

manufacturers and certain agricultural users for whom it is essential) as a way to get them to switch to coal. Beginning in 1979, all industrial users of gas would be taxed at a level keyed to the price of distillate oil. The tax would start at about 85 cents per thousand cubic feet.

That would result in an average gas price to industries of \$3.05 per thousand cubic feet, compared with an average \$2.20 per thousand cubic feet without the tax. The tax would change slightly each year depending on the price of distillate oil.

A similar tax on utilities that burn gas would be phased in slowly. Under the plan, it would be 1988 before this gas tax rose to the point at which prices paid by utilities would equal the price of distillate oil. The later date for utilities is because of long lead times they need to convert to coal use.

**Coal:** To encourage more use of coal and less of oil and natural gas, the plan would prohibit newly constructed utility plants and new factory boilers from burning oil or gas. Existing plants that have coal-burning capability would also be prohibited from burning oil or gas. By 1990, no utilities, including existing power plants, will be allowed to burn natural gas.

Besides the tax on industrial users of natural gas, the industrial use of oil would be taxed, beginning in 1979, at \$1.20 per barrel and rising to \$2.70 a barrel in 1985. Utility

use of oil would be taxed beginning in 1983, at \$1.50 a barrel. These taxes would be in addition to the other crude-oil taxes proposed....

The plan calls for continuing current strict pollution-control standards related to coal burning. Industry had hoped for a relaxation....

**Electricity Rates:** Two years after enactment of the legislation, each state utility commission would have to adopt policies to restructure electricity rates....Utilities would have to give customers a cheaper rate for electricity used during low-demand periods of the day. Separate rates would have to be offered by both gas and electric utilities for summer and winter energy use.

**Insulation:** The plan contains two devices aimed at getting homeowners to add insulation and other energy-saving measures to their homes. A tax credit would be allowed for installation of insulation, as well as such things as timed thermostats and storm windows....

In addition, legislation would require all electric and gas utilities to offer the public a home-energy conservation program....Utilities declining to participate would be penalized by restrictions on their rates.

The plan also would require banks, savings and loans associations, credit unions and utilities to lend homeowners money for conservation improvements....

## 'Most Bitter Legislative Battle In Decades' Shapes Up Against Carter Energy Program

*Jimmy Carter will take his domestic program to slash U.S. energy consumption by 30 percent "to the people" in a series of national television broadcasts beginning April 20. The leading East Coast press such as the New York Times and the Washington Post have proclaimed that "the people" will rally around the "wartime" sacrifices Carter and his energy czar James Schlesinger intend to impose.*

*Nevertheless, this week in a front page article, even the New York Times, which is staunchly behind Mr. Carter, was forced to admit that "President Carter's energy program is likely to lead to one of the most bitter legislative battles in decades." The Times based its prediction on interviews with influential members of Congress and knowledgeable staff members who foresee a situation in which a U.S. President will be resoundingly rebuffed by a Congress controlled by his own party.*

*All knowledgeable Capitol Hill sources agree on one basic point: the degree to which Congress will fight is 100 percent dependent upon pressures generated by constituency forces, especially labor and industry. "Congress brought down a President (Nixon — ed.) for the wrong reasons. If Congress feels it has the bulk of the population behind it, Congress can bring Jimmy Carter down for the right reasons," said one aide to a Southern*

*conservative Congressman. The Executive Intelligence Review has compiled the following summary overview report on the status of the population's active opposition to James Schlesinger's declaration of the "moral equivalent to war" against the United States.*

### Labor: Strikes For Energy

Within the last ten days, key unions — the United Steelworkers of America, building trades, and the International Brotherhood of Teamsters, the largest union in the country — have transformed their mere opposition to Carter's energy program into active organizing for a competent energy policy aimed at fostering worldwide economic growth.

The top levels of the national leadership of these unions are now in debate on whether to come out publicly in support of the pro-nuclear energy program of the Fusion Energy Foundation (FEF) as well as whether to organize for the April 29 national conference in Pittsburgh on national energy policy sponsored by the FEF and the Three Rivers Coalition of industry. Over the past few days, at least a dozen trade-union locals — particularly the building trades throughout Michigan and the Bridgeport, Conn. Plumber and Pipefitters Union —

have endorsed a resolution circulated by the U.S. Labor Party calling for a crash nuclear energy development program centered around achieving working fusion power by the 1990s.

