

# 'State of Emergency' national economic mobilization needed

by Marcia Merry

The earthquake in California and Arctic freeze across much of the United States in January show the need for a declaration of federal economic emergency, not merely "official state disaster" designations. What is required is a mobilization of the nation to begin to rebuild out of the wreckage that now characterizes the entire U.S. economy.

There are four main features of such an emergency program. First, a state of national economic emergency must be declared. Second, the federal government must nationalize the Federal Reserve System, the private agency acting to thwart the development of the economic base of the country. Third, a national program of large-scale infrastructure and development projects in the areas of energy production, water, transportation, education, and health care must be undertaken, and a list of priority rebuilding projects for the worst-hit "natural" disaster areas must be begun. Fourth, restructuring and moratoriums on repayment of international and domestic debt, in order to facilitate private industrial, agricultural, and related enterprises, and research and development efforts, must be implemented. Here we outline the infrastructure development effort.

## No ordinary 'relief' effort

Only by means of this overall economic mobilization will the "relief" be possible for the disaster-struck regions—the California earthquake zone; the Mississippi-Missouri flood zone; the hurricane zones. There are specific, immediate requirements for each region, as indicated in other sections of this report. However, no significant rebuilding can take place without a revitalization of the economic base of the nation.

This in turn addresses the issues, raised by some in the incoming Congress and by President Clinton in his Jan. 25 State of the Union address, of how to solve the problems of unemployment, crime, and despair now taking the nation down. An infrastructure-led rebuilding program will involve the direct and indirect creation of at least 6 million skilled jobs, and another 2-4 million jobs of all kinds.

Look at Los Angeles: Even without the Jan. 17 quake, which measured 6.6 on the Richter scale, the region has been rocked by the loss of 202,000 highly skilled aerospace jobs in only the last five years.

Look at the 10-state region in the upper Mississippi-Missouri river basin: Even before the once-in-500-years flood of

1993, rural counties had been hit so hard by financial ruin of family farms, shutdown of independent food-processing operations, and of farm machinery manufacturing and related services, that hundreds of counties have become depopulated, and once-thriving cities are ghost towns.

Is an infrastructure and jobs mobilization "practical"? The answer to that is posed by the questions: Is clean water practical? Is housing practical? Is food practical? Is living out a full life span practical? Are families practical? The Federal Reserve has said no. Such demands are too costly and impractical.

## Will the public force the issue?

In contrast, national leadership groups have been issuing reports on the disastrous state of nation, and the need to take action. The important question is, when will the public force the issue, and the groundbreaking begin?

In winter 1992, the National Conference of Mayors issued a two-volume, twin-telephone book-size report called "Ready-To-Go Projects," which outlined projects that could be started immediately in cities across the country for transport, water, health, education, and other infrastructure and urban services. Next to none has been completed. In December 1993, the National Conference of Mayors issued another report, documenting the growing joblessness, homelessness, and hunger in the cities. The worst rate of decline was found to be in Los Angeles—before the earthquake.

The mayors thought that after the 1982 U.S. recession, when they formed an ad hoc committee to report on the urban impact of the downturn, that the situation would be temporary and would "clear up." Today, as the mayors issue their 11th annual homelessness report, the situation has reached crisis proportions. The "State of Black America," released in January by the Urban League, paints the same picture.

To deal with the crisis, economist Lyndon LaRouche offered an emergency "recovery" program of the type outlined above on a national half-hour television broadcast on March 6, 1992. LaRouche conducted a campaign for President based on this emergency program, along with his vice-presidential running-mate Rev. James Luther Bevel, an associate of Dr. Martin Luther King and a long-time civil rights leader in the fight for economic justice. The program was published in thousands of copies as a book, *The LaRouche*



*A U.S. Army Corps of Engineers water project at Applegate Lake in Oregon. The Corps has the know-how to carry out an emergency infrastructure reconstruction program; now, it must be put to use in a combined public-private effort.*

*Bevel Program to Save the Nation; Reversing 30 Years of Post-Industrial Suicide* (Leesburg, Va.: Independents for Economic Recovery, LaRouche for President, 1992).

