view that the vanguard of the masses are the masses themselves and not a half-dozen luminaries. The Latin American left, for example, never knew how to deal with the religious question. The PT was born out of a large sector of the religious movement, that is, from the ecclesiastical base communities, from the progressive sectors of the Church, from progressive priests, and nuns.

"Our party has something which could help our comrades in the Latin American left: coexistence within diversity, democratic coexistence among different political currents—Christians and atheists, Marxists and non-Marxists, intellectuals and those who work in the countryside, small and medium-sized businessmen and workers. This sometimes conflictive and convulsed democratic coexistence is the greatness of the PT."

It is evident see that if the PT takes power in Brazil in

1994, with the almost illiterate ayatollah Lula as President, it will provoke the greatest strategic crisis that Brazil—and perhaps the entire continent—has experienced since the wars of independence. It will mean the immediate activation of all those political projects designed to bring about a cultural paradigm shift, implying the destruction of the sovereign nation-state, the Armed Forces, and worse, the Christian cultural matrix.

### The PT's 'popular front'

As a result of the PT's 1989 electoral defeat, in which Brazilians elected Collor de Mello out of fear of a PT victory, and after Frei Betto reshaped Lula's "revolutionary personality" (Lula suffered a deep pathological depression after revelations about his personal life during the campaign), the PT's leadership and like-minded forces began—simultaneous with the 1990 founding of the São Paulo Forum—to devise (with an eye toward the 1994 elections) a strategy capable of eliminating among the business sector and especially among the Armed Forces all resistance to Lula's taking power.

From the start, the idea was to group in a large popular front all the forces considered to be progressive. This included an alliance with neo-liberal groupings inside the Brazilian Social Democratic Party (PSDB), whose most important leader is the current Finance Minister, Fernando Henrique Cardoso, who is also a prominent member of the Inter-American Dialogue and with whom the PT has maintained a relationship since at least 1979, when the trade unions led by Lula in San Bernardo do Campo, in São Paulo, supported his candidacy for the federal Senate, with the blessing of Cardinal Evaristo Arns.

On the basis of this new tactic, Lula accepted Fernando Henrique Cardoso's efforts to also have him join the Inter-American Dialogue as a full member in 1990. In December 1992, the PT became an observer in the Socialist International at a ceremony in Paris, during which its president Pierre Mauroy said that if Lula were to become a presidential candidate in 1994, "I would go to Brazil to campaign for him."

On the occasion of that ceremony, Lula met in Paris with the Brazilian communications magnate Roberto Marinho, owner of the *O Globo* telecommunications network. Lula and Marinho participated in the French government's official commemoration of the Five Hundredth Anniversary of the Discovery of America, organized by French Culture Minister Jack Lang and by Régis Debray. Following this Paris meeting, Lula agreed to meet with his arch-enemy, Marinho, at the latter's *O Globo* headquarters. The meeting was reportedly filled with cynical mutual recriminations about who was responsible for Collor de Mello's election.

During that period, sociologist Francisco C. Weffort, the PT's former foreign affairs secretary and one of its chief financiers, after spending some time as a fellow at the Washington-based Woodrow Wilson Center—linked to the "progressive" sector of the State Department and the Inter-Ameri-

can Dialogue—began to make his first contacts with national and international businessmen and bankers to sell Lula and the PT's "new image." At the same time, the PT's new foreign affairs secretary, Marco Aurelio Garcia, began to coordinate work on a social democratic program deemed to be less radical and more in tune with the PT's new image. This is what is now being presented as the basis for a policy of alliances. Garcia is a member of the São Paulo Forum's leadership.

In mid-April 1993, Lula traveled with Garcia to the U.S. to participate in the Princeton University conference entitled "Options for Latin America: Presidential Candidates for 1993-1994," sponsored by the Woodrow Wilson School of Public and International Affairs, which brought together the major São Paulo Forum's candidates from around the continent. Immediately afterward, the Inter-American Dialogue arranged for a number of meetings for those candidates with various officials the administration of new President Bill Clinton, and with others, such as the president of the Inter-American Development Bank (IADB), Enrique Iglesias, who hosted a dinner for Lula.

Noteworthy is the meeting which Lula had with the then-Assistant Secretary for Inter-American Affairs, Bernard Aronson, who praised Brazil's efforts to ratify the quadripartite agreements on nuclear energy, preliminarily signed by Brazil and Argentina with the International Atomic Energy Agency, which would subject Brazil to *technological apartheid*. Lula ingratiated himself with Aronson by affirming that his party had always fought for controlling nuclear energy.

### Proletarian monetarism

More recently, during his 1993 year-end message, Cardinal Paulo Evaristo Arns, a public defender of terrorists and, as we said, "chaplain" of the continent's Marxist Theology of Liberation gangs, defined the policy of alliances which he thinks will bring Lula to victory in the 1994 presidential elections.

Lula alone can only bring in "30% of the vote," Cardinal Arns said; he immediately recommended forming political alliances, among them one with the Brazilian Social Democratic Party (PSDB), of which current Finance Minister Fernando Henrique Cardoso is a prominent member whom he supports. "We have a very competent and trustworthy minister. I've worked with him for over 15 years and I know that, aside from being capable, he is wise and persevering," the cardinal said, in total support of Cardoso's efforts to impose a violent austerity program in the name of economic stabilization.

Thus with the "ecumenical" neo-liberal blessing of the cardinal, whose beliefs constitute a type of "liberation monetarism," the PT and PSDB leaders are working together in an electoral alliance for 1994 whose first goal is to create "conditions of governability" in the country to permit Cardoso to impose his austerity package.

Lula and the PT's "pragmatic accommodation" coheres with what the Anglo-American elites have been proposing

to prevent the collapse of the neo-liberal economic model imposed over the past decade from unleashing a nationalist insurgency which will destroy their long-term interests. This is clear from the article written by Susan Kaufman Purcell, vice president of David Rockefeller's Americas Society, published in the *Investment Review* distributed by the West Merchant Bank. There, she described a shift from neo-liberalism to "social liberalism," as defined by Mexican President Carlos Salinas de Gortari—particularly in countries such as Venezuela and Brazil.

According to the Dec. 13, 1993 issue of *Gazeta Mercantil*, Purcell analyzed the possibility of that "pragmatic" alternative with Lula in Brazil, and warned that "global economic realities will push [the PT] in the direction of an intermediate position which combines social expenditures with responsible economic and fiscal policies."

Lula and the PT have already displayed a tremendous capacity for "pragmatic" genuflection. For example, on Dec. 13, 1993, Lula met for five hours with the American Chamber of Commerce where, speaking virtually as President of the Republic, he emphasized the need to change Article 171 of the Constitution which deals with the entry of foreign capital into Brazil. In previous meetings, Lula had had to deny the PT's more radical programmatic points, explaining that his program of government isn't yet elaborated. *Tribuna da Imprensa* also reported that Lula was hosted by the Israeli-Brazilian Chamber of Commerce and Industry at a luncheon at one of the most posh clubs in Rio de Janeiro.

This "quality" of being able to accommodate to the Anglo-American establishment won Lula a prominent article in the Nov. 27, 1993 edition of the *New York Times* in which it is precisely Lula's neo-liberal transformation that is highlighted: "In person, Mr. da Silva is a lot more flexible than his party literature. Although doctrinaire leftists won the upper hand at a party congress in June, Mr. da Silva's personal prestige gives him the autonomy to chart a more centrist course, forging alliances with center-left parties. 'I have nothing against foreign capital,' he said, recalling a series of recent meetings with foreign and national businessmen. 'No topic is closed. Anything can be discussed.'"

In December 1992, as part of an emergency program, Lula proposed to President Itamar Franco the "brilliant" idea of using part of Brazil's monetary reserves to purchase U.S. Treasury bonds, which would then be given as a guarantee to internal creditors who would accept extending the terms of their debt paper. In fact, this is a "proletarian" version of the dollarization plans promoted by the international banks controlled by the U.S. Federal Reserve, and which Minister Cardoso has attempted to impose in Brazil.

These proposals should surprise no one because, as an internationalist party, the PT has historically never defended the principle of the sovereign nation-state, which is why it can so easily agree with the most radical form of liberalism. Take, for example, the statements of former terrorist and PT

founding member José Dirceu at the X National Open Market Seminar, sponsored in June 1993 by the National Association of Open Market Institutions (Andima). Speaking to the audience of bankers, Dirceu didn't hide the fact that the PT shares the communist vision which inspired the 1935 coup attempt against patriot Getúlio Vargas. "We are not responsible for that corporatist military state. It was built by the Vargas dictatorship, the nationalism of the 1950s and the military regime. It was not the left; nor was it the ideas and proposals of the PT. We want to literally dismantle it and organize it from a party, patrimonial, fiscal and administrative standpoint. . . . We have no commitments to the productive state sector, as it was organized in the decades of the '50s, '60s, '70s, and '80s. . . . Thus we are open to discussing privatization," Dirceu concluded before an audience more than enthused over his expressions of what we have called proletarian monetarism.

### The violent seizure of power

Despite all their efforts at camouflage, the PT's leaders can't hide the real face of the communist beast which resides among its ranks and is nourished by ever larger slices of Marxist Theology of Liberation. In the above-quoted interview with Lula, Frei Betto asked him whether the "PT has abandoned its primarily socialist goals and become social democratic, or whether it remains a potentially revolutionary-socialist party." Lula responded: "Most of our militants continue to think that socialism is the most important thing for humanity. . . . Nonetheless, the PT distinguishes between its strategic project, its utopia, and its government program. . . . Obviously this program cannot be our utopia, our dream. . . . Cuba continues to be a utopia for millions of people; it's important to defend not just the 1959 revolution. . . . Nicaragua is very important for the left and the PT. The Sandinista Front taught us about coexistence within pluralism and how to reach power without resorting to authoritarianism [sic]. . . . Today the economy is very interdependent. [The PT learned from the Sandinistas that it's important not only to have a large mass base and democratize its relations to the maximum, but also to establish more efficient international relations to obtain the solidarity which is often otherwise denied us.]"

