

'100 Days' Legislative Drive To Lead U.S. Into New Monetary System

Lyndon H. LaRouche, Jr., the author of the "International Development Bank" proposal upon which the general outlines of the Bremen and Bonn economic summit agendas have been modeled, issued a call on July 13 to create the conditions for immediately bringing the United States into the new monetary system being created at the summits. LaRouche, who is the chairman of the U.S. Labor Party and a 1980 candidate for President of the United States, called for a "Hundred Days" legislative program to bring the American economy into a worldwide high-technology industrial boom.

The LaRouche challenge was issued when it became clear that President Jimmy Carter would return after July 17 from the summit in the West German capital convinced of the perspective of establishing a new, gold-backed monetary system for the world to bypass the World Bank and International Monetary Fund. As the United States chief executive was arriving in Bonn, those two institutions were being exposed as the worst violators of the very human rights to which Carter is profoundly committed.

In their place, France and West Germany, with Japanese backing, have placed on the table the "European Monetary System" seed-crystal of a new global system to establish massive increases in world trade and the industrial development of the Third World through technology transfer. The explicit model for this was set forth by Mexican Foreign Minister Santiago Roel on his visit to France, in the form of Mexico's announced plans to coordinate *through* the European Monetary System the rapid development of its own nuclear power industry in exchange for providing oil and uranium to the already industrialized nations.

LaRouche's legislative package to bring the United States into this system centered on the following points:

- Creation of a new, U.S. credit institution to issue long-term, low-interest gold-denominated (with gold pegged at \$240 per ounce) bonds, for industrial expansion;
- Repudiation of the no-growth Schlesinger energy program;
- Repeal of the environmentalist restrictions on industrial expansion (substituting sane regulations where useful for the healthy development of the economy);
- Go-ahead for rapid completion of nuclear energy installations and the expansion of nuclear power potential throughout the U.S.;
- Repeal of all restrictions on high-technology exports, to allow full American participation in global economic development.

U.S. labor, industry, banking and political forces must now be pulled together in support of this "Hundred Days" program, LaRouche urged. As leaders of governing and policy-making institutions come to understand that the international program being implemented following Bremen and Bonn is in agreement with the International Development Bank conception, the presidential candidate stressed, they are comprehending that the United States can only be successfully brought into the West European-led "Grand Design" by following the specific direction indicated by LaRouche.

1. Creation of a new, U.S. credit institution to issue long-term low interest gold-denominated bonds, gold to be pegged at approximately \$240 per ounce, for industrial expansion.

This measure is necessary to carry out a long-overdue restructuring of United States' credit markets, in conjunction with the anticipated establishment of a new world central monetary institution, so that they can be viable participants in the large-scale industrial and agricultural development projects which will be the cornerstone of the new world monetary system. What is required to finance such projects is low-interest, long-term credit, spread out over 15 to 25 year maturities, compatible with the actual expected profitability and 7 to 15 year "breakeven" time periods of such large-scale projects.

First, the United States needs a new central bank, structured along the lines and purposes of Alexander Hamilton's first National Bank of the United States: a bank empowered and committed to issuance of credit to develop the nation's industrial and agricultural productive capabilities. The credit-issuance policies of the bank must be *dirigist* in the tradition established by Hamilton.

What must be created in effect is a two-tier credit market which emphasizes productive investments in industry and agriculture and which penalizes and establishes disincentives for speculative and other nonproductive investments.

This will enable the conversion of the present excess of international liquidity, especially dollar liquidity, into investment funds for relatively low-interest, long-term investments and short-term, hard commodity trade financing.

In conjunction with the international credit policies set by the new international monetary system and the new U.S. "national bank," and through suitable disincentives for high-interest, speculative investing, this excess liquidity must be offered the choice of buying low-yield but secure long-term bonds. In general, respecting the mass of outstanding high-interest debt, we must dry out this portion of the financial markets by purchasing existing debt with issues of low-interest debt. Backed by U.S. gold reserves, these bonds will in turn serve as high-grade negotiable paper within the commercial banking system, which can then be discounted with the Federal Reserve System to the effect that commercial banks increase their lending power for loans to useful purposes.

2. Repudiate the Schlesinger energy program.

The Schlesinger energy program is a deliberate and conscious fraud, designed to impose Schachtian austerity policy on the United States in the guise of energy conservation. All of

the Schlesinger program's proposed "soft" alternate energy sources, notably solar power is a demonstrated hoax, which cannot hope to supply the energy needs of a growing U.S. economy, and which is actually a foil for Schachtian slave-labor projects. In fact, implementation of the Schlesinger program would create insurmountable obstacles both to energy development and to all other industrial and economic progress in the United States, as Schlesinger's efforts to sabotage U.S. nuclear fission and nuclear fusion development attest.

