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total production in an industry, for example steel, and raising prices on what's left. This works both on an international scale and at home. "National" industries, like steel, demand that their government keep up capacity at home by shutting out imports. Then they used the reduced availability of steel, or any other good, to force up prices, as Bethlehem just did by 5.4 percent. They are doing to every industry that buys steel — auto, construction, machinery — exactly what they did to "foreign competition." So none of this has anything to do with foreigners taking American jobs. Industry is hungry, and only the stupidest businessmen and trade union leaders would propose to eat their neighbor's leg. "Protectionism" is the fastest way to destroy the economy.

Q: Isn't it true, like Meany says, that exports of U.S. technology have enabled low-wage countries to dump their goods here and take away American jobs? Don't tell me that Korean textiles haven't hurt.

A: Only because the United States is blocking higher forms of technology exports. The worst example is nuclear. Potential world demand for electrical energy is 50 gigawatts based on 50 full-sized nuclear power stations, a year. That's a trillion dollars of exports a year, six times our present total exports. Westinghouse calculates that, if environmental restrictions and sabotage of nuclear exports had not interfered with their nuclear expansion program, they would have needed 2 million man-years over the next five years — or 400,000 full-time jobs for five years — to carry out their projections.

So the potential for expansion of American jobs on the basis of high-technology exports, once we clear some obstacles away, is virtually limitless. Once a developing country sets up a nuclear reactor, it will begin importing irrigation facilities, agricultural equipment, heavy vehicles, food, and other American goods. Getting nuclear reactors to the developing sector is the first step in creating a whole new market for American exports. Adding up current unused capacity and immediate development requirements, we could increase U.S. exports by $100 billion — almost as much as our current total — within a single year.

Of course, if development stops dead, and the U.S. fails to put technology to work, then some low-skilled jobs will suffer as the result of the last generation's exports of low-level technology to Taiwan or South Korea. But, if the U.S. throws out its commitment to progress, as Meany wants, every job is in danger.

Q: Where do we get the money to create jobs?

A: Right now, there are several hundreds of billions of dollars, mainly abroad, some in the domestic banking system, engaged in useless and unproductive forms of investment. The Federal Export-Import Bank has legal powers to absorb these dollars by taking deposits or issuing bonds internationally. If the Eximbank moves in to sponge up excess funds on the Eurodollar market, for example, it could put together a kitty of several tens of billions of dollars to start exports off the ground. If it puts funds into high-technology development, such as nuclear exports, there will be an immediate, huge effect on employment. To back that up over the longer term, we need a National Bank of the type Alexander Hamilton created at the founding of this country to fund high-technology industry.

But if we do what Meany wants, and put Federal money into make-work jobs creation, we will get broom-pushing, low-wage jobs we don't want, and vast amounts of inflationary spending, which will reduce all workers' incomes. The spending will be inflationary because it will not create more real productive capacity. In short order, we will have exactly the kind of economic breakdown the Nazis got themselves into, with the same policies, after four years of rule. We can create whatever amount of funds we want — if it goes into production.

EEC Clamps Reference Price On Steel

European finance ministers meeting in Brussels Dec. 19 voted to impose a minimum price for steel imports into the European Economic Community (EEC) from the beginning of next year, after the British and French threatened unilateral protectionist measures if the EEC did not act. The ministers' vote is a clear warning to the Japanese in particular to ease their trade competitiveness or face protectionist measures from its trading partners.

EEC

The measures voted by the European ministers will fix a basic price for steel imports related to the production costs of the most efficient foreign producers. As in the case of the recently discussed U.S. "reference price" proposal, to which the EEC plan bears close resemblance, the Japanese producers will set the reference price, and any imports falling below this level will be subject to charges of "dumping" — i.e., selling below the cost production, which is prohibited by international treaties.

To appear "flexible" to its trading partners, the ministers agreed to pursue talks on "voluntary" price floors with Europe's major steel suppliers in the next few months before a statutory reference price is imposed. However, if no satisfactory agreement has been reached by the end of next March, the mandatory minimum import price will be imposed.

