

Clinton to revive Carter energy policy?

by Marsha Freeman

Not since the dreary days of the Carter administration has "soft energy" advocate Amory Lovins made a major policy appearance in Washington. On Nov. 13, Lovins presented a briefing sponsored by the New York Council on Foreign Relations (CFR), based on his upcoming article in its *Foreign Affairs* magazine entitled "Fueling a Competitive Economy." What Lovins has proposed be the energy program for the Clinton-Gore administration is no different than what he proposed to President Carter in a 1977 article in that same quarterly.

To try to influence the Clinton-Gore administration, Lovins pointed to the success of his 1970s policy recommendations to cut energy consumption, substitute "alternative" energy sources for new coal and nuclear power plants, and promote "energy efficiency." In 1976, he predicted that energy use per dollar GNP would drop, and through 1986 it dropped by one-quarter more than even he had predicted, he bragged at the Washington briefing. However, Lovins does not seem to recognize that it has been the creeping depression and decline in living standards that have forced Americans to "conserve."

Following the ideology of Lovins and his sponsor, the CFR, the Carter administration had an economic policy based on "controlled disintegration" and an energy policy based on the idea that economic growth and energy growth could be "decoupled." When Carter appointee Federal Reserve chairman Paul Volcker hiked interest rates to double-digit rates in October 1979, the road to "decoupling" was laid. No longer was it profitable to invest in the energy-intensive physical economy.

Following in Carter's monetary footsteps, President Reagan's economic policies proved in spades that if economic growth is defined as GNP growth, it can surely be decoupled from energy production and consumption. All the economy has to do is register growth in real estate and currency speculation, stock market frenzies, and leveraged buyouts—because none of these require much energy. Americans have begun to realize, however, that this kind of "growth" spins the economy into a depression.

Energy costs driven up

In the *Foreign Affairs* article, Lovins and co-author Joseph Romm, who is also resident at the Rocky Mountain Institute in Colorado, repeat the old saw that "uneconomical options such as nuclear power" have already had "lavish subsidies" by the government, without ever explaining that it was the anti-nuclear

movement's doubling and in some cases quadrupling of the cost of nuclear power plants through political sabotage and interference that made them "uneconomical."

Lovins and Romm consistently use the word "energy" when they actually mean oil. They claim that today's energy policies are based on military considerations, leading to waging Middle East wars, and not on "economics." What do they propose?

To reduce America's dependence on imported oil, which largely goes to meet transportation needs, they propose using ultra-lightweight materials to increase the fuel "efficiency" (consumption, actually) of vehicles. It has been documented in numerous studies, however, that reducing the weight of automobiles reduces both gasoline consumption and occupants' life expectancy. Though Germany and Japan are held up as the paradigms of efficient energy use by Lovins, nowhere is the urban mass transit and high-speed rail systems these two nations depend upon recommended for the United States.

The argument by Lovins that the "soft path" of alternate technologies, such as windmills and burning garbage, should be the "technologies" of the future because they are locally controlled and cheaper, has now been given a new push with the myth that these "clean" technologies (compared to "dirty" coal and "dangerous" nuclear) must be used to avert greenhouse warming.

But it has been amply documented, for example, that the amount of energy it takes to manufacture solar collectors for "clean, cheap (if not free) energy," is never paid back over the lifetime of the solar collector, because the energy collected is so diffuse. (See "The Truth About Solar Energy: It Costs Too Much," *21st Century Science & Technology*, July 1989, p. 20).

Vice President-elect Albert Gore touts the idea that meeting environmental requirements does not have to have a negative impact, but instead will create jobs and be profitable. But neither jobs nor profit necessarily equate to economic growth. Creating the monetary, credit, R&D, and tax policies to encourage investment in new technologies which increase productivity will not be accomplished by creating "new industries" to produce packages for garbage so it can be more easily recycled.

For most Americans, buying more energy-efficient lightbulbs (proposed by both Gore and Lovins) is not their major concern. During the Carter years, these "conservation" policies, i.e., austerity, were not taken seriously. Few people ran out to build solar collectors.

But the economic situation today is not what it was 15 years ago. We all saw our costs skyrocket after two Mideast wars and Volcker's interest rate hike, and most Americans could barely manage to absorb the punch. Today, when millions of Americans live on the edge of existence, a carbon tax raising the price of winter heating fuel and gasoline could be a matter of life and death.

If Clinton follows in the footsteps of our last great Democratic President, an old phrase will take a turn: "The first time as farce; the second time as tragedy."