

## As Negotiated Settlement Nears: Who Wants To Prolong Coal Strike?

As *EIR* goes to press, the weeks-long battle of President Carter and responsible political and industrial leaders to seek a peaceful, negotiated end to the national coal strike is reaching a decisive moment.

Earlier in the week, negotiators for the United Mineworkers (UMW) and the Pittsburgh and Midway Coal Co., an "independent" coal producer owned by Gulf Oil, reached an agreement on the terms of a tentative contract accord. The pact, according to available information, is a marked improvement over the "absolute final contract offer" of the national organization of coal operators, the Bituminous Coal Operators Association (BCOA), which the UMW bargaining council rejected last week.

According to sources in Washington and elsewhere, the P-M agreement represents the basis for a workable coal contract — a compromise that both the BCOA and the UMW should be able to live with. Both the White House and the UMW immediately recognized this and moved to restart negotiations with the BCOA. But the coal operators balked, refusing to even sit down with the union.

With a potential settlement on the table, the word is out that a clique representing political interests is responsible for stymying the agreement. The grouping is headed by Energy Secretary James Schlesinger, and includes British-linked media outlets and a faction of the BCOA headed by U.S. Steel.

"They are saboteurs," said one Congressional source. "The only thing I can surmise from their actions is that they want to shut down the U.S. economy...."

### *Schlesinger, Leader of the Pack*

James Schlesinger and his DOE are leading this treasonous operation. Schlesinger's game is simple. If a negotiated settlement can be blocked, then President Carter can be backed into taking any one of a number of politically dangerous — and economically unworkable — crisis management measures. Under such conditions, Schlesinger, the would-be energy dictator, will emerge as the crisis manager, able to force allocation of energy supplies as he sees fit. Schlesinger would thus be free to push his forced reductions of energy consumption and a concomitant contraction of the U.S. economy under his "Winter Energy Emergency Plan." According to all knowledgeable sources, any of the so-called crisis management solutions — nationalization, the invoking of the Taft-Hartley Act, binding arbitration — would create conditions of violence and chaos in the coal fields and in no way substantially improve coal supplies in the Mid-

west.

"What we are talking about is treason," said another Congressional aide, referring to the Energy Secretary's actions.

Highly reliable sources close to the negotiations report that Schlesinger has been pushing hard for Carter to "take dramatic action" arguing that the UMW as a union "doesn't really exist...so why bother negotiating a contract." He has warned that disaster "looms next week" if no drastic action is taken.

Schlesinger has every reason to know why the current leadership of the UMW has been undermined. Sources report that several key members of the so-called "reform movement" in the UMW, were close friends of James Schlesinger. Former UMW national aides such as Ed James, Rich Banks, Bernie Aronson — all of whom are linked to the Washington-based Institute for Policy Studies — are responsible for progressively undermining the centralized authority of the national leadership of the union. All helped turn the once powerful UMW into an ungovernable mess (see *Executive Intelligence Review*, Vol. 4, No. 52, Dec. 26, 1977). Sources in the mineworkers union report that Schlesinger played a controlling role in the IPS takeover of the Union, which dates back to the 1960s.

James Schlesinger has always hated the UMW... "He hates all unions and 'dumb' working people," said a former UMW official. "First he helped creeps like Banks and James wreck the union...now he is trying to use the instability in the UMW to wreck the country. This strike is his revenge...."

Others report that while the UMW has "very real leadership problems," anyone who is circulating the line that the union can't negotiate a contract is "out to prolong the strike and wreck the negotiations." These observers, some of whom have held and hold leadership positions in the union, say that the principal source of instability in the coal fields — and the source of potential violence that Schlesinger has often referred to — is the current deployment of IPS networks typified by the so-called Miners Right to Strike Committee which led wildcat activity last summer. If these networks are purged from the coalfields, both the union and coal production will be stabilized. It is these networks who will also try to prevent ratification of any negotiated pact.

"Schlesinger can't say this," said a UMW leader, "because the wildcatters are the descendents of his friends like Banks and James."

### *U.S. Steel, the Saboteur*

This newspaper service has received reliable information from veteran UMW negotiators that the U.S. Steel Corporation is leading the "rejection front" inside the BCOA. U.S. Steel, which is said to also be pulling Bethlehem Steel along with it, couldn't give "a good goddamn about coal production, the BCOA or the country...they are purely out for themselves..." Their plan, these sources report, is to prolong the strike to "string out some of the smaller, marginal people in the BCOA" and drive them under. This "British" outlook coheres with U.S. Steel's expressed policy of consorting with the traitors in the Treasury Department to cartelize the shrinking steel industry — the biggest consumers of coal.

