

National News

Administration to push 'free enterprise zones'

Peter Ferrara of the Department of Housing and Urban Development (HUD) says President Reagan's advisers "are placing the enterprise zone concept at the top of the legislative agenda for the fall. We hope to have something enacted by Christmas." Ferrara is close to Stuart Butler of the Heritage Foundation.

The administration has set up a working group on the enterprise zones, with representatives from the White House Office of Policy Development, OMB, HUD, Treasury, the Agriculture Department, and the Department of Labor, to come up with recommendations. The group is headed by Robert Carleson, who was Reagan's director of welfare in California and now serves as a special assistant to the President for policy development. Carleson recently revealed that the group has drawn up a list of federal regulations it deems ripe for modification or elimination in enterprise zones.

Ferrara said that the enterprise zones "will serve as an example for the rest of the economy . . . and of what the free-market economy can accomplish. We'd like to see the enterprise zone concept extended throughout the economy."

Strategic folly dominates Aspen seminar

Reports leaking out of a closed-door meeting on defense policy held by the Aspen Institute, a leading zero-growth think tank, confirms the insanity now guiding U.S. strategic policy.

Richard Burt, the State Department's Policy Planner; David K. Jones, chairman of the Joint Chiefs of Staff; Walter Mondale; and Cyrus Vance's chief Soviet watcher Marshall Schulman were in attendance.

Brent Scowcroft, William Hyland, and Helmut Sonnenfeldt represented the

Kissinger group. Direct from London was Chris Bertram, head of the International Institute for Strategic Studies.

One of the main themes discussed at the meeting was that NATO must "show the willingness to use nuclear weapons first." One source specified, "The place where we would use nuclear weapons discriminatingly besides Europe is in the Persian Gulf."

While some policy-makers grudgingly admitted that the Soviets might go so far as to "preempt against our Pershings or even use some of their forces early so that we will not use our Pershings," there was little opposition to stationing the missiles. In fact, some of those warning that the Soviets could take preemptive action against the Pershings wanted to start deploying them in hopes that Moscow might then negotiate arms control agreements. All participants dismissed defensive beam weapons as "21st-century technology."

Michigan's nuclear power faces economic warfare

Detroit Edison has been served with a court order blocking it from selling \$1.9 billion in bonds needed to continue construction on the Fermi nuclear plant near Monroe, Michigan and a second, coal-fired plant near St. Clair. The order from the Court of Appeals was jointly instigated by the State Assistant Attorney General's office in Lansing and the Michigan Citizens Lobby, a Naderite group.

The Michigan State Supreme Court upheld the lower court stay on Aug. 14, and the Court of Appeals is deciding whether to force the state Public Service Commission to hear evidence on whether the plant is "needed" or "economical"; the PSC could then force permanent cancellation of the bond sales. But Detroit Edison says that it will have to halt the construction projects within 30 days if it can't issue securities because of cash-flow problems.

Assistant Attorney General Pat Devlin told a journalist Aug. 19 that the massive \$1.9 billion case could set a na-

tional precedent. In most states utilities must get approval from their public service commission to float bonds, he noted, and more and more pressure groups are getting fed up with the skyrocketing costs of nuclear power. "Hopefully, we'll prevail in this case and shut down the Fermi plant," Devlin said.

LaRouche warns Washington to wake up

In his capacity as National Democratic Policy Committee advisory board chairman, Lyndon H. LaRouche, Jr. issued a statement Aug. 21 that begins:

"In a time of food shortages, a farmer may increase his income by selling his seed-corn to millers and his entire herd to the slaughterhouse. What, then, will the nation—and the farmer himself—eat next year?"

"That describes the sheer idiocy of the British 'free enterprise' economic policy now misguiding the Reagan administration.

"My associates and I have warned constantly, since October 1979, that the usurious policies of Federal Reserve Chairman Paul A. Volcker and the Carter administration would increase the rate of inflation up to the point that the contraction of the economy brought the United States into a slide toward a new Hoover collapse.

"From the beginning of the Reagan administration, we have warned repeatedly that the Kemp-Roth tax bill was idiocy, and that the toleration of Volckerism meant an annual federal deficit increase in the order of between \$100 and \$150 billion.

"On both points, we have been correct, and all of those who opposed our warnings are now proven to have been totally wrong, disastrously wrong. The evidence of the proposed new, more savage round of budget cuts is irrefutable on this point.

