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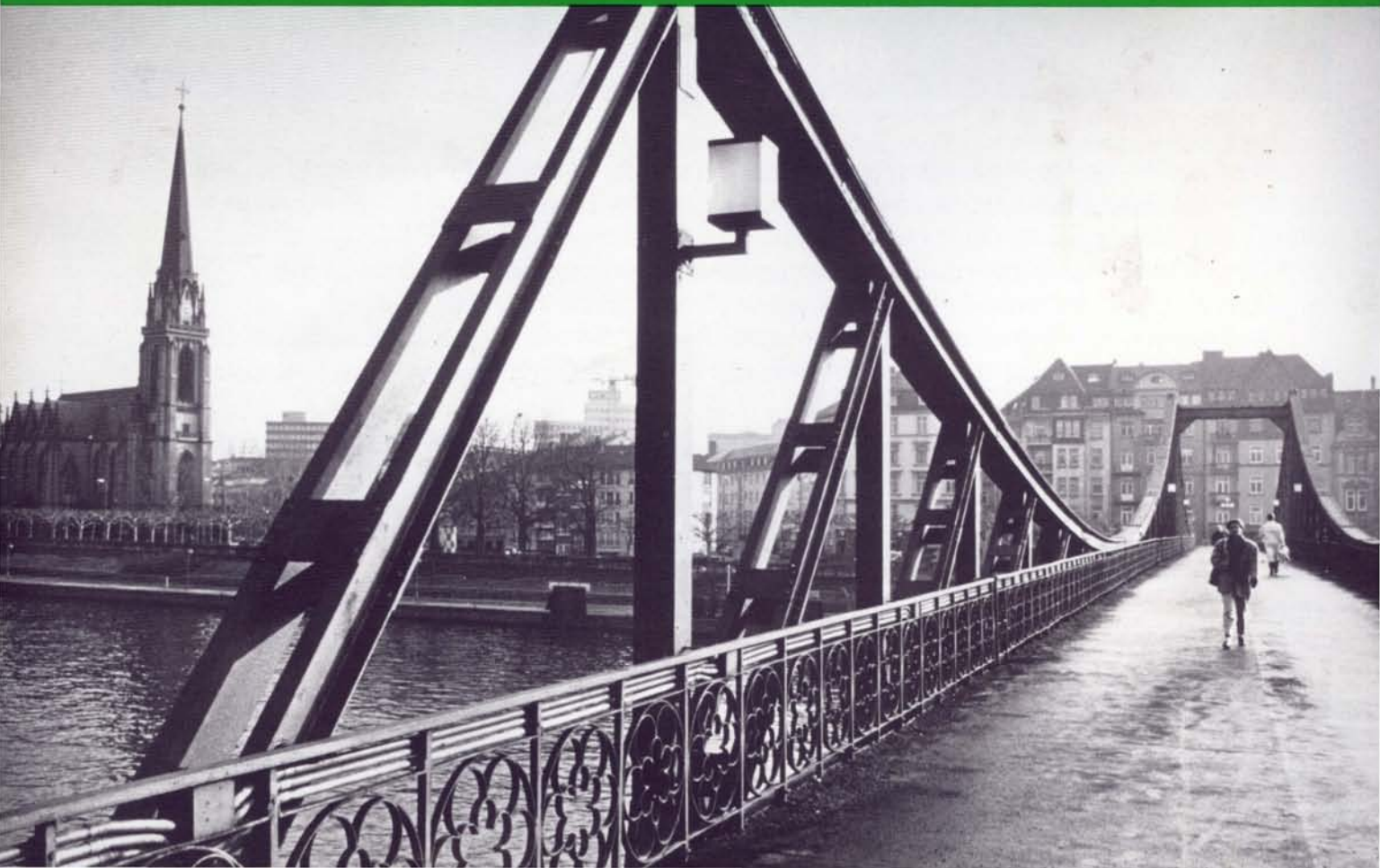
Executive Intelligence Review

May 29, 1992 • Vol. 19 No. 22

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New edition of 'Dope, Inc.' released
Will mankind act to avert global tragedy?
Clinton and drugs: in deeper and deeper

**Build infrastructure to
launch an economic recovery**





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EIR (ISSN 0886-0947) is published weekly (50 issues) except for the second week of July, and the last week of December by EIR News Service Inc., 333 1/2 Pennsylvania Ave., S.E., 2nd Floor, Washington, DC 20003. (202) 544-7010.

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

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

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

From the Managing Editor

On the eve of the June 2-12 "Earth Summit" in Rio de Janeiro, at which every imaginable sort of nonsense will be trumpeted as economic policy, we are happy to publish a study that points to the actual basis for sound economics.

Commissioned by Lyndon LaRouche, our statistical survey looks at five benchmark countries from the standpoint of basic infrastructure. By that we mean not only bridges, roads, and energy supplies, but also social infrastructure: education and health care. Starting from the vantage point of 1970, when the "developed" countries had not yet entered the "post-industrial society," the study puts forward the criteria that should be used to look at any economy, whether to devise an emergency recovery program or for national economic planning. Other nations will be analyzed in future articles.

You may notice that this week's issue lacks our usual extensive coverage from Ibero-America. The reason is that our correspondents from that part of the world are all participating in the historic founding conference of the Ibero-American Solidarity Movement in Tlaxcala, Mexico—along with editor Nora Hamerman and many others. Next week, we'll have a full report. In this issue, you will find the keynote address by Helga Zepp-LaRouche, on the strategic turning point the world now faces.

This turning point, or *punctum saliens*, can be seen most starkly in the case of the United States. Commenting on the May 20 execution of Virginia death row inmate Roger Coleman, political prisoner LaRouche said: "German fascism, from the standpoint of law, was far more lawful, far less evil, than the kind of law which is represented by the trends in the Supreme Court today. What highlights this is the argument among these circles, to the effect that the *actual innocence* of a person on death row must not become an obstacle to the timely execution of the convicted death row resident. That is the pure essence of fascism under law."

The arrogance of this administrative fascism is also seen in the May 18 rejection by Judge Albert V. Bryan, Jr. of the "2255" motion filed on behalf of LaRouche, seeking either to vacate his 15-year prison sentence, or to grant him a new trial based on newly discovered evidence.

Said Mrs. LaRouche in her speech, "There is no question in my mind, that the early liberation of LaRouche is the *punctum saliens* for mankind."

Susan Welsh

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This man was executed on May 20 in the Commonwealth of Virginia, for a crime that he said he did not commit. He had strong evidence to back that up, but the courts refused to hear it.

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Helga Zepp-LaRouche addresses the founding conference of the Ibero-American Solidarity Movement in Mexico. Today we have reached the point, she says, that the human race is deciding whether or not it has the moral fitness to survive. Dramatist Friedrich Schiller called it the *punctum saliens*, the moment of decision in great drama, when the hero must act to overcome the crisis of his nation and his people.

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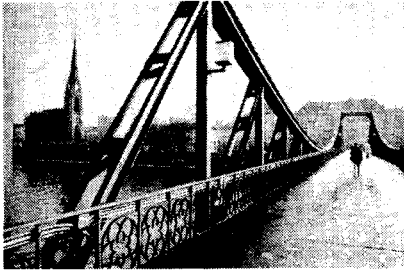
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World's biggest real estate company files for bankruptcy

by Marcia Merry

Olympia & York Developments Ltd., the world's largest commercial real estate company, filed for bankruptcy in Canada and the United States on May 14. Those popping noises you heard that night were not champagne corks; it was the air rushing out of the Anglo-American financial and real estate bubble. In the shady world of high finance, banking elites are pushing and shoving to position themselves to get more loot, and postpone the day of reckoning. In the shady world of politics, George Bush and his cohorts in London are looking ever more ridiculous with their talk of recoveries and upturns. Meantime, the conditions of the real economy are sinking from bad to catastrophic.

The multibillion-dollar real estate bubble that Olympia & York had created over recent decades, was perhaps the bubble of all bubbles in history. The 1720 South Sea Bubble, the 17th-century Tulip Bubble, and the others don't even rank compared to this one. Olympia & York came to be the largest real estate "developer" in the United States, Canada, and Britain. It is the largest landlord in New York City, with 23 million square feet of office space; it is developing Canary Wharf in London, the largest real estate development in Europe. It made itself into a world-class debtor: The total indebtedness of the O&Y empire is estimated at between \$18.5 billion (the official amount) and \$25 billion (the estimate of informed sources). This amount far exceeds the debt of dozens of nations. And now the great Olympia & York bubble has burst.

The bankruptcy filing in Canada was made under the Canada Companies Creditors Act (considered more favorable to creditors than the U.S. bankruptcy protection laws). The 29 Olympia & York companies which filed in Canada listed total debts and financial guaranties to outside entities at \$14.9 billion, with close to \$464.3 million in intercorporate obligations.

The bankruptcy filing in the United States involved the

U.S. holdings of several of the company's Canadian subsidiaries, but did *not* involve the company's huge U.S. real estate holdings. The U.S. real estate holdings include Manhattan's 55 Water Street, the largest office building in the world, the World Financial Center, and a host of other prestigious properties. Nor has O&Y filed for bankruptcy in Britain, where its principal holding is the Canary Wharf project. The U.K. insolvency laws can mean relatively automatic liquidation—which strikes fear in even the blackest creditors' hearts.

Widespread repercussions

Following these long-anticipated May 14 O&Y bankruptcy declarations, other real estate operations are ready to go under, in turn wiping out more banks and insurance companies and other funding entities.

Consider, for example, the case of 55 Water Street. O&Y has \$548 million in bonds in the Olympia & York Water Street Finance Corp., secured by this giant building. The largest holder of these bonds is reportedly the Alabama Retirement System, which is on the hook for \$100 million. The value of the bonds has sunk down to 25¢ on the dollar, so the Alabama fund has already lost \$75 million, and the remaining \$25 million is shaky.

The Water Street structure itself is in trouble: It doesn't meet New York building codes dealing with asbestos. Olympia & York needs to spend \$20 per square foot to fix it; they can't afford it. Against annual interest payments of \$35.8 million, the building's cash flow is projected at \$25 million in 1993, and \$5.6 million in 1994, assuming no new leases are signed in the structure.

Five days after the bankruptcy filing, O&Y informed the holders of the \$548 million bonds for Water Street, that the company would not even be able to make the interest

payments on those bonds beginning 1993. This year's payments, if made at all, will be made only because O&Y has Swiss bank credit and an Aetna surety bond.

The company has asked New York City tax authorities for temporary relief on \$75 million in municipal tax payments due July 1. According to the London *Financial Times*, eight of O&Y's New York City office buildings are solvent, but the company has diverted all possible cash out of them to the parent company and to London's Canary Wharf.

The situation of 55 Water Street characterizes every aspect of the great Olympia & York bubble. On May 18, in Britain, where no special insolvency filings have been made, the "Club of 11" big banks met on the Olympia & York crisis, and decided to leave in place a line of credit of £21 million (\$38.6 million) which they "drip feed" for work to continue on Canary Wharf, in hopes of meeting the terms of the few tenant contracts. Lloyds and Barclays head the committee of lenders, which have \$1.01 billion in loans outstanding on the project. The others in the Club of 11 include: Canadian Imperial Bank of Commerce, Citicorp, Commerzbank, Crédit Lyonnais, Crédit Suisse, HSBC Holdings' Hongkong and Shanghai Banking Corp., Kansallis Osake Pankki, National Bank of Canada, and Royal Bank of Canada.

The Canadian banks are especially feeling the heat. The *Financial Times* of May 21 reported that the Royal Bank of Canada and the National Bank of Canada are having their credit ratings reviewed for possible downgrading. On May 21, a court hearing on Olympia & York was scheduled under the Canadian Companies Creditors Act, at which some foolish lenders planned to challenge the contention that it can't make payments.

Barclays, the largest bank in the United Kingdom, has backed off from a plan to move some of its employees to Canary Wharf. Barclays also announced that it is selling off its 65 U.S. branches to the Bank of New York.

Citicorp has a direct, unsecured exposure to Olympia & York of \$1.02 billion. Chemical Banking Corp., which lent \$250 million, has announced plans to raise \$250 million through the sale of preferred stock. The bank denies that the two are related.

The statistics on declining rentals of commercial real estate in the United States throw the drama into sharp focus. As of March 31, office building vacancies in major downtown areas continued to climb up to a national rate of 19.3%; and in the major suburbs to 21.4%. The downtowns with the highest vacancy rates are: New Haven, Connecticut—35.4%; Dallas, Texas—32%; San Antonio, Texas—30.7%; Miami, Florida—29.3%. New York City's midtown office vacancy rate is given as 17.9%. At current real estate market values, O&Y's properties fall short of the debts owed against them.

Stage-managed crisis?

The pedigree of some of the principal "handlers" active in the O&Y takedown internationally indicate that elite banking interests may think they can intervene to save their own

selected financial operations, while orchestrating a lowered valuation of real estate generally. The immediate cause of the Olympia & York bankruptcy filings was action by the House of Morgan. On May 13, J.P. Morgan foreclosed on \$160 million worth of currency swap agreements with O&Y. On May 14, Morgan Stanley successfully got a British High Court judgment that Olympia must pay them \$240 million—which the company could not do, as Morgan Stanley knew. These actions are reminiscent of Morgan's actions in the previous depression of this century, when the House of Morgan acted to minimize the damage to itself and its friends, by steering the crash toward others.

Representing O&Y in the negotiations with its bankers are three firms, J.P. Morgan, James D. Wolfensohn and Co., and Burns Fry Ltd. of Canada. The current chairman of the Wall Street investment bank Wolfensohn is former U.S. Federal Reserve chairman Paul Volcker. James Wolfensohn himself spent the early 1980s at Salomon Brothers; before that, he was introduced into high-level British financial circles by Bank of England governor Sir Gordon Richardson. Wolfensohn's role model was Sir Sigmund Warburg, the bankers' banker. Besides representing Olympia & York, the Wolfensohn firm represents the notorious Hongkong and Shanghai Banking Corp., and had recently forged an alliance with Britain's Lord Jacob Rothschild.

Federal Reserve chairman Alan Greenspan's trip to Basel, Switzerland in May, for the monthly Bank of International Settlements meeting of central bankers, and his May 12 meeting with Bank of England head Robin Leigh-Pemberton, reportedly included discussion of how to contain the damage of the O&Y crisis.

A bankrupt policy

But have you ever tried to "save" a bubble? Olympia & York is the premier enterprise of the rotten Anglo-American financial system, which has grown over recent decades through infusions of drug money, speculation, and looting. Then-Federal Reserve chairman Volcker opened the valves for this during the Carter administration in 1979, with his banking deregulation. The policy continued throughout the Reagan-Bush years.

The financial crisis is rippling throughout the Anglo-American world. In Australia, for example, on May 20, the nation's largest bank, Westpac Banking Corp., announced a loss of Aus \$1.67 billion (\$1.25 billion), for the six months to March 31, which is the highest interim loss in the bank's history.

But George Bush can't seem to get his cue cards adjusted. He is still sticking with his "real estate-led recovery thing." On May 18, Bush addressed a group of homebuilders at a White House ceremony, and spoke hopefully of an uptick in the real estate market. He said, "As housing goes, so goes the economy." But two days later, new federal statistics came out saying that U.S. housing starts in April posted their biggest monthly decline in more than eight years.

Book Review

A combat manual for a competent war on the international drug cartel

by Peter Brand

Dope, Inc., The Book That Drove Kissinger Crazy

by the Editors of *Executive Intelligence Review*
EIR, Washington, D.C., 1992
697 pages, paperbound, \$16

After being out of circulation for nearly five years, *Dope, Inc.* is back in print once again. The third, expanded edition of the bestseller, which was first published in 1978, could not have been released at a more appropriate moment.

As the authors document in three new introductory chapters, the international drug trade is doubling every five years. Best estimates are that the profits of illegal narcotics sales during fiscal year 1991 alone nearly reached the \$1 trillion mark. Drug money today represents the largest pool of liquid capital in the world. If anyone wishes to really figure out why the world economy is shot to hell, and why the entire Bretton Woods international financial structure is hopelessly bankrupt, then this is the starting point for discovering the horrible truth, and the third edition of *Dope, Inc.*, subtitled *The Book That Drove Kissinger Crazy*, is must reading.

Back in 1978, when a team of researchers for the now-defunct U.S. Labor Party undertook to piece together an overview of the global narcotics trade at the urging of Lyndon LaRouche, it was big news that the world's major "legitimate" financial institutions were up to their eyeballs in the proceeds from the sale of illegal, mind-altering drugs.

At the time, the authors of *Dope, Inc.*, *Britain's Opium War Against the United States* took the battle against the bigtime drug money launderers to the doorsteps of the Federal Reserve Board by attempting to block the Hongkong and Shanghai Banking Corp. ("Hong Shang") from taking over Marine Midland Bank, New York State's eighth-largest commercial bank, on the grounds that the Hong Shang was a wholly owned subsidiary of the worldwide opium cartel. Although then-New York State Banking Commissioner Mu-

riel Siebert blocked the sale, the Federal Reserve Board gave its approval by granting Marine Midland a federal charter, and the deal went through under Federal Reserve auspices. The Hong Shang takeover was an important event. It signaled that the floodgates had been opened for drug money to flow freely into the American economy. For the first time, with no congressional or Executive branch okay, an unregulated, unaudited offshore bank—publicly acknowledged by the British government as the central bank of Britain's Far East opium trade since the 1860s—was given permission to take over a major American financial institution.

Things have never been the same since.

Eurodollars, petrodollars, narco-dollars

Lyndon LaRouche warned on Aug. 15, 1971 that the Nixon-Kissinger administration's free floating of the dollar and delinking of the U.S. currency from gold (accomplished at the Azores conference earlier that summer) would wreck the U.S. and world economies, by giving speculators a significant advantage over investors seeking to make long-term investments in productive enterprises like manufacturing, agriculture, and the expansion of infrastructure.

In the late 1960s, LaRouche had already launched what would become a lifelong battle against the rise of the drug-rock-sex counterculture, a rise that coincided with President Lyndon Johnson's capitulation to policies initiated by the Harold Wilson "New Age" government in England between 1964-67. U.S. aerospace began a long downward slide as LBJ scaled back the successful U.S. space program, the British pound sterling went through a crisis in 1967-68, triggering the beginning of the demise of the Bretton Woods system, and the trend toward the post-industrial society took off.

After Henry Kissinger's orchestrated Middle East oil crisis of 1974, the Eurodollar market emerged as the center of an offshore system for recycling petrodollars into an ever-expanding pool of speculative cash literally flooding the world economies. Some of those Eurodollars and petrodollars were shoved down the throats of developing sector coun-

tries, which had previously been free of the burdens of servicing debt, forcing their submission to economy-wrecking austerity imposed by consortiums of international bankers, the International Monetary Fund, and the World Bank. Years later, it would be unearthed that, at the same time that he was peddling this petrodollar hoax, Henry Kissinger was authoring a Nixon administration National Security Study Memorandum detailing a plan for reducing the population of the developing sector. One of the unspoken features of that plan was the replacement of food production in the Third World with the cultivation and production of drugs.

Years later, on May 10, 1982, in a speech before the Royal Institute of International Affairs (RIIA) at London's Chatham House, Kissinger would boast that he had functioned as a British agent of influence while Nixon's secretary of state and national security adviser.

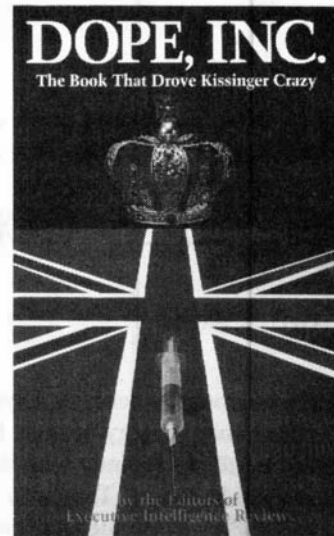
By the time the Trilateral Commission-dense Carter administration came into office in January 1977, the world money markets were already flooded with speculative capital that had been created out of thin air—or rather, thick smoke.

It is no coincidence that the Carter administration was on record as supporting the legalization of drugs. Under Carter, and later, under the Reagan-Bush administration, the Eurodollars and petrodollars would be superseded by a new currency: the narco-dollar.

Under the direction of Carter's new Federal Reserve Board chairman Paul Volcker (who now is the North American chairman of the Trilateral Commission), U.S. interest rates were driven up to over 20%, while the White House led the charge for wholesale banking deregulation, on the model of the Hong Shang takeover of Marine Midland. Overnight, the cartel that became infamous as "Dope, Inc." had been given both the motive and the means for flooding the U.S. economy with narco-dollars. These actions by Volcker all followed a blueprint authored by the New York Council on Foreign Relations years earlier. The CFR's *1980s Project* prescribed a series of steps aimed at taking the world economy through a "controlled disintegration."

As the result of deregulation and Volcker's high interest rate regime, the vast majority of Eurodollar-denominated cash collapsed onto the U.S. economy. By 1981-82, the deregulated U.S. banking system had become a safe haven for illegal cash, laundered back in as leverage for corporate takeovers and junk bond "creative financing" schemes of all kinds. Overnight, Wall Street outfits like Kohlberg Kravis Roberts (KKR) and Drexel Burnham Lambert began buying up some of America's most prestigious big-ticket corporate entities. Their capital pool was the flood of narco-dollars.

By the mid-1980s, the minions of national crime syndicate boss Meyer Lansky, reaping the profits of a vastly expanded flow of illegal narcotics and drug money into the U.S., were literally buying up America's corporate sector and in the process looting the nation's pension funds and savings and loans.



Bigger than Iran-Contra

As the result of all the media attention devoted to the so-called Iran-Contra scandal, the false impression has been spread that a collection of "out of control" intelligence agents, typified by Oliver North and the late CIA director William Casey, developed an expedient relationship with the Medellín Cartel and other narco-traffickers for the purpose of financing secret wars. That prevailing view of the scandals of the Reagan-Bush era misses the larger reality, which comes across loud and clear in the pages of *Dope, Inc.*: The United States, during the 1980s, was in the final stages of being taken over top down by the sponsors of the international drug trade. The biggest scandal of the Reagan-Bush years was the wholesale looting of what remained of the productive base of the U.S. economy through the narco-dollar invasion. Compared to that tragedy, the Iran-Contra muddle was a relatively insignificant, albeit revealing, manifestation of the problem.

This updated, third edition of *Dope, Inc.* provides the reader with an in-depth basis for understanding the narco-dollar invasion. But, above all, *Dope, Inc.* is a call to action to destroy the international drug cartel while there is still a chance.

Back in March 1985, shortly after drug traffickers had assassinated the courageous justice minister of Colombia, Rodrigo Lara Bonilla, and had kidnaped and tortured to death U.S. Drug Enforcement Administration agent Enrique Camarena Salazar in Mexico, Lyndon LaRouche authored a 14-point plan for conducting a hemispheric war on drugs. Just as *Dope, Inc.* to this day remains the combat manual exposing the enemy's order of battle, the LaRouche 14-point plan (which appears in full as an appendix in the new edition) represents the war plan for successfully carrying out the campaign to end the scourge of drugs and the dictatorship of narco-dollars.

'Revisionists' miss the boat on Japan's economic success

Part 1, by Kathy Wolfe

The "revisionist" economists, lead by Clyde Prestowitz, president of the Economic Strategy Institute (ESI) in Washington, have made headlines recently with sharp attacks on Adam Smith's free trade theory. They also attack "Japan, Inc.'s juggernaut," as Prestowitz dubs it in his book *Trading Places*, which charges that Japan has "targeted" the U.S. economy for domination. America's only recourse, they say, is to junk free trade, in favor of a "more Japanese paradigm."

Revisionist James Fallows, a former Carter official now writing for *Atlantic Monthly*, told an ESI seminar entitled "U.S.-Japan Relations: What Now?" on May 8: "Free trade is not an axiomatically true economic principle, and I predict that there is going to be a debate soon in the United States, on whether or not it is even a good idea, just as there was in the 19th century."

Fallows reported that Vice President Dan Quayle sharply attacked revisionism in an April 27 speech on Japan to the New York Council on Foreign Relations. The speech, he said, indicated that the group is "coming up in the world," although as he pointed out, someone at a much higher level than Quayle likely was the author.

The attacks by ESI on Adam Smith's Anglo-American myth of the "invisible hand" are welcome and deserved. So are ESI's promotion of the writings of America's first treasury secretary, Alexander Hamilton, and of Hamilton's German disciple Friedrich List.

Fallows began his talk on May 8 with a glowing recommendation of List's *National System of Political Economy*, although it was strange to hear him insist that List has been blacked out of American literature for over 40 years. *EIR*'s Jan. 3, 1992 issue, entitled "200 Years Since Hamilton's 'Report on Manufactures,'" reported in depth how Hamilton and List demolished the pack of lies in Smith's *Wealth of Nations*. It was never free trade, but the system of "national economy" created by Hamilton, List, Mathew Carey, and his son Henry Carey, which industrialized the United States, Germany, and Japan.

The question is, whether the revisionists understand the real Japanese system of political economy—or the actual philosophy of Hamilton, the Careys, and List upon which Japan and the United States were built. Any economist who does understand those writings would know, that it is *Britain*,

and pro-British economists in Washington, which have been responsible for the postwar decline of the U.S. industrial base—not Japan.

Revisionists and oligopoly

Japanologist Chalmers Johnson defined revisionism in his March 11 luncheon speech to a two-day ESI conference on "America's Goals for the 21st Century." We seek to revise the standard free trade theories, Johnson said, such as those of Francis Fukuyama, who believes that Japan "was reborn in the image of the United States during the Allied Occupation." Fukuyama's book *The End of History* claims that history is over because there are only two types of economies: the Adam Smith free trade system (including Japan), and communism, now defunct.

Revisionists and most Japanese, however, believe that Japan operates in a third way, which is certainly true. "Japan does not fit this schema," Johnson said. "Peter Ennis recently defined 'revisionism' as the 'view that Japan's economy and society are not organized around classical notions of free markets, in which the direction of the economy is determined by the independent actions of consumers and corporations. . . . This challenges the conventional wisdom among American policymakers, hence 'revisionism,' that Japan is fundamentally similar to the United States and other western capitalist democracies.'"

Johnson, his student Clyde Prestowitz, and cothinkers write that Japan's "way" is a *command economy*, a form of "oligopoly," as a recent ESI report put it, which has enabled Japan to economically bury the United States. The revisionists' repeated theme, is that the United States must move closer to such a "new paradigm" to survive.

Fallows's May 8 discussion of Friedrich List described List as a theoretician for oligopoly, laying the basis for German industrialization, and for the command economies of Bismarck and the Nazis. List did this, Fallows claimed, by restricting the interests of the individual in favor of the interests of the command state.

"List's most important concept is," he said, "that where Adam Smith went wrong, was to assume, that there is a natural equation between the welfare of the individual, and the welfare of nations. There is, says List, no such equation.

List pointed out that you can have a nation full of individuals maximizing their own best welfare, and have a bankrupt nation.

“List developed instead a system to suppress the impulse of the welfare of the individual, in order to assure the welfare of the state. Frequently, the consumption and some rights of the individual are suppressed, to facilitate the accumulation of capital by corporations, as part of a corporate state.”

ESI president Prestowitz, who writes frequently on the subject of List’s forebear Alexander Hamilton, treats Hamilton in much the same way. At the March 11-12 ESI conference on “America’s Goals for the 21st Century,” Prestowitz released his new book, *Powernomics*, which reprints a nine-page excerpt from Hamilton’s 1791 *Report on the Subject of Manufactures*. The view given the reader of Hamilton, whose economics is left unexplained, is created by 40 other excerpts from different essays incorporated in the book, particularly those in Part IV and V, “Thinking Strategically.” The common denominators of the essays are denunciations of free trade, and advocacy of some form of command economy.

Powernomics reprints, side by side with Hamilton, excerpts from *Creative Destruction* by Joseph Schumpeter, and an article by Murray Sayle of the *New Republic* about the Japanese and German economies, entitled “Axis, Ltd.” Sayle writes: “It is no accident that Japan and West Germany stand apart from all other economies. The historic conditions that produced the Axis have never gone away, nor has the fundamental philosophic dispute between the former members of the Old Fascist Firm, and the rest of us, ever been resolved.”

Meiji Japan was a tyranny based on the Kaiser’s tyranny in Germany, Sayle goes on, which became the Axis governments of World War II. “Neither Japan nor Germany ever adopted the notion of the free citizen and the sovereign individual, or ever gave up the tribal certainty that anyone who disagreed with the group or the nation had to be wrong. . . . Tribal solidarity is a great remedy for wages inflation—if we’re all exporting together for national survival and glory. . . . The Axis powers, particularly Japan, behave like creatures from another economic world because they are from another world . . . and we must either adopt to their economics, or persuade them to take up ours.”

The problem: British economics

Japan, however, is not a “Fascist Firm” oligopoly, despite its differences with western Christian culture, and Hamilton and List were no theoreticians for such a state. Fukuyama’s *The End of History* is far more fundamentally flawed than the revisionists admit.

As Hamilton’s *The Federalist Papers* document clearly, history is a battle between republicanism and the British economics of usury. Adam Smith’s free trade, communism, and fascist command economies such as Hitler’s are all mere varieties of the British usury model.

British usury, known today as monetarism, is government by supranational bankers, such as the Bank of Amsterdam and the *fondi* of Venice who took over England at the Hanoverian succession before the American Revolution. Smith’s *Wealth of Nations* was written as an apology for the world activities of the bankers’ British East India Company, which deliberately caused the indebtedness of colonies, to prevent them from industrializing. “Free trade” means that payment of the debt comes before the development of nations, and before human life.

As the British school’s main interest is to maintain the power of this small group of financiers, it promotes cheap labor deliberately in order to keep the population backward. For that reason, and not only because it is profitable in the short term, the British school emphasizes the need for cheap labor as a primary aim. Thus, British and Venetian bankers let Lenin into Russia, and also backed Hjalmar Schacht, who set up the Nazi command economy, to foster a cheap labor policy.

The “American System” of Hamilton and List rejects that British System. American republicanism places emphasis *not* on some corporate state, but upon the Christian value of the sovereign individual mind. “To cherish and stimulate the activity of the human mind, by multiplying the objects of enterprise,” is how the “wealth of nations may be promoted,” Hamilton wrote in the *Report on Manufactures*.

Hamilton and List insisted that the development of individual *human labor power* builds the best national economy. While their Japanese followers were not all Christian, Meiji leaders Toshimichi Okubo and Shigenobu Okuma insisted, as did Hamilton, upon raising that *power of labor* of each individual, by state promotion of new technologies. List’s concept of a harmony of interests, is the cooperation of such well-developed individuals to a national purpose.

It was British monetarist philosophy, not the Japanese, which destroyed the U.S. economy. In 1980, the Paul Volcker Federal Reserve and Reagan-Bush Commerce and Treasury Departments officially adopted monetarism, stating that financial profits are more important than production and real wages. In his 1980 speech to Britain’s Royal Institute of International Affairs, Volcker stated, “A degree of controlled disintegration of the world economy is a legitimate objective for the 1980s.”

The Volcker Fed originally designed the “sunset” policy for “smokestack industries” such as steel and auto, as *EIR* reported then. Volcker’s precipitous raising of U.S. interest rates above 20% was aimed at “letting the sunset industries sink slowly into the Great Lakes,” one Wall Street Fed watcher told *EIR* as early as Sept. 23, 1980. Japan just took the rap for what the British monetarists intended all along. “We’re not going to negotiate with the Japanese to reduce imports, or even ask,” an aide to Reagan Commerce Undersecretary Lionel Olmer told *EIR* in May 1981. “The more they export, the quicker we will have to cut down our auto industry.”

Danes could reject Maastricht Treaty

by Poul Rasmussen

Panic is spreading among the northern European elites. What until recently had been thought of as utterly inconceivable by most political observers, is gradually becoming a realistic potential: The Danes may actually reject the Maastricht Treaty on European Union in a popular referendum on June 2. If just one member country of the European Community (EC) rejects the treaty, it cannot be implemented.

As *EIR* reported last week ("European Union: The Monster of Maastricht"), the treaty, which was signed by representatives of all the EC member states on Feb. 7 in Maastricht, The Netherlands, would set up an independent European Central Bank System, not answerable to any elected body or government. Not only would the Union strip sovereign nations of their control over their own destinies; it would prohibit those dirigistic measures by nation-states that are specifically needed right now to overcome the economic crisis—such as high-technology projects for infrastructure and industrial development. In short, the proposed Union is a disaster for Denmark, and for every other nation.

Resistance grows

Two weeks before the Danish referendum, several public opinion polls surprisingly showed the "nays" leading, with 38%, against the "yeas," with 36% (15% are undecided and 11% say they are not voting). Although Danish skepticism toward anything having to do with the European Community is well known, it was never expected that no-voters would command the lead this close to the referendum date.

The political establishment of Denmark is understandably worried. As in most other countries in Europe, almost all of the political parties and the elites have wholeheartedly embraced the idea of a European Union. Ritt Bjerregaard, a member of the Trilateral Commission and the shadow foreign minister of the Danish Social Democratic Party, described it as necessary to keep Germany in check, and prevent a "Rapallo" alliance between Germany and Russia. Eighty percent of the Parliament supports the Maastricht Treaty. Only two minor parties, the Socialist Popular Party and the Progress Party, have clearly gone against it. Another small party, the Christian Popular Party, is being torn apart by internal dissent over this question.

Impressive as it sounds, the 80% of Parliament that supports the treaty is still not enough to make the changes in the Danish Constitution necessary to make it possible for Denmark to enter the European Union. Since the treaty requires member nations to surrender part of their national sovereignty, Danish law requires a five-sixths majority in Parliament to approve such a radical measure. But since the Parliament failed to meet this requirement when it ratified the accords in the beginning of May, the vote on June 2 has changed from a merely guiding referendum, into effectively a binding one.

Fire and brimstone

Because of the stubborn rejection of the Union idea by the Danes, the government and its allies in the European elite have started an unprecedented campaign to scare the population into submitting to their will. Some 33 million Danish crowns (\$5 million) will be spent on newspaper and television advertisements praising the Maastricht Treaty, in the last 14 days of the campaign alone.

But nice, seductive television ads won't do the job alone, and the elite knows it. Therefore, the campaign has changed into open and unrestrained scare tactics. On May 15, the general secretary of the European Council, Niels Ersboell, told the Danish newspaper *Berlingske Tidende*, that if Denmark really did say "no" to the treaty, the country would be expelled from all European political institutions. Not only that, according to Ersboell: The European Community would dissolve itself, simply to get rid of the Danes, and would proceed to form a new Union, without Denmark.

This wild story came up, because opinion polls showed that most of the Danes had correctly understood that any changes in the EC regulatory Rome Treaty require unanimity among all 12 European Community member nations, and therefore the European Union would simply cease to exist if Denmark said "no."

Next on the scene was Danish EC commissioner Henning Christophersen, who told the Danish newspaper *Jyllands-posten* on May 18, that in case of a "no" vote on June 2, Denmark would virtually go bankrupt. The country would lose at least 200,000 jobs, and with 300,000 already unemployed in a population of only 5 million, this is substantial. But not only that, the country would lose at least \$7.5 billion worth of exports, resulting in a massive drop in the standard of living.

To make sure that the Danes really got the point, Minister of Foreign Affairs Uffe Ellemann-Jensen told the newspaper *Politiken* on May 19, that the campaign against the Maastricht Treaty in reality was run by a bunch of old communists, who were trained at the KGB "Agitprop" section in Moscow.

Despite the hysterical efforts by Ellemann-Jensen and his friends, the anti-Maastricht sentiment of the Danish population is gaining ground. Therefore, Europe could be in for a surprise on June 2.

