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9/15/76  
MD

ENVIRONMENT

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Measured in terms of the Federal effort alone over the past two years, our record is impressive. For example, look at some of the statistics:

- I proposed a 60% increase in what we spend for waste water treatment plant facilities in order to clean up our Nation's riverways.
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More important than the numbers and statistics is the fact that we are making progress. For example, the fish and the fishermen are coming back to Lake Erie. The air in our Nation's big cities is a little bit cleaner to breathe because of progress we're making on auto pollution.

As President, I had to make the hard choices and strike a balance between what we want to do as a Nation and can reasonably afford to do. After dealing with these environmental programs over the last decade, I know that they involve enormous costs and high-risk technology. Many times over the last two years I had to decide whether to take more of the taxpayer dollars and put them into environmental programs. I had to make these decisions in the context of the economic situation that existed at the time. I had to adopt priorities, and my priorities over the last two years have been to cut inflation, produce



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I even had to delay until just a few weeks ago my own pet project, which is to make a major investment in our parks. My Parks and Conservation proposal reflects my deep love for this country's environment. I fully understand my obligation, not only to protect and enhance the environment that each one of us can enjoy, but to preserve that environment, the land, the water, the air, for the benefit of those who will follow us in our Third Century and beyond.

It's also important for us to recognize that pollution does not respect political and geographic boundaries. Just as we cannot pollute half a lake, nor can we just clean up half the world. That is why my Administration has moved so aggressively in the international arena concerning environmental matters.

In addition to environmental agreements with Japan, the Federal Republic of Germany, Poland and Russia, the United States has cooperative bilateral programs with more than fifty nations. In addition, United States representatives, acting under my instructions, have represented this country at U.N., NATO and other meetings, to address the problems of air and water pollution. Recently the United States has joined with other nations in adopting a Convention on the Prevention of Marine Pollution by the Dumping of Waste. We also called for a ten-year moratorium on all whaling to permit depleted stocks to recover.

These and other endeavors are intended to help all citizens of the world -- not just Americans.



9/14/76  
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## International Environmental Programs



The environment knows no national border. Concern over pollution and the restoration and preservation of the quality of the earth's environment have become a significant factor in international affairs. The earth has been likened to a spaceship with limited life support systems requiring understanding and wise use by its inhabitants.

International cooperation in environmental matters has grown rapidly in the 1970s, and the United States has been a leader in this field. In addition to environmental agreements with Japan, the Federal Republic of Germany, Poland and the USSR, the United States has cooperative bilateral programs with more than 50 nations. Cooperation on environmental problems is proceeding in a number of international forums -- the United Nations Environmental Program, the UN Law of the Sea negotiations, the World Health Organization and the OECD to name but a few. NATO's Committee on the Challenges of Modern Society (CCMS) has developed extremely worthwhile projects addressing pollution of the sea by oil, air pollution and inland water pollution.

In recent years, the United States has joined with other nations in adopting a Convention on the Prevention of Marine Pollution by the Dumping of Wastes. The United States has called for a ten-year moratorium on all whaling to permit depleted stocks to recover.

U.S. experts are working with their Mexican counterparts on cooperative projects dealing with air pollution, water, solid wastes and pesticides. The United States and Canada have embarked on a multi-billion dollar program to restore the quality of the Great Lakes.

Environmental challenges confront the entire world community, and just as we are tackling these challenges in the United States, we are dedicated to working with other nations to ensure that future generations will enjoy the benefits of fresh air, clean water and uncontaminated earth.

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How we deal with our energy problems says a lot about our national character now -- and will determine what kind of country we will become. We must face up to this tough complex of problems now so that our children will have the basic tools that we have taken for granted to keep on building a better America.



The energy policy of my Administration is based on three principals: First, we must recognize that the problem is real. To run our businesses, <sup>cool, heat and</sup> ~~best,~~ <sup>would</sup> light our homes, and move our cars, takes energy. But today, most of that energy comes from non-renewable natural resources -- coal, oil and natural gas. In addition, an ever-increasing share of those sources are being supplied from overseas. The status quo is intolerable: we continue it at our peril.

Second, we must therefore move forward to increase our domestic supplies and to be more efficient in our use of energy. There is no substitute in the next few years to using our natural resources. I have therefore ~~expressed~~ <sup>expressed</sup> for greater mining of our most abundant domestic resource -- coal. I have ordered accelerated development of the vast oil and gas reserves that lie off our shores, and I have proposed fair market pricing for new natural gas and oil to provide <sup>incentives. needed</sup> ~~incentives~~ for all out development by our private sector.

Third, we must plan and begin to <sup>implement</sup> ~~implement~~ now our reliance on new renewable and non-polluting energy sources for years ahead. In the future, we must have more nuclear power, including fusion, solar energy, perhaps even wind and ocean tides. To bring these dreams to reality, I ~~have~~ <sup>have</sup> increased our

7  
federal <sup>research</sup> ~~resources~~ and development budget \_\_\_\_\_ % and proposed a federal financing authority to bring these new technologies to the market place.

