

THE WHITE HOUSE

Washington

October 27, 1977

I extend my best wishes to all those attending the groundbreaking ceremony for the Tokamak Fusion Test Reactor.

The initiation of this project is symbolic of our growing success in the development of fusion energy. It has the scientific objective of producing, for the first time in history, significant quantities of controlled thermonuclear energy.

Achievement of fusion power will have a profound effect on all nations. Our hopes for the future rest largely on the continued availability of energy. Fusion is the last energy source available and presents the highest challenge for this nation's capability to put science to work for the benefit of all mankind.

We must move ahead dramatically in fusion research

during the next few years to gain the insights we need to make wise choices among our few long-term energy options.

Fusion development is a national objective that will require the best of our academic, industrial and laboratory talent. It is also a world objective, and sustained cooperation among all nations in fusion research is more important than ever. In this respect, I also welcome the opportunity to congratulate our European friends—many of whom are present on this occasion—on agreeing this week to proceed with the Joint European Torus, a complementary facility to the Princeton test reactor. The United States looks forward to working in close partnership with other nations in an endeavor that is so crucial for all of us.

May the spirit of cooperation that is so much in evidence on this occasion characterize our on-going achievements in fusion energy development.



Purge Of Energy Dep't Nuclear Advocates Stepped Up

Leading Senate environmentalists on that body's Energy Committee have delayed until next year the final confirmation vote on the nominations of nuclear energy advocates Robert D. Thorne and Lynn R. Coleman for top posts in the Department of Energy. Senate Energy Committee chairman Senator Henry Jackson (D-Wash) and Committee member Senator Howard Metzenbaum (D-Ohio) announced this decision on Nov. 15, and made it clear that the postponement was the first step toward killing the nominations.

Opposition to Thorne, who is nominated for the key position of Assistant Secretary for Energy Technology, centers on spurious charges that he biased the outcome of a California referendum on nuclear energy while directing the Energy Research and Development Administration's San Francisco office. Coleman, the nominee for the Department's general counsel, is now being scrutinized on similar "conflict of interest" charges stemming from his ties to John Connally's Houston-based law firm. The firm mainly represents the oil and gas industry and Connally has distinguished himself recently as the Republican Party's main proponent of industrial growth.

The environmentalists' campaign to purge the DOE of all nuclear energy advocates seems to have shifted to center on Energy Secretary James Schlesinger himself. On a certain level, the attacks on the energy czar are being orchestrated by his own allies who want to reprogram his image as "pronuclear energy." But the environmentalist crazies are also upset that Schlesinger — who frequently resorts to the "carrot" as well as the

"stick" appears to be yielding to pressure to downplay the "soft path option" in favor of gestures toward nuclear and other "hard" technologies. These far-gone environmentalists in organizations like Friends of the Earth and their congressional allies like Rep. Richard Ottinger (D-NY) would like to see "soft" technology advocate Amory Lovins sitting in Schlesinger's seat.

This environmentalist-led "dump-Schlesinger" sentiment was reflected in a rash of articles and statements this week led by Jack Anderson's Nov. 15 syndicated column which warned that a "growing number of voices on Capitol Hill are calling for the resignation of Energy Secretary James Schlesinger." Largely diversionary, Anderson's column limits this "palace revolt" to congressional liberals like Rep. Ottinger in order to both hide and dissuade growing conservative opposition to Schlesinger and his no-growth program. Simultaneously, the environmentalists see their "dump-Schlesinger" campaign as a tactic to "keep President Carter in line." The liberal community which prides itself on its antagonism to nuclear energy fears that Carter is deserting his own "hang tough" energy program in favor of a more growth-oriented and nuclear-centered program.

This latter tactic was apparent in a recently "leaked" Oct. 31 Memorandum to President Carter from the White House's own environmental hot-bed: the Council on Environmental Quality. In this memo (see below), Carter is warned that he will lose his "environmental constituency" if he doesn't immediately move toward "solar and soft path options" rather than nuclear energy.

— Carol Lerner

'Dump Schlesinger' Movement Grows, Say Columnists

Here are excerpts from the Nov. 15 syndicated column "The Palace Revolt Against the Energy Czar," by Jack Anderson and Les Whitten:

Washington—A growing number of voices on Capitol Hill are calling for the resignation of Energy Secretary James Schlesinger. Members of the dump-Schlesinger movement feel the pipe-smoking energy czar's policies, compounded by his personal "arrogance," are alienating many Congressmen and are hurting the White House on crucial energy votes...

