

Bipartisan Attack On Schlesinger No-Energy Program

Speaking to a national television audience last week, Republican Senate and House minority leaders Howard Baker and John Rhodes vigorously attacked the Carter Administration's un-American energy program, put together by British agent James Schlesinger, as "a pre-

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scription for economic and energy disaster." Notwithstanding the President's good intentions," said Tennessee's Sen. Baker, "he's given us the worst of both worlds...that is high prices and shortages at the same time." Rep. Rhodes of Arizona specifically attacked the de-emphasis on research and development in Schlesinger's energy budget, calling the present research and development efforts "a drop in the bucket" compared to United States requirements "if we are to have any chance of producing our way out of this crisis."

The Republican leadership's caustic response to year two of Schlesinger's continued sabotage of U.S. energy policy is no mere partisan election-year attack; Capitol Hill and trade-union sources report a broad bi-partisan mobilization is underway in both houses of Congress to override the Administration's veto on development of the Clinch River nuclear fast breeder reactor, which has become a symbol for U.S. labor and industrial forces fighting for a policy of high-technology energy growth.

The furious reception given to Schlesinger's testimony at House Science and Technology committee hearings on the new Energy Department budget Jan. 25, documented below, illustrates the anti-Schlesinger sentiment currently building to tidal wave proportions on Capitol Hill. Catching Schlesinger in numerous lies, contradictions and non-answers betraying his determined sabotage of U.S. energy development, most of the committee echoed the theme sounded by Rep. Wydler (R-N.Y.): "The Carter Administration is not interested in solving our long-term energy supply problems."

Schlesinger Proclaims De-emphasis On Technology In Energy Budget

The following is excerpted from Energy Secretary James Schlesinger's opening statement before the House Science and Technology Committee Jan. 25.

...Only through wise use of a broad range of economic incentives, regulations and new technologies can the U.S. hope to weather one of the greatest challenges it has or ever will face.

Development of the 1979 budget afforded the first real opportunity to allocate Federal energy resources in a manner designed to maximize achievement of the national objectives I have outlined....

This request totals \$12.6 billion in budget authority, an increase of \$2.3 billion over 1978. On a budget outlay basis, the request is \$10.0 billion, compared to \$8.8 billion in 1978. This request supports a wide variety of activities, including:

- \$4.2 billion for the Strategic Petroleum Reserve Program
- \$2.7 billion for technology efforts associated with developing new sources of energy supply or new energy technologies
- \$2.8 billion to support the Department's defense program functions
- \$700 million for producing enriched uranium delivering energy from Federal power marketing agencies and operating the Naval Petroleum Reserves

- \$1 billion for grant programs to assist schools, hospitals and low income citizens and State and local government in implementing energy conservation practices, and
- \$170 million for regulation and information activities.

The programmatic content of this budget is different from the energy-related budgets presented to you in prior years. Whereas previous ERDA budgets emphasized technology development solutions to energy supply and conservation efforts, this DOE budget is built in a mix of technology, regulatory and incentive programs to achieve the same end, and recognizes the tax incentives included in the National Energy Plan.

Within this framework are a series of major policy imperatives that shaped this first DOE budget, including:

- acceleration of construction for additional strategic petroleum storage capacity
- expanded conservation and grant programs to decrease end-use demand and improve the efficiency of energy utilization
- aggressive efforts to develop our fossil, solar, geothermal and nuclear energy supply technologies in a manner which supports environmental and non-proliferation objectives
- development of regulatory and incentive programs which rely on market factors to achieve energy ob-

jectives, yet provide basic safeguards to the American consumer....

Strategic Petroleum Reserve

A major objective of the Department is the preparation of contingency plans for the acquisition and allocation of scarce energy resources in periods of supply curtailment....

The DOE regulatory and grant programs are an important element in creating the proper climate for motivating energy consumers to act in an energy-conserving manner while our conservation technology programs develop the appropriate means to satisfy our energy-saving needs....

Develop Energy Supplies

We must make more extensive use of our fossil fuel reserves if we are to meet future energy requirements and reduce the level of oil imports. While coal comprises 90 percent of this country's fossil fuel reserves, it meets only 18 percent of our energy needs. This imbalance is due, in part, to the previous existence of relatively cheap oil and natural gas, and to the less convenient form of coal and its greater environmental impacts....

Viability of our long-term energy supplies also requires that we continue to develop and utilize nuclear power. The DOE budget includes funds to address two important problems associated with this major energy source: the need to meet nonproliferation objectives and

development of terminal storage and disposal technology for radioactive waste....

Finally, the Department will continue an intense effort to develop and assist in the commercialization of renewable technologies in such areas as solar, wind energy for use by utilities, and fuels from biomass. We intend to move aggressively in developing these and other renewable technology options through such programs as:

- the Department's wood energy program, for which funding has over doubled between fiscal years 1977 and 1979;
- increased emphasis on use of wind energy on megawatt scale systems, primarily by utilities, as well as development of small-scale systems for rural electricity generation; and
- programs to bring down dramatically peak watt costs for photovoltaic arrays over the next decade....

Regulation and Information Activities

The National Energy Plan presented a careful balance of incentives and regulation to create a market environment which would enhance economic, societal and energy objectives. In addition to creating a market environment which encourages fuel switching and conservation practices, DOE regulatory activities protect the American consumer against unwarranted energy price increases and assure the equitable distribution of energy supplies....

House Science And Technology Committee Blasts Schlesinger Budget

What bothers me about our present policies is that we are not stressing production, especially nuclear. Your budget provides nothing to help us move ahead with programs like coal gassification aggressively. Would you comment on this general overall philosophy difference? Schlesinger: When we come out with our Phase II supply study, you will see the emphasis on production.

