

ment has come under pressure from domestic opposition to side with the "price hawks" and thus tie Venezuela's hands in preventing a price split. The so-called "father" of OPEC, Perez Alfonso, and the environmentalists are urging the Venezuelan president to "force" a "significant reduction" in world energy consumption by driving the price of oil through the roof.

Although Venezuela has said it favors a price increase, it emphasizes that any price rise must be "moderate," making it clear that Caracas will not support demands like those put forth by Iraq. But a destabilized Perez regime — hit this week by open talk of a possible military coup — would be paralyzed from its efforts to ensure "solidarity" in pricing within the cartel.

The Venezuelan military is taking extraordinary precautions. Both European and Venezuelan press sources have reported that European terrorists have been deployed to Venezuela—another potential modus operandi which London is known to utilize—as a means of disrupting the OPEC meeting if all else fails.

— Judy Wyer

---

*Following are excerpts of a speech by Venezuelan economist Giuseppe Palladino delivered at a high-level managerial conference in Caracas, and published by Carlos Acedo Mendoza Economic Consultants, as reported in the daily El Universal Dec. 10:*

(U.S. Treasury Secretary W. Michael) Blumenthal has tried to obtain on the exchange markets what he could not get at the last annual meeting of the International Monetary Fund: the revaluation of the German mark and the Japanese yen...

The leaked reports and punctual denials concerning an open disagreement between Chairman Burns of the U.S.

Federal Reserve, and Treasury Secretary Blumenthal lead us to suspect that behind the exchange policy of the dollar, certain pressure groups are moving, interested for different reasons in the depreciation of the U.S. currency... The depreciation of the dollar is what is needed to force the OPEC countries to increase the price of oil... And this is precisely what the Americans expect the necessary premise, in order to reach full energy independence.

*The following are excerpts from the statement by Qatar Oil and Finance Minister, Sheikh Abdul Aziz, to the Associated Press, Dec. 10:*

I am an optimist, and we will adopt a policy capable of fighting inflation and strengthening the U.S. dollar. We are completely in favor of efforts being made for achieving prosperity for the world economy. And it will be through the combined action of OPEC in establishing economic solidarity between the oil producers and consumers, with the goal of fighting inflation. This will be Qatar's Christmas gift to the industrialized world...

Programmed oil production can guard against the collapse of consumption, reduce the need for storage, and stabilize prices. The hoarding of crude is a threat against the price policy of OPEC... We favor the application of simple and gradual tactics for production and pricing, so as to avoid any damage to the world economy...

The dollar continues to be the strongest currency, despite the difficulties affecting it. It would not be in our benefit to abandon the dollar, at least not during the present period. We do not allow ourselves to be led by the mistaken story that there are deliberate and malign intentions to weaken the dollar and thus erode the buying power of our earnings. We will remain firmly with the dollar.

## Administration Environmentalists Out To Destroy Export-Import Bank

A major battle is shaping up within the Carter Administration on the future role of the federal Export-Import Bank in financing U.S. high-technology exports. The fight was initiated last January in a lawsuit, filed in U.S. District Court in Washington, D.C. asking that the court issue a declaratory judgment that the Exim Bank must comply with the National Environmental Policy Act. The suit, filed by the Natural Resources Defense Council, complained that the Exim Bank was financing a number of development projects in the underdeveloped nations which had an impact on the environment of those countries. The NRDC cited, as examples, a railroad in Gabon to be built through a game preserve, a high-voltage electric transmission line in Zaire, and the provision of dredging equipment to the Indonesian

government. In each of these instances, the NRDC argued, the Exim Bank should do an Environmental Impact Statement (EIS) before approving the loan.

The Exim Bank has unequivocally stated that NEPA does not apply to its activities. In its own defense, the Export-Import Bank has claimed that the time limitations on its functioning (loans are given initial approval within two to four weeks of application) insure that no EIS could be done. The application of NEPA, they say, would prevent the United States from competing with German, Japanese and other export-import banks on development loans.

Twelve months have passed and Justice Department attorneys in the Land and Natural Resources Division representing the Exim Bank, have still not filed even an

answer to the complaint. The court has now extended the deadline for an answer to Feb. 6. Justice Department attorneys stated that for the last six months they have not even considered formulating a strategy to argue the case. "We are just hoping we can postpone any action until the Executive makes a policy decision on the whole question.

