

EIR

Executive Intelligence Review

April 28, 2000 Vol. 27 No. 17

\$10.00

Information Society: A doomed empire of evil
'Black Friday' shapes Putin's visit to Britain
Market crash dooms Gore's candidacy

**Flaminio Piccoli:
A patriot passes**



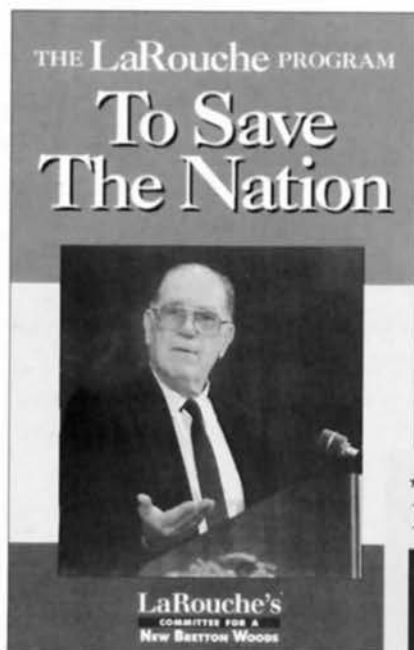
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and all of the people some of the time;
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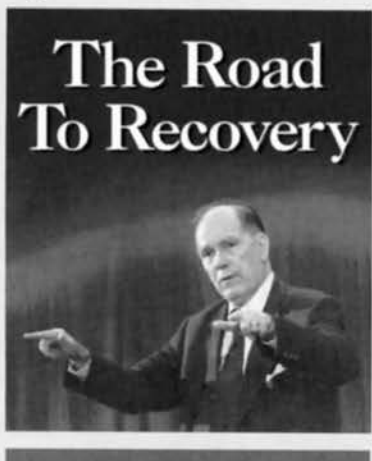


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EIR (ISSN 0273-6314) is published weekly (51 issues) except for the second week of July and the last week of December, by EIR News Service Inc., 317 Pennsylvania Ave., S.E., 2nd Floor, Washington, DC 20003. (202) 544-7010. For subscriptions: (703) 777-9451, or toll-free, 888-EIR-3258.

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

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

From the Associate Editor

LLyndon H. LaRouche, Jr. has been battling for more than half a century, against the “information theory” and “cybernetics” frauds of Norbert Wiener and John von Neumann, as he reports in this week’s *Feature*, “Information Society: A Doomed Empire of Evil.” It was, he writes, his initial refutation of Wiener’s dogmas, which formed the kernel of LaRouche’s own original discoveries in the science of physical economy.

LaRouche is therefore particularly well situated to diagnose the current mental and financial demise of the progeny of Wiener and von Neumann, those yuppie logical positivists who became the overnight billionaires of the Internet Revolution—or, they were billionaires, on paper, until they were slammed by the April 4-14 collapse of the Nasdaq’s so-called high-tech stocks.

What exactly is the mental aberration, that has caused our economy to go insane as it has done? What characteristics do the late unlamented Internet super-rich share with Vice President Al Gore and “Unabomber” Ted Kaczynski? All are on the way out, as reality asserts itself, in confrontation with their Luddite fantasy-life.

Of course, the “bubble-managers,” like Federal Reserve Chairman Alan Greenspan, are trying to “ride” the bubble, letting the air out of the Internet stocks, and making sure that the big institutional investors are protected, while the “little guys” lose their shirts. But the efforts of Greenspan et al., as LaRouche has shown, will only make things worse, with catastrophic consequences for all mankind, if their policies are not swiftly reversed.

LaRouche’s article will soon be released as part of an *EIR Special Report* on “The Myth of the Information Society.” The documentary section of the report, prepared by *EIR*’s staff in Wiesbaden, Germany, was first published in German. Topics include: “The Rise and Fall of the Post-Industrial Society,” “John von Neumann’s ‘Artificial Intelligence’ — ‘Pattern Card’ of the 20th Century?” “Norbert Wiener: Cybernetics and Social Control in Cyberspace,” “The Artificial Intelligence Cult, Anti-Progress, vs. the Creativity of the Human Mind,” and “The Emperor’s New Clothes . . . the American Way: Nine Years of U.S. ‘Economic Boom.’ ” *EIR* distributors will have full ordering information as soon as it becomes available.

Susan Welsh

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A biography supplied by the Christian Democratic Party of Italy.

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Forget all the soothing talk about “market correction” and “sound fundamentals.” The biggest financial meltdown in world history that Lyndon LaRouche has been forecasting, is now under way, and all efforts to stem it, will only make it worse. Are the currency markets next in line to evaporate?

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"For as far back into pre-history as our present knowledge can reach, the most efficient way to destroy a human culture, is the sneaky way, to induce it to doom itself," writes Lyndon H. LaRouche, Jr. "Such, according to evidence against the leading authors of what is called today 'Information Society,' or, 'The New Economy,' has been the purpose of the cult of logical positivism, which was set into motion by a group of persons gathered around three among the most consummately malevolent figures of the Twentieth Century, the so-called Vienna Circle's Ernst Mach and Rudolf Carnap, and their ally, British, self-styled 'radical empiricist' Bertrand Russell."

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With the "new economy" crowd losing money faster than they can say "Yahoo," who else are they going to blame, but their former darling, Al "I invented the Internet" Gore? The time is ripe for a new Democratic Party leadership modelled on the Franklin Delano Roosevelt constituency tradition. As Gore's opponent LaRouche argues, "Why appeal to the politically dead?"

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The pack of dupes and fools who descended on Washington, D.C., supposedly to protest international banks' genocide, were assembled and coordinated by some of the most notorious international bankers who for years have been overseeing that policy of genocide. We name the controllers of this new Jacobin mob.

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‘Black Friday’: The financial dam begins to break

by William Engdahl

The largest daily point loss in the history of the Dow Jones Industrials, 618 points, combined with a whopping 9.7% fall in the Nasdaq, bringing that index down 25.3% in a week, and the ensuing drop of stock prices around the world on Friday, April 14, is being touted by Wall Street pundits and financial media as a short, sweet “correction” to overvalued stocks, especially in the Internet-heavy Nasdaq. Such soothing remarks are par for the course, but more sober minds see the events of the past month as the beginning of the greatest financial market upheaval of recent memory.

The April 14 stock meltdown came after intense “confidence building” efforts by the U.S. government, and suspected Federal Reserve market manipulations during the previous week, aimed at stabilizing increasingly volatile markets. Over the April 15 weekend, several Wall Street fund managers again were calling for some form of government or central bank “intervention,” as the only chance to stop the panic from getting completely out of control.

Nothing of substance was publicly released from the International Monetary Fund-Group of Seven gathering in Washington, which also began on April 14. But, reliable sources pointed out that among central bankers and top government officials, two contradictory lines were expressed. One side argued that the inflated stock bubble is simply unsustainable, and that the crash should be allowed to take its course, as long as it does not deteriorate into a breakdown of the global financial system. The other position argued that a stock market crash, even if it were contained, is politically unacceptable, because it would rip the floor out from under American politics.

Indicative of the first position were remarks on April 7 by Swiss National Bank director Bruno Gehrig. Speaking at a financial conference in Zurich, central bank official Gehrig

questioned whether central banks should act “in the event of an asset price crash.” His answer was blunt: “To be realistic, a simple recommendation is all that is in order: Those who buy equities bear the price risk themselves. People who, out of greed and carelessness, buy and sell in such a way that they cannot survive a brutal crash, have only themselves to blame. They must bear the consequences alone, even if it means their economic ruin.”

The other side was typified by U.S. Treasury Secretary Lawrence Summers, who appeared on two U.S. TV programs on April 16, urging investors not to panic, because “the economy of the United States is in better shape than it has been in a long time.”

There could be ‘a huge shift in sentiment’

Hong Kong-based financial investment strategist Marc Faber, echoing an earlier assessment by Lyndon LaRouche, told *EIR* on April 12, two days before Black Friday, “The Democratic Party, Clinton-Gore, and Greenspan have all been riding the bubble economy. The moment the bubble economy breaks, and there is growing pain and disappointment in the United States, there will be a huge shift in sentiment! . . . Already, the popularity of Greenspan is increasingly put in question, among financial analysts who previously praised him. Because of Greenspan, the bubble is much bigger than it was two years ago. Emotions of love and hate are very closely related, and can reverse themselves very quickly. If people in America lose money, negative sentiment will increase rapidly.”

The only intervention Greenspan is able to launch, within the existing financial policy framework, is a further opening of monetary floodgates. However, the inflationary effects of these time-buying “crisis-management” measures—which

the Fed began during the Mexico crisis in 1995, and accelerated after the worldwide Long Term Capital Management (LTCM) crisis in September 1998—can no longer be contained, as the latest consumer price data indicate.

In America's "new economy," inflation had been declared "dead." Now, seemingly out of the blue, official inflation is almost 4%. Any new liquidity-pumping to temporarily stem the crash in stock prices will inevitably show up in the near-term as galloping inflation. Greenspan and the Federal Reserve are faced with the dilemma as early as their Federal Open Market Committee meeting in May. If they again raise short-term interest rates, perhaps by even 0.5%, to convince the world that the Fed is serious about inflation dangers, will that trigger a market panic sell-off? If they do not raise rates, will that also trigger a panic sell-off by foreign holders of U.S. stocks and bonds, who fear that the Fed has lost control over inflation?

Watch the dollar

The sudden vanishing of some \$2.3 trillion in paper values on the U.S. stock market over the past four weeks, however dramatic, is but the beginning of a process of global reverse-leveraging of financial and monetary aggregates. The next phase will likely extend into the foreign exchange markets.

In 1999, the United States ran a record current account deficit of some \$338 billion. Yet, the dollar exchange rate has steadily risen since January 1999, especially against the weak euro. The reason the dollar has remained "strong" so far, is quite simple. The excess of U.S. imports over exports of physical goods (clothing, machinery, food, etc.) and other trade deficits, has been more than offset by record inflows of foreign investment into the U.S. stock bubble, mainly from Europeans. In 1999, according to data from the Securities Industry Association, foreign purchases of U.S. stocks, and of corporate and government bonds, reached \$365 billion, a 58% rise over 1998.

This situation cannot continue indefinitely. On April 19, another new all-time record monthly trade deficit of \$29.2 billion was announced. This signifies how dependent the United States economy is on *foreign output* of physical goods for basic consumption, and it shows the increasing size of foreign capital inflow needed to hold the dollar steady.

Yet, under conditions of contracting American stock markets, foreign speculators will be increasingly under pressure to liquidate U.S. stock holdings. That trend will likely extend into bond investments. Then, the financial market crisis in the United States will be transformed into a simultaneous currency crisis with global ramifications—a real "dollar crisis."

At that point, the Federal Reserve's "gradualist" measures of moderate interest hikes will probably be seen as useless by international investors, and radical measures will be demanded. The last major dollar crisis was in 1979, when Paul Volcker was brought in as chairman of the Federal Reserve to

administer monetary shock therapy, which drove U.S. interest rates above 20% and plunged the United States and most of the world into misery.

Even before a full-blown dollar crisis, the 11-nation European euro-zone is facing grim prospects, with the new virtual currency, the euro, falling to record lows. On April 20, the euro hit 93¢ to the U.S. dollar, falling on reports of growing business pessimism in Germany. That has been a drop of more than 20% since Jan. 1, 1999, when the euro came into existence. The continuing weakness of the euro is leading foreign speculators to leave European stocks and bonds, most recently for the booming Japanese stock market, where the Nikkei Dow index was up more than 58% in the fiscal year ended March 31. The euro has fallen most sharply, some 30%, against the Japanese yen, because of the capital flows.

Yet, Japan itself is anything but a picture of economic health. With a banking system still choking on an estimated \$1.5 trillion of bad loans, and a government debt nearing 130% of Gross Domestic Product, foreign investment into the Japanese stock market has been the only major source of liquidity for the depressed economy of the world's second-largest industrial nation.

So alarmed is the Japanese government about prospects of a global stock market meltdown hitting the Nikkei inflows of urgently needed capital, that it announced on April 17, the Monday after New York's Black Friday, that it was proposing creation of an emergency 1 trillion yen (\$9.6 billion) fund at the Ministry of Finance. The fund would artificially prop up the Tokyo stock market to maintain "confidence" of foreign speculators. Japan's stock market capitalization value is approximately that of the entire economy, \$4 trillion.

'Dead tech bounce'

The rapid rebound of the U.S. stock market, especially the Nasdaq, between April 17 and 20, is being referred to by financial market experts in Europe as a "dead tech bounce," a parody of Wall Street's traditional fake rally after a crash (a dead cat bounce), in which the remaining market insiders get out, leaving poor suckers and small investors to suffer the next blowout.

As was the case in October 1987, so today, suspicion is that what Wall Street calls "The Plunge Protection Team," the secretive group set up several years ago under the innocuous name of the President's Working Group on Financial Markets, has been hard at work. This is the government "crisis management" team, which includes the Treasury Secretary, the Fed chairman, the heads of the Securities Exchange Commission and the Commodities Futures Trading Commission, the Comptroller of the Currency, and the president of the New York Federal Reserve, which has intervened in every crisis in recent years, from Mexico to Asia to the LTCM collapse. And also, presumably, into the events of April 14.

Termed "the financial world's equivalent of the war room," by the *Washington Post* article of Feb. 23, 1997, the

Working Group reportedly intervened via Wall Street investment banks Goldman Sachs and Merrill Lynch on April 4, when the Nasdaq fell 13% by midday, then suddenly rallied several hundred points before the day's close. The two giant Wall Street houses started buying huge volumes of stock index derivatives—far cheaper than real stocks. The Nasdaq rebounded, and panic was averted—temporarily.

Although no details of what happened to trigger the 7% rebound on April 17, and again on April 18, suspicion is that the President's Working Group was not passive. Did they quietly make it known that the authorities would back up any risk by Wall Street on that day?

Regardless of whether such manipulation by the U.S. authorities has been the case, the situation is poised on the razor's edge for the next bit of unexpected bad economic data or bad financial news. With a balance of payments deficit soaring to record levels, a stock market plunging by double digits almost every second week, household and corporate debt levels are in no way prepared to endure even the mildest stock collapse. The April 18 *Wall Street Journal* noted, "American households have 56% of their financial assets tied to the stock market now, compared with 28% in 1989. Mortgage debt now equals 43% of the value of owner-occupied housing, compared with 30% in 1985. But now the hammer: in a balance sheet of more than \$30,000 billion, liquid assets in the form of bank deposits amount to less than \$4,000 billion. In short, the collective balance sheet of the American consumer is extremely illiquid."

Adding into the equation debt-to-equity ratios for U.S. corporations, "up over the last 10 years from 84 to 116," the *Journal* warns, "the stampede of both corporations and private households out of liquidity and into debt in recent years is without precedent."

It's time to begin thinking about a New Bretton Woods global monetary reorganization before the next break in the dam brings on the deluge.

Commentaries

'What, me worry?' some financial observers say

Alan Greenspan, Chairman of the Federal Reserve System, speaking on April 14:

"During a financial crisis, risk aversion rises dramatically, and deliberate trading strategies are replaced by rising fear-induced disengagement from market activity." He added that "fear-induced disengagement" can even refer to sell-off of such "riskless" instruments as Treasury securities.

Guest commentator on Bloomberg financial news radio, Washington, D.C., April 14.

He said that there is no threat of a stock market meltdown, but rather, the markets are seeking to achieve a "selling climax" level.

Treasury Secretary Lawrence Summers, in guest appearance on April 16 Fox News Sunday (Washington, D.C.).

Summers stressed that the U.S. economic "fundamentals are sound. Consumer spending is up." He urged investors not to panic, because "the economy of the United States is in better shape than it has been in a long time."

Washington Post, April 16, front page, headlined: "Stock Market's Loss May Be Economy's Gain," by Staff Writer John M. Berry.

"If it doesn't go too deep, the big stock market correction of last week could turn out to be a boon rather than a disaster for a U.S. economy, the fundamentals of which remain about as sound as they ever have been, according to many analysts."

New York Post columnist John Crudele, April 19, headlined, "One Fund Manager's Value Picks."

"Nobody would blame you if you hated stocks after last week. And there's a good chance that you'll be hating the market again in the weeks ahead as we get closer to the next Federal Reserve meeting.

"But there's usually at least one good strawberry in a bruised bunch." The column then profiles ten investment picks by a partner of Value Holding L.P., and the column concludes, "So, if you are tired of the .com crash, here are some stocks in boring industries that have room—and reason—to move."

Business Week ran as its cover feature, sent to press in advance of April 16's Black Friday, the story headlined, "Wall Street—Is the Party Over?"

Its comforting blurb beneath the headlining read, "High-tech stocks are undergoing a much-needed correction. But relax, the overall market probably won't tank. What we're seeing looks more like a healthy flight to quality." The article looked at the April 4 stock market gyrations (far exceeded on April 14), and ran an analysis titled, "Don't Panic—Investors Are Just Seeking Quality." The article stated, "Even seasoned investors, who were coming to believe that Wall Street had signs pointing in one direction—up—were shaken. Is this just the beginning of a market shake-out? Is the party over?"

"No. April 4 was a day that crystallized the change in leadership of the bull market that began three weeks earlier. It is not so much a change from New Economy stocks to Old Economy stocks; rather, it is a flight to quality across the entire equity spectrum."

IMF austerity policies drive Romania into industrial collapse

by Paolo Raimondi

The economy of Romania is another “miracle” performed by the International Monetary Fund (IMF): More than ten years after the collapse of communism, the physical economy of the country has been totally broken; every attempt to restart production and productive investments has been throttled by IMF austerity conditionalities. This is also true for the year 2000, and this time in a more harsh and dramatic form. A senior university professor with more than 30 years teaching experience, and a member of the Academy of Sciences, for example, reported that he gets paid \$120 a month, while prices on basic goods increase at a weekly rate. At the International Transport Conference organized in Bucharest on April 3-5, he shocked his interlocutors when he said that present industrial output is about 10% of the level which existed ten years ago.

At first glance, such estimates look like an exaggeration, but if one examines the poverty into which the majority of the population has been pushed, the collapse of infrastructure, and some of the official figures on the national economy, it may not be far from the bitter truth. One thing is clear: The Romanian people did not deserve this treatment from “Western institutions” after having lived under a communist dictatorship for 45 years. Had Romania been left alone to decide its future, it would have done definitively better than it has with IMF “support.” Let us look at some of the reports on the economy by official institutions, such as the National Economic Institute, the Chamber of Commerce, and others.

In 1999, Gross Domestic Product declined at least 4% (some estimates are as high as 5.4%). The official inflation rate is 55%. More revealing are the figures related to the physical economy: Industrial output dropped 8% compared to the previous year, and declines were registered by most industrial sectors: 9.1% for extractive industry, 8% for processing industry, and 17.3% for intermediate goods. In some industrial branches, the decline has been a collapse: metallurgy (−36.5%); oil refining and coal processing (−26%); radio, television, and communications equipment (−25%); rubber and plastics (−23%); and equipment and machine building (−22%). Increased output was recorded in a few export-oriented sectors, such as optical equipment, garments, furniture, and pulp and paper.

The year 1999 saw an 8% cutback in electric power consumption, compared to 1998. This continued a trend already visible the year before: Electric power consumption for Janu-

ary-July 1998 fell 8.7% compared with the same period of 1997. Industrial output in August 1998 declined 16.8%, compared with the year before. In the construction sector, the first quarter of 2000 registered a collapse of 46% compared with the same period of 1999. In agriculture, the most alarming trend is the steady decline in numbers of livestock, which involves many cattle being slaughtered for export.

Despite the fact that what little production remains goes primarily for export, the 1999 trade deficit was \$1.8 billion. From 1990 till 1999, the trade deficit was about \$17 billion. When communism collapsed in 1989, Romania had \$2 billion in foreign exchange reserves and an insignificant foreign debt; today, reserves are about the same, but the foreign debt is more than \$9 billion. Debt service has been exorbitant: In 1999, it was \$2.8 billion; in 2000, it will be \$2.2 billion; for 2000-03, it will be over \$6 billion. As reported by the Romanian government, public debt is about 35% of GDP, and due to the country’s poor credit rating (under IMF supervision), Romania pays 5% of its GDP just in interest every year. Under these conditions, the official unemployment figure of 1.13 million (11.5%) does not reveal the truth. More important is the reported ratio of wage-earners to those on pension or receiving social welfare benefits, which is 1 to 12.

Damage from the war

On top of all this, the war in neighboring Yugoslavia, including the bombing of the bridges over the Danube River, which blocked the main water transport throughout the region, caused damage of about \$1 billion for 1999 just for the Romanian port and shipping companies. In 1999, traffic in the main Black Sea port of Costanta (both maritime and river traffic), suffered an official collapse of 18.7%.

The future bodes no change for the better for Romania. Under IMF diktat, the government has to present a program for the year 2000, which may deal a final blow to the economy, with dramatic social consequences. The IMF is using the carrot of an extension of a stand-by credit to lure the Romanian government, the parliament, and all the political and economic forces. The stand-by credit, of about \$540 million, was approved in August 1999, and on March 31, 2000 was extended for two months. Its continuation will be dependent on IMF approval of the economic program for the year 2000.

In a March 27 press release, the IMF said, “Parliamentary



Romanian President Emil Constantinescu has put a priority on development of the Eurasian corridors, but he is under heavy pressure from the International Monetary Fund.

approval of a 2000 budget, consistent with the parameters of the program, is a prior action for consideration of the review by the Executive Board of the International Monetary Fund.” It is self-evident that the lack of IMF approval, and a halt in the stand-by credit agreement, would mean the total economic and financial isolation of Romania.

Under the sword of the IMF, the government and the parliament feel they have no alternative but to impose more austerity. In presenting the economic perspective for 2000, Prime Minister Mugur Isarescu said that “this year also remains one of austerity.” Some of the conditions demanded by the IMF include: an inflation rate of no more than 27%; control of fiscal and foreign payment balance; fiscal reform which should include the application of a unique value added tax of 19%, affecting immediately primary foodstuffs; a reduction of the capital gains tax, and the elimination of tax exemptions for some industrial sectors (because it is seen as the cause of corruption); and drastic budget cuts to keep the budget deficit under 3% of GDP. (The latter is to fulfill one of the Maastricht Treaty requirements for European Union members, and is supposed to prove Romania’s desire to be part of the European club some time in the future.)

The government is indicating some of the measures it will impose to cut spending: decreased salaries, cuts in personnel expenses, and more layoffs—in the public sector; 60,000 in

the education system; 23,000 in the Interior Ministry; and 25,000 in the Defense Ministry have been already announced. Subsidies will be cut: “To the end of strengthening fiscal discipline the government will drastically restrict direct financing from public sources of a number of enterprises . . . [and] curb budget subsidies to mining by another 25% in 2000.”

Starting in 1997, the restructuring of the mining sector has resulted in the shutdown of 162 allegedly non-viable mines. While in 1997 the mining industry had 176,000 jobs, at the end of 1999 there were only 68,000. Clearly, the Romanian mining sector functioned with an extremely low efficiency and with obsolete technology, but the “IMF restructuring” means simply shutting down the mines, increasing unemployment, without any perspective for the future.

To fight inflation, the program foresees the removal of rail subsidies, and the same for electricity. The other big IMF demand, which continues to be reflected in the government program, is privatization. The commitment this year is to privatize 3,000 state-controlled firms, or firms with state participation, beginning with strategic sectors such as energy and transportation. Romania has large oil and gas production, and a well-functioning system of ports, pipelines, and other transportation systems, and the big international monopolies are ready to buy up whole sectors at heavily discounted prices. (For example, at the end of December 1999, the national currency, the leu, lost 67% compared to the dollar just in one year.)

Except for a few people, the majority of Romanians know that the IMF is pretending to cure a very sick patient—with poison. But, they feel too weak and alone to resist. This is why the battle for a New Bretton Woods financial system is being followed very closely by the political and economic leaders of the country.

Conference Report

Bucharest meet takes up plans for New Silk Road

by Ulf Sandmark

The Romanian government is using the concept of the Silk Road as a working tool in its effort to pull the country out of its dramatic economic collapse, and to participate in defining broader economic strategies for the future. On April 3-5, the capital of Bucharest hosted an International Transport Conference, with the participation of more than 200 Romanian and international experts on building development corridors across the Eurasian continent. Among the speakers, Paolo

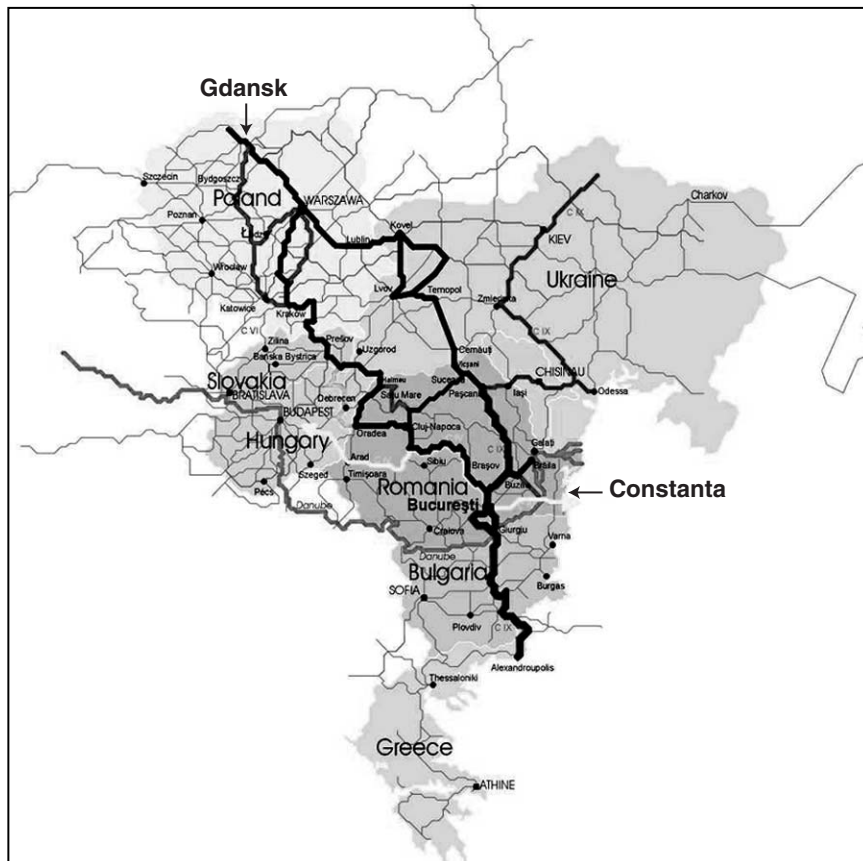
Raimondi from *EIR*'s European headquarters in Wiesbaden, Germany, was invited to address the theme "Balkan Reconstruction in the Context of the Eurasian Land-Bridge: The Way Out of the Global Financial Crash," and to present Lyndon H. LaRouche, Jr.'s proposal for a New Bretton Woods global financial system.

Under the leadership of Romanian President Emil Constantinescu, infrastructure and oil pipeline development have become a national priority. Addressing the conference, he said: "Romania has to intensify its efforts for modernization of its infrastructure to capitalize on its geostrategic potential and position, and to become a pillar of stability among the Central and Eastern European countries."

Romania is in the middle of Europe, measuring between Portugal on the Atlantic and the Ural Mountains in Russia. Also, as part of the Balkans, it is situated in southeastern Europe, on the crossroads between Europe and the Middle East, South Asia, and Africa. Through the country, traverse both a major north-south corridor and an east-west corridor (see **Figures 1** and **2**, respectively). With the support of the President, who is a geologist, an organization was founded, called "Romania at the Crossroads," to study the potential trade patterns in the corridors and propose new infrastructure for the country from the standpoint of its role in global trade. "Romania at the Crossroads" is organized as a non-governmental organization, whose members include Romania's leading state and private transport organizations, as well as Italian, French, British, and U.S. transport- and construction-related companies. It is headed by Presidential adviser Dr. Dan Capatina, a leading seismic engineering expert, who also advises President Constantinescu on energy and oil.

At the Bucharest conference, Transport Minister Traian Basescu put out a call for "retaking the Silk Road," saying, "The European links to the Asian corridors are not being implemented," and expressing the importance of using the Black Sea, where Romania has a major port at Constanta, to fill in the missing link along the Silk Road. "The port of Constanta can become a port for linking up to all the European networks," he said. In early September 1998, some 30 countries participated in a conference on international infrastructure in Baku, the capital of Azerbaijan, and a Caspian seaport. Since the Baku conference, the European Union, and nations

FIGURE 1



The corridor from Gdansk, Poland to Constanta, Romania can follow existing roads and railways. The roads are almost along a straight line, but the rail lines detour through Ukraine. Differing gauges and electricity systems demand considerable investments to open up rail transport along the proposed new Corridor XI.

FIGURE 2





Paolo Raimondi from EIR speaking at the April 3-5 International Transport Conference in Bucharest.

around the Black Sea, in the Caucasus, and in Central Asia have had an agreement to establish a transport corridor along the Europe-Caucasus-Central Asia routes in order to facilitate economic cooperation and trade, as well as regional stability.

The Black and the Caspian Seas are conceived of as means to leap the Silk Road project forward. New ferry routes are being developed to bring trucks and trains to Black Sea harbors in Turkey, Georgia, and Russia. From there, the trucks travel on to the Caspian Sea, whence they can be ferried across to various Central Asian countries. Harbor improvements, agreements, cost incentives, cooperation, and other measures make the transit on the new ferry routes easier. A railway agreement has opened transport from Constanta to the port of Samsun, Turkey, and via Turkish and Iranian rail, directly to Tehran, which will greatly facilitate transport for the 30,000 trucks and containers that go from Iran into Europe every year. The new sea routes cost half as much as overland transport, and circumvent delays at customs at border crossings along the way.

Constanta: 'Rotterdam in the East'

The main European artery for east-west transport is the Rhine-Main-Danube waterway, starting on the Atlantic in Rotterdam and ending in Constanta, on the Black Sea. Within the European Union TRASECA program to develop transport infrastructure in eastern Europe, this has been labelled Transport Corridor No. VII. The Constanta harbor, at one time the place where world grain prices were set, is where many different transport modes meet—sea, river, road, rail, oil

pipeline, and air. The importance of the harbor depends on the capacity to flexibly handle different transport modes, called intermodal flexibility, to service the upstream territories.

The South Koreans have chosen Constanta as their entry point into Europe for importing goods from Asia, and South Korea's Daewoo automaker has taken over the Olcit factory in Craiova and now builds its cars for Europe there.

The Danube has been blocked to barge traffic where the Serbian bridges were bombed last year, and the wreckage has never been cleared. There is some traffic, via small canals that can bypass those bridges, but cargo must be offloaded from Danube barges onto much smaller ones. The reconstruction of the Danube bridges will make modernization of the river transport possible, as a new standard for larger river barges can be undertaken, and would bring the barges on the Danube up to the same standard as on the Rhine. From the Danube, the barges could then enter the Black Sea, and from there have access to the rivers in Ukraine and Russia.

Past the Iron Gates II, the Danube flows into the flatlands in Romania, where the river becomes very shallow. It is deep enough for international fluvial navigation, up to a draft of 2.5 meters, but, in the summer, the Danube has to be closed to transport on average for 50 days a year. Dredging is needed to keep the river open. Civil engineers Gheorghe Luca and Constantin Draghicescu presented a long-overdue project to build dams at two places that would raise the water level. The dams would pay for themselves, because they would also be used to produce electrical power, and to provide gravity-fed irrigation for 114,000 hectares of farmland. A road and rail

connection could also be built on both dams. The dams would raise the water level to 6-7 meters, deep enough to allow seagoing ships into several inland harbors along the Danube. With some changes at the present locks at the Iron Gates, oceangoing vessels could go all the way up to Belgrade, Serbia. The estimated costs for the dam projects are \$7 billion, and construction time is ten years, with a workforce of 60,000 — who are currently for the most part unemployed.

The road and rail corridors

Romania is now receiving greater Western interest, after being almost ignored up to 1997. The blockade against Serbia and the destruction of its Danube bridges has pushed European traffic to the Middle East into Romanian territory. The European Union (EU) has just decided to finance a second bridge between Romania and Bulgaria, and also the connecting road and rail line.

Bucharest has seized the opportunity offered by the EU interest and quickly come to an agreement with Bulgaria over the new bridge over the Danube at Calafat-Vidin. The position of the bridge routes transport through the Bulgarian capital, Sofia. It will have very little impact on Romania, since the route will skim one corner, but it will open up transport through a very distressed mining area. Another east-west branch from TRASECA Corridor No. IV goes right through Romania down to Constanta. TRASECA's main north-south link is Corridor IX, going from from St. Petersburg, Moscow and Kiev, Ukraine through eastern Romania down to Thessaloniki in Greece.

Because of the interest from the EU, there is some money for upgrading these corridors coming in, including for building a highway east of Bucharest down to the Black Sea. Construction on this highway had stopped 1997, when the economic crisis hit Romania. Inflation made it impossible to continue many projects, which now stand half-completed all over the country. Since 1993, the government, with some support from abroad, has rehabilitated 10% of the national road network, at a cost of \$1.5 billion. Engineering consultant Michail Stanciu, president of Search Corporation, pointed out that, at such an incredibly slow pace, "we are looking at rehabilitation of the entire national road network in about 78 years." Notwithstanding, in the interim, even the new and rehabilitated roads would need repair every ten years. In addition to repair of the national roadways, local and county roads — in total, four times as long as the national roads — are in need of repair; repair of the 3,000 road bridges has become urgent. Romania also requires construction of new highways that can carry high volumes of traffic at higher speeds. Since 1989, traffic volume has increased threefold, and the weight of vehicles and loads have also increased.

The rail system is much more advanced, but is totally insufficient to handle the transit traffic in the corridors. Some railway improvement will also be financed by the EU, but the main efforts over the last eight years have been carried out by

EIR's Raimondi covered in Romania's 'Economistul'

On April 12, the Romanian economic daily *Economistul* published the full text of the speech delivered by Paolo Raimondi of *EIR* at the Bucharest April 3-5 International Conference on Transportation.

Economistul is published in Bucharest, and has about 40,000 circulation nationally, including to all economic institutions and everyone involved with economic matters. The paper was founded in June 1990 as a periodical of the General Association of Economists in Romania (AGER), and it was the first economic publication put out after the collapse of communism in December 1989. As an independent, non-governmental daily, *Economistul* goes to the AGER members and also to the Romanian and international business community.

Raimondi's speech, which takes a full page of the paper, is titled "Balkan Reconstruction in the Context of the Eurasian Land-Bridge: The Way Out of the Global Financial Crash." It develops, in particular, Lyndon LaRouche's proposal for a New Bretton Woods global financial system.

the Romanian state. A new signal system has been implemented on all main routes, a technological leap that has created an optical fiber signal network, which will also be used by the telecommunications company for computers. New locomotives and rail cars have been purchased, as has equipment for automated railway upgrading and repair.

A new European Corridor

The analysis by "Romania at the Crossroads" has revealed a gap in the middle of the Pan-European Corridor systems. In his presentation, Dr. Capatina started out from the axioms of the Trans-European Network (TEN) and TRASECA programs, as providing the links from the old Iron Curtain in Europe. The links stretched eastwards to St. Petersburg, Moscow, Kiev, and Istanbul, leaving a whole area from the Baltic Sea to the Black and Mediterranean Seas uncovered (see accompanying interview).

A north-south connection between the Black Sea and the Caspian would open up vast territories for development. Dr. Capatina therefore suggested a new Corridor, No. XI, extending from the Polish Baltic port of Gdansk, south through Poland, Ukraine, and Romania, to Constanta, and then farther on through Bulgaria to Istanbul in Turkey (see **Figure 3**). This is the old eastern Ambra way, and the old Polish-Turkish trade route linking the Baltic with the Black Sea and the Medi-

FIGURE 3



The negative curved tunnel figure was used by Dr. Dan Capatina to illustrate the proposal for a new Corridor XI in eastern Europe.

terrestrial. As the corridor goes through the flatlands, bypassing the mountainous area of the Alps and Carpathians to the East, it would be extremely easy to develop.

The shortest route from Gdansk via Warsaw, Lviv, Cernauti, and Bacau to Constanta almost follows a straight line. Along the entire corridor, the highway and railway infrastructure requires only upgrades and repairs. The railways, however, take a major detour in Ukraine, and run into trouble because of different rail gauges and electrical systems.

