NEW WORLD

Nixon Unveils His Energy Policy

by our Washington Correspondent

PRESIDENT Nixon did what was expected of him last week by lifting restrictions on import of oil into the United States, proposing an end to regulations of the price of natural gas and urging swift exploitation of oil and gas deposits which lie under the outer continental shelf. The actions and proposals were outlined in his long overdue message on energy policy, which was finally unveiled last week and which shared the front pages with the Watergate affair.

President Nixon's proposals seem to have pleased most people, but they have been criticized by some for failing to take just account of environmental concerns, and by many for failing to provide more money for energy research and development.

The energy message is the most comprehensive declaration so far of the Administration's plans to deal with what has become popularly known as the great energy crisis in the United States, but which President Nixon prefers to call an "energy challenge". The basis of the energy challenge, problem or crisis is by now well known. Stated simply by Mr Nixon last week, it boils down to the fact that US "energy demands have grown so rapidly that they now outstrip our (US) available supplies, and at the present rate of growth, (US) energy needs a dozen years from now will be nearly double what they were in 1970". With 6 per cent of the world's population, the United States consumes about a third of the energy used in the world.

The upshot of the difference between domestic supply and demand is that the United States has found itself importing large amounts of fossil fuels, chiefly oil from the Arab states. In 1967, the United States ceased to be self-sufficient in oil, by 1972 it was already importing nearly 30 per cent of its total supply, and by 1985, it is estimated that import of oil will account for between 50 and 60 per cent of supply, 30 or 40 per cent of which will come from the Middle East. According to an estimate given last November by Peter G. Peterson, then Secretary of Commerce, by 1980 the US trade deficit in energy will amount to between \$15,000 and \$21,000 million a year.

In view of such figures, it is small wonder that many people have been crying "crisis". But energy shortages really hit home last Winter when supplies of fuel oil dried up in the Midwestern

states, and for many others the energy crisis will become a reality later this year when some filling stations run out of gasoline. Such short term disruptions of supply are, however, a slightly different problem from the overall energy supply and demand situation.

Briefly, what happened last Winter stems partly from a shortage of natural gas, which started a couple of years ago. As deliveries began to dry up, many electricity suppliers switched to oil, precipitating a shortage there and refineries churned out fuel oil as fast as they could and produced less gasoline. The effects of that will be seen later this year. And then there have also been problems of siting refineries and lack of capital for investment in the oil industry.

At present, the energy picture is dominated in the United States by the three fossil fuels—oil, natural gas and coal—and each has its own special problems. Oil now supplies about 46 per cent of energy consumed in the United

States, but demand is hopelessly outstripping domestic supply. Natural gas has about 32 per cent of the energy market, but its wellhead price has been pegged at an unrealistically low rate by the federal government and this has caused demand to soar while at the same time it has not been profitable for gas companies to prospect for new supplies and proven reserves have dwindled. The result: shortages have developed and pipeline companies have curtailed some supplies. Finally, the United States has about half the world's coal reserves, but persistent environmental problems associated with strip mining and with air pollution have been partly responsible for the fact that coal's share of the energy market has dropped from more than half immediately after the war to about 17 per cent today.

This is what President Nixon last week proposed to do about the supply of the three chief fossil fuels. As far as oil is concerned, he proposed to increase

NSF

Congress's Priorities

by our Washington Correspondent

CONGRESS has consistently voted in the past few years to give the National Science Foundation large increases in its budget for education and graduate student support programmes. But the White House has been equally consistent in refusing to spend the extra money. That particular pantomime will not occur again if the House subcommittee on Science, Research and Development gets its way, however, for the subcommittee last week passed a bill which, among other things, would severely restrict President Nixon's power to impound funds voted for the NSF.

The measure, which is tucked away in the annual authorizations bill for the National Science Foundation, would allow President Nixon to withhold funds from the NSF only if each of the foundation's programmes is reduced by the same proportion. In other words, if the measure survives the rest of the Congressional mill intact, the White House would no longer be able to withhold money from specific NSF programmes.

The full committee on Science and Astronautics will consider the subcommittee's proposal early in May, after the Easter recess, and is expected

to pass it. But the prospects in the Senate are less certain. For one thing, the authorizations bill will be dealt with by Senator Kennedy's NSF subcommittee, and Kennedy may not be willing to agree with a measure which would still allow President Nixon to impound money without first having to get Congressional approval.

In the continuing battle between Congress and the White House over who has final control over the Federal government's pursestrings, the Senate has agreed on an approach, spearheaded by Senator Sam Ervin, which would force Nixon to get Congressional approval each time he impounds any money. Kennedy would thus probably want a stronger anti-impoundment measure than one which tacitly assumes that the President has the right to impound money, even though it places considerable restrictions on how the money could be impounded.

Kennedy's subcommittee will probably hold hearings on the NSF budget early in May. During hearings before John Davis's Science, Research and Development subcommittee earlier this year, Dr H. Guyford Stever, director of the NSF, took exception to the anti-impoundment proposal because its inflexibility would prevent the foundation from altering its spending patterns as conditions change. But spokesmen from education associations welcomed the move.