

policy, and in the longer term its policymaking powers must be brought back under congressional policy control.

A national bank will create new credit — credit backed by real wealth that will allow taxes to be paid, production to be cheapened, and the U.S. to provide the technology, along with the Soviet Union and Western Europe, for a world technological revolution. It will be credit backed by the political will of the American population for scientific human progress, prosperity for its posterity as well as the current generation. The British monetarists are opposed to it now for the same reason it opposed Hamilton's plan 200 years ago: industrial growth will subvert their political and economic stranglehold on the world.

Intensive debate and study of Alexander Hamilton's and the Labor Party's proposals for a national banking system are absolutely essential for the revival of the full

greatness of the American System in the months ahead. Immediately, we must save the U.S. economy through the instruments at hand. This itself will require dealing devastating defeats to the British environmentalists infesting the Carter Administration, as documented below. It will also succeed in immediately turning around high-technology export industries, such as the aerospace industry, as the following study shows.

This action will follow the letter and spirit of the drafters of the Eximbank's 1945 charter: "It is the policy of the United States to foster expansion of exports of goods and related services, thereby contributing to the promotion and maintenance of high levels of employment and real income and to the increased development of the productive resources of the United States."

—Nancy Spannaus
Editor-in-Chief

Environmentalism Lawsuit Threatens Eximbank

Environmentalists have launched a campaign to bypass Congress and destroy the Export-Import Bank administratively. The vanguard of the attack is a lawsuit, *Natural Resources Defense Council and National Audubon Society v Export Import Bank et al.* (Civil Action Number 77-0080), which, if won, would subject every loan agreement or guarantee to the environmental impact statement process including, presumably, environmentalist interventions and lawsuits.

Less public, but equally a part of this environmentalist campaign against American industry is the maneuvering now going on within the White House and the federal bureaucracy. In fact, not since James Rodney Schlesinger's refusal to appeal the *Calvert Cliffs (I)* decision in 1971 while he chaired the Atomic Energy Commission, have the environmentalists gained so much government aid in achieving their goals.

In the White House

On May 24, President Carter empowered his Council on Environmental Quality (CEQ) to issue regulations on the implementation of the National Environmental Policy Act (NEPA), which would be binding on federal agencies. In earlier guidelines, the Council suggested that NEPA be applied to government agency actions, "in the United States, in other countries, and in areas outside the jurisdiction of any country." At that time, the CEQ failed to consult the State Department, as required, on the implications of such a policy. Now a draft of the proposed binding regulations is reported to maintain the same position. On Jan. 6, 1978, the CEQ is holding a conference of "interested agencies" to bludgeon as many federal agencies as possible into supporting their regulations. If the Eximbank, State Department, and other agencies issued formal statements of opposition, the CEQ would find its ability to tie up Eximbank loans hampered.

At present, Eximbank loans are approved six weeks

after application, while an Environmental Impact Statement (EIS) normally requires six to 18 months of preparation.

Even if national sovereignty was not impugned by the EIS process, any other advanced sector country could get an export deal completed in less than one-tenth the time.

The CEQ appears to be acting as the White House office of various environmental organizations. Its three members are experts in environmentalist obstructionism. Chairman Charles Warren was a California state assemblyman who drafted and oversaw the passage of most of that state's environmentalist legislation, including the Nuclear Safeguards Act, which Governor Brown has used to buttress his own zero-growth policies for the state. James Gustave Speth was a cofounder and staff attorney of the Natural Resources Defense Council, which is also a plaintiff in the Eximbank suit. Carter's nominee for the third position on the Council is Marion Edey, founder and chairman of the League of Conservation Voters, was rejected by the Senate committees. However, her nomination has not yet been withdrawn.

If the council's arm-twisting tactics don't lead to environmentalist victory, opening up U.S. trade policy to greenie sabotage — which could be the final blow to a high-technology export program — domestic policy advisor Stuart Eizenstat is scheduled to "mediate." Last spring Mr. Eizenstat stated that the Natural Resources Defense Council's rabidly zero-growth program, *The Unfinished Agenda*, was the guide for Administration policy.