“The first step to develop the transport corridor,” Dr. Capatina said, “is the construction of a highway and railway bridge across the Danube at the city of Braila, where there is now only a ferry boat. Such a bridge would make it possible for the corridor to start to function, but also create an advantageous link for the northern Romanian regions of Moldavia and Transylvania to Constanta. At the local level, such a bridge would bring together the industrial towns Braila and Galati with the farmlands on the Braila River island and the counties on the other side of the river.”

Fight for control over oil

The advanced standpoint of analyzing local infrastructure from the geostrategic view, was also applied to the future of oil transport corridors for Europe. The tremendous geopolitical tensions, around the oil deposits in the Caspian Sea and Central Asia, are also present in the Balkans. There is a race

among U.S., British, French, Italian, Turkish, and Russian oil companies to take control over (or to block) pipelines, and especially over the Petromidas huge refinery just north of Constanta. There are elements inside the United States, tied to the British, that want to have Central Asian oil transported through Romania, Georgia, Azerbaijan, and Turkey, in order to avoid going through Russia. The Russian oil company Lukoil has bought two of the Romanian refineries. A pipeline crossing the Balkans, starting from the Bulgarian port of Burgas, crossing Macedonia to the Albanian port Vlorë on the Mediterranean, will be built. Remember the words of Gen. Sir Michael Jackson, the British Commander of the KFOR troops in Macedonia and Kosovo, who long before this pipeline was decided on, asserted: “We are here because of the oil.”

At the Bucharest International Transport Conference, diplomat Sergiu Celac presented the Romanian analysis of the potentials. Already by the year 2005, the oil from Central Asia and the Caspian region coming through Rus-

sia’s Black Sea port at Novorossisk, will be double the transit capacity that can enter the Mediterranean through the Bosphorus Strait by ship. Novorossisk now delivers 40-45 million tons of oil per year from the Russian Urals. The new pipeline from the Tengiz oil fields will, by the year 2004, be bringing 28 million tons per year to Novorossisk, and an additional 67 million tons per year in 2010. In addition, 15 million tons per year will be brought from the new oil fields found by Lukoil offshore in the northern part of the Caspian Sea. In all, the total of 150-155 tons per year will be too much, even if the Bulgarian pipeline is built. Romania therefore expects that a pipeline from Constanta to the Mediterranean Sea will be undertaken.

The oil from Novorossisk would be shuttled in five 150,000-ton tankers across the Black Sea. It then would be pumped out into a pipeline through Romania, via Hungary and Slovenia, to Trieste, Italy. Originally, the plan was to build this pipeline through Serbia, where there is a pipeline, going down to the deep-sea oil harbor close to the Croatian port of Rijeka. Pipelines exist along both routes for about 65% of the route, and would facilitate construction and maintenance. This pipeline, in addition to transit, would supply the market inside Romania, Hungary, Serbia, Croatia, and Slovenia with 22 million tons annually, and provide an additional 15 million tons annually into the European ADRIA, TAL, and AWP pipeline systems. The Romanian re-

fineries' huge overcapacity could add value to the oil transport in this corridor.

Promoting privatization disasters

Many of the Western participants in the International Transport Conference were consultants, who promoted the privatization that is being forced upon Romania by the International Monetary Fund, World Bank, and the EU as a condition for membership. Typical of these privatization schemes is the plan by a U.S. company, Search Corp., to make a toll road out of Romania's only highway, that dates back to the communist era. The privatization schemes are another name for looting, and will bring very little investment for developing new infrastructure in Romania. The disasters suffered by the privatized British rail system should be a warning what not to do, not a model to follow. At Bucharest, every speech about privatization of rail, roads, telecommunications, electricity, airports, and air traffic, praised the British models up front.

The consultants, naturally, never explained how the looting functions. Taking the case of a privatized transportation company, most people can understand that so-called cost-efficiency measures and cuts in staffing and maintenance are a way to boost paper profits that line the pockets of the new owners. Those paper profits are then multiplied 10 or 20 times or more, by selling stock in the newly privatized company, with the help of a modern stock market. "Shareholder values" permit profits to be made through brutal cuts in maintenance and basic physical investments. Investments in marketing and putting a premium on the trappings of, say, passenger comfort, becomes a priority. Through the price/earnings ratio of the stocks, which has now soared far above any normal standards, the transport company can now realize huge profits, multiplied by an equal ratio. As the stocks go up, the owners can then pull out, taking far higher legal profits with them, than any embezzler inside the company could dream of. After some five years of privatization and deregulation, without proper maintenance or repairs, the catastrophes inevitably start.

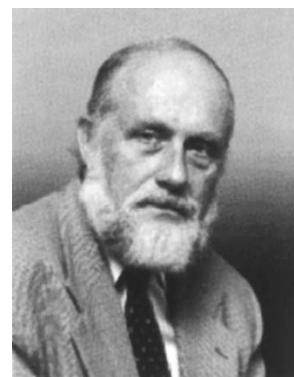
Control and safety inspection are not as needed in a state-owned transport system, because such controls are usually built into the large staffing of these companies. Part of the privatization policy is in the name of attacking bureaucracy, to avoid having new safety inspection systems established to regulate the privatized companies. This is necessary in order to make profits from the privatization looting schemes. In contrast to such shareholder value schemes, *EIR's* presentation put on table the only way out of the financial stranglehold over all infrastructure investment. Raimondi spoke as part of a panel on "Financing, Legislation, Taxation, and Insurance," along with some of the British privatization experts. He made it clear that all the good projects presented at the conference would never come into being, if no solution were found to the global financial crisis. Only projects directly connected to looting by foreign interests and raw materials extraction

would be financed. Raimondi warned about the imminent financial crash and presented LaRouche's proposal for a New Bretton Woods. The chairman of the panel, Brian W. Jardine, from Arent Fox Kintner Plotkin & Kahn, thanked Raimondi "for his sobering speech."

Interview: Dan Capatina

Many ties needed from Atlantic to Pacific

Dr. Capatina, president of "Romania at the Crossroads," the organization which hosted the International Conference on Transport in Bucharest on April 3-5, is an advocate for an economic and trade corridor linking Central Asia and western Europe through Romania. At the final press conference, he commented on the Silk Road. "I, personally, don't understand, when America has so many connections between the Atlantic and the Pacific, why we can't have, here, ten to twelve connections between the Pacific and the Atlantic," he said.



Dr. Capatina was interviewed by Paolo Raimondi and Ulf Sandmark.

EIR: Could you comment on *EIR's* proposals for a "New Silk Road" and "Paris-Berlin-Vienna: The Productive Triangle?" The latter was presented at a conference in Bucharest in 1992. From the heart of Europe, it would extend development corridors throughout the Eurasian continent.

Capatina: I think one of the opportunities to have an emerging market in the Caucasus and Central Asian area, is the rich amount of raw materials, not only oil, but platinum, and others. It makes it possible to realize here, in the next ten years, a good market. I think it is also possible to develop trade with East Asia, Central Asia, and China. Because the competition is tough, it is very difficult now for our products to penetrate the Western market. In the East, there are many people who are not so wealthy, which means that this market can absorb medium-priced products. Countries like Romania, the Czech Republic, and Poland can see in this direction a good opportunity for trade.

EIR: What are some of the priorities needed to develop the

productive potential of eastern Europe, which is important to support the modernization of Asian countries like India and China?

Capatina: The main difficulty in realizing the potential is the ports on the Black Sea, such as Batumi, Poti, Sukhumi, and Supsa, and also on the Caspian Sea, the ports Baku, Turkmenbashi, and Astrakan: Assuming that we are developing some land routes, they are blocked by the inadequacy of the ports. The development of port facilities ought to be one of the priorities on the TRASECA [European Union's program to develop infrastructure in eastern Europe] agenda.

You referred to China and India. There are also other very important countries in the area. What the President of Armenia said today, during official talks here, was very important. I heard the same thing from the President of Turkmenistan. Both of these countries want to integrate Iran into future trade. Iran is a large market with a huge potential. Turkmenistan, with its gas pipelines, will ship its gas across Iran, and it can become a new source of gas for Europe.

Armenia, which has been dependent on trade since its origin, has no sea access. It has signed some agreements with Iran, for it to handle Armenia's goods being transported by sea. Now, Armenia also wants Romania as a partner, to transfer products to Europe.

China has a very interesting experience as a country with a transitional economy. I visited China in 1983, 1986, and

1996. The economic leap that China has made is impressive. I saw the freeways near Shanghai that they are building. This development, the rich raw materials reserves China has, and the population, of course, makes China and Pacific Asia the most attractive area. I think also that the United States is interested in pocketing trade in this area. The strengthening of a united Europe, and because of the strategic and economic importance of China for Europe, our role as a connection will increase.

India, China, and Iran are interested in developing this sort of infrastructure. In fact, infrastructure should never be regarded as having a short-term impact. In the medium term, we talk about the development of trade and markets. Industrial development is fostered by infrastructure; it is important for western Europe to bring in technology, equipment, construction materials, and know how. There is also a tremendous gap between the density of auto routes in western Europe, and what exists across Central Asia. Without the development of these countries, we cannot discuss economic globalization.

EIR: Development corridors involve not only infrastructure, but cities.

Capatina: For China it was very easy. Zhou Enlai once decided to build a free-zone city, and this town was built in five years. I want to speak about economic corridors, not just transportation corridors. In reality, we are talking about a band with roads, telecommunications, railways, related industry, banking, and services, not necessarily located on a line.

EIR: Could you comment on your three-dimensional representation of Corridor XI [see **Figure 3**, page 12]?

Capatina: It represents graphically, a desire to attract traffic from adjacent areas, and at the same time, to discuss what happens within this corridor. Physically, it has a tunnel shape, which means that it is open on both ends to attract traffic. It is also wide in the middle, representing the economic activity that goes on along such a corridor. It also shows that the ends of the corridor, at Gdansk and Constanta, have the most to gain. That is why the shape at the ends of the tunnel is used. A corridor has cultural and wider effects on mentality, etc., and the graph also shows the social implications of such a corridor.

EIR: How has financial speculation, which demands very short-term return on investments, affected infrastructure, which requires long-term investment?

Capatina: There is a philosophical problem involving capital flows. Since electronic communications and the Internet took over, by merely pushing a button you can move billions from, for instance, Japan to the United States. Just as you don't win wars by air strikes alone, but you have to have land troops to go in and occupy the territory, similarly, capital that is transferred electronically cannot build physically.

The Way Out of The Crisis



A 90-minute video of highlights from *EIR*'s April 21, 1999 seminar in Bonn, Germany.

Lyndon LaRouche was the keynote speaker, in a dialogue with distinguished international panelists: **Wilhelm Hankel**, professor of economics and a former banker from Germany; **Stanislav Menshikov**, a Russian economist and journalist; Schiller Institute founder **Helga Zepp-LaRouche** from Germany; **Devendra Kaushik**, professor of Central Asian Studies from India; **Qian Jing**, international affairs analyst from China; **Natalya Vitrenko**, economist and parliamentarian from Ukraine.



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Food irradiation is finally at the commercialization stage

Nuclear scientist Martin Welt stands out among the pioneers who saw the promise of food irradiation in the 1960s for helping to supply food to a growing world population. He has dedicated his life to developing the technology and commercializing it, for the United States, and especially for developing nations. It was Welt's radiation-sterilized meals that the astronauts ate up in space. Welt has designed irradiators geared to operation in developing nations, and his company, Alpha Omega Technology, Inc., provides consulting services for food irradiation and other radiation technologies. He was interviewed in March by Marjorie Mazel Hecht.

EIR: What is your assessment of the current developments in food irradiation, now that the USDA has finally issued the go-ahead for the irradiation of red meats, and some major food producers have committed themselves to use the technology?

Welt: Where we stand today in the area of food irradiation is that the world is moving slowly, ever so slowly, in adoption of this technology. During the past three decades, a lot of science has gone into food irradiation. It has proven beyond a shadow of a doubt the safety of the technology. It has shown the efficacy of the technology.

But there has always been a hindrance, and in my view, the hindrance against moving ahead has been that the United States, which was the leader in the research efforts in food irradiation, is a wealthy country with regard to food, its storage and distribution, and so on. So, there was no impetus in this country to really adopt a new technology. It's unfortunate, because the developing nations were the real losers in this; they could have utilized this technology, to a very good extent over the past three decades. But many of these countries simply refused to serve as guinea pigs for the world; they felt that if the United States was not using the technology, there must be some reasons that they weren't doing so, and therefore, they didn't want to be the first.

What's happened recently, has been that the press in the United States has publicized the food safety issues, starting with the deaths that occurred a few years ago in the Jack-in-the-Box case, where hamburgers were contaminated with *E. coli*; also, coverage of listeria outbreaks, and other food poisoning outbreaks that have caused massive recalls of red meat and other types of smoked meat and related products.

As a result, the public has become greatly aware of this, and the public has decided that they want a safe food supply.

If you really look at the alternatives, and you look at the safety record that food irradiation has accumulated over the past three or four decades, there is no alternative, other than food irradiation, if you want a safe food supply. So, therefore, we've reached a point today, where, legally speaking, if you will, the law of the land now basically says—and I'm paraphrasing—food is a potential source of hazard. If you have a technology that can eliminate that hazard from our food supply, and you don't use that technology, and your food causes illness, you are liable. I think that's one of the motivations that's driving the food industry today; there is this tremendous potential liability, the overreaction of the regulators.

Nobody in the food business sets out one morning to put listeria or salmonella in their food product. These are common organisms, and they happen to appear in food, even though we have very high standards in the United States and elsewhere in the world. You do get these outbreaks. And what has happened now is that the government has come down on this, and not only are there civil penalties, but there are criminal penalties. And the criminal penalties sometimes come up because when there is an outbreak of food poisoning, you have the inevitable cover-up—somebody is not certain of what's going on, they are frightened, they are fearful of losing their businesses, their jobs, or what have you, and there is that cover-up. The next thing you know, somebody's in jail and companies are out of business, jobs are lost, and so on.

EIR: Or 25 million pounds of beef get destroyed.

Welt: Yes, 25 million pounds of beef were recalled with Hudson Packing, causing a very major meat processor to go out of business, and essentially have its assets get picked up for a song by another major meat and poultry company.

So, that's basically what has happened.

We in the United States have two sources of approval that the food industry must go through. First, if you're using irradiated products, you have to go through the Food and Drug Administration, which has the government-given job of showing that the food is safe. So, therefore, if you want to use

irradiation of red meat, first you go to the FDA; you submit a petition to them. The FDA then determines, okay, this technology is safe.

But then, in the United States, we still can't go ahead and commercialize the process at that point. We have further expense and further time, because now we must go to the U.S. Department of Agriculture, which has been given the regulatory authority, under the Federal Meat Inspection Act, or the Federal Poultry Inspection Act, where it is responsible for the labelling and marketing of these products. So, once the FDA approves, then you go to the USDA, which now will determine what type of labelling requirements there should be, and what type of marketing is required to get these products into the mainstream.

Fortunately, we've gone through that now, for red meat. After all of these many years, the USDA, last December, approved the irradiation of red meat. This is not the first time that the USDA has approved a major meat product. Back in January 1986, the USDA approved the irradiation of fresh pork products. This followed the approval of an FDA petition that my company happened to have submitted, way back when—in 1985. And then in 1986, upon further information that we supplied to the USDA, it issued the regulation in the Federal Register approving the irradiation of pork for commercialization.

But, what's happened with irradiated pork over the last 15 years? Very, very little.

EIR: Nothing, really.

Welt: There has been no commercial irradiation of pork in the United States. So, really, we have the old scenario: Was trichina the real problem in preventing people from eating pork, and if we did irradiate pork, so you could have fresh pork—or “pork tartar,” if that's what you wanted—and be absolutely certain that you're not going to come down with trichinosis, you would have forced the industry to give you that product. But obviously, there was no public demand for such a product, and hence there was no industry that gave birth to irradiated pork.

EIR: Yet, U.S. pork cannot be exported to many countries, because there are higher trichina rates in this country than elsewhere.

Welt: That's correct. In many countries of the world, they use microscopic examination of the pork to see if there is any infection with trichina, but in this country we don't do that. So, U.S. pork is limited as an item for export. And it would help our farmers greatly, who are now suffering because of depressed hog prices, if this country had irradiated pork, because then they would be able to export pork to those countries that would accept it. Years ago, such a shipment was made overseas, and I remember that it was warmly received as a very fine product. But at that time, irradiated pork “did not fly” in the United States.

So, that's my view of where we stand in the United States today with food irradiation, and why we've reached this point in the regulations.

EIR: What's your view of the consumer response?

Welt: As far as what consumers will do, I believe that today, with the industry firmly behind the technology, you will begin to see products in the supermarkets that are labelled “*E. coli* safe,” or “pathogen free,” and it's my bet, that if consumers have the choice of buying that labelled product for their family, as against another product that does not have that claim on it, that there will be more of the former product sold. And once that happens, you're going to find that the other firms will want to follow suit.

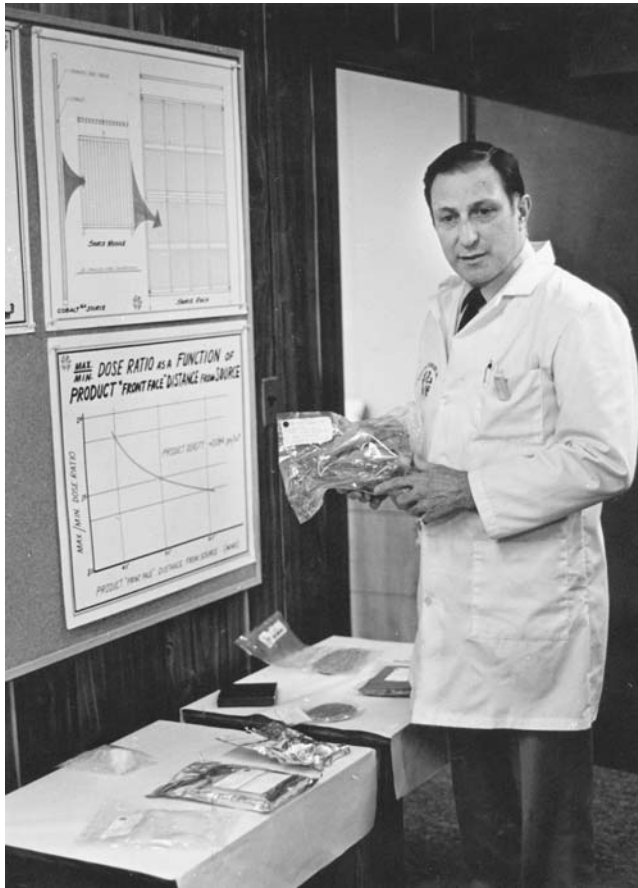
So, I think you're going to find that irradiation will be a growing business. I think it will be slow; it's not going to happen overnight. I know we have supermarket chains that have contacted us in our company, Alpha Omega Technology, that have asked us to introduce irradiated food products into their supermarkets, and to support the introduction with presentations to consumers in the store, and this is something that makes a lot of sense.

EIR: Well, I know that wherever markets have tried irradiated products—and I know it's been done with tropical fruits and strawberries, and poultry, to some extent—they sell very well. The products sold out, even if they cost more. This is especially true with the tropical fruits, because the quality is so much better with the irradiated fruit.

Welt: This is absolutely correct. Every market study that I know of, everywhere in the world, from China, to Canada, to the United States, to Israel, and elsewhere, has shown that the majority of the public will choose the irradiated product. Some people have argued that during the tests that were carried out, the signs said, “This is an irradiated product,” and on the other product, “This is an un-irradiated product,” and the critics have said that people bought the irradiated product because they were curious. Whatever it might be, I do believe that when you do see the actual labelling of the product in the supermarkets, and you're offering the public the alternative—which is the only thing the food irradiation industry ever wanted: to give the public the chance to make the choice.

EIR: Sure. And I think that there will always be a small group of people who will not want irradiated food, but why should they determine what the rest of the market has to eat?

Welt: Absolutely. I recall at an international conference, almost 20 years ago, after my conference presentation, during the question period, one of the members of the audience, Dr. Sanford Miller, head of the FDA's Bureau of Foods (now a professor at the University of Texas at Austin), said: “Martin, remember, it took your grandmother 50 years before she accepted canned foods in her house. And it took your mother 20 years, before she accepted frozen foods. So, if it takes your



Dr. Martin Welt in his New Jersey irradiation plant in 1984. The chicken he is holding was irradiation-sterilized in a sealed plastic bag, and can be stored indefinitely at room temperature. Welt irradiated the sterilized meals that the astronauts ate in space.

wife a little longer than you would like to see irradiated food in your house, you'll understand why."

That was very cogent. And then he added to that, "Remember, 20% of the U.S. population today—and this was 20 years ago—will not eat canned foods."

EIR: I didn't realize that.

Welt: So, I think irradiated food will find its niche. After all, it's the first new, really new method of food preservation, since Nicholas Appert developed canning for Napoleon in 1809. So, it's been a long time.

EIR: One thing I think that people don't understand, is that there is more than one method of food irradiation. You're in a good position to describe these, because you're not wedded to any particular method.

Welt: Yes, Alpha Omega Technology will utilize or design for our customers, or provide consultation, for the form of ionizing radiation that is best suited for a particular task—the forms of ionizing radiation that have been approved under the

international standards for food irradiation. By the way, I am very proud to say that I was involved in that, as a member of the United States delegation to the international Codex Alimentarius Committee on Food Additives.

EIR: When was that?

Welt: It was 1982, at The Hague. My function as a member of that delegation was basically to see if I could foster some interest in an international standard for food irradiation. I'll never forget the first day I attended this meeting, in a huge hall in Holland, where they were discussing an international standard for salt, not the Strategic Arms Limitation Treaty (SALT), but table salt. I'll never forget that the Greek delegate was arguing that the international standard for salt could not have a purity standard greater than whatever the purity was of the salt coming out of the Aegean Sea, because the Greek government owned the waters around Greece, from which they derived their salt. And I heard this argument, and I said to myself, "What a waste of time. If I'm expecting to get an international standard for food irradiation, and they can't even get one for salt . . ."

But, lo and behold, I drafted on yellow paper, in longhand, in the best legalese language I could conjure up, a motion to adopt a standard that would approve irradiated food. At these conferences, only the head of the country's delegation could speak, and the head of the U.S. delegation was a deputy director of the Bureau of Foods, Richard Ponk. I'll never forget, passing the motion along the line of our delegation, through the various people from different U.S. food companies who made up our delegation. And finally, the folded yellow piece of paper got to Richard Ponk, and in my mind, I could see what would happen. Because, in the United States the petitions that I submitted to the FDA for food irradiation would inevitably be turned down, or there would be a request for more information, and it was always a battle to get anything done. So, I thought, since now we were members of the same team, Ponk would read what I had to say, look at me, and wave to me, and say, "Okay, I'll speak to you later."

Instead, Ponk took the U.S.A. placard, which was sitting right in front of him, and he held it up. He was immediately recognized by the secretariat, and Richard read word for word from the yellow piece of paper which I had written in longhand. I remember the sweat pouring off my forehead, and my heart beating in my chest, and all the eyes of people from different countries around the world who were also involved with food irradiation, all looking at me. And the motion was accepted on a various step level—step six. The next year, in Holland, it was approved through our committee, and then in Rome, at the full Codex Alimentarius, it was finally adopted as an international standard in 1983.

EIR: So, that's a major achievement.

Welt: That was way back when. And now it's the year 2000, and many countries have now adopted regulations approving

Food irradiation is going to become so commonplace that we will wonder how we ever got along without it!

irradiated food—approximately 50 countries—and you are finding more and more products getting into the mainstream—spices, of course, and vegetable seasonings (these were approved back in 1983, in the United States). . . .

EIR: Was that your petition?

Welt: Yes, that was my petition, one of the first that I had approved in the United States. Spices and herbs, vegetable seasonings, powdered enzymes, fresh pork, and then the poultry petition, which was submitted in 1978, and finally approved by the FDA in May 1990.

EIR: Isn't that amazing, to take so long.

Welt: And I used to have people telling me that I had the FDA in my pocket! And I would say, that if it took 12 years to get something approved, the FDA was certainly not in my pocket. But it was a long, long battle. In retrospect, I look back now, and I realize the difficulty in dealing in a very product-rich, and resource-rich country such as the United States, and getting a new technology approved. And it's unfortunate that some of the developing nations could not be more aggressive in adopting this technology before some of the Western nations and more developed nations did.

EIR: I think it would have saved a lot of people from hunger.

Welt: Countless lives and hunger. That's absolutely true. I remember years ago, back in the 1970s, when there was a big salmonella recall on a world-famous chocolate product—millions of pounds of this chocolate. I naively wrote a letter to the United Nations at the time, suggesting that if the chocolates would be shipped to our plant, that we would irradiate the product, render it free of salmonella infection. At that time, there was widespread famine in Chad, in Africa, and I said that this is candy, perhaps not the finest nutritional supplement, but it's food, and possibly could have been put to some use. Of course, this fell on deaf ears; nothing ever came of that.

I feel that this world has wasted countless resources due to government regulations that say that if a product is contaminated with certain microorganisms, the product must be disposed of. If these microorganisms can be rendered harmless in the food, and the food maintains its nutritional value, then to me it's sinful to destroy that food, when there are people who are starving who could benefit from it. But, of course, there are other factors—distribution costs, getting the food to where the people need it—so it's not as easy as some people may want to pretend.

But, let's get back to your question about the different forms of food irradiation.

EIR: Yes, I wanted you to describe the different technologies and what they are each best suited for.

Welt: Actually, the reason I digressed, is that the international standard for food irradiation that was drafted at The Hague meeting, and subsequently approved, named four forms of ionizing radiation which have been approved and adopted, not only as the international standard, but by various other international groups and expert committees. These include gamma radiation from cobalt-60, gamma radiation from cesium-137, 10 million electron-volt electrons, or 5 million electron-volt X-rays.

These were the four forms of ionizing irradiation that were approved. The reason for that was that none of these forms of ionizing radiation can induce any radioactivity in any substance, regardless of how long you irradiate it. Therefore, if you did treat your food, there would be no way that anybody could claim that you were inducing radioactivity into the food product. Although, as you know, virtually all the food that is eaten by mankind, does contain naturally occurring traces of radioactivity—whether it be carbon-14 or potassium-40.

EIR: As do human bodies.

Welt: Yes. So, let's discuss then the various types of radiation.

Gamma radiation from cobalt-60 is derived from a man-made radioisotope. Many people think that cobalt-60 is a fission product of the nuclear power industry, or the nuclear weapons industry from past years, but this is not true. Cobalt that is mined is inert; it is not radioactive. We refine that cobalt, which is cobalt-59. It is then put into a nuclear reactor in a stainless steel tube. The neutrons in the nuclear reactor cause the cobalt-59 to become cobalt-60. This radioisotope of cobalt is unstable; it gives off two gamma-rays, 1.33 million electron volts (MeV), and 1.17 MeV. Being a gamma photon, without any charge, the photon, like an X-ray, will pass through rather large distances in matter. The more dense the material, the more difficulty in passing through it; the less dense, the easier it is to pass through that material. On a relative basis, a gamma ray can pass through very good thicknesses of material, several feet, of typical materials that are irradiated.

On the other hand, the cesium-137 is a fission product. To get cesium-137, you must have a nuclear reactor using uranium or plutonium as fuel. The fission product of these



The electron beam research facility at Iowa State's Meat Laboratory, which conducted the irradiation testing on red meat.

materials is very radioactive, and potentially quite dangerous if not handled properly. You then separate the fission products, and after chemical separations, you end up with the form of cesium known as cesium-137, which also has other radioactive impurities of cesium with it, such as cesium-134. This is the material that we would use in irradiation.

The problem with cesium-137 today is that it is difficult to come by. There are very few governments or private organizations that are willing to set up the facilities that can separate the cesium-137 in commercial quantities. So, even though, in principle, you can say that irradiators can use cesium-137, there is very little prospect, in my view, for cesium-137 to become a major factor in the food irradiation industry.

There are firms that have spent a great deal of time and money in developing some extremely clever devices for the use of cesium-137. One of its advantages is, of course, that it has a very long half-life. So, once you load the cesium in, its half-life is of the order of 30 years, compared to around 5.3 years for cobalt-60. This means that in 15 years, you have half the processing throughput capability of the cesium left, whereas for cobalt-60, in 5.3 years, you have half the processing throughput capability left. So, obviously, there would be an advantage to using cesium.

However, you get two photons with the cobalt, where you only get 0.66 MeV photon with the cesium. So, all things considered, there is an advantage to using cobalt, especially since you can make the cobalt quite easily, whereas the cesium is difficult to come by. Both of them do have ease of penetra-

tion. They can irradiate whole pallet-loads of product. There is no problem with the penetration.

Now, with the 10 MeV electron, you can only pass through about $1\frac{3}{8}$ inches of water, or that equivalent density. So, if you irradiate a glass of water from two sides, you can typically irradiate about $2\frac{3}{4}$ inches of water. If you have a lesser density, for example, half that of water, a density of 0.5 instead of 1, you can then double that, and irradiate something that is 5 inches thick. If the density of the material were 0.25, you could go through 10 or 11 inches of material. And if the density were half of that, 0.1, you'd be able to go through about 20 inches or so of it.

That means that you can easily use 10 MeV electrons for sterilization of low-density medical products, for example—low density, fluffy-type products—with good penetration. However, if you are doing food products, which have a reasonably high density, the penetration is limited to, say, packages of hamburger patties that are about $4\frac{1}{2}$ to 5 inches thick. So, the patties are loaded into a carton, they go under a 10 MeV electron beam, and if you irradiate from both sides, you would be able to get through a package of about 5 inches depth.

EIR: With the gamma rays, do you also do it from both sides?

Welt: With the gamma rays, you don't have to, because you get penetration up to 30 inches.

EIR: So, that means you would need different types of plant designs.

Welt: Yes, and also different types of packaging considerations. You see, one of the constraints on food irradiation, is that not only must you get the FDA approval for the irradiation of a specific food product, but if you have a plastic material or some other packaging material that comes in contact with the food, under FDA regulations, that contact material must be treated in the same fashion as a food additive. You must go through the same testing procedures to show the safety and efficacy of the packaging materials, just as if they were an additive, or dye or something that you wanted to put directly into the food product. And that is costly and time consuming, as well.

Once you have solved these problems, and you have your packaging solved, and whatnot, then there is the sizing of the packaging. Obviously, if your plant is designed for 10 MeV electron-beam usage only, you can't design a hamburger box to be 12 inches thick. You can't process boxed beef, as beef is now typically packaged, using a 10 MeV electron beam. It cannot be done.

The plants that you've read about today in the United States are relatively low-power electron-beam plants. The new ones being set up in Sioux Falls, Iowa, and other places—

the SureBeam technology—this is a maximum 35 kilowatt plant.

The fourth form of approved ionizing radiation, is X-rays. You start with the electron beam, and you convert electrons into bremsstrahlung, or a continuous X-ray, and the maximum X-ray energy would be the maximum energy of the electron beam. But remember, I said that the approved energy level for X-rays was only 5 MeV, whereas the approved electron-beam level was 10 MeV, so, if you want to convert a 10 MeV electron into X-rays, you couldn't legally process the product, because you would have 10 MeV photons.

EIR: What are these new plants going to do if they are designed to convert the electron beams to X-rays?

Welt: They have to de-tune the beam. They have to tune down the energy, the acceleration, or the potential of the electron beam, before it hits the X-ray conversion target, so that the maximum energy is only 5 MeV. Then your maximum photon energy would be only 5 MeV. So, that is the technological problem that the radiation engineers face.

EIR: Is it possible that they would also ask for a change in standards?

Welt: When I was actively involved with international standards, on the day that I submitted the motion for food irradiation standards at The Hague meeting, the French delegation threatened to filibuster, because they then were hard at work on a 10 MeV linear accelerator. They thought, understanding the physics involved, that if you limited the X-ray energy to 5 MeV, and you had a 10 MeV machine, and the conversion efficiency to X-rays was directly related to the electron energy—in other words, the higher the electron energy, the higher the conversion efficiency—that as the energy goes down, that conversion efficiency drops sharply, so it wouldn't pay to even try to convert it, because you wouldn't have enough photons coming out to process anything of any commercial value.

So, at that time, I argued with the head of the French delegation, a woman scientist, and I convinced her that the data we had collected at that time, showed that 5 MeV photons would not cause photoactivation, but there was some concern about higher photon energies causing photoactivation. Even though, we knew, technically, that we could go up to energies well above 12 MeV, even as high as 24 MeV. This was from work done at the Army's Natick [Massachusetts] Laboratories, where the induced radioactivity, which was real, was so minute, that it was typically less than the radioactivity that was normally present in the food. So, you weren't adding anything substantially greater than what you were normally eating in the food supply. But, you could not make the claim that you were not inducing radioactivity into the food, and that, we felt, would be a big stumbling block for consumers.

We told the French delegation then, let's start at this level—5 MeV—and we would then amend the international

standard to go to 10 MeV. I do believe, that there is a movement now to increase the standard to 7.5 MeV, and then gradually, to try to bring it up to 10 MeV. But you still have the problem, that if you have a 10 MeV electron beam, you would still have to operate your machine at a somewhat lower efficiency to operate only at a maximum of 7.5 MeV, so that the conversion to photons would have a maximum of only 7.5 MeV, or now, 5 MeV, which is the legal limit.

So, those are the constraints there. Once you have your 5 MeV photon field, you've got better penetration than you will have with the cobalt-60 gamma irradiation: You have a 5 MeV versus a 1.33 MeV.

EIR: More than three times.

Welt: Now, the penetration with the gamma ray does have another facet here. Some people think that because the gamma ray will penetrate through a pallet-load of boxed beef, that they will irradiate 1,800 pounds or 2,000 pounds in that pallet, and just run it through the gamma plant, as quickly as they can. The problem is, that as you penetrate through that pallet-load of box beef—or whatever else on the pallet-load—you get quite an exponential falloff in the intensity, from the introductory point on the pallet, to the far side of the pallet. And when that pallet goes around the conveyor belt to the other side of the cobalt source, you get the mirror image of that penetration pattern.

The net result is that when the pallet leaves the plant, you have a parabolic distribution throughout the material. The minimum dose appears at the center of the pallet, and the maximum dose appears at the outside. If that maximum-to-minimum dose exceeds certain values, where the maximum dose is too high, you can get off-flavors in the meat products, which are noticeable. Tests have been done, that show that when you irradiate a large quantity of boxed beef, to eliminate any possibility of pathogenic contamination from listeria, or *E. coli*, or salmonella, you do need to maintain a certain maximum-to-minimum dose distribution, and the only way you can do that is to limit the thickness of the target. So, instead of having the ability of doing a complete pallet-load, you have to limit yourself to doing a portion of that pallet.

Now, with electron beams, you penetrate with a different type of dose-distribution profile. Basically, there is a buildup of electrons after you penetrate, so you have a peaking of the ionization, and then it falls off. So, you have a mound shape to the halfway point in the product; after you turn it over, to do the other side, you end up with two little mounds, two bumps. Your max-to-min dose distribution can be quite favorable under that type of treatment.

Those are the various constraints that you have. It's not only the radiation engineer who becomes important, but the food scientist, who will do the evaluation on the taste, color, and other aspects after irradiation. You also want to know that when you do irradiate the product, it's just like a frozen hamburger patty in the supermarket today. That hamburger



Pathogen-free chicken parts, produced by Nation's Pride, on sale at the Carrot Top market in the Chicago area.

patty is processed, frozen, and put into the supermarket with a certain shelf-life. After a period of time, the food may not spoil, but its quality diminishes. When you irradiate the same product, you have to test the shelf-stability of the irradiated product, to make sure that you can duplicate the type of performance of the non-irradiated product.

EIR: I think for the past seven years, they have had a research e-beam irradiator at the University of Iowa, where they have been doing just that, with meat and poultry.

Welt: Dennis Olson runs that operation there, and the plant that they put in there, was, in fact, the French design, and it was that 10 MeV linear accelerator that was the object of the issue I mentioned back in 1982, in setting the energy standards.

EIR: I'd like to get back to X-rays, and have you explain how they create the X-rays from the electron beam.

Welt: It's no different from the dental X-ray, or the medical X-ray. You basically have a hot filament, which boils off electrons. Then you have a magnetic drift tube, an evacuated tube, and a potential difference from the creation of the electrons to the other end of the drift tube. These electrons are accelerated through some means, such as radio-frequency pulses, and the beam is contained with magnetic fields, into a rather thin pencil, and that pencil will be accelerated as it moves through the drift tube, as energy is pumped into it.