An energy policy consonant with both United States and global interest must include the following:

- (1) Nuclear fusion power by the late 1980s-1990s as the necessary energy solution;
- (2) Nuclear fission-based technologies as the most important qualitative feature of short-term development;
- (3) Plutonium and thorium fission-fuel breeders leading into hybrid fusion-fission breeders as the critical intermediate term energy technologies.

The present state of the nuclear industry indicates the dimensions of the challenge to be met. Under the combined effects of general inflation and the stretching out of nuclear plant construction time from four to 10 years thanks to the "environmentalists," the capital costs in the industry have increased from \$134 per kilowatt of capacity in 1967 to \$700 per kilowatt in 1974. This, plus the steady fall-off in orders and related delays in scheduling due to the effects of global economic depression and the adverse political climate created by antinuclear blackmail and terrorism has meant that the industry is gravely sick.

For example, new domestic orders for 1975 were as follows: Westinghouse, four; General Electric, one; Babcock and Wilcox, none; Combustion Engineering, none. Westinghouse and GE have had no new orders since then.

Yet the global demand for nuclear power is immense. In the Mideast, present forecasts predict demand for 59 units with a total capacity of 30,000 MW by 1990, and this demand will increase enormously under the new monetary arrangement. Under the Schlesinger program, the U.S. nuclear industry, despite its difficulties still the world's largest, will be hard pressed to make a contribution to this and other global demand.

3. Repeal environmentalist restrictions on industrial expansion, substituting sane regulations where useful for the healthy development of the economy.

The principal environmentalist obstacles to industrial development are the National Environmental Policy Act (NEPA), the Environmental Protection Agency (EPA), and the Occupational Safety and Health Administration (OSHA). The NEPA requires that "environmental considerations" be taken into account in all major industrial and other capital projects. Through the requirement of "environmental impact statements" on major projects, and through the role of the NEPA-authorized Council on Environmental Quality in backing "citizen suits" against projects, NEPA has created an endless tangle of obstacles to industrial development projects in the United States. Moreover, it is clear that Congress never intended NEPA to be more than a "motherhood and apple-pie" sop to environmentalists, and that most of the procedural restrictions created through NEPA have been added through federal court rulings that go far beyond the congressional intent

in passing the bill. But the actual goal of NEPA is not protection or improvement of the environment; as NEPA's authors and supporters frankly admit, the real purpose of the bill was to effect a fundamental change in U.S. policy away from a national commitment to industrial progress as embodied in the U.S. Constitution.

Similarly the Environmental Protection Agency. The EPA's promulgation of orders requiring the steel industry, for example, to squander capital to install costly and ineffective "scrubbers" and similar "antipollution" equipment has actually hindered the development of more efficient and advanced technologies which would, overall, cause less damage to the environment. Worse, by arrogating the power to set "purity" standards for air, water, etc., the EPA has given itself a veto power over a massive number of possible new industrial projects, including steel, power generation, and others.

Similarly the Occupational Safety and Health Administration. Started as a "nuisance" agency that sent hundreds of poorly qualified "inspectors" through U.S. factories dispensing orders for mostly frivolous safety and employee convenience modifications, OSHA is now mapping a move into the big time by proposing to label some 2500 commonly used industrial chemicals "carcinogens" (presently, only 14 are so labeled). If successful, OSHA will acquire the power to shut down most of the industrial plants in the United States if it chooses to do so.

While repealing NEPA and abolishing the Council on Environmental Quality, the EPA, and OSHA, as obstacles to full U.S. participation in the new international monetary system, Congress should pass legislation based on the U.S. Labor Party's Technology and Environmental Policy Act of 1977, which explicitly reaffirms the Constitutional commitment to industrial progress, and declares that "the global environment can only be maintained and protected by the development of higher levels of technology and higher rates of energy flows, and that any other policy must rapidly lead to a catastrophic collapse of the ecology and of the health and living standards of the population."

4. Go-ahead for completion of nuclear energy installations and expansion of nuclear power potential throughout the United States.

The basic phases of a program which will maximize the rate of energy production from more advanced technologies as they become commercially feasible, while at the same time obtaining maximum potential of existing on-line technologies, is as follows:

(a) Immediately: Cut through Nuclear Regulatory Commission and EPA red tape that has crippled present U.S. nuclear energy development, so that currently planned nuclear plants can proceed into operation in the four-year construction timetable that is feasible apart from procedural delays. In adopting such legislation, Congress should retain the principle of national determination of nuclear energy siting policy, and accordingly reject Energy Secretary Schlesinger's proposed siting bill, which would place nuclear projects at the mercy of a tangle of "states rights" local regulations.

At the same time, utilities must schedule capacity expansion programs from the standpoint of rapidly rising industrial energy consumption, in the immediate and long term, not from the "zero-growth" projections based on the Schlesinger plan, which have led some utilities to cut back already planned plants. While the government estimated in the 1960s that 2,000 gigawatts of nuclear capacity would be on line by 2000; it is

more likely that 3,000 gigawatts will be needed by as early as 1990.

