

National News

White House moves to control foreign policy

The White House has taken charge of planning for all foreign trips of the President, in a direct slap at Secretary of State Alexander Haig. Coordination for briefing the President and arranging details on agenda, etc., with foreign governments will be centered in the office of Edwin Meese, counselor to the President and a personal friend of the President. His office sent out a request on March 18 to all cabinet departments requesting them to submit memos on matters they think should be discussed during the President's trip to Mexico.

Michael Deaver, deputy chief of staff at the White House, has been sent to Mexico to work out details of the April 27-28 trip. "I've been charged with the responsibility for all foreign trips," he declared before departing. "That's the change since the Canada trip." The State Department prepared for that trip and provided briefing material very late and in a format that was virtually impossible to digest, administration sources said.

Reagan names deputy energy secretary

President Reagan has officially named W. Kenneth Davis, vice president of Bechtel Power Corporation, to be Deputy Secretary of Energy. The new number-two man at DOE was director of Reactor Development in the Atomic Energy Commission during 1954-58. Described by colleagues as a hard-nosed "bullet-headed engineer" when it comes vocating fission plants, Davis wrote the nuclear policy section of the Reagan Energy Task Force headed by geologist Michel Halbouty.

Davis chaired a national industry study in 1979 which warned that unless there was a significant expansion beyond Carter administration-projected nuclear

capacity by 2000, together with development of nuclear fast breeder capacity, the existence of the U.S. nuclear industry could be jeopardized, threatening dire overall economic consequences. He has been an early advocate of the "nuplex" concept of integrated nuclear-industrial complexes.

Several scientists who have spoken with Davis, however, point with concern to recent private statements downplaying the importance of a strong advanced science research and development program in controlled thermonuclear fusion as well as other advanced energy technologies.

One source told *EIR* that Davis has argued against fusion because "it doesn't have enough engineering." Some prominent science spokesmen wonder if Davis will be able to grasp the long- and medium-range military, as well as mineral and energy, implications of a vigorously revived fusion research program.

Pewitt backs down on go-slow fusion policy

Testifying March 18 before the Energy subcommittee of the House Science and Technology Committee, Dr. Doug Pewitt of the Department of Energy backtracked on the antifusion energy policy which he had put forward earlier this month in congressional hearings. "My statements today will be more positive than what I have said previously," he announced.

In past testimony Pewitt had said that the Reagan administration would not commit support for the \$1 billion Fusion Engineering Device (FED) mandated by the McCormack fusion act to be operating by the year 1990. Under questioning by the House committee, however, Pewitt said that the administration proposes to continue the design studies for the FED, and that construction costs to meet the law's schedule could be included in the fiscal year 1983 and 1984 budgets. The FED construction would not begin until 1984 he said.

Though Pewitt did not change the administration's proposed 1982 budget figure of \$460 million for the fusion budget, \$65 million less than what the Carter administration had proposed, he admitted that Energy Secretary James Edwards has publicly expressed support for the fusion program.

Representative Marilyn Bouquard (D-Tenn.), chairman of the subcommittee, said that she did not agree with Pewitt's testimony that because the Reagan administration is going ahead with fission, this makes "fusion less urgent." "Congress," she said, "must chart a steady course for the fusion program, and we believe strongly in following the fusion law."

Conoco provokes a coal strike

A strike of the nation's coalminers became inevitable as of March 20 as talks between the United Mine Workers (UMW) and the Bituminous Coal Operators Association remained deadlocked past the strike deadline. The deadlock was not surprising, observers noted, due to the radical nature of the demands brought to the bargaining table by the BCOA's chief negotiator, Bobby R. Brown, of Conoco. Brown's demands have included the reinstatement of Sunday work for coal miners, and the breaking up of the Union's national pension fund into a company-by-company arrangement.

"This is a forced strike," one UMW official commented. "There's no way Sam [Sam Church, UMW president] could have gone along with these demands."

Brown's super-tough stance has disturbed many of the smaller coal operators as well, who need to maintain production in order to survive. However, both Conoco, whose ownership of Consolidation Coal and 13.7 billion tons of coal reserves makes it the largest holder of privately owned coal reserves in the world, and the other oil multinationals

which are highly leveraged in coal reserves see the strike as a potential bonanza.