Clearer than Lula's own words are the resolutions the PT voted up at its VIII National Assembly in June 1993:

"The PT fights to take over the central government as the key element of the workers' struggle for hegemony in Brazilian society. We do not confuse government with power, which is much broader and rooted in economic and social relations. Neither do we confuse Lula's program for government with the global realization of the PT's alternative strategic project, which assumes a more radical change in political and social relations. But the capture of government should be at the service of that perspective, through the construction of a new economic, political and social model. . . . The PT thus reaffirms that the fight for a democratic and popular

government and the possibility of achieving this through a popular base and an electoral majority are a strategic objective, understood as the actual expression of a government run by the workers, designed to address the concrete needs of the people within the socialist perspective.”

This same idea of “workers’ hegemony” and class struggle is repeated in the document “Guidelines for a Lula-94 Government Program,” issued by the PT national directorate in October 1993.

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*If the PT takes power in Brazil in 1994, with the almost illiterate ayatollah Lula as President, it will mean the activation of all those political projects designed to bring about a cultural paradigm shift: the destruction of the sovereign nation-state, the Armed Forces, and the Christian cultural matrix.*

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The fact is that what we are seeing in the supposed transformation of the PT is the old Leninist thesis of “the two tactics of the social democracy,” in which “all forms of struggle” coexist, from the fight within Congress headed by factions more oriented toward social democracy, to more radical forms of tendencies and forces within the PT.

Exemplary of this are the statements given by Frei Betto in 1988, in an interview published in the book *Sinal de Contradição*: “Armed struggle in Brazil is no longer justified. Why? Because there are a variety of legal and legitimate forms of struggle available? But it could happen that sometime in the next 10 years, the Brazilian bourgeoisie could again block us from any kind of access to our political space, to our economic rights. They are the ones who impose this route upon us. We are not the ones who choose it. And we cannot be so ingenuous as to believe that a group of slum-dwellers will be able to confront the police. That is how I understood the Gospel when it says to turn the other cheek. To turn the other cheek means judging one’s force. And not falling into the trap of a suicidal operation which would be, for example, trying to resist an over-armed police force with sticks and stones.”

In the current situation, these statements hold greater meaning, given that the slums are totally controlled by the organized drug traffickers and are thus heavily armed. There also exists an impressive level of organization in the slums, as was demonstrated during the famous *arrastoes*, (gang rampages) on the beaches of Rio de Janeiro and other cities

in recent years. It is indisputable that the PT seeks to intersect this process, ally with it, and take advantage of it for its own violent purposes. In this way, it will reach into the very heart of Brazil’s major cities, on the basis of the PT’s already existing link with the drug trade.

### **The ‘ecclesial base communities’ and the NGOs**

Apart from the broad labor base represented by the Central Workers Confederation (CUT), the majority of the PT’s ranks come from the Ecclesial Base Communities, or CEBs, created by the Marxist Theologians of Liberation. The PT uses the CEBs the same way these theologians did in Nicaragua: to form their support committees for the Sandinista revolution.

The experience of the CEBs has served as the basis for the current “Campaign Against Hunger,” sponsored by the government on the model of Mexico’s Solidarity program and run by sociologist Herbert “Betinho” de Souza and by the Marxist Bishop Mauro Morelli, a creation of Cardinal Evaristo Arns. The campaign has in turn been used to create Citizen Action Committees, in which are combined the CEBs and a variety of non-governmental organizations (NGOs) headed by the CUT. These Citizen Action Committees, at election time, are expected to become full-fledged Lula support committees, providing a mass organization that can act on the principles of class struggle. The growth of the NGOs in Brazil was one of the principal outcomes of the United Nations’ World Conference on Environment and Development (UNCED), held in Rio de Janeiro in June 1992.

At the same time, Herbert de Souza runs the Brazilian Institute of Social and Economic Analysis (IBASE), a virtual intelligence center for the PT and this new mass movement. IBASE was created 12 years ago by the Marxist wing of the Brazilian National Bishops Conference (CNBB), and today’s maintains a staff of 100 paid analysts with a declared budget of more than \$1 million provided by 40 different foreign sources, ranging from religious organizations to the Ford and MacArthur foundations. In effect, the IBASE could be said to be the mother of all the Brazilian NGOs.

Under this new “popular front” policy, Betinho is planning to increase the flow of resources coming from Brazil’s major foundations and companies. This was already evident in the Citizens Participatory Seminar, organized by the Roberto Marinho and Brascan Foundations, the latter representing the interests of Edgar Bronfman in Brazil. At this event, held in Rio de Janeiro in November 1993, Betinho played a starring role at the side of banker David Rockefeller, who assured his audience in the name of the Anglo-American interests he represents that a Lula electoral victory was not considered a threat. In fact, he compared Lula’s electoral campaign to that of Carlos Menem in Argentina.

Well-financed by the major international foundations, Betinho is the prototype of the individual whose actions—as he himself has declared—“serve no nation or fatherland.”

The machinery of the CEBs, the NGOs, and other ecclesiastical organizations such as the Pastoral Land Commission and the Indigenist Missionary Council of the CNBB, went on to form part of the Confederation of Peoples Movements, founded in April 1993 with operations in 18 states. According to Frei Betto himself, the new confederation—which is headquartered in São Paulo and linked to the São Paulo Forum—is intended to pull together the whole zoo of “New Age” movements, ranging from the lobbies on human rights, sex discrimination, racial discrimination, victims of nuclear radiation and poverty, feminism and opponents of the U.S. blockade against Cuba, to opponents of paying the foreign debt.

This Brazilian experience of mass organization is viewed by the leaders of the São Paulo Forum as the PT’s main contribution to the “revolutionary struggle” in Ibero-America, and was the theme of a long article published in the Forum magazine *América Livre*, written by Gilberto Carvalho, a member of the magazine’s editorial board and PT secretary general. In that article, entitled “America: Paths for Building Freedom,” Carvalho explains the new organizations which in his view express the class struggle. Carvalho states:

“We were forced to understand that on this continent the strategy for real change is necessarily a strategy of the majorities. We understood that the government is not the totality of power. . . . The emergence of a multitude of popular organizations, of organized expressions of civil society, without having to ‘ask permission’ either from state power or from our parties which were supposedly ‘leading the revolution’ challenged us to a new dialogue. From then on, the concept of ‘democracy’ had a different flavor. . . . That is, the radicalization of democracy which encompasses the economic, the social, the political, demands that we revise our own political actions, both within our parties and outside them.”

For the PT, the expression “radicalization of democracy” has come to mean the same thing as class struggle, organizing through a network of NGOs. Carvalho adds that “millions came on the scene. They demanded hidden rights. Using the struggle to build and to extract new rights. Setting up in every country a complex network of citizens to give new content to the class struggle, putting it on a different level.”

In his article, Carvalho reveals his own training within Marxist Theology of Liberation and the CEBs: “What was born as a limited defense of life went beyond that. It dared to propose new forms of production, consumption, destruction.”

Finally, Carvalho revealed the strategy behind the PT’s policy of alliances: “It is through such projects that we can carry out alliances with other social sectors and parties which can assure us both victory and governability. . . . In fact, we should establish a process capable of giving a shock to the present correlation of forces, freeing up repressed energies,

stimulating the re-creation of a new, broad, mass socialist movement.”

### **Evaristo Arns, São Paulo Forum’s chaplain**

In following the path of the PT, we must not forget Cardinal Paulo Evaristo Arns, who since the late 1960s has served as protector for all the terrorist networks of the continent and has been one of the most important mouthpieces for the Marxist Theology of Liberation. The PT was in fact raised from infancy in his lap. For example, in 1971, Cardinal Arns defended Frei Betto and a group of Dominicans who were tried for their connections to Carlos Marighella’s guerrillas.

From then on, Cardinal Arns became the leading center of resistance to the military government, through a network of human rights organizations that in essence served as sanctuaries for several pro-terrorist movements. This activity was financially backed, from the São Paulo diocese, by the interests of the Schlumberger-de Menil family based in Texas, a family which also financed similar operations in Central America, giving rise to the terrorist movements of that region.

An example of the role played by Cardinal Arns recently surfaced around the 1989 kidnapping of businessman Abilio Dinis, in which Arns served as mediator between the terrorists and the police. At the time, it was learned that the kidnapping was carried out through an international group which included two Canadians who were captured. The dimensions of this terrorist networks came to light in May 1993, when a huge clandestine weapons cache exploded in Managua, Nicaragua, revealing to the police a series of documents that included an analysis of the Brazilian situation, together with a list of businessmen susceptible of being kidnapped. The documents also showed the links of the Canadian terrorists to this continental network.

Despite the abundant police evidence, Cardinal Arns activated several of his political contacts—among them PT Sen. Eduardo Suplicy—to try to win extradition to Canada for the terrorist pair, which would protect them from, first, police inquiries, and second, criminal sentences in Brazil.

Arns’s relations with these terrorist networks stems from his close ties to the Castro regime in Cuba; those ties were formed under the auspices of the so-called “Marxist-Christian Dialogue” of the late ’60s. Arns’s intimacy with Fidel Castro came to light through a personal letter which the cardinal sent to the Cuban dictator through Frei Betto on the occasion of the 30th anniversary commemoration of the Cuban Revolution.

“Cuba,” declared Cardinal Arns, “can feel proud of being an example of social justice . . . in our continent. Christian faith sees, in the conquests of the Revolution, the signs of the reign of God in our continent as it is manifest in our hearts and in structures that enable us to make political coexistence an act of love. . . . This is a moment of pain for one whose mission as Bishop he has tried to make into an effective act of love toward the poor. Meanwhile, I am confident that our

Ecclesial Base Communities will know how to preserve the seeds of the new life that were sown."

To conclude, Cardinal Arns lamented that he was not able to visit Cuba, and said: "Unhappily, conditions are not yet favorable for our meeting. I am certain that the Lord Jesus will show us the opportune moment." After turning Jesus Christ into a mere political adviser, Cardinal Arns declared (referring to Castro) that "I have you daily in my prayers, and call on the Father to always grant you the grace to lead the destinies of your country"—in other words, he blessed Castro's unending perpetuation in power.