The USW is currently split down the middle on whether to adopt the U.S. Labor Party's energy resolution. Meanwhile, more and more district Executive Committees have bucked intense arm-twisting to endorse the resolution. The Teamsters are sending national representation to the Pittsburgh conference; a top California Teamster official is considering joining a labor-industry coalition for expanded industrial production.

The AFL-CIO — controlled at its national headquarters by Carter stalwart and Trilateral Commission member Lane Kirkland — is fissuring on the state and local level. On April 13, California State AFL-CIO Chairman Robert Henning denounced in no uncertain terms the Administration's zero growth policies at a speech before the Comstock Club in Sacramento: "We remind the President and the Governor, we (the nation) need industrial growth. In this labor shares with business an unflinching commitment. Either we have growth or face

desolation." On the same day, Henning gave his complete support to an AFL-CIO-sponsored demonstration, which was led by the sawmill workers and the Teamsters, against the Administration-backed proposal to expand the Redwood National Forest, which would effectively wipe out the state's logging industry. The Eureka, Calif. demonstration drew 10,000 workers and was followed the next day by a demonstration of 1,000 workers in San Francisco where the U.S. Labor Party addressed the rally.

### Industry: Cautiously Looking Towards A Labor Alliance

U.S. industry, particularly those companies tied to the capital goods sector or the nuclear energy industry, has become increasingly vocal over the past week in its opposition to the Administration's energy program. Leading corporations involved in nuclear energy production — Westinghouse, Union Carbide, Gulf Oil, etc. — have taken the lead in organizing broad-based opposition. Union Carbide, which operated the Ten-

## Tennessee Legislature Backs The Breeder

*The Tennessee State legislature passed almost unanimously a resolution calling on the federal government to continue funding on the Clinch River Breeder Reactor. The resolution, introduced by State Rep. Keith Bissell, passed the House 75-2 and the Senate 27-0 early last week. The resolution has already been signed by Gov. Ray Blanton (D) and a copy has been forwarded to President Carter, the Assistant Administrator for Nuclear Energy within ERDA and to Congress.*

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### HOUSE JOINT RESOLUTION 84

by  
Bissell

A RESOLUTION to urge continuation of the Clinch River Breeder Reactor Plant Project.

WHEREAS, The nation faces a growing energy crisis as our fossil fuel resources decline and the needs of the people continue to grow; and

WHEREAS, Sufficient energy is essential to heat and cool our homes, power our industry, transport our goods, and provide resources for the jobs and services required for a good quality of life; and

WHEREAS, Wise, efficient, and environmentally acceptable use of coal, conservation, and nuclear power must be expanded considerably to meet a major part of those needs; and

WHEREAS, Nuclear power, and particularly the breeder reactor, is clearly an important option

to this nation to bridge the gap between present energy resources and other promising but less assured possibilities for the future; and

WHEREAS, This state's confidence in nuclear technology is based on the experience and knowledge gained in Tennessee and throughout the nation by some 30 years of experience and many important applications of the atom in science, medicine, and industry; and

WHEREAS, The Clinch River Breeder Reactor Plant Project is a key step in demonstrating breeder technology — an achievement which would lead to safe, clean, reasonably priced, and environmentally acceptable electrical energy for centuries; and

WHEREAS, The President of the United States has asked for comment from concerned citizens about the Clinch River Project and the overall breeder development program; now, therefore,

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE NINETIETH GENERALLY ASSEMBLY OF THE STATE OF TENNESSEE; THE SENATE CONCURRING; That the Tennessee General Assembly and the Governor of the State of Tennessee do firmly support the Clinch River Breeder Reactor Plant Project and urge the continuation of the project.

BE IT FURTHER RESOLVED, That a copy of this resolution be forwarded to President James Earl Carter and a copy to the Assistant Administrator for Nuclear Energy, Energy Research and Development Administration, Washington, D.C. 20545.

nessee-based Oak Ridge National Labs for the government, is a case in point.

In interviews this week, Union Carbide executives repeatedly denounced the Carter Administration, going so far as to point the finger at the Trilateral Commission control over the Administration. While generally upset over Carter's complete energy package, Union Carbide is particularly up in arms over the Administration's determination to shut down the nuclear industry. Union Carbide's nuclear program at Oak Ridge — especially its large fusion power program — stands to go down the drain if Carter's policies prevail.

