

# EIR

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—from the Berlin Declaration, March 1990

# EIR

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## From the Editor

The artillery which has been collected in the 18-page *Feature* this week is intended to focus political firepower against what we view as potentially the most dangerous event of 1992: the United Nations "Earth Summit," or Eco-92, slated to occur in Brazil in June. Our aim is to intervene into the March preparatory events for that summit, and expose the lying propaganda which the perpetrators intend to use to stop all progress, in the name of the cult of Mother Earth.

The Rio summit is intended to reverse everything good that has been achieved since Columbus's voyage 500 years ago marked a turning point in the spread of the Renaissance ideal of the Necessity of Progress around the globe.

Our *Feature* has three sections. First, Kathleen Klenetsky and our correspondents in Brazil, Silvia Palacios and Lorenzo Carrasco, present devastating documentation of the aims of the depopulation lobby masquerading as "ecologists," and how they have achieved those murderous aims in Brazil, the host country of Eco-92. Second, we reprint in abridged form, Lyndon LaRouche's 1981 exposition of the argument for "relative potential population-density," as the sole viable yardstick for measuring a society's ability to survive into the future. Last, Mark Burdman debunks the idea of "sustainable development"—that concrete masterpiece of concise meaninglessness, which the world banking fraternity uses to promote famine, want, and disease around the world.

Look to the *National* section, for an analysis of the presidential race after New Hampshire, and two developments which are more key than the primary vote: 1) the fallout from an encounter between George Bush and a LaRouche supporter on the campaign trail, which exposes the Bush team's frantic coverup of the evidence which would free the innocent Lyndon LaRouche from prison; 2) the impact of a delegation of national congressmen from Ibero-America, touring the U.S. on a fact-finding mission to probe the violation of LaRouche's human rights.

Other very special articles: an exclusive interview with the President of Macedonia Gligorov, and in *Science & Technology*, the kind of scientific potential which dispels all the "limits to growth" mythologies.

*Nora Hamerman*

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## Feature



Black people are especially targeted by the international bankers for birth control, sterilization, and abortion instead of technology transfers that would spark industrial development to support their population. Here, the "loop" (IUD) is pushed to mothers in Trinidad and Tobago's Claxton Bay Health Center, funded by the Inter-American Development Bank.

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**Correction:** In last week's issue, on page 29, John Grover's name was erroneously included in a list of Australian endorsers of Lyndon LaRouche for President.



## World grain output falls, as free-traders push GATT

by Marcia Merry

The managing director of the World Bank, Attila Karaosmanoglu, told participants in a U.N. trade conference in Colombia on Feb. 13, that it was urgent to reach agreement in the Uruguay Round of trade talks by the 108 member nations of the General Agreement on Tariffs and Trade (GATT). "Failure at this critical juncture to make significant progress could postpone by many years much needed benefits," he intoned. "It could also degenerate into greater discord and further restrictions, which at worst could stifle growth in industrial and developing countries alike. Nothing is more urgent now than an agreement which significantly benefits all participants."

U.S. Vice President Dan Quayle was touring Europe that week with the same message, and with the threat that if the European Community nations don't agree to the U.S. demands on a GATT treaty, then Washington will retaliate.

Karaosmanoglu, using the typical doublespeak of the World Bank and the International Monetary Fund, gave as the reason to agree to a GATT treaty, the "challenge" of the 1990s, the need to take collective efforts to reduce poverty. "A billion people continue to live in stark poverty," he said. "Such stark poverty threatens the very environment on which sustainable development depends." (See *Feature*, pages 44-47, for an analysis of what this really means.)

What are the "much needed benefits" which, according to Karaosmanoglu, we are losing out on by the failure to ram through the GATT treaty? The gist of the Anglo-Americans' demands is that other member nations slash subsidies to farming. The idea is that the free-traders will then move in; the smaller, independent farmers will be driven out of business; the multinational cartels will run whatever is left; and *agricultural production will be cut back*.

This, at a time when even the year-end 1991 reports

issued by two world food monitoring agencies—the U.N. Food and Agriculture Organization and the U.S. Department of Agriculture—document that we are not producing enough food to feed the world's people. Or, in the words of the FAO's December 1991 *Food Outlook* report, "It is now certain that global cereal output in 1991 will be well below trend, and short of consumption requirements in 1991-92."

In a word: More free trade means famine and genocide.

This is what underlies the continuing opposition to GATT from some national governments, which is being so loudly denounced by the Bush administration and World Bank officials.

### A deliberate policy

The GATT was established as part of the postwar triumvirate, with the International Monetary Fund and the World Bank, which has suppressed economic development in most of the world. Its job is to assist special, mostly Anglo-American interests, in exacting usurious debt service and terms of trade from subject nations. Decades of this process have now resulted in chronic food shortages and the recurrence of epidemics of once controlled diseases—for example, the cholera now plaguing South America and Africa.

Nevertheless, in 1986, the United States and Britain initiated a new round of the GATT—the "Uruguay Round"—intended to culminate in 1990 in a global treaty that would give free rein to select international companies to operate—and loot—freely across all national boundaries, in the areas of banking, labor relations, insurance, patents, and especially food production and sales. Any capability by sovereign nations to protect their economies against such looting is supposed to be made illegal, by international treaty arrangement.

The motto of the GATT Uruguay Round is, "One World,

One Market.” The official U.S. position papers submitted to the GATT state that no nation has a right to even attempt to produce enough food to be self-sufficient. Instead—goes the argument—citizens of all nations must rely on the “world market.” What this really means is that the food cartel companies (Cargill, Louis Dreyfus, Archer Daniels Midland/Töpfung, Continental, Bunge, André/Garnac and a few others) decide who eats, and who does not.

For example, Mexico, which was food self-sufficient in the 1960s, was coerced by the IMF to join the GATT, to give up self-sufficiency, and to import food at cartel prices and cartel discretion. Now one-third of the Mexican people are suffering from various forms of malnutrition.

### **Treaty is still bogged down**

Fortunately, resistance to this genocidal policy has been enough to stall any such treaty, up to the point that the final negotiations are now scheduled for April, and the talks are centered only on a last-ditch draft treaty text by GATT general director Arthur Dunkel, who has announced that he is resigning this year.

In late January, Dunkel gave a press conference in Geneva, to stress that the negotiations for concluding the Uruguay Round would continue over the next few months. “On the basis of talks I have held over Christmas and especially in the last week,” he said, “I see a real strong consensus on the part of governments to consider that we have reached the stage of the final sprint. But let’s face it. To tie up the loose ends is going to be a horrifying experience.”

As of the end of 1991, no other proposed text was even left standing, because of the impasse that exists between the United States and the European Community over agriculture policy. The United States demands that Europe give up backing its farm sector; the EC has refused, in particular in the face of the need for food exports to the former Soviet bloc.

There are continuing voices of opposition to the U.S. policy. French Trade Minister Jeanneney, speaking Feb. 17 at a Franco-Thai Chamber of Commerce meeting in Bangkok, condemned the Bush administration for demanding one-sided concessions, and ordering nations to give up their agriculture programs.

“We will not accept a bad agreement,” he said, “to beat a deadline set only by the American electoral timetable.”

Japan’s vice minister for international affairs at the Agriculture Ministry, Jiro Shiwaku, called the Dunkel draft proposal “unfair.” Shiwaku has requested an urgent meeting to modify the Dunkel draft. “I know this would reopen negotiations and might unravel them . . . but otherwise there will be major confusion, because not only Japan but others do not agree with the draft.” He complained that “if the draft were implemented, export subsidies would remain legal while import controls would become illegal.” Japan has remained self-sufficient in rice production, and is not intending to give up this sovereign right.

### **The world harvest picture**

Last year’s total harvest of grains of all types fell below average annual consumption requirements, as calculated by the FAO based upon prevailing “normal” consumption—not upon the level of consumption that is actually required for adequate human nutrition. An estimated 1.889 billion tons of grain was produced, according to the FAO. This harvest is at least 4% lower than the harvest of the year previous.

The FAO estimates for harvest totals in the past five years are, in billions of tons:

1991-92: 1.889

1991-90: 1.968

1989-90: 1.891

1988-89: 1.746

1987-88: 1.792

Note that the most recent harvest is lower than the past two years’ harvests.

Worldwide annual cereal aid is now about 8.8 million tons, down from 13 million tons in the mid-1980s.

Under the circumstance of harvest shortfalls, the draw-down of grain stocks has pulled grain reserves way below minimum security needs. The FAO views 17% as the minimum security level of grain carryover, as measured by grain stocks to annual consumption. However, on a global scale, stocks are way below this line.

In the United States, wheat stocks are so low, that even on the controlled Chicago Board of Trade, wheat futures prices (for March contract, in dollars per bushel) went up from Jan. 5 to Feb. 10 from \$4.00 to \$4.60. U.S. wheat reserves are now at about the same level as 1974.

The U.S. 1991 wheat harvest was down 28% from the year earlier, as a result of lowered plantings and bad weather. However, the plantings for the 1992 harvest (three-fourths of U.S. wheat is sown in the fall, and harvested around June) are at least 2% lower than that sown for 1991. The U.S. Department of Agriculture reports that farmers have seeded 50.2 million acres of winter wheat, compared with 51 million acres in 1990. Given the small size of the wheat reserves, the yields will be very important.

Much of the world harvest decline over the 1980s is accounted for by production cutbacks in the United States. As of 1990, the annual total grains harvest in the United States was little more than what it was 10 years earlier—about 275 million tons. In 1985, some 347 million tons of grain were produced, but that same year a raft of programs were initiated to take cropland out of food production, and to reduce meat and milk output.

The Conservation Reserve Program (CRP), which induces farmland owners to agree not to produce food on their land, in exchange for an annual government payment, has taken close to 40 million acres out of food production. At a yield of three tons per acre, this represents 120 million tons of grain—a loss of cereals for 360 million people in a hungry world.

# Menem admits cholera has hit Argentina

by Mary Cabanillas

In November 1991, Argentina's press reported on the first cases of cholera in the country, which appeared primarily in the northern provinces of Salta and Jujuy. The government of President Carlos Menem took the approach of denying the existence of any cholera cases, and of prohibiting health authorities from making any statements on the matter. The coverup went so far as to set up police cordons around hospital centers where the cholera victims were being treated.

In early February, when the cholera contagion was no longer containable, the communications media began to apply pressure to force out the truth. Finally, on Feb. 6, a desperate telephone call was made to the Buenos Aires daily *Clarín* by Guillermo Lorente, director of a hospital in Tartagal, Salta, saying that "at five in the morning, we were told from [the city of] Salta that the specimens taken at Santa Victoria were positive, disproving our own results. Thus I am authorized to give out the official information."

That same day, the Menem government officially admitted that "cholera has arrived in Argentina." Health Minister Julio César Araoz announced that 45 cases of cholera had been confirmed, of which six had already died; all were on the outskirts of the city of Salta, in the province of the same name bordering Bolivia. The disease has now reached Buenos Aires, a city of 8 million.

As in other countries on the continent, cholera appeared first in some of the most impoverished areas of Argentina, known as Santa Maria, Santa Victoria, and Misión de Paz—all in Salta province. The inhabitants of these towns are primitive Indians who speak no Spanish, and who live by hunting, fishing, and gathering. They are totally isolated from the media. The nearest hospital is 200 kilometers away, and they lack the most essential services. The Indians live along the banks of the Pilcomayo River, from which they derive their primary sustenance, fish. There is a good likelihood that the cholera contagion came from that fish.

The Pilcomayo River converges on the Bermejo River, which in turn empties into the Paraná River, which is a tributary of the Río de La Plata. It is along the La Plata's banks where urban centers desperately lacking in the most elementary water treatment and sewage facilities are based.

According to the Argentine Statistical Institute (INDEC), Corrientes province has less than 50% potable water and less than 15% sewage facilities. The province of Santa Fé has 55% potable water and 32% sewage. In the nearby province of Entre Ríos, 40.6% have no potable water and 78.2% no sewage. It is worth noting that the La Plata and Paraná rivers are Argentina's main waterways. Thus, the ideal conditions exist for a rapid and dangerous spread of the epidemic downstream, toward Buenos Aires.

Following the "official" admission of cholera in Argentina, 187 cases of the disease were confirmed in the course of the following week, of which 11 were fatal. The deadly bacillus has continued to spread from town to neighboring town in the affected regions, despite rigorous sanitation measures ordered by the Health Ministry, again suggesting transmission by river.

## Now in Buenos Aires

When the cholera cases in Salta and Jujuy were first officially acknowledged, Buenos Aires province Health Minister José Pampuro predicted that cholera would reach Buenos Aires within the month. His statements were dubbed "ill-advised" and "alarmist" by the federal government. And yet, on Feb. 18, all of Argentina's dailies carried the report that a case of cholera had been confirmed in Greater Buenos Aires, in the industrial belt surrounding the capital city. The 34-year-old middle-class mother of seven children was infected with a different cholera bacillus than that which has affected Salta and Jujuy.

The situation in Buenos Aires is critical. According to INDEC, 52.1% of the population lacks potable water, and 22.3% lack sewage. The president of the Argentine Epidemiology Society Dr. Carlos Ferreyra Nuñez, warned the daily *Clarín* that controlling the disease in Greater Buenos Aires "will be difficult, because all the conditions for the disease's advance are there: lack of potable water, vegetables watered with feces-contaminated water, inadequate control of food quality, and malnourished inhabitants."

But the coverup continues. During a recent visit to Spain, President Menem declared that "there is not an epidemic of cholera in Argentina, but an outbreak, and it is totally localized. If nothing happens, it will disappear in short order." While the head of state expresses this optimism, the heads of Argentina's provinces—confronted with new reforms of the national budget which have decentralized health and education resources—are increasingly alarmed at the lack of funds available to check the advance of the epidemic.

Dr. Antonio Bonifasi, president of the Federal Council of Potable Water and Sanitation, declared last October that "the sector which once headed up Latin American statistics on provision of potable water and sewage, is now in critical condition. This is due to major disinvestment in the sector. At least \$300-400 million a year should be invested in this area, but the country last year invested only \$70 million."



# Trade act proposes suicide for Detroit

by Kathy Wolfe and Leif Johnson

A close reading of "The Trade Enhancement Act of 1992," introduced into Congress on Jan. 22 by Rep. Richard Gephardt (D-Mo.) and Sen. Don Riegle (D-Mich.), reveals a plan for Detroit to commit "hara kiri." It requires the U.S. to demand all nations "rationalize worldwide auto markets and production." "Rationalize production" is the technocrat's term for permanent closure of plants and layoffs. The bill benefits only Wall Street and the New York banks which hold the debt of the bankrupt Big Three U.S. auto companies, bailing out the "multinational" corporate shells of GM, Ford, and Chrysler by simply allowing them to shut dozens of unprofitable U.S. plants.

The "secret agenda" of the U.S. media's current Olympic levels of Japan bashing includes forcing through this bill, which Americans would not otherwise tolerate. Riegle introduced H.R. 4100 declaring that Japan has destroyed the U.S. economy and has "the same view that Japan held the day that its war planes struck Pearl Harbor." This is a dangerous lie, and rotten economics.

Indeed the real authors of the bill are the British "post-industrial" trade bureaucrats in London and in the European Community, who want to take down both Japanese and U.S. industry to British levels. The day after the introduction of Gephardt-Riegle, Britain's EC Commissioner for Competition and Financial Services Sir Leon Brittan attacked the idea that Japan and the U.S. might work together to save auto jobs, and demanded just such a global scheme. Sir Leon was scheduled to visit Japan Feb. 16-21, to lodge his demands with Prime Minister Kiichi Miyazawa. The British expect Americans to fall for this routine. "Blaming Japan: throw that in front of 'Joe Hardhat,' and it's like throwing raw meat to a lion," laughed Ken Goldstein, an economist at Wall Street's Conference Board, regarding the bill.

## NAFTA cheap wage plan

Leif Johnson, a LaRouche Democratic candidate for Congress challenging Gephardt in Missouri, issued a press release in St. Louis on Feb. 10, headlined "H.R. 4100 Could Wipe Out Domestic Auto Production." The bill, he said, is "an extension of the North American Free Trade Agreement (NAFTA) . . . [which] will enable the Big Three auto makers to close plants in the U.S. and shift production to low-wage areas, escaping high-wage, high-productivity competition

from Japanese companies. . . .

"The bill mandates the U.S. Trade Representative to 'initiate multilateral negotiations with the European Community, Japan, and other auto-producing countries to create a multilateral agreement [cartel] to *rationalize worldwide auto markets and production*,' shutting down the least productive plants. This cartel would be negotiated within 180 days of the passage of H.R. 4100. Older U.S. auto plants would be first on the chopping block. General Motors has already announced closure of 26 U.S. factories."

The bill's claim to keep open U.S. domestic auto makers is a fraud, Johnson explains. "According to the bill, to be a 'Domestic Vehicle Manufacturer,' a company (which the bill specifies cannot be Japanese-owned) is only required to have one plant in the United States, and have at least 60% of its parts produced by a 'Domestic Parts Manufacturer.' Therefore, if any or all of the Big Three shut down, or moved to Mexico, all but one plant, they would still be a 'Domestic Manufacturer.' Even if any or all Big Three companies were taken over by a foreign company (except Japanese), but left one plant in the U.S., it would be a 'Domestic Manufacturer.' All parts made in Canada are considered 'domestic,' since they are covered by the United States-Canada Free Trade Agreement. If the NAFTA treaty is signed within the next two months, as Bush and Gephardt expect, all 'runaway' production south of the border will *also be* 'domestic.' It will actively encourage the auto companies to shift production to low-wage areas abroad. . . .

"H.R. 4100 claims that it will force Japan to buy more American-made autos and auto parts," Johnson points out, but in fact would shut down the very U.S. plants now producing the cars and parts Japan buys! "These vehicles and parts, produced mainly in Japanese-owned plants in the U.S. employing American workers, are also targeted in Mr. Gephardt's bill, along with Japanese-made vehicles."

## Trade destruction act

The bill also writes into law a general slashing of all U.S.-Japan trade, a Wall Street austerity program first proposed by Treasury Secretary Nicholas Brady during Bush's Japan trip last month. The act declares Japan to be solely responsible for cutting the \$42 billion Japan-U.S. trade imbalance by 20% a year, for the next five years. Japan must somehow cut the deficit by \$8 billion a year at a rate of \$2 billion a quarter. The scheme was rejected by the Japanese as impossible.

Under the act, if the trade deficit does not fall by \$2 billion a quarter, U.S. retaliation against Japan will be automatically triggered. Measures include putting a cap on U.S. imports of Japanese cars at the 1991 level of 3.8 million units and lowering the cap by 250,000 cars each quarter Japan fails to cut the deficit. The act further requires the White House to immediately bring several Section 301 "cartel" suits against Japanese companies for merely buying Japanese auto parts, with the aim of destroying Japan's corporate system.

# U.K. Labour Party maps electoral strategy: Main issue is the economy

by Mark Burdman

Although the date for the British national election has not yet been officially announced, the campaign has begun in earnest, and some of the early battles have been staged outside the United Kingdom. On the evening of Feb. 17, British Labour Party parliamentarian Chris Smith spoke to a packed house at the Friedrich Ebert Foundation, the Social Democratic think tank in Bonn. Smith is the opposition spokesman on Treasury and Economic Affairs, and could well be a key minister in a new Labour-led, or Labour-centered, government later this spring.

Smith began bluntly: "This will be the closest general election we have had in Britain for many years. . . . It will be decided by the state of our national economy." He reported that the election date will almost certainly be April 9. Prime Minister John Major will likely announce this on March 12, two days after the budget speech of Chancellor of the Exchequer Norman Lamont, which is expected to focus on new tax cuts for sectors of the population. The Parliament will then finish its work on March 16, and there will be three and a half weeks of intensive campaigning before the vote.

Having made these introductory remarks, Smith launched into a blunt attack on Thatcherite-Conservative economic policy of the past decade. He stated that Britain is currently "in a very deep and damaging recession, the biggest and severest since the 1930s." Most recent figures indicate that overall production has collapsed 5% in one year, and that the country is experiencing the lowest rate of growth since World War II. Unemployment is "rising significantly," with the announced 120,000 rise in unemployed for the most recent month registered being the worst such rise in four or five years. Manufacturing investment has fallen by 15% in the last year.

Smith was speaking four days after some of these figures, as well as others showing a drop in profits for companies like Ford-U.K., were publicly released in Britain. That day, Feb. 13, has been dubbed by London's press the "Black Thursday" of the Major regime.

Smith also focused on the dramatic collapse of public services. Most controversial are the problems plaguing the National Health Service, a matter of "enormous importance" to the British population. But equally troublesome is the

decline in education: 1 million children go to classes with 30 children or more in the room, many classrooms have leaky ceilings through which rain pours in, basic supplies are inadequate, and the number of teachers is insufficient. Yet another crisis area is the transport system, which is "creaking at the seams," especially in London and other big cities. "Good quality transport is a big election issue," Smith emphasized.

Perhaps most alarming is the increase in homelessness and poverty. Homelessness has increased during the 12 years of Conservative rule by 180%. As for poverty, the figures Smith cited are shocking. In 1979, it was estimated that 12% of the British population were living below what is defined as the "very basic minimum level" below which a human being cannot sustain himself or herself. That figure is now 19%, signifying that "almost one-fifth of the population is living at or below the poverty level!"

## 'Free market' ideology blamed

Noting that there is "no real sign of recovery happening," and that the British economy was, "at best, bumping along the bottom," he cited four reasons for the collapse of the economy after nearly 13 years of Conservative rule:

1) The Conservative-created recession of 1980-81 "removed almost overnight one-fourth of the manufacturing capacity" of the U. K. This was justified with the partially true argument that a "shakeout" was needed to get rid of inefficient industries, but the fact is that "nothing was done to ensure that new industries would replace the old." The result was that "the industrial base was sharply reduced."

2) By the mid-1980s, the government had engineered "a consumer boom of unparalleled proportions," generated largely by lifting restrictions on credit and tax cuts. Within three years, domestic consumption had risen by 20%, which was "unheard of." Commented Smith: "It doesn't take an economic genius to understand, that if you reduce industrial capacity by one-fourth, and then boost consumption by 20%, you inevitably end up with a balance-of-payments crisis, because of increased imports, and a tendency to inflation. This is precisely what happened."

3) The Conservative government then used "one weapon and one weapon only": it raised interest rates, which soared

to around 15% by the end of the 1980s, causing “enormous pain” to people who had bought houses in the preceding years, and to British businesses, who rely considerably on credit to keep going.

4) There was a “sheer waste of a tremendous opportunity,” when the Tories squandered the enormous revenues, estimated at around £100 billion from total sales of North Sea oil over the 12-year period from 1979-91. This money, plus about another £50 billion accrued during the “privatization” sales of state assets, was never used to build up the destroyed industrial base that would have created wealth, but was instead diverted to “tax cuts and social security.”

As a result of these four factors, “we have been left with a severely weakened economy,” Smith asserted.

He indicted the economic theory that has been responsible for such calamities: “It is our belief that the market cannot solve everything. What we’ve seen over the course of the 1980s, is the death of two extreme ideologies. The belief in full state control has totally failed, but the belief that the market could do everything, and that the government could simply stand back, has also been shown to have deep flaws, certainly both in the United States and Great Britain, where it has produced economic disaster.” He also attacked the underlying “philosophical” axiom of Thatcherism, that “there is no such thing as society, what is important is that individuals retain their individuality and that their individual needs remain paramount.”

### **The City’s more presentable face?**

Counterposed to this critique, Smith presented Labour’s alternative, focused on four economic points: alignment of the pound-sterling with Europe’s Exchange Rate Mechanism (ERM); the adaptation from Germany of the practice of carrying out a yearly “national economic assessment”; the establishment of a national minimum wage; and greater “fairness in taxation.” Additionally, Labour would emphasize the necessity of upgrading Britain’s woeful standards of education and training and research and development, would recommend tax incentives to increase manufacturing investment, and would support measures to upgrade Britain’s infrastructure, particularly in the areas of housing and transport.

He repeatedly expressed admiration for Germany’s economy, as a positive success model for Britain to emulate. Pointing to a specific “recipe” that Labour looked at with favor, he recalled a discussion he had with a senior official from Japan’s Ministry of International Trade and Industry (MITI), which plays a crucial role in determining Japanese economic policy. Aside from pointing to Japan’s low level of defense expenditure, this official stressed the importance of Japan’s education and training programs, the “most intensive” in the world, and of Japan’s practice of government-industry cooperation in planning, thinking “20 years ahead of time.” This, Smith claimed, is a “reasonable recipe for

success. We have some lessons to learn, and we in the Labour Party have been learning them.”

This is, indeed, surprising talk from a prospective future minister of a British government, in contrast to the repeatedly self-righteous, and entirely absurd, economic assertions of Mrs. Thatcher and her ilk. It is also surprising talk from a senior official of a party that has formerly emphasized socialist, class-struggle rhetoric in its platform.

However, it is not evident from Smith’s speech whether Labour has gone beyond new rhetorical devices in elaborating an alternative, nor whether Labour is doing anything more than pragmatically and cleverly adapting its pitch to the obvious reality that Britain’s economy is a mess and that a Conservative regime holds much of the responsibility for that plight. What is the real substance? Smith was generally vague on the matter of how Labour would actually carry out, and finance, its policy alternative. There was not the slightest mention, for example, of a policy of fostering the development of frontier technologies, or science-driver programs, that would “jump-start” the destroyed British economy. And, his talk of promoting “government-industry partnership,” might amount to nothing more than a revival of the left-wing corporatism characteristic of the Fabian Society wing of the Labour Party. (The 40-year-old Smith has been a member of the executive committee of the Fabian Society since 1989, and has been a leading member of the Fabian-linked “Tribune Group” of Labour parliamentarians since 1984. Labour is the British branch of the Socialist International, which has pioneered many corporatist, or co-determination, schemes over the past decades).

Smith made no mention of the crisis in international indebtedness and the global policies of the International Monetary Fund, which, in combination, preclude any true move toward economic recovery and reconstruction. Insofar as Smith referred to international economic issues, he unfortunately committed a Labour government to supporting the GATT “Uruguay Round” agreements.

In this light, Smith’s effusive praise for Germany, and insistence that Labour would favorably orient toward Europe, was double-edged. His speech did little to dispel the suspicion that Labour, in the end, might be nothing more than the more presentable face of City of London usury, and that a Labour-led regime might be a British bankers’ “Trojan Horse” in Europe. One of his candid assertions was that Labour was being more accommodating to Europe than recent Conservative governments have been, because it wanted to ensure that the future European Central Bank would be located in London, rather than in Frankfurt. When London *Guardian* correspondent David Gow, who served as moderator for the Ebert Foundation event, expressed astonishment that Labour would lavish such praise on the City of London, Smith answered by extolling the City’s unmatched “expertise in handling money,” adding jokingly, “with one or two exceptions, like Robert Maxwell.”

# Salinas's agrarian reform, a cure far more lethal than the disease

by Carlos Méndez

The recent reform of Article 27 of the Mexican Constitution, proposed by President Carlos Salinas de Gortari and rammed through Mexico's Congress last December, is a fraud that will plunge Mexico into starvation and disease of epidemic proportions. Salinas de Gortari is the Harvard-trained "role model" for the new breed of leaders the Bush administration seeks to impose on Ibero-America. For 10 consecutive years, first as planning and budget secretary and then as President of the Republic, Salinas de Gortari has been teaching the horse how to live without eating. Now that the nag is dying, Salinas wants to enter it into a horse race.

Salinas presents his agrarian reform as an overdue "modernization" of the agricultural sector, which will do away with supposed obstacles to the nation's agricultural development, in particular the form of land holding known as the *ejido*. While it is true that the *ejido* is unsuitable, the proposed cure is worse still, for it not only fails to address the central problem of Mexican agriculture—lack of just and adequate credit, and lack of technology—but would worsen it. To this can be added the government's refusal to set just parity prices for agricultural products, and inadequate water and transportation infrastructure. The Salinas reform is centered around questions of land-holding and property, but does not address these other crucial issues, without whose solution the property issue is a dead letter.

Without just and adequate credit, at interest rates that do not exceed 3%, and without proper technology, water infrastructure, and just parity prices, the productivity of Mexican agriculture cannot be raised. More concretely: As long as the loan-shark policies of the International Monetary Fund prevail, Mexican agriculture will not only *not* develop, but agricultural lands will end up in the hands of the international grain cartels and the drug traffickers, who under current economic conditions are the only ones with ready cash in hand.

This goes to the heart of the matter, and neither the Salinas reform nor its defenders address it.

## Failings of the 'ejido' system

Politically, the hottest and most debated aspect of the Salinas reform is the *ejido*, due primarily to the fact that the *ejido* is one of the principal institutions created by the victorious faction of the Mexican Revolution and its 1917

Constitution.

It is necessary to emphasize that the *ejido* is a disastrous form of land-holding and of production since, in physical terms, the average size of the *ejido* holding—some 8-10 hectares, which are themselves divided by the family into smaller plots—makes it economically unfeasible and unproductive. If one adds to this the lack of affordable credit and of serious technological inputs, the disaster becomes evident.

The issue is even more serious in light of the collectivist conception with which its creators uphold the *ejido*, since under the *ejido* system, the producer is prohibited from creating individual patrimony, from freely developing the land, or disposing of it, as does the private producer.

Regarding the land-holding itself, the 1917 Constitution establishes that the *ejido* farmer receives his parcel of land *not* as property, but to derive what use he can from it, as he may neither sell it, rent it, nor pawn it. The *ejido* can only pass from father to son, but the more the family grows the worse the fragmentation of the land and the more its productivity falls. Proponents of the *ejido* system argue that it protects the *ejido* farmer from the usurers, since the land cannot be seized. In response, the private banks simply categorized the *ejido* farmer as not creditworthy. The government created a state bank of agricultural credit, but it has also been guided by the same usurious laws of the international credit market.

## Salinas's reform and usury

Under the Salinas reform, the *ejido* farmer is now free to sell his land—or lose it to speculators.

While the new law establishes that "there will be no forced sales from debt," and although the government has supposedly committed itself to assuming the unpaid debt of the *ejido* farmers with the Bank of Rural Credit (something which remains to be seen), it is Mexico's heavily indebted small property owners—the model for what the *ejido* farmers are now to become—who have already fallen into the clutches of the loan sharks.

In statements to the daily *El Universal* of Feb. 4, the president of the National Federation of Small Property Owners (CNPP), Jesús González Gortázar, charged that "the privatized banks have begun to seize machinery and land from the small landowners whose debts are past due. . . . They

are even seizing the refrigerators.” González Gortázar added that “there are very serious cases” in the states of Chihuahua, Baja California, Sinaloa, and Hidalgo where the bankers are “implacably determined to recover their investments,” and where “there is now the risk that the private bankers will award the land to themselves, and turn them into instruments of speculation instead of food production.”

There is thus every indication that the small property owners, and the former *ejido* farmers after them, are slated to become the first victims of the holding companies that will be created under Salinas’s highly touted “vertical integration system.”

Insofar as the Salinas reform constitutes a “privatization” of Mexico’s lands under the dogma of the free market, the liberal experience of last century will be repeated. Only now, the old *latifundios*, or large landed estates, will be renamed “mercantile societies.” This phenomenon of speculative concentration of wealth can already be seen in the re-privatization of the banks, which are now in the hands of “financial groupings” which made their fortunes at the stock exchange, and which have hoarded the state companies that were put on the auction block.

### The destruction of Mexican agriculture

The ruin of Mexican agriculture was dramatically accelerated by the implementation over more than a decade of the International Monetary Fund’s (IMF) free trade prescriptions. While it is true that the Mexican countryside has always suffered from usury and from lack of technology, it was during the 1980s that the sector underwent its worst decline in modern Mexican history. Although official data on the question is practically nonexistent, a recent study by agricultural expert Dr. José Luis Calva offers us a glimpse of the truth.

In his study, presented to the Chamber of Deputies in November 1991 and published by the daily *Excelsior* on Dec. 31, 1991, Dr. Calva points out that Mexican grain producers between 1982 and 1988-89 lost 48% of their terms of trade with regard to agricultural inputs, which have been largely provided by state companies but whose prices have been constantly driven upward under IMF pressures. At the end of the 1980s, producers were obtaining approximately one-half of what they had in 1982, which has led to a severe decapitalization both of the *ejidos* and the small private landholdings.

In 1979, the participation of the agricultural sector in available bank credit reached 10.2%, but in 1987 it was only 3.18%. It has yet to recover. In 1988, when Mexico’s banks were still in the hands of the state, interest rates reached nearly 200%.

In 1985, there were 171,000 tractors in the Mexican countryside; that number fell to 157,000 by 1989. Fertilizer consumption fell 15% during that period, certified seed consumption fell by 28%, use of herbicides fell by 30%, and

## Mexico needs an agricultural revolution

It should be obvious to anyone that there is an urgent need for Mexico to achieve a “compacting” of its land, into productive units of sufficient size to raise the productivity of that land through the use of modern technology. But this will not be achieved in the way the agrarian reform of President Carlos Salinas proposes.

Since 1980-81, the Mexican Association for Fusion Energy (AMEF) and Mexican Labor Party (PLM) have elaborated and circulated a “30-year program” for the modernization and industrialization of Mexican agriculture. The agricultural revolution proposed is premised on a critique of the Mexican Food System (SAM) of President José López Portillo (1976-82), the most sensible government agrarian program of the century, but which still contained a crucial flaw. The SAM placed its emphasis on fertilization and the use of improved seeds, but *not* on mechanization, under the supposition that this would displace labor power.

A true national agrarian plan must be based on the following four points:

1) Concentrate resources on both irrigated and adequate rainfall zones (above 700 millimeters of rainfall a year), to develop programs of specialized production in selected areas.

2) Unify the various existing water plans into a single national plan capable of pushing back the country’s agricultural frontiers. This unified plan would center on the transfer of water resources from the central and southeastern Pacific regions of the country toward the rich lands of the north, which extend along the length of both coasts.

biological pest control fell by 54%.

In 1988 and 1989, federal investment in agricultural development represented less than one-fifth of the amount applied in 1980 and 1981.

In his “Third Government Report to the Nation” in December of last year, President Salinas insisted that agriculture in 1991 showed “significant growth after so many years of stagnation and decline.” But in analyzing the statistical appendices of his report, one discovers that this is a bald-faced lie. The 10 basic crops of Mexican agriculture remained paralyzed, their production erratic at best. In 1990, food imports cost \$4.75 billion, more than three times the supposed “savings” Mexico achieved through the Brady Plan, which represented only \$1.5 billion in foreign debt payments.

Under such a plan, selected areas of specialized production could be expanded, to the extent that the new infrastructural works would open up new areas to full irrigation and/or would provide irrigation to complement less-than-adequate rainfall patterns. In 10 years, areas under cultivation would reach 24 million hectares, setting the basis for reaching 29 million hectares within another decade. In 1980, about 5.5 million hectares were under irrigation, and another 12.6 million hectares were cultivated under adequate rainfall conditions. Both areas have been reduced during the 1980s.

3) Slowly abandon subsistence agriculture, and provide infrastructure to those zones which can be taken advantage of as intensive grazing lands.

