

## NEWS ANALYSIS

# Carter energy plan: higher prices key

**W**ASHINGTON By Bethany Weidner When James Schlesinger came to the Senate in May to defend President Carter's energy package he began with a bold flourish from Winston Churchill: "Make no small plans. They have an auspice to stir the souls of men." To follow that with a description of the administrative trivia that goes by the name of an energy policy these days must have taxed even Mr. Schlesinger's powers to inflame appearances.

Then, and the very unmagical processes of Congress have revealed the Carter plan to be an arbitrary collection of proposals hanging from the same thread that hung President Ford's energy policy—higher prices.

Unhappily, however, the fact that Ford was a Republican with a Democratic Congress was what hung the Ford policy—not its contents. The party label, while not a guarantee of success, does give Carter the edge over his predecessor.

When it comes right down to it, however, there is relatively little that Congress can do about the thrust of federal energy policy. Carter's package does little more than embellish policies that are already in place. It presents few new directions. Congressional actions will affect individual situations, but they will not change the basic thrust. Even if Congress were to scuttle the whole thing, existing funding and authorization permit the adoption of the main outlines of the plan.

## Raising the price.

The cornerstone of the Carter plan is the raising of the price of existing fuels to the highest replacement cost—in this case that of imported oil. The catch is that this price has nothing to do with production costs, either in the Middle East or in the U.S.

Over the next 10 or 20 years high energy prices will protect the profits of the energy companies as they deplete their cheap reserves. They can thus market their very high cost oil and gas alongside older, cheaper production, making a tidy profit on both.

At the same time, the "replacement" price concept serves as a floor to enable the big conglomerates to develop capital intensive alternatives like transforming coal into gas or intensified oil extraction—that would otherwise be far too costly to compete with existing oil and gas companies. (As if the high prices weren't enough, the companies benefit from direct federal subsidies for research and development from the Energy Research and Development Administration—some \$500 million for coal-related research alone in Fiscal Year 77, not to mention another \$2 billion in continued subsidies for nuclear research, demonstration and development.)

Using the ability to pay high prices as the means to determine who gets how much energy also ensures that those corporations who can easiest afford to pay higher prices will be the most secure in their supply, reducing possible dangers from future "shortages."

## Conservation not addressed.

The conservation components of the Pres-

ident's plan which both left and right have been at such great pains to applaud, are not substantial. These proposals would merely ease immediate tight supply situations in the same way that a fat man starves on the day of a big event in order to ease the belt on his good trousers without losing weight. It takes the edge off the pressure for real change.

Assessments by at least three legislative agencies indicate that Carter overestimated—by a million barrels of oil per day—the saving associated with his initiatives in insulation, solar equipment, tax credits to industry, and penalties for gas guzzlers. Current consumption is the equivalent of 30 million barrels per day.

More to the point, however, the waste Carter has targeted represents negligible overflow from the way we do things. Real waste in areas like fertilizer-intensive agriculture, petrochemical production, packaging, planned obsolescence is not addressed.

The Carter package, in the form of the Energy Bill, has been referred to seven committees in the House of Representatives and two in the Senate. The House's tight timetable calls for final action before the summer recess begins on August 5.

The Senate Energy Committee intends to consider the sections on natural gas pricing, conservation measures and substitution of coal for oil and gas over the next month. But the Senate Finance committee must wait to begin its deliberations until the House sends over the taxation portions of the bill, which will make it at least October before final passage of the bill would occur.

If the actions of the House committees so far are any guide, natural gas prices will be higher than the President proposed, taxes on crude oil produced in this country will remain, and the tax on gas guzzling cars will exist in name only. (Ways and Means committee members compromised on a definition that leaves only the Chrysler Imperial in the guzzler category.)

The complex schedule of taxes that Carter hoped would motivate companies to switch to coal or install more efficient equipment has been watered down. Tax credits for homeowners who install insulation, solar equipment or other conservation measures have been criticized as ineffective, but have been retained.

## Confrontations to come over bill.

Major confrontations could still occur over whether to achieve higher prices through stiff taxation (as the President proposes), or to do so by ending federal regulation and allowing all oil and gas prices to rise to the level set by OPEC.

The President proposed to retain the regulation of natural gas and oil, but on a new basis unrelated to costs of production. He would also have given his new energy secretary power to set the price of gas and oil on a "political" basis at his own discretion.