Sanctions to slow India's space effort

by Ramtanu Maitra and Susan Maitra

The U.S. decision to slap a two-year sanction against the Indian Space Research Organization (ISRO) and the Russian enterprise Glavkosmos, barring them access to U.S. technology during the banned period, has stirred strong anti-U.S. emotions in India. Although Washington claims that Glavkosmos's sale of cryogenic rocket engines to ISRO is a violation of the Missile Technology Control Regime (MTCR)—an agreement signed by 12 nations including the United States, Canada, Australia, and European nations and not yet ratified in the United Nations—Indian scientists claim that the motive behind imposing sanctions was entirely economic and was designed to slow down the Indian space program which is now poised for international commercial applications.

The reaction in the Indian Parliament to the U.S. announcement was tumultuous. The government of Prime Minister P.V. Narasimha Rao was urged by both opposition and ruling party leaders to give Washington "a fitting reply" without clearly defining what form the retaliation would take. The elected representatives were particularly riled up since the sanctions against ISRO came a few days after the White House had also removed Indian pharmaceuticals and chemicals, sold in the U.S. markets, from the non-tariff quota privileges.

Moscow's dilemma

Perhaps, with the intention of twisting the Russian arms further, or to soften the impact of the sanctions, the United States has notified India and Russia, that the sanctions will be removed instantly if the deal is called off. The mood in India suggests that New Delhi is willing to accept the two-year ban, and suffer in the process. However, reactions from Moscow are most confusing. Besides the double-talk of State Secretary Gennady Burbulis during his recent visit to India, it has been reported that Russia is planning to set up a joint parliamentary commission to conduct urgent talks with India on the matter. Ostensibly, the Russians would consider three alternatives: a) scrap the contract, sign the MTCR, and demand a quota for satellites to be launched by Russian space launch vehicles; b) seek an exception in this case and save the contract; and c) seek an exception, sign the MTCR,

and seek approval from Kazakhstan for the satellite launch quota since the main launch facility at Baikonur is on its territory.

Although there may be at least some Russians who would like to defy the ban and honor the agreement with the ISRO, there is no doubt that they are more than willing to appease Washington and consider this as their top priority. This is reflected in a recent statement made by former foreign minister Eduard Shevardnadze, who has urged the Russian government to sign the MTCR immediately.

Whatever Moscow's final decision on the issue, there is little doubt that the Bush administration is busy twisting arms in both Russia and India, and resorting to blatant lies.

The most ridiculous of these lies came from a State Department spokeswoman in response to Prime Minister P.V. Narasimha Rao's claims in the Parliament on May 6 that General Dynamics had bid for the cryogenic rocket engines deal but was rejected because its price was too high. She said "it is not true" and that no U.S. firm had made a formal bid or submitted an export license application for such a sale to India.

However, a May 2 interview by ISRO chief U.R. Rao with the U.S. magazine *Space News* blew a gaping hole in the State Department's denial. Dr. Rao had told *Space News* that General Dynamics Senior Vice President Alan Lovelace had visited the ISRO headquarters in Bangalore to discuss an agreement. Lovelace refused to "return phone calls seeking comments" from *Space News*. Dr. Rao had also told *Space News* that the French-based firm Suresnes also tried and failed to win the contract. Again, the magazine's efforts to confirm Dr. Rao's claims were in vain because Suresnes' spokesman refused comment.

Can't take the competition

Washington's concern that India is going to use the cryogenic rocket engine technology to manufacture ballistic missiles—since the cryogenic engines are useless for short- and intermediate-range missiles which India already has manufactured—is a mere ruse. Otherwise, General Dynamics would not have tried to grab the contract. Washington's decision was intended to make sure that India's space program gets slowed down to the point that India cannot challenge the West's launch capabilities on the international scene.

During his May 12 press conference, Dr. Rao made this point. "It is the commercial interest" which was behind placing the ban, he said. He pointed out that the Indian launch pad is the second best in the world—next only to the launch pad in Kourou, French Guinea—and it is evident to the United States and others that India could build world class satellites at half the price of developed countries. Mixing sarcasm with bitterness, Dr. Rao added: "The U.S., which professed free enterprise, seemed to be interpreting it to mean 'free enterprise' for them and no enterprise for others."

What's at stake?

How badly will India's space program will be affected by the ban? There is no question that India has advanced its research on cryogenic rocket engines significantly, and if the Russians back out, India's work will be set back about five years. On the other hand, the Indian space program has been strongly supported by the U.S. National Aeronautic and Space Administration (NASA) from the very beginning. The first rocket that India launched in 1963, when Dr. Homi Bhabha was in charge of the nascent space program, was donated by NASA. From then on, the U.S. had allowed ISRO to use transponders for unique instructional and communications experiments, and had built the four multi-purpose satellites in the INSAT-I series and launched three of them. An Indian astronaut had been scheduled to fly on the Space Shuttle, until the 1986 Challenger disaster. Such a close relationship had also developed a close mixing of technologies. Electronic components required for satellites constitute a major share of imports from the United States. Reports indicate that crucial processor chips on the onboard Altitude and Orbital Control System, radiation-hardened solar cells, detectors for meteorological instruments, among other items are also imported.

However, Dr. Rao seems to be optimistic. He said that if the ban continues, delays will occur in certain areas, "but we will have to do it [indigenous development] as a country." He also emphasized that there is no "technology problem," but to re-invent the wheel means delay and cost overruns. There are also expectations in the ISRO that many of the electronic components, if not all, imported from the United States can now be imported from other countries, meaning technology-fitting, and in the long run, greater cost and delays.

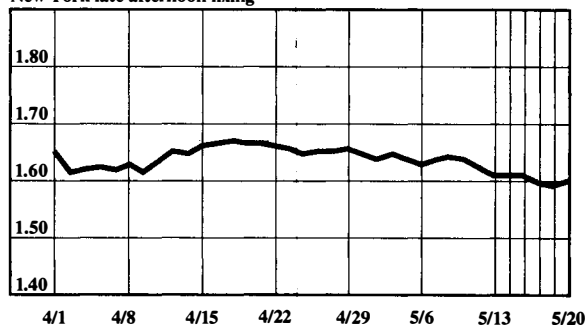
However, there are also fears that the United States may prevail upon other signatories of the MTCR to also ban the ISRO and Glavkosmos. State Department spokesman Margaret Tutwiler has already addressed the other signatories, telling them that "being a member of the MTCR or a signatory to it, you abide by the rules."

If the United States is able to pressure the signatories, the Indian space program will surely be affected. Its program for putting in orbit the latest series of satellites, INSAT-II, will be delayed, and so also the Polar Satellite Launch Vehicle development program. Since the INSAT series plays a significant role in India's economy, this will have a deleterious effect. There are also reports that the United States is shooting for a bigger game. The Indian newspaper carried an unconfirmed report which suggests that the U.S. Secretary of State James Baker had called upon Prime Minister Narasimha Rao to tell him that the U.S. is willing to lift the ban if India agrees to sign the Nuclear Non-Proliferation Treaty. Baker has apparently assured the Indian premier that, under such circumstances, the U.S. will be keen to supply India with the rocket technology if the U.S. Congress approves it.

Currency Rates

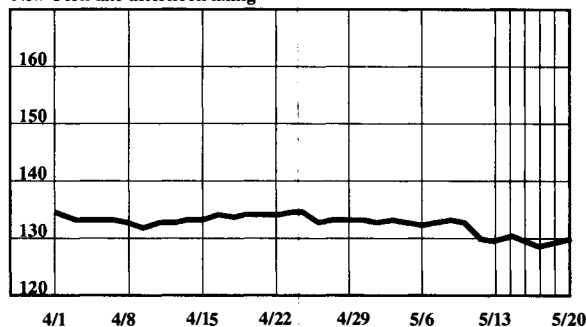
The dollar in deutschmarks

New York late afternoon fixing



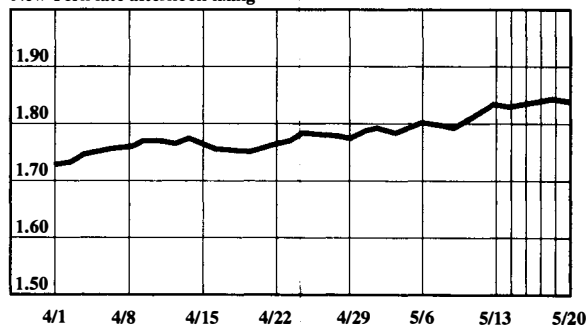
The dollar in yen

New York late afternoon fixing



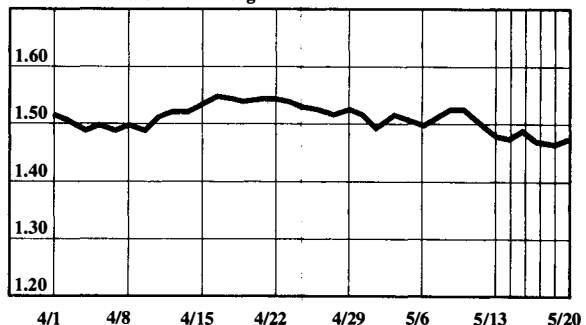
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Eating food is now passé

The USDA says there's too much food around, so we should make it into fuel, adhesives, and plastics substitutes.

You would think that the U.S. Department of Agriculture would have the goal of promoting crop production to improve the human diet. Look again. In addition to the USDA's many schemes to convert cropland to non-food use, for example, the Conservation Reserve Program and the new Wetlands Reserve Program, the department has recently established an Alternative Agriculture Research and Commercialization Board, for the purpose of taking crops and putting them to non-food and non-feed uses!

The chairman of this commission is none other than Martin Andreas, chairman and senior vice president of the cartel company Archer Daniels Midland—the world's largest soybean-processing and -marketing company. For years, ADM has specialized in getting government sweetheart subsidies for non-food use of corn and soybeans, such as in production of ethanol. Over the past four decades, changes in state and federal regulations governing corn- and soybean-based butter substitutes, such as margarine, were made to boost profits for ADM and Cargill.

Now these cartel interests want even more loot, and to get it, they are using the lie that there are food surpluses.

On May 12, the first of eight regional hearings by the Alternative Agriculture board was held in Des Moines, Iowa, chaired by Andreas. At this and other hearings, the agenda included the various possible non-food uses for crops: starch, adhesives, fuel, and plastics substitutes.

At the Des Moines hearing, a representative of seed producer Pioneer Hi-Bred International, Inc., Carrol D. Bolen, testified that without the development of alternative uses for crops, "We would be buried in surplus corn production and/or millions of additional crop acres would need to be kept out of production." He urged the use of joint ventures or "strategic alliances with major commercial partners," to discover new uses and markets for crops.

Bolen also suggested that the industry "encourage Congress to provide tax incentives for new use initiatives."

A farmer testifying for the Iowa Farm Bureau said that the bureau supports the concept of "regional research centers" as the best way to help farmers by identifying specific, local needs. This idea was expanded upon by Purdue University specialist Jim BeMiller, who suggested that regional centers would explore specific products and be "materially based and not commodity based." BeMiller said this means establishing one center to look at oils, another to specialize in proteins or starches, and so on. While the word "zoning" was not used, that is what this really means.

This would put the multinational companies, which would be receiving tax incentives from Congress for their work, in control of production in each of these regions—in a corporatist set-up worthy of Mussolini's fascism.

Farmer Ann Jorgensen testified that farmers in her county are growing 5,000 acres of contract-specific crops.

Their crop is a tofu-like soybean being grown under contract for a special market.

What such contracting involves is a form of top-down control. Typically, the lender to the farmer can stipulate that the farmer can receive operating loans *only* if he agrees to produce on contract to a cartel company. Much of the loan money, controlled by the stated price in the contract, goes to the lender as the labor of the producer becomes enslaved. This is exactly the same principle as the use of the labor of Third World countries to produce for export in order to pay on the foreign debt.

Already in Iowa, pork production is coming under dictatorial contract arrangement, and the Alternative Agriculture Commission would enlarge this for crops for non-food use.

The commission's argument, that these cartel-serving schemes are worthwhile because there are vast crop surpluses, is especially wicked. According to the April "Food Outlook" report by the Rome-based U.N. Food and Agriculture Organization, worldwide "cereal production in 1991 has fallen below consumption for the fourth time in the last five years." U.S. stocks of wheat are at early 1970s levels.

It is an evil irony that the Alternative Agriculture Commission started its round of hearings on how to cut the food supply in Iowa, once the premier beef- and crop-producing state of the nation. However, Iowa is also the location of the first project in the nation using \$32 million of federal money to establish an 8,654-acre wildlife refuge, which would take more than 5,000 acres of prime agricultural land out of production. Federal officials plan to reconstruct a native tallgrass prairie, and wetland and woodland habitats, complete with roaming bison, elk, and other species, for "educational purposes."

Business Briefs

Industry

Japan to be number-one manufacturer this decade

Japan will replace the United States as the world's number-one manufacturer by the mid-1990s, an economist from a German bank told the U.S. Congress's Joint Economic Committee on May 8. "Should current trends continue, I expect Japan to become the world's number-one manufacturing power by the mid-1990s and surpass the United States as the world's largest economy in the next decade," said Kenneth Courtis, senior economist for the Asian division of Deutsche-Bank Capital Markets.

Japan is building its economic edge by out-investing the United States in new plant and equipment in increasing amounts since 1980, Courtis said. "When measured on a per capita basis, the investment gap takes on its full, critical importance." Japan invested \$5,320 per capita in 1991, while America invested \$2,177, he said. "When measured on a total population basis, that means that the investment gap was an enormous \$794 billion in 1991." Japan's total private sector plant and equipment investment from 1986 to the end of last year exceeded \$3 trillion, with another \$500 billion going to research and development, Courtis said.

Malthusianism

'Population control' view called anti-Christian

The population control lobby has the worldview of the Gnostics and the Manicheans, wrote Christopher Derrick in the May 5 London *Times*. Derrick was responding to an earlier letter to the *Times* which stated, "There is a marked tension between the Catholic faith and the whole idea of population control."

Derrick wrote, "But it doesn't only concern contraception and the other specifics of personal morality. It goes far deeper than that. What are people *for*? Behind all talk of limiting

their numbers, there lurks an unspoken value judgment: It's somehow better not to be born at all than to be born into an inescapably low-quality existence—'low-quality,' that is, by the present-day standards of the affluent West."

Derrick continued, "Our present-day affluence is a highly exceptional thing, very recent and of no guaranteed permanence. Must we therefore conclude that in general (with some exceptions) human life has always been an evil and birth a misfortune? If we do, we shall be siding with the Gnostics and the Manichees (among others) and against the Christians, about one of the most fundamental questions that can possibly be asked. Let us face that question squarely and take sides consciously."

International Credit

Russian commentators attack IMF policies

After an April 27 International Monetary Fund vote to admit Russia and 13 other former Soviet republics, the daily *Komsomolskaya Pravda* of May 1 carried two attacks on the IMF.

Columnist S. Brilev compared Russia's situation with Ibero-America, where obedience to IMF dictates has turned the continent into "one big pasture, enslaved to world price fluctuations on their exports. . . . By the same logic, our country is threatened with the danger of becoming one big oilfield." IMF loans go to export industries, he reported. "And what if imports exceed exports, as happened in Chile in the late 1970s, and is happening today with us? Then with our export revenues, we will first pay the foreign debt, and second, we will take a new loan to cover vital imports. In that situation, Chile's foreign debt grew from \$5 billion to \$20 billion in 7-8 years. At that point, the international financial organizations usually advise total privatization and reduction of expenditures for social needs (as already anticipated by several recent government decisions)."

Brilev concluded, "In order to obtain small

indulgences, one must . . . regularly pay the foreign debt and interest, and implement measures recommended by the IMF. Are we really protected against American calculations, that in a few years Russia will be in the same situation as the Latin American countries?"

In a second article, V. Prokhvatilov pointed to the damage done by IMF recipes in eastern Europe, including Poland and "Yugoslavia, where civil war broke out after the Markovic government stabilized the dinar."

He quoted Prof. E. Yasin, who commented, "Implementation of IMF-recommended plans will mean that as a convertible ruble is introduced, Russia's borders will become transparent for western goods, and prices will rise to world levels. And who is going to buy our steel at world prices?" A study group headed by Yasin forecasts that desperate plant directors will turn millions of people onto the street.

Biological Holocaust

AIDS spreading fastest among women, blacks

The first national study on inpatient care for individuals with human immunodeficiency virus (HIV) but not diagnosed with acquired immunodeficiency syndrome (AIDS), issued by the National Public Health and Hospital Institute on May 14, shows that the nature of the AIDS epidemic is changing.

While 51% of AIDS patients surveyed were homosexual or bisexual men, 53% of HIV-infected persons are drug-injected women and heterosexual men—i.e., the "next generation" of AIDS patients. Currently, 24% of HIV patients, as opposed to 14% of AIDS patients, are women, and 47% of HIV patients, as opposed to 34% of AIDS patients, are black. Nearly three times as many HIV as AIDS patients are babies under 15 months old.

Larry Gage, president of the National Association of Public Hospitals, located AIDS and HIV "as part of a larger fabric of neglect and despair for residents of many of our nation's urban areas. But just as in other areas

Briefly

that range from housing to jobs to trauma systems to prenatal care, the current AIDS and HIV safety net is underfunded and stretched to the limits." He called on elected officials to "pay immediate attention to this crisis."

Dr. Dennis Andrulis, president of the institute that issued the study, said at a press conference in Washington on May 12, "Our findings raise important policy questions and future implications for the public and private sectors, suggesting that current estimates severely underestimate the costs and health-care needs of HIV-infected patients."

Rather than "rationing treatment to this population," Andrulis said, they need to "provide a spectrum of care that is financially accessible for HIV-infected individuals."

Space

Lessons learned from Endeavour mission

The problems encountered with the satellite rescue on the recent Space Shuttle Endeavour mission demonstrated that "dynamic interactions [with large masses in orbit] are more complex to simulate" than was previously thought, Space Station official Mike Hawkes reported.

The activities planned for every extra-vehicular activity (EVA), or space walk, are rehearsed by the astronauts in a 40-foot-deep neutral buoyancy tank at the Johnson Space Center. The trouble the astronauts had in attaching a crossbar to the bottom of the Intelsat-6 satellite so it could be grabbed by the Shuttle's robot arm, highlighted the difference between underwater and in-orbit physics.

Underwater, the 162-pound capture bar assembly was easily attached to a satellite model. In space, the force needed to securely attach the relatively small bar to the 4.5-ton satellite was enough to push the satellite out of position and start it rotating or tumbling. There is so much less resistance in space that the momentum from any push is greater. The astronauts held the satellite steady for 90 minutes to make sure they had it motionless.

During an in-orbit news conference, the Endeavour crew stressed that training procedures had to be reevaluated. Astronaut Pierre Thuot, who had tried for two days to grab the satellite, said, "It was something we couldn't train for. We don't have a simulator that can put all the components together—the orbiter, the robot arm, myself, the capture bar, and the satellite, basically five bodies that are all dynamic, and put them together to train."

These observations are all crucial for the multiple Shuttle EVA missions which will be necessary to assemble Space Station Freedom, to be taken aloft by the Shuttle in pieces, and put together in orbit.

Labor

Wage scale collapsing, Census Bureau admits

A controversial report withheld for months by the U.S. Census Bureau shows that the wage scale of the U.S. population has dropped as the "service economy" has expanded.

In 1979, about 12% of the nation's full-time workers had what the Census Bureau characterized as low annual incomes. In 1990, that figure had risen to 18%, according to the *Washington Post*. The study also shows that in the decade from 1964 to 1974, low-paid, full-time workers were a declining (24% in 1964) proportion of the U.S. work force and stabilized at 12% from 1974 to 1979. It then showed that the proportion of full-time, year-round workers getting what it called low wages had jumped to 18% in 1990.

According to a study by the AFL-CIO-linked Economic Policy Institute, U.S. workers' wages fell 7.3% in the 1980s. A worker earning \$10.23 an hour in 1979, measured in 1991 dollars, was only earning \$9.48 in 1991. In 1989, before the present so-called recession, wages had already fallen 5%, to \$9.73, and they have declined an additional 2.5% in 1991.

The study evidently concerns an average for the total work force. The decline is therefore, in part, a measure of the job shift toward lower-paying "service industries."

● **U.S. COMPANIES** have invested \$11.6 billion in Mexican plants over the past five years, reports the *Washington Post* in a feature on how U.S. firms are not waiting for the North American Free Trade Agreement to move south.

● **CHINA** plans massive military purchases from Russia, reported Japan's Kyodo news service on May 3, citing western diplomatic sources in Beijing. China has extended \$1 billion in aid to Russia and signed a contract earlier this year to purchase 400 T-72 battle tanks. It also plans to hire 200 former Soviet scientists and purchase fighters and warships.

● **WATER SCARCITY** will lead to wars if world leaders do not urgently tackle the threat of overpopulation, pollution, and waste, U.N. Development Program consultant Roger Berthelot claimed May 15 at a forum in Sophia Antipolis, France. Lack of water affects 40% of the world's population, and 90% of diseases in the Third World are caused by unsanitary water or shortages. But instead of water projects, he proposed population reduction measures.

● **'THE BANKS** will become the steel industry of the 1990s," prophesied Deutsche Bank spokesman Ulrich Cartellieri at a symposium of the German Employees Union in Frankfurt. He said Germany is not immune to cost-cutting and rationalization measures.

● **900 MILLION** people around the world are undernourished, 500 million of them chronically so, says a report issued jointly by the World Health Organization and the U.N. Food and Agriculture Organization May 13. Nearly 13 million children under five die every year as a result of malnutrition and infection.

● **NORDBANKEN**, Sweden's third largest, is being taken over by the government, following emergency talks between the bank and Finance Minister Anne Wibble in the wake of huge real estate losses.

Infrastructure and economic development

An EIR statistical survey

by Chris White, Marcia Merry, and Anthony K. Wikrent

We present here a statistical grid and comparison of five economies: the United States, pre-unification Federal Republic of Germany, India, Japan, and the People's Republic of China. The purpose of the grid is to assist in the development of a set of standards, and therefore also, of requirements, for the development of basic economic infrastructure in its relationship with the economy as a whole.

Basic economic infrastructure is subdivided into two principal categories: 1) the provision of economic functions, the supply of water, power, and transportation, especially the transportation of freight; and 2) the supply of social services, namely education and health. The comparison presented here is developed on the basis of where things stood in the United States in 1970.

The objective is not so much to develop a time-line statistical profile of how various sectors of economic activity, including whole countries and even regions of the world, have been pushed into an abyss over the past generation or so. Rather, by comparing key features of what are considered to be "industrialized" nations' economies with analogous such features of countries in the developing sector, the intention is to develop, for discussion, a working profile of investment requirements to change the course of the world economy as a whole. Not, at first pass, monetary requirements for investment, but rather physical investment, in capital improvements to the land, and quality of life.

The five countries selected for this, the first part in such a series, represent about one-half of the world's population of rather more than 5 billion, and probably about one-half of its currently developed productive industrial capacity. Germany, Japan, and the United States are, still, the core of the world's productive capacity—although that core is now threatened. China and India, with their vast populations, represent the potentials that will increasingly dominate the twenty-first century, if today's neo-malthusian genocidalists are stopped. Thus, among these five countries, are sharply posed the civilization-threatening crises which mankind will have to overcome in the years ahead.



People need water! It is the job of competent economic planning to ensure that adequate supplies of fresh, clean water are available for a growing world population. But today, our water infrastructure is increasingly antiquated and unreliable. Shown here are youngsters on New York City's Lower East Side.

This does not mean, by any kind of implication, that this series of articles will be developing country-by-country development programs. Such programs exist, and have existed for years, by continent, region, and also individual country, especially in the "Great Project" orientation associated with the jailed physical economist Lyndon LaRouche. Since the mid-1970s, when LaRouche first proposed his international credit reorganization in the name of the International Development Bank, he has sponsored the elaboration of 14 continental and subcontinental-level grand-scale packages for international development.

LaRouche's Great Project approach has thus far shared the fate of Dr. Sun Yat-sen's post-World War I policy for the development of China, and for the same reasons. The proposals Sun Yat-sen elaborated during the 1920s were not a program for China, in and of itself, but rather designs for the reorganization of the entire world economy, based on saving the industrial capabilities which had been built up to fight the war, for the higher purpose of developing the peace. The modernization of colonial nations such as China was the desired by-product of the world reorganization thus conceived. LaRouche's Great Project approach also requires overturning the global policy which insists that such concerns are not to be entertained, no matter what the cost in human life and suffering.

What we are looking for, out of the elaboration of the material to be presented in this series, is an aid to the construction of a physical function which will permit the assess-

ment of what economic growth rates will have to be achieved in which regions of the world, and how, if the world economy as a whole is to be put on the path of real recovery, and then growth. The material to be presented won't provide any such a function, in and of itself, but in encouraging thought about the similarities, as well as the differences, between different regions of the world, and different levels of economic development, it will show up, as the publication of the series progresses, statistically, as an ordered array of step functions. Such an ordering ought to reflect the existence of the unifying pathway of transformation, along which mankind has moved itself forward and upward, against so-called "conditions" or "circumstances" which appear to be fixed and unchanging, except to the extent they get worse.

The requirements for such a physical function have been elaborated, over the course of many years, by Lyndon LaRouche, in his modern development of the tradition of physical economy associated with Gottfried Leibniz, Alexander Hamilton, and Friedrich List. He proved anew that man, set over the lower beasts, is not the subject of any fixed state of affairs, but through the self-improving power of creative reason is capable of emulating the divine. LaRouche proves the uniqueness of mankind from the history of the species, in its advance from the baboon-like potentials of the anthropologists' hunting and gathering mode of some 10 million people worldwide, to the roughly 5 billion souls who inhabit the planet today.

Ideas, transformed through technology into assimilated

changes in the organization of human activity, consequently reducing the land area necessary to sustain human existence by increasing the power of human labor, are the driver of LaRouche's conception of human history as a self-ordered series of transformations resulting from willfully generated increases in mankind's potential relative population density. Such a function of increase, the product of the human mind's creative capacity for self-improvement, will not ever be developed out of statistical series. That would be to assume that the living somehow arises from the dead. At best, counting things, and ordering arrays of counted objects after they have become countable, can be indicative of the process by which such counted things came into existence, to the extent that the mind is encouraged to think about what is involved.

In the same way, a pile of dead bodies would be effective indicators of the necessary existence of some preceding state of affairs, to a living being of investigative bent.

The data we are forced to use

This ought to function as a caution, and as an answer to those who will want to know, "How do we know your statistics are any good?" They aren't, because they can't be, but they can still be a useful tool. The data employed here have been collected from a variety of sources—international agencies such as the United Nations, International Energy Agency, International Road Federation, U.N. Food and Agriculture Organization, International Labor Organization, Unesco, among others; the national agencies of the countries

The LaRouche plan: 'great projects'

Over the past 20 years, economist Lyndon LaRouche has promoted a "great projects" development approach for national economic growth on all continents. Since 1976, when he first put himself forward as a candidate for President of the United States, LaRouche has stressed that the only way for the United States to make its way out of deepening economic depression, is to "build itself out"—to once again begin investing in great projects of infrastructure, both at home and abroad. LaRouche and his collaborators have devised infrastructure programs ranging from continent-wide networks of railroads, industrial centers run by nuclear power, and waterways, to the construction of new, modern canal links between the great oceans of the world.

The "great projects" approach is the most efficient way to improve and expand an economy, in many cases taking totally useless land and transforming it into productive territory, as was done by the irrigation of California's Imperial Valley.

These improvements are essential in order to maintain a world population of more than 6 billion persons, growing to 12 billion around the middle of the twenty-first century. They will serve as the basis for transforming and uplifting the economy, making it possible for a growing population to live at standards as high or higher than those in the United States during the decade that the Apollo Project to put man on the Moon was pumping wealth into the U.S. economy. The next step will be the colonization of the Moon, Mars, and beyond. Most important, the great projects will inject optimism and a vision of progress

into a world now dominated by the cultural and scientific pessimism of the environmental hoaxsters.

The 'Oasis Plan'

An example of this approach is the "Oasis Plan" for developing the vast arid lands of the Middle East and North Africa, as indicated in an Aug. 21, 1990 policy paper by LaRouche, "A Peace Plan in the True Interest of Arabs and Israelis."

Speaking out in opposition to the Bush administration's drive for war against Iraq, LaRouche attacked the notion that "political settlements" of differences come first, and then maybe economic development will follow. "We have repeatedly said, and rightly so, that that line of argument is wrong, and even dangerously absurd. The simple reason is, that without a policy of economic development, the Arabs and Israelis have no common basis for political agreement; no common interest."

LaRouche stressed that a combination of "geographic engineering," such as running canals from the Mediterranean Sea and the Red Sea to the Dead Sea, could create water courses and be combined with nuclear-powered desalination, to provide water, power, and transport for industrial and agricultural growth. These projects, along with nuclear-powered desalination plants at other strategic sites in the arid North African-East Mediterranean region, could create man-made rivers and oases in the desert.

"We could define the proper approach to development of the Middle East, if no persons lived there presently, as if, for example, we were planning the settling of Mars: an uninhabited planet, by aid of artificial environment, and so forth." The provision and distribution of water and power must be organized to develop the average square kilometer of land to be productive at needed levels for different types of land use—pastoral, crop, residential, industrial, and commercial.

TABLE 1
Some indicators 1970

Country	U.S.	Germany	India	Japan	China
Population density	22	245	170	279	85
1,000 kwh per capita	3.7	2.1	0.06	2.5	0.013
Urban population	73.6%	81.3%	19.8%	71.2%	17.4%
Manufacturing operatives	14%	23%	12.5%	30%	8.2%
Agriculture labor force	4.1%	7.5%	74.9%	16.5%	80.8%
Tons food per capita	2.9	2.6	0.8	0.8	0.5
Life expectancy at birth	71.3	70.6	48.4	73.3	59.1
People per doctor	636	575	4,870	887	3,814
People per hospital bed	130	90	1,653	105	763
Pupils per teacher	21.8	19.2	36.5	21.9	37.6

included, other government departments, and private agencies, such as the Conference of Building Officials and Code Administrators—and have been supplemented in discussions with people from the countries included.

Fundamentally flawed, such data can also be corrupt, whether through error or design. Governments, like those the United States has had in recent years, like to make themselves look good, better even than their predecessors, if they can get away with it. The errors which corrupt the data are of two sorts, and misreporting is not the most significant of them. Here, we are dealing with relationships among population, land use, water management and supply, transportation facilities and use, power generation and disposition, employment, and selected categories of output: agricultural production and food, and outputs of various industries. These relations are subsumed by a causal ordering relative to the technological mode employed.

Such data are, more or less, collected by governments, and a stream of selected data is passed on to the international agencies, but with few exceptions, neither the collection, nor the pass-through, is coherent with any effort to compile indicators that would reflect any of the cause-and-effect relations which indicate what distinguishes mankind from the lower beasts.

Basic economic indicators

The basic sets of data thus provided include, among other things, population density—that is, numbers of people per square kilometer (km²) of territorial surface, energy or electricity, percent of population urbanized, agricultural labor force as a percent of total labor, and food production per capita. **Table 1** sets out what such data looked like in 1970 for the countries which are the subject of this piece. Water availability and use, and transportation, are never included in such data. Nor is any attempt ever made to represent the

output of society's productive activity—except in terms of monetary accounting measures, like the notoriously flawed Gross National Product indicator.

Differences between the three industrial countries and India and China are quite clear. Germany, with 2.1 thousand kilowatt-hours (kwh) per capita, has 35 times more than India and 161 times more than China does. The United States, employing one-eighteenth the agricultural labor India does, and one-twentieth that of China, produces respectively 3.6 and 5.8 times more food per person. The lower agricultural productivity is reflected in the different percentages of the total population which are supported in the cities. Food for the cities is produced on top of what the agricultural population itself consumes. As the life expectancy figures show, human life in these countries is not equal, and the differences in social investment reflect this. In 1970, an Indian lifetime, as opposed to a life, was 68% of the average American's; in China, the figure was 82%.

But, these types of series are also misleading for a variety of reasons. 1) Since lives are not equal with respect to lifetimes, population density as such, counting numbers of people, is not so useful; look instead at lifetimes per square kilometer. 2) People do not exist as discrete countable individuals, in the way the statisticians represent. Human life is organized through the household, which produces a new generation, supports those who work, and, in principle, also cares for the aged. People work and produce, more or less, sustenance for themselves, and the non-working population, as organized through the family household. 3) The land is not a uniform element. There are different classes of land, which are put to different uses. Some is not adequate for human habitation or cultivation at all—deserts, swamps, and mountains for example. The inhabited and cultivated portion of the land area is improved, in different ways, to be employed for different purposes. Therefore, one also has to take into account productivities per unit area, as well as per capita, or better, per household.

The household, and the workplace, whether in industry or agriculture, are built on an area of land improved for the purpose, through provision of power supplies, water, drainage and sewerage facilities, and access to the transportation network which ties the immediate locale more or less tightly into the national and world economy, so that what has been produced in one place might be consumed somewhere else. It might be conceivable to think of such a schema as a kind of closed cycle, in which households produce labor, labor produces and distributes goods, and life appears to go on (**Figure 1**). Total output of such goods, at least those put into circulation, can be approximated by the country's reported total freight bill, and industrial output approximated by subtracting food and fuels from the total. The table can now be redone, bearing these qualifiers in mind (see **Table 2**).

The reproduction rate is the ratio of females who are born

FIGURE 1
The total economy

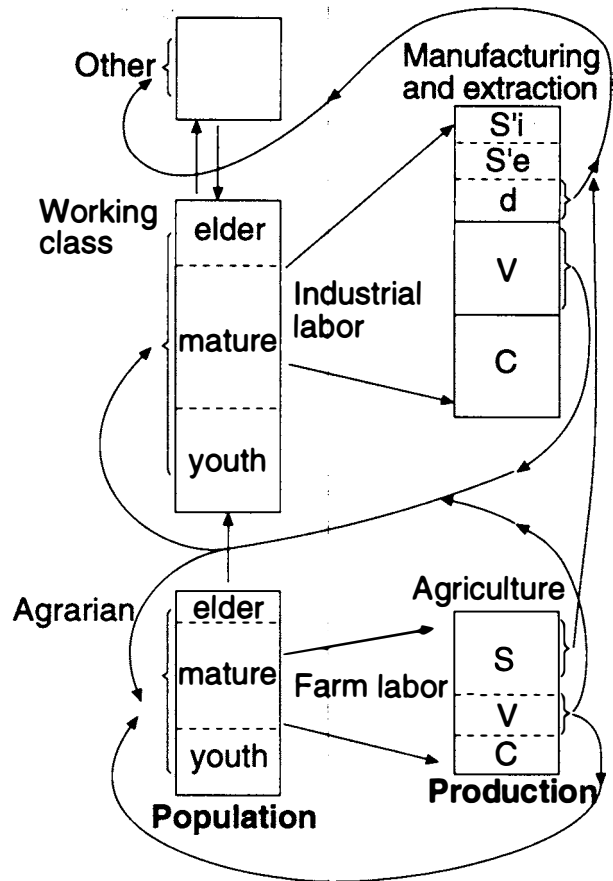
This schematic of the total economy shows population on the left and physical production on the right, with the connection shown in terms of the industrial and agriculture labor force "produced" by the households that in turn need to utilize output in order to continue to "produce" the labor force.

The physical goods output of the economy, shown on the right, is analyzed as follows: Symbol V refers to the total physical goods output required by households of operatives engaged in physical production. Symbol C refers to the capital goods consumed by production of physical goods, including the costs of basic economic infrastructure required. Symbol d is the total overhead expense. This includes consumer goods (of households associated with overhead expense categories of employment of the labor force), plus capital goods consumed by categories of overhead expense. Symbol S' refers to the net operating profit or "free energy" of the economy. It is the result of $S - d$. (Subdivisions of S' are shown by i and e.)

The "Other" segment on the top left refers to physical product going to a component of the economy that is not involved directly in physical production, but which may be necessary—such as science and technology research and applications. Or it may be unnecessary and undesirable overhead expense that drags the economy down—bureaucracy and "post-industrial" activity.

Some of the relationships thus indicated are: productivity: $S/C + V$; capital intensity: C/V ; rate of profit: $S'/C + V$; expense ratio: $D/C + V$.