The House leadership has had no part in the rebellion against Schlesinger, but it is being orchestrated by some powerful subcommittee chairmen on both sides of Capitol Hill. A number of complaints have been sent to the White House, but they have been referred to Schlesinger's office.

In an attempt to fire a salvo over Schlesinger's head, Rep. Richard Ottinger (D-N.Y.) dispatched a private "Dear Stu" letter to White House domestic chief Stuart Eizenstat. Without explicitly naming Schlesinger, Ottinger charged that his department has been packed with Republican holdover proindustry sympathizers.

EXCLUSIVE

Text Of The Council On Environmental Quality memo To The President

On Oct. 31, CEQ chairman Charles Warren, his associate Gus Speth, and designated member of the CEQ Marion Edey sent a memorandum to President Carter urging him to promote "solar and soft path options" as an alternative to nuclear energy. The memorandum, leaked to Executive Intelligence Review's Energy Daily and published in its Nov. 3 edition, is partially reproduced below:

There are increasing expressions by environmental leaders, the media and representatives of the energy industry that Administration policy on domestic nuclear power is moving in a direction substantially different from that which you articulated during the campaign.

The campaign statements pointed to by environmentalists and others stressed that nuclear power would be used "only as a last resort with the strictest possible safety precautions" and that dependence on nuclear power "should be kept to the minimum necessary to meet our needs (and that) we should apply much stronger safety standards as we regulate its use." You also called for a shift "to the greatest feasible reliance on renewable resources."

Those who question the Administration's commitment to these policies point to actions such as the following:

*Numerous nominees to top positions in DOE and NRC (Nuclear Regulatory Commission—ed.) are strong promoters of nuclear power development. Two of these — Robert Thorne...and Kent Hansen (NRC) — have engen-

dered opposition campaigns by environmental organizations;

*DOE officials have not moved to address issues concerning the safety of nuclear power reactors and their waste products which you addressed in the campaign but have developed two major proposals to facilitate nuclear power growth....

*Public statements by DOE officials have tended to put aside waste storage and reactor safety as legitimate public concerns and to call for large expansions of LWR (light water reactors—ed.) capacity beyond that on line or under construction today.

Our concern is that if present trends continue, two results are likely:

*the Administration will be increasingly challenged for departing from campaign promises and will face an open split with an important segment of the strong environmental constituency you had during the campaign, and

*serious unresolved problems associated with the LWR fuel cycle and the need to develop renewable energy resources will not receive the attention they deserve.

DOE officials apparently desire to pursue a two-pronged nuclear strategy: opposition to plutonium but, as a tradeoff, strong support for LWRs operating on a once-through cycle. In our judgment the strategy as currently implemented pays too little attention to LWR safety and security, to waste management, and to ensuring that adequate national resources are devoted to solar and soft path options...

You will have several important opportunities in the near future to clarify the Administration's nuclear power policy if you consider it appropriate.

*Make a statement at the upcoming White House Governor's Energy Conference that corrects the impression that we have done an about-face on nuclear power policy since the election.

*If the Hansen nomination is withdrawn, nominate to the NRC a person whose commitment to the Administration's nuclear policy is unquestioned and who will be seen by both the nuclear industry and citizens groups as fair and acceptable. The remaining DOE appointments will also be important indicators of Administration policy.

*Submit legislation to Congress that deals affirmatively with the unresolved nuclear safety issues and related public concerns (as in the attachment) and that supports effective public participation in the NRC licensing process.

*Submit a FY (fiscal year) 1979 Budget to the Congress that supports the Administration's policy of emphasizing solar energy and renewable energy sources.