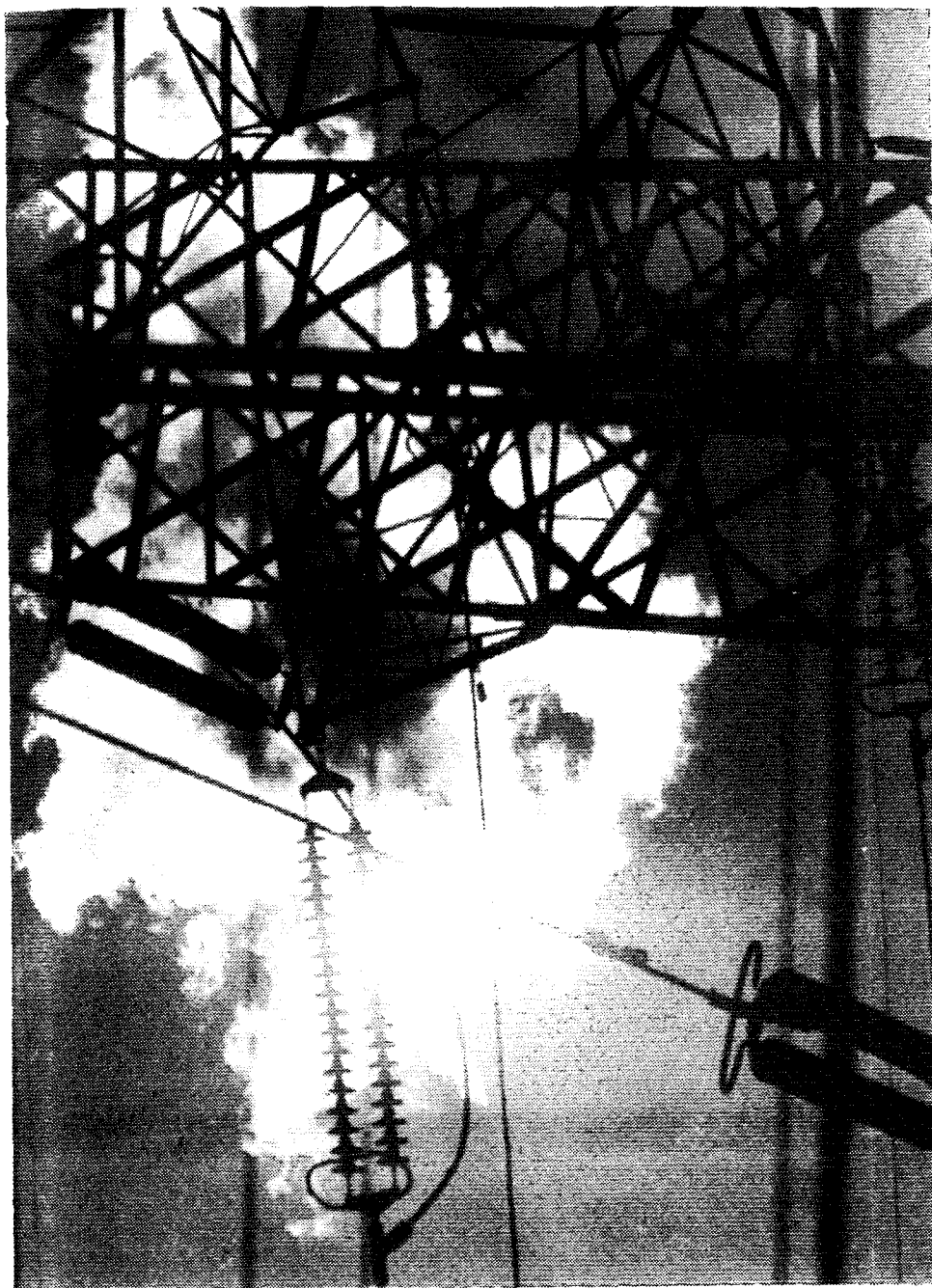
Congress modified this power when it passed the Department of Energy bill last May, but Carter has been lobbying to get it back when the two Houses meet to re-

## NAACP's major thrust.

The major priority of the NAACP has been pursuing school desegregation through slow, grinding litigation. But under the Burger court, this will meet with even more limited success. And, even if achieved, the NAACP and its allies are hard put to demonstrate the long term value of "statistical-formula" desegregation in which a judge orders the percentage of white and black students to attend a school.

