

ENERGY

London oil wire leaks classified CIA scenario

Next to James Rodney Schlesinger's Department of Energy, the agency in Washington with the least credibility is the Central Intelligence Agency under Admiral Stansfield Turner. In a clumsy bid to overcome this credibility gap, the CIA has come up with another of its world oil analyses. This time, the agency appears to be using the classic "controlled leak" tactic.

A newsletter titled *London Oil Reports* has somehow managed to get an exclusive leak of a still classified CIA study, "The Oil Market Through 1982," in its May 14 issue. This document claims that there will be a 0 to 1 percent growth in the amount of world oil available in the next three years. According to the report, "CIA analysts believe that the static supply situation will trigger an accelerated scramble between developing nations and the industrialized West for available oil, a competition that will be heightened and sharpened by the absence of any effective international mechanism for allocation of oil supplies." The report adds that the situation does not evaluate the consequences of elimination of nuclear power growth in the U.S. "and that (nuclear power—ed.) could become doubtful in Europe as well, if a nuclear power plant accident were to take place there during the next 12 months."

Many remember the last time—in 1977—the CIA issued a

world oil study. It predicted a decline in world oil supply beginning in the early 1980s leading to increased USSR-U.S. conflict over Persian Gulf oil. That report, prepared by Walt McDonald using widely discredited linear projections was disputed at the time. But, Schlesinger cited that report as the justification for his draconian energy austerity approach of the National Energy Act.

NRC imposes three-month licensing moratorium

The Nuclear Regulatory Commission has ruled to impose a moratorium for at least three months on all nuclear plant licensing while safety lessons from the Three Mile Island incident are being "studied." The decision came in a ruling by four of the five NRC commissioners on a recommendation by Commission Reactor Regulation Director Harold Denton. Denton was in charge of the on-site NRC operations at Harrisburg during the incident.

NRC chairman Joseph Hendrie, who opposed any moratorium as unnecessary, was out ill. In his absence, Commissioner Victor Gilinsky, the most consistent—along with Peter Bradford—of the antinuclear NRC commissioners, chaired the session and approved Denton's moratorium plan. Gilinsky's background includes a stint at RAND Corporation in the 1960s when Schlesinger

was there doing strategic studies. He is also a member of the London International Institute of Strategic Studies (IISS). Commissioner Richard Kennedy angrily protested not receiving adequate notice of the moratorium decision. The "swing vote," Commissioner John Ahearne, who is considered a close Schlesinger ally from the Department of Energy, sided with the two antinuclear members.

The moratorium could seriously cloud the future of nuclear energy in the U.S. Already more than 25 percent of U.S. nuclear capacity—19 reactors—are shut down in the wake of Three Mile Island for an indeterminate period. As many as 11 nuclear reactors could be eligible for NRC licensing this year. These 11 reactors, if brought on line, would generate the annual equivalent of 120 million barrels of oil, more than 60 percent of the amount of petroleum that would have been normally imported from Iran.

Exxon head predicts 20-year gas shortage

Exxon Chairman Clifton C. Garvin stated recently that American consumers can expect "to be on the ragged edge of price and supply for 20 years or more." He also stated that the current California gasoline shortage is the result of government policy and consumer hoarding, not oil company actions. Garvin downplayed the prospects of solar energy to meet any basic supply in the U.S.: "There is just too much money invested in equipment that uses oil and gas," he said. "The cost of changing the nation to solar, even if it were even possible would be prohibitively expensive." He added in conclusion: "There is no central problem in energy, no one thing to focus on."

—William Engdahl