

1,820 out of a total of 703,702 votes cast.

Lee's legal and political career appeared to be on a steep rise. After Carter received the Democratic presidential nomination, Lee went to work for the Democratic National Committee in Washington.

But back home in Detroit, the Michigan State Bar

Grievance Board was conducting hearings that showed Lee mishandled two simple divorce cases that paid him only \$250. He was disbarred Jan. 25, 1977, five days after Carter was inaugurated, and the disbarment was followed by disclosure that the other money was missing.

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## Where Carter's Energy Program Now Stands In Congress

Nearly three months after President Carter first outlined his "comprehensive energy program" on April 20, the Administration's National Energy Act is slowly winding its way through Congress. Despite the militant statements of many Congressmen denouncing the program, Congress has thus far endorsed it in practice, with only minor modifications and compromises. At a slow but steady pace the Carter energy program is moving towards enactment.

Both major aspects of the Administration's program are still intact: the elimination of an advanced nuclear energy option — particularly thermonuclear fusion power; and the establishment of a high energy price policy. If Congress indeed passes the Administration's "sky is falling" energy program, the result will be the destruction of the U.S. economy. As in Hitler's Germany, where the economic policies of Nazi Finance Minister Hjalmar Schacht reigned, the U.S. will move into an economy where labor-intensive industry will replace energy-intensive industry.

Syndicated columnist Joseph Kraft, writing in the July 7 *Washington Post*, emphasizes that "Carter's energy program is still remarkably intact.... Most of the reporting has featured day-to-day blows struck against the program by Congress. But in the perspective afforded by the current congressional recess, the truly impressive fact is how much of the program has passed intact through the early tests."

Kraft continues: "Once an energy program is under way, it generates a logic of enormous force. Thus, if a good part of the program gets through now, which seems likely, the missing parts could easily be supplied in one-shot pieces of legislation during the years to come."

A factual comparison between the energy goals outlined by Jimmy Carter in his April 20 address and the Congressional action taken to date is presented in chart form below. It should be noted that Congressional action at the time of this writing has been limited to House committee action, except for the Energy Research and Development Agency's nuclear budget which will be voted on separately in both houses this month. Aides to the House Ad Hoc Committee on Energy — a special committee with final House jurisdiction over the National Energy Act — predict a vote on the Act will not occur until fall. Since the Senate has taken no committee action, these same committee sources predict that the entire package will not be passed until a new session of Congress convenes next January.

The attached chart gives a clearcut demonstration of where the energy battle now stands. The information presented in this chart provides not only the "facts" in terms of congressional action vis-a-vis Carter's intended goals, it also establishes the program necessary to be enacted if real energy growth and development is to occur — the program developed by the U.S. Labor Party. The political background to this energy battle is summarized below.

### *Nuclear Energy*

Nuclear energy is the main parameter of any policy purporting to solve the energy crisis. Nuclear fission power — particularly the fast breeder reactor — is necessary as a transitional source of energy. Only thermonuclear fusion power can provide the nearly unlimited amounts of energy needed if rapid worldwide industrialization is to occur.

**FUSION:** As the chart demonstrates, Congress has gone along with Carter's phaseout of funding levels for fusion power. While the House Science and Technology Committee has recommended a token increase in funding, the Senate Energy and Natural Resources Committee has upheld Carter in toto. Most congressional sources predict that both the full House and Senate will endorse the committee recommendations with only a limited floor fight. This, coupled with a further 8 percent reduction being pushed by Carter for next year's budget, will reduce the combined overall fusion budget for both magnetic and inertial confinement from \$430 million to \$316 million by 1979. It will put the magnetic confinement portion of the budget at \$190 million in 1979, or exactly at the ERDA "Logic I" level which by their own program projection *will never achieve commercial fusion power.*

**FISSION:** The outcome of the Clinch River breeder reactor — a technologically advanced form of fission power capable of "breeding" its own plutonium for use as a nuclear fuel — is less certain. While the \$150 million figure agreed upon in both the House and the Senate are considerably lower than the amount needed to fully commercialize the breeder on schedule, it is nearly five times the \$33 million budgeted by President Carter.