Of no less importance are the relations of Cardinal Arns with the networks of the masonic lodge B'nai B'rith and its intelligence agency, the Anti-Defamation League (ADL), represented in São Paulo by Rabbi Henry Sobel, who is the direct liaison in Brazil with the head of the international Zionist lobby, Edgar Bronfman. Other representatives of these networks are the Mindlin-Lafer-Klabin family interests, whose links to Anglo-American intelligence date back, at least, to the immediate postwar period, through the Klabin family's relations to the intelligence networks run by Sir William Stephenson, "Intrepid," and, above all, through Zionist leader Chaim Weizmann.

### **Divide the Armed Forces . . . to destroy it**

The biggest complication in the PT's strategy of alliances concerns the role of the Armed Forces in what is supposed to be its future government. What keeps the PT's ideologues up nights is the question of what the Armed Forces' reaction will be to a presidential victory by Lula, which the PTers are taking for granted. For example, Juarez Guimarães, PT leader in the state of Minas Gerais, published in the third trimester 1993 edition of the party's magazine *Teoria e Debate*, an article commenting on the errors of Chile's Popular Unity alliance, to learn its lessons and avoid the same errors: "Lula follows Allende. Nineteen ninety-four is not the zero year for the Latin American left. The defeat of Popular Unity is located precisely there, between us and the future."

Then, Guimarães notes that "it was in its relations with the Armed Forces that the institutionalist slant of Popular Unity proved most tragic. Its rigid adherence to hierarchy, the concessions given to the coup-makers, the absence of a minimal structure of intelligence, the exposure of the most legalistic sectors to repression, the failure to use such mechanisms as the Constitution to erect a civil defense network, were the consequences of an all-out decision to preserve the unity and hierarchy of the Armed Forces, in the vain hope of neutralizing them. . . . All the political experience of Popular Unity did not in the least translate into military capacity."

With these lessons fresh in their memory, important leaders of the PT are seeking an approach to the Armed Forces, for the purpose of presenting themselves in their new social democratic guise, and to thereby neutralize any potential military action against a communist seizure of power. At the same time, they hope to take advantage of the misery and

impoverishment of the barracks to sow division in the ranks.

It is, therefore, no surprise that PT leader Cesar Benjamin, in an interview published in the Jan. 3, 1994 issue of the daily *Folha de São Paulo*, promised to quadruple the military budget and back such essential technological and security military projects as Calha Norte.

The PT's military strategy was drafted before the 1989 presidential elections. For example, in April of that year, the PT held a seminar on the issue, and its key military adviser, social democratic colonel Geraldo Cavagnari Filho, from the University of Campinas, recommended that the party seek points of convergence with the Armed Forces. "The PT intends to construct a desirable state, a socialist state. The military intends to construct a desirable state, a great power. There is nothing to prevent a socialist state from becoming a power. Thus, the legitimacy of constructing a great power should not be an object for discussion. The matter should be formulated in the following terms: What power do we want to construct—a military power or a power in which the social welfare is favored?" He also recommended that the PT avoid taking the electoral debate to the barracks, as this would be "extremely dangerous."

One of the main conduits of PT strategy toward the Armed Forces has been Adm. Mario Cesar Flores, former Navy minister under the Collor de Mello government, and current secretary of strategic affairs. Flores's proposals for restructuring the Armed Forces are taken from the anti-military book *The Military and Democracy*, otherwise known as "the Bush Manual to destroy the Armed Forces." Another important figure is journalist Marcio Moreira Alves, historically linked to the PT, to the Theology of Liberation networks and to the French social democratic group Libération of Danièle Mitterrand and Régis Debray.

Despite all its trappings, the PT's military program is nothing but a copy of the anti-military guidelines the Inter-American Dialogue has been issuing since 1988. It is no accident that Lula belongs to the Dialogue, as do his leading international advisers. In its 1989 campaign, for example, the PT published various aspects of its program, including:

"First. Redefine the role of the Armed Forces, to effectively subordinate them to civilian power. The Armed Forces should take charge of external defense, its use in the repression of strikes or popular mobilizations is prohibited.

"Secondly. The National Defense Council and National Information Service should be eliminated," a demand that the Collor government fulfilled.

"Thirdly. Changes in military training, which today employs a conservative, corporatist and anti-democratic curriculum. Separation of character training from professional training," with the idea of creating social democratic soldiers without a military character.

Other points include: "Creation of a Defense Ministry, demilitarization of public administration, elimination of the state of defense contemplated in the Constitution, elimination of obligatory military service and creation of community

service, extension of citizens' rights to the military, right of party affiliation and full eligibility."

### For 'indigenism' and against Calha Norte

A good example of how the structure of the PT and similar organizations is oriented against the Armed Forces can be seen in the Indigenist Missionary Council (CIMI) of the Brazilian National Bishops Conference (CNBB), which promotes Lula's candidacy. In August 1993, the CIMI issued a statement, published in *América Libre*, which is a diatribe against the Calha Norte project as well as a defense of the notion of "indigenist nations" versus the sovereign nation-state. The declaration states:

"In the context of an anti-Indian campaign promoted by sectors contrary to the rights of Brazil's Indians, the massacre of at least 73 Yanomami (Indians) by a group of invading *garimpeiros* [wildcat gold miners] came to light. . . .

"The Constitution recognizes the original rights to their land of the Indians, that is, it understands that these rights precede the institutionalization of the Brazilian state itself. . . .

"Another anti-Indian argument unveiled is that of the supposed need to relaunch the Calha Norte project to protect Brazil's borders. The CIMI has never opposed nor does it now oppose the constitutionally anticipated actions of the Armed Forces, in the sense of safeguarding the physical integrity of the country. What the CIMI does not admit is that, in the name of national sovereignty, the federal government should permit—by commission or omission—the genocide of the Indian peoples who inhabit the border areas.

"The Calha Norte project had and has ethnocidal aspects. Its introduction encouraged acts of genocide, mainly during the José Sarney government when some 2,000 Yanomami died at the hands of the *garimpeiros* and of diseases transmitted by them, like malaria.

"The CIMI protests against attempts to remilitarize indigenous policy through a relaunching of the Calha Norte project. This project is unnecessary and even counterproductive to the idea of guaranteeing national sovereignty."

### The PT's anti-Christian cultural project

It is neither Christian charity nor love of one's fellow man, nor the idea that man is created in the image and likeness of God, which unifies the ranks of the PT, but rather the most materialistic of concepts, based on the lowest instincts of social hatred and of sexual promiscuity among those who consider the structure of the family as one more relationship of "domination" that must be overturned. Stripped of their dignity, women become "comrades" prostituted to the highest ideological bidder.

From time to time, the intimate hedonistic universe of the PT suffers small or large convulsions. That is, what they formally criticize in their political lives, they have internalized in their intimate relationships, following the worst Sandinista example, or what novelist Gabriel García Márquez

praised as "the revolution with salsa." And, one would have to add, with marijuana as well. This nature of the PT is the result of its embrace of the New Age's "revolution of values" regarding drugs, the counterculture, and pornography, perversions which they now seek to impose throughout society.

All of this internal misery is sustained through the adoption of feminism as the leading cultural project of the revolution, and of the PT. The most blatant example of this was the defense of medieval witches as a symbol of feminine liberation offered by one PT ideologue, Marcos Rolim, a congressman from Rio Grande do Sul, who defended this thesis in a speech given on International Women's Day, in March 1991: "I believe that the feminists are, by far, the witches of modern times. It is true that we no longer burn them at the stake, but it is equally true that our society finds itself truly burning with prejudices. How many of us, men and women, consider ourselves modern but continue to sustain the medieval taboo of virginity? How many of us call ourselves democrats, but at the same time deny others the values of sexual morality that we exercise?"

In a violent attack against the Christian dignity of women, Rolim continued: "Forever imperfect and dangerous, women had, by nature, less faith. The term *femina* comes from *fe* (faith) and minus, or simply less faith. It is thought that over the three centuries from 1450 through 1750, at least 60,000 women were burned as witches. Such tactics had a biblical foundation (what else is new?): In John, Ch. 15. v. 6 we read: 'If someone is not in me, he shall be cast away and, like a branch, will dry up.' But who were these women we sent to the stake in European squares? Ordinary women who did not fit the male schema of piety; midwives and healers who possessed unofficial knowledge; old women with strange quirks; unfaithful wives; teenagers thought to be strange; anyone who for any reason whatsoever broke established behavioral mores."

This diatribe is aimed against the classical authors who, according to Rolim, always treated women as inferior: Plato, St. Thomas Aquinas and, especially, the Gospel of St. John and St. Paul's letters to the Corinthians.

Similarly, the attacks against the Christian family that permeate the PT's entire cultural project are revealed in an interview with the famous psychoanalyst Jurandir Freire Costa, conducted by the PT's theoretical magazine *Teoria e Debate*. Freire Costa states: "Homosexuality is a word which stresses the image of the normal versus the abnormal sexual relationship, [an image] created in the 19th century for the purpose of affirming the bourgeois way of life based on the idea of the family, on the idea that man should live exclusively for the private sphere and to be the father of the family, leaving public life to the competent technicians."

It would thus seem that feminism and homosexuality are the essential substance of the "new Latin American revolutionary man" of whom Frei Betto often speaks. And thus we are enabled to view the soul of the beast which seeks to rule the destinies of Ibero-America's largest nation.

## LaRouche freed on parole, publishes his discovery

by Nora Hamerman

Lyndon LaRouche, the 71-year-old American thinker, who has combined a profoundly original scientific discovery with a lifetime of unwavering and selfless commitment to public service, was released on parole on Wednesday, Jan. 26, 1994. He had served five years of a 15-year sentence in a federal penitentiary for an alleged conspiracy to commit mail fraud and to fool the Internal Revenue Service—charges of which the government has always known him to be innocent.

Even in the arduous conditions of his imprisonment, LaRouche has continued to contribute in many of the areas for which the world-renowned violinist Norbert Brainin described him as a “man of culture”—a great rarity in this century—including Classical music, mathematical physics, strategy, and especially, in the area of his major breakthrough, physical economy. It was his achievement in this latter domain for which he was nominated, in October 1993, as a corresponding member of the International Ecological Academy, an academy founded in 1989 by a large group of scientists who had been members of the U.S.S.R. Academy of Sciences, Academy of Medical Sciences, and Ministry of Health, and which is entirely independent of any government.

