

## TRENDEVENTS — NOVEMBER 2006

**U.S. Rules Allow the Sale of Chemical-laden products** — Banned by Other Nations to be Sold in the U.S., by Marla Cone — *Los Angeles Times*, October 8, 2006  
[\[http://www.grist.org/cgi-bin/forward.pl?forward\\_id=7819\]](http://www.grist.org/cgi-bin/forward.pl?forward_id=7819)

As the European Union and other nations have tightened their environmental standards, mostly in the last two years, manufacturers — here and around the world — are selling goods to American consumers that fail to meet other nations' stringent laws for toxic chemicals.

To protect their citizens from dangerous chemicals, the European Union, Japan, and other nations have tightened their environmental standards for hundreds of manufactured products in recent years. Meanwhile, the U.S. EPA hasn't restricted any industrial compounds since an unsuccessful attempt to ban asbestos 18 years ago, and Americans continue to be sold products that wouldn't pass muster in many other parts of the world — wood, toys, electronics, and cosmetics containing chemicals that raise the risk of cancer, disrupt hormonal systems, or cause reproductive or neurological damage.

Michael Wilson, a professor of occupational and environmental health, says the U.S. has become a "dumping ground" for goods unwanted elsewhere. Take plywood, for example. Last year, China exported more than half a billion dollars worth of hardwood plywood to the U.S., enough to build cabinets for 2 million kitchens. Most of it was so heavily tainted with formaldehyde that it couldn't even legally be sold in China, let alone in Europe or Japan.

In the absence of U.S. regulations, some international corporations, including Hewlett-Packard, Dell, Mattel, Revlon, and Orly International, have declared that all their products, no matter where they are made or sold, will comply with EU standards, the most stringent chemical laws in the world.

"We don't operate to different standards in different parts of the globe, regardless of differing environmental standards," said John Frey, manager at Palo Alto-based Hewlett-Packard, but many U.S. and foreign companies do.

Some toys, nail polishes, and other beauty products are made with plastic softeners and solvents called phthalates that the EU has banned as reproductive toxins. Several of U.S. agriculture's most popular herbicides and insecticides, including *atrazine*, *endosulfan*, and *aldicarb*, are illegal or restricted to emergency uses in other countries; and a few electronic items, including Palm's Treo 650 smart phone and Apple's iSight camera, were pulled off shelves in Europe this summer because of lead components, but are still sold here.

The EPA hasn't eliminated any industrial compounds since it sought unsuccessfully to ban asbestos 18 years ago. Unlike EU policies, U.S. law requires the EPA to prove a toxic substance "presents an unreasonable risk of injury to health or the environment," consider the costs of restricting its use, and choose "the least burdensome" approach to regulate industry.

"The dumping problem is concentrated in a few product sectors, but these sectors happen to be really ubiquitous in the everyday lives of Americans. Chemical risks are being spread all over the country in ways that are invisible to consumers," said Alastair Iles, an international chemical policy expert who was a research fellow at UC Berkeley and still works with faculty there on consumer issues.

Last year alone, China exported to the United States more than half a billion dollars' worth of hardwood plywood — enough to build cabinets for 2 million kitchens, a sixfold increase since 2002. Though China sends low-formaldehyde timber to Japan and Europe, Americans are getting wood that emits substantially higher levels of the chemical.

One birch plank from China, bought at a Home Depot store in Portland, gave off 100 times more formaldehyde than legal in Japan and 30 times more than allowed in Europe and China, according to July tests conducted by a lab hired by an Oregon-based wood products manufacturer. Formaldehyde exposure has been shown in human studies to cause nose and throat cancer and possibly leukemia, as well as allergic reactions, asthma attacks, headaches, and sore throats. With no government standards, monitoring, or labeling, U.S. consumers cannot easily identify chemical-free products.

"I'll guarantee you that no one tells a customer building a \$75,000 kitchen that their cabinets contain plywood from China that will off-gas formaldehyde," said Larry Percivalle of Oakland-based EarthSource Forest Products, a distributor that sells low-formaldehyde and sustainably grown wood.