Recognize our problems; increase production and improve conservation in the near term; full commitment of our technology to new sources of energy for the future. That's my plan and my promise. With the cooperation of the Congress and the committment of our <sup>people</sup> ~~epople~~ we will turn these problems into an opportunity for America to point the way for mankind into the next century.

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## ENERGY



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ENERGY

- Q. You have been in office for two years, and we still don't have a national energy policy. Have you failed in the energy area?
- A. In my first State of the Union Address, I laid before the American people a comprehensive program that would make this Nation free from the threat of embargo and substantially more self-sufficient in energy by 1985.

Although I've had to deal with a Congress that seems to more often consider their own short-term political benefits more important than the long-term welfare of our people, after a year and a half they have begun to act on my proposals. We now have just about one-half of the program that I proposed in January 1975.

The program provided for measures which would substantially decrease our consumption of energy and increase the production of U.S. energy. This is not only important from a national security standpoint, but it's important in my mind to put Americans to work producing American energy rather than transferring American dollars to oil producing countries for the benefit of their people. I'm delighted to see that Congress now is coming around to my proposals, and I'm confident that next year we'll be able to get the Congress to complete the necessary action.

Zarb  
9/17/76

ENERGY

Q. It seems to me your Administration has been defending big oil companies and higher prices. Why?

A. That simply is not correct. There are those who would demagogue the issue of petroleum industry organization without in any way examining the real causes or needed solutions to our energy difficulties. Those same people would try to convince the American people that there is a cheap and easy way out of our energy difficulties.

My Administration has simply attempted to lay the hard, cold facts on the table so that we could get on with a realistic solution.

We have not only dealt with all of the issues related to the conservation and production of American energy -- we spent a considerable amount of time working internationally so as to create a climate in the Mideast which has reduced the possibility of political embargo and encouraged responsible attitudes on the part of those in oil producing countries which have resisted price increases by OPEC in the last year.



Zarb  
9/17/76



Carter Promises

President's Performance

1. World-wide voluntary moratorium on national sale or purchase of enrichment or reprocessing plants and withholding authority for U.S. domestic commercial reprocessing pending

- satisfactory completion of a multinational program designed to develop experimentally (not full scale demonstrations) the technology, economics, regulations and safeguards
- development of mutually satisfactory ground rules for management and operation, including next generation of material accounting procedures and physical security requirements.

If both conditions met, all ensuing commercial reprocessing plants should be on a multinational basis.

"We have no firm domestic policy on reprocessing ..."

2. No new U.S. commitments on nuclear technology of fuel would be allowed unless recipients agree to

- forego possessing nuclear explosives
- refrain from reprocessing

1. Domestically, Administration has prevented export of all reprocessing facilities through authority under Section 810 of the Atomic Energy Act of 1954, as amended.

Internationally, U.S. has

- bilaterally, attempted to stop all sales of reprocessing equipment and has stopped a sale to South Korea and development of a facility in the Republic of China (Taiwan); negotiations are proceeding to stop sales to Pakistan and Brazil
- multilaterally, developed through the London Suppliers Group a common set of guidelines requiring safeguards and security measures in connection with export of sensitive facilities, including reprocessing facilities.

\*The President now proposes

- not accepting reprocessing as inevitable
- undertaking realistic demonstration program to determine the safeguards, economics and technological performance of reprocessing
- undertaking extensive research on potential alternatives to plutonium recycle
- encouraging other nations to participate in the demonstrations and offering to share information obtained with other nations.

2. Administration's policy

has been

\*will be

forego possessing nuclear explosives but only with regard to U.S.-supplied materials and facilities

forego possessing nuclear explosives with respect to all nuclear materials and facilities

obtaining a U.S. veto over reprocessing on U.S.-supplied materials and facilities

insisting on recipient foregoing reprocessing, whether or not U.S. supplied material or facilities are involved



\*Fri recommended new proposal.

- place all national nuclear facilities under IAEA safeguards

requiring IAEA safeguards on U.S. supplied materials and facilities

requires IAEA safeguards on all civil nuclear materials and facilities

Renegotiate existing agreements to include reprocessing safeguards

renegotiating agreement only if amendment to them required for other reasons

\*to seek to negotiate changes to provide U.S. veto of reprocessing involving U.S. supplied material and facilities

3. Call for World Conference on Energy (along the lines of the World Food Conference) to develop world-wide information on energy supplies and needs with a view toward establishing a permanent World Energy Agency

3. Through U.S. initiative in 1974, the International Energy Agency, consisting of 18 industrial consumer nations, was established to consider common problems. In December 1975, U.S. participated in French-initiated Conference on International Economic Cooperation (Producer/Consumer Conference) consisting of 27 countries. The Conference is in the process of developing world-wide information on energy resources and needs, common research strategies, capital sources and needs, etc. U.S. has also proposed an International Energy Institute to provide technical assistance on energy matters to developing countries and that proposal will probably be finalized in December. U.S. has proposed an International Resources Bank to guarantee against political risk on investments for development of energy resources and other minerals.

