

Who's who in the new U.S. cabinet

by Graham Lowry

The domestic affairs side of the new Reagan cabinet looks favorable toward a gearup of U.S. industry and agriculture. The new chiefs at Energy, Interior, Agriculture and Labor are capable, progrowth individuals. The foreign-policy side of the cabinet—namely, Alexander Haig at State—looks unfavorable.

It is widely argued that a "100 Days" approach to mobilizing U.S. economic recovery would give the administration a decisive element of active support from the constituencies who rallied to dump Jimmy Carter. A second argument for the "100 Days" is less public: it would spin off into an expansive trade and international energy policy, and confine the Henry Kissinger influence at Foggy Bottom.

The past week's round of Senate confirmation hearings generated evidence that Mr. Reagan's choices for the Departments of Labor, Energy and Interior are committed to capital-intensive expansion; the hearings also gave indications that a growth package would meet with strong bipartisan support in Congress.

At the same time, however, foreign-policy voices unmistakably lean toward the crisis-management misadventures that dominated the Carter administration. The new secretary of state is justly regarded in sober European circles as an antagonist rather than an ally, and an open advocate of U.S. and NATO provocations in such strategic hot spots as the Middle East.

Comparable views are on record from National Security Adviser Richard Allen, United Nations Ambas-

sador Jeane Kirkpatrick, and—on the subject of increased American military presence in the Middle East—Defense Secretary Caspar Weinberger. If decision making were left to this echelon, the administration's international moves would be a disaster. However, Reagan's highly successful Jan. 5 meeting with Mexican President José López Portillo laid the basis for a dramatic reversal of the hostile relations between the two countries and showed what the White House can do. The big question remains the Treasury, with its powerful interface between domestic and foreign policy.

At confirmation hearings, Agriculture Secretary John Block emphasized increased exports and improved farm mechanization, adding that "history has shown that as we help countries develop and industrialize, they become more affluent and better customers." Interior Secretary James Watt urged the necessity to develop federal lands and water resources. Reagan's labor nominee, James Donovan, cited obsolete capital goods as the main obstacle to U.S. productivity. And former South Carolina governor James Edwards, named to head the Department of Energy, supported the development of nuclear fusion power and the breeder reactor. Governor Edwards told the senators: "Americans are problem-solvers. We should not try to regulate genius. We should turn it loose on the next frontier, whether it be the vastness of space, the core of the atom, the surface of the moon, or the complexity of meeting the energy needs of a growing, thriving, and prosperous nation."

Department of Energy



A highlight of the confirmation hearings on Energy Secretary-designate Gov. James Edwards this past week was an agreement stated by the Senate Energy Committee's chairman, Republican James McClure of Idaho: "Governor Edwards, you have the primary role for the administration of all domestic and international energy policy . . . leading negotiations with the International Energy Agency [IEA] and energy aspects of economic summits."

Observers considered this a signal of GOP conservatives' resolve to reduce the powers of the new Secretary of State, Alexander Haig. Haig is a strong proponent of the Kissinger policy of subordinating U.S. energy considerations to the dictates of the IEA, which has attempted to place the oil reserves of 20 Western industrial nations under supranational controls. As energy secretary, Edwards is not expected to give U.S. backing to the IEA "resource control" schemes. Instead, as his testimony reveals, he is expected to push for the most rapid buildup possible of U.S. energy potentials, both nuclear energy and fossil fuel development.

"Given where we are today . . . I think most Americans agree that we must now emphasize capturing the enormous energy production potential of our own resources. It is production of energy fuels, not their regulation, that will break the chains of our energy bondage. Isn't it time for a clear signal to American producers and to the world that the sleeping giant has awakened and that America is on the move again?"

Edwards, the former governor of South Carolina, has carried his strong advocacy of energy development to his own state, where he spearheaded the development of an impressive nuclear energy capability including the development of the famous Barnwell nuclear fuel reprocessing plant—the only one in the country. (The Barnwell plant was mothballed by President Carter in 1977 as part of his nuclear nonproliferation policy, but is expected to be reopened under Edwards's stewardship at the energy department.)

