

Schlesinger responded with clear statements that Carter intended to destroy nuclear power development and to use the courts in his assault. "With respect to nuclear power, Carter, when campaigning, indicated that he preferred to move rapidly with coal and solar and that nuclear energy should fill the gap that remains. But this gap will be large. We have problems with the licensing process, but these should not be settled by legislation but fought out for each separate case."

The governors delivered their answer to the two Carter officials the next morning, when the conference Committee on Natural Resources and Environmental Management responded to a telegram from Andrus urging the governors to cooperate with his investigation into delays in gas production from Gulf of Mexico fields by Southwest gas producers. The response was a resolution recommending an investigation of government support for environmentalist sabotage of energy production. Governors Briscoe and Edwards (La.)

proposed that the nation's governors would indeed favor a panel to investigate the problems of bringing gas into production, noting that:

1. such a blue-ribbon panel should be composed primarily of the governors of the gas-producing states;
2. that there is cause to investigate the sabotage of gas production;
3. that such sabotage in all probability exists; and
4. those to blame include environmentalists, and such government representatives as New York judges who block offshore drilling in the courts.

The day before, Edwards had singled out New York federal judge Jack Weinstein, who recently barred a \$1 billion offshore drilling program on the Atlantic Seaboard as typical of those judges "who don't know a dipstick from a drillpipe." Edward's office hailed the passage of the resolution by the conference committee — which in effect makes it conference policy — as a major victory for energy producers nationwide.

Carter Faces Revolt In Congress

A revolt against the six-week old Carter Administration broke out in Congress this week, provoked by the zero-growth policies of the President and his Trilateral Commission Cabinet.

At March 1 hearings of the House Budget Committee on the Administration's proposed fiscal 1978 budget, U.S. Labor Party National Committeeman Richard Cohen sharply contrasted the necessary short-term priorities for the next fiscal year — immediate measures to maintain and develop existing research and development capabilities, fission and fusion energy programs, industrial and agricultural infrastructure — to the draconian cuts in these areas contained in the Carter budget. In the long run, Cohen continued, intensive capital formation is necessary for the development and expansion of American industry and agriculture, to be realized through the establishment of a Third National Bank modeled on Alexander Hamilton's First National Bank. Cohen's testimony prompted intense questioning from committee chairman Rep. Robert Giomo (D-Conn) and ranking minority member Rep. Delbert L. Latta (Ohio) on how the Third National Bank would function to promote international development and trade.

Congressional opposition to Carter was led this week by the House Science and Technology subcommittee on Fossil Fuels and Nuclear Research, Development and Demonstration, chaired by Rep. Walter Flowers (D-Ala). At hearings March 3 and 4 committee members Flowers, Marilyn Lloyd (D-Tenn) and Gary A. Myers (R-Pa) charged that Carter's proposed budget cuts for nuclear power would cause devastating and irrevocable harm to Europe and the Third World and would rupture U.S. relations with those areas of the globe. In order to raise living standards both at home and abroad, the Committee concluded, an aggressive nuclear power development program is necessary.

During the two days of testimony, the committee invited industrial representatives and spokesmen for the Fusion Energy Foundation and U.S. Labor Party to

present testimony on the progress and feasibility of fusion power by the mid-1980s. Privately, Committee members volunteered that the series of public hearings was designed to stop Carter's energy budget cuts cold. Already the Committee has voted to restore \$10 million in proposed cuts to the Energy Research and Development Administration budget for fusion power.

Flowers took time off from the Congressional hearings to address the American Nuclear Association Conference in Washington, D. C. March 2, where he told the assembled scientists and industrialists that the U.S. must make a commitment to long-range energy development, both coal and nuclear power. Flowers attacked Carter's repeated assertion that nuclear energy is a "last resort" and declared, "The ERDA budget does not do what needs to be done; what is needed is an aggressive program for nuclear power." Citing a recent poll which showed overwhelming support in the U.S. population for nuclear power development, Flowers charged, "Government leaders don't recognize the mandate they have received. Nuclear power is necessary for our economic stability and national security."