In the wood industry, even though low-cost, chemical-free substitutes are available, much of the plywood, fiberboard, and particleboard sold in the United States is manufactured with adhesives or glues that contain formaldehyde, said Michael Wolfe, a wood products consultant in Emeryville, CA. The only formaldehyde standard for wood in the U.S. is one that applies just to subsidized, low-income housing. U.S. companies voluntarily meet it for all products, though it allows 10 times more formaldehyde than Japan's standards.

California may step in. The Air Resources Board is considering standards roughly equivalent to Europe's for 2008 and Japan's for 2010 through 2012. The air board estimates that one of every 10,000 Californians is at risk of contracting cancer from breathing average formaldehyde levels found in homes and offices. "We have a problem that needs to be addressed, we have technology to do it, and there is no requirement for it to happen. Nationally, no one is stepping forward, so we think this is an area where we can," said Mike Scheible, the air board's deputy executive officer.

Columbia Forest Products, which spent \$8 million to switch all its factories to nontoxic glues made of soy flour, says it is being hurt by the lack of U.S. standards for wood. "While I believe in free trade, I also believe that everybody ought to be held to the same standard," said Harry Demorest, the Portland-based company's president and chief executive. "It's particularly galling and frustrating in the Chinese case, when they're taking our market with products that have high-formaldehyde content when we know full well that they can produce it with lower formaldehyde." Despite its capital investment, Columbia, which is North America's largest producer of hardwood plywood and veneer, has not raised its prices to compensate, because the soy glues are as inexpensive as formaldehyde glues, Demorest said.

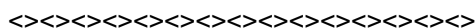
The state air board estimates that switching to formaldehyde-free glues like those required in Japan would increase the price of a sheet of particleboard from today's \$7 to about \$9 in 2010. California's proposal is opposed by nearly all wood producers, who say it could drive them out of business if they are forced to do what Columbia did. "The entire industry is not ready to make this change. Today, we could not be competitive by changing resins," said Darrell Keeling, a general manager at Roseburg Forest Products in Oregon.

Keeling said his company makes some low-formaldehyde products but most customers aren't interested because they cost more. "Even though people talk green and think green, they won't demonstrate their commitment to it with their wallet," he said. "More regulation and more bureaucracy is not the best way to drive change."

But selling products with risky chemicals to Americans while removing them for consumers elsewhere is shortsighted, said Robert Donkers, the European Commission's Environmental Counselor in Washington, D.C.

"If companies decide to wait and see rather than innovate, they will lose the market," he said. "American consumers follow closely what is happening in other parts of the world. So they can say, 'Hey, you make them in Europe, why don't you sell them to us?' Legally, you can still use these chemicals, but you're not doing your company any favors."

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**Gaia Scientist Lovelock Predicts Planetary Wipeout**, By Jeremy Lovell — *Reuters*, November 29, 2006

LONDON — The earth has a fever that could boost temperatures by 8 degrees Celsius making large parts of the surface uninhabitable and threatening billions of peoples' lives, a controversial climate scientist said on Tuesday.

James Lovelock, who angered climate scientists with his Gaia theory of a living planet and then alienated environmentalists by backing nuclear power, said a traumatized earth might only be able to support less than a tenth of its 6 billion people.

"We are not all doomed. An awful lot of people will die, but I don't see the species dying out," he told a news conference. "A hot earth couldn't support much over 500 million."

"Almost all of the systems that have been looked at are in positive feedback ... and soon those effects will be larger than any of the effects of carbon dioxide emissions from industry and so on around the world," he added.

Scientists say that global warming due to carbon emissions from burning fossil fuels for power and transport could boost average temperatures by up to 6 degrees C by the end of the century, causing floods, famines, and violent storms. But they also say that tough action now to cut carbon emissions could stop atmospheric concentrations of CO<sub>2</sub> hitting 450 parts per million — equivalent to a temperature rise of 2 degrees C from pre-industrial levels — and save the planet.

Lovelock said temperature rises of up to 8 degrees C were already built in, and while efforts to curb it were morally commendable, they were wasted.

"It is a bit like if your kidneys fail you can go on dialysis — and who would refuse dialysis if death is the alternative. We should think of it in that context," he said, "but remember that all they are doing is buying us time, no more. The problems go on," he added.

**REFUGE**

Lovelock adopted the name Gaia, the Greek mother earth goddess, in the 1960s to apply to his then revolutionary theory that the earth functions as a single, self-sustaining organism. His theory is now widely accepted.

