

Editorial

Europe's '\$87 Billion'

In the United States, Presidential candidate Lyndon LaRouche has called for the Congressional defeat of the Administration's \$87 billion new spending bill for Iraq—LaRouche called it “the Halliburton Relief Fund” He suggested that Congress instead authorize the issuance of that much credit to the rebuilding of the U.S. electric grid and electric power capacity which has been ravaged by deregulation and underinvestment, starting with the bankrupted power system of California. That tax money, proposed to be wasted in Iraq to green the corporate books of Cheney's Halliburton and Shultz's Bechtel, is in fact only a fraction of what is needed to rebuild the power grid and systems of North America. As LaRouche emphasized, what is needed is a “Super-TVA” to take on this and other great tasks of economic infrastructure, and start to rebuild the skilled labor force and engineering cadre shattered by the collapse of the physical economy.

In Europe, this task is even greater, as Lothar Komp's study in our *Economics* section proves. The national blackouts in Italy in recent months; the shocking and tragic toll of 15,000 heat-prostration deaths of the elderly and others in France in this Summer's record heat; the periodic blackouts in Scandinavia, Britain, Central Europe; the high average age of particularly the non-nuclear power plants of the European Union; are all signs of the huge “energy gap” Europe must fill.

Simply to replace power plants which will become too old to operate by 2020, the EU nations must build 200 billion watts of new capacity in that time (and reverse the insane Green policy of forcing newer nuclear plants to be shut down). Add the need to replace superannuated capacity in the 10 new central European nations which are joining the EU, and well over 300 billion watts of new capacity are required. Add the needs of economic growth, and extend the time frame to 2030—one generation from now—and the required investment is 600 billion watts of new power plants.

This task for Europe is nearly equal to that of replacing the entire electric power capacity of the United States with new facilities and transmission

grids, over the next generation! And there remains a gap of nearly one-third between annual electricity use per capita in the United States and that in Europe—a gap which shortens lifespans when reflected, for example, in the lack of air conditioning in hospitals and other public facilities, as painfully shown in France this Summer.

The investment necessary to do this, is estimated by competent engineering authorities in Europe—even assuming the end of Green sabotage against building new power plants with advanced technologies—at about \$1.2 trillion. And once an entire economic sector's investments have been slashed through deregulation and the ensuing bankruptcies and consolidations, as Komp shows they have for the European electric power sector, do not expect these investments to be made by the private sector. The governments of the European Union must act together to start the flow of public credit into that sector. It's roughly an investment of that “\$87 billion” every year until 2020, into the rebuilding of the power sector in the European Union countries. And electricity is the linch-pin of the entire recovery of the depression-wracked economies of Europe, through their participation in the great projects of economic cooperation of the Eurasian Land-Bridge.

This huge “energy gap” demands the expansive use of new nuclear-power technologies across Europe. The homespun comparison to the “\$87 billion” makes clear just how urgent is the thorough smashing of the Maastricht “Stability Pact” straightjacket which is imposing austerity and preventing investments in renewing the physical economy in Europe. It proves how urgent is the implementation of the Tremonti Plan—sometimes called the “New Deal for Europe”—by which the governments would participate through the European Investment Bank in creating off-budget new credits for rebuilding economic infrastructure. And it demonstrates how far even the Tremonti Plan—aiming at generating \$70 billion euros a year in total investments—must be scaled up, to turn around the EU's economic depression.