4. Support strengthening of IAEA safeguards and inspection authority

4. In 1976, Administration requested \$5 million increase in IAEA voluntary contribution; in addition, U.S. has over past 2 years more than doubled other technical assistance to IAEA. \*Even more assistance would be recommended.

5. Place U.S. civil nuclear facilities under IAEA safeguards

"We have failed to fulfill our ... under international safeguards."

5. The Administration has been negotiating placement of U.S. civil nuclear facilities under IAEA safeguards for some time. Formal submission of agreement was made to, and accepted by, the IAEA Board of Governors on September 17. The Administration will now proceed to implement the agreement.

6. Support enlargement of U.S. Government-owned enrichment facilities to insure that U.S. is a reliable supplier

"We have no ... clear programs to deal with ... uranium enrichment."

6. Administration has proposed legislation, passed by the House of Representatives, which would authorize both public and private expansion of enrichment facilities.

\*Fri recommended new proposal.

7. Explore international initiatives for

- multinational enrichment plants
- multinational spent fuel storage areas

as alternatives to national enrichment and reprocessing plants.

8. Correct disproportionate emphasis in energy R&D, placing more emphasis on renewable energy technologies, and relatively less emphasis on nuclear power

"Over the last eight years, our government has failed to explore non-nuclear alternative energy research and development budget in nuclear fission."

9. Convert breeder reactor research to a long-term, possibly multinational effort.

10. Negotiate with the Soviet Union

- comprehensive test ban treaty, with a five-year moratorium on testing of both weapons and "peaceful nuclear devices" while treaty is being negotiated
- through the SALT talks, strategic nuclear forces and technology reductions

There are already two multinational plants -- both in Europe -- and Administration has encouraged foreign investment in new privately-owned U.S. enrichment plants.

U.S. has encouraged IAEA consideration and possible implementation of multinational spent fuel and plutonium storage under IAEA auspices; other participants are receptive and \*President would now announce need for IAEA study to proceed with such a regime.

8. Of the Nation's total energy research and development budget, private industry provides about 90% of the amount spent on non-nuclear research (oil, gas, coal, etc.) but only 15% of the Nation's nuclear energy research. The Federal Government, fulfilling its historic research role in the sensitive nuclear area, has tended to equalize this disparity and this role needs to be continued. Nevertheless the President has increased the non-nuclear energy R&D budget by \$202 million to \$671 million in FY 1977. This increase changed the proportion of non-nuclear items from 20% to 35% of Federal research. Currently, we estimate that 60% of the total Nation's energy total research efforts are in in the non-nuclear field and 40% are in the nuclear field.

9. The breeder reactor is the only demonstrated, inexhaustible source of energy. (Large-scale solar and fusion plants are decades away.) To stretch out current levels of breeder reactor research -- as the phrase "long-term" implies -- can only delay answering crucial questions on environment, economics and safety.

10. The Administration has

- proposed on several occasions over the years a comprehensive test ban treaty; obstacles have been failure of the Soviets to agree to on-site verification procedures and the unwillingness of France and the Peoples Republic of China to become parties; since prospects of progress appear to be dim, continuing negotiations are not likely to be fruitful in the near future
- reached accords at Vladivostok which limits numbers of strategic weapons; Administration is currently negotiating remaining issues, once limits of numbers are in place, President intends to commence negotiations on reductions in numbers.

\* Fri recommended new proposal.

## Carter's Charge

1. "We have no ... clear programs to deal with ... management and storage of radioactive wastes."
2. Our Government is now unable to account for some 100,000 pounds of nuclear material, of which 6,000 pounds is weapons grade.
3. "President Ford has shown us where his priorities lie by holding legislation to strengthen U.S. nonproliferation hostage to his highly controversial proposal for private ownership and operation of nuclear fuel and facilities."

## President's Performance

1. The President has committed to having a licensed facility for long term storage of high level wastes when the facility is needed, generally agreed to be 1985. To that end he has directed the Energy Research and Development Administration (ERDA) and the Environmental Protection Agency to develop and publish necessary standards and environmental statements. The Nuclear Regulatory Commission has agreed to cooperate. ERDA will build the facility. The President's 1977 budget increased funding for the nuclear waste management program from \$12 million to \$66 million.
2. Differences between amounts of nuclear materials carried in the book accounts and the results of a physical inventory in Government facilities have been less than a fraction of 1% and represents an accumulation -- in some cases of 29 years. The discrepancy does not represent material that has been lost or stolen. However, every discrepancy has been thoroughly analyzed to determine the reason for its occurrence. These reasons have included personnel errors, instrumentation errors and deposits of material on the literally hundreds of miles of piping and valves within large plants.  
  