In London to give a lecture on the environment to the Institution of Chemical Engineers, he said the planet had survived dramatic climate change at least seven times... "In the change from the last Ice Age to now we lost land equivalent to the continent of Africa beneath the sea," he said. "We are facing things just as bad or worse than that during this century."

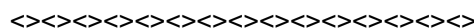
"There are refuges, plenty of them. Fifty-five million years ago ... life moved up to the Arctic, stayed there during the course of it, and then moved back again as things improved. I fear that this is what we may have to do," he added.

Lovelock said the United States, which has rejected the Kyoto Protocol on cutting carbon emissions, wrongly believed there was a technological solution, while booming economies China and India were out of control.

China is building a coal-fired power station a week to feed rampant demand, and India's economy is likewise surging.

If either suddenly decided to stop their carbon-fueled development to lift their billions of people out of poverty, they would face a revolution; yet, if they continued, rising CO<sub>2</sub> and temperatures would kill off plants and produce famine, he said.

"If climate change goes on course ... I can't see China being able to produce enough food by the middle of the century to support its people. They will have to move somewhere and Siberia is empty and it will be warmer then," he said.



**THE NEW WORLD DISORDER**, Mexico megaport plan key to "NAFTA superhighways Facility" to be linked by railroad to U.S., serve as hub for more Chinese goods — *WorldNetDaily.com*, October 7, 2006

WASHINGTON — There are mixed signals coming from Mexico about the fate of a proposed megaport in Baja California for mainly Chinese goods that would be shipped on rail lines and "NAFTA superhighways" running through the U.S. to Canada.

The port at Punta Colonet, planned as a major container facility to transfer Asian goods into America's heartland, got at least a temporary setback when a Mexican businessman announced a competing project in which he was seeking to secure mineral rights in the area.

Gabriel Chavez, originally one of the principal movers behind the port plan, now says there are significant amounts of titanium and iron to be mined offshore — a project he considers more important than the port. Mexican ports czar Cesar Patricio Reyes placed a moratorium on further work toward port planning for three or four months while the government explores ways to make everyone happy.

It is no secret the Mexican government is still committed to the port plan. A map from the Atlantic Institute for Market Studies shows the proposed goods route into a North American community. According to transportation officials in Arizona, one of the sites considered for a rail line from Punta Colonet, the Mexican government has released an official directive stating its intention to create a new marine facility there — about 150 miles south of the U.S. border.

When completed, the port at Punta Colonet is expected to rival the biggest West Coast ports in Los Angeles and Long Beach, both heavily congested now. Bringing goods into a Mexican port would mean lower costs for foreign shippers because of cheaper labor and less restrictive environmental regulations. Hutchison Ports Mexico, a subsidiary of the Chinese company Hutchison Whampoa Ltd., is keeping reports about progress on the venture close to the vest.

Only recently has the port become a source of controversy in the U.S. as Americans begin questioning highway and rail projects crisscrossing the country — many of which are designed to carry products from Mexico to the U.S. and Canada on the so-called "NAFTA superhighways."

Resentment is building inside the U.S. because of what appear to be secretive plans made outside normal government policymaking channels about immigration, border policies, transportation, and integration of the three North American nations.

Transportation Secretary Maria Cino has promised to release plans within months for a one-year NAFTA pilot program permitting Mexican truckers beyond the limited commercial zone to which they are currently restricted. The program will likely involve about 100 Mexican trucking companies, the Department of Transportation says.

Under the North American Free Trade Agreement (NAFTA), the borders were to open partially to truckers from both countries in 1995. Full access was promised by 2000. Because of the restrictions on Mexican trucks, the Mexican government has imposed limits on U.S. truckers. The U.S. restrictions were placed by the Clinton administration in response to demands from the Teamsters Union, which said Mexican trucks posed safety and environmental risks. Currently, the U.S. permits Mexican truckers only in commercial zones close to the border that extend no farther than 20 miles from Mexico.

While the American Trucking Association supports opening the border, other unions have joined in opposition with the Teamsters. The Owner-Operator Independent Drivers Association came out this month in opposition to any Mexican truck pilot program. Todd Spencer, the association's executive vice president, said the program would jeopardize safety on U.S. roads and would lead to an influx of cheap Mexican labor.