With fully 50 percent of South Carolina's energy needs now being filled by nuclear-generated electricity, the state can for the first time ever begin to seriously attract industry and business to its borders—a situation that was precluded by prohibitively high cost of energy before Edwards took over in 1974.

At the Senate confirmation hearings, the former oral surgeon made no bones about his support for nuclear development and his opposition to the no-growth policies of the environmentalist and strict conservationist. He testified: "It is within our power to unshackle this

country, to marshal its genius for innovation and problem-solving, to regain our economic vitality and to revitalize America's strength. Tomorrow's energy menu is whatever our ingenuity can make it. Fusion, the nuclear breeder, and wide-scale use of renewables—each has its promise and challenges.

"That is the promise of President Reagan. It is a task in which I would be humbled and honored to join. . . ."

On conservation: "I reject the concept of conservation that focuses on no-growth policies. What we need is a conservation approach driven by the market place that improves the efficiency of use while allowing responsible growth in our economy. The human body uses the least amount of energy when it is asleep, or, in the extreme when it is dead. I want Americans to chose their lifestyles—not have it dictated to them. I want to see America awake, strong, alive. I want to see America employed, producing and consuming,—growing. I reject any idea of energy conservation that stems from fear of the future. I am better off than my forefathers, and I expect American children to have a better life than we do. I want to give them the tools to do it with, including concepts that are only gleams in the eye inside a research laboratory today. I want to build for the future, not bunker down in a fox hole of the present."

On synfuels: Throughout his testimony, the new energy secretary indicated that he would not be married to the energy policies of the Carter administration. "Each program in the department will be comprehensively reviewed as to its effectiveness and extent, if any, to which the program should be continued," Edwards stated, adding significantly, that he is reserving judgment on the synfuels bill which has already earmarked \$20 billion to energy projects over the next three years without as yet specifying what technologies will be utilized.

Department of Labor



Raymond J. Donovan, the new secretary of labor, is respected by both business and labor as a capable and fair man. A one-time Democrat and New Jersey construction executive, he emerged as one of the top GOP fundraisers in the country—pulling in over a million dollars for the Reagan-Bush campaign, and doing it in a state that had been written off by more seasoned Reagan strategists early in the race.

Donovan rose from a \$48-a-week laborer to executive vice-president of the Schiavone Construction Company, and knows how to talk to unionists. He grew up in the old industrial town of Bayonne, N.J., considered becoming a priest, and was graduated from Notre Dame Seminary in New Orleans with a degree in philosophy.

A conservative on the issues, Donovan has been something of an "independent." He campaigned for former Senator James Buckley of New York and has strongly supported the National Conservative Political Action Committee, an amalgam of Buckleyites and pro-growth conservatives.

Donovan joined the Reagan effort in June 1979, became cochairman of the New Jersey campaign effort, and chaired the state effort in the general election.

Donovan is well known among unions and builders in the Northeast, where his firm, the 277th largest construction company in the nation, carries a lot of clout in highway building and other public works jobs. His primary responsibility at Schiavone was dealing with unions, such as Local 825 of the International Union of Operating Engineers. The president of the company is the New Jersey head of the Associated General Contractors, the union-shop contractors' association.

"The people in that local and in all of our locals in New Jersey and New York called me and told me that they think he is a man of his word, a good square-shooting businessman," Operating Engineers President J. C. Turner told the press. Teamster President Frank Fitzsimmons gave Donovan a warm endorsement. Robert Georgine, president of the AFL-CIO's Building and Construction Trades Department said that he was encouraged by reports that Donovan "is a very fair, honest, sincere, strong individual with a great deal of integrity."

At his Senate confirmation hearings, Donovan indicated that he hopes to carry out the President's mandate to get the economy moving again. During the question period, Donovan specifically indicated that economic recovery should not be at the expense of organized labor or American living standards; he insisted that only recapitalization of U.S. industry and a rapid upgrading of skilled labor can combat inflation. "Our people work hard, they want to improve their family situation, the future their children have. . . . But we are asking them to work with machines and equipment that are 20 to 30 years old, and this is our problem. . . ."