### Prison writings

From the beginning of his imprisonment in 1989, Lyndon LaRouche concentrated his energies on writing. Adding to the already considerable shelf of his published works, including such books as *So, You Wish to Know All About Economics*, *There Are No Limits to Growth*, and the autobiographical *The Power of Reason*, within the first three years he had written three books, *In Defense of Common Sense*, *Project*

*A*, and *The Science of Christian Economy*. He wrote the introduction and oversaw the editing of the Schiller Institute’s *A Manual on the Rudiments of Tuning and Registration—Volume I*, a revolutionary handbook which traces the scientific basis for restoring the standard tuning pitch of Mozart, Beethoven, and Verdi, setting middle C at 256 hertz. The book, published in 1992, contains hundreds of musical examples from the Classical vocal repertoire. A second, forthcoming volume will apply the discoveries in the human voice to all the orchestral instruments and their repertoire.

A number of his book-length theoretical writings have been published in *Fidelio* magazine, founded in winter 1992 and edited by William Wertz, an associate who was convicted with LaRouche in 1988 and served time in prison. These have included: “The Science of Music: Solution to Plato’s Paradox of ‘The One and the Many’ ”; “Mozart’s 1782-1786 Revolution in Music”; “On the Subject of Metaphor”; and “History as Science: America 2000.”

During these five years, as well, LaRouche has been interviewed by journalists from many parts of the world, including Jordan, Croatia, Peru, Venezuela, Mexico, the Dominican Republic, Colombia, Brazil, Spain, Hungary, Armenia, Russia, Germany, and Italy. Naturally, he has been interviewed frequently by *Executive Intelligence Review*, the publication he founded in 1974, and over the past year, on a weekly basis over an expanding radio network, on the program “EIR Talks,” as well as by other U.S. media.

An exploratory committee has been set up to consider a LaRouche bid for the White House in 1996. He first ran for President of the United States in 1976, and then sought the Democratic Party nomination in 1980, 1984, and 1988. In



1992 he defied the handicaps of his imprisonment to run for President again, in order to present a sane policy alternative to the American voters. Each presidential campaign produced a book-length platform, including the 1992 campaign in which civil rights leader Rev. James Bevel was the vice-presidential running-mate of LaRouche, which published *The LaRouche-Bevel Program to Save the Nation: Reversing 30 Years of Post-Industrial Suicide*. This book contains the most-up-to-date compendium of LaRouche's policies for space exploration, energy, education, fighting AIDS, nationalizing the Federal Reserve, saving family farms, and building great infrastructure projects at home and abroad, among other topics.

### **The Strategic Defense Initiative**

In the early 1980s, Lyndon LaRouche broached discussions with the Reagan administration of an antiballistic-missile defense based on new physical principles, at the time widely referred to as "beam weapons defense." He conducted a back-channel exploration with the Soviet government on behalf of the administration for some 13 months before President Ronald Reagan finally announced a new military doctrine incorporating essential features of the LaRouche plan, in March 1983. This later became known as Strategic Defense Initiative. LaRouche predicted then that if the Soviets refused the offer of a joint development and deployment of SDI, within about five years after 1983, the Soviet system would undergo an economic breakup as a result of the stresses of attempting to go ahead with their military program without that kind of cooperation.

It quickly became evident that the Soviets would indeed refuse, since the Andropov-Gorbachov leadership in the Kremlin, in tandem with military strongman Marshal Nikolai Ogarkov, feared that the technological spurt of SDI's spin-offs into the U.S. civilian economy could never be matched on their side, and slammed the door shut on the back-channel opened by LaRouche. At this time, the record of the Soviet press shows that Moscow was demanding that the authorities in Washington drum up fraudulent evidence against LaRouche, vilify him in the media, and prosecute him for crimes of which he was innocent—all in order to remove him from influence.

In October 1988, shortly before the trial in Alexandria, Virginia that railroaded him and six associates to conviction and incarceration, LaRouche made another startling forecast in Berlin. He foresaw the breakup of eastern Europe beginning with developments in Poland, and he proposed a positive basis for German reunification around his "food for peace" perspective, which had already become the basis of a new international movement in summer 1988. LaRouche also foresaw the revolutionary upheavals which did occur the next spring in communist China. He developed in late 1988 the first sketch for what became, more than one year later, his proposal for the "Paris-Berlin-Vienna Productive Tri-

gle," a program for using the European industrial heartland as the locomotive for a worldwide economic revival. LaRouche recognized then, that the high-technology upgrading of transportation, energy, and related infrastructure in this area of concentrated population and industrial development would be the key to solving not only the tensions between western and eastern Europe, but held the unique solution for a world economy in an advanced state of decay. Both forecasts proved to be right on the mark: Something almost no one else had foreseen—the fall of the Berlin Wall in 1989—occurred as LaRouche had stated.

The repudiation of LaRouche's approach by the Bush and Thatcher administrations squandered the greatest opportunity of the century for building a durable peace. As a result, "we now face potentially the greatest catastrophe of several centuries unless we change our policies very suddenly," LaRouche commented recently. In fact, in his 1993 article "History as Science," he warned that the United States itself could cease to exist by the turn of the millennium, for reasons very similar to those which doomed the U.S.S.R.

### **LaRouche's discovery**

The basis of his foresight can be traced back to a discovery which he made in the 1948-52 period, which is the subject of a new theoretical writing, entitled "LaRouche's Discovery."

The article begins: "The central feature of my original contribution to the Leibniz science of physical economy, is the provision of a method for addressing the causal relationship between, on the one side, individuals' contributions to axiomatically revolutionary advances in scientific and analogous forms of knowledge, and, on the other side, consequent increases in the *potential population-density* of corresponding societies. In its application to political economy, my method focuses analysis upon the central role of the following, three-step sequence: first, axiomatically revolutionary forms of scientific and analogous discovery; second, consequent advances in machine-tool and analogous principles; finally, consequent advances in the productive powers of labor.

"These discoveries were initially the outgrowth of 1948-1952 objections to the inappropriateness of Norbert Wiener's application of statistical information theory to describing both the characteristic distinctions of living processes and of communication of ideas. I countered with a contrary, non-statistical definition of negentropy, as that meaning of the term might be derived from the common, physically distinguishing characteristic of an evolutionary biosphere. This non-statistical counter-definition of negentropy was then stated in terms of a successfully self-developing physical economy; the efficient impact of scientific discoveries' communication within such a negentropic physical-economic process was treated as most typical of the communication of ideas in general.

"That was the initial core of my discovery, up to the year

1952. Yet, up to that point, the appropriate mathematical representation of such a form of physical-economic negentropy was still wanted. The third step, taken through an intensive 1952 study of Georg Cantor's 1897 *Beiträge*, opened the doors of the transfinite domain upon a fresh insight into relevant features of Bernhard Riemann's contributions. Thence, the applied form of my definition of physical-economic negentropy acquired the title of 'LaRouche-Riemann Method.' "

This article, which explains the breakthrough for which he was named to the International Ecological Academy, will appear in the Spring 1994 issue of *Fidelio* and will be the focus of a conference of the International Caucus of Labor Committees, the philosophical association founded by LaRouche, to be held in the United States on President's Day weekend in February.

The conference will be co-sponsored by the Schiller Institute, which has grown from a republican think-tank in 1984 to a mass-based organization on many continents today, and has been the organizing vehicle for many of LaRouche's initiatives, such as the SDI and the Productive Triangle. It was founded by LaRouche's wife Helga Zepp-LaRouche, a leading figure in the political life of Germany.

### **Innocence has been proved**

Not only has LaRouche's economic and strategic analysis already proved to be far more credible than any of his critics and enemies; on the basis of the evidence, the federal government and those states which prosecuted LaRouche and his associates committed a fraud upon the court. In every one of these cases, justice demands that the verdicts be set aside and the defendants freed (see article, this page).

Six volumes of evidence, consisting of official U.S. government documents and sworn testimony, were presented to the Fourth Circuit Federal Appeals Court in 1992 by LaRouche's attorneys, which show conclusively that LaRouche and the six associates put on trial with him in late 1988, as well as several others of LaRouche's associates prosecuted in a series of "fraud" cases at the state level since then, were entirely innocent of all the charges against them. The documents demonstrate that the government has been aware at all times, since operations began against LaRouche and his political movement in 1979, that they were the innocent victims of gross government misconduct.

The most egregious cases, besides the prosecution of LaRouche himself, are those of his associates tried in the Commonwealth of Virginia for "securities fraud," after a law was *retroactively* reinterpreted to rule that political loans were "securities," and a judicial system of Stalin-like barbarity was applied against political organizers collaborating with LaRouche. In addition to a number of individuals facing shorter sentences, six LaRouche associates—Rochelle Ascher, Michael Billington, Donald Phau, Laurence Hecht, Paul Gallagher, and Anita Gallagher—are now held in Virginia prisons, serving terms which range from 10 to 77 years.

## **Government knows that LaRouche is innocent**

Two years ago, on Jan. 22, 1992, LaRouche, two of his co-defendants in the Alexandria, Virginia federal case, and his attorneys filed an extraordinary motion for full exoneration based upon newly obtained evidence which filled nearly six volumes and proved that the government knew that they were innocent of the charges. Attorneys Ramsey Clark and Odin Anderson demanded evidentiary hearings on this new evidence.

The new evidence proved that "the prosecution conducted and participated in a conspiracy and concerted action with others to illegally and wrongfully convict him and his associates by engaging in outrageous misconduct, including financial warfare," the motion stated.

Over the next year and a half, even as this motion was live in the courts, flood upon flood of new evidence which the government had suppressed continued to surface.

Indeed, in a petition filed in November 1992, LaRouche's attorneys could add the following facts: "In August 1992, a former Stasi (East German spy service) official confessed that the Stasi mounted a massive disinformation campaign designed to blame the assassination of Olof Palme on persons associated with LaRouche. This demonstrates . . . that the LaRouche movement was significant enough to prompt this bizarre and elaborate contrivance, which was coordinated with Soviet attacks on LaRouche and their demand that action be taken against him in the U.S. This vicious falsehood was broadcast by NBC and became a critical aspect of attempts to destroy movement finances at the very time the loans in question were coming due. In September 1992, Don Moore, an integral part of the prosecution team, was arrested and charged with conspiracy to kidnap and deprogram LaRouche associates. The facts surrounding this criminal plot call into further question the misconduct of the prosecution team. In October 1992, an FOIA [Freedom of Information Act] release was received which indicates that Elizabeth Sexton, a critical Government witness, was acting as an agent of the Government during times relevant to this case, a fact she denied and the Government covered up at trial."

