

High cost of 'self-sufficiency'

A muddle over providing energy

By Casey Bukro

PROJECT INDEPENDENCE sounds like a winner.

It was a public relations man's dream from the moment last November when Richard Nixon asked Americans to pledge "that by 1980 under Project Independence we shall be able to meet America's energy needs from America's own energy resources."

Spunk. Patriotism. National security. Noble purpose. A seemingly easy way out of the energy crisis. Even a trace of nose-thumbing at those Arabs for daring to cut the oil flow to the United States.

Project Independence ranks with such ambitious national crusades as the Manhattan project which developed the atomic bomb and the Apollo program which put a man on the moon. It often is compared with them.

Now, nine months after the energy self-sufficiency idea was begun, it's tough to get anybody in Washington to agree on what it means, how to achieve it, or whether we really want it.

"WE SHOULD ask if we want to be self-sufficient," said Frank Ikard.

As president of the American Petroleum Institute in Washington, Ikard is chief spokesman for the oil industry and a key figure in any success Project Independence might have.

"I doubt that we can be self-sufficient by 1980; it is not a practical date," says Ikard. "I don't think it is worth the cost to be more than 80 to 85 per cent self-sufficient."

The meaning of energy self-sufficiency gets fuzzier with each attempt by Washington officials to explain it.

"It means that we demonstrate to the world that we can be self-sufficient by 1980," said John Sawhill, chief of the Federal Energy Administration. "Just because you can demonstrate self-sufficiency does not mean you stop importing."

Still other officials interpret Nixon's words literally to mean that 100 per cent of America's energy needs by 1980 will be supplied from American shores. That means no energy imports.

PREDICTABLY, WHENEVER Washington proposals become too muddled to understand or when a grand plan appears to be in danger of being poked full of holes, the rush is on to shift final responsibility for Project Independence onto the American people. Whatever happens now can be blamed on "a public mandate."

Project Independence hearings will be held in 10 cities around the nation. They began Tuesday and will continue until Oct. 10. The hearings will be held in Chicago Sept. 9-13 in the Conrad Hilton Hotel.

The results will be incorporated in the final blueprint for U. S. energy independence and presented to the President on November 1.

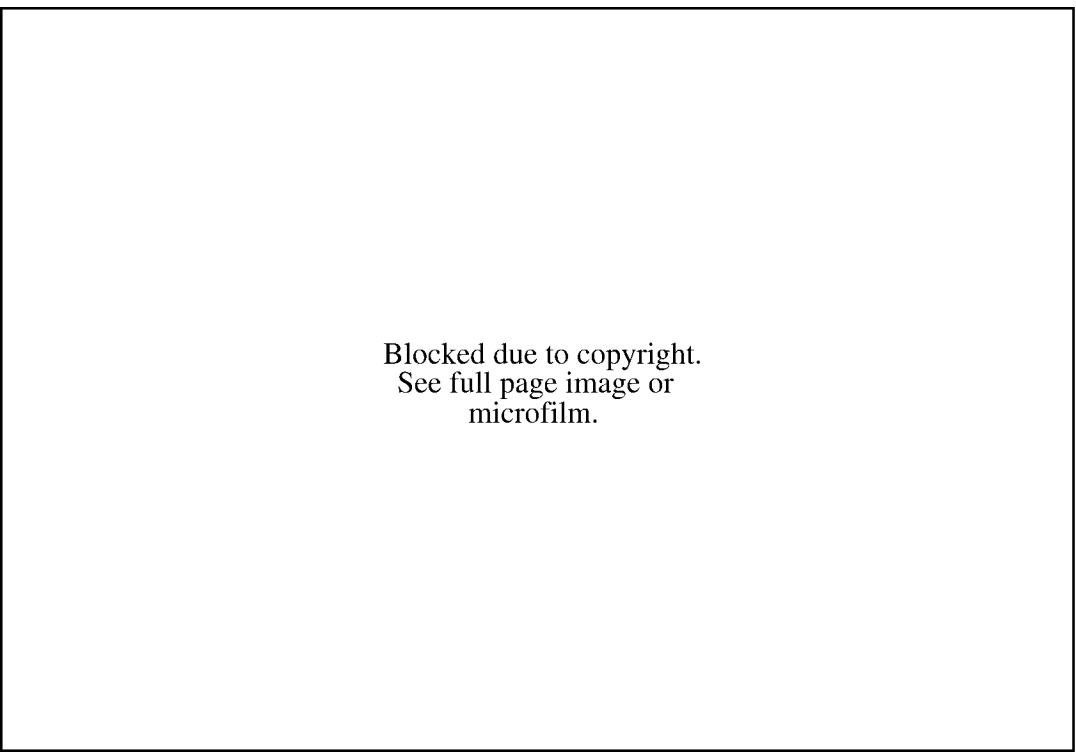
"It looks like the decision to hold public hearings was made only after there was very substantial criticism of Project Independence," said Lee Botts, executive secretary of the Lake Michigan Federation in Chicago.

Mrs. Botts is one of two Chicagoans on the advisory board of the Ford Foundation's Energy Policy Project, a leading national exploration into the nation's energy choices.