The National Right to Work Association and the anti-union Association of Building Contractors both testified in favor of Donovan's appointment, expressing the hope that he would support their policies.

Labor Committee member Edward Kennedy has launched a protracted senatorial rehash of "labor racketeering" charges stemming from a 1978 Justice Department probe of allegedly illegal payments by Donovan's firm to New Jersey Teamsters and politicians. While the 1978 charges came to nought and appear groundless, Kennedy has orchestrated a noisy press campaign charging Donovan with the taint of "labor racketeering," through the work of Kennedy staff assistant Walter Sheridan, an experienced Justice Department operator who ran the original anti-Jimmy Hoffa campaign of the Senate's McClellan hearings and also assisted Bobby

Kennedy's harassment campaign against the Teamsters Union.

On key labor issues the labor secretary designate made the following comments:

On Davis Bacon, which legislates prevailing wages on all federally funded projects—an issue of vital concern to organized labor: Donovan said that he would continue to support the Davis Bacon Act but would consider action to tighten administration of it.

On a lower minimum wage for teenagers: "I do have an open mind," he said, adding, "If it could be proved to my satisfaction that a youth differential would make a dent in the problem without affecting existing wage earners, I would be willing to try it."

On right to work laws: Mr. Donovan said he was opposed to repealing the section of the Taft-Hartley Law that permits states to outlaw the unions or closed shops. But he also said he probably would not support any national right to work legislation.

On unemployment compensation payments' expiration: Donovan did not respond specifically to proposed legislation to extend them, but promised to give the matter high priority, recalling when "unemployment benefits kept soup on my father's table."

Donovan also outlined plans to upgrade the training component of federal job programs and to end the "adversarial atmosphere" of occupational health and safety regulations.

As of Jan. 16, Donovan's confirmation was delayed by the allegations from a Civiletti Justice Department "protected witness."

Ralph M. Picardo, a murderer sentenced in New Jersey to a prison term of 17 to 23 years, but later placed under federal custody, charged that Donovan had made payoffs to him for labor peace with the International Brotherhood of Teamsters at his building firm, according to the *New York Times*.

Although Picardo was first brought under federal protection in 1975, his most active informant status has been under the Civiletti Justice Department's pre-Pendorf warfare against the Teamsters in 1978.

Department of Interior



James C. Watt, Ronald Reagan's secretary of the interior, has caused continual consternation among environmentalists. In his confirmation testimony before the Senate Energy and Natural Resources Committee, Watt renewed

his attacks on unnecessary environmental restrictions on public lands, calling for a "reasoned" approach to the use of federal land for development of untapped energy and water resources, while allowing scope for aesthetic and recreational needs.

As interior secretary, Watt has responsibility for overall management of the 700 million acres of federally owned lands, management of hydroelectric projects, livestock pasturing, and resource exploitation on public lands. Under intense dispute in the 1970s was how much public land is to be permanently set aside to "protect the environment" particularly in the eight Western states—much of whose land is federally owned.

Damned by the liberal press as "intolerantly prodevelopment," Watt made it clear in his testimony to Congress that he intends to continue his opposition to the policies of the Carter Interior Department under Cecil Andrus. "All too often, the federal government moves in a crisis, not with the precision of a surgeon's scalpel, but with the force of a meat axe. . . . I want the federal and state governments to strike a balance between the development and protection of our natural resources. We can have reasonable development of our energy resources, and preserve our natural environment, if we are given an opportunity to phase in, with proper safeguards, the expansion being demanded by the nation."