4) Increase the installed power per hectare. Power is measured by the quantity of horsepower (hp) provided solely by agricultural machinery. In 1990, installed power per hectare was 0.50 hp, which also declined over the past decade. During the first 10 years of applying this program, installed power would rise to 1.50 hp per hectare on a national and generalized scale, and would increase to 2.5 hp per hectare over the next 10 years, a level reached by the world's most modern agriculture.

The yield indices in those areas of specialized production of basic grains over the first five years of the program would rise to four tons per hectare across the board. The goal is to reach six tons per hectare nationwide.

### **The national water plan**

The national water plan under Point 2 is intended to solve the problem of a capricious natural distribution of resources, and to eliminate the physiocratic idea that nature poorly endowed us with limited resources for agricultural production. Concretely, the program proposes:

- To capture and exploit 80-90% of the drainage wa-

ters from the major rivers that flow to the sea from areas of prolific rainfall in the mountains and coasts in the southeast and central Pacific regions, and to transport this water to the north along both coasts. Nearly 80% of Mexico's drainage waters, estimated annually at 410 billion cubic meters (in 1980, the country's dams only channeled 10% of that), are concentrated in 33% of the national territory in Mexico's southeast.

- Raise the efficiency and exploitation of water management through the rehabilitation and repair of canals, and through modern irrigation methods. In 1980, efficiency in water management was 40%; the goal is to raise that to 85%.

- Carry out a national program to restore and conserve the water tables used by injection wells near river beds.

- Establish nuplexes (nuclear reactor complexes) to take advantage of sea water through desalination methods in areas of greatest urgency, since the exhaustion of water supplies in certain areas is imminent.

The key to the national water plan is the construction of two major transport systems: the Northwest Water Plan (Plhino) and the Water Plan of the Northeast Gulf (Plhigon). Thirty percent of the Plhino was constructed as of 10 years ago; once finished, it will carry water from the state of Nayarit to Sonora, and will open up to cultivation nearly 1 million hectares of prime land in the states of Sinaloa and Sonora.

The Plighon, which the AMEF and the PLM have detailed, basically consists of the construction of a navigable canal 300 meters wide by 1,000 kilometers long, to carry water from the southeast to the Gulf region bordering Texas.

The only obstacle to these two plans is the austerity policy of the International Monetary Fund.

At the end of 1991, U. N. Food and Agriculture Organization director Edouard Saouma warned that "food reserves will fall to dangerously low levels in 1992, especially among the primary exporters who provide an important security net." Saouma indicated that food security in 1992 will entirely depend on the success or failure of world harvests during this year. Saouma also warned that there has been a dangerous reduction in international banking credit for agriculture, which during the first half of 1991 alone declined 6.5%.

Since the Salinas agrarian reform, oriented to satisfying a collapsing market in the depression-ridden United States, is sure to worsen an already-paralyzed Mexican agricultural sector, one must conclude that the practical consequence of the reform will be the widespread hunger of the Mexican people.

### **Effects on living standards**

This regression that was forcibly imposed on the countryside during the 1980s and early 1990s has already had devastating effects on the living standards of the population; in the rural areas, in particular, it has reached levels of generalized misery.

According to a 1979 census by the National Nutrition Institute, half of Mexico's rural children suffer malnutrition, but only 7.9% of these were considered severe cases. By 1989, when the census was repeated, 15.1% of rural children exhibited severe malnourishment.

The secretary of health has confirmed that between 1982 and 1988, infant mortality due to malnutrition among children less than one year of age rose by 267%, while death from malnutrition among children between one and four years of



age rose by 420%.

The objective of any agricultural program is to achieve the maximum possible self-sufficiency in food production, while guaranteeing a dignified and just life for producer families, free of the bestial misery of a subsistence or below-subsistence existence. Food self-sufficiency is defined as an economy's capacity to provide its population with a daily per capita consumption level of 3,000 calories. Today, more than 40 million Mexicans do not even consume one-third of this.

To achieve self-sufficiency, Mexican agriculture in 1990 would have had to produce 68-70 million tons of basic grains, plus complementary imports. It only produced 20 million tons. In his "Third Report to the Nation," President Salinas spoke of a "notable recovery" of the agricultural sector in 1991, with an expected harvest of 26 million tons of grain.

Mexico's urban economy is being destroyed by the same policies that have ruined the countryside. Between 1982 and 1990, according to Dr. Calva, the Mexican economy created only 1.3 million paying jobs. During that same period, 1.1 million youth entered the job market *each year*. The number of unemployed went from 1.4 million in 1982 to 8.9 million in 1990. The latter figure, of course, does not include jobs lost in the national manufacturing sector during that same period which, according to the Mexican Labor Federation (CTM), totaled 3 million.

Real wages, which in 1982 represented 35.7% of the Gross Domestic Product, now account for but 24%.

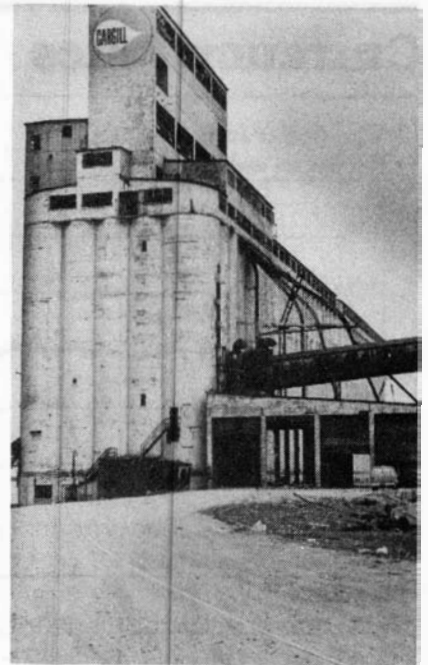
### The reform and the cartels

Without the slightest reference to national food self-sufficiency, the problem of credit, agricultural technology, water infrastructure, or price guarantees, the Salinas agrarian reform actually seeks to transplant to Mexico that which the international grain cartels call "vertical integration," or new "collective units"—the same system with which they have already seized control of agriculture in the United States and in other parts of the world.

The reform would turn the Mexican countryside into an agricultural *maquiladora*, in which the only things that would be grown would be products with so-called "comparative advantages" within the framework of the North American Free Trade Agreement. Despite its intrinsic failing as a policy—for violating the fundamental right to national food self-sufficiency—this crazy notion of becoming a food "assembly plant" for the U.S. market is doomed to failure for the same reason that the manufacturing *maquiladora* sector is failing: The severe economic crisis is doing away with the "foreign market" to which all of Mexico's economic "reforms," for the purpose of accumulating sufficient foreign exchange to meet the country's foreign debt payments, are oriented.

According to the governor of Tlaxcala state, Beatriz Paredes, Salinas's reform will produce "the regionalization of agriculture, in which the internationally competitive pro-

*Salinas's agricultural "reform," especially under the North American Free Trade Agreement, will turn Mexico into an agricultural maquiladora for the U.S. multinational grain cartels. Here, a grain elevator owned by cartel company Cargill.*



ductive zones will be incorporated into multinational production grids." Among other things, this will ultimately cause an exodus on the part of the farm population—estimated at 2 million families—either into the growing urban squalor surrounding Mexico's cities, or through illegal flight into the United States.

This same policy has already caused the disappearance, in 1990 alone, of 36,000 production units, known traditionally as "independent family farms," inside the United States—an average of 690 farms a week! Impoverished and bankrupt farmers are abandoning their lands. The means of driving them out of business is the same that has been applied in Mexico for the past decade, namely, that the costs of production have been driven above the price of their products, causing an unjust and fatal indebtedness.

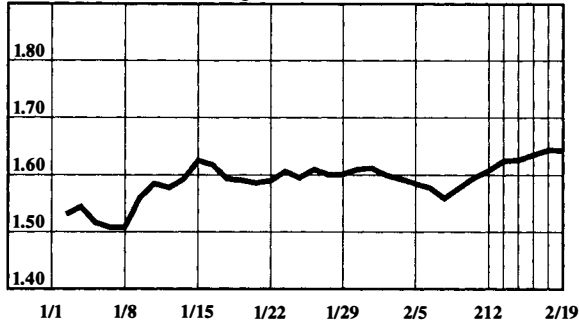
Those who control U.S. agricultural production today are the major grain cartels: Cargill, Archer Daniels Midland/Töpfer (ADM), Continental Grain, Ferruzzi/Central Soya, André Garnac, Louis Dreyfus, and ConAgra. Mexico's secretary of agriculture, Carlos Hank González, is a long-standing partner and/or front-man for Continental. Those family farms which still exist in the United States are working "under contract" to the cartels, which impose only those crops which are "commercially profitable," by controlling the inputs, technical assistance, and mechanisms of trade.

In Canada, growers are at war with Cargill and ADM, who are selectively buying up lands there as a means of exercising control over the U.S. grain belt. The grain cartels won access to Canada through that country's Free Trade Agreement with the United States. The same will occur under Salinas's agrarian reform.

# Currency Rates

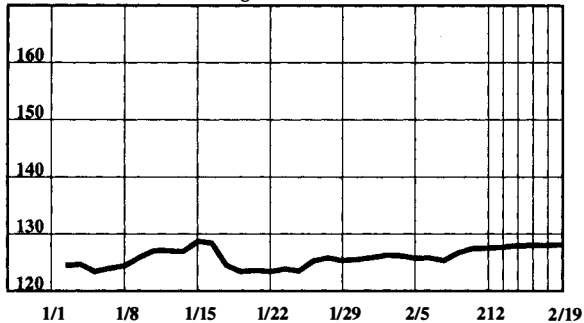
## The dollar in deutschemarks

New York late afternoon fixing



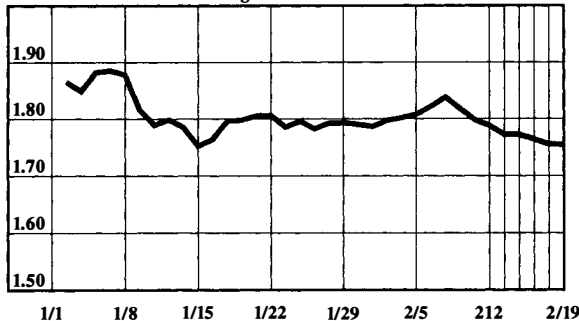
## The dollar in yen

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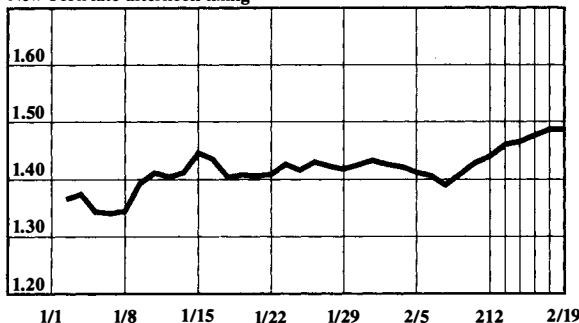
## The British pound in dollars

New York late afternoon fixing



## The dollar in Swiss francs

New York late afternoon fixing



# The American System

## Kennedy vs. Blough: Who won in the end?

by Leif Johnson

On April 10, 1962, the president of the U.S. Steel Company, Roger Blough, walked into the Oval Office, and after introductory pleasantries, handed President John F. Kennedy a four-page mimeographed press release announcing that U.S. Steel would raise the price of steel \$6 a ton, effective immediately. The short ensuing war between Blough and Kennedy was a dramatic public highlight of the deepest domestic economic policy fight in post-World War II America. Kennedy won that war when, 10 days later, Blough was forced to retract the price increase, but his victory did not outlive him.

Kennedy had promised in the 1960 election campaign, and repeatedly after talking office, to pull the nation out of the severe 1957-60 Eisenhower recession. He pledged to expand the economy by 5% a year, to add 25,000 jobs a month for the next decade, in order to, as he said, "keep you working and your children working."

His economic program consisted of using the federal government to expand the economy by "making public investments which provide a solid foundations for the private investments which is the key to our free enterprise economy." Kennedy wanted to develop our natural resources, including nuclear energy; encourage plant modernization with an investment tax credit; give economic incentives for depressed areas; expand math and science scholarships; and intensively fund research and development, especially for nuclear fusion power. Four months after his inauguration, Kennedy announced his famous program for going to the Moon.

President Kennedy's concern was not only high U.S. unemployment, but the fact that for the first time since the war, the U.S. had developed a trade and balance of payments deficit with the rest of the world, weakening the dollar. On Feb. 13, 1961, he told the National Industrial Conference Board: "Capacity operation is the key. No matter what other arguments or stimulants are used, the incentives for investing new capital to expand manufacturing plants and equipment are weak as long as manufacturers are operating at less than 80% of their capacity."

He continued, "From 1950 to 1958, we put only one-sixth of our total output into capital formation, while Japan, Germany, Italy, the Netherlands, Canada, and Sweden were all investing one-fifth or more of their total output in capital goods. . . . All of these facts point in one direction: We must

start now to provide additional stimulus to the modernization of American industrial plants. Within the new few weeks, I shall propose to the Congress a new tax incentive for businesses to expand their normal investment in plant and equipment."

Because the price of steel was obviously a major factor in prices of innumerable manufactured items, Kennedy realized that a steel price hike could have a strong deteriorating effect on American industry and its competitiveness in the world economy.

### Blough's post-industrial agenda

Roger Blough had the reverse agenda. Since 1955, the steel industry had cut back on new investment, yet steadily increased prices, allowing the companies to maintain profits even at much lower production levels. In 1960, when the steel industry produced at only 65% of its total capacity, the industry made an average profit of 6%. Researchers at Estes Kefauver's Senate Anti-Trust Committee claimed that the companies had structured their prices to make a profit even if only producing a third of the steel that their factories had the capacity to make.

By 1955, the decision was made at the highest levels of banking and their corporate world (U.S. Steel as well as other steel companies were created and run by the notorious J.P. Morgan bank) to deindustrialize America: to turn the economy into a "post-industrial," "information and services econo-

my." The once-mighty American industrial system would be melted down in a pool of junk bonds, real estate speculation in office buildings and shopping centers, corporate raids, leveraged buyouts, and the most massive accumulation of debt ever seen.

Thus the shape of the 1970s and 1980s, the ruin of our economic system, can be traced back to the decision to scrap America's industry, a decision taken secretly by powerful individuals involved in the "Pugwash" "détente" process of trying to put a lid on technological development worldwide. It was ironic that those decision-makers expected to use the Kennedy administration to carry out the policy shift they desired.

If industry refuses to invest in new technology and new plant and equipment, it is free to "diversify," creating conglomerate companies and investments having nothing to do with the original industry. And as manufacturers self-destruct to the point of not serving the market, they turn to Japan, Europe and other producers. In many cases, starting with electronics and autos, the "American" company imports the product and puts the "American" company name on it.

That is why half the cars sold in the U.S. in 1991 were made by a foreign company, and why, without Japan's \$7 billion investment in the American steel industry in the 1980s, that industry would not be functioning today. At least U.S. Steel had the decency to drop "Steel" from its name; it's now USX Corp., and only 6% of its revenues derive from steel production.

## Books of the American System

- Henry C. Carey, *Essay on the Rate of Wages*. With an examination of the causes of the differences in the condition of the laboring population throughout the world. (1835) \$25
- Henry C. Carey, *The Harmony of Interests*. (1851) \$35
- Henry C. Carey, *The Past, the Present, and the Future*. (1847) \$45
- Henry C. Carey, *Principles of Political Economy*. Part I: Of the laws of production and distribution of wealth. Part II: Of the causes which retard increase in the production of wealth, and improvement in the physical and moral condition of mankind. Parts III and IV: Of the causes which retard increase in the numbers of mankind and the causes which retard improvement in the political condition of man. 3 vols. (1837) \$95
- Henry C. Carey, *Principles of Social Science*, 3 vols. (1858-59) \$125
- Henry C. Carey, *The Slave Trade, Domestic and Foreign*. Why it exists and how it may be extinguished. (1853) \$45
- Henry C. Carey, *The Unity of Law*. As exhibited in the relation of physical, mental, and moral science. (1872) \$45
- Mathew Carey, *Essays on Banking*. With a selection of Mathew Carey's other writings on banking. (1816) \$45
- Mathew Carey, *Essays on Political Economy*. Or, the most certain means of promoting the wealth, power, resources, and happiness of nations applied particularly to the United States. (1822) \$49.50
- Friedrich List, *The National System of Political Economy*. Translated from the original German by Sampson S. Lloyd. (1885) \$45

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## California hit by new water cuts

*Federal action to cut water for agriculture in the Central Valley Project marks a new phase of ecological breakdown.*

**O**n February 15, U.S. Bureau of Reclamation officials in California cut water supplies from its giant Central Valley Project to record low levels, turning off all water to some farmers and drastically reducing the amounts available to others. The CVP normally supplies around one-third of the water used for agriculture in California—which, in turn, provides well over half of many of the fruits and vegetables in the country.

The CVP will deliver just 2 million acre-feet of water this year—only 27% of the 7.35 million acre-feet it has distributed in years of normal rainfall, said Don Paff, CVP chief of operations. “We just don’t have enough to go around,” Paff told a news conference.

The CVP has 3.35 million acre-feet of water stored in its five reservoirs, compared with a capacity of 11.4 million acre-feet. An acre-foot is equal to 325,851 gallons.

Last year the CVP made 4 million acre-feet available, but now the flow will be down to a trickle. These drastic cuts and rationing come as a result of five years of drought, but also as the direct consequence of 20-plus years of lack of repair and expansion of large-scale water improvements needed to guarantee water for the arid western states.

The key projects on the drawing boards of the 1960s were never undertaken—in particular, the North American Water and Power Alliance (NAWAPA). This project would have diverted flows from the MacKenzie River Basin, now going unused into the Arctic Ocean, southward through central Canada and central United

States, augmenting other basins.

In addition, nuclear power desalination plants have not been constructed, which could make use of the Pacific Ocean as an endless reservoir of potential sweet water. The latest stall comes from a decision by the Metropolitan Water District of southern California—one of the biggest in the world—to cancel plans for a modular high-temperature gas-cooled reactor, proposed by General Atomics.

Therefore, as the California ground water was overpumped, the Colorado River basin water overused, and no additional water supplied, various user groups are put in competition. Federal engineers will send CVP water into the Sacramento River for the Chinook salmon run, and also designate water for non-farm residential use south of the Central Valley, while water for agriculture is cut. Urban water users and wildlife refuges each will receive about 50% of their normal supplies, down from 75-80% last year, while water is cut completely to thousands of farms.

To make matters worse, anti-economic growth forces have succeeded in placing a ban on utilizing the flow of certain northern California river runoff, now coursing unused into the Pacific, in the name of the “environment.”

In fact, the *lack* of water project development is causing ecological degradation to man, animal, rock, and tree—and fish.

The famous dust storm which blinded drivers on the main Central Valley highway last December, causing many deaths, was the result of de-

nial of water to farmers, whose fields were not planted.

The Central Valley Project, California’s largest water distribution system, will provide no water this year to agricultural water districts with low seniority. Last year, these districts received 25% of their normal supply.

The cutoff will stop deliveries to roughly half of the 23,000 farmers who rely on the project for most of their water, said Roger Patterson, regional director for the CVP.

“That’s going to make 1992 perhaps the worst year we’ve ever seen out there,” said Shelly Vuicich, spokesman for the Westlands Water District in Fresno, which serves nearly 700 farmers on a 70-mile strip of land adjoining Interstate 5.

Some farmers will be forced to depend on well water pumped from diminishing underground supplies, and others will try to purchase water on the open market, Vuicich said. Many farmers will reduce the acreage they plant and switch to crops that use less water, and others may quit farming altogether. “About one-third of our farmers don’t have ground water wells, so for them, they are looking at a disastrous situation,” she added.

Certain farmers in the Sacramento and San Joaquin River basins who are “water-rights holders” with senior contracts, stand to receive water deliveries from the CVP of up to 50% and 75%, respectively. Each was guaranteed 75% of normal deliveries last year.

California’s gross sales of farm products declined by \$1 billion last year to \$17.9 billion, largely because of the drought, as well as the devastating whitefly infestation and winter freeze. California’s second largest water distribution system, the State Water Project, has also announced big cuts. It will provide users only 20% of normal deliveries.

## Reflating the real estate bubble

*The RTC has begun a pilot project to create a secondary market in commercial real estate loans.*

When other sectors of the economy were being destroyed during the speculative binge of the 1980s and early 1990s, the financial parasites of Wall Street had no sympathy. Too bad, they said, that's free enterprise. Now, however, faced with their own destruction, these same financial interests are running to Washington, demanding that the government bail them out.

Naturally, since bailing out bankers in an election year, in a depression, is a heavy political liability, the battle is being waged under the euphemism of saving the real estate market—the speculative bubble whose collapse has been a major contributing factor to the bankruptcy of the banks.

What the bankers are planning is to have the federal government guarantee hundreds of billions of dollars worth of the banks' commercial real estate loans.

The Resolution Trust Corp. is the laboratory for this scam. The RTC has begun a pilot project to create a secondary market in commercial real estate loans by packaging loans it has acquired from failed savings and loans, and selling them as securities. The initial offering is \$528 million, but the RTC holds nearly \$20 billion in such loans which are allegedly current on their payments.

If this initial test is successful, the *Wall Street Journal* gushed Feb. 12, it "could blaze the trail for an expanded secondary market for commercial real estate loans."

What the bankers are aiming for is a Fannie Mae-type agency for com-

mmercial real estate. More than \$1 trillion in home mortgages have been bought by government-sponsored enterprises such as Fannie Mae and Freddie Mac. These agencies buy mortgage loans from banks, thrifts, and other financial institutions, package them as government-backed securities, then sell them on the open market. Now the bankers want to do the same thing for commercial real estate loans, like loans for office buildings and shopping centers.

From the bankers' point of view, it's a pretty good deal. The bankers could sell their increasingly worthless commercial real estate loans to the government, then buy them back as government-guaranteed securities. With government securities on their books instead of bad loans, the banks would have to set aside less capital and less reserves for loan losses, allowing them to pretend they were solvent.

By shifting the losses to the taxpayers instead of the bankers and the investment community, so the thinking goes, the crisis could be averted. Throw in a few tax breaks for developers and real estate investors, keep the interest rates low, and, as President Bush said, real estate will lead us out of this recession.

To help sell this to the public, and to provide political cover for their behind-the-scenes arm-twisting, the bankers have formed a group called the Economic Growth Alliance (EGA), whose slogan is, "It's time to appreciate real estate."

The EGA is launching a series of slick print and television ads, de-

signed to sucker the public into believing that the collapse of the speculative bubble is responsible for the depression, and that the recovery depends upon raising real estate levels back to their exaggerated pre-bust levels.

The centerpiece of the EGA's deception campaign is a study by DRI/McGraw Hill, which purports to show how the collapse of the real estate bubble hurts local governments and their taxpayers. The study raises the specter of closed schools, lost pensions, higher taxes, and reduced services. To avoid this fate, the EGA says, we must "put value back into real estate."

The study, authored by former Federal Reserve economist and Bank of England economic adviser David Wyss, is a carefully devised fraud. The usurious policies which led to the formation of this speculative bubble are what destroyed the economy. Money which should have gone into large-scale water projects, transportation and power grids, research and development and similar infrastructure projects—projects which increase the productive value of the surrounding areas—was instead diverted into useless real estate speculation. Eventually, this real estate pyramid scheme collapsed, and prices began their inevitable decline.

The U.S. banking system currently has some \$850 billion in real estate loans, and hundreds of billions more in loans backed by real estate as collateral. Real estate values have dropped by as much as 50% from their peak in some areas, and by some 20% nationwide, and the slide is accelerating.

No matter what the bankers think, however, this plan won't work. Trillions of dollars of the alleged value of U.S. real estate has evaporated, and no amount of accounting tricks will bring it back. The bubble has burst.

## 'Free trade' means union busting

*A Mexican labor leader who won his workers a wage increase from 70¢ to 84¢ an hour suddenly finds himself behind bars.*

The reality behind the North American Free Trade Agreement (NAFTA) was exposed in Matamoros, Mexico on Feb. 1, when Mexican federal police arrested labor leader Agapito González Cavazos, just after he had negotiated a wage increase for some of Mexico's most exploited workers.

The case rips through the fabric of lies which the free traders have woven, demonstrating that the NAFTA policy means nothing more than slave labor—for Mexicans, as well as for Americans.

González Cavazos, the chief of the labor council in Matamoros (across the Rio Grande from Brownsville, Texas), had been the target of a raid by federal agents in 1989, in search of evidence of financial fraud. No charges resulted from that raid.

He lost his position as head of the labor council in September 1990, when businessmen from Matamoros appealed to Mexico City for his ouster. But they did not, at that time, succeed in removing him from the leadership of the Union of Journeymen and Industrial Workers, which represents more than 30,000 workers in the *maquiladoras*—the cheap labor assembly plants along the border with the United States.

This time around, González was arrested after settling a strike in which 15,000 workers went out at 50 *maquiladoras* in Matamoros. The union was demanding a 30% pay hike. As soon as management agreed to a 20% pay increase, González was arrested and charged with tax evasion.

According to the *Houston Chronicle*, plant operators in Matamoros said they "were trying to hold the line on wages because labor costs were already higher . . . than in any other border town." The article reported that the minimum wage there is 70¢ per hour. A 20% increase would therefore bring the minimum wage up to a whopping 84¢.

A special report published by *EIR* in 1991 on NAFTA, entitled "Auschwitz Below the Border," presented figures provided by the Mexican government which showed that workers in the *maquiladoras* average less than \$1 per hour. Mexican Congresswoman Cecilia Soto discovered, when she went to work in a *maquiladora*, that wages can be as low as 50¢ per hour.

Mexican President Carlos Salinas de Gortari has engaged repeatedly in union-busting tactics, at the behest of the International Monetary Fund and the Bush administration. The arrest of González Cavazos is only the most recent example. Other labor officials have been jailed, while goons have been deployed to break up strikes. Since the *maquiladoras*, with their low wages, are key to attracting U.S. corporations to relocate in Mexico, the Salinas government will not tolerate any labor opposition.

Opposition to NAFTA from organized labor in the United States has been based in part on the justified concern that failing U.S. firms will move to Mexico to take advantage of this virtual slave labor. Ford Motor Co., Motorola, Zenith, and other major

American firms have moved their chunks of their operations to Mexico.

Some U.S. labor leaders, however, are temporizing their opposition to free trade, saying that they could support the concept, as long as certain wage levels and health and safety standards were guaranteed.

These leaders, including some national leaders in the AFL-CIO, are echoing the loyal opposition offered by supposedly pro-labor Democrats such as presidential candidate Sen. Tom Harkin (D-Iowa) and House Majority Leader Richard Gephardt (D-Mo.), who supported Bush's demand for "fast track" authority to pass NAFTA. In a recent campaign visit to Texas, Harkin shocked some labor leaders who thought he opposed NAFTA, when he said he could support the "fast track" negotiating procedure if he were President, because he would make sure that a "fair deal" was negotiated.

The softening of opposition to NAFTA by labor officials in the U.S. increased when the media declared Arkansas Gov. Bill Clinton the Democratic presidential front-runner, in part due to his support for free trade.

To think that Clinton, or another Democrat who expresses some sympathy for labor, will cushion the blow from NAFTA, is to ignore the reality of the economic crisis: NAFTA is a bailout for the banks.

Even supporters of NAFTA in the business community acknowledge that it will increase economic hardship in the United States. In a recent commentary in the *Dallas Morning News*, former Brown Brothers Harriman banker and NAFTA promoter Richard Fisher wrote that, in Texas, "certain industries will suffer severely." Among those he named were citrus and vegetable growers, glass and furniture manufacturers, and those in the apparel and retail trades.



### The biggest strike wave since 1974

*If Chancellor Kohl stays loyal to the austerity policy of the International Monetary Fund, Germany is heading for disaster.*

**T**he threatened strike of 130,000 steel workers, which would have affected whole sections of the automotive industry and other still-profitable branches of the German economy, was averted in a last-minute effort in late January, with a management-labor compromise on a wage increase of 6.4%. But the steel settlement gives no reason for relief on the labor front.

Other big strikes may still occur. The first round of wage negotiations for 4 million metal workers begins in mid-March, and 3 million public sector employees and 1.2 million construction workers may launch strikes in April or May. Some 430,000 banking sector employees, whose negotiations had broken down at press time, may be on strike by the end of February.

The last time so many workers were on strike at one time was the spring of 1974, when protests of metal and public sector workers contributed to the fall of Chancellor Willy Brandt.

"This isn't 1974, and I'm not Willy Brandt," declared Chancellor Kohl, calling for a tough line against the labor demands.

This is not 1974, indeed—it is worse. All sectors of export-oriented industry in the 11 west German states have been hit hard by the collapse of world markets. Metal-processing firms will lay off at least 50,000 this year.

The jobless rate in the five east German states is 16.8% now, meaning that, including those who have been put on short-work, 3.2 million out of the 8.5 million working popula-

tion of the five states are without regular work. Another 500,000 workers and employees are slated to lose their jobs this year. In some regions of east Germany, where industrial output has dropped by 50-60% compared to 1989, the jobless rate has jumped to 40-50%.

This is the result of a deindustrialization policy of the government, the banks, industry in the western states of Germany, and the Treuhand agency in Berlin, which inherited the 6 million workers and employees of the former East German state. The Treuhand, which is in charge of the privatization of the former state sector, has come under heaviest attacks by labor and politicians in the east German states, but the real culprit is the Finance Ministry in Bonn, which controls the Berlin agency.

Finance Minister Theodor Waigel objects to any discussion of changes in the Treuhand concept. Rejecting the idea of canceling the 110 billion deutschmark debt that the east German state sector firms inherited from the communist regime—a move that would have relieved the Treuhand from servicing this debt—Waigel focused on controlling costs.

This means that firms labeled "outmoded" or "unproductive" by the high standards of western Germany will not receive any new loans from the Treuhand to keep their production going, but only loans to shut them down. Thus, firms labeled "productive" or "capable of modernization" are being forced to produce mainly to cover at least part of the old debt, compounding eastern

Germany's many problems.

This is a domestic version of the International Monetary Fund's system in Germany, run by the order of the government. Its effects on the economy of the more powerful west German states have not been felt much so far, but the much weaker economy of eastern Germany is experiencing the same type of collapse that any other East European or Third World country does, under the dictate of the IMF.

All of this goes along with the high interest rate policy of the German central bank, which makes industrial loans too expensive for the firms of east Germany to afford, forcing them to depend on the small Treuhand fund of DM 6 billion, and other credit programs that are state subsidized and, therefore, are available at slightly reduced rates.

Gaining access to those funds, means that the east German firms have to agree to a drastic reduction of their work force, by at least 50% within a period of two or three years, beginning in 1991. This approach, which aims at increasing the productivity of select firms—rail car builders and producers of engines—through a modernization of the machine park, a streamlining of management and supplies, could be acceptable, on the condition that there were a state program for big public service projects that would create a lot of new jobs over the short term.

But no such program exists. Using fiscal austerity as its main argument, the government in Bonn, trying to avoid borrowing new money at high interest rates, calls for wage discipline in the western states to extract funds for the big deficit-spending operation in the eastern states. A big confrontation with labor is ahead, which Chancellor Kohl may lose, as Chancellor Brandt did in the spring of 1974.

## World Bank in the dock

*An indiscretion by the Bank's chief economist confirms the worst fears of the developing nations.*

An internal memorandum written by World Bank chief economist Lawrence Summers, arguing for relocation of "dirty" industries from the OECD into the developing countries, has evoked angry responses here. India's leading financial daily, the *Economic Times*, in its editorial of Feb. 16, said that Summers "has put down in writing what must often have been discussed in the developed countries."

When the memo was made public by the *Economist* of London on Feb. 8, the World Bank mandarins went into a "crisis management" mode and hastened to insist that the chief economist was merely trying to spark a debate.

If debate was what the World Bank wanted, there is plenty of that here. But there is no one to speak in favor of the motion. The most scathing attack was carried in the *Times of India* on Feb. 12, which called the Summers memo a "scientific economics" which has become the handmaiden to a new, less overt but "no less arrogant kind of colonialism."

What gives the lie to the Bank's disclaimers is the fact that the memo was an elaborate argument on the basis of "scientific economics" as to why the Bank should give open, material backing to such a relocation strategy.

As a starter, Summers argued that since health-impairing pollution can cause morbidity and mortality, the industries which cause such pollution should be located "in the countries with the lowest cost"—i.e., the lowest wage. This argument, Summers states, is "impeccable" from a purely

theoretical point of view.

Second, Summers says, vast areas in underpopulated Africa are "under-polluted." Hence, Summers suggests that such areas can be subjected to a bit more health-impairing pollution.

Finally, he argues that the demand for a clean environment is highly income-elastic—which means the poor do not care much about the air they breathe or the water they drink, and that concern about polluting industries is much greater in the developing countries. For instance, Summers says, the concern with prostate cancer is likely to be much higher in a country where people survive to get cancer, than where infant mortality is 200 per 1,000. The developing countries, which are also plagued with high unemployment, will in fact benefit by the transfer of polluting industries. This, he claims, is a firm enough basis for encouraging a tradeoff.

Summers's critics in India say he has let the cat out of the bag: The developing nations, at least some of them, were always suspicious of the North's promises of technology transfer and apprehensive of the quality of technology pawned off to the South. It is common knowledge that advanced technologies are simply *not* transferred to the South, under one pretext or another.

But what the World Bank is really suggesting here, is that the South is to be lured in through one "economic logic" or another. Summers argues that "technology transfer" is the appropriate bait. As the *Economic Times* editorial, "Quiet, Lawrence," points

out, this fits in neatly with the classic game theory prescription that side payments must be made to induce the participation of those who stand little to gain from cooperation, but whose cooperation is essential to the objective.

Besides the direct approach to pollution control laid out by Summers, a more clever approach has already been put into practice, commentators here have noted. A U.S. company, AED James, will be building a 180 MW coal-fired plant in Connecticut. The company has calculated how many trees will be required to absorb the carbon dioxide that the plant will emit. Hence, it has been decided that a large number of trees will be planted in Guatemala to act as the "carbon sink," and not in Connecticut, where the real estate is much more expensive.

The Dutch authorities are also planning to build two new coal-fired power plants between Amsterdam and Rotterdam. The present estimate shows that these two plants would emit about 6 million tons of carbon dioxide. The Dutch authorities have reportedly budgeted \$500 million to plant some 250,000 hectares of land with trees in Bolivia, Peru, and Colombia. Of course, when the Guatemalans, or the Peruvians, or the Bolivians or the Colombians decide to build coal-fired power plants, they cannot expect to be able to plant thousands of acres with trees in the United States or the Netherlands as their "carbon sinks."

But the message is clear. It says that these poor countries either accept polluting industries and enjoy them, or give up the hope of industrializing and remain as a "carbon sink" for the polluting industries set up in the developed countries. The World Bank already has a name for this project: "intergenerational compensation project."

## 'Retirement' fund to bail out banks

*Workers will pay for a new round of speculation to finance buying up the banks . . . by foreign interests.*

**P**resident Carlos Salinas de Gortari's new plan to reform Mexico's Social Security system and the national workers' housing institute (Infonavit) by creating the "Retirement Savings System" (SAR) and "promoting financing for housing," is an obscene boondoggle for the country's re-privatized banking system.