To further increase accuracy and timeliness of such materials accounting, the President has increased ERDA's safeguards research and development program from \$7 million in FY 1975 to \$20 million in FY 1977. Likewise, overall support for safeguarding ERDA's facilities has been doubled by the President over the last two years to \$176 million.
3. The President's proposal for new nuclear fuel facilities was unanimously reported out by the Joint Committee on Atomic Energy and has passed the House of Representatives. It would not only provide for the needs of the Nation -- with minimal government of financial assistance -- but would also reestablish the important role of the United States as a worldwide nuclear fuel supplier. U.S. fuel supply agreements with other countries have always been conditioned on the recipients'



undertaking strong measures to safeguard nuclear facilities -- and thereby contribute significantly to the world's nonproliferation goals. A number of Senators refused even to let this House passed proposal come to a vote in the Senate.

The President has worked closely with the sponsors of the non-proliferation bill in an effort to reach agreement on key provisions and fully supported the non-proliferation initiatives with his suggested changes.

The President sought to have both measures considered by the Senate since both bills aid in our non-proliferation objectives.

4. During the years of Republican indifference we have done little to encourage the dozen or more non-NPT countries with active nuclear programs to join."

4. During the President's Administration, 16 countries joined the NPT including Germany, Japan, Italy, Belgium and the Netherlands. The U.S. played a key role in encouraging these countries to sign.

September 23, 1976

MEMORANDUM FOR JIM CAVANAUGH

FROM: JIM MITCHELL

file -  
1st Debate -  
Energy

On Tuesday, September 21, Governor Carter released a three and one-half page statement on energy organization. Less than one page dealt with his proposal, the remainder of the statement contained, among other things, a succinct, five-point summary of his energy policy:

I have set out on other occasions the energy programs a Carter Administration would emphasize, but they are worth repeating in summary here, to show what the revamped structure will be designed to accomplish:

--I would exercise the federal government's obligation to protect the nation against an oil embargo and to negotiate on behalf of the consumer to keep OPEC prices under reasonable control. The present practice of leaving the consumers' fate in the hands of the big oil companies and the OPEC cartel will be stopped.

--I would institute an all-out, comprehensive energy conservation program. This means performance standards, financial incentives, research and development of more energy efficient technology, and conservation pricing of energy. The Carter Administration will give a higher priority to conservation.

--I would establish a new "clean coal" program, designed to overcome all the bottlenecks in mining, transportation and conversion of industrial plants but still protecting the land, air and water, and health and safety of coal miners.

--I would institute a major initiative to develop environmentally safe and renewable energy resources, such as solar power. Its development is being neglected, while nuclear power, which poses many dangers, is being favored.

--I would formulate all of my initiatives in partnership with the states and local governments. The best resources of each area of the country will be matched with its most important needs.

The most striking thing about this policy statement is that -- except for State trading -- all of the other proposals have either been proposed by the Administration or are now being implemented. The attached chart summarizes Carter's proposals in the left hand column and the Administration's action in the right hand column. The bottomline is:

"Governor Carter implies that the Administration has done nothing in any of these areas. This assertion demonstrates that Governor Carter either knows nothing about what has been happening in energy, or he is trying to mislead the American public. In fact, his energy program constitutes but a part of the President's overall energy initiatives."

Attachment



## Carter's Statement

1. U.S. Government would negotiate on behalf of consumers with OPEC on prices -- "state trading."
  
2. Energy Conservation Program including
  - o performance standards
  
  
  
  
  
  
  
  
  
  
  - o financial incentives
  
  
  
  
  
  
  
  
  
  
  - o research and development of fuel-efficient technology

## Administration Action

1. At the time of the embargo there was considerable sentiment for legislation -- fathered by Professor Adelman at M.I.T. -- which would make the U.S. Government the sole importer of petroleum products with the hope that this market power would drive down the OPEC prices. This view was rejected as it is directly contrary to our fundamental reliance on private American firms participating in world trade. Just as we are against cartels by sellers, we are also opposed to cartels by buyers.
  - o In January, 1975, the Administration proposed performance standards for homes and buildings (now enacted) and subsequently secured the agreement of the automobile industry to establish a 40% increase in fuel mileage. The Administration is also now developing performance standards for major appliances.
  - o In January, 1975, the Administration proposed a 15% tax credit on homeowners' expenditures for insulation to save energy. That proposal has been transformed into a loan guarantee program and a HUD grant program which the Administration is now implementing for homeowners, businesses, non-profits and State and local governments. In September, 1975, The Administration proposed a \$100 billion Energy Independence Authority which, among other things, would aid through loans and other financial assistance emerging technology involving energy conservation.
  - o The President proposed last January in the 1977 budget a 60% increase -- from \$75 million to a \$120 million in budget authority\* -- for research and development of fuel-efficient technology.