Background on the issues

James Watt can be considered an expert on the questions surrounding his department. He comes from Wyoming, with its rich mining lands, grazing ranges, and spectacular mountains. Born in 1938, Watt was graduated cum laude from the University of Wyoming College of Commerce, earned a law degree, and in 1962 came to Washington as an aide to Sen. Milward Simpson, the father of Wyoming's current Republican senator, Alan Simpson. In 1966, Watt became a secretary to the U.S. Chamber of Commerce panel studying natural resources and environmental issues. In the Nixon and Ford administrations, he served as deputy assistant secretary in charge of water resources—a critical issue for the water-scarce Rocky Mountain states—and in 1975 was named to the Federal Power Commission, which intersects water resource management in hydroelectric energy, in addition to its concern with oil, coal, and uranium mining.

It was Watt's activity as president of the Mountain States Legal Foundation from 1977 until his cabinet designation that has upset the environmentalists and the Andrus Interior Department. The foundation was set up in 1977 to legally challenge the one-sided assault of environmentalist groups such as the Sierra Club who have effectively locked up millions of acres of the most energy and mineral-rich lands in the nation. Exemplary of the foundation's activities was the 1980 lawsuit brought against Andrus and Carter's agriculture secretary, Bob Bergland, charging that the two had illegally withheld oil and gas leases on RARE II lands (see page 60) through bureaucratic "catch-22" ploys. Watt charged in one fundraising speech for the foundation that "to achieve the objective of denuding economic

freedom and growth, [the environmentalists] have attacked the Achilles tendon of America's strength—energy."

On the federal government's role, Watt called for sound national policies to "defuse" defensive states'-rights actions to develop resources, known in the West as "the sagebrush rebellion." "We need multiple use of our entire resource base," he said. "I don't see the need for massive changes in any of our laws. We need a balanced perspective. . . . It has been the conduct of an arrogant Department of the Interior that has sparked the 'sagebrush rebellion.' Federal lands should be transferred to the public with common sense, and the DOI should have a good-neighbor policy with local government. We must defuse the sagebrush rebellion." **On the environmentalists,** Watt told the committee: "I think there is a need to tone down the rhetoric and work for compromises that will be in the public interest. There shouldn't be extremism on either side, but a coalition of progress." Among the responses was Sen. John East's (R-N.C.) comment that "we can have economic growth and we must have economic growth. Otherwise we will have no future and no national security. There is the mandate and I hope you hold true to what you think needs to be done."

On Western water resources, Sen. Peter Domenici (R-N.M.) pointed out at the hearings that Secretary Andrus had stalled water development projects, while Sen. Malcolm Wallop (D-Wyo.) warned that Carter's proposed synthetic fuels program could drain the West's existing water resources. "On the average, it now takes 38 years to complete a [water] project," Wallop added. Watt replied that "water resource is the heart of the West. We need to develop new financing mechanisms to make it happen."

Department of State



After days of raucous confirmation hearings on the nomination of General Alexander Haig, the Senate Foreign Relations Committee voted 15 to 2 on Jan. 15 to endorse Haig. As Haig's appointment was being cleared, his actions underscored what his confirmation testimony had indicated—that if Haig has his way, foreign policy in the Reagan administration will be based on the same discredited geopolitics his two predecessors and mentors, Henry Kissinger and Cyrus Vance pursued with such disastrous results.

Haig, who as commander of the North Atlantic Treaty Organization was intimately involved in NATO General Huyser's mission to Iran to establish the Khomeini regime, is now determined to embroil the Reagan administration in Jimmy Carter's deal with the Iranian

mullahs. Numerous Washington and Wall Street sources privately assert that without Haig's go-ahead, the Carter administration negotiations with Iran could not have proceeded as far as they have. Columnists Evans and Novak asserted that the Carter White House sent a secret cable to U.S. negotiators in Algeria to inform the Iranians that Haig had personally indicated his approval of Carter's multi-billion dollar payment to Khomeini. Other sources report that Haig will use the State Department's Iran working group, set up after the hostages were seized in November 1979, as his vehicle to impose his Iran policy on the new State Department. "Haig intends to make them into the dominant group in the State Department if he has his way," declared a source involved in the Carter administration's Iran negotiations.

