

Bourne 'Pillgate' Scandal Aimed At Carter's Head

Open proposals of "Cartergate" are proliferating from both "left" and "right" U.S. press in the wake of the resignation of Dr. Peter Bourne, the White House advisor on drug abuse.

The Bourne case, wrote conservative columnist Patrick Buchanan in the July 27 *New York Daily News*, "could be the thread which, drawn, could unravel the Carter administration." In the same day's *Baltimore Sun*, liberal Joseph Kraft reported "wide rumors" that "there is more to the story of drugs at the White House" and speculated that "the President will have to take very strong action."

As every informed Washington source knows, the Bourne affair was a deliberate political setup from the beginning. Peter Bourne is a British-born, Oxford-trained psychiatrist previously on record as supporting the United Kingdom's system of legalized heroin distribution. He is also a vocal advocate of the "decriminalization" of marijuana pushed by the National Organization for the Reform of the Marijuana Laws (NORML), sometimes referred to as the "Pot Lobby."

Eighteen months ago the U.S. Labor Party exposed the details of Bourne's unsavory career in testimony at Senate hearings on his appointment.

As Kraft points out however, the Carter Administration as a whole is by no means committed to the "end of prohibition" and full-scale legalization and "regulation" of the drug culture of which decriminalization of marijuana is the first step. "It was certainly no accident,"

says Kraft, that Bourne was quickly exposed through leaks to the press for writing a prescription for a powerful sedative Quaalude for his executive assistant, whose identity he tried to mask by using a fictitious name.

Moreover, stories that Bourne and other White House staff members sniffed cocaine and smoked pot, "were substantiated by NORML officials in the apparent hope of nailing...an Administration waffling on its previous stand in favor of decriminalizing marijuana," Kraft reports. Bourne himself was quoted in the press that there was "a high incidence" of marijuana usage in the White House.

The White House partially "detoxified" the Bourne case by forcing Bourne's resignation, and Carter himself issued a strong memorandum on illegal drug use to all White House employees. The President warned that he expected "every member of the White House staff to obey the law...You will obey it, or you will seek employment elsewhere." In a subsequent press conference, the President stated emphatically that he did not support the growth or use of marijuana, and praised the efforts of Mexican President Lopez Portillo for helping to stop marijuana — and heroin-running into the U.S.

Nevertheless, press furor escalated from such well-known London conduits as *New York Times* columnist William Safire and the *Washington Post's* Jack Anderson and Mary McGrory.

Meanwhile, environmentalist Sen. Charles Percy (R-Ill.) pushed the "Pot Lobby's" cause ahead by pushing a bill through the Senate to prevent U.S. funds from being used in anti-drug programs abroad where paraquat, a weed-killer, is sprayed on fields of marijuana. The "Pot Lobby" claims that paraquat harms pot-smokers who obtain the sprayed weed, and should, therefore, be banned.

Carter Considering Japanese Fusion Offer?

London replies: no need for A-power with Mexican oil

The Carter Administration this week formed an inter-agency Ad Hoc Committee to make a formal reply to the recent Japanese proposal for a joint U.S.-Japanese research effort in developing the most advanced form of energy, thermonuclear fusion power.

ENERGY

The formation of the committee is one of several indications that President Carter may be taking seriously the communiqué issued by the seven-nation July 16-17 Bonn summit meet, proclaiming the indispensable role of nuclear energy development to world economic growth. (For the text of the communiqué, see this week's SPECIAL REPORT.)

During the Bonn proceedings, Carter met with Japanese Prime Minister Takeo Fukuda to discuss the merits of U.S.-Japanese collaboration on nuclear research, expressed two months ago in a Japanese plan for a billion dollar joint fusion effort as an immediate goal.

Partially in answer to this emerging shift in Administration thinking, a network of individuals and organizations who in the past have been prominent promoters of "energy scarcity" scenarios — including Senator Edward Kennedy, the *Washington Post*, and the select British-linked zero-growth planning agency known as the Aspen Institute — are suddenly trumpeting that Mexico's new oil fields, among new finds elsewhere, invalidate Energy Secretary James Schlesinger's "oil crisis" forecasts for the early 1980s.

Their goal, as expressed by Aspen and the *Washington Post*, is to use the enormous Mexican reserves to argue

that there is no longer any need to proceed with nuclear development, at least not for a decade.

The Mexico City daily *Uno Mas Uno* has placed Mexico's proven reserves — in figures reportedly to be revealed at the end of the year — at 40 billion barrels and "probable" reserves at 280 billion barrels! This would surpass Saudi Arabia's estimated reserves and place Mexico as the world's largest potential oil power.

