

Aspen's Damascus Road

The Aspen Institute's marching orders on the new "energy reassessment" line emerged from a week-long seminar on energy policy sponsored by the Institute last week. Participants in the closed-door sessions included representatives of the Department of Energy, congressional offices, and an assortment of international energy "experts." According to Aspen's director of International Affairs, Harlan Cleveland, the conference came to the conclusion that "nuclear energy is dead" and that oil and gas — especially given Mexico's new reserves — are now the chief solutions to the energy problem.

Within 48 hours of the conference's conclusion, the *Washington Post* picked up the line with a page-one story July 23 contending that there was no oil shortage and that Mexico has "provided the petroleum world with a stunning example of how the old estimates of oil potential can be overtaken by new events." Carefully inserted paragraphs from a British oil adviser stated that the new oil finds meant there was no need to hurry into nuclear development. In its lead editorial the same day, the *Post* reversed field and endorsed oil deregulation — an unmistakable opening to the oil industry.

Much of the specifics of the Institute's assessment of the Mexican finds came from a report prepared by Washington energy consultant Lawrence Goldmuntz and introduced into the meeting by Irving Trust bank officer Arnold Shaffer, who is known for his ravings against OPEC. Goldmuntz had first presented his ideas in a *Wall Street Journal* op-ed at the beginning of July, in which he argued that the Mexico finds "are another reason to doubt the fundamental assumptions behind the Carter Administration's energy policy," and that if the U.S. cultivated a special relationship with Mexico, Mexico's oil could be used to bust OPEC.

Goldmuntz, however, is a firm advocate of nuclear energy and has condemned any antinuclear interpretations of his words.

The column was clearly a useful item to other quarters:

***Senator Ted Kennedy** personally introduced it into the Congressional Record with approving comments the week of July 16.

***The newsletter of the American-Israel Public Affairs Committee**, an arm of the U.S. Zionist Lobby, excitedly summarized it in its issue of July 19.

Mexico: No Dice

Mexico's refusal to reopen natural gas talks at this time "has the U.S. dangling," say knowledgeable sources. In the opinion of most observers, it will take a very favorable offer, possibly including a relaxation of the Administration's campaign against Mexican "illegals" in the U.S., to budge Mexico from its present strategy of absorbing its plentiful natural gas domestically. Mexico is at the same time moving ahead to open up oil-for-technology deals with as diversified a range of trade partners as possible. Poland and Brazil are among the countries involved in negotiations announced this week.

In this context, the only way that the "soft line" could have any hope of success in pulling Mexico out of its aggressive international development role is as the "soft" alternative to "hard-line" crackdown on illegals and financial warfare against Mexico. Observers expect Kennedy to take a prominent role in advancing both sides of this "choice."

Aspen Institute: 'Bloom Is Off Nuclear Rose'

The Colorado-based Aspen Institute is a central coordinating center for the destruction of nuclear energy and spawning of environmentalist zero-growth operations against U.S. industry. Its Berlin office is closely linked to former West German Chancellor Willy Brandt. Since its inception the guiding ideas of the Institute have been British-controlled. Its long-time director, Robert Anderson, is publisher of the British weekly Observer. Lady Barbara Ward, the British aristocrat who funds zero-growth movements and environmentalism worldwide, is a member of the board of trustees, as are Henry Kissinger and Robert MacNamara, both closely connected with British interests and British intelligence.

The following interview with the Institute's Director of International Affairs, Harlan Cleveland, made available to this news service, reveals Aspen's determined opposition to everything the Bremen and Bonn summits in Europe accomplished, as well as Aspen's "new" energy line: there's plenty of oil, so don't worry about nuclear development.

Q: The decision reached at the Bremen European heads of state conference several weeks ago to set up a European Monetary System is being viewed in some quarters as an explicit move against the IMF. What is your view?

A: I don't think the Europeans could carry it that far, because the dollar is still the world's key currency, and because the yen isn't part of the European deal. If what you say the French and Germans are trying to do is true, that would really be a new Bretton Woods. By the time you had it all negotiated, it probably would be the IMF all over again. The main point, however, is that the rest of the world is out there — I'm referring to the Third World particularly, and the internal politics of the rich countries in terms of North-South relations would not allow for a new "rich man's club" to be born.

Q: How about rumors that gold will be remonetized and rise to \$250 or more?

A: You've got to keep in mind that a major beneficiary of gold remonetization would be South Africa, and again the internal politics of the advanced sector would just not permit this. Obviously, the search for a new, truly international currency has been going on for some time and I think that basing it on the major trading countries is all but inevitable. The dollar can no longer continue to be

used as the principal medium of exchange and value . . . We've got to move to a basket of currencies based on the yen, dollar and DM but including other currencies, such as the pound, for cosmetic purposes. SDR's, of course, should play a greater role. Such an arrangement would have to be renegotiated continuously as other currencies became stronger, Brazil's, for instance. This would represent a mutation from the IMF, but it's much more likely to be negotiated from within the IMF than from outside.

Q: But Schmidt and Giscard seem to have something much more ambitious in mind . . .

A: Schmidt and Giscard want to look like leaders, partly because the U.S. isn't acting like one. The media usually is a sucker for this kind of leadership, but that doesn't mean there is any real substance to it.

Q: There are some indications that Carter is backing off from his nuclear nonproliferation stand because of European pressure. Do you think this is the case?

A: Carter is not pressing nuclear nonproliferation as hard as before. You've got to look at this historically to understand why. When Carter and Ford in the fall of 1976 discovered nuclear nonproliferation, the West Germans were half-convinced they would have to adapt themselves to this policy.

But then Carter sent Joseph Nye (of the State Department—ed.) to Europe to twist Germany's arm in public. Schmidt had to respond forcefully. We had the chance of permanently terminating the W. German-Brazil nuclear deal, but we blew it, and so far it hasn't been possible to help Europeans get off the nuclear hook they're on. Carter's domestic policy on this same subject however has looked good. We just concluded a week-long

conference on energy here at Aspen and we reached a striking convergence of opinion—the bloom is definitely off the nuclear rose; nuclear power is definitely dead in the public consciousness as an issue. We also agreed that the solution to the energy problem at least for the foreseeable future is oil and natural gas. This is especially true since the discovery of the huge oil reserves in Mexico. This is the biggest single factor in changing the experts' minds to the point where they now believe that we'll have at least five more years' breathing space on the energy question.

Q: What kind of input do you have into the Administration in terms of getting your views on this question accepted?

A: We have extensive relationships with the Hill and with the Department of Energy. Our Institute's Commission on Energy has among its closest advisers Grenville Carside and Frank Potter, the two top energy advisers to the Senate and House respectively.

At our premeetings this spring for last week's energy conference, they attended as did Rep. John Anderson (R-Ill) and John Dingall (D-Mich). Of course, these two have tremendous clout on the energy issue on the Hill. Also, we work very closely with Alvin Alm, the Assistant Secretary for policy and planning at the DOE. Jim Schlesinger was supposed to be here last week, but he couldn't make it.

We at Aspen, of course, first originated the concept of nuclear nonproliferation long before the politicians discovered it. We have a slogan here: "If you are not at least two years ahead of the government, you might as well not be working on a particular subject." I think we'll get a very good response to our energy proposals coming out of last week's conference from the policymakers.