Former Massachusetts Governor Endicott Peabody followed up Flowers' remarks by calling on pro-growth industrialists, businessmen, trade unionists, and scientists to undertake a sweeping grassroots organizing drive and lobbying effort "to transform the 80 percent support for nuclear power of the population into an 80 percent vote in Congress." Peabody charged, "People who are opposed to us are anti-energy, anti-growth, and anti-the future of America." The conference adjourned early so that its 450 participants, representing businesses linked to the nuclear industry, could lobby for nuclear energy programs on Capital Hill.

The day before Senator Abraham Ribicoff (D-Conn), chairman of the Senate Government Operations Committee, reluctantly announced he had been forced by mounting opposition to Carter's Energy Department proposal to extend hearings on the legislation from one

day to at least a full week. Earlier in the day, both Ribicoff and Senator Jackson (D-Wash), one of the architects of the Schlesinger energy czar scheme, had predicted the bill would pass quickly and easily.

The following day, the *Baltimore Sun* reported that major opposition is emerging to Carter's Energy Department, and admitted that behind that opposition is opposition to the Carter energy policy. "The proposal," the *Sun* noted, "may become bogged down in the controversy over the policies themselves and fail to be passed" in "the major controversy of the year on Capitol Hill." Both Reps. John Dingell (D-Mich) and Morris Udall (D-Az) object to the Energy Department as a "superagency," according to the *Sun*, but "their objection is intrinsically related to the Carter policy."

In the *Washington Post*, columnist David Broder predicted that a major fight is shaping up between Democrats in Congress and Carter and commented that Republicans are rejoicing at the growing opposition among the Democrats.

By the end of the week, sources close to Rep. Jack Brooks (D-Tex), chairman of the House Government Operations Committee, were reporting that the Carter-Schlesinger energy reorganization package would be "indefinitely sandbagged," allowing it to be buried under the avalanche of opposition to Carter's energy programs.

The growing revolt against Carter's deindustrialization dictatorship, while primarily focused on the energy issue, spilled over into other related areas during the course of the week. The nomination of Carter's personal psychiatrist, Dr. Peter Bourne, to become the nation's chief coordinator of drug addiction as director of the Office of Drug Abuse Policy suffered a potentially terminal setback March 1, when the Senate Committee on Human Resources abruptly called off the scheduled March 2 hearings on his confirmation. The eleventh-hour postponement was necessitated when several opposition witnesses, including church groups and prominent anti-drug medical researchers, asked to join the list of hostile witnesses which already included the U.S. Labor Party and the International Association of Chiefs of Police.

A nationwide outpouring against the Bourne policy of classifying the use of psychotropic drugs as "recreational activity" broke through a White House strongarm job in the committee to keep all witnesses against Bourne out of the hearings. The original schedule for the hearings provided for a two-hour rubber stamp session to approve Bourne. Over the last several weeks, Bourne had been holding private briefing sessions with committee members to soften them up for a show of "unanimous support."

House Hears Testimony On Creating Third National Bank

Following are excerpts from questions by Reps. Robert Giamo (D-Conn) and Delbert Latta (R-Ohio) directed to U.S. Labor Party National Committee member Richard Cohen at hearings of the House Budget Committee March 1. The questions concern the USLP's proposal for creation of a Third National Bank — along lines

similar to the First National Bank established by Alexander Hamilton — to fund U.S. and international industrial development projects. Rep. Giamo is the chairman of the committee, and Rep. Latta is the ranking Republican.

Chairman Giamo: What you are really advocating is the creation of a new central bank, aren't you, and I take in place of the Fed. What would be the advantage in having a new central bank?

Cohen: If expanded to the international sphere, and plugged into a new international bank, aimed at securing for the developing sector countries exports from the advanced sector countries, we would generate a non-inflationary expansion because the kind and level of exports obtained in the developing sector would produce a level of real wealth to be recirculated on the world market to match the credit generated to initiate the process.

Giamo: And we can't do that now with our present banking system?

Cohen: Well, the present banking system is not based on issuing credit for the purpose of supporting exports in the advanced sector. It is basically a refinancing operation for outstanding developing sector debt.

Latta: ...Well, with the establishment of a Third National Bank, how is that going to help that situation?

Cohen: Well, as I said before, a Third National Bank, because of the development of international economy since the development of the First National Bank, can have its most serious United States and elsewhere if it is charged to be connected to a new international bank, an international bank essentially aimed at issuing credit to developing sector countries for targeted purposes.