Further, whatever the outcome and value of pursuing desegregation, the vast majority of black school children in cities, towns and villages across the country will never be touched because they will always attend predominantly or all-black schools.

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Jane Melnick

concile differences in conference.

For oil the major question will be whether to retain taxes on crude oil now selling for three different prices—\$5.25, \$11.28 and about \$13.50. Carter proposed an ascending tax to equalize these prices at the OPEC level, so refiners would all pay the same price for their crude oil, no matter where it came from. But the energy companies would rather not have a tax and get the money from higher prices themselves.

The Senate Finance committee, which will decide this, works under the guidance of Sen. Russell Long of Louisiana, a gentleman with a long-standing (and high-yielding) interest in the oil business.

A proposal to allow companies to keep some of the tax they collect (it would amount to at least \$8 on a barrel of \$5.25 oil) if they use it for further exploration was defeated in the House Ways and Means committee, and an amendment by Andrew Jacobs (D-IN) to use the revenues to pay off part of the national debt was adopted in its stead.

## Already policy.

But the major lines of the energy policy will remain the same—even if Congress were to take the unlikely step of rejecting

This leaves the vast majority untouched by the NAACP's major thrust—now and in the future.

So are the major problems of black people untouched by the preeminent civil rights organization. The NAACP has never seriously addressed the problems of prison conditions or of young blacks struggling for existence and dignity once they get out of the "joint." As serious and structural as the problem of high unemployment is among young blacks, 16-21, the NAACP and its allies have no program except to advocate passage of the Humphrey/Hawkins full employment bill.

The liberation struggle needs more than

the Carter plan in its entirety.

Prices for oil would increase by virtue of existing legislation, and decontrol could occur, by law, in April of 1979.

Natural gas prices went from \$.56 to \$1.44 last year, and the Federal Power Commission is working on a higher price at this very moment. The Department of Transportation is preparing new standards for auto "fleet" efficiency for 1980.

The recently created Department of Energy puts the authority for pricing oil and gas into the hands of the Secretary of Energy—and he will no longer need legislation to establish prices in fulfillment of his policy aims.

The Energy Research and Development Administration budget contains \$4 billion for this year alone, and most of it goes to fossil fuel research and development, research into methods of getting more oil from old reservoirs, and nuclear power (\$2 billion). \$161 million is devoted to conservation, and a total of \$345 million to solar and geothermal research. The rest is for traditional fuels and nuclear fission and fusion.

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a reformed NAACP. It needs energizing forces that will look and act beyond its limited vision. New energy will probably come from some of the black elected officials who are growing in numbers—if not always in power. What the struggle needs is a "dual thrust"—from the liberals who are comfortable within the NAACP or Urban League, and from progressives and socialists determined to push further and harder for more basic change. At the moment, there is only discernible national action by the liberals.

Being alone among national civil rights organizations is a source of Ben Hooks' delight. For the rest of us, it should be taken as a warning.

# NAACP

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the cities. Indeed, there is ominous quiet all along the left.

In the absence of a challenge from the left, the NAACP fills the void, and then proclaims its prominence because it is all that remains of the old alliances of the 1960s. NAACP went out of business years ago; CORE is barely a shell of its old self; the SCLC is hanging on, though only in a few cities in the South and one or two in the North.

## THE LAW

# Wide support for heroin program

By Mark Schwartz  
Pacific News Service

**S**AN FRANCISCO—Legitimize heroin? Pass it out free?

Outrageous ideas. Or so it seemed to most of the nation's police and narcotics policy makers.

But now, after 50 years of strict heroin prohibition and an estimated addict population of a half million, a growing number of American doctors, judges and even some police are proposing establishment of "heroin maintenance centers" as a technique for cracking the cycle of drug addiction and crime.

Support for such experimental clinics has come from Consumer's Union, the National League of Cities, the Drug Abuse Council and committees of the National District Attorney's Association and the American Bar Association.

Heroin maintenance, which is the cornerstone of drug control policy in Britain, has caught the attention of policy makers for several reasons:

- sharply escalating urban crime rates including theft and personal violence;
- dramatic increases in the use of narcotics since the mid-1960s, coupled with failure in traditional enforcement and treatment programs;
- the relative success of the British system; and
- the record of corrupt and illegal practices by both local and federal narcotics agencies.