"A move by the U.S. Department of Transportation to open U.S. roadways to Mexican trucks puts the interest of foreign trade and cheap labor ahead of everything else, including highway safety, homeland security, and the well-being of hardworking Americans," Spencer said. In a letter to the Interstate Trade Commission, Spencer wrote: "The net effect of admission of Mexican trucks into the U.S. marketplace would undoubtedly be negative. The supposed benefits to consumers from speculative reductions in shipping rates would be offset by the societal costs that are difficult to measure, but are easy to identify."

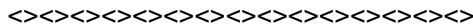
Raising more suspicions that such plans are leading to a future integration of the U.S., Canada, and Mexico, a high-level, top-secret meeting of the North American Forum took place this month in Banff, with topics ranging from "A Vision for North America," "Opportunities for Security Cooperation," and "Demographic and Social Dimensions of North American Integration."

Despite "confirmed" participants, including Defense Secretary Donald Rumsfeld, former Secretary of State George Shultz, former Central Intelligence Agency Director R. James Woolsey, former Immigration and Naturalization Services Director Doris Meissner, North American Union guru Robert Pastor, former Defense Secretary William Perry, former Energy Secretary and Defense Secretary James Schlesinger, and top officials of both Mexico and Canada, there has been no press coverage of the event. The only media member scheduled to appear at the event, according to documents obtained by WND, was the *Wall Street Journal's* Mary Anastasia O'Grady.

The event was organized by the Canadian Council of Chief Executives and the Canada West Foundation, an Alberta think tank that promotes closer economic integration with the United States. The Canadian event is just the latest of a series of meetings, policy papers, and directives that have citizens, officials, and members of the media wondering whether these efforts represent some sort of coordinated effort to implement a "merger" some have characterized as "NAFTA on steroids."

Last week, government documents released by a Freedom of Information Act request revealed the Bush administration is running what some observers see as a "shadow government" with Mexico and Canada in which the U.S. is crafting a broad range of policy in conjunction with its neighbors to the north and south.

Related offers: For a comprehensive look at the U.S. government's plan to integrate the U.S., Mexico, and Canada into a North American superstate — guided by the powerful but secretive Council on Foreign Relations — read "ALIEN NATION: SECRETS OF THE INVASION," a special edition of WND's acclaimed monthly *Whistleblower* magazine. (Get Tom Tancredo's new book, "In Mortal Danger.")



**WWF Warns Of Dire Impact From Global Over-Consumption**, by Peter Capella — Geneva (AFP), Oct. 24, 2006  
[[http://www.terradaaily.com/reports/WWF\\_Warns\\_Of\\_Dire\\_Impact\\_From\\_Global\\_Over\\_Consumption\\_999.html](http://www.terradaaily.com/reports/WWF_Warns_Of_Dire_Impact_From_Global_Over_Consumption_999.html)]

The world's population will be using twice as many resources as the planet can produce within 50 years unless there is immediate change in the way humanity lives, the environmental group World Wildlife Fund (WWF) said in a report released on Tuesday. "We are in serious ecological overshoot, consuming resources faster than the earth can replace them," said WWF Director General James Leape. "The consequences of this are predictable and dire."

"The cities, power plants, and homes we build today will either lock society into damaging over-consumption beyond our lifetimes or begin to propel this and future generations towards sustainable living," he added.

The "Living Planet" report, a balance sheet of the world's environment published every other year, showed relentless growth in demand on the earth's capacity to produce clean air, and to provide raw materials, food, and energy.

Two years ago, the same report, based on 2001 data, said the world's population was already outstripping the earth's capacity to regenerate resources by just over 20 percent... The 2006 edition of the WWF report said that figure had risen to 25 percent in 2003... It added, humanity's "ecological footprint" tripled between 1961 and 2003, fueled largely by the use of fossil fuels such as oil and coal.

The WWF said carbon dioxide emissions from energy consumption were the fastest growing component of the index in that period, increasing more than ninefold... Meanwhile, a survey of animal life from 1970 to 2003 found that terrestrial species had declined by 31 percent, freshwater species by 28 percent, and marine species by 27 percent... "This global trend suggests that we are degrading natural ecosystems at a rate unprecedented in human history," the report said.