These loans will be targeted. They will be targeted to purchase particular exports in the form of technology, agricultural equipment and fertilizer from the advanced sector for the purpose of engaging multilateral development programs in various regions and sectors, particularly the Ganges-Brahmaputra area, the Rio de la Plata area and the Sahel. There are many areas that could be made the bread basket of the world if adequately supplied with the kind of technology required to make it so.

This program would not be inflationary and that is a significant point. And it would create full employment in the advanced sector.

Flowers Subcommittee Continues Attack On ERDA Funding Cuts

The March 3 hearings on the Energy Research and Development Administration budget by the House Fossil Fuels and Nuclear Research, Development and Demonstration subcommittee continued its attack on the Carter Administration's proposed cuts in the ERDA fusion and fission research and development funding. The subcommittee took testimony from W.W. Finley, Jr., President of General Atomic Company, which is heavily involved in both fusion and fission development, George

Gleason, Executive Vice President and General Counsel of the American Nuclear Energy Council, a membership association representing more than 100 organizations having an interest in nuclear power, and two representatives of Exxon Nuclear. S. Burstein, Executive Vice President of Wisconsin Electric Power Company and a representative of the Edison Electric Institute. All witnesses opposed the Administration's cuts. Following are excerpts from the testimony and questions by subcommittee chairman Rep. Walter Flowers (D-Ala), and subcommittee members Manuel Lujan (R-NM), Hamilton Fish, Jr. (R-Ny), and Marilyn Lloyd (D-Tenn).

Excerpts from statement by W. W. Finley

Now let me turn to fusion energy — a subject of great importance for the nation's future. Since its founding in 1956, General Atomic has engaged in fusion research and development. The fusion process offers an exceptionally clean energy source without wastes, from the virtually inexhaustible supply of deuterium from water. For many years magnetic fusion, the path General Atomic elected to follow in the 1950s, remained a tough scientific research problem. Since about 1970, however, significant advancements based on the knowledge accumulated over the past 20 years have been achieved, and the national program is proceeding rapidly toward the goal of a power producing fusion system.

We are proud that the fusion program at General Atomic is a major element of the ERDA plan. The Doublet approach, conceived and developed at General Atomic, utilizes a very efficient magnetic confinement system.

Doublet is a Tokamak-type of device, but with a non-circular cross section.... Today, the Doublet III Project is on schedule and on cost. It is designed to achieve the plasma physics conditions of time, temperature and density necessary for a power producing fusion reaction.

In addition to the experimental program, General Atomic with Argonne National Lab, is one of two teams presently designing "the next step," which, in fusion R and D circles, is called TNS. The aim of TNS is to achieve ignition of a deuterium-tritium plasma and to control the fusion burn and produce power.

Complementary to the program that General Atomic has been carrying out for ERDA, there has always been an important involvement on the part of the utility industry in the overall fusion program at General Atomic ... General Atomic's effort, staff and facilities are probably unique in being the largest in industry in the United States Fusion program.

Results to date encourage us to believe that with the planned program of ERDA and with the continued support of the Electric Power Research Institute, the utilities, and industry, the goal of fusion energy release in the 1980s can be achieved.

Our recommendation to this subcommittee is to continue to support the Division of Magnetic Fusion Energy's plan and budget authorization needs. The potential of fusion energy for the world is so great that we must succeed.

QUESTIONS

Flowers: Mr. Finley, you certainly made a good case for fusion — in fact, so good that I assume there must be some faults in the HTGR (gas cooled fast breeder reactor, which was highlighted in other parts of Finley's testimony-ed). What are they?

Finley: We have found no problems with HTGR. The basic difficulty is not a problem of technology, but that it has been a program supported by industry with only limited government support.

Fish: Regarding fusion, are you the principal ERDA contracting firm for magnetic fusion.

Finley: We are one of many, but the largest in private industry.

Fish: We heard from Robert Hirsch (outgoing ERDA advanced systems chief -ed) last week that magnetic fusion would be ready for demonstration plants in the 1990s. But under questioning from this subcommittee, Dr. Hirsch said that increased funding could accelerate this. Are you involved in this?

Finley: There is an extensive national program which we have one part of. I agree with Hirsch that some additional funding could reduce the time, but there are definite times required to achieve these goals.

Fish: I am wondering if you agree we could move the timetable up to the 1980s, as Hirsch suggests. That would indeed be good news for this committee. What is your technical opinion?