The scheme has nothing to do with protecting wages or creating jobs. Indeed, it will *add* costs to the small and medium-size firms which have endured nine years of stagnation, leading to more shutdowns and bankruptcies, and more lost jobs.

Finance Secretary Pedro Aspe says the SAR will be created by levying each employer 2% of his workers' base wage, which will be deposited every two months in individual accounts in the employee's name in the bank of his choosing. These banks will offer a return equal to the inflation rate plus at least 2%, in the form of public bonds.

For Infonavit, the employer will pay 5% over the base pay, as before; however, this will not go to the institute, but to a bank account in the worker's name. The "bank of choice" will transfer these deposits to the Bank of Mexico where they will earn interest.

The Social Security system has 10 million enrolled, less than 30% of an economically active population of 34.5 million, of whom 80% earn the minimum wage. The retirement insurance represents 29,370 pesos a month to the worker (roughly \$10), or \$115 a year, adding up to a miserable \$1,609 in a decade! Overall, the worker gets poorer, and the bankers

get richer.

Wages in 1992 will be 23% of Gross Domestic Product, figured at \$320 billion. Since the savings fund will constitute 7% of the total wage bill, the reprivatized banks will manage this year (the law is retroactive to Jan. 1) some \$5.2 billion. For comparison: The fund will be a mite under the \$5.8 billion paid for reprivatizing Banamex and Bancomer (respectively \$3.2 and 2.5 billion), Mexico's two biggest banks; and five times what was paid to reprivatize Banca Serfin, the third largest.

Officially, \$7.2 billion were obtained by reprivatizing the top eight banks in 1991. This year, the sale of the rest is expected to net no more than \$6.2 billion, even including non-banking firms. But these big three banks are not going into the barrel. Clearly, they will be the chosen "preferred banks."

The banks' new owners say that they are "decapitalized" due to the sums paid for the license to control "the concession of public service in banking and credit."

The \$5.1 billion in the savings fund of Mexican wage earners will be the bait to unleash the pack of speculators being pressed to pay the "bridge loans" granted by foreign loan sharks to fund the buyout of banks. At current 1992 wages, three years of operation of the fund, during which no worker will accumulate seniority, will pay off the total cost of reprivatizing the national banking system.

How does it work? Robert Hernández and Alfredo Harp Helú, who own the Accival brokerage, bought

Banamex. To get the \$3.2 billion for that, they sought the "advice" of financial firm Barclays de Zoete Wedd (a branch of Britain's Barclays Bank). The savings fund Mexican workers will deposit in Banamex will simply further swell the rotten bubble of British speculation.

Or, to buy Bancomer, Eugenio Garza Laguera of the Monterrey Group was "advised" by Merrill Lynch. The slightest tremor on Wall Street, and Merrill Lynch, along with the "Group's" other Golden Calf-worshippers, will heist the funds of the Mexican workers.

Gaston Luken Aguilar and Adrian Sada of the OBSA financial group, also from Monterrey, got Banca Serfin. Luken Aguilar admits that "for practically a year we have been living in the same house with the prestigious French institution Lazard Frères." The French speculators are not too upset at having only gotten the third largest bank, since the government gave them a bonus. Banca Serfin gave a \$200 million "bridge loan" to Agustín Legorreta, one of Mexico's most rapacious oligarchs, to "buy" Multibanco Comermex. This ensures that whatever of the Mexican wage bill falls into either bank, will be stolen.

The same foreign banks and others, like J.P. Morgan and the Rothschilds, have their paws in the sale of small and mysterious banks. The buy-sell operation of the Mexican banks is occurring via takeover operations: One firm takes out a loan to buy another, which becomes collateral, and the profits are channeled into paying for the financing: short-term high-interest loans.

Officially, the SAR is a scheme to "recapitalize" the banks. In reality, it's the trigger of an accelerated round of speculation to cover the "leveraged buyouts" by which the bank takeovers were done.

# Business Briefs

## Health

### Leading scientist warns of TB catastrophe

One of the leading federal scientists on AIDS, Dr. Anthony S. Fauci, director of the National Institute of Allergy and Infectious Diseases, expressed concern Feb. 11 that TB could indeed become as big a threat, if not more of one, than AIDS.

At another special meeting called by concerned health experts, Dr. Fauci said, "We very well may be on the threshold of something that will turn out major—I hesitate to say a catastrophe," but, he noted, "The data don't allow us to say where it is going to go."

Noting the continuing rise in TB cases, including drug-resistant strains, Dr. William Rom of Bellevue Hospital's pulmonary and critical care section said that in one day recently, the New York public hospital admitted 16 patients with drug-resistant TB.

Dr. Fauci explicitly called the meeting to sound the alarm and call for immediate research and training of scientists. He reminded people that in 1981, after AIDS was first discovered, the experts got together and "we thought AIDS might be important but that we really were not sure."

## Poland

### Infrastructure called key to recovery

Infrastructural improvements are crucial for the economic recovery of Poland, declared Prime Minister Jan Olszewski, without going into further details, in an interview with the German weekly *Der Spiegel*.

"We have to improve the infrastructure fundamentally," Olszewski said, "but at this moment, we're not even drawing upon credits that have already been granted for these projects. My government will give priority to confront this problem."

The Polish prime minister also explained

that he wants to sign a temporary cease-fire agreement with the labor unions to be able to carry out a safety net policy for the lowest-income layers of the population and launch the first phase of a recovery program. His government intends to stay in office for two or three years, to be able to move Poland out of its crisis.

As the shock therapy of the past two years has used up the Polish population's commitment to patience and sacrifice, a different approach must be taken now, one that proceeds with the transformation of the economy in a soft way and gives maximum social protection, said Olszewski. He does not accept the false alternatives of chaos or another authoritarian regime of the Pilsudski type, he said, but rather prefers a policy like that which was launched by the Wladyslaw Grabski government of the early 1920s, which was based on an all-party parliamentary consensus and ruled by decree.

## Germany

### Dirigism needed in former socialist economies

Free market guidelines won't work in the former socialist economies, state intervention is required, wrote Kajo Schommer, a Christian Democrat and cabinet minister of Economics and Labor Affairs in the eastern German state of Saxony, in a commentary published by the *Frankfurter Allgemeine* Feb. 11. The essay comes in the context of increased pressure from Chancellor Helmut Kohl's Christian Democratic Union (CDU) party in the five eastern states of Germany, to have the state and the Treuhand agency intervene against the collapse of production and employment there.

"It is insufficient for 'damaged economies' if the state only poses conditions for the functioning of the market order," Schommer wrote. "Beyond that, the state has to absorb and cushion the collapse of the old order, it has to order and structure it to a certain extent, and it has to initiate. That is because it is faced with a society that does not have at full scope the

familiar market factors that exist in the West, nor has it the capability to carry forward economic activities of the same scope. This is true to a much larger extent for the states of eastern Europe that have entered the long road toward market economy."

Leaving the eastern economy alone with market forces, Schommer warned, "denies them all chances of recovery." State intervention in the East, Schommer recommended, must create equal conditions for enterprises of all sizes, to prevent entire branches of the economy from disappearing from east Germany, and to keep industrial firms that are presently in conditions too extreme for privatization (outmoded machinery, debt, etc.) under a state umbrella to give them time for recovery.

## Industry

### Russian businessmen ally vs. 'shock therapy'

One hundred and seventeen Russian business and enterprise leaders opposed to the "shock therapy" reforms of the Yeltsin government have concluded a meeting in St. Petersburg, and have announced the formation of a "Civic and Independent Movement for the Protection of Enterprises in Russia." In a final declaration reported in the French daily *Libération* Feb. 13, the leaders warn that "the Yeltsin administration is not protecting independent entrepreneurs, but rather the new capitalist *nomenklatura*."

According to *Libération*, what is significant is the meeting's warnings about the effects of the ongoing destruction of the capabilities of the former Soviet Army and of the "technological resources" of the military-industrial sector. This process "risks transforming Russia into a new colonized continent of the Third World." The representation from the heavy industry and military-industrial sector was significant at the meeting, the paper adds.

This grouping is in a state of alarm, following the layoff of one-third of the workers at a major metallurgical factory in Komsomolsk, which had traditionally serviced the Soviet

## Briefly

● **BULGARIA** is planning to build two high-speed railway lines, including one linking Europe and Asia, but needs western financing, officials said in mid-February.

● **RUSSIAN** scientists at the Chelyabinsk nuclear weapons complex presented U.S. Secretary of State James Baker with a memorandum Feb. 14 outlining civilian work they could do for the West, including on food irradiation and fiber optic technology. The laboratory's chief scientist, Yevgeny Avrorim, told Baker that the scientists were seeking "important work," and not just "money for living."

● **BORIS YELTSIN** aide Aleksandr Granberg, speaking at an Alaska World Affairs Council meeting, proposed that the Russian-American company that oversaw the Russian colonization of Alaska in the 18th and 19th centuries should be revived to help spur development of the Russian Far East. "A Russian-American company could become a protective umbrella for private businessmen doing business in Russia," said Granberg.

● **ASTRONOMERS** excited about the Hubble Space Telescope, according to the Jan. 20 *Aviation Week*. "After a year of the 'guest observer' program, the Space Telescope Science Institute in Baltimore, the arbiter of telescope time, must turn down five requests for time for each that it accepts."

● **ALBANIA** has shut down all passenger rail service, citing the danger of serious accidents. "Poor telephone communications could result in a train collision at any moment," said an official. He did not say when passenger service would be resumed.

● **FISCAL AUSTERITY** and debt-servicing prevent the Treuhand, the government agency responsible for the states of the former East Germany, from doing its job, is the conclusion of a study by the Institute for the German Economy published Feb. 14.

Armed Forces.

In a parallel development, 250 leaders of oil industry enterprises have formed a new "Union of Oil Producers" to defend their interests against competition from foreign oil firms being brought in by the government. The founding meeting of this group was in Tyumen, Siberia in early February, *Libération* reported.

### International Credit

## Russian vice president blasts Yeltsin program

Russian Vice President Aleksandr Rutskoy has called for the declaration of a state of economic emergency in an article published in the Feb. 8 *Pravda*. Titled "Is There a Way Out of the Crisis?" the article is several pages long and gives a detailed refutation of Harvard Prof. Jeffrey Sachs and his economic programs. Not only does Rutskoy go after Sachs by name, but he also insisted that although Adam Smith's "invisible hand" may seem to work in theory, in practice, it doesn't.

Rutskoy noted that Russia should have learned from the Polish example, and calls for a "regulated" transition to a market economy.

He wrote, "I well recall that neither Yeltsin nor Rutskoy promised to transform the state into a beggar or the people into paupers. . . .

"It is surprising that the idea did not occur to Sachs of turning the IMF [International Monetary Fund] and the World Bank plus two or three major banks from the United States, Japan, and the European countries into subsidiaries of the Russian Central Bank with the full right to dispose of their resources."

On the "magician" Sachs, Rutskoy said there are other western economists, like those of the Galbraith school, who could have been consulted, but weren't. "If our 'shock therapists' are not stopped in time," he wrote, "by next year the country may be left not only without money but without trousers."

The vice president also proposed that all government employees should be given a fixed salary of 342 rubles so that they could under-

stand the plight of the average Russian, who is forced to live on that amount.

Rutskoy proposed that western firms be obligated to trade in rubles with Russia. In terms of the unemployed, the Russian vice president wrote, "Working people do not need charity from whatever quarter, they need work."

"The main aim should be to create the most favorable initial conditions for economic entities. . . and to develop their business activities aimed at the quantitative and qualitative competitive production of goods and foodstuffs. . . giving definite priority to the development of enterprise in the production sphere."

### Space

## Hubble finds crucial galactic anomaly

The accidental discovery of young globular clusters, calling into question a fundamental premise of astronomy, was announced at the January meeting of the American Astronomical Society in Atlanta, Georgia. It is thought that all galaxies were formed in the same cosmic era, and that globular clusters are their earliest stellar formations. The existence of young globular clusters may be a hint that galaxies have formed in different eras.

Globular clusters are tightly packed, spherically symmetric clusters of stars sharing a common origin, each cluster having from hundreds of thousands to perhaps several million stars.

Jon Holtzman of the Lowell Observatory reported the discovery of globular clusters of young (blue and relatively bright) stars in the course of a Space Telescope investigation of galaxy NGC 1275 in the Perseus cluster of galaxies.

It has been suggested that such anomalously young globular clusters could result from the collision of galaxies—not the first time astronomers have used the fiction of "worlds in collision" to explain away findings inconvenient to prevailing doctrine.

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## 'Sänger Project' crucial to man's future in space

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*The future of space exploration is being hotly debated, not least in Europe, where decisions must be made on followup programs to the Ariane 5 launcher. A report from Germany's Fusion Energy Forum.*

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At a time when the future of manned space exploration is gravely threatened by budgetary crises in the United States and the former Soviet Union, an exceptional responsibility falls upon Europe, as the world's rising economic and technological powerhouse. Among all of Europe's activities in the field of space technology, the program called the "Sänger Project" stands out as the most solid and most appropriate step toward securing man's future in space. "Sänger" is the German-pioneered program to develop a fully reusable, two-stage space transport system capable of accessing space from any large airfield.

The first stage of the Sänger system is a hypersonic (Mach 7) aircraft utilizing an air-breathing propulsion system. The winged, rocket-powered second stage is carried aloft "piggy-back" by the first stage and accelerated up to Mach 6.6-7 for separation and launch at an altitude of approximately 30 kilometers. The first stage returns for a powered landing at a suitable airstrip while the second stage accelerates to Earth orbit. At the end of its mission the second stage makes an aerodynamic reentry and landing in a similar manner to the present U.S. Space Shuttle. Both stages could start and land at any large airfield in Europe, or in most other areas around the world.

The Sänger system is conceived as a technologically conservative "next step" using technologies which are either already mature (such as the liquid hydrogen/oxygen engine for the second stage) or are ripe for development (turbo-ramjet first-stage engine integrating basic technologies derived from previously developed aircraft and missiles). As a result one can project a robust, dependable system which will reduce launch costs (at a sufficiently high launch rate per year) to a fraction of their present value, while greatly increasing the safety of manned space operations.

Development work on Project Sänger is presently being financed by the German Ministry of Research and Technology as the centerpiece of a National Hypersonics Technology Program. Following completion of Project Phase I in 1992, a formal proposal will be made to the European Space Agency (ESA) for realization of Sänger as a joint European program. Sänger is widely viewed as the leading candidate for the next generation launch system to follow Europe's Ariane 5, as well as the leading option for a long-term European manned space program. In this context present work on the Hermes space glider would be seen as a transition step, developing European know-how in manned space flight and in the domain of hypersonic vehicles.

Much less vulnerable to "technological bad surprises" than the more ambitious space plane projects such as the British HOTOL (horizontal takeoff and landing) or the U.S. National Space Plane (NASP), the Sänger could—according to conservative estimates—go into service by the year 2010. All that is required are moderate budgetary support and competent management for the duration of the project. Whether these will be forthcoming, or whether Sänger will fall victim to the adverse pressures which are crippling much research and development today, could have a major impact on the future of manned space exploration for many decades to come.

### **The ideas behind the Sänger Project**

The "Sänger" space transport concept has had a continuous evolution going back to the early days of rocket development. The dream of flying into space on a winged vehicle is older still, but it was the German rocket pioneer Eugen Sänger (1905-64) who, during the early 1940s, was the first to elaborate a conceptual design for a reusable, horizontally



launched rocket plane capable of reaching the outer limits of the Earth's atmosphere. Sänger's pioneering work was followed up in the 1950s in the United States by Walter Dornberger, former director of the German rocket project at Peenemünde. Dornberger conceived of a two-staged space transport system utilizing an air-breathing hypersonic first stage. In the subsequent period a great deal of development work was done in the United States on the rocket plane concept, including the famous X-15. Although the X-15 program was not followed through to the end, it did lay some of the foundations for the Space Shuttle and for present work on the National Space Plane.

Back in Germany, Eugen Sänger himself played a leading role in promoting further development of the space plane, which he saw as a means by which Europe could recover the ground it had lost to the superpowers in the field of space exploration. In the 1960s the German firms ERNO and Dornier carried out design studies. But in the late 1960s and throughout the 1970s developments were dominated worldwide by the Apollo program and the massive expansion of civilian and military space programs in the U.S. and U.S.S.R., which were entirely based on nonreusable, ballistic rocket technology. It was at the beginning of the 1980s that the time appeared ripe again for a serious effort in the field of horizontally launched, winged space vehicles. The German firm Messerschmitt-Bölkow-Blohm (MBB) took the lead in 1984, initiating on its own the line of development which eventually led to the government-sponsored Sänger Project.

The space plane designer looks at the Earth's atmosphere in a completely different way from the ballistic missile designer. For a ballistic missile, the atmosphere is mostly an obstacle, dissipating the missile's energy and placing large dynamic stresses on its structure. For the space plane designer, the atmosphere is a "staircase into space" and at the same time a reservoir of oxygen, which need not be carried along in the vehicle. By the combination of aerodynamic lift and use of atmospheric oxygen during the initial portion of its trajectory, the Sänger greatly reduces the specific fuel requirements to reach orbit.

Besides these elementary advantages, the Sänger Project is designed to answer a specific set of requirements facing manned space exploration in general and Europe's role in that effort in particular.

First, it is assumed—contrary to the myopic view which many governments are taking these days—that manned space operations will greatly expand in coming decades, including not only missions in near-Earth orbit, but also a renewed commitment to colonization of the Moon and Mars (and beyond). The long-term scientific exploration of the Solar System and beyond is unthinkable without establishing manned bases and settlements outside the Earth. Moreover, the expansion of human activities beyond the Earth is dictated by the elementary nature of man. It constitutes a kind of human right which cannot long be denied.

Second, participation in manned space exploration for peaceful goals should be open to all. There should be free access to space without political or other restrictions which might be imposed by a narrow monopoly of "space powers."

Third, access to space must, above all, be economical, which means a fully reusable space transport system must be developed for many launches per year.

And finally, a very high degree of safety must be assured for transport systems carrying human beings into space.

These requirements dictate to a large extent the choice of technology for the next generation of space transport systems. If rigorously thought through, this leads inevitably to a system essentially identical to the proposed Sänger.

Free access to space means—for Europe in particular—the possibility of launching and landing in Europe, without having to depend on remote sites situated in politically unstable areas or in the territory of the superpowers. This is not possible with foreseeable single-stage-to-orbit (SSTO) systems such as the HOTOL or the NASP. The reason is the lower velocity imparted to the vehicle by the rotation of the Earth in the case it is launched far from the equator; the loss thereby incurred would decrease the already extremely low payload ratio of SSTO systems to less than zero for launches at middle European latitudes. The minimum is therefore two-stages-to-orbit, and this is in fact realized with the Sänger system.

The demand for complete reusability and for launch from, and return to the highly populated territory of Europe can only be achieved on the basis of winged vehicles which take off and land horizontally.

The desired high degree of safety, not only for the crew but also for the densely populated areas beneath the launch and landing trajectories, can only be reached by winged vehicles with horizontal launch and takeoff. The reason for this can be grasped by anyone who reflects on the fact, that dense air traffic is routinely conducted over and near large cities; whereas rocket launches are never made near cities (except in time of war).

These requirements and considerations dictate, in effect, a two-stage system in which both stages have wings and are capable of aerodynamic flight in the atmosphere. The use of two stages permits a design in which stage separation occurs at a speed of no more than Mach 7, which avoids the need for active skin cooling of the first stage.

Takeoff from densely populated Europe requires a first-stage propulsion system with low noise, hence a relatively low-exhaust velocity. The first stage remains within the atmosphere, permitting an air-breathing first-stage engine. Only the second stage would require a rocket engine, which would be completely separated from the heavier and more complex air-breathing engine of the first stage.

The first stage has to carry the second stage to the desired altitude and latitude at which it is to be launched and thereafter return to base. The takeoff, climb to Mach 3, and the flyback are best achieved with a turbojet-type engine. The

acceleration to cruise conditions (Mach 4), final acceleration to second-stage launch velocity (approximately Mach 7), and cruise-back require a ramjet-type engine. This leads to the concept of a turbo-ramjet combined-cycle engine.

The supersonic combustion scramjet projected for systems such as the NASP is not required for this mission, thereby avoiding a major technological jump. The basic technologies for a turbo-ramjet combined-cycle engine are available from existing aircraft and missile systems, including the management of cryogenic hydrogen as a fuel. Avoidance of the scramjet also obviates the need for active skin cooling, since the scramjets operate economically only above Mach 8 where such cooling is necessary. Basic concepts for structural designs giving the necessary passive thermal protection for the Sanger first stage have been developed and tested.

Development work on a turbo-ramjet engine for Sanger is well under way. A hydrogen ramjet-combustor has been operated at MBB in Ottobrun since early 1989. A cryogenically cooled combustion chamber has been successfully tested. A series of alternative concepts have been elaborated for the integration of turbojet and ramjet modes, and technical solutions developed for the variable-configuration air intake required for operation in different velocity modes.

The Sanger would take off at significantly less than maximum thrust, a feature enhancing the safety of the system.

As for the second-stage engine, the essential solution is already available in the form of high-performance staged-combustion cycle engines such as the Space Shuttle Main Engine. It is worth noting that the basic technology for this engine was developed at MBB in the 1960s (Project P 111). MBB developed the essential liquid oxygen/liquid hydrogen (LOX/LH) engine technology which was the basis for the Space Shuttle Main Engine and the Ariane third-stage engine. The Ariane 5 engine with 100 metric tons of thrust is

now in development, based on the MBB core engine using LOX/LH and integrated with turbopumps by the French engine manufacturer SEP.

A low-pollution requirement for takeoff in Europe points to use of liquid (cryogenic) hydrogen as the propellant. The low density of this fuel presents no major problem, since in any case air-breathing systems need to carry only one-fourth of the combustant in the first stage as compared with rockets. The heavier component (oxygen) is taken from the air.

The propellant solution is, therefore:

- First stage: liquid hydrogen/air
- Second stage: liquid hydrogen/liquid oxygen.

Cryogenic hydrogen, it should be noted, is already in routine use as a space flight fuel.

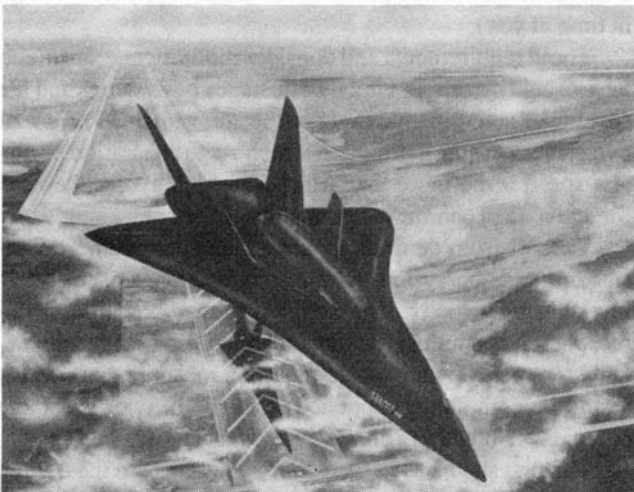
Operational costs of the projected Sanger system have been estimated on the basis of experience with the X-15 and U.S. Space Shuttle on the one side, and the supersonic transport Concorde (relevant to first-stage refurbishment) on the other. In one study, a figure of 3.5 times the refurbishment and maintenance cost of the Concorde was taken as reference for the first stage, while an improvement on Shuttle costs was assumed through the use of improved technology on the second stage. Horizontal launch eliminates much of the large preparation areas, vehicle assembly buildings and launch pad structures required for the present Space Shuttle. The personnel required for launch preparations would be reduced to between 500 and 1,000 persons, as compared to the Space Shuttle launch preparation staff of about 7,000. Together with the condition of complete reusability, this adds up to an enormous saving in launch cost. Launch cost for a manned mission to low-Earth orbit (second-stage crew of three plus one pilot) was estimated at approximately 146 man-years (or about \$25 million) for a launch frequency of 12 missions per annum.

### Sharing the project's benefits

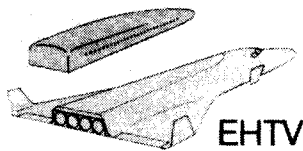
Present efforts to realize the Sanger Project are inspired by the perspective of a broad participation of interested countries—not necessarily only in Europe—in advanced development and production of this system, and sharing of the benefits of improved access to space among the nations of the world.

Utilization of the Sanger system will have many common features with that of large commercial aircraft today. Sanger vehicles could be sold or leased like an Airbus or Boeing 747 to governments, institutions, or even private firms. A common infrastructure would be set up for repair and maintenance. Sanger could be used by any nation, the only restrictions being observance of United Nations rules and international air traffic safety regulations.

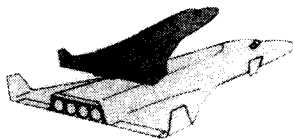
With commercial operation of Sanger, the era of "free enterprise" manned spaceflight will have begun for real—a *sine qua non* for large-scale space expeditions, space industrialization and colonization.



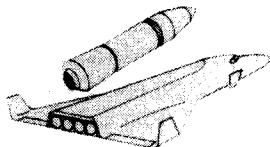
Artist's conception of the Sanger space plane, showing the two-stage manned launched system taking off from a commercial airport.



Passenger Plane



SÄNGER  
Two-Stage  
Manned  
Launch System



SÄNGER  
Cargo-Version

Three versions of the Sänger concept. Germany's Fusion Energy Forum proposes building an unmanned demonstrator with an air-breathing engine.

### Competent decision-making is key

The excellent progress in development work so far, has brought the Sänger Project to the point where crucial decisions must be made soon. One of the most important issues concerns the choice of flight demonstrator vehicles, which are required for both stages.

The Hermes vehicle, under advanced development as a European Space Agency project, fulfills most of the requirements for a demonstrator for the Sänger second stage. Hermes will demonstrate know-how and systems for manned space flight, orbital maneuvering, hypersonic reentry, and aerodynamic landing. Hermes lacks only a propulsion system. However, the high-performance LOX/LH engine of the Sänger second stage is a relatively straightforward development of known technology.

For the lower stage of Sänger, a manned demonstrator vehicle called "HYTEX" has been defined. This would be an air-breathing, manned transsonic vehicle for speeds up to Mach 5-6. But, a decision to build a manned demonstrator for the first stage would lead to major problems. It would require a program of several billion dollars and could only be realized through a complex international effort. It would exacerbate the budget problems of existing programs, which have no room for an additional, parallel program of such magnitude.

Fortunately, there is a workable alternative: Instead of an expensive manned vehicle, it would be sufficient to build an unmanned, guided vehicle with an air-breathing engine. Such an unmanned demonstrator vehicle would demonstrate most, if not practically all, of the needed technology, including:

- 1) aerodynamics up to stage separation at Mach 7;

- 2) stage separation at Mach 7;
- 3) structure and airframe design;
- 4) air-breathing engine for velocities of 0 to Mach 7;
- 5) navigation, guidance, and control.

An unmanned, guided demonstrator would have multiple advantages. First, it would cost only around \$437 million, rather than several billions of dollars—an order of magnitude less than a manned version. Second, as an unmanned vehicle it would involve much lower risk. It would have more manageable physical dimensions. And finally, it would involve much simpler program management, avoiding having to start-up a complex multinational program at this stage of the Sänger Project.

Wisdom would dictate opting for an unmanned demonstrator. Unfortunately, there is a danger that extraneous pressures—not least of all the desire of some firms to get in on large, lucrative programs—might lead to a wrong decision that would endanger the long-term future of the whole project.

In this context it must be emphasized: Development of space flight is not a gap-filler for ambitious, but handicapped military aircraft manufacturers starved for big contracts.

Sometimes, somewhat less is more! Rushing into an oversized program too early hampers progress more than it helps.

In the interest of the future of manned space exploration, care should be taken to insure competent decision-making for the Sänger Project. With a sensible level of financial support and protection from extraneous pressures, this space transport system could be flying by 2010.

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## LaRouche Platform

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# 1988 campaign called for Sänger Project

*During Lyndon LaRouche's 1988 Democratic presidential primary campaign in New Hampshire, he addressed 500 students at Manchester's Memorial High School, most of whom could not then, but can now, vote. The following is excerpted from his Feb. 5, 1988 address.*

Now, my problem is this: As President, my job is to do everything government should do to ensure that U.S. industry has the most advanced technology in the world available to it, as rapidly as possible. There are two sides to this: One side is to make the technologies available; the other side is to make sure we are supplying cheap credit, and investment tax credit incentives, to make sure these technologies are used.

My problem is: Knowing what the areas are in which scientific progress will be determined in the next 50 years, how could I put all of this in one package, so that—in terms of international cooperation among governments, with our government, and in cooperation between the private and public sector—how could we be sure, that we would be generating these technologies as rapidly as we need them?

So, back some years ago, back in 1985, I had the occasion, at an international conference in Virginia, to present a paper in honor of one of the United States' space pioneers, a friend of mine, Krafft Ehrlicke—he died a year earlier. And Krafft, among his many projects, developed the industrialization of the Moon project for the United States—for NASA, and for General Dynamics, and others. And, so I thought it was appropriate, because Krafft had always wanted to do that, to define our exploration of Mars, which is what the immediate objective of exploring the Moon is: to get a stepping-stone to Mars, and beyond.

So, I defined a Moon-Mars colonization, industrialization project, to accomplish the mission of establishing a permanent, manned colony on Mars beginning the year 2027. The President's Space Commission, about 12 months later, made exactly the same general proposals, but proposing somewhat different specific goals and objectives, but also selected in the year 2027, as the target year for the beginning of the permanent colonization of Mars. Just the same way that President Kennedy proposed the end of the 1960s, as the date for man landing on the Moon—we reached it.

Starting colonies on Mars in the year 2027—from today—is just as feasible as putting a man on the Moon, in the course of the 1960s. It's just a bigger project, more long-range, but exactly the same method of approach, and the same kinds of benefits.

I'll give you a couple of examples of what this means. I'll give you another shock, but those of you who are studying physics, or something like that, can work this out for yourselves.

I don't like the idea of human beings traveling around a long time in space, at microgravities, or fractional gravities, and, since we have not determined yet the effect of keeping human beings in these conditions for extended periods—though we know they're dangerous. I say, all right, let's do the smart thing! In traveling between Earth orbit and Mars orbit, let's go at a constant acceleration of one gravity. That would mean, and you can figure it out for yourselves, that one gravity of constant acceleration, or deceleration on the down-side of the trip, means that the average time to move from the orbit of the Earth, to the orbit of Mars, will be *two days*.

Now, the question is, how do you get up there? This will use a unit which will have 1 terawatt fusion power propulsion. It's a system on which we're already working. Now, how do we get up there, from Earth? Well, the Shuttle is not a good idea. Krafft Ehrlicke and others opposed the Shuttle back in the early 1970s, not because it doesn't work, but for

two reasons: First of all, it's too dangerous. There's nothing you can do to eliminate the fact that these things are dangerous—that is a big bomb, those rockets, each one of them. Secondly, it costs too much. The cost of getting a pound of payload into space is too much. And, we already knew at the end of the 1960s how to build a better system. But, the way the government works, they say, "Well, let's go with the practical thing we've got on the table now, instead of building something better!" And that was a big mistake, and always is a mistake on the part of government. When politicians start talking about being practical, hold on to your wallets!

Instead, we develop what's called the Sanger Project. Sanger was another famous space scientist, and the design was as follows: We can build a special kind of jet, it's called a scramjet. A scramjet is about the size of a Boeing 707, and takes off like an ordinary airplane. It gets up to about 150,000 feet, and is hitting then, a speed of eight times the speed of sound. It goes up a bit further, and out from underneath that scramjet comes off a shuttle-craft—a rocket shuttle-craft—which goes up to what's called low orbiting position. And, in low orbiting position, we build a low-orbiting space station. We assemble parts at the low-orbiting space station, we build space tugs, then, out to 22,000 miles, approximately—geostationary orbit—and there we begin to build, by these shuttle trips, a permanent space terminal. From that, we move into moving to the Moon—this time, to industrialize it. . . .

Remember that the problem with the rocket is, the major component of weight of fuel of a rocket is oxygen, using oxygen to push up through the atmosphere. What's in the atmosphere? Oxygen! Why do you have to carry oxygen through the atmosphere? Use an aeronautic principle, and get above the atmosphere by these methods, and you have a tremendous saving in cost.

Then, we get to the industrialization of the Moon; we produce most of the weight on the Moon. Spacecraft for travel to Mars will involve about 200 passengers each, flying in flotillas of five, taking an average trip of two days or so, to get there. The freight we require on Mars will go in large ships, powered by the same 1 terawatt propulsion system, which will be the size of supertankers. They will carry the freight, they'll be unmanned; with that, we will simply put into place the materials to build the first controlled Earth-like environment on the surface of Mars, and that begins colonization.

Now, this means that for you, a higher percentage of you than during the past 20 years will be going into science and engineering. This means that the teachers of the future, of the next generation, will be preparing to teach classical subjects, with an emphasis even greater than that which was characteristic of schools back before 1968, and 1963. This means that where New Math has been the curriculum today, it will be junked, and we will go back to geometry, especially projective, and other synthetic geometry—constructive geometry.

It means that the study of the classics, the study of tragedy, the study of literature, will be at a premium. It means that tests which are based upon multiple-choice questions, will no longer be considered qualifying tests for diploma credits, that you have to be able to write an essay, which is competent and literate on the subject on which you are asked a question, as part of your testing, to prove that you can *think*, and project your mind in a coherent way. You don't have to think perfectly, but you should be able to think.

We will need teachers, scientists, engineers, and people who will go into factories, as operatives, not like the old shoe factories, and so forth, we have here, but to work on new kinds of jobs, which will be technologically, at the level of engineering employment today. And that's your future. I don't think you'd like to think about any other. . . .

### The 'Woman on Mars' broadcast

*On March 3, 1988, LaRouche produced a half-hour national broadcast, "The Woman on Mars," for his campaign, regarding his program for a Mars colonization effort as a science driver. What follows is excerpted from LaRouche's script for the broadcast.*

**Announcer #1:** "Are you there, Dr. Gomez?"

**Woman's voice:** "Yes, John. I have the announcement for which you have been waiting. As of five minutes ago, our environmental systems were fully stabilized. Man's first permanent colony on Mars is now completely operational."

**Announcer #2:** If Lyndon LaRouche becomes President next January, that message from Mars will actually occur 39 years from now. The woman who will speak from Mars was born somewhere in the United States within the past year or two.

**LaRouche:** Many of you are shocked. Some of you are saying, "Why is this old geezer talking about a permanent colony on Mars, 39 years from now, with the major budget problems in Washington today?" . . .

As some of you know, my specialty is a branch of science founded by Leibniz, called physical economy. Over the years, my associates and I have had the privilege of working with some of the world's leading scientists in plasma physics, optical biophysics, and space technology. What I have done, is to put this scientific knowledge together with my own expertise in physical economy, just as I did back in 1982 when I proposed what became known as the SDI. I have also consulted with some leading organizations in Europe which are already prepared to go to work on some aspects of a Mars colonization program. . . .