Source: Basic Economics for Conservative Democrats, by Lyndon H. LaRouche (1980).



and survive to have children in their turn, to female births. Bearing in mind that life expectancy also increases, the ratio indicates whether or not the female population is reproducing itself. Compare the reported births per fertile female, with the values reported for output, and per worker productivities in this and the former table, and the conclusion is obvious. Higher birth rates and lower life expectancies go with lower output from industry and agriculture, and, as indicated by the data for electricity supply and transportation and area, with less improvements to the land.

Looking at improvements in land

The matter of improvements to the land is brought into sharper focus by considering the differences between the data reported for the United States, Germany, and Japan in the first table, and that in the second. The crude measure of population density changes significantly in respect to Japan, which uses less of its territory than either the United States or Germany. Where Germany and Japan were comparable with respect to the U.S. before, Germany remains with more

than 10 times the population density of the United States, but Japan now has 26 times.

The electricity per capita figures showed the United States with 1.7 times the German figure and 1.5 times the Japanese. The per unit area figures show something different: Germany now has 4.4 times the U.S. level of use, and Japan 13 times more. Agricultural output per unit area is also interesting: With 1.8 times the labor force employed in agriculture, German farmers produce 6.2 times more per unit area than Americans, while Japanese farmers, with 4 times the proportion of labor so employed, produce 4.3 times the per area output.

Two related features deserve closer inspection. The first concerns the relationship between the per household values and the per area values. The second, since population, organized in households, is not distributed across the countryside in orderly statistical rows and columns, involves the physical and geographical parameters associated with the question of land use, and thus population settlement.

We noted that Germany uses one-tenth the land for the

Boost yields with new methods of agriculture

Fabulous plant yields are possible by use of energy-intensive agriculture in controlled environments. Non-soil-based methods include hydroponic systems, where the plants are grown in a liquid nutrient medium; and aeroponics, where the plant roots are in the open and periodically sprayed with a nutrient solution.

Variations of these non-soil-based technologies for use in space are sometimes called astroponics. Many improvements in technique have come about from scientists working on the problem of growing food in space, where the entire biosphere for plants will have to be created and controlled by man. NASA's research program into the controlled-environment life support systems is referred to as CELSS.

The accompanying table shows the comparative yields of wheat crops in controlled environments that were achieved by two NASA researchers in Utah, Frank B. Salisbury and Bruce G. Bugbee, in tests run during the 1980s. During one of their tests, they achieved the dramatic output of 4,760 grams per square meter of edible dry wheat biomass, in contrast to 500 grams per square meter, which is a good average yield for an open wheat field; or in contrast to the 1,053 to 1,450 grams per square meter achieved under other CELSS tests.

The results depend on the right combination of irradiance levels, number of hours of daylight, number of wheat plants per square meter, temperature, use of the right plant cultivar, ample water and carbon dioxide, and provision of all the basic elements that plants require, in the right relative quantities in a well-aerated nutrient solution. Under these conditions, a yield of about 50 grams per meter per day of wheat crop allows a "space farm" as small as 15 square meters per person.

same number of households as the United States does, and Japan one-twenty-sixth. Thus, Germany's household density is 10 times that of the United States, and Japan's 26 times. We also saw that Japan consumes approximately one-half the kilowatt-hours per household the U.S. does, but 13 times more in per area terms. This takes us further.

There is an inverse relationship between the per household and per area ways of treating data, which is a function of population density. Higher population densities permit a concentration of per area resources which offset lower per capita supplies.

This points to the idiocy of those who look simply at the

High yields of wheat crops in controlled environments

Experiment	Days to harvest	Edible dry biomass g/m ²	Average growth rate (edible biomass) g/m ² /day
High average field	120	500	4.2
Worldrecord	140	1,450	10.4
CELSS:			
Soviet "Bios"	60	1,314	21.9
Utah State University	79	4,760	60.3

* Soviet simulated spaceship farm in Krasnoyarsk, Siberia

** Utah State University 1987 result by researchers Bugbee and Salisbury. Source: *21st Century Science & Technology*, March-April, 1988.

Energy and water

CELSS research has found that light is the ultimate limiting factor for yield. Busbee and Salisbury reported in 1988, "Plants can't produce more chemical-bond energy in food than they absorb from the light that irradiates them—and, since they will never be 100% efficient, they will convert only some fraction of that absorbed energy to food." Their research shows that for maximum CELSS wheat yield, light input is required at an irradiance level of 2,000 micromoles/m²/sec for a 20-hour period, for 79 days, with additional energy input required to maintain the crop plot at a 20°C/15°C day/night temperature.

Once the conditions are all met for the plant in question, Busbee and Salisbury stress that the "harvested end-products contain not only the mineral elements that were provided in the nutrient solutions, but also the carbohydrates, fats, proteins, and vitamins that are needed by the humans who will consume them. No plant grown in a rich, organic soil provides more nutrients required by humans than a plant grown hydroponically."

per capita values put into circulation by the international agencies, or anyone else, to say, for example, "Look how much better the U.S. is doing than either Japan or Germany. We have a much higher per capita energy consumption." The reality is more complicated. The United States has a higher per capita consumption, precisely because its land area has not been subject to the same depth of improvements effected in the case of Germany over more than 1,000 years. The per unit area measure is one reflection of the level of infrastructural improvement to the land, which permits more people to be supported per unit area, at comparable standards of living, for lower costs per physical unit of capital improvement.

TABLE 2
1970 indicators re-stated

Country	U.S.	Germany	India	Japan	China
Lifetimes per unit area (km ²)	22	242.5	115	286	70
People per household	3.2	2.9	5.1	3.9	4.8
Used area/1,000 households	72.7	6.8	15.5	2.8	23.9
1,000 kwh/1,000 households	24,079	10,245	462	13,061	632
1,000 kwh/used area	355.7	1,562	30.4	4,631	26.3
Tons food/crop area	345	2,167	323	1,505	383
Freight tons/household	82	129	2.6	195	8.5
Output/operative (tons)	363	437	7.3	312	38.8
Million m ³ water/1,000 households	7.6	1.3	3.3	3.2	2.1
1,000 ton-km/1,000 households	47,380	10,058	1,768	13,279	2,513
Births/fertile female	0.06	0.05	0.16	0.07	0.15
Reproduction rate	0.9708	0.962	0.68	0.976	0.854

This is emphasized by the different figures for agricultural yields in Germany and Japan, compared to the United States. Higher yields per unit area reflect a higher density of infrastructure, which cheapens the economic cost of both food production and distribution. You don't have to go so far from the city to bring the food to market; fresher produce and more seasonal variety are benefits that follow. The cost of delivering the manufactured products the farmer requires—machinery, fertilizer—is also less. The farmer can do more.

Pick up Henry Carey's essays "Past, Present, and Future," or Friedrich List's *The National System of Political Economy*, from more than 100 years ago, and you will see that the principles involved were quite clear then. In the meantime, they have been pushed aside, not because they are wrong, but because the neo-malthusians, and the butchers at the International Monetary Fund who opposed LaRouche's Great Projects approach, don't agree.

Such considerations serve as part of the proof that what was posited as a closed cycle above, is no such thing. Henry Carey might have called it instead his law of increasing returns. He posited correctly that if society is organized to restore to nature what it takes out through the work of farmers and miners and others, by improving the land—through clearances, drainage, building up the qualities of the soil, taming rivers for transport, building railroads—nature will return more than the labor invested in the form of the improvements, because the process of continual improvement is not simply additive in its cumulative effects. In LaRouche's more elaborated view, such a process of improvement is

TABLE 3
Water availability and withdrawals
(million m³/km²)

Country	U.S.	Germany	India	Japan	China
Water available: total area	0.18	0.32	0.56	1.46	0.28
Water withdrawn: used area	0.11	0.19	0.22	1.07	0.11
Withdrawals: % water available	30.8%	37.3%	20.5%	15.1%	17.2%

called the increasing negentropy of the system, and reflects the underlying coherence between the thinking processes which guide successful human practice, and the lawful ordering of the physical universe as a whole.

The supply of water, power, and transportation are technologically determined; so too are the educational and cultural skills of the work force and household.

Technological advance changes the characteristics associated with infrastructure, labor force, and households, to permit more efficient cultivation and usage of land, by more people, under improved conditions of life. The cycle of action is thus not closed, but open-ended, as a society, organized through the household, acts on itself, and the land it inhabits, to improve itself.

The role of climate and topography

Settlement patterns, and therefore also land use and improvement, are shaped by man intervening against a given topography and climate. The spread of man's activity, over centuries, has been channeled by river valleys and drainage basins, in one way, and by inhospitable mountain ranges, deserts, and swamps in another. Climate and the availability of water, including for transportation, have also played their part in channeling mankind's onward flow.

The maps accompanying this section identify the principal river basins, areas of crop production and human settlement, and water availability in each of the five countries.

Table 3 shows water availability: that is, the difference between what is precipitated in the form of rain or snow—and either evaporates back into the clouds, or runs off, ultimately, into the ocean—and overall withdrawals of water from that cycle. Withdrawals of water do not indicate that the water is "used," in the sense of evaporated. Most of the water withdrawn re-enters the cycle. In U.S. practice, 12 inches of rainfall annually, or 30 centimeters, is considered to be the cutoff point below which rain-fed agriculture is not viable. Germany, India, and Japan appear to have that level of water availability if the whole territory is considered; the United States does not, and China is on the borderline. But of course,

FIGURE 2

India: wide variation in water resources

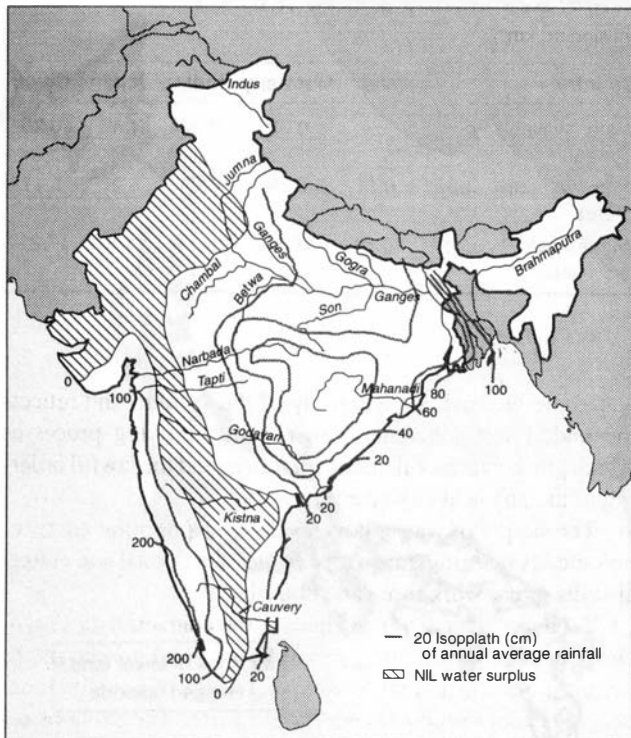
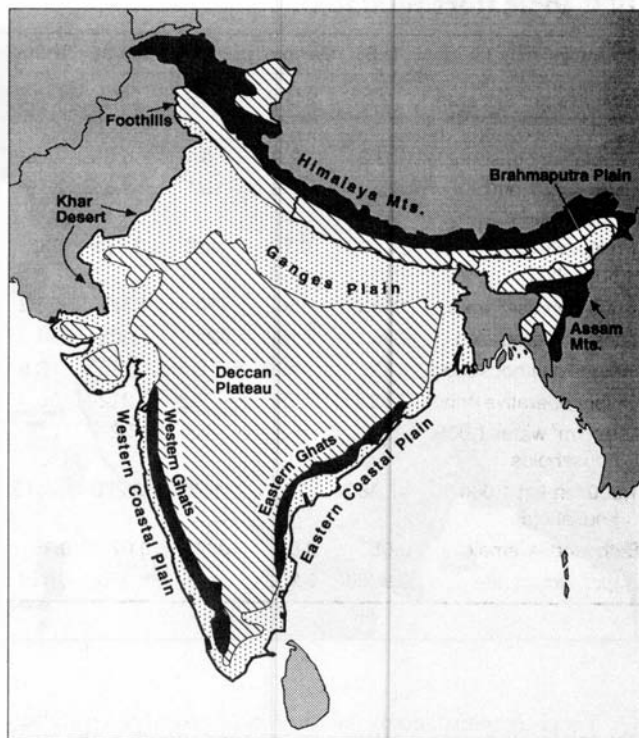


FIGURE 3

India's land forms



regional differences within the countries change the picture.

The difference between the availability of water and the reported withdrawals, shows that water might be available, but not at the right time or the right place, and not in a form in which it can be used for human activity.

India, with about one-third the area of the United States, roughly the area east of the Mississippi, is divided into three principal topographical regions (Figures 2 and 3): the mountainous Himalayan north; the Indo-Gangetic Plain, about 770,000 square kilometers in area, the largest alluvial plain in the world, with alluvium deposited to a depth of 6,000 feet; and south of the Narmada River and the Vindhya mountains, the Deccan Plateau, bounded by the Ghats Mountains, on east and west, inland of relatively narrow coastal strips. Population and cultivation are concentrated in the Ganges Plain, adjacent eastern areas, and on the coastal strips. There is an arid, drought-affected belt running from the Khar Desert in the northwest, down the entire length of the Deccan peninsula. The rivers of the Deccan primarily flow from their sources in the western mountains toward the ocean in the east.

With over half a million cubic meters (m³) of water ostensibly available for each square kilometer of the country, i.e., 50 centimeters of water per square kilometer, India seems richly endowed with water resources. Yet, those of her rivers which flow from the Himalayas into the Gangetic Plain are

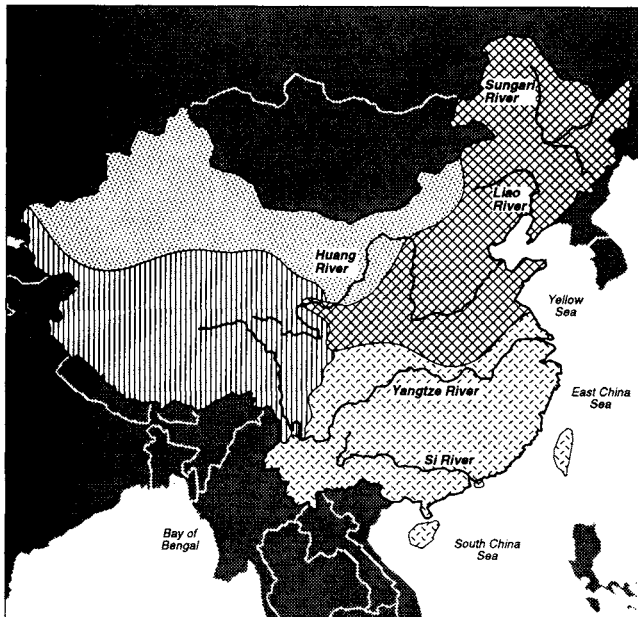
snow-fed, and therefore seasonal. In the Deccan Plateau, the monsoonal climate ensures that 80% of the annual precipitation will fall during a mere four months, or less, of the year. For that brief period, dry river beds expand over the country to carry flood waters away to the oceans. Lands baked for three-quarters of the year do not absorb the runoff produced as the seasons change.

China, comparable in area to the United States, can be crudely divided into four areas (Figure 4). The western half of the country, which is made up of an arid northern quarter, with the Tibetan highlands to the south, contains about 10% of the total population. The eastern half, characterized by monsoon weather systems, is divided roughly along the line of the Huang He River into a northern and southern part. The eastern part of the country comprises 96% of the cultivated land, and produces 98% of the agricultural output. The eastern part is separated from the west by mountains, and the Ordos Desert. The area south of the Huang He accounts for about two-thirds of the cultivated area, and the area to the north for one-third. The area between the Huang He and the Chang Jiang (Yang-tze) sees the greatest concentration of all, for the Chang Jiang River basin is separated from the Pearl River (Si) basin of the south systems by a mountainous belt. In the south, the coastal strip is the most densely populated and cultivated.

The division between populated and cultivated east and

FIGURE 4

China: four major economic regions, and large rivers



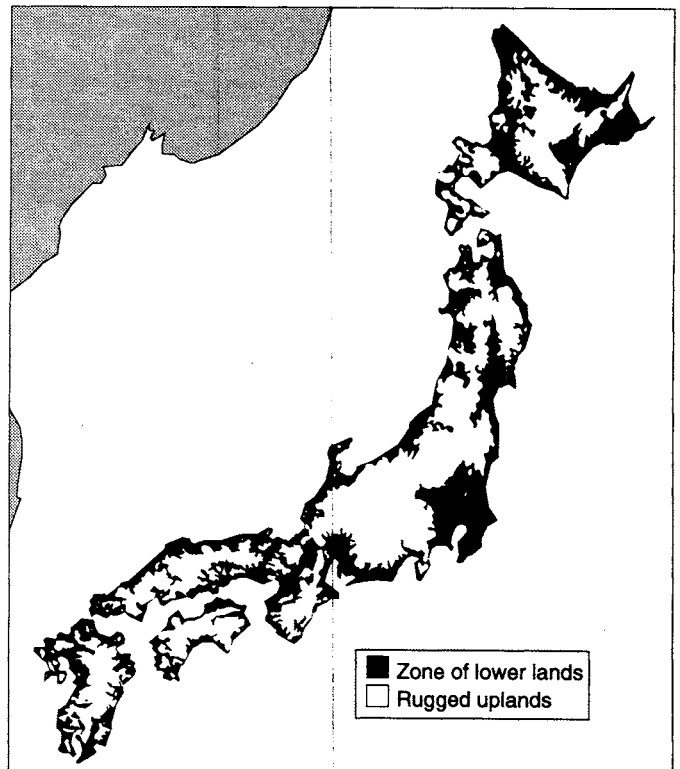
the relatively barren western regions corresponds to the availability of water. The sparsely populated, relatively uncultivated western half of the country has only 15% of the water available in the form of runoff, with the arid northern part of the west comprising 5% of the total, and the Tibetan highland region 10%. The monsoon seasonal east, draining into the Pacific Ocean, accounts for 85% of the runoff.

Japan, a mountainous archipelago (Figure 5), about 2,600 kilometers in length, and not much more than 200 km in width at its widest point, straddles the same latitudes as the eastern seaboard of the United States, from Maine's northern border with Canada down to Jacksonville, Florida. Only one-quarter of the largest island, Honshu, has a slope of less than 15°, and only half of this area is counted as lowland proper. Mountains restrict the spread of settlement inland, while the coasts exercise similar restraint. The coastal waters, Inland Sea, and the oceans are determining for Japan, so, for example, the Inland Sea functions as one of the country's principal routes for the internal transport of freight.

Germany (Figure 6) has about the same area as Pennsylvania or Oregon. Topographically, the country divides into three regions from the south to the north, a zone above 500 meters, of high uplands preceding the Alps mountains, a belt of low uplands between 200 and 500 meters above sea level, and below 200 meters, the lowland plain of northern Europe, bordered by the North Sea and the Baltic. Northwesterly trending rivers, like the Rhine, Weser, and Elbe, drain from the uplands, along with the southwesterly flowing Danube,

FIGURE 5

Japan's land forms



shaping the spread of cultivation around the low uplands zone. Centers of population and cultivation are concentrated around the river-bordered low uplands.

The United States (Figures 7-9) is divided into six main topographical regions, each running in a north-south direction. From east to west, they are: 1) the Atlantic coastal plain, from the coast to the fall-line of the eastern rivers; Montgomery, Macon, Columbia, Raleigh, Richmond, Baltimore, Trenton, and Hartford are the inland border of this zone; 2) the Appalachian Mountains, 480,000 square kilometers; 3) the middle plains and Great Lakes, basically the drainage basin of the Ohio and Mississippi rivers, which run from western Appalachia to the 100th meridian; 4) the arid high plains; 5) the Rocky Mountains, water-rich in the north, arid in the south; and 6) the Pacific Slope. Major centers of population are concentrated along the northern part of the eastern seaboard, and along the Great Lakes and Ohio River Valley, where water is abundant and the climate temperate.

The maps should be consulted with reference to Tables 4 and 5, which quantify land usage by type in two different ways. In Table 4, land use, by type, is presented per 1,000 households. Table 5 expresses land use by type as a ratio to urban residential land use. The first thus shows different areas reportedly used to support 1,000 families; the second

FIGURE 6

Germany: topography and rivers

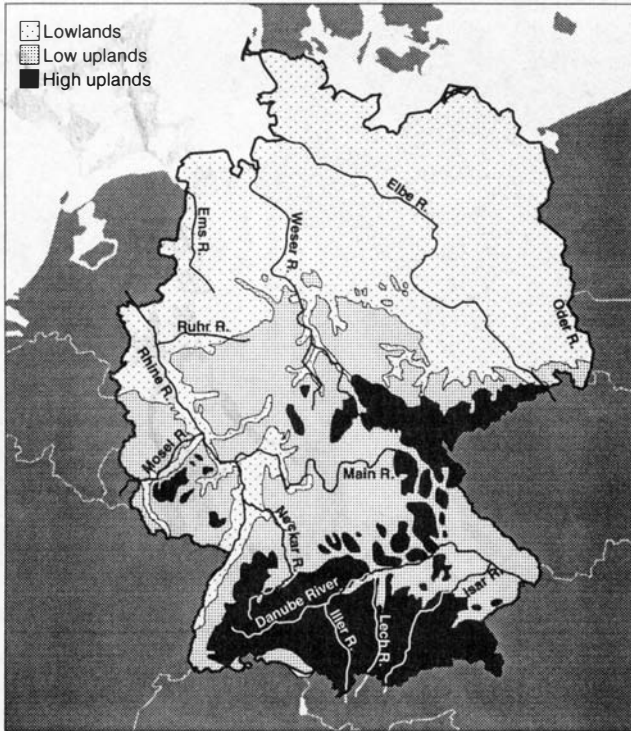


FIGURE 8

United States: annual precipitation

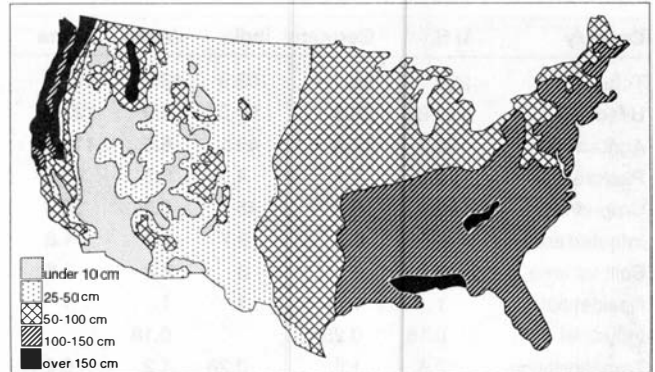


FIGURE 9

United States: major urban residential areas

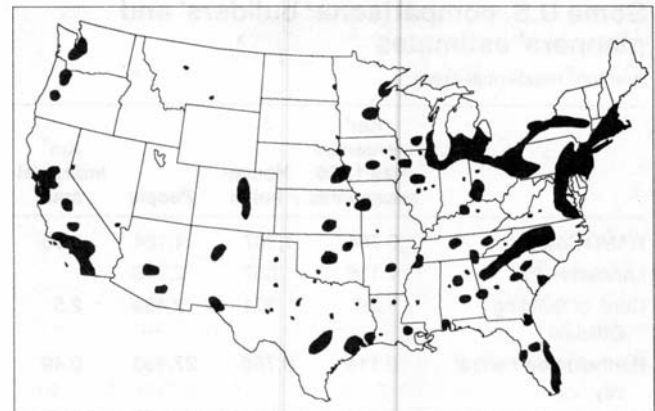
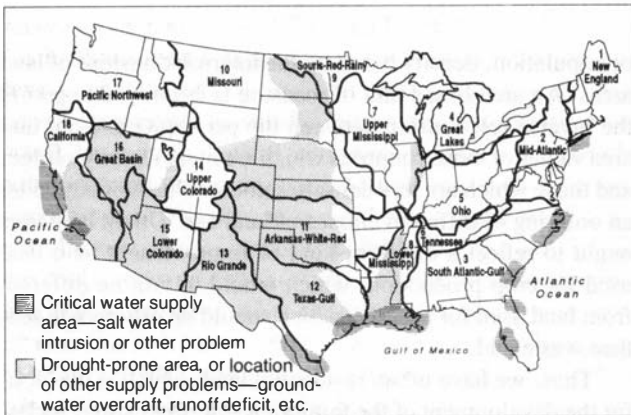


FIGURE 7

United States: 18 hydrologic regions, and areas of water supply problems



restates the same data from the standpoint of relations among the land uses themselves. Forest resources constitute the major use not included here. Forest resources are used, do have roads or trails, but it has not been possible to develop that kind of profile. The total U.S. forest area was 46 square kilometers per 1,000 households in 1970.

For purposes of comparison, **Table 6** shows area esti-

TABLE 4

Land area per 1,000 households (km²)

Country	U.S.	Germany	India	Japan	China
Total	147	11.2	30.1	13.6	54.3
Used	72.7	6.75	15.5	2.8	23.9
Agricultural	68.5	5.6	14.1	2.1	23
Pasture	38.5	2.2	1.1	0.1	16.1
Crop-land	30	3.4	13	2	6.9
Irrigated area	3.9	0.1	2.6	1.24	2.9
Built-up area	2	1	0.88	0.75	0.65
Residential	0.6	0.32	0.29	0.33	0.19
Industrial	0.09	0.08		0.06	
Transportation	1.6	0.47	0.06	0.38	0.04

TABLE 5

Area per km² urban residential land

Country	U.S.	Germany	India	Japan	China
Total	229	34	103.9	42.8	277.9
Used	112.8	20.5	52.5	8.9	122.9
Agricultural	106.3	17.3	49.1	6.5	118.5
Pasture	59.7	7.1	4.1	0.3	82.9
Crop-land	46.6	10.2	45	6.2	35.6
Irrigated area	6.0	0.3	8.7	3.8	14.8
Built-up area	3.1	3	3	2.2	3.6
Residential	1	1	1	1	1
Industrial	0.16	0.25		0.18	
Transportation	2.6	1.5	0.26	1.2	0.2

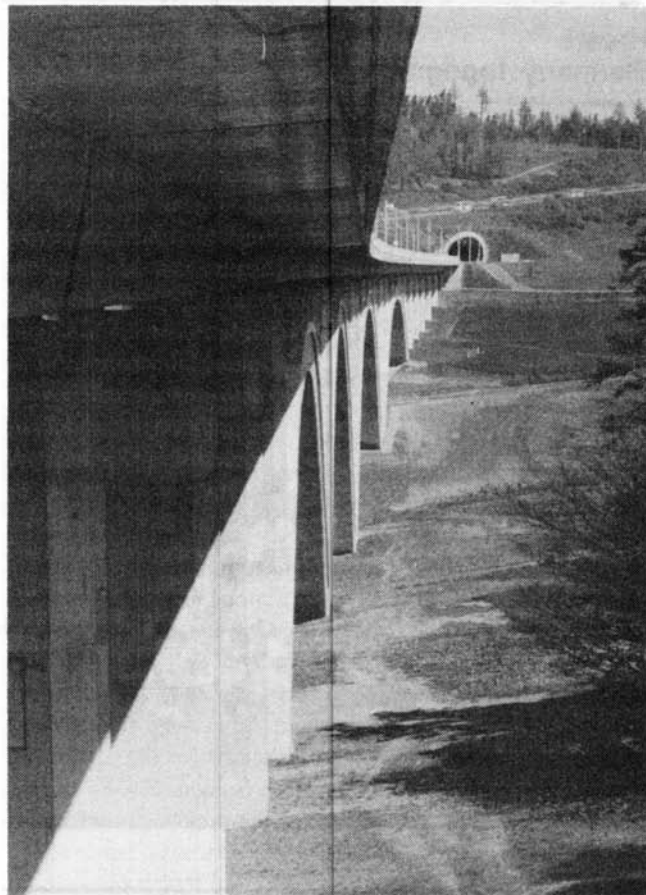
TABLE 6

Some U.S. comparisons: builders' and planners' estimates(per km² residential area)

	Km ² residential area/1,000 households	House- holds	People	Km ² industrial area
RAND Corp.	0.764	1,307	4,184	0.58
Lancaster, Pa.	1.166	857	2,743	
Conf. of Building Officials	1.29	771	2,469	2.5
Bartholomew central city	0.114	8,752	27,433	0.49
Bartholomew satellite	0.155	6,429	20,875	0.57
Bartholomew "urban" area	0.18	5,511	17,635	0.6

mates employed by U.S. planning agencies and building associations in the 1950s and '60s. The RAND Corp. estimates were employed by that agency in the early 1960s. The entries for Lancaster, Pennsylvania were used in planning the city's expansion in the 1960s. The entry marked Conference of Building Officials shows the guidelines employed by the agency which coordinates Building Officials and Code Administrators, around 1970. The entries marked "Bartholomew" are from a study of land-use patterns in U.S. cities produced by Harland Bartholomew and published in 1955. The last three reflect an earlier state of affairs, when American cities were real cities, and not bombed-out focal points for escaping suburban sprawl.

There is a reason for adopting a measure of household,



High-speed railroad under construction between the German cities of Hanover and Würzburg. Rail transport is the best mode for rapid movement of goods.

or population, density based on the interrelationships of land areas. An area-based unit of measure is employed to permit the inverse relationship between the per capita and per unit area values of those countries which are more densely settled, and those which are less densely settled, to be unified, under an ordering of different classes of land use. Urban land uses ought to reflect a different kind of improvement than land used for crop production, which would in turn be different from land used for pasture, which should be different in turn than wasteland.

Thus, we have urban residential land, which is the locus for the development of the family and the work force; industrial areas, apportioned to each square kilometer of residential land; crop and pasture land, out of which the agricultural population produces food for the urban population; and land for transportation uses, which represents the network for the movement of goods and people which unifies the whole.

The reported classes of areas are grossly defined, such that the use identified could be considered the major use. "Residential" areas include other uses besides living arrange-

TABLE 7

People, households, and urban residential area, 1970

Country	U.S.	Germany	India	Japan	China
People per household	3.2	2.7	5.1	3.9	4.8
Households/km ²	1,549.6	3,019.8	3,384.7	3,078.9	5,119.2
People/km ²	5,011.6	8,337.2	17,532.7	11,962.7	23,650.7
Lifetimes	5,011.6	8,253.4	11,829.5	12,299.1	19,909.6
Births/km ²	81.4	100.3	690.9	229.7	819.7
Deaths/km ²	47.3	100.9	288.9	78.9	252.3

ments as such—schools, shopping areas, and community facilities among them. It is the same with “industrial” areas, where figures are available. Built-up area is not the sum of residential, industrial, and transportation uses. The transportation uses reflect inter-city networks as well as urban roads and railways. Built-up area includes parks, lakes, and water surface, and land which is not in use, or waste. The generality reflects the fact that data is not collected for the purpose of identifying specific such uses with precision.

Thus, the areas so defined do not precisely conform to the areas on which water, electricity, and fuel are used, or output produced. Water, electricity, and fuel for household use are, for the most part, used in the house. The residential area will be larger than the area over which the electricity, water, and fuel are concentrated. Reported industrial electricity and power usage includes consumption for lighting and space conditioning, as well as for manufacturing processes. In the same way, the area on which a farm and adjacent buildings, which use power and electricity, sit, is very different than the crop area farmed.

Transportation, shown as an area measure, will be considered below in terms of network length in relation to different area usages. When built, after all, a road or railway is an area of land which is taken from a prior use, such as crop or pasture land, and transformed for highway or railroad usage. For these purposes, the American Railroad Association considers that the freight capacity of one double-tracked railroad line is the equivalent of sixteen 12-foot-wide highway lanes. The railroad requires a right-of-way of 50 feet or 15.2 meters, the highway 400 feet or 122 meters.

The number of people who occupy households on each of the reported square kilometers of urban residential land is shown in **Table 7**.

We can now begin to correlate population density and land use with the different aspects of basic economic infrastructure—water supply and distribution, transportation, and power supply.

TABLE 8

U.S. water usage standards

(million m³/year)

	Per person	Per 1,000 households	Per urban residential km ² public use*
Public use: municipal*		0.54	0.86
Residential: single	0.0001	0.32	0.50116
Residential: multi	0.00008		
Public use**	0.000039	0.124	0.195
Schools	0.00009	0.068	0.113
Hospitals/bed	0.0008	0.018	0.031
Factories: sanitary	0.00002	0.0035	0.0058
Manufacturing/employee	0.005	0.879	1.465
Agriculture: irrigation/km ²	0.69	2.7	4.5
Commercial/hectare	0.0016	0.012	0.02
Electrical generation/kwh	0.00015	3.6	6
Total		7.78	12.8

*The sum of residential, public use, schools, hospitals and commercial.

**For street cleaning, fire department services, and so forth.

Water usage standards

Table 8 is a tabulation of standards for water consumption applied in the United States during the early 1970s. With the exception of agriculture and electricity generation, they were taken from guidelines issued by the U.S. Conference of Building Officials and Code Administrators, an agency which coordinates zoning requirements and construction codes across the country, and the publications of the Urban Land Institute, and reviewed in light of reports from the U.S. Geological Survey and the U.S. Department of Agriculture. They are converted from U.S. gallons per day to a metric measure on an annual basis.

These kinds of standards ought to be used with some caution in assessing what is reported below about comparable water use in the other countries. One reason for such caution is that the standards do not precisely correspond with reported use. Another is the preponderance of single-family homes in the United States, with relatively large lot sizes, because significantly less water is required to provide for multi-family dwellings, such as apartment buildings.

The water for electricity generation cooling is calculated from an engineering estimate employed by both the U.S. Geological Survey and Babcock and Wilcox company, of 50 kilowatt-hours (kwh) per liter of water evaporated in the cooling cycle. In 1970, the United States used the “once-through” cooling system for about 75% of its generating capacity. This is where cooling water is sucked out of a river or some other flowing body of water, put through the system, and then discharged back again. It is favored where water is

in plentiful supply. Closed-cycle systems, involving wet or dry cooling towers, cooling ponds, lakes, or spray ponds, use 2-4% of the water employed in an open cycle "once-through" system. Or, they may not even use water at all. The water-based closed-cycle systems require more land than do the once-through systems, even though they use less water.

Agricultural requirements are simply what was used—water per irrigated area—in the United States. Use will depend on crops grown. California fruits and vegetables, and western cotton, are obviously very different than paddy rice production.

The industrial guideline is based on 3,000 gallons per day per manufacturing employee, the late 1960s construction standard for new manufacturing facilities. This, again, is a ballpark estimate. Water is used in industry for cooling thermal processes, for steam generation, as well as for processing, washing, and other sanitary purposes. Different types of products require different volumes of water, and

different processes of making the same product require different volumes of water. A study sponsored by the American Waterworks Association prepared in the mid-1970s put the volume of water required per manufacturing employee at 12,600 gallons per day, more than four times the construction standard of the late-1960s. In the United States, Germany, and Japan, the chemical and iron and steel industries account for roughly half of industrial water consumption.

Lastly, the U.S. guidelines involve a 15-25% margin for system leaks and losses. The core water and sanitation systems of America's larger cities date from the end of the nineteenth century. That provision says something about the quality of a system which is approximately 100 years old (see **Tables 9 and 10**).

The overall situation is less complicated than all the provisos might make it appear. In India and China, 93% and 86%, respectively, of the water accounted for as withdrawn is used in irrigation for agriculture. Water use per irrigated

Energy and water for the future: the MHTGR

High-temperature gas-cooled reactors (HTGR) are an advanced form of nuclear fission reactor that originated as a spinoff of NASA's search for a nuclear propulsion system for manned missions to Mars in the 1960s, and prototype reactors have been operating for years at Fort St. Vrain, Colorado, and in the Federal Republic of Germany.

Modular reactors (MHTGRs) derive from the program of G.A. Technologies of San Diego, which has developed a standardized design for an HTGR module, able to produce 350 megawatts of thermal energy, which can be converted to about 140 MW of electricity. The General Atomics MHTGR has also been designed with a view to mass-producing the units, so that design, engineering, manufacturing, construction, and certification costs can be spread out over many units, making them much cheaper than previous nuclear power plants, which were each custom-designed and built from the ground up. This saving in capital costs, combined with the savings in fuel cost means, according to General Atomics estimates, that MHTGRs will be able to deliver electric power below the cost of a coal-fired power plant.

