

the man who could fix things with Congress and business forces. Strauss, it was revealed, would coordinate the upcoming national speaking tours for an energy bill by Carter cabinet officials.

Meanwhile Energy Secretary James Schlesinger has been loudly telling anyone who will listen that the Carter Administration is pro-nuclear power despite the plentiful evidence to the contrary; the *Wall Street Journal* and *New York Times* have played this up as a "policy shift"; and such Rockefeller creatures as Sen. Jacob Javits have signaled approval for a compromise bill.

Last but not least, major oil company officials have been heard retailing the line that the industry needs a bill, even if it's a contradictory legislative mush, to stabilize its position domestically and allow it to make short-term decisions.

Worries For Fabians

All this adds up to an environment in which the committed Mondale-type wreckers of the U.S. economy like the *Washington Post* have become very nervous about the White House. "Long holds all the cards," admitted a congressional staff source close to Stuart Eizenstadt, one of Mondale's key insiders on the White House staff.

Thus the *Washington Post* editorial freakout which accused Carter of plotting a "plowback" of funds to the oil companies. Thus the tirade of Sen. Edward Kennedy, who left the White House after a meeting on the same day attacking Long and the Finance Committee for approving a "\$32 billion boondoggle" and loudly promising that the President would stick to his guns. Thus the statement by Rep. Toby Moffet, liberal Democrat, that 70 or 80 House Dems of similar Fabian stripe would bolt and refuse any support to a bill which approved a "plowback" or deregulated natural gas prices as the full Senate mandated three weeks ago. Thus the pilgrim-

age to the White House of Messrs Ashley and Dingell, who helped to shepherd the energy bill through the House; they also loudly proclaimed that Carter would never, never sell them out.

Liberal Democratic opposition might well succeed in killing a compromise, especially if, as seems likely, they can get major help from congressional Republicans. The Republicans have attacked the Administration program as a tax package which would cripple U.S. industry, and many are saying they will vote against *any bill* which would restore the crude oil tax, even if Long's conditions were attached. A *Wall Street Journal* editorial attacked Long's Energy Development Corp. scheme last week as the equivalent of Mondale ally Felix Rohatyn's fascist ENCONO proposal for regional labor-intensive looting, which it attributed to Nelson Rockefeller. Many of the progrowth conservative Republicans in Congress, with some justification, fear it could become a vehicle for just that. Instead of demanding that the EDC be used to finance the massive program of fission-breeder-fusion nuclear development put forward by the U.S. Labor Party, however, the Republicans are repeating rote ideological nonsense equating the words "government" and "taxes" with evil, and decent Democrats are keeping quiet about nuclear energy, as Long himself has.

Meanwhile, in the initial days of conference committee hearings on what are supposedly the easiest portions of the House and Senate bills to reconcile — the tough tax and deregulation decisions may be weeks away — the Congress has found itself bogged down already in a mindless dispute about how much the utility companies should be involved in the home insulation business, in which dispute "local problems" and heteronomic wrangling have dominated.

— Don Baier

Carter's New Nuclear Policy: Sour Wine In New Bottles?

The Carter Administration this week launched what at this point can only be termed "image changing" to persuade the 35 nation delegates in Washington D.C. for the International Fuel Cycle Evaluation Conference that the U.S. will again become a "reliable supplier" of commercial nuclear technology.

In his speech Oct. 19 to the opening session of the conference, Carter told the delegates that the United States would back creation of what he termed an International Fuel Bank, echoing a provision of the so-called Nonproliferation Act of 1977 introduced by Sen. Charles Percy (R-Ill.) and now being considered by the Senate. Carter himself gave no details on how the bank would work, although observers remarked that the concept would parallel Henry Kissinger's plan for an International Energy Agency to pool international petroleum supplies under U.S. and British domination.

Confidential reports made available to this journal

confirm that Carter's speech to the International Fuel Cycle Conference was taken from a classified study of the Ad Hoc Group on Nonproliferation, headed by State Department nonproliferation "expert" Joseph Nye and composed of representatives from the avowedly antinuclear White House Council on Environmental Quality. A member of the group divulged that "There has been no shift in USA proliferation policy" from the earlier Carter Administration stance that the world should jettison its second generation nuclear breeder reprocessing and fusion technologies.

