P.S. to the NEWS
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CARTER'S ENERGY PROGRAM

President Carter's energy plan proves once again that he speaks for the pressure group which tries to solve all problems by turning over more money to federal control to be spent by governmental, instead of private, decision-making. Carter's plan will cost $142 billion by 1990, but it will not produce more energy. It makes practically no attempt to cope with our pre-1990 shortages.

The central feature of the Carter plan is the establishment of an Energy Mobilization Board -- a new bureaucracy to cut through the existing bureaucracy. Since the chief source of red tape and other energy snafus is the Department of Energy, this means that Carter's solution to that problem is to create another bureau to try to solve the problems created by the first one.

Carter's plan would create a second new federal bureau called the Energy Security Corporation, a quasi-governmental corporation whose purpose would be to seek future development of synthetic fuels. It would be financed by issuing $5 billion in energy bonds sold to the general public, and it would have broad authority to construct and operate plants, and to provide loans and loan and price guarantees.

Carter held out high hopes of producing 20 percent of our energy from solar power by the year 2000, for which considerable federal money would be spent. The technology to produce solar heating is simply not available at reasonable cost. Converting 20 percent of American homes to solar heating is estimated to cost $150 billion

Carter asked for authority for gasoline rationing. He kept price controls on gasoline and the gasoline allocation system. He called for residential and commercial conservation, asking utilities to cut their oil and gas consumption by 50 percent by 1990, presumably by shifting to coal. Of course, it was only a few years ago that many utilities shifted from coal to oil or gas under environmentalist pressure, so those plants will bear double changeover costs.

What Carter did not put in his energy program is more important than what he

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did. He did not call for the decontrol of crude oil or gasoline. He said almost nothing about burning coal as coal. He substantially ignored nuclear energy, so his silence assumes a continuation of the virtual moratorium on further nuclear power development since the incident at Three Mile Island.

Carter did not say anything about allowing us to look for oil or gas on the 34 percent of U.S. land owned by the Federal Government. He apparently wants to freeze these lands in a wilderness condition, unusable to all but walkers and campers.

An energy program to solve America's problems should be directed toward producing more energy rather than assuming that the best we can do is to divide up the shortages. Here is an alternative program:

1. End the freeze on new oil pipelines. For four years, the Federal Government has blocked construction of pipelines to bring Alaskan oil to the many middle west refineries. These pipelines would take two years to build and then would deliver 2,450,000 barrels of oil per day, enough to supply all our needs.

2. Decontrol prices of oil, natural gas, and gasoline. This is estimated to increase our supply of oil by about 150,000 barrels a day within six months, by 250,000 barrels a day in about a year, and by at least a million barrels a day by 1985. Europe decontrolled and has no gasoline shortage.

3. Allow development of public lands known to have very large deposits of oil such as Alaska (where unused oil deposits are estimated to amount to 70 billion barrels), parts of the Rocky Mountains, and the Continental Shelf off our West Coast and the Gulf of Mexico.

4. Cut taxes on energy development; don't raise them. Allow producers to take tax credits or write-offs for any energy production that would reduce our dependence on oil imports.

5. Abolish the federal allocation system, which was responsible for converting the 5 percent shortfall in gasoline caused by the loss of Iran into a 15 percent shortage.

6. Expedite the licensing of nuclear power plants. Chicago, which gets one-half its power from nuclear plants, has proved that they are more cost-efficient, safer, and more reliable. It costs Chicago $1.35 to produce one kilowatt of power from nuclear plants, whereas the same unit produced by coal-fired plants costs $2.68, and costs even more when produced from oil or gas.

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