It was Haig's NATO subordinate, General Robert Huyser, who was sent to Iran by Zbigniew Brzezinski to engineer the January 1979 military coup that overthrew Prime Minister Shahpour Bakhtiar and brought Khomeini to power. Deputy Commander Huyser, who personally gave the Teheran mob over 100,000 automatic weapons in one night, was disavowed by Haig, whom Iranian military exiles and European intelligence sources, among others, nevertheless hold responsible for NATO's complicity in the Iran disaster.

In five days of testimony before the Senate Foreign Relations Committee, which began hearings on Haig's nomination Jan. 9, the former NATO Supreme Commander stated his unequivocal support for the Kissinger-vance policies, including support for the discredited "China card" and the Camp David fiasco. **On China:** Despite the consensus among most intelligent observers that the People's Republic of China is verging on internal political and economic collapse, Haig called on the United States to help strengthen China—possibly through the sale of military items—and defended it as a "stabilizing influence in Asia." Haig cited, as evidence for this view, China's "punitive actions against Hanoi" that followed Vietnam's moves against the Chinese-backed Pol Pot regime in Cambodia—the same Pol Pot regime that murdered 3 million Cambodian citizens.

Haig stated before the Senate Foreign Relations Committee: "Our relationships with China . . . should be based on our strategic motivations. . . . Now with respect to China's role . . . I think that strategic relationship has increasingly begun to suggest that their concern about what they refer to as the search for hegemony by the Soviet Union on their border . . . has given them a motivation for a certain stabilizing influence in the area. Evidence, with a value judgment, their punitive action against Hanoi when Hanoi continued its activities in Cambodia."

On the Middle East: Haig declared his support for the Carter administration's Camp David process, despite the fact that it has been a major stumbling block to

European-led initiatives to resolve the Mideast crisis. Haig proposed, as well, the establishment of U.S. military bases or staging areas in the Persian Gulf, which has already been rejected by moderate Arab states.

In response to questioning from Colorado Democrat Gary Hart, Haig said: "Any application of American commitment of power must be taken with the greatest reservation. And once you do it, you should be aware that you have done something that has a prospect of succeeding. . . . Now if all this is to suggest that I'm recommending an intervention to protect our oil, why, it's clearly circumstances where such a recommendation might be made.

"I am very concerned today about the inadequacy of our capability. . . . I think we have a great deal to do to correct that capability. That's some of the military aspects of it, and I'm talking about airlift, sealift. I'm talking about staging areas, or basing areas. And I'm talking about ready forces capable to intervene at the level of capability necessary."

On Latin America: Haig defended the 1973 Kissinger-backed overthrow of the Allendo regime in Chile as necessary for U.S. national interests. Through his hard-line statements on Cuba and El Salvador, Haig's testimony suggests that he will try to steer Reagan into a confrontation with the left-wing guerrilla forces in Central America.

In response to a question by Connecticut Senator Christopher Dodd, Haig stated: "It would be very difficult for me to support efforts toward the normalization of relationships with Cuba just so long as they are spawning, instigating, manning, and conducting terrorist activities in this hemisphere designed to change by force legitimate governments."

On Africa: In testimony Jan. 14, Haig announced that he hoped to make several trips overseas early in the Reagan administration to include South Africa, an area of "vital importance." He described his attitude toward the nation of Zimbabwe as one of "watchful waiting," noting that Prime Minister Mugabe is an "avowed Marxist." On Angola, Haig said that he was concerned about the presence of Cuban "mercenaries" there, noting that "that situation is clearly a major factor in considering efforts to improve relationships."

On Kissinger: Pressed to explain whether he has any policy differences with the former secretary of state, Haig replied: "I differ on . . . I differ on . . . *strategic strategy!*"

Informed Washington sources report that Haig is attempting to put the State Department under his firm control and to bring the Defense Department under his influence as well. Some Reagan loyalists are interpreting his statement at the Jan. 10 session of the confirmation hearings that he does not feel bound by the GOP platform as a direct challenge to Reagan over control foreign policy. Haig is also reportedly pushing to fill the second-level posts at State with old Kissinger hands.