

Eye on Washington by Nicholas F. Benton

Diplomat blames P.R.C. problems on growth

Gaston Sigur, assistant secretary of state for East Asian and Pacific affairs, blamed domestic problems in the People's Republic of China on "too-rapid development, rather than too-slow growth," during a speech before the National Council for U.S.-China Trade here June 4. He said, nonetheless, that "U.S. interests are served by the P.R.C.'s continued commitment to economic modernization, internal reform, and expanded negotiations with foreign countries under the so-called 'open door' policy."

While he noted heightened tensions between China and India on the disputed Himalayan border, Chinese irritation over what they term "resurgent Japanese nationalism," and ongoing Sino-Soviet relations aimed at reducing tensions between those two countries, he said he felt that the P.R.C. is "carving out an independent path," and will "not repeat the errors of the 1950s, when it aligned itself totally with the Soviet camp."

Oil rep warns of Persian Gulf cutoff

The president of the American Petroleum Institute debunked any notion that protection of the Persian Gulf sea lanes was not in U.S. interests, at a press conference here June 4. Charles Di Bona noted that while only 6% of oil consumed by the United States comes directly from the Gulf, the level is over 1 million barrels per day, higher than at the time of the Great Oil Hoax of 1973.

He said the majority of the current

world oil glut, about 65%, is held by Persian Gulf producers, and even current natural trends toward increased consumption worldwide will push OPEC to over 80% of its production capacity within three to five years.

"The cushion of supply between today's glut and tomorrow's dangerously tight markets amounts to only about 4-6 million barrels a day," he said, and any disruption in current deliveries immediately causes the current cushion to vanish. Given Japan's and West Germany's great dependence on Persian Gulf oil, he said, any disruption "would threaten great economic damage. Japanese and European buyers would rush to buy oil wherever they could find it. Prices would rise rapidly everywhere. More oil would go onto the spot market. Supplies would be restricted to other countries, and the United States would feel the effects of the disruption along with Japan and Europe."

Warning of Soviet mobilization for space

Thomas G. Pownall, chairman and CEO of Martin Marietta Corp., warned of the massive Soviet build-up in space, and called for the United States to "restart the engine" of its space program to regain leadership in the international space race.

Speaking before the Space Business Roundtable here June 4, Pownall noted: "When we look to see how the Soviets are doing, we find they currently have a space station in orbit, are developing a space shuttle, that they launch four to five times as many payloads as we do each year, and possess far heavier lift capacity than the United States. Soviet cosmonauts have logged more than 4,200 man-days in space—almost three times as many as our as-

tronauts.

"Next year, the Soviets embark on the first of a series of four missions to Mars which are scheduled to return a sample from its surface before the turn of the century. Their space budget, greater than the combined costs of our civilian and Defense Department space activities, has been rising 15% a year, and a very large proportion of their program is devoted to military purposes. They have been conducting their own SDI for years. The Soviets have never lost track of the fact that space is the high ground."

Laxalt settles libel suit

Former Sen. Paul Laxalt, a probable candidate for the Republican presidential nomination, announced an out-of-court settlement of his libel suit against the McClatchy newspapers at a press conference here June 4, declaring the joint statement agreed to by the two sides "a complete vindication" of his four-year-long legal fight against C.K. McClatchy, the publisher of the *Sacramento Bee*.

The *Bee* published an article intimating that Laxalt was involved in skimming profits from a gambling house his family owned in Nevada. Laxalt claimed the *Bee* spent millions of dollars trying to substantiate its story, and if it had been able to, it would not have approached him with the offer of a settlement.

However, at the conclusion of the press conference, copies of a statement by McClatchy were handed out at the door to Laxalt's office, in which the publisher said he stood by his original story.

This is not the first time McClatchy, a Democrat, has been sued for libel for publishing articles with highly charged political implications.