Carter's opposition — primarily conservative Congressmen joined by a number of liberals — see the breeder as a key issue in which to express their disagreement with the Administration's energy policies. However, many are willing to "sacrifice" other programs — like fusion — and are fighting the breeder

battle on already compromised terms. This has weakened their political clout considerably to the point that a movement led by Fabian liberal Senators like Senate Energy subcommittee chairman Sen. Frank Church (D-Id.) for further compromise has gained a definite foothold amongst both House and Senate conservatives. Church has been pushing a \$75 million "compromise" that would effectively kill the breeder program.

**REPROCESSING:** Both the Senate and House committees have essentially supported the Carter Administration's decision to junk the Allied General Nuclear Services Reprocessing plant in Barnwell, South Carolina. The House Science and Technology Committee completely supported Carter. The Senate Energy Committee voted 11-5 to support the President's non-proliferation goals but to authorize \$13 million to fund the Barnwell plant's staff for one year to complete a study to determine alternate use for the plant. The plant is currently used to separate plutonium and uranium from spent fuel rods obtained from conventional uranium fueled nuclear plants.

In budget deliberations for reprocessing technologies in general, the House added \$3 million to Carter's \$32 million designated for "alternative fuel cycles" and the Senate added \$31 million to Carter's proposed budget. President Ford had proposed \$85.1 million for reprocessing design and alternative fuel cycle research and development.

In summary, even if Congress successfully battles Carter on its already compromised commitment to the breeder reactor, the nuclear energy program now proposed by Congress will be more of a victory for the Carter Administration than for its opposition. Without a commitment to fusion on at least the still grossly inadequate level proposed by President Ford, any solution to the energy crisis — even in the short term — is impossible.

#### *The National Energy Act*

While it will likely take months before any final vote is taken on the Administration's National Energy Act — essentially legislation determining pricing policy and fuel usage—the legislation now being shaped in various House Committees is a further endorsement of the Carter Administration's no-growth energy program.

The National Energy Act is key because it determines government policy for both pricing and fuel allocation and conversion. Thus far, action taken by various House committees endorses the Administration's goal of a high energy price as well as limiting the industrial use of oil and gas.

**PRICING:** The Carter Administration's proposal for taxes on oil produced domestically to bring its price to world levels was accepted almost without modification by the House Ways and Means Committee. The main modification on this well-head tax on crude oil was to exempt users of home heating oil from the tax. A similar tax was imposed on natural gas liquids used for nonresidential and nonagricultural purposes. At the same time, the committee passed a modified version of the Administration's gas-guzzler tax, dropping the rebate for consumers. The outcome of the fight for deregulation of natural gas is still up in the air with the

proponents of deregulation, largely conservatives who mistakenly equate deregulation with "free enterprise," gaining the edge. While Carter has maintained a verbal opposition to total deregulation, many critics view this as a purely upfront political stance, and that he would very much like to see Congress enact deregulation so that the legislators, rather than the President, can take the inevitable political flak. The only committee vote that Carter has entirely lost thus far on pricing is his gasoline tax. But the Ways and Means Committee has voted to repeal the Federal tax deduction for state and local gasoline taxes.

**CONVERSION:** Carter's policy of forcing industry and utilities to convert from oil and natural gas to coal has been accepted by the House committee with modifications. Punitive taxes will be imposed on the industrial sector. The committee's main modification is to exempt certain industries from immediate conversion. No funds have been allocated to assist industries in this costly conversion.

#### *Overall Energy Policy*

Congress has not only accepted most of the specific points advocated by the Carter Administration, it has also accepted the basic premise upon which its program is based: negative growth implemented through conservation. Even the most pro-growth Congressmen have — with only a handful of exceptions — accepted conservation as a primary solution to the energy crisis. From the acceptance of this scientifically fraudulent policy, a softness towards anti-nuclear energy policies flows. Solar energy, geothermal energy and other "soft" alternatives advocated in the Rockefeller Brothers Fund's *Unfinished Agenda* become "realistic" options.

The very fact that Congress has not yet committed itself to fighting the Administration's policy as a whole has forced it to settle for point-by-point discussion — the very strategy that Carter had hoped Congress would fall for. Consequently, Congress has never linked the energy policy question to broad economic and labor policy. In going along with Carter's energy policies, Congress is also buying Schachtian economic policy — whether or not it is conscious of that fact.

#### *The Outcome*

If the current general drift continues in Congress, Carter will win an important battle. However, this outcome is far from inevitable.

