

Henry Jackson (D-Wash.), just returned from a trip to the Peoples Republic of China, issued veiled threats that he will hold up the Administration's energy program in his capacity as chairman of the Senate Energy Committee if Taft-Hartley is not invoked.

Carter has so far refused to go along with Schlesinger's policy. Instead he directed that the negotiations be brought directly into the White House and he has stood firm behind support for a negotiated settlement.

#### *Mideast*

The same political blackmail is being applied to force Carter to go along with the exceedingly dangerous separate peace "solution" in the Middle East and to jettison a SALT agreement. The Jewish Lobby, with Brzezinski and Vice President Walter Mondale, are all warning Carter that he will lose the considerable political support of the Jewish community if he presses for a comprehensive Middle East peace. Mondale and Brzezinski told the President that Congress would reject a SALT agreement along the lines negotiated in early February. These threats were backed up by cold warrior columnists Evans and Novak.

#### *Press Darts*

Biased news coverage and outright slanders

discrediting Carter's associates have bolstered Schlesinger and Brzezinski's efforts to control policy. This week the press hit hard at:

*\*Hamilton Jordan*—On Feb. 19 the *Washington Post* highlighted a story that Jordan had spit at a young woman who refused his advances in a singles bar. The *New York Post* kept the story alive throughout the week. When the White House released a report deying the allegations, *New York Times* columnist William Safire attacked the White House for responding to the charges.

*\*Bert Lance*—Driven from office through a press campaign of slander and innuendo, the Georgia banker retains influence in the White House. This week the *Washington Post* and William Safire took pot shots at Lance for his efforts to buy into Financial General Bankshares. The Security and Exchange Commission has also begun an investigation of this at the request of some shareholders.

*\*Griffin Bell*—Criticism of the Justice Department's dismissal of Philadelphia Federal Attorney David Marston continues. *New York Times* columnist Anthony Lewis devoted the entirety of his Feb. 20 column to criticism of Bell and Justice Department on that issue.

## Lance Held Hostage To Promote Miller Confirmation

Informed Washington sources now believe that Textron chief William Miller may well be confirmed as chairman of the U.S. Federal Reserve despite the mammoth "credibility gap" opened up by his testimony before the Senate Banking Committee concerning a \$2.9 million "sales commission" paid by Textron's Bell Helicopter subsidiary in Iran. The sources say that if the dirt on Miller, who was personally selected and sold to President Carter as Fed nominee by Vice-President Walter Mondale and Treasury Secretary Werner Blumenthal, is fully exposed, the City of London political-financial intelligence networks behind Mondale and Blumenthal are threatening a renewed all-out scandal mongering attack on Carter's close friend, banker Bert Lance.

On Feb. 22 the Senate Banking Committee heard the results of a six-week staff investigation conducted in conjunction with a parallel probe by the Securities Exchange Commission; then decided to recall witnesses, including Miller himself, for public testimony before the committee on Feb. 27 and 28.

At his first appearance before the committee, Miller had testified that he had no knowledge that Air Taxi, the Iranian sales agency to which Bell Helicopter paid the \$2.9 million, was secretly owned by Gen. Mohammed Khatemi, former commander in chief of the Iranian air force, who was instrumental in promoting the sale of 500 Bell helicopters to the Iranian government. Yet the investigation revealed that, according to members of the

U.S. State Department, Defense Department and Central Intelligence Agency, it was "common knowledge" that Khatemi was associated with Air Taxi, and indeed had been named in public records as an owner of the firm between 1957 and 1965. This was corroborated by William French, a former Bell sales representative in Iran, who asserted that Bell corporate officials were also informed of the Khatemi connection. Moreover, the probes discovered that Khatemi received a \$300,000 payment from Air Taxi after the helicopter contract was negotiated.

Nevertheless Banking Committee chairman William Proxmire announced last week that the decision to recall Miller "is not a signal for the White House to withdraw the nomination" and the committee staff was indicating that without the appearance of a "surprise witness," it was unlikely that the new round of hearings would produce ironclad proof that Miller was lying. At last week's Banking Committee review of the investigation, Blumenthal supporter Sen. Donald Riegle (D-Mich.) dismissed the whole affair as "a fishing expedition" and strongly defended Miller. Although he knows very well who Miller is, Muckraker Proxmire, one of Blumenthal's top "antibusiness" operatives, has consistently ignored the political scandal of Miller's commitment to industrial "asset stripping" real estate speculation, Felix Rohatyn's regional banking swindle Encono, and similar City of London policies, in order to concentrate on the "corruption" issue.