We need something which could be made operational in a few years. So, I traveled to West Germany, to the leading aerospace firm MBB, with which my friends and I had had contact in connection with proposing the development of a Western European version of the SDI. MBB is prepared to proceed with a design which was already proposed as the

alternative to our shuttle system back at the beginning of the 1970s. It is called the Sanger Project, named after the leading space-scientist who developed it. I propose that our aerospace firms cooperate with the Europeans and Japan in accomplishing this.

The Sanger system has two elements. One of the elements is what is called a scramjet. The other is a rocket-plane, a replacement for the shuttle-craft, which is piggybacked on the scramjet. The scramjet takes off with the shuttle attached, reaching about eight times the speed of sound at an altitude of about 150,000 feet. At the top of its flight, the scramjet releases the shuttle which flies on its own power into low Earth orbit. This scramjet has obvious civilian as well as potential military uses. Potentially, it cuts the cost of getting a ton of payload into space by as much as 90%. . . .

My friends in Italy's aerospace industry came up with an improved design for such a scramjet configuration. This is the proposed design, which has many aeronautical advantages, including the ability to take off from ordinary airfields. One of the reasons for the curious shape, is that our Italian friends have used what is called the "Busemann biplane principle," to lessen the drag. . . .

First, there are powerful reasons we must have a colony on Mars. To achieve certain very specific kinds of scientific breakthroughs we shall need on Earth, we must do the kind of astrophysical research we can not do without a Mars project. . . . The practical purpose is to build up a system of giant radio-telescopes as far away from the Sun as possible. To sustain the scientists and engineers working on these space laboratories, we need a nearby logistical base. To support those scientists and engineers requires a population about the size of a medium-sized city on Earth. Since Mars is the nearest location which meets the requirements, we must colonize Mars. . . .

The second reason is that the Mars project uses every frontier technology we might expect to develop during the coming fifty years of scientific research. That means, that the space program would be supplying our civilian industries with the most advanced technologies possible at the most rapid rate, putting the United States permanently in first place in technology. . . .

It means a much better way to live, than the drab misery, illiteracy, and decay, into which our nation has been drifting the past 20 years.

Then, 39 years from now, we shall hear the broadcast from Mars, announcing that the first permanent colony there is operational. Among those colonists will be some of the children and grandchildren of you watching this broadcast tonight. Many of you will be watching that first television broadcast from the new colony.

Already, the woman who will speak to you from Mars, has just recently been born somewhere in the United States.

We shall give our nation once again that great future which our children and grandchildren deserve.

# Earth Summit to usher in population control frenzy

by Kathleen Klenetsky

The United Nations-sponsored global environmental conference slated to convene in Rio de Janeiro this June, will be a "watershed event" in the malthusian campaign to enforce mandatory population reduction on the world's countries, especially on those of the developing sector. That is the expectation of leading figures in the international population control lobby, who hope that the U.N. Conference on Environment and Development (UNCED) will achieve global acceptance for the fraudulent view that population growth destroys the environment.

What that will mean concretely for Third World nations can be seen in the case of Brazil, a major target of the population control zealots ever since Henry Kissinger authored the notorious 1974 National Security Study Memorandum 200, which laid out the U.S. strategy for slashing population growth in the developing sector as a "national security" goal. In Brazil, 25 million women have been sterilized, largely through programs run by the U.S. State Department's Agency for International Development.

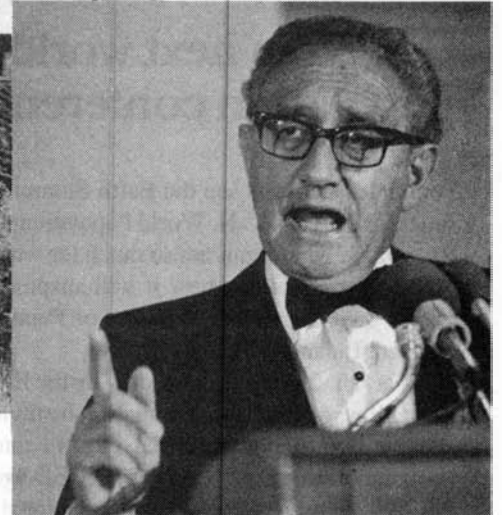
Or it can be seen in the case of the People's Republic of China, where the communist dictatorship has enforced a one-child per family policy, killing millions of unborn children and producing an economically disastrous distortion in the population pyramid as a result.

The Earth Summit "will be the first time that the integral relationship between environment, population, and resource consumption will be explicitly acknowledged," said one long-time anti-population activist echoing the thesis of the Kissinger NSSM 200. "Until recently," said the activist who used to hold a high-level State Department post, "developing countries were not paying much attention to the issue of environmental degradation. But the emergence of global warming and the ozone hole has now made it possible to persuade them that they have to limit their population, or face an environmental catastrophe."

If these expectations are met, it will be due in large part to the actions of the Bush administration, which, in league with Great Britain, managed to place the



*The World Bank gave money to the government of Jamaica to run “family planning” programs; signs such as this, which drill in the idea of the “unwanted” child, are seen throughout the country. Inset: Henry Kissinger, who sees Third World population growth as a “security threat” to the United States.*



issue of population onto the Rio agenda.

Prior to the third UNCED Preparatory Committee, which took place last August in Geneva, population was not even up for discussion at the Earth Summit. The Group of 77, representing 125 developing countries, had opposed the inclusion of the subject. Many G-77 member states had already been victimized by U.S. population control programs, and feared that permitting the population issue to be raised at the Rio conference in June would mean a new round of demands that they impose birth-control and sterilization measures on their people.

That began to change with the second preparatory meeting in 1991. According to a source close to the negotiations, the U.S. delegation to Preppcomm II argued that to solve the world’s environmental problems, it was essential for UNCED to examine the interrelationship among population growth, technology, and consumption levels, and their allegedly deleterious effect on the environment.

Until then, UNCED Secretary General Maurice Strong had kept his silence on the population issue, carefully maintaining his profile as a “friend of the Third World.” However, Strong began to be bombarded with requests that he “do something” about the population “problem.” Among those urging him to insist on including population on the Rio agenda was Richard Gardner, a former State Department official and Jimmy Carter’s ambassador to Italy. Gardner had worked closely with Strong in setting up the United Nations’s first environmental conference in

Stockholm in 1972.

Soon, a member of the UNCED Secretariat, reportedly acting under Strong’s instructions, drafted a paragraph for one of the UNCED working papers on the “linkage” between environment and population.

The paragraph—described by one participant who assisted in its development as having been written in “secretive language”—was the first reference to population in any UNCED document. Its contents were immediately endorsed by Assistant Secretary of State Buff Bohlen, head of the U.S. delegation.

Getting the language into an official UNCED paper was a “major breakthrough,” which “made it possible to have a much larger entree into the subject of overpopulation and the environment at the Preppcomm III in August [1991],” says a leading population control official involved in the UNCED process.

### ‘Overpopulation’ for ‘overconsumption’

At Preppcomm III the U.S. and Britain, backed by Venezuela, mounted a campaign to make “population” an official agenda item for the Rio meeting, overriding Third World hesitation by promising to couple “overpopulation” in the South with “overconsumption” in the North.

Nancy Carter, coordinator of the State Department’s Office of Population Affairs and a member of the U.S. delegation at Preppcomm III, told the story of how the United States pulled this off in a recent interview with *21st Century Science*



and *Technology* magazine (see *Documentation*). Her account was verified by Ambassador Robert Ryan, one of the U.S. diplomats assigned to the UNCED negotiations.

According to Carter, Buff Bohlen spearheaded a "strong

## U.N. plots next world population conference

Population activists see the Earth Summit as a stage-setter for the 1994 U.N. World Population Conference. Rio will be "important not so much for what is accomplished there, but for how it will shape the environment," says Alexander Winslow of Population-Environment Balance.

In a Jan. 28 speech sponsored by the Earth Summit Committee of UNCED, Population Institute President Werner Fornos observed that the full integration of "population concerns" into the UNCED agenda are "a positive starting point for an international consensus on the population/environment/development interlinkages and for establishing priorities that will be developed more fully during the preparation process for the 1994 United Nations Conference on Population and Development." That view is shared by the State Department, which is already planning for the 1994 population event.

The U.N. has already set a theme for the conference: "Population, Sustained Economic Growth and Sustainable Development." Charlotte Hoehn of Germany, chairman of the U.N.'s Population Commission, wants the meeting to draft a second version of the 1974 World Population Plan.

According to the *U.N. Chronicle*, the 1994 conference agenda will likely include such topics as: "regionalization of persistent high rates of population growth"; "the demographic impact of . . . AIDS"; "the aging of populations" and the "demographic collapse of the post-transitional societies"; the "population and sustainable development"; "continuing unmet family planning needs"; and "population policy implementation."

In advance of the conference, the Population Commission has called on the "international community [to] reiterate its support of the World Population Plan of Action and pay special attention to the reports 'Our Common Future,' and 'Environmental Perspective to the Year 2000 and Beyond,' particularly on population issues."

U.S. intervention" on the population issue at Prepcomm III, which included issuing two important position papers on the subject. One, the "Statement by the U.S. Delegation on Poverty, Environmental Degradation, Sustainability, Health, and Education," urged massive new population control efforts.

"National governments must move now to stem rapid population growth," the statement asserted. "Collaborative international commitment to stabilize such growth can also influence effective and concrete national action."

The document stated that the U.S. "seek[s] as an Agenda 21 goal [Agenda 21 is the "action plan" slated to come out of Rio] the integration of population considerations into the design of national economic goals and strategies, so as to better correlate population growth and distribution with development resources and infrastructure capacity."

As a result of the U.S. intervention, the UNCED Secretariat has produced a paper, not yet made public, which, according to a source who has seen it, "deals with the subject of population and poverty, population and consumption, and the interrelationship of population and the environment."

The U.S. was delighted over its victory at Geneva. Shortly after Prepcomm III ended, Nancy Carter sent out a "Dear Colleague" letter, crowing that "population issues were well-integrated into the Agenda 21 structure and have been accepted as part of the UNCED deliberations." The subject of population pressures, she added, will "form part of the four final decision documents" expected to be produced by the Earth Summit.

### 'Brilliant tactic'

The United States and its co-conspirators managed to overcome Third World recalcitrance to the population issue with a simple ruse: In exchange for G-77 agreement to include Third World "overpopulation" at Rio, the U.S.-led advanced sector would agree to include a discussion of its "overconsumption" and its contribution to developing sector poverty.

"This was a brilliant tactic," commented one person who participated at Prepcomm II. "By putting all these things in one paper, and by putting it together in a way that interested the G-77, with all the references to Third World poverty and overconsumption, we were able to do what we hadn't been able to before, get population into the official Rio debate." With this accomplished, "I am convinced that Rio will come out very well" on the population question, he added.

The agreement to discuss "overpopulation" in the developing sector if "overconsumption" in the developed sector is also raised, is an absurd proposition on the face of it. The population density of highly industrialized western Europe and Japan far exceeds that of most developing countries—especially the poorest countries of Africa.

The obvious point is that high levels of infrastructure,

high-technology industry, and highly mechanized agriculture are capable of sustaining far higher levels of population than exist in the developing countries today. The requirement is not to export Third World poverty to the advanced sector—actually the lawful outcome of George Bush's free trade war cry—but to export infrastructure and technology to the developing countries.

That is precisely the proposal delineated in the call for a "True Fourth Development Decade" issued by the Schiller Institute to the United Nations General Assembly in September 1991. The institute's "Development Decade," designed under the direction of American statesman Lyndon LaRouche, stands today as the alternative to the malthusian dogma-dominated the U.N. and its associated one-world organizations, the International Monetary Fund and the World Bank.

### 'Hot and heavy' Prepcomm IV

The final determination of what the Earth Summit will agree upon will be made at the fourth and last preparatory committee meeting, which opens in New York this March. According to State's Nancy Carter, these negotiations will be "hot and heavy"; the Rio summit will merely rubberstamp the decisions taken at Prepcomm IV.

Carter has been holding strategy sessions at the State Department to strengthen the U.S. position on population going into the meeting.

According to an official of one of the leading population control groups in Washington, a group of population/environmental NGOs (non-governmental organizations), including the National Wildlife Federation, the Population Crisis Committee, Zero Population Growth, and Planned Parenthood, met with Carter at the State Department on Jan. 24. The meeting's purpose was to coordinate official U.S. government strategy for Prepcomm IV with the extensive lobbying efforts the NGO apparatus is expected to deploy there. "We went over the working documents that touched on the population issue with a fine-tooth comb," one participant reported.

On Jan. 27, Carter met with the Council for Environmental Quality and other branches of the Bush administration to report on the discussion, and a final population strategy session involving the population NGOs and the official U.S. delegation to Prepcomm IV will take place in Washington Feb. 10.

It is urgent that the "overconsumption" for "overpopulation" equation, which the governments of developing countries appear to have been hoodwinking into accepting, be undone at Prepcomm IV. Otherwise, Rio will, in the words of a leading zero-growth activist, "usher in a whole new era of massive population control," in which population reduction becomes an absolute "conditionality" imposed by the International Monetary Fund and World Bank on the developing countries.

## Kissinger's success in depopulating Brazil

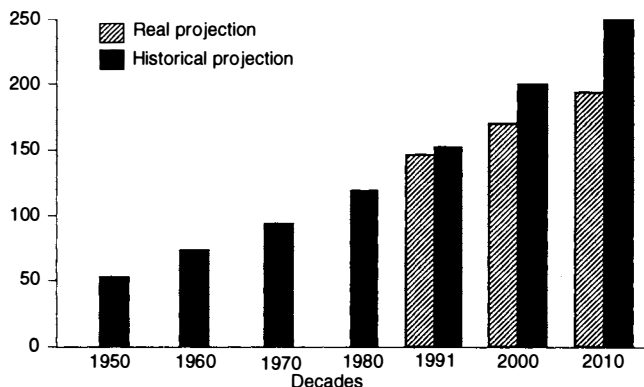
by Silvia Palacios and Lorenzo Carrasco

Preliminary 1991 census data give irrefutable proof of the success of the racist policies planned by the Anglo-American establishment and implemented by the Brazilian oligarchy starting from the 1970s, under the direct coordination of then-Secretary of State Henry A. Kissinger. Kissinger abruptly canceled his planned visit for last October, fearing popular fury especially from black people who suffered most directly the effects of the policy of depopulation by forced sterilization, which was elaborated under his orders. The contents of this policy were shaped in the National Security Study Memorandum NSSM-200 of 1974, which demanded the application of severe birth control programs in 13 nations of the Third World, particularly targeting Brazil because, in the establishment's racist view, its population growth allegedly threatens U.S. strategic interests.

The census, which was retracted under political pressures by those applying the birth control programs, thus pretending to hide the horrible truth of having sterilized 20 million women of childbearing years, dramatically confirms that the "best" scenario envisaged by the National Security Council had been fulfilled. It was the worst for the would-be South American industrial giant, for population is the most vital sign for any nation aspiring to development and social justice. On Feb. 5, Eduardo Guimaraes, president of the Brazilian Institute of Geography and Statistics (IBGE), announced at a press conference that the Brazilian population is 146 million inhabitants, 7 million fewer than projected. The demographic hecatomb will be seen more clearly in the year 2000, when Brazil's population loss will surpass 30 million with respect to historical growth rates, as *EIR* announced one year ago (Figure 1).

The decline of the fertility rate projected for the year 2000—1.5 children per woman—yields an index below the replacement rate, or negative population growth, as the genocidal Club of Rome went around preaching. Whereas in the 1960-70 decade the average fertility rate was 6 children, in 1970-80 it went down to 4.5, and in 1980-90 it was under 3. If this trend continues, the tragic result will be of an aging population and a birth rate below the level needed to replace existing population (Figure 2).

FIGURE 1  
**Total population of Brazil, 1950-2010**  
 (millions of inhabitants)



Source: IBGE, IPEA and EIR

FIGURE 2  
**Fertility rate**  
 (number of children per woman)

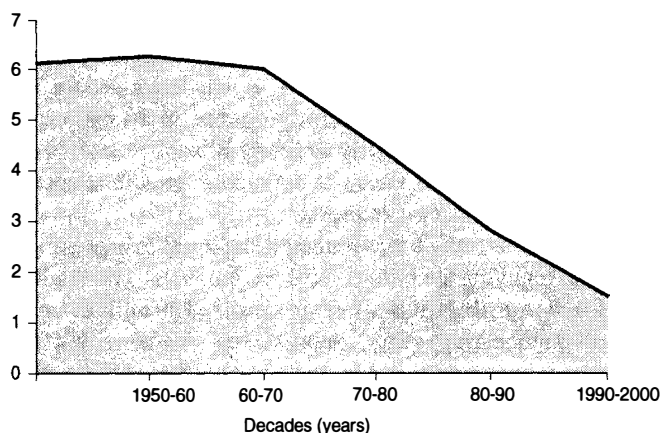
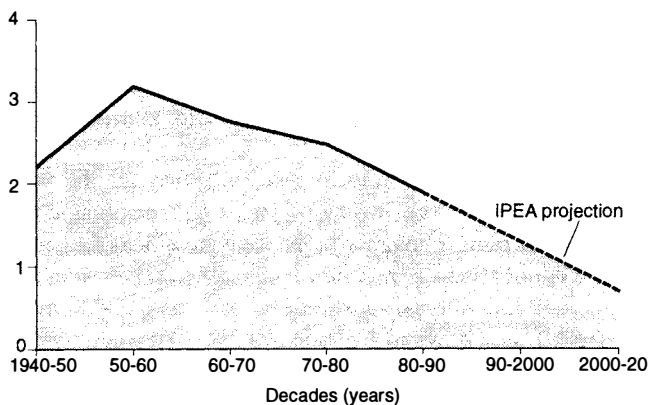


FIGURE 3  
**Fall in economic growth rate**  
 (% of growth)



Source: IBGE, IPEA and EIR

These consequences of the plunge in fertility via foreign-dictated birth control programs, are also manifest in the fall in the annual growth rate, which collapsed from an average of 3.17% in the 1950-60 decade, to an official 1.8% in the 1980-90 decade (in reality, the annual growth rate at the end of the decade was around 1.5%). This trend could bring about, in the year 2000, the growth rate which the most pessimistic scenarios foresaw for the year 2015, and if this trend is not reversed, it could produce zero growth by the second decade of the twenty-first century (Figure 3).

It seems doubly absurd to stop growth and eliminate population in Brazil, considering that the average population density is only 20 inhabitants per square kilometer, and in the most densely populated region of the country, the Southeast, which includes the industrial heartland of São Paulo and Rio de Janeiro, it is less than 70 per square kilometer, barely one-third of the population density of Germany and one-fifth of Japan.

This is where it becomes most obvious that the Kissinger-Bush depopulation programs have a purely racist motivation. The census data debunk both the widespread myths about “demographic terrorism,” and the lie that lowering population will raise living standards. Brazil today has lost population, yet it has gotten poorer, faster than at any time before in this century.

As Lyndon LaRouche recently told a Brazilian journalist, “These are the policies, for example, which Kissinger and his friends intend to apply to Mexico, to Brazil, to Colombia, to India, and so forth, to drastically reduce the population of these countries by denying them the right to have industry, by cutting back their agriculture, and by imposing upon them what we recognize today are called IMF austerity conditions. These methods would ensure—say in the case of Brazil—a destruction of the population of Brazil by perhaps two-thirds, three-quarters, or more.”

But the malthusian tyranny imposed by Kissinger and the establishment he represents, is not ancient history; as he admitted in an article published in the newspaper *O Estado de São Paulo* on Dec. 10, 1991, the content of Bush’s “new order” is depopulation. “World population which was 1 billion persons around 1850, grew a lot and should be approximately 6 billion in the next century.” This is, he added, “a challenge to Washington.” Malthusian objectives are the core of the Brundtland Commission’s report *Our Common Future*, an agenda intended to orient the deliberations of the United Nations Conference on Environment and Development slated for next June in Brazil.

### Brazil’s malthusian lobby

Ever since *EIR* exposed internationally the genocidal content of the National Security Council’s secret population policy contained in NSSM-200 in May 1991, the affair has been a national issue in Brazil. Outrage culminated in the decision by the national Congress to set up a joint committee

of the House and Senate to look into the mass sterilizations and foreign interference into Brazilian birth control programs.

### Cabinet shakeup

Population policy continues to be an explosive political issue. Apparently under pressure of U.S. AID (the State Department's Agency for International Development) and the IMF, Health Minister Alcení Guerra had to resign on Jan. 24. This action crowned a ministerial reform promoted by the Fernando Collor government to create a docile cabinet compatible with the free-market demands of Brazil's foreign creditors.

In February 1991, Minister Alcení Guerra gave an exclusive interview to *EIR*, with international repercussions, denouncing powerful foreign public and private agencies for having illegally sterilized 20 million Brazilian women of childbearing age. Among the culprits he cited were AID, the World Bank, the Ford and Rockefeller Foundations, the U.N. Population Fund, and the Nazi-modeled International Planned Parenthood Federation (IPPF).

Two prominent Brazilians in the malthusian lobby steered the campaign to oust Guerra, charging "corruption": Roberto Marinho, a U.S. State Department stooge and magnate in the *O Globo*-owned communications empire, and Roberto Civita, of the Civita family which owns *Veja* magazine. Marinho and Civita are members of the World Wildlife Fund, run by Prince Philip of Britain with an agenda of driving irksome humans off the oligarchy's hunting preserves (all under the guise of saving the planet), which will be prominent in the Eco-92 meeting.

Malthusian motivations are clear in both cases. In May 1991, the foundations, Robert Marinho, Civita, Maurice Sirotsky Sobrinho, and Emilio Oderbrecht signed a pact with the Education Ministry to adopt a so-called National Quality of Life Program which proposes to administer programs in the "sexual and reproductive health" area—the old euphemism for birth control. Then *O Globo*, in a report of Dec. 8, 1991, started pushing urgent birth control programs among the *meninas de rua* (abandoned street children) of 12-14 years. This is straightforwardly a Nazi practice based on the argument of exterminating the poor section of the population, consistent with the arguments of Kissinger, and of leaders of the Club of Rome like Alexander King, who has stated that it is necessary to stop the reproduction of dark-skinned peoples in the poor parts of the world.

Although the minister who sparked the world scandal over Brazilian depopulation is now out, the reality which the census showed cannot be ignored, and it is now possible to read the x-ray that quantifies the demographic damage which Kissinger and Bush caused Brazil. To repudiate malthusian policies and urgently correct depopulation trends, are absolute preconditions for the survival and dignity of the Brazilian nation.

## The UNCED blueprint for genocide

The UNCED Secretariat has drawn up a series of working papers which will form the basis for negotiations at the final preparatory committee meeting this March. The proposed Agenda 21 chapter on "Demographic Dynamics and Sustainability" makes clear that population *reduction* is a concept that is not only integral to the entire UNCED process, but that it is a primary goal of that process as defined by the U.N. bureaucracy. The Agenda 21 report in fact assumes that the world has already agreed upon that malthusian goal (all emphasis added):

"47. It is now widely recognized that consumption, technology and population are the major driving forces of environmental change, and that they interact in very complex ways. Therefore, in order to achieve sustainability, it is necessary to act on all factors simultaneously. . . .

"48. In a fast growing population, the age structure is so young that, *even if fertility were to decline sharply, the large number of young women entering reproductive age would still cause the population to grow further for quite some time. . . . [I]t is imperative to act immediately, adopting a precautionary approach.* Policies and programs to bring human numbers and consumption patterns into balance with nature's capacity must be developed alongside technologies that enhance that capacity by careful management [not development!—ed.] of the natural resources. . . .

"51. *The combined growth of world populations and economic production is placing increasingly severe stress on the life supporting capacities of our planet.* These interactive processes affect the use of land, water, air, energy and other resources. . . . *Although population policy alone is not sufficient to preserve the environment, it is both a necessary and essential component of comprehensive policies.*"

### Population reduction as policy

The report then projects a step-by-step process by which population reduction becomes an accepted provision of U.N. resolutions imposed on nations:

"53. The following objectives should be achieved within 3 years:

"a. Incorporate population dynamics in the global analysis of environment and development issues.

"b. Develop understanding of the relationships between

human populations, technology, cultural behavior, natural capital and life support systems.

"c. Scientifically assess human vulnerability in sensitive areas and centers of population to determine the priorities for action at global and regional levels.

"56. [International, regional and national research institutions should implement the following activities. . . .] *Integrate population concerns into the ongoing work on global change*, using the expertise of international, regional and national research networks to first study the human dimensions of global environmental change and, second, to identify critical zones resulting from global environmental change. . . .

"66. *Incorporate population concerns into national planning, policy and decision-making process, within 5 years.*

"72. Assess national population supporting capacity in the context of satisfaction of human needs and the need for protection of the environment to ensure long-term sustainability, and give special attention to critical resources, such as water and land, and environmental factors, such as eco-system health and biodiversity.

"75. Develop cartographic mapping techniques to identify areas *where sustainability is, or may be, threatened by endemic population and environment problems*, incorporating both current and projected demographic data linked to natural environmental processes. . . .

"80. *Set population targets consistent with national environment and development goals.*"

Paragraph 62 of the Agenda 21 chapter in particular appears to reflect the same concern of Henry Kissinger's NSSM 200, that underdeveloped countries restrict their resource consumption:

"62. *Increase awareness about the need to stabilize global resources demand through stabilization of resource consumption and population.*"

## Acceptance of lies

The U.N. bureaucracy is well aware that to force through this population reduction policy requires a global brainwashing effort. The Agenda 21 chapter calls for the disbursement of billions of dollars toward this campaign:

"86. Increase understanding and develop 'population literacy' among decision-makers, parliamentarians, journalists, teachers and students, civil and religious authorities, and the public of the population/environment interactions, and the significance of population policies for environmental conservation and development. Stress should be put on local and national action, and the role that each of these groups should play. *Environmental and population education should be coordinated and integrated both in the formal and non-formal education sectors.*

"87. Enhance the capacity of national structures to deal with population/environment/development issues. This would involve strengthening the national bodies responsible

for population issues to enable them to elaborate policies consistent with the national prospects for sustainable development. Cooperation among government, national research institutions and NGOs in assessing problems and evaluating policies should also be enhanced."

The myriad of NGOs which the U.N. bureaucracy has organized around itself will of course play a key role in pressuring governments:

"88. *Enhance the capacity of the United Nations organizations, international and regional inter-governmental bodies and non-governmental organizations to help countries develop population/environment policies.* . . .

"110. Population programs succeed according to the degree of support they muster from the political leadership, from business and commercial interests, from religious, intellectual and community leaders. . . . Other actions such as training of nationals and the development of national institutions (universities, research institutions and NGOs specializing in the study and implementation of population/environment programs) are essential to ensure the constant supply of skills needed. Special importance must be given to training women."

But even before a global consensus for population reduction exists, the U.N. bureaucracy intends to implement plans to ensure negative population growth:

"92. *Intensify the implementation of population and natural resources management programs at the local level*, that will ensure sustainable use of natural resources, improve the quality of life of the people and enhance environmental quality. . . .

"99. *Provide . . . universal access to family planning services and the provision of safe contraceptives, and include men as beneficiaries of family planning education and services.*

"104. Improve coordination at local and international level. . . . UNFPA [United Nations Fund for Population Activities] should strengthen the coordination of international cooperation activities with population assistance recipients and donor countries in order to assure that adequate funding is available to respond to growing needs.

"105. Develop proposals for national population/environment programs in line with specific needs for achieving sustainability.

"106. The total resources, national as well as external, currently devoted to population activities in developing countries is estimated to be \$4.5 billion a year. Of that amount, nearly 80% is provided by developing countries themselves. To carry out intensified programs, and implement integrated population/environment actions in line with the above activities, and average of U.S.\$7 billion is needed annually in the 1993-2000 period, of which about half is required from international sources. The goal is to mobilize resources amounting to U.S.\$9 billion a year by the turn of the century."

# State Dept. hack reveals population as key UNCED goal

*Nancy Carter, the State Department's Coordinator of Population Affairs, has been intervening at pre-UNCED conferences across the country, urging NGOs and other groups to exert pressure so that the Earth Summit adopts a strong stance in favor of strict population control.*

*In the following interview, conducted at a conference last November, Nancy Carter reveals how the U.S. manipulation to get population on the agenda of the Rio summit. Carter also rails at EIR for its recent exposés of the U.S. Agency for International Development's (AID) role in sterilizing 25 million Brazilian women, and of National Security Study Memorandum 200, a 1974 U.S. government document which laid out a policy to drive down Third World population levels in order to ensure U.S. access to cheap raw materials in the developing sector. The interview was made available to EIR by 21st Century Science & Technology magazine.*

**Q:** You've talked about a link between environmental degradation and population growth. How important do you think this is?

**Carter:** Very important. . . . People have traditionally approached population only as family planning or the abortion issue. We're trying to broaden the perspective on population issues from environmental degradation to resource utilization, distribution of populations, as well as rapid [population] growth, aging issues, anything that relates back to population, how it interacts with economic development or resources issues.

**Q:** What will the U.S. propose on the population issue to the Rio meeting?

**Carter:** There were two interventions which the U.S. delegation made [at Preppcomm III], one on human settlements and the other on poverty and population considerations. They addressed the urban migration problem, as well as integrating women into the economy, partly as a fertility control measure, and partly because it's good for the overall economy and good for women. We also talked about incorporating population factors into economic planning, and doing assess-

ments as part of an environmental review that will give more emphasis to population issues.

**Q:** You said there had been a lot of resistance by developing countries to incorporating the population issue at all into the agenda for Rio.

**Carter:** Quite so. . . . One of the things you have to keep in mind is that there is a process of negotiations leading up to UNCED. The developing countries were approaching the population issue in a defensive position, as defensive as the developed countries were approaching the consumption issue. What they were doing is reacting to a fear that if population growth was put on the agenda it would skew the negotiations toward looking at culpability on the part of the developing countries, because 90% of rapid population growth is there, and that they really felt the interest in these negotiations should be on the culpability of the developed countries' consumption patterns.

What we have tried to do, and I think with the cooperation and assistance of some very bright and forward-thinking developing country representatives, is to agree not to be pointing the finger of culpability. It's not a complete agreement, because we still have to go back in and butt heads on the same issues. But we basically have agreed that both consumption and rapid population growth have a role to play in the discussions at Rio, and so they both have to be on the agenda. So we have agreed that we need to balance the discussion of population growth with the discussion of resource consumption.

**Q:** Will there be any attempt at Rio or the 1994 conference, to put caps on population growth for various countries?

**Carter:** What was done in the Amsterdam Declaration [on population] was to establish as a goal the stabilization of population. It didn't adopt any specific numbers or target levels, only that we recognized there could be a problem associated with having too rapid growth, too poorly distributed population and that we have to come to grips with those problems, and thereby, in doing so, we would probably have

to look at the need to stabilize population of the global community. . . .

The crux of the Rio conference is to deal with environmental and development issues, and not to deal with population per se. That's to be done in the 1994 world population conference; many of the issues that are most contentious will probably be deferred until then. What we need to do now is to establish recognition of, and some action plan for dealing with, the relevant factors attributable to population issues that affect both environment and development considerations.

**Q:** Are countries which have rapid population growth being persuaded to factor in environmental considerations?

**Carter:** Many of them are coming to see a correlation between rapid population growth and their prospects for economic development, and also environmental considerations. We have regions where there are problems with water, providing adequate food, and I think they realize that these all factor into how many people they're going to have to provide for. . . . We hope that other countries adopt a system similar to the U.S.'s environmental impact statements, which would consider population factors.

**Q:** I received a press release some months ago from a group that had obtained some national security documents—

**Carter:** [interrupts] NSSM 200.

**Q:** Yes, that's right.

**Carter:** Lyndon LaRouche. *Executive Intelligence Review*.

**Q:** These documents are very shocking. Are they real?

**Carter:** It came as quite a shock to me, too. The only thing real about them is that there is a document called NSSM 200, National Security Strategy Memorandum 200. But the document is 100% diametrically opposed to what it is reported to be in *EIR*. When I first read or heard about it, I, too, said, "What!" And I ran to my files, where NSSM 200 is, and I pulled it out and read it. And I read the references that were quoted, or more accurately stated, misquoted, in the *EIR*. For example, it [*EIR*] references one specific point about Brazil. And it says that the U.S., USAID, and UNFPA and the World Bank had targeted Brazil, among other countries, for sterilization of their women in order to undermine the political and economic strength of Brazil and the region.

What the section [of NSSM 200] says—and this is not an exact quote, but I can tell you it is an accurate restatement of what it says—it says that Brazil has the potential to be an economic and political power in the region, yet its population growth is producing at such a rate that it is undermining the economic stability and development status that it could otherwise achieve. And that without implementing population or family-planning programs, Brazil will not be able to achieve the political and economic status that it otherwise it would. And we think it would be in the best interest of the

region, as well as of the United States, for Brazil to have a stable, democratic government.

This was the opposite of what *EIR* said. They said we were sterilizing Brazilian women to keep it weak and poor. That's absurd!

**Q:** Was there any reaction in Brazil?

**Carter:** Certainly! The issue has appeared repeatedly in various news articles in Brazil, and the minister of health is aware of it and has commented on it. And he has assured our ambassador that he gives it no credence. Unfortunately, though, misinformation is always more interesting, and it is hard to correct the wrong. If you were to stop by my office, I would pull out the document and show it to you. It doesn't make sense to misreport what's there. However, it worked toward whatever goal or objective that group [*EIR*] had. It's unfortunate.

It is not the U.S. government, or AID, which is coming in and sterilizing the Brazilians. . . . All I can tell you is that NSSM 200 has been severely misquoted.

**Q:** I thought LaRouche was in jail?

**Carter:** What I understand is that he is in prison, but that his group is still very active.

**Q:** Does your office deal with the question of how religious or cultural values act as obstacles to family planning efforts, Islam, for example?

**Carter:** Well, the Grand Mufti of Egypt has actually issued a proclamation declaring that family planning is indeed consistent with Islamic values if used for the purposes of birth spacing. . . . Our program recognizes the difference in cultural and religious values, and allows for and very much supports choice for couples from the full range of contraceptive methods, including natural family planning. The only one we don't present is abortion. But the interesting thing is that for the 1994 international conference on population, there have been three countries that have offered themselves as hosts, and they are all Islamic countries: Tunisia, Turkey, and Egypt. That shows that, indeed, these countries are embracing family planning and that the religious teachings do not find that what is being proposed inconsistent with those values.

**Q:** Do you know what the theme of the 1994 population conference will be?

**Carter:** Yes. And this will prove to be a very contentious issue. It is, "population and development within the context of sustainable development, environmentally sound sustainable development." We will be looking at environmental considerations and the impact of population at the 1994 conference, just as we are looking at population issues at the 1992 conference. My office will be coordinating the preparations for the conference.



# State letter hails population victory

*Shortly after the Third UNCED Preparatory Committee meeting last August, the U.S. State Department sent out the following excerpted letter, congratulating itself for having orchestrated inclusion of the population issue onto the agenda of the Earth Summit.*

Sept. 17, 1991

Dear Colleague:

The third meeting of the Preparatory Committee for the U.N. Conference on Environment and Development (UNCED Precomm III), which was held in Geneva from August 12 to September 4 has recently concluded. I am pleased to report that population issues were well-integrated into the Agenda 21 structure and have been accepted as part of the UNCED deliberations.

