been proposed that its workforce be employed by the city to rehabilitate the city's historic center, including the infamous Via Pre, Geneva's main artery for drugs and prostitution. In the meantime the steel mills and shipyard are almost completely closed, and workers are leaving the area. The only industry still alive, for the present, is nuclear plant construction, The European Phoenix breeder reactor project will keep that sector working for a few more months.

In Turin the big FIAT plant has laid off thousands of workers. The result is that FIAT is now a valuable firm, in the words of its chairman Gianni Agnelli, only because it has converted to electronics and the "least publicized items"—meaning probably the weapons production which serves Libya in particular. The Lingotto factory, which at the beginning of the century was the most modern auto assembly plant in the world, is now closed. A contest has been initiated for the future use of its building; one proposal is to build an industrial museum, suitable to the post-industrial society Italy is entering. Most of Lingotto's workforce returned to the South, aggravating the already severe unemployment there.

In Milan the results of the de-industrialization policy could be seen in the last census: more than half a million people left the city in the past 10 years. The policy of the Socialist administration in the past two decades has been to return Milan to a pre-industrial status. Oligarchical "high society" lives in the city center; because cars are forbidden there, the majority of people are forced to live outside the city. Routine criminality has increased, due to augmented drug usage and the takeover of local crime by the mafia.

What can be done?

The solution proposed by Fiorella Operto, secretary-general of the Partito Operaio Europeo and a co-thinker of Lyndon H. LaRouche, is to bring down Craxi's government within two months, to prevent the takeover the of the nation's finances by the Bank of Italy. Second, she demands the implementation of the "heavy lira" financial reform proposed by LaRouche, which would dry out illegal financing of drug and weapons traffic and constitute the first step toward a complete industrial recovery based on nuclear power.

LaRouche's proposal would enable the Italian government rapidly to assess the size and location of the financial black market, because it would require people to change their money at the rate of a thousand current lira to one new "heavy" one. The origin of the money presented would have to be declared; in this way—and through measures to prevent capital flight and unjust damage to the savings of honest people—the government would have a complete overview of illegal revenues and be able to hit those responsible. This measure would have to be immediately followed by a global financial reform: the creation of new credit earmarked for productive purposes. With this kind of dirigist policy, which would leave plenty of room for private enterprise, the government could generate a recovery over a period of a few months.

U.S. electrical grid collapse continues

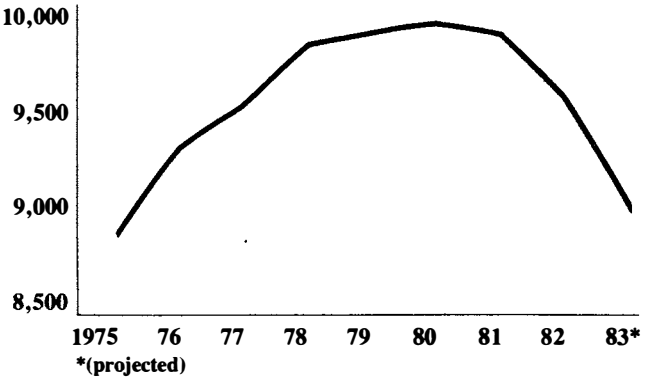
by David Cherry

The latest threat to the dwindling electric power supplies for U.S. economy, which have collapsed by 8 percent per capita since 1980, demonstrates the folly of the continuing actions of local elected officials, in concert with the KGB-run "nuclear freeze," to mothball local power plants and kill unfinished projects.

Just one week after New York Gov. Mario Cuomo hooked Long Island's largest electricity user, Grumman Aerospace Co., into upstate New York and Ontario power supplies which have been partially idled by the depression, one of the largest of those Ontario supplies began having serious problems during the second week in August. Following coolant leaks at the five-reactor, 3,000-megawatt Pickering nuclear complex in Ontario, three of the five reactors have been forced to close, with the Canadian press gearing up for a "new Three Mile Island" rampage. While there has been no serious accident at Pickering, two of the reactors will have to be closed for an extended period as a result of the leaks, quite independently of the howling of the press.

Cuomo, a Harriman protégé who has canceled three major New York State electric power projects in his first eight months in office, is preparing to mothball another, the completed Shoreham nuclear plant, by assigning "surplus" upstate power to Shoreham's major prospective customers. The power assigned is cheap because it is from older, amortized capacity idled by the depression, but such capacity is partially

Figure 1
Per capita kilowatt hours of electricity consumed in the United States



obsolete and subject to problems and service interruptions. The Cuomo operation will make any sustained future economic or industrial recovery for the state impossible.

