

# Governors Blast Energy Program, Demand Energy Development

The mid-winter meeting of the National Governor's Conference, held in Washington Feb. 28 - March 2, concluded with the adoption of a resolution opposing the Carter Administration's plan for a cabinet-level Energy Department which would incorporate existing federal energy agencies, and instead adopted a four-point proposal for energy use expansion by New Hampshire Republican Governor Meldrim Thomson. The Thomson proposal put the governors on record demanding that Congress enact legislation for expanded development of fossil fuels and nuclear energy programs, for expansion of electricity generating facilities, and for expansion of research and development of new energy resources.

Although the resolution included a section on energy conservation, the governors stressed that conservation must not hinder ensuring that energy supplies keep pace with demand. And they also called for an amendment to the Clean Air Act which would have Congress — not the courts — set U.S. energy policy, and make further industrial progress the basis for implementing the Act.

The conference was a stinging rebuke to the Administration, which made a major effort to use the meeting to rally the governors behind its energy program of enforced 30 percent cutbacks in U.S. energy consumption, and slashes in the development of all energy sources except coal.

Virtually every cabinet official attended or spoke, and, as a special treat, the governors were given a two-and-a-half hour session with Carter at the White House.

Carter ally, Senator Henry Jackson (D-Wash), delivered the keynote. Declaring that he was outlining White House policy, Jackson called for a "massive conservation effort that strikes at every waste of energy" backed by penalties for "waste." He debunked development of oil and gas reserves, stressing coal as the main energy source. Only days after pro-growth members of the House Science and Technology Committee had assailed the Administration's proposed cutbacks in fission and fusion programs, Jackson delivered a sneering attack on fusion development: "the glamorous thing is to talk about solar, fusion and all these esoteric things."

In the question and answer period which followed, Jackson was countered by the Democratic Governor of his own state, former Atomic Energy Commissioner Dixy Lee Ray. "We all believe in the trade-off between environmental concerns and economic concerns," declared Gov. Ray, "but if we are prevented from using things for environmental requirements, well, we need the jobs and we need the energy. There are requirements for environmental impact statements, but not for economic impact statements, and that is more important. Environmentalists can stop a project after it is very far along. We must have a better balance with economics."

Governor Judge of Montana (D) demanded to know

from Jackson how long the American people would have to wait for the vital Alaska pipeline, which is being held up by Washington State because of "environmental concerns." Gov. Ray interjected that it was not Washington State that is holding up the pipeline, but "our problem is environmentalists who oppose the transportation of oil."

Jackson's major supporter was Gov. John D. Rockefeller IV of West Virginia. Supporting Jackson's stress on coal, Rockefeller called on the coal producing states to levy a 20 percent tax on coal, earmarking the new revenues for low-wage, make-work projects.

The afternoon of the first day was highlighted by a luncheon on energy for a selection of governors, attended by Andrus and Carter's intended Energy Department head, James Schlesinger. The luncheon turned into a running debate between the Carter spokesmen and, especially, Governors Dolph Briscoe of Texas, Edwin Edwards of Louisiana, and Thomson of New Hampshire.

Gov. Edwards demanded of the two, "The federal government owns most of the land with fuel resources. The government should develop these resources, but who is going to do something about all the environmental constraints which are the problem? I want to know if either of you are going to have the commitment to energy development to face off the environmentalists and begin producing coal and oil and gas fully, at least until we are back on our feet. Will you deal with the environmentalists?" Andrus responded, "You are correct. We have to proceed with a plan for development, but we cannot turn our back on environmental concerns." Edwards retorted, "I say many of those environmental fears are fiction. Everytime we try to increase production in the Gulf of Mexico because we have an enlightened view, someone tries to stop us."

Schlesinger finally piped up, responding to Edwards with a reiteration of the Administration's support for the environmentalists. "We must balance energy problems against environmental concerns. There is no intention to use our energy problem as a way of rolling back environmental safeguards." Schlesinger's statements sparked open support for Edwards from Texas Governor Briscoe. "I agree with Governor Edwards. We are moving ahead with production, and I think other parts of this nation must also move ahead with production."

Andrus claimed agreement, but again stressed environmental concerns. New Hampshire's Thomson, who recently sponsored a petition drive that garnered 100,000 signatures in support of nuclear energy from New Hampshire residents, then attacked the Administration for not fostering nuclear energy production. "I see that nuclear energy is given a very low priority by this Administration. But nuclear energy is vitally important if we are to become independent, and we must expand oil and gas production also."

