

required debt service payments are growing geometrically while the means for payment are plunged into a downward spiral.

Bert Lance, although not necessarily a proponent of solutions to this problem, did more or less competently reflect the saner perceptions of those forces who resist the hyperinflationary road to sure disaster. The predominant forces in France, plus forces in other OECD nations, plus key forces in developing nations, are committed to supporting any real solution to this problem from the side of the United States. If such a real solution is put forward, a profoundly new set of possibilities for agreements with the Soviet Union is available to the Administration.

The key to effective U.S. policy is this. The American trade-unionist and skilled farmer are the most advanced expression of the productive powers of labor on earth. If we stop the present shrinking of high-technology productive capacities in steel, aerospace and other basic industries, and enable our farmers to expand per-acre and per-capita outputs, the combination of these capacities and the productive powers of our labor enables the United States to quickly reach such an outpouring of tangible wealth that the value of the dollar can be restored to the strength it enjoyed in the pre-1968 period, and all problems of financial reorganization of

excessively leveraged debt-holdings can be solved in an orderly fashion.

We require, above all, a reorganization of Third World debt, to the effect of permitting a new series of long-term indebtedness on a secure basis in those nations. This is key to fueling a resumption of high levels of industrial, high-technology exports into the developing sector from the OECD nations. That is the only available course for stopping the present depression-spiral and solving the deepening monetary crisis.

Within that context of overall policy, Middle East solutions come rapidly within reach. It is not possible to make the world's poor rich overnight. However, steady and credible progress upward from poverty and disease is the adequate basis for durable political solutions to all the principal problems before us. Such policies are in the urgent interest of labor, industry and farmers in the United States, and the only real solution to the problem of the unemployed and disadvantaged minorities.

Once those strata are aware that at last an effective approach is being taken to resume industrial and agricultural progress, once hope of progress is seen as politically realizable once again, the majority of Americans will rally to make the sort of policies required for a Middle East solution unstoppable.

House Votes Full Funding For Clinch River Breeder

The U.S. House of Representatives yesterday voted overwhelmingly to authorize \$150 million for research and initial construction of the Clinch River, Tenn. nuclear fast breeder reactor.

The House took its stand for the breeder after rejecting, by a vote of 246 to 162, an amendment that would have killed the program by authorizing a worthless \$33 million, and, by a vote of 277 to 129, another amendment which, like the Senate version passed earlier, would have authorized \$75 million to hold some scientific research and development teams together for a year. The bill now goes back to a joint House-Senate compromise committee to work out a final version.

The U.S. fast breeder program to develop a method of energy production which, at the same time, breeds fission fuel has been lagging far behind the programs of particularly France and the Soviet Union. The two nations recently signed a cooperation agreement for more rapid development of fast breeder technology.

"A Brand New Ball Game"

"What presently appears to be very much in the making," noted U.S. Labor Party Chairman Lyndon LaRouche in a press release on Sept. 19, is "a brand new ball game around the Carter Administration. A rejection of the so-called Carter energy program," the product of an alliance with forces around Fabian Senator Humphrey and his confrere Walter Mondale, "does not, in fact, injure Carter's position, but rather gives him freedom of action to shift to fresh approaches...taking Nelson Rockefeller's revised energy proposal as a point

of departure," suggests LaRouche.

Felix Rohatyn of Lazard Freres, who received a political black eye from Budget Director Bert Lance's unanticipated counterpunches during last week's Senate hearings, "is boiling in frustration over Nelson Rockefeller's appearance before the Senate Finance Committee, chaired by Senator Russell Long (D-La.)," writes LaRouche. "Rohatyn, pushing a Nazi-modelled corporatist urban banking scheme, views Rockefeller's shift from energy conservation to energy production as a deadly threat to Lazard's schemes."

Liberal Wrath

Rockefeller reemerged onto the political scene via Long's Committee, which today rejected the so-called gas guzzlers tax recommended in the Carter energy packet. In an apparent bloc with Long, Rockefeller testified in opposition to the energy program, proposing in its stead a \$100 billion national Energy Development Authority to fund a potpourri of energy programs including competent proposals like uranium enrichment facilities and floating nuclear plants, but also including inefficient "energy independence" schemes like solar energy, coal gasification, and the like. The money would come from the revenues of the Carter-proposed Crude Oil Equalization Tax (or well-head tax), the "heart" of Carter's energy package, according to the Washington Post.

Rockefeller's testimony, the vote for the breeder, and committee votes against the energy packet have "liberal" Democrats like Senator Edward Kennedy and

the "liberal" press furious, denouncing Rockefeller's proposal as a "bailout for Rockefeller's private oil and other investments," and threatening filibusters until they get their way.