## No quick fix

Below is a summary of the key points of the LaRouche-Bevel physical infrastructure program required for the national emergency we face today. What is clear is that there is no physical output capacity for a “quick fix” for the nation’s infrastructure deficit. For example, to resume building needed nuclear-powered electric-generating capacity, and nuclear-powered desalination plants, requires in turn a steel output capacity that must itself be increased. In the meantime, increased electricity generation can be obtained by selectively installing more advanced magnetohydrodynamic systems to “top-off” more power from existing coal-fired plants.

There are dozens of similar examples in terms of short- to medium-term improvements for transport, water, housing, education, and health services. For example, parts of the vast floorspace of overbuilt commercial structures (malls and office blocks) can be selectively turned into multiple housing units. The tricks of the trade for these conversions were perfected as nineteenth-century factory buildings were converted to condominiums when urban centers were gentrified over the 1980s, often displacing thousands of families. Now it’s time to put these methods to good use.

But such steps do not obviate the approach required, which is that of the World War II-style War Mobilization Board, under which a demobilized, depressed economy was converted into a production machine. From that perspective, these are the guidelines for infrastructure needs.

## ‘Create’ new water supplies

Some foolish people think that the water supply shortages now hitting many states, especially California, are somehow predetermined by nature. Nothing is further from the truth. What is required is to start up the long-delayed water improvement and nuclear-powered desalination programs to “create” new volumes of usable water, and to reverse the ecological decline otherwise occurring.

People also think that broken water pipes and floods in the winter are inevitable. Again, foolish thinking.

Here are the key points of the national water infrastructure development program:

**Desalination.** The Atlantic and Pacific Oceans and the Gulf of Mexico constitute “reservoirs” of virtually limitless capacity, given the installation of advanced technology nuclear desalination facilities—the modular high-temperature gas-cooled reactor (MHTGR) design. If these plants are sited at key points along the Pacific, Gulf of Mexico, and Atlantic coastlines, their sweetwater output can reverse the water shortages and ecological degradation (such as saltwater intrusion into coastal aquifers) now taking place.

The Metropolitan Water District of Southern California, which is bigger than many nation’s water systems, has before it a custom design by General Atomics for an MHTGR modular installation that could produce 106 million gallons of fresh water a day, in addition to 466 megawatts (MW) net electric power output. This prototype is adaptable for other locations.

**Nawapa.** The northwest region of North America receives about one-quarter of all the rain and snow hitting the continent. A plan, the North American Water and Power Alliance, developed in the 1960s by Los Angeles engineer Ralph Parsons, would divert 15% of this flow (now draining northward) into a 500-mile by up to 10-mile-wide natural reservoir called the Rocky Mountain Trench, through British Columbia, thence southward to provide water to the Canadian prairie provinces and Great Plains states, and to the Southwest, including Mexico.

An additional 135 billion gallons a day could be provided to the United States, and additional volumes to Canada and Mexico.

Construction time is estimated at 10-20 years, depending on techniques used. The project should proceed in three phases, so that the benefits of each stage lay the groundwork for succeeding development. Phase 1: Sending water eastward across the Canadian Plains provinces, providing water for irrigation there as well as navigable channels that would connect the Pacific Ocean to the Great Lakes, allowing for the regulation of the Great Lakes and St. Lawrence Seaway

levels for the first time. Phase 2: Sending water southeast across Montana and the Dakotas, where it would recharge the depleted Ogallala Aquifer on the High Plains, augment the flow of the Missouri and Mississippi rivers, and link the Canadian Plains with the Mississippi by a navigable canal. Phase 3: Channeling water to the Southwest.

**Regional projects.** The arbitrary bans, imposed in the false name of "environmentalism," must be lifted on tapping such flows as, for example, the runoff of the northern California rivers, now going out to sea unused.

Repair and replace local water systems. If you look at the United States in terms of its 18 continental hydrological regions, broken down further into 314 sub-basins, and look at the overlay of population concentrations, you can see systematically what kind of water and sewage treatment is needed to meet use needs and maintain the environment in an improved condition. For example, some 35 million people are located in the Mid-Atlantic hydrologic region.