Finley: I agree with that.

Lloyd: Regarding fusion. If we go ahead with the full funding as requested last week, how many fusion commercial plants would we have by the year 2000?

Finley: We would have demonstration plants by 2000. But not commercial plants by then. We will see that in the first quarter of the next century.

Lujan: As a participant in the fusion program. You did not mention putting more money into fusion. Why not? You have enough? (Lujan proceeded to ask about the Administration's proposed \$80 million cut in the fusion budget).

Finley: Oh, No. We certainly do not support the \$80 million cut.

Fish: Would you clarify something? You before agreed that with more money, the fusion demonstration plant could be demonstrated in the 1980s. Then you told Mrs. Lloyd that we cannot have working commercial plants until well into the next century. Why?

Finley: Well, The Next Step will give us real fusion. A demonstration plant could be moved up in time table to 1990 with full funding. But there are commercial aspects, and other complex problems, to getting commercial fusion. When I say the next century, I mean in terms of affecting our actual energy usage.

Excerpts from statement of George L. Gleason

The "No-Growth" Syndrome

Before commenting specifically on the nuclear portion of the ERDA budget, there is a threshold issue which I would like to bring to the subcommittee's attention. I am referring to the idea that we can get by without more energy — the zero growth concept — the idea that somehow "less is more." While there are a number of people advocating this in one form or another, the thesis has been recently restated by Amory Lovins, British Friends of the Earth representative in an article in *Foreign Affairs* magazine (October 1976)...

... Historically, there is a direct relationship between the health of the economy and the use of energy. When gross national product is up, energy use is up, and vice versa. It may be possible to tinker with that relationship over a period of time and, indeed, if we don't soon start making the right energy decision, the situation may be beyond our control. But basically the relationship between GNP and energy will continue to exist so long as this nation is committed to provide an adequate standard of living for each citizen...

Without this energy, what are we going to do with the million and a half new workers coming into the job market each year? What are we going to do to adequately provide for the one-third increase in households projected for 1985? Who wants to be the one to tell people they can't work, get married, procreate and have a house because we don't have enough energy?

That is why the work of this subcommittee is so important. The decisions that you gentlemen make will in due course determine whether future generations will have enough energy to keep this country running.

The Breeder Program

The program which suffered the largest cut in the revised ERDA budget is the breeder. Almost \$200 million was cut, including some \$85 million for the Clinch River Demonstration Project.

Anyone who is in favor of conservation should support the breeder, since it produces more fuel than it consumes. It will extend our precious supply of uranium resources 50-60 times to serve dozens of generations to come.

The primary reason for pursuing the breeder — access to an essentially inexhaustible energy source — must continue to remain the highest priority. The solutions — or lack thereof — to concerns such as safeguards and proliferation risk must be examined in the real world — through demonstration. If we fail to maintain an aggressive R and D program, we may never know the answer. If critical funds are not made available to get these answers as soon as possible, we may be gambling with the security of this nation.

How do the potential economic "fruits" stack up against the projected "seed" dollars required for federal R and D on a total LMFBR program? The benefits would outweigh the federal costs money times over within the first two decades of successful demonstration.

Here are some revealing numbers to indicate the economics of the LMFBR, under development in the U.S. since the late 1940s:

- Total U.S. demonstration project cost — approximately \$7 billion (1975 dollars), of which about \$2.5 billion already has been expended.
- Benefits to consumers through the year 2010 in 1975 dollars — \$75 billion on their electricity bills, money which otherwise would be drained away from other economic uses.
- An infusion of approximately \$200 billion into the U.S. economy over the same period in direct capital investment, construction and operating funds for commercial facilities — not to mention the dynamics of capital formation, production and employment, all of which depend directly on adequate energy supply....

In short, a budget cut would be a *false economy*. Since the breeder is necessary to meet future energy demands, delays now — because of inflation — will only add to future costs. For this, and the foregoing reasons, it is strongly urged that the subcommittee restore in full the funds which have been cut from the breeder program in the revised budget...

U.S. Labor Party: Nation Overwhelmingly Favors Progress

Following are excerpts from the U.S. Labor Party's testimony to the Flowers subcommittee on the House Science and Technology Committee, March 3, on the proposed ERDA budget.