The MHTGR uses helium gas as a coolant, instead of water. Since helium gas is inert, and has very low neutron absorption characteristics, the MHTGR is top of the line in design safety. Pipes, valves, and other metal reactor parts will not react with helium, virtually eliminating corrosion.

The inability of helium to absorb neutrons means it cannot become radioactive, so problems with embrittlement and possible fatigue-failure of metal parts are also eliminated. Moreover, since helium remains as a gas throughout the reactor cycle, there is no chance that the coolant will boil away; this also allows for visual television inspection of the inside of the reactor while in operation—something not possible during the steam phases of a water-cooled reactor.

MHTGRs for desalination

A unique advantage of high-temperature gas-cooled reactors is that their energy can be used as process heat or steam. Seventy percent of industry's energy needs are of this type. The advantage of MHTGRs, as the word modular implies, is their flexibility in siting. They can be placed where the heat energy or steam is to be used; designed not only for mass production, but also for ease of shipment.

For a thirsty world, MHTGRs could provide the thermal energy required for certain desalination processes. A study by the U.S. Department of Energy and the Metropolitan Water District of Southern California found that one single desalination plant, consisting of four 350 MW MHTGRs, could produce 106 million gallons of water per day, or 38.6 billion gallons per year. Thus, four such plants could meet the projected new water needs of Southern California, and provide 466 MW of electric power each as well.

As the study also pointed out, the only obstacle to immediately initiating a program of building desalination plants based on MHTGRs, is public acceptance of nuclear power waste disposal.

TABLE 9

Water availability and supply per 1,000 households(million m³/year)

Country	U.S.	Germany	India	Japan	China
Available	20.1	3.5	15.66	20.7	14.7
Withdrawn	7.6	1.3	3.3	3.2	2.1
Agriculture	2.7		3.1	1.8	1.8
Public use: municipal	0.5	0.13	0.11	0.17	0.13
Industrial	0.95	0.47	0.03	0.5	0.05
Electrical generation cooling	3.4	0.74	0.08	0.71	0.1

TABLE 10

Water availability and supply per km² urban residential land(million m³/year)

Country	U.S.	Germany	India	Japan	China
Available	33.5	10.8	54.1	62.7	77.7
Withdrawn	12.6	4	11.5	9.5	11.1
Agriculture	4.5		10.7	5.5	9.6
Public use: municipal	0.9	0.42	0.38	0.5	0.66
Industrial	1.6	1.5	0.11	1.5	0.24
Electrical generation cooling	5.7	2.3	0.3	2.2	0.54

area among the four countries which report it, was much closer than for electricity use or agricultural employment. For the United States, 0.75 million cubic meters per square kilometer; for India, 1.2; for Japan, 1.5; and for China, 0.65. For the latter two countries, that usage is untouchable. Without it, food production would collapse dramatically.

Water use and food production per 1,000 households on irrigated land would look as shown in **Table 11**.

That leaves 7% and 14%, respectively, of withdrawals for all other uses in India and China. That is, there is absolutely no margin for improvement or expansion without dramatically increasing the ratio between water withdrawn and water available, reducing the volume of water deployed into agriculture, or employing some means of creating fresh water, such as employing the modular high-temperature gas-cooled nuclear reactor, which has been available since 1970 (see box on MHTGR and desalinization).

The "public use: municipal" figures which look, at first glance, quite close to Germany and Japan, are not so at all, given the different numbers of people involved. Expressed

TABLE 11

Water use and food production, per 1,000 households, on irrigated land

Country	U.S.	Germany	India	Japan	China
Irrigated crop	2,505	—	1,684	1,956	1,669
Tons/million m ³ water	927.7	—	543	1,086	927
Million m ³ water/tons	0.001	—	0.002	0.001	0.001
Million M ³ water/area	0.69	—	1.19	1.45	0.62

in U.S. gallons per day per person, we have 77 gallons for the Americans, 36 for the Germans, 15.6 for the Indians, 30 for the Japanese, and 20 for the Chinese. The U.S. figure is for all the uses catalogued above under "public use: municipal." Germany and Japan correspond to residential uses per se. China and India to the broader figure.

Usage estimates, based on those used in the old-style wars against poverty in the United States, were that an electrified house, not apartment, would require 60 gallons per person per day; a house without electricity or running water would generally have 10 gallons per person available. It used to be thought that each person would require one gallon per day for cooking and drinking, 19 gallons per day for hand and face washing and toilet flushing, and 15 gallons per day for one three-minute shower. Below 20 gallons per person per day then, is below the sanitary minimum.

Running water and sewer systems go together. If 20 gallons per person per day indicates absence of running water distribution systems overall, then it also indicates absence of sewer systems. If it indicates a water distribution system which cannot handle more than 20 gallons per person per day, then it also indicates a sewer system which cannot handle the effluent produced. Apart from the water used in the household, U.S. building code standards considered the output of 50-100 gallons of water per person to be necessary to make an urban sewerage system work.

Clean water and sanitation

What this means has been known for more than 100 years. Without provision of sufficient clean, fresh water and adequate sanitation, cities become breeding grounds for epidemic diseases, like cholera. Across Third World countries, half of the infant mortality can be attributed to diseases spread through contaminated water supplies or parasites, which would not exist if water and sewage treatment were adequate. Leaving aside the reservations about the U.S. building code standards, to have provided water for the 1970 urban population, at those standards, India's total withdrawals would have been 20% greater, and China's 29% greater. The "public use: municipal" category of withdrawal would have been 6.8

TABLE 12

Water at U.S. building code standards(millions m³/km² urban residential land)

Country	India	China
Public use: municipal	2.6	3.9
Residential	1.7	2.4
Public use	0.68	0.92
Schools	0.2	0.34
Hospitals	0.008	0.248

TABLE 13

Industrial water use: output and area

Country	U.S.	Germany	India	Japan	China
Tons output/ operative	363	437	7.3	312	38.8
Tons/million m ³ water	72,600	218,500	73,000	312,000	129,300
Million m ³ water/ton	0.00001	0.000005	0.00001	0.000003	0.00001
Million m ³ /area	10	6	—	8.3	—

times greater for India and 5.9 times for China. The results are shown in **Table 12**.

The U.S. standard for water supplied for manufacturing purposes is defined per worker. The reported volumes available, per manufacturing operative, in millions of cubic meters per year, are: United States, 0.005; Germany, 0.002; India, 0.0001; Japan, 0.001; China, 0.0003. Per square kilometer of industrially used land, the volumes are: United States, 10; Germany, 6; and Japan, 8.3 million cubic meters. Industrial water use, output, and area are shown in **Table 13**.

For electricity generation, the question is one of the cooling system adopted. The U.S. engineering standard provided for 0.00015 cubic meters of water per kwh. Cooling water is employed in thermal and nuclear generation of electricity, as shown in **Table 14**.

We take power supply in terms of the sources of power supplied, whether electrical or fuel sources for combustion, and in terms of the consumption and production of such power sources. Using current thermal combustion-dominated modes, the two are united in electricity generation, which accounts for over 30% of the tons of oil equivalent fuel consumption of four of the five countries. The exception being China, where 17.5% of the fuel consumed is so used. For the other four countries, the ratios are: United States, 35%; Germany, 35%; India, 33%; and Japan, 32%.

Tables 15 and 16 show how the electrical power so pro-

TABLE 14

Water use and electrical generation/1,000 households

Country	U.S.	Germany	India	Japan	China
Thermal: % capacity	0.82	0.88	0.54	0.8	0.66
Thermal: kwh	19,744	9,016	249	10,880	417
Kwh/million m ³ water	5,807	12,183	3,113	15,324	4,170
Million m ³ water/ kwh	0.00017	0.00008	0.0003	0.00007	0.0002

TABLE 15

Power supply: electrical

(000s kw and kwh/1,000 households)

Country	U.S.	Germany	India	Japan	China
Generating capacity	5,283	2,088	148	4,062	133
Kwh: total	24,079	10,245	462	13,601	632
Agriculture	688	250.8	4.4	4.5	84.6
Residences	7,275.6	2,139.2	36.9	3,076.6	32.2
Industry	11,013.6	5,723.6	323.1	9,990.8	491
Railroads	74.3	393.3	14.6	490.7	6.9
Other	5,028.7	1,740	83	40.5	17.3

TABLE 16

Power supply(000s kw and kwh/km² urban residential land)

Country	U.S.	Germany	India	Japan	China
Generating capacity	8,806	6,528.8	513.8	12,312.7	700.3
Kwh: total	40,132	32,018.8	1,594.2	41,217.7	3,235.4
Agriculture	1,146.7	783.9	15.5	13.8	445.3
Residences	12,126.9	6,685.8	127.3	9,323	169
Industry	18,356.3	17,886.2	1,114.2	30,275.2	2,584
Railroads	123.9	1,229.1	50.4	1,487.2	36.3
Other	8,378.2	5,433.8	286.8	118.5	0.4

duced was consumed, and how much generating capacity was employed in its production. (The tables can be read in conjunction with **Tables 18 and 19**, which break out fuel consumption, in tons of oil equivalent, in the same form.)

Wasteful tradeoffs

The non-thermal generating capacity indicated in Table 14 was, in 1970, primarily hydropower, which has been pushed by the World Bank and others, as a cheap, cost-effective way for Third World countries to add generating capacity. Cited in support of this assessment are the immense power potentials of the water resources of countries like India and China. China is estimated to have a hydropower potential of 680 million kilowatts, India of 41.5 million. At 60% capacity utilization, this would yield 3,574 million kwh in the case of China, and 216 million kwh in the case of India. The numbers sound impressive.

But compare the power capacity in 1970 per household terms with the generating capacities which then existed in the United States, Germany, and Japan. China's 3,800 megawatts per 1,000 households would be comparable to Japan more than Germany, and 70% of U.S. capacity. India's 2,016 megawatts would be comparable with Germany's 1970 total, half of Japan's, and two-fifths that of the United States. Since the potential is relatively fixed, it declines per household, as the number of households increase.

Add to this what we saw above about the water requirements of these countries, and what could be implied about dam, reservoir, and other land and water management needed to free up some of the available water supply for hydropower, and it becomes clear that the World Bank-recommended hydropower investments for such countries are among the cruellest of hoaxes. Hydropower has functioned in low population-density countries which are not hard-pressed for either land, water, or transportation needs—Norway, Sweden, Switzerland, and the Pacific Northwest of the United States, come to mind. But where power, land, and water are all in short supply, it won't provide a solution.

Thermal generation of electricity and, since the oil hoaxes of the 1970s, coal-fired systems, have been enforced as the only other option, since nuclear power was effectively banned for Third World countries by Jimmy Carter in 1978 when he insisted that West Germany's agreements with Brazil be canned. It is amazing that this is all done in the name of threats to the environment, given what the coal-fired alternative actually represents, and what the proponents of "greenhouse effect" and "global warming" hoaxes never discuss.

Environmental competence: the nuclear issue

Assuming, on the basis of the U.S. fuel ratios, a 1,000 megawatt plant operating at 60% capacity, the fuel requirement will be 3,200 oil equivalent tons per day (see Table 17). The volume of coal as such would be about 5,600 tons per day. Some 1,800 tons of typical steam coal cover an acre of land to a depth of one foot. Therefore, three acre-feet of land, plus over-burden, must be cleared per coal-fired megawatt per day. Underground mining has a yield of 50-60%. There is then the environmental damage from the trans-

TABLE 17

Fuel and electrical generation

(oil equivalent tons)

Country	U.S.	Germany	India	Japan	China
Fuel/1,000 kwh	0.39	0.39	0.71	0.29	0.55
1,000 kwh/ton	4.5	4.8	3.1	3.3	1.79

TABLE 18

Power supply: fuel per 1,000 households

(oil equivalent tons)

Country	U.S.	Germany	India	Japan	China
Total	21,906	10,134	541	9,905	1,292
Agriculture	522	40	3.6	53.9	60.724
Residences	3,360	2,456	52.2	381	219.64
Industry	5,174	2,945	183.5	4,063.9	609.824
Transportation	4,570	1,195	127.2	1,174	62.724
Truck	4,229	1,034	45.5	840	12.92
Rail	188	81	75.9	90.3	25.84
Water	79	41	2.8	121	2
Electrical generation	7,759	3,533	177	3,210	226.1
Other	600	5	0.3	1,142	114.988

portation and cleaning of the coal, and the emissions produced from burning it.

A 1,000 megawatt nuclear plant, on the other hand, contains about 100 tons of 3% enriched uranium. The plant's containment vessel is opened once a year, and one-third of the fuel replaced. Roughly 500 tons of unenriched ore is required to produce 100 tons enriched fuel. The ore which is to be enriched makes up 0.7% of the natural uranium mined. Thus, a mere 70,000 tons of natural uranium have to be mined to provide a one-year fuel supply for a 1,000 megawatt plant. The coal-fired plant will require about 2 million tons of coal, four hundred 5,000 ton-unit trainloads, representing more than 1,100 acre-feet of land (see Tables 18 and 19).

Electricity and fuel were otherwise used as follows.

In U.S. residential applications, the major specific use is home heating. In 1970, before the first oil shock, approximately 70% of the fuel consumed by households was accounted for by heating, about 6% for cooking, and other uses include water heating and so on. So, 2.3 tons of the 3.3 tons fuel consumed per household was for home heat, and 0.2 tons employed for cooking. The figures do not include so-called biomass fuels—like cow dung, which predominates

TABLE 19

Power supply: fuel per residential unit area
(oil equivalent tons)

Country	U.S.	Germany	India	Japan	China
Total	36,511.7	31,667.3	1,867.5	30,015.3	6,802.3
Agriculture	870.9	125	12.6	163.5	319
Residences	5,601	7,676.3	180.4	1,157.7	1,155.8
Industry	8,624.9	9,204.3	632.9	12,315.7	3,209.5
Transportation	7,485.9	3,607.7	429.1	3,192.5	330
Truck	7,049	3,231.2	157.1	2,546.3	67.8
Rail	314.6	254.3	262.6	273.7	135.7
Water	122.5	122.3	9.4	372.6	10.5
Electrical generation	12,932.8	11,043.4	612.3	9,729.4	1,190
Other	997	10.6	0.2	3,456.5	597.7

in India—so one could assume the Chinese figure of 0.2 tons per household is roughly equivalent to cooking requirements only, and that the Indian figure of 0.05 tons is the minor portion of consumption which is for the most part made up of cow dung patties.

Fuel for heating, as a guideline, would vary with the floor space or volume of the residence to be heated, and with the number of days such heat is required during a year. Typical U.S. floor space was around 1,500 square feet; German, about 1,000; and Japanese, about 700. Some 29% of the electricity supplied to U.S. residences was used for space heating, about 17% for water heating, 13% for lighting, another 6% for electrically powered cooking equipment, and 7% for a category called "other," cited here because it includes power for televisions, radios, and smaller appliances. The remaining 28% was used for larger appliances, like refrigerators, washers, driers, and freezers.

In agriculture, where the United States is concerned, the major part of the electricity applied, except for irrigation pumps, is for indoor uses in dairying, crop drying, and so on. Fuel use is primarily to power machinery, such as tractors, harvesters, and farm trucks. The reported ratios between fuel use and output in the five countries are shown in **Table 20**.

The Chinese numbers could be discounted for reasons discussed earlier. It ought to be noted that Germany applies 5.9 times more fuel per crop area than does the United States, to produce a crop yield which is about 6.3 times greater per crop area than that produced in the United States. The food produced per ton of fuel, and the fuel consumed to produce a ton of food, are roughly the same for the two countries.

Ratios between electricity and fuel consumed in industry, per unit of industrial output, and output per unit fuel and electricity consumed, are shown in **Table 21**.

The food and the fuel discussed represents the following

TABLE 20

Fuel use in agriculture

Country	U.S.	Germany	India	Japan	China
Food produced/ton of fuel	8.4	8.8	293	218	5.8
Fuel consumed/ton of food	0.11	0.11	0.003	0.005	0.17
Fuel/crop area	41	244	1.1	6.9	66

TABLE 21

Fuel and electricity use in industry

Country	U.S.	Germany	India	Japan	China
Tons/kwh	5.7	20.7	6.1	18.1	12.1
Kwh/ton	0.17	0.048	0.17	0.055	0.08
Tons/ton of fuel	12.3	40.5	10.4	44.6	9.9
Tons of fuel/ton	0.08	0.025	0.09	0.02	0.1
Kwh/area	203,995	223,575	—	504,583	—
Tons of fuel/area	53,900	36,816	—	68,416	—

TABLE 22

Ton-kilometers, % modal share per 1,000 households

Country	U.S.	Germany	India	Japan	China
Total ton-km	47,380	10,058	1,768	13,279	2,513
Truck	18.6%	34%	34%	38%	3%
Rail	34.8%	37%	65%	18.2%	76.5%
Water	26.9%	21.3%	—	43%	20%

portions of the total goods moved on the freight transportation network of the five countries: United States, 24%; Germany, 9%; India, 30%; Japan, 12.3%; and China, 29%.

The total ton-kilometers (ton-km) are divided among the three principal modes of transportation of freight as shown in **Table 22**.

The fuel bill, in thousand ton-kilometers per ton, and tons per thousand ton-kilometers, for each of the modes, is shown in **Table 23**.

The fuel bill can be compared with estimates of the freight carrying capacity of each of these three modes, expressed in ton-kilometers moved per hour. These estimates are based on those the U.S. Army Corps of Engineers employed in a

review of the U.S. transportation system commissioned under the Carter administration, and suppressed from publication by the Reagan administration. The following assumes a freight train carrying 2,000 short tons (1,814 metric tons)—about standard for the United States but heavier than most other systems—a standard 20 metric ton truck, and a standard jumbo barge of 1,500 tons organized in a 12-barge train.

The control systems are the signaling methods employed to regulate train movements, and together with numbers of tracks, determine line capacity. Manual or automatic block signaling assumes that the track is divided into blocks of a certain length relative to the headway of the trains, and that a train does not enter a given block until its predecessor has left it. Controls for stopping the train are onboard. Under

central traffic control, the train, say for emergencies, can be stopped by orders issued from the central control. Central handling of movement permits better coordination and increases capacity. These comparisons apply to vehicles under way, and do not consider stopping and starting (see Table 24).

It requires 299 trucks to transport the same volume of ton-kilometers in an hour as 3.3 trains, or 4.5 barge trains, but they will only cover 7 kilometers each. With current U.S. speed limits, the trucks wouldn't actually travel at 127 kilometers per hour. And diesel-fueled trains, the freight-carrying workhorse in the United States, cannot technically exceed 125 miles per hour (200 km/hr). Other modes can be compared to this outline, for example those shown

Magnetic levitation transport systems

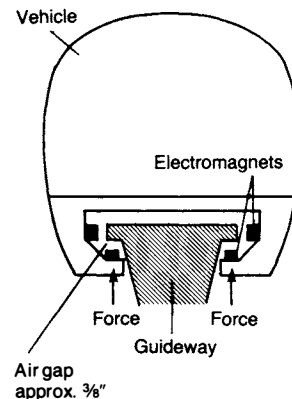
Magnetic levitation (maglev) transport systems can revolutionize passenger and freight transportation by early in the next century. Moreover, the spinoffs which will follow the development of advanced maglev systems, such as giving impetus to high-temperature superconductor research, will have even more profound effects.

Maglev systems feature two basic types of propulsion and guidance systems: those in which the levitation magnets are onboard the vehicles and are superconducting, such as Japan's HSST models, and those which are propelled and controlled from the track on which the vehicles run, known as the guideway. Both the German TR-07 and the Japanese MLU-002 models make use of what are called passive systems. However, the German and Japanese programs make use of different electromagnetic principles to provide the suspension, propulsion, and guidance of their vehicles (see diagram).

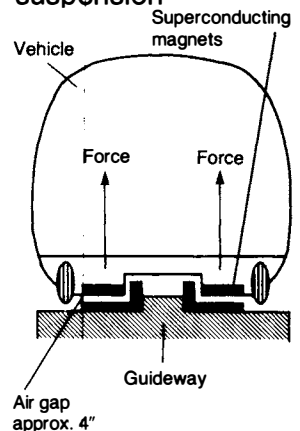
The German Transrapid is based on the attractive power of permanent magnets, a system called Electromagnetic Suspension. The vehicle's underframe "wraps around" the guideway and pushes the vehicle up and off its rails. The Japanese make use of repulsive forces, a system called Electrodynamic Suspension, to lift the vehicle away from the guideway. These systems must employ an undercarriage-like landing-gear, for lift-off and landing, because the vehicles only levitate at speeds in excess of 25 mph.

Maglev technology is already developed to meet an array of transportation functions, from short-distance but relatively high-speed urban commutes (Japan's HSST can function at between 60 and 250 mph), to inter-city travel

Electromagnetic suspension



Electrodynamic suspension



at speeds in excess of 310 mph.

The Transrapid TR-07 is capable of carrying up to 200 passengers at speeds of 310 mph. With a one-minute headway between units, Germany's TR-07 can transport 10-20,000 people per hour. Japan's commercial design maglev train will consist of 14 cars capable of carrying 900 passengers, and is intended to move 75-100,000 people per day between Tokyo and Osaka, some 320 miles.

A maglev transport system compares favorably to aircraft in effective travel time for distances from 200 to 900 miles, and a maglev system can carry twice the number of passengers at half the cost of a Boeing 737. It uses electrical energy, rather than petrochemical fuels.

The maglev system is cheaper than the movement of passengers on today's railroad system. The best estimate of maglev operating and maintenance costs per passenger-mile is 5.2¢ in 1988 dollars. Today's U.S. Amtrak Metroliner service costs 16.2-36¢ per passenger-mile, depending on the bookkeeping methods used.

TABLE 23

Transportation fuel bill

Country	U.S.	Germany	India	Japan	China
1,000 ton-kms/ton fuel:					
Truck	2.08	3.3	13.2	6.1	5.8
Rail	87.6	67.8	29.7	10.7	88.8
Water	173	55	—	46.5	256.8
1,000 tons fuel/ton-km:					
Truck	0.47	0.29	0.08	0.16	0.16
Rail	0.01	0.01	0.03	0.009	0.01
Water	0.006	0.02	—	0.02	0.004

TABLE 24

Transport density: mode*

(ton-km/hour)

Control system	Trains/hr	Km/hr	1,000 Ton- km/hr	No. of trucks	No. of barge trains
2-track, manual/ auto block	2.5-3.3	94.9	568	299	4.5
2-track central traffic	6.6-8.3	127.1	1,912	1,000	15.1
4-track central traffic	12.5-15	127.1	3,455	1,820	27.4

*Freight train: 1,814 million tons; truck: 20 million tons; barge: 1,500 million tons in 12-barge train.

in **Table 25**.

Germany considers 70,000 vehicles per day traversing a highway stretch to be the level at which it is necessary to start planning to construct a new stretch. That's about 3,000 vehicles per hour. U.S. capacity considerations are similar. The truck equivalent of 3.3 trains per hour would be the only variant considered here, which would, perhaps, not cause highway congestion.

Planning transportation needs

The combination of the three transportation parameters we have seen so far, ton-kilometers per hour, fuel per ton-kilometer, and ton-kilometers per ton of fuel, together with the land use requirements, which distinguish rail traffic from highway transit, would permit these three different modes to be ranked according to function: slow-moving water freight, cheapest for movement of bulk goods for which there is no delivery time pressure; rail, which ought to be best for rapid movement of goods where time does become a consideration; and trucking, whose function ought to be the shorter-haul

TABLE 25

Other variants of transportation

	Speed (km/hr)	Load (million tons)	Ton- km/hr	Rail equivalent
Junk or country- boat	2-4	1-20	2-80	7,100
1 Animal-drawn cart	1.7-2	0.3-0.4	0.5-0.8	710,000
1-Man hand-cart	1.7-2	0.18	0.3-0.36	1,577,777
Human carrier	1.7-2	0.05-0.07	0.085-0.14	4,057,142

TABLE 26

Length of haul by mode

(kms)

Country	U.S.	Germany	India	Japan	China
Truck	362	36.7	—	29.4	24
Rail	789	219.9	644	250	513
Water	916	203.4	—	400	365

delivery of goods to the other modes or to the final user of the goods.

This functional arrangement would only work, however, if marshaling and break-bulk facilities were adequate. Philadelphia and New York City are 90 miles apart, 1.5 hours traveling at 60 miles per hour. U.S. railroads were never able to manage the overnight delivery of goods from Philadelphia to New York because of the intermediate-stage handling arrangements.

The economics which underlies the differences between the three different modes is reflected in the average hauls which are obtained by dividing ton-kilometers by tons (see **Table 26**).

The longer hauls in the United States, compared to Germany and Japan, reflect the larger area and the lower population densities. This can be seen further in comparing the densities of the networks of the different transportation modes relative to different land uses, in light of what we saw above about areas of land used for different purposes, per household. The grid densities are compared over the entire area, and per 1,000 households, and relative to agricultural and urban areas (see **Table 27**).

We find the same inverse relationship we saw with electricity use per household and per used area. With 10 times greater population density than the United States, relative to total area, Germany and Japan have 2.3 and 3.5 times,



Shipping on the Rhine, with Mainz, Germany in the background. Climate and the availability of water, including for transportation, have played their part in channeling mankind's development.

respectively, the density of transport grid to total area, but the United States has 4.8 times the per household network that Germany does and 2.5 times that of Japan. The overall figures reflect the depth, or lack of it, of the road network. Note Germany's combined densities of railroad and waterway networks in relation to total area. The Japanese water network is calculated on the basis of coastline, since their water-borne freight is coastal freight, and population is based on the coast.

Transportation network densities were calculated by identifying major crop producing areas of the countries, where 50% or more of production was located, and then cross-gridding the transport networks of those areas against their total areas and the crop production areas. This was not possible for Germany because it was not possible to find the railroad network broken down at the state level. The numbers for Germany are simply transportation network and total area repeated.

The comparison is seen best between **Tables 28 and 29**, for the ratio of transport route to crop area is unrealistic given that there are other uses in agricultural area. For China, there is a significant increase in density, which reflects the fact that the relatively unpopulated western part of the country is not included. Japan is reduced below the national total, because of the large area of Hokkaido, and India and the United States are about the same as the overall density figures.

The food-producing areas included: for the United States, Ohio, Indiana, Illinois, Iowa, Missouri, Minnesota, North Dakota, South Dakota, Nebraska, and Kansas; for India, the states of Andhra Pradesh, Bihar, Madhya Pradesh, Uttar Pradesh, Maharashtra, Punjab, and West Bengal; for Japan, the prefectures of Hokkaido, Nigata, Akita, Miyagi, Yama-

TABLE 27

Density of transportation grid

(km/1,000 km²)

Country	U.S.	Germany	India	Japan	China
Total network	837.3	1,920.4	237.9	2,960.7	83.3
Roads	798	1,773.2	215	2,815.9	64.1
Railroads	37.3	143.9	18.5	62.4	3.7
Waterways	2	17.9	4.4	82.3	15.4

TABLE 28

Density of transportation grid

(kms/1,000 households)

Country	U.S.	Germany	India	Japan	China
Total network	104.9	21.8	7.29	40.97	4.51
Roads	100	20	0.56	39	3.48
Railroads	4.6	1.6	6.6	0.87	0.2
Waterways	0.3	0.2	0.13	1.1	0.83

gata, Fukushima, Aomori, Ibaraki, Iwate, Tochigi, and Chiba; and for China, Heilongjiang, Liaoning, Jilin, Shandong, Hebei, Henan, Zhejiang, Jiangsu, Anhui, and Sichuan.

It is a different matter when it comes to transportation networks in urban areas. Here again, the numbers represent

TABLE 29

Transport network density and agriculture(kms/1,000 km² agricultural area)

Country	U.S.	Germany	India	Japan	China
Total area:					
Total network	949.3	1,920.4	346.9	2,138.8	183.5
Roads	896.9	1,773.2	321.9	2,058.5	145.2
Rails	48.6	143.9	20.1	24.2	14.7
Waterways	3.7	17.9	4.9	56.1	23.6
Crop area:					
Total network	1,851.5	3,516.6	664.9	13,450.8	702.3
Roads	1,749.4	3,247.2	616.9	12,945.2	555.6
Rails	94.9	236.6	38.6	152.1	56.2
Waterways	7.2	32.8	9.4	353.5	90.4

TABLE 30

Transport network density and urban areas(kms/1,000 km²)

Country	U.S.	Germany	India	Japan	China
Built area:					
Roads	6,925.9	10,627.2	1,203.6	13,935.6	343
Bus routes	1,391.4	3,877.8	10.6	397.7	375
Trolley routes	6.9	201.1		70.1	
Rails		1,590		1,152.8	40.7
Rail routes	25.7	115.2	248	601.5	

different things. For the United States, they are national numbers for 1970. For Germany, the ratio of road to built area is based on the Rhine-Ruhr area, and the cities of Hamburg, Bremen, and former West Berlin; and ratio of railroad to built area is based on the cities of Hamburg, Bremen, and former West Berlin. For India, the road-to-built-area ratio is national. The ratio of bus route to area is based on the cities of Ahmadabad, Bombay, Calcutta, and Madras, and the rail-route ratio on Bombay and Calcutta. The Japanese ratios in each case are based on the cities of Tokyo, Osaka, and Nagoya. And China's is simply the city of Shanghai (see **Table 30**).

The ratios employed by the framers of the U.S. construction estimates we saw above can be converted into the same terms of reference as shown in **Table 31**.

Such grids can also be reformulated to show the maximum distance from any part of the transportation grid in a given area, of, say, 10 kilometers by 10 kilometers (**Table 32**).

TABLE 31

U.S. comparisons: builders' and planners' estimates(km/1,000 km²)

	Streets	Rails
RAND Corp.	5,735	—
Lancaster, Pa.	2,850	—
Conf. of Building Officials	8,264	—
Bartholemew central city	10,927	1,897
Bartholemew satellite	10,160	1,693
Bartholemew "urban" area	7,578	1,700

TABLE 32

Transport grid: maximum distance from any part of grid

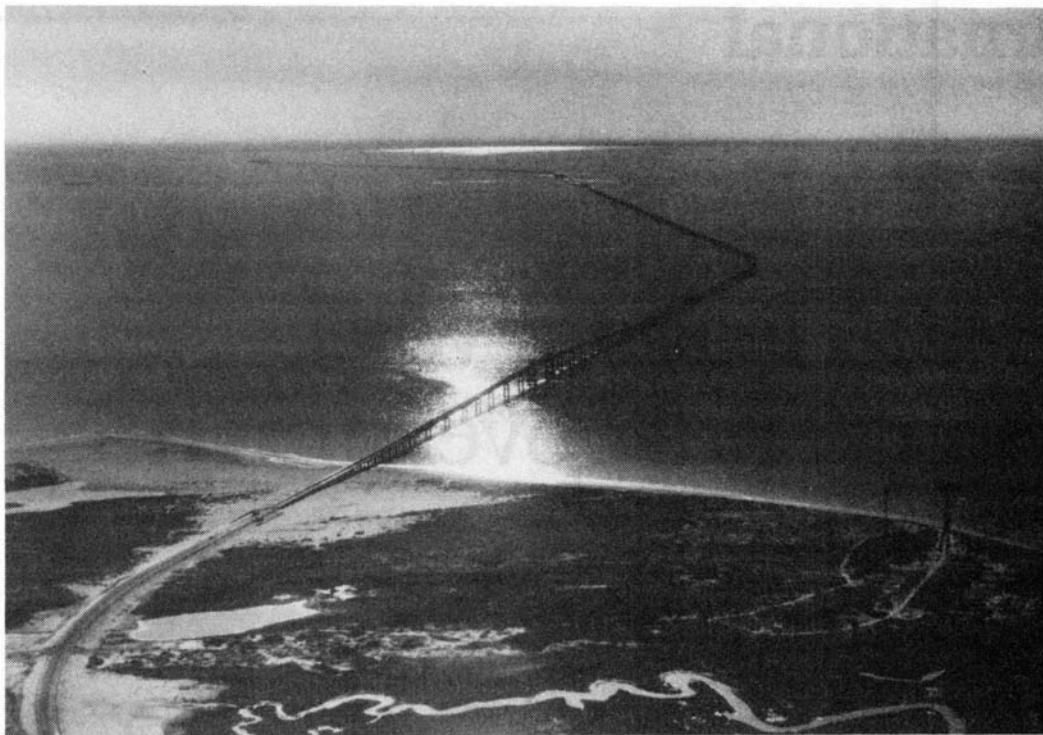
(km)

Country	U.S.	Germany	India	Japan	China
Total:					
Area	1.19	0.52	4.2	0.33	12
Agricultural area	1	0.5	2.8	0.46	5.46
Crop area	0.52	0.27	1.47	0.07	1.4
Built-up area	0.14	0.09	0.8	0.07	
Rail:					
Area	28.75	6.9	54	15.6	269
Agricultural area	19.7	6.9	48	40.9	71
Crop area	10.2	4	25.6	6.2	17.5
Built-up area	38	0.12	3.8	0.8	

In Tables 1 and 2 we reported gross profiles of the labor force, the percentage in agriculture and the percentage in manufacturing, and we showed estimates of labor productivity in terms of agricultural and industrial output. We also reported the ratios of population to teachers, doctors, and hospital beds. The discrepancies between the advanced sector countries and India and China were obvious.

The number of workers per 1,000 households is: United States, 1,338; Germany, 1,219; India, 2,074; Japan, 1,899; and China, 1,949.

Earlier, we saw how those workers were organized, roughly; now, a different point. We saw that lower life expectancy and higher birth rates go together with lower productivity and less-developed infrastructure. The combination creates a necessity for the young to be incorporated into the labor force, however that labor force is defined, as rapidly as possible. If we look at the officially reported age composi-



The Chesapeake Bay Bridge-Tunnel, at Virginia Beach, Virginia.

tion of the labor forces of the five countries, we find that the percentage of the labor force under 20 years of age is: United States, 9.5%; Germany, 10.2%; India, 26.2%; Japan, 6.5%; and China, 25.3%.

Education and health care

Compare this with the school-age population of the five countries. We assume 20 years of age as the upper limit on school age. The school-age population, expressed in terms of the number of people under 20 years of age per 1,000 households, and the percentage of enrollment, is: United States, 841 and 90%; Germany, 574 and 90%; India, 1,921 and 37.4%; Japan, 992 and 70%; and China, 1,792 and 40%.

The under-20-year-old part of the Indian and Chinese labor forces are also almost 30% of the population of youth under 20 years of age. Some 85% of India's 1970 school enrollment was at the primary level, and 91% of China's. To assume 15 pupils per teacher, and also assume that the entire school-age population would be the basis for calculating the target number of teachers that has to be trained, would be a move in the right direction. Compare this with the pupil-teacher ratios reported in the first table. Then, of course, there is the matter of how and what the teachers are going to teach.

The education of youth is of a piece with the matter of water supply. Without clean, fresh water for the population, the rates of infant mortality will burgeon. Accepting the increased infant mortality, as is done increasingly now in the United States, is also to assert by implication that there is no value in the child's future existence, and therefore no need

for investment in his or her education, including the quality of the education. The child is, after all, doomed to the fields or the streets, or perhaps McDonalds.

The results of this view then become the source of the biggest health problems any nation could face, and make the discussion of the provision of health care academic. If you don't have clean water and functioning sewage systems, it doesn't really matter how many doctors, nurses, and hospital beds you have, at least to the extent that what is needed to stop the dying, especially among the children, is clean water and fresh, healthy food.

