

# Renegade U.S. Officials Go For New Cold War

Even though White House spokesman Jody Powell and State Department sources continue to reaffirm an American commitment to a Middle East peace settlement, such leading Administration figures as Energy Secretary James Schlesinger and Defense Secretary Harold Brown have publicly declared their intent to create a climate of international hostility and cold war.

Working with leading British and New York financial circles, these Administration renegades and their collaborators Senator Henry Jackson (D-Wash.) and former Secretary of State Henry Kissinger are determined to undermine international economic cooperation so as to implement their own economic policies, exemplified by Schlesinger's Winter Energy Emergency Plan and the Administration's steel aid program.

## Brown-Jackson Parrot British Sabotage of SALT

These sabotage efforts have focused on derailing Middle East peace initiatives and blocking a SALT agreement.

At the current NATO Ministers meeting in Brussels, U.S. Defense Secretary Harold Brown followed the lead of British Minister Mulley in supporting the production of weapons for NATO, which the Soviets have indicated could be used as trade-offs in reaching a new SALT accord. Brown echoed the British Minister's support for the cruise missile, which has been the key stumbling block in reaching a SALT agreement.

In a warmongering statement to the press, Brown justified greater spending on NATO arms, warning that the Warsaw Pact military buildup has continued steadily for 15 years and shows no signs of slackening. Brown singled out the prospect of continued use of the cruise missile and the equally sensitive neutron bomb, stating:

"We would intend to preserve, both during the protocol period and for a period thereafter, sufficient range to reach targets in the Soviet Union against which we need to be able to retaliate in order to assure our deterrent capability."

While the NATO Ministers were meeting, the *London Daily Telegraph* hailed cold warrior Senator Henry Jackson (D-Wash) for his part in preventing the conclusion of a SALT agreement earlier this fall. (See below.)

Jackson's associates also succeeded this week in maneuvering Adam Yarmolinsky, one of former Defense Secretary and now World Bank President Robert McNamara's "whiz kids" in the Pentagon, into position as Counselor to the Arms Control and Disarmament Agency (ACDA), the agency responsible for negotiating an arms accord.

While Jackson and Brown heated up an aversive climate around the SALT negotiations, other Administration officials have made open attacks on the Soviet Union and Cuba. U.N. Ambassador Andrew Young accused the Soviet Union and Cuba three times in the past several days of "contributing to the escalation of death and destruction" in Africa. Last week Young was saying that Cuban involvement in Africa was not a major problem.

## British Puff Jackson's SALT Sabotage

*The Dec. 5 issue of the London Daily Telegraph hailed Senator Henry Jackson's successful sabotage of a new SALT agreement earlier this fall under the headline, "How the West Was Saved From Presidential Optimism," excerpts of which follow.*

It is now evident that this autumn President Carter and his liberal advisers, who had beavered their way into ascendancy in the Arms Control and Defence Departments, came within an ace of a disastrous eight-year nuclear weapons agreement with the Russians. . . .

Credit for bringing the President up sharply on the brink goes to a fellow Democrat, Senator Jackson, chairman of the Senate Armed Forces sub-committee. He has been a determined critic of SALT I and wields a Senate resolution requiring that any new agreement with the Russians must not put America in a position of inferiority. . . .

Mr. Carter was warned by Senator Jackson — whose sub-committee he had been forced reluctantly to keep informed at fortnightly intervals during the later stages of the negotiations, by when most of the damage had been done — that such a treaty would be unlikely to get the necessary Senate ratification. This view was confirmed by the majority leader. Now the final agreement is not expected until the spring, and it will have to be a much better one if it is to avoid the fiasco of rejection. . . .

President Carter, for all his talents, has not yet the feel for world strategy. Nor has he so far displayed the sophistication needed to match the Russian team, in which the marshals always play a large part and margin of safety.

Thanks to Senator Jackson, he now has more time to think, to weigh advice, and, where necessary, to be his own man — for all our sakes.

The Young statements were coupled with National Security Council Advisor Zbigniew Brzezinski's and President Carter's slap at the Cubans. Both men advised a congressional group preparing a visit to Cuba to threaten President Castro that unless he removes all Cuban advisors from Africa, the U.S. would not normalize relations with Cuba. The Congressmen reported this week that Castro has soundly rejected their threats.