Dr. Peter Bourne, President Carter's special assistant on drug abuse, has opened the door to heroin maintenance projects. Speaking in San Francisco at the annual conference of the Ford Foundation's Drug Abuse Council, Bourne declared such proposals "will get the same kind of consideration as any other scientific proposal."

Bourne's statement also opened the door to a storm of controversy from the top of America's drug control establishment all the way down to neighborhood

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treatment clinics in such cities as New York, Detroit and Oakland.

## Underworld maintenance program.

Richard Hatcher, the black mayor of Gary, Ind., is one of the leading proponents of heroin maintenance experiments. Last year he chaired the National League of Cities committee that endorsed such experiments.

"Look, we've spent \$3 billion a year on drug abuse and what we have to show for it is a half million addicts and maybe two million users," Hatcher argues. "In effect there already is a heroin maintenance program—and it's being operated by the underworld as opposed to the government."

"The only way to find out if heroin maintenance would help," he says, "is by trying tightly controlled small experiments."

Even more outspoken is San Francisco Superior Court Judge Francis McCarty, an 18-year veteran of the bench. "We have between 7,500 and 20,000 heroin users in this city," McCarty says.

"We figure, conservatively, that at least 60 percent of the criminal calendar is drug related. Heroin maintenance would knock out 90 percent of the black market, especially if high quality heroin were available."

The sort of program McCarty favors

would first legalize heroin, then administer it in government-controlled clinics to registered addicts free or at a few cents a dose, thereby undercutting the profit in black market heroin.

Although there have been no heroin maintenance clinics in America since the 1920s, the federal government did institute controversial methadone maintenance projects of the late 1960s.

In 1969 the federal government spent \$46 million on methadone and other drug treatment programs. By 1976 the budget had increased ten-fold.

It is partially because methadone maintenance has had so little impact on drug addiction, however, that a strong opposition has emerged against any legalized heroin projects.

## Community opposition.

Surprisingly, some of the staunchest resistance has come not from local police—where it might be expected—but instead from community groups and drug counseling programs.

"A band-aid solution" designed to "pacify people" is how Amos Henix, founder of New York's Reality House detoxification project described the new proposals. An ex-addict himself, Henix adamantly opposes any scheme to provide heroin to junkies. And, he says, his neighbors in Harlem are just as determined.

"If I can believe what I've been told, the people are going to blow them up if the government tries to put any clinics here. The people have had it as far as these band-aid solutions are concerned. If they think they're going to put one in our community, they better think again."

Nancy Jo Albers, who works in Oakland, Calif., as the Alameda County Drug Co-ordinator, believes "setting up a heroin maintenance program would be one of the deadliest things that could happen." Albers, whose background is in local community work, insists that "the government should not be involved in narcotizing the public."

A committee of the Michigan legislature is holding hearings this month on a bill proposing establishment of a state-run experimental maintenance program.

Detroit's Recorder's Court Judge Justin Ravitz, who made his reputation working with militant black union organizers in the late '60s, regards the proposed system as a clever maneuver to "cool out the cities."

"It seems to me that in Detroit and other big cities we're reaching the point where community impatience over jobs and basic social problems might not be held back any longer. Heroin maintenance, on the other hand, is part and parcel of the whole repressive approach to urban problems in America. Those who call for more cops, bigger prisons, stiffer sentences, even death penalties are really in bed with the people who propose heroin maintenance."

"We would be forfeiting the struggle over the real issues if we paralyze half a

million people with heroin and accept the government as pusher," Ravitz maintains.

## Fear of crime behind push.

Gary's Mayor Hatcher admits that the major reason the National League of Cities endorsed heroin maintenance projects is that "they were convinced it could help control crime"—a concern expressed most loudly not in the ghetto but in the middle class and commercial districts of the cities.

"Sure, at some point we've got to quit kidding ourselves," he said. "Of course people don't use drugs just because they like them. Eventually we've got to ask what kind of society is this that produces a half million addicts. But I can't be as cavalier as Judge Ravitz about the crime problem right now."

Frustration with the mounting crime problem was the key to a San Diego County grand jury's recommendation last August to establish a network of county-run clinics for free heroin distribution to registered addicts.

The San Diego grand jury denounced expansion of the county's \$8 million methadone detoxification program as "a contemptuous and unnecessary expenditure of public funds."

Crime control is central to the new federal interest in legalized heroin maintenance. Wesley Pomeroy, who left the Berkeley police department to join Peter Bourne as associate director of the White House Drug Abuse Policy office, wants police out of drug control completely. Declaring a drug illegal, he argues, only drives up the price on the black market.

