

## Signs Of Pro-Growth Feistiness From Oil Industry, Citibank

The statements on behalf of unhindered economic growth at the White House's recent policy conference were matched by statements and actions by America's oil industry and at least one major bank heavily involved in energy financing:

\* Citibank economists complained that the production goals of the Carter coal plan will not be obtained, given the Administration's present obstruction of the development of the Western U.S. coal reserves.

\* The oil industry has won three court battles in the last two weeks against Schlesinger's Department of Energy, which has been seeking to extend its regulatory powers over all aspects of U.S. oil and gas production. The latest defeat for the DOE was in a court case regarding the classifications of stripper-well leases.

Nevertheless, Schlesinger and Secretary of the Interior Cecil Andrus successfully struck back at the oil

companies by sabotaging the scheduled lease-sale last week of offshore oil tracts in the Georges Bank of Massachusetts, with an assist from the Massachusetts political machine of the Anglophile Kennedy family. What happened, in brief, is the following. A judge in Massachusetts connected to the Kennedy machine successfully obtained a court stay on the lease-sale. Secretary Andrus, who could have circumvented this court stay, chose not to. He instead cancelled the sale, consistent with his attempt to dismantle Western agribusiness during 1977.

According to one press account, Andrus sabotaged the Georges Bank sale to obtain blackmail leverage to reverse the setback he received in the House of Representatives last week. The House several days ago voted to limit the Department of the Interior's ability to interfere with the offshore bidding process — by limiting its ability to change procedures for bidding.

In riposte, Sen. Kennedy, his Massachusetts henchmen, and Andrus resolved to use their stranglehold on the Georges Bank Leases to force Congress to reverse the House vote last week.

## Carter Administration Fracturing On Nuclear Export Policy

Major fissures are developing within the Carter Administration over the question of a nuclear exports policy.

The first crack came at the Feb. 1 hearings of the Senate Finance Committee's Subcommittee on In-

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### THE ADMINISTRATION

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ternational Trade, where Special Trade Negotiator Robert Strauss stated his concern that nuclear exports not be hindered.

The next day, the Senate began its debate on the nuclear nonproliferation bill — a bill written by Senators Charles Percy (R-Ill.) and John Glenn (D-Ohio) which would, if passed, cripple U.S. nuclear exports. At the hearings, Senator McClure (R-Idaho) used Strauss' statements to come out against any bill that would effectively mean a mandate against nuclear exports.

Up to this point, the Administration had privately indicated support for the bill. Moreover, President Carter and Energy Secretary Schlesinger have demanded stringent controls on the export of U.S. nuclear technology.

But now, declared one prominent Senator, "The Administration is split on the issue of the nonproliferation bill." He indicated that particularly the State Department, which is under tremendous international pressure, is beginning to support a nuclear export policy.

### Strauss Splits With Administration Over Nuclear Exports Policy

*At hearings Feb. 1 in the Senate Finance Committee's subcommittee on International Trade, Sen. Clifford Hansen (R-Wyo.) fired a round of questions at Strauss about the Administration's nuclear export policy. Strauss made clear, without openly attacking Carter, that he agreed with Hansen.*

*Hansen:* I was glad to hear you mention in your statement the Japanese interest in importing nuclear fuels and equipment from the United States. (He mentioned figures about man-years of jobs and billions of dollars that come from the export of a nuclear plant.) Is this statement of yours representative of high-level interest in the Administration about nuclear exports?

*Strauss:* The topic of nuclear exports to Japan came up specifically in a personal meeting with Japanese trade negotiator Ushiba. The Japanese are very interested in purchasing nuclear equipment and fuels from us. There are those who think we shouldn't be exporting nuclear materials and technology. Well, other nations are going to buy it, and it might as well be bought here and not from the Japanese or the Germans.

*Hansen:* I appreciate the philosophy of the President's desire to curb nuclear nonproliferation, but I think the

train has already left the station, and we cannot stop it. I think the question of nuclear exports is the ideal place to try to address our trade imbalance. What is your view of the nonproliferation bill, S.897? Do you think the U.S. should be a reliable and predictable supplier?

*Strauss:* I cannot make any comment on S. 897 per se, but I will take a closer look at it.

*Hansen:* I understand that there is a round of talks scheduled with the Japanese for October around the renewal (or expansion) of certain nuclear exports from the U.S. What would be the impact on these negotiations of a moratorium on nuclear exports, either generally or specifically to Japan?

*Strauss:* I think the question answers itself. It would have an extremely adverse impact.

*Hansen:* The President's Council on Environmental Quality (CEQ) has proposed the internationalization of environmental impact statements, that is for all nuclear exports. This would cause a defacto moratorium on nuclear exports and on related Eximbank financing. What is your view of this?

*Strauss:* These are serious concerns. The CEQ proposals are only preliminary. I intend to monitor this situation and to be heard forcefully in this situation. I have serious reservations on anything which will impede our ability to do business in this area. We do not need any unnecessary barriers to trade.

*Hansen:* Making an environmental impact statement a prerequisite for the export of materials are issues of serious foreign policy concern. It has to do with the sovereignty of foreign countries. We have no business involving ourselves in this.

The Japanese want to precede to buy tools and equipment from the U.S. I think S. 897 will prohibit the flexibility in doing this. We are headed in the wrong direction.

*Ribicoff, Chairman of the Subcommittee:* I am a bit concerned here. I am all for selling nuclear plants

abroad, but not in giving the Japanese the ability to reprocess and get weapons grade plutonium to blow the globe up in a nuclear holocaust, certainly not after their experience in Hiroshima. And I am against anyone, that includes General Electric, which is headquartered in my state, selling reprocessing equipment so someone can make weapons-grade plutonium. Mr. Strauss, your response on S. 897 was entirely proper. At the heart of this is universal survival. I am against reprocessing of weapons-grade plutonium...

### Japan: Market For Nuclear Technology

*The following is from the Wall Street Journal's Feb. 2 coverage of Special Trade Negotiator Strauss's testimony before the Senate Subcommittee on international trade.*

Japan could be a \$2 billion market for U.S.-made nuclear equipment, Special Trade Representative Robert Strauss told the Senate Finance Committee.

The top trade official also said that his office is studying whether to introduce steel into the multilateral trade negotiations going on in Geneva.

Mr. Strauss told the committee that the Japanese government has formed a number of joint industry groups to explore the purchase of citrus and forest products, beef, and nuclear machinery from the U.S. He said he believed the nuclear group, formed in the wake of recent U.S.-Japanese negotiations, will lead to "substantial purchases of nuclear powerplant equipment."

He said a 50-member Japanese team will visit the U.S. in March to explore nuclear-equipment purchases.

Nuclear equipment "is something they can purchase from us," Mr. Strauss said. "I think we're talking about \$2 billion in potential purchases," he added...