

Energy Insider by William Engdahl

Sawhill and synfuels

The 'number two' man at the DOE has spent a decade destroying every alternative to an energy catastrophe.

I didn't think it would be so blatant. But Jimmy Carter has nominated his board for the U.S. Synthetic Fuels Corporation, and there sits John Sawhill heading the six-member body. That tells you what synthetic fuels is all about.

This program will pour some \$88 billion in proceeds from the Windfall Profits Tax on crude oil production (not profits) into synthetic fuels installations. It's worse than a boondoggle. It is locking the economy into a series of resource and capital commitments that will collapse the base of our industrial economy. A case in point is the diversion of already scarce capital and equipment, to say nothing of precious skilled manpower and water in western states.

Why do I say Sawhill's nomination is blatant?

Currently, as Deputy Secretary of Energy, John Sawhill runs policy at that agency, according to inside sources. Indeed, since he was brought in in July 1979, the DOE has sharply increased "soft" energy schemes, formulated the "windfall" tax strategy, and generally destroyed the alternatives to synfuels. As Sawhill has quietly worked this damage, the amiable figurehead Secretary Duncan has deflected wrath that the more brazen James Schlesinger drew upon himself.

Sawhill headed the Federal Energy Agency during the Nixon years, and later headed New York University. It was no secret in

Washington that his terms for taking the number two post at DOE were that Carter appoint him to head the synfuels corporation. Sawhill and the policy group he speaks for have been working for the synfuels strategy for more than a decade.

Sawhill was one of the central energy policy strategists of the Aspen Institute for Humanistic Studies, one of those little-known but highly influential "think tanks" which, with heavy input from the British secret intelligence service, formulated the ideology of the limits-to-growth, small-is-beautiful environmentalist movement. Aspen seminars devised Carter's Windfall Profits Tax against domestic oil producers, and the "non-proliferation" policy against the U.S. nuclear industry.

In all this Sawhill was a busy man. He authored the 1978 energy policy of the Trilateral Commission—which automatically became Carter policy. The report proposed that energy prices be driven sharply upward. Otherwise, the astronomical costs of synthetic fuels (now at \$62 per barrel) would not be "competitive." One year earlier, Sawhill authored the Ford Foundation study, "Nuclear Power: Issues and Choices," which became Carter's non-proliferation program. There was the danger that the more reliable nuclear alternative would destroy what the Council on Foreign Relations gingerly called "con-

trolled economic disintegration" in its 1975 "Project 1980s" studies. But the Sawhill-Carter non-proliferation scheme killed the fast breeder and reprocessing, and the vital export market so necessary to the domestic reactor industry.

Sawhill's colleagues at Aspen were involved in the events leading to the Khomeini takeover in Iran, which resulted in more than doubling the price of oil. It was then that Sawhill moved to Washington to develop the synfuels boondoggle. The "windfall" profits tax was a key preparatory step: ensure higher prices for crude, but prevent higher production which would undercut the planned boondoggle.

Mr. Sawhill's underlings on the synfuels board are not strangers to him. The AFL-CIO's Lane Kirkland is a fellow Trilateral Commission member. Cecil Andrus, Secretary of the Interior, was instrumental in sabotaging the development of the nation's most promising oil and gas regions in Alaska and the Western Overthrust Belt. His appearance on the synfuels board is only natural.

Obviously, the nation's energy needs are not the concern of these gentlemen. If someone in the Senate is alarmed about this, they might investigate Sawhill's office for probable criminal malfeasance in doling out synfuel grants.

For starters, Sawhill's department just gave \$9.8 million in tax dollars to the James R. Wade Co. of Franklin, Kentucky. Try your best to locate a company by that name! Similarly for the Banklick Corp. of Blount Island, Fla., which got \$1 million and the Hampshire Energy Co. of Milwaukee, which got \$1 million: it has no phone listed. The list goes on.