The sentiment of the U.S. population is overwhelmingly on the side of scientific development and capital-intensive jobs. Aside from the Naderite outlook of the major national press, most Americans want a better future for their children not more primitive conditions. In the past 60 days, U.S. industrial workers have purchased approximately 65,000 copies of the U.S. Labor Party proposals outlining the necessary economic steps to achieve high-energy nuclear power in the U.S. The Labor Party energy program, containing the Fusion Energy Act of 1977, was sold out in its first printing of 32,000 in January. Another 26,000 copies of the pamphlet "Stop Ralph Nader — Nuclear Saboteur," a pamphlet that exposed the fraud of the environmentalist movement, sold out in February. The main buyers of this material included teamster, steel, auto, and building trades workers.

There are many other examples of the sentiment among union workers for industrial development. United Steel Workers of America presidential candidate Ed Sadlowski — who campaigned on a program of reducing the workforce in basic steel by 75 percent and shifting it to environmental makework — was overwhelmingly defeated.

In Charlotte, North Carolina Teamster local 391 recently passed a resolution calling for fusion power development.

In Indiana, the coalition of building trades and industry groupings, Help Implement Regional Employment (HIRE), endorsed a resolution calling for the immediate funding necessary to achieve a fusion economy in opposition to the Carter Administration's proposed 20

percent cuts in fusion. Other labor-industry coalitions, bringing together Republican, American Independent Party, and U.S. Labor Party forces have been formed — such as the Three Rivers Coalition in Pittsburgh — to promote capital-intensive energy development.

In New Hampshire, Gov. Meldrim Thomson, the New Hampshire AFL-CIO, and the State Public Service Company collected 100,000 signatures on a petition to Carter calling for the approval of the Seabrook nuclear plant, a plant essential to the continuation of the entire high-technology New England region.

More than 50,000 signatures have been collected on a U.S. Labor Party petition calling on Congress to stop the treasonous conservation policy and ensure that the U.S. achieves fusion power.

Another indication of the broad support for fusion energy across the nation is the fact that memorial resolutions calling on the U.S. Congress to develop fusion

were initiated by the Labor Party and have been introduced into the Washington, Oregon, Connecticut, and Maryland legislatures, and are now being drafted in legislatures in Wisconsin, Vermont, and Colorado.

In short, when given the facts, the U.S. population votes for more energy and technology, not less.

Popular Mandate

The U.S. Labor Party therefore calls on Congress to exercise its constitutional responsibility and act to promote the development of fusion power as a necessity for the transition to the next phase of industrial progress in the U.S. Acting on its overwhelming popular mandate, Congress must foster the scientific education of the entire U.S. workforce to keep our nation on the road of Progress. The alternative is a collapse of the U.S. as an industrial nation—and a return to the horrors of the Dark Ages.

Fusion Energy Foundation: \$50 Billion Needed For Proper Fusion Effort

Following are excerpts from the testimony of Dr. Morris Levitt, Director of the Fusion Energy Foundation, before the Flowers subcommittee of the House Science and Technology Committee, March 4.

... In terms of our present situation, the only technology that can provide an expanded resource and energy base into the far future is fusion, not just because of the large amount of total potentially available output, but because of the energy-dense plasma technologies for material extraction and processing it would make possible. But we have to maintain an energy and economic growth rate that puts us in proper shape to fit into a fusion-based economy in the future in terms of amount and quality of capital and labor. Conservation does not merely defer needed solutions to some future date, it makes the solution much more difficult by disrupting the needed tempo of the development process.

Given that general summary analysis, the following policy and budgetary guidelines follow.

1) *Fusion*: To assure continued development appropriate to a transition to fusion before existing resources are seriously depleted, the target date for onset of fusion reactors is about a decade. That requires restoration of all \$80 million in magnetic confinement and laser fusion funds cut by the Administration and the opening of immediate hearings on the requirements for an all-out fusion research and development program. The program proposed by the FEF to that end has three basic components. First, full testing of all long-standing approaches in addition to the Tokamak; second, the setting up of ten National Fundamental Research Centers to expand to the utmost basic research and training of plasma scientists; third, initiation of all necessary

engineering and fabrication development in conjunction with our most technologically advanced industries. We estimate the budget for this scale of effort to be about \$5 billion a year initially and about \$50 billion over a five-year period...

