

At governors' conference . . .

# Federal leadership said 'confusing'

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SUN VALLEY — Western governors let federal officials know emphatically at their annual conference discussions here Monday and Tuesday they are far from pleased by how the federal government is handling petroleum shortages, inflation and wilderness issues.

Sharp exchanges took place between Jack O'Leary, Washington, deputy secretary for the Department of Energy, and several of the governors, particularly Govs. Victor Atiyeh of Oregon, Dixy Lee Ray of Washington, Thomas Judge of Montana and Jay S. Hammond of Alaska.

O'Leary painted a gloomy picture of the gasoline situation and said it likely would not get any better in the next decade.

## Confusing

The governors charged the federal government had sent out only confusing directives regarding the petroleum situation.

O'Leary retorted that the government has been very clear in telling the nation about

the critical gasoline situation. He said the federal government has now devised a program which is forcing refineries to give more accurate data on their supplies.

"If you think there is a conspiracy, there is," he said.

O'Leary explained that Saudi Arabia and other oil-producing Arabian nations are restricting oil production to keep the price high. He said they don't need the money.

O'Leary said that gasoline production likely will be no greater in the next decade than it has been in the past few months.

"We have to realize that our oil and gas will never be available again like it was in the 1960's and the early 1970's" he said.

## Middle East

He then pointed out that the mid-Eastern countries who supply the bulk of the United States' imports do not plan to increase their supply and it may be slightly lower.

O'Leary said that the United States must turn to other forms of energy. Particularly mentioned was the almost unlimited supply of coal that should be available.

He also listed nuclear energy, geothermal, solar, wind, oil shale and other alternatives.

O'Leary said there has been strong local opposition to the development of nuclear power. As a result, he said, this nation is producing far less nuclear power than anticipated. For example, this nation will produce 100,000 megawatts of nuclear power by the end of this year rather than the

285,000 that was anticipated.

Miss Ray took O'Leary to task for failure of the federal government to develop nuclear power.

## Nuclear power

"The nuclear power accident record is excellent," she said. "There appears to be a small, but local minority that is delaying nuclear production. We support nuclear energy as a viable option," she said.

She then pointed out utilities have taken such a beating on nuclear power that they are hesitant to invest for more expansion.

Jack Watson, President Carter's representative on intergovernmental relations, also spoke along the same lines.

He pointed out that since 1973 Americans have become painfully aware of this nation's dependence on foreign oil supply.

"The question is not whether we should make a transition to other forms of energy, but rather what form this transition will take and what the final results will be," he said.

He then pointed to the possibilities of solar homes.

He also pointed out that Carter has proposed the time limit on a 4 cent federal tax waiver for alcohol fuels be extended indefinitely.

## Storage fine

Miss Ray said radioactive waste storage at Hanford and at the Idaho National En-

gineering Laboratory is not hurting anything and said as far as she is concerned they could remain there indefinitely.

"What are the people worried about?" she asked.

Hawaiian Gov. George Ariyoshi said that Hawaii is becoming self-sufficient on the use of geothermal supply. He pointed out the nation is proceeding with an expanded geothermal commercial program, a solar and wind energy technology study financed by small grants, gasohol and federal loan programs.

Miss Ray said she agrees there is an energy supply crisis that is transferring the wealth from one part of the world to another part. She claimed the nation has turned a cold shoulder to emotional issues.

## Regulations

She said a study shows that regulations for 48 companies and six federal agencies cost \$2.6 billion. She also contended there has been misinformation regarding nuclear power.

Omi Walden, Washington, assistant secretary for conservation and solar application for the DOE, said "our timetable should enable the president to articulate the nation's first-ever small town and rural development policy by the end of the summer."

Hammond said western governors demand an absolute clearcut policy on energy and also incentives for research energy conservation and other alternatives.

He also urged a wilderness bill that shows the proper balance between environmental and industrial development. Hammond said he had no objection to the original wilderness proposals submitted by Secretary of the Interior Cecil D. Andrus and the Carter Administration, but the present House bill would be ruinous to the Alaskan economy.

## 'Running empty'

Atiyeh bitterly criticized the federal administration, saying, "There is some feeling in Oregon that the federal energy think-tank is running on empty. A lack of public confidence in our ability to manage will breed uncertainties — and those uncertainties are the short fuses on the powder keg of panic."