

## U.S. REPORT

# Behind the Camp David chaos

## *Nation rejects Carter's energy austerity*

Energy crisis or energy conspiracy? These are the two realities that underly the bizarre, week-long energy summit at Camp David called by President Carter when he decided to scrap his planned energy address July 5. In the week that followed, a swarm of officials, elected and appointed, professors and think tankers, labor leaders, and representatives of the nation's religious establishment trooped to Camp David to confer with the President on an energy policy. With few exceptions, most agreed with Carter and his advisors that U.S. energy policy must be some form of the austerity program which formed the core of Carter's junked July 5 draft. Yet, as of this writing, no one knows what Carter will

do—hopeful reports have the President delivering an energy address on Sunday, July 15, with no indication of what he will say.

Beneath this policy perplexity is the fact that the American public remains firmly convinced that the energy "crisis" is a conspiracy, refuses to accept any scapegoat theory—as Carter advisor Stuart Eizenstat proposes—to pin the blame on OPEC, and refuses to accept any solution to the energy shortage which is contingent on either higher prices or consumption cutbacks. The only major energy source that fills that requirement is nuclear fission, already on line and cheaper than either natural or synthetic fossil fuels, and, perhaps as

## Camp David: who was there

*Following is a partial list of persons known to have attended at President Carter's marathon, ad hoc Camp David energy summit since Friday, July 6. With some exceptions, most attendees were concerned with helping the desperate Carter concoct a credible "cover" to sell the Council on Foreign Relations' unpopular energy austerity policy to the American public.*

### **Friday, July 6**

*Stuart Eizenstat, domestic affairs adviser*

*Jody Powell, press secretary*

*Patrick Caddell, pollster,*

*Gerald Rafshoon, media advisor*

*Charles Kirbo, advisor (Atlanta attorney)*

*Hamilton Jordan, political advisor*

*Walter Mondale, vice president*

### **Governors:**

*James Hunt, (N.C.)*

*Julian Carroll (Ky.)*

*Ella Grasso (Conn.)*

*Otis Bowen (Ind.)*

*Hugh Carey (N.Y.)*

*Brendan Byrne (N.J.)*

*George Busbee (Ga.)*

*Dixy Lee Ray (Wa.)*

### **Saturday, July 7**

*Mondale, Powell, Jordan*

*Rev. Jesse Jackson, Chicago "Operation PUSH"*

*Clark Clifford, attorney, advisor to seven presidents*

*Lane Kirkland, Secretary-Treasurer, AFL-CIO*

*John Gardner, "Common Cause" founder*

*Sol Linowitz, Panama Canal negotiator (Xerox, United Fruit Co.)*

*Robert Keefe, Jackson 1976 presidential campaign organizer*

*Barbara Newell, Wellesley College president*

*James McIntyre, Office of Management*

*and Budget director*

### **Sunday, July 8**

*Eizenstat*

*James Schlesinger, energy secretary*

*James Akins, former ambassador to Saudi Arabia, petroleum consultant*

*Rep. Corinne Boggs (D-La), House energy appropri. subcommittee*

*Thornton Bradshaw, Atlantic-Richfield president*

*David Freeman, Tennessee Valley Authority chairman*

### **Governors:**

*Jay Rockefeller (W.Va.)*

*Hugh Gallen (N.H.)*

*Robert Graham (Fla.)*

*Russell Peterson, National Audubon Society president*

little as 10 years down the tube, fission's sister power source thermonuclear fusion. So far as is known, only a few of the pilgrims to the Camp David summit, among them Washington Governor Dixy Lee Ray, advocated a nuclear push, and this view is not likely to be reflected in any policy that emerges from the Carter administration.

As a result, the hapless Carter—the word on Capitol Hill is that the President is now “flakey; he has gone over the edge”—and his policy controllers at the New York Council on Foreign Relations and related establishments are confronted with a wholesale reorientation of the political landscape in the direction of the candidacy of Lyndon H. LaRouche, Jr., U.S. Labor Party chairman. LaRouche is the only candidate who has consistently backed nuclear power and pinpointed the role of the energy multinationals and Carter's Department of Energy in manufacturing the present gasoline shortages.