Recently compiled figures, current through the 1983 "recovery" farce, show the still-accelerating collapse of the most vital economic indicator, electrical power use per capita and per operative in the labor force.

Since Federal Reserve Chairman Paul Volcker took office and raised interest rates in 1979:

- Electrical power use per capita for the *total population* has dropped 7 percent; 4 percent since the "recovery" was first announced in late 1982 (See **Figure 1**);
- Commercial and industrial electrical power use per *employed* member of the labor force has dropped by 8 percent since 1979 (See **Figure 2a**);
- If the *unemployed*, many of whom Volcker threw out of work, are added to that labor force, commercial and industrial electrical power use per member of the *total work force* has dropped by 11 percent since 1979;
- *Industrial* electrical power use fell by 15 percent per *employed* member of the work force;
- If the unemployed are included, industrial use of electrical power per member of the total work force has fallen by 19 percent since 1979. This last figure is the broadest measure of the disappearing *potential* for a future industrial recovery of production and high-technology employment (**Figure 2b**).

Turning off the power

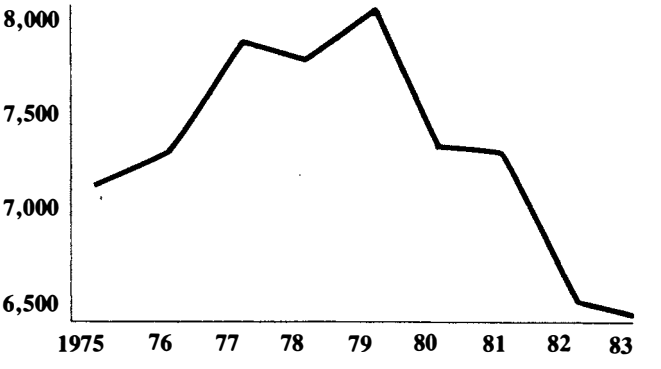
Electrical power use reached its historical peak in 1979 just before Volcker began the depression, and has fallen continuously since then through mid-1983. None of this collapse, therefore, resulted from Jimmy Carter's earlier energy conservation campaign. The 7 percent drop in total electrical power use per capita since 1979, given that both the population and the labor force have continued to grow since that time, is the equivalent to *turning off 40 full-sized, 1000-Megawatt power plants*. This collapse has been accomplished by shutting down existing plants and mothballing those nearing completion, as the depression continued to drive down electricity use. As the case of the Washington Public Power Supply System shows most graphically, the process of reopening plants or restarting construction becomes very difficult once the power-producing entities have been declared bankrupt.

What recovery?

The latest national electricity production figures for January through June 1983 refute the claims of an incipient recovery. The six-month figures show a 2.4 percent drop over the first six months of last year, after a 2 percent drop in 1982 from 1981. Under conditions of normal growth, national electricity production figures do not fluctuate, but grow steadily, as shown in Figure 1, even during the adverse circumstances up to 1979. Region by region, the six-month figures for 1983 are the worst for the West South Central region (Arkansas, Louisiana, Oklahoma, and Texas), where electricity production declined by 5.8 percent; the West North Central region (Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota) suffered a 4.0 percent drop; the Pacific region (California, Oregon, and Washington) fell by 4.0 percent; and the Mid-Atlantic region (New Jersey, Maryland, Pennsylania), by 3.7 percent.

Figure 2a
Electricity consumed in industrial and commercial enterprise per employee

Figure 2b
Electricity used in industrial production per member of the labor force, employed and unemployed



The 11 percent drop in electricity consumed in industrial and commercial enterprise per employee since 1979 reflects an absolute drop in electricity consumed in industrial production (down 16 percent since 1979) and a shifting of the production process away from electricity intensity toward labor intensity. By using total available labor force instead of employed labor force, we prevent rising unemployment from moderating the fall in this ratio. Total available labor force has continued to grow—although slowly—over the past decade, as has the population as a whole.

The decline in the fruits of industrial production available to the labor force (employed and unemployed)—and to the population as a whole—is reflected in the drop of kilowatt hours of electricity used in industrial production per member of the labor force, employed and unemployed.