

# The Congress: Sen. Henry M. Jackson

In the early 1960's, well before protecting the environment became a fashionable pursuit in Congress, Senator Henry M. Jackson (D-Wash.) was busying himself with such esoterica as the preservation of redwood trees and wilderness in general, pollution abatement, and environmental law. Over the years he has had his differences with environmentalists—mainly because of his support of the SST—but he remains well regarded by them, especially for his authorship of the National Environmental Policy Act, the linchpin law of the environmental movement.

In the late 1960's, Jackson did it again, correctly anticipating that energy policy would become a major national issue. By 1971, Jackson, a former prosecuting attorney from Snohomish County, Washington, occupied pivotal positions in energy matters as a senior member of three committees: Interior, the powerful resource committee of which he is chairman; Government Operations, which handles federal reorganizations; and the Joint Committee on Atomic Energy.

During the past year, Jackson has steered to Senate passage his own \$20 billion energy R & D bill and the ill-starred emergency energy legislation worked out with the Administration. His support was essential to Senate approval of a tough strip-mining bill, and his opposition to some details of the White House plan for energy reorganization is one reason this legislation is at an impasse.

A labor Democrat with a conservative bent and an abiding wariness of the Soviet government, Jackson has also developed considerable influence in defense matters since coming to the Senate in 1952. Up for election in 1976, he is a probable contender for the Democratic presidential nomination; until then, Henry Jackson remains the senator to be reckoned with in energy affairs.

The following is an edited transcript of a 45-minute interview with Jackson, taped on 29 March:

JACKSON: Let me lay the hypothesis here as I see it. There are three main areas in which to move. The immediate area relates to stepped up drilling on the outer continental shelf and public lands, and conversion of coal—a massive effort to make the use of coal acceptable from a health and environmental point of view.

The second is the exploitation of the next area of indigenous resources: the conversion of coal to gas and to petroleum, the conversion of oil shale—all, of course, on the basis of a healthful and environmentally acceptable methodology. And third is the far-out stuff: Fusion, hydrogen, and solar energy. Plus, through all of this, the new technologies for direct conversion of energy, and a long list of things.

I just wanted to give you my philosophy, to lay the foundation, because people, you know, get these things all mixed up.

*Q: Senator, the Arab oil embargo having ended, and the gas lines having abated, do you think the Congress and the Administration can now safely shift focus to longer range energy policy? Or do you expect further serious fuel droughts this summer and next winter?*

JACKSON: I believe that, come what may, we should continue to focus on all three areas—immediate, intermediate, and long range. Nothing should stop the requirements that I think are inherent in a sound energy policy.

My own visceral reaction is that the ending of the oil embargo is still fraught with uncertainty. The situation in the Middle East is still very volatile. The disengagement in the Suez Canal area, to many observers, sounds like a solution. But Suez is just one front in a two-front war. Many people think that the Russians have limited their objectives because of the ability of Dr. Kissinger to shuttle between Jerusalem and Cairo without apparent Russian obstructionism.

But, if one carefully analyzes the Israeli-Egyptian disengagement agreement, he sees that, from the Russian point of view, it's a great coup for them. A basic Russian objective since the '67 war has been the reopening of the Suez Canal and this has now become likely.

On many occasions since 1967 I have said that the opening of the canal should be considered only in the context of an overall peace settlement negotiated by the parties.

Because reopening the canal is a principal objective of the Soviet Union, and because of the considerable Soviet interest in bringing this about, I think we should have held this trump card in the Western hand until issues of comparable interest to us had been resolved. The Administration has played this card prematurely and unwisely. It's not too late, though, to negotiate the demilitarization of the canal. I believe the Administration should now insist that the Suez Canal be closed to the warships of all outside powers including naval vessels of the United States and the Soviet Union.

The reopening of the Suez Canal—unless it is demilitarized—will substantially reduce the transit time and distance that the [Soviet] Black Sea fleet must cover to reach the Persian Gulf—not by a few percentage points, but by more than 70 percent, from 11,500 down to 3,200 nautical miles. The main result of this reduction in time and distance is this: With the canal in operation the Black Sea fleet can move quickly into the Persian Gulf where it would rapidly outnumber anything that we could deploy in that vital region. This gives them many options for mischief.