The LaRouche campaign strategy calls for pulling together “one percent” of political constituency leaders by September, in order to give the campaign, at a minimum, the momentum the Wallace campaign had in the year prior to the Nixon landslide in 1972. So far, the LaRouche campaign is on target, with backing particularly from trade union and minority leaders fed up with Kissinger control over the Republican party. In addition to the widely known endorsement of LaRouche by Teamster General Organizer Rolland McMaster,

LaRouche has been endorsed by local union leaders in Baltimore and Canada, and numerous leaders of the black International Masons, including their Supreme President William Banks. Local NAACP leaders, traditionally Democrats, have also endorsed LaRouche in hopes of returning to the economics of progress that will allow blacks to enter the mainstream of American society once more. LaRouche's appeal to the heart of American morality is underscored by the statement of a former regent of the Daughters of the American Revolution in Baltimore, Maryland. “I have endorsed LaRouche,” Mary Cavanaugh wrote. “Every American should.”

Major mass organizing gains have also been made by the LaRouche campaign through its initiating and supporting role in the fight against the use of psychotropic drugs among America's youth. By now, over 120 local leaders, of trade unions, religious groups, civic associations, industries, and academic institutions, have put their names to a Call for a National Anti-Drug Coalition in Detroit in September, which was initiated by the Michigan Anti-Drug Coalition (see below in this section). Many of the signatories, which in some cases include entire groups—such as the Jersey City City Council as a whole—are looking at the LaRouche campaign as the only hope to realize the political cleanup required by the campaign to wipe out the drugrunners now controlling both the Republican and Democratic parties.

*John Sawhill*, Federal Energy Adm. former president, NYU president  
*Martin Ward*, Plumbers Union president  
*Jerome Weisner*,  
of Technology president  
**Monday, July 9:**  
*Energy Meeting:*  
*Democratic Senators*  
*Lloyd M. Bentsen* (Tex.)  
*Dale Bumpers* (Ark.)  
*Robert Byrd* (W. Va.)  
*Wendell Ford* (Ky.)  
*Henry Jackson* (Wa.)  
*J. Bennett Johnston* (La.)  
*Russell Long* (La.)  
*Daniel Moynihan* (N.Y.)  
*Republican Senators*  
*Pete Domenici* (N.Y.)  
*Mark Hatfield* (Ore.)  
*Ted Stevens* (Alaska)  
*Democratic Congressmen*  
*Thomas "Tip" O'Neill* (Mass.)  
*Thomas Ashley* (Ohio)  
*John Dingell* (Mich.)

*Thomas Foley* (Wa.)  
*Don Fuqua* (Fla.)  
*Toby Moffett* (Conn.)  
*Phillip Sharp* (Ind.)  
*Morris Udall* (Ariz.)  
*Jim Wright* (Tex.)  
*Al Ullman* (Ore.)  
*Economy Meeting:*  
*Long, Bentsen, Moynihan, O'Neill*  
*Democratic Senators*  
*Edmund Muskie* (Maine)  
*Lawton Chiles* (Fla.)  
*William Proxmire* (Wisc.)  
*Democratic Congressmen*  
*Robert N. Glaimo* (Conn.)  
*Paul Simon* (Ill.)  
*Richard Gephardt* (Mo.)  
*Parren Mitchell* (Md.)  
*William Moorhead* (Pa.)  
*Joseph Fisher* (Va.)  
**Tuesday, July 10**  
*Economists*  
*J. K. Galbraith*  
*Walter Heller*

*Arthur Okun*  
**Wednesday, July 11**  
*Secretary of Labor Ray Marshall*  
*Labor Union leaders*  
*Jerry Wurf*, international president, AFSCME  
*Sol Chaikin*, president, ILGWU  
*Bill Clinton*, governor of Arkansas  
*Edward Koch*, mayor of New York City  
*Stanley Fink*, Speaker, New York State Assembly  
*Rep. Carl D. Perkins*, (D-Ky)  
*Vernon Jordan*, executive director, National Urban League  
*Benjamin Hooks*, executive director, NAACP  
*David J. Mahoney*, chairman, Norton Simon Inc.

Not in attendance, due to a mysterious illness, was Charles M. Schultze, chairman of the Council of Economic Advisors.