The first test in Congress comes the week of July 11, when the Senate will vote on ERDA's nuclear energy budget: the fusion budget, the Clinch River breeder reactor, and the Barnwell reprocessing plant. Even if the Senate essentially endorses the Administration's anti-nuclear energy policies, as many Capitol Hill observers predict, this vote can be reversed in the House. A number of Congressmen, including Rep. Gary Meyer (R-Pa.) have committed themselves to waging a floor fight to increase the fusion budget. Aides to the House Science and Technology Committee predict that the House will uphold its recommendation to fund the Clinch River Breeder Reactor at \$150 million — an amount that Carter has repeatedly threatened to veto.

The Administration is preparing itself for this option by stepping up its campaign of armtwisting and

harassment. Carter's latest tactic is the unveiling of a gasoline rationing proposal aimed at granting the Administration dictatorial rationing powers in the event of a disruption of sea lanes vital to U.S. interest, another oil embargo, and-or a new Mideast war. Carter hopes to use this to intimidate Congress into quickly passing his energy program.

Congressional spokesmen, including Senate Energy Committee Chairman Henry Jackson (D-Wa.) immediately denounced the rationing plan and Rep. Robert Young (D-Mo.) warned that the plan gives "too much power for any one person." Yet as similar criticisms of the now enacted Energy Department demonstrate, simple denunciations are not enough. The only viable

option that Congress faces is to link this rationing plan to Carter's overall energy and economic policies and counterpose a comprehensive program for economic growth.

Defeating Carter's energy program will not come as a result of internal pressure on Congress per se. Washington observers view the role of the labor movement as particularly critical. The political strength shown by trade unions at the recent pro-nuclear energy demonstration around the Seabrook nuclear plant in New Hampshire and a similar demonstration planned for Seattle, Washington can be decisive, these observers emphasize, in stopping Carter's energy program.

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# Carter Energy Program Vs. U.S. Labor Party's

<u>CARTER's PROGRAM</u>	<u>USLP's PROGRAM</u>
<b>FUSION POWER</b>	
<p>Maintain funding at ERDA's Logic I level which insures that commercial fusion power will never be developed.</p>	<p>Fund a brute force fusion R &amp; D program which would insure commercialized fusion power by 1990. Funding should be multi-faceted with funds for all viable approaches.</p>
<p>Proposed Budget \$342 m</p>	<p>(Ford: \$422 m) <span style="float: right;">\$6 b</span></p>
<b>BREEDER REACTOR (Clinch River Program)</b>	
<p>Eliminate all funds for commercialization maintaining only token R &amp; D funds.</p>	<p>Commercialize the breeder reactor as quickly as possible.</p>
<p>Proposed Budget \$33 m</p>	<p>(Ford: \$237 m) <span style="float: right;">\$237 m</span></p>
<b>PLUTONIUM REPROCESSING (Barnwell, N.C. Plant)</b>	
<p>Eliminates all funds for Barnwell Reprocessing Plants. Includes funds for alternative fuel cycles.</p>	<p>Expanded funding to set up additional plants.</p>
<p>Proposed Budget: \$32 million for alternative fuel cycle R&amp;D. \$0.00 for Barnwell</p>	<p>(Ford: \$85.1 m) <span style="float: right;">\$120 m</span></p>
<b>GASOLINE TAX</b>	
<p>Reduce gas consumption 10% by 1985; Proposed a standby gasoline tax of up to 50 cents a gallon by 1985.</p>	<p>No increase in gasoline tax.</p>
<b>GAS-GUZZLER TAX</b>	
<p>By 1985 a purchaser of a car getting less than 12.5 miles per gallon would pay a tax of \$2,488. A rebate would be given to customers buying fuel-efficient cars.</p>	<p>No gas-guzzler tax. Automobiles should be made more fuel-efficient through improved technology such as the diesel engine. At the same time, vastly increased funding should be available for mass transit R&amp;D and mass transit development.</p>

CARTER's PROGRAM

USLP's PROGRAM

NATURAL GAS PRICING

Raise the price of natural gas to \$1.75 per thousand cubic feet for both interstate and intra-state natural gas beginning 1978

Long-term goal of lowering prices to increase supply.

WELL-HEAD TAX

Phase in well-head tax equal to price of imported oil over three years.

No increase in tax. Encourage full exploitation of existing wells and further exploration.

Proposed Budget N.A.

N.A.

REBATE

Proposed rebates to everyone for full amount of money collected from the crude oil tax which is estimated to amount to \$47 per person.

No position since USLP does not favor well-head tax.

Proposed Budget N.A.