Population issues form part of four final decision documents:

1. Earth Charter/Rio de Janeiro Declaration (Statement of Principles)
2. Structure of Agenda 21, (which will require the integration of population concerns into all Agenda 21 documents).
3. Specific Agenda 21 recommendations for addressing the relationship of poverty, demographic pressures, health and the environment. . . .
4. Human Settlements (calls for harmonizing human-settlement policies with population and urbanization policies).

The sessions on population, environmental education and health ended with a clear acknowledgement by all participating nations of the linkage of population growth and distribution, and development and environmental degradation.

The draft text in the decision document which covers poverty, education and health issues, includes a statement that "population pressure and distribution can have immense impact on the prospects for conservation and sustainable development. Options for action in the field of population should strive to build national capacities and provide support for each country in measures which enable it to achieve a sustainable balance between its population, its environment and resource endowments and the standard of living to which its people aspire."

In support of the stabilization of population growth, one participating nation mentioned that "in order to ensure global sustainable development, it is paramount that countries for-

ulate national policies that will lead to reduced rates of population growth until its stabilization within a given time horizon." For your information I have enclosed copies of the relevant documents for your perusal. . . .

Although much remains to be done in the negotiating sessions of Precomm IV . . . we made progress in meeting our collective goals for the framework of the conference. . . .

Sincerely,  
Nancy O'Neal Carter,  
Coordinator for Population Affairs

## Documents

*Ms. Carter accompanied her letter with the key documents relating to population that had been agreed upon at Precomm III. We excerpt the relevant portions here.*

*From "Human Settlements" (A/CONF.151/PC/L.):*

"The Preparatory Committee . . . requests that certain program area targets should be more clearly defined, for example . . . (iv) By harmonizing human settlements policies with population and urbanization policies. . . ."

*From "Poverty, education, health—Coordinator's draft text" (A/CONF.151/PC/CRP.14):*

"6. Population pressure and distribution can have immense impact on prospects for conservation and sustainable development. Options for action in the field of population should strive to build national capacities and provide support for each country in measures which enable it to achieve a sustainable balance between its population, its environment and resource endowments and the standard of living to which its people aspire. . . .

10. Programs and activities developed in Agenda 21 should be consistent with priorities listed above and address the following areas:

- (e) Reduction of demographic pressures. . . ."

*From "Poverty, sustainability and demographic pressures, health and education" (A/CONF.151/PC/L.51):*

"The Preparatory Committee of the United Nations Conference on Environment and Development . . . decides . . . to request the Secretary General of the Conference to integrate fully development considerations and needs and realities, in particular of the developing countries, in all Agenda 21 program documents, taking into account the close relationship between development and the environment. In accordance with its decision 1/25, this should include. . .

(b) Demographic pressures and unsustainable consumption patterns and environment."

# Economics and population: the principles of technology

by Lyndon H. LaRouche, Jr.

*The following is excerpted from a speech, "Economics and Population," prepared by LaRouche for the International Symposium on Economics, Monterrey Institute of Technology and Advanced Studies, March 9-13, 1981, Monterrey, Mexico.*

My discovery of what is now termed the LaRouche-Riemann method dates from 1952. In brief, a study of the work of Georg Cantor permitted me to gain more efficient insight into the 1854 habilitation dissertation of Riemann, *On the Hypotheses Which Underlie Geometry*. That dissertation showed me what has proven a feasible approach to determining the causal relationship between advances in technology and consequent rates of real economic growth.

Through teaching that method of analysis, I was fortunate to attract gifted students who became my collaborators, including a number with outstanding qualifications in matters pertaining to physics. Our combined interest in both economic science and also in matters on the frontiers of the contemporary plasma physics, led to a deeper appreciation of the exact connections between Riemann's 1854 habilitation dissertation and an 1859 paper of Riemann's, in which latter paper Riemann predicted the necessary production of acoustical shock-waves in experimental configurations of certain cardinalities.

That latter paper, denounced by British physicists up to the close of the last century, has been proven decisive for solving problems of rocket design and related matters of aerodynamics. It has had other crucial importances. It was the basis on which Erwin Schrödinger launched his successful attack on the electron's inner secrets; it is also crucial for the design of the triggering of devices such as hydrogen bombs; and it is crucial for mastering such frontier matters as the physics of relativistic beams. The most important accomplishment of my associates and myself, in connection with the topics of this paper, has been to show the necessary connection between the cited 1854 dissertation and the 1859 discovery. It is that work in the domain of scientific methodology which governs the more recent advances occurring in the elaboration of the computer applications appropriate to

the LaRouche-Riemann method.

The bulk of the published work on the physics side of the development is being provided by a team headed by Dr. Uwe Parpart and Dr. Steven Bardwell. Here, I shall stress features of the collaboration which are more emphatically my own particular contribution, limiting myself to the practical implications of an oil-for-technology collaboration between Mexico and the United States.

I now direct your attention to the axiomatic features of the problem of technology generally. With an eye to the necessary interconnection between petroleum and nuclear-energy development at this juncture of world history, I summarize the necessary proofs for a conception best labeled potential relative population-density. This conception, I shall demonstrate, is the sole premise of economic science.

I shall now argue that this notion of potential relative population-density is the fundamental metric to be employed for determination of the value of terms of mathematical functions describing economic processes, a value which can be rigorously determined without regard for any existing market determination of prices. I shall demonstrate how economics, defined in this way, directly intersects and enriches the specialty known as thermodynamics. It is in that connection that the unique appropriateness of Riemannian physics for economic analysis is situated. I shall limit myself only by regard for the fact that most of you are not physicists. This will be no impossible difficulty, since the essential points can be demonstrated efficiently to any group of persons familiar with the problems of technology from the vantage point of economics studies.

I shall be profound, but I believe I shall also succeed in being simple.

I contend that all science begins with a personal comprehension of the implications of mortality. The awareness of our mortality leads us away from hedonistic values. We do not eat less, go naked, or adopt vows of chastity on this account; rather, we place the ephemeral moments of necessary consumption into proper moral perspective. We think of the outcome of our mortal lives both for the span of the

present times and the duration of our posterity over generations to come. We adopt a purpose for our lives, and the development of our talents according to that adopted purpose. In that way, we ascend from the hedonistic "Inferno" described by Dante, upward toward the higher rationality described in the "Paradise" canticle of that same *Commedia*.

This world-historical outlook on the meaning of our individual lives is the form of conscience out of which rationality is developed within us. We are obliged to govern our judgment and actions in life according to an estimation of the outcome of our acts and acts of omission. We are obliged to discover some lawful ordering of the connection between our actions and the consequences over the larger, world-historical span and duration of reality in which we properly locate our true identities.

This point of view leads to the emergence of the scientific world outlook generally. It leads directly to discovery of the fundamental principles of economic science.

Insofar as we are concerned, in the narrowed sense, with the material side of human existence, we measure our individual life's value in terms of our contribution to humanity over the span and duration I have indicated. That desire to make our individual lives of moral worth confronts us with a twofold question.

First, how can we measure in advance what will be in fact a contribution to mankind? Second, how can we predetermine some efficient causal connection between our choices of personal action and the desired quantity of consequence?

The answer to those two questions is to be found in the following steps.

The general consequence of human activity is the production of human existence. The question of the consequences of our actions is the way in which those actions increase or diminish the power of our species to reproduce human existence. This power is expressed in first approximation in terms of the number of individuals which can be self-sustained on an average square mile of habitable land.

This encounters the practical difficulty, that not all land is equally habitable. Natural and man-altered conditions make one bit of land more or less habitable than another. We seek to express a power, a power whose results are proportional to the different qualities of inhabited land. Therefore, the power's results are relative to those alterable conditions. We must measure the power to effect a relative population-density of self-sustaining populations.

This confronts us with a further practical difficulty. It is not the number of persons self-sustained presently on land which we must measure. We measure, instead, the potential relative population-density.

This is not an imitation of the census projections used for the cruder forms of animal ecology. We are not considering a case in which some external means or a hereditary range of behavioral potentials enables a certain number of biological

individuals to exist on an area of habitable land. The population-density effected expresses a culturally developed power of those individuals.

The formal difficulty is that human existence cannot be defined in terms of mere biological necessities, as we might define the biological necessities for an animal or plant species. The more powerful the individual becomes as culture advances the technology, the greater the cost of producing an individual adapted to employ that technology.

For example, as the technology advances, the necessary period of education and related development of youth prior to their entry into the labor force is advanced. The cost of producing a new productive member of the labor force qualified at the university level is obviously greater than in a child-labor-oriented mode or relatively poor agricultural production. This increased cost of developing the individual places a greater value on the longevity of the individual. A relatively advanced culture requires a more advanced and costly form of hygienic expenditure and health care. More advanced technology requires greater expenditure of time and production output on those forms of leisure which nourish the creative-mental powers.

Wages are not an arbitrary matter of negotiations between employer and employee. The proper minimum wage is determined by the level and rate of advancement of technology of production.

The considerations we have just outlined are indispensable but remain rudimentary, inadequate. We must advance another qualitative step.

We have begun to outline the answer to the first of our two questions. We desire to increase the power of future populations in term of potential relative population-density. We have not yet circumscribed the full meaning of that objective, but we have at least located the raw material of the idea to be refined. We must postpone the refinement until we have turned our attention for a moment to our second question.

If we are to know the consequences of our individual mortal life's self-development and action, we must adduce some reliable principle of causality linking our actions to changes in the potential relative population-density. *We must be concerned, therefore, to discover how increases in potential relative population-density are ordered.* This brings us to the outer aspect of the interconnection between technology and thermodynamics.

In the early life of our species mankind lived in the savage mode of existence broadly analogous to that of baboons, and had a global population potential of a corresponding quality. Today the human population exceeds 4 billion persons. Unless President Carter's genocidal *Global 2000* program of mass murder is continued, the population will reach 6 billion or more by the close of the century.

On condition that we deploy fully fission energy potentials, and also develop rapidly fusion energy potentials, the present general range of technology at our command would

permit a global population of tens of billions on a more comfortable basis than we find in the present population-density of Belgium.

During the next century, unless our species behaves as a collection of idiots, we shall be colonizing nearby space. My proposal to begin the "earth-forming" of the Saturn moon known as Titan beginning the geophysical year 2057 A.D. is an eminently realistic proposition. We shall have major stations orbiting near Earth. We shall move in ferries to and

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*Any society following a zero technological growth policy has doomed itself to die. If that society chooses to revert to a simpler level of technology, it merely accelerates such decay with accompanying massive genocide.*

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from these stations and the surface of our planet. Immense fusion-powered spaceships, accelerating to tremendous velocities, will be capable of carrying stations to nearby planets and their moons. By the end of the next century, human exploring parties should have visited the vicinity of some nearby star.

So, the ordering of the population-density of our species can be traced over a span from the Pleistocene to just over a century ahead of our time.

In studying the various known modes of human existence up to the present time, we are able to reconstruct the characteristic ecological features of those cultures in terms of the mode of production of life. These modes can be ranked in ascending order of potential relative population-density. The correlative of such advances in technology is chiefly the twofold increase in the amount of average energy per capita required for each mode of production. Not only does the required energy per capita increase, but this increase proceeds more rapidly than the associated increase in potential relative population-density. In the language of the secondary school student of chemistry, it appears that advances in technology correspond to increases in the per capita "reducing power" of cultures.

This brings us to the crucial question of economic science. How do we define the interrelationship between thermodynamics and technology? How do we define the sort of mathematical function in which thermodynamics and technology are equated in anything but the nominalist sense of mere numerical analysis? This problem obliges us to adopt the physics of Bernhard Riemann, rejecting the opposing views of Descartes, Newton, Cauchy, and Maxwell. It is

only from the standpoint of Riemann and his preceding co-thinkers that we are able to define energy rigorously in the terms required to equate it to ordering of technology.

To develop this point for the non-mathematical participant in this conference, something equivalent to the following pedagogical approach is required.

At first approximation, our inspection of the history of technology focuses our attention on such facts as the development of animal husbandry, an advance over hunting and gathering. In a similar way, we consider the development of simple gardening. In both instances, our attention is attracted first to the fact that the amount of usable energy per square mile is increased by these developments. We rightfully generalize from those two cases, to observe that as we proceed toward modern cultures, it is the development of so-called artificial energy sources, apart from captured sunlight currently impinging on the Earth's surface, which increases the usable energy per capita to make possible increases in population-density.

In that first-approximation view, it appears sufficient to measure energy in scalar units such as calories or watts. Looking at the matter more closely, we are soon obliged to reject what may have appeared to us to have been a natural, unavoidable way of thinking about energy. We are obliged to reject the commonplace belief that energy exists in the universe in a form designed to be measured in units such as calories or watts. Energy, we are obliged to recognize, is much more interesting.

We shall make two levels of correction in our initial view of the significance of the development of simple gardening. The first correction is more obvious, but it contains the germ of the notion which leads us soon enough to the second, more profound correction.

The case of simple gardening obliges us to think about energy on three levels. First, we consider the total number of watts of energy impinging on an average square mile—and a pitiful amount it is. Then, we consider the portion of that total energy embodied in the plant life on the garden. Finally, we think of the portion of the energy used by plant life actually delivered for food and fiber of human consumption. We simplify this picture by examining energy systems of technology in a twofold way. We compare the total energy-throughput of the productive process with the portion of the energy-throughput which performs the desired useful work as an end result. The first, the total energy, we term conventionally the total energy of the system. The second, the energy expressed in the useful work accomplished as an end result, we term the relative free energy of the system.

What has occurred in the emergence of simple gardening is an increase in the ratio of relative free energy to the total energy of the system on which human existence depends.

We must speak of relative free energy, rather than simply of free energy. The way in which we define free energy is determined by the way in which we define net work done.

Since the question of causation being explored here is the lawful ordering of advances in technology, it is the advancement of technology (or, the same thing, the advancement of potential relative population-density), which is the only acceptable definition of net work done. Therefore, for economic processes, the free-energy component of the system is limited by definition to that margin of net work done in increasing the potential relative population-density of practiced technology of production.

We treat the total energy-throughput of production as defining the total energy of the system. It is the ratio of free energy, as we have defined it, to the total energy of the system which becomes the key parameter for our empirical researches.

The importance of using that free-energy ratio, and not some other possible definition of free-energy ratio, is demonstrated by considering the case of "zero technological growth."

Any technology defines aspects of nature as altered by mankind as "raw materials" for essential production. Broadly speaking, such raw materials are relatively finite in extent. Although the absolute magnitude of such resources may be adequate, the amount of such resources which may be exploited at acceptable social costs of production is always relatively finite.

Consequently, even if a society were to maintain a fixed or even a reduced population, the continued existence of that culture depletes "raw materials," raising the social costs of production in a way which converges upon a rise of costs of production above the equivalent value of product produced. Therefore, any society following a zero technological growth policy has doomed itself to die. If that society chooses to revert to a simpler level of technology, it merely accelerates such decay with accompanying massive genocide. The potential relative population-density falls. When the potential falls significantly below the level of the existing population, famine, epidemic, and so forth cause a twofold effect: a genocidal shrinkage of population accompanied by cultural devolution.

For that reason, the "appropriate technologies" doctrines recommended to developing nations are inherently genocidal policies more savage in their consequences than the Nazi regime imposed upon the conquered territories and populations of wartime Europe. Similarly, the "small is beautiful" and related "environmentalist" doctrines are nothing but a prescription for mass murder on a vastly greater scale than the Nazis accomplished.

The same can be said for the opposition to deploying nuclear technologies. Without adding more than 5,000 gigawatts of nuclear process heat to world capacities over the course of the coming two decades, hundreds of millions, perhaps billions, of human beings will die—a genocide potentially a hundredfold greater than that perpetrated by Hitler's regime.

To maintain a culture at a constant level of potential relative population-density, a certain amount of technological progress must occur. The rate of progress required for this purpose must offset the increased materials costs intrinsic to using technologies for materials being relatively depleted. This portion of the increment in technology deployed is not net work done, is not free energy. It is an integral part of the cost of maintaining the total system of production in a condition equivalent to *status quo ante*.

It is useful at this point to emphasize that the indicated free energy of the system of a national economy is in mapping correspondence with a properly defined net operating profit of such a national economy, treating that economy as if it were a single agro-industrial firm. If we can assume that all of this net operating profit is converted into relative advancement of the productive technology of the society, such investment practices represent the required realization of free energy.

Now, let us return to make our second modifying statement concerning the illustrative case of simple gardening.

We warned that we are engaged in overthrowing the commonplace notion that energy can be measured fundamentally in terms of scalar units of counting, such as calories or watts. Now, we emphasize the point that plant and animal food do much more than merely to concentrate solar energy. They are biological processes which transform indigestible sources of inorganic energy into the form of food. These processes transform low-grade inorganic energy, of low free-energy ratio, to high-grade organic energy, of a relatively high free-energy ratio. It is not the number of calories of solar radiation embodied in food which is crucial, it is the chemical organization of foodstuffs into forms of organization of energy which are relatively high in free-energy ratio with respect to the processes of human metabolism.

This example implies the kernel of Riemannian physics. In place of scalar notions of units of energy, we have insisted with aid of illustrations that it is the free-energy function of processes interpreted thermodynamically which defines the fundamental significance of energy. We are insisting, as Riemann does in his 1854 habilitation dissertation, that the definition of net work done in the universe is the work of transforming physical processes from processes of relatively lower to relatively higher orders of organization. To use specialist terms, the correlative of such transformations is, in terms of reference of physical space topology, an increase in the density of singularities. That same correlative is otherwise expressed in thermodynamics as leaps in the free-energy ratio.

By combining the notions of organization peculiar to physical-space topologies with functions in terms of free-energy ratios, we define the required general form of solution to the deterministic problems of the science of technology. This proper fusing of hydrodynamics with thermodynamics defines hydrothermodynamics, the necessary form of the science of technology.

# 'Sustainable development' without scientific progress? What a hoax!

by Mark Burdman

Whether or not the much-debated United Nations Conference on Environment and Development (UNCED) convenes in Brazil next June for its "Earth Summit," the environmentalist elite which has been organizing it has already achieved one of its aims: brainwashing governments and populations to accept the dogma of "sustainable development," sometimes called "ecologically sustainable development." The content of this term has evolved, Orwellishly, to include everything except the one basis for any human activity to be "sustainable"—namely, scientific and technological progress.

Under the flag of "sustainability," the Green Establishment wants policy to be made on the basis of two lunatic assertions: first, that human agro-industrial activity, and concomitant demographic growth, are about to destroy the biosphere or ecosphere, through ozone depletion, greenhouse effect, global warming, acid rain, rain forest destruction, etc.—(or, "Man is trashing the planet"); second, that all considerations of economic policy must henceforth be subordinated to "ecological" considerations (or, "You must kill your family and betray your nation for Mother Earth").

Typically, a recent report entitled, "Caring for the Earth: A Strategy for Sustainable Living," co-authored by the World Conservation Union, the United Nations Environment Program, and the World Wide Fund for Nature (WWF), defines "sustainable" development as "improving the quality of human life while living within the carrying capacity of supporting ecosystems." The pompously titled introduction, "A Message to the World," begins: "Humanity must live within the carrying capacity of the Earth. . . . We must adopt life styles and development paths that respect and work within nature's limits." Elsewhere: "Humans are already pressing the Earth's ecosystems to its limits." Hence, new "physical" economic models must be developed that make such considerations the primary parameter.

Even ecological spokesmen admit that the end result of all this could be the elimination of the human race. Indeed, since no *human* culture ever existed in this way, a global "sustainable development" regime would represent a clear danger to the continued existence of people. Yet even individuals and governments critical of, or even actively oppos-

ing, the Earth Summit, tend to preface their views by reciting the shibboleth, "Of course, you must understand, I'm for sustainable development, but. . . ."

Of course, it is hard to be against something "sustainable," as that would mean one is for something "unsustainable." Obviously, if the Green Establishment called what they want by its true name, something like "denial of development to the Third World," or "regression to a neo-feudal world system," or "collecting the debt for the international banks," matters would be different. "Sustainable development" has a certain "brand name packaging" appeal.

## Brainwashing by omission

More important, it must be conceded that the predominant patterns of industrial and economic activity over recent decades have been insane, and, "unsustainable" (although it takes a stretch of the imagination to call them "development"). This is proven by the new outbreaks of diseases and famines threatening whole continents, the spread of irrationalist cults, and the like.

The threatened "unsustainability" is, in fact, a direct consequence of leading institutions' and governments' enforcement of the very "environmentalist" beliefs that the UNCED mob seeks to enshrine in Rio this year as an Earth Charter, complete with police powers. Today's crisis differs in scale but not in quality from those which every human society has faced. Throughout history, each society has been obliged to supersede fixed levels of technology, including reliance on less efficient and less "dense" energy sources—or face catastrophe. The only way out of increasingly "unsustainable" activity, is to force a breakthrough to higher orders of technological and scientific complexity: to develop more efficient, "denser," and cleaner technologies, as Lyndon LaRouche explains the principle, most recently in his *The Science of Christian Economy* (see also page 40). Because man alone, differently from the lower beasts, is made "in the image and likeness of God," as Christian belief expresses this concept, man alone is capable of evolving, not through biological change but through social change. This occurs when individuals successfully act to change the behavior of the species as

a whole—when they use their gift of creativity, which gives humanity its special role as “gardeners” of the universe.

The “sustainable development” ecologist mafia has flipped reality upside down. Whereas, as LaRouche stresses, *universal natural law* is the guideline for determining man’s advisable course of action, the ecologist priesthood invokes a “living planet Earth” supposedly existing by self-regulating mechanisms.

The voluminous literature on “sustainable development” is striking for its omission of any discussion of the manned space programs of the past 30 years, and the potentials these have for expanding man’s vistas beyond fixed limits and providing real solutions to man’s life on Earth. Space exploration removes the concept of limits, by opening up the entire universe, potentially, as mankind’s “environment.” If you remove the “extraterrestrial imperative” from current discourse, you keep mankind earth-bound and susceptible to believing that the “self-regulating mechanisms of the living planet earth Gaia” are primary, rather than the laws of the universe in their totality. Weather is a very complex phenomenon, affected by the behavior of the Sun, and other extraterrestrial events. Write these out of the equation, and one can easily induce the paranoid belief that “man’s activity” is the root cause of all “climate change” problems.

Also noticeably missing from such literature are discussions about fusion power, whether “hot” fusion or “cold” fusion, or other revolutionary twenty-first-century technologies as lasers, plasmas, and magnetohydrodynamics (MHD). Development of these would make man’s activities “sustainable,” in the sense of “successful survival,” elaborated by LaRouche.

### **Group of Seven lauds sustainable development**

The tragedy is how much human mental resources and money go into the push for sustainable development. The conferences, media events, and so on, building for the Rio extravaganza are running into billions of dollars.

Last October, Spain’s King Juan Carlos helped launch a new “Industrial Council for Sustainable Development,” together with the Confederation of Spanish Industries, with 500 companies expected to join. In Winnipeg, Manitoba, an “International Institute for Sustainable Development” was set up in 1990, a non-profit corporation with \$25 million in support from the government of Canada and the Province of Manitoba. Its mandate: to “promote the concept and practice of sustainable development in decision-making internationally and in Canada.”

At the July 1991 Group of Seven summit in London, the final “Economic Declaration” asserted that “our economic policies should ensure that the use of this planet’s resources is sustainable and safeguards the interests of both present and future generations,” and issued a ringing endorsement of the Earth Summit as a “landmark event.” Among the measures the G-7 pledged by the time of UNCED, the most ominous

was “further development of international law of the environment.”

G-7 host Prime Minister John Major had made a big organizing push behind the Earth Summit. The colorless British prime minister was prodded into this role by ecologist circles around Prince Philip, and by his predecessor Margaret Thatcher, who has been mooted to become the formal adviser, or quasi-plenipotentiary, for the Rio affair.

### **‘The real enemy is humanity itself’**

The G-7 statement, issued by the governments of the seven “leading industrial nations,” shows how private oligarchical institutions are dictating policy.

One of these is the Aspen Institute. Its “Working Group on International Environment and Development Policy” which met in Colorado last July recommended the creation of a “Commission for Sustainable Development,” that would function as a kind of permanent UNCED. Meanwhile, the report called for an “interim arrangement to facilitate coordination within the U.N. system.” Aspen’s chief benefactor, Robert O. Anderson, former chairman of the Atlantic Richfield oil company, provided much of the seed money for the original 1970 Earth Day.

In September-October 1991, the establishment drumbeat for “sustainability” grew to a din. It was then that the Club of Rome and the World Wide Fund for Nature-World Conservation Union-United Nations Environment Program released their reports, while the Trilateral Commission put its 1990 report out in book form. The latter two homed in on creating a global “sustainable development” regime. The Club of Rome made this one prominent feature in a rambling book-length report, *The First Global Revolution*.

The Club of Rome Council endorses the “concept of sustainability,” demanding “that a *Worldwide Campaign of Energy Conservation and Efficiency* be launched. To be successful, this will require world leaders to express strongly their conviction that it is necessary and show the political will to implement it. It would be appropriate for the scheme to be launched by the United Nations in association with the United Nations Environment Program, the World Meteorological Organization and Unesco. A corollary would be the setting up in each country of an *Energy Efficiency Council* to supervise the operation on the national scale.”

Not to leave these Green policing powers to such unreliable entities as nations—which sometimes respond to *people*—the Club of Rome urged supranational policing bodies, such as “a *U.N. Environmental Security Council* parallel to the existing Security Council on military matters. . . . If not constituted earlier, this could be a major outcome of the United Nations Conference on Environment and Development to be held in Brazil in 1992.” They also sought, “possibly under the auspices of the Environmental Security Council, regular meetings of industrial leaders, bankers and governments of the five continents. These *Global Develop-*



ment Rounds, envisaged as something similar to the Tariff Rounds of GATT, would consider the need to harmonize competition and cooperation in the light of environmental constraints.”

The report immodestly suggests that the Club of Rome should play a central advisory role for an emerging world governmental apparatus. The Club of Rome, whose late founder Aurelio Peccei praised cannibalism as an appropriate behavior, remains true to form: Their report dismisses “pollution, the threat of global warming, water shortages, famine” as mere “symptoms.” Rather, the report concludes starkly: “The real enemy is humanity itself.”

### Prince Philip seeks legal ban on growth

The Trilateral Commission’s book, *Beyond Interdependence: The Meshing of the World’s Economy and the Earth’s Ecology*, is based on the work of a Trilateral task force under the direction of Canada’s Jim MacNeill, a senior policymaker in the U.N.-centered institutions involved in environmentalism. The book’s foreword is written by Chase Manhattan’s David Rockefeller, who set up the Trilateral Commission in 1974, and its introduction was written by UNCED head, Maurice Strong.

The report’s proposals converge on the usual ecological police state. MacNeill et al. call for the creation of a “new, standing U.N. Commission on the Environment, or a Special Independent Commission on Environment and Sustainable Development to service the Security or Trusteeship Councils through the secretary general.” Alternatively, there could be a “continuing forum on environment and development . . . called, perhaps, a World Environment and Development Forum.” “Sustainable development” ideas should be proliferated through a Maoist-modeled policy of “letting a thousand flowers bloom,” MacNeill et al. write; the forum would give this “a steering mechanism.”

The authors foresee an “Earth Council,” which would have “greater authority to make decisions and to enforce regulations.” Whatever institutional form were found, the Earth Summit should “place the world community on a new course toward a sustainable future,” such that by the year 2012, “obsolete notions of national sovereignty” will have been superseded.

The WWF’s “Caring for the Earth” calls on national governments to legally and constitutionally *mandate* “sustainability” as the legal-economic basis of, or guideline for, policy, by setting up “cross-sectoral capability,” inside governments. Such mechanisms are overtly designed to dodge national constitutions like that of the United States, the preamble of which explicitly mandates the promotion of the “general welfare.” But WWF also seeks to change constitutions: “Second, all countries should have *comprehensive systems of environmental law* that safeguard human rights, the interests of future generations, and the productivity and diversity of the Earth. *The principles of a sustainable society*

*should be incorporated in the constitutions or other fundamental definitions of a nation’s governance and policy.* Existing legal and administrative controls should be reviewed and weaknesses (including those of implementation and enforcement) corrected.”

The WWF of Prince Philip—whose wife, Queen Elizabeth, the richest woman in the world, pays *no* taxes—advises the use of fiscal policies, like “the Polluter Pays Principle and the User Pays Principle and by the careful use of taxes, subsidies and other incentives” to force conformity with the oligarchy’s priorities. “By the end of the century, national laws should have been reviewed everywhere with the aim of re-shaping them towards sustainable living, and, with the same aim, reviews of economic policies and administrative approaches should have been completed in higher-income countries.”

### A new totalitarian atheism

Not only national sovereignty is junked if it gets in the way, but religion. Here, the Green Establishment presents its true face as the new form of totalitarian atheism, rising on the ashes of the communist dictatorships. The Judeo-Christian belief in the supreme value of the human individual should not only be abolished, but police agencies must be empowered to enforce its abolition, say the Earth Summitters. The WWF report affirms, “States should adopt a Universal Declaration and Covenant on Sustainability that commits them to the world ethic (for sustainable living), and should incorporate its principles into their national constitutions and religions.” And, “a new world organization should be established to watch over the implementation of the world ethic and draw public attention to major breaches of it.”

Last September, Prince Philip was the main invited speaker at a conference in Brussels co-sponsored by the European Parliament and the WWF. Philip called for eliminating the principle of economic growth from Europe, as highlighted in the *WWF News* of November-December 1991: “His Royal Highness also expressed WWF’s desire for all EC institutions to urge a change in the article in the Treaty of Rome [Article Two] referring to the goal of achieving expansion of economic activities along with accelerated improvements in living standards.” He insisted that this be replaced by protocols mandating “sustainable development” as the guiding policy of the European Community for the future. According to the *WWF News*, “over 300 high-level governmental and NGO delegates at the gathering . . . stressed the need for sustainable development to become a key principle of the Treaty of Rome—the EC’s basic charter—and for inter-governmental cooperation on environmental issues.”

### To kill off mankind?

The political aims of the “sustainable development” crowd are fully cogent: an agenda of shocking evil, for the sole purpose of maintaining an elite’s political and financial

power. In contrast, the “scientific” arguments are quite incoherent, but their meanderings sometimes let through a ray of truth. We cite a contribution by one representative ecologist, Frank B. Golley, writing the lead item in a volume entitled, *Towards an Ecologically Sustainable Economy*, a report from a Jan. 3-4, 1990 policy seminar in Stockholm, arranged by the Swedish government’s Environmental Advisory Council and the Swedish Council for Planning and Coordination of Research.

Golley, an American, begins his article, entitled “The Ecological Context of a National Policy of Sustainability,” by confessing that “sustainable development” is a contradiction: “Thus, sustainable development is continuous development. If development is defined as expansion of the physical structure of the built environment or numbers of people, sustainable development is an oxymoron. Development can never be sustained indefinitely, since it requires resources for expansion and an environment to receive wastes, and neither resources nor environments are infinite. Rather, . . . development becomes a code word meaning the capacity to respond positively to change and opportunity; that is, to enhance survival. In this sense, sustainable development calls for maintenance of the dynamic capacity to respond adaptively, which is a property of all successful species and societies.”

### ‘Stable end points’ and ‘bioregions’

Golley goes on to argue that the life of mankind must be seen as a process no different than a “natural” process. “Ecologists and the general public,” he writes, “have been impressed with the sustainability, constancy or stability of the natural world. . . . In the last hundred years, partly in response to the rapidly changing conditions of the century, we have discovered and applied the concept of equilibrium in the physical sciences, the social sciences and in ecology.” After mentioning such terms as “stable end points, called the climax,” “stable systems,” “ecosystems,” and the like, Golley says: “In other words, ecologists worked out the general concepts of constancy, sustainability and equilibrium on ecological systems, converting into scientific terms the popular sense that nature has natural balance and stability. . . . Humans have found value in natural patterns of constancy and stability. *We might look to those properties of ecological systems that produce sustainability and imitate or translate these properties into human systems.* Alternatively, we might conclude that natural stability deserves our respect and we could then form an ethical position to guide our actions so that we avoid disturbances of ecological sustainability” (emphasis added).

From these assumptions, Golley concludes that mankind’s life had best be organized around what he calls “bioregions”:

“Finding a balance between order and disorder is clearly very difficult and it is probably regulated partly by the size

of the group. I argue here that human groups are organized heterarchically (many simultaneous hierarchies), and that the source of creativity and responsiveness is in the relatively small units of people adapted to their local environments. These small units or bioregions provide the stage upon which human social evolution can act and create solutions which are ecological and social. While national, regional and global constraints act on and impact the local scales, they must be prevented from creating homogeneity for the sake of efficiency and power. Strong constraints from higher order systems may be effective in the short run, but in the long term adaption and evolution at the individual and local scale will provide the basis for human survival and well-being and these processes are manifested at the local scale in individual humans.”

In case the reader had trouble slogging through these verbal wetlands, this is ecologist jargon to justify the program of Aspen, World Wide Fund for Nature, Trilateral Commission, and the Club of Rome: Since man is not qualitatively different from any other part of “nature,” any institution large and complex enough to organize a way out of the present ecological crisis—like a nation, capable of launching a space program, building a water management system, or fostering research and development in fusion energy—must be replaced by tribe-like fragments struggling to survive in little “bioregions.”

In the same volume, a Prof. Per Brinck, chairman of the Natural Resources Committee of the Swedish Council for Planning and Coordination of Research, is quoted, with the stock-in-trade view of man’s interventions into nature as “destructive”: “It is quite obvious that man contributed at an early stage to changes that were accepted by nature and consequently led to transformations of nature. Man was part of nature. Since then man, through his technical capacity and his capacity to exploit natural resources, has contributed to the destruction of nature, including the massive use of resources. And this destruction of nature has been achieved by man at rather a late stage of evolution.”

Brinck impales himself on his contradiction between “natural” and “technical” man, and ends up by confessing, “Thus we inherited a nature strongly affected by man. I am well aware of the fact that we, as far as possible, must try to conserve natural forests and original environments, but I am also aware of the fact that man affects and changes everything in the world we are now living in. Since we do not want to do the only radical thing—i.e., kill off mankind—we shall have to tolerate that the Earth is and will continue to be affected.”

It reflects perhaps an internal dialogue within the ecologist movement that usually is held from the public view. But Brinck hits at the precise point: The policies of “sustainable development,” the policies of Prince Philip, the Trilateral Commission et al., can only have one result: to “kill off mankind.”

## Anglo-Americans prepare to launch new colonial wars

by Joseph Brewda

Among the first effects of George Bush's feeble showing in the Feb. 18 New Hampshire primary may be the acceleration of plans to launch a near-term military attack on some Third World nation. The Anglo-American elites are scrutinizing targets to regain lost political momentum, and terrorizing foreign policy adventures remain a favorite means of accomplishing this. While the most likely immediate outcome is an Anglo-American-led strike, under U.N. aegis, against Libya or Iraq, there is no shortage of pretexts throughout Asia, South America, and elsewhere in the Third World for military action.