The events since the Yom Kippur war have dramatically shown Europe and Japan's complete dependence on Middle Eastern energy. The strategic importance of the gulf is now undeniable. And the Soviet push to establish primacy over the oil-producing states of the gulf, so evident in Russian policy toward Iran in the past and Iraq now, is a matter of utmost concern to our national security.

*Q: The Administration has adopted self-sufficiency in energy as a national goal. How would you define "self-sufficiency, and when, realistically, do you think we might achieve that?"*

JACKSON: Well, I believe that if we accelerate the development of the outer continental shelf and the public lands, that within 4 or 5 years we can get out of this tight bind as it relates only to the Arab countries. We will still be dependent on Canada, Venezuela, Indonesia, Africa, *et al.*

I don't know of any competent authority, including Mr. Nixon's own representatives, who claim that we can be self-sufficient by 1980. I'd put a minimum of 10 years to be totally self-sufficient.

Now, I want to put a caveat in here. When I say "self-sufficient," I'm talking about the capability of being self-sufficient.

What I envision is a planned program dealing in the three categories that I've outlined. I would move to develop the potential that we have, which, in my judgment, is very large. I believe that Alaska alone has 100 billion barrels of recoverable oil reserves. I'm no expert, but I try to make judgments. I use the seat of my pants in cooperation with my head, and I have come to the conclusion that there are no experts in this area. I listen to the "experts," and I have found them so wrong on what prices were going to be, on what they thought would happen in the Middle East. . . . I believed them to my sorrow when I offered the substitute amendment to deregulate prices on oil from stripper wells.

The key point here is: Let's have a target that is do-able in the development of the outer continental shelf and the public domain, and go all-out to do it. Do it in a way in which we will not do violence to the environment. We don't need to go out and just devastate the landscape, either above or below the water level.

I would point out that the major problem that we will have in the development of our own indigenous petroleum resources will be the shortage of participants and equipment—and technology that we must accelerate as rapidly as possible.

I want to set as the target that which can be done, and I want to give it top priority. This is just as important as the Manhattan Project and the Apollo program, because it goes not only to, I think, the economic viability of the United States but to the credibility of the United States and of Western countries in trying to dampen the wild emotional and fanatical positions that some of the Arab states may take unless we do this. It is in effect a bargaining chip, and I think it enhances our credibility at the conference table.

*Q: To follow up on the means of achieving self-sufficiency. The federal government's role in fostering new energy production is a critical and still unsettled issue. The Administration is talking about price supports, guaranteed markets, oil import tariffs. What options for federal involvement in energy production, as distinct from R & D, do you favor?*

JACKSON: Well, as you know my \$20 billion R & D bill passed 82 to 0, and we do provide flexibility in that, which we should. Policy here is to use all of your resources, both in the private and the public sectors. . . . On the R & D side I see the need to have a massive infusion from all institutions, public and private, and to work out—I'm not wise enough to look down the road that far—what will provide the best incentive.

We do make it possible [in the R & D bill, S 1283] for the administrator of the overall R & D program to have alterna-



Henry M. Jackson

tive tools, including a price support program, a guaranteed price. You could have a break in the world oil price. I believe we're headed for serious trouble in commodities, a devastating drop that would be highly destabilizing.

Now as to development programs, going from R & D, I am prone to try to broaden the base of participation. I've introduced a bill on oil and gas leasing on the outer continental shelf, and I must say I'm experimenting here, because I don't know the answers. But I have serious reservations that we can continue to get these large bonus payments from the sale of leases. It's clear to me that as you expand [leasing] there will not be that much capital available, and therefore the bidding level will go down. So my bill provides for the government to share

in the net profit from the lease operation on a 55-45 basis—in lieu of a 12.5 percent or greater royalty.

