

# Carter's Energy Address: Sacrifice And Bust OPEC

In his Nov. 9 nationwide televised address on energy President Carter reiterated his call for a "common national sacrifice," demanding that the American population drastically "cut back on consumption" and "shift away from oil and gas to other sources of energy" like wind and solar power, geothermal, methane and other virtually worthless energy resources.

Most significantly, Carter placed these demands within the political framework developed by his Energy Secretary James R. Schlesinger: that the OPEC "foreign cartel" must be dealt with and America's "excessive reliance on foreign oil" must be stopped.

This bust-OPEC thrust to his speech not only mislocates the energy problem but dangerously undercuts Carter's attempts to negotiate a sound and lasting Middle East peace.

While Carter's election-night speech was so provocative that several congressmen from his own party — including Senators Russell Long and Bennet Johnson of Louisiana — refused to attend a White House reception following the speech, most of the major East coast press analyzed the speech as a "softening" from previous speeches and an indication of Carter's willingness to "compromise." This view, articulated by both the *New York Times* and the *Washington Post*, was based upon certain sops to the oil and gas industry contained in his speech, namely his reference to higher oil and gas prices and his call for more production. "There's the makings of a deal," one Presidential aide commented. The aide, according to the Nov. 10 *New York Times*, saw a deal materializing between the White House, Congress and the oil and gas industry.

While some sort of deal is likely, it appears that conservatives in Congress and the energy industry will be the losers. The *New York Times* described such a deal as essentially "some" rather than "all" of what the Administration originally proposed. This means "some" taxes, "some" forced conversion, "some" continued intra-state controls.

Carter's vetoing of the Clinch River breeder reactor and his last minute decision to cancel his nine-nation foreign trip reflects Schlesinger's continuing strongarm control over the White House. While the breeder vote is purely symbolic at this point, requiring a vote of an additional appropriation to kill the project (see next article), it puts the Administration down on record as opposing this nation and the world's commitment to progress and virtually guarantees that no meaningful "compromise" can be achieved in Congress this session.

Rather than acknowledging this growing sentiment

throughout the population. Carter instead acceded to the tremendously stepped up pressures of the antinuclear energy lobby which dominated his schedule last week. This lobby — composed essentially of environmentalists working privately with Schlesinger — has now upped the ante and are, like the Union of Concerned Scientists, demanding that Carter halt all existing nuclear energy because of the bogus "safety" problem.

## Excerpts From Carter's Nov. 9 Address

... Let me try to describe the size and effect of the problem. Our farmers are the greatest agricultural exporters the world has ever known, but it now takes all the food and the fiber that we export in two years just to pay for just one year of imported oil — about \$45 billion.

This excessive importing of foreign oil is a tremendous and rapidly increasing drain on our national economy. It hurts every American family.

It causes unemployment. Ever \$5 billion increase in oil imports costs us 200,000 American jobs. It costs us business investment...

It makes it harder for us to balance our Federal budget and to finance needed programs for our people...

It pushes up international energy prices...

If this trend continues, the excessive reliance on foreign oil could make the very security of our nation increasingly dependent on uncertain energy supplies...

One problem is that the price of all energy is going up both because of its increasing scarcity and because the price of oil is not set in a free and competitive market. The world price is set by a foreign cartel — the governments of the so-called OPEC nations. That price is now almost five times as great as it was in 1973.

Our biggest problem, however, is that we simply use too much — and waste too much — energy. Our imports have more than tripled in the last 10 years...

There are three things we must do to avoid this danger: first, cut back on consumption; second, shift away from oil and gas to other sources of energy; and third, encourage production of energy here in the United States. These are the purposes of the new energy legislation.

... Another very important question before Congress is how to let the market price for domestic oil go up to reflect the cost of replacing it, while at the same time protecting the American consumers and economy.

We must face an unpleasant fact about energy prices.

They are going up, whether we pass an energy program or not, as fuel becomes more scarce and more expensive to produce...

We will use research and development projects, tax incentives and penalties, and regulatory authority to hasten the shift from oil and gas to coal, to wind and solar

power, to geothermal, methane and other energy sources.