On a second level, U.S. Steel is seeking a "show of strength" by business against the labor movement and means to crush the UMW as a lesson for all labor.

"If the BCOA follows U.S. Steel's lead, they are stupider than I thought," said one source. "Half of them would be wiped out...and if they succeed in destroying the UMW, they will destroy coal production in this country."

This isn't the first time that U.S. Steel has conspired with Energy Secretary Schlesinger to help shut down the nation's industrial heartland. The corporation was the biggest booster of Schlesinger's pilot energy conservation project, Operation Pacesetter, in Pittsburgh. Designed as a vehicle to condition an industrial population to drastic conservation of energy, the program has been a failure despite the best efforts of U.S. Steel Board Chairman Edgar Speer.

The White House apparently understands the "U.S. Steel-BCOA problem." According to sources in Congress, Carter's Special Trade Negotiator Robert Strauss has led a "high pressure-high stakes" deployment against the

## Rage Against Schlesinger Grows

The growing crisis over the coal strike and collapsing dollar have evoked extreme anger against Energy Department Secretary James Schlesinger and secondarily against Treasury Secretary Werner M. Blumenthal, from prodevelopment spokesmen in Congress, industry, political parties and states hit by the strike. Republican spokesmen told this news service, "Schlesinger and Blumenthal are saboteurs and should be impeached," but followed this with, "Don't quote me on this," indicating that while the sentiment to oust the two British-linked cabinet members is there, the fighting determination to follow through with political action has not yet materialized.

Reflecting the anti-Schlesinger sentiment in Congress, Sen. Harrison Schmitt (R-N.M.) attacked Schlesinger and the Department of Energy (DOE) for attempting to stop technological growth and that this has led to an end to economic growth, in Congressional testimony on Thursday. From the industrial community, John Swearingen, President of Standard Oil of Indiana, similarly attacked Schlesinger for his no-growth policies before a recent conference of the National Association of Manufacturers in Washington D.C. In addition, Schlesinger's role in the coal strike evoked the following response from an energy official from a coal state: "Schlesinger's office is giving us nothing but useless and incorrect information. The DOE has played nothing but a negative role in the crisis."

The pro-growth anti-Schlesinger sentiments are also beginning to surface in the nation's regional press. *The Chicago Tribune* on Tuesday printed an attack on the "New liberalism" by *Tribune* writer

Andrew Greeley which praised the National Association for the Advancement of Colored People for "Dealing itself out of the no growth liberalism of James Schlesinger and the Department of Energy." "The overwhelming majority of the American people reject quotas, zero economic growth, and the legalization of marijuana," said Greeley, who then described Schlesinger, Warnke and Califano as "Bright-eyed zealots with their body count quotas."

In addition, the *St. Louis Globe Democrat* published an editorial supporting the Japanese and West German disdain for the economic and energy policies of Blumenthal and the liberals who "want to play out the funny-money game to the end until the bubble bursts and their game destroys the value of the dollar."

Meanwhile rumors are circulating on Capitol Hill that President Carter may be preparing to fire Schlesinger, according to a recent column by Larry Kramer which appeared in the *Washington Post*. "Some of the more liberal members of the House have been dropping hints that Department of Energy boss James Schlesinger may be on the way out, at the invitation of the White House," Kramer wrote. While Kramer indicated that the reason is that Schlesinger has been secretly lobbying for deregulation, Kramer quoted a White House staffer who said that the White House is upset with Schlesinger for the opposite reason. "Although Powell said that Carter has been pleased with Schlesinger, other White House staffers contradicted that analysis," Kramer wrote. "Said one, privately, 'We are uncomfortable with him. He still hasn't changed his views and doesn't seem willing to compromise.'"

rejection front, openly threatening the obstructionist steel companies in particular. If anybody can crack U.S. Steel and the BCOA, Strauss can, said one aide to a coal state Senator. "They'll break by weekend — regardless of how rotten they are..."

Strauss is being backed in his pressure campaign against the rejection front by key coal state Governors Jay Rockefeller of West Virginia, Julian Carroll of Kentucky, and Milton Shapp of Pennsylvania. The three went to the White House late in the week to assure the President that they stood behind a negotiated settlement based on the P-M accord and felt that the coal operators were "acting against the interests of the country."

