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POINTS OF VIEW

An Uneasy Policy in Energy

By AMITAI ETZIONI

Oddly, President-elect Carter's promise for a strong energy policy—which we surely need—may be our next Vietnam. As the war in southeast Asia escalated, its annual costs were on the order of a roughly estimated $25 billion. For years, while the war was not going well in Southeast Asia, it fared much better in Washington. Time and again it won, hands down, the contest for additional appropriations. leaving shortchanged scores of domestic programs. It became one reason many Great Society reforms did not take off.

The costs of a "strong" drive to develop new energy resources cannot be accurately anticipated. But the magnitude involved can be estimated by looking at the price tag for Nelson Rockefeller's suggestion to set up an energy development corporation: $100 billion. Estimates for a full-blown 10-year drive—widely regarded as needed to proceed from research via development to putting in place major new technologies—range from $597 billion (National Academy of Engineering) to $628 billion (National Petrolenm Council) to $700 billion (Robert Hollander, Federal Reserve Board), or an average annual cost of $60 to $70 billion.

We also know that, once such a development drive is vigorously launched, it will tend to generate forces that will propel it to higher levels of expenditures. Unlike human services, such as education, health and welfare, energy development is a hardware business, appealing to large corporations and the research-and-development community, the people who parlayed American visits to the moon into a cool $25 billion for project Apollo alone, and who are always anxious to build more bombers, missiles and submarines—whether we need them or not. Surely energy development will be said to produce jobs and thus have the labor unions cheering it on.

In addition, it will be easier to sell development of new energy resources to the public than programs aimed at serving many of our social needs, such as the introduction of national health insurance, negative income tax, public support for low cost housing and a Marshall Plan of for cities. Energy development will be depicted—it already is—as patriotic, important to national security (for example, it will free us from foreign blackmail) and as serving all Americans, while the social programs tend to work more for the have-nots than the privileged.

Above all, it will be argued, we can have both. But even if the Carter Administration will be able to stimulate the economy to run on a significantly higher level, without inflaming inflation to the point where it will eat up much of the new gain — the new, publicly available resources of the next years will *not* suffice to advance on both fronts adequately.

In the public mind we are a rich nation and have a giant Federal budget. Often unnoted is the fact that much of the budget is already committed for the coming years, whether legally (for example, interest payments on the national debt) or politically (for example, benefits to G.I.'s). The main sources for new programs are new tax revenues and the those relatively few now committed which can be realloted. While any attempt to assess this figure accurately is likely to be off the mark, past experience suggests that they will almost surely be below 20 percent of the Federal budget: for example, $70 billion—about what energy development alone will cost!

While a full blown energy-development drive could exhaust the Federal "surplus" (which some estimates, for example by the authoritative Brookings Institution, put quite a bit below $70 billion a year), even a less ambitious but still high level effort is likely to impose severe limits on new efforts on the social front.

The way to protect the badly needed social reforms is to lean much more on energy conservation measures and go slow on energy development. These measures might include retrofitting houses, factories and public institutions to make them less energy wasteful; a tax on autos by weight to encourage the use of smaller cars; allowing the price of gas and electricity to rise; improvement of mass transit by introducing a penny-a-gallon tax on gas, as John Sawhill suggested; making new appliances less wasteful; etc.

Eric Hirst of the Oak Ridge National Laboratory calculated that a vigorous conservation program could reduce energy-use growth to almost zero through the year 2000. After all, West Germany and Sweden are doing quite nicely using about half the energy per person that we use. The Swiss use one-third as much.

Structurally, such a policy would be weakened by introducing an energy department and a czar gung-ho on development, while leaving energy conservation as the business of an environmental protection department would help to balance a development agency.

Significantly, Ralph Nader, the consumer advocate, has suggested that environmental groups might oppose a single Federal department for energy because it might give too much power to James R. Schlesinger, President-elect Carter's new energy coordinator. Mr. Nader charged that Mr. Schlesinger has favored energy development and has paid little attention to energy conservation. A popular assumption in Washington is that Mr. Schlesinger eventually will head a cabinet-level energy department.

As if in direct response to the critics, Mr. Carter said less than two weeks ago that Mr. Schlesinger's "No. 1 priority will be to conserve energy." Nevertheless, fears remain that the energy development efforts undertaken in the past two administrations have already built up too much momentum to be abandoned easily.

Aside from securing resources for overdue reforms, energy conservation can be introduced much more quickly than energy development (for example, tax on autos and gas can be raised immediately); will reduce our dependence on foreigners as much as energy development, only more rapidly; entails a reduction in pollution—instead of an increase; will prevent the mountainous waste that crash development programs entail by allowing us to advance relatively inexpensive research before large-scale implementation is undertaken; above all, will keep our minds on the needs of a quality-of-life, humane and just society instead of a rededication to the needs of the industrial machinery.

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