When it gets to the end of the drift tube, there are typically scanning magnets, just as those in a color TV set, where the electrons are scanned, and are then allowed to bombard a phosphor, which causes the picture to be viewed. It is the same thing with the conversion of the electrons into X-rays for processing. Instead of using a phosphor, you use a high-Z [heavy element] convertor plate, so that the electrons will hit into a tungsten target, or some material like that. The tungsten

has to be thin enough, and designed in such a way that the electrons will hit the target, give up their energy, and that energy will then be converted into an X-ray, which moves essentially in a forward direction. If the target is too thick, it not only will absorb the electron, but it will absorb a good portion of the photons, which are formed. So you have to have a rather thin target, and by having that thin target, you then risk the possibility of having this extremely high energy, a very powerful electron beam, burning holes right in the target, so you have to water-cool that target.

It's a good engineering feat to design an electron-beam facility that is capable of conversion to X-rays, that will operate efficiently, where the target will not burn out so readily that the cost of target replacement becomes a barrier for commercialization.

EIR: I think that part of this technology came out of the Strategic Defense Initiative.

Welt: Certainly, there have been designs that came out of Livermore, for types of high-powered electron-beam units.

Now, I want to point out another thing: When you utilize electron accelerators, you can produce dose rates that are very, very high. In other words, you are producing a lot of radiation in a very short period of time, compared to gamma dose rates, which take a much longer time to get the same dose in the target. So, your processing time with cobalt is comparatively slow—you might move a pallet every couple of minutes, which is no great deal for a conveyor designer.

However, if you are using an electron-beam facility, and you want to limit the dose that you are putting into a product, then you are going to be travelling at enormous speeds to get the product through fast enough not to build up too high a dose. Therefore, you have to be careful.

In other words, if you simply take the theoretical throughput that you can have in an electron-beam facility, you would be producing billions of pounds a year of processed product—but this is not feasible.

EIR: The hamburgers would be flying.

Welt: They would be going at the speed of light!

It turns out that when you run an analysis between an efficient gamma facility that is capable of processing the loads so that you have good max-to-min distributions, versus the higher-speed electron beam unit, surprisingly, the numbers don't come out greatly different for the amount of product per year that you end up with for what you can actually put into the machine, and get out of the machine, and package up.

There's a rule of thumb that says that if you can do something with electrons, it's typically going to be cheaper. X-rays would be next, and gamma rays last. However, you turn that around when you talk about the simplicity of operation and

The driving force, finally, after all these decades, to bring the food irradiation technology into the developing nations, will not be because of the needs of their citizens, but for exports.

ease of operation. Gamma facilities are obviously the simplest and easiest to utilize, whereas the electron beams and the X-ray conversion devices, are much more complicated. So, it's a trade-off.

In developing nations, we've talked to certain countries around the world where ionizing radiation and food processing is going to become more and more important in future years, they definitely shy away from the electron-beam technology today, because they realize that they are going to need sophisticated staffs of people and sophisticated scientists, for maintenance and operation. Therefore, the tendency seems to be to opt for the gamma facility in these developing nations.

EIR: The statistics are that, worldwide, we lose 25% of harvested food products—to bugs, rodents, spoilage, and so on. And in a tropical country, it's even worse.

Welt: This is certainly a lot worse in tropical countries than in developed nations. If we consider the fact, that under the Montreal Protocol [regulating so-called "greenhouse gases"], methyl bromide, the major agricultural fumigant in use today, is due to be banned by the year 2005—

EIR: Which I hope will not happen, because I don't think it's scientifically necessary—

Welt: Right now, it is a fact, however, that methyl bromide will be banned by 2005, with the exception that it can be used at ports of entry, when a product comes in to the United States, and if the product is contaminated with insects, you would still be able to use methyl bromide. But the problem is, of course, that if you ban methyl bromide from its major uses, the availability will become scarce, and the cost will become much higher. So, there is a need for irradiation as an alternative for quarantine use. But for developing nations, the Third World nations, which export a lot of raw materials, such as coffee, cocoa, herbs, teas, and other agricultural products, with the ban on methyl bromide, the only viable alternative is irradiation. It appears that the driving force, finally, after all these decades, to bring the food irradiation technology into the developing nations, will not be because of the needs of their citizens, but for exports.

The needs are there. In certain West African nations, you can get plenty of fish in the coastal areas, but in the interior of the country, it is scarce, because of the poor roads and lack of infrastructure to ship fish. There was no push to get irradiation there to ease the burden for the population as a whole. Today, however, food irradiation will come to

those countries because of their need to *export*: to get their products out. But once those facilities are in place, then, I think, you'll find that more and more of the local products will be irradiated.

For example, yams are one of the major food sources for millions and millions of people in Africa, Latin America, the Caribbean, and elsewhere. Yet yams, like potatoes, will sprout in a rather short time. If you irradiate the yam, you can keep them from sprouting for periods up to six to nine months, which is incredible, because once that potato starts sprouting, it converts its starch to sugar, and you've lost the nutritional benefit. Whereas, if you simply irradiate the product, and maintain reasonably good storage—you can't leave it in a moist place—you can basically keep your major food staple as a wholesome product for that population for nine months of the year, and allow them to export that product as well. In some areas of the Caribbean, they don't have the soil to grow yams, although yams are a major component of the diet, and they must import them. So, if you were able to irradiate the yams, you'd have markets for them in the Caribbean.

This is where it's going to happen. It will enable these countries to export coffee, cocoa—major products. Unfortunately, there are some chemical products on these crops, and when you irradiate them, they can cause off-taste and oxidation and things like that. So, it's not just irradiation technology. It's a food science technology, really, because you have to incorporate a few scientific disciplines to maximize the benefits to the population.

EIR: I think it can't happen soon enough.

Welt: Well, it is going to be a boon to mankind. In a speech given by Dr. David Kessler some months ago—he's now dean of the medical school at Yale University, and he was formerly commissioner of the Food and Drug Administration—he stated that irradiated food will become as commonplace as pasteurized milk. I believe that that is what will happen. It is just going to become so commonplace that we will wonder how we ever got along without it! Because, we will begin to get more and more irradiated food into our food supply. We won't have to worry about listeria outbreaks, or salmonella outbreaks. It will become less and less a public concern, which is the way it should be. I suspect, that within the next 10 years, as the technology unfolds, people won't give much thought to going into a supermarket and buying certain products which are irradiated.

But, again, it's not going to be easy. If you've been in the

field as long as I have, then you know the different technical and economic problems. I'll cite one. Let's say, for example, you decide that you are going to irradiate produce that has been the cause of *E. coli* outbreaks. And a particular grower says, "I want an *E. coli*-safe product. I want people eating our product to be absolutely certain that they don't have to worry about *E. coli*, or salmonella, or things like that. So, I want to irradiate my product." And if you get out to areas in California where they ship multi-multi-truckloads of the product every day, hundreds of thousands of pounds a day, and the harvest is going through the machine, and the product is prepackaged with a label that says, "This product is *E. coli* safe," or "This product is pathogen free," then according to U.S. law, you cannot transport across a state line a product that is adulterated, so that if you say a product is "pathogen free," then it better be pathogen free.

But, let's suppose that the irradiation facility is shut down for mechanical problems. You don't stop harvesting your lettuce, or whatever it is that you're harvesting. So, what are you going to do? That means that you need back-up facilities. You can't have just a single facility that is going to service all of that market, and then find out that you're down for three or four days or a week, and you can't process the product, because they can't ship with that bag saying it's pathogen free, if it isn't. So, now they'd have to ship product without that label, which would confuse the consumer, who is now expecting your product to be pathogen free.

So, these are issues that have to be addressed, I think, before you find an open field day for irradiated food everywhere.

EIR: I think it means that we need to build a lot more irradiation facilities.

Welt: It means that you have to build them sensibly. That instead of building perhaps the huge, giant facilities, that you build 10 smaller facilities. For example, our company has come up with designs for what we call a hybrid facility, where you can do different types of products, and have some capacity for changes in the throughput of your customers' products.

EIR: What about mobile irradiators?

Welt: Mobile irradiators are on everybody's wish list, but unfortunately, it just does not pan out. To put something in a mobile irradiator, you still have to put a great deal of shielding on it. To get sufficient source in there with sufficient power, it becomes a rather difficult movable device; it becomes a fixed device. There are some concepts that have been put forth. For example, building infrastructure in various locations, if you're using a cobalt-60 source, where you leave the infrastructure in place and simply take a special cask which contains the source material, and as the harvest moves north, as the season progresses, the cobalt is moved from one infrastructure to the next one. Essentially, you are irradiating in a fixed location with a movable source of cobalt that goes where it is needed.

This was one concept of a quasi-movable irradiator.

But for a field irradiator, I just don't see it happening with something that would have sufficient throughput to have any commercial value whatsoever.

On the other hand, if you're talking about a sea-borne device, there have been rumors for many years that the Russians have operated irradiation trawlers. I don't know that anybody has ever verified it; I haven't.

But, on irradiated fish: I know that we made the first international shipment of irradiated codfish fillets back in 1977, from the United States to Holland. The product was inspected by the Dutch health authorities, and released for public consumption 18 days later as being safe and efficacious for consumption. So, this is back in 1977. But aside from shrimp and frog's legs, and things like that in the seafood category, there hasn't been that much done in seafood irradiation. Our company has been doing work on a seafood petition to the Food and Drug Administration. It is rather difficult to have what we call an "omnibus petition" approved, because of the diversity of seafood varieties, their different fat contents, and other variables. It is difficult to make the petition broad enough to be of economic potential, and I don't know when that might be approved.

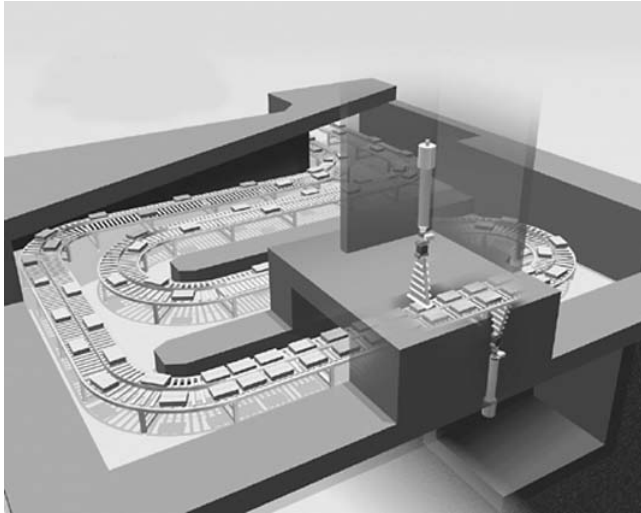
But a sea-borne irradiator, I do think is feasible. My son Andrew and I gave a paper on seafood irradiation at a conference in Maryland several years ago. We pointed out that an electron-beam device would probably be the most suitable, and the Coast Guard was quite excited about that approach, because they were concerned that if you did have a cobalt facility on board a ship or trawler, and you had an accident, that you would get radioactive material into the sea. It is certainly feasible to have a ship-mounted electron-beam unit; the fresh fish caught would be quickly put on ice and then irradiated. And you would have the best of both worlds—you'd have the best quality product and the longest shelf-life.

EIR: Sure, because it would be irradiated absolutely freshly caught.

Welt: That would be ideal, and I suspect that that will happen if we don't exhaust our sea-borne resources too quickly.

EIR: Would you like to say something more about what you see as the future of food irradiation in the United States?

Welt: I believe that there will be certain areas, certain food products that will benefit more than others from food irradiation, and be easier to get into the mainstream more quickly. Hamburger patties and luncheon meats are certainly things that we will see. The listeria, which is a very difficult microorganism to control, can be easily controlled with ionizing radiation. To have luncheon meats and hot dogs processed—it would almost appear that if a plant had the capability of using ionizing radiation, it should almost be dictated that it do so. I don't think there will be much of a market in meat cuts as a whole—there isn't much of a problem there. But in boxed



Artist's conception of the Titan Corp.'s "SureBeam" electronic pasteurization plant in Sioux City, Iowa, which can process 80,000 hamburger patties per hour.

beef, which is a precursor to a lot of the hamburger patties, that's where the market exists, and that's where the market will be in the gamma sphere. And this will have to be done carefully; otherwise, there will be off-taste in the meat.

EIR: But that's something that has been particularly researched.

Welt: It has been researched, and the technology is there. I think that a lot of people who are going around now, talking this up, don't make it clear to the meat industry, and I think that there has been some confusion about the throughput. In other words, are they going to put through 2,000 pounds an hour, or 500 pounds an hour—the economics are going to vary greatly. That's why we have told them, that before they make these commitments, do the proper testing, design the test matrix in such a way that you are able to do all the food science work ahead of time.

The irradiation is the easy part. The verification of dose, that's easy today. It's the food science—certain additives that you may want to put into the food, antioxidants, perhaps, or certain spices, which the meat industry may normally want to have. They have to remember: If you irradiate raw meat, and you get an approval from the FDA to do so, that's one thing. But if you now take that same raw meat, and you decide that you are going to add spices to the product, you have to make certain that the FDA is going to consider that to be the same safety approval that they just gave for the other product. You can't keep adding things without going back to the FDA, and then you have to recheck with the USDA to make sure that they are in agreement for marketing that "new" product.

So, it's not easy. The food industry has a lot of work cut out for itself. It's not going to be this slam-dunk that a lot of

people have said. I don't think you're going to see any public companies whose stock will just soar overnight. It's going to take a growth period. It's a good technology. It has to be put in place in a sensible way. It takes people who understand the business. I think one of the dangers in this industry, is that a mistake could be made, and if a food industry gets burnt, that could have a great impact on their desire to move ahead in this area.

I conclude by simply saying, the law of the land is still the same. If your product can cause injury, and you have a technology that can avoid the injury, and you fail to use it, you are liable for damages. And that's a hard nut for the industry to swallow, because a company could be put out of business with a class-action lawsuit, or something like that. And the only one who benefits from that is you know who, and it's not the public.

EIR: Lawyers. . . .

Interview: Wil Williams

Titan ready to process 80,000 burgers per hour

Wil Williams is a vice president of Titan Corp. in San Diego, which has built the first electron-beam food irradiation plant in the nation, in Sioux City, Iowa. He was interviewed by Marjorie Mazel Hecht in December 1999, shortly after the U.S. Department of Agriculture (USDA) published its final regulations for the irradiation of red meat.

EIR: What are Titan's plans, now that the USDA regulations were announced on Dec. 14?

Williams: The regulations allow the electronic pasteurization of red meat, which is the only proven way of killing *E. coli*. They had already previously approved chicken. So, after the 60-day waiting period, we intend to go right into production, full throttle, so that they can do the test marketing.

EIR: Is your new plant in Sioux City ready to go?

Williams: Our plant is ready to go right now. In fact, we are starting immediately on testing, to make sure that everything is tweaked out, so that on day one, on the first day that we are allowed to do it, we'll be in full production.

EIR: What's the capacity of the plant?

Williams: It can process 250 million pounds of beef—or other products—per year. I did a quick calculation, and that's something like 80,000 hamburgers an hour. Now, of course,

it depends on the product — some things are pasteurized a little faster than other things. So, you can't be exact about it.

EIR: You now have some of the biggest companies in the country ready to go, and I would assume, therefore, that you'll be turning out those 80,000 per hour.

Williams: Well, part of it will be also chicken. We have under contract approximately 75% of the ground beef industry and approximately 50% of the chicken providers. In the case of chicken, that's about 25 billion pounds per year, and in the case of ground beef, it's about 8-9 billion pounds of ground beef per year. Most of those agreements are exclusive in nature. In other words, if they pasteurize food, they will use our process.

EIR: Right now, these companies do intend to go into the pasteurization market. Tyson, for example, has announced test marketing.

Williams: That's right. And the other companies are Cargill, Empac, Huisken Meats, IBP, and there may be more. Of course, this technology is different from gamma technology, in that it can be put right on the production line. The facility in Sioux City will actually be like a cold room; the product will be frozen and in its final packaging. So, when it comes off the trucks, and into the pasteurization facility, it will get on a conveyor belt, circle around, and come back out five minutes later and get back on the truck. The actual pasteurization only takes a couple of seconds.

EIR: Will it be on pallets?

Williams: It will be in boxes. Each box, if we're talking about hamburgers, is about six hamburgers deep, because the effective range of the electron beam is 3.75 inches — just a little less than four inches. So, we have to limit the product to that size. . . .

EIR: So, it's all done in the frozen state?

Williams: Yes, and because it's processed frozen, there is no change in the color, texture, taste. . . .

EIR: And smell: I think that was one of the things they found out very early on, that if they irradiated meat when it was frozen, they didn't get any odor.

Williams: That's right — there is no change at all. That is one of the lovely things about this technology. The beam doesn't change the temperature of the product.

EIR: It's called a "cold" process, for that reason?

Williams: And, because the beam does not elevate the temperature of the product, you keep all the merits of the frozen state. The other technology requires you to put pallets of food into a chamber that has an ambient temperature of about 110 to 130°F, and it sits there being irradiated by the isotopes for about 15 minutes, depending on the product. It's a remarkable

difference from having to place the product in a chamber, compared to building this machine at the end of the production line, and it's envisioned that when the Tysons of the world, or IBP, go into full production, that this will be at the end of their production line.

EIR: You mean, right on the site where they process the meat, and package it for shipment to consumers?

Williams: That's right, and because it's so high-speed, it works perfectly in that scenario. You can do chicken parts, luncheon meats, hot dogs, hamburgers — anything like that works very well on e-beam.

EIR: Now, I imagine that the producers themselves have lined up customers — fast food chains, for instance. Is that a major part of the anticipated business? Or is this going to supermarkets?

Williams: I don't know where they'll do their test marketing. My guess is that the fast-food places will be a prime place of sale. One of the worst disasters we had in American public health was at Jack-in-the-Box. . . .

EIR: When will Titan's Hawaii facility be available?

Williams: It will be open in the early spring — March or April. That facility works on X-ray [technology]. Its specific goal is to kill fruit flies. They work on large bulk product. In this case, it doubles the papaya shelf-life, and at the same time, it gets rid of all the pests.

EIR: And they can pick the papaya when it's riper.

Williams: It tastes better. I've had it, and it's delicious. . . .

EIR: How did Titan get involved with food irradiation, or pasteurization?

Williams: In the past few years, Titan has been working in the sterilization area. We have built nine facilities, of which seven will be for sterilization of medical products. We have something like 120,000 to 130,000 hours of expertise in the sterilization arena, using linear accelerators. And since these things get sterilized in seconds, that's a lot of product and time. So, from there, Titan took the step into the pasteurization of food. If you want to go way back, in the early 1980s, the company was involved in certain government contracts involving Star Wars, which involved linear accelerators, and I am told that the genesis for this idea actually started as far back as then, and it's just been a step at a time until they got here. . . . In fact, we were part of a contract with Lawrence Livermore back in 1982. . . .

So, we've been in it for quite a while, and I don't think anybody out there has the amount of experience that we have, and we're the only ones that actually have a facility. There are only two facilities for pasteurization of food in the nation. One is in Florida, which uses gamma rays, and the other is ours.

Government shouts, "Don't panic!"

The upswing propaganda of the SPD-led government clashes with economic and social realities.

The government and those parts of the German elites who are backing it, are in a state of panic. To the outside world, however, the government pretends that, while the stock markets remain turbulent, the "fundamentals are okay." This is what three members of the cabinet said on April 17, when the Black Monday that had been feared on the Frankfurt stock exchange after the events of Friday, April 14, was averted. Chancellor Gerhard Schröder called for "no panic" twice that day, echoed by Finance Minister Hans Eichel and Economics Minister Werner Müller.

But, the government's "don't panic" line sounds like the whistling of the scared boy in the dark forest. The government, and particularly the Chancellor (who knows very little about real economics), are not at all at ease. For example, on Friday, when the markets crashed, Eichel went on national television, with remarks to the effect that because Germans have less invested in the stock market than Americans, they are less exposed to the crash. Pensioners are safer in Germany than in the United States, he said, because their retirement funds are secured by state-guaranteed pension insurance, unlike those of Americans who increasingly depend on private pension funds and their speculative market gains. Germans should be thankful to still have their system, rather than the Anglo-Saxon one, Eichel said.

But, until that Friday, Eichel and other officials had been campaigning in favor of shifting pensions away from the traditional state-backed system, toward one more like the private

funds in the United States. Well, the stock market crashes during April 10-15 did not make that proposal very popular, because it reminded Germans that losses on the markets can destroy their pensions in a few moments. Eichel, and the rest of the government, are still committed to turning the wage-earning citizen (and voter) into someone who makes more and more of his living from stocks—along the "stake-holding society" model of British Prime Minister Tony Blair. Public support for that scheme is hard to generate, particularly among the Social Democratic voter base, who remain skeptical of the "stake-holding" idea.

The skepticism among traditional SPD constituencies is high: The SPD leadership recently had difficulty talking the party's labor commission out of putting forward a resolution that called for a tax on speculative gains. With some armtwisting, the resolution was finally withdrawn at the end of March. As it turned out, the reason SPD leaders insisted the resolution be withdrawn, was that it would expose them as being on the "other side": Many, if not most of them, seem to be involved in stock market speculation. The affair was reported prominently, including in the major daily, the *Frankfurter Allgemeine Zeitung*, of April 15.

Schröder was also stirred up by the remarks of former Finance Minister and former SPD party chairman Oskar Lafontaine, who was interviewed in the April 16 *Welt am Sonntag*. Lafontaine asked: Who is governing, the government, or the financial markets? The position of the Schröder-Blair Paper "that politics today means to adapt

to the forces of the international financial markets, is wrong," Lafontaine said. "Globalization offers great opportunities for the life of human beings. . . . But it must not be allowed to come under the control of the irrational logic of financial markets that are oriented to short-term profits. There must be political regulation. The call for less government is often turned into a call for less democracy.

"Managers of the investment funds want annual revenues of 20%, 30%, or more. Whereas in former times, international capital transfer served to build homes and factories or to purchase machines, today we are faced with a worldwide gambling casino, in which investors seek gains in ever-shorter intervals."

This, and the trend toward ever-larger mergers, pose a threat to democracy, he insisted. "No state can let an enterprise that has reached a certain size, go bankrupt. The question, who is actually governing whom, must be posed more often than before. . . . The financial markets have taken power. . . . Irrespective of the interests of individual Wall Street firms, the financial markets have to be regulated, again. There must be controls on the short-term capital market, currency rates must be stabilized."

Lafontaine's statement reminded SPD leaders of the debate on steps needed against speculators. And, the need for a sound, just economic system is not dying down. It is being kept alive by the LaRouche movement. Years of black propaganda against the LaRouche movement as people "from outer space," became undone in a few minutes of trading. Lafontaine did not use the "L word," but many of his readers were reminded that there exists a call by Lyndon LaRouche for a New Bretton Woods system—which is now receiving more attention with every big drop in the markets.

Welfare is being privatized

The latest move in the Howard government's Mont Pelerin Society "reform" program, is to gut welfare.

The British Crown's Mont Pelerin Society is sinking its bloody fangs into the Australian welfare system. Having sold off everything but the kitchen sink since it took power in March 1996, the Liberal Party government of Prime Minister John Howard, many of whose key ministers (including Howard himself) are members or associates of Mont Pelerin-established think-tanks in Australia, devoted most of its April 14-16 Federal Council meeting to planning the next phase of privatization: "social reforms." The main target is the nation's comprehensive \$50 billion welfare system, which constitutes one-third of the federal budget.

Echoing Al Gore's savage welfare "reforms" in the United States, and under the rubric of "mutual obligation," Howard and his ministers have threatened to cut off all benefits to many welfare recipients, unless they take whatever slave-labor job is thrust at them. The government also aims to privatize Centrelink, its primary welfare provider.

Centrelink was created in 1997 out of the old Department of Social Security, and was tasked with slashing \$1 billion from its budget in its first six years of operation, despite the expanding demand for welfare caused by Australia's rising unemployment rate and falling participation rate, the latter representing an army of unemployed who have dropped out of the workforce because they can't find a job. Although statistics show that there are an average of six applicants for every job advertised, the government has attacked the unemployed as "job snobs," for not rushing to snap up the sort of low-paid, part-time "hamburger flip-

ping" employment widely derided as "McJobs."

It is these "job snobs" and demoralized ex-jobseekers, who the government claims are creating a culture of "welfare dependency" in Australia. In a major speech last September announcing that welfare reform would be the government's new priority, Family and Community Services Minister Sen. Jocelyn Newman proclaimed a welfare "crisis": 2.6 million people of workforce age, or around one in five, are on government income-support payments, she said, compared to one in seven ten years ago. Newman announced the formation of a Reference Group on Welfare Reform, charged with formulating solutions to the welfare crisis by "self-help," in a "framework of mutual obligation."

This latest government "reform," just like the rest of its policies, is pure Mont Pelerin Society, the economic warfare unit of the British monarchy, most of whose leading lights have been ennobled by Queen Elizabeth II. This Mont Pelerin pedigree is particularly evident in the make-up of the Prime Minister's Business and Community Partnerships Roundtable (BCPR), which is spearheading the new "social coalition" concept of privatized welfare, in which corporations and private charities replace the government safety net. Along with Australia's biggest banks, two prominent members of the Roundtable are the Myer Foundation's Sydney Baillieu Myer, and Mission Australia's Patrick McClure. Myer is the founder of Melbourne's Tasman Institute, which is run by one of the Mont Pelerin Soci-

ety's 14 members in Australia.

Tasman authored the slash-and-burn privatization and deregulation policies of former state of Victoria Premier Jeff Kennett, who was ousted last year due to widespread hatred of his policies. Tasman also initiated the current welfare reform agenda back in the early 1990s in its welfare reform program called "Workfare," which called for slashing welfare and forcing recipients to work—precisely what Howard implemented in 1998 with his "Work for the Dole" program, and which he now plans to expand.

McClure, the chairman of the Reference Group on Welfare Reform, has been described as a "welfare capitalist," who turned Mission Australia, an ostensibly Christian charity group, into a \$120 million business by taking over much of the privatized welfare provision services from the government. His Reference Group's interim report, entitled "Participation Support for a More Equitable Society," released on March 28, proposed sanctions, including the "complete withdrawal of income support" for the disabled and sole parents, or welfare recipients who do not accept slave-labor jobs.

Mission Australia's website hints at the dark forces behind "welfare reform." The site has a link to Prince Charles's Prince of Wales Business Leadership Forum (PWBLF) in England, which was founded on the same principles on which Howard later founded his BCPR. Among its other objectives, the PWBLF calls for enshrining "human rights and security through promoting labor standards at the workplace." "Labor standards at the workplace" is key-and-code for the union-busting campaigns run by one of the PWBLF's higher-profile members, global mining giant Rio Tinto, in which the Prince's mother is the leading private shareholder.

Business Briefs

Eurasia

Russian interest grows in transport corridor

"Russia is interested in the creation of a Eurasian transport corridor linking western Europe and the Asia-Pacific region, a source in the Transport Ministry told Itar-Tass" on April 11, according to a *Journal of Commerce* story filed in Moscow on April 14. The article reported that "officials from Germany and France, as well as representatives of the Russian-Belarusian Union," were to meet in Moscow on April 13 and 14, to discuss the project.

"This project provides for the building of European-standard railway track from Brest in western Belarus to Moscow, via Minsk, and a large transit hub and customs center in Moscow," according to the *Journal*. "A road and electric transmission lines are expected to run along the railway track. According to experts, it is necessary to invest 14 billion to 15 billion euros [\$14.6-15.3 billion] into the project. It has received preliminary backing in Germany, France, and Russia."

Europe

Build nuclear to ensure clean air, says report

A European Commission report says that "at least 85 nuclear power stations must be built in Europe—including four in Britain—over the next 20 years if targets on emissions of carbon dioxide are to be met," the London *Guardian* reported on April 10. The report, which was compiled by a London-based consulting firm, ERM Energy, "so alarmed the EC's energy and transport directorate at first that it was kept confidential, but now officials have decided it should be released shortly to 'stimulate debate' on the future of electricity generation in Europe," the *Guardian* said.

The targets were set in the Kyoto protocol on greenhouse gas emissions, adopted in Kyoto, Japan in 1997. If ratified, they would require the European Union (EU) to cut emissions by 8% by 2010, the United States 7%, and Japan 6%.

The report says that despite the "increasing public and political opposition to nuclear power, particularly in Germany, it is important to keep them in production to meet the Kyoto target." Alternative energy sources, such as biomass, are "unlikely to fill the gap," the report says. In 1995, twenty-three percent of the EU's electrical power came from nuclear. In France, the figure is close to 80%; in Britain, it is about 20%.

China

Agriculture to be hit hard by WTO entry

China must not underestimate the negative effects on agriculture from joining the World Trade Organization (WTO), Huang Jikun, director of China's Agricultural Economic Research Center of the Chinese Academy of Agricultural Sciences, told a Ministry of Agriculture forum, *China Daily* reported on April 15. The government must orchestrate an agricultural development strategy as soon as possible, to mitigate the negative effects of WTO entry on China's rural economy. "For the short run, it would be unrealistic for us to underestimate the negative effects on rural employment and the incomes of Chinese farmers after the country's entry to the WTO. International companies will step in and compete with their Chinese counterparts side by side in the marketplace, bringing structural changes to agriculture and many other business sectors based on the agriculture," he said.

In the five years after China's accession to the WTO, the agricultural sector will lose 4 million jobs, he said.

Both production costs and retail prices of China's grain and the majority of other agricultural products now are higher than the world market average, and during the next two decades, they are likely to remain at such levels. Chinese consumers, he warned, would reject more expensive Chinese products, and buy cheaper foreign-made products.

As a developing country, China can implement a tariff rate quota system to curb agricultural imports during the transitional period into the WTO, and China won a five-year grace period in its deal with the United States. But by 2004, average tariffs on ag-

ricultural products will decrease to 17.5% from the current 21.2%, and tariffs on other farm and sideline products will fall to 14.5%.

Huang said China's annual net imports of grain could be as high as 54.7 million tons by 2005, if China joins the WTO this year. Otherwise, net imports would be about 20.9 million tons.

Huang also said that, because China is accused of being a nation where "livestock epidemic diseases are frequent," and its animal quarantine system is not accepted by the developed countries, WTO entry will not be a positive impetus to Chinese livestock exports. On the contrary, imports of meat and meat products will pose a threat to domestic animal husbandry development.

France

Nuclear energy no longer a priority

For the first time since France's Atomic Energy Commission was created under President Charles de Gaulle, the Commission's head, Pascal Colombani, has said that France will no longer favor nuclear energy. "Nuclear energy still has its place," he told the Paris daily *Le Monde* on April 12, but the days when France strove to go "all nuclear" are over, just as occurred with oil in its time. France pioneered quality standardized reactors, in its efforts to derive 100% of its power from nuclear. "Industrialists are now looking for the more competitive energies," he said.

Colombani added that "nuclear power still has a future," and called on researchers to intensify work on a new and clean nuclear reactor. But, "we already have a small amount of activity in solar energy that we will reinforce and, especially, we will focus on fuel cells," he said. Research in areas concerned with new technologies, namely, microelectronics, nanotechnologies, biotechnologies, and bio-chips, will also increase.

This shift has resulted from both commercial considerations, such as the lack of foreign markets for nuclear power, and comparable prices for gas, as well as growing ecologist ideology and post-industrial myths that an economy can function without energy.

IRANIAN Oil Minister Bijan Namdar Zanganeh announced on April 5 that a new sweet gas field, Tabnak, has been found in southern Iran, with an estimated 445 billion cubic meters of gas and over 240 million barrels of gaseous liquids. Expected revenues are \$16.5 billion.

POLAND'S central bank (chaired by Hanna Gronkiewicz-Waltz, whose adviser is Stanislaw Gomulka of the London School of Economics) has announced that the currency, the zloty, will float, a European Union demand for membership. The decision was taken despite decreasing support for EU membership among Poles.

SUDAN AND INDIA signed eight agreements at the Second India-Sudan Joint Commission on April 9, including on trade and economic cooperation, development of small industries, and forming a joint council of businessmen.

TURKIC LANGUAGE nations, including Azerbaijan, Kazakstan, Kyrgyzstan, Turkmenistan, Turkey, and Uzbekistan, met in Baku, Azerbaijan on April 8-9, to discuss cooperation in the fight against terrorism, separatism, and extremism, as well as development of oil and gas production, and a transport corridor from Europe to Asia. Among the agenda items was the restoration of the Silk Road.

GERMAN RAIL head Helmut Mehdorn said that the Inter-City Express system will be phased out by 2010, in favor of a new super-train based on the French TGV, in interviews on April 8-9.

CONSTRUCTION companies have been delayed in carrying out road and bridge projects in Virginia in the United States, because of shortages of steel, the April 16 *Richmond Times-Dispatch* reported. The crunch is attributed to the burgeoning of projects under the 1996 Transportation Act, and to bankruptcies among steel fabricators resulting from the increase in steel imports in 1998.

Agriculture

Indonesian rice prices collapse under IMF

Rice prices in Indonesia have collapsed, and the responsible state agency has no funds to stabilize them, leaving farmers desperate, the March 22 and 24 *Jakarta Post* reported. The International Monetary Fund (IMF) thugs were particularly proud of busting up the government grain monopoly, Bulod, with accusations of corruption, in 1998. Now, the price of rice has fallen to 500-800 rupiah per kilogram, below the cost of production.

The Bulog is officially committed to buying all rice from farmers for 1,400 rupiah per kilogram, but it has no funds to live up to the promise. Farmers and others are demanding a halt on rice imports, blaming that for the collapse in price, but the government insists that the country still needs the imports, and that they are not the cause, but, rather, "it is because Bulog's finances have been reduced, and, therefore, its ability to intervene and stabilize prices is much more limited." Previously, Bulog was provided with loans at preferred rates to sustain the rice (and other crop) prices, but now it must borrow "at market rates."

Privatization

IMF scheme 'criminal,' says Filipino senator

Philippines Sen. Raul Roco has urged President Joseph Estrada to scrap the privatization of the National Power Corp. (Napocor), a move demanded by the International Monetary Fund (IMF) in a letter submitted to the House Committee on Energy in December 1999. The proposed privatization would transfer \$7 billion of Napocor's debt to taxpayers and consumers, while another \$7 billion would be added to rates to rescue "stranded assets," that is, 70% of power capacity contracted for by the previous Ramos administration, at IMF-World Bank urging, with mainly foreign independent power producers, who charge 10 times Napocor's rates.

Senator Roco, who was a Presidential candidate in the 1998 election and a prospective leader of a new "third party" coalition, called the privatization plan "unconscionable" and "criminal." Support for the privatization scheme is coming from the Presidential Economic Coordinating Council, which is dominated by the likes of the insurance giant AIG's Hank Greenberg and former U.S. Secretary of State Henry Kissinger's buddy Washington Sycip.

Trade

India seeks to improve ties to Germany, Europe

Indian Finance Minister Jaswant Sinha led a 30-member delegation of top businessmen and senior officials from eight ministries to Germany, to attend the 14th session of the Indo-German Joint Commission of Industrial and Economic Cooperation. Sinha is aggressively promoting India, to reverse the decline in foreign direct investment.

At the German-Indian Chamber of Commerce in Berlin on April 12, Sinha said that India can give Germany computer specialists, if Germany helps India build its infrastructure. There are about 60 million well-trained computer specialists in India, he said. The 20,000 Germany urgently needs, could be easily spared by India.

But, Sinha called on Germany to improve economic relations, as trade between the two countries dropped 20% during 1998-99. German experts and assistance would be most welcome by India, which plans to build an additional 13,000 kilometers of six-lane highways and an additional 25,000 megawatts of power supply, to modernize airports and seaports, and expand telecommunications infrastructure, among other projects.

Sinha also warned that India would be forced to resort to protectionist measures if the European Union did not desist from imposing non-tariff barriers. He told German investors that peak import tariffs had been gradually reduced in phases to 35%. "In the medium term, we will bring our import duty structure to levels prevailing in India's neighboring countries," he said.

Flaminio Piccoli: A patriot passes

by Lyndon H. LaRouche, Jr.



Flaminio Piccoli
1915-2000

April 21, 2000

On April 11, 2000 a great modern patriot of Italy, Senator Flaminio Piccoli, died, at the age of 85, in the Rome Policlinico Gemelli hospital. He was among the prominent patriots of Italy throughout the war-time struggle for its liberation, a leading Christian-Democratic figure of the entire post-war period, and, for me, personally, a dear friend.

I met him for the first time, for an hour's meeting in his Senate office, in 1976. He was among a number of Christian-Democratic and Socialist Party parliamentary and other leaders with whom I discussed the ominous strategic implications of ongoing, radical changes in the policies of the International Monetary Fund (IMF).

Our personal relationship became much closer over the course of the 1990s, that for reasons stated publicly by the Senator himself on several occasions. That active collaboration continued until the moment I received the saddening news that the beloved Senator had been taken from among us. He continues to live among us, in that simultaneity of temporal eternity, in which his face, and his work remain ever-freshly among us, an active voice among the consciences of we who must continue the mission we and our dear friend had undertaken in common.

