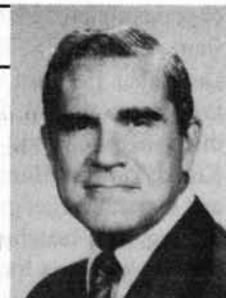

Interview: Gen. Richard Lawson



U.S. energy tax would doom Third World development

by Marsha Freeman

Gen. Richard Lawson has been the president of the National Coal Association (NCA) since 1987. During his tenure at NCA, the coal industry has been assaulted by environmental extremists over the issue of "global warming," with drastic proposals put forward to decrease energy consumption in order to lessen this supposedly life-threatening effect.

One year before coming to NCA, Lawson retired as a four-star general of the U.S. Air Force. He flew 73 combat missions during the Vietnam War, and in the first half of the 1980s, served in the European and NATO commands. As a result, he is familiar with the problems of both the developing countries and the newly independent nations in eastern Europe.

Recently, the NCA has looked into the scientific evidence behind the climatological catastrophes predicted by the environmentalists. In a conversation on Jan. 29 in his office in Washington, General Lawson stated that in his view, "The science to date is extraordinarily controversial, to say the least. The models that have been used to predict the so-called global 'warming process' have failed to duplicate reality, and indeed have missed a great number of the factors that are associated with the total climate process."

The accuracy of these climate models is no academic question. Lawson stressed that the issue of global climate change is "being used by a great number of groups to do a great number of things." Some industrialized countries foolishly think they will gain a "competitive edge" over the United States, if energy prices here rise. "From an international position," Lawson explained, "a number of nations very rapidly accepted the issue [of global warming] as fact." He added, "While they proclaim otherwise, there is clearly an economic foundation for their actions."

"Nations which have energy structures which primarily use other than fossil fuel," he said, think they will be "economically benefitted by the general concept of a global climate change, when it's applied to the American economy which is very, very fossil oriented at very economically beneficial prices—prices that are rather dramatically below the

general level of those assets in other countries."

The general is worried that developing countries, which so desperately need energy and the capital goods to provide it, "have been made some promises, I think, behind the scenes, that portions of the carbon taxes" on the U.S. economy "would be distributed among them in order to 'assist them' in taking care of their individual problems. I'm not sure how this 'distribution' would work," he remarked, "and I'm not sure exactly where all those taxes would come from. But I'm sure it's intended that the lion's share would come from the U.S. economy," providing nothing, in reality, but "a sop to those developing countries which are going to need so much energy."

Population control: unspoken agenda?

It appears to General Lawson that population policies are part of the unspoken agenda of the global-warming thesis promoters: "There isn't anybody that I know of that disagrees that we'll have 8 billion people on this planet by the year 2025. That's a 60% increase in a period of 35 years of the people on the planet requiring food, shelter, and clothing. And here we are, looking at the same time to constrain the only fuels that are widely spread geographically around the face of the globe. It's almost criminal. If I were so inclined," he said, "I could certainly make some comparisons with other theories that have to do with the constraint of population, because if this group that's behind many of these theories gets its way, it would be far better to be born a speckled owl than to be a human being on the planet in the year 2025."

Government representatives have already agreed to consider a carbon tax, and an overall energy tax, in western Europe. I asked General Lawson what the impact would be of a such a policy here. "The imposition of a carbon tax or a fossil fuel tax of some kind would certainly have a dramatic impact upon the American economy. When people talk about the stabilization of carbon dioxide at certain levels, they are talking about nothing more than a cessation of any economic growth in the country, [through] the imposition of huge

sums, as much as \$200 billion annually, upon the overall economic capability of the energy production facilities of the country, and all that that implies across the board.”

NCA’s concern is not just that economic growth in the U.S. would cease, but the impact that would have on developing nations.

No growth without energy

“My concern is that in almost all of the developing countries one facet that is common is the absence of an energy foundation. We have a lot of studies about the general development of a national economy and we know that a nation’s economy is a function of a nation’s ability to create the energy that is needed to drive that economy. A percent of increase in electrical power almost directly equates to a percent of increase in Gross National Product.

“When one examines how this might be applied, with forethought, by the developed world to the developing world, we need to go in and assess individual nations in terms of what their energy situation is. Once those sets of general determinations are made, then the application of capital to the findings of those analyses begins to develop real world energy foundations on a nation-by-nation basis.”

The NCA, with others in the energy industry, have suggested to the administration that those energy requirement analyses be done, in “preparation for the application of capital.” “Indeed, right now,” Lawson reported, “we have a number of people who are headed for 4-6 week tours in eastern Europe and the Soviet Union and in a couple of countries in Africa to begin those first looks.”

“Behind that first set of looks,” he continued, “we foresee the development of a kind of ‘energy peace corps,’ where people with specific expertise are assigned to specific places identified by these preliminary evaluations, to develop a rough plan for the country. Then, following that, we stand back, and we say, we have this technology which is tried and proven and set up, and we know exactly what it’s going to cost; we know roughly the geology of what the energy foundation for the country might be. We put all that together and then go hand-in-hand—American industry, the American government, and the international financial community—to provide for the foundation for a particular country. That’s our view of the future.”

The danger that Lawson sees is that if a carbon tax is slapped on the industrial economies, “there isn’t any of the developed countries in the world that can begin to participate in the formation of capital necessary to get this program off the ground.” Lawson warned that “unless the developed world comes up and presents to the developing world some kind of a program that provides a vision and reality for these countries, then this extraordinary growth of population, which by the way, is all going to occur in the developing world—that place that doesn’t have anything yet—then

you’re looking at a very chaotic 21st century, in my judgment.”

