

Carter Boxed In

Confused Exec Swings Both Ways

President Carter is now being encircled by both a left and right wing operation which has as its objective cutting Carter off from a foreign and domestic policy geared toward economic growth. On the liberal side, Carter is confronted by the deindustrialization, soft-technology favoring antics of Sen. Edward Kennedy and California Governor Jerry Brown, now both widely touted as presidential contenders by the press. The flip side of this deployment features the anti-Soviet rantings of Henry Kissinger-deployed Senators Daniel Moynihan (D-NY) and Lowell Weicker (R-Conn).

THE ADMINISTRATION

The hurried activities of the Kissinger-Kennedy axis follow closely the conclusion of a multi-billion dollar trade agreement between West Germany and the Soviet Union. In the positive context created by a European push for détente and the May 3 invitation issued by Japanese Premier Takeo Fududa for the United States to join in developing new energy technologies with Japan, an "uncontrolled" Carter Presidency is too great a risk for the London monetarist forces.

The possibility that Carter might involve the U.S. in some of the economically crucial trade pacts between the USSR and West Germany is not unfounded. Capitol Hill sources report that as Schmidt and Brezhnev closed their historic agreement May 6, the West German Chancellor had extended telephone conversations with President Carter.

The Kissinger Lobby

On May 8, former Secretary of State Henry Kissinger began to threaten the President while addressing a Senate Foreign Relations Committee meeting that if he did not capitulate to Kissinger's Cold War confrontation policies he would face a "divisive" fight. Within hours, Sen. Weicker (R-Conn.) and Sen. Moynihan (D-N.Y.) attacked Carter's "appeasement" policies at the American-Israel Political Action Committee (AIPAC) conference.

Kissinger reiterated that the U.S. had disappointed its allies by adopting a "soft" foreign policy and "losing" Angola. The former Secretary of State demanded that the Administration adopt his "geopolitical" confrontation approach. "It's in the national interest to have a bipartisan foreign policy...we can't afford a divisive fight," he said.

The nature of the bipartisan policy being proposed was

spelled out by a red-nosed Moynihan at the AIPAC meeting. Moynihan ranted that for three years there has been a failure of nerve in U.S. foreign policy, "When Carter and Brezhnev sit down together, they get along well; they have similar dreams." The Soviets are the successors to the Nazis, Moynihan claimed, and their goal is to dominate the world.

Senator Weicker followed Moynihan, ostensibly blaming National Security Advisor Zbigniew Brzezinski for the Administration's policies, he compared it with others who "sacrificed" the Jews for the sake of "world order." "The Carter Administration is on a collision course with history," Weicker added. Mark Seigel, the former White House advisor and liaison to the Jewish community, followed, saying that the Administration planned arms sale packages to Saudi Arabia and Egypt were designed to destroy the Zionist Lobby. Siegel's implication was clear: The Zionist Lobby should get Carter first.

Kissinger's input was also apparent in the statements of the Coalition for A Democratic Majority released May 6. Headed by Moynihan and Senator Henry Jackson (D-Wash.), the coalition issued a statement warning that Carter was destroying the Democratic Party with his "softness." The group condemned the Administration for "continuing a pattern of retreat and international accommodation, which is weakening our nation's standing at home, breeding division among Democrats and giving ground to the Republicans."

Carter's Tilt

Carter is particularly susceptible to the Democratic hard line since he won the White House without developing a strong base of support within the party. This has contributed greatly to Carter's particular malleability to press coverage in the *New York Times* and *Washington Post* that Jerry Brown and Teddy Kennedy are likely challengers to his bid for the Democratic nomination in 1980.

Following criticism from the solar power-supporting Brown on Carter's Mideast policy, the President announced during his May 3, "Sun Day," visit to Golden, Col. that he had ordered "all our departments in the federal government under the leadership of (Energy Secretary) James Schlesinger to go into more ways that every agency of the government can help solar energy become part of the everyday life to the American citizen." He also announced a directive that \$100 million be added to the Energy Department budget for solar energy "research" in tandem with similar moves in Congress.

Carter next cuddled up to the same Teddy Kennedy of whom during his 1976 presidential campaign he said "I don't have to kiss Teddy Kennedy's ass" to win the nomination. In a poor parody of each of Kennedy's stances on his pet issues — health care and judicial "reform" — Carter unleashed diatribes against the legal and medical professions for "ripping people off." Carter was setting himself up to embrace the Senator's "right to die" health plan and the unconstitutional judicial revision.

