
National News

Byrd touts Reagan in Peking

Senate Majority Leader Robert Byrd, in Peking this week, astonished observers by going out of his way to sell the Chinese on Ronald Reagan. Byrd assured them that if and when the California Republican is elected, the U.S.-China alliance will continue to coalesce. "We are not going to turn back the clock and negate all the progress we have made together," Byrd said.

The West Virginia Democrat's reassurance was much appreciated in Peking, whose leaders, currently meeting with Carter, have little confidence in agreements struck with the lame duck.

Byrd is known to be close to Senator Henry "Scoop" Jackson. It is widely rumored in Washington that in exchange for guaranteeing a Carter nomination and thereby a Reagan election landslide, Jackson and his allies have been offered ranking positions in a Reagan administration. "Democrats and Independents for Reagan" founder Midge Decker confirmed the reports, off the record, this week.

The *Baltimore Sun* reports Byrd's visit to Peking was celebrated by a formal banquet which featured Byrd playing "Turkey in the Straw" on his fiddle. At the banquet, Byrd reportedly toasted the Chinese for allowing him to visit one of their missile launching sites. China's missiles, for which Washington is discussing possible supply of guidance systems, are capable of hitting targets in the western United States.

Rostow boosts coal cartel

University of Texas professor Walt Rostow, former adviser to Presidents Kennedy and Johnson, told the National Conference of State Legislatures July 9 that the way to force nations to bow to U.S. policy is to make them dependent

on U.S. coal exports. "All kinds of dependencies would emerge on us if we exported coal," he said.

Citing the fact that Mexico has refused to go along with the U.S. proposal for a North American Common Market, on the grounds that it would impede Mexican development, Rostow declared, "Nothing will change on this until we become an exporter of coal and have something to offer them."

Rostow went on to detail the restructuring of the American economy that would be required to implement his coal export program by 1990. "The world will require massive coal as a substitute for oil. This requires conservation. We have to have the Executive make decisions necessary to do this. LBJ and JFK would have done it, but Carter has not. It may be necessary to declare a state of emergency—not military emergency—to do it. Then the President should establish a board that will implement this policy. We need a 'Hundred Days' perspective for the new President."

New Jersey Democrats oppose rules changes

New Jersey Democrats are lining up to sign the following statement, circulated by Citizens for LaRouche: "We, the undersigned, condemn in the strongest terms the set of so-called rules changes adopted by the Rules Committee for the Democratic National Convention. As members of the Democratic Party, we are horrified to see its absolute disdain for the deliberative powers and conscience of the delegates. The idea of 3300 sheep crowding into Madison Square Garden in mid-August to rubberstamp a series of dictatorial decisions is appalling.

"No gag rule.

"We call for an open Democratic Convention in which delegates are free to vote their conscience for the man best qualified to lead America—and beat Ronald Reagan in November."

As of July 11, signatories included George Collins, business agent, Carpenters District Council, Passaic County;

Gerald Ford, business agent, Tapers Local 1976 (statewide); Warren Jones, business agent, Painters Local 301, Trenton, and vice-president, New Jersey AFL-CIO; Robert Giese, Teamsters Local 867; Lorenzo Oakly, CAP director, United Autoworkers District 9 (tristate); Richard Joyce, president, Steelworkers Local 3913, Paterson; Harold Willard, business agent, Painters District Council 10; Felix Melendez, president, Machinists Local 2130, Cresskill; Rocco LaConti, president, IBEW Local 2013, Newark; Robert Fassi, president, Printers Local 11, Newark; Ed Pertil, president, International Chemical Workers Local 51, Edgewood; John Falconeri, business agent, Bricklayers Local 14, Plainfield; John Grant, former membership chairman, Monmouth County Democratic Party, former chairman Freehold Democratic Party, and legislative director, New Jersey Disabled Veterans Association; Rev. Charles Martin, president, Newark African Methodist Episcopal Ministerium (27 churches); Rev. Shellie Sampson, New Calvary Baptist Church, director, Northern Baptists School of Religion.

Is Fraser ready to deal?

Doug Fraser, United Autoworkers president and the leading supporter of Senator Edward Kennedy in the labor movement, has apparently struck some kind of deal with Jimmy Carter. Democratic Party sources report that Fraser, who has blustered about abandoning the party for John Anderson should Carter receive the nomination, is prepared to back Carter and call for party unity against "the right-wing threat" of GOP candidate Ronald Reagan.

Fraser certainly behaved last week like a man who has struck a deal. First he stood beside the President in Detroit as Carter announced his patchwork plan to help the sagging auto industry. The UAW president, who has blamed Carter policies for the collapse that has laid off nearly 300,000 auto workers, now said that the President was waking up and that his program was a major step in the right direction.

