

*governors to support the energy corporation concept. Over the past month, he has given keynote addresses at the Midwestern and Southern Governors' Conferences and the Northwestern Lieutenant Governors' Conference.*

*The following are excerpts of a recent interview made available to EIR this week.*

**Q:** What do you think of Nelson Rockefeller's proposal to form an Energy Development Corporation?

**A:** I think highly of Nelson Rockefeller. I testified at his Project Independence Commission and fully support his Energy Independence program.

**Q:** Then you see no conflict between Rockefeller's plan

for EDC and Felix Rohatyn's proposal for a regional corporation?

**A:** No. They are both necessary. A national corporation, like Rockefeller's is necessary if we are to develop large high-risk projects like oil shale and coal gasification. It is the only way to commercialize these high-risk resources. But regional banks can do the job in areas — like the Northeast or Midwest — with large financial centers and conventional energy resources to develop. Even in the Rocky Mountain states—where the oil shale is—you would want a regional corporation to develop infrastructure, like transportation systems, and other projects like water projects. The important thing is that you need both.

## Schlesinger Has Carte Blanche To Run Energy Dictatorship

*The Department of Energy Organization Act of 1977 which was rammed through Congress earlier this summer, gives energy czar James Schlesinger a carte blanche to wage energy warfare on the U.S. population.*

*As the sections of the bill excerpted below indicate, Schlesinger has been given dictatorial power over the nation's energy supplies unchecked by Congress. When the act takes effect October 1, Schlesinger will command an army of more than 20,000 plus a regional administration of thousands more, and have the power to raise a volunteer army and even to press into service on his behalf and under his orders, the U.S. Army. In general his powers will be anything he deems fit that is not expressly barred him by law. "You could say that we have been told to go out and do a job and they are going to let us do anything that we want for a while to see what can get done," one Schlesinger aide said yesterday. "Read the act yourself and you will see that we can do almost anything we want."*

*Schlesinger's aides have already "taken up their mission to protect the nation's energy supplies" and drawn up "the most extensive energy emergency plan in history," in the words of one aide, the so-called Project WEEP—the Winter Energy Emergency Plan. "We will not wait flatfooted for an emergency to strike like last year," the aide said. "We will begin to take command and shut down the country's industry before the situation gets out of hand... we are expecting a long cold winter."*

\* \* \*

### Excerpts from the Department of Energy Organization Act of 1977

...Sec. 101. The purposes of this Act are (1) to establish a permanent Department of Energy in the executive branch, (2) to vest in the Secretary of Energy such functions as are vested in or transferred to him by this Act, (3) to achieve, through the Department, effective management, and (4) to provide the mechanism through

which a coordinated National energy policy can be formulated and implemented to deal with the short-, mid-, and long-term energy problems of the nation....

...Sec. 205. There shall be within the Department an Economic Regulatory Administration to be headed by an Administrator, who shall be appointed by the President by and with the advice and consent of the Senate.

(b) The Secretary shall utilize the Economic Regulatory Administration to administer... such other functions as the Secretary may consider appropriate...

Sec. 501 (d) ...The Secretary or any officer authorized to issue rules, regulations, or orders under the Emergency Petroleum Allocation Act of 1973, the Energy Supply and Environmental Coordination Act of 1974, or the Energy Policy and Conservation Act shall provide for the making of such adjustments, consistent with other purposes of the relevant Act, as may be necessary to prevent special hardship, inequity, or unfair distribution of burdens and shall, by rule, establish procedures which are available to any person for the purpose of seeking an interpretation, modification, rescission of, exception to, or exemption from, such rule, regulation or order...

Sec. 603. The Secretary is authorized to prescribe such policies, standards, criteria, procedures, rules, and regulations as he may deem to be necessary or appropriate to carry out functions now or hereafter vested in him.

Sec. 604. (a) *Except as otherwise expressly prohibited by law*, the Secretary may delegate any of his functions to such officers and employees of the Department as he may designate, and may authorize such successive redelegations of such functions as he may deem to be necessary or appropriate.