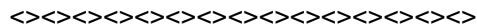
Each person occupies an "ecological footprint" equivalent to 2.2 hectares (5.4 acres) in terms of their capacity to pollute or consume energy and other resources including food, while the planet can only offer them 1.8 hectares each, according to the report... "Even moderate 'business as usual' is likely to accelerate these negative impacts," it said.

The United Arab Emirates (11.9 hectares per person) and the United States (9.6) again came at the top of the Living Planet's ranking of the environmental impact of countries, largely due to high energy consumption... Finland and Canada overtook oil-producing and oil-consuming Kuwait to take third and fourth place in the table... Like other Nordic nations, Finland has relatively low energy consumption, but its timber industry puts forests under strain, according to the WWF.

Australia, Estonia, Sweden, New Zealand, and Norway made up the rest of the top ten of national ecological footprints, followed by Denmark, France, Belgium, and Britain.

China's 1.2 billion people ranked 69th with a growing average footprint of 1.6 hectares. The WWF said the Asian giant's rapid economic development implied that it had "a key role in keeping the world on the path to sustainability."

The WWF's footprint for a country includes all the agricultural land, forest, and fishing areas required to produce the food, fibre, and timber it consumes... It also assesses a nation's capacity to absorb the amount of wastes it produces while generating energy, as well as the space needed for its infrastructure.  
Source: Agence France-Presse



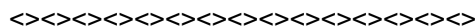
**Japan Hits Big Setbacks in Push for Energy — (China won Giant Natural Gas Source)**

Just five months after it was unveiled, Japan's ambitious 25-year plan to sharply increase oil and gas development is hitting snags, suggesting Tokyo may find it even harder than expected to stabilize the nation's future energy supply.

On Monday, Exxon/Mobil Corp. said it reached a preliminary agreement to sell natural gas from a giant project off Russia's Sakhalin Island to China, instead of to Japan as originally planned. This came several weeks after Russia ratcheted up regulatory pressure that could jeopardize another Sakhalin gas project in which the bulk of the planned output of nearly 10 million tons a year — about a fifth of Japan's current natural-gas imports — was destined for Japan.

Earlier this month, Iran canceled the right held by Inpex Holdings Inc., Japan's largest oil development company, to participate in a \$2 billion project in the Azadegan oil field. At its peak, the project was expected to meet as much as 6% of Japan's total demand for oil.

The developments are a blow to Japan, which had counted on the deals as a major component of its push to expand its access to energy. The world's second-largest national economy relies nearly entirely on imports for its oil and gas, making it vulnerable to swings in global oil prices or political tensions in energy-producing regions [[http://www.rigzone.com/news/article.asp?a\\_id=37447](http://www.rigzone.com/news/article.asp?a_id=37447)]



**Future is Made in China**, by Eric Margolis — *Toronto Sun* / Canada, November 12, 2006

While American voters were finally giving President George Bush and his southern-fried Republican Party a richly-deserved, long-overdue drubbing last week, I was off in China observing a nation that, while rigidly authoritarian, is at least governed by capable, intelligent people rather than the bungling politicians and crackpot ideologies that have run America onto the rocks.

Here in Beijing for my umpteenth visit since 1975, I've seen the future, and it still says, "Made in China." This gigantic metropolis of 25 million seemed destined to become the world's new capital city provided China's economy, still surging at over 10% per annum, remains strong, and political stability continues. Beijing's massive new skyscrapers, huge government blocks, broad, traffic-clogged avenues, and miasma of smog and dust give it the look of an imperial capital in a science fiction film. Last week Beijing staged a grandiose summit for 48 African leaders who received \$10 billion in aid from China's new leader, President Hu Jintao.

Energy-voracious China now gets 30% of its oil from Africa. Angola just passed Saudi Arabia as China's leading oil supplier. China is bent on securing the lion's share of Africa's supplies of oil and other strategic resources. China/Africa trade has surged 30% to \$50 billion in 2003. China's noninterference policy means its trade and aid come without strings, a major plus for authoritarian African regimes. At least China is not hypocritical. While Washington boycotts Sudan and Zimbabwe over human rights, it cozies up to other major violators like Egypt, Morocco, Algeria, and Tunisia.