The aim of the policy, Carter enunciated in his Oct. 19 speech to the conference, is to stop world development of the breeder, nuclear fuel reprocessing, linking this to emphasis on maintaining present conventional first generation light water fission reactors by offering the "carrot" of an international fuel bank.

The "new" policy, as the source confirmed, is fun-

damentally aimed at "turning around the outrage" of European and other countries who rightly reacted to the antibreeder policy as sabotage of vitally needed future energy resources.

Best informed professional estimates are that without development of breeder and reprocessing technologies, at present rates of development, the world supply of uranium fuel for conventional reactors will be exhausted within 20 years. This has already led many U.S. electric utilities to scrap plans for major capital investment in fission reactors due to the uncertainty of long-range fuel supply.

In his speech, Carter spoke vaguely of cooperating in international development of "alternative nuclear fuel cycles," including development of the breeder, "in the future." The source confirmed that Carter's speech, probably drafted for him by Joseph Nye or personnel from Schlesinger's office, intentionally omitted any specific timetable. The timetable for development of the breeder technology mentioned in the Ad Hoc Group's classified report is said to be *the turn of the century!*

Preliminary reports from conference participants indicate that reaction to the Carter speech so far has been a universal commitment to hold firm to breeder development. Ignoring the vague Carter proposal for creation of an international fuel bank as irrelevant, the delegates countered by bluntly asking why the U.S.-initiated conference was not directly incorporated into the agenda of the United Nations agency with established overview on issues of nuclear weapons proliferation, namely the International Atomic Energy Agency in Vienna. U.S. State Department spokesmen could only reply with mutterings about the cumbersome bureaucratic sluggishness of the IAEA.

Schlesinger's Game

Simultaneous with the Carter speech, a number of articles appeared in the U.S. press fostering the image of James Schlesinger as the key policy advisor pushing Carter to "modify" his earlier opposition to nuclear power. The aim of this line, underscored by the release this week of Schlesinger's proposal to create federal nuclear waste fuel storage facilities, is to undercut the immense domestic opposition to the Administration's sabotage of nuclear energy. Schlesinger's proposal for government storage of waste fuel would merely bring

this aspect of the nation's domestic energy supply under his thumb.

A press spokesman for Schlesinger confirmed Oct. 20 that his office expects to get "70 percent" of their original goal for a national Energy Act through Congress, with the remaining "30 percent" to come from the executive branch invocation of "regulatory decrees." Translated, this means implementation of emergency powers by the Secretary to shut down major U.S. industry through such programs as the highly secret Winter Emergency Energy Plan (WEEP). Sources confirm that Schlesinger's release last week of the proposal for government purchase of the privately owned spent nuclear fuels was part of another energy power grab which would ultimately centralize control of a major portion of nuclear fuel supplies in his office.

A number of electric utilities have reacted to the proposal skeptically, since they are uneasy about signing over ownership of spent fuel with substantial amounts of reusable uranium and plutonium if reprocessed to the federal government. In announcing the Schlesinger waste storage plan, John Ahearne emphasized that the plan was consistent with the Administration's earlier call for a halt to reprocessing and breeder development. Ahearne emphasized that the proposal, which includes provision for partial storage of foreign nuclear fuels, would "enhance our nonproliferation policy."

One U.S. energy official referred to the new line coming from Schlesinger and Carter as a "policy of more carrot and less stick." Joseph Nye added that the U.S. has now abandoned its earlier policy of "technology denial," a reference to earlier supply embargoes to Europe, Japan and Brazil to enforce U.S. policy on nuclear technology development.

There is a substantial risk in the Schlesinger-State Department nuclear deception strategy from their own standpoint. Already, the breeder proponents in the French and other European press have picked up recent policy statements by Nye and others to the effect that the Carter Administration has dropped its earlier opposition to the breeder. Giving these statements straight coverage, the European press used them to underscore the urgent need to push ahead with their Super-Phenix fast breeder program. Will U.S. nuclear advocates pick up the cue?

— W. Engdahl