

# National News

## Senate leadership undercuts Carter

The Carter administration was taken completely by surprise when leading Senate Democrats announced June 26 that they would produce their own tax-reduction proposal by September 3. They made this commitment just prior to defeating a Republican attempt to attach their \$36 billion tax program to a bill that would raise the Federal debt limit.

The Democrats announced their proposal at a crowded news conference, led by Senate Majority leader Robert Byrd (D-W.Va.). The announcement shocked the White House, which has refused to be specific on timing or size of a tax cut plan of its own. President Carter was en route from his trip abroad when the Senators acted.

Senator Byrd and more than 40 other Democratic Senators plan to seek Senate approval of a resolution calling for the consideration of a tax-cut after Labor Day, to take effect in 1981. The resolution would also oppose the current Republican effort. Appearing at the news conference was Senator Russell Long (D-La.) the powerful chairman of the Senate Finance Committee. Long intends to hold hearings and drafting sessions in his committee that will conclude with a specific tax-cut proposal. "The Democratic approach is fundamentally different from a Simple Simon tinker-toy economic solution that would attempt to write tax policy on the Senate floor without the benefit of hearings or committee action," declared Byrd.

At the same time that the tax-cut proposal was announced, Senate Democrats created a 21-member Task Force on Economic Policy, with Senator Lloyd Bentsen (D-Tex.) as chairman. The task force is to recommend long-term economic strategy.

Administration officials were on Capitol Hill, meeting in a panic with House members about the Senate ac-

tions. "It's rather new news, so I haven't had time to think about it," declared Treasury Secretary Miller.

## Has Kennedy given up on the nomination?

Senator Edward Kennedy's backers are beginning to wonder if the leadership of the Kennedy campaign has not in fact given up on trying to get the Democratic presidential nomination. They report that the Kennedy campaign, despite much hoopla to the contrary, has made no serious effort to swing Carter delegates.

"We've been waiting for weeks for some instructions and we still haven't received any," said one disgruntled Kennedy organizer. "We are essentially talking among ourselves."

Senator Kennedy, in a widely publicized speech in New York last week, pledged to take his fight all the way to the convention floor. But key people in his own camp say that the fight he is talking about centers around "issues" and the Democratic Party platform and that top Kennedy people have given up on fighting for the nomination.

Kennedy backers say that the real fight must be made on the question of convention rules. They expect the convention rules committee to pass rules proposed by the Carter-controlled Democratic National Committee, including the controversial rule 11-h, which binds delegates to vote on the first nominating ballot for the presidential candidate to whom they were pledged. The rules must then be approved by a majority of the convention delegates as the first order of convention business. In other words, if the proposed rules containing 11-h are voted down, the convention is "open." Party parliamentarians say that if this occurs, delegates will probably operate under 1976 rules which, as supported by the party charter, allow delegates to vote their conscience.

The Kennedy camp had been expect-

ed to submit a minority proposal to the rules committee which would effectively repeal proposed rule 11-h and affirm the 1976 rules. If they received 25 percent support in the rules committee, the proposal would be reported to the floor of the convention for a vote.

But now Kennedy people say the top leadership may be backing off from a rules fight to open up the convention. Rick Stearns, the Kennedy convention strategy honcho, has said both publicly and privately that Kennedy will mount no real rules fight. In addition, many Kennedy delegates think that they are already bound.

"We haven't been doing our job explaining to people what the hell the open convention is all about, so they are confused," said one Kennedy organizer. "I'm beginning to wonder if we are for an open convention and what this campaign is about."

## Draft Mondale committee formed

According to highly placed sources in the Democratic Party, a nationwide "Draft Mondale" committee has been formed. The committee reportedly includes four governors, three senators, and 11 congressmen. The move is seen to reflect widespread recognition among the President's supporters of the fact that a Carter nomination would mean certain defeat in the fall.

According to one Democratic insider, "There is a real Mondale option activated now inside of the Democratic Party and the Carter administration. They are trying to get Carter to step aside. This option would not be an open convention but a prearranged deal, and Kennedy and his top people would have to be in on it."

Mondale has been a loyal supporter of the Carter administration's policies, but is known to very much desire the Oval Office for himself. In this connection it is useful to note that Mondale met

## Briefly

this week with New York Governor Hugh Carey, who is organizing for a "third choice" at an open convention. The Carey-Mondale meeting took place covertly for several hours aboard Mondale's plane Air Force Two on the ground at New York City. While in New York, Mondale also met with AFL-CIO President Lane Kirkland, who has so far withheld his endorsement from any presidential aspirant.

