

move that way. We don't need sudden jolts though, we need voluntary changes.

But the most important thing is that the current weather crisis shows the need for conservation. Carter will move on that, Schlesinger is committed to that. Their energy package will propose insulating homes, financial disincentives so that industry uses less energy, a solar push and mandatory efficiency goals for industry. We need a more serious effort in this. In the background is the fact that the country will not be self-sufficient in our lifetime.

Q: Who in Congress will be moving along the various lines you detail?

S: Well, Kennedy. He is trying for the chairmanship of the anti-trust and monopoly subcommittee of the Judiciary and will have this as well as the Joint Economic Committee energy committee as a forum. In the next six weeks, this subcommittee will have hearings on horizontal divestiture, going over the oil companies control of coal and uranium and other alternate energy sources.

DOD Official: Break Up Opec

The following is an interview with Melvin Conant, Defense Department advisor, former International Affairs head of Federal Energy Administration:

Q: Given the current energy crisis and the growing awareness that we need to diversify our energy suppliers, what can be done along these lines?

A: In the next ten years little can be done to change our dependence on Persian Gulf oil. The argument is that conservation can't change this, that finding large reserves outside the Middle East is diminishing, that investment in nuclear power is falling off and this puts the burden even more heavily on oil. This is almost irreversible. We must act soon. The geopolitics of oil comes in when we accept that oil reserves abroad, that the control of them is with the non-industrial world. Therefore we must have adjustments if we are not to run an unacceptable shortfall. To ensure this we must —

1. Begin to limit imports from Persian Gulf and to develop on a scale not attempted before offshore oil, Arctic oil, deeper oceans oil and oil from other areas — namely Venezuela, Mexico and Canada. It is true that the current price of oil is not sufficient for this. The companies' argument is that if prices are lifted they could develop shale. There have to be incentives to allow this development. It has to be worked out in public policy. We need controllable incentives like Senator Jackson's bill. We are talking about billions of dollars.

2. By the mid-1980s we have to have billions of barrels in reserves. When talking about national security, this economic question has to be seen. We have to have the means to meet an embargo. There should be a major national effort in this. It was watered down by the FEA and it will take a trumpet call from Congress to do it, the cost is so great. The independent companies will want to avoid the cost of reserves.

3. The question is do we want to break OPEC up. We were taught a lesson in 1973. OPEC is deeply divided and as a practical matter we should try to boycott Persian Gulf oil. Venezuela and Nigeria will increase oil shipments. If we have a special relationship with Iran and Saudi Arabia we can politicize oil supplies. Saudi Arabia has insisted on change in the Israeli situation — we should zero in on them, and treat them as a separate country and not part of OPEC. We can't keep depending on Saudi oil.

Q: How should we therefore relate to them?

A: If we said that oil from other countries could do it. Most Arabs know the U.S. is the guarantor of the security of that country — Saudi Arabia, that must be part of the bargaining.

Q: Do you mean weapons?

A: Well arms sales, but more the protection of Saudi Arabia from Gulf attack. That point must be emphasized.

Q: Do you think as you just suggested that there could be terrorist attacks against the oil pipelines and such things?

A: That is one of the distinct possibilities. Saudi Arabian actions in OPEC were not well received by Iran. There could be hot headed irrational acts. There are no lack of incendiary things in the area.

Q: Could the situation get so serious that the U.S. takes military action to ensure supplies?

A: There is something in what you say. The present winter situation however won't be associated with oil imports. If you're going to be strangled, you do something.