

# National News

## Carter administration heaps coals on Venice

Recommendations came this week from the U.S. Interagency Coal Export Task Force, specifically mandated to implement the goals outlined in the recently released Massachusetts Institute of Technology world coal study. The MIT report called for restructuring the world energy-dependency map to institute a "coal OPEC," consisting of the de facto "British Empire"—the U.S., Britain, Canada, Australia, and South Africa. The U.S. in particular would become "the Saudi Arabia of coal," with \$1 trillion invested worldwide in the next 20 years in mining and transport. The administration is prepared to open federal lands for mining to meet its targets. U.S. coal exports, according to the new task force, should rise from a current 66 million tons to 266 million tons by the year 2000.

The task force announced that Carter will bring this plan to the Venice summit and ask Europe to buy additional substantial amounts of U.S. coal. While other Western nations are interested in developing high-technology use of coal, it is doubtful whether they will welcome a plan for a new energy cartel, even if the U.S. became a reliable exporter of strategic resources. The full-fledged perspective smacks too much of the "Bolton Plan" circulated privately last year by Bank of England adviser Sir George Bolton, whereby the English-speaking nations and their Latin American appendages dominate the world economy through raw materials control at Europe's expense.

## Byrd says nomination up for grabs

Senate Majority Leader Robert Byrd (D-W.Va.) has refused to concede the Democratic nomination to President Carter. Instead, this week Byrd declared

that the race was still open. Glancing at a copy of *Senate Procedures*, Byrd told the *New York Times* June 11, "This book tells me that a lot of things are possible. That's why I'm not stampeded by arithmetic. The rules and precedents are such that a rabbit can be pulled out of the hat."

The most powerful Democratic Senator has openly criticized Jimmy Carter at his Saturday morning news conferences. On June 7, Byrd criticized Carter for attempting to keep independent presidential candidate John Anderson off the ballot in a number of states. Byrd indicated that he felt Rep. Anderson would attract liberal Democrats to vote for what Byrd described as "an endangered species," the 22 Democratic Senators seeking reelection. Asked whether he was saying that if Carter headed up the Democratic ticket he would hurt Democratic Senators, Byrd declared, "Of course the head of the ticket can affect Senate races."

"Senator Byrd is very angry at President Carter," declared one Democratic Senator. "Bob Byrd is paranoid at the thought that the Democrats are going to lose the Senate," declared another. White House advisors try to explain away Byrd's statements by pointing to his presidential ambitions. After all, they hint, he tried for the post four years ago.

## Texas Democrats protest farm gap

At a June 12 Washington, D.C. session of the Democratic Party's procedural committee on the 1980 electoral platform, the Texas delegation complained that during all the hearings held around the country this spring to garner testimony on the Democratic planks, there had been no discussion of agriculture and no testimony from farmers. Texas spokesman Dan Morgan stated that agricultural organizations and farm interests had been actively excluded from the proceedings, despite the acute situation of U.S. producers, which he said was never addressed.

The Texas delegation—backed by the Georgia contingent—proposed to delay the scheduled June 21 platform deliberations until June 22, so that the new Texas representatives, who will not be elected until the June 20 state convention, can attend. This proposal was voted down by the committee, which chose former Detroit mayor Coleman Young as official chairman. The four platform committee cochairs elected June 12 are Michael Stead of California; Johnnie Setzer, Democratic National Committee member from North Carolina; John Lyons, president of the international Ironworkers Union; and Gertrude Donahy, Ohio state party treasurer.

## Administration defends China policy

The Carter Administration has sent Assistant Secretary of State Robert Holbrooke scurrying off to Capitol Hill to quell a growing disturbance that developed around its China policy.

One week ago, in public remarks before the U.S.-China Trade Association as well as at an "off the record" briefing, Holbrooke declared that it was now official U.S. policy to place a priority on relations with China, as against relations with the Soviet Union. In response, several conservative senators have been hinting that the U.S. should restore relations with the Nationalist Chinese Government on Taiwan, a move that would chill relations with Peking.

Holbrooke told the House Foreign Relations Committee that a move to restore normal ties with Taiwan would be "devastating" to the China-U.S. relationship. Furthermore, it would jeopardize U.S. strategic interests and so, be "highly dangerous," said the Undersecretary of State.

Sources on Capitol Hill report that, far from putting out the fires, the rabidly pro-Chinese Holbrooke seems to have developed the knack of strengthening his opponents. "There is going to be

one hell of a fight on the China policy," the sources said.

