

alleged statements, White House press secretary Jody Powell described the report as another "in a series of 'Oh my God, they're caving into the Commies' column. Under questioning from reporters, Powell attempted to use the "leak" to blackmail West Germany into increasing its own defense contributions to NATO by saying, "It is our policy to regain any territory... However, it is important for NATO to take certain steps to maintain that ability."

NSC press spokesman Jerrold Schechter said the statements attributed to Brzezinski were "partial, inaccurate and deal only with one aspect of the overall defense strategy that might be applied in the event of an attack on Western Europe."

Defense Secretary Harold Brown tried to reassure the Senate Armed Services Committee that U.S. policy is still to contain any Soviet attack near the West German border. "I do not advocate and will not support a policy which called for the United States to accept a loss or defeat in Europe," Brown said Aug. 3.

### Excerpts from Aug. 3 Rowland Evans And Robert Novak Article

President Carter late this week will be presented by his national security advisers with a new defense strategy that secretly concedes one-third of West Germany to a Soviet invasion rather than seek increased defense spending, which these advisers say would provoke Moscow and divide Washington.

PRM-10, the Carter Administration's top-secret strategic study, suggested that this policy could be made palatable to Western Europe by simply not admitting its implications. This course was wholly adopted in high-level meetings July 28 and 29 by Zbigniew Brzezinski, the

President's national security adviser...

According to verbatim notes taken by one of the participants, Brzezinski declared: "It is not possible in the current political environment to gain support in the United States for procurement of the conventional forces required to assure that NATO could maintain territorial integrity if deterrence fails. Therefore, we should adopt a 'stalemate' strategy. That is, a strategy of falling back and leaving the Soviets to face the political consequences of their aggression..."

There was no dissent from those present, including Vice President Mondale, CIA Director Stanfield Turner, Chief Disarmament Negotiator Paul Warnke, Deputy Defense Secretary Charles Duncan and Joint Chiefs of Staff Chairman General George Brown.

Brzezinski continued: "We agree there must be a gap between our declared strategy and actual capability. We cannot for political reasons announce our strategy." Again, there was no dissent, though some officials voiced the opinion there would be hell to pay if the Germans learned what was happening.

All this follows the script of the June 20 draft of PRM-10, which lists four options... Each would stop a Soviet offensive at a line formed by the Weser and Lech Rivers, surrendering about one-third of West Germany (including Saxony and most of Bavaria).

These four options, according to PRM-10, do not "plan" to stop "a determined Warsaw Pact conventional attack... If the Soviets persist in their attack, a U.S.-NATO conventional defeat in Central Europe is likely"...

Many of the adverse political implications... of the options... probably could be avoided if the U.S. continued to publicly support present strategy. Adverse reactions by Western Europe could be significantly softened... if the U.S. were to avoid any statements to the effect that a loss of NATO territory would be acceptable.

## Will Congress Use Maritime Scandal For Cartergate

The Republican national leadership announced last week that they are going to use the developing scandal surrounding suspicious payments by maritime interests to the Carter campaign to begin "Cartergate" investigations of the President and his Administration. Charging that the scandal is "more damaging and explosive than the Nixon milk payoff charges," Senate Minority leader Howard Baker, House Minority leader John Rhodes and Republican National Committee Chairman William Brock told a press conference Aug. 1 that there is now sufficient evidence of Administration criminal activity to warrant a Congressional investigation.

The key issue in the scandal is that President Carter's personal actions in the affair prove conclusively that his strident demands for U.S. "energy independence" are a fraud designed only to cover for the Rockefeller interests' drive to bust up OPEC and loot their petrodollar reserves to keep the New York banks afloat. Carter, in

maritime interests, has supported the Cargo Equity Bill, which would require nearly ten percent of U.S. oil imports to be shipped in American flag ships by 1982. The mandatory flag preference provision would *raise the cost of oil by \$2 billion.*

Although the Republican Party leaders pointed out this fact at their press conference, it remains to be seen whether they will use the threat of an investigation merely as a "bargaining chip," or fully exploit the issue to turn around the current Congressional capitulation on the Administration's industry-killing energy program. Amid much anti-administration talk last week — including a filibuster which successfully forced Carter to withdraw his bill to allow the Federal Election Commission to expand its power to harass political candidates on Carter's "enemies lists" — Congress okayed the pro-

posed Energy Department, the cornerstone of the Administration's energy dictatorship.

#### *Cause for Indictments*

At their press conference, the Republicans laid out enough evidence, procured by the House Merchant Marine Committee and the Senate Commerce Committee during recent hearings, to bring immediate indictments against Carter and many of his close lieutenants, including:

\*Memos to Carter released by the White House on subpoena from the Committees by Robert Strauss, former Democratic National Committee Chairman and now Carter's special representative on trade, and Carter's domestic affairs adviser Stuart Eizenstat which state in explicit language that Carter's support of the bill was necessary as a political payoff.

\*Proof that Carter ignored rebukes from his financial advisors and members of the State and Defense Departments that the bill was inflationary and would cause a general decrease in employment and the overall national product.

\*Proof that Gerald Rafshoon, Carter's campaign advertising director and now White House media director, received a commission of \$500,000 in April to carry out a national campaign for the Cargo bill and that Pat Cadell, Carter's public opinion pollster and style-

maker, was hired to do market testing on the campaign's behalf.

\*The only witness the Administration allowed to testify before the committees on the bill, Undersecretary of Commerce for Maritime Affairs Robert Blackwell, had recently been offered a \$100,000 a year job with nine ocean freight companies — an offer he has not yet rejected and therefore a clear-cut case of conflict-of-interest.

\*Carter totally ignored the protests of eleven maritime nations against the legislation.

Senator Robert Griffin (R-Mich) has joined with his party's leaders in making a call for full congressional action on the scandal through open hearings in his Senate Commerce Committee — a committee heavily weighted with pro-industrial growth Republicans such as Goldwater (Ariz) and Schmitt (NM) and several potential Democratic allies such as Russell Long (La) and Daniel Inouye (Ha).

Such Congressional investigators also now have a precedent for bringing the maritime scandal to its "Cartergate" conclusion: a Federal grand jury yesterday indicted a former Democratic Representative from Maryland, Edward Garmatz, on charges of receiving \$15,000 in unlawful gratuities from two shipping companies while he was chairman of the House Merchant Marine Committee.

— M. Manning