

all fronts, and additional pressure on his close aide Press Secretary Jody Powell.

### *Crisis In The Making*

The *Baltimore Sun* commented editorially the day after Carter's statement that the population did not believe there was a real energy crisis and blamed the oil companies for ripping them off; therefore, Carter's attack may have justified their opposition to his conservation, not production, program. According to the Energy Secretary's plans, an oil embargo is precisely the crisis required to shock the U.S. into accepting an energy dictatorship.

A page one article in the *Baltimore Sun* of Oct. 10 reported ominously that "the immediate goal of the Carter energy policy is to prepare the United States for another oil embargo if war breaks out again in the Middle East, administration officials confirm privately. Their grim assumption is that war is likely sometime during Mr. Carter's could erupt within a year or two."

The article further quoted a recent private memo by Canadian Energy Minister Alastair Gillespie as saying that "Schlesinger is just as pessimistic about the stability of the Middle East as I am. He thought the chances of another embargo, or major interruption of supply from the Middle East were somewhere between 40 and 60 percent in the next five years and almost certain before 1990."

Schlesinger's determination to stage another oil embargo has placed him in open insurrection against the White House initiative for a Geneva Mideast peace conference, undertaken jointly with the Soviet Union.

Schlesinger is "purple and green" over Carter's Middle East policy, former Undersecretary of State

Eugene Rostow said in an interview today, confirming earlier Capitol Hill reports that the Energy Secretary is a major figure among the Administration "insiders" seeking to wreck the peace drive that has emerged so far as the President's only major diplomatic success.

In his column in today's *Washington Post*, Jack Anderson quotes "confidential sources" as saying that "Energy Secretary James R. Schlesinger, Jr. has concluded that the continued flow of Middle East oil into this country is less certain than at any time since the 1973 Arab oil embargo."

Anderson reports that, under Schlesinger's prodding, President Carter commissioned a secret study of the nation's vulnerability to such a boycott in June. The study, now nearing completion, will likely prove too lurid for declassification, Anderson states. But the summary provided by the columnist indicates the study will follow squarely in the lunatic tradition of Schlesinger's dangerous and irresponsible NATO MC 14-4 and Hilex war scenarios of 1975, which contributed to his firing as Defense Secretary by President Ford. According to Anderson, Schlesinger's "security analysts... are particularly concerned, for example, that a sudden disruption of the international oil flow could cause a confrontation in Europe between the Soviet bloc and NATO nations over oil."

With Schlesinger's claims of an "energy shortage" to justify his energy program discredited and ridiculed, sources quoted in the Sun now state that the threat of an Arab boycott is the real "if unspoken" reason for his energy program, including his "tough gasoline rationing plan" and "legislation giving the federal government extensive control over natural gas supplies that are now under state control."

## Schlesinger's WEEP Powers To Become Operational Nov. 1; Senate Ctte. Wants Them Even Tougher

Department of Energy spokesmen announced this week that Energy Secretary James R. Schlesinger's still officially secret Winter Energy Emergen (WEEP), intended to impose a "crisis management" energy dictatorship, will become operational by Nov. 1. A WEEP interagency task force working with organizations representing state and municipal governments, including the National Governors' Conference and the United States Conference of Mayors-League of Cities, has reportedly completed a WEEP planning guide.

Schlesinger intends to use WEEP, a plan whose existence was first revealed by this news service, to militarize the economy and impose no-growth energy conservation through extraconstitutional means. Conceptualized directly by the Rand-trained Schlesinger, the specifics of the plan were spelled out in a Sept. 21 speech by John F. O'Leary (see excerpts below), then Federal

Energy Administration Administrator, before the Senate Governmental Affairs Committee. O'Leary explained that WEEP would become operational if fuel supplies are threatened by (1) cold weather draining limited fuel supplies; (2) an Arab oil embargo; or (3) labor strikes, particularly a threatened coal strike. Contingency plans proposed include gasoline rationing; bans on the use of natural gas as an industrial boiler fuel; and access to intrastate natural gas. The Department of Energy has awarded the N.Y. public accounting firm of Price, Waterhouse and Co. a federal contract to determine the feasibility of a gasoline-rationing plan that would involve the use of credit cards, the Oct. 12 *Baltimore Sun* reported.