In the State Department

On May 31, the State Department informed the Nuclear Regulatory Commission that in its opinion the National Environmental Policy Act did not apply in foreign territorial jurisdiction and indicated that any efforts to formulate environmental impact statements or permit non-

governmental intervention in export policy decisions would "have major, adverse political consequences." At that time, the State Department felt that the application of NEPA would be construed as a violation of sovereignty.

The State Department has apparently been "convinced" to get out of the fight. A State Department spokesman informed the *Executive Intelligence Review* that CEQ was attempting to work out a "compromise." The compromise is along the same lines the Agency for International Development (AID) used to settle a lawsuit filed against them by the Environmental Defense Fund. The AID "compromise" agrees that the agency will file site-specific "environmental assessments" of its programs, "to the maximum extent practicable."

At the Justice Department

The Land and Natural Resources Division of the Justice Department has assumed the defense of the Eximbank in the lawsuit, despite the bank's protest and clear desire to employ its own staff counsel in its defense. The Eximbank's concern was clearly justified. The Justice Department attorney in charge was Assistant Attorney General James Moorman, former executive director and staff attorney of the Sierra Club Legal Defense Fund (SCLDF). While Moorman was at the club's defense fund at least six major environmental suits were filed jointly by SCLDF, the Natural Resources Defense Council or the National Audubon Society, plaintiffs in the present case for which Moorman was defense counsel. Moreover, Justice Department sabotage of the lawsuit upon which the Eximbank's continued existence depends was not limited to the appearance of a conflict of interest.

*Moorman has now delayed *11 months* in answering the suit and putting forward Eximbank's defenses.

*Moorman has refused to include the intervenor-defendants Mid-America Legal Foundation (representing Midwestern industrial associations) in settlement discussions which he has conducted with NRDC attorneys. He has even failed to serve Mid-America with legal documents and correspondence in the case! In fact, Moorman used his failure to inform intervenors as an excuse for an extension in answering the NRDC's initial complaint.

*Last June the Justice Department decided that the entire case might be disposed of because the enviro-

mental groups probably did not have the standing (the probability of suffering any injury) to sue. They issued interrogatories to

was the case and received the following plaintive response from the NRDC attorney: "Because we have no knowledge of the current activities of the Eximbank, we have no way of demonstrating any connection between the Bank and the plaintiffs." No lawsuit has ever survived such a bald admission of lack of standing. Moorman accordingly *withdrew* the interrogatories, naturally without notifying the Mid-America Legal Foundation.

*Mid-America filed a motion with the Court asking that the Court investigate Moorman's participation in this *and other* environmentalist lawsuits for possible conflict of interest, and requested the Court inform them of the status of settlement discussions and order their participation in them. Moorman resigned from the case Dec. 23, pending the outcome of the Court's inquiry. Meanwhile, the Justice Department attorney with day-to-day control of the case, Erwin Schroeder, reports that Department policy is to stall, awaiting the outcome of the Council on Environmental Quality's efforts to strong-arm acceptance of their regulations implementing NEPA in the jurisdiction of foreign countries.

The environmentalists and their low-wage, austerity backing allies inside the Administration are joined by the AFL-CIO in their desire to gut the Eximbank. The International Brotherhood of Electrical Workers (IBEW), aware of the critical role Eximbank plays in financing high-technology exports, planned to join Mid-America's intervention on behalf of Eximbank. The AFL-CIO informed IBEW this violated the federation's policy. The IBEW then withdrew as an intervenor.

An open, aggressive economic policy focusing on the Eximbank and U.S. high-technology exports as the heart of a program to stabilize the dollar, halt the collapse of U.S. industry and end the current world economic collapse will force the environmentalists and their zero-growth allies out in the open to defend their actions in the policy-making forum congress.

—Felice Merritt

(1) *Calvert Cliffs Coordinating Committee v AEC* 449 F.2d 1109 (D.C. Cir. 1971).

(2) *Environmental Defense Fund v Agency for International Development* (D.D.C. Dec. 5, 1975).