### Setting up Libya and Iraq

Preparations for a hit on Libya were dramatically accelerated at the end of January when the U.N. Security Council formally demanded that Libya hand over two Libyan intelligence officials allegedly responsible for blowing up Pan Am Flight 103 over Lockerbie, Scotland in 1988. Appearing on BBC television on Feb. 11, Vice President Dan Quayle, alluding to the U.S. kidnaping of Panamian Gen. Manuel Noriega and the Persian Gulf war, threatened that "Qaddafi had better realize we are serious. He ought to look to the past and see we've got the political will to make these types of requests happen." According to reports, the Anglo-Americans and French will introduce a new resolution by the end of February ordering a blockade, including an air-blockade, against Libya, and ordering all U.N. member-states to comply with the collective imperial will by pulling their representatives out of Tripoli.

One of the advantages of bombing Libya from the standpoint of demonstrating raw imperial power, is that there is no legal basis for it (see article, page 58). All available public evidence points to Syria and Iran—not Libya—as being responsible for the Pan Am bombing, as the committee estab-

lished by the relatives of the victims of the bombing argues. It was only after Syria and Iran agreed to join the Gulf coalition against Iraq that Libya was even mentioned as a potential suspect. Alluding to this fact, PLO official Bassam Abu Sharif reported on Feb. 19 that the PLO had established a special intelligence unit to trace the source of the detonators used in the bombing. "The investigation concluded," he said, "that another Middle Eastern country and other parties are responsible for the Lockerbie crime," not Libya.

Meanwhile, operations have accelerated against Iraq. On Feb. 13, National Security Adviser Brent Scowcroft approved a provocative U.N. proposal to destroy the production lines at four Iraqi civilian factories, allegedly because the production lines could potentially be used in manufacturing Iraq's highly ineffective Scud missile. The proposal, by Swedish Ambassador to the U.N. Rolf Ekeus (who is in charge of destroying Iraq's weapons industry), has been sharply denounced by Iraq.

On Feb. 19, the U.N. leaked to the press that its border commission, which was established following the Gulf war to delineate the border between Iraq and Kuwait, would be releasing its "finding" in April. Reportedly, the commission will cut a new border, supposedly based on the new discovery of maps in the British Foreign Office archives, that is thousands of meters north of the current border. According to the new border plan, much of the disputed Rumailah oil field will fall within Kuwaiti territory. The U.N.-drawn border will also run through the middle of Umm Qasr, an Iraqi naval base and its only serviceable port on the Persian Gulf, thereby rendering Iraq land-locked, in effect.

Reportedly, the White House has also issued a new intelligence finding authorizing the CIA to aid "suppressed minorities" seeking to overthrow Saddam Hussein, which was also the reported purpose of CIA head Robert Gates's high-profile

trip to the region in mid-February. Right on cue, Iranian radio suddenly reported on Feb. 11 that new armed clashes between Iraqi troops and the Shiite population in southern Iraq had begun. On Feb. 11, Bush issued a report to the Congress claiming that Iraq's behavior "continues to pose an unusual and extraordinary threat to the national security and foreign policy of the United States."

Commenting on such provocations, the Iraqi newspaper *Al Jumhuriyah* noted on Feb. 11 that "Bush and Baker are making many abnormal statements these days." Bush is "just looking for pretexts" to aid his failing campaign, the paper wrote.

Meanwhile, Turkey and Egypt, which participated in the last war against Iraq, are showing concern over the renewed escalation of tensions. "Military action is no solution," the normally supine Egyptian Ambassador to the U.S. Abdel Raouf El Reedy told the *Washington Times* Feb. 14. History has shown, he added, that "when foreigners try to dislodge a national leader, it doesn't work." Turkish Prime Minister Suleyman Demirel, while visiting in Washington, pointedly told the press after meeting with Bush on Feb. 12, "One may like Saddam or one may hate Saddam," but any actions against him "must be justified in the eyes of world opinion."

### **Israel invades Lebanon, again**

The Anglo-Americans might also unleash Israel in wars and assassinations. By Feb. 20, Israeli forces had already launched a new, supposedly limited, invasion of Lebanon. Such military action by the Israelis could only occur after clearance by London and Washington.

Preparations for the invasion began on Feb. 16, when Israeli helicopters launched a rocket attack on a car convoy of Hezbollah leader Sheikh Abbas Musawi in southern Lebanon, killing him and his family. The Iranian-supported Hezbollah has been involved in numerous military and terrorist operations against Israel, thereby serving as a handy pretext for Israeli "counter-operations." The assassination could not have taken place without the prior approval of Syria and Iran.

"This is a message to all the terrorist organizations," Israeli Defense Minister Moshe Arens said of the assassination, alluding to the PLO, which Israel claims is also terrorist. A day before, four Israeli soldiers were killed at their Israeli base, an act Israel attributes to the PLO.

As early as Feb. 13, PLO Ambassador to France Ibrahim Souss had warned, in an interview with the French daily *Libération*, of an Israeli plot against PLO chairman Yasser Arafat's life. Earlier that week, Cable News Network had broadcast a tape of an alleged phone call between Souss and Arafat in which Arafat reportedly denounced Jews as "dogs." Although many French papers labeled the tape a fabrication, as did Arafat and Souss, the French Zionist lobby and Israel went into an uproar. "I am worried, first of all, for the life of Mr. Arafat; this is an incitement to violence," Souss commented.

### **Other hot-spots**

Meanwhile, the Anglo-Americans are preparing possible interventions in other parts of the world, either through direct military action or provoking ruinous regional or civil wars.

**Haiti:** The U.S. is "losing its patience" with the Haiti government, which so far has survived the U.S.-imposed blockade, the German daily *Die Welt* reported Feb. 17. Citing State Department sources, the paper reported that the U.S. is plotting a military intervention, possibly under the cover of the Organization of American States. The invasion is endorsed by Carlos Andrés Pérez, the U.S. puppet President of Venezuela who just survived a coup attempt.

There is also reportedly consideration being given to military action against nearby Surinam, over its alleged ties to narcotics trafficking and terrorism, which would justify a U.S. military presence closer to the Amazon.

**India-Pakistan:** The Anglo-Americans are moving to provoke a mutually ruinous war between India and Pakistan over the disputed territory of Kashmir. A Feb. 11 march by thousands of members of the Jammu and Kashmir Liberation Front (JKLF) into India-Kashmir was only blocked by Pakistani military action. Prime Minister Sardar Qayyum of Pakistan-Kashmir has charged that the British-based JKLF leader Amanullah Khan is associated with forces "inimical to Pakistan." Popular opposition to the JKLF on the other side of the border is led by the Hindu expansionist Bharatiya Janata Party (BJP), which like the JKLF is also run by British intelligence.

**Burma-Bangladesh:** Some 100,000 Burmese Muslims have fled into neighboring Bangladesh, fearing Burmese persecution. An estimated 85,000 Burmese troops are now on the border; military conflict between the two states would lead to a broader destabilization of the region.

**North Korea:** The United States is upping the pressure against North Korea, including preparing to impose economic sanctions through the U.N., because of the country's alleged nuclear bomb program. The effort is opposed by the South Korean government, according to *Hangyore Sinmun* on Feb. 11, as undermining ongoing negotiations between north and south.

On Feb. 17, the *New York Times*, based on a leak from the Pentagon, identified seven scenarios for conflicts that could draw U.S. forces into combat over the coming 10 years, including war with North Korea, Iraq, Panama, and the Philippines. On Feb. 17, the London-based Institute for European Defense and Strategic Studies issued a report complaining that at least 24 Third World countries could have ballistic missiles by the end of the century and that action was demanded. Speaking at Johns Hopkins University on Feb. 18, U.S. Rep. Les Aspin (D-Wisc.), chairman of the House Armed Services Committee, urged U.S. strikes to prevent Third World states from developing nuclear weapons. "It should be an actually stated policy of ours," he said.

# Fighting in the Transcaucasus threatens regional conflagration

by Konstantin George

An all-out war in the Transcaucasus between Azerbaidzhan and Armenia is probable, should last-minute Russian mediation efforts, which began on Feb. 20 in Moscow, fail. Such a war threatens one of the worst human tragedies of the 20th century, a potential genocide against hundreds of thousands of Armenians trapped in the enclave of Nagorno-Karabakh.

The consequences would extend beyond the borders of the Community of Independent States (CIS), to which both Azerbaidzhan and Armenia belong, to involve Turkey, Iran, and Russia. Turkey and Iran each border both Azerbaidzhan and Armenia, and, since the breakup of the Soviet Union, both nations have commenced a feverish competition, each intent on consolidating a sphere of influence in the region.

The international ramifications of all-out war in the Transcaucasus, however, extend beyond even this clash of Russian, Turkish, and Iranian interests. War would place the Transcaucasus on the U.N. Security Council agenda, raising the possibility of an Anglo-American-steered U.N. military intervention on the territory of the former Soviet Union, carrying with it incalculable political and strategic consequences.

## U.N. encourages aggression

The latest escalation of the crisis began Feb. 14 with a series of Azerbaidzhani attacks and bombardments of Armenian towns and villages in Karabakh, an Armenian-inhabited region inside Azerbaidzhan with no overland link to Armenia proper. The Azerbaidzhani offensive occurred on the same day that the Anglo-American-dominated U.N. Security Council unconditionally recommended that Azerbaidzhan become a U.N. member, making its formal membership certain when the U.N. General Assembly votes on the issue on Feb. 26.

The decision recommending membership for Azerbaidzhan was taken despite the fact that: 1) Azerbaidzhan has refused to grant the Armenian minority, concentrated in the Karabakh region, full ethnic autonomy and the local administrative and human rights to which it is entitled under the charter of the Conference on Security and Cooperation in Europe. Azerbaidzhan, as a new member of the CSCE, is bound to respect such provisions. 2) In the week leading up to Feb. 14, contingents of Azerbaidzhani troops had been brought up to begin a big offensive aimed at wiping out Armenian resistance in Karabakh.

Over the weekend of Feb. 15-16, an escalation of violence began with a heavy Azerbaidzhani bombardment of Stepanakert, the capital of Karabakh. This bombardment, in

its first five days, killed scores of Armenian civilians and inflicted heavy damage. Stepanakert is in the depths of winter, which is bitter in this mountainous region. Stepanakert is a city without electricity and running water, is very low on food, and the only fuel is locally available firewood, which each family must carry several kilometers from where they chop it, to their homes. The city's hospital has taken direct hits from shells and rockets. These hits have destroyed the maternity clinic, which has been relocated in the basement. Karabakh is rapidly experiencing a repeat of the devastation suffered by the eastern Slavonia region of Croatia, with the Armenian population faced with the prospect of wholesale slaughter and expulsion.

The chances for peace, given the political situation inside Azerbaidzhan, are not high. The Azeri attack on Karabakh has forced an Armenian counter-drive to seize a land corridor in the Azerbaidzhan district of Agdam, which is Armenia's only hope to link up with the besieged Armenian population in Karabakh, and thus, hopefully, spare them from a slaughter. The Azerbaidzhani forces attacking Karabakh are commanded by one Musa Mehmedov, a fanatic Azeri nationalist who has publicly proclaimed his ambition to unseat Azerbaidzhan's President Ayaz Mutalibov, after having become the "hero" who "restored Karabakh" to Azerbaidzhan.

## Turkey threatens

How fast this war can escalate became obvious when on Feb. 17 the Armenian government charged Turkey with concentrating troops along the border with Armenia, and with having moved the headquarters of the Turkish Third Army forward to the Turkish city of Erzincan, a stone's throw from Armenia. The essence of the Armenian charges was true. The Turkish government did not even bother to deny them, and a Turkish general staff "denial" issued that evening merely said that reports of troop concentrations were "groundless," but ignored the question of the new forward-based Third Army headquarters.

The Armenian charges followed Turkish press coverage of a warning issued by Prime Minister Suleyman Demirel that Turkey would "not stand idly by" should war break out between Armenia and Azerbaidzhan, and especially should any "outside power" support Armenia. These Turkish moves reflect part of the Anglo-American hidden agenda for the Caucasus, Balkans, Cyprus, and elsewhere, discussed between Demirel and George Bush at their early February meet-

ings in Washington. The arrangements were finalized days before the fighting escalated, through the talks held in the Azerbaidzhani capital of Baku between Secretary of State James Baker and Azerbaidzhan President Mutalibov. In the phony piety typical of the Bush administration, Baker said that Washington would recognize Azerbaidzhan on condition that it "respect human rights." On Feb. 19, as Stepanakert was being bombarded, the Bush administration granted unconditional recognition to Azerbaidzhan.

The pretext concocted for an overt threat of a Turkish military intervention against Armenia came on the heels of a phony news story planted by Azerbaidzhan, that "ex-Soviet," i.e., Russian, units based in Azerbaidzhan had joined Armenian forces in attacking Azerbaidzhani positions. The story was quickly proven to be a pure invention.

The position of the Russian military was presented Feb. 18 in a Moscow press conference by Commander in Chief of CIS forces Marshal Yevgeni Shaposhnikov. Shaposhnikov proposed a CIS peacekeeping force, but only under conditions of

an effective cease-fire, where the CIS forces would separate the armed forces of both sides. Shaposhnikov insisted that only such a presence of CIS forces could prevent a general "blood-bath" from ensuing. However, he warned that his forces have no intention of becoming involved in the cross-fire of war, and should that danger arise, he personally will insist that all CIS forces be withdrawn from combat regions.

The Shaposhnikov proposals were coordinated with a Feb. 17 announcement by Russian Foreign Minister Andrei Kozyrev inviting Armenian and Azeri officials to Moscow for talks under his mediation on Feb. 20, to try and settle the conflict. The foreign ministers of both Armenia and Azerbaidzhan arrived in Moscow, and the talks commenced on schedule. However, a Russian attempt to upgrade the talks to summit level and thus improve chances for some modest success, failed. The offer was immediately accepted by Armenia, and Armenian President Levon Ter-Petrosian turned up in Moscow with the Armenian delegation. Azerbaidzhan President Mutalibov, however, refused to attend.

## 'Save Armenia,' says Schiller Institute

*Helga Zepp-LaRouche, president of the Schiller Institute in Germany, issued a call entitled "Armenia Must Not Be a Forgotten Country!" on Feb. 14.*

It is a tragic absurdity: Just at the moment when Armenia and Azerbaidzhan become full members of the CSCE, the international community of nations tolerates the brutal escalation of military assaults on Nagorno-Karabakh. If the territory and the independence of Armenia and Nagorno-Karabakh are not immediately provided effective protection, another holocaust threatens Armenia.

The collapse of the Soviet empire, the disintegration of Yugoslavia, and the deep depression in the Anglo-American part of the world are clear symptoms of the fact that the system of Versailles, and its redefinition after World War II in the Yalta agreements and the Bretton Woods system, is at an end.

But the forces of Versailles and Yalta do not give up so quickly, and they are willing to repeat the mistakes which led to two world wars in this century in order to preserve their own power. They are now attempting to deny the right of people to national sovereignty and self-determination, and they are ready to sacrifice entire nations to the dictates of their imperialist schemes.

Armenia has been the victim of this dynamic for some four months now, without world public opinion even wanting to admit it. President Ter-Petrosian has appealed

to all governments, but these governments have not even thought it necessary to reply.

Meanwhile, provision of the most basic necessities for the population has become catastrophic. People are living on bread and water, fuel is scarce because of the blockade, and homes are cold. There is no milk for children and, as always, elderly people and families with many children are the hardest hit. All shipments of aid bypass Armenia. The republics of the Community of Independent States are preoccupied with their own affairs, leaving the Azeri aggressor a free hand.

We appeal to the governments of the CSCE, to the parliaments, and the population to meet the following urgent demands:

1) Immediate and full recognition of the right to self-determination of Armenia and Nagorno-Karabakh.

2) An international mobilization of food, medicine, and other aid for the suffering population.

3) Immediate realization of the program for European infrastructure, as proposed by the economist Lyndon LaRouche, based on the "Paris-Berlin-Vienna Productive Triangle," in connection with development programs for the Transcaucasus, the only possibility for a lasting peace in this region. . . . Europe must bring the International Monetary Fund to an end . . . or something as bad as the two world wars of this century will happen again. . . . Our only alternative is to return to the policies of Alexander Hamilton and Friedrich List.

We appeal to governments, parliamentarians, and involved people the world over to join the mobilization of the Schiller Institute for these demands.

**Help save Armenia from an impending holocaust!**

# IMF, Bush deploy to prevent one, two, many Venezuelas

by Valerie Rush

With the anti-International Monetary Fund fire set Feb. 5 by Venezuelan military rebels still smoldering, the Fund and the Bush administration have sent in their top henchmen—IMF Managing Director Michel Camdessus and U.S. Defense Secretary Richard Cheney—to try to stamp it out. However, as anyone knows, stamping on a fire is just as likely to scatter the coals.

In Cartagena, Colombia, the IMF's Camdessus defensively insisted to the press corps assembled for the U.N. Conference on Trade and Development (Unctad) that "the invisible hand of the Fund" was not responsible for the conditions which led to the coup attempt in Venezuela. He then proceeded to Peru, where the enforcement of IMF austerity policies, dubbed "Fuji-shock" after President Alberto Fujimori, has succeeded in doubling the number of Peru's "critically poor" from 7 million to 14 million in less than two years.

A full-page newspaper ad taken out by former Lima Mayor Alfonso Barrantes greeted Camdessus Feb. 14, charging that IMF policies in Peru were creating "a climate of dangerous political and social instability." Newspaper headlines like that of Lima's *Ultima Hora* blared that former Venezuelan President "Herrera Campins Blames IMF for Failed Coup."

Arrogantly ignoring these warnings, Camdessus praised Fujimori's economic program as "a model for the rest of the world," and as "an immensely important success." When challenged by a reporter as to the poverty, hunger, and misery such policies have caused, Camdessus acknowledged that Peru's "social situation is dramatic," but insisted that economic policies "cannot be changed on the pretext of fighting poverty"! He demanded that the free trade and austerity policies, known as "neo-liberalism" in Ibero-America, be intensified.

The only credits Camdessus promised were for foreign debt payments; he insisted that the country's "social challenges"—such as ending terrorism—would have to be financed by internal resources.

And, in response to the hostile responses he had received from certain Peruvian political layers, Camdessus left with the threat that there exist "two dangers" facing Peru: the people's "weariness with the adjustment program," and the banks' "weariness with helping."

## Economic blackmail and military might

Camdessus's not-so-veiled threat of a withdrawal of international credit from any country which grows "weary" of the IMF's austerity dictates was backed by the parallel deployment to Ibero-America of Secretary Cheney, whose 10-day, five-nation tour began Feb. 15, coinciding with Camdessus's departure.

Cheney is visiting several key countries, including Brazil, Argentina, Guatemala, and Chile, where he will pursue two parallel strategies: First, to attempt to repair U.S. military relations with countries whose armed institutions, in some cases even the high military command, have lost as much faith in their own governments as they have in the United States. Secondly, to sound out the possibility of forging a "Desert Storm"-style hemispheric intervention force or, as one U.S. Defense Department spokesman told the Brazilian press, to promote a new "military initiative for the Americas" modeled on Bush's "Enterprise for the Americas" free trade plan.

The first test of such a multilateral invasion force, if Cheney should succeed in his mission, could well be in Haiti. The forcible restoration, by *Ibero-American* "peacekeeping" forces, of the bloody dictator Jean-Bertrand Aristide would presumably boost George Bush's flagging popularity. More importantly, however, it would deliver a message to the rest of the continent.

Indeed, the proponents of such an intervention force clearly have bigger fish than Haiti in mind, as exemplified by Venezuelan President Carlos Andrés Pérez's recent call for "a mechanism that would allow international armed intervention to restore democracy wherever a military coup has taken place," according to the Feb. 17 *Financial Times* of London. Pérez stressed, says the *Times*, that this is especially important for Latin America, where "military coups have been frequent in history." Pérez should know.

U.S. Assistant Secretary of State for Inter-American Affairs Bernard Aronson has also been plugging for such an intervention force, and has been cited in the press repeatedly urging a "strengthening" of the Organization of America States' security system, as a means of "preserving democracy" on the continent. Speaking to reporters in Washington, D.C. one week after the Venezuelan coup attempt, Aronson



insisted that the OAS had to “renew the debate” on what practical security mechanisms could be applied when democracy is threatened anywhere in the region.

In Argentina, in particular, Secretary Cheney’s visit is designed to stroke that “IMF democracy” into becoming a new world order “gendarme.” A Pentagon spokesman has confirmed that Cheney intends to convey to the Argentine government his personal appreciation for their involvement in Bush’s “Operation Desert Storm” against Iraq. Immediately following Cheney’s visit, Argentina will be receiving the head of the U.S. Southern Command (SOCOM), Lt. Gen. George Joulwan, to win that country’s support for moving the headquarters of SOCOM from Panama to Brazil.

According to an official statement of the U.S. embassy in Buenos Aires, Argentina has been assigned a special role in U.S. regional strategy: “For the U.S., there is the tactical possibility of turning Argentina and other countries of Latin America into full partners in the resolution of conflicts, in the strengthening and preservation of democracies, and in providing the world a greater degree of security and stability.” Ever ready to serve his master, Argentine President Carlos Menem has already offered to stand in as a Bush “mediator” in the battle over GATT agricultural policies between the United States and Europe.

Of course, while the IMF and the Bush administration depend on the cudgel to keep Ibero-America in line, there are some who urge a more subtle approach. Gert Rosenthal, the executive secretary of the U.N. Economic Commission on Latin America (ECLA), for example, is worried that “what happened in Caracas could happen in practically any country in the region.” And ECLA senior economist Robert Devlin insists that the countries of the region will have to “narrow the income gap either through the vision of their leaders or through the force of events.” How to preserve the free trade neo-liberal model while preventing more Venezuela-style explosions on the continent, will be the subject of an ECLA conference scheduled for later this year.

## **Olympian arrogance**

The bullet-scarred, would-be gods of Olympus of the Carlos Andrés Pérez government continue to pretend that the insurrection is over, that the imprisoned rebel leaders are a handful of isolated “fascists,” and to insist, like Michel Camdessus, that IMF dictates played no role in prompting the coup attempt. Pérez’s refusal to alter his economic program and his denial of political reality has enraged many Venezuelans, and prompted former President Rafael Caldera to publicly charge that Pérez “has maintained an arrogant posture, by insisting that there will be no restructuring or changes.”

Under intense pressure from the very frightened Democratic Action (AD) ruling party, President Pérez has apparently acquiesced to the removal from his cabinet of Planning Minister Miguel Rodríguez, the most visible figure associat-

ed with the government’s harsh austerity policies. His replacement is expected by the end of February. Realists within the AD are, however, pleading for a more complete purge, to include Finance Minister Pedro Rosas, Foreign Minister Armando Durán, Interior Minister Virgilio Avila, and Central Bank director Pedro Tinoco. So far, there has been no sign from Pérez that he will go that far.

There are rumors, however, that Pérez is considering bringing one or more opposition politicians into his cabinet—presumably to help take the heat—and has already met with Eduardo Fernández, the secretary general of the Christian Democratic COPEI party. Fernández, like Pérez himself, is known as a recipient of generous funding from the Cisneros financial empire in Venezuela, whose links to international drug-money laundering circles have come under repeated investigation.

It is, in fact, these very financial empires which have come under attack as the source of the government corruption which the Feb. 4 military insurrection had targeted. Respected Venezuelan intellectual Arturo Uslar Pietri triggered alarms just after the coup attempt, when he publicly denounced that “there is a kind of plutocratic control over Venezuelan life, by which leading economic organizations are, with government backing, forming vast oligopolies which pose a tremendous danger.” Pérez ordered an investigation of Uslar Pietri’s charges, and the renowned personality has been warned that he may end up in jail, for slander.

The likelihood of a new coup attempt is openly acknowledged. On Feb. 16, the former head of Venezuela’s largest trade union federation, José Delpino, protested that none of the economic conditions which had triggered the Feb. 4 insurrection had changed, while former President Caldera refused to rule out another coup attempt, for the same reasons, in an interview with the Argentine press a few days earlier.

While the political elites battle it out in Venezuela, the military rebels who sparked the fight continue to inspire nationalist fervor. The families of the prisoners have formed a committee to defend their human rights, and their spirited speeches in defense of their husbands, sons, and brothers have been prominently published. One such speech, by the wife of coup leader Lt. Col. Francisco Arias, emphasize that the rebels “have no ambitions. We don’t need power or money. What we need is for the people to have their dignity.”

And at a prayer meeting for the rebels, opposition congressman Enrique Ochoa Antich (who is also the president of the Human Rights Defense Committee as well as brother of current Defense Minister Gen. Fernando Ochoa Antich), appealed “for the dignity of those who dared to dream, for the dignity of the humble, for the dignity of the people. . . . This is a prayer for the truth: Venezuela deserves the truth. Venezuela wants to hear from their own lips what the ideals were of those who decided to run the risk of rebellion.”

# Behind the Australian League of Rights: malthusianism and gnosticism

by Allen Douglas

Over the past year, the Australian League of Rights, led by its 75-year-old founder Eric Butler, has lashed out against U.S. statesman and political prisoner Lyndon LaRouche. During an early 1992 tour of Australia, Butler personally badmouthed LaRouche.

The League of Rights, which has an anti-communist, anti-usury, and professedly Christian platform, has been the most powerful “extra-party” force in Australian politics since its founding in 1944. Its strength in rural areas has been such that many “mainstream” politicians, while publicly denouncing the League as radical, have quietly begged for its help.

Now, taking up cudgels against LaRouche, the League is beginning to expose its real purpose.

In April and May 1991, John Koehler, cofounder of the Citizens Electoral Councils, toured Western Australia to acquaint farmers with the international Food for Peace movement, founded by LaRouche, and its fight against the establishment’s genocidal shutdown of food production. Butler followed Koehler into the region. In his speeches, Butler attacked the Platonic current of true Christianity underlying Food for Peace—that man is the living image of the Creator because of his sovereign creative powers of mind. “Socrates was the first communist,” Butler railed to astonished audiences, adding that the anti-creative logician, Aristotle, “stands for the truth.”

Written attacks followed in the League’s monthly *Intelligence Survey*, which lied that “LaRouche . . . [was] found guilty of credit card fraud,” and was “circulating disinformation.” Butler cited the CIA-financed book by leftist, pro-drug operative Dennis King as his source.

Coming amidst the Anglo-American establishment’s deployment of police agencies and left- and right-wing operatives to stop LaRouche’s growing influence in Australia (see *EIR*, Feb. 21, 1992, “Australia: ADL Dirty Tricks Against LaRouche”), these attacks raise some questions about the League of Rights—its motives, and the basis for its actions. They have provoked even many League members to ask what is going on.

The answer to that question leads into some of the League’s dirty little secrets, and its role from the very beginning as an apologist for the malthusian British Empire. This is embedded in the League’s *raison d’être*, its “anti-establishment” economic theories.

The League was founded upon the “Social Credit” ideas of British engineer Maj. C.H. Douglas (1879-1952). Although Social Credit correctly attacked private bankers’ stranglehold on credit creation, through central banking systems such as the U.S. Federal Reserve, the movement harbored malthusian tenets of its own. These are expounded, for instance, by longtime Butler lieutenant Charles Pinwill, writing in the League’s *New Times*, against “For a Sovereign Australia,” an economic recovery program developed by *EIR* and the CEC.

“Ever-increasing construction of greater and greater industrial plant is ultimately impossible to attain,” wrote Pinwill, ignoring the progress of the human race since the Renaissance. The reason for this, he said, is laid down by Social Credit’s “A + B Theorem,” a rehash of the “buyback” bugaboo claimed by various socialists: Since at any given time more production will have been created, than credit put into circulation to create that production, there is not enough money to “buy back” the additional production—a problem exacerbated by the interest charges which must be paid on all new credit issued by a Federal Reserve-type system.

Butler et al. propose to solve this problem by issuing a sum of debt-free money annually, to be “sent through the Post” to each consumer, as a “national dividend.” Leaving aside such obvious problems as how consumers spending their “dividends” could solve, say, the \$3 trillion infrastructure deficit of the United States, and the related fact that Social Credit entirely ignores the physical economy in favor of money fetishism, the alleged “A + B” problem is nonsense. An economy whose physical production is expanding—that is, any economy which actually functions—constantly issues new credit for the next cycle of production, which in turn is used to purchase the expanded production of the previous cycle. Under Hamiltonian, usury-free national banking, technological advances ensure stable or falling prices.

The key is that new issuances of credit be targeted to expand the physical economy, an effect virtually outlawed by Social Credit’s “decentralized” approach. Furthermore, a “steady-state” economy such as Social Credit proposes is necessarily malthusian, as prices rise for increasingly scarce raw materials (cf. Lyndon LaRouche’s textbook *So, You Wish to Learn All About Economics?*). This is precisely what today’s greenies, and their oligarchical masters, propose.

That is no coincidence. It all goes back to the New Age kookery of Social Credit founder C.H. Douglas.

### 'Social Credit,' Fascism, and New Age

Douglas's ideas first appeared in the British magazine *New Age* in the early 1920s. His closest collaborators at the time were two former leaders of the Fabian society, A.J. Penty, the founder of British guild socialism, and A.R. Orage, a theosophist and publisher of *New Age*, who, according to one account, coined the term "Social Credit." Penty's guild socialism codified the pro-feudal theories of Oxford art critic John Ruskin, the man who inspired Cecil Rhodes—whom Butler defends—to found the British Round Table, in turn the "mother" of such establishment institutions such as the Royal Institute of International Affairs and the New York Council on Foreign Relations.

In the words of one historian, "the Douglas theory embodied a great deal of guild theory"—the anti-industrial, "small is beautiful" policy so beloved by the establishment. By the 1930s, Douglas had lent his clan's tartan to "The Green Shirt Movement for Social Credit," a paramilitary youth group along the lines of Oswald Moseley's "Black Shirts" in Britain. Penty went on to join the British Fascists outright, while Douglas picked up the notorious anti-Semitic forgery of the Czarist secret police, "The Protocols of the Elders of Zion," as a main tenet. Not surprisingly, Douglas's chief Australian disciple, Eric Butler, was known in the late 1930s as a "Chamberlainite," after Britain's pro-Hitler prime minister Neville Chamberlain.

The right wing of the guild socialist movement became "Douglasites" or even overt fascists, while the left wing became the Communist Party of Great Britain.

### Pox Britannica

Butler's major complaint against LaRouche is that he has "consistently maintained a venomous campaign against the British monarchy." Defense of that monarchy, and a shameless defense of the British Empire, are axiomatic for the League of Rights. Its platform pledges "to expose and oppose all anti-British propaganda, and actions."

Such a defense of the British monarchy is coherent with Social Credit's malthusian agenda; the British Royal Family is one of the world's chief advocates of the pagan, genocidal cult of radical environmentalism:

- Prince Philip has been the international president of the world's premier environmentalist organization, the World Wildlife Fund (now the World Wide Fund for Nature), since its founding in 1961.

- An Aug. 26, 1988 German Press Agency press release from London reporting on Philip's demands for population reduction, reprised an earlier remark of the Royal Consort: "Prince Philip had raised eyebrows, when he maintained, that he would, in the case of being reincarnated, want to come back 'as a deadly virus, in order to reduce the popula-

tion explosion.' "

- At a press conference in Washington, D.C. on May 18, 1990, Philip castigated the "revealed religions" for censoring "the pagan worship of natural phenomena. It is now apparent," he asserted, "that the ecological pragmatism of the so-called pagan religions, such as that of the American Indians, the Polynesians, and the Australian Aborigines, was a great deal more realistic in terms of conservation ethics than the more intellectual monotheistic philosophies of the revealed religions."

- In a June 3, 1990 interview with the London *Observer*, Philip complained that the Bible, with its emphasis on man's dominion over nature, contained "nothing about respect for nature, or respect for the natural environment as a manifestation of the divine." He insisted that, "as the human population increases, so it reduces the space available on the globe for the wild creatures." Philip wants the environmentalist notion of "stewardship" to replace "dominion."

- In February 1990, the British National Farmers Union attacked Prince Charles's crusade for "organic farming"—a belief which Butler shares—as something that would slash Britain's food supply. In a BBC broadcast in May 1990, Charles renounced science and technology in favor of mankind's role "as stewards of the Earth,"

- The Royal Family patronizes Britain's Gaia Foundation, named after the ancient earth mother goddess, denounced in the Bible as "the whore of Babylon."

- With the Queen's approval, Right Reverend George Carey was chosen in 1990 as the new head of the Church of England. Italy's *Corriere della Sera* quoted Carey on July 25, about his "ecological morality": "The question is, is God green? The answer is, emphatically yes, God is more green than me and you."

Butler's dedication to the British Empire and its royals goes beyond their mutual commitment to the bogus dogmas of Parson Malthus. According to long-time associates, Butler is a member of a pseudo-Christian cult known as the British Israelites, who maintain that the Anglo-Saxons are God's chosen people, the "Ten Lost Tribes of Israel." The British Empire and Commonwealth, the cult teaches, fulfill Biblical prophecy of an eternal empire ruled by a royal house. The British Israelites have cooked up a 3,000-year genealogy for the Windsors.

This devotion to a gnostic cult headed by the Royal Family, patrons of British Israel since Queen Victoria's granddaughter, the Countess of Athlone, took charge of the movement in 1919, would explain another enigma that has long puzzled Australia's patriots—Eric Butler's notorious softness on freemasonry. Gnosticism, the chief opponent of Christianity in the early centuries, taught that salvation lies not in the belief in Jesus Christ, but in some secret knowledge—*gnosis*—known only to a few. Freemasonry is not only itself a gnostic cult, but it, too, is headed by the Royal Family, whose Duke of Kent is the Grandmaster of London's Grand Lodge.

# Recognition of Macedonia is key to peace in the Balkans and Europe

*Kiro Gligorov is the President of the Republic of Macedonia. He spoke with EIR's Umberto Pascali on Feb. 13 and 18.*

In a speech on Jan. 25 during a visit to the United States, the President of the Republic of Macedonia, Kiro Gligorov, explained to a North American audience, in an original way, why Federal Yugoslavia couldn't work. He said: "First, I would like to address the original 'six pack' idea of banding six Slavic republics together in one federation. It was a noble idea. But it has proved unnatural. A 'six pack' can work if all the elements are similar—Coca Cola for instance. But in the six pack of Yugoslavia there was Coke, 7-UP, Budweiser, oil, water, and, in Macedonia's case, a . . . very fine red wine. . . . If you can cease using the name Soviet Union, likewise you can convert away from 'Yugoslavia.' "

Despite the fact that Macedonia on Jan. 15 met the criteria for recognition set by the European Community (EC), the republic was not recognized, as were Slovenia and Croatia. A fourth republic that had applied for recognition, Bosnia-Herzegovina, was also rejected. In the case of Macedonia, the EC stated that they were in favor of recognition, but there is strong opposition from Greece. The EC has postponed any decision until March 2, but Bulgaria, Turkey, Slovenia, and Croatia have officially recognized the independence of the republic.

This delay was denounced by the Schiller Institute as "cynical, deeply unjust, and dangerous," in a "Call For the Immediate Recognition of the Republic of Macedonia" issued on Feb. 13 by Helga Zepp-LaRouche, chairman of the Schiller Institute for Germany.