The life of Flaminio Piccoli

This biography was supplied by the Christian Democratic Party. Subheads have been added.

Flaminio Piccoli was born on Dec. 28, 1915 in Kirchbichl, Austria, where his family was interned at the beginning of World War I, because they were Italian. At the end of the war, he returned to his family's home in Trento, where he recovered his health, which had been damaged during the internment.

He received a university degree in foreign languages and foreign literature at the Ca' Foscari University in Venice. In the 1930s, he participated in the activities of the association of Catholic students in Trento, which had been created by Bishop Celestino Endrici, and he later joined the Trento Catholic Students Association.

At the beginning of World War II, as an officer in the Alpine Corps, he was sent to the western front. When, after the truce of Sept. 8, 1943, the Germans took all Italian soldiers prisoner, Piccoli became a prisoner of war in Grenoble. There, he made contact with other young officers who were politically committed to the Christian Democratic inspiration, which gave birth to resistance groups operating in Italy in the areas occupied by the Germans and the Fascists.

He, together with his brother Nilo, participated in the national liberation movement against Fascism. After the liberation, Piccoli was among the first to help build the Italian Christian Democracy. The beginning of his political career was linked to his activity as a journalist in building the party, which was created by Alcide De Gasperi.

On May 7, 1945, Piccoli was assigned the post of party spokesman. He was co-editor of the Trento Liberation Committee organ *Liberazione Nazionale*. In August 1945, in order to ensure that the Christian Democracy had an independent voice, and to continue the tradition of the paper started by De Gasperi, which had been abolished under Fascism, Piccoli founded the weekly *Il Popolo del Trentino*, which in 1946 became a daily, and in 1951 took the name of *L'Adige*. He was its editor-in-chief until 1977.

Friendship with De Gasperi

An important chapter in Piccoli's political career was his friendship with De Gasperi, both of whom were from Trento, and from the same Christian and social background, although of different generations. They worked together closely, and kept up a correspondence, thanks to their mutual esteem and friendship, although they sometimes had different opinions.

In 1945, Piccoli proposed and helped create the People's University of the Association of Catholic Workers, and the Association in Defense of Immigrants.

That same year, he married Maria Cescatti, with whom he would have three children: Flavia, Mauro, and Annalisa. In 1952, after a few years dedicated to journalism and the party, he was called upon by Archbishop Carlo de Ferrari to chair the Diocesan Committee for Catholic Action.

In 1957, he took up his political work once again, becoming the provincial secretary of the Christian Democracy. From then on, with a brief interval of two years as Minister of State Holdings, he held party posts.

In 1958, Piccoli, then 43, was elected a Member of Parliament, where he was continually reelected until 1987. In 1992, he was elected to the Senate.

At the Congress of the Christian Democracy in 1964, he was elected national vice secretary. In 1969, during one of the most difficult periods for the party, he was elected general secretary of the Christian Democracy. His role as secretary was always one of fostering reconciliation among the various currents, knowing that each of them had to contribute to the well-being of the political system as a whole.

From 1970 to 1972, he was Minister of State Holdings in the Rumor and the Colombo governments.

After the elections in 1972, he was named president of the Christian Democratic group in the Parliament, and he held this post until July 1978, when he replaced Aldo Moro, who had been killed by the terrorist Red Brigades, as president of the National Council of the party.

On March 5, 1980, he was again elected national secretary of the Christian Democracy. He was general secretary of the International Federation of Catholic Journalists (until 1992), and president of the Union of Italian Catholic Press. On June 6, 1986, he was elected president of the Christian Democratic International (which is the umbrella group for all the Christian Democratic parties internationally), which he chaired until 1989. He continued as honorary president of the Christian Democratic International.

Foreign policy

On Aug. 4, 1987, Piccoli was unanimously elected chairman of the Parliament's Foreign Affairs Committee, and he was reconfirmed in this post in 1989 and 1990. This allowed him to gain great international experience. He led parliamentary missions to Chile, Nicaragua, Panama, China, North Korea, South Africa, Ethiopia, Algeria, and the Philippines, and he contributed to helping solve many crises, including in the former Soviet Union, Yugoslavia, Albania, and Somalia. In an environment in Europe and Italy which was almost indifferent to the Serbian war against Slovenia, Croatia, and Bosnia, Piccoli worked with a few others to call Europe to its task, foreseeing that this war, had it not been stopped, would have become a European-wide conflict.

When he was elected to the Senate, he served with Amin-

tore Fanfani in the Foreign Affairs Committee. In November 1998, he re-founded the Christian Democracy [during 1992-93, as a consequence of the “Clean Hands” operation, the DC had split into different groups — ed.], whose headquarters is in the Piazza del Gesù, the historical seat of De Gasperi’s DC.

He was also general secretary of the International Federation of Catholic Journalists.

He wrote several books, including *Reflections on a New Time of Democracy*; *Possible Democracy in a Changing Country*; *The Strategy of Courage*; and *State Holdings: A Formula for Development*.

He was among the first to sponsor many legislative proposals, such as on public party financing, and stopping hunger in the world, which were approved by the Italian Parliament. He also promoted legislation to solve the long-standing problem of Italian emigration, including a law granting dual citizenship, and one securing the vote for Italians living abroad.

He played a key role in recognizing the rights of the German minority in South Tyrol.

On Feb. 10, 2000, despite the ongoing legal suit for the name “Christian Democracy,” he rebuilt the Christian Democratic Party founded by De Gasperi, and served as its president.

Documentation

Piccoli’s fight for justice and economic development

From an interview with Senator Piccoli published in EIR, March 12, 1993:

EIR: As you have pointed out, the same circles which are destabilizing Italy are currently promoting privatization and the selloff of state industries, hitting the center of national sovereignty created very consciously by the work of Enrico Mattei [the Italian Christian Democratic industrial leader assassinated in 1962]. Against such forced privatizations and unbridled free-market capitalism, the American economist and political figure Lyndon LaRouche has counterposed a dirigistic project for infrastructural and economic development called the Paris-Berlin-Vienna Productive Triangle, which is based on the government’s prerogative to generate credit and to mint money. Do you think that such a dirigistic plan is preferable to privatization?

Piccoli: I know the work and proposals of LaRouche. I believe in the good faith and good will of the government which wants to free itself of sectors of industry which have come under the State Holdings.

However, I observe—and I have said so in political and parliamentary settings—that while we must privatize that which has become an impossible burden for the state, we

must safeguard the “family jewels,” such as the SME [a state-owned conglomerate], because it is not written in heaven that everything which is private is healthy and robust, and that everything which is held by the state must declare itself incompetent, when there are vital sectors there for the Italian economy. Not to mention that in many situations of the country, it was the State Holdings which resolved the problem of industrialization in such regions, which had been forgotten by private initiative.

I wonder how the rapid selloff (at prices which today would be bankruptcy prices) of important sectors of the national economy could contribute to saving hundreds of thousands of workers from unemployment who are now receiving jobless benefits. I wonder also how the selloff of delicate sectors of industry, only because they are public, would contribute to improving the country’s economic situation, or if this does not mean a surrender to foreign competition with the result of an extreme worsening of unemployment.

Once the state has been deprived of the ability to move some sector to make the situation less painful, who is going to replace the state for a positive intervention, even if it is done in a cautious manner?

Mobilization to free LaRouche

On April 2, 1993, in Rome, three members of the Italian Parliament held a news conference to announce a parliamentary initiative for the liberation of Lyndon H. LaRouche, Jr. who was unjustly imprisoned in the United States (jailed in 1989, he was released on parole in 1994). A petition to U.S. President William Clinton, bearing the signatures of 60 members of the Italian Parliament, was presented by Emma Bonino, member of the national and European Parliament, president of the Radical Party of Italy, and representative of the European Federalist Group. Mrs. Bonino was joined at the press conference by Sen. Flaminio Piccoli; Sergio D’Elia, coordinator of the International Initiative for the Abolition of the Death Penalty; and LaRouche’s wife, Helga Zepp-LaRouche.

Only a few days earlier, on March 31, their colleague, former Judge Carlo Palermo, had raised a formal parliamentary inquiry into the politically motivated jailing of LaRouche.

Then on April 7, parliamentarian Antonio Parlato (MSI) submitted a parliamentary question to the Italian government on the LaRouche case, asking whether the government will take action, “on the basis of the prominent international call in favor of the liberation of Lyndon LaRouche, in the name of the freedom of thought, and toward the UN Commission for the Defense of Human Rights, based in Geneva.”

Here are excerpts from the proceedings of the April 2 press conference.

Bonino: We have called this press conference to present a parliamentary initiative made by Italian parliamentarians who are joining an initiative already signed by European par-

liamentarians and other parliamentarians from around the world on the case of Lyndon LaRouche. We have also prepared for you, as you will see later, a detailed dossier regarding this case. . . .

This initiative has been spread through various parliaments all over the world, and we have also placed here a list of American personages who have signed the appeal. It has been taken up again also now with the change in administration. In effect, the initiative is directed to the current President Clinton in the hope that certain political obstacles and political pressures which have seemed to us totally obvious in the documents we have seen (we spoke of this directly with Ramsey Clark [LaRouche's attorney for his appeal] when he came to the Radical Party congress on the topic of abolishing the death penalty, and so among other things, we also spoke about this). The political influence has seemed to us, from these papers, very heavy, and this is why the appeal today is directed to Bill Clinton in the hope that the change in administration might at least lead to a review of the trial. . . .

Piccoli: I am participating in the LaRouche case—a little differently from Honorable Bonino—because LaRouche is an economist who has advanced many ideas of social Christianity; he has been a careful student of the encyclicals of the Church, and he has advanced many ideas, especially in the economic area, some of which I find myself fully in accord with—for example, his battle against the huge banking corporations which even today, in my view, are meddling in the

currency markets of the entire world.

I do not believe it is poor, penniless fellows who run the operations to ruin the lira, to destroy the franc, to yank up the pound sterling one day and then next day to cast it down, etc. I am convinced that behind this are great corporations which have deep interests, and the international financial system is much affected by them. Hence, I believe that to a great extent the campaign against LaRouche happened because he annoyed the big American corporations, because he was a man who, if by chance he had become President, with the American powers he would probably have hit sectors which are the bosses, the political and economic culprits, often with great success, with great usefulness to the world, often with diversity and taking risky positions.

I am convinced that many of the things happening even in our country are due certainly to errors and grave deviations by political officials, but they are to a great extent guided and directed by people who are interested in weakening Europe, in impeding Europe from becoming in effect a great competitor on the international level, of the superpowers. I am convinced of these things; I said them, I repeat them, I hope they don't put me in prison, because now it's easy. This is why the LaRouche case has always interested me. Then when they came to talk to me about it, since I saw that the cause was in the hands of Mrs. Bonino, who has always done these things with a great spirit of solidarity, with great altruism. . . .

Mrs. Bonino is admirable because she says outright: I

LA ROUCHE ON THE NEW BRETTON WOODS

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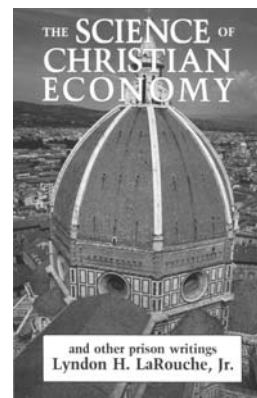
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don't agree on these things, but otherwise I believe that he is one of those prisoners who is held in prison out of fear that their ideas may make headway; surely for me this is why LaRouche has undergone these trials.

Then the other details, the repayment of loans—you will find them here [in the dossier]—but we know perfectly well what can be fabricated against a person in political life; one can invent everything, and the opposite of everything. . . .

I hoped to be able to be part of a group which was going to the United States to speak with the President, but I could not go because of other matters. However, I propose, together with Honorable Bonino and a few others, that we should find a way to go. . . .

I maintain that the Italian press should be interested in this case, also because American life is a life that interests everyone, which has a value for humanity; everything that happens in America, because of its power, its development, also its freedom, for the way in which it has managed to mix different races and always succeeded in overcoming so many problems.

But there are some heavy sides which turn up every so often, and they have to do with personages who could be a nuisance to the major sources of the economy: They might try to change the course of things. I am convinced that in economics we need to change the course of things. Just yesterday, they showed me that in the Bank of Italy, gold was pegged to paper money, and then I saw how little gold was valued at, and how paper money has become an object of negotiation for sale and speculation; and therefore I think that, especially for the generation of young economists coming up, there is a lot to be thought about in the economic events which are taking place in our country, and which are often regurgitations and copies of what occur in the great powers: Germany, the United States, Japan. Whereas, in my view, if we want to create a situation of equity and justice, above all the financial part, the monetary part needs to be reviewed and corrected. Here, too, in Italy it is easier to go to prison for saying these things, than it is to be walking around free. But I say them anyway.

Toward a New Bretton Woods System

Speech by Senator Piccoli to a Rome conference on the New Bretton Woods, March 11, 1999, sponsored by EIR and the Italian Civil Rights Movement Solidarity. Helga Zepp-LaRouche also spoke at the conference.

I always had great esteem for Lyndon LaRouche, because he is a man who can look forward, who always expresses his thoughts with great exactness and without prejudice, and therefore can forecast the future. The first time I met him, more than 20 years ago, I listened to him a bit inattentively. But over the years, when I also intervened on his behalf when he went to jail, because he had told the truth on the homicidal folly of those who wanted a war, I realized that the financial

and economic crisis he had warned us of had come true. I decided to accept the invitation to speak at this conference, when I heard that Mr. LaRouche, whom I wished to see here again, was unable to attend and the kind lady who works here in Rome with him asked me to comment on his forecasts and his proposals. I agreed, because I consider him one of those figures who are able to move on their own, who can think profoundly and because of this finds a lot of obstacles put in his way by false politicians, false scientists, or false economists. But then the crisis did happen, which might have been avoided.

He is also a man who not only says how things will go wrong and why, but also proposes remedies. I am a political figure with the only importance of being very old, and of having lived through two world crises. I was born a few days before Italy joined the First World War. I was an Austrian then, because I was born in Trentino, and I can still remember the poverty we experienced during that war. Then I had the luck, or ill luck, of joining the Alpini three months before the Second World War exploded, and I saw also that war and many events which made me suspicious about things I read every day in the newspapers, which pick up on violent incidents just to increase sales.

I want to say today that it is worth listening to LaRouche's economic, political and military warnings and to his proposals, which have annoyed those who make trouble in economic and political life, but which he kept saying, without ever stopping, at whatever personal cost, always formulating proposals which—after many years of knowing him personally—are worth some reflection at the end of this century, since his words are not only prophetic, but the result of an intelligent interpretation of the greatest international crisis.

When we speak of politics these days in Italy, we find a confusion which is frightening, at least to those of us who witnessed the century of wars, and which recommends us not to tail behind politicians who are full of money and reckless ideas, but to rather attentively follow those few political figures who had from Providence the gift of seeing into the future.

I will say at the end, that the theme of this conference is very important, because it poses the question: "Will Europe have a future of stability, or become one of the regions of the world shaken by depression and wars?" I have been a journalist and a party man all my life, and if I look back on my life, I realize that sometimes things happen which remind us of events 30 years ago. The mistakes which were made in the 1920s, the events of the First and Second World Wars, tend to be repeated in a way which is even monotonous.

Lyndon's proposal this time is summarized by proposals he made four or five years ago, and which he now presents with new features, the idea to convoke a New Bretton Woods conference, to realize great infrastructural projects in Eurasia, which is struck by the Maastricht measures that are part of the problem, and by the systemic crisis.

What's behind all the hysteria against China?

China wants to buy *trillions of dollars* worth of U.S. capital goods, for the great infrastructure project of the 21st century, the Eurasian Land-Bridge. But the British-led financier oligarchy, determined to prevent such collaboration at any cost, has unleashed its mad dogs in Congress, to wreck President Clinton's efforts to forge a mutually beneficial partnership with China.

The Eurasian Land-Bridge

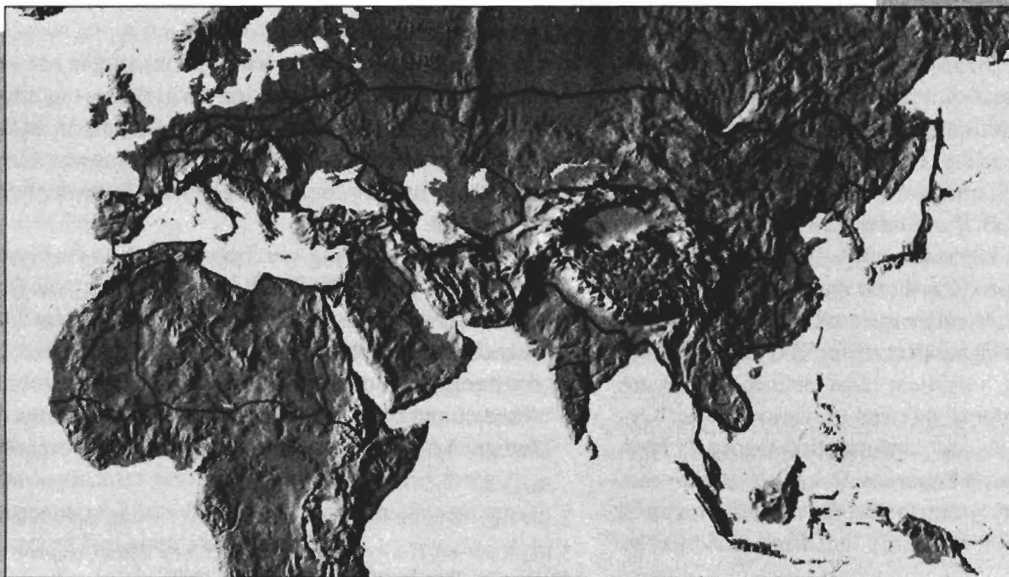
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EIRNS
Helga Zepp-LaRouche (right), known as "the Silk Road Lady," has played a major role in organizing worldwide support for the Eurasian Land-Bridge. She is shown here with Schiller Institute associates at Lianyungang Port in China, October 1998.



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ON THE CRASH OF THE NASDAQ

Information Society: a doomed Empire of Evil

by Lyndon H. LaRouche, Jr.

April 13, 2000

For as far back into pre-history as our present knowledge can reach, the most efficient way to destroy a human culture, is the sneaky way, to induce it to doom itself. Writer Oscar Wilde describes such a process of corruption, in his allegorical *The Picture of Dorian Grey*.

Such, according to evidence against the leading authors of what is called today “Information Society,” or, “The New Economy,” has been the purpose of the cult of logical positivism, which was set into motion by a group of persons gathered around three among the most consummately malevolent figures of the Twentieth Century, the so-called Vienna Circle’s Ernst Mach and Rudolf Carnap, and their ally, British, self-styled “radical empiricist” Bertrand Russell.¹ Hopefully, the backlash unleashed by the oncoming, systemic collapse of the Nasdaq index, will produce that popular reaction, which helps to save humanity from the grip of a delusion which Mach, Carnap, and Russell led in crafting. Our subject, is the effect of that spreading, positivist mass-delusion of recent decades, which is commonly referred to, variously, as “Cybernetics,” “systems analysis,” “information theory,” “New Economy,” or “Information Economy.”

A quick, introductory glimpse into the morbid ironies of that so-called Information Economy, has been provided by

1. Lyndon H. LaRouche, Jr., “How Bertrand Russell Became An Evil Man,” *Fidelio*, Fall 1994.

one of its currently notable dupes, Sun Microsystems co-founder, and copiously self-described radical positivist, Bill Joy, in the April 2000 edition of *Wired*, “Why the Future Doesn’t Need Us.”² There, Joy quotes a long passage from the Manifesto of convicted Unabomber Theodore Kaczynski, as excerpted in Ray Kurzweil’s *The Age of Spiritual Machines*.³ Joy comments on his shock of recognition in reading Kurzweil’s excerpt:

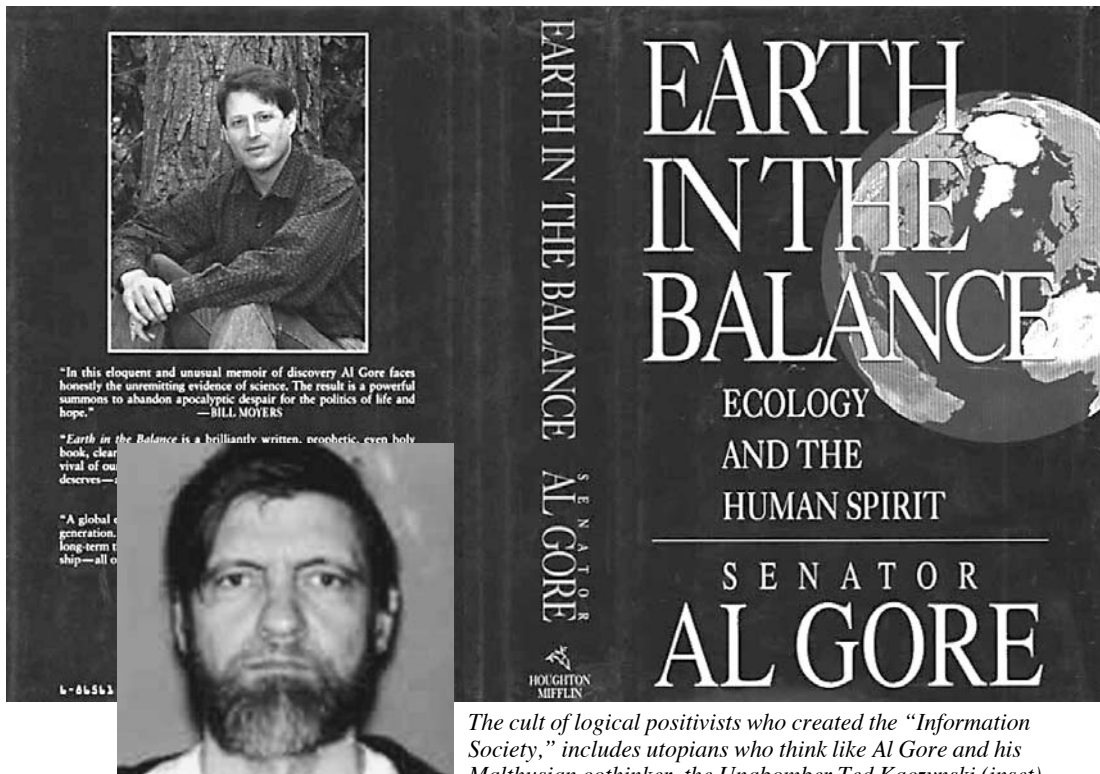
“Kaczynski’s actions were murderous and, in my view, criminally insane. He is clearly a Luddite, but simply saying this does not dismiss his argument; as difficult as it is for me to acknowledge, I saw some merit in the reasoning in this single passage. I felt compelled to confront it. . . .

“I started showing my friends the Kaczynski quote from *The Age of Spiritual Machines* . . . [and from] Hans Moravec’s book *Robot: Mere Machine to Transcendent Mind*.⁴ Moravec is one of the leaders in robotics research, and was a founder of the largest robotics research program, at Carnegie Mellon University. *Robot* gave me more material to try out on my friends—

2. Bill Joy, “Why the Future Doesn’t Need Us,” *Wired*, April 2000.

3. Ray Kurzweil, *The Age of Spiritual Machines: When Computers Exceed Human Intelligence* (New York: Viking, 1999).

4. Hans Moravec, *Robot: Mere Machine to Transcendent Mind* (New York: Oxford University Press, 1999).



The cult of logical positivists who created the "Information Society," includes utopians who think like Al Gore and his Malthusian cothinker, the Unabomber Ted Kaczynski (inset).

material surprisingly supportive of Kaczynski's argument."

At the close of his piece, later, Joy concludes that leading feature in that issue of *Wired*, with a rather typical Faustian's confession. His argument coincides with the imputed motive of his own and Vice-President Al (*Earth in the Balance*)⁵ Gore's Malthusian co-thinker, and terrorist, Kaczynski; but, being a modern Faust, who gains his pleasures in certain ways, Joy confesses his sin with weary *mea culpa*s worthy of a lecherous Bible-thumper, while relishing the right to continue to enjoy the sin, and its hoped-for financial rewards. Like Lot's wife, he prefers to remain a pillar of his community: the presently reigning degeneration of today's logical positivist's financial community.

Bill Joy's Faustian rants of *mea culpa*, touch base with names from the usual-suspects list of Russell cronies. These include such figures as nuclear-preventive-war advocate Russell's Leo Szilard, Szilard's *Bulletin of the Atomic Scientists*, the Princeton environment of Freeman Dyson, and others among the confessed sinners from the age of the bomb. Thus, having crafted no nuclear weapons to feel guilty about, late-comer Joy is left with the option of presenting himself as a proud sinner of that hellish, and doomed domain, euphemistically styled as "Information Society."

5. Albert Gore, Jr., *Earth in the Balance: Ecology and the Human Spirit* (New York: Houghton Mifflin, 1992).

The proximate origin of the spread of Joy's delusion within the U.S.A., is a 1938, founding meeting of nuclear bomber Bertrand Russell's Association for the Unification of the Sciences, convened at Philadelphia's University of Pennsylvania. This project, launched by Russell in association with the University of Chicago's Robert Hutchins, included what must be described as such wretched creatures as Margaret Mead and her sometime husband Gregory Bateson, and featured the work in linguistics by former German Communist leader, Frankfurt School-linked Karl Korsch, and Korsch's linguistics collaborator, ultra-radical positivist Rudolf Carnap.⁶ This defined a current which included Princeton-area celebrities such as Russell lackey, and Szilard associate Eugene Wigner, and Freeman Dyson. This was the same current represented by the Josiah Macy, Jr. Foundation, featuring Mead and Bateson, John von Neumann, the Frankfurt School's Max Horkheimer, and a long-running subversive project — against the human species — gathered around the so-called "Cybernetics" project of Russell acolyte and MIT Pro-

6. Georg Lukacs' Frankfurt School, played a leading rule in the shaping of the environment within which the corrosive influence of Russell spread, to undermine, perhaps even to destroy the United States. Curiously, Korsch was also advisor to Soviet General Secretary Josef Stalin, for Stalin's published treatise on linguistics. The relevant observation is, that, frequently, in search of allies and other assets for its recurring conflicts with Anglo-American interest, Soviet leaders, such as, not only Stalin, but Andropov and Gorbachev, often took within their gates the Trojan Horses which, in the final analysis, contributed much to destroying the Soviet system from within.

fessor Norbert Wiener.⁷

One of the principal centers for the propagation of the Cybernetics project, was a Kurt Lewin-founded project at the Cambridge, Massachusetts, Massachusetts Institute of Technology (MIT)'s Research Laboratory for Electronics (RLE).⁸ Assembled there, over the course of the post-war 1940s and 1950s, were such figures as Hutchins' asset from Chicago, Macy Foundation figure Professor Warren McCulloch, and McCulloch's unfortunate Walter Pitts. Soon, Professor

7. My own study of the activities of the Cybernetics project of the Josiah Macy, Jr. Foundation, dates from the very early 1950s, a study based, to a significant degree, on back-tracking primary sources of the material reflected in the publications of that Foundation. This study included intensive examination of the work of persons associated with Tjalling Koopmans et al. of the Operations Research Society, and related sources from the early 1950s, such as Herbert A. Simon, on econometrics and other information-theory-related topics. During the 1970s, a task-force from among my associates conducted a fairly exhaustive investigation of the overlap of this material, with the background and operations of Brigadier Dr. John Rawling Rees' launching of British psychological warfare capabilities associated with the London Tavistock Clinic. More recently, my colleague Jeffrey Steinberg, and other veterans of the latter, 1970s investigation, have supplemented our respective, earlier investigations into this matter, by back-tracking sources referenced by Steve Joshua Heims' book, *The Cybernetics Group* (Cambridge, Mass. and London: The MIT Press, 1991).

8. Lewin, whose death precluded a personally active role in the later phases of the Cybernetics cult, is otherwise distinguished by his role in shaping the work of the National Training Laboratories (NTL). On Lewin's and NTL's relations to the current policies of the National Education Association (NEA), see *Will You Allow Your Children To Be Spiritually Molested?*, *New Federalist* pamphlet, August 1993.

Marvin Minsky arrived to participate in the MIT side of what become known as the "artificial intelligence" project.⁹ Karl Korsch lurked in that precinct, where he came to be close to Pennsylvania-trained linguistics specialist, Russellite Noam Chomsky. Early on, already during the late 1940s, the RAND Corporation sponsored some projects at MIT's RLE, and, with the establishment of the U.S. Air Force, that section of the Pentagon took up some of the work.

Out of this same panoply of radical positivism, came the infamous MK-Ultra and related psychedelic experiments on, often, unwitting victims. These programs, which were imported from Brigadier Dr. John Rawlings Rees' and Eric Trist's Rockefeller-funded London Tavistock Clinic's work, are typified by the revival of hallucinatory rituals dating to no later than the ancient Phrygian cult of Dionysus-Satan, as shown in the development and use of synthetic ergotamine, now popularly recognized as LSD. All of this deeply involved Russell and H.G. Wells crony, Hollywood figure, and Aleister Crowley cultist Aldous Huxley.¹⁰ In the midst of this, were symbolic contributions from the mystical circles of C.J. Jung. Lines of activity such as "spoon bending," psychedelic romps, and the search for "artificial intelligence," shared a common parentage with the broader environment of decadence which had exploded to the surface in the so-called intellectual cen-

9. e.g., Marvin Minsky, "Steps Toward Artificial Intelligence," (Oct. 24, 1960) *Proceedings of the IRE*, January 1961.

10. See *Dope, Inc.: The Book That Drove Kissinger Crazy* (Washington, D.C.: Executive Intelligence Review, 1992).

Gore pal calls for jihad against science

Bill Joy, chief scientist at Silicon Valley's Sun Microsystems, borrowed a page from H.G. Wells in the April 2000 issue of *Wired* magazine, the pop-cult cybernetics journal of Royal Dutch Shell Corp.'s Global Business Network. Warning that the next generation of scientific discoveries in the fields of nanotechnology, genetic engineering, and robotics spell doom for mankind, Joy called for suppression of scientific work in these areas, and for the creation of a world science police, to ensure that scientists, in the next decades, do not produce "thinking machines" that replace human beings, and might eventually exterminate the human race.

"The twenty-first-century technologies—genetics, nanotechnology, and robotics (GNR)—are so powerful," he wrote, "that they can spawn whole new classes of accidents and abuses. . . . I think it is no exaggeration to say we are

on the cusp of the further perfection of extreme evil, an evil whose possibility spreads well beyond that which weapons of mass destruction bequeathed to the nation-states, on to a surprising and terrible empowerment of extreme individuals."

Joy specifically called for the revival of Pugwash, the Bertrand Russell-Leo Szilard world government forum, to take the lead in the suppression of GNR research.

Joy's insane underlying axiomatic assumption, which he shares with the Unabomber, Ted Kaczynski, is that of the original Cybernetics Group of the 1940s and '50s: Man is nothing more than a complex machine, devoid of any divine qualities. Human creativity is a purely mechanical process, that will, eventually, be replicated by "smart" computers and robots, capable of superior thinking and, unlike human beings, capable of living forever.

Joy's *Wired* magazine propaganda piece in support of putting a straitjacket on science, in order to ward off a some imagined, sci-fi future holocaust, has been given broad coverage in the *Washington Post*. Joy is part of the Silicon Valley friends of Al Gore.—*Jeffrey Steinberg*

ters of Europe during the 1890s.

Those pre-World War I romps of Dr. Sigmund Freud and other cultural pessimists of that period's Vienna-Budapest countercultural set, typify the frankly Eros-oriented, Dionysiac fads, which exploded to the surface during that pre-World War I interval, and which flourished like fungi under the moral and economic ruin left in the wake of both that war and the cynical triumph of hatred known as the Treaty of Versailles.¹¹ Such varieties of projects supplied by such existentialist and related kinds of cultural degenerates as A.S. Makarenko co-thinkers Georg Lukacs and other Frankfurt School influentials, such as degenerates T. Adorno and Hannah Arendt, contributed both converging and complementary roles, in the general effort which these philosophical Romantics, such as neo-Kantian Karl Jaspers, shared with their fellow-existentialist, Nazi rivals such as Martin Heidegger, to undermine and destroy the Classical form of modern Judeo-Christian civilization as we had known it.¹²

In this setting, of the moral and intellectual decadence associated with two World Wars and their post-Franklin Roosevelt aftermath, and under the growing influence of the Hellish hagiolatry of Russell-Wells-Crowley satanism,¹³ Wiener and another veteran Russell acolyte, John von Neumann, came to share an increasingly popularized, perverse sort of canonical authority, as the putative authors of the notion of "artificial intelligence."

The ape project of Minsky and Chomsky, who presented

11. Notably, the Treaty of Versailles was in fact a crime against humanity, so to be judged by the standard of the Thirty Years War (1618-1648) and the deliberations involved in the 1648 Treaty of Westphalia. The genius of the latter treaty, is that it established a civilized law of warfare among nation-states, a choice made in recognition of the evidence that any contrary choice merely ensured a resumption of warfare, as Versailles set World War II into motion. Cf. J.M. Keynes, *The Economic Consequences of the Peace* (New York: Harcourt, Brace and Howe, 1920). Indeed, it was the impact of the Versailles reparations which created that accelerated rate of cultural pessimism throughout Europe, without which Hitler's rise to power would have been impossible.

12. For easy identification, the "Classical form of modern Judeo-Christian civilization" is typified by the role of such leading Eighteenth-Century defenders of the legacy of Gottfried Leibniz and J.S. Bach, as Abraham Kästner, Gotthold Lessing, and Moses Mendelssohn, and their followers, such as Friedrich Schiller, the Prussian reformers, Mozart, Haydn, Beethoven, Schubert, Schumann, et al. In the experience of the Twentieth Century U.S.A., that is the legacy typified by the followers of Mendelssohn and the Yiddish Renaissance. This is what both the leading Nazi ideologues and their Frankfurt School rivals, hated, and sought to exterminate.

13. Theosophist Aleister Crowley was explicitly a satanist, as attested by his Vienna periodical, *Lucifer*, which was co-sponsored by later founder of Anthroposophy and of the Waldorf schools, Rudolf Steiner. Crowley was a key influence on Aldous and Julian Huxley, and a close associate of both H.G. Wells and Bertrand Russell; he was one of the key influences represented by MK-Ultra's Gregory Bateson. Crowley was an ally of the Alex Muenthe who propagated the worship of the Roman Emperor Tiberius as the Anti-Christ from the Isle of Capri, and was also a key figure in the promotion of witchcraft cults, as Bateson continued that work in the U.S.A. during the 1970s, for example.

the mass media with the spectacle of the abused, experimental chimpanzee which they named "Noam Chimsky," typified the efforts, both in Britain and North America, to demonstrate that man was nothing but another higher ape, whose intelligence could be synthesized by the same methods employed by quack-economist von Neumann's claim to model any economic process, by no more subtle means than solutions for simultaneous linear inequalities — in a phrase, by simple, linear, digital flip-flop methods.¹⁴ The really far-out radicals, such as Minsky, and Bill Joy and his friends, and such Joy co-thinkers as Vice-President Gore, followed Wiener and von Neumann all the way. This led some among them to insist, in their rewriting of the utopian themes of Aldous Huxley's *Brave New World*, that there was nothing about man which a new generation of "thinking machines" could not do better. From among such circles, there were those, like Unabomber Kaczynski, who declared, that mankind itself would come to be deemed a pestilence of useless eaters, so judged by the machines which would come to rule in the Orwellian nightmare of a nationless, perhaps also apeless, globalized planet.

Thus, Bill Joy argued, that poor lunatic Unabomber Kaczynski, being merely a professionally trained mathematician of the same general, logical positivist background as Joy himself, knew no better than to believe in the Wiener-von Neumann gobbledegook about "information theory" and "artificial intelligence." To sum up Faustian Joy's argument on this point: allegedly, impassioned by a well-informed concern to stop humanity's impending extermination by "thinking machines," terrorist Kaczynski struck out to save humanity, by striking the threat to mankind at the source, those who built the machines. As Joy characterizes a quoted passage from Kaczynski's Manifesto, the Unabomber, like virtual Nashville Agrarian and Vice-President Gore, was a modern Luddite, but with a new — very twisted — twist. The twist was supplied by the influence of Bertrand Russell's Norbert Wiener and John von Neumann.

What, then, is the lesson to be learned, from the onrushing collapse of the Nasdaq, about the looming doom of what came to be known as "information theory"?