The decision to set a reference price for steel imports coincided with a warning from the EEC Commission to the Japanese that the trade reforms announced so far by the Japanese government, although welcome, do not get far enough towards turning around Japan's major trade surplus with the Community. After allowing talks between Japanese Minister for External Economic

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Relations, Nobuhiko Ushiba, and EEC Commission President Roy Jenkins in Brussels last week, the director general of the Commission's external affairs department, Sir Roy Denman, warned that the West's commitment to trade liberalization could be disastrously undermined if the "festering sore" of the Japanese surplus was not treated. Without further concessions from the Japanese, he said that "the western world as a whole, the Tokyo Round, and the future of an open trading system would be at a risk."

Pressure for the reference prices came from the British and French in particular. After the meeting, Edmund Dell, Britain's Secretary of State for Trade, said the reference price system "sounds like a very good scheme. Why don't we give it a try for a couple of months?" But the French representative, Jean-François Deniau, warned that his government had wanted agreement right away on a permanent trigger price mechanism without the intermediate bargaining period.

But the ministers' vote apparently hasn't satisfied the British. The Department of Trade is continuing talks with the Soviet Union and East European countries to significantly curb East bloc steel imports to Britain in light of British Steel Corporation's major losses. In the last 10 months, iron and steel shipments to Britain from the Soviet Union have risen from £7.2 million to £12.3 million. BSC's second target is Poland, whose steel exports have also risen drastically in the last year.

IMF Moves To Revive Kissinger's IRB Cartel Scheme

The International Monetary Fund has just issued a $480 million line of credit to the International Sugar Agreement, a recently organized cartel comprising many of the world's leading sugar-producing and consuming countries. Timed with a major organizing drive by the City of London to destroy the U.S. dollar and replace it with the IMF's own "funny money"—the SDR (Special Drawing Right)—the Sugar Agreement loan constitutes a step toward instituting International Monetary Fund control over the world economy.

COMMODITIES

The unprecedented loan was issued, contrary to usual IMF practice, not to a sovereign nation but to a commodity cartel for the purpose of financing a buffer stock. It is an attempt to reimpose on the world Britain's late 18th and 19th century system of world control through regulation of raw materials.

Asked to comment on whether the sugar loan represented a significant "foot in the door" for reintroduction of former Secretary of State Henry Kissinger's International Resource Bank plan, a looting scheme in which IMF SDRs would be collateralized with world commodity stockpiles, an IMF official said brusquely, "No comment."

No matter how you look at it, however, the scheme culminated with the Third World producer countries being funded to pay off their otherwise unpayable Eurodollar debts to the City of London and Manhattan banks.

Many of the world's commodities are still controlled by the City of London and its interlocked investment allies in New York. Britain has long specialized in subverting the interests of the sovereign nations of the world through precisely such supranational organizations and associated economic warfare potentials as the IMF and commodity cartels represent.

An additional feature of the International Resources Bank (IRB) revival scheme is that private commercial banks can use the sugar stockpiled by the agreement as collateral for foreign exchange loans. This is but one step removed from having the IMF directly collateralize the IMF's SDR.

The Debt Issue

The IMF governing board committed itself to the $480 million loan on Dec. 16, the closing day of a week-long preparatory meeting of the United Nations Council for Trade and Development (UNCTAD) in Geneva, which was called "to discuss the debt problems of the developing countries," as the IMF calendar puts it. In UNCTAD circles, the Kissinger plan is known as the "Common Fund."

In a related move the Dec. 19 *London Times* carred a feature article calling for the IMF to take on vastly expanded powers, to be superintended by a top-ranking monetarist as the IMF's new head. The article proposed that a similar shift take place at the U.S. Federal Reserve System, where the chairman's post is also up for grabs at the beginning of next year.

Henry Kissinger's IRB scheme first achieved wide circulation in connection with a drive in 1976 to halt Third World support for comprehensive debt moratorium. The lure of Kissinger's scheme was to hold out the promise of higher raw materials prices for the Third World. But since debt was to be dealt with by the "case by case" method of bullying, terror and destabilization, the new revenue extortions would go exclusively for debt repayments, not development—with the consumers of world paying the bill.

In its contemporary reincarnation, Kissinger's IRB scheme calls for the execution of the U.S. dollar Mafia-style, encasing it in concrete and sinking it somewhere in the Atlanticist Ocean (for example, off the Cayman Islands). With that burial nearly accomplished, the world's trading nations and multinational corporations would have no choice but to go for the IMF's SDR bumwad, for lack of a more suitable international trading currency. The SDR, in turn, would be "backed" by City of London-controlled commodity stockpiles, toward which the IMF-