The statement reads in part: "Despite the recognition by the European Community and a large part of the world's nations of the republics of Slovenia and Croatia, the principle of independence and self-determination is still being applied selectively. . . . At the same time, the arrogant refusal by the Bush administration to recognize Slovenia and Croatia is the main cause for the continuation of the war of aggression against Croatia and risks making the Republic of Macedonia the next victim of the 'Greater Serbians.' This could trigger the explosion of southeast Europe and the Balkans. The principles of self-determination, independence, and sovereignty are indivisible and universal. . . .

"The Republic of Macedonia must be recognized within

its existing borders without any illegitimate condition and without any delay. . . . The Republic of Macedonia is part of Europe and must be given every chance to implement its economic integration with the rest of the continent. Macedonia must be given every chance to be integrated into the European 'Productive Triangle' proposed by the economist Lyndon LaRouche and must be offered an adequate program of investments and infrastructural projects."

President Gligorov explained the fears and the hopes of a country that has too often been a victim of the appetites of imperial or proto-imperial formations, from the Ottoman to the British empires. Kiro Gligorov is not a "newcomer"; he has been one of the leading figures in Yugoslavian politics for 40 years. But when Federal Yugoslavia began to disintegrate, he took a clear-cut position in favor of the independence of the republics and was elected, by a large margin, as President of the new Macedonia. Born in 1917, Gligorov has personal experience with the "Versailles system." When asked: "Do you think that that system is over?" he answered, "Absolutely!"

Recognition of Macedonia, Gligorov stressed, is not just a favor to Macedonia, it's a necessity if the world wants a stable Balkan region. "The essence of the Balkan Wars (1912-13) and in part even World War I and World War II, was the division of Macedonia. A result of this was the Bucharest Treaty in 1913 and the Peace Conference in Paris at the end of World War I. Because of these historical precedents, we state that the independence and sovereignty of Macedonia will mean peace in the Balkans, because the aspiration to conquer Macedonia will cease. Given our geographical position, Macedonia could be the key factor of collaboration among the countries of the Balkans. Vice-versa, if the issue of recognition remains open, we will see again emerging various appetites—and there are forces, extremists, in several countries that think in this way—forces which may think that if Macedonia cannot acquire independence, then it could be the object of another division."

In 1913, Macedonia was divided into three parts. The major portion went to Greece; the other two were taken by Serbia and Bulgaria. Recently, in order "to allay Greek fears that Macedonia will have territorial claims and also to show good will, we have adopted two amendments to the Constitution in which it is explicitly said that Macedonia has no

territorial claims," Gligorov said.

Gligorov stresses that the position of Greece "is strange enough in itself: How can a small country without an army, endanger a greater country, a member of NATO, and of the European Community? But you know that in political life there are emotions and irrational situations. And if we can, we want to help calm down these emotions. There is no reason for Greece to feel threatened by Macedonia. We expect that they, as neighbors, will help us in getting our independence. These are two close nations with the same faith and customs. . . . This becomes a great moral issue for the EC, which has set conditions that we fully satisfied, and now does not respect its own decision. The EC should help to reassure Greece."

### **'We want peace and prosperity'**

One point hammered home again and again by President Gligorov: "We wish only to become a hub of peace and economic prosperity in a region of the world that has too long been afflicted by poverty and strife. We have a vision of a Balkan region of independent states and mutual respect among neighbors." Instead, Macedonia is still the victim of the continuing embargo imposed by the United States against the whole of the former Yugoslavia.

The Serbian war against Croatia, and the war economy, has provoked a brutal hyperinflation. Says Gligorov: "Because most of our trading routes were through ports in the north—our exports cannot get out and imports cannot get in. We have had no milk for more than two months and many factories are closed for lack of parts and materials; unemployment is rising."

But there is no support for any real program of development from the West. "In many respects we have to swim through a transition from communism to democracy with both hands tied behind our back." Macedonia needs huge investments. Macedonia looks first of all to the European Community, which it wants to join. The only other apparent source of investments are the sadly famous World Bank and International Monetary Fund.

"What the countries seeking independence need are deep structural changes. First of all, infrastructure that will create the conditions for further development. These countries need a system of transportation and communication, without which we cannot communicate on an equal base. And thus we need the large financial institutions," Gligorov said.

At this point, the conflict between the desire to join the West and desire for economic development becomes overwhelming. Says Gligorov: "It is true, countries are granted loans with conditionalities, which makes it very difficult to repay them. Countries accept these conditions because they need development. But the conditions imposed for loans must be much more advantageous. The debt issue must be solved as soon as possible, so that these debtor countries become creditworthy."

### **'Productive Triangle' needed**

This is the contradiction which Macedonia and other countries in the Third World and in the former Soviet bloc are facing. Macedonia wants to abandon the communist economic system, but, in fact, it is made impossible for it to join the West and keep alive its hopes for development at the same time. This is why Gligorov considers the "Productive Triangle" proposal of Lyndon LaRouche as extremely important.

"This is a really interesting idea, because now the EC is facing the gigantic task of how to carry out the transformation of the eastern European countries. Without such a triangle, it is very hard to conceive how the task can be accomplished. The crisis is here, and I do not see any other adequate proposal which can get us out of the crisis. The same approach should be used for Africa and other regions of the world.

"Once we have gained experience of how to do this, the program can be spread to other regions. This is a good idea. The 'poles of development' is a valid concept. I think this can be broadened. For example, considering the position Macedonia has in the Balkans, the country could be a pole of development in the region, in connection with the major pole of the Triangle."

On this and other issues, Gligorov called for closer cooperation with the Schiller Institute, which he thanked for its "extraordinary initiatives and honorable support. . . . We are a small nation and we are one of the oldest nations in Europe, which unfortunately only now, with Slovenia and Croatia, shall acquire its independence and sovereignty. Because of that, the support of the Schiller Institute is highly appreciated."

On Feb. 4, the Synod of the Greek Orthodox Church approved a document considered by many observers as very polemical against the Vatican, the Pope, and the Republic of Macedonia. According to these observers, one of the reasons for the polemic was the decision by Pope John Paul II on New Year's Day to revive the tradition of delivering the traditional New Year greetings in the Macedonian language and languages of other countries where Uniate Churches are present, i.e., Roman Catholic Churches of Oriental rite. The Uniate tradition is part of the heritage of the Council of Florence, when the Oriental and Western Churches were unified.

"As is known, we are of the Orthodox faith, the same as the Greeks, and I do not see why there should be any difference among us," Gligorov commented. "The polemics are obviously political. It is not a religious approach. I should stress that we have a good relation with the Vatican simply because we celebrate together Saints Cyril and Methodius and their role. Macedonia is the country where the Slavs were first Christianized. Here, the Slavic alphabet started. At that time the Church was not divided between East and West. There exists this common uniatic tradition. So that does not mean any special ties to the Vatican or something peculiar in respect to the Greek Church. Simply, this is history."

# Actions by U.S. 'shock the civilized world'

by Francis A. Boyle

*The author is a professor of International Law at the University of Illinois at Urbana-Champaign. He released the document excerpted here, "Memorandum of Law on the Dispute Between Libya and the United States and the United Kingdom Over the Lockerbie Bombing Allegations," on Feb. 11.*

## Introduction

1. Libya and all Members of the Security Council are parties to the 1971 Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation, the so-called Montreal Sabotage Convention. The United States, the United Kingdom, and Libya are all parties to the Montreal Convention without any reservations, whereas France has reserved its position as to the compulsory dispute settlement procedures set forth in article 14. It is clear that the Montreal Convention applies to the Lockerbie bombing allegations. . . .

## The Montreal Convention

3. Concerning the Lockerbie allegations, it is quite clear that Libya has fully discharged its obligations under article 5 by instituting criminal proceedings against the two Libyan nationals that have been accused by the United States and the United Kingdom. Under these circumstances, there is no obligation whatsoever for Libya to extradite its two nationals to either the United States or the United Kingdom.

4. Article 6 of the Montreal Convention then provides that a contracting state such as Libya must take such subjects into custody or take other measures to ensure their presence "as provided in the law of that state." In other words, it is the domestic law of Libya that clearly applies here, and Libya is already applying its domestic law by taking these two nationals into custody and prosecuting them. Thus, Libya has discharged these obligations under article 6 of the Montreal Convention. . . .

## Compulsory dispute settlement procedures

15. The Montreal Convention concludes its operative provisions by including an article 14 on the compulsory settlement of disputes:

**Article 14.** 1. Any dispute between two or more Contracting States concerning the interpretation or applica-

tion of this Convention which cannot be settled through negotiation shall, at the request of one of them, be submitted to arbitration. If within six months from the date of the request for arbitration the Parties are unable to agree on the organization of the arbitration, any one of those Parties may refer the dispute to the International Court of Justice by request in conformity with the Statute of the Court. . . .

16. Therefore, it is clear from article 14 that in the event the United States and the United Kingdom have any objections to the manner in which Libya is handling the allegations over the Lockerbie bombing, then it is incumbent upon these two states to demand international arbitration over this dispute with Libya, as is their unilateral right to do so under article 14. So far, both the U.S. and the U.K. have refused to do this.

17. By contrast, Libya has repeatedly offered to submit this dispute to international arbitration, to the International Court of Justice, to an international commission of investigation, or to some other type of *ad hoc* international institutional arrangement for the impartial investigation and adjudication of these allegations. So far, both the United States and the United Kingdom have rejected all of these good faith efforts by Libya to resolve this dispute in a peaceful manner. Hence, both the United States and the United Kingdom have effectively violated most of the provisions of the Montreal Convention when it comes to the handling of this dispute with Libya. . . .

25. During the course of the debate on the adoption of Resolution 731 (1992) by the Security Council, the representatives of the United States and the United Kingdom expressed their opinion that the Montreal Convention did not apply to this situation. To the contrary, article 14 states quite clearly that "any dispute" concerning the "interpretation or application of this Convention" shall be submitted to arbitration. (Emphasis added.) It is for the international arbitration tribunal to decide whether or not the Montreal Convention applies to the circumstances of this case, not the United States and the United Kingdom. Otherwise, the entire Montreal Convention itself could be negated and violated by a contracting state unilaterally proclaiming that the Convention does not apply, according to its self-interested opinion. Such a conclusion would be the exact antithesis of the Rule of International Law and its basic principle that *pacta sunt servanda*.

## The violent settlement of international disputes

26. In rejecting the applicability of the Montreal Convention, U.S. Ambassador Thomas Pickering stated: "The issue at hand is not some difference of opinion or approach that can be mediated or negotiated." In other words, the United States government has admitted that it will pay no attention whatsoever to its obligations mandating the peaceful resolu-

tion of international disputes as required by U.N. Charter articles 2(3) and 33(1). In particular, article 33(1) clearly requires "negotiation," "mediation," "arbitration," and "judicial settlement" among the many means mandated for the pacific resolution of international disputes. But the United States government has specifically rejected all these measures.

27. Pickering's high-handed statement should shock the conscience of the civilized world. His illegal rejection of negotiations also expressly violated the terms of Montreal Convention article 14 that specifically requires negotiations between the parties to any dispute that might arise thereunder before resort to international arbitration or adjudication. The United States government has purposefully and illegally made it impossible for there to be a pacific settlement of this dispute precisely because it has rejected negotiations, let alone arbitration or adjudication. It should be clear to the entire world community, therefore, that the United States government is manipulating the Lockerbie bombing allegations for the purpose of preparing the way for aggressive measures against the People and State of Libya and, ultimately, for an armed attack upon Them.

28. The United States government has already threatened the use of military force against Libya over this legal dispute in violation of article 2, paragraph 4 of the United Nations Charter:

All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the Purposes of the United Nations.

The Members of the Security Council must not permit the United States and the United Kingdom to proceed any further down the path of lawless violence against the People and State of Libya. The very Purposes and Principles of the United Nations Organization itself that are found in Charter articles 1 and 2 demand that this dispute be resolved by any of the pacific means that have so far been proposed by Libya.

### **Resolution 731 (1992) is 'ultra vires' the Security Council**

29. For this reason, the Security Council acted beyond its powers (*ultra vires*) when it adopted Resolution 731 (1992). Charter article 24, paragraph 2 makes this point quite clear. . . . The Security Council did not and still does not have any lawful authority or power to adopt a resolution that ignores, abrogates, or circumvents the basic principle of international law mandating the peaceful resolution of international disputes.

30. This sacrosanct principle of international law and politics goes all the way back to the Treaty Providing for the Renunciation of War as an Instrument of National Policy of

August 28, 1928, the so-called Paris Peace Pact. The United States, Great Britain, and France are all parties to the Paris Peace Pact. . . .

31. The United States, the United Kingdom, and France are now prepared to repudiate the Paris Peace Pact in its entirety when it comes to the aggressive pursuit of their unfounded claims against Libya. In other words, these three states are currently planning, preparing, and conspiring to wage aggressive warfare against Libya in violation of the Paris Peace Pact as well as the Nuremberg Charter of 1945. . . .

### **The United States, the United Kingdom, and France illegally voted for Resolution 731 (1992)**

32. Finally, the Security Council adopted Resolution 731 (1992) pursuant to its powers under Chapter VI of the U.N. Charter, which governs the pacific settlement of international disputes. But in this regard, Charter article 27, paragraph 3 states quite clearly:

Decisions of the Security Council on all other matters shall be made by an affirmative vote of nine members including the concurring votes of the permanent members; provided that, in decisions under Chapter VI, and under paragraph 3 of article 52, a party to a dispute shall abstain from voting.

In other words, the United States, the United Kingdom, and France were obliged to abstain from the vote on Resolution 731 (1992) because they are parties to this dispute with Libya over allegations surrounding the Lockerbie and UTA bombings that were the very subject matter of this resolution.

33. These three permanent members refused to abstain from the vote and thus violated Charter article 27(3). This flagrant and gross procedural violation of the Charter by the three most powerful members of the Security Council calls into question the validity of the votes cast in favor of Resolution 731 (1992) by the non-permanent members of the Security Council. The world's one self-proclaimed superpower and two of its greatest powers illegally used their overwhelming power and influence to induce and coerce the other Member States of the Security Council to unfairly condemn Libya.

34. It seems that the so-called "New World Order" is to be governed by the sophistic principle that "might is right": The strong do what they will, and the weak suffer what they must. But how long will it be before the permanent members of the Security Council apply this same principle of *realpolitik* against the rest of the world, including the non-permanent members of the Security Council? For the good of themselves and their own Peoples, the other Member States of the Security Council must not permit the United States, the United Kingdom, and France to set themselves up as judge, jury, and executioner of the People and State of Libya.



## Israelis planning 'Arab' terror wave?

Austrian police and intelligence officials claim that they busted an Iraqi plot to launch terrorist operations against Kuwaitis in Austria, although they presented no evidence substantiating the claim. Police arrested a Yugoslav citizen and seized weapons in an apartment of a Bulgarian-born Austrian in late January. Included in the weapons found, they say, were 2.5 kilograms of Semtex plastic explosive with a time fuse from Czechoslovakia, a British submachine gun, and a Soviet army pistol.

The Yugoslav had been involved in car thefts, and the police traced the network to a suspected control officer, a Lebanese who claims to be Greek. The police said they believe there is cooperation between Arab terrorist groups and European criminals, necessitated by the disappearance of terrorist camps in former communist Europe, notably Hungary, from where the men and explosives reportedly came.

Michael Sika, the director general of Austrian public security, claims an operation against Kuwaiti institutions in Austria was planned and that he is "fairly sure that Iraq is behind it."

## Zionist advance team for Gates

A seven-man delegation of the American Jewish Congress (AJC) traveled to Saudi Arabia, Egypt, Jordan, and Israel in late January, in an unprecedented tour arranged by Saudi Ambassador to the United States Prince Bandar. The group met Egyptian President Hosni Mubarak and Saudi Foreign Minister Prince Saud al Faisal among others. One week after the trip, CIA director Robert Gates visited Egypt, Saudi Arabia, and Israel, re-

portedly to plan new operations against Libya and Iraq.

According to Arab sources, the Edgar Bronfman-led AJC is attempting to solicit billions of dollars from Japan for Israel. Under this reported plan, the Japanese and Saudis will reimburse Israel for establishing a Palestinian entity in the Occupied Territories once the region is pacified.

## Herzog's fears

Israeli President Chaim Herzog told the Council of Europe's parliamentary assembly in Strasbourg on Feb. 5 that western leaders did not understand the Middle East. Herzog claimed that western leaders' "obsession with the Arab-Israeli conflict" distracted them from other major developments in the Middle East, particularly "Islamic fundamentalism which threatens the regimes of most of the Middle East today, which sponsors uprisings from time to time in many countries in our region, and which is spreading rapidly throughout the world."

The statement is ironic, in that Israel is the strongest ally of "fundamentalist" Iran in the region.

## Ex-CIA, KGB officers announce joint firm

Former CIA counter-terror chief Vincent Cannistraro has recruited Oleg Kalugin, the former chief of KGB foreign counter-intelligence, to join Cannistraro Associates, an international security consulting firm based in Mclean, Virginia. Kalugin will head an office in Moscow staffed by former KGB officers. The expanded firm will specialize in terrorism and narcotics, with a special focus on the Mideast, South America, and Europe.

Cannistraro officially retired from the CIA in 1990 and has since been a regular guest on news programs on

such topics as Arab and Islamic terrorism. During the Reagan-Bush administration, Cannistraro had been the CIA representative on the National Security Council where he ran the 208 Committee, the "coup committee" which was deeply involved in Iran-Contra operations, according to testimony to a congressional committee investigating that affair.

On Feb. 11, the *Washington Post* quoted Cannistraro claiming, falsely, that Libya had killed the two Libyans indicted by U.S. and British courts for blowing up Pan Am Flight 103 over Scotland in 1988, in order to hide evidence.

## Egypt wants a 'Hong Kong'

Egypt wants Japan to finance the construction of a Hong Kong-style industrial zone north of the Gulf of Suez. "I will tell the Japanese that Egypt is willing to set up a free industrial zone like Hong Kong. This zone would help transform the economy of the Middle East [and] serve the Egyptian economy and jobs," the chairman of the Egyptian Government Investment Agency, Mohieddin el Gharib, told reporters on his way to Japan at the end of January.

International Monetary Fund-imposed conditionalities have drastically worsened inflation and unemployment, especially among youth. Gharib said Egypt would provide all facilities needed for the multibillion-dollar scheme, which had first been proposed in 1985. He said it would take 15 years to complete.

Arab sources say that serving up the Egyptian work force as a cheap labor pool for European and other advanced sector interests is one of the objectives of the plan, and is linked to the Bush-organized "Mideast peace conference."

## Collor sinks deeper into disrepute

*Rumors are flying that the President has AIDS, as an angry citizenry vents its spleen against his brutal policies.*

**P**resident Fernando Collor de Mello's sudden weight loss of more than 22 pounds has sent a wave of rumors reverberating throughout Brazil.

At the beginning of February, the announcement that President Collor had suspended his daily routine of going out to meet citizens waiting for him on the ramp of the Plan Alto presidential palace in Brasilia—a suspension announced just hours after the attempted military coup in Venezuela—was the fuse which lit a new round of rumors that the President was gravely ill, requiring intestinal surgery.

Days later, the issue of the President's health took on greater proportions when the *Agência Estado*, which publishes the daily *O Estado de São Paulo*, reported in the morning edition that the President required an urgent life-saving operation. This caused the Rio de Janeiro and São Paulo stock markets to plunge drastically by seven percentage points, which in turn ripped to shreds the great expectation of a continuing stock market boom which the government had managed to pump up through privatization programs and promises of economic success made to international bankers.

But even more grave were comments made by eminent epidemiologist Ricardo Veronesi to a group of journalists in front of the Albert Einstein Hospital in São Paulo on Feb. 6, who had gathered to await news on the failing health of former President Janio Quadros. When commenting on President Collor's health, Veronesi mentioned that a rumor was circulating that Claudia Raia, a famous ac-

trix very close to President Collor, had AIDS.

Despite the fact that his comment had been off the record, days later, it exploded into a major press scandal when *Jornal do Brasil* used its lead editorial Feb. 12 to attack Dr. Veronesi as responsible for the spread of the rumors against the President.

"Claudia Raia—who was obviously overweight and lost weight in order to be able to dance—has initiated two suits for damages and losses, charging a crime against her honor, in the civilian and criminal courts of São Paulo. Another action should be opened in the Regional Medicine Council of São Paulo," the paper wrote.

Claudia Raia later showed the national press the negative results of an AIDS test.

Veronesi replied, "I only commented on what everyone is saying: that Claudia Raia had AIDS, and that President Collor, who is very good friends with her, also had the disease. . . . Claudia Raia's show is a failure; she's having financial difficulties, and she wants to get attention by trampling on me."

This rumor can be heard all over the country, as all levels of Brazilian society use it to jeer at President Collor. President George Bush, it is worth remembering, had gushed that Collor is "my kind of guy" when he visited Washington, D.C. last year. Two months ago, things went so far that a journalist asked Collor directly if he had AIDS at a press conference.

The rumors gained credibility because of such things as the earlier

scandalous affair between two cabinet ministers, Economics Minister Zelia Cardoso de Mello and Justice Minister Bernardo Cabral. Cabral used cabinet meetings to send flirty little notes under the table to the woman he was courting, who was in charge at the time of imposing the International Monetary Fund's (IMF) cruel economic measures upon her countrymen.

The book then published by the former minister, which detailed her love affairs, soon became a bestseller, providing Brazilians with a snapshot of the climate of corruption in which the Collor government is embedded.

Nothing is more symptomatic of the lack of credibility and disrepute into which the Collor government has fallen in the eyes of Brazilian society than the credence given the AIDS rumor. This is the silent revenge of a population which feels defrauded by so many false promises given during the presidential election campaign, while today the country faces institutional chaos, high inflation, salary cuts, and increasing unemployment, all provoked by the policies of economic destruction dictated by IMF technocrats and obediently implemented by Collor's ministers.

Backing this, a poll commissioned by the government from the Vox Populi Institute (which is headed by the son of Collor's brother-in-law, Amb. Marcos Coimbra) demonstrated that the popular rejection of the Collor administration is no longer restricted to the state capitals, but has now swept the entire country. Although no statistics were cited, the outcome, published by *O Globo* on Feb. 10, confirms previous polls carried out in state capitals, which indicate levels of rejection of the Collor government surpassing 80%.

Any similarity with Venezuela is not mere coincidence.

# International Intelligence

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## ***African influential endorses LaRouche***

In *EIR*'s report last week on the international endorsers of Lyndon LaRouche's presidential campaign, we inadvertently attributed the wrong statement to Harvey G. Ward (page 28). Mr. Ward is the former director general of the Rhodesian Broadcasting Corp., life president of the Scottish-South African Association, executive director of the Monday Club, Great Britain, and director of the Ossian Publishing Company, Scotland. The accurate text of his endorsement follows:

"In endorsing Lyndon LaRouche's candidature for President in 1992, I am confident that his economic and political policies for the United States would lift the body of the nation to new heights of prosperity under God's permanent laws. LaRouche's economic programs also hold good for many parts of the world today, especially in Europe and Southern Africa. As the leading nation in the world today, the people of the United States now have the one-time-only chance of electing a candidate to a position where these plans can be implemented with authority and understanding of the prevailing problems."

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## ***Russian general denies missiles were retargeted***

All strategic nuclear missiles of the former Soviet republics are still pointing at their old targets in the West, declared Russian Defense Minister Gen. Yevgeny Shaposhnikov in an interview with the Russian newspaper *Nezavisimaya Gazeta*, published Feb. 12. He said that President Boris Yeltsin's recent announcement that the missiles had been retargeted had not been put into practice yet.

Russian Foreign Minister Andrei Kozyrev gave no indication of a retargeting either, in a speech Feb. 12 before the U.N. Disarmament Committee in Geneva. Instead, Kozyrev presented a detailed proposal for a phased build-down of nuclear missiles, to begin with the cancellation of the

constant alert status of the launchers on both sides. This approach would create the precondition for a "fundamental review of the military and nuclear strategic situation in the world," and pave the way for the dismantling of the warheads from the delivery systems, Kozyrev explained.

Kozyrev also warned that a joint U.S.-Russian anti-missile defense project should not exclude the nations of the South. Kozyrev said he hoped that the research on missile defense will be utilized for peaceful purposes, "instead of building another Berlin Wall that would separate the North from the South."

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## ***Ratzinger: New world order is the Antichrist***

One of the Vatican's highest officials, Joseph Cardinal Ratzinger, charged in a speech on Feb. 8 that George Bush's "new world order" is like the Antichrist. He called on Europe to rise to its own appropriate historic role. Ratzinger is Prefect of the Congregation for the Doctrine of the Faith, and was speaking at the Catholic University of Milan, introducing his new book, *A Shift for Europe?*

The cardinal warned of the danger of a "planetary homogenization," in which "Europe would become an appendix of North America." He said: "In the context of such phenomena, the question of a new world order can carry with it something not so comforting. It is not by chance that in the past years, the memory was reawakened of Benson's book, *The Master of the World*, published in 1907. The book describes the vision of a similar unified civilization and of its power, so destructive to the spirit; the Antichrist is presented as the great bearer of peace of a similar new world order. The book was republished in Germany in 1990—obviously because it is believed that such a homogenization of humanity today must be seen as a real danger."

In an interview published in the Italian daily *Il Giornale* a few days before, Ratzinger said: "When, after the Gulf war, Bush stated that a new world order was born, this surprised me and appeared to me as an exag-

geration. . . . It would be too simplistic to read the reality in the sense that—to quote Roosevelt—in the end we will all become Americans."

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## ***Poland seeks to realign its defense policy***

Polish Defense Minister Jan Parys wants to align more closely with the defense and security policy of France and Germany, according to the Paris daily *Le Figaro* Feb. 11.

According to Parys, "Poland is following with the greatest attention all the European initiatives for defense and security. If, for example, the Western European Union finally comes up with an effective system of security, Poland will immediately request its integration. For the moment, we are developing our bilateral contacts with all the member countries of the WEU. The Polish government has a particular interest in the initiatives for military cooperation between Bonn and Paris."

He said he hoped the line of cooperation that has heretofore gone as far as Potsdam, Germany, can extend itself to Warsaw. Poland, in this context, foresees the possibility of contributing elements of the Polish Army to a future European "rapid reaction force" that would intervene in local conventional conflicts.

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## ***Brits weigh dumping bankrupt U.S. ally***

Peregrine Worsthorpe, spokesman of the old British imperial faction, has come out against alliance with the U.S.A., in an article in the London *Sunday Telegraph* of Feb. 9. Worsthorpe, in what City of London sources say signals a shift among the traditional "American Empire" faction of the British establishment, called for a shift in British strategy toward a new alliance with Japan.

"I used to be pro-American," argues Worsthorpe, "but American interests are no longer ours. . . . Britain should rather form

an alliance with that other 'island nation' Japan, should encourage Japanese investment into British industry. We should in fact begin to brand those . . . who defend the American view as 'fellow travelers,' much as we used to brand those in the left whose position aided the Left."

According to sources, there is now a minority view in the U.K. establishment which realizes that their dependence on the American "special relationship" is no longer beneficial, and that the political and economic problems of the United States run counter to British interests. The concern of this grouping, which rallied around former prime minister Margaret Thatcher in the recent period, is how to control Germany.

Citing a new survey of U.K. fund managers, they say that 40% plan to increase their investment in continental European companies, while 31% plan to decrease investment in U.S. stocks. Only 12% of the fund managers are "optimistic on the U.S. economy." The implications of such disinvestment in the United States could be felt by as early as the end of March, when the quarter ends.

## ***Egypt arrests three in plot against Mubarak***

Egyptian Interior Minister Muhammad Abdel-Halim Moussa announced early in February the arrest of three alleged ringleaders of a Muslim Brotherhood-led plot to overthrow the government of President Hosni Mubarak. The three were said to be part of a larger group directly linked to the illegal Brotherhood.

The arrests followed police raids on a Cairo-based research firm that specialized in compiling opinion polls. Documents were found that revealed that militants had received weapons training in Afghanistan. The plot, which is considered the most serious in a number of years, comes at a time when Egyptian authorities are concerned with the expansion of Islamic fundamentalism in Algeria and Sudan. It is reported that Egyptian security experts are advising the Algerian government in its struggle against the Islamic Salvation Front.

But how successful their advice will be remains to be seen. The London *Daily Telegraph* of Feb. 11 quoted Egyptian opposition leader Ibrahim Abassa, writing in *al-Wafd*, the organ of the Wafd Party, that "if free elections were held in Egypt, the fate of the regime and the ruling National Democratic Party would be the same as the Algerian regime and the National Liberation Front." Mubarak has ruled out opposition demands for a new, more democratic Constitution for Egypt.

## ***Haitian exiles call for invasion force***

Members of the 300,000-strong Haitian exile community in the United States issued a statement calling for the Organization of American States (OAS) to constitute a multinational invasion force to restore ousted tyrant Jean-Baptiste Aristide to power.

The *Washington Times* on Feb. 17 quoted Haiti's consul general in New York saying that "all the Haitians here" want a multinational force to topple Haiti's army regime. "The Haitian soldiers won't leave unless they're chased out by force," he said. But the exiles don't want it to be a U.S. force, because of the experience under U.S. Army tutelage for 30 years earlier in this century.

According to the Bonn daily *Die Welt* of Feb. 17, however, the United States is losing patience with the Haiti junta and may launch its own military intervention. The report, filed from Miami, quotes an anonymous State Department official. According to the article, the intervention would most likely be run under an OAS mandate. Venezuelan President Carlos Andrés Pérez is said to endorse such an intervention.

But others are seeking to block the restoration of Aristide, the "Pol Pot" of Haiti. The Dominican Republic has ordered a Catholic radio station that had been beaming in to Haiti pro-Aristide broadcasts, to cease doing so, and also make it clear to Aristide that it would be "inopportune" for him to visit the capital of Santo Domingo to attend a meeting of parliamentarians in mid-February.

## ***Briefly***

● **SADDAM HUSSEIN** charged that he was "misled," before the Gulf war, by French President Mitterrand and Mikhail Gorbachov. He told the daily Turkish daily *Hurriyet* of Feb. 8 that, up to the last minute before the war was launched, he had been receiving "good news from Paris and Moscow" about the chances for a peaceful resolution.

● **A NEW ENCYCLICAL**, *Veritatis Splendor*, ("The Splendor of Truth") will be issued by the Pope in a few months. It will reportedly state that questions of population growth will be considered as "matters of faith," thus outlawing all those theologians still playing with malthusianism. As the Italian daily *La Stampa* pointed out, this will hit hard at theologians in Germany and North America.

● **THE GERMAN** Social Democrats on Feb. 18 rejected the proposal of Russian President Yeltsin for a joint U.S.-Soviet missile defense program, on the grounds that it would be "a late victory of the Star Wars project" and launch "an arms race in space at a time when the perspective of disarmament on the ground after the end of the Cold War confrontation is about to become reality."

● **THE POPE** began a tour of Senegal, Gambia, and Guinea on Feb. 19. According to a Vatican spokesman quoted by Reuters, "The Pope will remind the West, which at times seems to have totally forgotten about the overwhelming problems of the Third World, that Africa is still there."

● **MALAYSIA** has arrested British author James Barclay, for illegally entering Sarawak state to visit the scene of an anti-logging protest by nomadic Penan tribesmen. He was first arrested last August when he attempted to enter Sarawak under an assumed name.

## Economy whacks Bush in New Hampshire

by Kathleen Klenetsky

In his Jan. 28 State of the Union address, George Bush, in a Nietzschean fit of "triumph of the will" lunacy, declared that what he referred to as the U.S. recession "will not stand."

But with the results of the New Hampshire primary, it looks like it will be George Bush who will not stand, primarily because of the deepening depression which he at first ignored, and then attempted to deal with through such idiotic measures as proposing to trigger a new round of real estate speculation.

In the first primary of the 1992 election season, Bush came head-to-head with reality, in the form of the country's economic collapse, and reality won. New Hampshire gave Bush such a bloody nose that his political survival has been thrown into doubt.

While Bush was the nominal victor Feb. 18, receiving approximately 53% of the vote to Republican challenger Pat Buchanan's 37%, the primary outcome nevertheless represented a stunning upset for the President. Until election day, Bush strategists had been confidently predicting that their man would come out of New Hampshire with a comfortable 2-1 margin over Buchanan, a result which they believed would knock Buchanan out of the campaign and cement the Republican nomination for the President.

But neither the fact of Bush's incumbency, nor the streams of federal money he poured into the state during the last few months, nor the strength of his top-heavy political machine, proved sufficient to stem the hemorrhage of those Republican and independent voters who had given him a 67% victory over Michael Dukakis in the 1988 general elections.

Bush's win in New Hampshire was even weaker than the vote tallies indicate, Democratic presidential candidate Lyndon LaRouche pointed out in a Feb. 20 campaign statement. Traditionally, New Hampshire has survived economically by selling itself during the presidential primaries, in

exchange for business contracts and other forms of federal government payouts, said LaRouche. "Therefore, when you are looking at a New Hampshire primary, you cannot count the vote as if it were simply a spontaneous response of the voters to the candidates. You have to look at this factor, the fact that the state is sold every four years.

"Therefore," L. Rouche continued, "when George is reported as having approximately 58%, that doesn't mean that 58% of the Republican balloters actually prefer George Bush. What this represents is the fact that George needed to get 70% or more of the vote to put beyond question his candidacy, and the full force of the Bush administration and his supporters was obviously not able to buy that additional 10% or more of the vote. That is what the problem is; that is the nature of the situation."

In fact, so strong was voters' disgust with Bush that half of Buchanan's supporters said they would actually vote against Bush in November, if he were the Republican presidential nominee.

### Voters 'send a message'

By any measure, the New Hampshire results represent a thunderous repudiation of Bush's policies and leadership, especially in the realm of the economy.

New Hampshire has been among the states hardest hit so far by the Bush depression. Over the last few years, its economic boom, founded on the shifting sands of real estate speculation, went bust, throwing hundreds of thousands of people out of their jobs and, in many cases, out of their homes.

Despite the growing misery in New Hampshire and elsewhere in the country, Bush steadfastly insisted that there was no recession, and then, when that no longer worked, claimed that the recession would be only a temporary phenomenon.

This combination of callousness and incompetence infuriated New Hampshireites, many of whom said they felt Bush didn't care about their problems, and had abandoned them.

Buchanan was able to do as well as he did because of the intensity of the anti-Bush backlash. Relatively few voters cast their ballots for Buchanan in the belief that he represented a viable alternative to Bush's policies—after all, a program based on tax cuts and an end to U.S. foreign aid will hardly revive the corpse of the U.S. economy.

Instead, Buchanan capitalized on voters' intense anger at Bush over his mishandling of the economy. Bush's renegeing on his "no new taxes" pledge, which Buchanan hit upon constantly, became emblematic. Exit polls showed that half of Buchanan's supporters said they voted for him "to send a message," rather than because he "would make the best President." Moreover, about half of those who voted for Buchanan said they wanted a new candidate to enter the contest.

No matter how much the White House "spin doctors" claim victory for the President, the New Hampshire primary was a major defeat for George "Herbert Hoover" Bush. "It's a sock in the mouth—this is no wake-up call, it's Big Ben falling on your head," said William Bennett, the former education secretary and a Bush supporter.

