

the "liberal" press furious, denouncing Rockefeller's proposal as a "bailout for Rockefeller's private oil and other investments," and threatening filibusters until they get their way.

The original Carter plan announced April 20 calls for using the sizable revenues from the largest single tax package ever proposed in Congress for various "consumer rebate" chimeras, while demanding a 30 percent slash in domestic energy consumption.

At a joint press briefing, Sept. 19, "liberal" anti-industry Senator Howard Metzenbaum (D-Ohio) and the UAW's Doug Fraser reversed their initial support for the well head tax to recommend that the Senate Finance Committee reject the use of the oil tax for funding energy production programs, calling it a "kickback or plowback" to the oil industry.

Metzenbaum's aides today blamed the whole disaster on Carter "who doesn't even enthusiastically back his own energy program." They reported with much dismay that Secretary of Energy-designate James Schlesinger and his staff will be meeting with Long and his committee to work out a compromise energy proposal more favorable to the "sunbelt" oil and gas interests Long represents.

Economic Growth The Issue

The Rockefeller-Long bloc for energy production is just the most publicized response to an increasingly vocal demand from trade unions and industry for an end to the Lazard Freres-Naderite looting and destruction of U.S. industry and advanced technology.

A representative for the U.S. nuclear industry reported this week that on a recent visit to Washington to push for development of the fast breeder, he witnessed a mobilization in its favor from sections of organized labor "the likes of which I've never seen before." Steel, sections of the building trades, and other unions, unlike Nader's friends in the UAW, have avidly lobbied for the fast breeder and other capital intensive energy development programs, including support for the development of fusion.

West Coast political pollster Pat Caddell told Democratic Party leaders earlier this week that "economic growth is the paramount issue in the west." The issue of growth versus conservation has split the Democrats "along class lines," said Caddell, with union members and minority groups favoring economic growth and "suburban liberals" more interested in environmental concerns. Caddell warned Carter not to give credence to the alleged influence of environmentalist California Governor Jerry Brown.

Whatever his motives, Nelson Rockefeller has made a political move to add his weight to the growing alliance for industrial growth in his factional attempt to save his political hide from the Lazard Freres financial faction's assault on the old Rockefeller oil-based empire.

The vote yesterday authorizing full funding of the Clinch River fast breeder, organized largely by members of the House Science and Technology, and Armed Services committees, gives a good indication of what Rockefeller will have to respond to if he is to consolidate a position of strength in the ongoing, factional brawl House members, feeling constituency pressure, have refused to deal a killing blow to U.S. technological leadership. Schlesinger, attuned to the political change, has agreed to sit down with Senator Long and seek a compromise, provoking liberal attack for not supporting Kennedy's proposal for a form of horizontal divestiture of large energy conglomerates, such as Rockefeller's Exxon Corporation.

As it stands, the Rockefeller-Long proposal for an Energy Development Authority, is a boondoggle coopting sources of loot from Carter-Mondale's original program. The development of energy and, in particular, the technologies of fusion and fission can only be based on the industrial and agricultural expansion of the economy as a whole.

Either Congress and the U.S. Administration adopt a credit policy based on the U.S. Labor Party's proposal for a Third National Bank, or any program, be it conservation or Rockefeller's production scheme, will bring a fragile U.S. economy to its knees.

— Bill Engdahl
K. Stevens

Lazard Tries To Steal Rocky's Thunder

Less than one week after Nelson Rockefeller injected his slightly refurbished proposal for a \$100 billion Energy Finance Corporation into the current energy program debate, the Lazard Freres crowd has attempted a flank operation to steal Rocky's thunder.

Fabian Senator Abraham Ribicoff (D-Conn.), fresh from leading the Lazard-directed witchhunt against Bert Lance, emerged on Sept. 21 with a "energy development" plan of his own. The scheme, designed to appeal, in particular, to the conservatives who might otherwise support a Rockefeller-type plan, has two principal components. Like the Rockefeller proposal, it would establish an energy development financing entity to recycle monies from the proposed Carter oil equalization

tax program into energy development. The facility would be drastically scaled down from Rockefeller's \$100 billion equity figure to somewhere around \$2 billion, according to Ribicoff's office. Capitalization would be through loans, equity, and federal loan guarantees, creating a total pool of around \$10 billion per year. This figure is termed "open for discussion" by informed sources. Secondly, it would create a public transit trust fund to dispense upwards of \$2 billion for a variety of projects; this fund would be administered by the Department of Transportation.