Massachusetts

## Policymakers committed to austerity

In Washington, however, both the administration and Congress are firmly committed to the energy austerity policies that the majority of the nation rejects. In part, the confusion in Washington is due to confusion over how to sell the austerity policies being rush through Congress to the resistant population.

But there is another side to the Camp David affair as well. As this publication reported, a definitive decision was made in the back rooms of the New York Council on Foreign Relations and allied policymaking circles late last year to dump Carter. The CFR scenario called for an incompetent Carter administration to blunder into a series of crises which would pave the way for the emergence of General Alexander Haig as a strongman candidate who could rally the country behind the austerity and confrontation policies that Carter has been unable to push through. Under the scenario, Ted Kennedy will run as the "populist" foil for the strongman Haig.

While the paralyzed Carter ruminates at Camp

David, his administration is attempting to manufacture the crisis that could make the energy shortage real—and certainly pave the way for the incompetent Carter's final departure.

Top on the Washington hit list is OPEC—where leading moderates are pushing for direct producer-consumer agreements to guarantee world energy supplies and prices in exchange for Western technology transfers—and Europe, which is pressing Carter to implement a program of nuclear energy development. "The destruction of OPEC is our number one security objective at this point," declared Meg Powers, Senator Jacob Javits's energy advisor. "We must have the strength to break the OPEC cartel and we must be able to force Europe and Japan to support our policy." With U.S. provocations in Latin America, Africa, the Middle East, these policymakers are desperately trying to create the crisis conditions in which a Haig will be saleable.

## Camp David summit scramble

On the Camp David front, the administration's energy

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## Press fuels aura of crisis around summit

The anglophile national U.S. press has seized on President Carter's marathon Camp David energy summit to trumpet the danger of a national leadership vacuum on the energy question. Some samples: **New York Post, July 5, Page 1 Editorial:** President Carter's shock cancellation of his energy message has left the country foundering without leadership on the most critical domestic crisis since the depression...

At a time when pollsters have shown that he is the most unpopular president in history, many observers felt he may well have torpedoed the address rather than incur national wrath by the showing once again that he simply does not have an energy policy.

**New York Daily News, July 5, "Carter Scraps Energy Speech; White House Gives No Reason":** A White House source, pressed for details, insisted that the decision "had nothing to do with the President's health."

The highly unusual move followed by two days the President's

ballyhooing the planned speech and arranging for national TV time.

**The New York Times, July 6, Lead Editorial:** In Michael Halberstam's recent political novel, "The Wanting of Levine," a Presidential candidate figures out why he so likes fishing. No matter how disorderly the world, when one goes fishing everything focuses on the hook.

Jimmy Carter had planned to make a major television address on energy yesterday but in the end he went fishing instead. One can only hope that a lot came into focus, for in a sense it is the President who's now on the hook.

**Maurice Hungville, "A Scenario for Mondale," The New York Times, July 6:** Given his current political paralysis, Jimmy Carter might well consider importing the British tradition of a confidence vote. Impeachment and assassination have clearly demonstrated the essential stability and capacity for renewal that is characteristic of our government. In every case, the sudden loss of leadership has provoked immense sympathy

for the successor.... With the predictable sympathies every other accidental President has inherited, with over a year to make his own record, an incumbent President Mondale would be a formidable threat to ambitious Republicans and disgruntled Democrats alike. At 51, Walter Mondale is almost as young, almost as liberal as Ted Kennedy...

A vote of confidence addition to crucial Carter legislation would be a kind of presidential poker that not only raised the ante, but shuffled the political deck, and threatened to introduce a powerful new player, a young, attractive, utterly unscarred President Mondale who could dominate American political life for a full decade.

**New York Post, July 7, "It's Make or Break Weekend for Carter; Secret Details: the White House Search for a Scapegoat":** Carter, now the most unpopular president in poll-taking history, had alarmed Democratic leaders earlier this week by suddenly canceling a major presidential address on the gas crisis.

task force, including Secretary Blumenthal, Energy Secretary Schlesinger and White House domestic advisor Stu Eizenstat, made its recommendations to Carter on July 10, reflecting what the Anglo-American establishment would like to see implemented in the U.S. It was widely reported that decontrol of gasoline prices to enforce a cutback in consumption and a changed lifestyle was one key proposal. But Carter immediately rejected this as politically too costly, his Georgia political advisors warning it would be political suicide. Jody Powell declared it would have too serious an "impact on inflation and on jobs and employment."