I am concerned with some of the attitudes in the Department of Energy. There is great stress on the strategic petroleum reserve, but this is not any solution to the long term energy problem. In fact, it could cause us to become complacent. Now, you mentioned that the energy policy is a test of Americans. I did a survey in my district which showed that the *only* area in which people said federal spending should be *increased* is in energy R D. I am concerned that if we do not move dramatically in some areas, we will find our individual freedoms limited by regulations, etc. I am concerned that the transition from a basic research organization, which is what ERDA was, to an organization of social planners and regulators — DOE — has taken place. Regulators can sit in Washington and "regulate" an industrial plant to work on "off-peak" hours or to shut down, but it is the blue collar worker in Pittsburgh who suffers. I am concerned

McCormack: Budget Is Sabotage Of Nuclear Power

Following the Jan. 25 House Science and Technology Committee's hearing, EIR interviewed Cong. Mike McCormack (D-Wash.):

My feeling is that the Administration is not placing adequate emphasis on energy production. With the Administration's programs we will be forced to import between 12 and 15 million barrels of oil a day equivalent in 1985. And even if we tripple our coal production by the year 2000, if we are to avoid economic catastrophe, we will need 600 nuclear power plants just in the U.S. And if we take the best estimates for the best-case scenarios of the government itself—assume, that is, that all their conservation programs work out optimally, that solar is successful, and so forth—then by 2000 we would need 400 nuclear plants just to avoid economic disaster. And this budget does not provide for us to be able to fuel that many plants or have that many plants. Again, my staff put together a study demonstrating this using the government's own figures, cross checked with industry and independent projections for energy supply and demand.

that there is no growth in R&D— it is our responsibility to pick out long term as well as short term direction. But you have cut fission research, and what I view as the only significant substitute for fission, which is fusion, you cut as well— you cut long term fission development but put nothing more in for fusion.

Schlesinger: I agree that the strategic petroleum reserve is not a solution — it is insurance. We have some catching up to do because we have neglected alternative energy sources from World War II to the early 1970's. Conservation is not an alternative to increasing supply. I also have no great faith in regulation. We are trying to make regulation more efficient (Schlesinger did not respond to fusion reference.)

Do we have a specific program for meeting our energy needs in the long, mid and short term, as we used to have before?

Schlesinger: We do not have this at this moment. We hope to have it in three months. I have been distressed that we do not have good knowledge of the time frame for results in our R&D work. We must know when we can expect a payoff.

Q (Lloyd): Which of the "renewable" sources can we expect the earliest payoff from?

Schlesinger: Solar heating — but it is not commercially feasible on a large scale. Some biomass activities I believe are here right now. I have spoken with the TVA regarding using wood chips to produce natural gas. That is going to begin in Georgia.

Q (Lloyd): It is my understanding, from the people directly involved in the solar effort, that even by the year 2000, all forms of solar could only produce the equivalent of 5 million barrels of oil a day — so why do you put that much stress on this?

Schlesinger: Absolutely. Conventional gas and oil will provide 50 percent of our needs in 2000, down from 75 percent now. So we must find other things — geopressurized methane, wood pellets may be a major source. For electricity, we will want to turn to new technology by 2000. And we must make better use of coal.

I am concerned that you and Carter have misread the climate in which you are operating. As Cong. Myers said, in my district also, people by 82 percent are willing to spend more federal money on R&D. The country and congress is waiting for a more massive commitment to solving the energy crisis — waiting for the President to reestablish a sense of urgency. I am very depressed about the testimony here today.

I agree with the comments that we are moving toward more regulation but not enough R & D.

Schlesinger: There is no desire to increase regulation, but to lessen regulation, to make it fit together with incentives to the private sector.

Q (Walker): But we are worried that the history of DOE will mean it is trapped in the regulatory field rather than R&D.

At the hearing before the Fossil and Nuclear Energy Research, Development and Demonstration Subcommittee of the House Science and Technology Committee on Jan. 26, the following remarks were made by congressmen questioning officials of the Department of Energy.

This Congressman, at least, had to bit his lip in order to vote for the President's energy bill last year, because it is all taxation and regulation and no production. I assumed that this "Phase II" to deal with production would be forthcoming, but it is not here in this budget.

I hope you do come up with some initiatives soon. I also hope you come up with some initiatives to revise the National Environmental Protection Act, to turn it into a bill which will actually defend the environment and not just be used by the enemies of production to attack American industry.

Wydler: Administration 'Not seriously Interested' In Solving Energy Crisis

The following are excerpts from a press release issued Jan. 25 from Rep. Wydler's office.

U.S. Rep. John W. Wydler, R-N.Y., today expressed deep concern over the level and focus of the Department of Energy's research and development program budget.

In opening hearings on the Department of Energy's authorization request for research and development, Rep. Wydler, ranking Minority member on the House Science and Technology Committee, said, "less than one-fourth of the Department's budget request is for research, development and demonstration projects for new energy technologies. I think this shows that the Carter Administration is not seriously interested in

solving our long-term energy supply problems."

Rep. Wydler noted that funding requests for nuclear programs are disappointing.

"The request for breeder reactor programs has been cut in half and the Administration is again seeking to terminate the Clinch River Breeder Reactor project. If this is their intention, where are we heading in breeder development and how are we ever going to test our breeder technology if not by building a demonstration plant?," Rep. Wydler questioned....

"I am hopeful that a careful examination of the Energy Department's budget request by the Committee on Science and Technology will result in a change of focus so that we may pay some much needed attention to long-term solutions," Rep. Wydler concluded.