Nine months have been long enough to pick apart the clockworks that would make Project Independence tick. Powerful voices are saying it's a dud.

"WHY HE [NIXON] set what most observers feel is a highly improbable, if not impossible, goal never has been adequately explained," said The Oil

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Gasoline and fuel shortages prompted a move for energy "self-sufficiency." Tribune photo by Ronald Yales

Daily, the newspaper of the energy industries.

"Energy independence is a Presidential goal but not yet truly a national goal," said the Oil and Gas Journal, almost the Bible of the petroleum industry.

Aside from this skepticism from what would be key participants in Project Independence, there are hints of sweeping changes and staggering costs to the American economy.

The price of energy self-sufficiency would be measured in higher fuel prices, changes in American lifestyle, more government spending, environmental destruction, and weakening economic ties with the rest of the world.

The sheer economic meaning of Project Independence produces some eye-popping figures.

The National Academy of Engineering's task force on energy recently issued a report showing it would cost American industry \$600 million or more.

AFTER LISTING the toll the project would take on capital, water, environment, manpower, government, and natural resources, the task force concluded energy self-sufficiency even by 1985 "is not considered to be of high probability."

With so much comparison with the Apollo moon mission, Ikard explained that it cost America \$26 billion to put a man on the moon. By his figures, it would cost \$37 billion a year for the next 12 years to meet America's energy needs under Project Independence—a total of \$444 billion.

For most Americans, the fine print in the Project Independence program means gasoline selling for 65 cents a gallon or more by some accounts. With inflation, it could top \$1 a gallon in a decade.

The Massachusetts Institute of Technology energy laboratory report on an economic evaluation of energy self-sufficiency said the price of oil in the United States would have to be \$10 to \$12 a barrel if this nation wants to build a strong domestic energy industry while balancing supply with demand.

Even if the bottlenecks could be re-

moved, said the report, that would mean American consumers would be jolted by "another round of price increases . . . as great as they experienced in 1973-74."

Conceivably, Americans would be paying that much for oil while the rest of the world paid \$4 a barrel for Middle East oil. One of the questions that will be raised is whether the nation can afford energy independence at a time when money is sorely needed for human needs.

"In effect, the two justifications for independence from foreign sources—avoiding oil blackmail and cutting the resource cost of our energy—are contradictory if the target date is the early 1980s," said the M.I.T. report.

NEW TECHNOLOGY would have to be developed to get energy from the sun and the Earth, but FEA's Sawhill says, "we cannot expect the new technologies to have a major impact before the 1980s." New technology development takes decades.

Older technology to get oil and gas from dirty coal, the use of which is restricted by environmental law, must be perfected and put to commercial use along with ways to burn coal without polluting the air.

Price controls on natural gas, coal, oil, and other fuels would have to be lifted, pointing to much higher utility and fuel bills in coming years.

But that is the nuts and bolts, dollars and cents side of the picture.

Project Independence started with a philosophy: That Americans should not be vulnerable to economic or political blackmail by foreign fuel producers.

Another philosophical outlook—environmental protection—gets trampled in the plans for energy self-sufficiency.

"Project Independence is a fraudulent effort to convince the American people of the necessity to exploit our natural resources in the name of energy," said the Lake Michigan Federation's Mrs. Botts. And she adds flatly that the plan "is not achievable."

MRS. BOTTS and other ecologists argue that environmental costs of energy independence would be horrendous and irreversible.

The project would rely heavily on upping coal production from 602 million tons last year to 962 million tons in 1980. Aside from a major expansion of the coal industry, it would mean massive growth of strip mining, especially in the western states.

Energy self-sufficiency also would

entail setting aside some clean air standards for five years so that coal can be burned and polluting the air with dust and sulfur in violation of federal clean air laws. Coal-burning by utilities would jump 29 per cent by 1980.

Oil-bearing shale rock would be mined in the Rocky Mountain states and the mineral rights to 10 million acres of federal onshore and offshore lands would be leased each year until 1978.

"These ways are being promoted in an effort to foreclose the only really viable alternative that protects the future while dealing with present problems—and that is energy conservation," Mrs. Botts argued.

IT IS SILLY to argue that this nation needs more energy, she said, in the face of general agreement that Americans waste about half the energy produced.

"Energy conservation is a positive alternative, not a negative alternative," she says. If there are any changes in American lifestyle thru conservation, so often prophesized in gloomy energy forecasts, Mrs. Botts said it would be for the better.

"We might breathe cleaner air, for one thing," she said. She also charged that the Project Independence public hearings are being stacked with speakers from industry, but that only a handful of ecology or public interest speakers have been invited.

The national turning inward implied by Project Independence is seen by some Americans as a new era of isolation, appealing to the standard-bearers of America First and Fortress America.

Some experts say Project Independence does not make sense if world trade and cooperation are keys to world peace and prosperity.

This apparent contradiction is being dumped in the lap of the American public.

But Project Independence could rank as one of the biggest public decisions in American history, and the beginnings of a true energy policy for the United States. It could affect how Americans live now and in the future and their standing with the rest of the world.