### *WEEP Out Of The Closet*

Leading members of the Subcommittee on Intergovernmental Relations of the Senate Committee on

Governmental Affairs, which held hearings on WEEP in late September, have found the plan "basically sound." However the subcommittee, chaired by Sen. Edmund Muskie (D-Ma.) has issued its own report (see excerpts below) suggesting that the still-secret WEEP proposal has not gone far enough. The report paints an even more pessimistic picture of natural gas supplies than does Schlesinger.

Sen. Muskie will introduce legislation this session aimed at enlarging the Energy Secretary's already broad emergency powers. The legislation — cosponsored by Sens. Sasser (D-Tenn.), Glenn (D-Ohio), and Roth (R-Del.) — will extend indefinitely the Natural Gas Emergency Act, passed last winter but since expired, which gives the President the power to allocate intrastate natural gas as he sees fit. The legislation, now being drafted, will also contain certain legislative "sweeteners," including money to help the poor pay their fuel bills and federal loan guarantees to help near-bankrupt utilities, particularly in hard-hit New England. Several Senate offices are defending their support of WEEP on the grounds that it will provide an "aid" package for their constituencies.

A series of regional hearings are planned throughout the U.S. as a way to rally grassroots support. Schlesinger has delegated a number of Department of Energy personnel to attend an Oct. 15 hearing in Nashville, Tenn. organized by Sen. Sasser.

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### Testimony of John F. O'Leary, Administrator, Federal Energy Administration before The Senate Subcommittee on Intergovernmental Relations

Mr. Chairman, members of the Subcommittee, I am pleased to appear before you today on behalf of Secretary Schlesinger to describe the Administration's plans for dealing with any energy emergencies that are likely to occur this winter....

In view of the difficulty in making reliable long-range weather forecasts, it is impossible at this time to predict the nature and magnitude of any cold-weather related energy shortages which may occur this winter. As Chairman Curtis of the Federal Power Commission testified yesterday, the total supply of natural gas available to the interstate market this winter will be approximately the same as last year. This means that if temperatures are near normal this winter there will be no significant adverse economic impacts. In the event of colder weather, those states that experience abnormal cold could experience local shortages.

It also appears at this time that there will be sufficient propane, middle distillate, and residual fuel oil supplies to satisfy the winter demand, providing that temperatures are near normal. Local problems could develop, however, if freezing conditions again prevent us from using the normal distribution channels to deliver energy products.

A second potential problem area this winter arises

from the expiration of the current contract between the United Mine Workers and the Bituminous Coal Operators' Association on Dec. 6. A walkout could occur at that time if contract negotiations are not successful.

A major petroleum supply disruption would also lead to an energy shortage. A repeat of the 1973-74 oil embargo could be particularly damaging, since we now depend on foreign sources for nearly one-half of our total petroleum requirements. Nor should we forget that damage to energy production and distribution facilities could bring about an energy shortage or higher energy prices in this country.

The purpose of the Winter Energy Emergency Planning Guide is to lay out the strategy options in the event that one or more of these contingencies actually develops....

If a very severe and prolonged natural gas shortage develops, we may wish to consider banning the use of natural gas as a boiler fuel for those facilities that have an alternate fuel capacity. If fully implemented, this measure could effect an immediate demand reduction of 50 bcf per month, or 15 percent of the total interstate curtailments last winter, although reimbursement procedures would have to be worked out. In order to ensure sufficient supplies for home heating and plant protection, it may be necessary to implement an emergency natural gas allocation program. Standby authority for this action is contained in the National Energy Act, which has been passed by the House and is pending in the Senate....

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### Extracts from the Committee's Report On 'Preparedness for Winter'

#### INTRODUCTION

The United States faces the prospect of another winter plagued with energy shortages and resulting large-scale unemployment, if temperatures fall significantly below normal in the months ahead. And the Federal Government will not likely be in a position to help very much....

During its hearings and investigations, the subcommittee found that the Federal Government's preparations for the winter of 1977-78 are seriously deficient in certain respects. The subcommittee therefore recommends that the Administration and the Congress assign the highest priority to the prompt improvement of such plans....