### 'Emergencies will become a way of life'

John Macy, director of the Federal Emergency Management Agency (FEMA), said June 25 that he expects disasters and emergencies of the type handled by his agency to become the way of life for America in the 1980s and require top-down federal control. FEMA was created in 1979, with powers above the President and Constitution in times of emergency, including powers to create the emergencies that trigger its dictatorship.

"Over time, as our society becomes more complex," said Macy in a *Christian Science Monitor* interview, "and the consequences of emergencies become more severe, they have transcended the capability of the local citizen, the local county or state government to provide the necessary response to it. There are also some emergencies—those of a national security nature—that are brought by actions of the government, and government has an obligation to assist, to assure that there is a concern for their safety and to devise plans to deal with an emergency."

Macy explained that FEMA, which Washington sources have denounced as a "shadow government within the government," is now expanding its staff to deal with the growing numbers of "emergencies." "Ours is an ever-expanding range," stated Macy.

Macy commented that the agency spends a great deal of its time "thinking the unthinkable, planning for emergencies of all kinds, all the way from nuclear

attack to terrorist conditions, to civil disorder." Macy, who recently put the entire U.S. through a "dry-run nuclear attack," announced that FEMA is setting up a "command post" in northwest Washington.

### Gov. Ray to FEMA: 'leave the state'

Charging that the Federal Emergency Management Agency (FEMA) is "trying to become another government," Washington state Gov. Dixie Lee Ray has invited the 200 FEMA bureaucrats there to "leave the state."

FEMA has established operations in Vancouver to oversee emergency measures arising out of the eruption last month of Mt. St. Helens' volcano. Gov. Ray charged that the federal agency chose Vancouver rather than Olympia, the state capital, because "they don't want to cooperate with us." She said that FEMA's response has been to invite her to move the government to Vancouver.

Central to hostilities between Gov. Ray and FEMA's Washington state director, Neil Chaney, is the issue of federal disaster aid for damages caused by the volcano. The state of Washington has estimated damages at \$2 to \$2.5 billion, but FEMA's figure runs under \$100 million.

Gov. Ray is also reportedly angered by the proposal by the Federal government that her state come up with 25 percent of whatever figure is determined. Ray initially agreed to the proposal, but then withdrew the offer insisting that the Federal government is, by law, required to sustain the entire amount. In effect, Governor Ray has run head-on into FEMA's practice of conducting "disaster management and relief" the way the International Monetary Fund conducts its lending. FEMA intends to attach "conditionalities" to the federal funds it controls—a blatantly unconstitutional measure consistent with the agency's purposes.

● **THE JOINT CHIEFS** of Staff don't welcome criticism of their practice of including Soviet leaders' biorhythms in U.S. military and strategic evaluations. Two representatives of the Joint Chiefs sheepishly discussed this subject with *EIR* the other day, demanding "What's wrong with reviewing their biorhythms? The Soviets investigate ESP."

● **AN ELDERLY GENTLEMAN** was observed wandering through the Waldorf Astoria June 26 looking for "the General." It was 87-year-old Averell Harriman, who should have been on his way to a dinner honoring Albany's Mayor Erastus Corning. President Carter's political mentor was asked about the dangerous international crisis. "What's that?" he mumbled, wandering off in search of "the General" again.

● **LYNDON LAROCHE**, the Democrat, has let it be known that "if he doesn't get the Democratic nomination and become President, he will run for Prime Minister of Israel so he can run the United States from Tel Aviv and have peace with the Arabs, too."

● **NEW YORK**'s state assembly passed a law June 14 mandating fines up to \$10,000 against store owners who sell drug paraphernalia. Known as the Padavan-Niclosi bill, the new legislation will give law enforcement agencies the power to close down "head-shops" by confiscating their merchandise and revoking their permits.

● **CYRUS VANCE** was reelected to the board of directors of the New York Times Corp. last week. Vance had resigned from the board when he joined President Carter's cabinet. During his two-and-a-half-year term at the State Department, he was quoted by the *Times* as "an unidentified senior State Department official" on more occasions than any living man, according to unofficial scorekeepers.