Ribicoff's office has stated that their plan is "totally compatible with the proposals from Governor Rockefeller." They also claim that the plan has the support of

Senate Finance Committee chairman Russel Long (D-La) and the Administration. Such claims are important misrepresentations.

Important Differences

The Rockefeller plan and the Ribicoff proposal have little in common save appearance — and even that similarity is a deliberate contrivance. Whatever its shortcomings, the Rockefeller proposal was heavily committed to nuclear power development. “We are interested in funding the more exotic forms of energy production and conservation like solar and biomass,” said a Ribicoff aide. “We are not in favor of giving money to nuclear power... let that be funded by the private sector.”

The Rockefeller interests are clearly to be “junior partners” under the Ribicoff-Lazard scheme — at least that is the intention of its framers. “Rocky’s Project Independence scheme died a deserved death two years ago,” said the Ribicoff aide. “His new plan is nothing more than setting up a ‘window’ to give handouts to his family’s oil companies. We intend to make sure that this doesn’t happen. We are working on language that would prohibit handouts to Exxon by making the (energy

development) fund available to companies who have below a certain net profit level.”

Ribicoff’s office also reports that they are attempting to work wording into any legislation that might come out of the committee that would specifically support “efforts to establish regional energy corporations.” Lazard partner Felix Rohatyn’s \$32 billion Energy Corporation of the Northeast (ENCONO) has been specifically mentioned as an example. Ribicoff intends to cosponsor Congressional legislation to create Rohatyn’s monstrosity

Ribicoff’s office was quite blunt as to why they felt obliged to move. “We have to develop a consensus to save the thrust of the Carter energy program,” said an aide. The Rockefeller plan, which had wide appeal among conservatives, trade unionists, and industrial layers disgruntled with the conservation-oriented Carter program, “opened up a whole new ballgame which threatened to move too far away from the program. So we come up with a compromise that has the flavor of what Rocky is saying, and scale it down so it can be lived with by both the Administration and its opponents.”

But Ribicoff’s people most definitely want Rocke-

CIA Economist Admits Being Forced To Produce Incompetent Oil Estimates

U.S. Central Intelligence Agency economist McDonald, who was in charge of producing the April 1977 so-called Turner Report on world strategic energy resources, has admitted that the report was prepared on orders, using incompetent methodology. The report was made public at the same time that the Carter Administration announced a national emergency energy program whose central premise is that world energy supplies are rapidly diminishing. In an exclusive interview, McDonald revealed that his estimates that Soviet oil production would peak by 1978 and then begin a precipitous decline, forcing more aggressive Soviet military intervention to gain control of Persian Gulf oil reserves, was developed by looking only at current production and ignoring reserves and resources of Soviet future production. This method is grossly incompetent because it leaves out any allowance for introduction of more efficient technology that would allow recovery of untapped reserves. When queried on whether he realized this as being incompetent, McDonald admitted, “Yes, but this is the way I was ordered to do the report.” He declined to reveal who had ordered the report done this way.

However, in a related development, knowledgeable sources have confirmed the existence of an earlier CIA world energy report, prepared approximately one year ago, whose results are more in line with a recent series of other government agency reports to the effect that Soviet petroleum reserves are vast and far from exhausted. This earlier report, according to the same sources, was

ordered suppressed by then-White House Energy Adviser James Schlesinger after the Carter Administration took office.

The Soviet daily *Izvestia*’s top international commentator Viktor Matveev roundly refuted as lies the CIA’s recent report, which concluded that the Soviets would be forced to rely on foreign oil supplies by the 1980’s. In a Sept. 14 article, Matveev wrote that this is only a cover for “expanding U.S. military presence in the Persian Gulf region.”

Izvestia ripped apart the supposed factual basis for the conclusions by citing statements of the Soviet oil minister V.D. Shashin on the USSR’s collaboration with European and Japanese oil independents. “The resources of our country are such that they allow us to successfully cooperate with the developed capitalist countries. Thus joint work in exploitation of off-shore deposits and the transportation of oil are being conducted with British petroleum. The Soviet-French group for the oil and gas industry functions actively. In the beginning of 1975, an agreement was signed between the USSR and Japan for coordination of exploring the Sakhalin shelf. And, if American companies are presently standing aside from such mutually beneficial cooperation, then they have only themselves to blame.”

Last week, the Soviet Party daily *Pravda* reiterated the warning on potential U.S. military options for the Gulf area, citing a *Washington Star* report on Presidential Review Memorandum No. 10, which provides for U.S. invasion of Arab oil fields in the event of an “oil embargo.”

feller's support. "We hope he'll join us," an aide to the senator said. "We could use his help in selling the business community and the Republican Party."

