

Editorial

The American spirit lives

Time was when the world stood in amazement and gratefully looked on as American farmers, workers and businessmen forged ahead with irresistible spirit to level mountains, carve out waterways, sow mighty cities in the wilderness, flood the world with new and miraculous machines capable of subjecting nature to man's rational command.

Those were the 1880s and 1890s, the teens and twenties, and again, on a smaller scale, the forties and fifties of this century. The world gave this phenomenon a name that stuck: *American boosterism*.

There is, however, something more profound to the historical American phenomenon than this banalized notion of "boosterism." To better understand it, we invite you to reflect upon last week's key developments.

True, the current business climate is viewed as gloomy. True, Paul Adolph Volcker, the chairman of the Federal Reserve, once again jacked up the discount rate from 11 percent to 12 percent and the prime rates went up correspondingly. True also that inflation continues to surge ahead. And production to go down; and unemployment up. Our own subscribers and clients are increasingly concerned and unnerved about upcoming economic prospects. The war rages in the Persian Gulf and the legions of bureaucratic mice are busy in Washington preparing for "emergency controls," "emergency allocations," "emergency rationing," and so forth. Should one be "optimistic" or "pessimistic" in forward business planning? we are asked.

One should be neither. One should be rational and, above all, combative.

Two important events last week justify this perspective: one is the unanimous voice vote on the floor of the United States Senate which passed the Fusion Energy Research, Development and Demonstration Act, which is now on President Carter's desk to be signed into law; the second is the emergence within the Democratic Party of the Demo-

cratic National Policy Committee, a constituency-based, policy-formulating institution possessing an intellectual sophistication that has not been seen in American public life since the great "American System" economist Henry C. Carey advised President Lincoln on how to lay the foundations for an industrialization drive which transformed the U.S.A. into a miracle among nations.

The NDPC study

On Sept. 26, the NDPC released to the public its first major study, *Industrial Revival for the 1980s*, a reasoned and aggressive report which puts forward the following perspective:

First, the policy of all three major presidential candidates of discriminating between "sunrise" and "sunset" industries and committing themselves to policies of condemning to death the sunset industries (steel, auto, construction, chemicals, agriculture) is proven to be a policy of national suicide which would result in a catastrophic caving-in of our overall national productivities not later than 1985. If this policy is ultimately implemented, one can make the deduction that by the year 2000 our nation's economy would be so transformed as to be unable to sustain a population larger than 75 million persons.

Second, the NDPC report outlines a comprehensive set of immediate and intermediate measures to get the American economic engine surging forward again, namely:

- Full-scale revival of our nuclear energy industry to the status of the principal "sunrise" industry, deploying the full range of its capabilities from fission plants, fast breeders, and re-processing facilities to fusion reactors.
- Revitalization of our agriculture by means of parity prices at levels capable of financing a dramatic expansion of capital formation in American agriculture.
- Mobilization of our traditional industries of steel, auto, chemicals, construction, and so forth,

as *feeder* industries capable of providing the materials and technologies needed by both agriculture and the nuclear industry.

- Recasting of our national monetary and banking policies in accordance with a national strategy to drastically increase American exports to the world by about \$100 billion.

Based on a commitment to strengthen our regional and local banking system, such an export policy should be designed to increase overseas effective demand for American goods by redeeming our trillion-dollar-plus "Eurodollar" obligation with gold-backed United States bonds which, offered at low interest rates, will become the instrument by which foreign nations can pay for the importation of high-technology American goods.

Finally, the NDPC report concludes, "the future industrial prosperity of the United States and its citizens depends on such a moral national commitment to help the nations of the developing sector gain access to the industrial and technological goods they require to enter the era of industrialization."

The feasibility question

As our own editorial bias is both unabashed and well known, we do not hesitate to emphasize that the matter of "optimism" and "pessimism" in matters of forward business planning very much depends upon a rational political judgment of how feasible a programmatic perspective is. In our view, it is eminently feasible.

The basis for this judgment is scientific rather than simply moral. One need not move ahead in the spirit of exuberant but uninformed "boosterism." We once again repeat that the underlying cause of "American boosterism" is not the implied banality of the youthful fool; rather, it is the embedded, though recently alarmingly weakened, ability of the American people to respond to reason and to science.

This is the significance of the passage of the fusion energy bill in the Senate and also the significance of the Maine nuclear energy referendum. Once the fusion bill is signed into law, a thoroughgoing transformation will begin building momentum in the less visible, vital core of the American economic machine.

From the standpoint of modern science, in which this magazine and its collaborators have pioneered, competent economic policy proceeds from the demonstrated fact that the generalized concept of social productivity is derived from the rates of improvement of the ratio *free energy/total energy* characteristic of any given technological stage of an economy.

This is precisely what the thermonuclear fusion reactor will provide.

The economic future

Once this task is accomplished in the not-too-distant future, the rest of the organism of our national economy will, sooner or later, rationally reorder itself around the fundamental breakthrough in the energy production sector. Allowing ourselves an appropriate metaphor, we can venture the prediction that the currently besieged political constituencies of the country-farmers, business, labor and minorities will be capable of responding to the emergence of the policies of the National Democratic Policy Committee, in a way analogous to the response the aggregate industrial sectors of an economy would display toward the introduction of fusion in the energy production sector: higher productivities, greater effectiveness and a higher degree of rational self-organization.

This is "politics" in its best and noblest sense. In the spirit of this politics, we confidently greet the emergence of the National Democratic Policy Committee whose Advisory Committee is ably chaired by Lyndon H. LaRouche, Jr., the founder and contributing editor of this publication.