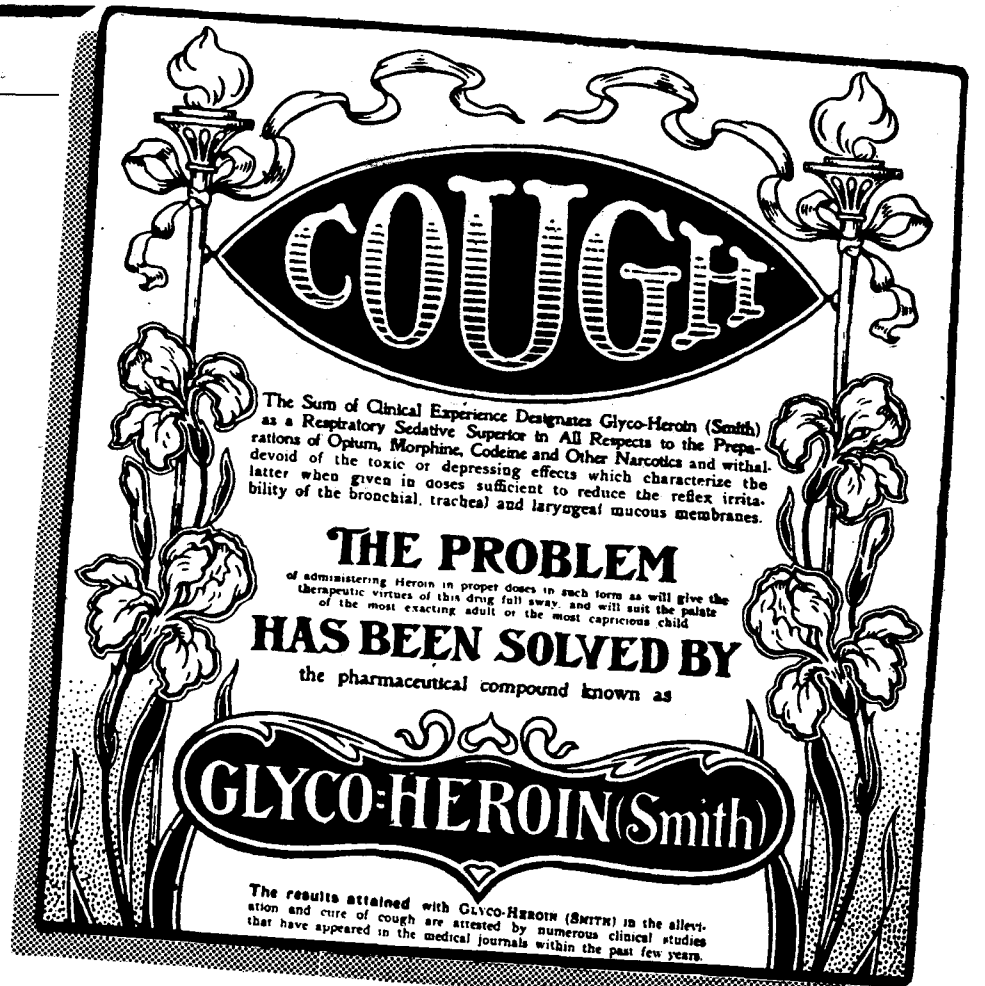
Pomeroy's argument flies in the face of most law enforcement sentiment. Peter Bensinger, director of the Federal Drug Enforcement Administration, believes legalization experiments would only increase the demand for drugs and give the "wrong signal to the American people."

California Attorney General Evelle Younger declared recently that heroin maintenance "would be a disaster in the U.S." And Los Angeles police chief Ed Davis dismisses it as "just like giving booze to an alcoholic." Both Davis and Younger are Republican candidates for governor.

So far, however, the momentum appears to lie with some form of heroin maintenance, and the bets among Washington policy makers are that initial experiments will begin within the next two years.

"The opponents say heroin maintenance won't work," sighs San Francisco's Judge McCarty. "They say it won't stop the black market, that it won't stop addiction. Well, I don't like negative thinking. Try it! If after two or three years it doesn't work, we'll make modifications. But we just can't sit back and do nothing with the intolerable situation we're in now."

Mark Schwartz is a free lance writer and former radio and TV reporter specializing in criminal justice issues.



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