Standards for hospital care were laid down for the U.S. population in the Hill-Burton Act of 1946. These standards provided for at least 12 hospital beds for every 1,000 people, or 83 people per hospital bed. At that time, it was thought that, out of the 12 beds, 4.5-5.5 basic hospital beds were needed, 5 mental patient beds, and 2 chronic disease beds. The chronic disease which was then being fought was tuberculosis. In 1970, the ratio of people to hospital beds in the United States was 57% below the Hill-Burton Act recommendations. In certain of the more prosperous regions of the United States, those standards are met, and exceeded. In others, it is much worse. In areas where the hospital bed standards are met, the ratio of people to doctors is in the realm of 1 doctor for every 250 people. That ratio could become a reference point for judging the significance of the people-doctor ratios reported in Table 1.

Subsequent articles in this series will take up these questions in regard to other countries in the world.

AFL-CIA leads revolt against Thai government

by an EIR Investigative Team

After four days of clashes between protesters and the Thai military in the streets of Bangkok May 17-21, which took the lives of at least 40 people, Thailand's King Bhumipol Adulyadej intervened directly into the political process to bring order to Thailand. "If Bangkok is destroyed, then all of Thailand is destroyed," the king said.

The king's words are correct: The crisis in Thailand is a life-or-death struggle for the Thai nation-state. An *EIR* investigation has discovered, however, that far from being a conflict internal to Thailand, the rioting that broke out on May 17, led by Gen. Chamlong Srimuang, the former governor of Bangkok and leader of the renegade Buddhist cult Santi Asoke, is the result of a carefully planned revolution against the Thai government and king, 100% controlled and directed by assets of the U.S. Central Intelligence Agency and the AFL-CIO. This U.S.-based and -led operation has been intensifying over the last year, in wait for the "spark" that would set off a full-fledged U.S.-led overthrow of the Thai military.

Thai nation, military targeted

Behind all the demands for "democracy" from Thailand's students and lower classes in the streets of Bangkok, is the strategic decision by the Bush administration to:

- 1) target the Thai military, the country's core institution, for destruction, in the same way that the militaries of Ibero-America have been slated for annihilation;
- 2) use the destabilization to destroy the Thai nation-state, as the necessary enforcement policy of George Bush's new world order; and
- 3) use the destruction of Thailand as the springboard to destroy the rest of the Association of Southeast Asian Nations (ASEAN) countries—especially Malaysia and Indonesia—which would potentially mount opposition to the looting of

their countries or to U.S. strategic will.

In Thailand, sources in the U.S. embassy revealed on May 15, two days before rallies began against the government, that there would be violence in Bangkok in the days ahead. Washington also precipitated the constitutional crisis that ostensibly sparked the riots. Thai national elections, in accordance with demands from the U.S. State Department, were held on March 22. The military party, the Sammakhi Tham Party, won the most seats in parliament and named Narong Wongwan as prime minister. Within a week, State Department spokesman Margaret Tutwiler announced that the United States had denied Narong a visa in 1991 on suspicion of drug trafficking. Within another week, Narong had stepped down, and the ruling party named Gen. Suchinda Kraprayoon, former supreme commander of the Armed Forces, as prime minister.

Immediately, the AFL-CIA's democracy movement sprang into action, demanding that Suchinda step down since he is not an elected parliamentarian. Suchinda replied that he would stand aside, if asked by parliament, but that he would not bend to the will of mobs in the streets.

The protesters were led by a combination of forces on the ground:

- Gen. Chamlong Srimuang, the former governor of Bangkok and leader of the Buddhist renegade cult, Santi Asoke, which has ties to the Hare Krishna drug cult. Chamlong's party, Palang Dharma, swept Bangkok in the March 22 elections, and Chamlong has indicated his aspirations for the prime ministership. Chamlong, according to Amnesty International spokesman in Washington, is not involved in intramural conflicts within the Thai military, but is "definitely democracy movement." An avid environmentalist, he is also a close friend of Roger Fishman, operative of the AFL-

CIO International Department in Bangkok. The AFL-CIO has bought off and runs most of the Thai trade unions, including the powerful Thai Trade Union Confederation, and has pitted them against the government over the last year.

- Gen. Chavalit Yongchaiyuth, a former supreme commander of the Armed Forces, who also has aspirations to the prime ministership. Aside from his own personal ties to the U.S. CIA, Chavalit's most prominent adviser is Prasong Soonsiri, national security council chief under the 1980-88 government of Gen. Prem Tinsulanond. Soonsiri is reportedly an asset of the Team B (hardline anti-Soviet) faction of the CIA, which includes such satellite outfits as Freedom House in New York.

- Sulak Sivaraksa, who fled the country in October 1991, after he was charged with *lèse majesté*. In early May, Sulak, who is the leader of the array of opposition forces in Thailand, was a featured guest speaker at Freedom House, the outfit of U.S. Foreign Intelligence Advisory Board member Leo Cherne. Sulak has also been hosted in the United States by Asians for Democracy, run by one Elsie Bush, a cousin of George Bush. Sulak is the point man for the non-governmental organizations (NGOs) operating in Thailand.

The command structure

The so-called democracy movement that has moved behind these leaders, however, is owned, directed, and operated from outside Thailand.

At the top of the operation is the AFL-CIO International Department, the Ford Foundation, the Washington-based Asia Foundation (a documented offspring of the CIA), and the Carnegie Endowment for Peace, which also works closely with Langley. The case officer for the Thai operation is Catherine Delpino, who heads the Asia Foundation's Center for Asian-Pacific Affairs out of the office of the Carnegie Endowment.

"Ironically," Delpino told an investigator, the Asia Foundation has been working on a "civil-military relations" program to sponsor "dialogue" between the military and civilian leaders. General Suchinda is not one of the foundation's "grantees," however, she added. The program itself is part and parcel of an array of operations coming from U.S. think-tanks and the State Department for the forced dismantlement of national militaries in Ibero-America, Asia, and Africa. Delpino was present at a conference at the National Academy of Sciences on March 30 in Washington on "Issues on Democratization: Civil-Military Relations Workshop."

However, democratization efforts are not being limited to mere "dialogue." The Asia Foundation, with Delpino as the point-man, is actively engaged in organizing and directing the forces for insurrection against military governments or national militaries, as was witnessed in Bangkok May 17-21. Delpino reports that over 50% of the Asia Foundation's money is going for democratization. She said the Asia Foundation is working to "strengthen the court system," to direct the private NGOs to "target the government for reform,"

and on human rights. The foundation also funds "advocacy groups" of greenies and slumdwellers to "lobby" for change.

The Asia Foundation, said Delpino, has spent \$1.5 million in training greenies on the "democratic aspects" seeking approval of the government for environmental causes, although "we have to be careful not to appear as though we are lobbying foreign governments."

One of the Asia Foundation's most important operatives on the group, whom Delpino worked with in Bangkok, is Pratheep Ungsongthem Hata, head of the Duang Pratheep Foundation and "one of the leaders of the confederation for democracy," according to Asia Watch. Pratheep, who also receives funding from the U.S. Agency for International Development, according to Delpino, was a leader of the rioting protests May 17-21 and was arrested.

According to another controller of the operation, who had just returned from Thailand, the non-governmental organizations, which are directed and funded from outside Thailand, are protectors of the democracy movement. The women's movement, the democracy movement, the greenie movement, the anti-poverty movement, and the human rights movement are all the same thing, this source said. The NGOs, in turn, organize and protect the Thai students and lower classes who rallied behind Chamlong.

Before the NGOs were legalized, this source explained, they were already functioning as an insurgency in Thailand at the elite Thammasat and Chulalongkorn universities in Bangkok, at the YMCA in the northern city of Chiang Mai, under cover of university research centers, and also under cover of Buddhist monasteries. In the last six months, this entire movement, the source said, has come into its own.

Key in directing the entire movement on the ground is David Thomas, the Ford Foundation operative in Bangkok.

In short, although the United States and Thailand have been close allies since World War II, the Asia Foundation, the Ford Foundation, the AFL-CIO, Freedom House—all agencies with multiple ties to the U.S. government—have been consciously organizing and funding a revolutionary movement against the Thai government and nation over the period of at least the last year.

At the same time, the entire press and media in the United States, Great Britain, and Australia have been demanding that their governments take harsh stands against the Thai government. On May 19, Britain's Foreign Office called in the Thai ambassador and demanded that Gen. Chamlong Srimuang be released from jail; Asia Watch, a prominent Project Democracy agency, is now demanding trade sanctions against Thailand, as is the International Confederation of Free Trade Unions.

In Thailand itself, Chamlong declared, upon his release from jail, that "this is just the beginning." Obviously, he feels assured of the solid backing of U.S. intelligence in his insurgency against the Thai government. He has called for more and bigger demonstrations to begin on May 25.

Transcaucasus fighting grows, as Turkish intervention looms

by Konstantin George

The war in the Transcaucasus imminently threatens to expand into a wider international conflict, with a level of bloodshed not seen in the region since World War I. Only if the European powers, especially Russia, take decisive measures soon to contain the war, can this nightmare be stopped. As of May 21, a direct Turkish military intervention, with the covert blessing of the Bush administration, was drawing inexorably closer.

The U.S. "green light" for a Turkish move was signaled by State Department spokesman Margaret Tutwiler on May 20. She condemned Armenia, and said that Washington would never accept any unilateral change in the status of the Armenian-inhabited enclave of Karabakh, or of the Azerbaidzhan exclave of Nakhichevan. Referring to Armenia, she added, "We cannot permit violation of CSCE [Conference on Security and Cooperation in Europe] principles without strong condemnation." As an editorial in the May 21 German daily *Frankfurter Rundschau* noted, the Bush administration, pursuing a policy drafted by Henry Kissinger, is employing Turkey as its "dagger on the Asian mainland," and has turned a blind eye to the systematic violation of the human and minority rights mandated by the CSCE that has brought the Armenians of Karabakh to the verge of mass starvation.

The U.S. policy is playing with fire. Russia cannot stand idly by should Armenia be attacked by Turkey, except to incur such a humiliation, that this itself would unleash incalculable strategic consequences. Armenia is a signatory to the new Russian-led "collective security" pact, modeled on NATO, consisting of Russia and five other members of the Community of Independent States (CIS) and signed at a summit on May 15 in Tashkent. The treaty contains an article identical to NATO Article V, which stipulates that an attack on any member is an attack against all. Russia is thus duty-bound to send troops to Armenia to repel any attack. A Russian-Turkish deal to apportion the Transcaucasus between the two could prevent a collision in the short term. But such Russo-Turkish crisis management games will backfire, and sooner rather than later.

Özal calls for war

The first step in the planned Turkish military intervention is a Turkish Army occupation of the Azerbaidzhan exclave

of Nakhichevan. The Turkish leadership has made no secret of this. Turkish President Turgut Özal, in a May 19 interview with the Turkish daily *Hurriyet* conducted at the Houston, Texas hospital where he is recovering from surgery for prostate cancer, was explicit: "We will send troops to Nakhichevan. We need to send them without hesitation. Otherwise, events which have happened in Karabakh can be repeated there." Özal did not exclude that troops could also be sent into Karabakh.

The Özal statements came after a meeting on the weekend of May 16-17 with U.S. President George Bush, with whom he has maintained regular telephone contact. As in the 1974 Turkish invasion of Cyprus and illegal occupation of 40% of that island, any Turkish move into the Transcaucasus would only occur with tacit U.S. support. The Özal call for intervention was echoed in the Turkish Parliament by one of the leaders of the opposition, former Prime Minister Bulent Ecevit, the prime minister at the time of the invasion of Cyprus.

The Özal interview was synchronized with the first official statements by the Turkish government preparing the way for a military intervention. On May 19, the ruler of Nakhichevan, Gaidar Aliyev, the former KGB operative and communist boss of Azerbaidzhan who has assumed the role of a pan-Turkic crusader, appealed to Turkey to provide Nakhichevan with "the most modern" arms and equipment, to defend against alleged Armenian attacks. The speed of the Turkish reply indicated the request had been rehearsed. Within a few hours, Turkish Prime Minister Suleiman Demirel, in Budapest, Hungary at the time, telephoned Aliyev to say that Turkey would provide all military "aid and assistance" required by Nakhichevan.

Speaking in Budapest, Demirel demanded that the U.N. Security Council follow the "Kuwaiti example" and send a U.N. military intervention force to "punish" Armenia. Demirel added that Turkey would prefer a U.N. intervention, rather than having to intervene by itself.

While Demirel was giving the U.N. an ostensible last chance to act before Turkey acted, his government was finalizing preparations for precisely such a unilateral Turkish move. By May 20, Turkey was dropping even the pretense of wanting "international forces" in the Caucasus, when Foreign Minister Hikmet Cetin told the Ankara Parliament that

“international organizations are incapable” of stopping Armenia, and therefore Turkey must consider the “last resort” of a unilateral action. Demirel himself was working on reaching an understanding with Russia, and working out the details of military moves. He will attempt to finalize such preparations when he arrives in Moscow on May 25 for urgent talks with Russian President Boris Yeltsin on the Transcaucasus.

In Ankara, after a May 18 late-night session of the Turkish cabinet, presided over by Vice Premier Erdal Inonu, together with the military command, led by General Guresh, chief of the General Staff, the following Turkish government communiqué, an ultimatum to Armenia, was issued: “Armenia finds itself on an extraordinarily wrong path. It is a cause of concern for the region and unfortunate for the new republic Armenia that this state has based its existence on a policy of aggressive expansionism.” The Turkish government declared that it was holding Armenia “responsible for the consequences” which will follow from its “aggressive behavior.”

Neo-Ottoman protector

The Demirel demand for U.N. military action against Armenia followed a statement issued in Budapest one day earlier demanding a military intervention by the “world community,” modeled on the U.S.-led U.N. military actions against Iraq, to rescue Bosnia from Serbian aggression. Demirel declared that Turkey would be willing to supply a large troop contingent for any such “Desert Storm” type of operation. His statement came 48 hours after President Özal, speaking from his Houston hospital bed, demanded a U.N. military action on behalf of Bosnia, and offered substantial Turkish forces.

While urgent measures are needed to stop the Serbian regime’s barbarism in Bosnia, the Turkish motives are anything but altruistic. Turkey is acting on the basis of the Ottoman Empire doctrine, where it asserts for itself a protector role for all Muslim national groupings and minorities anywhere in the Balkans, Transcaucasus, and parts of the Near East. The ability to implement a U.S.-promoted neo-Ottoman doctrine in Turkish foreign policy is a result of the failure of Europe to do anything to stop Serbian aggression, and its complicity in the international isolation of Armenia. This was reiterated May 20 in an European Community communiqué which condemned the alleged “aggressive actions” by Armenian forces in Karabakh, adding that the EC could not “permit the violation of CSCE principles” without “strong condemnation.”

For Turkey, Bosnia is merely a convenient precedent for establishing the “right” to intervene anywhere in the Balkans on behalf of Muslims. This definition includes the Albanians of Kosovo, the 25% Albanian minority and the 10% Turkish minority in the Republic of Macedonia, the 1.5 million Turkish minority in Bulgaria, and the 250,000 Turkish minority in the Greek province of Thrace.

The Turkish regime, however, is denouncing Serbia for

the same types of crimes of territorial conquest and mass expulsion of hundreds of thousands of civilians that Turkey committed in its conquest of northern Cyprus in 1974. Turkey’s de facto annexation of northern Cyprus, depopulation of its 200,000 Greek inhabitants, the resettlement of mainland Turks in their homes, and the wanton destruction of churches and cultural-historical sites parallels Serbia’s de facto annexation of 60% of Bosnia, depopulating it of Bosnian Muslims, and settling Serbs there instead.

More insidious is the Turkish regime’s comparison of Armenia with Serbia. The Armenian military victories against Azerbaidzhan, beginning with the capture on May 8 of Shusha, the last Azeri stronghold within Karabakh, and culminating with the capture of Lachin on May 18 and the opening of a land corridor connecting Armenia with Karabakh, have served as the pretext for Ankara’s moves toward military intervention. However, these Armenian victories were the result of military operations forced on Armenia by relentless Azeri onslaughts against Karabakh.

By the beginning of May, Azeri artillery and rocket fire from positions in and around Shusha, directed against the Karabakh capital of Stepanakert and its airport, had become so severe that the airlift supplying the Armenian population with essential food had become impossible. The only alternative to mass starvation of the Karabakh Armenians was to eliminate the Shusha bases and establish a land corridor to supply food and fuel. That is now under way.

The Nakhichevan pretext

Starting on May 18, the Turkish and Azerbaidzhani leadership and media have been conducting a systematic disinformation campaign, alleging that Armenian forces are engaged in an “invasion” or “massive attacks” on the territory of Nakhichevan. The provocative content of this campaign has been buttressed by the added detail that the Armenian “drive” is concentrated close to the 10-kilometer section of Nakhichevan that borders on Turkey, i.e., with the alleged aim of breaking Turkey’s link to the Azerbaidzhan exclave. As the Armenian side has correctly insisted, no such invasion or “massive attack” exists, but the charge is to justify the Turkish Army acting to defend, i.e., occupy, Nakhichevan. Such a move would form the basis for an inevitably protracted international conflict in the region, drawing in Russia and Iran.

Turkish occupation of Nakhichevan would only be a precursor to linking Turkey to all of Azerbaidzhan, with Turkish forces seizing the thin strip of Armenia sandwiched between Nakhichevan and Azerbaidzhan which forms Armenia’s border with Iran. The creation of an emergent Turkic “Greater Azerbaidzhan,” besides crippling Armenia, would usher in an Turkish-Iranian confrontation. The Azeri Popular Front leadership of this nascent Greater Azerbaidzhan has the “reunification” of Azerbaidzhan with Iranian Azerbaidzhan, i.e., the break up of Iran along ethnic lines, as its stated policy goal.

Europe stabs Macedonia in the back

Paolo Raimondi reports on a visit to Macedonia, which could become a new Balkan powderkeg due to the stupidity of the world's governments.

On May 2, the Council of Ministers of the European Community (EC), meeting in Portugal, refused to recognize the national independence and sovereignty of the Republic of Macedonia, one of the republics of former Yugoslavia. Once again, Europe has capitulated to the Anglo-American destabilization game, and failed to deal independently with a problem which, if not solved, is soon going to explode, contributing to making Europe not the continent of economic and political stability that it should be, but the victim of bigger and bigger wars.

Since Jan. 15, after the release of the report of the Arbitration Commission of the EC, which included some of the best-known experts in international law, the Republic of Macedonia has done everything requested of it as a precondition for recognition by the EC as an independent nation. It had declared its right to independence on Jan. 25, 1991, and the overwhelming majority of its people had approved the goal of independence in the referendum of Sept. 8, 1991. On Sept. 17, 1991, the Assembly of the Republic of Macedonia, democratically elected in November and December 1990, declared its sovereignty, and a new Constitution was proclaimed on Nov. 17, 1991.

But the EC refused to recognize Macedonia, supposedly because of the opposition of one European member, Greece, which complained that the use of the name of "Macedonia" would sound like a provocation, and could lead to a future attempt to claim Greek territory by that name.

Kissingerian blackmail

This argument is a lie. The reality is that Europe has been paralyzed by fear, blackmail, and stupidity by the same powerful political forces, best identified as "Henry Kissinger's geopolitical friends," which were responsible for unleashing the Greater Serbian communist aggression against Slovenia and Croatia, in order to destabilize continental Europe. The simple reality is that if Europe does not recognize the independence of Macedonia, then this territory will not have any international juridical status, and thus will be occupied by foreign armies and integrated into one or more foreign states. In other words, Macedonian territory has been offered to the Greater Serbians, with Greece playing the card of

non-recognition in hopes of getting a few crumbs from the geopolitical gamemasters.

Kiro Gligorov, the President of the Republic of Macedonia, in a very polite statement addressed to the European governments the first week of May, said that "making the name of our state a precondition for recognition came first, without precedent; this then led to postponement of recognition, followed by all the unfavorable consequences and dangers affecting the boiling region of former Yugoslavia and beyond. This places our republic and our people in a state of suspense and a situation which no people would tolerate, since it calls into question its very identity and dignity.

"We have shown readiness to conclude an agreement for inviolability of existing borders, and have offered an agreement for overall friendship and cooperation with the Republic of Greece, regardless of the damage it is causing us by its behavior so far," continued President Gligorov. "The European Community was given a mandate by the entirety of Europe, through the CSCE [Conference on Security and Cooperation in Europe], to resolve the Yugoslav crisis and war. It will be tragic, not only for Macedonia and its people, if the European Community, with regards to Macedonia, the most peace-loving republic of former Yugoslavia, gives in and passes unjust decisions, biased because of the fact that one of its members cannot free itself from some historical burdens and irrationalities."

In the first months of 1992, President Gligorov had taken the urgent step to inform all the governments of Europe and the world about the situation in Macedonia. "The disintegration of the economic and political system of Yugoslavia has created a power vacuum which has been filled with an ethnic war, followed by a crisis and breakdown of authority of the state and a threat of economic destruction. Macedonia, which has always stood for the principle of peaceful self-determination, refuses to take part in the war," he wrote. "We see the state of Macedonia as a stabilizing factor in the Balkans and in Europe. We are prepared for constructive cooperation with our neighbors and with the countries of the world. Formal recognition of Macedonia will be a clear signal which will discourage attempts to change borders by force."

The Schiller Institute's intervention

I was recently in Skopje, the capital of Macedonia, for a short visit with government officials. As a representative of the Schiller Institute, I was given the opportunity to inform the authorities about the activities of the institute to promote the economic and political stability and development of Europe, as elaborated in Lyndon LaRouche's Paris-Berlin-Vienna "Productive Triangle" program. The Schiller Institute, through the initiative of its founder, Mrs. Helga Zepp-LaRouche, at the beginning of 1992 launched an international mobilization for the recognition of the independence of Macedonia, as a *conditio sine qua non* to avoid the expansion of the Yugoslavia crisis into a full-scale Balkan war.

Macedonia has a well-defined territory, with Greece to the south, Bulgaria to the east, Albania to the west, and Serbia to the north. It has just 2.1 million people, 64.6% of them Macedonians, and 21% or more Albanians. To say that Macedonia would represent a threat to Greece is absurd, since Macedonia does not have an army, but just a small police force, too small even to deal with domestic and foreign organized crime and smuggling.

Domestically, Macedonia faces two main problems: the economic crisis and the ethnic and social destabilization. In 1991, the level of unemployment was 30%, and today it is much worse. Until April, Macedonia was victimized by a horrendous inflation rate, because it had to use the old Yugoslavian dinar, printed in Belgrade to pay for Serbia's war and economic crisis. The currency change effected in April has not been easy to carry out, as Serbians have been bringing large amounts of old dinars into Macedonian territory, for purposes of speculation. The national economy is going into a period of collapse, as in every other country of the former communist eastern Europe, compounded by the damage from the war and the irresponsible economic boycott applied by the Greek government, which sealed off all the border passes months ago. Every day, dozens and sometimes hundreds of refugees from the battlefields of Bosnia arrive in Skopje and other towns, asking for food and a place to live. It is reported that the living standard, which was relatively high for a communist-controlled region, is down to about one-quarter of what it was during the 1980s.

The government of Macedonia has officially rejected the disastrous "shock therapy" economic program of Harvard University's Jeffrey Sachs, and has embarked upon its own program of privatizing former communist holdings, while trying to maintain living standards. But the program has no chance of success in the current situation.

Macedonian political and economic leaders express great interest in becoming part of a European program for industrial and infrastructural development, along the lines of the Productive Triangle. They express their support for a new railway and road connection with the Adriatic Sea, linking Albania, Macedonia, and Bulgaria and, once the war is stopped, for the construction of a navigable canal the Danube



at Belgrade) via the Morava and Vardar rivers at Skopje to the Aegean Sea at Thessaloniki.

A flashpoint for regional war

Macedonia's social and economic instability, combined with the international isolation provoked by the EC refusal to recognize Macedonian independence, could trigger a very dangerous internal political and ethnic crisis. There is the possibility of a series of continuous government crises which could foster the emergence of new, more radical forces and leaders. The trigger point then could be foreign-created tension between the Macedonian and Albanian communities.

The current government is in constant contact with the Albanian community in Macedonia and with the Albanian government in Tirana, to maintain and consolidate the current good working relationship. But Macedonian political leaders fear that, as a result of its international isolation, Greater Serbia may decide to open up a "second front," provoking terrorism and ethnic warfare in Macedonia. It should be clear that, if the Greater Serbians destroy and occupy Bosnia, they would turn around and take Macedonia easily by brutal force.

If the genocide in Bosnia is not stopped, if the occupation of Macedonia is not prevented, then we are going to have a full-fledged Balkan war. Macedonia has been before in history the place where wars began, because conflict there has provoked the involvement not only of domestic ethnic communities, but also of other nations, like Greece, Bulgaria, Albania, and Turkey. And if this happens, thanks to its own stupidity, Europe will find itself faced with a totally uncontrollable situation, and even the "clever" Greek political leaders will see hell at home.

Trilats plan 'fascism with a human face'

by Scott Thompson

The Trilateral Commission, which was called the "club for people who run the world anyway" by the April 25 *Washington Post*, met behind closed doors in Lisbon, Portugal on April 25-27. One of the European Trilateral Commission members told *EIR* immediately prior to the meeting, "A lot of people want to renew the discussion we first opened up with *The Crisis of Democracy* book of Huntington-Crozier in 1975. Maybe that debate should be re-opened today. It involves this whole matter of 'governability.'" The Trilateralist described how the Jeffrey Sachs-style International Monetary Fund "shock therapy" policy being applied to the East, as the case of Poland has shown, creates a crisis of governability as people rebel against austerity.

At the Trilateral meeting on May 30-31, 1975 in Kyoto, Japan, a task force assembled by then-Trilateral director Zbigniew Brzezinski, and led by Samuel Huntington of Harvard, introduced the findings of a commission study group entitled *The Crisis of Democracy: Report on the Governability of Democracies to the Trilateral Commission*. Huntington argued that democracy meant that too many people, particularly among the black and working population, were expecting too much improvement in their living standards when the United States could not afford it. Under such conditions, Huntington said, "There are also potentially desirable limits to the indefinite extension of political democracy."

This pretense for an argument against mob rule is nothing but a call for fascism, to enforce austerity as living standards decline.

When Huntington's book appeared, other Trilateral Commission members, including Leonard Woodcock, Robert V. Roosa, and Robert McNamara, founded the Initiatives Committee for National Economic Planning in 1975. In its magazine *Challenge*, ICNEP published an article entitled "The Coming Corporatism." The article endorsed corporatism, saying: "Let us not mince words, corporatism is fascism with a human face."

One day after the conclusion of the Trilateral Commission meeting on April 28, there was a commentary in the London *Daily Telegraph* by Oxford University Professor of Modern History Norman Stone entitled "Coming Next on the Cards—Fascism With a Human Face." The *Daily Telegraph* is owned by the Hollinger Corp., whose board has many top

Trilateralists, including Hollinger chairman Conrad Black.

Questioned about the renewed discussion of his ideas by members of the Trilateral Commission, Huntington told a journalist that because of the global economic collapse, the Trilateral world was highly factionalized. As a result, Huntington said, "It makes a lot of sense. The book is basically a roadmap for how to make decisions, and decision-making has broken down. I would not be surprised to learn that it is an idea whose time has come."

Free enterprise and reduced sovereignty

Otto Graf von Lambsdorff, Paul Volcker, and Akio Morita, respectively the European, North American, and Japanese chairmen of the Trilateral Commission, issued a final statement from the Lisbon meeting on April 27. The statement read: "We met as Trilateral cooperation faces new challenges with the disappearance of the military threat from the Soviet Union."

Prior to the meeting, a European Trilateralist had expressed to *EIR* that there were "cracks and fissures" in the Trilateral world. "Because of the financial crisis," he said, "the means to have a policy are less apparent in 1992 than they were in the previous years. Germany, after all, was providing 60-70% of the western lending to the East, but now Germany is concerned with local difficulties. . . . There is also the Japanese situation, of course. Up to the last year, Japan was the milk cow of the world."

The final communiqué, although showing more unanimity than expected, offers nothing more than Adam Smith-style "free trade" solutions for this global economic collapse: "Another vital and immediate challenge on the global agenda is the successful completion of the Uruguay Round of multilateral trade negotiations, for which the Trilateral countries are inescapably responsible. . . . Regional arrangements [e.g., the North American Free Trade Agreement] can usefully supplement global progress and serve important regional purposes. In the absence of global progress, they carry greater risks."

New attacks on national sovereignty were also plotted by the Trilateralists, through security issues. The chairmen's statement called for strengthening the United Nations' role: "Although the military threat of the ex-Soviet Union has disappeared, the world is far from free of serious conflict. The post-Cold War era offers important opportunities and needs to strengthen collective security capabilities through the United Nations and various regional organizations."

On refugees, the statement read: "The new international setting includes many issues that go beyond a world of traditional nation-states. Migration and refugee challenges are part of this new agenda on which we focused in Lisbon. The United Nations High Commissioner for Refugees, who participated in our discussions, faces daunting challenges; and here too we urge our governments to provide needed support in a timely fashion."

Tribal war looms in Afghanistan, threatens bloodshed in Pakistan

by Ramtanu Maitra and Susan Maitra

The power play between two Afghan strongmen, Ahmed Shah Massoud and Gulbuddin Hekmatyar, has stalled any progress in bringing peace to Afghanistan, and the continuing conflict in Kabul has now raised the specter of bloody conflicts between ethnic Pakhtoon and Baloch tribes in the bordering province of Baluchistan, in neighboring Pakistan.

With the Tadjik Mujahideen leader Burhanuddin Rabbani, head of the Afghan Jamaat-e-Islami, ready to take over from President Sibghatullah Mujaddidi in Kabul in a few weeks, Tadjik-Uzbek control over the country, in defiance of the majority Pakhtoons, has been further expedited. The intransigent Pakhtoon leader, Gulbuddin Hekmatyar, head of the Hezb-e-Islami, is threatening to attack Kabul if the Uzbek militia continues to keep its control over the capital. Hekmatyar has also threatened to cut off the vital food supply line connecting Kabul with Pakistan.

'Outsiders' interfere

Hekmatyar was the blue-eyed boy of a faction of the U.S. Central Intelligence Agency; he was financed by Saudi Arabia, and backed by Pakistan. However, in the most recent period, he was cut out from power-sharing in the Afghan settlement. The faction that came into power in Kabul was backed by the Iranians, and liked by the United States because they are "moderate." Pakistan, under pressure from Washington, lent its support to the new government in Kabul.

Hekmatyar, who has broad support among the Pakhtoon tribes that constitute the ethnic majority in Afghanistan, felt sidelined by the external forces—the United States, Iran, Moscow, and Saudi Arabia—that brought about the U.N.-backed settlement. Accordingly, Hekmatyar has raised the Pakhtoon flag to denounce the Tadjik-Uzbek alliance which has taken power in Kabul with the help of the "outsiders."

The Tadjik leadership in Kabul, marshaled by Ahmed Shah Massoud (now defense minister) with the help of the Uzbeki general Rashid Dostum, realizes that keeping Hekmatyar out of the process to establish a stable government will be futile if not outright dangerous. It is due to this concern, perhaps, that Rabbani has asked Hekmatyar to name the prime minister, the position which has been kept vacant so far.

There are reports that Hekmatyar has responded to this proposal by sending a new set of demands for working with

the Jihad Council set up in Kabul. Although details of this new set of proposals have not been made public, some observers claim that Hekmatyar has asked Pakhtoon Mujahideen field commander and current Minister of Justice Jalaluddin Haqqani to act as a buffer between Dostum's militia and Hekmatyar's Hezb-e-Islami fighters.

The formation of the Afghan cabinet recently also shows President Mujaddidi's continuing attempt to avoid the Pakhtoon wrath and weaken Hekmatyar's pro-Pakhtoon position. Such noted Pakhtoon individuals as field commander Abdul Haq, Jalaluddin Maqqani, Gen. Amin Wardak, and Saliman Gillani have been accommodated in the new cabinet. However, Hekmatyar has dismissed all this as a mere gimmick, since President Mujaddidi will cease to be President in a few weeks.

At the same time, Hekmatyar's concern about the takeover of Kabul by the Tadjik-Uzbek minorities in connivance with the United Nations has struck a chord with the Pakhtoons. Hekmatyar is in control of some vital pockets along the Jalalabad-Kabul highway where well-armed Hezb-e-Islamis are waiting for the signal to start a fresh campaign of ambushes. A Peshawar-based Afghan leader has indicated that Hekmatyar possesses a number of SCUD missiles. By shelling Kabul recently, Hekmatyar has also sent a message that he would not spare Kabul if his demands are ignored.

Massoud's problems

Ahmad Shah Massoud, the Tadjik field commander, has also gotten himself into a bind while seizing power from Najibullah. Massoud is now aligned with both Gen. Rashid Dostum, the Uzbek leader who previously worked as Najibullah's hatchet man against the Afghan Mujahideen, and with Babrak Karmal, the former Afghan President and head of the Parchami faction within the Watan Party. Although the new government in Kabul has banned the Communist Party and announced that it would try all those who had helped the Soviet invaders, it is yet to be seen whether Karmal, who came to Afghanistan atop a Soviet tank, will be brought to trial.

Even if the new government succeeds in severing Massoud's association with Karmal, making Massoud more acceptable to the Mujahideen leaders, it is a different story with Gen. Rashid Dostum. Bolstered by 40,000 wily and well-

trained Uzbek militia who are known for committing arson and looting and cruel acts, Gen. Rashid Dostum today controls the most important locations in Kabul. Dostum turned down the Jihad Council's decision that the capital city's security should be in the hands of a joint military council representing all of the 51 Mujahideen groups.

Pakistan's problem

Pakistan, as well as Afghanistan, is in a delicate situation. Burdened with 5 million refugees, who have spent 13 years in Pakistan's Northwest Frontier Province and the northern part of Baluchistan, the Pakistan government would like them to go home. At the same time, the Pakistanis are aware that if a satisfactory power-sharing formula is not found, the disgruntled Pakhtoons, led by Hekmatyar, might stir up the old movement for the formation of a "Greater Pakhtoonistan" which would involve most of Pakistan's western territory.

A quick reconciliation between Hekmatyar and Massoud should be ardently wished for in Pakistan. If Islamabad chooses to ignore Hekmatyar's complaints, it will have difficulties in ignoring the fall-out of its Afghan policy that surfaced in Baluchistan recently.

In Quetta, the capital city of Baluchistan where the settling of more than 1 million Afghan refugees has changed

the demography of the northern part of the province, the rivalry between Pathans (Pakhtoons) and Baloch tribes has intensified in recent days. Baloch organizations have supported Islamabad's role in installing a non-Pakhtoon administration in Kabul. Such support, observers note, comes from the deep-seated paranoia within the Baloch tribes that the Pathans are going to swamp them with their numbers and dominate Baluchistan.

The tension gave way to bloodletting in the second week of May when Pakhtoon organizations demanded that the Baluchistan government revoke its decision to add 12 new wards to the Quetta municipal corporation from surrounding areas. Charging the government with gerrymandering to help Quetta become Baloch-controlled, the Pakhtoons rioted.

The latest clash between the Baloch and Pathans in Quetta is the fourth of its kind in the last three years. Once, an obscure clash between some transporters in Quetta had quickly spread into full-fledged racial and ethnic rioting. On two other occasions, rioting between these two communities occurred. One time it erupted over the shifting of a professional college from the southern city of Khuzdar to Quetta. On that occasion, the Baloch organizations protested against the shift, voicing concern that the Pakhtoons want to deprive the Baloch-majority areas of quality education.

LaRouche associates are on trial in France

On May 14, the 12th Chamber of the Paris Court began proceedings against four French political leaders associated with Lyndon LaRouche—Jacques Cheminade, Christine Bierre, François Bierre, and — on charges of "theft."

Every element presented to the Paris court smacked of the judicial railroad used against LaRouche and his associates in the United States. The atmospherics in and around the trial have also been heavily saturated with slanders that the three defendants are "anti-Semitic" or "neo-fascist"—slanders traceable to the drug mafia's cat's paw, the Anti-Defamation League.

The subject of the proceeding is a criminal complaint of "fraud" filed by the children of a strong political supporter of the now-defunct European Labor Party (POE) in France, after the supporter died in October 1986. A court-appointed medical expert presented an opinion on whether or not their mother showed visible signs of Alzheimer's disease throughout the course of her relationship with the defendants.