Oak Ridge is itself the center of a larger Tennessee-centered scientific and industrial nexus which also includes the Tennessee Valley Authority (TVA), the home of the Clinch River breeder reactor. This entire Southern industrialized region spilling over into Alabama, the Carolinas, and Georgia is in a near-state of insurrection over the Administration's deindustrializing policies. Building trades in the Knoxville, Tenn. area are now considering organizing a nationwide demonstration to protest the President's April 20 energy message. "Carter won't last a month after April 20," one Tennessee building trades leader warned. Likewise, highly skilled technicians and scientists at Oak Ridge Lab, the TVA, and the University of Tennessee (a large research and development center) do not intend to take the Carter program lying down. A leading member of the nuclear energy department at the University of Tennessee laughed at Carter's recent pretense of a "pro-nuclear energy" stance, saying, "That's a lot of crap... Carter is out to destroy the industrial base of this country and nuclear energy is the first to go."

In this environment, Union Carbide — like other corporations — are looking towards labor and the scientific community as allies.

#### *What A Labor-Industry Alliance Can Do*

This labor-industry alliance took on specific form at a significant meeting in Denver this past week. On April 14, industry, labor, and political leaders representing the Democratic Party, the GOP, and the U.S. Labor Party met and established the Alliance for Science and Industry. State Senator Hillsmeier, a Republican legislator, promised the audience that the Labor Party's Fusion Memorial to Congress would be introduced into the Colorado legislature in the coming week. Colorado would then be the ninth state in which the Fusion Memorial has been introduced into the legislature.

The Fusion Memorial itself and similar pro-nuclear power resolutions have become the focus for action by similar labor-industry alliances in other states. Following the April 9 near unanimous passage of the Fusion Memorial in Maryland, the Federal-State Relations Committee of the Pennsylvania House of Representatives voted 13-4 on April 12 in favor of HR 54, a resolution calling for the reversal of federal budget cuts for the breeder reactor and other nuclear programs including fusion power.

Earlier that week, a Tennessee House Joint Resolution was passed — again almost unanimously — by both the State House and Senate. The resolution emphatically urges the continuation of the Clinch River Breeder

Reactor Plant project and calls nuclear power "an important option to this nation."

A similar resolution has been introduced in the South Carolina state legislature.

In total, the U.S. Labor Party Fusion Memorial has been introduced in seven states; has been passed in one state; and is pending introduction in at least four other states. Similar resolutions introduced independently of the Labor Party have either passed or are expected to pass in at least two states.

## Congress: The Pressure Is On

While only a few weeks ago knowledgeable Capitol Hill sources predicted that Congress would support the Administration's energy program — however reluctantly — these same sources are now predicting that some 275-300, a clear majority, now strongly oppose it.

The Administration had hoped that the now-ended Easter recess would dissipate and disperse opposition in Congress. However, Congressmen say they were so deluged by industry and labor in their home offices that they are returning to Washington in an increasingly combative state. "Our constituents told the Senator in rather impolite terms that he had better defeat Carter's energy package," an aide to a prominent Southern Senator stated. "If he doesn't take heed, he just won't get reelected," she added.

#### *The Line Up*

The opposition to the Carter energy programs falls into three basic categories: conservative Republicans largely from the South and Southwest; conservative Democrats almost entirely from the South; and mainstream Democrats largely from the urbanized Midwestern and to a lesser degree Northeastern areas where active political machines still persist. Congressmen representing leading scientific research and development centers are generally assuming the leadership in this fight.

California's conservative Rep. Don Clausen (R), who is directly connected to the anti-Rockefeller Crocker National Bank of San Francisco, itself tied to the Bank of America and other Southwestern conservative political forces, is a case in point. Speaking before the earlier cited Eureka, Calif. AFL-CIO, Teamsters and building trades demonstration, Clausen stated: "This hearing and this gathering has to send the message throughout the country that we are going to fight to keep our jobs."

