

Carter's Energy Program Hits The Rocks

Jimmy Carter's energy program, authored by the Ford Foundation with the guidance of the Rockefeller family, was all but buried by bipartisan Congressional forces last week. The trouncing of major components of Carter's programs follows a Memorial Day marriage of convenience between pro-energy growth, industrially-aligned politicians and certain sections of the military with Nelson Rockefeller's financial interests. Such conservatives were wooed on the belief that some form of economic recovery (i.e., an avoidance of the collapse of the U.S. dollar) could be effected by shelving the Carter plan for energy development and instead pursuing a program of undisguised austerity and war production.

The collateral in this arrangement was to be the OPEC revenues that the Wall Street groupings assumed would be provided by Saudi Arabia. As the Saudis have not handed over the money, and as the international financial collapse becomes daily more visible, the Rockefeller-Republican marriage appears highly unstable in the two weeks since it began.

On Capitol Hill, in rapid succession Congress knocked out Carter's standby gasoline tax, the tax rebate for small cars, and the price ceiling on new natural gas. The Seabrook, N.H. nuclear facilities, condemned by Carter, have been restored, while on June 14, the House Science and Technology Committee voted up \$150 million in appropriations to begin construction of the Clinch River plutonium fast breeder reactor.

But the proceedings of the Edison Electric Institute Conference in Philadelphia this week reveal two striking political realities behind the defeats handed to Carter on the Hill. First, the numbers of longtime Rockefeller family retainers who suddenly pronounced their adherence to a concept of economic growth demonstrates that the Rockefeller family has a strong hand in the defeat of its own energy program. Secondly, Rockefeller and his forces are faced with the fact that they must wheel and deal for their new-style "Project Independence" military program within a pro-development "controlled environment" largely shaped by the U.S. Labor Party and the forces it has led against Carter.

The EEI publication, highly representative of investor owned electric companies in the U.S., had recently attacked the proposals of Amory Lovins issued in the Fall 1976 *Foreign Affairs*. Lovins' plan, in large part adopted by the Carter Administration, had called for the decentralization of energy development and the administration of such policies on the community level, and called for the abandonment of nuclear power development under the rubric of "non-proliferation."

Speaking before the 2000 assembled industrialists and trade unionists at the conference, EEI President W. Donham Crawford indicated that high priority must be given to the development of energy programs not dependent on fossil fuels. "Conservation will not in itself

solve our energy problems," Donham said, "only the development of new or better technologies to convert more abundant fuels into working energy will do that. It will buy us the time to perfect those technologies, and is therefore a necessary step toward the answer."

Previously Donham writings in the EEI publication have recognized the necessity of fusion power — but have qualified that recognition with 25 years of conservation as necessary to prepare the U.S. for its development.

Rockefeller adaptation to U.S. rejection of zero-growth was most clearly demonstrated in the speech delivered by Fred Smith, an environmentalist for 25 years. A self-described close associate of Laurance Rockefeller, the conservationist standbearer of the Rockefeller family, Smith launched into an attack on environmentalism. "The environmental movement," Smith said, "is endangered because it has degenerated and is now in one of the most far-reaching mixed-up, complex-recriminating upheavals the country has ever seen... It has created an endless parade of villains... fed the press and television with the kind of sensational blood and thunder copy they cherish..."

"The important question of today is really this: will the under-powered and crippled society of the next few years agree that a relative handful of activists were acting in the public interest when with monumental arrogance they stopped by court action nearly \$10 billion worth of construction and development in the energy field alone because it presumably endangered such non-human critters as snaildarters, clam larvae, and kangaroo rats? Perhaps as claimed, these creatures were endangered. But so are nearly 220 million people."

Following Smith, Bayard Rustin, black spokesman linked to AFL-CIO president George Meany, delivered another post mortem on the environmental movement. After counterposing the rise of zero-growth philosophy to earlier pro-expansion, pro-growth philosophies, Rustin said: "The no-growth advocates fail to recognize that the adoption of their policy positions would significantly worsen the plight of the impoverished and disadvantaged." Noting that the scientific rationales of zero-growth are far from proven, Rustin asserted, "The movement to redefine values is essentially an effort to impose certain values on the less fortunate members of society... With a near static national economy there is simply no way that even the best-intentioned president and Congress could find the sums of money that are so desperately needed to end poverty, improve education, provide health care to all, and to construct efficient mass transportation systems. To those who insist that we no longer need to spend huge additional sums on coping with pollution, to those who insist that we no longer need or can no longer tolerate economic growth, my response is simply we cannot afford to do without it."