Yet still there was no hearing. Therefore, in February 1993, Attorneys Ramsey Clark and Odin Anderson demanded the appointment of a special master to investigate government fraud and the convening of emergency hearings. They wrote to the court: "The multiple violations of the Constitution and laws manifested herein, and the gross governmental misconduct which they represent have gone uncorrected because the biased treatment of the trial judge allowed it. The

appellants look to this court for the fair hearing required to right this wrong, and pray for the requested relief. Because of the gravity of the prosecutorial misconduct and its continuation, exculpatory information has been hidden and covered up, denying appellants their constitutional rights and constituting a fraud upon this court. Wherefore, appellants request the appointment of a special master . . . to investigate the matter and procure information essential to this court's determination."

The court ignored their appeals for a special master and dismissed LaRouche's appeal of a wrongly denied motion for exoneration without even so much as a hearing on the evidence.

### Virginia judicial atrocities

Meanwhile, on Nov. 4, 1993, Roanoke, Virginia Circuit Court Judge Clifford Weckstein sent four political associates of Lyndon LaRouche to prison for decades, for securities law violations that normally result in minor or suspended sentences. Weckstein, who makes no secret of his close association with the Anti-Defamation League of B'nai B'rith (ADL), acted in a particularly vengeful manner during a three-hour sentence-reduction hearing and then ordered Anita and Paul Gallagher, Laurence Hecht, and Donald Phau to state prison with sentences of 39, 34, 33, and 25 years, respectively. With all their appeals exhausted, the four political prisoners were led from the hearing to prison.

The four had been tried and sentenced in Judge Weckstein's court in 1991 on charges of "securities fraud," after the state of Virginia determined *retroactively* that political loans were "securities," making it a felony to solicit such loans without a broker's license. At the heart of these Virginia cases is the scandal of how the ADL induced a prosecution and a judge into action on the basis that they desired the LaRouche movement to be considered illegal, and therefore that any fundraising for it is a crime. They argue that it is a money-making machine, not a political movement, as a way of trying to stop the very ideas that so threaten them. At the sentence-reduction hearing, defense attorney Gerald Zerkin presented the reality that the multi-decade sentences prove that the defendants are being "persecuted, not prosecuted."

As various Virginia newspapers have noted, Judge Weckstein acted in defiance of public policy, as expressed by 13 members of the Virginia General Assembly who had written to advise him that these sentences were excessive, when compared to the sentences of the notorious white-collar criminals Michael Milken, Ivan Boesky, and Charles Keating.

The latest judicial atrocities of Weckstein come on top of his engineering the 77-year sentence of their co-defendant, political prisoner Michael Billington, who in September 1992 began serving his unheard-of sentence, which has shocked even Russian human rights activists familiar with the worst abuses of totalitarian regimes.

## Inman ouster was run by Pollard's pals

by Jeffrey Steinberg

Forty-eight hours before Adm. Bobby Ray Inman withdrew as President Clinton's defense secretary-designate, the London-based Arab-language newspaper *Al-Ashraq Al-Aswat* published a story datelined Washington reporting that right-wing Israeli lobbyists, including National Security Council Middle East specialist Martin Indyk, were behind a no-holds-barred effort to force the four-star admiral's ouster.

While the source for correspondent Fanan Al-Badrawi's story has not been identified, events that followed, including Inman's dramatic Jan. 17, 1994 press conference in Austin, Texas, make it clear that indeed it was the efforts of the neo-conservative, i.e., right-wing Zionist lobby, apparatus that prompted Inman's startling decision and his public blast at the "new McCarthyism."

Inman hit hard at *New York Times* syndicated columnist William Safire, one of the Anti-Defamation League's (ADL) media mouths. Inman catalogued a 12-year witchhunt by Safire and accused the *Times's* poison pen of colluding with Senate Minority Leader Robert Dole (Kan.) in targeting both himself and President Clinton.

Within days of Inman's withdrawal, Safire all but admitted that the allegations were accurate in a Jan. 22 interview with National Public Radio's Daniel Schorr. Schorr, who proclaimed himself an "FOB" (Friend of Bill Safire), asked Safire about the Inman allegations that he interceded in 1981 with then-CIA head William Casey to override a ban on Israeli unfettered access to U.S. satellite reconnaissance data. While denying that he had intervened, Safire retorted that Inman, then Casey's deputy at the CIA, and Casey had battled over fundamental issues of U.S. national security philosophy. "Casey believed that the Soviet Union was America's number-one adversary," Safire said, "and Inman believed it was the Israeli Mossad."

Safire said that he would devote much of his attention to the Whitewater Development Corp. scandal—the issue that Inman charged was at the heart of the Dole-Safire dirty deal. Even Schorr gagged at Safire's careless admission.

At his press conference, Inman had traced the roots of Safire's hatred of him: "In early 1981 when the Israelis bombed the Iraqi nuclear reactor, I looked at the distance on the map from Israel to Baghdad and thought, 'I wonder how and where they got the targeting material?' We had long-established procedures that in honoring our commitment for Israel's defense, we permitted Israel to requisition satellite

photography of potential direct threats to their systems. When I asked what materials had been drawn under that process for the last six months, I found not only a lot of information on Baghdad had been drawn but also on other countries substantially removed from Israel—Pakistan, Libya. And I made the decision as the deputy director of Central Intelligence, the acting director, to limit the process, to say that in the future they could draw material within 250 miles of the border, but beyond that, they would have to ask.

“The defense minister, General [Ariel] Sharon, was so furious he came to the U.S. to protest to Mr. Weinberger. The secretary of defense supported my decision. Casey had been on a trip down to Australia and New Zealand. When he came back, his favorite journalist and former campaign manager, Mr. Safire, complained to him about the decision. When we had a rather heated discussion, I recommended that Mr. Casey talk to Mr. Weinberger, who had supported me, and he elected not to override the decision. From that point on, if you will trace the [Safire] coverage, it’s been hostile.”

Numerous Washington intelligence specialists have noted that the Inman-Safire-Casey tiff in 1981 was the origin of the Pollard spy affair. Jonathan Pollard himself, in arguing for leniency from the court, had claimed that he undertook

his far-reaching espionage effort to provide Israel with satellite and other technical intelligence data that were being withheld.

It’s no wonder that the neo-conservative crowd became apoplectic when Inman’s nomination was announced. His selection came in the midst of ferocious political wrangling over the fate of Pollard, who has asked for presidential clemency and early release from federal prison, where he is serving a life sentence for espionage. Clinton had been expected to make a decision about the Pollard case before New Year’s, but a public brawl broke out over the case, with a majority of Pentagon and intelligence professionals urging against leniency. News outlets such as *Time* magazine for the first time published long-known data about Israel’s trading of Pollard data with the Soviet KGB in return for liberalization of Soviet laws for Jews to emigrate to Israel.

Even Sharon, who was in the United States on a “private” fundraising mission when Inman withdrew, admitted to a journalist that he had been accused of being involved in the Pollard spy ring, a charge he vehemently denied. As for the 1981 story about his effort to overturn the Inman restrictions on Israeli data access, his only comment was that he had “no recollection” of the incident.

## Is DOJ out of control?

A team of Justice Department career lawyers and FBI agents has been continuing to work on the Whitewater investigation, despite the appointment by Attorney General Janet Reno of an independent counsel who is charged with taking over the investigation and hiring a new staff. This and other developments have led many on Capitol Hill to assert that the permanent Department of Justice apparatus is out of the control of the attorney general, and that career DOJ officials are running amok, doing whatever they want.

At Reno’s Jan. 20 press briefing, the new independent counsel, Robert Fiske, in response to a question about the appearance of a witness before the grand jury, stated: “My understanding is, and I asked this question before I accepted the assignment, that before I was appointed, the Justice Department itself, on its own, had put that investigation on hold until the independent counsel could pick it up and go forward. . . . I am satisfied that it was put on hold some time in the last few days, at least.”

Reno stated: “I instructed the lawyers to make sure that anything should be done that was necessary to maintain the integrity of the investigation, but otherwise it should cease until the independent counsel could be fully

briefed and proceed.”

But on Jan. 22 and 24, after the appointment of Fiske, the *Washington Times* reported that federal prosecutors were broadening their investigation in Little Rock, Arkansas and examining many additional entities beyond Madison Savings and Loan and Whitewater Development Corp. Some of the companies identified as targets of the expanding probe had figured prominently in accounts of secret operations around the Mena Airport which surfaced during the 1992 election campaign, and which allegedly involved Lt. Col. Oliver North’s “Contra” support operations in Central America.

In response to questions from *EIR*, DOJ spokesman Carl Stern insisted that Reno and Fiske were only referring to the appearances of witnesses before the grand jury, and he said that all other activity is continuing. A large number of document subpoenas had already been issued, Stern said, and investigators are continuing to receive these documents, and to catalogue, index, and analyze them. Stern would not respond to the reports of an expanding investigation, but he commented that there are a lot of federal employees in Little Rock working on the case, and they “are still earning their pay.” A team of lawyers from the DOJ Fraud Section had been sent to Little Rock after the local U.S. Attorney’s office had recused itself from the Whitewater-Madison probe.—*Edward Spannaus*

# Floodgates open for new attacks on welfare

by H. Graham Lowry

The hue and cry for welfare reform, already at a fever pitch among the nation's governors, will certainly intensify following President Clinton's State of the Union message. His endorsement of a federal two-year limit on welfare assistance, and forced work to make up for missed child support payments, opens the way for more vicious schemes already entertained in state capitals across the country.

In violation of existing federal law, many of the "reforms" at the state level were permitted nonetheless under waivers granted under President Bush. One of the most notorious of these was the New Jersey statute which denied mothers any additional funds for children born after they were on welfare. A pilot program in Wisconsin to completely terminate Aid to Families with Dependent Children (AFDC) after two years was similarly granted a waiver by Bush, and renewed last November by the Clinton administration. During the first month of 1994, state legislative proposals to treat welfare victims simply as "useless eaters" accumulated at an alarming rate.

