

# Congressional Capitulation On Energy Paves Way For Emergency Powers

The coincidence of the biggest electrical blackout in New York's history with this week's harsh demand by the Carter Administration for wartime emergency powers over energy shows to what lengths the White House will go to force its faltering program for de-industrialization and dictatorial control of the economy into high gear.

Energy Czar James Schlesinger spelled out this scenario on July 10, 72 hours before New York was shut down, while speaking on NBC-TV's "Meet the Press." Because of possible emergencies, Schlesinger said Carter was asking for wartime-type powers which, if invoked, would allow him to reduce the nation's energy consumption by an industry-killing 25 percent in order "to equalize" shortages. Schlesinger also said the Administration would be proposing measures to the Joint Energy Committee to empower the President with alternative means to deal with any oil crisis, including: limiting the flow of oil in the United States; shutting down gas stations; and imposing a temporary rationing system.

Simultaneous with Schlesinger's Meet the Press appearance, Carter was obsessively telling a gathering of the nation's governors that they must ignore Arab oil production increases, proven energy technologies and their own constituents' wishes and give the Administration carte blanche to shut down industry. Gov. David Boren of Oklahoma, formerly a strong Carter supporter, angrily told the press that the White House-sponsored meeting "was not a conference on energy. It was misnamed and flying under false colors. It was a conference on implementing President Carter's conservation plans." The chairman of the conference, Kentucky Governor Julian Carroll, had to admit that there was general criticism of the administration and that "really a lot of the governors felt we ought to concentrate on production rather than concentrate on conservation."

## *"Rotten Compromise" in Congress*

In their statements, both Carter and Schlesinger carefully noted that they were displeased with Congress and that the President might veto the nuclear energy budget passed this week by the Senate which most press are calling a "stinging defeat" for the Administration. The Administration and its press allies are only providing the cover for the fact that Congress capitulated completely to Carter's anti-energy program, thereby leaving the door wide open for Carter to push through his "emergency powers" plan.

The Senate's vote on the Energy Research and Development Agency's nuclear budget on July 11-12 not only keeps the Clinch River breeder reactor project paralyzed in its present design stage, but also supports the Administration's plan to gouge nearly 20 percent from ERDA's thermonuclear fusion power research and development budget. Both the breeder, which "breeds" plutonium fuel, and fusion power, which will supply an almost unlimited amount of cheap energy, are the

world's most scientifically advanced technologies. No further worldwide economic growth — and the definitive end to "blackouts" — is feasible without the guarantee of these two key technologies.

On July 11, the Senate backed by voice vote what has been called a "rotten compromise" to fund the Clinch River project at \$75 million, rather than the \$150 million promoted by pro-growth congressmen and the \$237 million originally proposed by President Ford. Earlier that same day, the Senate, again by voice vote, voted to ban the Allied Chemical reprocessing plant at Barnwell, S.C. from producing plutonium. In both cases, the Senate adopted this "compromise" after successfully defeating amendments to totally scrap both the breeder and reprocessing introduced by Senators Dale Bumpers (D-Ark.) and Edward Kennedy (D-Mass.) respectively.

By July 12, the legislators had retreated even further. Virtually without debate, the Senate voted by voice vote to accept the Administration's crippling fusion cuts with only an almost meaningless \$3 million increase for magnetic confinement thrown in.

White House spokesmen privately concede that the Senate package is quite acceptable. "Look, it could have been better, but when you get right down to the nitty-gritty and look at the end result of the Senate vote, its not far from what Carter's after," he said.

## *Trap for Pro-Growth Forces*

While Carter would have certainly preferred the Bumpers-Kennedy hard-line amendments, the compromise gives the Administration an excellent device for busting up the emerging alliance among largely conservative Congressmen with labor and industry. The game-plan is to deceive these Congressmen into thinking that their "compromise" vote was really an anti-Carter vote — a ploy intended to make Congress fall right into the lap of the Administration.

The Senate vote also props up the credibility of Fabian Senator Church (D-Id.) and his war-mongering sidekick Senator Henry Jackson (D-Wash.), both of whom crafted the compromise. The hope is that pro-energy growth conservatives will be lured into seeing this duo as the leadership of Carter's opposition. This was clearly the message in syndicated columnist Mary McGrory's recent article in which she portrayed conservative Strom Thurmond (R-S.C.) literally "beaming" over Church's "realpolitiking" role in "defeating" Carter.

## *Why Congress Capitulated*

Church's "pro-breeder" facade was effectively stripped by informed Capitol Hill sources who revealed that he was solidly behind the Administration's plan to entirely cut out the program, but proposed the so-called compromise figure because ERDA, which runs the breeder program including an Idaho-based breeder-related test facility, is one of his state's largest employers.