## Schlesinger-Kissinger Seek Mideast Crisis

Energy Secretary Schlesinger followed up these tantrums this week, stating that if necessary to ram through his energy program, he would prefer continuing Middle East crises. In a speech before the Conference Board on Dec. 7 — the anniversary of Pearl Harbor — Schlesinger warned that the Middle East situation was explosive and that the U.S. could not continue to rely on that area for its oil. Therefore, the population should

submit voluntarily to his energy program. If not, Schlesinger warned, "the social and political foundations of the U.S. will be shaken in such a way that we haven't seen since the 1930's." The U.S. is facing the same crisis as in 1972, Schlesinger declared, raising the nightmare of another oil embargo.

Former Secretary of State Henry Kissinger has also been working overtime to ensure that the Middle East peace initiatives launched by the U.S.-Soviet Accord and the Sadat-Begin discussions do not succeed. Kissinger has made numerous public statements calling for a separate agreement between Israel and Egypt and no Geneva conference, meeting with Administration officials, including Secretary Vance on Dec. 2, to that end. Last week two leading Italian papers condemned Kissinger for his policies, warning that they will lead to war. Perhaps as recompense for his efforts on their behalf, Kissinger is reported by the Dec. 8 *New York Post* to be slated for a job as international troubleshooter for the merging investment houses of Lehman Brothers and Kuhn Loeb.

# Congressional, Industrial Support For Capital Formation Grows

*Former Treasury Secretary William Simon's call for a broad-based political mobilization urging a high-technology jobs and export policy for the U.S., issued at the Nov. 29 conference on "Capital Formation for Exports" in Chicago, has elicited a significant, positive response from industrialists and their representatives in government.*

*On Dec. 7, the Chicago Tribune, speaking for that city's growth-oriented industrial-agricultural community, favorably covered Simon's speech, highlighting his proposal for the creation of 18 million capital-intensive jobs.*

*The following day, the Chicago International Trade Club (often referred to as the "Central Committee" of the Midwest business sector) sponsored a follow-up conference keynoted by John Moore, head of the U.S. Export-Import Bank.*

## Nonproliferation Is Ruining Trade

A U.S. Labor Party representative was invited to the Trade Club conference because of the interest that Chicago and other industrial centers are showing in the party's proposal for transforming the Eximbank into a vehicle for underwriting a tremendous expansion in U.S. exports. In response to a question from the Labor Party representative, Exim head Moore bitterly assailed the Carter Administration's nonproliferation policies.

"It's not just the four nuclear plants that Iran has ordered from France," Moore said. "They have also bought four plants from West Germany. By statute, we are prohibited from financing breeder and reprocessing facilities. But there is no doubt that because of our policy we are losing all nuclear plant projects. There's no doubt

that the U.S. has lost business in this field where we used to be preeminent. It's a very grave issue. It's sad to think how much we have lost already and it's sad there is also no doubt that this is because of President Carter's position." Moore recommended increasing the Eximbank's lending capacity — "\$30-40 billion more a year in sales should be our goal" — acknowledging that this would help to stabilize the dollar and balance the trade deficit.

A similar conference will be held in Georgia on Dec. 9. There, top-level representatives of southeastern and foreign businesses will gather to hear, among other speakers, Assistant Secretary of Commerce for International Business Frank Weil. A close ally of Moore as well as an outspoken opponent of Treasury Secretary Werner Blumenthal's dollar-wrecking policies, Weil is also expected to promote a beefed-up Eximbank and increased capital investment as the keys to reverting the dollar's decline.

## New Mexico Senator Denounces Administration's 'Technological Imperialism'

*This push for reorienting U.S. economic policy into a capital-intensive, export-oriented mode received important input two weeks ago from Senator Harrison Schmitt in a speech to the American Nuclear Society's winter meeting in San Francisco. A foremost congressional proponent of nuclear fission and fusion power development, the New Mexico Republican scored the Carter Administration's nonproliferation stance as "technological*