

Schlesinger: 'Pass My Energy Bill Or I'll Resign'

Congress may well take the energy czar up on his challenge

Following a flurry of meetings last week, Energy Secretary James Schlesinger announced at a special press conference on Friday, Aug. 18 that the Administration had reached a "major breakthrough" in the Carter Administration's 15-month battle to get

Nation" show, Schlesinger issued a direct challenge to Congress: pass this bill or I will resign (See below). There are substantial indications that Congress may well take him up on his offer.

Schlesinger's personal credibility in Congress is reported to be among the lowest of any member of the Carter Administration. In recent weeks the press has been increasingly filled with rumors and speculation that his inability to get any major legislation through Congress may lead to his resignation. Aside from his open failure to convince Congress on the Administration's energy bill, Schlesinger is distinguished by his failure to deliver satisfactorily on priority nuclear licensing reforms and legislative reform, and his complicity with National Security Advisor Brzezinski in "playing the China card" — emphasized by his planned new October trip to Peking.

By major American industry and sections of organized labor, Schlesinger is being openly labeled the prime wrecker of U.S. industrial growth potential, through what the *Washington Post* calls his belief in the "economics of scarcity." His now-open attempt to undermine the actual significance of the Princeton fusion breakthrough exposes the actual intent of the national energy bill — reduction of real energy options and boosting the cost of present sources to force industrial contraction.

— William Engdahl

ENERGY

its legislative energy package through Congress. The "breakthrough," ironically the term used most widely by world press and scientists to characterize the Princeton fusion results, (see ENERGY) was not the historic announcement of the fusion advance. It was an announcement of a compromise agreement on the natural gas portion of the five-part energy legislative package.

The compromise came on the fourth draft attempted by the Administration and the House-Senate conference committee. The committee version now must be voted on by both the House and Senate. Preliminary estimates circulating on the Hill are that the bill will be defeated in a Senate vote, with 39 "against," 33 "for" 12 "leaning against," and 16 "undecided."

Speaking on the nationally televised "Face the

Schlesinger: 'My Usefulness May Have Been Ended'

These are portions of Energy Secretary James Schlesinger's remarks on CBS-TV's "Face the Nation" broadcast of Aug. 20.

Benton: . . . What happens if you get neither a natural gas bill or crude oil tax bill? Can the President keep his commitment that he made at Bonn — that the United States will reduce its imports two and a half million barrels of oil a day under what it would be by 1985?

Sec. Schlesinger: No, sir, we will need to get one of these two major bills in order to fulfill that commitment. If we fail to get either of these major bills, I think that we can confess that we do not have the discipline in this country to face up to our energy

problems. The impact on the dollar, which is already in weakened condition, will be devastating

Benton: Mr. Secretary, why was there such apparent confusion at your department last week when information became available that there had been a significant advance in thermo-nuclear fusion experiments at Princeton University?

Sec. Schlesinger: I'm not sure what the confusion is to which you refer, but the —

Benton: There seemed to be some indecision as to what the Department was — how the Department itself was going to evaluate something that occurred last month.

Sec. Schlesinger: There was no confusion on that. We regarded it as a substantial step forward, one that we welcomed; it was consistent with the program that ERDA, AEC before it, the Department of Energy, has

pushed, in the fusion area. It was a major step forward, but it is not yet a demonstration of scientific feasibility, which means you get more energy out of the process than you put in, and consequently, while we wanted to take note of this achievement in an orderly way, we did not want to hype it up in such a way that — that the public got the impression that the problem of developing fusion energy was solved. . . .

Hornig: There's another question I'd like to ask you, Mr. Secretary, about OPEC. OPEC countries trade in dollars; the dollar is falling, and there is now talk among the oil producers to switch to another currency. If they do, what will that mean?

Sec. Schlesinger: Well, I think that it would be something of a — of a blow to the prestige of the dollar, but that's — that — the prestige of the dollar has suffered some frequent blows of late. If, indeed, the dollar has bottomed out and begins to rise in the years ahead, that would mean that our petroleum imports would be cheaper than they would otherwise be because the United States would be only one of several currencies against which oil was being priced.

Benton: Mr. Secretary, you're planning, I believe, a trip to mainland China this fall, I believe, in October.

Is that trip purely energy-related, or — or are you a part of the President's China card in the foreign policy hand?

Sec. Schlesinger: I think that the agenda for the trip is — is simply a technical agenda. We are planning to have technical exchanges with the Chinese, should they materialize. It may be that we can reach agreements during that trip. The — I'm sure that the press will speculate whether or not this is the part of the playing of the China card, but the agenda is a technical one.

McLaughlin: Mr. Secretary, are you thinking about changing your job? We hear that in the press a lot about you.

Sec. Schlesinger: I've got no plans to do so.

Benton: Is your — is your tenure in any way at all related to the success or failure of the energy legislation before Congress?

Sec. Schlesinger: I don't believe that it's related to that, save — save for the fact that we must have an energy program in this country. I am totally dedicated to achieving that. If it becomes clear that we are unable to have such a program then my usefulness may have been ended.

What Congress Says About Schlesinger

Interviews last week with politically key Congressmen and their aides on the Administration's energy compromise included the following:

An aide to a Midwest Democratic Senator:

According to the aide, there is "substantial opposition" to the bill, primarily from the Northeast and Midwest. He claimed that although the Democratic leadership is moving behind it, considerable opposition by labor and industry exists. "In general," he said, "the Administration has a bad bottle of wine to sell, and is pushing it on the basis that we should drink it, to prove our resolve."

He also reported that Vice-President Walter Mondale met with congressional aides at the White House where he argued that the bill would help save the dollar. "But," the aide stated, "we couldn't get him to say how."

When asked about reports that Schlesinger might leave his post as Energy Secretary, the aide exclaimed: "Wonderful!"

An aide to a Democratic Congressman from the industrial Midwest:

This aide drew the picture of a broad "left-right" coalition against the bill with "the incremental pricing

measures being a major source of the problem." He asserted that given the bill being presented, the general attitude is that "no bill at all would be better than this."

The aide stated further that the "President and his Secretary are crying about the sinking dollar, the need to resolve ourselves to act, the need to clean up our own house," but the Administration is "holding the energy bill hostage" to the natural gas bill. He noted that of five pieces of the energy package, three have been ready to go since last December. But the Administration is using them as leverage to get the natural gas bill through, since, the aide said, "they couldn't do it any other way." "The Administration is trying to pressure Congress on an apple-pie level, saying the welfare of the country is at stake if this bill fails."

When asked about Schlesinger's threat to resign if the bill is defeated, the aide stated: "All the more reason not to back the bill. In a short time he has offended everyone on the Hill. He has hurt legislation, and is a major obstacle to getting something through."

An aide to a gas state Southwest Democratic Senator:

This aide reported that the Senator did not sign the bill since its original language had changed. He commented: "It is not good for producers. There are problems with intra-state regulation and other technical details."

In response to the news of Schlesinger's offer to