Already in the earliest phases of the police investigation, the French political police, the Renseignements Généraux, sought to pollute the judicial environment. In the course of the magistrate's investigation, the plaintiffs placed into the record numerous clippings from American newspapers, reporting the January 1989 sentencing of LaRouche to 15 years in federal prison.

Despite the prejudicial intent, the first magistrate rejected the complaint. But the French government immediately appealed the decision, and the Paris Court of Appeals ordered a second investigation, largely based on the medical expert's report. In February 1992, the four defendants were indicted and charged with the reduced crime of "theft."

The most damning evidence of who and what is behind the proceedings was demonstrated in efforts of the children's attorney to present LaRouche's conviction and sentence before the 12th Chamber, a court which usually deals only with minor criminal infractions. Throughout the proceeding, the attorney repeatedly tried to bait the defendants, using the words "thieves" and "swindlers."

Most outrageous, by French standards, was the venomous prejudice against the defendants expressed by the officer of the Prosecutor General's office. In questioning the defendants, this officer repeatedly implied they had stolen the children's inheritance.

Lid is clamped down on terrorist probe

The Supreme Court ruled out use of evidence from Stasi files on western agencies' link to terrorism.

In mid-April, the underground organization of the Baader-Meinhof terrorists published a letter offering to stop "lethal actions against top leaders of the state and the economy," on the condition that the state stop all anti-terrorist measures in return.

The document addressed a split in Germany's elites between "factions inside the apparatus" around Justice Minister Klaus Kinkel that wanted to strike a deal with the terrorists, and "iron-eaters" on the other side, whose commitment to root out the extremists remained unaltered.

The letter was published in the middle of a public debate over whether the Baader-Meinhof group was still active and capable of carrying out assassinations like those of Deutsche Bank chairman Alfred Herrhausen (November 1989) and Treuhand chairman Detlev Rohwedder (April 1991), or whether it could be convinced to stop its fight against the state, like the M-19 terrorists in Colombia supposedly did.

Thus, when Justice Minister Kinkel responded positively to the letter, and offered a reduction in anti-terrorist protective measures (bodyguards, etc.) for leading figures of politics and business, this move was seen as a step toward a Colombian-style "reconciliation."

Senior anti-terror spokesmen, most prominently Kurt Rebmann, a retired federal prosecutor, criticized Kinkel's move and declared that there was no reason for the state to be less vigilant, because there was no evidence that the threat of major new

terrorist attacks had been reduced. Chancellor Helmut Kohl made it known, however, that he and his cabinet would discuss the Kinkel initiative after the Easter recess. The cabinet met, but nothing was decided.

Then, in a move that took anti-terrorism experts by surprise, the Supreme Court of Germany ruled that file material from the Stasi, East Germany's former foreign intelligence apparatus, was to be considered "not reliable" and could not be used for the prosecution of terrorist suspects.

Pursuing leads from such Stasi files, Alexander von Stahl had opened an investigation in March into the role of a certain Monika Haas in the October 1977 "Palestinian" hijacking of the German Lufthansa airliner Landslut. Mrs. Haas, a West German once married to the Palestinian radical Zaki Helou, who supervised training programs for Baader-Meinhof terrorists in the South Yemen capital of Aden in 1977, had been listed as an informant of the Stasi.

Haas was arrested, and the Federal Anti-Crime Agency (BKA) identified her as the person who used a false Dutch passport in October 1977 to bring the explosives from Algiers to Palma de Mallorca that were then used by a team of Palestinian terrorists for the hijacking of the German airliner.

The really delicate aspect in the Haas case is not even that she worked for the Stasi and had contact with Palestinian terrorists. It seems that she had also been pinpointed as an informant of "a western secret agency" in

a Stasi file.

It would have been very interesting to see all of this explained at her trial; but there will be no trial now, because of the Supreme Court ruling.

There was a precedent to this ominous Supreme Court decision: A new book, *The RAF-Stasi Connection*, which made similar hints about Monika Haas's entanglements with western agencies, was banned by court ruling before it arrived on the bookshelves in late January. The book was published in a censored version weeks later, with all such references removed from the text.

The ruling of the Supreme Court in early May is the more alarming, as the court has voiced no doubts about the usefulness of Stasi files in other cases, for example in trials against spies.

This looks like an "institutional" intervention in the debate about the past 20 years of terrorism, at a point where new, potentially crucial evidence could be added from secret eastern files that western experts had no access to before 1990. It looks like a move to preempt any public discussion about things that had been secret for a long time, simply because East Germany had kept the lid on. Now that there is a chance that officers of the former Stasi would talk, they're banned from doing so—by western judges.

The debate on closing the book on the last 20 years of German terrorism shows aspects of a coverup. Many of those who will benefit are people—not only in Germany—who were involved in Lt. Col. Oliver North's secret Iran-Contra deals with the Stasi in the early 1980s, by the way. Their operations overlapped closely with the drug and terrorism networks of the East bloc, details of which may very well be found in former Stasi files also.

International Intelligence

Britain's Thatcher lets loose against Germany

Former British Prime Minister Margaret Thatcher on May 15, in a speech to business leaders in The Hague, Netherlands, launched a virulent attack on the European Community and said it would not be strong enough to contain Germany.

"A reunited Germany can't and won't subordinate its national interests in economic or in foreign policy to those of the Community indefinitely," she said.

"Germany is too large just to be another player in the European game, but not large enough to establish unquestioned supremacy over its neighbors.

"And the history of Europe since 1870 has largely been concerned with finding the right structure to contain Germany. . . .

"If Germany or any other power then pursues a policy to which other countries object, it will automatically invite a coalition against itself. It would be idle to deny that such a balance of power—for that is what I have been describing—has sometimes broken down and led to war."

Aoun calls for new Lebanese resistance

Exiled Lebanese leader Michel Aoun broke his forced silence and called for a new chapter of "resistance" of Lebanese patriots against the sellout of the country to petrodollars and to the Syrian and Israeli occupiers. The appeal was published in the French daily *Le Monde* on May 13.

This was General Aoun's first major political statement since having been forced to keep quiet, as part of the dirty deal made by the French, Syrian, and other governments that allowed him to leave the French embassy in Beirut in 1990, where he sought asylum after Syria occupation forces began a drive to wipe out his forces.

Several Lebanese observers see Aoun's statement as a prelude to his return to the Lebanese scene, especially in light of the

recent anti-austerity uprising in the country which forced the resignation of the Syrian-backed government of Omar Karami.

"The situation in Lebanon is very grave," Aoun wrote. "The leaders in place, after having undermined the national identity, want to ruin the people, to the advantage of the holders of petrodollars. They would even be ready to sell off the gold reserve, which is the wealth of all, to add to the coffers of anonymous international enterprises.

"In this way, the collaborator government is committing itself to a new phase in the war which has as its aim, the annihilation of Lebanon. . . . There had been the war of bombs and cannons, but this did not bring an end to our resistance. There had been the attempts to play each of the communities of which our nation is composed against the other. . . . But these attempts have only reinforced our national feeling. There had been the regional conspiracy and the international silence, in order to serve Lebanon up to its enemies, each party abroad feigning to believe that an army of occupation could bring good fortune to a people."

Syria scorns Bush's new world order

Syria and the United States are headed for confrontation amid fears in Damascus that it is next on the "new world order" target list after Iraq and Libya, the London *Guardian* reported on May 16. Syria had supported the American-led war against Iraq, in hopes of being on the winning side in President Bush's new order.

One Baath Party official was quoted: "If there is going to be a new world order, this order should be fair. We will accept that arms will be seized, but do not prevent us from having arms when our enemy Israel is armed to the teeth. We are not asking for a honeymoon. We are asking the Americans to be [neutral]. But even this is not achieved." The same official expressed fear of being next on Bush's target list. "With the sanctions against Iraq and Libya, of

course we should be worried. We are next. That's the general feeling."

The next point of confrontation is expected to be Syria's position in Lebanon, with the United States pushing for Syria to withdraw its troops to Lebanon's Bekaa Valley, prior to the holding of elections in Lebanon.

Ecuadoran government cedes land to Indians

Ecuador's social democratic President Rodrigo Borja has agreed to grant 3 million acres of land in the country's oil-rich Amazon region to Ecuador's "indigenous communities," the *Washington Post* reported on May 14. This brings to 7 million acres the total amount of land ceded during Borja's administration.

According to Indian leader Luis Macas, the act is of "transcendental importance for Ecuador and the indigenous communities, not just here but across the Amazon." The action takes place on the eve of the Earth Summit in Brazil, where the question of Indian rights will be high on the agenda.

Ecuador's Armed Forces charge that the government grant is a violation of national security, since the area involved is on the border which is disputed with Peru. Borja has promised that the military will have unrestricted access to the area. Additional disagreement was expressed by the daily *El Comercio*, which stated that "the groups of pure aborigines are very small, and mestizos predominate in a country where the races mixed centuries ago. Inciting one group against another is destructive and against the national interest."

Club of Rome meets in Japan

The Club of Rome inaugurated its new Asia Division with a 300-person meeting in Japan's Fukuoka Prefecture May 12-14, the first regional meeting of the Club ever in Asia. Twenty-six Club of Rome members

Briefly

addressed a large audience of Japanese academics and government officials. The malthusian grouping is notorious for its 1972 study *The Limits to Growth*, one of the bibles of the world environmentalist and anti-population movement.

Asia regional chairman Richard Diaz Hochleitner told the gathering that "environmental destruction must be our priority. The rapid destruction of the planet by rapid and uncontrolled human development must be halted."

Former Japanese Foreign Minister Saburo Okita, chairman of the new Japan Club of Rome, stressed in his speech that Japan must support the upcoming "Earth Summit" in Rio de Janeiro, Brazil. Okita was one of the Stanford University-linked group that shifted Mitsubishi's famous Global Infrastructure Fund (GIF) from a world development program, to an environmentalist think tank. He recently became Japan director for the Washington Economic Strategy Institute, which is writing new economic austerity plans for the United States.

Rutskoy warns of war between Russia, Ukraine

Russian Vice President Aleksandr Rutskoy stressed the need for continuing good relations between Russia and Ukraine, in an article reported by Federal News Service on May 20. He also warned of the danger of a fratricidal war, if this is not done.

"Rousing hatred with the help of nationalism," he said, "is nothing but encouraging base instincts of human nature, and because of this, the political struggle for sovereignty becomes a struggle for total destruction.

"The attempts of the Ukrainian separatists to break ties with Russia, to separate from the Russian political expanse, will result in creating a permanent focus of national and religious conflict in Ukraine. It is not by chance that the Orthodox Church has become a subject of violent attacks in Ukraine. It hardly needs explaining what it will mean for Russia, Ukraine, for the Russians and Ukrainians. Instead every-

body should ponder it, before relations entered descending spiral. . . .

"The interdependence of Russian and Ukrainian industry and economy is very significant. Russian industry is 12% dependent on supplies from Ukraine, Ukraine is 67% dependent on Russian supplies. . . . We are so interdependent that it became impossible to untie this knot, although another way of solving insoluble problems remains—to cut the Gordian knot with a sword. However, this solution will hardly provide an answer to even part of the most burning issues."

British jury finds U.S. pilots guilty

A coroner's jury in Britain on May 18 found two U.S. pilots guilty *in absentia* of unlawfully killing nine British soldiers during the Persian Gulf War—a ruling that could pave the way for the pilots' criminal prosecution.

The families of the victims of the "friendly fire" incident charged that the true nature of the circumstances were hidden from them by the U.S. and British militaries, and demanded that the pilots testify at the hearing. The United States refused to allow the pilots to testify. According to the press accounts of the trial, it was determined that the pilots were operating without target coordinates (cruising for targets of opportunity) and misunderstood, or perhaps disobeyed, the instructions of British ground controllers, who directed them to targets 13 miles away from the point they ultimately attacked. The pilots fired their missiles at a British armored personnel carrier, causing the casualties.

The coroner, Nicholas Gardiner said the pilots' written statement, proffered in lieu of personal testimony, "may be partly true, it may be partly untrue. But what is clear beyond any doubt is that it is not the whole truth."

A lawyer for the families castigated their refusal to testify. "I think this is a matter of cowardice. I think men of honor would have come here and given evidence. Unfortunately, these men have shown themselves to be without honor."

● **'COLUMBUS:** Science and Evangelization in the Discovery of the New World," was the subject of an international conference in Rome on May 26, sponsored by the Schiller Institute, with the patronage of the Urbaniana Pontifical University. The conference dealt with the epistemological battle which led to the discovery of America.

● **THE AMERICAN** political system may be heading toward an "Italian-style impasse," in which none of the candidates receives a majority in the Electoral College, wrote Siegmund Ginzburg in the Italian daily *L'Unità* on May 14. If the Ross Perot candidacy continues to pick up steam and Perot deprives either Bush or Clinton of a sufficient total to win in the Electoral College, there could be a "gridlock" in the American campaign.

● **PERUVIAN** President Alberto Fujimori refused to meet with the Organization of American States' Inter-American Human Rights Commission in mid-May. Fujimori's is the first high-level rejection the commission has suffered in over 30 years, complained its Venezuelan head, Marco Tulio Bruni Celli. The commission was also denied access to the prison where the Shining Path narco-terrorists staged a riot the week before.

● **NEO-NAZI** leaders met in Madrid May 16-17, following an invitation by the Spanish organization Cedade. The meeting was attended by, among others, Ernest Zuendel from Canada, Manfred Roeder from Germany, Thijs Christopherson from Denmark, and Horacio Punset from Argentina.

● **BOSNIAN** President Aliya Izetbegovic vowed that his country will break the Serbian siege of the Bosnian capital of Sarajevo "by force," in an interview with French journalists, which was published in *Le Figaro* on May 19. Izetbegovic calls the situation in Bosnia "a test of the new international order."

Mankind is facing the 'punctum saliens'

by Helga Zepp-LaRouche

From the Editors: *The Ibero-American Solidarity Movement was officially founded in Tlaxcala, Mexico on May 18-22, at a conference convened to celebrate the 500th Anniversary of the Evangelization of the Americas. There were over 200 people in attendance, with delegations from Argentina, Colombia, the Dominican Republic, Mexico, Panama, Peru, Brazil, Bolivia, and Venezuela, as well as invited guests from the United States, Germany, and Italy.*

In her welcoming speech, Maravilia Carrasco of Mexico described the new movement as part of the worldwide coalition founded by Lyndon LaRouche. She said that she was particularly happy that the conference was taking place in Mexico, since that country historically has been used by the Anglo-Americans to test out whatever paradigm shift they want to impose on Ibero-America. It was here in Tlaxcala, she said, that the first Indians who wanted to be liberated from the Aztecs joined with Cortez in the battle to destroy the bloody Aztec empire. Therefore, this is birthplace of the first liberation movement in Ibero-America—and this is the tradition the new Solidarity Movement is following.

The first panel included speeches from Lyndon LaRouche, Helga Zepp-LaRouche, and Col. Mohamed Ali Seineldín of Argentina. The conference received written greetings from two other imprisoned Ibero-American patriots: Col. Hugo Chavez of Venezuela, and Gen. Manuel Noriega of Panama.

The following speech was given by Mrs. Zepp-LaRouche by videotape. Her remarks have been edited and subheads added.

Enthusiastically, my greetings and congratulations for your first conference of the Ibero-American Solidarity Movement.

Given the extraordinary crisis in the world today, and the

unbelievable suffering of the majority of mankind, I want to speak to you about history from the standpoint of tragedy. I want to speak to you about the world tragedy.

There is no question in my mind, that we, as a human race, have reached a *punctum saliens* in our history, where it will be decided whether we as a species have the moral fitness to survive or not.

It will be decided, whether we are able to end the system which has caused all of this suffering, the system of oligarchism, once and for all; or, if we fail to do that, whether we plunge into a new dark age as horrible or worse than that of the 14th century.

I would like to explain to you what I mean by *punctum saliens*. Schiller used this notion in his great historical dramas, where the drama develops in the beginning, in a historical setting, in which the fate of nations and peoples will be decided by the main figures, the heroes. Then the story develops, and for a variety of reasons, some depending on the positions of the heroes, some depending on events outside their control, things go wrong. And in the drama, a terrible crisis develops.

Then comes a point where everything seems to be lost; and then the entire story concentrates in one point, and the hero gets another chance to overcome this crisis. And now it is up to him to save the nations and the people. He can do so if he's strong, and if he has a good character; or he fails, because he has some crucial weakness or insufficient knowledge. This moment, where the decision is thrown back into the lap of the hero, is what Schiller calls the *punctum saliens*.

Now it can happen, that the principal persons do everything right, but they fail anyhow, because their forces are not sufficient in the face of a gigantic problem. This is a situation about which Schiller says: "*Das grosse Schicksal das den*



Helga Zepp-LaRouche celebrates German unity in Berlin on Oct. 3, 1990. With the collapse of the Berlin Wall a year earlier, the world had a unique chance to finally destroy the twin evils of Marxist primitive accumulation and Adam Smith free market looting, by implementing LaRouche's Paris-Berlin-Vienna Productive Triangle.

Menschen erhebt wenn es den Menschen vermahlt—"The great destiny which ennobles man when it crushes man against overwhelming forces."

In this case, the hero may not succeed in the short term, because the enemy is too strong. But he has demonstrated such a noble soul and such a great idea, that he is loved and admired by generations to come, who, at some date in the future, at the appropriate historical conjunction, will succeed in implementing his ideas for the benefit of mankind, of their nations, and their people.

If we look at the present world situation from the standpoint of tragedy in this way, there is no question that we are at a *punctum saliens*. We already see, all over the world, the Four Horsemen of the Apocalypse: War, Hunger, Epidemics, Death. We have a global depression of the physical economy, because of the oligarchical neo-malthusian policies. The capacities in industry, labor power, and agriculture are way below the necessary levels which would be required to maintain the present living population on this planet.

Only one-third of mankind is well-nourished. *Only one-third*. There is a huge depression in the Anglo-American realm. In the United States, it's already worse than in the 1930s, and Great Britain is a formerly industrialized country, a total dump. Naturally, there is a gigantic economic depression in eastern Europe, and you all know very well the miserable condition of the vast majority of the so-called Third World.

On top of this depression of the physical economy, we are heading very, very quickly toward the biggest financial crash in the history of the financial markets. Just take one real estate conglomerate—Olympia and York—which is now practically bankrupt, and this is the biggest bankruptcy of a private firm in the history of capitalism. They have a \$27 billion debt. This is the debt of a medium-sized country, and they did not miss their chance to ask for a five-year debt moratorium—the same kind of debt moratorium which has been denied to sovereign nation-states all the time.

Then, we have a gigantic hunger crisis in Africa. I don't know if it's 20 million people or 50 million people who are facing immediate starvation. Not only that, large parts of Africa are threatened by depopulation through AIDS. In Ibero-America, people are already talking on the one side about the Africanization of the continent; but, as you also know, there is tremendous hope *and* the possibility that the self-interest of the nations of Ibero-America will be fought for in the period ahead.

Then we have the total disintegration of the former Soviet Union. There is a building, worsening depression in all of eastern Europe and the former Soviet Union, and because of this depression, the ethnic tensions in all of these areas is massively increased. There is a war in the former Yugoslavia now, after Croatia, hitting Bosnia, with Macedonia in danger. This could develop into an all-Balkan war. There is a brutal war already developing in the Transcaucasus between

Azerbaijan and Armenia.

All of this means that we are looking today at the end of the Versailles system, that system which, in the form of a debt cartel, tried to prevent Eurasian economic development forever, and dominated the entire 20th century. This Versailles system was reformulated in the form of the Yalta agreement after the Second World War. Again, Yalta divided Europe into East and West, to prevent Eurasian development on the continent forever.

This system of Versailles and Yalta has come to an end. There is no question about that. One side of the Yalta agreement, the Soviet Union, no longer exists; Yugoslavia, the creation of Versailles, no longer exists. There is a deep depression in the other Yalta partner, America. But it is completely undecided as of this moment, whether, out of this collapse of the Versailles system, will come chaos—a total plunge into a new 14th century—or, if our forces succeed, to use this crisis to build a just, new world economic order.

Let us learn from history as tragedy, in order not to repeat the mistakes which were already made. We, in our own lifetime, have experienced two incredible examples of such tragedies: One in 1982, in Ibero-America, and another in 1989, when the borders of Europe opened.

The promise of LaRouche's 'Operation Juárez'

You remember that in July 1982, our friends in Mexico asked Lyndon LaRouche to come and to develop a program to defend the Mexican economy against capital flight and other attacks from abroad. So LaRouche, in the month of August, wrote the famous *Operation Juárez*, and on Sept. 1, 1982, President López Portillo at that time implemented the beginning of Operation Juárez: imposing foreign exchange controls, nationalizing the banks, issuing credit for development projects.

This could have led to a reorganization of the entire debt of Ibero-America, and had that occurred, Ibero-America today would not be where it is today, but it would be well on the way toward development and prosperity.

Just think what the difference would be: Colombia would not be in the grip of the dope mafia like now; Peru would not be threatened by Sendero Luminoso [Shining Path] and cholera; the Panama invasion might not have occurred; there would be much effort put into development projects, and this would, in all likelihood, have become the cornerstone of the new world economic order and it would have shifted absolutely the balance of forces in Europe and the United States.

Because of the lack of solidarity of the governments of the other countries and the failure of these Presidents to resist Henry Kissinger, the great moment found a small people, and it has caused therefore the misery of the entire continent. The world was never so close to a new world economic order as on that day of Sept. 1, 1982. And it was the tragic failure

of the leading figures, that this historic chance was missed. Fortunately, now in Ibero-America, a second chance is developing.

The second example was the opening of the borders of Europe, starting November 1989, the lifting of the Iron Curtain.

Just recall the situation. For 40 years, or respectively 70 years, of communist dictatorships, these people all were extremely small and they were full of fear—afraid of the Stasi, afraid of the KGB. But then, around that time, when the economy of the so-called Warsaw Pact started to collapse, the issue of the right to travel abroad became such an overwhelming trigger, that huge streams of refugees started to flow into mainly Czechoslovakia, and then Hungary. Just before that, on June 4 of the same year, there had been the Tiananmen Square massacre in China, which had divided the world through a river of blood, into a world of freedom and a world of dictatorship.

Remember, on Oct. 9, 1989, there was the 40th anniversary of the G.D.R., and [East German dictator Erich] Honecker was presiding over a gigantic military parade. Demonstrations occurred, and the Army was ready to shoot. It was a very dangerous moment; at that point, nobody knew which way it would go. But it took only four weeks of consistent demonstrations and continuous fight of the people who wanted to get rid of the yoke of dictatorship, and on Nov. 9, the Berlin Wall was opened. You remember the people, tears of joy: They were hugging each other, they were dancing. They were playing spontaneously the Ninth Symphony.

At that point, LaRouche was the only one who had already predicted, in his famous speech on Oct. 12, 1988 in Berlin, the collapse of the Soviet empire because of economic failure, and had proposed his great vision of an early reunification of Germany and a Marshall Plan—or, better to say a LaRouche Plan—for Poland. He was the only politician who foresaw what would occur one year later.

The European 'Productive Triangle' program

By that time, LaRouche was already in jail. And he proposed the Productive Triangle, a Eurasian infrastructure program, to become the locomotive of the world economy, because this region of the world, enclosed by the Productive Triangle, simply was the area in the world where the most productive capacity existed, and the quickest growth rates could be accomplished, so that the world, which otherwise is in a depression, could be pulled out of that depression.

I must tell you, I admire Lyn's genius every day, but I have seldom admired it so much, than when I went as if for the first time to Saxony in the former East Germany and from there, through Bohemia to Prague, where I saw an incredible industrial potential: factory after factory—old, but factories. And I recognized that Lyn, without maps, without any material in jail, had seen that this was the area which could be developed to become the locomotive for economic recovery,



On Sept. 1, 1982, Mexican headlines blared that President López Portillo "Nationalizes the Banks, Imposes General Exchange Controls." Had other countries supported his efforts, the Anglo-American oligarchy might have been defeated then and there.

simply by investing in infrastructure and modern technology. Because of the socialist primitive accumulation, it was exactly that which was lacking and which would have made the difference.

LaRouche also at that time, very clearly said that Europe would meet its historical chance *only* if it would draw the conclusion out of the fact that the two systems of the two superpowers were bankrupt: that not only communism was bankrupt, and therefore the economic theory of Karl Marx, but that also the Anglo-American world and the world of free market economy was bankrupt. That meant that Adam Smith and liberalism were completely discredited, and that Europe had to develop its own industrial policy, going back to the tradition of Leibniz's conception of physical economy and a Christian economics which would put in the center of economy, man in the image of God.

Retrospectively, one can say that Kohl was probably correct when he said that unification was probably possible for only a couple of weeks. But that is about the only thing about which Kohl was right. Because then—if you remember how quickly the process went—things already started going totally wrong when the currency union occurred. And when, on Oct. 3, 1990, the formal unification of Germany occurred, things had already been totally sold out, as the treaty now reveals, and it was reflected by the fact that the people celebrating unification in Berlin didn't feel so joyous any more; it was already a subdued joy. Then came the first election.

Sin of omission: not telling the truth

I issued at the time a call in which I warned Kohl of the three sins of omission: First, that he had to have an economic perspective for the entire East; second, that this economic

development had to be connected and combined with a cultural renaissance; and third, that the truth had to be told to the population.

The truth campaign would have been extremely important, because it was necessary to tell the people who opposed German unification and why. Because if you remember, already in November, when the peaceful demonstrations in Leipzig and elsewhere occurred, people were writing in the British press about the "Fourth Reich." At that point, it was completely unclear whether the demonstrations would be crushed in a new Tiananmen Square massacre or not; but the Brits were already talking about the "Fourth Reich." Thatcher at that time said, slow down the revolution; and U.S. Secretary of State James Baker III went to the [East German] Modrow government, to back up that government when it was already clear it had to go.

If the Kohl government had told the people the truth about the Anglo-Americans, that the same Peregrine Worsthorne who was calling the new, unified Germany the "Fourth Reich," was the son-in-law of Montagu Norman, one of the bankers who had supported Hitler and brought him to power, this would have changed things dramatically.

So, not telling people the truth about the character of the Anglo-Americans in all its aspects, was the first sin of omission. In May 1990, German President Weiszäcker proudly declared that events had proven that economic strength was superior over military power. This would have been true, had Kohl taken up the Productive Triangle, but the failure to do that allowed the Anglo-Americans to regain the historical momentum.

In June, LaRouche, from jail, predicted a new Middle East war to come. That again could have been stopped, if the truth about the reasons why the Anglo-Americans wanted this war, would have been told.

It should have been said already in August or September that the Anglo-Americans, for geopolitical reasons, were planning a North-South population war, and that this was the real ideology behind the new world order: that this was at the same time a war against Europe, for the same geopolitical considerations as those which led to World War I. Because of the failure to state the truth, the war happened, and then soon, a second war against Europe occurred: the war of the Serbs against the Croats. Because of the failure to name the real plans of the British monarchy to have a Greater Serbia as a permanent point to weaken Europe, we are now facing the danger of an entire Balkan war.

The second sin of omission, was the Anglo-American economic policy, leaving the field in eastern Europe to the International Monetary Fund's (IMF) shock therapy, in Poland, Hungary, Russia, Ukraine. In the new individual states of Germany, unemployment, because of the shock therapy, is now 50% and has created a totally explosive situation.

The heads of government in Europe are tragic failures, in the face of the historic opportunity, because of what could

have been. If the Productive Triangle had been implemented, East-West relations could have been put on an entirely new basis. There could have been an economic world recovery combined with a cultural renaissance for all of mankind, if that locomotive would have steered the world economy back into recovery. This was missed because of a combination of fear, pragmatism, and corruption, and they are responsible for the suffering, the fear, the desperation, and the bitterness of the people in eastern Europe now. But we are only at the beginning.

Danger: IMF shock policies

If the IMF policy is continued, the depression will get worse and worse and worse. And this means we would be heading for a catastrophe. I want to give you some facts about the dangers looming in the East today.

The members of the Community of Independent States (CIS), the successor states of the Soviet Union, since summer 1990, have received \$140 billion in new credits, of which \$77 billion were given by Germany, only \$2 billion by Japan. But if the IMF continues, the reform movement will have no chance, because Germany is now practically at the end of its financial resources, and everybody else is worse off. Worse, only one-third of the *nomenklatura* has been ousted; two-thirds of the old *nomenklatura* are still in power and control behind the scenes.

The CIS states need 290 million tons of grain each year. Last year, they produced 170 million tons, which means a deficit of 120 million tons. Only with the help of the European Community could hunger riots be prevented last winter. But next winter, even with the aid of Germany and the EC, the situation will not be calm. Right now, in the states of the CIS, there is 350% inflation; and by the end of the year, it is expected that it will be 1,000-1,500% inflation. If you remember what the Great Depression inflation did in 1923 in Germany, it is clear that the states of the CIS will be blown up by such an inflation.

There is right now an increasing dollar dependency in all of these states and the growth of mafias in an incredible way. As well, there is a dangerous disintegration of the military. When officers and their families, who are now coming back from Poland and Germany, return to the former Soviet Union, they are being sent to live in tents, and naturally, they are totally beside themselves. There is no more social context for these soldiers. Many have taken an oath to the CIS, and they want to take it back, because there is complete collapse of morale, not only in the Army, but also in the Navy.

I want to give you now the spectrum of possible scenarios of what could happen if we do not defeat the IMF in time. The easiest, mildest version of what will happen, is that in the coming winter, the economic system of the CIS states collapses. Masses will be in the streets, with hunger riots in the cities. The war in the Transcaucasus will intensify.

Generally, western analysts think this is the least likely, an illusionary scenario.

The second one is the probable one. The CIS will break apart. The entire Central Asian belt will go up in civil war; Russia will break apart; 20 autonomous republics will take military action to get independence from Russia, and that may be combined with the third scenario, which people regard as very probable. This scenario will be the spawn of hell. Russia splits into East and West, Siberia will break off, and there will be a war between Russia and Kazakhstan. The Kazakhs want to belong to the southern Islamic belt, but they do not want to give up their nuclear weapons. The northern part of Kazakhstan has the former Soviet space program, and over that, it will come to war between Russia and Kazakhstan. At that point, the situation is triggered—175 million Russians will stand up against each other; against 53 million Ukrainians; 16 million Kazakhs; 20 million Uzbeks; 8-10 million Azeris; 4.5 million Tadzhiks; 3.5 million Kirghizians; 3.5 million Turkmens; and 5 million Baluchis.

Then you have to remember; that under those conditions of general war of these different ethnic groups and peoples, 30,000 nuclear warheads and missiles are in different locations. Then if you add the tensions over Xinjiang with China, the extremely dangerous crisis over Kashmir between Pakistan and India, the growing tensions between Turkey and Syria, and the crisis between Israel and Syria, it is very clear that this may go up in complete flames, and who knows where it will end.

If the IMF policy is continued, the depression in the East will deepen, and there will be a very, very dangerous situation for the world in the coming years. Then add in the conditions of the global economic depression, the AIDS crisis worsening, not only in Southeast Asia, India, and so forth; then add, because of war, mass migration—and I'm not talking about millions, I'm talking about *hundreds of millions* of people, including from China, marching away from hunger and war—plus the moral decay which would occur under such horrible conditions; the mafias ruling this terror, youth gangs, violence.

We are heading with the IMF toward a period of fascism and barbarism. Bonapartism and the *nomenklatura* and the military in eastern Europe are ready to take control. Remember, it is the depression which breeds cultural pessimism, as in the 1930s with the Nazis; and there comes a situation, where man will fight against man and turn into a beast. It is quite possible, that if the IMF is continued in this way, we are heading into a new 14th century.

That's what these tragic figures of Europe—the Kohls, the Mitterrands, the Andreottis—who have missed the historic chance, have caused, and are bringing about. I remember the answer of a leading Christian Democratic Union politician to whom we proposed the Productive Triangle at the time, and he said arrogantly, "We do not need you. All we need is to be re-elected."

Anti-bolshevik, anti-fascist resistance

It's obvious that we must have a short-term perspective of winning in this way. Because of the organizing for the Productive Triangle in the last two and a half years, we have an anti-IMF faction in every country in eastern Europe. In Poland, we went there the first time two years ago, and when we blasted the Anglo-American depression and warned people not to go in this direction, they said, "Do not talk like that. If you attack the Anglo-Americans, people think you are communist." We said, "The truth is the truth." In the meantime, the Polish people had to suffer the horrible experience of the Jeffrey Sachs policy and shock therapy, which has cut production in Poland and the living standard in half.

Why did [U.S. Treasury Secretary Nicholas] Brady say that the implementation of shock therapy was more important for them than even in Russia? Because Poland is a country with a tradition based on natural law since the 15th century. And it has been the geopolitical counterpole to the concept of the condominium because of this tradition. It's a nation-state with a predominantly Catholic tradition. And do not forget the role of the pope giving hope to the people of the East in bringing down communism.

Now Poland is very close to ungovernability. The economy is in a complete mess. Sure, you have western goods in the shops, but with prices nobody can afford. Recently, in the last week, the pro-IMF finance minister in Poland, Olechowski, has been forced out, and, extremely important, the Parliament just confirmed a ruling of the Supreme Court which declared the IMF austerity on wages as unconstitutional. The Anglo-Americans are completely up in arms because of this resistance in Poland, and many leading circles are regarding the Productive Triangle as *the* alternative to the IMF.

In Russia, it is a problem that a lot of the resistance against the IMF comes from the old communists, which naturally worries the people in the other republics. And it is very clear that the United States policy toward Russia is, for the moment, to use the ruble-dependency of the other republics to re-implement the Russian imperial system. Ukraine, therefore, to give you one example, is under double dependency: on the one side from Russia, because the economy is still very much linked to Russia; and secondly, from the IMF regime. But also in Russia and in Ukraine, there is a massive interest in the Productive Triangle by LaRouche. In Czechoslovakia, Finance Minister Vaclav Klaus is identical with the IMF, but there is a massive interest, especially in Slovakia but also in the Czech lands.

In Hungary, as you may have heard, already one parliamentarian introduced the Productive Triangle in parliament, and we have extremely important friends in Georgia, Armenia, Croatia, and Macedonia. And not only in the Central Asian republics, but also in the Islamic world in general, there is also massive discussion of LaRouche's economic theories.

Two years ago, the East European countries and the republics of the Soviet Union thought that, with the opening of the borders, they would join the First World. Now they realize that they are joining the Third World. So therefore, one of our most important tasks is to build East-South relations.

But we should be absolutely clear, that the crisis of mankind is so profound, that there can be no local solution, no continental solution, and only if we remove those structures globally, which are the cause of all of these crises, does mankind have a chance. Oligarchism and all the institutions

The crisis of mankind is so profound, that there can be no local solution, no continental solution, and only if we remove those structures globally, which are the cause of all of these crises, does mankind have a chance. Oligarchism and all the institutions of the Versailles system have to be destroyed and replaced by institutions representing the interests of the human race.

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Truth and the principle of statecraft

The world coalition around LaRouche's world reconstruction program is already in existence, and is rapidly growing. Individuals, organizations, and hopefully, soon entire countries, are joining this world coalition. In all European countries, and all over the world, it is clear that the parties have failed to address the crucial issues, that democracy has failed for the same reason, and that, as Plato said, democracy leads to the dictatorship of a few. Nicolaus of Cusa even goes so far as to put democracy on the same level with tyranny and oligarchy, and opposite to a just system.

The reason for the failure of democracy is because there is in it no truth-seeking principle; all opinions are equally valid, and the majority is correct. But the majority is not correct, as demonstrated by the rallies in Nuremberg supporting Hitler, or by the people supporting the fascist country of George Bush. Democracy all over the world has led to the rule of robber bands. Therefore, we have to build the world coalition as the instrument with which we have to bring about a just, new world economic order, and it must be based on

the representative system in natural law. This natural law is noble, and it is the absolute yardstick to measure good and evil. It is the idea that each human being has natural rights given to him or her by the divine order of Creation, because of his or her existence as man in the image of God, as *imago viva Dei*.