On bestiality since Babylon

The logical positivists' sophistry called "information theory," carries an old folly to a new extreme. That folly is much older than the ancient Greek beginnings of globally extended European civilization. Specifically, it has persisted, to the present date, over no less than about six thousand years, as a recurring appearance of it, in sundry old and new forms of by-products. Such recurrences, have been among the most deadly causes of crises experienced by our civilization over the course of the intervening millennia. We must, therefore,

14. Lyndon H. LaRouche, Jr., "The Becoming Death of Systems Analysis," *EIR*, March 31, 2000.

recognize that pattern as expressing a propensity of a kind which might be described metaphorically, as a reflection of an *almost genetic* quality of weakness in the moral and intellectual character of all civilization, until now.

A study of that propensity, leads to two principal conclusions here. First, that we can not account for the occurrence of susceptibility to the lunacy of widespread acceptance of “information theory,” as a mass phenomenon, except as we are able to show that this phenomenon is rooted in a deeply embedded propensity within our civilization, as that civilization has existed and developed up to the present time. Second, that this propensity is nonetheless alien to the axiomatic nature of the human species, and is therefore, axiomatically, implicitly, a curable sort of alien infection. Those two considerations are, therefore, crucial for understanding and treating the mental mass-aberration which Al Gore’s ideology, as correctly defined by his admirer Bill Joy, reflects.

The alien infection in question, is best identified, summarily, as the legacy of oligarchical forms of society, those various forms of society which, like U.S. Supreme Court Justice Scalia, are on record as implacably antagonistic to the republican principles of the opening paragraphs of the 1776 U.S. Declaration of Independence and the Preamble of the 1789 U.S. Federal Constitution. Those currently imperilled, republican principles, appeared in the history of European civilization, as the Greek Classical principle associated with Plato, and Solon of Athens before him. It is the same principle, that each and all members of mankind, are made equally in the image of what Plato, in his *Timaeus*, identifies as both the *Composer* and continuing efficient principle and personality of this universe. It was the renaissance of the Mosaic tradition of *Genesis* 1:26-31, as expressed by the world-evangelical mission of the Apostles Peter, John, and Paul, and, the writings of John and Paul in the Platonic, Classical-Greek literate form, from which today’s best features, of that legacy of modern, post-Roman Empire civilization, have arisen, out of a millennia-long, perilous gestation.

So, Paul’s *I Corinthians* 13, is the most typical expression of the Christian recognition of Plato’s principle of *agapē*, rather than any formal, and therefore intrinsically hypocritical “rule of law.” It is, as Paul writes, the only universal principle upon which a true morality may be premised. It has been the persistence of that Christian use of the Platonic principle of Classical Greece, upon which the long struggle for the emergence and survival of our U.S. constitutional form of republican form of government, has depended absolutely.¹⁵

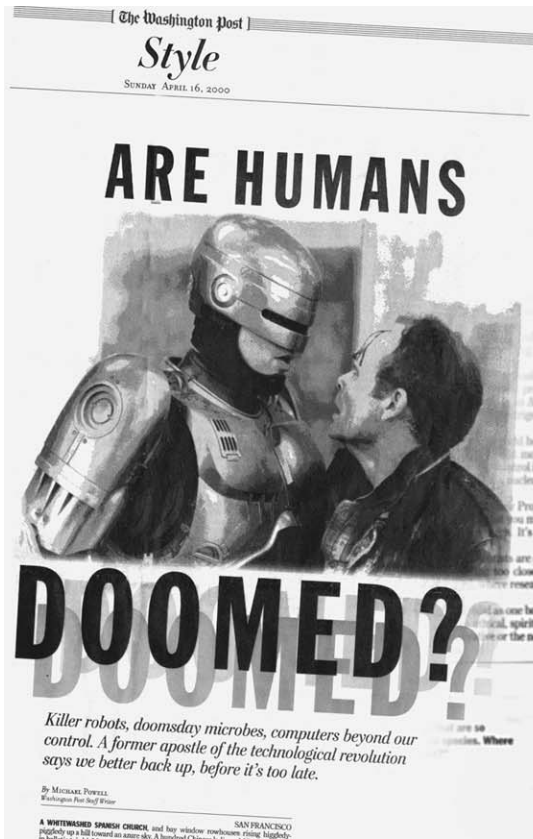
15. This refers to the universal principles expressed by the opening paragraphs of the Declaration of Independence and Preamble of the Constitution, which are the principles upon which the proper application of the remainder of the Constitution depends absolutely. The other features of the Constitution are morally inferior in authority, to those principles reflected in the Preamble. The general welfare clause, is the most concentrated expression of that principle. Notably, the best sermon on the subject of *agapē*, is that, Paul’s, set musically as the conclusion of Johannes Brahms’ *Four Serious Songs* (Op.

It is the persistence of forms of government and lawful practice contrary to republican principles, as expressed by the excessive power of corrupt Wall Street and pro-Confederacy elements within the U.S. political system, and also within the United Kingdom and the states of continental Europe, which has harbored the persistence of those anti-republican impulses, and, often, not only openly, but rabidly anti-Christian hostility to the republican’s *agapic* notion of man expressed by the opening paragraphs of our 1776 Declaration of Independence, man as a species set apart from and above the beasts. It is the specifically anti-Christian, pro-paganist impulse of creatures such as Friedrich Nietzsche, Sigmund Freud, Bertrand Russell, Rudolf Carnap, et al., which implicitly colors the positivist delusions of not only the paganist British royal consort Prince Philip and his son, Prince of Wales Prince Charles, but also Vice-President Gore and his co-thinkers, as *Earth in the Balance* and Bill Joy’s argument attest to that fact.

Examine the phenomenon of oligarchical tendencies from this vantage-point.

That form of society known to history as “the oligarchical model,” is premised, implicitly, on the practiced assumption, that the mass of human beings was fated to live as human cattle, herded, selectively bred, used, and culled, as a farmer might herd, breed, use, and cull cows, sheep, goats, chickens, and pigs, or the way in which British oligarchs, and picaresque, Anglophile, Wall Street fools, used to breed with Hollywood or other professional actresses of certain attributes

121). My preferred hearings of this, include the recorded performances by Marion Anderson, Gertrude Pitzinger, and that which Dietrich Fischer-Dieskau made early in his career, that after an earlier, historic occasion, on which he was coached in that composition by the incomparable conductor Wilhelm Furtwängler. Notably, I reacted to Fischer-Dieskau’s treatment of the Brahms’ most crucial, metaphorical transition in that work, “*diese drei . . . aber die Liebe*,” exactly as I had reacted, a few years earlier, in 1946, to my first hearing of the method of “performing between the notes” of Furtwängler’s conducting. It was therefore also stunning, and delightful, to learn, decades later, of the evening session of Fischer-Dieskau with Furtwängler. Such seeming subtleties of distinction among qualities of performances, pertain to evoking the cognitive processes of the individual mind in great Classical music, poetry, drama, sculpture, and painting—and also scientific education. It is touching, and provoking of those cognitive powers, in such ways, which is indispensable for helping the audience to locate an inward sense of human nature, as made in the image of the Creator. Such is the distinction which sets Classical science and artistic composition absolutely apart from, and above mere entertainments. That is the difference between Furtwängler’s performing the music, and those inferior musicians, who merely interpret and perform the notes, or who degrade even great musical art into mere exercises in Romantic “interpretative” sensuality. Furtwängler’s incomparable mastery of Brahms’ successor to Beethoven’s Seventh Symphony, Brahms’ own Fourth, is a notable example of this universal principle of composition and performance. It is the quality of cognitive excitement, of a cognitive sense of beauty—as Classical poet John Keats links truth and beauty—demanded by the great Christian hymn with which Brahms’ Opus 121 concludes. There lies the quality of state of mind which permeates the principled features of our Declaration of Independence, and the Preamble of our Constitution.



human (huy-man) *adj.* 1. of, belonging to, or typical of the extant species *Homo sapiens* 2. what consists of or was produced by *Homo sapiens* <human society> 3. an extinct biped, *Homo sapiens*, characterized by carbon-based anatomy; also, HUMAN BEING.

Why the Future Doesn't Need Us
By Bill Joy

A modern Faust, Bill Joy gets big play in Wired magazine and the Washington Post. "Like Lot's wife," writes LaRouche, Joy "prefers to remain a pillar of his community: the presently reigning degeneration of today's logical positivist's financial community."

designated as eugenic. The determination of the fate of such human cattle, was left, conventionally, to the ministrations of either the relevant oligarchy itself, or to the mass of lackeys — such as today's breed of HMO-controlling and kindred, all-too-typical chief executive officers — who performed such and related functions for that oligarchy. Such had been the genocidal habits of that ancient priest-caste, which ruled and ruined Mesopotamia, from the founding of the Dravidian maritime colony of the "black-headed people," known in today's textbooks as Sumer, or Sumeria, until the conquest of the Achaemenid ("Persian") Empire by Alexander the Great, on the plain of Gaugamela.

That Mesopotamian form, was not the only oligarchical model existing during that period. The Moloch-worshippers of Tyre, for example, were a rival, and sometime partner of Mesopotamia in such practices. However, it was the Babylonian model, which the Christian and certain Jewish currents denounced as the Rome of the Caesars, as the so-called "new Babylon" or "Whore of Babylon." Those epithets referenced the Babylon known and hated from tortured centuries of Jewish captivity, which was still the dominant foe, now known as Rome, to be faced at the dawn of that now globally extended European civilization, a civilization whose roots were to be found in the legacy of ancient Classical Greece. Inside Classical Greece, the influence of the obscene Mesopotamian religious beliefs, had been felt in such forms as the

Phrygian cult of Cybele-Dionysus, and the closely related, Delphi cult of the Pythian Apollo.¹⁶ To go directly to the crucial fact to be considered here, this is the Delphi cult, as typified by the Lycurgan law of Sparta, which had been the principal enemy of Classical Greek civilization inside Greece itself, which created pagan Rome and its quasi-Sparta culture, a role played according to a doctrine congruent with

16. The Apollo cult was superimposed on the pre-existing form of the cult at the same location, the cult of Gaea and her consort, the serpent-god Python, the latter also known as Dionysus, cognate of the Semitic Satan. The original form of the cult, like that of the related Phrygian cult of Cybele-Dionysus, was probably Dravidian, at least proximately, and spread into Crete and the Peloponnesus from Mesopotamian, Canaanite, and other relevant channels of transmission. In the course of time, this cult had assimilated, syncretically, the Olympus cult, the latter, according to Egyptian sources, and also the Sicilian chronicler of Roman times, Diodorus Siculus, of Atlantic maritime origins. The figure of Apollo is, principally, of Asian origin. Hence, the oracle at Delphi was named Pythia, after the Satan-figure Python, a priestess whose casting of balls and babble was interpreted by a collection of "spin doctors," known as the priests of Apollo. Notably, Plutarch, from Roman times, was a leading representative of the Apollo priesthood. Plutarch's *Lives*, which typifies the cult's world-outlook and method, has contributed much to the corruption of modern academic and related, sophists' methods of historiography, confusing minds, thus, Pythian style, to the present day. Whatever else might be uncertain, or debatable respecting certain details of this cult's history, the essential fact remains, that its axiomatic characteristics, and influence upon Greek Hellenistic and Roman culture, are clearly defined historically, and not in doubt for our practical uses here.

the Babylonian and Canaanite principle, that in the Delphi cult's own image.

There, from those origins, in the subjugation of the higher level of civilization, by the relatively, morally and intellectually, degenerate Roman culture, we must trace the history leading into the shared logical-positivist delusion of Norbert Wiener, John von Neumann, Walter Pitts, and Marvin Minsky, and also of Bill Joy and Theodore Kaczynski. So, the historian must trace the highlights of the evolving struggle, of republicanism versus the oligarchical model, since Solon's reform at Athens, and since the subsequent revolt of the Ionian city-states against that renewed Babylon, which had been brought forth in the guise of the Achaemenid Empire.

In today's schools, even if a semblance of history is rarely taught in those classrooms, the usually purported source of explanations for anything which happened in history, at any time, or in any place, is still the English and British empiricists' dogma of immutable "human nature." Usually, especially in today's English-speaking classrooms, that is the traditional, modern British definition of human nature, pretty much as Thomas Hobbes, John Locke, Bernard Mandeville, David Hume, Adam Smith, Jeremy Bentham, and John Stuart Mill, described it, and, as the doctrine of Kurt Lewin is taught

in the form of the rabid irrationalism of the "sensitivity" cults, in ever more U.S. classrooms today.

In reality, contrary to such simple-minded explanations as those popularized, statistical notions of the empiricists, the most important distinction among cultures and leading currents within cultures, is to be found in the differences among the ways in which each of these defines what it identifies as "human nature." In the sweep of the rise of globally extended European civilization, since ancient Greece, the differences among working definitions of human nature, fall into two general classes, several sub-classes, and, finally, specific types within the bounds of classes and sub-classes. The most important subject-matter of such historiographical studies, is located in the transitions which move a society from one such type, or class of axiomatic definition, to another. The evolution of the conception of human nature within ancient Greece itself, as shown by tracing this evolution from the Homeric epics to Plato, is the most crucial example of those processes of change—e.g., transitions—which bring the underlying principles of history-making—e.g., epistemology and statecraft—into focus.

The modern radical positivist's perverse definition of human nature, is a case in point.

The Unabomber speaks, and Silicon Valley listens

In his Wired magazine article, Bill Joy referenced the following citation from the Unabomber Manifesto, which appeared in Ray Kurzweil's book The Age of Spiritual Machines. While condemning Ted Kaczynski's terrorist acts, Joy wholeheartedly endorsed the section of the Manifesto published below.

First let us postulate that the computer scientists succeed in developing intelligent machines that can do all things better than human beings can do them. In that case presumably all work will be done by vast, highly organized systems of machines and no human effort will be necessary. Either of two cases might occur. The machines might be permitted to make all of their own decisions without human oversight, or else human control over the machines might be retained. If the machines are permitted to make all their own decisions, we can't make any conjectures as to the results, because it is impossible to guess how such machines might behave. . . .

On the other hand, it is possible that human control over the machines may be retained. In that case the average

man may have control over certain private machines of his own, such as his car or his personal computer, but control over large systems of machines will be in the hands of a tiny elite—just as it is today, but with two differences. Due to improved techniques the elite will have greater control over the masses; and because human work will no longer be necessary the masses will be superfluous, a useless burden on the system. If the elite is ruthless they may simply decide to exterminate the mass of humanity. If they are humane they may use propaganda or other psychological or biological techniques to reduce the birth rate until the mass of humanity becomes extinct, leaving the world to the elite. Or, if the elite consists of soft-hearted liberals, they may decide to play the role of good shepherds to the rest of the human race. They will see to it that everyone's physical needs are satisfied, that all children are raised under psychologically hygienic conditions, that everyone has a wholesome hobby to keep him busy, and that anyone who may become dissatisfied undergoes "treatment" to cure his "problem." Of course, life will be so purposeless that people will have to be biologically or psychologically engineered either to remove their need for the power process or make them "sublimate" their drive for power into some harmless hobby. These engineered human beings may be happy in such a society, but they will most certainly not be free. They will have been reduced to the status of domestic animals.

The general classifications to be considered are, essentially, a division between those who insist, as Mandeville and Adam Smith did, that man's nature, or some men's nature, is that of merely another beast, as opposed to that of the Christians, and others, who define man as, by nature, of a higher order than any and all of the beasts. Hence, the Mesopotamian polymorphic, pro-beastial images of their pagan deities, for example, tell us much which is most essential—and essentially disgusting—about that culture. Hence, those who, like unreconstructed relics of the Confederacy, argue that “black” persons of African origins are an inferior species of beast-men, are intrinsically immoral believers in the bestial nature of man, themselves included. Similarly, those of the sub-class who argue that man is evil in nature, as some pseudo-Christian cultists (e.g., gnostics¹⁷) do, are therefore to be promptly recognized as members of the axiomatically bestial category.

Thus, for example, today's cult of logical positivists, such as the utopians who think like Kaczynski, Bill Joy, and Gore, who assert a belief in the “artificial intelligence” implicit in the teachings of Norbert Wiener and John von Neumann, are representatives of a type belonging to a sub-class of the bestialists. That sub-class includes the empiricists, Cartesians, and Kantians, among which the logical positivists representing a type located genetically, under a sub-class of empiricist followers of the Venetian, avowedly neo-Ockhamite, ideologues Paolo Sarpi and Antonio Conti.¹⁸

17. Typical are the Bogomils, otherwise known as Cathars, or, in vulgar English usage, “buggers” (a corruption of “Bulgarian,” signifying the putative geographic place of origin of the cult). This variant of Manicheanism, was spread from Byzantium, and through the influence of Venice, into such notable locations as northern Italy and up the valleys of the Rhône and into the Languedoc region of France. This was, sociologically, the introduction of a merchant-financier-oligarchical elitist cult of the supposed Elect, to these regions, under which the “elect” were identified as those who had been made wealthy and powerful through an irrational “invisible hand” of the deity. (Which sort of deity this might be, was left obscure, perhaps for the sake of the readers' comfort.) Their belief included the specification, that mankind is intrinsically evil, and that the propagation of new human individuals, through the relevant means of heterosexual union, by the most successful members of the cult, the Elect, would therefore be a monstrously evil act. The invention of the condom, named for the city bearing that name, was among the results. The doctrines of “free trade,” of Bernard Mandeville, and Lady Margaret Thatcher's Mont Pelerin Society, Adam Smith, and Jeremy Bentham, among others, like the Physiocratic irrationalism of François Quesnay's doctrine of *laissez-faire*, are derived, in significant degree, from this Bogomil tradition's religious influence, as spread, chiefly, from French-speaking cultures, through feudal-Norman and other then-contemporary and later channels of transmission.

18. Servite monk, avowed follower of William of Ockham, and virtually both an Apollo priest and Babylonian magician in spirit, Paolo Sarpi (1552-1623) was, from 1582 on, the leader of the dominant faction of the Venetian financier oligarchy, and, among other wicked roles, the controlling hand behind the reign of England's James I, notably including such specific assets of Sarpi as Francis Bacon and Thomas Hobbes. Paris-based Venetian, and modern magician, Abbot Antonio Conti (1677-1749) emerged as the controller of a Europe-wide network, which controlled such agents as France's Voltaire, England's Dr. Samuel Clarke, and the anti-Leibniz, anti-Bach, Romantic circles of musical-sausage-string-maker Rameau in France, and

Such classifications are indispensable, but not necessarily simple. For example, a form of serfdom is typical of ancient Mesopotamian cultures, in the form of what modern specialists have termed “bow tenure.” The farmer held a plot of land under conditions which included rules like French *corvée*, and the obligation to deliver himself and his weapons to military service of the rulers. Elements of financier oligarchy are typical of ancient Mesopotamian and Hittite culture, as exemplified by two-layered baked clay cuneiform tablets exhumed from ancient sites within the former Hittite cities. State and theocratic forms of bureaucratic oligarchy, as castes, are typical of early Mesopotamia, and continued as the control of the magicians, a pagan priestcraft which maintained the continuity of Mesopotamian imperialism from Babylon through the Achaemenid rule. Or, to make a related point, there are presently no true republics, comparable to the U.S. constitutional form, existing in Europe today; what are called governments there, are democratic reforms in the role and practice of the form of parliamentary institutions which had developed under feudalism.

However, when we examine such apparent anomalies from the standpoint of a functional view of historical processes of development, the classifications themselves become more or less clear, and are also clearly necessary. For example, the increase of tax-farming practices in Mesopotamia, was a recurring cause for the collapse of civilization there. The increase of the intensity of the looting by the regime and tax farmers, resulted in the bankruptcy of the fragile, irrigation-based agricultural system of that culture, and the recurring tendency to replace bow-tenure landholding by hired labor, and then by slaves. The collapse of the agricultural system, under such conditions, was a recurring pattern, to as recently as the collapse of the Baghdad Caliphate into moral, intellectual, and economic degeneracy, under the impact of combined tax-farming usury and an increasing power assumed by the Turkish enforcers employed by the tax-farmers. A journey up the Euphrates, during April 1975, presented me with vivid, indelible eyewitness evidence of just such a process of ruin of what had been, formerly, the relatively more prosperous region of the great Baghdad Caliphate of

Maupertuis, Algarotti, and Leonhard Euler in Berlin. Conti's network produced the Giammaria Ortes, whose London-published (1790) work, *Reflections on the Population of Nations in Respect to National Economy*, was plagiarized by the Haileybury School's Rev. Thomas Malthus, for Malthus' infamous Gingrich-Gore-style, 1798 tract on welfare reform, *An Essay on Population* (See Al Gore, *Earth in the Balance*). Adolf Hitler's “useless eaters” policies of the 1930s, are a direct echo of the doctrines of Giovanni Botero (*Della ragion di stato*, 1588), Ortes, and Malthus. Immanuel Kant and his philosophy are direct outgrowths of this same network of salons. Kant was, until his break with David Hume, a faithful leading exponent of Hume's empiricism in Germany. The Kant of his *Critiques* shifted his role from bare empiricism, to a neo-Aristotelean regurgitation of pagan Roman precedents, thus founding the German Romantic school of so-called Critical Philosophy and law, which is associated with such Kant successors as Johann Fichte, G.W.F. Hegel, and Savigny.

Charlemagne's contemporary and ally Haroun al-Rashid.

I have referred frequently, in earlier published locations, to the significance of Raphael Sanzio's painting of *The School of Athens*. If we understand, as Leonardo da Vinci and Raphael did, the significance of the fact, that all validated physical and artistic principles, are verified products of the individual's sovereign powers of cognition, or what are strictly defined as Platonic ideas, all of the most precious contributions of ideas from other cultures and earlier generations, are to be relived by us, as experienced discoveries of principle. So, persons from many different generations are assembled together in Raphael's painting, as if in the dimension of a simultaneity of temporal eternity, exchanging there the cognitive experience of both the concurrent and opposing ideas associated with each. Similarly, nations and cultures are linked together in sequences as if across time, as if in a simultaneity of temporal eternity, in which a notion of efficient sequence, including reversible sequences among elements, persists, but not the simplistic, linear notion of time, as simpletons associate that with mere sense-perception.¹⁹

Real history is so ordered. The order is not always determined sequentially by valid ideas, but also, often, by the intervention of bad ones. Thus, in the realm of ideas, we have those notions of the orderings of social relations within and among otherwise distinct social formations and sub-formations. So, like notions of universal physical principle (false or valid), so cultural formations and sub-formations exert their impact across generations, and across otherwise distinct cultures. To understand a society, is to recognize this kind of multiple-connectedness of sundry classes of ideas: ideas corresponding to physical principles, valid or false, ideas corresponding to artistic principles, valid or false, and ideas corresponding to social formations and sub-formations, similarly. These are not to be read as if they were mere dots on the screen of sense-perception, but as functionally ideas, ideas in the sense of the paradoxes and their solutions appearing in Plato's

19. For example, as I have repeatedly stressed in locations published earlier, there are circumstances in which the notion of the reversal of the sequence of time, is not merely a meaningful, but a necessary conception. I have referred to a crucial feature of my own original discoveries in the science of physical economy, which occurred prior to 1952, over the period 1948-1951. However, those discoveries left me with certain unresolved paradoxes, which I resolved by re-creating, within my own mind, the cognitive mind-set represented by Bernhard Riemann's 1854 habilitation dissertation. Thus, Riemann's thus revived mind-set, applied to my pre-1952 discoveries, produced a discovery which had occurred in no other way than as if Riemann had made that discovery as a living person, but, by his acting upon my own sequentially preceding discoveries, which had been made nearly ninety years after his death. Hence, the result is named, the LaRouche-Riemann Method in physical economy. In an important sense, if one studies the record of Carl Gauss's work to this effect, Gauss used Kepler's mind-set to solve the problem of the orbit of the asteroid Ceres. That sort of anomaly is much more commonplace in history than most laymen would suspect. The qualification is, that such time-reversals occur, as knowable phenomena, not as objects of simple sense-certainty, but only within the domain of cognition (the domain which Kant denied to exist), not in the domain of deductive and related mere learning.

Socratic dialogues. These are ideas which can be judged, competently, only from the standpoint of an intrinsically non-linear form of comprehension, as ideas whose efficient expression lies behind and above the realm of mere sense-certainty.²⁰ The relations among such ideas, are historical and functional in their determination, a reflection of a sequence of ebbs and flows in the development of, and relations among cultures. The most essential of all such cultural and scientific ideas, are those pertaining to the definition of human nature.

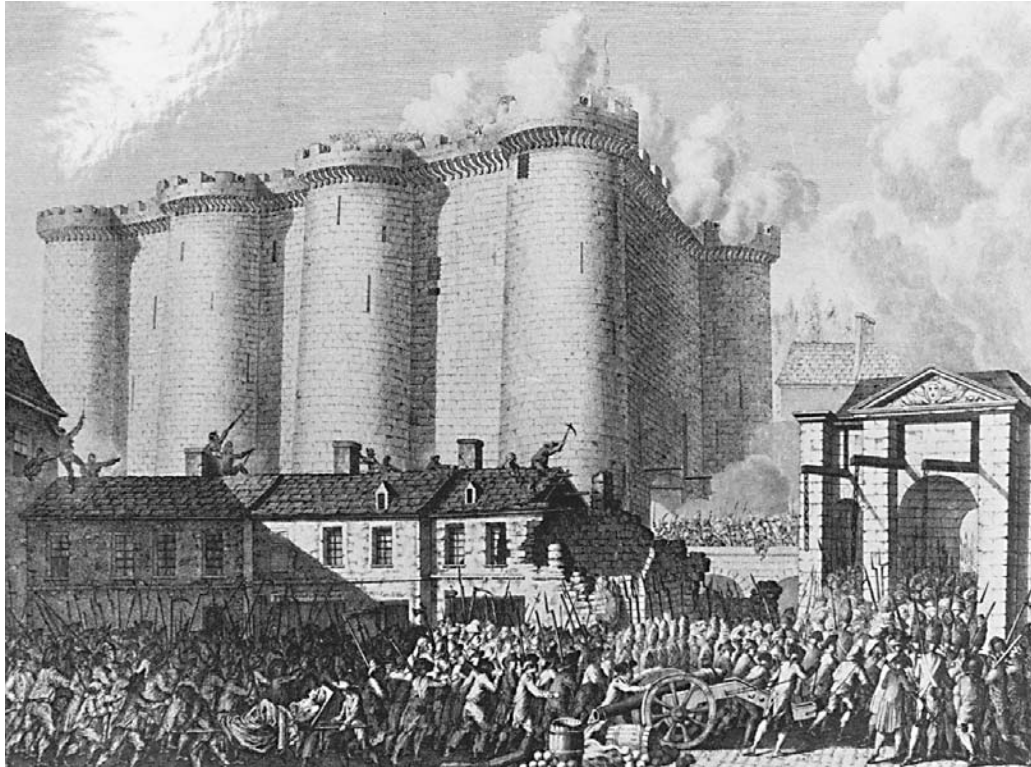
Those precautions taken into account, the analysis of notions of statecraft bearing upon the nature of man can, and must be reduced to a meaningful array of the kinds of classifications and types to which I have referred here. The history of the problem leading into the emergence of the articulated notion of human nature embedded in our Declaration of Independence and the Preamble of our Constitution, is rendered most readily comprehensible by, first, defining a few crucial benchmarks of the recent five thousand years of the emergence of what became globally extended European civilization.

So, turn your attention now to the roots of what became European civilization, as presented in Egypt of the middle of the third millennium before the birth of Christ. The main current of cultural progress, is found in the culture associated, then, with the great pyramid-builders of Egypt. According to Egyptian sources, the roots of what became European civilization, are to be found, as typified in the relationship between Egypt and the city of Athens, Greece, as the ancient quality of that connection is corroborated by the role of an Egyptian goddess-figure, as Athena, in the Greek pantheon. The recurring roles of Athena in the Homeric epics, and the related importance of the figure of Prometheus, are the guiding stars for mapping the emergence of the Classical Greece of Solon, the great Classical tragedians, the Greek Classical revolution in sculpture, and the emergence of the central idea of European civilization, in the figure of Plato's Socrates, and in the Platonic tradition of the Athens Academy, that through the Hellenistic time of Eratosthenes.

So, in the span of Egypt's reciprocal relationship to the rise of the culture of Classical Greece, including the figure of Moses, until the time of Eratosthenes, are located the principal among the ancient roots of the Classical legacy, as embedded within globally extended, modern European civilization still today. That is the needed, pivotal benchmark, for mapping the subsequent development of what became European civilization.

What we witness, in tracing the Homeric legacy through the prism of the succession of Solon's reform, the great tragedians, and Plato's work, is essentially an emerging new conception of man, with increasing emphasis upon those processes of cognition, by means of which Platonic ideas are

20. Cf. LaRouche, op. cit. passim.



Vox populi in Paris: the storming of the Bastille by Jacobin mobs, July 14, 1789.

willfully generated and validated.²¹ We have the transition from a view of man as virtual cattle of the Olympian gods, through the emerging view of man, as the latter is typified by the figure of Ulysses, often befriended by Athena, freeing himself from the evil tyranny of the Olympian oligarchy, man allied with Prometheus in this struggle for his liberation as mankind, as a creature of cognitive reason, as the great Classical tragedians portray this, especially Aeschylus' *Prometheus Bound*. We see the notion of cognitive man, as portrayed by Classical Greek sculpture, its emergence from the death-like bondage of Archaic forms of Egyptian and Greek sculpture. We see the notion of cognitive man liberated, as if from Aristotelean shackles of the mind, in the Socratic dialogues of Plato.

Then, as Rome subdued Italy, at the close of the third century before Christ, and moved outward to subjugate Greece and to loot and ruin the Hellenistic culture of the eastern Mediterranean, as Venice did later, all of civilization was plunged, by the Romans' quasi-Spartan predator culture, far below the level of culture achieved under Greek and Hellenistic civilization earlier. It was through the emergence of Christ and the Apostles, upon the platform of the body of Greek-speaking, Hellenistic culture of the eastern Mediterranean, that the Mosaic notion of man expressed in *Genesis 1*, expressed afresh, as by the Apostles John and Paul, in the

21. e.g., Lyndon H. LaRouche, Jr., "The Becoming Death of Systems Analysis," *passim*, *EIR*, March 31, 2000.

language of Platonic ideas, became, as Christianity, a universal, anti-oligarchical notion of the essential nature of mankind. Thus, there appeared the notion of a *universality* of human nature, as a being endowed with qualities of the Creator, a notion which had never existed in earlier known cultures. Thus, against the background of the Mosaic legacy, the Christian Apostles appeared, bearing thus the image of the perfected Jew of that Mosaic legacy of *Genesis 1*. On this account, both Jews—especially Jews in the tradition of Moses Mendelssohn and the Yiddish Renaissance—and Christians, have been hated by such modern pagans as Nietzsche and his Nazi followers.

The self-destruction inhering in the Roman culture of its so-called republic and the Empire, an axiomatically predatory culture, was expressed by the notions and practices of *vox populi*, as by the philosophical populism of Kant, the Jacobin Terror, Savigny, et al. This meant, that the Roman oligarchical system, with its specific form of oligarchical misconception of human nature, stretching the limits of its conquests and looting, must then turn its predators' cultural instinct inward, cannibalistically, upon the body of the realm it had subjugated, even upon itself. The worst such effects were concentrated, initially, in the western part of the Empire, while the surviving residue of the relatively superior, Greek-Hellenistic culture of the eastern portion, came to represent, clearly, the relatively more viable, more populous region.

Hence we had the division of the Empire by Diocletian, an echo of the time of Aristotle's mentor, the Athenian rhetori-

Vox populi in New York City: draft riots against President Lincoln's conscription of soldiers to fight in the Union Army, July 13-16, 1863.



cian Isocrates, who proposed division of the world between a western and eastern part, both predicates of a common, Babylonian, oligarchical model. Diocletian's division, which separates Croatia from Serbia to the present day, appeared as a parody of that oligarchical scheme of the circles of Isocrates, Aristotle, et al., which had been foiled, for nearly two centuries, by the victory of Aristotle's enemy, Alexander, on the plain of Gaugamela. Europe was subjected, thus, to Diocletian's Code, and, its implied sequel, the emergence of Constantinople as the new, similarly pre-doomed, capital of the self-depleted Empire as a whole.²²

Unless an appropriate quality of revolutionary change, might be introduced into the social system there, the continuation of the Roman Empire, in this eastern form, had, of necessity, the same ultimate outcome as the collapse of Rome in the west. Thus are all oligarchical cultures ultimately self-doomed ones. The more predatory they are, the more certain their self-inflicted doom, a doom like that of the Olympian tyranny, as the tragedy of the false god, and oligarchical tyrant Zeus, is implied, in Aeschylus' *Prometheus Bound*.

Thus, the conflict between Christianity and the pagan

legacies of Babylon, Delphi, and Rome, as these latter were embodied implicitly in the social and related prescriptions of Diocletian's oligarchical code, became a co-determining feature of the subsequent course of extended European civilization, from the time of Augustus and Tiberius Caesar, through the hegemony of modern financier oligarchies of the contemporary British type, until the present day.

Since the decline and fall of the Roman Empire, the germ of the same oligarchical culture, of Babylon, Tyre, Delphi, and Rome, has continued its existence within extended European civilization in chiefly two forms: the form of oligarchical society associated with European feudalism based upon the social institution of serfdom and landed aristocracy, and, a successor form, that of the Venice model of financier-oligarchical rule, the latter typified today by both the British financier oligarchy and its Wall Street BAC partner.²³ The social base for this BAC faction's power inside the U.S.A., has been the Anglophilic alliance between Wall Street and the traditions of the Confederacy. The dominant cultural current of both of these two successors (European feudalism and financier-oligarchical rule), has always been the tradition of pagan Rome, or, what is otherwise identified

22. This use of "similarly pre-doomed," must take into account the efforts of Plethon (George Gemistos) to induce the Paleologues to correct this specific flaw in the policies of Byzantium. The same intent was affirmed by the circles of Plethon, Nicholas of Cusa, et al., associated with the organizing of the great ecumenical Council of Florence. It was the fall of Constantinople, organized by the Venice which opposed the resolutions of that latter Council, which impelled Cusa and his immediate associates, to organize the voyages of rediscovery of lands and populations on the backside of the Ottoman Empire, in the Indian Ocean and across the Atlantic. I.e., Christopher Columbus' rediscovery of America was based on Columbus' receipt of a map from, and correspondence with Cusa's associates, notably the greatest geometer of that time, Paolo dal Pozzo Toscanelli.

23. Over the period since the assassination of President McKinley, there emerged a secret-intelligence partnership among Wall Street, London, and British Canada, which became known as the British-American-Canadian (BAC) factor, subverting the U.S. government through Wall Street financial houses and their associated law firms. Within the World War II O.S.S., for example, BAC became most closely identified with a faction centered in wartime London operations and the role of Allen Dulles in Switzerland. The untimely death of President Franklin Roosevelt enabled the BAC elements of Wall Street and its assets in the State and Justice Departments of the Federal government, to exert a most aggressive and growing influence over the policies and intelligence and, more significantly, military arms of assassination capabilities nominally controlled by the U.S.A.



"The Death of Archimedes," by Courtois Pinxit. "In the sweep of European civilization since approximately the date of the Roman murder of Archimedes, the essential conflict within European civilization as a whole, has always been the conflict between the Greek Classical and the Romantic cultural legacies."

as Romanticism. That axiomatic, Romantic misconception of human nature, remains essentially constant, although attached postulates may differ in either type or degree.

In the sweep of European civilization since approximately the date of the Roman murder of Archimedes, the essential conflict within European civilization as a whole, has always been the conflict between the Greek Classical and the Romantic cultural legacies. Since the time of the Roman Emperors Augustus and Tiberius, the principal expression of the Classical Greek legacy within extended European civilization, has been chiefly the legacy of Christ and His Apostles, the teachings of John and Paul most emphatically.²⁴

The essential issue of this conflict within extended European civilization, has always been the conflict between the republican conception of the universality of human nature, and the opposing, oligarchical notion of man in terms of variously real or merely imagined relations between human beasts and their rulership of those designated as human cattle, such as the constitutional class, called in Latin *populari* (the Latin term for predators), of ancient pagan Rome. Such is the oligarch's notion of what he perversely names, hypocritically, "democracy," called rule by support from *vox populi*:

24. Otherwise, Jewish currents, such as those of Philo of Alexandria, and Islamic currents, such as that of the great period of the Baghdad Caliphate, have been integral to the unfolding of the Christian Classical-cultural legacy.

the voice of the dumbed-down, blood-maddened *populari* in the seats of popular mass entertainment's original and emulated Colosseum and Circus Maximus, then and now.