On June 11, the Senate Energy Committee, chaired by Sen. Henry Jackson, voted 17-1 (the dissenter being Democrat Paul Tsongas, of Massachusetts) to order the mandatory conversion of 80 thermal power plants from oil to coal over the next three years, at a cost of \$4.2 billion. Three of the plants are in New York City, eight in New Jersey, and four in Connecticut. Some of Jackson's associates from the Committee for a Democratic Majority view this as part of a "coal and nuclear push," as recommended in the MIT study, with a limited expansion of stalled U.S. nuclear energy production accompanying the mammoth expansion of coal use.

## FEMA takes over the disaster in the White House

Jack Watson, who has earned the reputation of being the Administration's man on the scene at natural and man-made disasters, last week assumed the post of White House Chief of Staff. Watson replaces Hamilton Jordan, who becomes chief political coordinator for the Carter-Mondale campaign.

Watson has been identified by spokesmen for the Federal Emergency Management Agency (FEMA) as their "pointman in the White House." For the last several months he has met regularly with FEMA head John Macy to plan strategy. He is said to have been influential in getting the White House to yield "crisis management powers" to FEMA in several situations, including the so-called Cuban refugee crisis.

Ham Jordan's redeployment was expected, following his recent clearing of charges of cocaine use at New York's Studio 54 discotheque. Jordan has the reputation of being a "capable thug," say people familiar with his role in the 1976 Carter campaign.

Carter and his backers feel that they need Jordan's services to secure the August Democratic convention. Well-in-

formed Democrats report that the "Watson-Jordan" shuffle parallels a major deployment of Carter forces into the Democratic National Committee (DNC). These sources report that what amounts to a special plumbers' unit has been set up under the new DNC Executive Director Les Francis, former operations chief of the Carter campaign. Francis's staff has deployed people into several "problem states," including Ohio, New York and Michigan, where Carter delegates are reported to be ready to support opening up the Democratic convention. This DNC strike force coordinates with a beefed up Carter "delegate security" operation working out of his campaign headquarters.

## U.S. hit Japan, German bank hits Chrysler

With auto sales sagging around the world, protectionist initiatives are on the rise. Two senators from the auto-producing states, Sens. Carl Levin (D-Mich.) and Richard Lugar (R-Ind.), introduced legislation on June 10 that would impose a \$500 import fee on the average Japanese automobile. The tax is ostensibly to compensate for non-tariff barriers—such as inspection costs and commodity taxes—placed on American cars when they are imported to Japan. Industry analysts point out that this is a very flimsy rationale for the proposed \$500 auto tax, since sales of American automobiles in Japan are negligible, and penetrating the Japanese market is not part of the corporate strategy of any of the American automobile producers.

In a second international move last week, one of Chrysler's lenders, the Deutsche Genossenschaftsbank, seized about \$8 million of Chrysler's funds that it was transferring from one of Chrysler's European customers into a U.S. account, and is holding these funds as "security" for an equal amount of credit extended to Chrysler, which is in default.

## Briefly

● **JOHN ANDERSON**, who claims to be a born-again Christian, apparently has his moral tastes influenced by the campaign cash register. Some of his backers are upset by a recent San Francisco fundraising event, attended by the candidate. It seems that guests were entertained by the Gary Poole Dance Revue, whose act was described by attendees as "lewd," "somasochistic," and full of suggestive sexual and mock-violent acts. Anderson's son, John B. Jr., said that he thought the performance was appropriate for a San Francisco audience, but not for Rockford, Ill., Anderson's home town. He didn't say which city's morality is Anderson's.

● **CLIFFORD Alexander**, Secretary of the Army, insisted at congressional hearings June 11 that high-school graduates do not make better soldiers than drop-outs. Alexander was responding to a series of attacks from the House Armed Services Committee, where Samuel Stratton (D-NY), Robin Beard (R-Tenn), Sonny Montgomery (D-Miss) and Dan Daniel (D-Va) denounced the U.S. all-volunteer army as a failure. Among other factual materials, the senators presented statistics showing that more officers and NCOs are required to give recruits remedial courses than are engaged in training them.

● **BILL BROCK**, GOP national chairman won't be dumped by Ronald Reagan. Sources close to the Reagan camp report that the candidate is under pressure from his supporters to oust the former Tennessee Congressman and replace him with a more conservative member of the Reagan entourage. But only two weeks ago Reagan publicly embraced Brock and said that he would keep him as GOP chairman through the November election.