

National News

Kennedy proposes 're-industrialization'

Senator Edward Kennedy went to Newark, New Jersey last week and unveiled a souped-up version of his "economic program."

The familiar call for wage and price controls was there, but Kennedy has added a proposal for an "American reindustrialization corporation," which he would establish "within the first 100 days" of taking over the White House. The corporation, he explained, would be a quasi-public institution, administered by a board whose members came from both the public and private sector. It would be empowered to make grants, provide loan guarantees and subsidies to individuals, businesses, industries, research organizations and cities interested in new economic development or "revitalization."

The corporation would receive funds from both Congress and from borrowing in capital markets. Initial funding would be pegged at \$1 billion, with an eventual funding level of \$25 billion.

Kennedy surrounded his program with some podium thumping rhetoric: "Our goal must be nothing less than the re-industrialization of America. ... I am proposing what amounts to a Marshall Plan for America."

The would-be Democratic presidential nominee also declared his support for a "two-tier" credit and tax system that would "reward investment in production" and "penalize speculation."

As Kennedy departed from Newark for points West, observers noted the similarity between the Kennedy proposal for an American "reindustrialization corporation" and one made by investment banker and corporatist, Felix Rohatyn of Lazard Freres. Rohatyn is known to be among Kennedy's advisors, while also advising President Carter and now, John Anderson. Other sources speculate on exactly what kind of "revitalization program" Kennedy has in mind, since the Senator is a staunch supporter of energy conservation, envi-

ronmentalism, and has called for a ban on all nuclear power facility construction projects.

The long arm of FEMA

With President Carter's declaration of the entire state of Washington a Federal Emergency Area in the wake of the Mt. St. Helens volcano eruption, the Federal Emergency Management Agency (FEMA), which will run the entire program, has for the first time in its short but violent history taken over control of an entire U.S. government unit—the State of Washington. Simultaneously, Niagara Country in New York State, site of the Love Canal chemical disaster, and Cameron County in Louisiana, site of the Lake Charles floods, were also declared Federal Emergency areas by Carter, and put under FEMA control. Adding these to the already vast powers FEMA exercises over the Cuban refugee relocation in Miami, which extends to relocation settlements in Wisconsin, Pennsylvania, and Arkansas, in the first short weeks of May FEMA has used an unprecedentedly large number of simultaneous disasters to gain control over whole sections of the country.

In each of these areas, President Carter is mandated under federal law PL-93-288 to appoint a single Federal Coordinating Officer from FEMA, who has total control over all federal activities in the emergency area. Speaking of Robert Stevens, who has been appointed Federal Coordinator for Washington State and has set up an emergency bunker in Vancouver, Washington near the Mt. St. Helens volcano, a FEMA source said, "He has sole and total Federal authority in the area. He can assign anyone to do anything, go anywhere, requisition anything, military style. If he wants a C-140 transport plane, he gets it. If he tells some general to get the hell out of there, the general gets the hell out. He has very firm, centralized control."

Asked about the sudden rash of emergencies simultaneously around the nation, a source in FEMA Mitigation

and Research, which does "futurology" forecasting, said, "That's easily explained by the Telegraph Equation. If you have a mechanical hand randomly switching on and off a telegraph switch, you would expect the signals are spread out; but instead you get random bunching up. That's all there is to it—it's just random bunching up, totally accidental."

On the ground in Washington, FEMA has complete control over all the operations of the U.S. Geological Survey, the Department of Transportation, the Department of Agriculture, and the Department of Housing and Urban Development, which are watching the volcano, dealing with emergency transport, assessing the effect of volcano ash on crops, and preparing to relocate whole communities in the area. In particular, FEMA is directing the Army Corps of Engineers and the Portland Port Authority in their takeover of the Port of Portland, which has been entirely shut down by volcano sludge pouring out of the mouth of the Columbia River.

FEMA Mitigation and Research is even making the "technical decision" on the 18-mile long "debris dam" of torn trees, sludge, and rock which has built up a huge "wall of water" reservoir of melted glaciers along the Columbia tributary, the Cowlitz River. "We're trying to decide whether to purposefully breach the dam," said a FEMA source, thus flooding the lower Cowlitz and Columbia valley with tons of water and debris.

U.S. admits Soviets have laser weapons

The *New York Times* last week carried leaks from worried Carter administration officials warning that the Soviet Union has developed—and deployed—highly sophisticated ground-based laser beam weapons. Such weapons systems, officials say, have the capacity to knock out U.S. space satellites and by the mid-1980s, will be deployed in space.