In the circumstances defined by this continuing conflict, since the long period (1513-1648) dominated by the religious warfare which financier-oligarchical Venice unleashed against the Fifteenth-Century Golden Renaissance, the effort to establish the form of nation-state expressed by our Declaration of Independence and the Preamble of our Constitution, has made the success of that American Revolution what was sometimes rightly viewed as the temple of liberty and beacon of hope for all mankind—at times when Wall Street and the unrepentant scions of the Confederacy's tradition were not in the saddle of government.

Thus, the various efforts by the Venetian model of financier-oligarchical rule, to either crush or subvert the United States, have been a pivotal feature of all modern history of the world

since, and the determining cause for the most deadly conflicts internal to our republic itself. Thus, the U.S. republic, conceived as a reflection of the Christian, anti-Romantic legacy of Classical Greece, is a creation of that legacy, which is European-wide. In its creation, as in the great work of our most heroic Presidents, George Washington and Abraham Lincoln, our republic has represented, during all its best times, as under war-time President Franklin Roosevelt, not a prospective world-empire, but a beacon of hope, around which other nations might be rallied, to constitute a community of perfectly sovereign nation-state republics, united in their cooperation by a common cause, by that republican legacy.

The presently chief internal enemy of that Lincoln and Franklin Roosevelt legacy, the Luddite form of oligarchical world-outlook expressed by decadent, neo-Luddite Vice-President Al Gore and the "cybernetics" mafia, is but one more instance of the legacy of subversion expressed by circles rooted in the institutions of Wall Street and John Locke's slaveholder/shareholder tradition. The collapse of the financial bubble, dooms Gore's own personal ambition, but, at the moment, the Republican candidate Bush put to one side, Gore's candidacy remains a model threat, both to the United States, and to civilization as a whole: the threat of a would-be Gore Presidency modelled in the image of such treasonous and kindred creatures as Aaron Burr, Albert Gallatin, Martin van Buren, Polk, Belmont, Pierce, Buchanan, Tilden, Cleve-

land, T. Roosevelt, Ku Klux Klan fanatic Woodrow Wilson, and Andrew Mellon. Apart from the putative alternative of current Republican pre-candidate Bush, the spread of the common, linear ideology of Mandeville (Mont Pelerin), Adam Smith, and the Luddites of the Cybernetics mafia, is to be understood efficiently in that same way, as but another variation on the same theme of evil.

Now, the recent three decades or so of developments in Europe and the Americas, have brought us to the brink of a situation akin to that which the Welf League's triumph of globalism brought Fourteenth-Century Europe, that threatened crash of the existing institutions of extended European civilization, into a protracted new dark age, or worse. As the "Information Economy" totters at the brink of something awful, that is the most urgent issue most immediately posed to us all.

Globalization in the name of "New Economy" could never exist except as an ultimately self-doomed Empire of Evil, whose presently, already imminent collapse, could doom us all, if we allowed that fad to be continued. I shall now indicate, summarily, why that is so.

Physical economy and cultures

The essential tragedy embedded in the character of any culture, which is based upon practicing an oligarchical conception of human nature upon the greater ration of its subjects, is that of a culture which is, in effect, oriented to relatively zero-technological growth in the mode of production practiced as the quality of employment assigned to the greater mass of the population, as chattel slavery was. As the legacy of ancient Sparta typifies the situation, because the ratio of the, predominantly, economically parasitical ruling oligarchy to its total population, has the inevitable, self-limiting effect, of promoting a stagnant average technological development of its broad population-base; Sparta, like ancient Rome, therefore, represents what it must ultimately show itself to be, a doomed and dying culture, even if that were not otherwise apparent, from superficial factors, from the very outset of its existence.

The Code of Diocletian expresses such a policy of self-doom, as law; just as the axiomatically characteristic features of the notions of Information Society express the same principle of a self-doomed, more or less frankly "Luddite" culture. The efficiency of this principle, is to be witnessed in the doom of Babylon, of ancient Rome, and of the "globalist," anti-nation-state form of the European feudal system.

This has also become the effect of the changes which emphasize so-called "shareholder value," in economic and social policy, in the U.S.A., and elsewhere, over the course of the recent thirty-five years. This has been, most emphatically, the case, since the 1971-72 establishment of a floating exchange-rate monetary system, as that was compounded by the barbarous and disastrous ideology and practice, which was introduced under David Rockefeller's and Zbigniew

Brzezinski's puppet government, the U.S. Carter Administration.²⁵

The crucial, underlying principle, is this. Any species of genetically fixed, or equivalent traits, has fixed potential relative population-density, and related demographic characteristics. This condition is imposed upon it by that very characteristic of itself; as being, axiomatically, a species delimited by a characteristically fixed range of behavior. All such sub-human species, whatever their differences otherwise, are implicitly, like Theodore Kaczynski and Al Gore, avowed Luddites in what passes for the equivalent of their political and cultural dispositions. The absolute size of that population of sub-human species, may be variable, and also the life-expectancies and other demographic features; but, those variable limits are determined, and thus bounded, by what may be loosely identified as the ecological conditions under which the species lives, including the effect of the activity of that population upon its ecological conditions of existence.

Thus, once mankind ceases to behave as a representative

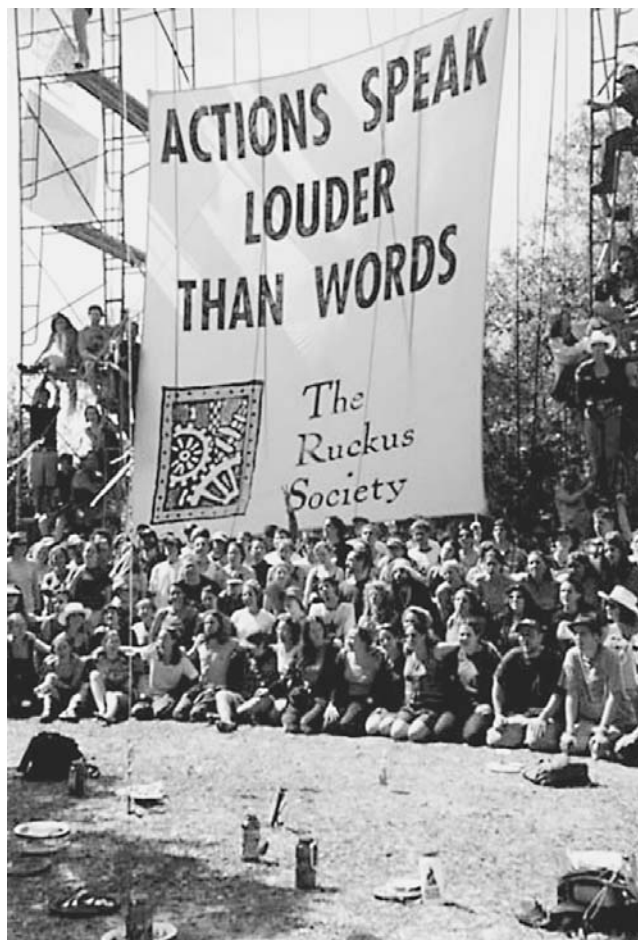
25. I do not overlook those features of Carter's own personality, which made him well suited to play that wicked part in service to his Trilateral Commission sponsors. The lingering curse of the Confederacy's legacy, including the descendants of that Lockean slaveholders' institution also among what had been the so-called "poor white" families, is a deeply embedded cultural disposition, merely typified by the Nashville Agrarian ideology of creatures such as Robert Penn Warren and William Yandell Elliot. The legacy of racism is all too obvious, but one can understand that racism adequately, only when one recognizes that it is but an epiphenomenon of an entire cultural matrix rooted in the whole tradition of the slaveholder system and its poor-white appendages. Such are tendencies which are reproduced within social strata, as well as circles of one's immediate extended family, over three to five generations, as I know intimately from a lively family-table tradition, traced to a great-great grandfather, the Whiggish Reverend Daniel Wood of Woodbury, Ohio, and formerly of the Carolinas, who was a somewhat celebrated figure of the anti-slavery cause in his own way, and a contemporary of Abraham Lincoln's generation. For one who knows the phenomenon, Presidential candidate Carter's celebrated interview with *Playboy*, hit the mark. In Carter, one could almost smell the relevant southern stratum's preference for "village" and backward forms of rural order, to the degree of crude forms of irrationalist, essentially childish hostility, against industrialized technological progress, an antagonism complemented by a corresponding, utopian pleasure in the destruction of the trappings of what is felt, almost instinctively, to be the Yankee world of science-driven, urban-centered technological progress. Such was the net result of the 1977-1981 Carter Administration. Such are the marks of a person preconditioned for the kind of destructive role Carter played. One could send Carter to Annapolis, but, as in the case of Senator Al Gore, Sr., that did not necessarily mean taking the shanty streak of chameleon-like smiles and pure meanness out of the child. Some children and youth struggle to grow out of such sordid relics of past generations; some prefer to remain, at bottom, "good old boys," and do not. The fact remains, that, as candidate and President, Carter was essentially a Trilateral's lackey, and certainly no prospect for the part of philosopher-king. Nonetheless, as in the recent drive to reduce the 2000 Presidential campaign, as quickly as was indecently possible, to nothing but a choice between candidates as disgusting as George W. Bush and Al Gore, the way in which the oligarchy chooses its lackeys, tells us more about the oligarchy itself, than the chosen lackeys selected for their part. Oligarchs tend to select Presidential and other leading candidates, and also CEOs, in the way the country squire selects a breed of cattle or dog.

of the human species, and, instead, behaves as a Luddite—as Theodore Kaczynski degenerated so, as Al Gore continues to avow his political commitment to policies in that direction, as if mankind were merely another higher ape—then, the serious trouble begins. *Once our species' population-levels exceed a mere few millions living individuals, the expansion of the human population of that society has reached a boundary-condition. When that boundary condition is reached, the human species could no longer live as it were just another animal; the species must then rise above animal ways, and begin to live as cognitive, technologically revolutionary man.* At whatever level, a society attempts to resume bestial ways, such as the culture of pagan Rome, it will then tend toward converging, as if asymptotically, upon values which are, more or less, its long-term, ecologically determined, upper limits. If it persists in that bestial way, it is threatened with the doom it deserves, the price of preferring a bestial notion of human nature, to that suited to relations among cognitive beings.

Such quasi-asymptotic convergence, is the most common cause of the appearance of either the virtual vanishing of cultures, or prolonged dark ages. The latter alternative is typified, by the effect of approximately a hundred years of the Venice-directed Welf League's efforts, to maintain a form of globalization, in opposition to the then-threatened emergence of the modern nation-state. The domination of western and central Europe by the Welf League, led, lawfully, into the new dark age of mid-Fourteenth-Century Europe. Such have been the implications of the determined ecological potentials available on this planet, during a period estimated to be about two millions years of regularly recurring ice-ages.

On this account, the distinguishing characteristic of the human species, as a species, is its richly demonstrated capacity to increase its potential relative population-density. This is accomplished by means not available to any other species, except through human intervention into the life of the members of such a species, as if from above.²⁶ Such increase is brought about through the processes of cognition which set the human species absolutely apart from, and above all other species, whether that increase occurs within the human species as such, or among the plants and animals into whose destiny mankind intervenes. That quality of change in ecological potential, expresses the specific quality of human nature. The governance of human practice by an implied motive consistent with that view of human nature, is the precondition for continued progress in the general welfare of our species as

26. Thus, Nicholas of Cusa writes of the cultivated animal's *participation* in man. In summary, his argument is, that as the beast may participate in human cognition only through a relationship to man, so, through cognition, man may participate in God. Through man, animals, such as pets, may reach to the kinds of improvements in their ecological and other potentials, which can be made possible only through the intervention of the cognitive powers unique to the human species. Hence, in contrast to wolves' reliance on "facial gestures," domesticated dogs raised to exhibit a developed good character, tend to be "talkative," in a dog's imitation of man's relation to it.



"Once mankind ceases to behave as a representative of the human species, and, instead, behaves as a Luddite . . . then, the serious trouble begins." Shown here: The Ruckus Society, one of the principal organizers of the radical ecologist demonstrations against the International Monetary Fund and World Trade Organization, in Seattle in December 1999 and in Washington in April 2000.

a whole.

The form in which this efficient principle of human nature is expressed, is most readily recognized as the capacity for mankind to generate and implement successive, validated revolutions in applied universal physical principles, and in the correlated development of what are to be recognized as Classical forms of universal principles of artistic composition, principles consistent with the Socratic method of defining truthfulness and justice. This is typified by the combination of scientific and technological progress, as recognized by French Minister Colbert, Leibniz, Benjamin Franklin, Alexander Hamilton, Mathew and Henry Carey, and President Abraham Lincoln. It means also the notions of Classical humanist education, which used to be the standard of excellence in our best schools and cultural activities, prior to the changes introduced to mass culture about thirty-five years ago.

As I have repeatedly elaborated the relevant argument, as in the referenced March 31, 2000 item, there are two means by which a civilization can sustain increases in potential relative population-density *indefinitely*. One is a continuing process of validated discoveries of new universal physical principles. The second, complementary, essential means, is progress in the development and application of universal principles as expressed in the form of methods of Classical artistic composition and performance. That includes the domains of poetry, music, drama, use of literate Classical forms of language, and those forms of plastic arts, in sculpture, painting, and architecture, which express and are governed by the cognitive principles expressed in the form of Platonic ideas. Classical art also includes the study of history, and of the principles of statecraft, from the vantage-point of the development of Classical practice in physical science and art generally.²⁷

By these willful means, mankind is enabled to increase man's power in and over the universe, per capita and per square kilometer of the Earth's surface-area. This occurs not only as application of technological advances in physical practice upon nature, but in changing nature itself to better meet the requirements for our increased potential relative population-density.

This, no oligarchical form of society can continue to do indefinitely; the reasons for this difference, are axiomatic. Thus, the very existence of such forms of society, such as those of ancient Mesopotamia, or ancient Rome, dooms themselves, and those unfortunate persons who live within them, just as the collapse of the Nasdaq will soon wreak sudden and appalling misery among a greater part of persons presently classed, or mistakenly self-esteeming, as among the upper twenty-percent of U.S. family income-brackets—as in Greenwich and Stamford, Connecticut, and in Loudoun County, Virginia.

To maintain an increasing potential relative population-density, requires a corresponding physical-economic development of the individual member of the entire population, and of the physical-economic and related practice of that population. This can not be accomplished if the mass of the population is being stupefied, as by the "bread and circuses" methods of manipulation of *vox populi*, by the Caesars, or by the changes in educational, economic, and mass-entertainment practices which have been introduced, over the course of the recent thirty-five years, here in the U.S.A.

In general, the present labor-force of the U.S. has, in the main, lost much of the intellectual development and physical skills which are indispensable, without which it is not possible to sustain the level of physical-economic standard of living an earlier generation was able to achieve, successfully, thirty years ago! The changes in education and economic policies, including the replacement of retiring teachers by those of

much poorer educational and moral qualifications, are important features of this downshift in the quality of the labor-force. The de-industrialization of the employment of the labor-force, a lowered standard of living among industrial employees, the willful, and also even criminal policies of looting our farmers, in the name of globalization and free trade, are also part of this.

The decrease of the percentile of the households representing the upper half of our nation's total family income, combined with a dependency on credit from abroad, as expressed by a soaring rate of national current account deficit, and by a sky-rocketing flow of credit into U.S. financial markets from foreign sources, expresses a collapse in the well-being and ability to survive, of the population as a whole. These losses are each and all, chiefly, a result of changes introduced, first, in the form of the rock-drug-sex counterculture, the floating exchange-rate monetary system, the rise of the irrationalist cult of what has become known as "ecologism," and the savage and lunatic wrecking of the U.S. economy under the Carter Administration.

The myth of "information society," is nothing other than a mass delusion, like the infamous tulip-mania and John Law-style financial bubbles of the past. The notion that "information technology" is "high technology," is the most pathetic of the expressions of exactly such a culturally, and economically suicidal mass-delusion. The mere acceptance of that term, is in itself proof of the precipitous quality of general intellectual decay among university graduates of the thirty-five-to-fifty-five age-range today.

Sum up that point this way. Imagine the results of the Wall Street, junk-bond takeover of a formerly productive, high-quality manufacturing firm, now renamed Blivets, Inc., whose new management had the firm's production of physical product reduced savagely, to become, instead, a reseller of slave-labor products imported from abroad, sending former manufacturing operatives out to make a living taking in one another's laundry, or in related forms of make-work employment in financial and personal services. Now, within the cannibalized firm's new administration, it has increased greatly the size of the accounting, bookkeeping, sales, and related clerical functions of administration, and increased greatly the sheer quantity of the number of administrative calculations made each day, by use of modern computers as accounting machines. This would then be called an "information economy." The use of such accounting machines, for such purposes, in such ways, might be called (using one's hand, in an act of discretion, to cover the sadistic smirk on one's lips) a new "high-tech industry," by means of which the old agricultural and industrial economy has been turned into a superseded relic of the past.

If you think Blivets, Inc. typifies the success of a new kind of economy, see a competent psychiatrist immediately, if you can still afford one (after the ongoing turns in the financial markets); but, make certain, that the putative psychiatrist's

27. op cit., passim.

personal financial management, does not show him to be one of those lunatics, who has joined in taking over the asylum, a lunatic spreading the very tulip-bubble style in mental illness, from whose effects you need, most urgently, to be liberated.

The crucial measurement to be made in any economy is centered around the following proposition: 1) what percentile of the total labor-force, is engaged in either a) applying new physical principles to increase mankind's per-capita power over nature, or b) generating the new physical principles and technologies being employed "at the point of production"? 2) What is the rate of net increase of physical output per capita and per square kilometer of the Earth's surface-area, as being expressed at the point of physical production of basic economic infrastructure, agriculture, and manufacturing? Those factors, situated within the context of the composition of the employment of the entire labor-force, and of the composition of the entire population, are the rule-of-thumb measure of physical-economic performance, to be employed. Do not confuse prices with physical reality; rather, assess the meaning of prices, by subjecting them to the standard of physical reality. Such is the point of view of sane men and women, the point of view from which the lunacy of "Information Economy" is to be assessed rightly by sane accountants.²⁸

The sovereign nation-state

Another way of stating the same point I have summarized immediately above, would be to say, that all of the economic and related societal models based upon oligarchical principles, are intrinsically *entropic* models. The risk in using that popularized language of reductionist mathematics, is that the commonplace classroom and related use of terms such as *entropy* and *negative entropy (negentropy)* today, carries the burden of certain, unfortunately popularized assumptions, which are not only inflammatory, but are about as scientific as the arguments presented by the prosecution at a typical Seventeenth-Century witch-burning.

While the term, entropy, has a meaningful, and useful place in study of mechanical systems, such as ordinary, mechanical gas-systems, it is clearly not a universal physical principle, and by the standard which was set by Bernhard Riemann for multiply-connected manifolds, has certainly never been experimentally validated by the kind of *unique* experiment which is required for the adoption of any newly proposed universal physical principle.²⁹

The notion of entropy, as this has been proposed by Clausius, Grassmann, et al., is derived mathematically from the application of mechanical axiomatic assumptions, derived from reliance, *a priori*, on an Ockhamite misconception of

28. *ibid.*

29. Bernhard Riemann, *Über die Hypothesen, welche der Geometrie zu Grunde liegen* (1854), *Riemanns Gesammelte Mathematische Werke*, H. Weber, editor (New York: Dover Publications reprint edition, 1953). Various English translations are extant.

Euclidean geometry, for supplying the mathematical interpretation of physical systems.³⁰ The popularized presumption, that thermodynamical entropy is a *universal* physical principle, as Clausius was first to suggest, and as Ludwig Boltzmann supplied a more refined mathematical interpretation of gas systems, represents a misinterpretation based upon those same types of arbitrary, *a priori* axiomatic assumptions. It is the reliance on those unsubstantiated, *a priori* (e.g., "ivory tower") axiomatic assumptions, which is the root of currently popularized delusions on the subject of entropy.

At its best, all of the now-standard textbook argument for a notion of *universal*, rather than merely *local* entropy, is based upon an easily recognized type of fraudulent representation of the relevant evidence, a fraud of the type known as *fallacy of composition* of argument, as the characteristic feature of Clausius' wishful misreading of Sadi Carnot's work.³¹ Exactly that fraud, but in an extremely reckless application, supplies the essential premise of Norbert Wiener's misuse of the term *negentropy*, in his *Cybernetics*,³² and of

30. e.g., the notion of space-time which lackey Galileo Galilei et al. adopted, explicitly contrary to Kepler, from the Ockhamite dogma of his master Paolo Sarpi. However, the underlying issue is the same which Leibniz posed, as the matter of "God's clock," against Isaac Newton and Antonio Conti's Dr. Samuel Clarke, in the Newton-Clarke-Leibniz correspondence. In his first letter in that exchange, Leibniz writes: "Sir Isaac Newton and his followers have also a very odd opinion concerning the work of God. According to their doctrine, God Almighty wants to wind his watch from time to time; otherwise, it would cease to move." The same issue appears repeatedly, in various guises, throughout the exchange. The point is, that Newton's universe, and that of Clausius, Grassmann, Kelvin, Helmholtz, and Maxwell later, is one in which space, time, and matter, are defined *a priori* according to the argument set forth by Paolo Sarpi and his followers. Hence, the notion of universal entropy, as posed from the work of Clausius et al., leads, "genetically," to the same result as the application of the same "ivory tower" standpoint, by Newton et al., during the Seventeenth and Eighteenth Centuries.

31. Clausius' and Grassmann's fallacy of composition in this and related matters, is typical of the anti-Gauss, Nineteenth-Century British school, of Cauchy, Clausius, Kelvin, Grassmann, Helmholtz, Maxwell, Kronecker, Rayleigh, and Bertrand Russell. Maxwell was explicit on this point, in presenting his own work. Challenged to account for the fact that he had borrowed so much from the development of electromagnetism by the combined work of Gauss, Wilhelm Weber, and Riemann, Maxwell replied, by stating he refused to honor any geometry "but our own," that of the "ivory tower" reductionist school of Galileo and Newton. The fraud in Maxwell's approach, was exposed by Weber's experimental proof of the angular-force principle of Ampère. Similarly, the British school, and its French accomplices, had buried the crucial fact of the close collaboration among Fresnel, Arago, and Ampère, respecting the coordinated development of those foundations of electromagnetism upon which Weber, Gauss, and Riemann relied as prompting for their own, respective, and common original discoveries in this field. There was no honest error in the blundering character of the claims made by Clausius, Kelvin, Grassmann, Helmholtz, et al. on this account. Typical of Grassmann's role is a paper reported as a note by Riemann editor H. Weber, attached to Riemann's *Ein Beitrag zur Elektrodynamik*, in *Riemanns Gesammelte Mathematische Werke*, p. 288-293.

32. Norbert Wiener, *Cybernetics* (New York: Wiley, 1948). It was on such grounds, that David Hilbert expelled Wiener, for incompetence, from continued participation in a Göttingen seminar program.

the systems analysis of John von Neumann.³³

The particular frauds by Wiener, von Neumann et al., which we have referenced here, fall within the bounds of a common error of the practice of those mathematicians, who seek to define physical systems from a formal-mathematical, aprioristic (“ivory tower”) standpoint, as the late Professor Wassily Leontief once denounced such practices by the Operations Research circles of Tjalling Koopmans. In contrast, competent mathematicians, such as Riemann, have always judged mathematics itself from the geometrical standpoint in physics.³⁴

For example, if it is demonstrated that living processes violate the presumed principle of universal entropy, then the physical existence of living systems within the universe, demonstrates that universal entropy is a false principle.³⁵ Similarly, one can not proceed to define the laws of the universe, by ignoring the existence of the human beings conducting the investigation, i.e., the investigator, and then, having decided upon certain axiomatic presumptions respecting mechanical systems, later presume to interpret living systems solely as mechanical ones, as both Wiener and von Neumann do, and as their followers do.

Indeed, the precedent for the reductionists’ frauds perpetrated by both Wiener and von Neumann, is that childish quality of purely political-factional exercise, Leonhard Euler’s 1761 *Letters to a German Princess*, a work, modelled,

33. John von Neuman and Oskar Morgenstern, *Theory of Games and Economic Behavior*, 3rd ed. (Princeton: Princeton University Press, 1953), pp. 1-45. Von Neumann first attempted a mathematical theory of games in 1928, and in 1938 presented his extraordinary claim, that he had developed a method which showed that all problems of analysis of economic processes could be reduced to the form of solutions to sets of simultaneous linear inequalities. In light of the circumstances of his discharge from Göttingen University by his sponsor, David Hilbert, and the charges made, in that connection, by Richard Courant, von Neumann’s claims to many things have always been suspect among relevant authorities. The opening portion of the referenced book, is a case in point. Kurt Gödel’s devastating disproof of von Neumann’s principal mathematical work of that time, Gödel’s *On Formally Undecidable Propositions of Principia Mathematica and Related Systems* (1931), in Kurt Gödel *Collected Works*, Vol. I (New York: Oxford University Press, 1986), pp.144-195, was clearly a turning-point in von Neumann’s career, especially considering the auspices of the occasion on which that Gödel presented his paper, those of the most ardent followers of Ernst Mach, such as Rudolf Carnap and von Neumann himself. The introductory section which I have referenced from von Neumann’s and Morgenstern’s text, may be classed as among the most disgusting departures from the method of competent physical science on notable records.

34. Riemann, op. cit., pp. 285-286.

35. Some childish fellows have made fools of themselves by uttering the barest of pseudo-scientific lectern sophistries on this issue. They have insisted, by their naive interpretation of Wiener’s nonsensical effort to degrade ideas *heuristically* to the level of statistical phenomena, that an increase of negentropy of living systems, can occur only locally, and that only by a corresponding acceleration of universal entropy in the universe as a whole. No universal principle exists as a dependency of the principles composing a different phase-space manifold: there lies the fraud in the relevant fallacy of the ecologists’ argument.

in spirit, genre, and quality, on silly Francesco Algarotti’s notorious *Newton for Ladies*. Euler, an impassioned member of the German branch of Antonio Conti’s network of salons, wrote this work as an attack on a posthumously published work of Gottfried Leibniz, the *Monadology*. In this, Euler’s central assertion is, that any non-linear ordering can be reduced to interpretation, from the standpoint of the assumption, that the universe is axiomatically only linear in the infinitesimally small. This nonsense was taken up by Lambert for transcendental functions, and copied by that notorious plagiarist and scamp Augustin Cauchy, for his decortication of the Leibniz calculus by aid of the so-called Cauchy “limit theorem.” The same algebraic tactic, derived from Euler’s hoax, was later applied, successively by the continental British school of Hermite and Lindemann, to supply an Eulerian explication of the transcendental magnitude π —which had already been recognized as such, using geometric methods, by Nicholas of Cusa, in his work launching modern experimental physical science, *De docta ignorantia*.

Russell, and his acolytes Wiener and von Neumann, carried this sleight of hand to an extreme. The doctrines of so-called information theory, systems analysis, and artificial intelligence, each and all depend absolutely on such charades. Wiener’s swindle, is to simply ignore the existence of cognition, and baldly assert an interpretation of ideas, including universal physical principles, as a mere epiphenomenon of statistical methods. Von Neumann does the same. All of so-called information theory, systems analysis, and artificial intelligence dogma, rests crucially upon the presumption that non-linear processes can be so fully explained in such ways, that nothing else need be taken into account. Theirs is the “ivory tower” method carried to a lunatic extreme.

Just as the principled existence of living processes must be included, to define the physical universe as a whole, the ecological behavior of the human species violates every attempt to fit human existence within the bounds of the empirical evidence bearing upon the characteristic behavior of inferior living species. Man’s increasing mastery of nature, through willful application of validated discoveries of universal principle, overturns the definition of the axiomatics of any physical space-time manifold which rests upon considerations, the which exclude consideration of the distinctive characteristics of human cognitive action, within and upon the universe at large. Thus, just as the universe as a whole is defined by included consideration of the existence of living processes in that universe, so, both the principle of living processes, and of the universe as a whole, can not be competently defined, without taking into account the efficient existence of the human cognitive principle, that within the domain of living processes considered in their universality.

In Riemann, following Gauss in this matter, the characteristic feature of any multiply-connected manifold, is its physi-

cal space-time curvature, as that may be experimentally determined for the entire phase-space under consideration. Thus, as the founder of modern experimental physical science, Nicholas of Cusa, specified, mathematics must evolve, as physics requires this change. As the successive work of Abraham Kästner, his student Carl Gauss, and Gauss's and Dirichlet's student Riemann, shows, it is in the domain of geometry, not arithmetic, that the paradoxes of number must be comprehended, and it is in experimental physics, that the meaning of the paradoxes of geometry, is to be found. These paradoxes must, ultimately, take into account the efficient presence of both living and cognitive processes within the physical universe as a whole.

When mankind validates the discovery of any universal physical principle, and then acts to apply that principle to the universe in a manner different than has been done before, a new, expanded quality of mathematical-physical phase-space, has been defined for the system which includes man's interaction with the universe as a whole. As I have repeatedly elaborated this point in locations published earlier,³⁶ the only source of mankind's anti-entropic increase of our species' power in and over the universe, per capita, and per square kilometer of the Earth's surface-area, is the application of those new technologies which are derived from an expanding array of validated universal physical principles.

As I have also, similarly, emphasized, the ability of the human species—i.e., society—to transform individual such discoveries of physical principle into social practice, depends upon an elementary form of action peculiar to those sovereign, individual's cognitive processes, by means of which, ontological paradoxes of existing knowledge of the physical realm are resolved, that in the form of validatably universal physical principles.

The only way in which such individual cognitive actions, can be made known to other persons, is the replication of the same cognitive experience, as it were an act of original such discovery, within the cognitive processes of another person.³⁷ From such pairwise cognitive relations, there arises the notion of ideas and of social relations, upon which the capability of developing those forms of cooperation depends, through which forms validatable discoveries of universal principle may be transmitted in society, that to the effect of increasing society's power over nature, as measurable per capita and per square kilometer.

Those forms of cognitive cooperation are to be recognized in their primary form, as the validated principles of Classical artistic composition, in the sense of the Classical Greek legacy of Leibniz, J.S. Bach, Aeschylus, Leonardo da Vinci, Raphael, Shakespeare, Mozart, Beethoven, and Friedrich Schiller. It is through the study of history, as the study of the

combined impact of scientific and artistic progress, in the Classical sense, upon the institutions and conditions of life of nations, that a rigorous meaning of a science of history is defined. From that, in turn, we must derive a competent notion of the *natural* principles of law and other statecraft. Thus, the combined manifold of Classical scientific and Classical artistic principles, must be taken into account, as a single, evolving, multiply-connected manifold. A science of physical economy depends upon these combined considerations; no other notion of economy could be a competent one.

Although investigations in this direction were already embodied, or implied, in Gottfried Leibniz's 1671-1716 founding of the branch of physical science known as physical economy, it was my attention to this matter of *cognitive cooperation*, as part of my initial refutation of Wiener's "information theory," which formed the kernel of my own original discoveries in the field of economics. It was my application of the principle introduced by Riemann, to the definition of multiply-connected manifolds, which transformed my original discoveries into a general method for an applicable form of theoretical physical economy.³⁸

The included benefit of my discoveries, a matter of essential relevance to our topic in this present publication, was a fresh view of the functional characteristics of a science-driver mode of national economy. By looking at the history of the modern sovereign form of nation-state, since its founding during the Fifteenth Century, and by contrasting the principled features of that form of national economy with the principled features of notable earlier forms of society, I was enabled to throw important new light on the reasons a nation-state economy is indispensable for maintaining even the existing levels and quality of world-population.

From this vantage-point, it was but another important step to show, that a) the present world system, as it has developed from the watershed-event of the 1971 inauguration of a floating-exchange-rate monetary system, has been an implicitly doomed, systemic failure from the outset, and b) that, without the protectionist model of sovereign nation-state economy, as the dominant feature of the world's economy, the world as a whole must be careening presently toward descent into a generalized new dark age, analogous to the catastrophic collapse of economy, population, and conditions of individual and national life, during the middle of Europe's Fourteenth Century. In that, there was nothing in my own results which came to conclusions contrary to the earlier work of such leading economists as Leibniz, Alexander Hamilton, Mathew and Henry Carey, and Friedrich List, and the work of the American System economists generally. I qualify as a true Clay-Carey-Lincoln Whig on this account, with or without considering the important novelty of my special contributions on these matters.

36. e.g., LaRouche, op. cit.

37. op. cit., passim.

38. *ibid.*



Vox populi: a lynch-mob in the American South.

Those introductory observations on the issues implied by the term entropy, lead us to the following crucial points respecting a) the role of capital factors, and, b) the related, protectionist functions of the nation-state, in rescuing this planet from that now looming threat of a new dark age portended by the oncoming collapse of the world's present financial and monetary systems.

To this effect: the existence of modern economy depends upon three types of prior capital investment: a) investment in the development of basic economic infrastructure of the relevant land-area and related areas as a whole; b) investment in the immediate preconditions of agriculture and industry as such; c) investment, most notably in the forms of organization of education and health care, and of protected minimum family-household income-levels, in the development of the existing and future labor-force. All three such notions of capital investments, are excluded, on principle, from any economic models devised according to the notions of "free trade" and kindred forms of superstitions.

To understand the impassioned qualities of objections to my argument, so often emitted from the ranks of the rabid followers of Mandeville, Locke, Quesnay, Adam Smith, Bentham, Malthus, and John Stuart Mill, as in encounters with any troublesome mental case, one must look into the epistemological interior of the mind-set of such deluded persons.

Each and all of those who are noted for their attempted, systematic defense of free-trade and related delusions, start from a pathological notion of individual human nature as such. Typical are the arguments of Galileo's mathematics

pupil, Thomas Hobbes, of John Locke, Bernard Mandeville, Quesnay, David Hume, Adam Smith, et al. The so-called Robinson Crusoe "model" employed by von Neumann and Morgenstern, and many other earlier sophists in the field, typifies that pathology. Each begins with the isolated individual qua individual, and seeks to explain that individual's individual and social behavior, that entirely within the bounds of the passions which are attributed to such individuals, each of them as being fixed elements of an axiomatic, and essentially inalterable mind-set.

Typical, is the resort of fugitive empiricist turned neo-Aristotelean, Immanuel Kant, in the mechanistic logic of his *Dialectic of Practical Reason*:³⁹ the notion of *the negation of the negation*. According to Kant, or, one might say, pure Kant, the pack of *populari*—*vox populi*—applies aversive pressure to the individual, who, in response, perceives the inflicted pain as a proper

cause for pleasure in relief from such hostile circumstances, and adopts the demanded response as an integral, *positive* part of his ethic. Dr. Sigmund Freud had a different name for this process of perversion by inversion; the Tavistock Clinic would prefer the usage "aversive behavioral modification," or, perhaps the creation of Orwellian democratic utopias through mass brainwashing. On this account, Heinrich Heine was most insightfully correct about the Romantic School, and about the wicked legacy of Kant for the future Germans.

Thereafter, the apostles of democracy, who, like Kant, turn out to be the assassins of Socrates, also turn out to be the authors of murderous modern tyrannies masked as *vox populi*, or, simply, as in the ancient Colosseum, as a Romantic's lynch-mob. It is the individual person, so misconceived as, intrinsically, a feral individual, naturally a wild wolf-boy, which is the axiom underlying free-trade and kindred popular delusions.

In reality, the newborn infant is born as a spark of socially determined cognitive actuality. Take away appropriate forms of family nurture, and you make that individual into a beast-like creature, a wild dog, ready to turn wolf, or worse. Yet, even the developed cognitive potential of the individual, can not function to produce social effects of a human quality, unless that person enjoys intellectual relations which are of

39. Immanuel Kant, *Critique of Practical Reason* (Indianapolis and New York: The Liberal Arts Press, Inc., division of Bobbs-Merrill Co., Inc., 1956 edition).

a specifically cognitive quality, with other individuals. The ability of such pair-wise assemblies of individualities, to function as a social process, depends upon their development, and the development of the conditions in which they live and act upon the world around them.

What else could that mean, but that the characteristic feature of successful forms of human existence, is located essentially in the kinds of social relations subsumed by those pair-wise modes of cognitive relations.

Similarly, for society to act effectively on behalf of its own physical existence, it must not only cooperate according to the rule of cognitive forms of social relations, but it must develop the preconditions of family life, of production, and of the general land-area, which are prerequisites of producing the needed conditions of production of the social and individual conditions of life. Indeed, the very existence of the individual qua individual, is the product of hundreds of thousands of years of cultural transmission, essentially the cognitive transmission of ideas, a transmission, situated within the simultaneity of temporal eternity, whose net result is the production of the individual personality and of the society in which that individual participates.