No tradeoff of eastern Europe, Third World

Another concern is that while the problems of eastern Europe are so dramatic and immediate, Lawson believes that capital export to the Third World *must* “be accelerated at the same time; that it is not a tradeoff of one against another.

“I think that portion of the developed world that is producing capital—that is producing the opportunities of economic growth [which] have matured beyond those that the communist governments of eastern Europe and the Soviet Union were able to produce—has come to the point where it can contribute to this generation of capital that is going to be needed in the first part of the 21st century. I’m afraid that we’re going to have an inclination to run to those eastern European countries and the Soviet Union perhaps faster than some of the other developing countries and I don’t see that it should be handled that way.

“I think we need to start all of these programs,” Lawson underlined, because “while eastern Europe and the Soviet states have technology, and a society that is capable of handling the technology, they also have some very special problems that are going to require some time to iron out. It’s not that easy to change yourself from a socialist form of government back to a marketplace economy. When they went to socialism in 1917, they absolutely tore down those legal structures that were associated with a market kind of economy. People say we can do [work in] Poland and the former Soviet Union states faster than we can one of the African states—not necessarily.

“I think the bottom line, and the line that I gave to the White House [just before the State of the Union address] was: Give us the specific nature of the problem and let us solve it with technology; technology that permits not only the solution from an environmental standpoint, but contributes on a continuing basis to the economic values that are needed to support the needs of the people.

“But, come to us with a new method of constraint on the economy, and you’ve got a fight on your hands because that general thrust of solutions has nothing for any of the developing countries. It spells the end of the developed countries, as well, because those developing countries and those masses of new population are not just going to stand idly by. Sooner or later they’ll be back to increasing defense budgets,” as they don’t find the proper answer to economic development issues.

Cleaning up eastern Europe

General Lawson has spent a good deal of time in Central and East Europe recently. He observed that one thing that should *not* be done is to use these countries, suffering years of environmental degradation, as “testing grounds” for new

and unproven technology. Instead, they should be offered the immediate technical fixes that can restore their industrial economies to production while improving the environment for their citizens.

"One of the great problems that I see today, as I travel around these other countries and as I talk here in this country, is the tendency of some to try to take *very* advanced technology that we're still really getting our arms around, and attempting to use a government-to-government connection as

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a means [to solve] some of the problems associated with transfer from the development stage into the actual operational stage." Instead, "my concept is that we take technology that is *absolutely* known, understood, and proven."

In order to give people the hope that their situation can improve, Lawson took a set of slides of Pittsburgh with him on his last visit to Poland, Czechoslovakia, Bulgaria, Hungary, and the Soviet Union. The slides begin in 1940 and end in 1980. "Pittsburgh in 1940 looked like Warsaw, like Minsk, like a lot of cities in that area," Lawson explained. Slides of the power plants and steel mills 40 years later do not show black clouds of smoke belching from the smokestacks, but clean-burning plants.

Sometimes the problems are different than they seem, he cautioned. "A lot of people think that the great problems of Poland are coming from the smokestacks of the utilities and the iron works, but the real problems of Poland come from the chimney of every house in the country. We need to look at a very simple kind of a filtering process for that," he explained.

In addition, "you can wash Polish coal and get 75% of the sulfur out. . . . It's very cheap," he said. These kinds of already known "fixes" should be applied for about 20 years, he counsels, "to help the country put on a new face, get a

new feeling about itself, before its going to have enough interest to really take aboard the environmental issues people are trying to take aboard."

Politically, the winds are changing in Europe, Lawson reports. "When I go through east Germany and Poland today, the average man on the street is not nearly as excited about environmental concerns as he was two and a half years ago. He realizes those things are taking bread out of his mouth and he says it's okay if you've got an economy that's producing at [a U.S.] sort of a level, but to have these things slapped on us, is crazy."

After the recent political changes, "governments thought they must identify with their western colleagues, and they passed laws that they didn't begin to understand the implications of. They're having second thoughts, and that's going to have to be reworked. . . . The terrible part of it is that the environmental communities in western European countries are trying to demand that these standards be established in very unrealistic time-frames." For example, "eastern Germany is supposed to have accommodated *all* of western Germany's environmental regulations no later than Dec. 31, 1995." He insisted: "It can't be done."

U.S. defense industry's future

After a military career that spanned four decades, General Lawson is well-placed to comment on the changes taking place in the U.S. defense industry due to the defense budget reductions. He sees the possibility of "a better introduction of funds into energy issues, primarily because, as we begin to come out of the general Cold War period, as the economies of the West—and the U.S. will have the biggest readjustment—begin to ease back from defense technologies, and search the [industrial] sectors, some are going to focus in upon some of the requirements in the energy sector."

He went on, "I think that everybody senses that we're at a watershed in more ways than politically. Charlie Wilson said some 30-odd years ago, 'As General Motors goes, so goes the United States.' And in essence, so goes the world. It was that kind of structure. The United States was tied to the American automobile. Today, one in seven jobs in the United States is still tied to the automobile industry. I can't believe that's going to continue. There are a lot of defense industries out there that are really taking a new look at things.

"I don't think anybody in this country has really gathered up all the resources, the ingenuity, the dedication, the overall energy that we put into holding this side of the wall in the Cold War, making sure that that thing didn't leak over and succeed in the incarceration of additional human beings in that kind of a system. It's been an enormous victory. It is some kind of a world when we have to send them money to help them cut up their weapons!

"My huge concern," General Lawson concluded, "is that through this very ethereal thing that's called 'environmental concern,' we'll get off the track."