The capital, then, would be available for development and the government would be involved in a kind of joint venture. By following this approach you would bring in the independent producer, who will have enough problems getting the capital to build these huge drilling platforms in deep water. Therefore, I want to broaden the base of participation, and maximize the competition.

And secondly I'm considering the possibility of authorizing the U.S. Geological Survey to do certain drilling and exploratory work to develop these potential deposits in lieu of a government corporation going out and getting into the whole business. . . . Putting the government into a competitive business doesn't make sense to me. I'm a strong public power man, I've supported public power when dealing with clear-cut monopolies, but I don't want it all public power either. I want a yardstick, as the old saying goes. . . . We're applying competitive principles. Any kind of monolithic structure is bad, and we need to provide the kind of competition and incentive that's essential. [But] I don't think there's any intrinsic value, per se, in government ownership.

*Q: Are you satisfied that the government's present energy regulatory structure is fundamentally sound, or do you think that new approaches are called for in regulating the large, integrated energy companies? Perhaps licensing, chartering, even breaking them up?*

JACKSON: I'm not satisfied and I don't have an answer.

I'm kind of feeling my way through the federal charter process. We've been delayed introducing any legislation in this area because we're trying to do a responsible job. My feeling is that one should start from the premise that just because something is big doesn't mean that it's bad. I think we want to be intellectually honest and look at it and examine wherein there are bad features. Many advocate separating the whole process: production in one category, refining in another, marketing in another. Well, we're going to look at all these things. Senator Haskell has been conducting some hearings in that area.

My feeling at this time is that there is a definite need for regulation, without any question of a doubt, where

American companies are involved abroad and where they impact on American foreign policy. We will be opening some hearings shortly on what happened during the October war. Where their loyalties happened to be, their conduct, and so on. I want to take a look and see how far we ought to go in setting up some new rules of the road regarding the operation of these very large, integrated companies.

*Q: What would be the ideal governmental structure, in your judgment, as far as energy reorganization is concerned?*

JACKSON: For several years to come, you must relate your indigenous resources to the laboratory. Therefore I support the Department of Energy and Natural Resources [DENR].

Let me be specific. I've been involved in R & D since '49, being a member of the Joint Committee on Atomic Energy. I've spent a lot of time talking to scientists, I've worked with them over the years, both theoretical and applied. The best applied one is Admiral Rickover; the best theoretical man was the late Ernest Orlando Lawrence, who was a genius in my book. Not very articulate, but he could say this will work or it won't work; he was a man who was both a theoretical physicist and also a great engineer.

I think the tendency on the part of many is, when you talk about research and development, to think automatically of laboratories, test tubes, and people working intensely in their white smocks, you know, in a laboratory hidden away someplace or scattered all around the country.

Well, now as we look at both the intermediate and immediate phase, dealing with coal and shale and how you convert them and utilize them, we're really talking about building laboratories on public land. I see the other side of the problem, too, because I've been chairman of the Interior Committee now for over a decade, and I know how the bureaucracy works in the administration of these programs. I feel it is essential, whatever entity is set up finally—ERDA [Energy Research and Development Administration], DENR—to marry the laboratory effort to the land program. You can't have a viable research and development program—and we're talking largely now of applied research, building of the large plants . . . unless you marry the leasing of oil shale and coal to the research and development effort.

Now if you separate them, you're going to have a bureaucratic nightmare, a jungle. This is what troubles me right now. I feel very strongly that unless there is a close coordination here, we can run into just endless delays and unnecessary infighting.

For example, let's talk about oil shale for a second. Oil shale is in the great Rocky Mountain area, 85 to 90 percent on public land . . . under the jurisdiction of the Department of the Interior. One of the problems, depending on what method you use, is water. Well, the Bureau of Reclamation can come in and foul things up and say, "We want this water reserved for agriculture purposes."

Suppose you get into an area that may be a part of a wilderness, or will affect an adjoining wilderness. Here again you're involved with an Interior Department decision. Or the National Parks. Or the Indians. Or the Bureau of Outdoor Recreation. I can go on and on.