The summit was a lavish spectacle, with convoys of bigwigs in limousines racing down the avenues, dancers, drummers, acrobats, small armies of tough security details, and regiments of China's feared paramilitary police, the Wujing, scowling at everyone... China announced a third-quarter trade surplus of \$102 billion (U.S.). Beijing's monetary reserves have finally topped \$1 trillion U.S., surpassing the former cash king, Japan.

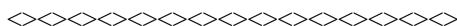
Beijing continues to finance America's spending binge by lending it billions. China's mammoth trade surplus, and a rising flood of foreign investment, has swamped the nation's banks with cash.

This, in turn, has fueled indiscriminate speculative investments, particularly in real estate, and a gold rush frenzy that often obscures China's solid economic development... This flood of hot money poses a serious danger. Indiscriminate investment leads to overproduction, which then causes a deflationary crisis that could end in financial meltdown. Japan experienced similar phenomena in the 1990s.

China's government has been struggling without much success to restrain this investment dragon. Beijing refuses, however, to allow its controlled, seriously undervalued currency, the yuan, to float, as its trade partners demand. The undervalued yuan has given China its huge surplus, the motor of growth that has pulled the nation out of poverty. China still needs to deal with hundreds of millions of struggling farmers, state industry workers, and unemployed; so, it refuses to allow the yuan to inch up by more than 5%. If the yuan were allowed to float, say Chinese bankers, people would rush to convert to dollars, causing a dire financial crisis...

### Too much cash

Anyway, argue Chinese officials, why should China pay the price for America's profligacy in refusing to save and running huge government deficits by revaluing the yuan? The U.S. Treasury is printing too much money in order to keep America's debt-ridden economy growing. Since 60% of all U.S. dollars end up abroad, the Bush administration's reckless spending and over-stimulative money policies have caused a dangerous worldwide cash flood and serious imbalances to the global economy.



**Air America's ABC Blacklist: The Real Story**, by Josh Silver and Robert W. McChesney —  
*CommonDreams.org*, November 3, 2006

This week we learned that some 90 major corporations demanded that their ads be pulled from radio stations that run Air America programming, demonstrating the fundamental challenge facing everyone working to promote critical journalism and a vibrant free press.

First off, let's clarify why this is taking place: The crime isn't that Air America is partisan. All or most of these firms advertise on politically conservative talk radio programs and/or stations, and the crime isn't even being "liberal." Some of these advertisers have moderate or liberal executives who donate to Democratic candidates and are far from rabid conservatives... So what is the problem? While "liberal" Air America clearly favors big "D" Democrats, unlike virtually all other programming on commercial radio and television, it gives air time to reports that are critical of corporations and the powerful politicians they keep in Washington.

This is the heart of the problem: Air America commits a crime called "journalism." Almost none of the so-called conservative radio shows or networks do any semblance of actual reporting. They merely pontificate — repeating talking points that seem to be e-mailed straight from Karl Rove's laptop. Air America does its share of pontificating as well, and we leave it to others to compare its integrity to that of Limbaugh and Hannity — but we can say that Air America journalism occasionally focuses on corporate malfeasance. It examines closely the deeply corrupt relationship between corporate power and government officials.



Every article in this November issue of the Trendevents, with the exception of “Air America’s Blacklist,” has China as the elephant in the room... In truth, the lack of stories regarding China’s unprecedented exponential growth, i.e., becoming second today in expressway miles in the world, closing in on the USA in only 7 years from nearly nothing. (This and other almost unbelievable growth achievements by China have been top stories in all previous Trendevents)... Howard Scott and the founders of Technocracy were well ahead in accurate predictions concerning the kind of future we face in this Price System.

The following 73-year-old statement by Technocracy’s co-founder and the newly-appointed Director in Chief (Howard Scott), is a dead-on accurate prediction of the world in which we will find ourselves if these trends continue. Energy wars are here now, but little is reported in the corporate-controlled press of today.