The application of NEPA to its loans to finance development projects could spell death for the entire agency, just as the court-developed law surrounding NEPA in nuclear regulatory cases has killed off nuclear reactor construction.

The Council on Environmental Quality, perhaps emboldened by the appointment of former NRDC attorney Gustave Speth to its ranks, is now determined to issue regulations, possibly in the next month, which will bind all federal agencies to apply NEPA and produce environmental impact statements for any activity which might affect the environment anywhere in the world.

As a CEQ attorney noted, "We consider this as similar to the human rights issue. Why should the U.S. have a double standard about the impact of projects on the environment?" Asked if such a ruling might violate the sovereignty of other nations, the attorney pointed out that EIS would be prepared and argued in the United

States, *before* any loans were made. However, he did admit that CEQ's policy would require the Exim Bank to gather the relevant environmental impact information as part of its loan application procedure. "Of course certain agencies are going to resist this," he said. "You can't solve all these problems just by writing regulations. But we are certainly lobbying with the Justice Department for them to adopt our position."

The beleaguered Justice Department attorneys are hoping to find "a middle position." One stated, "In a recent ruling, the Nuclear Regulatory Commission straddled the sovereignty problem. They claimed that NEPA applies within U.S. territorial jurisdiction and in any areas in which another government has not claimed jurisdiction — like the high seas, Antarctica, or outer space — you know, the stratosphere and above. It wouldn't mean every day application, but something like killer satellite testing for example, would require an EIS."

*The environmentalist lawsuit discussed in this article, Natural Resources Defense Council v. Export Import Bank, will be fully reviewed in the next issue of the Executive Intelligence Review.*

## Soviet Scientist Urges Haste In Readying Fusion, Electrotechnologies

*At the recent Worldwide Electrotechnology Congress in Moscow, Academician I.A. Glebov granted an interview to Pravda on the future of electrotechnology. His remarks are important for two reasons. First, he demonstrates an understanding on the part of at least some leading circles in the Soviet Union that the energy needs of the next decades must be planned for now, while there is still lead time to develop the new technologies. He outlines a timetable of when to expect new processes such as magnetohydrodynamics (MHD) electrical generation, and nuclear fusion reactors to come into commercial operation.*

*His remarks are also important for the very reason that Pravda saw fit to publish them. They indicate a factional battle within the Soviet government on the question of scientific development. Such disagreement could be due to the weak start that the Tenth Five-Year Plan made, which could be causing some profound rethinking among top Soviet officials.*

*The kind of technological developments that Glebov envisions over the next decades are in the very areas that are now being starved for basic research funding by the antiscience policies of the Carter Administration. At the present rate of investigation in thermonuclear fusion, MHD, superconducting cables, and other crucial advanced technologies, indications are that the Soviets will soon leave the United States far behind. The article should be read as a signal to the West: the Soviets want to develop these technologies and will, but could do it a lot faster, and better, if the job is done in cooperation with the U.S.*

It is well known that the decrease in cost and increase in efficiency of thermal, atomic, and hydroelectric installations is in proportion to the increase in the size of the electrical power generation units. Using promising materials and existing technologies, it is possible to build turbogenerators rated at 2,500 to 3,000 megawatts. One of these would be sufficient to provide the electrical supply for a large city.

Such generators are supposed to come on line in the last decade of this century. However, further increases in their power is a practical impossibility, as the centrifugal forces increase to such an extent that the metals from which the rotors are made would be torn apart.

Under these conditions, an unconventional, but promising method for directly converting thermal energy to electricity using motionless channels becomes necessary. This is possible using a stream of electrically-conducting gas (plasma) with temperatures in the range of 2,500 to 3,000 degrees Centigrade in a magnetohydrodynamic generator (MHD). The efficiency of such a machine can reach 50 to 60 percent, instead of the 40 to 42 percent of conventional thermal electrical generators. Expenditure for fuel would decrease by 20 to 40 percent, for cooling water by a half.

The largest MHD generator, with a power of 20 thousand kilowatts (U-25), is operating in the Soviet Union. It has operated with different loads for more than 4,000 hours. Commercial MHD generators most likely will be under construction in the last decade of the century...

The question is often posed as to whether mankind has