The energy task force proposal also included a massive synthetic fuels program, a pet project of Lazard-Freres investment house partner Felix Rohatyn. The "gas liquefaction" policy is not aimed at creating energy sources but at establishing a pool of liquidity that can be used in Anglo-American financial pyramiding schemes. The press is attempting to channel opposition to these proposals into a fake, Kennedy-oriented "soft" (solar) versus Haig-oriented "hard" technologies debate, with nuclear left out as an option. Suddenly the

entire environmentalist movement, from the Rand Corporation to the Council on Environmental Quality and Critical Mass, is opposing this plan. "There is no constituency for synthetic fuels. The oil companies don't want it. The only ones who like it is the establishment" declared one greenie.

#### CFR's predicament

Nevertheless, the CFR's options are circumscribed. European resistance to the Carter administration's proposed Mideast adventures has placed some restraint on administration lunacy in that direction, while the LaRouche candidacy and popular pressure for a nuclear power alternative complicate the Haig-Kennedy option. Indications are that a terror wave is planned for the U.S. to help break popular resistance to Haig (see COUNTERINTELLIGENCE), but there are also signs that the Haig and Kennedy candidacies are being jeopardized by being pushed prematurely.

—Barbara Dreyfuss and Paul Arnest

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The political nature of the week-end strategy session was underlined by the absence of key policy advisers and the presence of campaign strategists....

Shortly before his Camp David retreat, President Carter's chief domestic advisor urged him to shift the blame for energy and inflation problems to "a clear enemy"—the international oil cartel.

**Washington Post, July 8:** As the extraordinary meetings continued at the presidential retreat in Maryland's Catoctin Mountains, the precise objective of the talks and their likely result remained murky. But the White House official cautioned reporters against overly optimistic expectations.

**The Washington Star, July 8, "Powell Joins in Blaming OPEC for Energy Woe":** Voicing a new White House theme, press secretary Jody Powell declared yesterday that the Organization of Petroleum Exporting Countries is "the heart and soul" of the nation's energy and economic problems....

Powell's comment supported the memorandum from domestic counsellor Stuard Eizenstat to Carter which said: "With strong steps, we

can mobilize the nation around a real crisis and with a clear enemy, OPEC."

**Wall Street Journal, July 9:** The Presidential course still is highly uncertain. Mr. Carter begins his fifth day of consultations today with advisers and outsiders in his oak-paneled cabin at the secluded presidential retreat at Camp David....

Presidential Press Secretary Jody Powell termed the Eizenstat memo "a little silly," but Mrs. [Rosalynn] Carter made it clear she agrees with its theme.... An influential presidential aide added: "This President is at a fundamental crossroads. He has to shake things up or start writing his memoirs."

**The Christian Science Monitor, Monday, July 9:** If the Carter downward trend in public opinion is not stemmed—for instance, if his rating should move down from 25 percent to around 20-22 percent—the move to dump Mr. Carter and draft Senator Kennedy would take on new, perhaps irresistible momentum.

Reports covering the national governors conference here are finding that many of those governors who voted for a pro-Carter resolution (by a 21 to 4 vote) will confide

that they are less than fully satisfied with the President....

On top of this, recent Monitor checks into the attitudes of leading state Democratic politicians toward the President have found a "holding" pattern for Mr. Carter—but with a particularly larger amount of latent Kennedy support that could break out into the open should the President falter in the energy crisis or polls.

**Tom Wicker, "Carter on the Precipice," New York Times, July 10:** President Carter has reached the low point not only of his Administration but perhaps of the postwar Presidency. That is bad for the man and worse for the country; either he pulls things together in the immediate future or the rest of us are stuck with a virtual lame duck in the White House for the next 18 months.... As an Atlanta businessman (*Et tu, Brute!*) put it to The Wall Street Journal: "People have said a lot of bad things about Nixon. They called him a liar and a cheat and a crook. But they never called him ineffectual. Ineffectual is just about the worst thing you can say about a President, and it's what people are saying about Carter."