\*63% increase in outlays, from \$56 million to \$91 million



o conservation pricing

o The most sensible system of "conservation pricing" is a return to free market prices. The Administration proposed such a policy in January of 1975, with a windfall profit rebate for lower income families. The Congress specifically rejected this proposal preferring to continue price controls (supported by Carter), a policy which has led to higher imports and less domestic production. In addition, the Administration has instituted peak load pricing demonstrations which will cover 24 States.

3. "Clean coal" program covering

o mining

o In September, 1975, President proposed a 33% increase in mining research and development funding -- from \$45 million to \$60 million (budget authority). In January, 1976, the Interior resumed leasing of coal (U.S. owned reserves are 40% of the Nation's total) under regulations that will both encourage development and protect the environment.

o transportation

o The Energy Independence Authority would provide assistance for the construction of needed transportation facilities such as rail beds.

o conversion of industrial plants

o In January, 1975, the Administration sought, obtained, and is actively implementing, continued authority to convert both utility and industrial users of petroleum coal. 148 orders have been issued. 109 additional cases are pending.



- o protection land, air and water
  - o protecting the health and safety of miners
4. Development of safe and renewable energy resources
- o solar
5. Formulation of proposals in partnership with State and local governments
- o Interior's new environmental regulations on coal leasing are more stringent than the State regulations in all but two of the eleven affected States. They require a mining plan, use of best practicable commercially available technology, adherence to stringent performance standards and performance of reclamation and revegetation as mining occurs.
  - o The Administration has reversed a prior policy and has appointed professional mine safety experts to all positions -- including top positions -- in the Mining Enforcement and Safety Administration (MESA). The President's 1977 budget provided a \$10 million budget authority increase, or 12% in MESA's budget.
  - o The President's 1977 budget proposed a 39% increase in budget authority<sup>7</sup> from \$115 million to \$160 million for solar energy research. The budget also included a 57% budget authority<sup>#</sup> increase from \$250 million to \$392 million -- fusion, another important inexhaustible source of energy.
  - o ERC has established an "Intergovernmental Coordinating Committee" consisting of State and local government, as well as Federal officials. In addition the FEA has established the Office of Intergovernmental, Regional and Special Programs and ERDA has established the Office of Intergovernmental Relations. All of these organizations have actively sought to ensure that development of Federal energy policy involves participation of affected State and local governments.

<sup>7</sup> 35% in outlays, from \$86 million to \$116 million.

<sup>#</sup> 36% in outlays, from \$224 million to \$304 million.



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Tough Questions for Governor Carter:

- What does he mean by "protecting the Nation against an oil embargo"? Military action? Withholding of food resources? Other forms of retaliation?
- What does he mean by "conservation pricing?" Return to free market prices? Gasoline tax? Will his proposals result in higher oil prices to force consumption down? On whom will they fall?
- Does the last sentence of his policy statement

"The heat resources of each area of the country  
will be matched with its most important needs."

imply that one area of the country is justified in adopting a deliberate policy of withholding production of energy resources to be used elsewhere in the country?

9/21

File Energy - debates

It is difficult to determine exactly what Mr. Carter has in mind with his ~~latest~~ <sup>energy</sup> scheme for reorganization. From press reports, however, it appears that at a minimum he does not understand the role of the Nuclear Regulatory Commission. The NRC was established less than two years ago in legislation signed by ~~the~~ <sup>Ford</sup> President as an independent, technically oriented, bi-partisan agency to ensure that nuclear facilities are designed, constructed and operated in such a way as to provide that maximum attention is paid to protecting the public's health and safety.

It was felt then by the President and the Congress that nuclear safety was a matter of such import that the nation could not risk even potential conflicts of interest between safety on the one hand and developmental and promotional concerns on the other. Moreover, it was felt that nuclear safety was not a matter of partisan concern and should not have its direction changed when the political winds shift. For these reasons the old Atomic Energy Commission was abolished and in its place two separate agencies were established--the Energy Research and Development Administration headed by a political appointee and responsible for all forms of energy R&D including nuclear and an independent Nuclear Regulatory Commission composed of five members, serving staggered terms, no more than three of whom could belong to the same political party.



Mr. Carter's proposal to eliminate this independent regulatory commission and to subordinate its prime mission of protecting public health and safety to a whole range of developmental and economic concerns shows either an incredibly distorted sense of priorities or else a total lack of familiarity with the issue.



## ENERGY



Carter states in his campaign literature that the "mishandling of the energy problem is a primary cause of the current economic crisis. We are the only civilized nation on earth without a national energy policy."

In a May 14, 1976 interview with the New York Times he called for a World Energy Conference under the auspices of the United Nations to "help all nations cope with common energy problems -- eliminating energy waste, and increasing energy efficiency; reconciling energy needs with environmental quality goals; and shifting away from almost total reliance upon dwindling sources of nonrenewable energy to the greatest feasible reliance on renewable sources."