The primary outcome is an augury for Bush's political future. Of the four incumbent Presidents who have been challenged from within their own party in New Hampshire, two withdrew from the race and two were defeated in the general election. In 1968, for instance, President Lyndon Johnson won the primary over Eugene McCarthy, but McCarthy's 42% vote was sufficient to force LBJ to end his re-election bid.

Bush has given no sign of giving up—yet. But if he continues to do poorly in the next group of early- and mid-March primaries, pressure on him to pull out is likely to blossom. At that point, it can be expected that Dan Quayle, or such other Republicans with presidential ambitions as Jack Kemp, James Baker, or even Massachusetts Gov. William Weld, might make their move.

### **Panic, and a drive for war?**

Publicly, Bush strategists are trying to put the best face on the New Hampshire outcome, claiming that it was a fluke which will not be repeated in the upcoming contests. But that view is not widely held. Thomas Rath, a former New Hampshire state attorney general and a key Bush adviser during the primary campaign, told the Feb. 19 *New York Times* that "the anger expressed by our electorate is contagious, and it will travel. New Hampshire provides the context for what comes next."

Panic has gripped the White House, and the battered Bush team is holding meetings round-the-clock to try to come up with a gimmick to shore up the President. Reportedly, Bush will begin to campaign much more aggressively, trying to blame Congress for all of the country's problems, and lashing

out more directly at Buchanan. In a campaign stop in Knoxville, Tennessee, the day after New Hampshire, Bush declared, "I'll still be kind, but now I'm debating how gentle I'll be."

On the issue which nearly destroyed him in New Hampshire, the economy, Bush's team says the President has no intention of making any significant policy changes. In fact, Bush's campaign manager, Robert Teeter, said Feb. 19, "I'm convinced and the President is convinced that the economy is going to get better in the fall."

There is a far more dangerous prospect, however, of the extremes Bush may go to keep himself in power. Given that he made a public vow two months ago, in an interview with David Frost, to do whatever was necessary to win in November, Bush's New Hampshire defeat makes it far more likely that he will look toward some manufactured foreign crisis to save his rear. A U.S. military attack on Libya, or possibly even Haiti, looms as a much stronger possibility than it did before the New Hampshire election.

### **Dissatisfied Democrats**

On the Democratic side, Sen. Paul Tsongas (Mass.) managed to eke out a 35-26% lead over Arkansas Gov. Bill Clinton, who nevertheless declared himself the "comeback kid," after having been hit with a series of scandals in the month leading up to the election. Sens. Bob Kerrey (Neb.), and Tom Harkin (Iowa), and former California governor Jerry Brown trailed with 12%, 10%, and 9%, respectively.

Neither Tsongas nor Clinton's showing could be called conclusive by any stretch of the imagination, which means that the search for a viable Democratic candidate is still wide open.

The failure of any of the officially sanctioned Democratic candidates to secure a conclusive win reveals voters' deep dissatisfaction with them, too. Not one of these candidates, not even the purportedly "pro-business" Tsongas, has offered a workable program for getting the United States out of the depression. Perhaps this is why none of the so-called "first string" Democrats—Rep. Richard Gephardt (Mo.), Sen. Lloyd Bentsen (Tex.), or New York's Mario Cuomo—has jumped into the race yet, despite all the back-room discussions and negotiations which they have been carrying out. Indeed, Cuomo suffered a setback in New Hampshire, when a widely publicized write-in campaign produced only 3% of the vote.

The only candidate who has put forth a program that could lick the depression is George Bush's political prisoner, Lyndon LaRouche. LaRouche is preparing a second nationwide TV broadcast, to be aired March 8 on NBC (7 p.m. Eastern and Pacific times; 6 p.m. Central and Mountain), which will detail his proposals for the industrial recovery of America. His first national TV address, Feb. 1, drew a tremendous response, with his campaign headquarters receiving, so far, over 1,000 letters condemning his incarceration and asserting that he should be President.

# Lawmakers tour U.S. on injustice to LaRouche

A congressional delegation from South America began a one-week tour of the United States in Washington, D.C. on Feb. 18, to both protest and further investigate human rights violations in the case of Lyndon LaRouche, according to information from the Paris-based Commission to Investigate Human Rights Violations. The South American lawmakers have expressed deep concern that LaRouche, currently a presidential candidate in the Democratic Party primaries in the United States, "was prosecuted and convicted for reasons of his political beliefs."

LaRouche, 69 years old, has been incarcerated for just over three years. He is currently in the Federal Medical Center in Rochester, Minnesota, where he is serving a 15-year jail term after having been convicted of charges of conspiracy to commit financial fraud, and conspiracy to impede the Internal Revenue Service.

The case of LaRouche, who is campaigning for the presidency from prison, has drawn much attention in Ibero-America. The Congressional Committee on Human Rights of the Chamber of Deputies of the Congress of Mexico officially adopted the case for study on Feb. 12. The Mexican decision came after a presentation of the case by Dennis Small, a LaRouche co-defendant who was imprisoned for over two years.

Similarly, the Committee on Human Rights of the House of Representatives of Bolivia's Congress called on the United Nations and the Organization of American States to undertake investigations. The LaRouche case appears to be "an irregular occurrence," stated committee chairman Congressman Gonzalo Ruíz Paz, "consisting of depriving a political leader of his freedom, merely because of the fact that he was a political enemy of the Bush administration" and because of his "harsh criticism of [Henry] Kissinger."

The Organization of American States (OAS) previously refused to accept a complaint that LaRouche's human rights were violated.

## The delegation

Traveling in the delegation are: from Peru, Cong. Carlos Rivas Dávila (APRA), minister of economics during the administration of Alan García; Cong. Oswaldo Bockos, (Cambio 90); Cong. Carlos Calderón Carvajal (APRA); Cong. Lino Cerna Manrique (APRA); Cong. Francisco Palomino García (APRA); Cong. Eduardo Salhuana (IU). From Panama, Cong. Miguel Bush Ríos (PRD). And from Venezuela, Cong. Jorge León Díaz (Independent).

The Ibero-American congressmen will visit Washington, New York, and Chicago. They will meet with a number of their counterparts in the U.S. Congress; with OAS Secretary General João Baena Soares; with United Nations officials; and with leaders of American religious, human rights, and civil rights organizations.

They will also meet with LaRouche's attorneys, former U.S. Attorney General Ramsey Clark and Odin Anderson, who recently filed a legal motion asking that LaRouche's conviction be vacated on the grounds of Executive Branch misconduct, among other reasons.

The visit takes place as a senior United Nations human rights official has asked the U.S. government to respond to charges that it violated LaRouche's human rights. The official, Angelo Vidal D'Almeida Ribeiro, the Special Rapporteur of the U.N. Human Rights Commission who is mandated to investigate compliance with the U.N.'s "Declaration on the Elimination of All Forms of Intolerance and of Discrimination Based on Religion or Beliefs," presented a report Feb. 7 to the 48th plenary session of the U.N. Human Rights Commission, now meeting in Geneva, asking the U.S. to comment on reports that LaRouche has "been subjected to harassment, investigation, and prosecution solely because of his beliefs."

## Uproar in Mexico

The highly embarrassing challenge to the United States on LaRouche's human rights has been suppressed in most press, but not in Mexico. As a result of a well-attended press conference given by Dennis Small in Mexico City Feb. 11, nationwide television Channel 11 ran the story. The U.N. Special Rapporteur in Geneva has asked the U.S. to comment on charges that it violated the human rights of Lyndon LaRouche, the televised news report read, and the U.S. has yet to respond.

The television news spot also reported Small's statement that LaRouche is in jail for opposing the economic policies of the Bush government.

Twelve media, including the major national press, attended Small's press conference, which generated an extensive discussion of the political prospects for George Bush and the North American Free Trade Agreement, as well as the LaRouche case. So far, however, only the television station has dared to cover the hot political topic.

On Feb. 12, Small addressed the Congressional Committee on Human Rights of the Mexican Chamber of Deputies for 75 minutes, in a meeting arranged by Congresswoman Cecilia Soto de Estévez of the Authentic Revolutionary Party of Mexico (PARM). Six other legislators were present at the hearings, including the Committee Chairman Amador Rodríguez Lozano of the ruling PRI party; Committee Secretary Victor Ortuna of the National Action Party (PAN); and Jorge Moscoso of the Revolutionary Democratic Party (PRD).

# Candidate rips Bush 'coverup of coverup'

Lyndon LaRouche, who is running for the Democratic presidential nomination, commented on Feb. 14 that "in my view, the incident in New Hampshire involving Bush shaking hands with Roger Ham, is the most important event in the entire campaign; not just in my campaign, but all campaigns in the current 1992 presidential campaign series." As *EIR* reported last week, George Bush had been confronted on Feb. 12 by Ham, a LaRouche supporter, at a shopping mall in Bedford. The incident was covered internationally in wildly distorted media reportage, based on an Associated Press wire.

Ham asked Bush when he will release the government's documents on LaRouche. Ham then showed Bush a bumper sticker that read, "George Bush: Don't Barf on Me." Bush took a long look at the slogan and recoiled in horror.

As LaRouche noted, the significance of the incident "is located in the fact that the White House, White House spokesman Marlin Fitzwater, felt it necessary to issue a deliberately false and misleading report of the incident, not only to the press for circulation throughout the United States broadly, but also into Europe.

"The two features of the Fitzwater hoax are essential to understand the significance of this. Let's review it.

"What happened was, Roger shaking hands with Bush, or Bush shaking hands with Roger. Roger, in effect, asked Bush to release the 12333 and related security files, or 12333 security files, on me. Bush responded to that, saying, 'He's in jail,' in other words, refusing with that phrase. Roger made a statement and whipped out the bumper sticker, and Bush continued to shake hands until his aides broke up the handshake," LaRouche said.

Roger Ham was challenging the President's willful suppression of over 50,000 pages of government files which would exonerate and free LaRouche, who was convicted on vague federal "conspiracy" charges after a trial in the notorious Alexandria, Virginia "rocket docket" in late 1988. The U.S. government refuses to release the files, some of which were amassed under an investigation of LaRouche under Executive Order 12333, claiming they are part of a "National Security Depository."

A few weeks ago, on Jan. 22, attorneys for LaRouche filed a 2255 motion seeking to vacate his 15-year sentence because his conviction and detention were unlawful. Based on massive amounts of newly obtained evidence, the motion charges that "the prosecution conducted and participated in a conspiracy and concerted action with others to illegally and

wrongfully convict him and his associates by engaging in outrageous misconduct, including financial warfare."

## Fitzwater conceals real story

"The fact that Bush continued to shake hands and kept looking with horrified fascination at 'Don't Barf On Me,' is the secondary feature," LaRouche observed about the Bedford mall incident, calling this "a psychological feature which is only significant, because it falls in the context of a much larger feature." The point is that "Fitzwater and company attempted to conceal, preemptively, the fact that what Roger had asked about, was the security file on me which Bush is sitting upon."

The candidate underlined, "Bush is sitting on a file which exonerates me, which keeps me in prison, and, by sitting on it, is keeping me in prison.

"Now, imagine the effect on the campaign if word gets around that the key issue of the campaign is that Bush is sitting on a file which keeps his leading political opponent in prison. A fraud. Then you add on to it the other coverups of Bush."

The Democratic political prisoner cited a few of these: "covering up the Syrian authorship of the Pan Am Flight 103 detonation sabotage, by blaming, falsely, Libya"; "the Bush coverup of the cocaine drug-running by Oliver North in the Contra operation"; and "the coverup of the 'October Surprise' issues by various agencies of government involving, of course, Cyrus Hashemi and his attorney, a member of the U.S. intelligence community known to Bush"—a story which LaRouche, his associates, and *EIR* have been exposing for over a decade.

"The point is that putting me toe-to-toe against Bush on this issue in the context of that little incident, is the key to the entire national campaign—not merely my campaign against Bush, but the campaign as a whole."

Bush's "little mental aberration" in reaction to the bumper sticker is, LaRouche added, "simply a fillip which adds comprehension to what's going on here, the tragedy, the sickness, of the presidency itself," which he characterized as "Caligula"-like.

He concluded: "We caught the White House attempting to arrange a coverup to protect a coverup; and the news is, that Bush is caught red-handed in a continuing coverup of the fact that he's keeping somebody in prison who's innocent. That is what indicts Bush as a presidential candidate and indicts his slate—internationally, not just nationally."

LaRouche supporters have challenged his Democratic rivals and Bush's Republican opponent Patrick Buchanan to force the opening of the LaRouche files. On Feb. 10 in a campaign appearance in New Hampshire, Paul Tsongas replied sheepishly, "I'd be delighted to see an investigation." On Feb. 15, Sen. Robert Kerrey (D-Neb.) accepted a packet of material on the issue, reversing his earlier position that he wasn't interested.



# Maine law advances euthanasia drive

by Nancy Spannaus

On January 30, the state of Maine became the first jurisdiction in the United States to have introduced a law that would legalize "medically assisted death," or euthanasia. Should this law be enacted, it would take the United States another giant step toward legalizing the Nazi practice of ending lives considered "not worthy to be lived."

The Maine law comes under the innocuous title of "An Act Regarding the Terminally Ill," and contains statements declaring that "medically assisted suicide" "does not constitute, for any purpose, a suicide or homicide," and that the law "does not condone, authorize, or approve mercy-killing, euthanasia or suicide." Yet the establishment of a law permitting doctors to kill those who have given them written permission to do so, clearly is legalizing euthanasia—whether it is permitted to be called that or not.

The Maine law comes just a few months after a referendum authorizing the same practice was defeated in Washington State, although only by a margin of 54-46%. Similar drives are anticipated in other states, especially California and Oregon. One major test case is that of Dr. Jack Kevorkian of Michigan, who has carried out a number of highly publicized "assists," for which he is now under indictment for murder.

Polls publicized in the most popular magazines in the U.S. assert that in the range of 70 to 80% of the American population supports euthanasia—as long as the question is posed in the right way. The expression of such opinions masks the fact that substantial pressures are being applied throughout the U.S. health care system in order to force the acceptance of measures that limit or cut off life-saving treatment. One of the most stark examples of such pressure recently came to light in New Hampshire, where it was reported that county-owned nursing homes have a policy of denying admittance to any patient who refuses to sign an agreement not to seek resuscitation from cardiac arrest. This report is undoubtedly the proverbial tip of the iceberg.

The only surprising move on this issue recently, came at the meeting of the American Bar Association in Dallas, Texas on Feb. 3. There, the lawyers overwhelmingly rejected a proposal to support laws that would allow doctors to

"help" terminally ill patients kill themselves. The decision by the group is not binding, but the group has considerable influence among legislatures, given that a huge proportion of lawmakers are lawyers.

## Heading toward Nazism

In the years immediately following the Nuremberg trials Dr. Leo Alexander, a participant in the prosecution of Nazi doctors, wrote the following analysis of the early signs and symptoms of the Nazi outlook:

"Whatever proportions these crimes finally assumed, it became evident to all who investigated them that they had started from small beginnings. The beginnings at first were merely a subtle shift in emphasis in the basic attitude of the physicians. It started with the acceptance of the attitude, basic in the euthanasia movement, that there is such a thing as a life not worthy to be lived. This attitude in its early stages concerned itself merely with the severely and chronically sick. Gradually the sphere of those to be included in this category was enlarged to encompass the socially unproductive, the ideologically unwanted, and then finally all non-Aryans. But it is important to realize that the infinitely small wedged-in lever from which this entire trend of mind received its impetus was the attitude toward the non-rehabilitable sick."

From this standpoint, it is glaringly clear that the United States and, indeed, a good portion of the western and communist world have come a long way down the slippery slope toward the Nazi attitudes toward human life and toward Nazi treatment of human beings as well.

Dr. Alexander further elaborated the beginnings of the Nazi outlook by identifying it as utilitarianism, the idea that an individual is not worthwhile unless he or she is "useful" in the practical sense. It was his view in 1949 that this outlook was already dangerously infecting the medical profession. He also stressed that this idea had not arisen primarily from within the medical profession, but "was imposed by the shortage of funds available, both private and public. From the attitude of easing patients with chronic diseases away from the doors of the best types of treatment facilities available to the actual dispatching of such patients to killing centers is a long but nevertheless logical step. . . ."

Forty-three years later, we have taken that step. Oh, the advocates of euthanasia now defend themselves by saying that they are simply giving the opportunity to those who want to avoid pain, and that no one should be coerced to take his own life. And yet, one by one, the precedents are being established, such as those linking cheaper insurance rates to the "free" decision to forego treatment or be put to death by "active suicide"; or having state agencies make the "free" decisions for those who have ended up as wards of the state.

Had he lived, Dr. Alexander would have been in the forefront of defeating bills like that in Maine. There is a real question as to who will do so today.

# ADL assails blacks as anti-Semites

by Jeffrey Steinberg

Last November, *EIR* published an exclusive report on a closed-door conference of the Anti-Defamation League of B'nai B'rith (ADL) in Montreal, Canada, at which leaders of the so-called civil rights group accused American blacks, and especially black intellectuals, of being "inherently" anti-Semitic. One speaker went so far as to claim that blacks have been anti-Semites ever since the pre-Civil War era of slavery when they were taught to hate Jews by their plantation masters.

It was one thing for the ADL, a group with deep historical ties to the drug mafia, which has flooded this country's urban streets with deadly narcotics, to "let it all hang out" in a private meeting by suggesting that the traditional Jewish-black civil rights alliance may have been a mistake from the outset. But now, the ADL has come out publicly in print accusing the black community of fostering the biggest rise in anti-Semitic violence in over a decade. The language is toned down, much of the message is veiled, but the point remains the same: As far as the ADL is concerned, the biggest current and future threat of anti-Semitism in America comes from the black community, especially from black intellectuals and political leaders.

The message was delivered in the form of the ADL's "1991 Audit of Anti-Semitic Incidents," published early this year and now being widely circulated among police, prosecutors, and Jewish groups. The report was authored by ADL officials Richard Shaffer, Gail L. Gans, Michael Lieberman, Amy Solnin, and Marc Caplan, and was edited by Alan M. Schwartz, director of the Research and Evaluation department of the ADL's Civil Rights Division.

## The Crown Heights incident

The ADL report begins with a brief foreword bearing the dramatic headline: "The Shock of 1991: An Anti-Semitic Riot."

The two paragraphs of the foreword read: "In 1991, for the first time in recent memory, a mob's cries of 'Kill the Jew' echoed on an American street. The awful threat embodied in those words was soon realized: Yankel Rosenbaum, a 29-year-old Jewish scholar, was stabbed by a group of young rioters during unrest in Brooklyn's Crown Heights on the night of Aug. 19, following the tragic accidental death of a black child in an automobile mishap. Rosenbaum died later in a local hospital.

"The Crown Heights outburst, with its dozens of assaults and acts of vandalism, was the most dramatic and disturbing eruption of anti-Semitic violence in America in many years. These attacks were among the most noteworthy of the anti-Semitic incidents reported to the ADL during 1991—the fifth straight year of increased anti-Jewish acts nationwide."

The report later referred to the Crown Heights incident, which was indeed a tragic incident of black-Jewish violence, as "the first lynching of a Jew in the United States since that of Leo Frank in 1915."

Underscoring the fact that the ADL report singled out American blacks for special attention, the "Audit" boasted a significant drop in acts of anti-Semitism by skinheads, neo-Nazis, and other white racist groups, at the same time that anti-Semitic incidents were up 11% overall, and acts of anti-Semitic violence were up 25%, according to the ADL statisticians.

The most extended attention was focused on the university and college campuses, where the ADL claims that anti-Semitism among black students and faculty members is at an all-time high.

## Black leaders targeted

The ADL "Audit" specifically singled out by name many black leaders and intellectuals. The report read: "Stridently anti-Semitic speakers including Louis Farrakhan, Kwame Ture, rap music figure 'Professor' Griff, and Prof. Leonard Jeffries, have become popular with black student unions around the country. Openly anti-Semitic representatives of the Nation of Islam are also accorded warm campus receptions, including Conrad Muhammad, who addressed the Columbia Black Students Union at Columbia University in the fall of 1990. . . .

"Another anti-Semitic speaker making the rounds on campus was Abdul Alim Musa, a member of the Islamic Movement of North America. . . .

"The case of Prof. Leonard Jeffries, chairman of the Black Studies Department of the City College of New York, presents another kind of campus concern, anti-Semitism and racism by a faculty member, rather than from student groups. . . .

"These anti-Semitic developments illustrate the disturbing fact that many black student leaders and representatives—in effect, a significant portion of the future leadership of the black community—repeatedly invite and enthusiastically support speakers who are well-known for their Jew baiting. These student leaders thus offer a respectable platform for anti-Semitic prejudice and ignorance—while generating tension among Jewish students who feel they are 'under siege.' "

The idea of labeling a campus address by a spokesman for the Nation of Islam as an "anti-Semitic development," and of lumping together black professors with rap musicians in one undifferentiated pile of "Jew-baiters," is typical ADL double-speak. It is sure to stir up anti-Semitism, rather than curb it.

# National News

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## Hemlock Society head to step down

Derek Humphry will retire Aug. 1 as executive director of the National Hemlock Society, to devote more time to "the campaign to change the laws on euthanasia through public speaking and my writings," the Feb. 14 *Washington Times* reported. His decision comes amid growing public attacks on his push for legalized murder in the name of assisted and "do-it-yourself" suicides.

"His retirement finds Hemlock still trying to repair the damage from publicity surrounding the death of Mr. Humphry's second wife," a suicide victim in October 1991, who left a note claiming that Humphry had pressured her to do it and that he had suffocated his first wife, who was dying of cancer, the *Times* noted.

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## Court grants 'right' to starve incompetent

The Massachusetts Supreme Judicial Court on Jan. 6 reaffirmed a lower court decision that would allow the murder of "Jane Doe," a 33-year-old profoundly retarded woman and long-term ward of the state, to be murdered by starvation and dehydration.

The woman, who has been mentally retarded since infancy, has been a resident of the Wrentham State School and Medical Facility for the last 28 years. The facility says Doe is in a "persistent vegetative state," a catch-all phrase used by the euthanasia mob to imply that there is "a life not worth living."

The ruling comes as Massachusetts Gov. William Weld is shutting down 8-10 facilities for the mentally retarded and other wards of the state to cut costs. The main facility of Wrentham State, where Doe is cared for, is protected against such cuts by a federal court mandate, but tens of thousands of residents like Doe in state facilities will be targeted by financially strapped states as a result of this ruling.

Although Doe was never competent to make decisions, and is alleged to be incap-

able of any response, the court contrived a "substituted judgment" for Doe, concluding that if she were competent, she would want to starve to death (see page 68). Therefore, the court argued, the maintenance of a feeding tube against Doe's wishes "robs her of the right to determine her course of care." The court also argued that where the appellees (the state and the court-appointed guardian) "are striving to vindicate Doe's right to refuse invasive treatment, Doe's right to self-determination must prevail over the state's interest in preserving life for all."

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## Greenpeace fronting for intelligence agencies?

The international eco-fascist organization "Greenpeace" is apparently serving as a front for intelligence agencies waging war against the Third World.

*Aviation Week* reported in its Jan. 27 issue, in an article entitled "Conflicting Views of Strategic Air War in the Gulf," that one William M. Arkin, a "former U.S. Army intelligence analyst, and current director of the Nuclear Information Unit of Greenpeace International, has been shown U.S. Gulf war target lists by Pentagon officials and was allowed by Iraqi officials to travel from Baghdad to Basra taking pictures of bombing results." This enabled Arkin to go as a de facto U.S. military intelligence agent to Iraq, where Greenpeace is apparently considered to be a *bona fide* dissident group.

Arkin pronounced the bomb targeting "clean, efficient, and legal." Arkin would appear to be operating as an adviser to the Pentagon on how to conduct war in the Third World cheaply.

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## FBI, CPUSA make strange bedfellows

A 1973 FBI memorandum obtained recently under the Freedom on Information Act in its unredacted form, shows that the FBI sought to aid the Communist Party U.S.A. efforts to "eliminate" Lyndon LaRouche.

The memo dated Nov. 23, 1973 from the New York FBI office to headquarters states in part, "In reviewing the New York case file it is noted that information has been received that the CPUSA is conducting an extensive background investigation on the subject (LHL) for the purpose of ultimately eliminating him and the threat of the NCLC [National Caucus of Labor Committees], on CP operations. . . ."

"NCLC sources have advised that the subject is the controlling force behind the NCLC and all of its activities. A discussion with the NY NCLC case agent indicates that it is felt if the subject was no longer in control of NCLC operations that the NCLC would fall apart with internal strife and conflict. . . ."

"NY proposes submitting a blind memorandum to the *Daily World* CP newspaper, in New York City which has been mailed from outside this area to help facilitate CP investigation on the subject. It is felt this would be appropriate under the Bureau's counter intelligence program."

A Dec. 6, 1973 memo from FBI headquarters to the FBI New York office denies it permission to submit the memorandum and states, "It appears from a review of Bureau files that the CPUSA has already successfully obtained sufficient information concerning the subject and his activities to take any action against him it might desire."

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## Environmental liabilities given legal precedence

Environmental liabilities have been given precedence above all other claims in a bankruptcy proceeding by a federal bankruptcy court. If allowed to stand, the decision will mark a major step toward enshrining ecological fascism as the highest legal consideration in the U.S. judicial system.

The case involved the Chapter 11 bankruptcy of TGX Corp., which operates more than 900 gas wells in western New York State, according to the Feb. 10 *Journal of Commerce*. Many of the wells are nearing the end of their useful lives, and New York's environmental laws require that all wells taken out of production must be plugged with concrete before they can be abandoned.

However, TGX's proposed plan of financial reorganization did not include the estimated \$4.5 million needed to plug the wells.

After the state of New York's Department of Environmental Conservation filed objections with the U.S. federal bankruptcy court in Shreveport, Louisiana, TGX negotiated a settlement whereby the costs of plugging TGX's wells will be deemed priority claims before all others except those of secured creditors.

The federal bankruptcy court accepted the settlement and TGX's revised reorganization plan, thus bestowing its imprimatur on the notion that environmental impositions outweigh the claims of creditors in a bankruptcy.

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## Imprisonment rates outpace the world

According to a report issued in February by the Washington, D.C.-based Sentencing Project, the United States leads the world in the rate which it imprisons its population, and has widened its lead over South Africa with respect to its imprisonment rate. The report says that the U.S. had a prison population of 1.1 million in 1990, a 6.8% increase from 1989.

The U.S. has an incarceration rate of 455 per 100,000 population, while the rate of South Africa (the world's second-highest known rate) is 311 per 100,000, a decline from previous years. The U.S. rate of incarceration is 10 times higher than that of Japan, Sweden, Ireland, and the Netherlands.

The most recent figures issued by the Bureau of Justice Statistics, for mid-1991, show that the total prison and jail population for the United States is over 1.2 million.

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## Bushmen propose churches act as IRS gestapo

President George Bush has proposed that all churches, synagogues, and temples in the United States report to the Internal Revenue Service (IRS) the names of donors who give them more than \$500 a year (\$10 per week),

the Feb. 15 *Richmond Times-Dispatch* reported. The proposal, which the Bush administration wants to put into effect by July 1, is aimed at "getting the churches to help the IRS catch taxpayers who inflate the amount of their deductible contributions," according to the paper.

The proposal was greeted with disbelief by Catholic and Protestant spokesman. Dr. James Dunn, executive director of the Joint Baptist Committee, said, "It represents a recurring pattern of willingness to use the churches for the government's purposes." Pointing out the danger of "church-state entanglement," Dr. Dunn said, "It is none of the business of religion to be a government agent."

Dr. Dunn called Bush's proposal "a burdensome intrusion" on the nation's estimated 350,000 churches and synagogues, most of whom have fewer than 200 members. Frequently, the staff of such churches is a pastor and a volunteer bookkeeper.

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## Cardinal: 'World rejected Iraqi children'

New York Cardinal John O'Connor said the world was responsible to the misery and suffering of the Iraqi children, in his Jan. 21 homily at the national prayer vigil for life.

O'Connor said that he had recently visited the Middle East, including Bethlehem, where he prayed at what is said to be the birthplace of Christ. "It was a privilege and I was grateful," recounted O'Connor. "But in no way did I begin to sense the presence of the Christ Child nearly so poignantly as I sensed the presence of the Christ Child in the Iraqi refugee children I saw.

"These children have been driven into desperation by the world—by the whole world, by this socio-economic system of ours that tries to solve its problems through wars, through destruction. What a strange, strange world! These children, orphaned by the world, roamed the streets of Jordan in bitter cold, shivering, hungry, tears running down their cheeks. I saw little babies in the arms of their fathers and their mothers, and that's where I saw the Christ Child. These children are rejected by the world."

## Briefly

● **PARDONS** granted to seven death-row prisoners and four other convicts by then-Ohio Gov. Richard Celeste have been overturned by Judge Richard Seward of Franklin County Common Pleas Court, on procedural grounds. The Department of Corrections will now decide whether the prisoners will be executed, the Feb. 16 *New York Times* reported.

● **RICHARD THORNBURGH** has been asked by U.N. Secretary General Boutros Boutros Ghali to become U.N. Undersecretary General for Administration and Management, according to press reports. The former attorney general promulgated the doctrine that the U.S. could intervene overseas in violation of national sovereignty.

● **RICHARD TRULY** will be leaving as head of NASA on April 1, the White House announced Feb. 12. Policy disputes came to a head recently when the Office of Management and Budget allowed NASA to request only a 4.5% cost-of-living increase for next year's budget, leading to the proposed cancellation of a number of ongoing programs.

● **BENJAMIN HOOKS**, executive director of the NAACP, resigned hours after a number of members of the 64-person national board of directors were denied reelection by a term limits rule. National president Hazel Dukes will be replaced by Rupert Richardson, president of the Louisiana State Conference.

● **OLIVER STONE** told the Madrid daily *El País* in early February that the screenplay for his film "JFK" was stolen and leaked to the press to launch a slander campaign. Stone said, "The thing about the CIA apparatus, is that they are worse than the mafia, because they are *legitimate*. They own banks. They are accountable to no one."

● **'THE CIA** is hiring business executives as spies and placing them undercover in multinational corporations," the Feb. 13 London *Daily Telegraph* reported.

## Editorial

### *How to think about welfare*

There is no question but that welfare costs are biting more and more into public revenues, as the present depression deepens, and the tax base shrinks. Cities and even states are in a position of undeclared bankruptcy. Under these circumstances, an ugly mood has been created in the country, especially among conservatives, which blames the welfare poor for being "useless eaters."

In a period where none of the "official" candidates who are running for office has the least idea of how to deal with the depression, it becomes seductive to simply blame those desperate people who have been reduced to joining the welfare rolls. Yet it is the bitter truth that today many families cannot meet ends meet, even with both parents working, so that at the very least they must rely upon food stamps. For single mothers, the situation can be far more brutal.

As more and more people are thrown out of work, employers who are themselves on the verge of bankruptcy, sometimes use the opportunity to cut wages below the minimum needed for survival. Unfortunately, where "workfare" replaces welfare, it has tended to lower wage scales in general, and of course, in the present situation of increasing unemployment, these new additions to the labor force cannot be absorbed without throwing other people out of work. A virtual slave labor force is thus being created at the lower end of the wage scale, and these individuals are being recycled to lower- and lower-paying jobs.

Even mothers with young children are being forced off the welfare rolls; yet in most instances it is simply unrealistic to suppose that a woman with relatively low job skills can pay for child care, as well as single-handedly support her family. Even where a single mother successfully struggles to do just this, her existence is usually so marginal that a relatively minor illness can result in forcing her to join the ranks of the homeless, with her children.

Two-parent families today find it difficult to survive financially without both parents working. Parents are increasingly faced with the brutal forced choice be-

tween being able to provide adequate personal care for their children, and providing an adequate physical standard of living for the family.

The inability of a father to adequately support his family is an indication of the present structural imbalance of our economy. Since the death of John Kennedy—when the United States was a leader in frontier technology and space exploration—the U.S. economy has been more and more burdened by the shift out of productive jobs and into service sector employment. This is the essence of the myth of Lyndon Johnson's so-called Great Society, which substituted government-controlled welfarism for productive capitalism.

While it is the Democrats who tend to relate to the ideology of the Great Society, and Republicans to the equally pernicious "free market" ideology, it should be noted that both are versions of British political economics, and both oppose the American System of economics. Either alternative leads to the growth of a poverty-stricken underclass. Both accept the increase of poverty as a given, and the only difference between them is over how the poor are to be treated.

Over the past 18 years, there has been a public campaign intended to label welfare recipients as a lazy underclass, who choose joblessness as a way of life. As a result, welfare benefits as a whole, calculated in constant dollars, have been reduced by 25-42%, as workfare has replaced welfare.

The answer to the present crisis is to go back to American System economics (the benchmark for this in our recent past is the short-lived Kennedy presidency). This is the program of Lyndon LaRouche. He has called for the creation of 6 million jobs to rebuild the collapsing infrastructure of the United States. Along with this, he is for tax incentives to vital industries which invest in research and development, and which foster investment in high technology. Such a program would mean that the United States would again have the productivity needed to support the growth of healthy, happy families, and the welfare rolls would be reduced.

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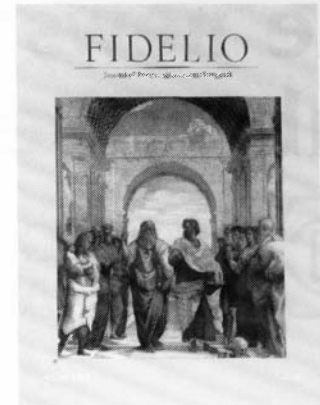
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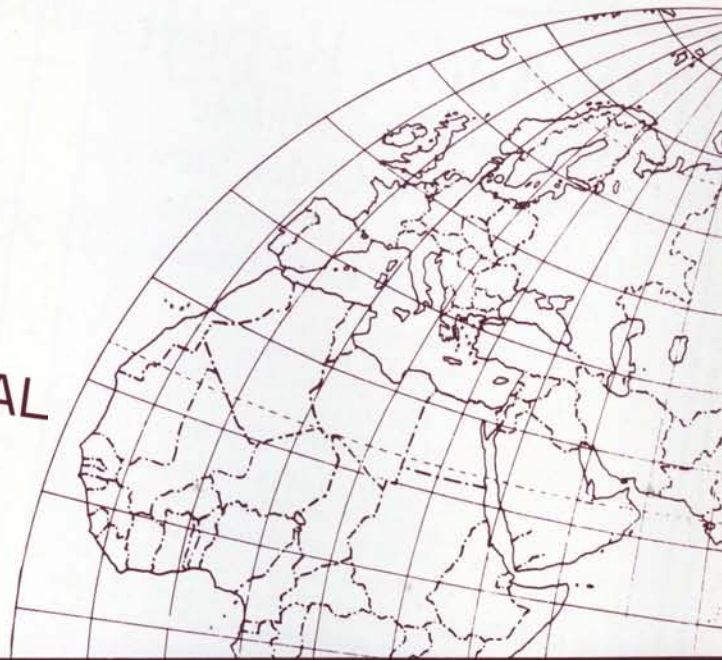
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