The definition of the common good is determined by necessity: to guarantee the natural rights of all individuals living on our planet today. And that means, they have to be able to replicate the most noble aspect of God the Creator. Peace and justice will only be possible on the basis of these ideas, which Nicolaus of Cusa developed in his famous work, the *Concordantia Catholica*, in which all the principles of statecraft which must be there for an entente of sovereign nation-states, working together for the benefit of mankind as a whole. These principles are exactly the same ones which govern the idea of statecraft as LaRouche has developed it.

Nicolaus writes in Book III of the *Concordantia Catholica*: "Natural laws precede all human considerations and provide the principles for them all. First, nature intends every kind of animal to preserve its physical existence and its life, to avoid what could be harmful and to secure what is necessary to it. For the first requirement of essence is that it exists." Nicolaus formulates here the concrete and objective criteria for all questions of ethics in economic policy. Economic activity has to create the preconditions for the existence of mankind. This is the measuring stick for good and evil. It is this which LaRouche develops in his book *In Defense of Common Sense* as the concept of the difference between lasting human survival, rather than momentary human survival. Cusa says further: "But from the beginning, men have been endowed with reason, which distinguishes them from animals. They know, because of the existence of their reason, that association and caring are most useful, indeed necessary, for their self-preservation and to achieve the purpose of human existence."

For Nicolaus, the common good is the supreme law of society, on which political authority is based exclusively. Leo XIII, in the encyclical *Rerum Novarum*, said that the law of the common good is the first and supreme law of the public community. In *Rerum Novarum*, he was calling for the realization of human rights for the industrial workers of industrial capitalism. Now, in his recent encyclical, John Paul II called for the same realization of human rights for the people of the East and of the so-called Third World.

LaRouche's notion of relative potential population-density and the resulting law of the necessary technological progress, which must be put as the concept of the noble common good, put this on an undebatable basis. LaRouche, developing these notions of population-density, has proven the Book of Genesis to be correct (Genesis 1:26-30). Maybe that was not necessary, but it does not hurt either.

Nicolaus posed the question: How can one find guardians for the common good? How can they be appointed so that they can fulfill their task? He says, "On this subject, Ambrose

writes most eloquently in his Seventh Letter immediately above. With profound argument, philosophers have concluded that the wise man is free and the stupid man a slave. But long before, David said: The fool is as changeable as the Moon; the wise man is not overcome by fear. He is not changed by power, not seduced by prosperity, nor overwhelmed in adversity. Where there is wisdom, there is courage of spirit, perseverance, and fortitude, for the wise man is constant in spirit. He is not affected by alteration in fortune. He is not changeable as a child, nor blown by every wind of doctrine. Ignorance is worse than slavery," says Nicolaus. "Therefore, the wise should be the rulers—but those who have the deepest respect for natural law." For him, the only legitimate government is one which serves for the common good. And, says Nicolaus, "When anyone is chosen and called by Christ, the true gate, to be a ruler and accepts the example of Christ in humility and follows as a prince in the footsteps of Christ, the commonwealth will necessarily be governed in the best way. And the name of the ruler will be remembered forever. For Christ was under the law. He came not to destroy the law, but to fulfill it."

Then Nicolaus summarizes the principles of the representative system: "All legitimate authority arises from elective concordance and free submission. There is in the people a divine seed by virtue of their common equal birth and the equal natural rights of all men, so that all authority which comes from God, as does man himself, is recognized as divine when it arises from the common consent of the subjects. One is established in authority as representative of the will of all, ruling without haughtiness or pride, in a lawful and legitimately established government. While recognizing himself as a creature, as it were, all his subjects as a collectivity lets him act as the father of individuals. This is that divinely ordained marital state of spiritual union based on a lasting harmony by which a commonwealth is best guided in the fullness of peace toward the goal of eternal bliss."

Cusa then proceeds to develop how the best qualified representatives from all pedigrees of lives should enter a reciprocal juridical relationship with the government, whereby they represent and defend the common good, and represent interests of the citizens toward the government, who can participate in this way in the government, as well as representing the interests of the government towards the people. They should be in daily council in this way, and the representatives must be bound through public oaths to fight publicly for the common good.

The noble common good

When we now build the world coalition for a just, new world economic order, it has to be built on this representative system. Contrary to the ignorant opinions of the liberal, there is a noble common good, which can relate to nothing less than the existence of mankind as a whole, namely, of all human beings living on this planet today. For the first requirement of essence is that it exists, says Nicolaus. The noble

common good finds its practical expression today in the concept of the reconstruction of the world economy as LaRouche has developed it, in the form of the Productive Triangle as the locomotive for the world economy, in combination with the programs of the True Fourth Development Decade, Operation Juárez, the Fifty Year Development Program for the Indian-Pacific Basin; the Forty Year Development Program for India; the Oasis Plan for the Mideast and Gulf region, and an infrastructure program for all of Africa. To fight for that, is the main objective and task for our world coalition.

The question of noble common good is easy when we understand the correspondence of our greater freedom as a microcosm, to the lawfulness of the macrocosm, the divine order of Creation, when our identity relates to mankind as a whole and the entire created universe. The world coalition can only fulfill its task if each of its members understands himself or herself as a true representative of mankind, as a father or mother who has folded into their interests that of all people, like in a higher manifold which subsumes all lower numbers, but which exists only because it participates in the next higher species.

This envelopment is understandable, if you think about Cusa's conception of an ascending evolution, in which each species only accentuates its kind, if it participates in the next higher species. What Cusa develops as the principle of evolution, up until the *capax Dei*, is the ability of man to participate in God. This is the highest principle, because it defines the way man can know about God. And only because man is capable of *capax Dei*, can each human being be the representative of mankind as a whole. We, the members of the World Coalition, must be the representative of those who are too poor and weak to think for themselves. It is this agapē which is the basis of our morality.

In Poland, which is one of the great cultural nations of Europe, in the so-called Jagiellonian Act which led to the unification of Poland and Lithuania in the 15th century, it was said that divine love must be the basis of all treaties; it is what keeps cities and states together. It is agapē which causes us to recognize human rights of all people as *imago viva Dei*; it is agapē which causes us to care about each child in Africa, that this child can develop his full creative potential. Agapē is what makes us fight for the natural rights of all human beings to develop their human potential in the fullest possible way, because only then can they contribute in the best possible way to the development of mankind.

We have to fight today for this image of man as *imago viva Dei*. And we have to fight for a concept developed by Schiller as man wanting to become a beautiful soul.

What is a beautiful soul according to Schiller? It is the person for whom necessity and love, action and emotions, are not in contradiction. We have to put such a noble image of man against the predominantly gloomy image of man today, where the great and noble is principally suspect, morality is being degraded as hypocrisy, and those who fight for the beautiful and the Good, are regarded as either naive or as

having evil intentions. All of this distortion, is the result of the Enlightenment and also the Frankfurt School and the so-called critical method.

We have to fight for a noble image of man, we have to develop a compassionate love for mankind, and we have to have a perspective for the human species where, coming out of this crisis, oligarchism will be crushed. No matter if we succeed in the short term, or if mankind has to go through more suffering before we succeed. We have enveloped in our heart the past, all the struggles of the great minds whose creative work has given us the incredible endowment of classical music, arts, and science. Take the sum of all the sensations of their fight into your own personality, and think of what our success or failure will mean to the future. If you are thinking in this way, about the human species, then you are *Becoming*. If you think in this way, then the great destiny will uplift us, even if it should crush us—unlike the small politicians who are tragic figures, because they missed the great historical chance and brought infinite misery over the people and for whom future generations will only have contempt, if they will be remembered at all.

Think like LaRouche

What we need now is a second phase of the revolution. The first defeated communism, but this will only last if we defeat the twin brother of evil of the 20th century, liberalism.

Take the cause of mankind in your heart, in the same way as LaRouche has done. I told you what Schiller meant by the *punctum saliens*: When LaRouche developed Operation Juárez in 1982, this could have been the turning point for world history; we came the closest to the reorganization of the world economic system, and the new world economic order ever. The failure of the leading figures to show solidarity with the President of Mexico prevented this from happening; but nevertheless, the Anglo-American establishment decided that LaRouche, because of this, was the institutional enemy of their system. We have letters from Kissinger, among others, to prove this. Then there was the prosecution, and they finally put him in jail in 1989. That same year, LaRouche made a second approach for a just, new world economic order, in the form of the Productive Triangle proposal; and again, the failure of the leading figures to support it led to disaster. Because of who LaRouche is, in terms of science, culture, and history in general; because of what he represents in respect to the past, the present living people on all continents have no chance of succeeding without him, and therefore the future of mankind. There is no question in my mind, that the early liberation of LaRouche is the *punctum saliens* for mankind.

If we succeed in liberating LaRouche soon, the lost historical chance of 1982 and the missed historical chance of 1989 will be given to us again, in order to establish a just, new world economic order.

I wish for you, with all my heart, that this conference be a giant step in the direction of accomplishing that goal.

Coleman execution speeds U.S. descent into barbarism

by Anita Gallagher

The recent orgy of barbaric decisions in U.S. courts culminated in the May 20 execution of Roger Keith Coleman, a Virginia death row inmate who had proclaimed his innocence of a charge of murder for 11 years, and had strong evidence to back it up. In 16 rounds of appeals that spanned a decade, U.S. courts refused to examine any of Coleman's evidence, though the state claimed it had the right to take Coleman's life. This barbarism has shocked the world and, with the massive press coverage, even many in the United States, prompting comparisons here and abroad to justice under the Nazis or pagan Rome. For the first time in many months, a crowd demonstrated outside the U.S. embassy in Rome to protest Coleman's execution.

On May 18, the U.S. judicial system, in the person of Judge Albert V. Bryan, Jr. of Virginia, also denied the new trial motion of Democratic presidential candidate Lyndon LaRouche, the U.S. leader of resistance to this emerging fascist order. The prosecution of LaRouche has proven to be the bellwether of justice in the United States (see article, page 65).

The U.S. Supreme Court refused by a 7-2 vote, *one minute* before Coleman's scheduled execution, to look at Coleman's new evidence of innocence. The Court, led by Chief Justice William Rehnquist, handed down other rulings in May which affirm that procedure, speed, and judicial economy are more important than justice. The latest casualties are protections from grand jury indictment and requirements that defendants understand what disposition is being made of them.

Voices of opposition to the death penalty are being raised around the world. In the United States, LaRouche, himself a political prisoner, spoke thus of American justice a few hours before Coleman's execution: "We have come to the point, that even elements on the Supreme Court, as well as in other courts, are prepared to murder people on death row *whom they know* either to be innocent or whom they know were not

properly convicted, and thus must be judged as having innocence before the law. When we murder innocent people and deny them the chance to show they have been wrongly convicted for the sake of legal procedure, on legal technicalities, we have become worse than the Nazis."

Pope John Paul II, in a May 19 letter to Virginia Gov. Douglas Wilder, appealed for clemency on Coleman's behalf: "Motivated by the profound respect for the God-given dignity and value of each human life, the Holy Father prays that this sentence will be commuted through your magnanimity and mercy. Your gesture of clemency would greatly contribute to the promotion of non-violence and the advancement of mutual respect and love in society."

Roman Catholic Cardinal Fiorenzo Angelini, president of the Pontifical Council for Pastoral Assistance to Health Care Workers in Rome, warned those who oppose abortion but not the death penalty that they are in an "unacceptable contradiction," and that today "the death penalty is no longer admissible."

Harvard Law Prof. Alan Dershowitz told a radio interviewer that Chief Justice "Rehnquist would have been very comfortable as a judge in the Germany of the 1930s."

Was an innocent man executed?

Was Roger Coleman innocent of the murder of Wanda Faye McCoy, for which he was executed on May 20? Investigators, such as Jim McCloskey of Centurion Ministries, who has developed evidence freeing 12 other men on death row from wrongful conviction, demonstrated that Coleman's presence at the scene of the crime would have been nearly miraculous. Minimally, it is true Coleman had an alibi, corroborated by witnesses; that police withheld evidence, and enticed witnesses to lie; that he maintained his innocence for the 11 years since the murder. It is also the case that there were no witnesses, murder weapon, or fingerprints ever

found. Coleman's knife, which the prosecution claimed was the murder weapon, was one inch too short.

Coleman's evidence is not addressed in the polygraph test which he took in desperation on the morning of his execution—the most stressful situation imaginable. A polygraph measures stress to show the “truth” of the subject's responses. Coleman's defense team charged that Wilder permitted the polygraph to neutralize reaction against his denial of clemency to Coleman on May 18, but in so doing, Wilder attempted “to come out clean, but instead came out dirtier.” Wilder explained that he denied clemency because Coleman had failed to prove his innocence—a burden that no defendant is supposed to bear, and radically different from “reasonable doubt” of guilt.

It is also certain that Coleman's trial should have been moved to a different venue. Instead, it occurred in Grundy, a terrified town of 1,300 in the southwest corner of Virginia. During Coleman's trial, a lighted 4 by 8 foot sign was displayed next to the courthouse which read, “Time For Another Hanging in Grundy.” After trial, one witness volunteered the information that her husband's cousin lied to get on the jury, “to burn that [obscurity].”

Vital questions remain, because courts which have jurisdiction, including the U.S. Fourth Circuit Court of Appeals and the U.S. Supreme Court itself, have refused to hear them for 11 years. The Commonwealth of Virginia ruled that all Coleman's issues were lost forever because his first set of appeals attorneys filed one day late. In April 1991, the U.S. Supreme Court concurred, with Justice Sandra Day O'Connor's opinion declaring, “This is a case about federalism.” The May 20 *New York Times* editorialized against the U.S. Supreme Court: “Mr. Coleman's execution . . . marks a modern low in the federal judiciary's default, as guardian of justice. . . . And it exposes the utter failure of a governor and state legislature to secure fairness in capital cases.”

Supreme Court continues Nazi trend

On May 4, the U.S. Supreme Court issued an opinion restricting the right of defendants to a federal hearing, even when a court agrees that a severe error has occurred at the state level. The opinion, written by Justice Byron White for a majority he has been seeking on this issue since 1963, argues that judicial economy—cost considerations—is a prime reason for limiting federal review of these *habeas corpus* cases.

The case, *Keeney v. Tamayo-Reyes*, concerned a Cuban immigrant's plea to a manslaughter charge based on a mis-translation of the plea into Spanish, which was admitted by all parties. Justice O'Connor warned in the dissent that the Supreme Court, “under the guise of overruling what it called ‘a remnant of a decision’ . . . and achieving ‘uniformity in the law’ . . . has changed the law of *habeas corpus* in a fundamental way.” Forty percent of the death penalty cases that are reviewed in federal *habeas corpus* proceedings are overturned, and the clear intent is to shut the door on such reviews.

In another 5-4 decision May 4, the U.S. Supreme Court

voted to sanction grand jury railroads. In *U.S. v. Williams*, the Court ruled that a prosecutor's failure to present exculpatory evidence to a grand jury is not a prosecutorial error that requires an indictment to be dismissed.

The opposition

Cardinal Angelini stated in a recent interview with the Italian paper *Avvenire*: “Among the individuals and groups against legalized abortion in the United States, there are some who support the continuation of capital punishment. This is an inconsistency and an unacceptable fact.” The cardinal stated that in previous eras, “Catholic theologians accepted the death penalty. But today, it is no longer admissible. There is a motive of civility: to condemn someone to death is barbaric . . . absolutely, one cannot kill, as is done now, 14 or 16 years after a crime . . . [one cannot commit] a homicide in cold blood like that which occurred a few days ago,” he said, referring to the execution of Robert Alton Harris and Billy White. “Not everything sanctioned by the law is moral,” the cardinal emphasized. “That is valid for both abortion and the death penalty.”

The official Vatican daily *Osservatore Romano* in a recent front-page editorial called the death penalty “a terribly desperate tool” of a society that seems to show “a primitive instinct for revenge.” The California execution of Robert Alton Harris, with its last-minute court decisions, should have turned Americans against the death penalty, but instead, the paper said, the United States “seemed to return to an abnormal normality.”

The death penalty issue also arose in the Democratic Party Platform Committee's hearings in Cleveland during the week of May 18. The U.S. Catholic Bishops gave pro-life testimony which included the demand that the death penalty be abolished. Testimony submitted by Democratic presidential candidate Lyndon LaRouche also included the demand that the party renounce the barbaric death penalty. Meanwhile, putative Democratic front-runner Bill Clinton has declared that he intends to execute Barry Lee Fairchild in Arkansas, a borderline retarded black man who he knows to be innocent.

Interview: Roger Keith Coleman

‘A barbaric practice’

Virginia death row inmate Roger Keith Coleman, interviewed on the ABC News program “Nightline” on May 18, two days before he was executed, said: “I hope that some day we'll wake up and abandon the death penalty. Maybe I'll die. I hope that my death won't be in vain. I hope that my innocence will be proven and that because of it, other innocent people will not have to die.”

Mr. Coleman spoke with EIR's Anita Gallagher on May

18, and gave the following statement.

EIR: Your case has attracted a great deal of international attention. Would you like to make a statement on the issue of the death penalty?

Coleman: The reason my case has garnered not only national attention, but international attention, from the European Community in particular, I believe, is that they are more socially mature than we are. That's why they have done away with the death penalty, and that's why my case has outraged them so much. They see the possibility that an innocent man may die, and they are outraged by that.

In America, I think we are very socially immature, and that's why we still have the death penalty. It is a sign of our immaturity that we still keep this barbaric practice, along with Iran, Libya, China, and other such less-civilized countries.

It has nothing to do with justice. It has nothing to do with deterrence. It's revenge, and when you have the possibility of murdering someone who may be innocent, that does not justify keeping around the ultimate punishment, because our justice system is not perfect. Until it is perfect, and until we can prove that it is a deterrent, I could never support the death penalty, nor do I think any right-thinking person could.

Our Founding Fathers founded a judicial system based on justice. Our system today is more geared toward petty, procedural technicalities. There were a number of technicalities in my case that are barring my new evidence from being heard by courts.

I think the Founding Fathers are spinning in their graves right now. When they drew up the Constitution 200 years ago, I do not think this is what they had in mind: not these petty, procedural technicalities that could cause someone who is innocent to lose his life. Those are just not the principles on which this country was built.

EIR: Should the Democratic Party change its platform to renounce the death penalty?

Coleman: I think that it should be done, but, because of politics, I doubt if it ever will be. It's all a political game, in my opinion, in which the minorities, the poor, and the innocent suffer.

EIR: What are you asking people to do?

Coleman: We are specifically asking people with information to come forward, because we have been getting calls today from people with information, from people who thought, "Well, I don't need to come forward with what I have, because he's got a great case and he's going to win." Now, with the governor issuing his decision, people are seeing that they were mistaken, and that the information they possess may be critical. Some have come forward, and we are in the process of investigating a few new leads. I hope that Governor Wilder has not completely closed the door to hearing anything new.

Reed case exposes into Oliver North's

by Jeffrey Steinberg

Question: What do Gov. Bill Clinton, *Time* magazine correspondent Richard Behar, ex-CIA agent-turned-"investigative reporter" Frank Snapp, Felix Rodriguez, and Oliver North all have in common?

Answer: They have all gone way out on a limb, in some cases knowingly telling baldfaced lies, to discredit a former Air Force sergeant named Terry Reed.

If the media-led smearing of Reed succeeds, the two biggest beneficiaries will be Arkansas governor and Democratic Party presidential front-runner Bill Clinton and President George Bush. Both men are deeply implicated in some of the most overtly criminal aspects of the so-called Iran-Contra scandal, including a host of illegal secret operations run out of western Arkansas near the towns of Mena and Nella. Their mutual complicity in illegal drug- and gun-running ought to be a major issue in this year's presidential election—and Terry Reed could provide the American voters with an earful.

John Cummings, an author and newsman who first began probing the Reed-Mena story several years ago, refers to Clinton and Bush as two "Manchurian candidates." In his view, Arkansas was the logical spot to stage U.S. government secret operations. "Arkansas is 'America's banana republic,'" he said in a recent discussion. "It's a state with less than 3 million people, run top-down with a tight grip by Governor Clinton and his entourage. In the Mena area of western Arkansas where the Contra training program was being run, there aren't even any major highways!"

Governor Clinton is painfully aware of his exposure in the Terry Reed scandal. Confronted at a campaign appearance in Pittsburgh, Pennsylvania in April by a reporter probing Reed's allegations about illegal Contra operations in Mena, and the role of Clinton's chief of security in its coverup, Clinton flew off the handle, shouting, "That's bull! That fantasy was discredited by *Time* magazine!"

Indeed, *Time* magazine's Richard Behar did publish a scathing attack against Terry Reed in the magazine's April 20 issue. Frank Snapp published an only slightly less nasty snipe at Reed in the April 14 *Village Voice*. Behar's article was long on venom and short on facts, despite the author's

Bill Clinton's ties drug operations

lengthy interviews with Reed and two of his attorneys, and his full access to documents and tapes relating to the Reed saga. Reed, commenting on his encounter with Behar, recently told a friend: "He ignored \$38 [in photocopying costs] worth of documents."

Nobody knows better how gratuitous and factually off the mark the Behar story was, than does Bill Clinton.

Disgusted by Contra drug trafficking

Terry Reed is a decorated Air Force veteran, trained in intelligence, who was recruited by Oliver North to work on the secret Nicaraguan Contra training and supply effort in Mena and Nella, Arkansas and later in Guadalajara, Mexico. Reed's immediate supervisor in Mena and Nella was the late Barry Seal, a commercial pilot-turned-dope smuggler who, according to John Cummings, began working as a contract agent for the CIA in the early 1970s. In Mexico, according to court documents, Reed worked under the direction of Felix Rodriguez, a career CIA agent whose Iran-Contra activities were closely coordinated with Donald Gregg, then-Vice President George Bush's chief national security aide.

When, in June and July 1987, Reed discovered that part of that Contra secret aid program in Guadalajara involved the smuggling of narcotics into the United States, he tried to walk away from the whole sordid affair and reveal to authorities what he had seen.

Reed's story not only implicated North and Rodriguez in the illegal dope business; he also was aware of a still virtually unknown North-run grand larceny scheme variously called the "Donor Program" and "Project Donation," which involved the theft of airplanes and the filing of millions of dollars in phony insurance claims—all on behalf of the Contras.

Unlike most of the people hired on to the Contra program, Reed was no mercenary and had no skeletons in his closet. For precisely that reason, Reed's Contra "handlers" made a point of setting him up so that he could be discredited if he should ever break from the "program."

After a distinguished career in the Air Force, including

two tours of duty in Southeast Asia at the height of the Vietnam War, Reed went into the machine tool business and set up a number of successful manufacturing and sales ventures. He also acquired a pilot's license and a license as a flying instructor. In the early 1980s, Reed helped the FBI probe illegal overseas sales of sophisticated American computer technologies.

It was through that "voluntary" work with the FBI in Oklahoma that Reed was originally contacted by Oliver North, who used the pseudonym John Cathey and flashed around Central Intelligence Agency identification. (North later denied that he ever met Reed or ever used that pseudonym. However, he was at a loss to explain the extraordinary coincidence that one of his roommates at the Naval Academy had the unusual last name "Cathey.")

Reed worked for North and company from 1982-87. As an ex-military intelligence man, he appreciated the importance of not asking too many questions. In return for that discretion, Reed became privy to a great deal of information about the secret Contra supply operation, including the involvement of Israeli agent Amiram Nir (to whom he was introduced, under the pseudonym "Pat Weber," by Rodriguez in December 1986) in the extensive activities operating out of Mexico.

When Reed decided to sever his ties to the Contra team, he had to be discredited—and fast.

Enter Buddy Young and Tommy Baker

At the time of Reed's break with Rodriguez, North, and company, Buddy Young was the chief of security for Arkansas Gov. Bill Clinton. Baker was a former Arkansas state policeman whose private detective firm was widely rumored to be a front for the Arkansas State Police, according to testimony presented in federal court in Kansas.

As Reed and his wife Janis were preparing to return from Guadalajara to Little Rock in early October 1987, Young and Baker were busy working to frame up the couple on insurance and mail fraud charges. The duo of Arkansas police conducted illegal breakins, committed perjury in both state and federal courts, and planted evidence in order to obtain the Reeds' indictment, according to a federal civil suit filed against Young and Baker by the Reeds in Little Rock last July. The frameup of Terry and Janis Reed was made possible by the Donor Program.

While many questions remain to be answered about how Governor Clinton's security chief Young and his friend Baker came to play such a pivotal role in the effort to frame Terry Reed so soon after Reed's stormy break with Felix Rodriguez, court documents in two federal cases paint a detailed picture of how they went about it.

On June 21, June 22, and Oct. 6, 1989, Buddy Young and Tommy Baker testified under oath at a series of suppression of evidence hearings before Judge Frank G. Theis in U.S. District Court in Wichita, Kansas. The case, *United*

States of America v. Terry Kent Reed and Janis Reed (88-10049-01), charged the couple with defrauding their insurance company out of \$33,000 by falsely claiming that their 1978 Piper Arrow PA 28, tail number N2982M, serial number 28R7803158, had been stolen at Joplin, Missouri Municipal Airport in March 1983.

The indictment was based on the fact that in early October 1987, as the Reeds were returning to the United States from Guadalajara, Tommy Baker “discovered” that Reed’s missing Piper Arrow was sitting in a hangar at North Little Rock Airport. The hangar was subleased by a company owned by Terry Reed. Baker claimed he was walking by the hangar when suddenly the wind blew the door open and he spotted a plane. “I’m one heck of a detective,” he boasted to the court in the course of explaining how he deduced that there was something illegal going on in the Reed-subleased hangar.

Baker claimed he called Young at the Governor’s Mansion immediately after he discovered the “suspicious” plane inside the hangar on Oct. 8, 1987 and asked him to check the plane’s N number with the federal authorities to determine whether the plane was stolen property. He ran a parallel check via another Arkansas State Police officer, who searched the Federal Aviation Administration’s computer list of stolen or missing aircraft. According to Baker and Young’s original story, the initial N number check did not register as a stolen plane with either the FBI or FAA.

Baker claimed that he went back a second time to the hangar the following day and searched the plane for other records that might reveal something more about the mystery plane. On this second illegal entry into the hangar, Baker claimed he discovered a pouch of documents indicating a different N number and a different serial number for the plane. When the second numbers were run through the federal computers, they revealed that the plane was Terry Reed’s “stolen” Piper Arrow.

According to the Young and Baker testimonies in June 1989 at the first suppression hearing, the “discovery” of the stolen plane was simply the result of good detective work by a civic-minded ex-cop. Baker claimed that he went back a second time to search the plane because the N number painted on the tail of the plane “didn’t look right.”

Then, Young, according to his sworn testimony, contacted the El Paso Intelligence Center (EPIC), a federal anti-narcotics intelligence task force specializing in U.S.-Mexican border trafficking, where he claimed that he received word that Terry Reed was a suspected narcotics trafficker operating out of Guadalajara.

From Young’s June 22, 1989 testimony in Wichita:

“Q: Now, in this document [an FBI report on an interview with Buddy Young in October 1987] on the second page, the second paragraph, could you read that, please?”

“A: Buddy Young advised that he has received information which indicated that Terry Reed may be involved in

Mexican and/or South American drug trafficking and may now be residing in Guadalajara, Mexico. Young stated that a search of the aircraft revealed several maps of Southern North America. . . .

“Q: Captain Young, where did you get that information?”

“A: I got that information from EPIC. . . . I ran an inquiry under the name of Terry Reed. They told me that they had a Terry Reed on file, that he resided in Guadalajara, Mexico, and I don’t know for sure what else was said.”

Young further claimed that he never bothered to write up any reports on the airplane discovery because he was too busy handling Governor Clinton’s security to get involved in the routine theft investigation. In fact, Young finally got around to writing up reports several years later, once the federal prosecution of Reed got under way. By this point, Young had been promoted from lieutenant to captain. Even though he back-dated the reports to create the false impression that they had been written in October 1987, he mistakenly listed his rank as captain.

At the first opportunity, according to Young’s suppression hearing examination, he passed the entire matter on to the FBI.

Nevertheless, Young shepherded the case through to the point of obtaining a search warrant to enter the North Little Rock Airport hangar and seize the Reed plane. That took place on Oct. 14, 1987.

The Baker and Young version of the events, as presented in an oral affidavit by Baker before Pulaski County Circuit Court Judge Harlan Weber on Oct. 14, 1987, and before federal Judge Theis on June 21-22, 1989, presented a straightforward case of good police work paying off.

There was only one problem: None of the facts checked out. On the contrary, when Terry and Janis Reed began accessing government records under discovery, they found that the two were lying through their teeth:

- FBI National Crime Information Center (NCIC) computer records showed that while Buddy Young had requested searches on the two N numbers, the first number to be checked was the original number on Reed’s stolen plane—not the number painted on the tail. The two checks took place just two minutes apart on Oct. 7, 1987—the day *before* Baker claimed that he had “discovered” the open hangar door. Further, an employee at North Little Rock Airport testified at the suppression hearing in Wichita that he had been approached by Baker, who told him that he was going to search the hangar on the basis of a law enforcement “tip” that there was a stolen aircraft hidden inside.

- Young admitted under oath on June 22 that he had placed a pretext call to both Terry and Janis Reed’s mothers to find an exact address for them in Mexico. Young claimed he made this call after Baker had stumbled upon the stolen plane. However, telephone records and affidavits by both women proved that the calls had taken place on Oct. 3 at the

latest—four or five days *before* Baker's encounter with the wind-swept hangar at North Little Rock Airport.

- In fact, in late September, Reed's mother received a pretext call from an Arkansas state trooper named "Ogden," who was ostensibly trying to contact Reed to get him to take out an advertisement in *Trooper* magazine. Reed spoke to "Ogden" by phone from Guadalajara in late September, and was puzzled how the Arkansas cop had ever gotten his name. "Ogden" claimed he had gotten Reed's company name from the Little Rock yellow pages, but Reed's firm had been dissolved well over a year prior to the call. Although Buddy Young denied under oath that he had ever heard of any trooper named "Ogden," the incident demonstrated that interest in Reed had perked up at the Arkansas State Police very shortly after Reed's falling out with Rodriguez.

- Arkansas State Police records demonstrated unambiguously that the Young-Baker chronology was phony and that the operation against Reed had been launched much earlier than Young and Baker claimed. The state criminal investigation number assigned to the Reed case was issued on Sept. 30, 1987—a *full week before the initial encounter with the stolen plane* in the Young and Baker version.

- On Sept. 29, 1989, in compliance with an order from Judge Theis, EPIC provided prosecutors and defense attorneys with a printout of their file on Reed and the missing plane. The memo stated:

"Records of the DEA [Drug Enforcement Administration] El Paso Intelligence Center (EPIC) reflect two reports made to EPIC involving aircraft N2982M.

"On May 24, 1983, EPIC was notified that the Joplin, Missouri Police Department reported to the National Crime Information Center (NCIC) that aircraft N2982M was reported stolen on May 23, 1983 from the Joplin, Missouri, airport.

"On Oct. 16, 1987, it was reported to EPIC that the Arkansas State Police, Little Rock, Arkansas, reported aircraft N2982M was recovered on Oct. 16, 1987, from a hangar in Little Rock, Arkansas, where the owner Kent T. Reed (a.k.a. Terry Reed) hid the aircraft to collect the \$33,000 insurance claim.

"EPIC records reflect no other inquiries in connection with Terry Kent Reed and aircraft N2982M."

In other words, EPIC's computer files showed no record of the inquiry by Buddy Young that the governor's security chief claimed he made in his sworn testimony in Wichita on June 22, 1989. If Buddy Young didn't get the Guadalajara drug allegations about Reed from EPIC, where did he get them from? Perhaps from Felix Rodriguez?

These discrepancies prompted Judge Theis to find in an opinion and order dated Dec. 18, 1989 that Young and Baker's statements "were made with at least reckless disregard for the truth." Nevertheless, he refused to summarily dismiss the case. Terry Reed would eventually win a full acquittal nearly a year later (the case against Janis Reed was

already dismissed by Judge Theis) on Nov. 9, 1990.

In a highly unusual development, on June 1, 1990, several months after Judge Theis had ordered the Arkansas State Police to turn over to the defense all records of their investigation into Barry Seal and Mena, prosecuting attorney Robin Fowler invoked the Classified Information Procedures Act (CIPA), expressing concern about a number of sensitive national security matters that might come up in the course of the defense case at trial. Usually, CIPA is a tool employed by defense attorneys seeking to force dismissal of a case rather than reveal government secrets. But in this case, it was the prosecution that expressed worry over the public disclosure of secret information.

Fowler's remarks on June 1 included the following: "I'm concerned with the potential testimony of Wayne Barlow, an FBI agent working out of Oklahoma City. He has in fact told me that some of his prior contacts with Mr. Reed involved classified information. The second area of concern is information accepted from the FAA Intelligence Division. A third area of concern involves information accepted from the DEA, the EPIC organization. The fourth, information potentially that would be brought out on direct or cross [examination]—particularly that of Oliver North, Jack Blum [a Senate investigator on the staff of the Foreign Relations Committee who probed Contra drug trafficking] and Robert Johnson [an executive for Southern Air Transport, one of the key proprietary companies used to funnel arms to the Contras]. Particularly, there is concern for information that the director of the CIA has been ordered to produce in regard to certain files and information from the national security archive; and finally there's the possible testimony of the defendant which may or may not implicate classified information."

Ultimately, the prosecution agreed to a stipulation of facts that were insufficient to convict Terry Reed of the charges. In a brief non-jury trial before Judge Theis, Reed was acquitted. In a closing comment, Judge Theis expressed his "regret" that the case didn't go to trial "because I think it would have been an interesting trial for the court to sit on . . . far beyond the confines of just a simple insurance fraud case."

Perhaps not coincidentally, Felix Rodriguez had been served with a subpoena to appear as a defense witness on Oct. 16, 1990—less than a month before the government threw in the towel.

The 'Donor Program'

Although Judge Theis was absolutely right in lamenting the fact that the full Terry Reed story would not come out in his courtroom, significant elements of the story do emerge from public documents in the court file. From these records, it is possible to piece together a profile of the so-called "Donor Program" and how it figured in the frameup of Terry Reed.

On Feb. 10, 1989, defense attorney Marilyn Trubey filed a motion for discovery, demanding "all documents relating to Oliver North's involvement with the Donor Program," among other key evidence.

In support of that motion, Trubey provided a chronology of Terry Reed's encounters with that program:

"In February 1982, Terry Reed first met the person whom he later learned was Oliver North. In March 1983, North described to Terry Reed the Donor Program, in which the United States government was soliciting donations from private individuals to fund the Nicaraguan Contras. North asked Terry Reed to consider donating his plane to this program. Mr. Reed did not agree to do so.

"On March 24, 1983, Terry Reed learned that his airplane was missing from Mizzou Aviation at Joplin, Missouri, where the plane was being repaired. The theft of the plane was reported to law enforcement officials and to Mr. Reed's insurance company. After Terry Reed had received reimbursement from the insurance company for the theft of his plane, he received a telephone call from Oliver North, in which North hinted that the plane had been taken for the Donor Program.

"The plane was later returned to Terry Reed by William Cooper [an old acquaintance from their days in Thailand] and William Sawyer. Cooper informed Mr. Reed that he was working for Southern Air Transport in connection with the Donor Program. Cooper told Mr. Reed that Reed would have to store the plane for a couple of months. The return of the plane was followed by a telephone call from Oliver North, who also told Mr. Reed to store the airplane for a short period of time."

At Reed's insistence, William Cooper did take back the plane in July 1986, which was the last time that Terry Reed saw the aircraft. (Cooper died soon after that, in the Oct. 6, 1986 plane crash in Nicaragua that resulted in the capture of crew member Eugene Hasenfus and the unraveling of the entire Iran-Contra fiasco.)

