

and close confidante of John Connally, is also blocking with Carter and Lance, and on Sept. 16 met with the President to map strategy. NSIPS learned this week that the "Atlanta mafia" law firm King and Spaulding maintains connections with the Connally Texas group and both have strong ties with certain Arab investments and interests in the U.S. This helps explain why Clark Clifford — official legal counsel to Arab governments — was retained by Bert Lance.

With this strong combination of financial-industrial forces moving against the bankrupt Lazard-Chase fascists, Lance's supporters in the Administration are targeting Treasury Secretary Werner Blumenthal, an outspoken advocate of a "diarrhea monetary policy," for removal. Blumenthal is the direct boss of Comptroller of the Currency John Heimann, the Rockefeller agent who has devoted all his energies to keeping the flimsy case against Lance alive.

Break the Stalemate

Despite his subsequent resignation, Lance's counterattack and the lineup of forces behind it have made it difficult for Felix Rohatyn and company to carry out their fascist slave-labor energy program short of outright dictatorship. Nevertheless the accelerating political battle over what financial and economic policy will guide the U.S. remains stalemated — mainly because the proto-Whig forces have yet to commit themselves to the U.S. Labor Party strategy of an industry-labor coalition to get the country back on its feet. In the meantime, the Lazard-Chase forces are proceeding in panicked desperation with their terrorist destabilization of Western European governments and their plans to institute no-energy fascism in the U.S.

Nor have they given up on their Lancegate. The *New York Times*, *Washington Post*, et al. have followed up Lance's resignation with calls for the ouster of the entire "Atlanta mafia" faction in the Administration.

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Multipartisan Criticism Of Media, Support For Lance

News of Bert Lance's resignation sparked both defenses of the former Budget Director and attacks on the methods employed by his accusers from a broad, multipartisan cross-section of the American political and business worlds. Some typical comments:

Senator James B. Allen (D-Ala): Speaking on the floor of the Senate as President Carter was announcing Lance's resignation, Allen praised Lance for his "fiscal responsibility," and ripped into the role of the media and

Lance's senatorial accusers. "Some of us feel that giving him (Mr. Lance) a hearing and...then letting him resign was something like frontier justice, when the vigilantes would give a horse thief a fair trial and then hang him. I think this is a sad day for this country and for the prospects for this administration." Allen questioned whether allowing the media to "get Mr. Lance's scalp" was in the best interests of the government. "I wonder since the President caved in to the media demands whether he's ever going to recover from this sad situation."

Allen's criticisms of the media were quickly seconded by Senators John J. Sparkman (D-Ala) and Barry Goldwater (R-Ariz).

William E. Simon, former Treasury Secretary: "The whole Lance affair is personally very sad for me, especially when you look well beyond Lance's personal banking habits. The long-range significance of the whole Lance affair—from the circus performances of some of our senators to some of the aspects as reported in the press and on television—will be a very damaging effect on the government's ability to attract capable people."

Alan Greenspan, Townsend and Greenspan consulting firm: "I trust that this experience will not deter others from seeking prominent and exposed positions. But I fear it might."

Senator Sam Nunn (D-Ga): "He (Mr. Lance) has provided strong leadership at OMB, dedicating himself to President Carter's top priorities: balancing the federal budget and reorganization of government...The news media should do a little self-examination about its own role in this matter. Some of the statements made in the press were in excess."

O. Pendleton Thomas, chairman and chief executive of the B.F. Goodrich Company: "I felt that Mr. Lance was in favor of a balanced budget and against inflation. Those policies I'm in agreement with, and so, in that sense I feel his resignation might be detrimental to the country."

William F. Kenny, Jr., chairman of a large Northeast independent oil distributor: "I hope the President takes advice from Mr. Lance on who should follow in his course."

Senator Thomas Eagleton (D-Mo): Sen. Eagleton criticized the news media disclosures on Lance's dealings as "egregious" and "excessive," and also attacked the role of Sen. Charles Percy. "When you hear a senior senator accusing a United States official of being a tax evader, you ought to be offended, and I was."