(b) *Except as otherwise expressly prohibited by law*, the Secretary may, with the consent of the head of the department or agency concerned, delegate any function vested in him to the head of such other department or agency, and may authorize such successive redelegation thereof as he may deem to be necessary or appropriate....

...Sec. 605. The Secretary is authorized to establish, alter, consolidate or discontinue and to maintain such State, regional, district, local or other field offices as he may deem to be necessary to carry out functions now or hereafter vested in him.

Sec. 611. (a) The Secretary is authorized to recruit, train, accept, and utilize, without regard to the civil service and classification laws, rules, and regulations, the services of individuals without compensation as volunteers for or to aid or facilitate the work of the Department.

(b) The Secretary is authorized to provide for incidental expenses, including but not limited to, transportation, uniforms, lodging, and subsistence for such volunteers...

...Sec. 612. (a) The Secretary is authorized to provide for participation of Armed Forces personnel in carrying out his functions. Members of the Armed Forces may be detailed for service in the Department by the Secretary concerned (as said term is defined in 10 U.S.C. 101) pursuant to cooperative agreements with the Secretary...A member so detailed shall not be subject to direction or control by his Armed Force or any officer thereof directly or indirectly with respect to the responsibilities exercised in the position to which detailed.

Sec. 613. (a) With their consent, the Secretary may, with or without reimbursement, use the services, equipment, personnel, and facilities of persons or public and private nonprofit agencies and organizations, including any agency or instrumentality of the United States or of any State, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States, or of any political subdivision thereof, or of any foreign government in carrying out any function now or hereafter vested in him.

(b) The Secretary may, with or without reimbursement, provide service, equipment, personnel, and facilities to public and private nonprofit agencies and organizations, including any agency or instrumentality of the United States or any State, territory, the Commonwealth of Puerto Rico, the District of Columbia, or political subdivision thereof, or to any foreign government whenever he deems such action to be necessary and appropriate to the performance of functions now or hereafter vested in him...

Sec. 614. The Secretary is authorized to enter into and perform such contracts, leases, grants, cooperative agreements or other similar transactions with public agencies and private organizations and persons and to make such payments (in lump sum or installments, and by way of advance or reimbursement, and, in cases of grants, with necessary adjustment on account of overpayments and underpayments) as he may deem to be necessary or *appropriate to carry out functions now or hereafter vested in the Secretary...*

...Sec. 622. The Secretary is authorized to establish a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as he shall find to be desirable in the interest of the economy and efficiency...

...Sec. 625. The Secretary, when authorized in an appropriation act, in any fiscal year, may transfer funds from one appropriation to another within the Department provided, that no appropriation shall be either increased or decreased pursuant to this section more than five percent of the appropriation for such fiscal year.

Sec. 646. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

## Lazard Staging Lancegate In Grab For Federal Monies

Office of Management and Budget Director Bert Lance came under fire because he blocked the Lazard Freres fascist economic program, not because of his record in Georgia banking.

This is the understanding of business lobbyists in Washington, conservative financiers in New York, and Lance's friends in the "Atlanta Mafia" — who are supporting the beleaguered Budget Director in a fight to hold onto his office. Support from these business and political circles accounts for the sudden hard-hitting counter-attack on his accusers which Lance himself launched in last week's hearings before the Senate governmental Affairs Committee — a counter-attack initially so successful that even the *Washington Post* and the *New York Times*, the leading "Lancegate" media outlets, were forced to report the first day's hearings as a clearout victory for the OMB Director and a series of embarrass-

ments for his principal inquisitors on the committee, Senators Ribicoff and Percy.

Many congressional conservatives, and Lance's conservative Democratic friends, have no doubt who is behind the Ribicoff-Percy media assault on Lance. "We know who owns the *Washington Post*," an American Bankers Association official said bitterly, referring to its connections to the New York investment banking firm Lazard Freres, home-base of Felix Rohatyn. "They are trying to use the Lance scandal to push pieces of legislation like Humphrey Hawkins that have been languishing in Congress."

The first wave of "Lancegate" articles broke July 12, days after Lance confronted Fabian Senator Proxmire over a provision to stop so-called "redlining" that Proxmire had attached to a Housing bill. In an open letter to Congress, Lance called for a Presidential veto of