But this London-based "energy turnaround" assessment has more objectives than just keeping Carter from moving to implement the Bonn nuclear commitment. It is an attempt to "judo" the widespread dissatisfaction with Schlesinger in U.S. industrial and oil quarters, to keep the U.S. energy industry from hooking into the world development arrangements emerging from Bonn and particularly the strategy of "nuplex" export, as outlined recently by U.S. Labor Party chairman Lyndon LaRouche.

At the same time, it is designed to bring Mexico into an anti-nuclear "oil pact" with the U.S. which, it is hoped, would pull Mexico out of its aggressive international coordination with the European-Japanese break toward a new monetary system. Finally, the sponsors of this "turnaround" are making no bones about their hope to turn Mexico's oil to account as a weapon against the Organization of Petroleum Exporting Countries (OPEC).

The Administration Takes Stock

The new Ad Hoc Committee, with representatives from the Department of Energy, State Department and National Science Foundation, will formulate a reply to

State Department Gives Green Light To Mexico Gas Talks

The State Department has authorized six U.S. gas companies to reinstate gas negotiations with Mexico's national oil company, Pemex, authoritative sources confirmed to NSIPS this week. State's green light can only mean willingness to accept Mexico's pricing formula, which currently works out to \$4.60 per thousand cubic feet. The talks collapsed last Dec. 20 when U.S. Energy Secretary Schlesinger called top Mexican officials to Washington to personally tell them that he was unalterably opposed to Mexico's price formula.

Mexico, however, has sent back a firm "not interested" reply. After Schlesinger brushed Mexico aside last winter, it adopted a strategy of absorbing the gas domestically and freeing additional amounts of oil for export at the high international price levels. This strategy, keyed to a national gas distribution grid which will establish multiple new industrial centers across the country, is now in the implementation stage and Mexico is showing no hurry to change its plans once again. As Pemex director Jorge Diaz Serrano told the *New York Times* at the beginning of the month, "They thought we were joking. We were not joking."

the Japanese offer by the end of July. A meeting to discuss details of an arrangement between the two countries is tentatively scheduled for late August.

Progress toward U.S.-Japan fusion collaboration follows reports from informed sources within the Department of Energy (DOE) that Energy Secretary Schlesinger, until now an opponent of fusion funding, has been persuaded to reverse his opposition and give support to broadbased recommendations within the DOE and from the scientific community that the DOE fusion budget not be cut from minimal funding levels.

Toward Breakeven

The DOE 1980 budget request for magnetic fusion is expected to be about \$365 million with funding for laser fusion at the \$130 million level. This minimal funding would provide sufficient funds to continue the major fusion research projects such as the Princeton TFTR upgrade, the Livermore Shiva-Nova laser upgrade and the Los Alamos breakeven Antares carbon dioxide laser, and keep alive a broadbased scientific research program in fusion and related plasma physics.

An Advisory Group commissioned by the White House Science and Technology Policy head Dr. Frank Press has issued a report calling for support of fusion development in anticipation of greater government emphasis on basic Research and Development. The report emphasizes streamlining research in advanced fossil fuels and fusion energy, warning that it is "unlikely that solar power stations can make a significant contribution to our energy needs before the turn of the century." The report concludes with a call for increased basic research, noting "the dearth of basic research is especially evident in the DOE's solar and fossil fuel programs," and recommending that "each Assistant Secretary should include a basic research category within his budget."

At the same time, reliable sources report that a top White House energy spokesman told a closed-door meeting of leading U.S. nuclear industry figures that the President is developing a more positive attitude toward nuclear energy development.

Iran-U.S. Deals

There are also indications that an agreement has been successfully negotiated by the U.S. State Department to finally clear the way for sales of at least eight nuclear reactors to Iran. After many months of talks, U.S. government sources report that the text of an agreement, under jurisdiction of the new U.S. Nuclear Nonproliferation Act, will go to Congress within days for approval.

A State Department source noted that the Iran agreement, the first under the new Percy-Glenn proliferation guidelines, was being worked out very carefully as a test case for the assertion by Percy that his law restricting export of nuclear fuels and technology is designed to *facilitate* continued U.S. export of reactors. If the way is cleared for the Iranian reactor purchases, the door would be open for substantial U.S. export of nuclear technology, despite the technical strictures of the Percy-Glenn legislation.