Thus, a civilized form of society must ensure to the household, a physical and related condition of life needed for the supply of the relevant quality of productive labor-force. A civilized form of society must supply the preconditions of production, and also the basic economic infrastructure, upon which both production and the productive labor-force depend. To accomplish this, society must spend capital costs before those costs are fully reflected, as consumed, in the current costs of production. It must spend for the development of the adult individual, over the decades of childhood and adolescent development of that individual; this, too, appears as a current capital investment for the continuation and improvement of future production of wealth. It is the same for improvement and maintenance of the land-area as a whole.

There exists no possible way, in which frictional, percussive interactions among individuals in current society, could determine what the present payments must be, to ensure the continued, future, successful existence of that society and its members. Indeed, on this point, all of the apostles of free trade, permissive licentiousness, and *laissez-faire*, offer no rational justification for their confidence in the policy they propose. They are all to be considered either simply swindlers, or lunatics, in their adopted rhetoric on this point. Similarly, Wiener proposes a heuristic principle of quasi-random, statistical predeterminism, just as Quesnay imitates the Bogomils, in proposing the mystical doctrine, that some mysteriously diabolical essence of the Elect landlord secretes the wealth gathered for his benefit, that by those human cattle known as serfs.

In a rational society, such as that predescribed by Treasury Secretary Alexander Hamilton, the fixing of prices and tariffs,

to ensure that the capital costs of future life and production are met out of current output, defines what Hamilton defines as the American System of political-economy. That demands a certain quality of monetary and banking system, a matching system of national and other credit, certain determinations of rates of taxation and their fair application, and a general disposition for creating an environment in which fair trade dictates prices, and tariffs protect the development of that agriculture and those industries on which the future general welfare of the republic and its people depend.

The only kind of institution which can provide these protective measures on behalf of the national security and general welfare of its people, is the sovereign nation-state republic, a kind of institution which first appeared in the monarchy of France's Louis XI, and, thereafter, the English monarchy of Henry VII. As I have elaborated this point, repeatedly, in locations published earlier, the success of Venice's financier oligarchy, in arranging the defeat of the League of Cambrai, led to conditions in Europe in which the great initiatives of the Fifteenth-Century Renaissance were significantly, although not entirely, aborted. Thus, Europe's republicans resorted to a project for establishing pioneering forms of true republics in the American colonies, with the intent that the success of these would lead to outflanking of the oligarchical parties still relatively hegemonic in old Europe. On this account, the U.S. Declaration of Independence, the Preamble of our Federal Constitution, and the revivals of the original intent of our republic by Monroe, Quincy Adams, and, especially, Lincoln, repeatedly demonstrated the superiority of the American model of sovereign nation-state republic, over that of any other form of institution yet conceived in practice.

In accounting for that success of the U.S. model, during those former, happier times of its existence, it is the principle of the sovereign nation-state, and its inhering, protectionist economic policies, which accounted for the way in which the U.S. rose, under the Lincoln-Carey reforms of 1861-1876, to emerge as the most technologically advanced, leading nation-state power in the world, by the time of the 1876 Philadelphia Centennial Exposition. Every notable period of our national economic achievement since that time, has been predicated upon imitations of that 1861-1876 model, the model most copied, beginning 1876, in Russia, Germany, Japan, and many other Nineteenth-Century nations of both the Americas and Eurasia. It was the model upon which President Franklin Roosevelt drew, to pull the nation up out of the Wilson-Coolidge-Mellon Great Depression, and through World War II. It was the model which President Kennedy invoked, up to the time his life was cut short. It is the only model of reference, still, which could bring the world back from the brink of a now-looming new dark age.

To accomplish that, we must scrap every significant change in U.S.A. policy which has been instituted since 1971. In that process, we must first rid ourselves of the suicidal impulse known as an "Information Society."

Markets' Black Friday shapes Putin visit to Britain

by Mark Burdman

Whatever Russian President Vladimir Putin may have intended, by deciding to make Great Britain his first state visit, his agenda in London was shaped by a huge reality shock in the days immediately preceding his April 16 arrival. On April 14, the global financial system was hit by the "Black Friday" upheavals on the markets around the world. This created shock-waves in Russia, triggering fears among Russian influentials, that the already wrecked Russian economy could disintegrate.

Such a threat was likely uppermost on the Russian President's mind. Particularly, the need for immediate aid for Russia's beleaguered energy sector (oil and gas) which is collapsing because of a decade of non-investment and neglect, would have been a priority concern.

While British strategic calculations vis-à-vis Russia have also undoubtedly been affected by the global financial turbulence, and by the effect this is having on the speculation-ridden British economy and financial system, the general thrust of British policy is clear. According to well-informed British sources, the Tony Blair government and the predominant grouping in the British establishment believe that Russia's economic devastation can be exploited, to bring the Russians into some longer-term "entente" with Britain, and to force the Russians to acquiesce to pet British geopolitical projects, such as the establishment of an expanded NATO protectorate in the Balkans.

The carrot being offered the Russians, is British investment in Russia, especially in the oil and gas sectors—this investment being tied to draconian "economic reforms" favorable to the usual British looting approach. A City of London source has informed *EIR*, that the British elites have long viewed Russian oil and gas resources as the basis for a long-term British strategic penetration of Russia.

As we reported last week, British strategists see the current conjuncture as a "moment of opportunity" to make vital inroads into Russia, at a time when German ties with Russia, which peaked during the Chancellorship of Helmut Kohl, have weakened, and when there is perceived drift and indecision in the United States, in this election year. Certain British gamemasters, view the Russo-British entente as the centerpiece of a new British relationship with Eurasia as a whole, ultimately aimed against American interests. On the other hand, some British sources have told *EIR* that the recent Blair-Putin back-and-forth has had the encouragement, privately, of the U.S. State Department, and perhaps other Washington power centers as well.

In any case, British cultivation of their "Russian connection" is intense. As one Scotland-based British strategist told *EIR*, "There is, and will be, a great deal of cozying up" between the British and the Russians. As we will see, the British royal family is very much involved in that "cozying up."

Two big gatherings in London

The public atmospherics of the April 16-17 visit were dominated by the war in Chechnya. At an April 17 joint press conference with Blair, Putin growled at reporters peppering him with questions about alleged Russian "human rights violations" in Chechnya, angrily insisting that this was a war being fought by Russia against "international terrorism" and for "civilization." Blair interrupted his rhesus-monkey smiling, long enough to express his "concern" about what the Russians were doing, and insisting that Putin had not been given a blank check by Great Britain. This issue generated hundreds of commentaries and editorial statements in the British media, many of them lambasting Blair for hosting Putin at this time. But, in fact, in comparison to certain other

matters of extreme import, the Chechnya atmospherics were a theatrical sideshow.

Probably the most important episode in the short visit, was the Russian President's April 17 meeting with the Confederation of British Industry (CBI), where there was some substantive back-and-forth about the state of the Russian economy. The April 18 London *Daily Telegraph* reported that CBI leaders were putting out the word that Putin is a "man we can do business with." That is the phrase that former British Prime Minister Margaret Thatcher used in 1984, after she had become the first Western leader to meet Soviet President Mikhail Gorbachov.

CBI Director General Digby Jones announced, after Putin's speech to the group, that "on the basis of what we heard this morning, I am very encouraged." Jones added: "However, it is early days yet." He avowed that the CBI would be "monitoring carefully" whether the Russian leadership would implement the "reforms" that Putin was promising.

The Russian press reported that Putin brought with him, some 30 projects for discussion. It has not been revealed, whether cooperation on any of these was formally concretized.

The CBI is an influential grouping, in the British scheme of things. Its board includes chief executive officers, chairmen, or other senior figures, from leading British multinationals, including British-American Tobacco, British Airways, British Petroleum Amoco, the Royal Dutch Shell Group of Companies, and others. The former and current British Ambassadors to the Russian Federation, Sir Andrew Wood and Sir Rodric Lyne, respectively, are also on the board.

One CBI board member, Ralph Land, is also chairman of the Russo-British Chamber of Commerce. Immediately after Putin had left Britain, this Russo-British Chamber held a conference in London on April 19-20, attended by 500-600 delegates. Sponsors for that extravaganza included Russia's Alfa Bank and Yukos Oil Co.; ING Barings bank; British Airways; the British Cable & Wireless telecommunications giant; Bloomberg; and the London *Financial Times*.

A massive delegation of speakers flew to London from Russia for the occasion, including Anatoli Chubais, the most notorious of Russian "reformers" and privatizers, who is now chairman of the RAO UES Rossiya electricity conglomerate; Pyotr Aven, president of Alfa Bank, who recently told the London *Guardian* that Russia needed a "Pinochet" to deal with its current crisis; several key figures of the State Duma (lower House of Parliament), including Deputy Speaker Boris Nemtsov, of the "reformist" Union of Right Forces, Deputy Speaker Vladimir Zhirinovskiy, the loudmouthed ultra-chauvinist, and Deputy Speaker Vladimir Lukin, former Russian Ambassador to the United States; top "oligarchs" Mikhail Khodorkovskiy, chairman of Yukos Oil Co., and Oleg Deripaska, president of Sibirskiy Aluminum Co.; Viktor Chernomyrdin, former Prime Minister and chairman of the board of Gazprom; and other leading figures from the Rus-

sian media, banking world, and strategic policy think-tanks.

From the British and "Western" side, speakers included First Vice-President of the London-based European Bank for Reconstruction and Development Charles Frank, Group Chief Executive of BP Amoco John Browne, former British Ambassador to the Russian Federation Sir Andrew Wood, and other leading figures from British banks and multinationals.

The official "patron" of the Russo-British Chamber of Commerce is the Duke of Kent, cousin to Queen Elizabeth II. The Chamber was created in 1916, during World War I, and the Anglo-Russian "alliance" of that time.

EIR is investigating what kinds of deals were cut, between this elite British crew, and their Russian counterparts. On April 19, the Iranian News Agency commented that the two-day "Russia 2000" conference of the Russo-British Chamber at the Queen Elizabeth II Conference Center in London, is key to the mutual desire of Blair and Putin, to bring relations between Russia and Britain, to the level of a strategic partnership. Duma Deputy Speaker Nemtsov is quoted: "We want this meeting in London to become an alternative to the Davos [Switzerland] meeting, which has already exhausted its potential. London has everything necessary for becoming the financial gateway to Russia." Putin recently showed his inclination in such a direction, by appointing arch-monetarist Andrei Illarionov as Economic Adviser to the President.

'A financial Chernobyl'

In the midst of all this London activity, influentials back in Russia were fretting about the latest upheavals in the world financial and economic system, and the effects of these on Russia.

On April 18, a well-connected Russian think-tanker in Moscow who is working in an advisory capacity to President Putin, told *EIR* that "alarm bells are ringing in Russia" over the massive instability in global financial markets in mid-April. He said that the view in Russia, is that certain developments now unfolding could "destroy the Russian economy." Now, "the worst combination for Russia" is happening, namely, falling oil prices and financial market instability, he said.

This source emphasized that the hope had been, in leading Russian circles, that high oil prices would make Western financial aid to Russia unnecessary, but now, that prospect is fading, as oil prices drop. At the same time, Western financial aid is much more unlikely, under conditions of prevailing global financial instability. Hence, the likelihood, is that all budget projections for 2000 will have to be revised downward, significantly worsening the Russian economic situation.

He noted that on the evening of April 17, Aleksander Livshitz, the official Russian government liaison to foreign banks and to the Group of Eight, made a special appearance

on television, to try to calm the population, which was beginning to panic, after the ruble had fallen and the stock market had nosedived, earlier that day.

The Moscow think-tanker asserted that “under these kinds of conditions, don’t underestimate the possibility of a *Russian default*. That is a real danger.” Pointing to a recent interview in the *Guardian* with Alfa Bank head Aven, in which Aven had insisted that Russia now needed its own “Pinochet,” he said, “If there is a default, then, yes, things will go the way Aven talked about.”

On April 18, the Russian newspapers *Izvestia* and *Sevodnia* warned of the danger that the world would see new financial crises in the domain of currencies, and raised the question, whether the dollar itself had become a bubble, that was soon to burst.

Also on April 18, a well-connected Russian expert told *EIR* that the world is on the verge of a “financial Chernobyl,” because of “the increasingly uncontrollable forces in the markets.” He stressed: “We have a global financial system with money moving around at the speed of light, and it’s all speculation. Making matters worse, the speculation is fuelled by massive borrowing. Major calls in of this money can cause a Chernobyl explosion. It can all become very unruly, and neither [U.S. Treasury Secretary] Larry Summers nor the other big guys could control it.”

From a Russian strategic standpoint, he said that this matter was “more important” than the original agenda items President Putin may have thought he was going to talk about, during his two-day visit to Britain. “There are other forces at work in the world than set agenda items,” he stressed.

The source was emphatic, that the physical economy of Russia is now “falling apart, threatening the collapse of our system as an organized country. This is very serious. Basic infrastructure is collapsing: energy, communications, sewage. Gas and oil production are down, because we have had a lack of real investment in maintaining the necessary equipment. Instead, we have had the disastrous policy, over the past ten years, of prioritizing raw materials exports. As a result, there will be energy blackouts, and not only in outlying provinces, but also in Moscow.”

The royal family factor

Russian and British sources have told *EIR*, that one other important issue discussed during Putin’s British stopover, was the Anti-Ballistic Missile (ABM) Treaty, and the U.S. National Missile Defense (NMD) program, the implementation of which would require undermining the ABM Treaty. The British are playing their usual game of strategic duplicity, claiming that they can be a “mediator,” or “messenger,” between Washington and Moscow, on this issue. Blair is reportedly saying that he will pressure the United States not to abandon or weaken the ABM Treaty—this, weeks after he made it known that he was supporting the U.S. NMD program, and integrating Britain into it. The Russians, for various reasons, seem to want to use Britain as a “channel” to the United States, on this matter.

Of course, also not to be ignored, is that Putin had tea with Queen Elizabeth II at Buckingham Palace, on April 17. While details of that tête-à-tête are not being revealed, it is certain that Her Majesty, as usual, is playing a central directing role, in shaping British foreign policy. Some Russians have mooted, that the Queen and her Royal Consort, Prince Philip, could soon make a visit to Russia.

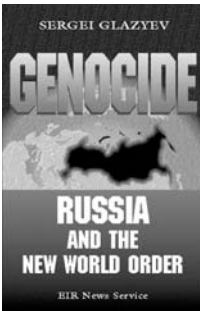
Some days before the tea, the 100-year-old Queen Mother, Elizabeth, was made an honorary citizen of the Russian city of Volgograd, in recognition, so the city authorities said, of her role in the fight against the Nazis in World War II. The London *Times*, in an April 18 editorial, pointed to this move, as emblematic of a Russian effort, encouraged by Putin, to upgrade Russia’s historical appreciation of Britain, as a wartime ally.

A senior Russian strategist has told *EIR*, that this theme of “Russia and Britain as wartime allies,” will be played to the hilt by Putin and his apparatus in the days leading up to the May 9 commemoration of the 55th anniversary of the World War II victory. That event, the strategist stressed, will be a major occasion in Russia, when all sorts of state-backed or state-organized patriotic outpourings will be on display, highlighted by a military parade in Red Square.

GENOCIDE


RUSSIA AND THE NEW WORLD ORDER

Russia in the 1990s: “The rate of annual population loss has been more than double the rate of loss during the period of Stalinist repression and mass famine in the first half of the 1930s . . . There has been nothing like this in the thousand-year history of Russia.”
—Sergei Glazyev



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Zepp-LaRouche indicts West over starvation in the Horn of Africa

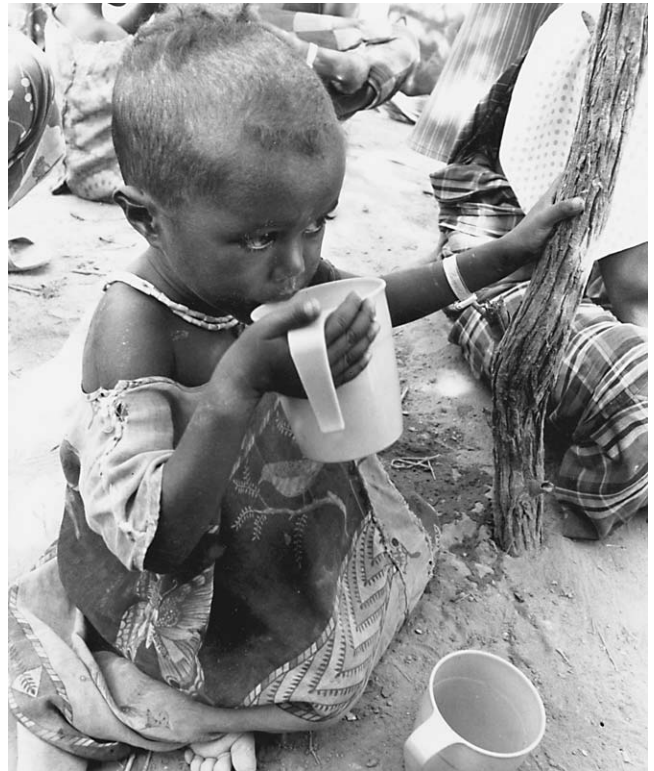
Helga Zepp-LaRouche, chairman of the Civil Rights Movement Solidarity (BüSo), issued the following declaration, entitled “Indictment of Western Policy Toward Africa: Starvation in Ethiopia—Why Was Nothing Done in Time To Prevent It?” on April 14. Subheads have been added.

1. The catastrophic famine in the Horn of Africa, which has escalated in recent weeks, threatening 16 million people, especially in Ethiopia and Somalia, proves once again that the economic policies of liberalization and structural adjustment enforced by the International Monetary Fund (IMF) and the World Bank, are a complete failure. The Ethiopian government has been implementing so-called “economic reforms” under pressure from the West since 1992, reforms which are also called structural adjustment policies. And for that very reason, the government in Adis Abeba has been praised by international financial institutions as their new star pupil.

But if, after eight years of implementing the international financial institutions’ recipes, 8 million people are now in acute danger of starving, then the question has to be finally posed, what sense these so-called market-economy reforms have in Ethiopia and other African countries. The occurrence of climatically induced drought in the Horn of Africa is historically known. So, why did Western policy for this region not insist, over the 1990s, on building the necessary infrastructure to protect the population from the consequences of such climatic changes as the current three-year-long drought?

Development sabotaged by globalization

Instead, the G-7 governments have fanatically held to their policy of globalization, thereby foiling the Ethiopian government’s own efforts—efforts which, within the confines of current economic constraints, have been aimed at developing the country. It would have been necessary to aggressively promote large-scale transportation and water infrastructure, as well as the development of agriculture. But, Western governments, the IMF, and the World Bank insisted mercilessly on the servicing of foreign debt. Ethiopia has been forced to pay more than \$1.2 billion since 1992. The country’s debt increased nevertheless, from \$9.1 billion in 1991, to \$10.1 billion today. Under such conditions, how is it supposed to be possible for Ethiopia to free itself from poverty and be able to combat natural catastrophes?



An Ethiopian child at a food station. The UN estimates that 12 million people are facing the immediate threat of starvation.

2. The aid has now finally begun, all too slowly, to flow in from the European Union (EU), the United States, and the United Nations Organization; but the question still remains, why our governments once again responded so late. The Ethiopian government’s first call goes back to December 1998. The United Nations, at the latest since mid-1999, has also been warning that millions of people in the Horn of Africa are threatened by starvation. In December 1999 and in January 2000, the Ethiopian government again issued a call for the world public to come to its assistance. The fact that the media only take notice of a catastrophe once they can film dying children, sheds telling light on the low priority which politicians and the public in the Federal Republic of Germany, have given to the fate of the African continent.

3. The criticism launched against the Ethiopian government, especially by the sanctimonious media, regarding the tragic war with Eritrea, that it somehow did not do enough to counter the drought, is hypocrisy. For, the West itself is largely responsible for the conflicts in this part of Africa. These conflicts all stem from the fact that the British government, and parts of the U.S. government, have, over a number of years, formed a geopolitical front against Sudan, in Uganda, Ethiopia, and Eritrea. In this Western policy, the sovereignty of African nations carried no weight, but rather only the potential to influence political leaders in the direction of a strategy of conflict. This policy led to catastrophe in the

Horn of Africa, as surely as it did in the Congo, in the Great Lakes region, and in Angola. The current Eritrean leader's adamant refusal to accept compromises to end the war, is the price we must now pay for this failure of Western policy toward Africa.

4. We call upon the German Federal Government and the EU, at the very least to now seriously consider the Ethiopian government's present proposals for rapidly alleviating the urgent need, and to respond magnanimously to those requests. That would require up to 1 million tons of food, and \$450 million for comprehensive measures to ensure supplies of fresh water, health care, and shelter for the refugees. According to the Ethiopian government, in addition to the airlift into the Ogaden, which is needed right now, the ports of Djibouti and Berbera on the southern coast of the Gulf of Aden have enough facilities to receive the goods needed.

5. People are now dying in the Horn of Africa for lack of water. Just a few weeks ago, people in Mozambique and in southern Africa were drowning in flood waters. The crucial question in both cases, is why the economic infrastructure of these countries is insufficient to protect the population against such foreseeable catastrophes. The answer is to be found in the cynical character of the policy of globalization, and in the recipes of the IMF and the World Bank. Over the past 25 years, these institutions have robbed Africa of the opportunity to develop economically.

The German Federal Government also has to face the fact that the West has lost its moral credibility in Africa. For many years now, the West's main concern has been not development and peace, but rather only control and exploitation of raw materials. The rhetoric enunciated by the Federal Government about a partnership with Africa, cannot hide the fact that this partnership has failed to challenge the fundamental thrust of Western policy.

A radical change in policy is needed

6. We demand that there be a radical rejection of the IMF's disastrous Africa policy. The European decision to postpone discussion of the debt question until the next summit meeting in 2003, is naked hypocrisy. Africa's \$350 billion debt burden must be written off entirely. But this will only happen in the context of a reorganization of the world monetary system, without the IMF and World Bank. We need government agreements on a New Bretton Woods, a new worldwide monetary system, as the foundation for a new, just world economic order. We need a re-regulation of world trade, with capital controls and protective measures for the domestic markets of developing countries. Africa must finally get the chance to develop continent-wide infrastructure, without which neither the development of modern agriculture and industry, nor a victory over poverty, are possible. Only a perspective of real economic development which improves the population's living conditions, can give hope to the people in the nations of Africa. That is also the prerequisite for settling Africa's so many armed conflicts, because *peace means development*.

BAC extremists to gather in Bratislava

by Our Special Correspondent

As the world economic-financial crisis and strategic situation worsen, the more extremist elements among the British-American-Commonwealth (BAC) policy elites are making some ominous moves in Central Europe. *EIR* has learned that on April 28-30, the Washington-headquartered New Atlantic Initiative (NAI) is scheduled to hold its annual meeting in Bratislava, the capital of Slovakia. The NAI leadership comprises some of the most avid Western advocates of "radical free market" and "expansion of NATO" policies. That it would choose to meet this year in Slovakia, indicates that there is intense pressure on that nation, to adopt the policy combination of "free market reforms" and NATO membership.

This comes at a time when there has been widespread opposition expressed across the political spectrum in Slovakia, to the NATO war in Kosovo. Also, Slovak sources stress that the country is in such awful economic shape, that it cannot sustain the austerity that would accompany the usual free-market package of "free trade," "privatization," and the like.

It also comes at a time when there is a highly unstable strategic situation in crucial regions such as the Baltics, Ukraine, and the Balkans. For the NAI lunatics to be sticking their noses in this flight-forward manner into Central and Eastern Europe, could be a detonator, for very unpleasant things to come.

Thatcher, Kissinger, and the BAC mob

The NAI was originally known as "The Prague Initiative," because its founding meeting in May 1996, pompously entitled "The Congress of Prague," was held in the Czech capital. The organization was founded by a U.S.-based devotee of former British Prime Minister Margaret Thatcher, John O'Sullivan, of William F. Buckley's neo-conservative *National Review* magazine. Its founding was an obvious counter-move to the strategic and economic policies centered around the development of the Eurasian Land-Bridge; its first meeting was held almost simultaneously with a conference on the Eurasian Land-Bridge in Beijing, at which Schiller Institute founder Helga Zepp-LaRouche spoke.

In Prague, Thatcher was the keynote speaker. She raved that "NATO's role should be expanded. It must be prepared to go out-of-area." To bolster her ravings, she quoted from 17th-century bestialist British philosopher Thomas Hobbes, and from writer Rudyard Kipling, a romanticist of the British Empire in the late 19th and early 20th century.

The NAI's executive director is Jeffrey Gedmin of the

Washington neo-conservative American Enterprise Institute (AEI) think-tank. Official “patrons” of the NAI include Thatcher, former U.S. Secretary of State Henry Kissinger, former West German Chancellor Helmut Schmidt, Czech President Vaclav Havel, former U.S. Secretary of State George Shultz, and Polish “Super”-Minister of Finance Leszek Balcerowicz, a fanatical proponent of “shock therapy” policies.

Kissinger is also chairman of the NAI’s International Advisory Board. That board brings together leading BAC geopoliticians, including Zbigniew Brzezinski, Samuel (“Clash of Civilizations”) Huntington of Harvard University, Lord Chalfont, and Thatcher foreign policy adviser Sir Charles Powell (brother of British Prime Minister Tony Blair’s chief of staff Jonathan Powell), with leading figures in the arch-“free market” Mont Pelerin Society, such as former Mont Pelerin chairman Ed Feulner of Washington’s neo-conservative Heritage Foundation, former Italian Foreign Minister Antonio Martino, and Herbert Giersch of Kiel University, Germany. Also on the board are former U.S. Speaker of the House Newt Gingrich; “Iran-Contra” conspirator and notorious spook Michael Ledeen, now at AEI; former U.S. Assistant Secretary of Defense and now AEI “resident fellow” Richard Perle, widely known as “the Prince of Darkness” because of his affinity for starting neo-colonial wars against developing nations, and for his lunatic confrontationist views during the Cold War; and William Kristol, editor of the neo-conservative *Weekly Standard* magazine and son of neo-con guru Irving Kristol.

Although not formally on the board, another individual closely associated with NAI operations is Conrad Black, head of the Toronto-based Hollinger Corp., which owns the British Telegraph newspaper chain and a wide range of newspapers in North America.

After the meeting in Prague, the NAI held gatherings in Phoenix, Arizona (1997); Istanbul, Turkey (1998); and Dresden, Germany (1999). At a forum in Washington, D.C. in 1998, Secretary of State Madeleine Albright addressed the group, the first Clinton administration official to do so. Albright has multiple ties to the “Project Democracy” nexus in the United States that is so influential inside the NAI.

Novak, Brzezinski, and the Blairites

At the Bratislava meeting, perhaps the most pernicious influence will be that of Michael Novak, who will be the featured speaker at an April 29 “Breakfast Roundtable” on the theme, “Social Trends, Transatlantic Ties.” Novak is notorious for a career of attempts to smuggle the satanic ideas of British East India Company economist Adam Smith into the Catholic Church, where there is strong opposition, especially under the current Pope, to the ravages of unfettered free-market capitalism. Himself of Slovak origin, Novak is obviously being deployed to build networks in this predominantly Catholic country, favorable to Mont Pelerin Society anti-Christian policies.

Another key speaker will be Ian Brzezinski, son of Zbigniew. Ian is the senior staff member of the U.S. Senate Foreign Relations Committee, and an aide to Sen. William Roth (R-Del.), one of the chief proponents of the “New NATO” policy of transforming the NATO alliance into a global policing instrument. Brzezinski will be speaking at the opening panel on “NATO’s Next Round: Opportunities, Obstacles.” His co-panelist will be Robert Cooper, recently appointed to be Prime Minister Blair’s chief foreign policy adviser, in his capacity as head of the Cabinet Office’s defense and overseas secretariat.

The meeting will also be addressed by Richard Perle.

Also interesting, will be the presence of John Lloyd, editor of the Fabian Society’s *New Statesman* magazine. This demonstrates that the NAI is by no means, in a simplistic sense, a “right-wing” group. When it was founded in 1996, one of its leading lights was Peter Mandelson, Blair’s guru, who is today Britain’s Northern Ireland Secretary.

There will also be senior figures from AEI and the New York Council on Foreign Relations.

From Eastern and Central Europe, the foreign ministers of Slovenia, Estonia, and Hungary will speak, as well as Hungarian Prime Minister Viktor Orban. From the host country, the foreign minister and deputy foreign minister will speak, and Slovak Prime Minister Mikulas Dzurinda will host a dinner and reception. Funding is coming from the German Marshall Fund of the United States, and possibly from other sources.

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International Intelligence

India wants convention on global terrorism

India's President K.R. Narayanan, during his five-day state visit to France, suggested a comprehensive international convention on terrorism to signal the world's determination to fight the scourge, and sought to involve France and other European Union nations in establishing a new global order to eliminate weapons of mass destruction, according to the Press Trust of India on April 17.

"The convention on the suppression of financing of terrorism, sponsored by France, is a major step forward. We must go further and enter into a comprehensive international convention on terrorism. . . . Religious intolerance, extremist fundamentalism, and methods of violence and terrorism have become entirely out of tune and out of place," Narayanan said, at a banquet hosted by the French President Jacques Chirac.

Europe hit by violence linked to Pokémon

The cult-craze among children over Pokémon trading cards has hit Europe, and with it, there are rising incidents of violence. On April 18, the British press widely covered the case of two 13-year-olds who held two other boys at knifepoint, robbing them of Pokémon cards worth £200 (approximately \$300). Pokémon, which began as a Japanese cartoon series, is short for "Pocket Monster," and, despite the extreme violence of the cartoons and video games, Pokémon paraphernalia is marketed to children as young as toddlers. In one 1997 incident in Japan, some 700 children who watched a particular Pokémon cartoon were hospitalized after suffering epileptic-type seizures.

The British case stands out because it occurred in Wilts, where a pilot project for groups of boys promoted playing with Pokémon cards, because, as one instructor, Nigel Sharp, told *The Sun*, "it teaches them strategy, planning, mathematics, planning, and sticking to strict rules. These are all qualities we encourage." Since the Wilts incident, nu-

merous British schools have banned Pokémon from the classrooms, because it promotes violence. Repeatedly, students have been bullied and mugged for the much-desired "shinies," holographic Pokémon cards.

The United Kingdom leads Europe in sales of Pokémon products, but other countries are catching up, although still far behind the United States and Japan. Two million Pokémon games have been sold for European children, compared to 13 million in the United States, and 15 million in Japan. However, in Germany, up to 62% of children ages 3-12 regularly watch Pokémon on television.

Nintendo, the maker of Pokémon, markets some 4,000 products, ranging from videos, t-shirts, to chewing gum, and reported a turnover of \$4.5 billion last year. In Germany, roughly \$100 million was made from Pokémon in 1999, but Nintendo's aggressive marketing has produced a growth rate of 32% in the first three months of this year.

Iraq rejects new weapons inspection team

An official Iraqi newspaper accused Washington, on April 16, of stirring a fresh crisis with the United Nations over arms control, following Baghdad's rejection of a UN plan for a renewal of weapons inspections, reported the *Jordan Times* of April 17. "The U.S. administration wants to provoke a new crisis between Iraq and the United Nations" and "show that Iraq is not cooperating with the United Nations," said the ruling party's daily, *Al Thawra*. It said the United States is "not interested in finding a solution to the main problem, namely the embargo that has been in force for almost 10 years."

Iraqi Deputy Prime Minister Tariq Aziz on April 15 rejected the latest UN plans to resume weapons inspections. "What has been decided by the Security Council," referring to the December Security Council Resolution 1284 offering a renewable suspension of sanctions in exchange for Iraq's cooperation with UNMOVIC, "concerning the commission that has been formed, means nothing to us," he told reporters following

the Council's unanimous approval April 13 of the UNMOVIC blueprint. "I have never hinted that Iraq will cooperate with this resolution. . . . Resolution 1284 is a ruse, is unjust and we cannot accept it," Aziz said.

Al Thawra charged that Washington was only using Resolution 1284 as a weapon against Baghdad: "The U.S. administration knows full well that this resolution cannot be implemented and that it is not acceptable to Iraq nor to most of the permanent members of the Security Council."

Jiang Zemin in Israel, Palestinian Authority

President Jiang Zemin became the first Chinese head of state to visit Israel, and also the Palestinian Authority, in April. In Bethlehem, Palestinian Authority President Yasser Arafat asked for China to join the Mideast peace process, by appointing a permanent envoy to help with the negotiations, according to the report Palestinian Authority Minister Nabil Shaath gave to media on April 15. Jiang responded by saying that China will make a maximum effort to push forward the peace process on the basis of relevant UN resolutions.

The meeting also included members of the Palestinian Authority Cabinet, and, as AP noted, "Each visit by a head of state is an important diplomatic achievement for Arafat, who intends to declare Palestinian statehood this year." At their meeting, China and the PA signed an economic cooperation agreement, and China pledged \$4 million to build a new hospital in the town of Qalqiliya.

Jiang spent the first three days of his Middle East trip in Israel. Israel has pledged to sell at least one airborne radar system to China, and the Israelis could sell as many as six more of the sophisticated PHALCON radars.

During a meeting the previous week, between Israeli Prime Minister Ehud Barak and U.S. President Bill Clinton, the latter reportedly pressed Israel not to go ahead with the sales. But Deputy Defense Minister Ephraim Sneh told AP that at least one unit would be delivered to the Chinese. "This is

RUSSIAN GENERAL Konstantin Totsky, Director of the Russian Border Service, told reporters on April 14 that the situation along the Afghan-Tajik border is tense, and “the anti-Taliban coalition is constraining the Talibs now.” Should the Taliban reach the Tajik border, Russian troops will have to not only ensure Tajikistan’s security, but also help train its border guards, he said. He reported that up to 250 kilograms of heroin have been seized on the border since the beginning of this year.

AN ITALIAN “center-right” coalition won decisive election victories in Northern Italy and the region of Rome on April 16. Prime Minister Massimo D’Alema has resigned, and President Carlo Ciampi is expected to give Giuliano Amato, a pro-austerity technocrat, the mandate to form a government.

JAPAN’S governing tripartite coalition said on April 11 that, on June 13, it might call a general election for the House of Representatives to be held June 25, just before the annual Group of Eight heads of state summit, which is being held Okinawa on July 8.

ISRAELI Foreign Minister David Levy sent an official letter to United Nations Secretary General Kofi Annan announcing that Israel will withdraw from southern Lebanon in conformity with UN Security Council Resolutions 425 and 426, reported the April 17 issue of *Ha’aretz*. The letter said that Israel will withdraw to the border as demarcated by the UN Secretary General in 1978.

IRAN freed 500 Iraqi prisoners of war on April 9, and will release another 2,000 soon. Despite the recent terrorist destabilizations in both Iran and Iraq, which were supposed to restart a new conflict between the two countries, Iran undertook the release as a gesture of good-will. Both countries suffered terribly during their 1980-88 war, which was encouraged by the “Islamic card” politics of Zbigniew Brzezinski.

an obligation we cannot violate.” However, he did admit that Israel could refrain from any further sales. “We consider very sincerely and seriously the concerns which we hear now from our friends, and good and true friends in the United States, and we would consider” curbing any further sales.

Nigerian HIV vaccine registering successes

Thirty Nigerian soldiers who tested positive for human immunodeficiency virus (HIV), returned sero-negative after being treated at the clinic of Dr. Jeremiah Abalaka, Chief of Air Staff Air Vice Marshal Isaac Alfa said at a lecture in Enugu on April 12. The Nigerian Ministry of Commerce awarded Dr. Abalaka patent rights for his vaccine against HIV in March. Chief of Air Staff Alfa revealed that as a result of the remarkable effect of the vaccine, more military personnel would be sent for the treatment. He noted that the vaccine “cured” 30 Nigerian Army officers, who were tested by very experienced Army doctors and laboratory experts, who confirmed that they indeed tested negative for HIV.

Dr. Abalaka was flown from the capital, Abuja, to Enugu to deliver a lecture for Air Force Week. In the lecture, entitled “HIV/AIDS: Prevention and Cure—A New Approach,” he said 259 people with HIV had received his treatment by the end of December, while 751 people had been under treatment since February 2000. Dr. Abalaka said 10 doctors scattered “over the country, were presented with the HIV vaccines for trial on their patients over a period of six months, after which they reported back that it was highly effective on their patients.” Dr. Abalaka in his paper emphasized, “I lay no claim to curing AIDS, but the HIV infection.”