Schlesinger responded with clear statements that Carter intended to destroy nuclear power development and to use the courts in his assault. "With respect to nuclear power, Carter, when campaigning, indicated that he preferred to move rapidly with coal and solar and that nuclear energy should fill the gap that remains. But this gap will be large. We have problems with the licensing process, but these should not be settled by legislation but fought out for each separate case."

The governors delivered their answer to the two Carter officials the next morning, when the conference Committee on Natural Resources and Environmental Management responded to a telegram from Andrus urging the governors to cooperate with his investigation into delays in gas production from Gulf of Mexico fields by Southwest gas producers. The response was a resolution recommending an investigation of government support for environmentalist sabotage of energy production. Governors Briscoe and Edwards (La.)

proposed that the nation's governors would indeed favor a panel to investigate the problems of bringing gas into production, noting that:

1. such a blue-ribbon panel should be composed primarily of the governors of the gas-producing states;
2. that there is cause to investigate the sabotage of gas production;
3. that such sabotage in all probability exists; and
4. those to blame include environmentalists, and such government representatives as New York judges who block offshore drilling in the courts.

The day before, Edwards had singled out New York federal judge Jack Weinstein, who recently barred a \$1 billion offshore drilling program on the Atlantic Seaboard as typical of those judges "who don't know a dipstick from a drillpipe." Edward's office hailed the passage of the resolution by the conference committee — which in effect makes it conference policy — as a major victory for energy producers nationwide.

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## Carter Faces Revolt In Congress

A revolt against the six-week old Carter Administration broke out in Congress this week, provoked by the zero-growth policies of the President and his Trilateral Commission Cabinet.

At March 1 hearings of the House Budget Committee on the Administration's proposed fiscal 1978 budget, U.S. Labor Party National Committeeman Richard Cohen sharply contrasted the necessary short-term priorities for the next fiscal year — immediate measures to maintain and develop existing research and development capabilities, fission and fusion energy programs, industrial and agricultural infrastructure — to the draconian cuts in these areas contained in the Carter budget. In the long run, Cohen continued, intensive capital formation is necessary for the development and expansion of American industry and agriculture, to be realized through the establishment of a Third National Bank modeled on Alexander Hamilton's First National Bank. Cohen's testimony prompted intense questioning from committee chairman Rep. Robert Giomo (D-Conn) and ranking minority member Rep. Delbert L. Latta (Ohio) on how the Third National Bank would function to promote international development and trade.

Congressional opposition to Carter was led this week by the House Science and Technology subcommittee on Fossil Fuels and Nuclear Research, Development and Demonstration, chaired by Rep. Walter Flowers (D-Ala). At hearings March 3 and 4 committee members Flowers, Marilyn Lloyd (D-Tenn) and Gary A. Myers (R-Pa) charged that Carter's proposed budget cuts for nuclear power would cause devastating and irrevocable harm to Europe and the Third World and would rupture U.S. relations with those areas of the globe. In order to raise living standards both at home and abroad, the Committee concluded, an aggressive nuclear power development program is necessary.

During the two days of testimony, the committee invited industrial representatives and spokesmen for the Fusion Energy Foundation and U.S. Labor Party to

present testimony on the progress and feasibility of fusion power by the mid-1980s. Privately, Committee members volunteered that the series of public hearings was designed to stop Carter's energy budget cuts cold. Already the Committee has voted to restore \$10 million in proposed cuts to the Energy Research and Development Administration budget for fusion power.

Flowers took time off from the Congressional hearings to address the American Nuclear Association Conference in Washington, D. C. March 2, where he told the assembled scientists and industrialists that the U.S. must make a commitment to long-range energy development, both coal and nuclear power. Flowers attacked Carter's repeated assertion that nuclear energy is a "last resort" and declared, "The ERDA budget does not do what needs to be done; what is needed is an aggressive program for nuclear power." Citing a recent poll which showed overwhelming support in the U.S. population for nuclear power development, Flowers charged, "Government leaders don't recognize the mandate they have received. Nuclear power is necessary for our economic stability and national security."

Former Massachusetts Governor Endicott Peabody followed up Flowers' remarks by calling on pro-growth industrialists, businessmen, trade unionists, and scientists to undertake a sweeping grassroots organizing drive and lobbying effort "to transform the 80 percent support for nuclear power of the population into an 80 percent vote in Congress." Peabody charged, "People who are opposed to us are anti-energy, anti-growth, and anti-the future of America." The conference adjourned early so that its 450 participants, representing businesses linked to the nuclear industry, could lobby for nuclear energy programs on Capital Hill.

The day before Senator Abraham Ribicoff (D-Conn), chairman of the Senate Government Operations Committee, reluctantly announced he had been forced by mounting opposition to Carter's Energy Department proposal to extend hearings on the legislation from one