Aspen's Damascus Road

The Aspen Institute's marching orders on the new "energy reassessment" line emerged from a week-long seminar on energy policy sponsored by the Institute last week. Participants in the closed-door sessions included representatives of the Department of Energy, congressional offices, and an assortment of international energy "experts." According to Aspen's director of International Affairs, Harlan Cleveland, the conference came to the conclusion that "nuclear energy is dead" and that oil and gas — especially given Mexico's new reserves — are now the chief solutions to the energy problem.

Within 48 hours of the conference's conclusion, the *Washington Post* picked up the line with a page-one story July 23 contending that there was no oil shortage and that Mexico has "provided the petroleum world with a stunning example of how the old estimates of oil potential can be overtaken by new events." Carefully inserted paragraphs from a British oil adviser stated that the new oil finds meant there was no need to hurry into nuclear development. In its lead editorial the same day, the *Post* reversed field and endorsed oil deregulation — an unmistakable opening to the oil industry.

Much of the specifics of the Institute's assessment of the Mexican finds came from a report prepared by Washington energy consultant Lawrence Goldmuntz and introduced into the meeting by Irving Trust bank officer Arnold Shaffer, who is known for his ravings against OPEC. Goldmuntz had first presented his ideas in a *Wall Street Journal* op-ed at the beginning of July, in which he argued that the Mexico finds "are another reason to doubt the fundamental assumptions behind the Carter Administration's energy policy," and that if the U.S. cultivated a special relationship with Mexico, Mexico's oil could be used to bust OPEC.

Goldmuntz, however, is a firm advocate of nuclear energy and has condemned any antinuclear interpretations of his words.

The column was clearly a useful item to other quarters:

***Senator Ted Kennedy** personally introduced it into the Congressional Record with approving comments the week of July 16.

***The newsletter of the American-Israel Public Affairs Committee**, an arm of the U.S. Zionist Lobby, excitedly summarized it in its issue of July 19.

Mexico: No Dice

Mexico's refusal to reopen natural gas talks at this time "has the U.S. dangling," say knowledgeable sources. In the opinion of most observers, it will take a very favorable offer, possibly including a relaxation of the Administration's campaign against Mexican "illegals" in the U.S., to budge Mexico from its present strategy of absorbing its plentiful natural gas domestically. Mexico is at the same time moving ahead to open up oil-for-technology deals with as diversified a range of trade partners as possible. Poland and Brazil are among the countries involved in negotiations announced this week.

In this context, the only way that the "soft line" could have any hope of success in pulling Mexico out of its aggressive international development role is as the "soft" alternative to "hard-line" crackdown on illegals and financial warfare against Mexico. Observers expect Kennedy to take a prominent role in advancing both sides of this "choice."

Aspen Institute: 'Bloom Is Off Nuclear Rose'

The Colorado-based Aspen Institute is a central coordinating center for the destruction of nuclear energy and spawning of environmentalist zero-growth operations against U.S. industry. Its Berlin office is closely linked to former West German Chancellor Willy Brandt. Since its inception the guiding ideas of the Institute have been British-controlled. Its long-time director, Robert Anderson, is publisher of the British weekly Observer. Lady Barbara Ward, the British aristocrat who funds zero-growth movements and environmentalism worldwide, is a member of the board of trustees, as are Henry Kissinger and Robert MacNamara, both closely connected with British interests and British intelligence.

The following interview with the Institute's Director of International Affairs, Harlan Cleveland, made available to this news service, reveals Aspen's determined opposition to everything the Bremen and Bonn summits in Europe accomplished, as well as Aspen's "new" energy line: there's plenty of oil, so don't worry about nuclear development.

Q: The decision reached at the Bremen European heads of state conference several weeks ago to set up a European Monetary System is being viewed in some quarters as an explicit move against the IMF. What is your view?

A: I don't think the Europeans could carry it that far, because the dollar is still the world's key currency, and because the yen isn't part of the European deal. If what you say the French and Germans are trying to do is true, that would really be a new Bretton Woods. By the time you had it all negotiated, it probably would be the IMF all over again. The main point, however, is that the rest of the world is out there — I'm referring to the Third World particularly, and the internal politics of the rich countries in terms of North-South relations would not allow for a new "rich man's club" to be born.

Q: How about rumors that gold will be remonetized and rise to \$250 or more?

A: You've got to keep in mind that a major beneficiary of gold remonetization would be South Africa, and again the internal politics of the advanced sector would just not permit this. Obviously, the search for a new, truly international currency has been going on for some time and I think that basing it on the major trading countries is all but inevitable. The dollar can no longer continue to be