According to the *Times* report, government officials sent their estimates di-

rectly to President Carter. While the *Times* says that these officials do not view Soviet laser developments as altering the overall Soviet-American military balance, there are sources in the U.S. military who dispute this. Such sources say that if the Soviets have deployable laser weapon technology, they have the capacity to cripple U.S. strategic capabilities. A laser weapon system is said to be the basis for a new generation of Soviet anti-missile defense systems.

The report of the Soviet developments is said to have stirred debate within the Administration and on Capitol Hill over U.S. efforts to develop laser systems. The Carter Administration has called for spending only 200 million on laser weapons, mostly for small "tactical" programs.

Coast Guard drug patrols crippled

Coast Guard sources confirm that despite the massing of the largest single fleet since World War II in Florida, they will be all but helpless to stop drug trafficking in the area.

These sources report that the combined effects of \$37 million in budget cuts plus the redeployment of personnel and ships to deal with the Cuban refugee crisis have forced the Coast Guard to all but abandon monitoring and stopping incoming drug traffic. "Florida is wide open now for drug smugglers," a Coast Guard source complained. Since its ships are now ordered to heavily patrol the Florida Straits area because of the "refugee crisis," smugglers are adopting an "avoidance strategy." Instead of going through the Yucatan Channel and heading east, they are taking a new route that heads toward the Tampa area. The former Tampa fleet is now on duty in the Florida Straits, as are craft formerly on duty in the Gulf of Mexico off Texas and Louisiana.

Another route from Colombia goes past Cuba and then up the East Coast. Cutters have been pressed into Florida duty from several East Coast points—

including the Maryland and Northeast region, two key drug entry points.

In addition, the new Florida patrols are along the coast, not out in the open sea, and therefore, can be easily avoided.

Schlesinger: Carter bungling requires open convention.

Commenting that Jimmy Carter's "in-correctible bungling is in fact turning the United States into the Inspector Clouseau of nations," historian Arthur Schlesinger declared in a May 22 *Wall Street Journal* op-ed that the upcoming presidential conventions must be "thrown open," so that "delegates (can) vote freely for the best man."

Writing from London, Schlesinger stressed that "the most sensible political suggestion in recent weeks has come from Governor Hugh Carey of New York," who was the first prominent politician in the U.S. Democratic Party to call for an open Democratic convention. With Carey's idea, Schlesinger noted, "we might have a chance of sparing the world—and ourselves—the ridiculous choice between Carter and Reagan. Otherwise the decline of confidence in the United States, the disintegration of the Western alliance and the consequent spread of Soviet influence will be hard indeed to arrest."

As evidence of the prevailing attitude in London toward Carter, Schlesinger cited a comment by writer James Cameron in the *Guardian*: "Short of having his trousers fall down on Pennsylvania Avenue, President Carter could hardly make any more public blunders than he has done over the last few weeks."

Schlesinger's op-ed followed by one day an op-ed by Carey in the *New York Times* in which he repeated his earlier call for an open Democratic convention and stressed that the motivations behind this call were growing stronger with the daily increasing evidence of Carter administration incompetence.

Briefly

● "HAT DAY" was declared by the State Department press corps on May 22. The entire press group showed up wearing old hats. One week earlier, the press corps declared a three-hour moratorium on news reporting and travelled en masse to the Washington Zoo. A newspaper veteran at State commented, "No wonder the French don't bother to consult with us any more."

● THE SIERRA CLUB Bulletin published an interview this week with "independent" presidential candidate John B. Anderson. He called for a "30 to 40 percent" cutback in energy usage. "We could have a 30 to 40 percent savings in energy without reducing our standard of living," Anderson declared. Anderson attacked oil companies as "short-sighted and foolish" and expressed strong support for the "conservationists" in American politics.

● LAZARD FRERES, the New York-based investment house, suddenly turned up \$284 million in additional accumulated deficits for the Washington, D.C. municipality during its audit of the city's finances this week. The Lazard finding adds to an already existing deficit of \$180 million, and will probably trigger new budget cuts by Washington Mayor Marion Barry, who had brought Lazard in to do the audit. Lazard banker Felix Rohatyn is the architect of New York's Big MAC fiscal austerity reorganization scheme.

● OVER EIGHTY MILLION Americans, totalling 53.4 percent of the American population, claim to have had at one time or another a "born-again" Christian experience, according to a new Gallup Poll done under contract for major Christian organizations. The Gallup findings were released by the *Los Angeles Times* May 19.