

ing Department of Energy Secretary Charles Duncan and heavily promoted by New York State Governor Carey, the Conference of New England Governors and Canada's Hydro-Quebec.

The ENCONO perspective of a Northeastern "nuclear free zone" was given a boost by the opening of the massive James Bay hydroelectric project in Quebec. Electrical imports from Quebec to the Northeastern U.S. are hailed by "common market" advocates as a substitute for dependence upon foreign oil imports.

The recent appointment of former Maine Governor Kenneth Curtis as U.S. Ambassador to Canada is geared to consolidating a trade and energy "free zone" between the U.S. and Canada on a Northeast regional basis. Curtis was a staunch proponent of such a perspective during his chairmanship of the New England Governor's Conference in the 1960s and early 1970s.

—Peter Wyer

## Legislating war on energy development

*Beginning in the late 1960s, the New York Council on Foreign Relations launched an assault on industrial growth in the United States using energy as the weapon. The core of the strategy has been to pass environmental, and non-proliferation legislation. These bills have in fact choked industrial expansion by forcing grossly higher energy prices and lower production of fossil fuel and nuclear resources. The following are highlights from this legislative warfare.*

### 1970

**The National Environmental Policy Act** set up the Environmental Protection Agency which, with its restrictions, regulations, and demands for "impact statements," has done more to cause the current world industrial recession and monetary inflation than probably any other single government agency except the U.S. Federal Reserve. Coming under the agency's auspices is offshore oil drilling, refinery construction, and nuclear plant siting and construction.

### 1978

**The Nuclear Nonproliferation Act of 1978** (the Percy-Glenn Bill) as passed by Congress, imposes a ban on nuclear technology export under the rubric of controlling weapon proliferation. The bill was based on a study released by the Ford Foundation titled "Nuclear Policy: Issues and Choices." Under this bill, the link between the fast breeder, reprocessing and nuclear plant technology, and weapons was legislatively accepted,

forcing conventional nuclear reactor costs skyward because of the choke on uranium-plutonium fuel availability.

**The National Energy Program** was announced by the Carter administration as the "moral equivalent to war." While the key tax provision, the Crude Oil Equalization Tax, has been blocked in the Senate, portions of this forced conservation, antiproduction strategy, notably the Natural Gas Policy Act have passed and Energy Secretary Schlesinger's scuttling of the Clinch River Breeder Reactor went unchallenged. The Natural Gas Policy Act created a maze of regulatory restrictions, defining no less than 18 categories of natural gas and placing federal price controls on interstate natural gas.

### 1979

**The Camp David Energy Program** was announced by Carter. Its central assumption is that the world has reached a limit in energy growth, that nuclear is "scarcely viable" and that we must "bite the bullet" of forced energy austerity. The centerpiece of this package is a reworked version of the Crude Oil Equalization Tax, now called the Crude Oil Windfall Profits Tax which has passed the House and is likely to pass the Senate in a modified form by December.

It imposes a tax on new oil production which will generate between \$142 and \$300 billion over the next decade. Funds for energy production will be conduited instead to various welfare subsidies, social programs and conservation incentives, as well exorbitant conventional and synthetic fuels programs. The bill is tantamount to a subsidy to the major multinational oil companies which have shifted their corporate profiles to high cost categories of fuel production. The multinationals have made huge third quarter profits off their foreign marketing operations and spot market speculation. As Jack Allen, head of the Independent Petroleum Association of America (representing the smaller oil producers who do the bulk of domestic drilling) stated, the Windfall Profits Tax "will not lay a glove on international oil profits."

**The Energy Security Reserve Act**, known as the Jackson bill, passed the Senate this past week. It calls for a government-private sector Synthetic Fuels Corp. and would set up a synthetic fuels boondoggle funded at \$19 billion until 1985 and \$68 billion afterwards to create a synfuel industry that will produce no more than 1.5 million barrels a day of domestic sludge from coal or oil shale. The bill must now be reconciled to a different House version of the bill. As unpublicized Department of Energy Studies show, this synthetic fuel may be worthless after all. Synfuel from coal forms corrosive gum and thickens with age making it useless as a high-grade transportation fuel.

—Bill Engdahl