The Executive branch has made important progress in the development of a comprehensive plan for the winter — The Winter Emergency Energy Plan (WEEP). The subcommittee is impressed with both the detail and the scope of the plan. Further, the subcommittee acknowledges that mere existence of the plan in any form indicates a higher level of concern for this issue than has been shown by the government prior to any previous winter....

#### RECOMMENDATIONS

Based on the above conclusions, the subcommittee

makes the following recommendations....

(1) That the Department of Energy immediately reassess the impact of actions the government can take to combat anticipated natural gas curtailments in the coming winter and that the Administration and Congress begin immediate implementation of these actions. In particular, the subcommittee recommends that... the Congress enact new legislation granting the President authority to allocate natural gas supplies similar to that contained in the Emergency Natural Gas Act of 1977, the major provisions of which expires earlier this year;... the Congress consider giving the President the authority — similar to that in the Petroleum Allocation Act — to order natural gas pipelines not experiencing shortfalls to set aside small amounts of gas for reallocation to pipelines suffering curtailments, for the purpose of protecting jobs, and (that) the Department of Energy put its planned Energy Emergency Center into operation immediately.

(2) That the Special Crisis Intervention Program (SCIP) in the Community Services Administration, under which more than two million low income people have been certified to receive assistance for payment of

last winter's fuel bills, be continued into this winter while Congress considers a new Administration proposal to provide such assistance through the Department of Health, Education and Welfare.

(3) That the Department of Energy take immediate steps to deal with the special problems associated with the maintenance of an adequate fuel oil supply and distribution system in the New England region. In implementing this recommendation the subcommittee urges DOE to pay special attention to the cash flow problems cited in testimony before the subcommittee as well as the adverse impact of governmental regulation on this industry.

(4) That the Department of Energy revise its WEEP plan immediately to place less reliance on the States, many of which lack the necessary authority to deal with energy problems resulting from a severe winter.

Further, the subcommittee recommends that each State begin immediately to examine its situation in terms of energy supply and potential shortfalls and to enact necessary authority to meet the shortfalls this winter....

## Senator Long Proposes \$100 Billion Energy Development Program

In remarks to the press and to the Senate Finance Committee which he heads, Senator Russell Long (D-La.) proposed the outlines of a \$100 billion dollar energy development program Oct. 14, one day after President Carter had attacked U.S. energy producing corporations as "war profiteers." Long claimed his proposal would provide "1.5 million new high-technology jobs in energy-related industries alone, in addition to 3 million jobs created in spinoff industries and would solve the problems of the U.S. steel industry. "I mean \$12,000 to \$18,000 a year jobs," Long emphasized. "That's the way we do things in the United States. I'm not proposing leaf-raking. ...This is not a CETA proposal or a giveaway," he added, proposing "big investments in oil rigs, mines and developing alternative energy sources."

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### CONGRESS REPORT

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The significance of Long's proposal is manifold. First, it groups him with former Republican Governor John Connally as major U.S. political figures who have spoken out in the last week for action on industrial growth and technological development. More specifically than Connally, Long identified a competent programmatic outline-approach to the problems of energy supply, the steel industry collapse, and unemployment. To the extent that the U.S. labor movement is mobilized behind

nuclear fission-fast breeder and nuclear fusion power development as the adequate high technology solution to economic collapse is now possible in the United States.

Long's immediate objective is to "judo" the Carter Administration no-growth energy bill into a vehicle for taking the first steps toward his energy development conception. After his Finance Committee stripped the bill of its original series of taxes on energy production, last week the committee added a \$32 billion worth of tax credits and incentives to industry to the bill, prompting Energy Secretary James Schlesinger to label it "a Christmas tree" giveaway for industry. In addition Long's Finance Committee has instructed the conference committee which will reconcile the Senate version of the bill with the House version, corresponding to the original Carter-Schlesinger program that if it accepts the well-head tax on oil in the House version of the bill, the tax may not be rebated as the Administration had desired but used to finance an Energy Development Corporation as outlined by Long in his statement.

Long undoubtedly believes he has Schlesinger and the Administration over a barrel; if the White House wants to save the well-head tax, it will have to agree to his proposal. Schlesinger surely prefers a Middle East war, oil embargo and WEEP national emergency plan to enforce his will to White House bargaining with Long. Moreover, many Republicans and some Democrats are saying they will block to prevent any of the Carter Administration taxes in conference, including the wellhead,