five years. Rather than a balanced budget, we have the most out-of-balance budget in the history of the country. Blame it on whomever you want, but it happened in a combination of events in the White House and the Congress. Let me say, any way you want to handle it, that's where the culprit is.

EIR: Do you see Gramm-Rudman as a solution?
White: I don't think Gramm-Rudman is a very wise way to solve the problem. The way we're attempting to solve a short-fall of revenues in Texas happens to be a much better approach, I think. That's to ask our agencies for their thoughts on how they can reduce their expenditures without cutting into services. We're getting an enormously favorable report, and already, in this two-week period of time, we're talking about something in the neighborhood of over $600 million saved, which is almost half of the short-fall.

EIR: To go back to the oil situation. I believe you also have said that you would think that Mexico should be exempted from the tariff, because of the debt crisis that has hit that country and also because of the overall economic problems that Mexico is having right now. Is that the case?
White: Basically, what we need to do is exempt Mexico, at least to the extent of a cap that would be put on their imports. We ought to also try to engage Mexico in some trade agreement concerning oil pricing, that would give them some predictable price for their oil over the next several years, so that they can plan their economic future. Mexico's economic future is so closely intertwined with our own country's future that we should not ignore the very favorable economic impact it would have on the ability of Mexico to guide its own economy to a stronger position than exists today.

[Referring back to the issue of the proposal for a tariff on imported oil, and the opposition to it] To put a tariff on it, might trigger more control over domestic production. There's a vast difference. The controls that we had on domestic production in the past, the tariff is totally different from those controls. That was over domestic production, all the regulations and all the bureaucracy. It doesn't take any bureaucracy and very few regulations to impose a tariff on imported oil. They further say that it won't have much impact on the price of oil, because so much of our oil is imported from Mexico, and they give you two or three other reasons why it won't have much impact. Well then, if it doesn't have much impact, why don't you try it and let's see how it works.

EIR: It seems as though part of what the administration, and Congressman Phil Gramm (R-Tex.)
saying, is that we don't need these kinds of measures because we're in a recovery. I presume that you don't quite share his optimism on the state of the U.S. economy.
White: No. I think he's overlooking the fact that this recovery is fueled by a trillion-dollar deficit-spending, in the defense industry, and most of the market increases are fueled by buy-out agreements and take-over agreements. That's not sound economic growth—that's speculative fever. That is not the way this country has been built into a national economic empire.

LaRouche: Set an oil parity price

At a Jan. 29 gathering of congressional candidates backing emergency economic measures proposed by presidential candidate Lyndon LaRouche, LaRouche called for a tax on imported oil.

In answer to a question on what steps to take against the Gramm-Rudman amendment or Rostenkowski tax bill, LaRouche came back on the oil issue: "First of all, I would do one thing right away. As President, I could raise some more taxes . . . with $10 [a barrel] oil. I've got to save our good people down in Texas and Oklahoma, and a few other places. I've got to help our friends in Ibero-America, such as the Mexicans, who are about to be ruined. . . .

"I would slap a tax—an import tax—on petroleum, where the tax would be equivalent to the amount at which petroleum was sold below a parity price for the United States petroleum. Because I would have to protect our petroleum industry . . . for military as well as other reasons. Therefore, I cannot have wells shut down. I've got to have a stable supply, domestic supply, of oil. And I need some money. . . . If people want to sell oil at $10 a barrel or $5 a barrel, let them sell it. We'll buy it, but we'll put a tax on it so that it becomes $15- or $20-a-barrel oil by the time it gets inside the U.S. market. And let the government keep the change."

The government would get about $5 billion in 1986, if crude oil imports continued at a 1984 average import rate. The United States currently imports about one-third of its annual oil consumption needs. Oil experts vary on what would be the appropriate U.S. oil parity price, because of the difference in crude
ranging differences in efficiency, technology, and indebtedness of oil well production operations.

However, in order for the United States to maintain a reliable, adequate oil supply, there is an average price which needs to prevail, in order to not only continue oil production in the short term, but guarantee constant initiatives of oil exploration and new well development. While a parity price could be as low as $20, a price of $27-28 per barrel would guarantee the healthiest augmentation of reserves.