... We should reward individuals and companies who discover and produce new oil and gas, but we must not give them huge windfall profits on their existing wells at the expense of the American people....

## Fast Breeder Still Alive Despite Carter 'Veto'

This press agency was the first to publicly reveal the fact that, due to a number of preemptory moves taken by the Congress, the widely publicized veto by President Carter has not yet killed the controversial appropriations of \$80 million for the Clinch River nuclear fast breeder demonstration project.

As revealed to *NSIPS* by informed Capitol Hill sources, although Carter technically vetoed the so-called authorization bill containing authorization for the Clinch River, Congress, anticipating such a veto, wrote the Appropriations Bill, the bill which voted the actual funds, in such a way that even if the authorization were vetoed, this would not affect the Appropriations Bill which has yet to reach the president's desk. That Appropriations Bill, further, includes the funds for the Clinch River project together with a \$7 billion public works package that also includes the phase-out funding to terminate the B-1 bomber program.

Thus, if the president vetoes that supplemental appropriations bill in order to kill the breeder, he will be forced to resurrect the B-1, a move which would greatly harm his chances of making progress with the Soviet Union on SALT II.

Informed Capital Hill sources speculate that the president will choose instead to sign the full supplemental appropriations bill later this month, then subsequently act to impound the specific funds for the breeder. He can do this under the provisions of the Congressional Budget and Impoundment Act of 1974 by sending Congress a rescission.

This is a highly vulnerable move, far more than a presidential veto which requires a full two-thirds vote of both houses of Congress to overturn. Unless both houses allow such a rescission, the Administration is legally bound to spend the money Congress appropriates. If the President chooses to defer spending, either house can force spending simply by disallowing the deferral.

At a press briefing Nov. 7, Presidential Press Secretary Jody Powell was forced to acknowledge the accuracy of this situation in answer to a detailed query from *NSIPS* outlining the above situation. Powell's reply was a feeble, "whatever action we take on that, it is important that we vetoed the authorization bill." In a subsequent discussion with *NSIPS*, Powell was forced to acknowledge that Carter's veto action was indeed largely "symbolic," stressing that "still, we have several options."

### Congress Debates Clinch River

*The following excerpts from the Nov. 1 Congressional*

*Record recapitulate a debate on the Clinch River Breeder Reactor project between Senator Robert Dole, former Republican vice-presidential candidate, and Senator Dale Bumpers (D-Ark.). The debate occurred on the eve of President Carter's veto of the Clinch River authorization:*

*Dole:* Mr. President, I support the committee's full recommendation for the Clinch River breeder reactor demonstration project — \$80 million — which is the same amount authorized earlier this Congress for the coming fiscal year. This amount will be enough to continue crucial procurement contracts for the reactor, although construction itself will be delayed until fiscal year 1979. This is a balanced and reasonable approach to this controversial project. I will oppose any effort to reduce the funds or to make them contingent on enactment of the authorization bill now before the President.

In July of this year, I expressed my full support for continued funding of the breeder reactor demonstration program. Opponents of the Clinch River project have argued against the program on grounds that it will lead to proliferation of nuclear weapons. They fear that America's policy position against the international spread of nuclear explosives will be somehow undercut by proceeding with the Clinch River project.

Yet France, Britain, and the Soviet Union already have these reactors and are well ahead of the United States in fast breeder reactor technology. Our abandonment of the Clinch River project will not slow proliferation of nuclear arms. The campaign against proliferation should proceed on different grounds. The nonproliferation of nuclear weapons is best encouraged through diplomacy, not restraint of technology.

*Bumpers:* The President originally asked \$33 million (for Clinch River —ed.). My preference would be zero...

Mr. President, I have been disturbed about the whole concept of breeder reactors for a long time... The President has said that he is opposed to the breeder for all time to come. I am not saying that I am opposed to it... What we are saying is this: "Wait a minute. Let's not go off half-cocked and start producing the most lethal substance the world has ever known, in massive quantities, before we know what we are doing and how we are going to dispose of it."

... The best source I have seen on this whole subject comes from a MITRE report... sponsored by the Ford Foundation.