With world demand for U.S. coal exports at record levels, a big constriction of American coal production could cause coal prices to soar.

"In 1972, when oil went for \$3 a barrel, a ton of Eastern bituminous went for \$5," commented an analyst at the prestigious *Energy Daily*. "Today both go for over \$30. They've gone up in direct parallel. Just between you and me, I think it's clear that the move into coal by the oil multies might have a lot more to do with that than production costs."

Panel to 'reform' presidential nominations

A bipartisan panel of prominent Republicans and Democrats has been formed to restructure the method by which presidential candidates are nominated.

Sponsored by Duke University and the Woodrow Wilson Center of the Smithsonian Institution, the panel will attempt to spell out "principles" for the two major parties to utilize in making alterations in presidential nominating methods.

Among the issues the group will investigate, says spokesman Terry Sanford, president of Duke University, will be the proliferation of primaries and party caucuses, the impact of spending requirements, and the role of party officials in the nominating process.

Robert Strauss is a member of the new panel, as are GOP Sen. Robert Dole, John Sears (ousted as Ronald Reagan's presidential campaign chairman in February 1980), and former Secretary of State Edmund Muskie. At a March 18 press conference to announce the group's formation, Strauss said current nominating methods favor "special interest-group domination." Strauss and Muskie are also members of "Democrats for the '80s," an organization recently established by Pamela Harriman, wife of former ambassador Averell Harriman,

which seeks to put the Democratic Party under the control of Socialist International networks.

John Glenn stalls Malone appointment

The appointment of James L. Malone, a prominent pronuclear lawyer, to the position of Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs has roused the opposition of a number of environmentalist groups, with the most vocal resistance being offered by Sen. John Glenn (D-Ohio).

Glenn, who is the minority chairman of the Senate Subcommittee on Energy, Nuclear Proliferation and Government Processes has vowed to use his committee to stall the Malone appointment until possible "conflict of interests" between Malone's former nuclear industry clients and his new position can be explored. However, it was immediately clear that the issues which divided Malone and Glenn were not technical or legal, but strong differences on matters of policy.

Malone was the author of a Reagan transition team report which called for an end to restrictions blocking the export of U.S. nuclear technology to major Western allies, such as West Germany and Japan. He has also been a member for the past three years of the top Washington law firm of Doub, Muntzing, Chartered, which has been a prominent defender of the nuclear industry, especially in cases involving nuclear export deals threatened by the Carter administration's "antiproliferation" guidelines.

Glenn, on the other hand, was the author of the NonProliferation Act, the basis of the Carter policy denying advanced technology to the Third World. At the Senate hearings he focused particular fire on Malone's role in representing Kansai Electric and TEPCO, two Japanese firms whose successful application to have their spent uranium fuel reprocessed knocked a large hole in the Carter antinuclear policy.

Briefly

● **FRED KHEDOURI**, who was brought in by Office of Management and Budget director whiz-kid David Stockman to be OMB associate director for energy and environment, is raising the ire of growing numbers of prodevelopment groups in Washington. Prior to serving as an aide to the young Michigan congressman, Khedouri was a founding leader of the notorious antinuclear Natural Resources Defense Council.

● **MAXWELL RAAB** may soon be named ambassador to Italy, according to Washington sources. A New York lawyer who played a prominent role in Ronald Reagan's election campaign, Raab is director of the American-Israeli Chamber of Commerce, chairs the government affairs division of the United Jewish Appeal, and is a member of the board of governors of Hebrew University. His law firm, Stroock, Stroock and Lavan, represents the Warburg family interests. Supply-side economist Lewis Lehrman is his personal protégé.

● **JIM WRIGHT**, the House Majority leader, says of Reagan's economic program: "The same basic approach did not work in the 1920s. And in [Prime Minister] Margaret Thatcher's England, a similar policy has resulted in 15 percent unemployment, a drop of 14 percent in production, the biggest drop since the Great Depression, and an increase in bankruptcies and business failures." Wright's comments are in a March 5 briefing circulated in letter form to Democratic congressmen.

● **KOREAN** manufacturers, three of whom are investigating color television plant sites in the U.S., are reportedly doing so because of the cheap labor, since they are in no danger of exceeding their import quotas. The South Korean Lucky Group has been awarded a hefty loan by the State of Alabama to build a plant in Huntsville.