Not satisfied with the results, the wife of the British ambassador to Nigeria, Lady Julia Burton “rose in stout opposition” on April 12, to Dr. Abalaka’s discovery of the HIV vaccine, reported the *Post Express* of Lagos. Lady Burton “declared in strong terms”: “As of today, there is no cure at all. The biggest weapon against the dreaded

disease is education.’ ” She called on Nigerians to avail themselves of information on HIV/AIDS from experts and professionals, rather than relying on secondhand information from those who know little or nothing. There is no mention of her own credentials, beyond being a British aristocrat.

Internal situation in Iran deteriorates

Following an April 14 statement by Iranian Supreme Leader Ayatollah Ali Khamenei, in which he implicitly attacked the reformist leadership around President Mohammed Seyyed Khatami (calling them “American-style” reformists) and praised “revolutionary violence,” the country’s political and military leadership seems to be more divided than ever.

The most dangerous sign of this came on April 16, when the Islamic Revolution Guards Corps (IRGC)—a paramilitary extremist group loyal to Khamenei—issued a warning to “the external enemies and their internal allies.” “The enemies have contempt for the slogans of the revolution,” whose measures are treacherous attempts to repeat history, “to put an end to Islam, isolate the righteous warriors, and isolate the thoughts of Imam Khomeini. The revolution is that of mercy, but if the time comes, the enemies and their allies inside the country will be crushed to stop their plot and treachery forever,” it said. “The revolutionary violence is meant for safeguarding right and justice . . . when the time comes the [Guards] will hold fast to it, when it will be too late to learn a lesson.”

The unusually strong statement comes following accusations in the pro-reform press that a murderous “shadow government” is controlling the levers of power in the Islamic Republic.

The power struggle between reformers and conservatives has intensified since the near-fatal shooting in March of Saeed Hajjarian, a close ally of President Khatami, who is widely credited for helping engineer the stunning reform victory in February’s parliamentary elections.

Market crash dooms Gore's candidacy

by Debra Hanania Freeman

In the five-day period of April 10-14, the entire world watched in horror while U.S. stock markets plummeted in an uncontrolled crash. By the time the markets closed on Friday afternoon, the Nasdaq—which is driven by “New Economy” and Internet-related stocks—had lost 25.3% of its value. These losses, combined with losses on the Dow over the same five-day period, wiped out \$2-3 trillion in U.S. equity values. It marked the largest loss in history. But, perhaps the most dramatic consequence of the Wall Street bloodbath, was the fact that it marked certain doom for the already-faltering Presidential aspirations of Al Gore.

It is certainly no secret that, from the beginning, Al “I invented the Internet” Gore has based his quest for the Democratic Party Presidential nomination *not* on the party’s traditional base of labor, farmers, and minorities, but on the upper 20% of America’s family-income brackets—the so-called “New Democrats.” But, the vast majority of those “New Democrats,” who make up the hard core of Gore’s support, are heavily invested in “New Economy” stocks. And, it is precisely this group that got clobbered in the meltdown. Indeed, a sizable portion of those whom Gore considers his most important supporters, were bankrupted, and are today undergoing a most unwelcome change in lifestyle. As Lyndon LaRouche, Al Gore’s opponent for the Democratic Presidential nomination, noted in comments over the weekend of April 15-16, this “change of life” experience for Gore’s “Baby-Boomer” constituency means that, as far as they are concerned, anyone boosting the Gore “New Economy” model is a candidate for the most hated political figure in the United States. Political analysts, both inside and outside the United States, watching as this group flees the Gore camp in droves, all seem to reach the same conclusion: Al Gore is doomed.

At the same time, the Wall Street meltdown, and all that it implies about the final collapse of the bankrupt global sys-

tem, has boosted the intellectual authority of Lyndon LaRouche, and underlined the urgency of LaRouche’s call for sovereign nations to come together in a New Bretton Woods conference, to put the world financial system through bankruptcy reorganization, so that those nations may proceed to reconstruct the shattered global economy, before the world is engulfed in deeper misery. An initiative calling on the European Parliament to take the lead in convoking such an international conference, is now awaiting action by the European Commission, and, here in the United States, LaRouche’s supporters have constituted an Ad Hoc Committee for a New Bretton Woods, which takes note of the European initiative, and urges support for it, as well as for the entire package of anti-crisis measures which LaRouche has proposed to overcome the systemic crisis (a copy of that call, which is being circulated for endorsements, is available at LaRouche’s campaign website, www.larouchecampaign.org). And, with Gore effectively out of the picture, and with the widespread acknowledgment that George W. Bush is emotionally, intellectually, and morally incapable of dealing with such a crisis, a growing number of America’s political leaders are stepping forward to endorse the call, and to put LaRouche in a position to act.

‘Brand-new leadership’ needed

LaRouche himself has compared today’s crisis, and what must happen now, to the action Franklin D. Roosevelt took on the morning following the bombing of Pearl Harbor. LaRouche said that it was not the bombing per se that changed the American people overnight, but FDR’s immediate action in mobilizing the population, in providing leadership, which made this nation’s victory over fascism and the Great Depression possible.

“Why appeal to the politically dead?” LaRouche said.

“The population needs brand-new leadership, relative to what they have considered establishment authorities until now. The leaders of yesterday’s popular fantasies are now relics of what are soon to be regarded as bitter memories.”

LaRouche’s supporters are not only engaged in an intense drive to win support for the American statesman’s economic solutions to this crisis. They are also engaged in a fierce battle against Gore’s desperate backers, who not only control the Democratic National Committee (DNC), but who are determined to stop LaRouche’s candidacy at any cost, even if it means destroying the Democratic Party. Indeed, this crowd has already alienated millions of minority voters who normally vote Democratic, by their vicious assault on the 1965 Voting Rights Act. And, that alienation is spreading to other sectors of the electorate, who are reacting with increasing disgust at the DNC’s Soviet-style election-rigging practices.

Despite the DNC’s efforts, LaRouche’s name has already been on, or will be on, the Democratic Presidential ballot in 43 states and the District of Columbia. During the third week in April, LaRouche’s supporters filed more than three times the number of signatures required to place his name on the ballot in New Jersey’s June 6 primary, and fought back a pathetic attempt to keep LaRouche’s name off the New Mexico ballot.

Originally, New Mexico’s Director of Elections, Denise Lamm, told LaRouche’s campaign that they were short the number of signatures needed to qualify for ballot status in that state’s First Congressional District, despite the fact that the campaign had submitted well over two times the number of signatures required. But, when she learned that the LaRouche Ballot Defense Fund was prepared to move for an audit, Lamm’s office suddenly “discovered” approximately 115 pages of petition signatures for LaRouche that had been “misplaced.” Within hours, LaRouche was certified for a place on the New Mexico ballot.

‘Freedom Democratic’ slates

But, the fight to force state Democratic parties to recognize and count the votes of LaRouche delegates to the August National Convention in California, despite the illegal actions of the DNC, seems destined to go all the way to Los Angeles. Democrats from South Dakota to Michigan to Virginia are being forced to form “Freedom Democratic” slates, constituted as a last resort when state Democratic parties have refused to count votes for candidates running as LaRouche delegates.

The Freedom Democratic slate in Michigan, which is headed by Michigan State Rep. Ed Vaughn, has filed 44 candidates seeking to go to the Aug. 14-17 Democratic National Convention in Los Angeles to support LaRouche. And, in Virginia, LaRouche supporters were forced to file as “uncommitted,” after the state Democratic Party officially ruled that it would refuse to accept the filings of any delegate candidate pledged to LaRouche. Had the LaRouche supporters not made the tactical move to file as “uncommitted,” the party would



Lyndon LaRouche addresses supporters in Philadelphia on March 31. The market crash has opened the way for new leadership to deal with the financial crisis.

have cancelled the caucuses altogether. As it was, LaRouche supporters on the “uncommitted” Freedom Democratic slates won at least 59 (and possibly more) delegates to the Virginia State Democratic Convention.

As we go to press, Democrats in North Carolina who have filed for spots on that state’s May 2 Democratic primary ballot as candidates for delegates to the National Convention pledged to LaRouche, are receiving letters from State Chair Barbara K. Allen, informing them that their Notice of Candidacy forms will not be accepted, based on instructions from the DNC. LaRouche’s name, however, will appear on the ballot, which is controlled by the state government, not the Democratic Party. Nevertheless, Allen’s letter insists that “any votes that might be cast for Mr. LaRouche will be disregarded.”

In an interview in mid-April, Representative Vaughn said, “What has been done [to LaRouche] is bad for African-Americans and minorities, but it is also bad for the nation, and it is *terrible* for the Democratic Party. If we want to be the party of the people, we certainly cannot do it like this.” He reiterated, “We will take this fight all the way to Los Angeles. We have no alternative but to do so.”

A spokesman for LaRouche’s national campaign agreed, saying that a revolt in the Democratic Party base is, in fact, the only way that the racist rulings of the DNC, which fly in the face of the Voting Rights Act, will be overturned. The campaign spokesman added that if that effort fails, and the party goes along with the DNC, it will “destroy itself and George Bush will win the election.” “And,” she said, “if Bush were elected, you would have a worse result than we got with Hoover in 1929. The U.S. and the world would not survive four such years. This time, people are going to have to vote their conscience. And, I’m confident that, in the end, especially as this crisis deepens, they will.”

Congress holds unusual hearing on 'Echelon' spy operations

by Edward Spannaus

The Permanent Select Committee on Intelligence of the U.S. House of Representatives held an extraordinary hearing on April 12—a hearing explicitly held for the purpose of refuting charges and allegations made concerning the so-called “Echelon” surveillance program. (See “British Key in Echelon Controversy,” *EIR*, April 14.) The hearing’s featured witnesses were Director of Central Intelligence George Tenet, and the Director of the National Security Agency (NSA) Gen. Michael Hayden.

Rep. Porter Goss (R-Fla.), the chairman of the committee, which, along with its Senate counterpart, is charged with conducting oversight of the intelligence community, said that this is the first time that the committee has held a public session to discuss the activities of the NSA. It was also the first time that an NSA Director has testified publicly, since the 1975 Church Committee hearings which first disclosed NSA monitoring of U.S. citizens.

Economic espionage

Both Hayden and Tenet were asked specifically about various charges made in the European and U.S. news media around the current Echelon controversy. Both flatly denied that the NSA spies on American citizens, or that the NSA and CIA conduct economic espionage on behalf of U.S. corporations, as charged in the recent report prepared for the European Parliament.

The logo of the “UKUSA Community,” the five-nation global signals intelligence alliance, between Britain, Canada, Australia, New Zealand, and the United States. “Echelon” is a specific intelligence-gathering program operated by the U.S. National Security Agency and the British Government Communications Headquarters (GCHQ) through the UKUSA arrangement.



“I recognize that it is standard practice for some countries to use their intelligence services to conduct economic espionage, but that is not the policy or practice of the United States,” Tenet said. He said that this is not the mission of the CIA, and that if the agency helped one corporation, it would quickly be charged with being unfair to other U.S. businesses.

Tenet said that SIGINT (signals intelligence) does provide economic information that is useful to the United States government. “It can provide insight into global economic conditions and trends, and assist policymakers in dealing with economic crises,” he said. Tenet also stated that on many occasions, “It has provided information about the intentions of foreign businesses, some operated by governments, to violate U.S. laws or sanctions, or to deny U.S. businesses a level playing field.” This was as close as Tenet came to referencing the recent column written by one of his predecessors—James Woolsey—who said that the CIA spies on foreign corporations that bribe other governments, so that they can get contracts or favored treatment.

Earlier that day, this reporter had occasion to ask a former high-ranking NSA official about the Woolsey commentary. He said that Woolsey had raised some interesting points, and that “there should be more introspection in Europe about these matters.” The former NSA official further suggested that Woolsey “was trying to make a point about the hypocrisy of some European countries.”

Another allegation which was fleetingly addressed in the House hearing, was the charge that the United States uses British intelligence agencies to circumvent restrictions on surveillance of Americans, or that Britain uses the U.S. and Canadian services to the same purpose. General Hayden said that U.S. agencies are forbidden from asking other countries’ agencies to do what U.S. agencies cannot do themselves. He cited a one-line provision of Executive Order 12333, which reads: “No agency of the Intelligence Community shall participate in or request any person to undertake activities forbidden by this Order.” Hayden did not point out that there are many ways around this provision, some of which were suggested in our April 14 *EIR* article.

During the April 12 hearing, General Hayden went through a legalistic description of what the

authority is for NSA activities, and of the legal restrictions which prohibit spying on “U.S. persons” (a term which refers to U.S. citizens, organizations, or resident aliens), unless there is probable cause to believe that they are agents of a foreign government.

Hayden said that no information is retained about U.S. persons unless legally authorized. If, for example, the NSA is collecting information concerning a person believed to be a foreign target, and it turns out to be a U.S. person, “we have to stop,” Hayden said. “That is no longer a legitimate target.”

If the NSA discovers that it has information about U.S. persons “that has no foreign intelligence value—that is not necessary to understand or assess the foreign intelligence—that information must be destroyed,” Hayden said. He insisted that such information is not retained in any manner.

In that light, it is highly curious why the NSA was found, during the 1980s, to have retained information on Lyndon LaRouche, and U.S. persons and organizations closely associated with him (see box).

Princess Diana

The question of possible NSA monitoring of the late Princess Diana, or the collection of information concerning her, was also raised during the April 12 hearings. Committee chairman Goss raised the question of whether the “British Royalty” have been the subjects of NSA surveillance—a matter which has been raised by a number of sources, including *EIR* in our April 14 issue.

Goss asked Hayden about such reports, and Hayden answered that foreign intelligence targets who are under surveillance might mention the name of a person in the British royal family, and that this would then be overheard during NSA collection of signals intelligence. But, Hayden stated that this does not mean that the NSA is targeting any member of the royal family. Goss then specifically referenced Princess Diana, but in a very elliptical manner, asking the panel, that if someone (presumably not British or U.S. intelligence) were planning mischief or mayhem against Princess Diana, that would be handled one way by the NSA, and if it were something else that had no significance to

NSA admitted it has documents on LaRouche

During the lengthy proceedings in the *USA v. Lyndon LaRouche et al.* case in Federal court in Boston during 1986-88, the U.S. government was forced to acknowledge that the NSA had documents in its possession pertaining to either Lyndon LaRouche or to associated individuals and organizations.

During pre-trial proceedings in August 1987, Mary Lawton, who was the head of the Justice Department’s Office of Intelligence Policy and Review (which handles applications for surveillances made to the super-secret Foreign Intelligence Surveillance Court), personally travelled to NSA Headquarters at Fort Meade, Maryland, to examine two classified documents mentioning the Schiller Institute—an organization founded by Helga Zepp-LaRouche three years earlier. In a subsequent affidavit, Lawton described her review of the two documents, which she stated were classified “Top Secret/Codeword,” and “are derived from sensitive intelligence sources and methods of the National Security Agency, an agency within the Department of Defense designated by the President as the Executive Agency of the Government for conducting the communications security and signals intelligence activities of the United States.”

About a month later, NSA sent a courier to the U.S. Justice Department with five more classified documents

mentioning the Schiller Institute. According to a second affidavit by Lawton, she said that the NSA had advised her that the documents were not found previously because of “a computer program malfunction.” Lawton declared again that all the documents were classified to the level of “Top Secret/Codeword,” and were “derived from sensitive intelligence sources and methods of NSA.” And, predictably, the Justice Department said that the documents did not contain any information that was exculpatory (i.e., tending to show the innocence of the defendants), or relevant to the issues of the Boston trial.

During the trial itself, the judge ordered a further “all-agency search” for government documents, after a telex message had been found in Oliver North’s safe by the Iran-Contra independent counsel, Lawrence Walsh. The message, sent to North by Richard Secord, stated that a source “had collected info on LaRouche.” A report later filed by prosecutors, in March 1988, included the following statement with respect to the NSA:

“Prosecutors caused a search to be made of all the files of the National Security Agency for any files which are indexed to any of the defendants, any related individuals, or any of the individuals or organizations mentioned in [one of the defendants’ Freedom of Information Act] FOIA request. . . . This search was completed and the results do not indicate any exculpatory materials.”

In other cases, where an agency had no documents, that was forthrightly stated, so again, this was a clear statement that documents referring to LaRouche, or to individuals and organizations “related” to him, were in fact being maintained by the NSA.

national security, it would be handled another way. The entire exchange was remarkably devoid of any substance.

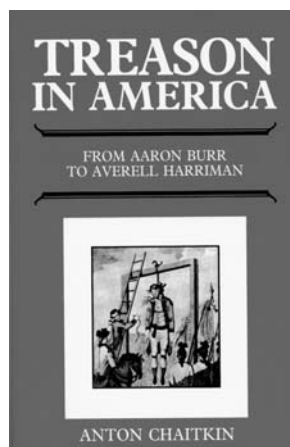
U.S. privacy rights

The only dissenting note at the House Intelligence Committee hearing was that raised by Rep. Bob Barr (R-Ga.), regarding privacy of U.S. citizens. Because he is not a member of the Intelligence Committee, Barr appeared briefly as the first witness, preceding the CIA and NSA Directors. Barr stressed that U.S. laws regarding foreign intelligence surveillance were last updated in the late 1970s, and he said that, in light of technological advances, "it is long past due to examine these statutes." He stressed that it is much more difficult today to draw the line between domestic and international intercept activities, because of new technologies.

"While Americans remain solidly in support of a strong foreign intelligence-gathering capability, they are not willing to do so at the expense of their domestic civil liberties," Barr (himself a former CIA officer) stated. The issue of the relationship between foreign intelligence gathering and constitutional domestic law enforcement "demands more than stock answers and boiler plate explanations," he said. Barr promised that the House Government Reform Committee will also take up these issues in future hearings.

Treason in America

From Aaron Burr To Averell Harriman



By Anton Chaitkin

A lynch mob of the 'New Confederacy' is rampaging through the U.S. Congress.

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Who is funding the new Jacobins?

by Scott Thompson

According to Metropolitan D.C. Police Chief Charles Ramsay, in his 30 years of policing, he has seen larger demonstrations, but he has never seen any as well-organized as those against the World Trade Organization (WTO) summit in Seattle, on Nov. 30-Dec. 3, 1999, and against the International Monetary Fund (IMF) and World Bank, in Washington, D.C., on April 8-17. Whereas the Seattle protests against the WTO turned, briefly, into riots, trashing and looting, by well-organized "affinity groups" of anarchist and eco-terrorists, the sterling efforts of the Washington Police and allied law enforcement agencies prevented a replay in the nation's capital. Police, throughout the week of planned anti-IMF disruptions, acted pre-emptively, with a minimum use of force, to stymie those among the protesters who entertained the idea of provoking social chaos.

As *EIR* made the point in last week's issue, the appropriate historical referent to these riots was how Lord Shelburne's chief of intelligence for the British Foreign Office, Jeremy Bentham, through the Duke of Orléans (Philippe Egalité), micro-managed the July 14, 1789 Jacobin riots in Paris, even writing the speeches of Marat, Danton, Robespierre, and other leaders of that "Revolution." The purpose of the storming of the Bastille, and the events that followed, was to destroy the pro-Constitutional Monarchy forces, grouped around such friends of the American Revolution as the Marquis de La-Fayette, as well as to install Jacques Necker, who had nearly bankrupted France, as Prime Minister, on behalf of the Jacobin mobs.

So, the question is: Who were the funders of the April 8-17 foiled riots in Washington, D.C.?

'You are going to get a revolution'

Edward "Teddy" Goldsmith: This "green billionaire," the British-based brother and heir of the late Sir James Goldsmith, used his money to send a group of rioters to both Seattle and to Washington. Teddy Goldsmith is the "Jeremy Bentham of April 2000," as *EIR* reported. Goldsmith, who launched the Green Party movement in Britain, is the owner of *The Ecologist* magazine, through which he has peddled the "Gaia Thesis," that anyone who breaks the "deep ecology" rules of the "Earth Mother Goddess" is doomed. Both he and his brother funded the Gaia Foundation in London, through which they worked with pagans, including Royal Consort Prince Philip and Prince Charles. Teddy is also the leading

funder of the International Forum on Globalization, through which he held a teach-in on April 14, near the height of what was intended to be the Jacobin riots in Washington, D.C.

Asked whether he saw the potential for a repeat of the Bastille Day riots, through events such as those in Seattle and Washington, D.C., Teddy Goldsmith responded to a reporter: "You see a Revolution. . . . Well, I think that we are creating conditions, which, when the stock exchange does go this time, we probably will have social conflict. . . . We're creating poverty on a scale we've never seen before. . . . You are going to get a Revolution. We are creating the conditions for a Revolution everywhere, because we're creating poverty on a scale that has never been seen before."

Financial reports not released

Edward "Ted" Turner: At least two reliable sources have reported that Turner, of CNN-Time Warner notoriety, has been a major funder of the Ruckus Society, which was at the center of events in Washington, D.C. Turner controls the Turner Foundation, Inc., and his former wife, the "deep ecologist" Jane Fonda, is on its board; the foundation has more than \$134 million to deploy for its stated purpose of "preservation of the environment, conservation of natural resources, and sound population policies."

However, according to a leading anti-environmentalist source, Turner has refused to release to the public, how much money he has put into ecological organizations, including the Ruckus Society, Greenpeace (from which Ruckus sprang, and which in turn had been a product of the World Wildlife Fund, headed until recently by Prince Philip), and the self-described eco-terrorist organization Earth First!

Elaine Broadhead: This anti-nuclear activist and Chicago heiress hosted two of some 18 Ruckus Society boot camps, at which activists were trained in civil disobedience and direct action, on the 150-acre Glen Ora estate, owned by Broadhead's family, located in Middleburg, Virginia's Hunt Country, not far from Washington. She admitted that she has funded Ruckus, but refused to state the amount or source, claiming that the Ruckus leaders, whom she knows well, had ordered her not to do so.

Broadhead and her family are longtime members of the Hunt Country families' anti-people, anti-development political front group, the Piedmont Environmental Council (PEC), based in Warrenton, Virginia, which she funds through her family's foundation, the Benjamin J. Rosenthal Foundation of Chicago.

Prince Philip, Prince Bernhard, and the 1001 Club: The World Wildlife Fund (WWF, now known as the World Wide Fund for Nature), which former Nazi SS officer Prince Bernhard of the Netherlands turned over to Britain's Prince Philip, includes a major environmental action funding source known as the 1001 Nature Trust, founded in 1971 by Prince Bernhard.

EIR investigators, who obtained some of the secret mem-

bership lists of the 1001 Club, found that many of the world's leading publishers, including the Hollinger Corp.'s Conrad Black and Venevisión's Gustavo Cisneros, were charter members. Members of the clandestine 1001 Club, which is based in Switzerland, include many leading members of the City of London-centered global financial oligarchy, who must contribute a minimum of \$15,000 to join.

As *EIR* documented (Dec. 9, 1994)—and as also documented in a book by the Editors of *EIR*, entitled *Dope, Inc.*, which has gone through three editions—it is no coincidence that one of Prince Philip's leading collaborators in the launching of the WWF, Maj. Louis Mortimer Bloomfield, a Canadian officer in British intelligence, was personally implicated in the plot to assassinate President John F. Kennedy. Bloomfield's name appears in the membership roster of the 1001 Club, and Bloomfield's obituary (he died in the mid-1980s) listed him as a founder and officer of the Canadian branch of the WWF.

Today's radical ecology movement was the creation of Prince Philip's WWF, and similar agencies controlled by the secretive London-based oligarchy, known as "The Club of the Isles."

Even before the founding of the 1001 Club, this group poured hundreds of millions of dollars into a vast public relations stunt, Earth Day 1970, to get the "green movement" off the ground. And, the organizers of the Seattle and Washington, D.C. activities, claim that they will make this Earth Day, April 22, their next target of opportunity.

Earth Day was also bankrolled by the United Nations, the Atlantic Richfield Oil Co., the Ford and Rockefeller foundations, and was run through the British intelligence-sponsored Aspen Institute for Humanistic Studies, a leading North American outpost of the late Lord Bertrand Russell.

The major media contributed billions of dollars in free advertising, by trumpeting such pieces of environmentalist quackery as Rachel Carson's 1966 *Silent Spring*, Barbara Ward's 1966 *Spaceship Earth*, and Teddy Goldsmith's 1972 *Blueprint for Survival*.

John H. Loudon: An officer of the 1001 Club, a former CEO of the Royal Dutch Shell Group, and who has knight-hoods from the British and Dutch royal families, Loudon was Prince Bernhard's handpicked successor in 1977 to become international president of the WWF.

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Book Reviews

Stopping the American incarceration race

by Marianna Wertz

Race to Incarcerate

by Marc Mauer, The Sentencing Project
New York: The New Press, 1999
208 pages, hardbound, \$22.95

Race to Incarcerate is a useful and comprehensive, though limited, study of the changes in American criminal justice policy over the past 40 years. The changes in policy which author Marc Mauer traces, have led us from being a postwar nation intent on making every American a productive citizen, to today's record-breaking prison state, where incarceration has become one of the greatest "growth industries," at a cost of \$40 billion a year, with 2 million men, women, and children currently incarcerated in America.

Mauer is the assistant director of the Washington, D.C.-based Sentencing Project, which has produced a few very important studies of criminal justice policy in America in recent years, which are reprised in *Race to Incarcerate*. One is its study of comparative international rates of incarceration, which in 1995 shocked many policymakers when it revealed that the United States is second only to Russia in the world, locking up 645 people per 100,000 population (or one in every 155 Americans). The Russian figure is 690 per 100,000, while the rest of the world is 300 or fewer per 100,000.

Mauer and the Sentencing Project also authored the important 1998 study, "Losing the Vote: The Impact of Felony Disenfranchisement Laws in the United States." This study, reprised in *Race to Incarcerate*, documented the fact that an estimated 3.9 million Americans, or 1 in 50 adults, is either currently or permanently disenfranchised as a result of a felony conviction. Of these, 1.4 million are African-American males, representing 13% of all black men, while in those states that impose permanent disenfranchisement on ex-felons, up to one-quarter of African-American men have lost the right to vote. This exposé has helped energize a growing movement to change these laws around the nation.

In *Race to Incarcerate*, Mauer recounts the history of the transformation of American criminal justice policy from

colonial days to the present, with a focus on the change from the "rehabilitative model," which predominated up through the 1960s, to today's "punitive model," which began to take over with the "law and order" Presidential campaigns of Barry Goldwater and Richard Nixon, and became policy in the Reagan-Bush era.

While the account presents many important facts, particularly pertaining to the race-based inequities of American criminal justice, it unfortunately remains on the level of a liberal critique, rarely going to the root of the problem.

What the book doesn't say

For example, in his lengthy discussion of the problems inherent in the Reagan-Bush "War on Drugs," the result of which was the massive increase in incarceration of young African-Americans hooked on crack cocaine, he never once touches on the fact that it was the Contra drugs-for-guns policy under Reagan-Bush that flooded the nation's black ghettos with drugs!

Similarly, while correctly criticizing the huge costs inherent in the incarceration model—money which is coming out of education and similar budgets—nowhere does he address the driving economic force behind its expansion: the lure of a huge captive workforce of young men and women, available for virtual slave labor, producing everything from license plates to automobiles in the nation's prisons today. Indeed, bills now awaiting passage in the U.S. Congress would create the conditions in which the massive flight of jobs in search of cheap labor overseas could soon be redirected back to our prisons, their produce presumably to be labelled "Made in America's Prison-Industrial Complex."

Finally, though *Race to Incarcerate* warns against the spread of the American prison privatization model overseas, where it is beginning to take hold, especially in eastern Europe and the British Commonwealth countries, Mauer never discusses the fundamental danger involved in the privatization of prisons—that profit, rather than rehabilitation or even punishment, becomes increasingly the motive in corrections, leading to a self-feeding cycle of longer and longer sentences, more and more prisoners, and more abusive treatment. Nor does he indicate that it was precisely the Reagan-Bush operatives, who first created the incarceration model, who then moved aggressively into private prison companies, making their fortunes in the private sector off the policy they put in place while in government. Exemplary is J. Michael Quinlan, who headed Bush's Bureau of Prisons, and then, after Bush's defeat in 1992, headed up strategic research for Corrections Corporation of America, the country's largest private corrections firm.

That said, *Race to Incarcerate* is definitely worth reading, particularly for policymakers. It makes absolutely clear, with devastating documentation, that the United States must begin an about-face in its criminal justice policy now, or risk losing its precious heritage as the "land of the free."

National News

Perry sees danger in U.S.-China relations

"I am more pessimistic about China-U.S. relations than I have been in several decades," stated former U.S. Defense Secretary William Perry, in a speech at the Asia Society in Hong Kong, the *South China Morning Post* reported on April 12.

Concerning the Taiwan Strait, Perry said, "I fear the situation could lead to a crisis more dangerous than any of the other crises," alluding to 1996, when he sent two U.S. aircraft carrier battle groups to the Strait.

Perry said that a series of incidents had set back U.S. engagement of China. These were the failure of Chinese Premier Zhu Rongji to get U.S. agreement to having China enter the World Trade Organization, when he visited the United States during the spring; the U.S. bombing of China's Belgrade Embassy; and Taiwan President Lee Teng-hui's asserting "state-to-state" relations between China and Taiwan, Perry said.

Perry said he considered that the threat to U.S.-China relations arose from China's missile deployment on the Fujian coast, rather than from Taiwan wanting to join a U.S. Theater Missile Defense system.

Clinton: 'We saved the Constitution'

President Bill Clinton, speaking to the American Society of Newspaper Editors on April 13, affirmed that his actions during his impeachment trial "saved the Constitution."

With regard to the impeachment, he said, "I have a slightly different take on it than many of you do—or at least than the Washington media does." The President acknowledged that he had made "a terrible personal mistake" and that he has paid for it. Referring to the Paula Jones case, he said that "I gave away half of my life's savings to settle a lawsuit I had won, because I wanted to go back to work being President. And we now know that the questions asked were asked in bad faith, because they knew the answer and they knew it had nothing to do with the lawsuit—something hardly anybody ever points out."

"But on the impeachment, let me tell you, I am proud of what we did there, because I think we saved the Constitution of the United States. I had to defeat the Republican revolution in 1994, when they shut down the government, and we beat back the Contract on America. Then we had to beat it in the impeachment issue.

"I'm not ashamed of the fact that they impeached me," Clinton said defiantly. "That was their decision, not mine. And it was wrong. As a matter of law, the Constitution, and history, it was wrong. And I am glad I didn't quit, and I'm glad we fought it. And the American people stuck with me, and I am profoundly grateful."

Clinton said that he considers the impeachment to be "one of the major chapters in my defeat of the revolution Mr. Gingrich led, that would have taken this country in a very different direction than it's going today, and also would have changed the Constitution forever, in a way that would have been very destructive to the American people."

Report finds no problem with agro-biotechnology

A report issued on April 13 by the Congressional Committee on Science's Subcommittee on Basic Research concludes that there is no significant difference between plant varieties created using agricultural biotechnology and similar plants created using traditional crossbreeding. The report, "Seeds of Opportunity," summarizes a series of hearings held by the committee, and was prepared by Rep. Nick Smith (R-Mich.), who chairs the Subcommittee on Basic Research. It recommends that the regulations at the U.S. Department of Agriculture and the proposed regulations at the Environmental Protection Agency be changed to focus on the characteristics of a plant, and not the process used to develop it.

According to Smith's news release, the report addresses many of the concerns surrounding agricultural biotechnology, and "concludes that plants and foods produced using agricultural biotechnology pose risks no greater than those for plants and foods developed using traditional methods."

Smith comments that "the real value of this report is that it has let the voice of the scientific community come through unfiltered to address these contentious issues. In

the case of agricultural biotechnology, the scientific community is as united as I have ever seen it on any major issue."

S.C. Senate votes to remove Confederate flag

The South Carolina Senate voted on April 12, by 36-7, to remove the Confederate flag from the top of the capitol, where it has flown next to the state and U.S. flags. Those who voted against were all Republicans.

The compromise legislation calls for the flag to be placed on a 20 foot flagpole on the state capitol grounds behind a monument to Confederate soldiers that is higher. "This is one more hurdle that has been overcome," said Democratic Gov. Jim Hodges, who supports the flag removal.

The South Carolina NAACP has issued a statement saying that it rejects the compromise legislation, and it will maintain the tourism boycott. Its board voted unanimously to reject the compromise, because the flag will still be on "sovereign ground."

The bill must now also be passed by the South Carolina House, which is dominated by Republicans.

Army seeks French aid in restructuring plan

The French Army is advising the U.S. Army on how to create "light intervention brigades," according to defense correspondent Jacques Isnard, writing in the daily *Le Monde* on April 12.

According to the report, U.S. Gen. Paul Kern has been assigned to conceptualize the "new organization" by Chief of Staff Gen. Eric Shinseki. Shinseki recently said that heavy divisions are a remnant of the Cold War, and now the United States requires capacities for rapid response, "forces that are deployable, agile, multi-directional, and susceptible of surviving and lasting" on the ground, and capable of responding to the totality of operations that will be required in the new century.

According to Isnard, the Kosovo war was a driving force in this re-thinking, because the American army was criticized there for its slowness.

Alan Greenspan and his useful fool

U.S. government response to the serious Internet stock crash of April 10-14, was nothing but the Weimar Germany 1921-23 reflex: Throw up a wall of money, print a veritable Niagara Falls of money, to pump the markets back up again—perhaps for the last time. The trick can only be repeated a few times, before it blows out the world economy in a gale-storm of hyperinflation, as in Weimar Germany in 1923. At that time, German hyperinflation accelerated through the Spring and Summer of 1923. By October-November, the money-printing presses could no longer keep up with the rate of inflation, and Germany's economic heart stopped.

Such runaway hyperinflation is by far the most destructive form of financial blowout, as the scarred memories of even today's Germans attest. Although it did not actually cause Adolf Hitler or the Nazi rule as such, it is no coincidence that it was in the 1923 crisis that Hitler's movement first rose to prominence. Had there been no such 1923 crisis, he would never have taken power. The difference between today and 1923, will be that this time, it will be a worldwide phenomenon, so that there will be no possibility of a rescue from outside, as the U.S. rescued Germany with the Dawes plan—unless perhaps some Martians land on Earth to rescue us.

To put it politely, Al Gore supporter, Treasury Secretary Lawrence Summers is no genius. He has memorized a few tricks which seemed to work before. He has no creative approach, no solution, but instead he repeats his tricks over and over, hoping they'll work again, one more time. This time, his tricks doomed the Presidential campaign of pre-candidate Gore, whom Summers supports, because so many of Gore's supporters among the suburbanite top 20% of family income-brackets—those who had thrown everything they could borrow into Gore's "information society" fad, and thought they were getting rich—were taken to the cleaners.

Summers played the "useful fool" for Federal Reserve Chairman Alan Greenspan, who functions as the CEO of "Vultures, Inc." Remember, that this is the Greenspan who was earlier the personal aide to vulture-humanoid Ayn Rand. Greenspan took the Internet stock crash, which had to happen anyway, and used

it to fleece credulous suburbanite types in the millions, wiping them out financially for the benefit of his banker and broker friends. Brokers grabbed the stock portfolios of Gore's supporters in margin calls, and were then given enormous low-interest loans by Greenspan and Summers' "Plunge Protection Committee," to buy these stocks for themselves at a huge discount. They'll hold onto the good ones, while finding a way to sell the stocks of the 75% of the Internet companies which are doomed to bankruptcy, to some old or new group of suckers.

That's not the end of it. As the mortgages are foreclosed on the same poor suckers, the same vultures are taking over the real estate.

This was a mass rip-off reminiscent of the rape of the U.S. family farm since 1977, or of the Garn-St Germain Act of 1982, which handed over every savings and loan bank in the United States to be eaten by the same vultures, to the point that the once-thriving savings and loans sector no longer exists in the United States.

What's the scale of the looting this time? *New York Times* business journalist Louis Uchitelle wrote on April 20, that from early January through April 14, "sell-offs have destroyed an estimated \$2 to \$3 trillion" in assets, including \$1.5 trillion in assets of households. Uchitelle noted that if this \$1.5 trillion is divided over the one-half of the U.S. population that owns stocks, it averages \$12,000 per person. Now, his figure may not be the true one, and such averages have little meaning in any case. But a more meaningful number would be the average impact per household, among the top 20% of income brackets, who own most of the stock. If Uchitelle's \$1.5 trillion is close to the mark, that average would be closer to \$60,000 per household.

And these household generally don't have any savings. They were already deep in debt.

Even before April 10-14, there were strong, behind-the-scenes moves in the Democratic Party, to reopen the nominating process, in order to substitute a viable candidate for Al Gore. Now, any illusion of Gore's electability has been shattered, while there is still enough time to bring in Lyndon LaRouche as the nominee.

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