Within this environment, Rockefeller policy was out-

lined by Herman Kahn, of the Hudson Institute and Nelson Rockefeller's Commission of Critical Choices. Kahn began his speech by quickly conceding that "The U.S. needs new energy technologies, like the breeder, in the future. For now, we should go with what we have... We need 200 coal gasification plants. The good thing about coal is you need to repair the railroad system to ship it, and we have the ideal labor force to do the job. We should take the ghetto kids and put them into the country part time each week to repair the rail lines... And we already have an adequate employer of last resort in the private sector which means simply doing the dirty unpleasant jobs..."

Limits To Growth Trap

The "program" advanced by Kahn for Rockefeller has little to do with coal gasification for the moment but relays Rockefeller's new austerity in the context of a "limited development" idea. It expounds Rockefeller's policy of seducing labor and industry into adopting *short-term military and slave-labor austerity measures*, from the standpoint of expediency, which will mean raising energy prices into the stratosphere. Then, Rockefeller's 200 coal gasification projects would become "competitive" and feasible (the original blueprint of the Commission on Critical Choices).

The Clinch River decision itself is a reflection of this baited trap. The decision to go ahead with the project is a semi-victory because the \$150 million appropriation does not even fully restore President Ford's proposed \$237 million.

Other energy parcels passed through House committees in the past six days also reflect the danger of the trap. They include the House Ways and Means Committee's approval yesterday of Carter's tax on "new" domestic crude oil. Under this tax, consumers and industrial users would be gouged \$3.50 more per barrel in 1978, \$7.70 additional in 1979, and another \$3.00 in 1980. The definition of what constitutes "new oil" was simultaneously broadened by this heavily Carter-stacked Committee, which also defeated a plow-back investment credit for exploration and development. The full house voted down the President's recommendation to kill 16 dams and irrigation projects, and recommended an appropriation of \$10.2 billion to cover these programs, but the Senate later killed half of those projects to avoid a Carter veto.

Also last week, the House Commerce subcommittee on energy and power opposed Carter's proposed new ceiling of \$1.75 on all interstate natural gas, and instead got sucked into passing deregulation of all new gas — a move that plays straight into Rockefeller austerity gameplan.

Teller: Yes To Breeder In The Future

At a June 16 press conference, Edward Teller, Associate Director of Emirtus, Lawrence Livermore Laboratory, University of California made contradictory statements typical of many supporters of the Carter Administration energy policy now answering to Rockefeller authority.

Promoting the Carter Administration line the former Atomic Energy Commissioner Director said, "Project PACER is an excellent idea. It is something we should definitely pursue. The resistance to this kind of thinking comes from the bad impression in the public mind from the bombing of Hiroshima." (Project PACER outlined the use of the development of nuclear bombs to develop clean, safe nuclear energy—ed.)

In answer to a reporter's question on the findings of Soviet scientists L. Rudakov, who most directly contributed to the USSR's E-beam developments, Teller claimed, "I never heard of him."

Later in the conference Teller stated, "We do not need the breeder reactor now. We should develop the thorium cycle — though it is not a breeder. . . We will demonstrate fusion within three years. At that time it will cost \$1,000 per kilowatt hour, and will not become economical before the 21st century. . . Therefore President Carter was right not to mention it in his (April 20) speech."

Teller then suggested the U.S. mass produce nuclear power plants. "They should be placed in harbor facilities where careful control and efficient construction would lead to their efficient shipping."

Teller acknowledged his own past opposition of nuclear power plant construction, but said the plants have now been shown to be safe. Third world countries Teller noted "desperately need a large expansion of energy supplies right away. The most effective means of supplying this expanded energy is to have the United States, Europe and Japan build a very large number of nuclear reactors, and make available the freed-up oil supplies to the underdeveloped countries."

Teller delivered an attack on environmentalists, by relating how India and Ceylon had employed DDT to wipe out malaria. Environmentalists then convinced the Ceylon government to prohibit DDT with the result that two million people contracted malaria. Ceylon resumed the use of DDT and reconquered the disease.

Teller further claimed that he personally had briefed the Washington D.C. press corps on the story. "You check this out, and write me a letter on what you find." The only response he received confirmed every detail of the story, and added others but was stamped "confidential for your use only." The letter was not allowed to be released to the press. "What would happen if some industry caused event should make two million people seriously ill? Do you think it would be spread all over the national news media? And yet in this case not a single newspaper in America picked up this story or said a word about it."

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Indicative of the kind of "limits to growth" thinking behind these energy measures is a statement by Congressman Wydler (R-NY) who last week burned Schlesinger on his coal conversion plan, but admitted

privately that he opposes it because it is too expensive now; in a decade or so "when the costs of gas and oil are out of limits, perhaps then it will be feasible."