Reed was an involuntary participant, a victim, in fact of the Donor Program. The theft of his plane from Joplin airport at the outset of his dealings with North and the Contra "Enterprise" conspirators was an insurance policy of sorts to create the option to set him up should he ever get out of line or talk about what he had seen. Reed's defense attorney alluded to this in a court hearing before Judge Theis in 1988, when she described what happened after Reed discovered the drug trafficking in Guadalajara: "At this point, Mr. Reed . . . tells Rodriguez that he will not be involved in this and that he is going to return to the United States and find out what is going on." The next thing Terry Reed knew, he and his wife were indicted.

The full extent of the theft and insurance fraud operation apparently run by Oliver North under the guise of the Donor Program is not known. Nor is it known how many would-be Contra backers voluntarily participated in the grand larceny

and insurance fraud scheme, or how many, like Terry Reed, fell victim to their own patriotic impulses.

However, Terry Reed did keep meticulous records of the Contra training program that he and Barry Seal ran in the Mena-Nella, Arkansas area between 1984 and 1985. Reed recorded the N numbers and serial numbers from seven different planes that Seal gave him to use in the training. Reed was training Contra pilots and ground crews in nighttime supply drops, using terrain that was very similar to that in the areas in and around Nicaragua where the Contras were operating.

A dogged investigation by Jerry Bohnen, a radio reporter with KTOK-AM in Oklahoma City, revealed that each of the seven aircraft used by Reed in Mena and Nella had been affixed with the N numbers of existing, legitimately owned and registered airplanes. The N numbers selected were from matching airplanes (i.e., the same manufacturer, year, and model). However, all seven of the planes used at Mena, according to the actual original serial numbers, were stolen at the time Reed used them. In all but one of the cases, the owners collected full insurance claims on the missing planes. The Donor Program, in other words, was a very sophisticated operation that required access to government computers, the Federal Aviation Administration's files, etc. According to an unconfirmed report, a loophole in federal tax codes even allowed insurance companies to write off their share of the losses.

Governor Clinton revisited

As the result of the short-circuiting of the Wichita trial, and the lack of interest on the part of any state or federal agencies, no hard answers have yet been gotten to some puzzling questions.

What was the link, if any, between Buddy Young and Felix Rodriguez, Oliver North, and the other alleged players in Project Donation? And to what extent was Buddy Young operating on behalf of his boss, Bill Clinton, in seeking to frame up and silence Terry Reed?

Terry Reed will get his day in court—despite the best efforts of Bill Clinton, *Time* magazine, and the local Arkansas newspapers, the *Arkansas Democrat-Gazette*, to preempt him. The federal civil suit that he and his wife filed against Buddy Young and Tommy Baker (LR-C-91-414) is tentatively scheduled to go to trial in September. Sources close to the case say that Terry Reed still has many cards up his sleeve, and that they will show Bill Clinton and his closest friends and associates to have been pivotal players in the whole sordid operation.

The problem is that by September, Contra cowboy Bill Clinton could be the Democratic presidential candidate running against Contra commander George Bush and Contra cash cow Ross Perot. If that is the case, then the American people will be the biggest losers. The time is now to force Clinton to come clean on his role in the Terry Reed affair.

Judge denies motion to free LaRouche

On May 18, Federal Judge Albert V. Bryan, Jr. issued an arrogant decision denying the motion filed on behalf of political prisoner Lyndon H. LaRouche, Jr. and two of his co-defendants, Edward Spannaus and William Wertz.

The motion, a type of *habeas corpus* motion filed under United States Code 2255, was originally filed on Jan. 22 by LaRouche's attorneys, including former U.S. Attorney General Ramsey Clark and Odin P. Anderson. It sought either to vacate LaRouche's sentence and release him from prison, or to at least grant him a new trial under Rule 33, based upon volumes of newly discovered evidence of his innocence (see *EIR*, Jan. 31, p.24 for excerpts from the motion).

The defense had also sought to have Judge Bryan recused from hearing the appeal, on the grounds of personal bias and prejudice. Judge Bryan refused, and the Fourth Circuit U.S. Court of Appeals upheld his decision.

LaRouche issued the following statement upon hearing of the decision:

"An appropriate comment in response to the denial of the 2255 motion in my case by federal District Judge Albert V. Bryan is to cite Harvard professor Alan Dershowitz in [the German weekly magazine] *Der Spiegel*, where he compares the U.S. Supreme Court under William Rehnquist to Nazi judges of the Third Reich.

"From the standpoint of the relevant respect for law, the conduct of Judge Bryan compares unfavorably with Nazi Judge Roland Freisler. This tendency is consistent with the practice that a colorable claim of innocence is no reason to halt an execution. Bryan's decision, its apparent hatred of truth and of respect for law, is an exhibition of such perversity, that it must fairly be described as satanic."

Rising international concern

Judge Bryan's decision comes despite international concern about the LaRouche case. Over 500 attorneys and others signed a resolution condemning LaRouche's unfair trial. But "rocket docket" Judge Bryan, in his 18-page decision, ignored the arguments that LaRouche's conviction and detention were unlawful.

According to LaRouche's motion, massive amounts of newly obtained evidence prove 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."

Among this was evidence showing the denial of due process, particularly the bad-faith filing in April 1987 by the U.S. government of an illegal and fraudulent involuntary bankruptcy petition, later overturned, that prevented the repayment of the loans whose non-payment provided the basis for LaRouche's indictment. Evidence was suppressed of illegal activity by the Federal Election Commission, the Internal Revenue Service, the Anti-Defamation League, and others, to destroy the ability to borrow money and repay loans; and the government was granted a motion *in limine* that excluded evidence and inquiry into its action to destroy the ability to repay loans. In addition, there was an unconstitutionally selected and biased jury.

In a rebuttal to the government's reply to the 2255 motion submitted in March, LaRouche's attorneys argued that there were "nine grounds of unlawful detention, which are subdivided into 15 claims and supported by 85 pieces of newly discovered evidence. The Government fails to refute, or even meaningfully address, any of the grounds in the original motion.

"Aside from a landslide of *ad hominem* abuse, the Government Response is also inaccurate, misleading, and obfuscatory. It seeks to whitewash or distort such issues as it addresses, and totally omits many others without explanation. Most grievously, it perpetuates the very abuses which underlie the instant motion.

"The Government has failed to disprove or explain away a single claim or piece of new evidence and its efforts to avoid issues or raise alternative explanations are superficial and do not withstand scrutiny. It wholly fails to address the claims and new evidence which, by themselves, require reversal. In short, the Government has defaulted on its obligation to the petitioners, the court, and justice," the rebuttal argued.

Judge adopts government stance

Judge Bryan's May 18 decision says in part: "Unable to prevail on this argument at trial, the defendants claim that new evidence developed since trial reveals a massive coverup by the government and others. . . . As a consequence of this conspiracy, the defendants say they were convicted. . . .

"If everything that the defendants now say should have been revealed at or before trial had been revealed, there is not the slightest possibility, much less the probability, that the result would have been different. . . .

"Nor will the court permit further discovery or an evidentiary hearing. After three years in which the defendants have had access to transcripts of numerous intervening state court hearings, had numerous investigators pursuing the histories of jurors and witnesses, and interrogated everyone remotely connected with the case, they have come up short. Further proceedings in this court are unnecessary."

Attorneys for LaRouche are planning to appeal the decision to the Fourth Circuit Court of Appeals.

Pagan ecology cult snares church leaders

by Kathleen Klenetsky

Approximately 20 years ago, the Club of Rome and related neo-malthusian groups initiated a project to rewrite the Book of Genesis. The architects of the contemporary zero-growth, eco-fascist movement knew full well that it was essential to destroy the concept of man's unique position in nature, embodied in Genesis's injunction to be fruitful, multiply, and subdue the Earth, in order for environmentalism to really take hold. A key target was to replace the idea of man's "dominion" over nature, with that of "stewardship," the point being to reassert the pagan idea of man as simply a part of nature, rather than its master.

Just how successful this assault against the foundations of the Judeo-Christian tradition has been, was evident at a meeting which took place in Washington, D.C. May 10-12. Sponsored by the Joint Appeal by Religion and Science for the Environment, the conference brought together leading U.S. representatives from major religious denominations, for the purpose of giving their blessing to the United Nations' June "Earth Summit," and pledging their support to what can only be described as a *pagan* "environmental ethic."

Participants endorsed a declaration which asserts that religion "has an essential role to play" in promoting an "environmental consciousness."

"We commit ourselves to work together for a United States that will lead the world in the efficient use of fossil fuels, in devising and utilizing renewable sources of energy, in phasing out all significant ozone-depleting chemicals, in slowing global deforestation and the decline in species diversity, in planting forests and restoring other habitats, and in realizing worldwide social justice," the declaration states. "We believe there is a need for concerted efforts to stabilize world population by humane and voluntary means consistent with our differing values."

Paganism becomes 'mainstream'

Those who signed onto this ecological-fascist drivel weren't just fringe elements, but representatives of the most important religious groupings in the United States.

Participants included Bishop William Friend of the National Conference of Catholic Bishops; Dr. W. Franklyn Richardson, secretary general of the National Baptist Convention; Rabbi Alexander Schindler, president of the Union of American Hebrew Congregations; and Dr. Robert Sieple, president, World Vision U.S.A.

Organizers of the event emphasized that the meeting was particularly significant because it brought together denominations which had heretofore been leery of the environmentalist agenda.

The Joint Appeal was formed several years ago by Carl Sagan and James Parks Morton, dean of New York's Episcopal Cathedral of St. John the Divine, which has long been a hotbed of nature worship, witchcraft, and other practices hostile to the Judeo-Christian tradition. Its purpose was to gain the backing of leading U.S. religious institutions for the environmentalist cause. The idea was to bring together religious leaders with scientists to formulate a cooperative approach to the "environmental crisis."

But what scientists! Those who have been involved in the project, such as Sagan, James Hansen, and Edward Wilson, are among the principal architects of the various hoaxes (the ozone hole and global warming, for example) which are being used to ram through the eco-fascist agenda. These people aren't scientists; they're either liars, or gross incompetents.

Not all attendees were completely satisfied with the discussions, however. At one workshop, chaired by environmental lunatic Sen. Al Gore (who hosted the conference, which took place on Capitol Hill), a black minister asked why the conference focused on environmental considerations to the near-total exclusion of development, especially since development was supposed to be part of the "Earth Summit" agenda.

"We do need a new Marshall Plan," replied Gore, "but it should focus on 'population stabilization, renewable energy sources, sustainable development,' and natural resources accounting"—in other words, zero growth, which translates into the deaths of millions in the developing sector and advanced sector, too.

Earth Summit aftermath

The "Mission to Washington" was one of many feeder events leading up to the U.N. Conference on Environment and Development which opens in Rio de Janeiro June 1. UNCED Secretary General Maurice Strong gave a status report, claiming the Earth Summit will accomplish "98% of our goals" and is "exceeding my expectations."

Gore's workshop was devoted to plotting strategy for toughening up and rapidly implementing whatever agreements come out of Rio. He and others discussed the prospect of strengthening the global climate treaty which is likely to be signed at the Earth Summit. At present, the draft accord theoretically commits signatory nations to reduce their carbon dioxide emissions to 1990 levels, but includes no mandatory timetables.

Gore has already introduced a bill into the U.S. Senate, the "Global Climate Protection Act," which would impose mandatory limits on the United States, and it was clear from the conference that the U.S. eco-nuts will focus their energies on getting this enacted.

Elephants and Donkeys by Kathleen Klenetsky

Retooled Clinton opens arms to gays

Fresh from a month-long rewiring aimed at improving his image with the electorate, the new Bill Clinton was unveiled at a fundraiser in Los Angeles in mid-May, said to be one of the largest presidential rallies ever held by homosexuals and lesbians.

Heeding his handlers' instructions to be less "intellectual" and more "emotional," Slick Willie managed to nearly burst into tears at appropriate moments during his oration. At one point, Clinton paused, then looked out at the audience and said, "If I could wave my arm for those of you who are HIV positive and make it go away tomorrow, I would, so help me God I would, and I'd give up my race for the White House for that."

"We could see he felt our pain," enthused event organizer David Mixer, a gay activist and Democratic Party money-bags.

Clinton used the occasion to unveil his AIDS program, in which he pledged to have an AIDS victim address the Democratic Party national convention this July, and endorsed various proposals to bar discrimination against homosexuals.

Clinton also promised a "Manhattan Project" to cure AIDS, and said he would appoint an "AIDS czar" to oversee the effort.

Trilateraloids in Clinton's cabinet?

Rumor has it that Trilateral Commission member Warren Christopher will become secretary of state if Clinton wins election. Christopher recently took on the job of finding a vice-presidential running mate for Slick Willie, and there is some indication that it was Christopher who recruited Clinton to

the Trilateral Commission back in 1988.

A consummate establishment insider and co-author, with Trilateral Commission member Cyrus Vance, of the notorious "Operation Garden Plot" police-state blueprint, Christopher served as deputy secretary of state in the administration of fellow Trilateral Commission member Jimmy Carter.

Currently with the elite California firm of O'Melveny and Myers, Christopher has been in the limelight recently for his role as head of a commission, appointed by Los Angeles Mayor Tom Bradley (also a Trilateral Commission member), to "reform" the Los Angeles Police Department in the wake of the Rodney King incident.

Previously, Rep. Stephen Solarz (D-N.Y.) headed the short list of contenders for the post. But Solarz's fortunes plunged with the House check-kiting scandal, when it came out that he had bounced nearly 800 checks. Now, *Newsday* has revealed that Solarz and his wife Nina got into hot water several years back with other creditors, including a designer shoe store and a supermarket, when Nina bounced a series of checks with them, despite the fact that the couple have a combined annual income of nearly \$200,000 and own two houses valued at \$750,000.

Slick Willie and Vietnam

Clinton could face some new and embarrassing questions concerning his failure to serve in Vietnam as a result of the background of senior campaign adviser David Ifshin.

During his stint as head of the National Student Association, Ifshin traveled to North Vietnam in 1970, where, like Jane Fonda, he broadcast a message to U.S. soldiers urging

them to stop fighting and go home.

Ifshin subsequently became "respectable"—so well-connected, in fact, that he currently serves as general counsel of the American-Israel Public Affairs Committee, the premier pro-Israel lobbying group in the United States. Nevertheless, one can imagine what use the Bush-Quayle "opposition research" team will make of Ifshin's Hanoi excursion.

Waiting for Perot

Despite the fact that he took a sabbatical from the campaign trail to come up with some specific policy positions, "uncandidate" Ross Perot continues to dominate the election news. The May 25 edition of *Time* magazine put him on its cover and ran a lengthy, and decidedly favorable, feature about his campaign. Among other things, the story reported that the latest national *Time*-Cable News Network (CNN) poll shows Perot edging out both Clinton and George Bush.

Perot was also featured on the cover of the June issue of *Texas Monthly*. Among the more interesting tidbits reported in its story on the supposedly anti-establishment maverick, was that Katharine Graham, doyenne of Washington's liberal elite and erstwhile publisher of the *Washington Post*, had urged Perot to run for the presidency in 1988. *Texas Monthly* moots that Graham could find herself named as President Perot's ambassador to the U.N.

Perot is supposed to be in the middle of a sabbatical, ostensibly to allow him to come up with some policy specifics. That task has him pretty enraged, judging by comments he made to CNN's Brian Lamb in a May 20 interview. "I am sick and tired of having everybody want to know what my positions are," Perot complained.

House bank 'massacre' claiming new victims

The federal probe of irregularities at the House bank has resulted in a number of subpoenas being issued, with more likely to come. U.S. Attorney Jay Stephens, the prosecutor who led the witchhunt against Washington Mayor Marion Barry, is in charge of the case.

Subpoenas made public on May 14 sought the expense records of Reps. Austin Murphy (D-Penn.), Joseph Kolter (D-Penn.), and Dan Rostenkowski (D-Ill.), the chairman of the House Ways and Means Committee. Subpoenas were also issued for the records of acting Sergeant-at-Arms Werner W. Brandt and House Clerk Donald K. Anderson.

The May 16 *Washington Times* reported that officials familiar with the Stephens investigation told them that a key witness for the U.S. Attorney's Office is James Smith, a former protégé of Rostenkowski and a former House Post Office assistant postmaster for accounts. He was reportedly accused by several employees in sworn statements last summer of using Post Office funds to improperly cash checks for lawmakers and House employees.

Tax restriction slows balanced budget amendment

A rider to the balanced budget amendment, which would require a three-fifths vote in both the House and the Senate to enact a tax increase larger than the growth rate of the economy, is expected to be introduced by Sen. Robert Kasten (R-Wisc.).

The Senate and House versions of the balanced budget amendment require only a simple majority vote to raise taxes. Opponents of the Kasten

rider believe that there will be enough votes to defeat it.

The rider is supported by the Bush administration so that the balanced budget amendment does not lead to a tax-raising spree by congressmen forced to counter a growing deficit. It prefers cuts on the expenditure side of the ledger, including major cuts in entitlements.

CIS aid bill passed by Senate committee

The Senate Foreign Relations Committee, in a 14-4 vote, passed the Bush administration's \$24 billion aid package to the Community of Independent States (CIS) countries on May 13. The foreign aid bill also includes a \$12 billion contribution to the International Monetary Fund. The Bush administration would like to have the bill passed by the time Russian President Boris Yeltsin visits Washington in mid-June.

The bill contains an amendment sponsored by Sen. Joseph Biden (D-Del.) which would make Russia ineligible for U.S. aid if it consummates a planned sale of long-range rocket technology to India. The proposed sale has created ill feelings and harsh words between Moscow and Washington. The Russians had won the Indian bid in competition with the U.S.-based General Dynamics, and some critics feel that U.S. concerns are more in reaction to that loss (see p. 11).

The committee, over the objections of the administration, also adopted an amendment by Sen. John F. Kerry (D-Mass.) which would ban aid to Azerbaizhan unless it ends its blockade of neighboring Armenia in a struggle over disputed Nagorno-Karabakh.

Sen. Jesse Helms (R-N.C.) offered an amendment which would

have attached loan guarantees to Israel, but withdrew it when it didn't have the votes to pass. He intends to offer the amendment when the measure reaches the Senate floor sometime in early June.

The bill was adamantly opposed by Sen. Chris Dodd (D-Conn.), who labeled it "virtually a blank check." And House Democrats are threatening to block the Soviet aid unless President Bush signs a bill extending unemployment benefits. House Whip David Bonior (D-Mich.) has collected 103 signatures on a letter to the President underscoring that wish.

On May 14, Mikhail Gorbachov emerged from political retirement to make a plea before a joint session of Congress for the aid package, warning that the republics "still haven't reached the bottom of the crisis." Gorby-mania was again rampant on the Hill, with House Speaker Thomas Foley (D-Wash.) hailing the fallen communist leader as a "great leader and hero of world peace."

Robb still target of grand jury probe

Federal prosecutors have notified Sen. Charles Robb (D-Va.) that he is a target of a grand jury investigation into the illegal taping of a telephone call by Virginia Gov. L. Douglas Wilder, according to the *Washington Post*. Robb had previously been told he was not under scrutiny.

A former long-time aide to Robb, David K. McCloud, is said to be entering a plea agreement with prosecutors. Two other aides, Robert Watson and former press secretary Steven Johnson, have already pled guilty to minor infractions and agreed to cooperate in the investigation.

The tape included comments by

Wilder that Robb's political career would be "finished" because of reports that Robb had associated with drug-users and prostitutes during frequent trips to Virginia Beach during his 1982-86 term as governor. When excerpts of the tape appeared in the *Washington Post* and the *Roanoke Times and World News* last June, instead of making Wilder look bad, Robb and his aides became embroiled in a criminal wiretapping investigation. Robb, who said that he did not authorize the release of the tape, attempted to distance himself from the action by suspending McCloud, Johnson, and Watson.

Gonzalez committee denied material

The Department of Justice (DoJ) has halted the transfer of documents to the House Banking Committee, which has been investigating aspects of U.S. relations with Iraq in connection with its investigation of the operations of the Atlanta branch of Banca Nazionale del Lavoro (BNL).

In a letter to committee chairman Rep. Henry B. Gonzalez (D-Tex.), Attorney General William Barr complained of statements made by Gonzalez that labeled U.S. policy toward Iraq "flawed and tragic."

Gonzalez argues that U.S. military operations against Iraq during the Persian Gulf war were in conflict with U.S. policy toward Iraq prior to the military operations, and that the war was, therefore, a policy blunder. Gonzalez feels that aid to Iraq should have ended when the Iran-Iraq War ended. Gonzalez has been targeting Henry Kissinger, National Security Adviser Brent Scowcroft, and Assistant Secretary of State Lawrence Eagleburger as the culprits for the policy blunders.

Barr accused Gonzalez of endangering national security by making public the documents which the DoJ had sent to the committee.

Gonzalez responded in a letter to Barr, complaining that the Attorney General's letter indicated that the administration "plans to move from foot dragging to outright obstruction." Gonzalez said on the House floor on May 18 that he would "not give into political pressures." He said he felt that "prime motivation for the Justice Department's actions may be that they are hiding improprieties in the handling of the BNL case."

Democratic incumbents facing tough challenges

The anti-incumbent mood sweeping the country is threatening members who were considered "sure bets" for reelection.

In Michigan, a record number of Republican candidates have filed, hoping to reverse the 11-7 Democratic majority in the Michigan delegation.

In Minnesota, Rep. Martin Sabo (D-Minn.), now in his seventh term and holding important seats on the Budget and Appropriations committees, won his election two years ago with 73% of the vote. This year, however, he just barely succeeded in warding off a primary challenge from a woman who had decided to run just a few weeks earlier.

In New Hampshire, six Republicans have filed to run against freshman Rep. Dick Swett (D-N.H.).

Republicans are hoping to gain seven seats in the Senate, a not-so-easy feat since only one-third of the Senate seats are up for grabs this year. In the House, Republicans would need a 52-seat gain in order to get control of that body. Although they are

unlikely to gain control of the House, if the Republicans are able to pick up 20-35 seats, this might encourage less party-line voting.

Land-based SDI gets new lease on life

The House Armed Services Committee agreed to a 3% increase in next year's Strategic Defense Initiative (SDI) budget, bringing its funding up to \$4.3 billion. Virtually all of the money would go for land-based anti-missile interceptors.

The original SDI proposal—involving space-based beam weapon defense, proposed by Democratic presidential candidate Lyndon LaRouche in the early 1980s and taken up by President Reagan as U.S. policy in a speech on March 23, 1983—is all but dead. The space-based program, which maintains a chimerical existence in the "Brilliant Pebbles" interceptor program of the Bush administration, would, under the House proposal, receive no money whatsoever. The House vote was meant to send a message that the SDI program must retreat from outer space.

The Senate may include the \$570 desired by the administration for the Brilliant Pebbles program.

Although the House committee reiterated its wish that the administration continue to adhere to the Anti-Ballistic Missile Treaty, which bars any space weapons deployment, the administration is working on a draft, which they expect both President Bush and Russian President Boris Yeltsin to sign at their upcoming summit meeting in June, which would effectively scrap the ABM Treaty. Yeltsin has called for cooperation with the United States in developing a global defense system, reversing Moscow's previous categorical "nyet" to such a system.

National News

Bush fundraisers face mismanagement suits

Four individuals who are fundraisers either for the national Republican Party or President Bush's reelection campaign are the object of federal suits to recover funds from their alleged mismanagement of financial institutions, the May 13 *New York Times* revealed.

Lawrence E. Bathgate II, who is national finance chairman of the Republican National Committee, is the subject of a \$21 million suit, which the Federal Deposit Insurance Corp. took over and expanded. The suit is an attempt to recover money that Bathgate borrowed from the First National Bank of Toms River, New Jersey.

Also, Ray L. Hunt, who is national finance vice chairman for President Bush's reelection campaign, was one of the directors of the First Republic Bank of Dallas, whom the government sued last summer for negligence in connection with the 1988 failure of the bank.

DDT ban led to deaths of millions

The 20th anniversary of the banning of DDT was marked by a press conference in Washington, D.C. on May 21, which documented that millions of people have died as a result of the political decision to ban the insecticide. The press conference, sponsored by the Committee for a Constructive Tomorrow (C-FACT), featured a panel of scientific experts who fought for DDT in the late 1960s and early 1970s, including J. Gordon Edwards, William Hazeltine, Bud Houston, Ed Remmers, and, by phone, Tom Jukes.

The U.S. Environmental Protection Agency's (EPA) decision to ban DDT brought to life the environmentalist movement, but was a death sentence for millions of people throughout the world. An estimated 100 million people die every year as the direct and indirect result of the banning of DDT and other pesticides. These include deaths resulting from malaria and other insect-borne diseases, and from the results of

reduced food production.

EPA administrator William Ruckelshaus later admitted that the decision to ban DDT was made for political, not scientific, reasons. In fact, after the EPA's seven-month hearing on DDT, the EPA hearing examiner ruled that DDT should *not* be banned, on the basis of the scientific evidence. In countermending this ruling, Ruckelshaus began the pattern of environmental decisions made on the basis of "public perception," not scientific evidence.

The speakers emphasized that government officials and environmentalist groups at the Earth Summit intend to continue the line of anti-scientific policymaking begun with the banning of DDT.

Lack of politics hurt Noriega case

Panamanian Gen. Manuel Noriega might have been acquitted had political issues been allowed in the trial, the foreman of the jury in the Noriega trial, Lester Spencer, told the May 13 *Boston Globe*.

"If there would have been political issues brought into the case, it might have been a different verdict. There would have been more evidence for us to consider," Spencer stated. The *Boston Globe* headlined the story, "Noriega Juror Cites Acquittal Possibility."

Judge William Hoeweler, who presided over the trial, ruled from the outset that the case was to be treated only as a criminal one, with politics excluded.

Rap 'musicians' inciting murder

The incendiary nature of the rap "music" which pervades U.S. ghettos is indicated by "rapper" Sister Souljah, who has been featured on various national talk shows, including public television's Bill Moyers program, in the wake of the Los Angeles riots, according to the May 13 *Washington Post*.

Sister Souljah, who attended Rutgers University and is a self-described community activist, says that the riots were "revenge"

against a system of white oppression. "If black people kill black people every day, why not have a week's vacation and kill white people?" she said in an interview. "If you're a gang member and you would normally be killing somebody, why not kill a white person? It's rebellion, it's revenge." Sister Souljah has a recording contract with Epic records, which is owned by Sony.

Other rap groups which call for violence include "Niggers With Attitude," who issued a song in 1988 called "F—the Police," which is based on a "bloodbath of cops dying in L.A." Another leading rapper, Ice Cube, who was featured in Spike Lee's movie "Boys 'N the Hood," which is about black gangs, did a song warning Korean merchants: "Pay respect to the black fist, or we'll burn your store right down to a crisp," which is featured on his million-selling album, "Death Certificate."

Lawyers seek judge's recusal in LaRouche case

An *amicus curiae* brief has been presented to the Virginia Court of Appeals by 54 attorneys from around the country, seeking the recusal of Judge Clifford Weckstein in the case of Anita Gallagher, Paul Gallagher, and Laurence Hecht, three associates of Lyndon LaRouche convicted on Jan. 7, 1991 on concocted "securities fraud" charges. The defendants filed their appeal with the Court of Appeals on May 10.

The attorneys argued that the recusal "was mandated under the facts presented in this case and the Constitution of the United States."

The attorneys included three former judges of state courts or state supreme courts, four professors of law, and a past president of the Harris County (Houston) Criminal Lawyers' Association, as well as two former congressmen. Three of the 54 are Virginia attorneys; many of the others are from Georgia, the Carolinas, Alabama, Florida, and Texas.

During trial, Weckstein engaged in correspondence about the LaRouche movement with officials and activists of the Anti-Defamation League (ADL), which was active in the multi-jurisdictional "Get LaRouche" task force. Some attorneys found that behav-

Briefly

ior "shocking." ADL activists in Virginia acknowledged that this affair had thrown off their campaign to place a judge of their choosing on the Virginia Supreme Court.

The *amicus* brief concentrates entirely on the recusal issue, one of three issues on which defendants have been granted an appeal. The office of Virginia Attorney General Mary Sue Terry is trying to get the court to declare a summary denial of the recusal motion.

Goldin defends space program from media

NASA Administrator Daniel Goldin struck back at the "conventional wisdom" that the space program costs too much, on the ABC News program "This Week With David Brinkley" on May 17. In response to arguments that the United States can't afford to go to Mars and—from Sam Donaldson—that the Moon and Mars aren't really a challenge because they aren't so far away, anyhow, Goldin stressed that "we have to provide our young people the vision, the opportunity to say they have to reach out, they have to be bold."

To Brinkley's suggestion that things need to be done on Earth, Goldin took a swipe at the congressional budget process, where NASA competes for funding against veterans benefits and housing funds. "We can't always make our investments looking back for veterans, looking in the present for education and housing. We also have the future." Goldin put the NASA budget in perspective, stating that the space funding is one-quarter of 1% of the Gross National Product.

'Weed and Seed' means police-state measures

The intent of George Bush's "Weed and Seed" policy in the wake of the Los Angeles riot is to accelerate the use of police-state measures. This was made clear by former Justice Department spokesman Terry Eastland in the May 14 *Wall Street Journal*.

Weed and Seed contains a requirement for "community-oriented policing," said

Eastland, along with federal help. The federal role is needed because federal laws "operate more stringently than state laws do against violent predators in the inner city."

Eastland pointed to Philadelphia, where federal prosecutors have muscled in on state criminal cases. The advantage of this is the "tougher" federal system—stronger pre-trial detention laws, stronger forfeiture laws, mandatory sentences, longer sentences, and no parole. Philadelphia police chief Willie Williams praises this approach of federalizing local crimes.

Eastland noted that Bush and Clinton agree on "the relevance of strong law enforcement to the poorest parts of our cities." His conclusion is that federal urban policy must be based on the recognition that there are "two Americas"—one law-abiding, one not.

Florida Secretary of Agriculture hits NAFTA

Florida Secretary of Agriculture Robert Crawford charged that U.S. Agriculture Secretary Edward Madigan's testimony before Congress supporting the North American Free Trade Agreement (NAFTA) ignores the welfare of Florida farmers, UPI reported on May 12. The accusation comes as the establishment, typified by a recent commentary piece by Henry Kissinger, has stepped up efforts to force through NAFTA this year.

Crawford wrote in a letter to Madigan that Florida stands to lose up to one-third of its \$6 billion agriculture industry if this agreement is adopted without an exclusion for winter-produced fresh fruits and vegetables.

"Mexican growers have free or subsidized land, cheap adult and child labor, the ability to use pesticides that are banned in the United States, and freedom from a host of environmental, food safety, and labor regulations," Crawford said. He pointed out in the letter that Florida produces half the nation's supply of fresh fruits and vegetables. Crawford told Madigan that it is risky to trade control of American's food supply to another nation, and he warned that the quality and quantity of the nation's food supply could suffer as a result.

● **PRESIDENT BUSH** will attend the Earth Summit in Rio de Janeiro, Brazil in June, Bush announced May 12.

● **WILLIAM WEBSTER**, the former head of the FBI and the CIA, will chair the commission which has been formed to investigate the response of the Los Angeles Police Department to the riots. Webster has appointed Richard J. Stone, an aide from his law firm, Millbank Tweed, to the commission. Another member is former Newark Police Chief Hubert H. Williams, an official of the Ford Foundation-funded Police Foundation.

● **RICHARD DENNIS**, editor of *New Perspectives Quarterly* and a funder of the pro-drug Drug Policy Foundation, told a journalist on May 16 that "it would be the rational thing" if the Los Angeles riots led to legalization of drugs. "People talk about empowering inner-city residents. But you first have to remove the criminal element, and the way you do that is by removing their financial base, the drug trade, through legalization."

● **DONALD GREGG**, the U.S. ambassador to South Korea and former aide to Vice President Bush, is seeking a court order to prevent disclosure of a 1990 lie detector test in which he failed a question about his role in the October Surprise scandal, the May 16 *Washington Post* reported.

● **FOOD AID** to Lebanon has been cut off by the United States, at a time when Lebanon is suffering from the worst economic situation in 50 years, sources at U.S. Agency for International Development said, the May 13 *International Herald Tribune* reported.

● **THE MARCH** to "Save Our Cities" on May 16 in Washington, D.C. drew 35,000, according to Park Police estimates. Rep. Charles Schumer (D-N.Y.) said it was a "disappointing turnout." The *New York Times* commented that "speakers at the rally were long on rhetoric but short on specific proposals."

Editorial

Celebrating the end of progress?

When the Earth Summit opens in Rio de Janeiro on June 6, its participants will seek to hammer out an agreement dedicated to the ethic of environmentalism. The axiomatic basis of these discussions will be the idea that the rampant progress of the human race over the last 500 years has created such disastrous problems that it must be stopped.

Thus the Earth Summit directly opposes those who celebrate the discovery of the Americas by Christopher Columbus in 1492. Columbus's voyage and the subsequent colonization efforts were fruits of the Italian Golden Renaissance, and as such, an effort to create a system of sovereign nation-states devoted to spreading the commitment to science, and the development of man as a creature in the "living image of God."

To those with eyes to see, and the honesty to say, of course, the problem which the world faces is not an excess of progress, but its stagnation over the past 20 years or so, and, in some respects, over the entire 20th century. Technological potentials which have been developed in the early part of this century, have not been permitted to be put into practice, and science itself is being strangled in its cradle.

The representatives of the developing sector are the closest to understanding this problem. As some have put it in recent interviews on the Earth Summit, they are committed to saving the species which is the most endangered one of all—the human species. This species is threatened by the lack of economic development, which means that people in poor countries do not have clean water, productive agriculture, industry, and other essential components of a healthy life. In other words, humanity is threatened by the lack of progress.

The organizers of the Earth Summit pretend they are also concerned about the miserable conditions under which people in the developing sector live. But their solution is: just have fewer people born!

You see, for today's environmentalists, people are just talking beasts, who consume natural resources and create a lot of waste. They believe that the waste products of man are more significant than the products of

his mind. So, even when they claim to be concerned that poor people have their conditions alleviated, they are somewhat dishonest. They would improve people's "creature comforts," without nourishing the very aspects of the human being on which humanity's future existence depends.

This fact is also exemplified in the way that the environmentalists have ruled out technologies on which human health depends, without any consideration as to whether affordable or workable replacements are available. The case of nuclear power is one of the most obvious. Despite the fact that western commercial nuclear reactors have proven eminently safe—and certainly safer than coal mines—this source of energy has been ruled out, leaving countries to suffer from an absolute lack of electricity, which becomes devastating during droughts.

Even more shocking is the case of the banning of DDT, the most effective known pesticide against mosquitoes. There was absolutely no reason to ban DDT in 1972—no birds killed, no scientific evidence at all, as even the official government-solicited studies showed. But the decision was made for what EPA head Ruckelshaus called "political" reasons, despite the fact that no equally cheap and effective substitute was available. As a result, mosquitoes have thrived, and malaria has been on a murderous increase now for two decades, with a death toll of over 100,000.


This case of DDT is an acid test for environmentalists who claim that they are interested in saving human beings after all. If they support this admittedly unscientific decision, they are saying that genocide is a "necessary" component of environmental protection. They are admitting that they are genocidalists, no better than the Aztecs of 1492.

The contrary approach is to use the wonderful results of human scientific discovery to both improve our living conditions, and the condition of the earth for future generations. Let us choose Columbus and progress, before the environmentalists succeed in destroying us all.

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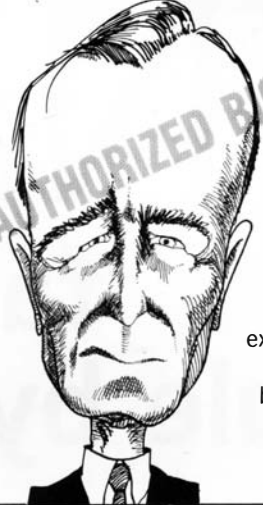
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DERAIL IN NAFTA

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EIR Special Report, May 1991

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

Right now, your congressman may be voting to authorize the Bush administration to negotiate a treaty with Mexico that will mean slave labor, the rampant spread of cholera, and throwing hundreds of thousands of workers onto the unemployment lines—on *both* sides of the border—all for the purpose of bailing out the Wall Street and City of London banks.

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