### Carter's Energy Program

1. U.S. policy should include a combination of energy conservation and energy development, together with price protection for the consumer.
2. Domestic oil prices should be kept below that of O.P.E.C. oil. He opposes deregulation of the price of old oil.
3. Only natural gas not currently under contract (less than 5%) should be deregulated for a period of 5 years.
4. A 30 day reserve supply of oil should be stored. It should come from domestic and foreign sources.
5. The importation of oil should be placed under government authority.
6. Ownership of competing types energy, such as oil and coal should be illegal.
7. A single company should be restricted from owning

all phases of production and distribution of oil.

8. He would encourage mass transit to save fuel, strict efficiency standards, rigid enforcement of energy-saving speed limits, better labeling of electrical appliances, mandatory improvements in building insulation.
9. Rate structures should discourage consumption in peak periods.
10. U.S. should substantially shift its effort to the production of coal.

get to find  
savings bpd  
for P to  
rebuild.

EPA Regs  
Seq. Det.?

### Energy Independence

\*Carter doubts that the U.S. can or should become self-sufficient "is probably impractical in terms of cost and in terms of unacceptable damage to other areas, including the quality of life."

\*Carter would minimize nuclear power as potential future energy resource and concentrate on coal.

### Energy Conservation

On September 22, 1975 Carter told U.S. News and World Report that he would freeze oil imports at current levels and take steps to limit growth of energy needs to 2% a year. He would place oil imports under government authority, have the government allocate petroleum supplies, limit the growth of energy needs, but avoid new taxes on gasoline and oil.

Impact  
jobs  
GDP  
etc.

Carter stated his intention to take severe measures if

the Arab states embargo oil again.

"I would continue to import oil at least at the present level. I would let the Arab countries know that if they declare another embargo on oil shipments to us, we would consider this an economic declaration of war and would respond quickly with a boycott against them." ||

Business Week  
May 3, 1976

Natural Gas Decontrol

Speaking to the Consumer Federation of America on January 23, 1976, Carter said:

"To deregulate the price of natural gas for a brief period of time, like four or five years, and leave those existing contracts in effect, we still maintain a tight lid on the price of natural gas. It would encourage exploration for new sources."

However, as noted earlier, Carter said we should deregulate the price of only that natural gas not currently under contract (less than 5%).

Nuclear Power Development

1. Carter said that by 1990 "we'll have to have about 30% of our electric power generated by atomic means -- we can't close down atomic power as a source."

Los Angeles Times  
March 26, 1975

2. He thinks nuclear reactors are safe.

The Nation  
May 17, 1975

3. He thinks nuclear power ought to be used as a source of energy only as a last resort.

### Coal Development

"Next, I would shift toward coal as quickly as I could, using government inducements if necessary. I would increase dramatically the amount of research and development funds that go into solar energy. I would favor strong conservation measures, including mandatory efficiency of autos, better insulation of homes, changes in the rate structure of electric power companies, I would continue to use atomic power as a last priority, and with strict conservation and safety protections required. I favor the deregulation of natural gas for a limited period of time, leaving existing contracts at the lowest price levels intact."

"I favored the strict strip-mining bill that was vetoed by President Ford, with a couple of exceptions."

"I would not favor the lowering of air pollution standards."

Business Week  
May 3, 1976

### Solar Energy

Carter said the U.S. should turn more to solar energy to fill the nation's energy needs. This would provide jobs for blue collar workers according to Carter. He would shift funds from nuclear energy research and development to stimulate solar energy development.

### Vertical Divestiture

Carter told the A.P. on April 21, 1976,

"I think I'm the only Democratic candidate who hasn't called for divestiture of the oil companies. But I am concerned about adequate competition at the retail level and competition as to ownership by oil companies of coal intests."



In January, 1976 he told the Des Moines Register:

"I support restrictions on the right of a single company to own all phases of production and distribution of oil. However, support of this proposition as worded by the Energy Action Committee would make it illegal for the same company to explore for oil and then extract that oil from the ground once it was discovered. This would clearly result in tremendous price increases to the consumer."

#### Horizontal Divestiture

"...my belief is that the present movement of oil companies into any ownership of coal mines is not good for the country. I would favor divestiture to the extent that I felt it was needed to provide a continuing and very enthusiastic competition, and also to the extent that I thought it would encourage increased coal production. I think in some instances the oil companies, to hold up the price of oil and to hold up the price of coal. We've not had any increase in coal production in the last four or five years, and I think that's part of the problem, although it's not all of it."

Fortune  
May 1976

#### Environment

Carter says that where energy development and environment clash, "I would go with the environment." He has also emphasized the need to "derive maximum energy from coal while preserving environmental quality."

In his platform, Carter calls for a national policy dedicated to the protection of our environment.