#### *Media "Policy Shapers"*

It is the media — especially the *New York Times* and *Washington Post* — who have given credibility to these sabotage operations and who according to several reports, are "wearing the President down." "I hate to say this," said one Capitol Hill staffer this week. "But Carter could make a tragic mistake in the coal strike because he reads the goddamn papers..." The press, he stated, has been playing up every Schlesinger leak about the collapse of negotiations, giving the President the impression that "He must assert his leadership through some bold gesture.... There is this sense created that there is a steamroller out there calling for Taft-Hartley or something like that and that Carter can either ride it or wind up under it..."

The problem with Carter, said an aide to a coal state Governor, "is that he has been trained to listen to public opinion.... That's dangerous, especially when the public is being misinformed by the media. If he is going to nationalize anything he should nationalize the *Washington Post* and shut it down.... If Carter can just keep clear of Schlesinger until this weekend we can have a negotiated settlement.... it's that close."

—L. Wolfe

## Schlesinger Is Responsible For The Coal Crisis

Secretary of Energy James Schlesinger is personally responsible for continuing the sabotage of energy supplies due to the national strike of the United Mine Workers. He has been instrumental in planning the crisis, has interfered with state and regional efforts to mitigate the effects of coal shortages, and has and is undermining the efforts of President Carter and honest state officials to settle the strike through negotiations.

Schlesinger's role in the coal crisis requires an immediate congressional investigation. The points of evidence provided below strongly suggest that Schlesinger violated the law — and the U.S. Constitution — in his actions around the coal crisis.

#### *Charge: Planning the Coal Crisis*

\* Schlesinger has been given sole responsibility for federal policy in dealing with energy crises. The September 1977 document of the Department of Energy's Winter Energy Emergency Plan (WEEP) task force provides

absolutely no alternative but confrontation to deal with a "severe crisis" due to a coal strike. Coal allocation or other measures are not included in WEEP.

\* According to WEEP: "Implementation of coal allocation by the federal government could exacerbate labor-management relations and hinder negotiations to end the work stoppage. In the event that a prolonged strike should seriously diminish stockpiles and threaten vital services, a back-to-work order under Taft-Hartley would probably be more appropriate than allocation."

\* It has been stated by federal and state government officials, including the Department of Labor, that Taft-Hartley, at best, would do nothing, but, if federal troops were used to try to enforce it, bloodshed and violence could result.

#### *Charge: Undermining Presidential Initiatives*

\* On the ABC-TV program Issues and Answers on Jan. 29, Schlesinger responded to questions about federal intervention into the coal strike by saying that "Taft-Hartley had not been addressed yet." This put the President in the position of having to call a press conference the following day to reassure the industry and union that this was *not* under active consideration.

\* On Jan. 31, the Department of Energy ordered cutbacks to the nation's three uranium enrichment plants, indicating that WEEP was in Phase 3, though the activation of WEEP was being categorically denied by Energy Department officials. In early February, the department admitted privately that WEEP would be their plan for intervention, outlining nothing but Taft-Hartley.

\* On Saturday, Feb. 11, President Carter announced that he was instructing the Energy Department to draw up federal guidelines for coal allocation. State officials had made clear their plans for large-scale industrial shutdowns by mid-February if there was no settlement in the strike. The Economic Regulatory Administration, under David Bardin, began drawing up the guidelines.

\* At this time, the Energy Department has yet to complete the guidelines that the President requested. The department is insisting that coal cannot be allocated until *after* Taft-Hartley is invoked. This is in direct conflict to the President's instructions.

\* On Feb. 13, Assistant Energy Secretary John O'Leary stated to the press that the problems in coal allocation "are overwhelming" even within states. This would only lead to violence and tension, he intoned. The federal government could do virtually nothing to help mitigate the increasingly serious effects of the strike. Ignoring such predictions, the governors of the states of Ohio and Indiana began to ensure the safe movement of coal the same week.

\* On Feb. 14, Energy Department officials, who refused to be identified, insisted that neither of the President's requested actions of moving coal or power sharing would have any likely effect. The department put out the statement that there would not be sufficient transport capability to move the coal, and that violence could not be avoided. On the same day, Governor Bowen of Indiana began the movement of coal without incident.

\* Since the President brought the negotiations into the White House last week, Schlesinger has not offered public support for the Executive's initiatives.