## 'Fox hounds and pit bulls'

Massachusetts Gov. William Weld, the blueblood scion of an old New England family of opium traders, has offered a plan to force "able-bodied" welfare recipients off the rolls and into "community service" jobs at less than the minimum wage. In his State of the State address on Jan. 13, Weld claimed the scheme would put 50,000 welfare recipients to work—about half the state's total—and slash AFDC funding by \$40 million. If granted federal approval, Weld's plan would cut off all benefits and require "community service" for all new welfare recipients who failed to find jobs within 60 days; all current recipients would have to do so within a year. In December, official unemployment in Massachusetts stood at 200,000. The *total* number of full-time jobs listed by the state's Department of Employment and Training was less than 10,000.

On Jan. 21, Weld virtually resurrected debtors' prisons, signing a law which makes failure to provide child support a felony punishable by up to five years in jail and a \$10,000 fine. He claimed the law would turn the government of Massachusetts "into both a fox hound and a pit bull when it comes to chasing deadbeat dads." In less eloquent language, the bill is best described as a budget-cutting measure.

The Massachusetts Department of Revenue is now em-

powered to use records of labor unions, professional organizations, telephone and utility companies, and credit card companies to "track down" parents who are behind in their child support payments. Many such parents will also be required to provide health insurance. Weld says the bill will knock another 7,000 families out of AFDC and will reduce welfare and Medicaid payments by \$102 million. With all these "savings," Weld has offered a \$105 million tax cut in his new budget—though that assumes \$125 million in new revenues from his proposed floating casinos and video gambling games.

## Forced reduction of the welfare population

The future of welfare recipients is also becoming much bleaker in Wisconsin. Gov. Tommy Thompson signed a bill Dec. 13 abolishing the AFDC program by Jan. 1, 1999. An interim pilot program for two counties will cut off benefits for those who do not find work within two years.

The same day that the bill became law, State Sen. Herbert Kohl floated the idea of mandatory birth control for welfare mothers, claiming that such measures were becoming more "acceptable" as a "solution" to poverty. "In their interest, I'm not suggesting Norplant," Kohl said, referring to the contraceptive drug implanted under the skin as a birth-control enforcement measure. "But people are moving in that direction." On Jan. 11, Gerald Whitburn, Wisconsin's Health and Social Service Secretary, declared that women who need welfare assistance to support their children should not have more children.

The state of Colorado received approval from the Clinton administration on Jan. 12 to force welfare recipients to work or be removed from the rolls after two years. Oregon is awaiting federal approval for its plan to abolish all welfare and food stamp payments, and use the funds for forced work programs. Democratic leaders of the House in Washington State called on Jan. 20 for "a phase-down of benefits for long-term recipients" by 10% per year after four years on welfare. They also proposed eliminating additional payments to mothers who give birth while on welfare.

In California, where Gov. Pete Wilson has already proposed shifting 50% of the cost of AFDC payments to the counties, legislation has been filed to begin terminating county payments to able-bodied recipients. Assembly Republican Jan Goldsmith filed a bill Jan. 24 to end benefits for recipients able to work after they have accepted assistance for three months in any given year.

The bill would overturn two state court rulings which struck down previous ordinances in San Diego and Alameda counties limiting welfare payments, which the courts found to be in violation of California law. If cutting off assistance becomes a matter of state law, the counties can chop away at will. Goldsmith said the bill was necessary to permit the counties to keep up with the tight budgetary times—and to force more people to find work.

# Illinois Democrats on the run from LaRouche

by Patricia Salisbury

On Jan. 21, the once proud and belligerent Democratic Party of Illinois shut the doors of its office in downtown Chicago on orders of its state chairman, because of a press conference slated for the site by a faction of the party which the party regulars describe as illegitimate and negligible. The bizarre event occurred when the entire Chicago press corps assembled for a press conference which had been called by leaders of the candidate slate associated with American statesman and political economist Lyndon LaRouche.

In 1986, LaRouche's associates had stunned the Democratic Party and the political world by winning the party's nomination for lieutenant governor and secretary of state in the Illinois primary. Party gubernatorial nominee Adlai Stevenson foolishly refused to run on the slate with them and mounted a third party campaign that went down to defeat. Chicago political circles have been awash in speculation about how party regulars will handle the LaRouche factor in the 1994 state primary.

At Illinois Democratic Party headquarters, the media were confronted by a locked door, from which the party bosses had even removed the Democratic Party logo; a hand-written sign informed them that the entire office had relocated to Springfield for 24 hours, and building security guards made thuggish but futile efforts to drive the press away. The regular Dems apparently chose to cut and run, despite the repeated claims of state party chairman Gary LaPaille that the party intends to run an informational campaign which, by identifying the slate to the public, would assure that the events of the 1986 primary would not be repeated. But, some of Chicago's more astute political observers wondered, if the essence of the party strategy is to identify the slate with LaRouche in the public mind, why run from a chance to accomplish exactly such an identification publicly, and at no cost? What could Chairman LaPaille hope to accomplish, by leaving his office empty and undefended, and the challenges of the insurgent slate unanswered. Perhaps the "regular" Chicago Dems know they have more to fear from the LaRouche-associated candidates, than from some purported confusion among voters.

For example, Chairman LaPaille would undoubtedly have found it difficult to substantiate his slanders of LaRouche-associated candidates as racist: Gubernatorial candidate Sheila Jones is an African-American and a former youth leader of the civil rights movement; she was joined by

Rev. James Bevel, former top aide to Dr. Martin Luther King and, in 1992, Lyndon LaRouche's vice-presidential running mate, and Nancy Spannaus, the LaRouche Democrat for U.S. Senate in Virginia, who is well known for her defense of minority and civil rights.

Dr. Conrad Worril, head of the Black United Front, in an interview with the *Chicago Defender*, suggested that Democrats may be afraid to debate LaRouche-associated candidates for fear that *they* might be exposed as lacking on minority issues. Worril is quoted as saying that party bosses are threatened, because, regardless of the controversial issues the LaRouche candidates raise, they allegedly don't want to answer some questions that may prove embarrassing to their party.

The lack of leadership on issues among the Democratic regulars was starkly exposed in a *Chicago Tribune* article of Jan. 17, headlined "LaRouche Factor Lurking Again in Democratic Primary." The article covers a poll conducted by the Market Shares Corp. on Jan. 9, based on phone interviews with a random sample of 1,500 Illinois registered voters likely to vote in the March 15 primaries. Nine hundred interviews were conducted with likely Democratic voters and 600 with likely Republican voters. The lead finding is that an overwhelming majority of the electorate, 65%, are undecided in their candidate preference, causing the *Tribune* to characterize the primaries as "wide open." The article also reports that some LaRouche associates are polling hefty percentages, as in the case of lieutenant governor candidate Anthony Harper, currently running a close third with 8%, behind the Democratic Party slated candidate, Sheila Smith, with 14%, and one Penny Severs, with 12%. Rosemarie Love, the LaRouche supporter running for the nomination for secretary of state and herself a longtime Democrat and former member of the Cook County Commission, was leading State Sen. Denny Jacobs of Moline. The article also reports that many party-sanctioned candidates are as well known to the public as "toll booth operators."

## Olive branch offered

Meanwhile, the LaRouche-associated candidates are campaigning aggressively, and inviting the party bosses to debate the issues. At the Jan. 21 press conference, Sheila Jones hammered home the point that, in 1986, when the Democratic Party insisted on responding to the primary victories of LaRouche Democrats with a campaign of slanders, the result was not only the defeat of the party in the election, but also that the catastrophic policies which have destroyed the nation's economy and culture were permitted to remain in place. Jones indicated that she is offering party leaders "the olive branch," in hope they will find the courage to admit past mistakes and accept LaRouche's policy leadership before it is too late. The Democratic Party, Jones stated, must unite to tell "the New York asset-strippers, the bankers, and the Michael Milken of this world, that we are not going to allow thievery against our economy anymore."

## State Dept. pushes malthusian agenda

by Paul Gallagher

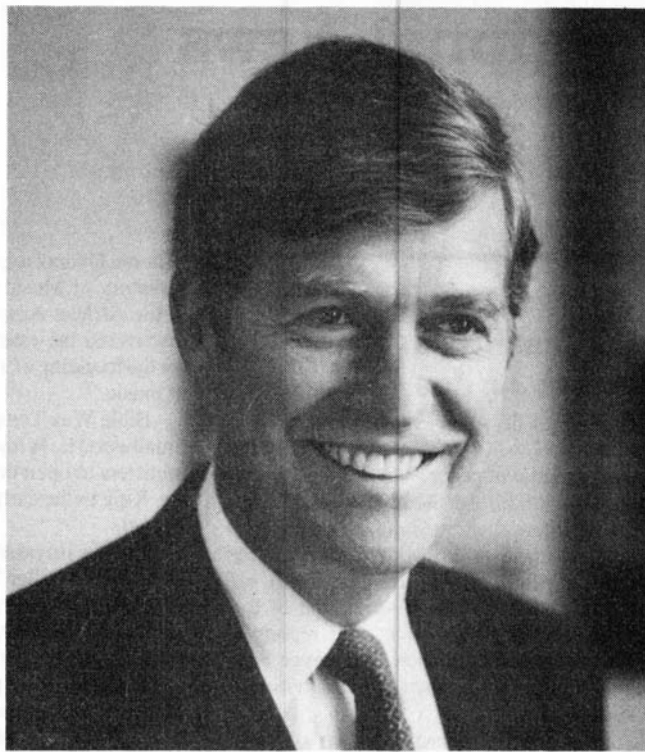
Former lightweight Senator Timothy Wirth (D-Colo.) is now a counsellor at the U.S. State Department. He was chosen, through a Jan. 11 press conference, to announce that the Clinton administration's top "global priority" is now cutting population in Third World countries. Wirth pushed an obvious fraud upon the press on the subject of the world's population, in order to play up the United Nations' September 1994 International Conference on Population and Development, which will be held in Cairo, Egypt. Most media dutifully passed on Wirth's lie that neither human life nor the natural environment could survive the current rate of doubling of the human population.