"The test of wisdom of an administration and a Congress is its ability to learn quickly from evidence of its own major policy blunders. Have the admini-

istration and the Congress the courage, honesty and sanity to admit that the Reagan administration's continuation of the Carter-Volcker monetarist policies has led us to a disaster potentially greater than that caused by the Coolidge and Hoover administrations? . . .

"To those of us old enough to remember World War II, the present direction of Washington's military policy reminds us of the pattern of Nazi Propaganda Minister Josef Goebbels's trumpeting of Nazi 'miracle weapons,' trumpeting which increased to a point of frenzy during the years following the Nazi defeat at Stalingrad. . . .

"This nation must return immediately to those policies of American industrial-capitalist development which made us formerly great. . . . Some people argue that such an abrupt shift in policy is not 'practical.'

fools. Whatever must be done is the only action which is practical."

FBI stingers get stung in Bridgeport

"Now put your hands on the dashboard," said Bridgeport Police Superintendent Joseph Walsh to an FBI agent on Aug. 20; "you're under arrest for attempted bribery." A team of police swooped in to handcuff convicted car thief Thomas Marra who had just handed the chief \$5,000 in bribe money supplied by the FBI. Walsh then took the hidden microphone from under Marra's shirt and stated, "you can come in now."

On the other end of the wire was a panic-stricken team of FBI agents and other operatives of the Justice Department's so-called Organized Crime Task Force who had deployed Marra as an entrapment agent. When the hapless agents ran up and breathlessly demanded their \$5,000 would-be bribe and their agent, Walsh informed them that the tables had been turned on U.S. Attorney Richard Blumenthal of New Haven. The protesting FBI team was threatened with arrest for obstruction of justice.

Speaking to the press, Bridgeport

Mayor John C. Mandanici later said, "I'm sitting here watching this action. Why don't they [the FBI] go after the dope addicts?" Mandanici said that he was considering charging responsible FBI and Justice Department officials with conspiracy to commit bribery and infringement of civil rights.

Chief Walsh later said, "I still don't believe there's room in this country for members of the Justice Department, members of the FBI, to act like Gestapo." The \$5,000 bribe monies have been donated to an orphans' Christmas fund.

Thomas Marra, a petty car thief convicted in New Hampshire, had been picked up, like thousands of other criminals, as a paid agent of the FBI.

The bribes he offered were supposedly to gain return of the lucrative towing contract to his uncle.

Homebuilders lobby against Paul Volcker

The National Association of Homebuilders (NAHB) has launched a nationwide mobilization among its members to lobby their congressmen, the President, and Chairman Volcker for an immediate reduction in interest rates. While the call for the mobilization—sent out as an Aug. 13 legislative flash—calls for fiscal austerity as a tradeoff on interest rates, the theme is, "We simply cannot wait any longer to get interest rates down."

In the call, NAHB President Herman Smith states: "It is critical that you contact both of your U.S. senators and your U.S. representative to stress the tremendous damage to the housing industry due to high interest rates and the need for Congress to work with the administration and the Federal Reserve Board to *reduce interest rates immediately*. Congress is in recess right now until Sept. 8, which means that you should be able to meet with your senators and representatives at home this month."

The homebuilders are asked to report to Bob Bannister at their governmental affairs office on the position the congressmen take.

Briefly

● **FRITZ KRAEMER**, the mentor of Henry Kissinger and James Schlesinger, is quietly playing a major role in directing Reagan administration defense policy. Kraemer, an emissary of the continental European oligarchs, is now acting as a top adviser to Fred Iklé, Undersecretary of Defense for Policy.

● **ROBERT KOMER**, former head of DOD Policy Planning in the Carter administration, is urging the Reagan administration to forget any efforts to develop high-technology military equipment. "That's not a high-priority issue," says Komer, who is still in close contact with Pentagon officials; instead he is urging that the U.S. gear up its capabilities to intervene in the Indian Ocean and Persian Gulf areas.

● **THE HERITAGE** Foundation wants to phase out Social Security benefits for spouses and tax half of all benefits in the next round of budget cuts, staffers say. They also propose reducing benefits under the Longshoremens' Act, and eliminating the trade-adjustment assistance program and aid to black-lung victims, as well as reviewing U.S. military programs for major cuts. One foundation official commented that "We need an atmosphere where people say, 'I'll let you cut my program if I can cut yours.'"

● **LARRY PRESSLER**, Republican senator from South Dakota, warned Aug. 21 that in 1982, "We are going to be identified as the party of high interest unless the issue is addressed at a high level by the President. It is my strong feeling that the impact of high interest rates is being overlooked by the Reagan administration." This was the first major statement by a Republican on the political ramifications of high interest rates.

Such people