This is why in the coal and oil shale effort we must have a close coordination for the first time between a land use policy and the laboratory. This I find very difficult to explain to my colleagues and to people generally.

*Q: You mentioned the matter of environmental protec-*

*tion. Do you think NEPA [the National Environmental Policy Act], which was really your brainchild, is working in this present situation?*

JACKSON: The public, if you took a poll, would say that NEPA was responsible for holding up the Alaska pipeline. It would be unanimous. There'd be no question about it. They went in there, all the environmental groups.

The facts are that we warned the Administration in 1969 that they didn't have legal authority to grant a permit for a right-of-way beyond 50 feet [in width]. The Administration and the oil companies that are involved in it didn't agree with us. . . . [But] the circuit court [of appeals] did exactly what we predicted they would do, and they did it unanimously. They reversed the district court on the basis that the authority had not been given to the Executive Branch to grant a right-of-way beyond 50 feet. But the public thinks it was all action involving NEPA.

Now, I personally feel that there are so many tracts of land available—outer continental shelf and uplands—that there's no reason in the world why we can't go forward on an all-out basis, and not do violence to the law or to the environment. I believe that if we run into administrative problems that we can resolve them. I'm going to monitor, and do everything I can, to see that it [NEPA] is not used in an arbitrary and capricious way to block what I think is, of course, an overriding priority.

*Q: In the Alaska pipeline debate, you opposed any statutory exemption from NEPA. Is it still your position that there should be no statutory exemptions for energy projects?*

JACKSON: I'm flexible. When someone can show that there's no other way out other than granting an exemption or a modification by which, for example, we can accelerate the adjudicatory process, I'd be willing to do that. But I want to keep the pressure on, so that we don't permit wild and reckless moves that are totally uncalled for.

I'm in an unusual position. I'm the author of the act, and I listen to people who tell me what it meant. I know what I meant. You see, philosophically, I grew up in the mountains, and I have a deep commitment to conservation. I'm also committed to social justice, to try to end poverty, and to help people enjoy a better life, which I think we're capable of doing. From drafting the act, my position was that we can have economic growth, but we ought to get tough and make it *quality* growth. . . .

I am not a no-growth, a zero-growth person. I find most of those people come from wealthy backgrounds, never worked a day in their life. I'm the son of immigrants, my father was a working man, I worked my own way. . . . I can see the poor man's point of view, and I think I can see the rich man's. Nothing gives me greater amusement than to see these newly discovered conservationists or environmentalists, or the do-gooders who suddenly become interested because of a guilt complex—maybe because their fathers exploited America's resources or its workers. They come around telling *me* what the working man wants. And my father was in the labor movement for 50 years.

In substance, I am not against the middle class. I just want to see the benefits of the middle class extended to all of society. I think we ought to get away from pitting one group against another. Pardon the philosophical side-slip here.

*Q: In the final analysis, are we going to be able to make do with our available and potential energy resources without a national growth policy?*

JACKSON: Well this gets back to fundamental economic policy. Planning has been a dirty word for a long time. It's been equated with socialism even though AT&T plans way ahead, and any good growth company plans way ahead. . . .

You must relate what we've been talking about to a broad overall economic objective. To me, that objective is very simple: full employment for every able-bodied, qualified person in this country. You can talk about social programs till you're blue in the face, but full employment at good wages, good income, gives access to all of those things that we call a higher standard of living. . . . It generates the resources, the revenue that we need to do these things.

I feel that we have just totally messed up this area, and we must relate all these things to that overriding objective of full employment. This will involve a growth program which I think can be planned—not with precision—but planned in such a way as to avoid the ugliness that can ensue in a reckless rape of our resources. . . . Without economic growth you can't generate the revenue that you need to end poverty, to rebuild cities, to bring about quality education, solve transportation problems.

*Q: How do you see the government influencing the direction of growth?*

JACKSON: Well, I think that you can do it in many ways. Tax policy, of course, is the classic one. But it starts with the President. The President, any President, should have a very close, on-going, intimate, working relationship with industry on the one hand, labor on the other. He can't pass laws to do this. This is leadership: To get both to understand the thing which we want to achieve, which is price-wage stability. Work with these groups in terms of planning, programming in all areas.

