

European Press On Miller Appointment

Les Echos, French financial daily, Dec. 30: "The U.S. President has appointed an advocate of growth, Mr. Miller, as chairman of the Federal Reserve," by Tristan Doelnitz:

...(Miller's appointment) has been warmly welcomed by the spokesmen of the business community, including Mr. Heath Larry, chairman of the National Association of Manufacturers, Chase Manhattan Bank President David Rockefeller, as well as by the influential chairman of the House Banking Committee, Henry Reuss.

...William Miller is considered as a centrist as far as economic and monetary ideas are concerned, halfway between Arthur Burns' conservatism and Treasury Secretary Michael Blumenthal's liberalism... He is referred to as a 'moderate conservative' who is however aware of social problems...

...Mr. Miller is president of the prestigious Conference Board... Now, what Jimmy Carter badly needed was to recover the deeply shattered confidence of the 'big business.'...

Mr. Miller has the opportunity of becoming (President Carter's) closest collaborator in the economic field. In this respect, he could take the seat left vacant by Bert Lance...

Le Monde, Dec. 30, article bylined by Washington correspondent Michel Tatu:

...According to the Washington Post the choice of Miller is largely due to Vice President Mondale who, with the agreement of Mr. Carter, has set to himself two objectives: Burns's successor was to be a businessman, but also a man with "a social conscience." Now, in his capacity of chairman of the National Alliance of Businessmen Mr. Miller supervised a summer job program for youth. In the 1960s he was also a member of a commission for equality in employment opportunities... Over the last year Mr. Miller has come out in favor of a relaunching of the economy and of tax deductions for corporations...

Therefore we can expect him to be more "laxist" than Mr. Burns...

...Mr Burns' departure is nonetheless regretted by some. As DuPont chairman Mr. Shapiro said: "Given the fact that the President decided not to reappoint Mr. Burns as chairman of the Fed, we applaud the choice of Mr. Miller."

Financial Times, London, "Dollar falls in reaction to Fed Change" by Michael Blandon Dec. 30:

The main fall in the dollar had taken place overnight in New and Far East tradings. The markets were concerned over the departure of Dr. Burns, regarded as the main bulwark of strict monetary and fiscal policy in the U.S.

His successor, chief executive of the Textron conglomerate, has little banking experience and is little known in exchange market circles. International bankers in London, however, indicated confidence in his appointment.

Financial Times, London, "Challenges for the new man at the Fed" by David Bell, in Washington, Dec. 30:

For Mr. Carter, who sets great store by symbols, Mr. Miller's greatest asset is no doubt that he is acceptable, and has already been warmly received by the powerful group within the Democratic Party that so opposed Dr. Burns. This group — congressmen, labour and black — has lately been very restive and would never have forgiven the President if he had reappointed Dr. Burns or chosen someone else in his image.

The Times, London, "Widespread welcome for the new Fed chief" from David Cross, Washington, Dec. 30:

Mr. Miller tends to suggest he will be more liberal. In a speech in Pittsburgh last January he said he supported a broad new economic stimulus programme to create more jobs, asserting that this need not hamper the continuing fight against inflation.

He also suggested the government should consider preparing "selective" government controls on the economy as "acceptable medicine" when "mushrooms of inflation" popped up. And he supported new tax cuts for industry.

Die Welt, Hamburg, Jan. 3:

An article by Die Welt's Washington correspondent, Horst Siebert, reports that "resistance to Miller is still strong," and that Wall Street does not like Miller at all.

NYT Gloats:

Miller Appointment A Blumenthal Victory

For the New York Times the big story was not why President Carter nominated monetarist Textron Corporation head, G. William Miller as chairman of the Federal Reserve but who influenced that decision. In its Dec. 20 front-page article hailing Miller's appointment, the Times down-played Miller's corporate background in favor of emphasizing his support: "Although Dr. Burns wanted to stay on... the President was under strong pressure from Vice-President Mondale, Treasury Secretary Blumenthal.. to bring new leadership to the central bank."

On Dec. 30 the Times could not restrain itself; a second front-page article's headline gloated: "Blumenthal Victor in Miller Choice." The article focused on the alliance between Blumenthal and Mondale that influenced Carter's selection of Miller.

Just what is it that the Times is so happy about, was hinted at in the paper's profile of Miller buried in the business section Dec. 29. Designating him a "decisive corporate humanist," the article reports his long-term concern has been "the danger of American business leaders seeking to maximize profits at the expense of human and spiritual values." In keeping Miller's "non-materialist" bent, the Times reports that Miller has retained a 30-year interest in Maoist China, the bulwark of primitive technology and labor-intensive methods of production.