Rockefeller's New York office said today that the Governor "is not necessarily opposed to what is being discussed in the committee but has decided to stand on his public statement."

Ribicoff's people, meanwhile, report that the Senator has taken on a "mediating role between the Finance Committee and the Administration." Almost daily meetings were reported to be taking place between various individuals in James Schlesinger's energy Department and committee members and staff. A spokesman for Schlesinger's office today confirmed such meetings.

"You could say that we have given up on getting the oil equalization through Congress in its present form," said a high Energy Department official. "We'd like to see full rebates, but we'll have to take less. We're going to have to take some kind of energy development plan coming out of the Finance Committee. But I would not jump to any conclusions about what it (the Committee's plan) will look like until it comes out on Monday."

The official stressed that "we (the Administration) will walk away from the bargaining table over any proposal that goes against the basic thrust of our program. That means we don't want Rocky's \$100 billion and we

don't want anything that will push nuclear — and we don't want anything that will fund the breeder through the back door..."

Wide Open

The Schlesinger aide said, however, that "whether we come on board really depends on Senator Long..."

Long — or rather the progrowth forces who give him his "muscle" — is the wildcard here. While Ribicoff said two days ago that Long was fully behind his proposal, the Senator's office was far less definite. "Let's just say we like some of what he (Ribicoff) is saying and are uncertain about the rest," said a top Long aide. "We are going to have some good, old-fashioned hard bargaining over the weekend. That's what the Senator is best at." Long's office is of the impression that their boss will play off both Rockefeller and Ribicoff, while "holding his own with the Administration," in the end, they say, "he (Long) will come up with a progrowth oriented energy development financing agency."

But sly fox Long is carrying around a great deal of excess baggage — especially some misconceived ideas about the need for a national energy autarky to protect America from the Arabs and the need for high energy prices — that provides hooks for both Lazard and Rockefeller to manipulate.

— L. Wolfe

Fall Primaries Confer Major Party Status

Vote tallies for U.S. Labor Party candidates in municipal primaries in Detroit, Mich., and Seattle, Wash. demonstrate that the U.S. Labor Party is now acknowledged nationally as the leadership of opposition to the deindustrialization, no-energy policies of the Carter-Mondale Administration.

The U.S. Labor Party's official third party status was recognized by Democratic Party pollster and former Carter campaign strategist Patrick Cadell, who, speaking before the Western Democratic convention, said a "fresh approach" in electoral politics was needed. Only "suburban liberals" are interested in environmental concerns, Cadell said, while trade unionist and minorities of urban areas want economic growth.

To prove his point, Cadell cited a special congressional election in Seattle last spring where the Democrats had been defeated by a progrowth republican. In that race the issue became zero-growth versus industry in an atmosphere shaped by U.S. Labor Party congressional candidate Ted Andromidas. Both Cadell and his audience knew that the Labor Party's Andromidas (also a candidate for city council in Seattle's Sept. 20 primary, see below) had led the campaign to discredit zero-growth "environmentalism" in the eyes of the voters.

On Sept. 13 voters in Detroit registered a progrowth mandate as U.S. Labor Party candidate Mel Brown placed fifth in a field of thirteen candidates.

In Seattle's Sept. 20 primary, U.S. Labor Party city

council candidate Patrick Ruckert, one of several candidates run by the USLP, won 10.18 percent of the vote or 9,000 votes. While neither Brown's or Ruckert's names will appear on the ballot in November, the U.S. Labor Party still has 42 candidates in eight states and the District of Columbia campaigning for city and state posts.

U.S. Labor Party analysts are still preparing voter pattern reports in Detroit and Seattle primaries since in both cases vote fraud tended to obscure the absolute returns. These reports as well as studies of electoral strength and voter preference in areas of Labor Party campaigns appear below.

DETROIT:

The official tally of 8,715 votes for the U.S. Labor Party's black mayoral candidate Mel Brown marks the first time in four years that Detroit working-class support for the party has been so strong that it has not been erased by vote fraud. Brown campaigned strongly against drugs and for the expansion of education to insure adequate skills in the workforce; interestingly, he was the only candidate whose vote was evenly distributed between both black and white, high and low-income areas.

The Sept. 13 primary was shrouded in fraudulent procedures including the arrest of a Democratic party official for allegedly voting twice, and a breakdown of