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Carter Administration And Republicans: Is A Deal On Korea In The Works?

Developments surrounding the Korean lobbying scandal in Congress last week suggest that a deal is in the works between Republican conservative layers and the Carter Administration on the Administration's controversial Korea policy. The deal appears to center on a Carter backdown on his policy of withdrawal of U.S. troops from South Korea, and a conservative power play which would use the Korea scandal to gain control over the Justice Department.

Left on the outside — and sacrificed — in this deal are the screaming liberals of the Congress and their Fabian supporters who have been pushing both the withdrawal policy and the scandal as part of their "human rights" attacks on the South Korean government.

The foremost indicator of the deal was the call issued last week by Capital Hill Republican leaders Senator Baker and Rep. Rhodes for the formation of a Special Prosecutor's office in the Justice Department to handle the Korean investigation. The two Republicans charged that the present Justice Department effort in the matter was insufficient, and that "leaks" have been making their way from the Fabian liberals in the department to the press.

Baker is operating in conjunction with Nelson Rockefeller and his Republican networks in carrying out this purge of the Mondale-type liberals from the Justice Department and from the Carter Administration as a whole.

The aim of the Baker move is not to extend the investigation but rather to can it in the Justice Department by shifting the focus of investigation from Congress to the Executive, where a few small fish can be fried from the previous Administration. This shift was also evident in the moves by the House Ethics Committee, which plans to pass out a questionnaire to House members on their contact and involvement with various individuals identified as part of the Korean influence-peddling lobby. The Ethics Committee's main thrust of investigation, they announced this week, will center on former members of Kissinger's National Security Council and the CIA who have been subpoenaed to give what information they have on the Korean lobbying. Charges have been circulating through various conduits including the *New York Times* that various officials in a number of government agencies, including the State Department, FBI and others, were covering up the activity.

Significantly undercutting the line that the Baker call is a Republican move to use the Korean scandal as the Democrats' Watergate, the Democratic head of the Ethics Committee, Rep. Flynt, supported the Baker call.

These moves have not brought a happy reaction from the Liberals, whose own Korean baby is the investigation being carried out by the Subcommittee of the House International Relations Committee headed by Rep. Donald Fraser. Fraser, a member of David

Rockefeller's Trilateral Commission and former head of the ultra-liberal Americans for Democratic Action, has been going after the Pak regime in South Korea on "human rights" grounds. A top aide to Fraser, asked for his reaction to the Baker-Ethics Committee moves, strongly opposed them as an effort to put a lid on the Korean scandal investigation by trying "to put the shoe on the other foot," i.e., shift it from Congress to the Executive. The aide derided the talk of Executive cover-up, particularly charges directed against Undersecretary of State Philip Habib, as "misdirected."

Pullback On Korea Pullback

The developments around the Korean scandal are tied to signs of a shift by the Carter Administration on their withdrawal policy which has been under strong attack from conservative layers since the Chief of Staff of the U.S. forces in Korea, General Singlaub, made public his opposition to the policy. Yesterday, Habib and General George Brown, Chairman of the Joint Chiefs of Staff, appeared before the House and Senate Foreign Relations Committees to brief them on their visit last month to South Korea to discuss the troop withdrawal. While neither backed down visibly from the policy, they declined to give any indication of the timetable for withdrawal, sparking rumors that the timetable may be significantly slowed down — a de facto backdown.

The Senate Committee is now the scene of an effort led by Senator Baker to challenge the policy. Baker issued a statement last week charging that the withdrawal will "create uncertainty throughout free Asia, stimulate regional tensions, and risk a major outbreak of hostilities on the Korean peninsula." In the committee itself, a move has been made to ask the CIA for documents on a "new intelligence assessment" which allegedly says that North Korea is stronger than previously believed — precisely the position taken by General Singlaub, who is linked to military intelligence circles. CIA briefings to the committee staff, according to the *Washington Post*, have also now expressed concern that only a short warning would be available in the case of a North Korean attack. Carter's authorization for the CIA to make this reassessment is read in certain intelligence community circles as part of the attempt to smother the revolt in particularly military intelligence ranks who are enraged at the Administration's foreign policies.

At this point it is difficult to precisely predict what may unfold. It is clear, however, that the Korea policy and the Korea scandal are serving as a major battleground for the powerplays now underway, and that a deal in this realm would reflect fallback deals being made elsewhere under Nelson Rockefeller's direction between the Carter Administration and its conservative opposition.

— Daniel Snider