In fact, the current rate of doubling of world population is measurably slower than the rate humanity survived 25-30 years ago, and slowing further. The objective of the Cairo U.N. conference is to codify conditions on all international aid and credit, to force *all* nations to stop the growth of their populations—in other words, to force worldwide zero population growth between 2025 and 2050.

One would never have guessed such a looming zero-growth potential from Counsellor Wirth's emotional falsifications: "Top priority for everybody are our commitments on population," said Wirth. "The world population is currently at 5.5 billion. If we do nothing, the world's population will double again sometime in the next 35 to 40 years and will move on to 13 to 15 billion people before it is estimated that it will level off. To imagine a world in which the population doubles in this fashion is unfathomable, and clearly does not allow us . . . to maintain the quality of life or respect for individuals . . . nor would it allow us to maintain an environment."

### The truth

Unfathomable! says Counsellor Wirth. In fact, the population of the United States quadrupled in the 50 years from 1800 to 1850; then tripled from 1850 to 1900; then doubled again from 1900 to 1950. The population of Africa, after most of its nations gained their independence in the 1950s, more than doubled between 1960 and 1990. Yet the population density of the United States is still higher than that of all but a few African countries.



*State Department Counsellor Timothy Wirth ignores history when he says that human life cannot survive the current rate of growth of population.*

Nor was Counsellor Wirth telling the truth about the current world population's "rate of doubling." United Nations population statistics have become notoriously unreliable, since revelations in 1990 and 1991 that the U.N. had overstated, by about 20%, the population of some of the biggest Third World nations. But even accepting U.N. figures, the human population doubled (2.7 billion to 5.5 billion) between 1950 and 1993, or 43 years, and the rate is clearly slowing down—it was just under 40 years as of 1970. Measures of fertility (births per woman) have *already* dropped by 40% worldwide since 1970. So even if one were merely—honestly—trying to project a simple trend of the next doubling of human population, it would be over more than 50 years, not Counsellor Wirth's "35 to 40 years."

But there are absolutely no automatic trends in human population growth, any more than giving birth and raising a child to productive maturity are "automatic." *EIR's* July 2, 1993 issue published a cover story demonstrating that the human population could be *falling*—perhaps irreversibly—by early next century, under the onslaught of the malthusian programs and policies that Wirth was speaking for. According to Wirth, the United States will spend much more than even the current \$500 million per year to "provide [a] comprehensive family planning package to every woman in the world." Unfortunately, that was probably the only true statement he made in his press conference.

# National News

## U.S. rabbis pay visit to Jordan

A group of 80 American rabbis arrived in Jordan on Jan. 19 in order to "point out the vast potential of peace."

"We will inform the Jewish public opinion that there is excitement and enthusiasm for a new age in the Middle East and the vision of peace," Rabbi Ammiel Hirsch, executive director of the Association of Reform Zionists of America, told reporters. "To my knowledge there has never been such a delegation to any Arab country in the Middle East."

The group met with Jordan's Crown Prince Hassan and government officials.

According to Rabbi Hirsch, the Association of Reform Zionists of America represents 850 synagogues in the United States with over 1.5 million American Jews affiliated, allowing it "to reach directly to the Jewish community."

## D.C. concert celebrates Dr. King's memory

An audience of 150 celebrated the 65th birthday of the Rev. Dr. Martin Luther King, Jr. on Jan. 15, at a concert sponsored by the Schiller Institute and held at Bible Way Temple in Washington. The concert, "Martin Luther King: Classical Christian and Christian Classicist," consisted of Classical music works of which Dr. King was particularly fond, including selections from George Frederic Handel's *Messiah* and a stunning a cappella presentation of "Were You There When They Crucified My Lord?"

The Schiller Institute and singers Marilyn Moore-Brown (soprano), Janice Jackson (mezzosoprano), Reginald Pindell (baritone), and John Sigerson (tenor), accompanied by Marvin Mills at the piano, also drew attention to the identity, in content and intention, of the African-American spiritual, with the Handel selections. The institute has recently placed great emphasis on the work of 19th-century Czech composer

Antonin Dvorak to establish a National Conservatory of Music and his contention that in the African-American spiritual are to be discovered the essential elements required for the founding of a "great and noble school of music."

Bible Way Temple's late founder, Rev. Smallwood E. Williams, was one of the few ministers to open the doors of his church to Dr. King in the early days of the civil rights struggle.

Amelia Boynton Robinson, vice chairman of the Schiller Institute, board member of the Martin Luther King Center For Non-Violent Social Change, and central organizer of the 1960s' Selma Right to Vote Movement, greeted those present, saying, "Pieces of the dream have been picked up by people like Lyndon LaRouche," one of the institute's founders.

## Court upholds RICO vs. pro-life movement

The U.S. Supreme Court ruled unanimously to allow the use of the Racketeer Influenced and Corrupt Organizations (RICO) Act against pro-life demonstrators on Jan. 24, overturning the act's requirement that an economic motive be established for a racketeering suit to be brought.

The National Organization for Women (NOW) and three abortuaries initially filed a class action suit against Joseph M. Scheidler (Pro-Life Action League) and Randall Terry (Operation Rescue), among others, in June 1986, and amended it to include the RICO charges in February 1989. The defendants were never proven to have violated RICO, and the case now goes back to the federal court in Chicago which dismissed it for lack of evidence in 1990. Proven civil violations carry a penalty of treble monetary damages.

Since the complaint was filed, NOW has regularly accused pro-life demonstrators of violence, arson, and murder: At a Nov. 28, 1988 press conference, Molly Yard, then-president of NOW, said of the defendants, "They have burned and bombed many clinics," although later, NOW's then attorney Patricia Ireland admitted that "there's no evidence of bombing or arson." Now the

group's president, Ireland has insinuated that Scheidler is "linked to arson."

Last fall, as Congress conducted hearings on a bill that to make picketing outside abortuaries a felony, the abortion lobby announced that the Bureau of Alcohol, Tobacco and Firearms found that the majority of clinic arson and bombing cases they had solved were carried out by pro-lifers. The BATF stated to *EIR* and other organizations that they had never found such evidence nor made any such statement.

## LaRouche associate files habeas motion

Attorneys for Richard Welsh have filed a petition for a writ of habeas corpus in the U.S. District Court for the Western District of Virginia seeking to have his 1990 state conviction for securities fraud overturned, because prosecutor John Russell and Judge Clifford Weckstein were polluted. Welsh is also asking the court to order an evidentiary hearing where his attorneys can subpoena documents and question current and former state officials under oath about their illegal actions.

Welsh charged that his Fifth Amendment rights were violated when Russell, Loudoun County Sheriff's Deputy Don Moore, and the Virginia prosecutorial team illegally had access to Welsh's immunized testimony in the federal railroad trials against LaRouche. The petition also charged that Judge Weckstein was biased and should have recused himself because of his contacts with the Anti-Defamation League (ADL), which during that time was an active member of the prosecutorial team. ADL leaders Ira Gissen and Murray Janus sent Weckstein ADL hate literature on LaRouche, and offered him the ADL's support for an appointment to the Virginia Supreme Court.

Welsh's petition states that Virginia officials had access to documents based on his testimony, jointly interviewed witnesses with federal agents, attended court hearings where his testimony was discussed, and that they obtained copies of the transcript of his testimony. The petition also stated that,



## Briefly

● **PRESERVATIONISTS** and the state of Illinois plan to turn the former Joliet Arsenal in the north of the state into "prairie-land" with the help of the federal government. Groups like the Nature Conservancy envision turning the arsenal's 40-mile tract into a "restored prairie," stocked with bison and visited by tens of thousands of tourists.

● **PAT BUCHANAN** headlined his syndicated column "Second Thoughts on School Vouchers" on Jan. 22. In discussing a ballot initiative in California last year which lost, Buchanan noted that vouchers would destroy the independence of Christian schools, and that most of the proposition's leading proponents are "individuals who dominated educational policies in the Reagan and Bush administrations."

● **LOUDOUN** County, Virginia's school board decided on Jan. 18 not to appeal a court ruling in a lawsuit to forbid student-led prayers at graduation. An injunction, issued by federal Judge Albert V. Bryan, Jr., was overturned last spring, allowing the students to hold non-proselytizing prayer. Five years ago, Bryan presided over the railroad trial of Loudoun resident Lyndon LaRouche.

● **GEORGE BUSH** gave his first major interview since leaving office a year ago in the February issue of *Washingtonian* magazine. He is currently helping develop the "George Bush School of Public Service" at Texas A&M University. He says his main political interest now is in electing his sons, George and Jeb, as governors of Texas and Florida.

● **TWENTY-EIGHT** congressmen have announced that they will not return to office after the 103rd Congress adjourns, according to a Jan. 22 UPI wire. Of those, 15 plan not to seek any other elective office. Six members of the Senate are also leaving. Rep. Austin Murphy (D-Pa.) is the latest casualty, the fourth House member in 1994 to announce his retirement.

after he was fired from the sheriff's office, Don Moore had 16 file cabinets at his home which contained law enforcement documents relating to the "LaRouche" cases, some of which contained information obtained from Welsh's immunized testimony. Moore is currently under federal investigation in connection with a kidnapping related to the Cult Awareness Network.

### Va. school superintendent expresses views on sex ed

Virginia's version of sex education, called "Family Life Education," would become an elective program rather than a mandatory one from which students can "opt out" if they choose, if the new school superintendent has his way. In a wide-ranging interview with this news service on Jan. 22, which will appear in the weekly newspaper *New Federalist*, State Superintendent of Public Instruction Dr. William C. Boshers said that, at his confirmation hearing, "I actually opposed public school divisions being responsible for Family Life Education, with the belief that families and churches should be the primary providers, because those issues are very difficult to teach in the absence of value judgments."

Boshers is well known in the state for having successfully fought to keep prayer at the graduation ceremonies in Henrico County public schools last year, where he was superintendent.

### GOP on 'lock 'em up' anti-crime rampage

Rep. Newt Gingrich (R-Ga.), who may become the next House Minority Leader in 1995, told the winter meeting of the Republican National Committee on Jan. 21 that the government should build "stockades" on surplus military bases to incarcerate violent criminals instead of allowing their early release to prey on Americans. "We should announce that as of June 1, no violent crimi-

nal need be released early anywhere in America for lack of space," Gingrich ranted. "We should build as many stockades as necessary and as quickly as though this were wartime, and people were dying—because they are."