2) *Fission*: There can be no interruption of basic Research and Development to complete and expand the nuclear fuel cycle while a final determination is made on what mix of devices to develop. Fission is clearly necessary to bridge the energy gap and as a transitional technology to fusion. Deliberations as to what type of breeder to develop or buy must not be permitted to be used as a disingenuous cover for destroying nuclear power. That is precisely the intention behind the Administration's massive cuts in the Liquid Metal Fast Breeder Reactor and nuclear fuel cycle activities, which should be reversed.

3) *Conservation and solar*: The doubling of the conservation budget line and preservation of the solar line are totally incompetent for the reasons cited earlier. A unit of energy not consumed is absolutely not equivalent to a unit used productively, whether measured by effect on present standard of living and skill levels or our concern for future development. With adequate development of remaining fossil and nuclear energy sources in the transition to fusion, there is not a single solar application that is cost competitive. When present fuels are gone, we better have something other than solar energy! Conservation and solar are projects of zero growth ideology, which should be given no credence as an "alternative" by anyone who shares our Constitutional commitment to the idea of progress and the unlimited perfectability of man's role in the universe. ...

The objective of our national Research and Development efforts in energy should be to ensure the smoothest possible transition to a more advanced and expanded resource and technology base. We cannot afford to gamble with the very continued existence of humanity. With the proper research effort, the onset of fusion power will initiate the most sweeping technological revolution in human history.

Congressmen Rip Rockefeller-Allied Environmentalist

Following are excerpts from the questioning of Thomas B. Cochran, a spokesman for the Natural Resources Defense Council, by members of the House Science and Technology subcommittee on Fossil Fuels and Nuclear Research, Development and Demonstration, during March 4 hearings on the federal Energy Research and Development Administration (ERDA) budget. The Natural Resources Defense Council is headed by Laurance Rockefeller and funded by the Rockefeller Brothers Fund. Questions were asked by Rep. Walter Flowers (D-Ala), the subcommittee chairman, Gary Myers (R-Pa), and Marilyn Lloyd (D-Tenn).

Flowers: How can we expect Europe to cut back nuclear power development when they have no other energy resources and are totally dependent on the Mideast for oil?

Cochran: Denmark and France, they've cut back on energy consumption and are not dependent on nuclear power.

Flowers: France has the most sophisticated nuclear power plant in the world.

Cochran: Uh....

Flowers: Do you agree we face a shortage of resources in the world?

Cochran: Yes.

Flowers: Then do we suffer from the cold or decide to go ahead and develop nuclear sources, even though some people have said its risky, although others have said it is not.

Cochran: Court suits are currently deciding if it's risky.

Flowers: Court suits have as much to do with the current energy shortage as did the Mideast embargo.

Cochran: But court suits represent public opinion.

Flowers: Doesn't take many people to start a court suit.

Lloyd: There's a tremendous potential for increased fuel in reprocessing uranium.

Cochran: Do you realize that that amount of fuel if put into circulation would represent 800,000 atomic bombs?

Lloyd: Has there ever been a nuclear accident?

Cochran: Uh...Yes.

Lloyd: I'd appreciate it if you would submit for the record where there has ever been an accident.

Cochran: Uh....

Lloyd: If we don't develop nuclear energy, our energy costs will go up in comparison to other countries that are developing nuclear power. (Lloyd sites figures.)

Cochran: Uh. I don't know where you got those figures.

Lloyd: Can you site any other reference for your figures other than you own staff?

Cochran: Uh...ERDA.

Myers: Am I to assume you are in favor of the light water reactor?

Cochran: I agree with President Carter that nuclear energy should be a last resort. We should depend on conservation, biomass, solar....

Myers: Are you aware that there are other uses for nuclear power than electrical generation?

Cochran: Uh....

Myers: The less developed countries are dependent on the advanced sector for the capital to develop their economies. They want the same level of economy that we have now and they can't do that with fossil fuels and solar. Don't you think it will cause tensions between us and the LDC's if we don't develop nuclear power?

Cochran: We should be giving them solar cookers and biomass.

Myers: Do you realize there's a direct relationship between the soundness of their economies and our ability to produce agricultural goods?

Cochran: (no answer).

Myers: Have you calculated how many square miles of solar equipment it would take to heat New York City compared to a nuclear plant.

Cochran: Uh, no.