The immediate capacity also exists to begin assembly line mass production of light water reactors, including floating light water nuclear plants. For this, the U.S. should explore coordination with Soviet Atommash mass production facilities. The U.S. should bring the Clinch River Breeder project to full funding and start plans for commercialization; complete spent fuel reprocessing facilities and begin new construction; begin planning an Apollo Project style fusion effort, with immediate doubling of the fusion budget; accept Japanese and Soviet offers of collaboration on fusion development.

(b) Simultaneously, Congress must articulate a longer-term nuclear energy development program with the following targets:

Early 1980s: phase in commercial breeder reactors; begin fusion-fission hybrid breeder development; complete buildup of fusion program infrastructure.

Later 1980s: increase breeder reactor production; complete fusion-fission hybrid development for commercialization; bring on line first generation fusion reactors.

Early 1990s: phase out light water reactor production; bring fusion-fission hybrids on line; expand development of second generation fusion plants.

Mid 1990s: Phase in significant usage of energy from first-generation fusion plants; introduce commercial power from second generation plants.

Early 21st century: full transition to a fusion energy based economy.

5. Repeal all restriction on U.S. high-technology exports, to allow full U.S. participation in global economic development.

Congress must repeal the following restrictive measures:

- Stevenson Amendment to the Export Import Bank Act of 1945, as revised 1974: the bill places a \$300 million ceiling on credits and lending to the Soviet Union and a \$40 million ceiling on credit for the purchase of anything involving fossil fuel energy resources.

- Byrd Amendment to the Trade Act of 1974: places the same ceiling on credits and lending to the Soviet Union.

- Jackson-Vanik Amendment to Trade Act of 1974: forbids most favored nation status to all East Bloc and "Communist"

countries due to lack of free emigration for "minorities." The Amendment prohibits all credit and funding from U.S. government institution to non-MFN nations unless the President makes a special request to Congress which stipulates how such lending will promote the requirements of the Amending.

- Johnson Debt Default Act of 1948 (part of the Export-Import Bank Act): prohibits credits or loans to any government which has defaulted upon or not renegotiated the terms of U.S. government or government-backed bonds; requires a Presidential review of particular situations and submission to Congress for exemption from this Act.

- Section (2)(b)(3) of the Export-Import Bank Act sponsored by Sen. Frank Church, this amendment places harsh restrictions on all high technology and energy exports, with particularly harsh provisions applicable to the Soviet Union.

- International Security Assistance Act: restricts sales of military or military-related technologies to, especially, "communist countries." Most important is how decisions on "gray" areas are determined, that is, "of potential military application" of items such as chemicals, computers, etc.

- U.S.-British Joint Declassification Agreement on International Fusion Research: established in 1958, this agreement makes the British privy to all U.S. developments in the field of fusion energy development, and, more importantly, allows the British government effective veto power over all areas of U.S.-Soviet cooperation in fusion research, by giving Britain the power to determine what material is or is not "classified." Anything labeled "classified" — however far-fetched the basis for classification — thereby cannot be shared with the Soviets.

- Percy-Glenn Nuclear Nonproliferation Act of 1978: places procedural checkpoints on all U.S. exports of nuclear and nuclear-related technology, including the threat of congressional cutoff of contracted nuclear fuel supplies, measures which infringe on national sovereignty, and measures which violate existing treaties. Net effect has been to make the U.S. an "unreliable supplier" of nuclear technology, chilling U.S. sales abroad.

- Threatened legislation proposed by the Council on Environmental Quality which would make all U.S.-funded projects abroad subject to United States environmental regulations — whether the host country wants them or not.

At the same time, Congress must enact U.S. Labor Party-proposed legislation to vastly expand the operations of the U.S. Export-Import Bank. The bill would continue the Bank's focus on high-technology U.S. exports, while "scaling up" Bank operations to the level of \$200 billion in lending, and providing new incentives for exporters to finance sales with the bank.

Labor And Business Join Forces To Defend Nuclear Power

The Seabrook debacle sparks a national mobilization effort

In the wake of the Nuclear Regulatory Commission's decision to halt construction on the Seabrook, N.H. nuclear plant, officials from organized labor, industry, and government have inaugurated what their own spokesmen have called "a national mobilization to defend nuclear power and the Seabrook nuclear facility." This campaign for nuclear power as essential to continued U.S. economic growth was begun early in July by Building Trades President Robert Georgine, who sharing a podium with New Hampshire Gov. Meldrim

Thomson said that nuclear power was vital to the future of both the U.S. and the Third World.

Gov. Thomson quickly expanded the fight by helping to convene a special emergency energy conference in Concord, New Hampshire July 8 which drew together government, labor, and business representatives. Thomson told attendees at that meeting that the issue is not whether the Seabrook facility is built or whether "we can win battles here in New England . . . The issue is whether this nation is committed to nuclear