"I do not believe that there is an incompatibility between economic progress and environmental quality. We should not be diverted from our cause by false

D.C



claims that the protection of our ecology and wild-life means the end to growth and a decline in jobs. This is not the case.

Carter has called upon the Democratic Party to:

-- Insure that the Army Corps of Engineers stops building unnecessary dams and public works projects harmful to the environment, and the Soil Conservation Service ends uncalled for channelization of our country's rivers and streams.

-- Hold fast against efforts to lower clean air requirements of the Clean Air Act. I support strict enforcement of the non-degradation of rapid transit systems which will help alleviate somewhat our continued and increased dependence on the automobile. ✓

-- Insist on strict enforcement of anti-water pollution laws to protect our oceans, lakes, rivers, and streams from unneeded and harmful commercial pollution, and oppose efforts to weaken the Federal Water Pollution Control Act.

-- Protect against the noise pollution which our advanced technology challenges us. I opposed development of the SST on this basis, and I also opposed granting landing rights to the Concorde.

-- Assist coastal States which bear the economic and environmental impact associated with the development of the Outer Continental Shelf. Federal officials should accept the State's recommendations regarding lease sales and development plans, unless those recommendations seriously conflict with national security.

-- Support the need for better land use planning. I favor giving planning assistance to the States if they give firm assurances that these plans will be implemented and will protect critical environmental areas.

-- Support efforts to place reasonable limits on strip mining. We must require reclamation of land as a condition for strip mining.

-- Encourage solid waste disposal. We must reduce the volume of waste created, give grants to States to improve collection service, and expand research in the solid waste disposal area.

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THE WASHINGTON POST

Wednesday, Sept. 22, 1976

Cabinet-Level Department

# Carter Asks Energy Reshuffle

By Helen Dewar

Washington Post Staff Writer

PLAINS, Ga., Sept. 21—Jimmy Carter proposed consolidation of about 20 existing energy offices into a Cabinet-level department of energy today as an example of how he would reorganize the federal government if he's elected President.

In his first attempt to spell out details of the massive bureaucratic overhaul that he promised from the start of his campaign, Carter said he would abolish sev-

velopment Administration, and Energy Resources Council.

Their functions would be taken over by the new department, along with energy-related responsibilities of the Departments of Treasury and Commerce, Securities and Exchange Commission, Interstate Commerce Commission and Nuclear Regulatory Commission.

The new department, which would be the 12th with Cabinet status if its creation were approved by Congress, would take over major energy regulatory responsibilities now held by quasi-judicial inde-

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7URGENT

7BY LAWRENCE L. KNUTSON

7ASSOCIATED PRESS WRITER

PLAINS, GA. (AP) - JIMMY CARTER TODAY PROPOSED ABOLISHING FOUR FEDERAL AGENCIES DEALING WITH ENERGY POLICY AND REPLACING THEM WITH A NEW CABINET-LEVEL ENERGY DEPARTMENT.

THE PROPOSAL IS THE FIRST DETAILED EXPLANATION OF HOW THE DEMOCRATIC PRESIDENTIAL CANDIDATE WOULD REORGANIZE ONE DIVISION OF THE GOVERNMENT'S BUREAUCRACY; A MAJOR THEME OF HIS CAMPAIGN SINCE THE EARLY PRIMARIES.

CARTER SAID HE WOULD ABOLISH THE FEDERAL ENERGY ADMINISTRATION; THE FEDERAL POWER COMMISSION; THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION AND THE ENERGY RESOURCES COUNCIL.

AT THE SAME TIME; HE SAID HE WOULD ELIMINATE THE ENERGY-RELATED FUNCTIONS OF THE DEPARTMENTS OF COMMERCE AND TREASURY; AS WELL AS THE SECURITIES AND EXCHANGE COMMISSION; THE INTERSTATE COMMERCE COMMISSION AND THE NUCLEAR REGULATORY COMMISSION. ALL WOULD BE COMBINED IN A NEW CABINET DEPARTMENT.

"THEIR COMBINED MISSIONS WILL BE CARRIED OUT BY THE DEPARTMENT; ELIMINATING IN THE PROCESS THE OVERLAP; DUPLICATION AND INCONSISTENCY OF OUR PRESENT STRUCTURE;" CARTER SAID.

THE STATEMENT WAS ISSUED FROM CARTER'S HEADQUARTERS IN PLAINS WHERE HE IS PREPARING FOR THURSDAY NIGHT'S TELEVISED DEBATE IN PHILADELPHIA WITH PRESIDENT FORD; AND RESTING UP FROM AN ALL-DAY WHISTLESTOP CAMPAIGN TOUR FROM NEW YORK TO PITTSBURGH ON MONDAY.