The original Carter plan announced April 20 calls for using the sizable revenues from the largest single tax package ever proposed in Congress for various "consumer rebate" chimeras, while demanding a 30 percent slash in domestic energy consumption.

At a joint press briefing, Sept. 19, "liberal" anti-industry Senator Howard Metzenbaum (D-Ohio) and the UAW's Doug Fraser reversed their initial support for the well head tax to recommend that the Senate Finance Committee reject the use of the oil tax for funding energy production programs, calling it a "kickback or plowback" to the oil industry.

Metzenbaum's aides today blamed the whole disaster on Carter "who doesn't even enthusiastically back his own energy program." They reported with much dismay that Secretary of Energy-designate James Schlesinger and his staff will be meeting with Long and his committee to work out a compromise energy proposal more favorable to the "sunbelt" oil and gas interests Long represents.

Economic Growth The Issue

The Rockefeller-Long bloc for energy production is just the most publicized response to an increasingly vocal demand from trade unions and industry for an end to the Lazard Freres-Naderite looting and destruction of U.S. industry and advanced technology.

A representative for the U.S. nuclear industry reported this week that on a recent visit to Washington to push for development of the fast breeder, he witnessed a mobilization in its favor from sections of organized labor "the likes of which I've never seen before." Steel, sections of the building trades, and other unions, unlike Nader's friends in the UAW, have avidly lobbied for the fast breeder and other capital intensive energy development programs, including support for the development of fusion.

West Coast political pollster Pat Caddell told Democratic Party leaders earlier this week that "economic growth is the paramount issue in the west." The issue of growth versus conservation has split the Democrats "along class lines," said Caddell, with union members and minority groups favoring economic growth and "suburban liberals" more interested in environmental concerns. Caddell warned Carter not to give credence to the alleged influence of environmentalist California Governor Jerry Brown.

Whatever his motives, Nelson Rockefeller has made a political move to add his weight to the growing alliance for industrial growth in his factional attempt to save his political hide from the Lazard Freres financial faction's assault on the old Rockefeller oil-based empire.

The vote yesterday authorizing full funding of the Clinch River fast breeder, organized largely by members of the House Science and Technology, and Armed Services committees, gives a good indication of what Rockefeller will have to respond to if he is to consolidate a position of strength in the ongoing, factional brawl House members, feeling constituency pressure, have refused to deal a killing blow to U.S. technological leadership. Schlesinger, attuned to the political change, has agreed to sit down with Senator Long and seek a compromise, provoking liberal attack for not supporting Kennedy's proposal for a form of horizontal divestiture of large energy conglomerates, such as Rockefeller's Exxon Corporation.

As it stands, the Rockefeller-Long proposal for an Energy Development Authority, is a boondoggle coopting sources of loot from Carter-Mondale's original program. The development of energy and, in particular, the technologies of fusion and fission can only be based on the industrial and agricultural expansion of the economy as a whole.

Either Congress and the U.S. Administration adopt a credit policy based on the U.S. Labor Party's proposal for a Third National Bank, or any program, be it conservation or Rockefeller's production scheme, will bring a fragile U.S. economy to its knees.

— Bill Engdahl
K. Stevens

Lazard Tries To Steal Rocky's Thunder

Less than one week after Nelson Rockefeller injected his slightly refurbished proposal for a \$100 billion Energy Finance Corporation into the current energy program debate, the Lazard Freres crowd has attempted a flank operation to steal Rocky's thunder.

Fabian Senator Abraham Ribicoff (D-Conn.), fresh from leading the Lazard-directed witchhunt against Bert Lance, emerged on Sept. 21 with a "energy development" plan of his own. The scheme, designed to appeal, in particular, to the conservatives who might otherwise support a Rockefeller-type plan, has two principal components. Like the Rockefeller proposal, it would establish an energy development financing entity to recycle monies from the proposed Carter oil equalization

tax program into energy development. The facility would be drastically scaled down from Rockefeller's \$100 billion equity figure to somewhere around \$2 billion, according to Ribicoff's office. Capitalization would be through loans, equity, and federal loan guarantees, creating a total pool of around \$10 billion per year. This figure is termed "open for discussion" by informed sources. Secondly, it would create a public transit trust fund to dispense upwards of \$2 billion for a variety of projects; this fund would be administered by the Department of Transportation.

Ribicoff's office has stated that their plan is "totally compatible with the proposals from Governor Rockefeller." They also claim that the plan has the support of