It is exactly Church-style "realpolitiking" which doomed the energy vote by weakening Congressional resistance to Carter's overt and covert armtwisting. Conservative Alabama Senator Sparkman (D), who only last week supported the breeder program this week supported Bumpers' amendment to kill all funding because of Administration pressure, one Hill insider revealed.

The other side of the "realpolitiking" came from labor. An analysis of Senator Bumpers' amendment — the only major vote that can be analyzed in that the Senate reverted to a voice vote on all other votes — points to a surprisingly large labor vote. Senator Glenn (D-Ohio), who supported the Bumpers' amendment, represents a strong labor state as does Senator Case (R-N.J.). Senator Muskie (D-Ma.), who also has strong labor ties, voted "no" on the breeder. This, coupled with the fact that so-called friends of labor Jackson and Church spearheaded the compromise vote, brought the entire Congressional labor coalition into supporting either the hard-line or soft-line plans to kill the breeder.

This opposition to further development of the breeder from labor-allied congressmen contrasts sharply to the mobilization led by trade union organizations which culminated on June 26 with the Seabrook, N.H. demonstrations. The sabotage of this momentum occurred when pro-Carter elements in the trade unions, particularly the building trades, fed more traditionalist leaders the line that they awaited an easy victory. According to sources on Capitol Hill, labor's silence left key Senators off-guard, vulnerable to the "compromise" funding and willing to trade-off the breeder for a minimal wage package and token labor law reform.

#### *House Vote Next Week*

This same ERDA nuclear budget proposal goes to the House, where it is expected to be voted on next week. Most Capitol Hill sources predict a sharper battle there because of more intense constituency pressures. If labor resumes a hardhitting campaign, the compromise victory could be turned around. At the same time a number

of congressmen, including Rep. Gary Meyers (R-Pa.), have vowed to wage a floor fight around increasing the fusion budget.

Immediately following the nuclear energy vote, the House will begin floor debate on the remainder of the Carter Administration's energy program. According to the July 15 *Washington Post*, the National Energy Act — which includes various taxation schemes, fuel pricing, conversion requirements, etc. — will begin floor debate the first week in August with a House vote expected before the August 7 recess begins. At this point the legislation is now being reviewed by the special Ad Hoc Committee on Energy which can add floor amendments to the package worked out by mainly the House Ways and Means Committee and the Commerce Committee.

Both House Committees have kept most of Carter's April 20 plans intact. The committees approved legislation intended to raise prices to exorbitant levels through such schemes as the well-head tax and raising the ceiling on regulated natural gas. The danger of quick passage was enhanced by the fact that the House leadership is tremendously hastening the legislative schedule so that the bill can reach the Senate by early September, rather than lagging until next January, as the leaders had earlier predicted.

In addition to the conspiracy in the case of the New York blackout — which demands a full, public investigation — the Administration is right now openly wrecking the nation's oil supplies. Despite the fact that engineers claim that the Alaska oil pipeline — closed after last week's highly suspicious explosion — can quickly be reopened, Carter Interior Secretary Andrus has ordered an indefinite shutdown until he can personally inspect the pipeline.

Even if Alaskan oil flows again, the price of the oil will be prohibitively high since the Administration has also announced that an embargo has been placed against all oil going to Japan. Now oil will be shipped to the Gulf of Mexico before being piped elsewhere. The oil industry predicts exorbitant prices as a result.

## Church Committee Spokesman:

# Carter Must 'Go After OPEC Directly'

Jerome Levinson, long-time hatchetman for Fabian "left CIA" Senator Frank Church (D-Idaho), told a reporter July 12 that "Church and Javits feel that it is necessary to go after OPEC directly. The debt crisis is staggering," he added, "and the Carter Administration is playing a dangerous game in not going after OPEC." Levinson insisted that austerity regimes imposed internationally to collect dollar-denominated debt were precipitating a revolt by industrialists, particularly in Brazil, Mexico, and Peru, as well as Europe. Levinson called for a massive development of Latin American oil to break the OPEC price.

During Senate hearings in March, Church had admitted that "we are heading toward a serious economic collapse like that in 1929...we haven't found a way to

contend with OPEC capital accumulation (which Rockefeller wants contributed to a Third World debt-bail out fund-ed.) and all that you (Trilateral Commission member, Assistant Sec. of State Richard Cooper who backed commodity funds) have discussed today is only rearranging the chairs on the deck of the Titanic."

The Church proposal to create a U.S. government oil purchasing agency, called a monopsony, is merely the reiteration of an old scheme articulated by Church and others more than two years ago and recently proposed by Congressman John Conyers (D-Mich.) as an amendment to a House appropriations bill. Library of Congress Senior Economist Henderson (formerly of Senate Banking Committee) has also given private backing to the monopsony proposal. Senator Ted Kennedy (D-