The task is to make repairs and replacements in the water and sewage treatment facilities wherever needed, on a priority timetable. In this century, most treatment facilities have been built with an intended life span of 50 years, and with a built-in projection for serving two to three times the number of users served when first opened. However, these constraints have been exceeded in thousands of locations. Break-downs are routine, and therefore, the Arctic freeze caused water emergencies.

### **Build railways, waterways, highways**

The transportation network is to the economy as a whole what the arteries and veins of the circulatory system are to the body. It must be capable of moving goods and people where they are needed, in the most timely and efficient way. By the end of the 1980s, the U.S. transport network as a whole was moving about 5 billion tons of goods through the economy every year—about 56 tons of goods moved through the economy for each household in the nation. In fact, not since the 1950s has the per-household volume of goods shipped been so low. Moreover, the goods are moving in the most energy-wasteful and environmentally destructive way. Shipments by truck, the least efficient, account for over 40% of the total, while shipments by rail account for about 28%, pipelines for about 17%, and waterways only about 12%.

Alongside this, the passenger transport system is in disarray. Total rail length in the country has declined by 25% (for both freight and passenger service) over the past 25 years. Highways are full of pot-holes, collapsing bridges, and congestion. Air transport is more dangerous, congested, and less convenient.

**How to rebuild.** The cheapest mode of transportation is by water, but waterborne commerce is slower, such that the mode is suited to movements of those bulk goods, such as coal and grain, which do not require speedy delivery.

For most other purposes, rail ought to be the mode of

choice. The standard for assessing relative costs is provided by the measurement of how many tons each mode can move how many miles in an hour. On this basis, a two-track railroad operating three trains an hour at only 60 miles per hour (mph), moves the same bulk of goods as far in an hour as a fleet of 330 trucks of 20-ton size driven at 60 mph for an hour. High-speed rail systems can function for passenger traffic at speeds in the range of 200 mph.

The United States should undertake to develop such high-speed rail systems, with the objective of rebuilding the railroad system as the freight mover of choice. This high-speed rail network should be interfaced with water transport, though ocean and internal waterway ports, to take advantage of the benefits of both modes for rebuilding the country's industrial base.

The rebuilding program for the nation's transport grid should begin with the flood-ravaged Midwest, the depression-ravaged Eastern Seaboard, and the area in between known as the "rust belt," bounded by the Mississippi and Ohio rivers, and southward to the region of the Tennessee and Tombigbee rivers.

**Maglev.** The revolutionary technology called magnetically levitated trains should be the centerpiece of the rebuilding of the national transportation system, by installation on key links in the grid to allow high-speed passenger traffic and eventually to accommodate high-value freight. The 900-mile journey from New York to Chicago could be completed in three hours. And there are no problems with freezing and cracking of the tracks such as during January's Arctic cold snap. Maglev systems would pay for themselves in wasted passenger-hours saved. Estimates are that \$40 billion of economic value is lost to traffic delays in the nation's eight most congested urban centers—a sum which could finance the construction of 3,000 miles of maglev networks every year.

### **Go nuclear**

By the end of the 1980s, the North America Electric Reliability Council (NERC) had estimated that, with approximately 2% annual growth in demand for electricity, 200-300 gigawatts of generating capacity (a gigawatt is approximately enough energy to supply a city of 1 million people) would have to be added to the inventory of generating equipment. But by now, less than one-third of that, or 86 gigawatts, can be accounted for as planned, of which 28.7 gigawatts were under construction as of the early 1990s. With a 10-year lead time to complete construction of even a coal-fired generating plant, no wonder that the blackouts are here—with or without an Arctic freeze.

**Restore nuclear industry.** What is needed is the establishment of an industry for the mass production of modular nuclear plants, such as the modular high-temperature gas-cooled reactor proposed by General Atomics. Development of our nuclear fission capabilities will provide the bridge to nuclear fusion, the energy source of the twenty-first century.