Attachment

The following are examples of measures that could be taken to enhance nuclear safety and respond to public concerns:

*require that the NRC or a state, as appropriate, find that no feasible solar or conservation alternative to a proposed nuclear plant exists in order to grant a new construction permit. This requirement could be extended to central station fossil plants as well;

*set a reasonable but near-term deadline by which the NRC or other independent body, after an intensive public

proceeding, must determine if it can make a definitive finding of safety with regard to the management of high-level radioactive wastes. If such a finding cannot be made, the issuance of new construction permits for nuclear power plants would be deferred until safe, long-term containment were assured;

*authorize the states to set stricter environmental, health and safety standards in the nuclear power area;

*require positive steps to upgrade reactor safety assurances, including, for example, more strict siting criteria and a directive to the Commission to address systematically the unresolved health and safety issues identified by the Advisory Committee on Reactor Safeguards and others on a definite schedule; and

*establish procedures to open up NRC decision-making and ventilate dissenting staff views on technical issues.

Schlesinger Another "Henry Kissinger," Says CEQ Aide

An aide to Council on Environmental Quality and "soft" energy advocate Gus Speth characterized Energy Secretary James Schlesinger in an interview below:

Q: Most of the environmentalists who I have talked to recently are very upset with Mr. Schlesinger. How does your office view him?

CEQ: We are upset. The President ran on a strong energy policy of a particular kind — particularly opposition to nuclear energy — and the events that have taken place with Schlesinger are in conflict. Schlesinger's nomination for the NRC (Hansen—ed.) even thought building the Clinch River breeder was a good idea...Schlesinger is the only guy I know who ever dominated policy like Henry Kissinger since Henry Kissinger.

Q: (After aide described their "leaked" memo to President Carter) Who leaked this memo?

CEQ: The rumor is that it was leaked by the ERDA-types in the DOE who hoped its publication would cause the whole thing to backfire.

White House Faction Leaks Internal Memos To Kill Thorne Nomination

Internal memoranda on DOE nominee Robert D. Thorne had been leaked to his office by a group of White House staffers intent on killing his nomination, an aide to Rep. James M. Jeffords (R-Vt.) said. Rep. Jeffords, who earlier this year cosponsored legislation with Sen. Charles Mathias (R-Md.) aimed at shutting down the domestic nuclear energy industry, has become a congressional leader in the environmentalists' campaign to reject Thorne's nomination for Assistant Secretary for Advanced Energy Technologies. At Jeffords' request, the Government Accounting Office (GAO) last week completed an investigation into allegations that Thorne was involved in influence-peddling while he headed San Francisco's ERDA office. While clearing him of criminal charges, the GAO report concluded that many "unresolved questions" remain.

Some of the details are filled in by Rep. Jeffords' aide below:

Q: Why did Rep. Jeffords request the GAO to investigate Thorne?

Aide: We had been passed information from members of the White House staff which detailed Thorne's activities against the California nuclear energy referendum. These White House staffers are very upset with most of Schlesinger's appointments...They are upset enough with Schlesinger to pass us the documents.

Q: (The aide refused to name these White House staffers.) This sounds like something Stu Eizenstat would do.

Aide: No comment (chuckling).

Q: Why are these White House aides so opposed to Schlesinger?

Aide: First of all, they don't like him because they feel they can't trust him and he's pronuclear energy. Second of all, and the main reason, he's acting like he's President and actually wants to be President.

Business In Phony Deal With Carter

Two top-level business conferences last week, the Houston convention of the American Petroleum Institute and the New York City National Convention on Foreign Trade, were the scene for an epidemic of depression mentality among business leaders. Aware that the Carter Administration's stance will mean the breakdown of the U.S. economy, corporations are still sucking around for the best deal they can get with lunatics like Energy Secretary James R. Schlesinger and Treasury Secretary Micheal Blumenthal.

Especially ironic was the Nov. 14-15 trade convention in New York, which coincided with the release of statistics by the International Monetary Fund showing that the exports of industrial countries fell by a

staggering 10 percent between the second and third quarters of 1977 alone. In the middle of the worst trade collapse in thirty years, the chief executives of Bank of America, Texaco, and Exxon paraded Treasury Secretary Blumenthal before an audience of cynical and disgusted businessmen, applauding politely when Blumenthal paid lip-service to the productive potential of the American economy and the need for U.S. exports.

The Houston meeting of oilmen shaped up pretty much the same way, except that arch-Malthusian Schlesinger didn't bother to mollify his audience. The petroleum industry was "flourishing" under the Carter Administration's no-energy regime, and if oilmen didn't think so, they were "paranoid." Much of Schlesinger's