Air America’s News is head and shoulders above Reactionary News, for example, from Fox. But, keep in mind that both are paid to deliver their opposing Price System propaganda. For a non-political not for profit point of view investigate Technocracy’s New Web page, currently under reconstruction... Check it out: [www.technocracy.org](http://www.technocracy.org)

Any suggestions where Technocracy should place effective ads to lead others to our Web page? It has been suggested that advertising on the internet is far more cost effective when compared to newspapers and regular media. We are looking for suggestions... Do you have an outreach preference suggestion? **Contact us:** [CHQ111@aol.com](mailto:CHQ111@aol.com) or Continental Headquarters, Technocracy Inc., 2475 Harksell Rd., Ferndale, WA 98248



Excerpts from “**The Hotel Pierre Address**,” by Howard Scott, January 13, 1933 — Technocracy’s first official statement, broadcast by radio worldwide by invitation of the Academy of Arts and Sciences

On this Continent, a century ago, the log cabins of our forefathers required for their operation and maintenance only the simplest of waterwheels and windmills. There was no integration, no coordination, or synchronization. The individual ego could be exercised to the full, and each local area could be manipulated according to the whims of the individual operator. At this point we come to the basic question — the operation of a physical apparatus.

The law of impact states that when two oxcarts collide at three miles per hour there is no great danger of any serious results, and at this rate in an oxcart civilization you could do without good roads and stringent driving regulations. The driver could fall asleep, and even when awake required only moderate intelligence to prevent the mild order of disaster which might result from inattention; but increase the speed of the vehicle and the sequence of operations instantly changes. With a modern automobile, you require not only roads but good roads. You cannot drive at sixty miles an hour on blind earth; the faster your rate of motion, the smoother must be the path you traverse. Speeds of that order require a given curvature of road to prevent disaster, the maximum curvature possible for a road designed to carry traffic at any given speed can be determined in advance — and this determination will have no regard of the personal idiosyncrasies and capacities of the operator.

We have been experiencing a change in the magnitude of social operations due to the accelerating rate of doing work on this Continent. For precisely the same reasons, we must consider quantitatively, without personal allowances, the proper conditions under which this work may be accomplished smoothly.

It has often been said that if we could take the Chinese and somehow raise them bodily to the standard of living that prevails on the American Continent, not only China and the Orient would be benefited thereby, but prosperity would return to the United States and the Occident. Such reasoning is characteristic of the present confusion in social thinking which is still based upon the classical economics of human labor and “value.” When, however, one realizes that prior to 1830, we — on this Continent and everywhere else in the world, consumed not over 2,000 kilogram-calories of extraneous energy per capita per day, and that in 1929, we — on this Continent alone, consumed a maximum of 154,000 kilogram-calories of extraneous energy per capita per day. When we realize

this, the problem of China takes on a new and unsuspected aspect. In brief, in order to raise the standard of living of China to the present level of the North American Continent it would be necessary to expend two-and-one-half times the total energy consumed by the entire globe in 1929 — a little puzzle which we may reasonably doubt even the capacity of the Chinese to solve.

Now, in 1933, after three years of the most unprecedented conditions that this country has ever known, when the oscillations of production have gone to greater extremes than have ever been witnessed in any preceding depression, we find ourselves with more unemployed than we had total population a century ago. Each succeeding declination in the production curves of pig iron or of almost any other major industrial commodity swings lower, calling more forcibly to our attention the problems peculiar to a society increasingly dependent upon the correct operation of its physical equipment. It is these problems which Technocracy now poses, stating in particular that the continued substitution of physical energy for man-hours results, not in technological unemployment but in a reduction of total employment and of total purchasing power.

Granting this inexorable replacement of human labor by physical energy, Technocracy makes the further statement that such a condition brings the social mechanism of this Continent into sharp conflict with the interference control vested in the Price System of production. The Price System, which we have defined as “any exchange or energy flow control founded upon a commodity valuation,” originated under those social conditions where human labor was the prime factor in the performance of work and the creation of wealth. The “values” upon which this system rests and by which alone it may continue to function might be described as the condensation of human perspiration. Once you eliminate that — when sheer human toil becomes functionally insignificant — you have struck at the very heart of the Price System whose fundamental postulate is the continuance of man-hours as an appreciable factor in the total energy consumed by society. You cannot continue to eliminate man-hours and expect the Price System to remain stable: It will go out of balance in proportion to the rate of social change, and social change is here quantitatively defined as proportional to the rate of substitution of extraneous physical energy for man-hours in the operation and maintenance of an industrial social mechanism.

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