Frankfurter Allgemeine Zeitung, Frankfurt, major economic editorial "England - A Low Wage Country - A Lot of Delays, Little Productivity" written from London by correspondent Jochen Rudolph, Jan. 3:

Occasionally, German employers roll their eyes when they hear about the lower wages in England. And then others have become seemingly well acquainted about it and have already begun considering whether they should not set up a branch office or a branch firm somewhere in the British Isles.

One can start with the situation that English wages and salaries are, on the average, only half those in Germany, taking as a basis an exchange rate of about 4 deutschmarks for the English pound. ...This means that the English worker can buy 60 percent of what his German colleague can buy with his wages.

If one were to fixate on these figures alone, then he would have to wonder, why German markets are still not flooded with English goods, and why German industry has not yet been hopelessly boxed out of the export countries.... The explanation is that German industry produces more per employee and more per time unit than its competition.... The decisive difference lies in the use of machines and appliances as well as in the rational distribution of labor power. For a long time, the Federal Republic has been forming far more capital than England through higher profits for employers and by individual savings. In the vast majority of branches of industry, it has more modern machines and plants. It thrives with relatively less labor power, because individual workers can be used for more activities than in England....

Whatever Happened To The Clinch River Breeder?

As recently as December 1977, U.S. Secretary of Energy James Schlesinger has reiterated standing Carter Administration policy that no matter what the will of Congress, the Clinch River liquid metal fast fission breeder demonstration project, the so-called plutonium breeder, "will never be built."

As the *Baltimore Sun* pointed out in its lead editorial

ENERGY

Jan. 4, entitled "Nuclear Policy Under a Cloud," no less than seven major nations have rebuffed the nuclear non-proliferation policies under which Schlesinger and his neo-Malthusian allies seek to justify their commitment to kill the breeder. The *Sun* also correctly reports that the ostensible reason for non-proliferation, the effort to halt the spread of nuclear weapons technology, does not hold water: "The technology of bomb-making is so well-known that there is virtually no way of stopping it through the route Mr. Carter chose."

According to Capitol Hill sources close to those senators opposing the restrictive conditions of the Administration-supported Percy-Glenn non-proliferation bill expected to come up on the Senate floor this spring, Carter's statements to Indian Prime Minister Desai, constitute tacit admission that passage of the legislation is intended to make export of U.S. nuclear technology more difficult, something that Schlesinger et al. have steadfastly denied up to this point. The sources expect the Percy-Glenn bill to encounter increased resistance on that account.

Meanwhile, however, Congress has failed to mount an effort to override Carter's veto of the budget authorization bill containing the go-ahead for continued funding of the Clinch River project; in fact, the Clinch River authorization was dropped from the bill to secure

Carter's signature.

Although this does not foreclose the possibility of continued funding for Clinch River, it is being taken as a sign of weakness of pro-breeder forces. In fact, the current "limbo" status of Clinch River is symbolic of the failure of U.S. pronuclear forces so far to consolidate the international strategic victory which has been all but handed to them by their allies in Europe, the Middle East and Latin America—a victory highlighted by the 70,000-person labor-industry demonstration on behalf of nuclear development at Dortmund, West Germany last fall.

The brief history of the Clinch River project which follows illustrates both the tenacity with which Congress, backed by U.S. industry and labor, has tried to keep the project alive, but also the essentially defensive "foxhole mentality" which has hampered its efforts.

The Clinch River project originated during the Nixon Administration in the early 1970s, as an explicit response to the perceived approaching fossil fuels crisis. At that time, the U.S. objective was to secure commercialization of the breeder by the late 1980s, and plans were made for a demonstration project at Clinch River, Tenn. at a site owned by the Tennessee Valley Authority. Public utilities, the nuclear industry, and the Federal government have shared funding for the project, which to this point has consisted of theoretical, engineering, and design work. Groundbreaking for construction of the plant was scheduled to begin this year, with the demonstration project to become operational by 1983.

The Carter Administration's decision to kill the project, announced last spring, relied on two arguments. The first was non-proliferation; yet at the time the decision was announced, the Soviet Union had possessed a working demonstration plutonium breeder plant for four years, France for three years, and other nations for shorter periods. Unless one is a firm believer in locking the barn door after the horse is stolen, the non-proliferation argument must appear utterly spurious.