IN HIS STATEMENT; CARTER SAID THE PRESIDENT HAS DONE NOTHING TO FORMULATE A COMPREHENSIVE; FORWARD-LOOKING ENERGY POLICY OR TO STRAIGHTEN OUT WHAT HE CALLED THE CURRENT "JUMBLE" OF ENERGY-RELATED AGENCIES.

HE SAID THEY HAVE BECOME SO OVERLAPPED IN THEIR AUTHORITY AND RESPONSIBILITY THAT A CLASSIC BUREAUCRATIC MESS HAS RESULTED.

CARTER PROPOSED COMBINING IN A NEW ENERGY DEPARTMENT "ALL CURRENT OFFICES OR AGENCIES THAT PRESENTLY PERFORM THE ENERGY FUNCTIONS OF POLICY AND ANALYSIS; CONSERVATION; RESEARCH AND DEVELOPMENT; DATA COLLECTION AND ECONOMIC REGULATION OF OIL; GAS; UTILITIES AND PIPELINES.

RATHER THAN CREATING AN EFFECTIVE STRUCTURE TO MANAGE THE ENERGY PROBLEM; HE SAID; PRESIDENT FORD HAS ALLOWED NEW ENERGY AGENCIES TO SPREAD THROUGHOUT THE GOVERNMENT. HE SAID NONE OF THEM ARE OPERATING UNDER THE GUIDELINES OF A COHERENT POLICY.

"AS PRESIDENT I WILL GIVE THE DEVELOPMENT OF A COHERENT ENERGY POLICY; AND THE CREATION OF A GOVERNMENT ORGANIZATION THAT CAN PUT IT INTO EFFECT; THE HIGHEST PRIORITY;" CARTER SAID.

"WHAT IS NEEDED IS ORGANIZATION; NOT CONTINUED CHAOS AND LEADERSHIP; NOT THE PASSIVITY OF THE PAST TWO YEARS;" CARTER SAID.

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ENERGY



How we deal with our energy problems says a lot about our national character now -- and will determine what kind of country we will become. We must face up to this tough complex of problems now so that our children will have the basic tools that we have taken for granted to keep on building a better America.

The energy policy of my Administration is based on three principles: First, we must recognize that the problem is real. To run our businesses, cool, heat and light our homes, and move our cars, takes energy. But today, most of that energy comes from non-renewable natural resources -- coal, oil and natural gas. In addition, an ever-increasing share of those sources are being supplied from overseas. The status quo is intolerable; we continue it at our peril.

Second, we must therefore move forward to increase our domestic supplies and to be more efficient in our use of energy. There is no substitute in the next few years to using our natural resources. I have therefore pressed for greater mining of our most abundant domestic resource -- coal. I have ordered accelerated development of the vast oil and gas reserves that lie off our shores, and I have proposed fair market pricing for new natural gas and oil to provide the incentives needed for all-out development by our private sector.

Third, we must plan and begin to implement now our reliance on new renewable and non-polluting energy sources for years ahead. In the future, we must have more nuclear power, including fusion, solar energy, perhaps even wind and ocean tides. To bring these dreams to reality, I have increased our federal research and development budget % and proposed a federal financing authority to bring these new technologies to the marketplace.

Recognize our problems; increase production and improve conservation in the near term; full commitment of our technology to new sources of energy for the future. That's my plan and my promise. With the cooperation of the Congress and the commitment of our people, we will turn these problems into an opportunity for America to point the way for mankind into the next century.



Q. It seems to me your Administration has been defending big oil companies and higher prices. Why?

A. That simply is not correct. There are those who would demagogue the issue of petroleum industry organization without in any way examining the real causes or needed solutions to our energy difficulties. Those same people would try to convince the American people that there is a cheap and easy way out of our energy difficulties.

My Administration has simply attempted to lay the hard, cold facts on the table so that we could get on with a realistic solution.

We have not only dealt with all of the issues related to the conservation and production of American energy -- we spent a considerable amount of time working internationally so as to create a climate in the Mideast which has reduced the possibility of political embargo and encouraged responsible attitudes on the part of those in oil producing countries which have resisted price increases by OPEC in the last year.

Zarb  
9/17/76

- Q. You have been in office for two years, and we still don't have a national energy policy. Have you failed in the energy area?
- A. In my first State of the Union Address, I laid before the American people a comprehensive program that would make this Nation free from the threat of embargo and substantially more self-sufficient in energy by 1985.

Although I've had to deal with a Congress that seems to more often consider their own short-term political benefits more important than the long-term welfare of our people, after a year and a half they have begun to act on my proposals. We now have just about one-half of the program that I proposed in January 1975.

The program provided for measures which would substantially decrease our consumption of energy and increase the production of U.S. energy. This is not only important from a national security standpoint, but it's important in my mind to put Americans to work producing American energy rather than transferring American dollars to oil producing countries for the benefit of their people. I'm delighted to see that Congress now is coming around to my proposals, and I'm confident that next year we'll be able to get the Congress to complete the necessary action.



Zarb  
9/17/76