Carter's populism was exactly what the Kissinger-Kennedy axis was aiming for: a terrified Carter disoriented by opposition would imitate its fascist policies.

To maximize the threat of opposition the Kennedy crowd this week arranged the release of a recent Gallup

poll showing Carter's popularity as ebbing. George Gallup, a personal friend to the Kennedy clan, shows in his latest poll that Democrats prefer Kennedy to Carter as a presidential nominee 53 percent to 40 percent. Even in Carter's home territory, the South, the poll showed Kennedy running equal to Carter in strength.

At the same time Jerry Brown, who placed third in that Gallup poll, announced he was running a \$1 million effort to win the California Democratic primary for governor, a race in which he is unopposed. As the press has gloated, this is a sure sign that Brown wants to make a name for himself so that he can challenge Carter in 1980. And as Kennedy-clan associate Tom Wicker commented in the *New York Times* May 9, Brown's activities place Kennedy under pressure to officially announce his own presidential intentions.

Miller Comes Under Fire

White House Takes Aim At Fed Chief

Federal Reserve Chief G. William Miller is under fire in what promises to be a widening battle. As yet, only the first shots have been fired, beginning with an article in the *Dallas Morning News* May 6.

There it was revealed that the Bell Helicopter Division of Textron Company, formerly chaired by the Fed chief, had repeated its Iranian payoff operation, albeit on a lesser scale, in Ghana. Worse, it was also disclosed that a key document pertaining to the deal was destroyed the day after the matter was brought up in Miller's confirmation hearings last February.

Miller's confirmation by Senator William Proxmire's (D-Wisc.) Banking Committee had already been delayed several weeks when information was leaked that Bell had paid almost \$3 million in bribes to Iranian government officials to secure a helicopter sale. At the time the committee staff did not consider the much smaller Ghana payoff — some \$300,000 — to merit the same attention.

The Iran payment itself would never have become an issue had not sources in the U.S. intelligence community revealed the evidence in an attempt to halt Miller's confirmation. Despite a Securities and Exchange Commission investigation and one by a special Justice Department task force, the confirmation was railroaded through when the entire committee, according to staff members, demanded that Proxmire call a vote and stop prolonging the hearings.

The Politics of Scandal

Having now ensconced himself in the Federal Reserve and moving to push up U.S. interest rates as quickly and drastically as politically feasible, Miller is meeting opposition from those same quarters who engineered the original Textron leak, apparently joined this time by a White House faction developing around Robert Strauss, the Special Trade Negotiator and Presidential inflation fighter. Strauss hinted such a move might be in the works

in a press conference May 4 (by referring) to himself as a "low-interest man."

Strauss's political mode of operation is not likely to result in more open attacks in the immediate term. However, the following Saturday, the *Dallas Morning News*, after checking with the Securities Exchange Commission and the Justice Department, leaked the Ghana story, including as well a Latin American bribe angle that has not yet been picked up elsewhere. Strauss has strong roots in the Texas business community, which has on its own been more forthright than other business groupings in its dissatisfaction with Miller's credit-crunch policies.

Caught off guard, Proxmire issued a press release on May 6 indicating his "distress" over the "inadequate explanation" of the Ghana affair provided to his committee, "thus foreclosing a relevant area of inquiry into Mr. Miller's qualification to become the Federal Reserve Chairman." Senator Edward Brooke, a member of Proxmire's committee, issued a similar release. Both called on the Justice Department to determine whether the destruction of the document provided sufficient basis for criminal prosecution — closing the barn door too late, in effect, since Justice already had an investigation under way.

Both the pro-Miller *New York Times* and democratic committee staffers attempted to divert attention from Miller's responsibility for the actions of his corporation to the issue of possible CIA involvement, through the participation of a sales company in Ghana alleged to be largely CIA-owned. The funds had allegedly been laundered through an arrangement by which Bell Helicopter billed the sales company list price for the helicopters. They in turn billed the Ghanaians the list price plus the \$300,000 and passed this total sum on to Bell in the U.S. for their "own" account, the retail portion then going into Bell's general receipts and the bribe peeling out again into the hands of the Ghanaian official.