N.A.

COAL CONVERSION

Punitive tax on all utilities and industries using oil and natural gas thereby forcing conversion.

Opposes conversion because oil and gas are more efficient than coal.

Proposed Budget N.A.

N.A.

RENEWABLE RESOURCES (Solar energy, geothermal, wind power, etc.)

Full support for increased funding of solar and other forms of renewable energy. Sees solar power as "most promising" and will encourage solar home conversion through tax credits.

Does not support funding for solar and related "soft" energy forms since the energy through-put is so low that there costs are prohibitive.

Proposed Budget N.A.

N.A.

FOSSIL FUEL EXPLOITATION

Sees oil and gas as our "national treasure" and should remain in the ground.

Advocates full exploitation of existing oil and gas reserves and simultaneous increase in exploration. This is possible because of the imminence of fusion power.

Proposed Budget N.A.

N.A.

# Congressional Action On Carter Energy Program

<u>CONGRESSIONAL ACTION TO DATE</u>	<u>PREDICTED OUTCOME</u>
<i>FUSION POWER</i>	
<p><u>House</u>: Committees voted a token increase.</p> <p><u>Senate</u>: Committees voted to uphold Carter's budget request.*</p>	<p>Most congressional sources predict that Carter's budget request or a slightly increased figure will hold despite a number of amendments expected to be raised from the floor.</p>
<i>BREEDER REACTOR (Clinch River Program)</i>	
<p><u>House</u>: Committees voted up a \$150 million compromise. Pres. Ford threatens to veto this figure.</p> <p><u>Senate</u>: Same as House.*</p>	<p>Uncertain. Both the breeder's opponents and proponents predict a close vote. A further compromised \$75 million figure is now being pushed by Sen. Frank Church and other Fabians.</p>
<i>PLUTONIUM REPROCESSING (Barnwell, N.C. Plant)</i>	
<p><u>House</u>: Sci &amp; Tech Cttee supported Carter, adding only \$3m to his budget request. <u>Senate</u>: added \$31m. Including \$13m for Barnwell, (authorization limited to alternative fuel use). *</p>	<p>Floor fight expected.</p>
<i>GASOLINE TAX</i>	
<p><u>House</u>: Committee rejected standby gasoline but voted to repeal the Federal tax deduction for state and local gasoline taxes.**</p> <p><u>Senate</u>: No action.</p>	<p>Congress will reject gasoline tax.</p>
<i>GAS-GUZZLER TAX</i>	
<p><u>House</u>: The committee made Carter's proposal even harsher by increasing the 1985 tax to \$3,836. At the same time it eliminated the rebate to consumers for fuel-efficient cars.**</p> <p><u>Senate</u>: No action.</p>	<p>Uncertain</p>

NOTE: \* Senate vote scheduled for July 11 for both Authorization and Appropriations. House vote to follow.

\*\* Will go to House Ad Hoc Committee on Energy and to House for floor vote. Senate will follow after House completes vote.

**CONGRESSIONAL ACTION  
TO DATE**

**PREDICTED OUTCOME**

**NATURAL GAS PRICING**

House: Subcommittee voted to deregulate the price of newly produced natural gas. This was reversed by full Commerce Committee and as it now stands the price for newly discovered gas will be raised to \$1.75 per thous. cubic feet from \$1.45. Price controls extended to intra-state market.\*\*

Senate: No action.

Good chance that full Congress will vote to deregulate the price of newly produced natural gas.

**WELL-HEAD TAX**

House: Carter's proposal was accepted in the committee almost without modification. It was extended by proposing that a similar tax be imposed on natural gas liquids used for non-residential and non-agricultural purposes.\*\*

Senate: No action.

Uncertain outcome although opposition is expected from oil industry in general.

**REBATE**

House: Committee limited rebate to \$22 per qualifying person but reserved final judgment until tax reform proposal is clearer.\*\*

Senate: No action.

Full floor vote is expected to increase the amount of rebate.

**COAL CONVERSION**

House: Main thrust of Carter's position was accepted but taxes were scaled down and certain companies were exempted. Rebates for businesses that install energy conservation equipment were scaled back.\*\*

Senate: No action.

Uncertain

**RENEWABLE RESOURCES (Solar Energy, geothermal, wind power, etc.)**

House: No action.

Senate: No action.

N.A.

**FOSSIL FUEL EXPLOITATION**

House: No action.

Senate: No action.

N.A.