Conservative Southern congressmen have formed a bipartisan coalition which is also demanding at least the preservation of jobs, linking this demand to a strong denunciation of Carter's energy plan. Senator Strom Thurmond (R-SC) bitterly attacked Carter's energy program in a call to Senator John Glenn (D-Ohio) to open full hearings to restore breeder cuts. "Nuclear power is the most promising of all energy sources," wrote Thurmond, who is under particular pressure from the Gulf Oil Corporation owned Barnwell, S.C. plutonium reprocessing plant. Senate Minority Leader Howard Baker (R-Tenn), who has made similar but not as strong public statements, may now swing his support behind a full restoration of both fission and fusion nuclear energy

cuts, and voice his opposition to Carter's "plutonium ban." The entire Oak Ridge-T.V.A. area has placed heavy pressures on Baker, an aide disclosed.

#### *Looking Toward An Alternative*

A significant number of conservative and mainstream Congressional leaders have begun to map out a media campaign to counter President Carter's April 20 energy message. Sen. Baker's office expressed particular interest in a proposal to demand equal time to rebutt Carter under the fairness doctrine now being put forward by the U.S. Labor Party and the FEF.

The GOP plans to release its own energy program on or near April 20. The policy statement, which insiders describe as being somewhat of a "mixed compromise but with a strong pro-nuclear position," will be used as a counter proposal.

A number of Republican and Democratic Southern congressmen are moving toward sponsoring joint press conferences with the Fusion Energy Foundation soon after Carter's April 20 statement.

Eastern and Midwestern Democrats are also begin-

ning to draw the lines on nuclear energy. Rep. Joseph Gaydos (D-Pa) charged in the *Pittsburgh Press* April 11 that outlawing the development of the breeder reactor to curb "nuclear proliferation" is "akin to outlawing crowbars (in the U.S.) in the hopes of stopping all burglaries." From the Chicago Congressional delegation, Rep. Frank Annunzio (D-Ill) and other Democrats tied to the Daley machine have repeatedly stated their commitment to nuclear energy and the breeder reactor.

Congress' unwillingness to dutifully rubberstamp the President's energy policy is so intense that both leaders of the GOP and the Democratic Party are warning the White House that there is no way the energy package will come up for a vote before December 1977 — at the earliest. Without some kind of instigated crisis — like a nuclear terrorist "Pearl Harbor," as James Schlesinger eerily presaged in his remarks to the press this week — a look at the correlation of forces leaves the conclusion that right now the Carter energy program doesn't stand a chance. Then, as one labor leader put it, "Once we get rid of his energy program, Carter's next to go."

## Rep. Flowers: Carter Energy Program Guts R&D And Congress' Role

*Rep. Don Fuqua (D-Fla) entered a statement by his colleague, Rep. Walter Flowers (D-Ala) into the Congressional Record April 6. Flowers made the statement, which called for an increased emphasis on Research and Development in U.S. energy policy, before the Subcommittee on Legislation and National Security of the Committee on Government Operations, at hearings held on the Carter Administration's bill H.R. 4263, which would establish a Department of Energy in the executive branch. The following are excerpts from Flowers' lengthy remarks.*

One of the basic concerns I have is that R and D which is very important for our energy policy goals doesn't appear to be given the strong and central role it deserves, either in the bill or the explanation...

The chart that accompanies the bill separates the R and D from the demonstration. This is not the best way to develop technologies for two principal reasons. A successful R and D program includes demonstration, and it should be organized and managed that way. And as important as the R and D itself is the national resource that R and D is and should be...

Next I would like to address the issue of the authorization process itself. The Energy Reorganization Act requires annual authorization in Section 305. Section 626 of H.R. 4263 eliminates entirely the requirements for any further authorizations... This bill in its present form simply guts the jurisdiction of our entire committee for energy R and D and reduces it to an oversight role. I find this unacceptable. Furthermore, I should point out that the annual authorization requirement is the legislative form of zero-based budgeting which has received support in the new Administration...

My next comment relates to another issue raised by this bill which, if enacted, would greatly limit the ability of the Congress to perform its oversight role...

The bill gives very broad powers in several sections... Included in those sections is an additional 600 GS 18 level personnel. This comes to a round figure of \$28.5 million a year. Additionally, the Secretary of the Department is exempted from the provisions of the Administrative Property Act, and Civil Service requirements, is able to use Armed Forces personnel, and indeed, pay his own volunteers... for as many volunteers as he desires. I would urge the Committee to examine each of these sections carefully...