Later in the week, Fraser traveled to the Democratic Party Rules Committee meeting in Washington. He called for a commission to be established to force Democratic candidates to adhere to the party platform. The Carter people, who had not let a single Kennedy resolution be voted up, somehow allowed the Fraser-backed proposal to be adopted. The UAW president, who still says he affirms loyalty to Senator Kennedy, "all the way through the convention," also stated that he did not support a Kennedy-backed proposal to unbind the convention delegates, and that he does not want an "open convention."

In the corridors of the rules committee meeting Fraser was overheard telling people that "the convention battle is all over." There will be a few roll call votes, and then everyone would get behind the nominee—Jimmy Carter—including Doug Fraser. UAW sources, however, say they don't know how many of their members will follow Fraser's lead. "Jimmy Carter is hated around here," one UAW local official said. "Doug Fraser can't give him a clean bill of health."

Felix the Fixer revives RFC

"In looking at the next decades to the year 2000, we must have an industrial policy that restructures our basic industries while encouraging our growth industries, Lazard Frères investment banker Felix Rohatyn told the National Conference of State Legislatures on July 9. Rohatyn declared that if the restructuring "is to be effective, it will be painful." He proposed to concentrate on war production, coal exports and certain specific high-technology industries, including computers and semiconductors.

In order to finance this restructuring, Rohatyn plans to take the money out of "consumption" and to garner OPEC funding. "For that purpose of restructuring I have argued for the creation of a 1980 version of the Reconstruction Finance Corporation of the 1930s. Only an

independent organization will be able to negotiate the difficult long-term changes that are absolutely necessary," declared Rohatyn.

The architect of New York's Big MAC told reporters after his speech that he has had a favorable response from several Senators on his RFC proposal. Rohatyn said that he had met the week before with Senators Robert Byrd, Russell Long, and Henry Jackson, and that they want to move on the proposal.

Rohatyn also repeated his call for a bipartisan "Temporary National Economic Commission" with members from business, labor, academia and government, which by Inauguration Day could recommend "an economic strategy for the U.S. for the next two decades."

Mexico's campaign for Reagan

The Mexican press reports that Republican presidential candidate Ronald Reagan is now vacationing in the Mexican state of Sonora, at the ranch of Diego Redo. One of the few such tribes to survive the 1910 Mexican revolution, the aristocratic Redo family made its fortune in land speculation and in the liquor industry, and is apparently now actively campaigning for Reagan. Last week the magazine *Impacto*, allied with anti-government Redo circles, published two lengthy articles praising Reagan as a "young" and "vigorous" politician.

Reagan, refusing to grant any personal interviews while at the Redo ranch, has sent Diego out to speak for him. Wearing a Reagan campaign button, Redo told reporters that Reagan feels that "Mexico, like Canada, is part of our way of life." The Mexican press interpreted these remarks as a promotion of Reagan's proposed raw materials-based North American Common Market plan, a proposal vigorously rejected by President López Portillo. Redo is related to the Sánchez Navarro family, among whom are leading members of the Mont Pelerin Society in Mexico.

Briefly

● **THE ENERGY** Department placed a distraught call July 11 to New Solidarity International Press Service, publishers of *EIR*. A staffer at the Department of Energy's (DOE) Technical Information Center in Oak Ridge, Tennessee, had received an urgent request from a department official who had read an NSIPS article in the biweekly newspaper *New Solidarity* on the DOE's release of the Buchsbaum panel report on nuclear fusion power. The caller wanted to know which report this was and how to obtain it. NSIPS explained that the report came from DOE and suggested that the DOE person contact the DOE for a copy.

● **TOP SOURCES** at the London-based Ditchley Foundation are saying that the first priority of the current international situation is "to restabilize" Jimmy Carter, whom they consider "unstable." The Ditchley Foundation is generally associated with the so-called "realists" in military intelligence circles who are seeking to avoid an immediate war with the Soviet Union. One high-level source connected with Ditchley was recently reached for comment by an investigative reporter. Asked why, since they consider Carter-Brzezinski unstable, they didn't just go for Reagan, the source replied, "Look, they are concentrating on putting a tremendous pressure on Carter for stability. They want stability. They prefer the devil they know. Reagan would be much more difficult."

● **NATIONAL GAY** rights organizations have launched a campaign to seek sponsors for the homosexual Cuban refugees. A member of the State Department Task Force in charge of placing the refugees, asked to comment on the "gaysano" problem, replied, "I don't call it a problem. . . . I see it simply as an opportunity."