Gingrich said the stockades would be devoid of the comforts of air conditioning or television and would be designed to hold violent criminals on a temporary basis. He also called for a two-year crash program to build as many prisons as necessary.

Gingrich's sentiment was echoed by Virginia Gov. George Allen, who said he will call for a special session of the Virginia legislature to consider how to abolish parole, with the goal of having violent offenders serve their full sentence instead of being released early.

### Drug control czar lays out interdiction plan

Director Lee Brown of the Office of Drug Control Policy told "Meet the Press" on Jan. 23 that the Clinton administration, which will soon release its plan to fight drugs, believes it is more cost-efficient to stop drugs at the source in Bolivia, Peru, and Colombia. While he did not spell out what this would entail, he said that it was less costly than trying to interdict drugs in the "interim zones."

He noted that the budget for the Drug Enforcement Administration was the highest ever under President Clinton, covering interdiction, prevention, and treatment. But, he said, he had asked President Clinton in the final budget to include more money for treatment in order, ultimately, to cover treatment for all who need it.

Asked about the calls by former Secretary of State George Shultz and current Surgeon General Dr. Joycelyn Elders for legalization of drugs, he said that President Clinton has no intention of allowing legalization. He added that Dr. Elders said that she was just expressing her own opinion; however, Brown confirmed that he was expressing the views of the President, when he said no to legalization.

# Editorial

## *Good Night America*

Numbers of our readers no doubt joined us in anticipating the airing of an interview with Lyndon LaRouche by Good Morning America journalist Bill Ritter. It would be good to see LaRouche again, if only on the TV screen, and perhaps we would hear something about his views on the current chaotic scene in Washington.

We should have known better. Not for nothing is it called the boob tube. The worst part of the interview was the triviality, the utterly banal level of the attack on LaRouche. One could have anticipated that ABC News was not going to agree with millions of Americans that LaRouche is his nation's greatest living statesman. But to have to listen to slanders intermixed with questions was an outrage.

"Mr. LaRouche, how did it feel to do the laundry?" was one of the questions. LaRouche was quick to point out that he found nothing humiliating in doing physical labor, but the viewer was led to wonder at a government which would impose strenuous physical labor on anyone over 65 years of age. Such a policy should have evoked outrage from even such a cynical listener as Ritter, but instead the attempt was to ridicule LaRouche's campaign for the presidency. That such drivel could be tolerated on what claims to be one of America's premier news analysis shows is sadly indicative of the depths to which the culture has sunk.

Fortunately, despite it all, LaRouche shone through. "Prison has not mellowed Lyndon LaRouche," remarked the ABC commentator at the close of the show, and many of those watching must have felt great relief to recognize the truth of that remark. "Good for LaRouche," was the reaction of many viewers.

LaRouche made the following comment on Jan. 23: "It is my impression, after seeing this morning's broadcast of material taken from an interview done with me, here at the prison this past Wednesday, that someone back in the ABC shop had decided that the original version of the interview made me a little bit too credible. Therefore, they had tried to correct that by pasting in certain questions that were actually asked by the interviewer, but selecting an answer which I gave to a different question, in order to try to make me seem

evasive, or something."

It is interesting to note the topic of the two "news" items which preceded the LaRouche interview on the show: soap opera and soft pornography.

The first item was a discussion of how the jurors reenacted the scene in which Lorena Bobbitt emasculated her husband, in order to come to the decision that she acted in a moment of insanity. This ludicrous story has dominated the airwaves for months, during the trial of her husband and then herself.

The second segment showed how teachers, psychologists, and social workers were trying to deal with the trauma inflicted on children by the Los Angeles earthquake. "How did you feel, dear?" was the question asked over and over. One might wonder if it would not have been more to the point to engage the children in planning for how their schools, homes, and neighborhoods will be rebuilt following the earthquake, but such questions are not considered relevant to the mental health of America's children.

Why, one might ask, did Ritter not ask LaRouche what he thought of the Clinton administration's handling of domestic and foreign policy? Surely this was a relevant topic, and would have allowed Ritter ample room for his own snide commentary. This show was not an exposé of LaRouche, but of the absolutely abysmal incompetence of American journalism today, be it the print or electronic media.

Fortunately the media will not have the last say. This sorry performance only underscores how welcome Mr. LaRouche's return from the limiting conditions of prison life, is. It is about time that farces such as this interview are relegated to the dustbin by the full exoneration of Mr. LaRouche and his co-defendants, and his associates still languishing in the prisons of the Commonwealth of Virginia. A world in which Mrs. Bobbitt is made a media heroine and Michael Billington is serving a 77-year jail sentence, is sadly askew.

If something is not done soon to reverse this situation, and all that it implies, then indeed it will be Good Night America, and with America every other nation on this unhappy planet.

# SEE LAROUCHE ON CABLE TV

All programs are *The LaRouche Connection* unless otherwise noted.

## ALASKA

- ANCHORAGE—ACTV Ch. 40  
Wednesdays—9 p.m.

## ARKANSAS

- FAYETTEVILLE—Ch. 8  
Wednesdays—9 p.m.
- LITTLE ROCK—Storer Ch. 18  
Tue.—9 p.m., Thu.—8 p.m.

## CALIFORNIA

- DOWNEY—Conti. Ch. 51  
Thursdays—9:30 p.m.
- E. L.A. to SANTA MONICA—  
Century Cable Ch. 3  
Mondays—5:30 p.m.
- E. SAN FERNANDO VALLEY—  
United Artists Ch. 25  
Sundays—3:30 p.m.
- HOLLYWOOD—Conti. Ch. 37  
Fridays—8 p.m.
- LANC./PALMDALE—Ch. 3  
Sundays—2 p.m.
- MARIN COUNTY—Ch. 31  
Tuesdays—4 p.m.
- MODESTO—Access Ch. 5  
Thurs., Feb. 17—6:30 p.m.
- MTN. VIEW—MVCTV Ch. 30  
Tuesdays—11 p.m.
- ORANGE COUNTY—Ch. 3  
Fridays—10 p.m.
- SACRAMENTO—Ch. 18  
2nd & 4th Weds.—10 p.m.
- SAN DIEGO—  
Cox Cable Ch. 24  
Saturdays—12 Noon  
Southwest Cable Ch. 16  
Saturdays—9 p.m.
- SAN FRANCISCO—Ch. 53  
Fridays—6:30 p.m.
- SANTA ANA—Ch. 20  
Sundays—4 p.m.
- W. SAN FERNANDO VALLEY—  
CVI Ch. 27; Tues.—8:30 p.m.

## DISTRICT OF COLUMBIA

- WASHINGTON—DCTV Ch. 25  
Sundays—12 Noon

## FLORIDA

- PASCO COUNTY—Ch. 31  
Tuesdays—8:30 p.m.

## GEORGIA

- ATLANTA—Ch. 12  
Fridays—1:30 p.m.

## IDAHO

- MOSCOW—Ch. 37  
Wednesdays—7 p.m.

## ILLINOIS

- CHICAGO—CAN Ch. 21  
Mon., Feb. 14—10 p.m.  
Thurs., Feb. 24—9:30 p.m.
- QUAD CITIES—Cox Ch. 4  
Mondays—9:30 p.m.

## INDIANA

- SOUTH BEND—Ch. 31  
Thursdays—10 p.m.

## MARYLAND

- BALTIMORE—BCAC Ch. 42  
Mondays—9 p.m.
- MONTGOMERY—MCTV Ch. 49  
Tue.—11 p.m., Thu.—2:30 p.m.
- WESTMINSTER—CCTV Ch. 19  
Tuesdays—3 p.m.

## MASSACHUSETTS

- BOSTON—BNN Ch. 3  
Saturdays—12 Noon

## MICHIGAN

- CENTERLINE—Ch. 34  
Tuesdays—7:30 p.m.
- TRENTON—TCI Ch. 44  
Wednesdays—2:30 p.m.

## MINNESOTA

- EDEN PRAIRIE—Ch. 33  
Wed.—5:30 pm, Sun.—3:30 pm

- MINNEAPOLIS—Ch. 32

*EIR World News*  
Saturdays—9:30 p.m.

- ST. LOUIS PARK—Ch. 33

*EIR World News*  
Friday through Monday  
3 p.m., 11 p.m., 7 a.m.

- ST. PAUL—Ch. 33

*EIR World News*  
Mondays—8 p.m.

## MISSOURI

- ST. LOUIS—Ch. 22  
Tues.—2 p.m., Wed.—5 p.m.

## NEW JERSEY

- STATEWIDE—CTN  
(Check Local Channel)  
Mondays—2 a.m.

## NEW YORK

- BRONX—BronxNet Ch. 67  
Saturdays—6 pm
- BROOKHAVEN—TCI  
(E. Suffolk, L.I.)  
1 Flash or Ch. 99  
Wednesdays—5 p.m.
- BUFFALO—BCAM Ch. 18  
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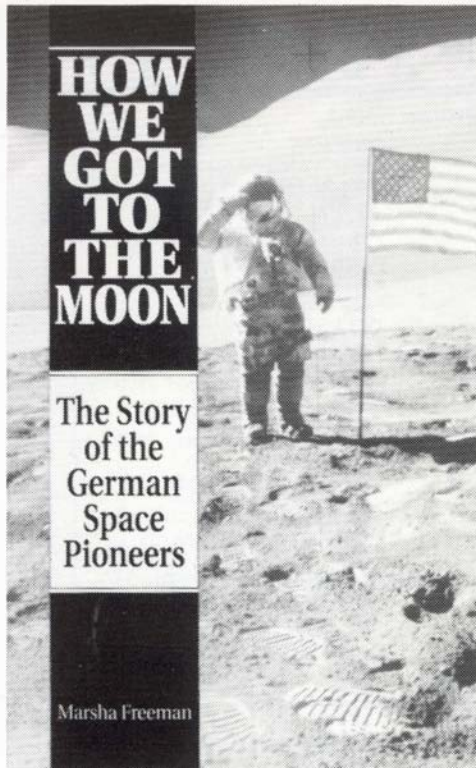
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