For example, capital investment is one of the most potent factors in economic growth and in the creation of new jobs and—may I say also—a threat to price-wage stability, if it isn't handled right. In the energy field, we're moving from a quasi capital-intensive industry to a highly capital-intensive industry. For example, our total investment in new plant and equipment last year was roughly \$105 billion. Of that total, about 40 to 44 percent was energy related. Now, looking down the road here, some people have made computations—the Chase Manhattan made one—that for energy alone the requirements will be about \$1.4 trillion during the next decade. That's energy alone, \$140 billion a year in current dollars.

But this will create a tremendous number of jobs; along with what we'll need to do in the public sector, both public and private investments will be just enormous. We need, literally, to rebuild America between now and the year 2000. But there's been no planning within government. When I ask key people for data, they don't have it, but they say Joe Blow that's sitting out in university "X" is thinking about it. I mean I find it very discouraging, and I'm constantly talking to the brightest people I can find to give me inputs; the government has been remiss in this area. No planning at all. And I'm not trying to put government in business. [But] only the government can pull all these things together to make available this kind of data.

*Q: Coming back to the organization of the Congress itself. Under its present jurisdictional divisions, do you think the Congress capable of effectively dealing with complex energy*

*issues or is the Senate perhaps overdue for an overhaul of committee structure of the kind proposed in the House by the Bolling Committee?*

JACKSON: In a half hour I'm to be on the floor for a little colloquy with Senator Pastore on the proposal he's making for converting the Joint Committee on Atomic Energy, of which I'm a senior member, into a joint committee on energy. I'm not sure that this approach will work.

*Q: You're not in favor of abolishing the Joint Committee on Atomic Energy?*

JACKSON: Well, what they're suggesting is enlarging it. Just drop *atomic* and make it Joint Committee on Energy. You know, this sounds good. And I think we Americans love to put something on paper that somehow pulls everything together in a neat package. We like neat packages. But humanity is not always very neat, and when you look at something as complex as this, I think you've got problems. Now in anticipation of this, in 1971, Senator Randolph and I put together our so-called fuels and energy policy resolution, Senate Resolution 45. We weren't asleep at the switch. We brought together the various committees that are involved and made my committee, Interior, the lead committee, because we were involved with the indigenous resources coal and oil shale.

This has worked very well. It's a story of people, you know . . . so many of the best things in life are not always codified. When you have to codify something, that's a sign you're deteriorating. For example, I think the greatest tragedy of the Watergate and all this corruption and stuff that's been going on is that we have to write a law to say what the rules are.

Okay, jurisdiction problems, how do you handle them? We started out with my committee [Interior], Public Works, Atomic Energy, and Commerce; and we held hearings. Each committee chairman would send two or three members and we met as one. Then when we had a bill, we marked them up together. Now we've enlarged the "S. Res. 45" committee to include the Foreign Relations Committee and the Labor and Public Welfare Committee. So we have not had any jurisdictional disputes in the Senate. In the House they've got all kinds of them. They've got big committees, 45 members on a committee. We're busy over here and we don't follow any written rules. I want to get the job done. So if I try to spend the time codifying, we'd be still over there meeting trying to figure out jurisdiction. I think it's very difficult to codify and put it all in one place. I don't agree with Pastore on this.

*Q: You're saying there is now an informal energy committee working in the Senate?*

JACKSON: This is right, and the proof of it is that we have not had jurisdictional trouble in the Senate. I think our record speaks for itself, we do mark up these bills together. We agree among ourselves: Okay, Senator Magnuson, you take the lead job on this, Public Works [takes] air quality, and so on.

I think it gets down to people. The most important thing I've learned out of my experience in government is that . . . you can have the finest organization in the world, and if you put damn fools in charge, they'll wreck that fine organization. A good man can outlive a bad organization, but the ideal is a good organization and good people.