

White House Freezes Synfuels Program

The Secretary of Energy unveils a plan to cut subsidy funds by two-thirds and eliminate uncompetitive ventures

There was no warning, not even for the chairman of the board, that the Synthetic Fuels Corporation (SFC) was to be sacrificed to a shift in congressional politics. The word reached SFC chairman Edward E. Noble in the same way it reached the public: through a statement by Donald Hodel, the Secretary of Energy. It was accompanied by an anonymous press release given out on 14 May by the White House. The message was that the SFC's authority will be put on hold while Congress is invited to slash its funds by two-thirds.

It could be months before the SFC is back in business to make awards, although routine staff work will continue. And when it does resume operations, its scope will be so drastically reduced that it may never be able to fund any projects beyond those it has already approved.

Hodel's press secretary, Constance Stuart, says: "It was really a White House initiative, and by a process of elimination, [Hodel] was asked to take it to Capitol Hill." Hodel met with key congressmen on 14 May to break the news. Supporters of the program such as Representative James Wright (D-Texas) and Senator James McClure (R-Idaho) objected. Their protests did not budge Hodel or the White House.

According to a White House spokesman, "The main impetus for this came from Congress," which is leaning in favor of a bill sponsored by Representative Howard Wolpe (D-Mich.). It would freeze the synfuels program as it now exists. Under the original 1980 legislation, Congress was supposed to receive a comprehensive strategy from the SFC by June this year. No such document has been prepared. Given the magnitude of the agency's funding plans (\$14.7 billion), Wolpe asked that new decisions be held up until Congress has reviewed the agency's long-term agenda. He also advocates changes that would bring the SFC more directly under congressional control. Since the introduction of his bill last fall, Wolpe has collected 228 cosponsors—in itself a guarantee of passage. Seventeen sponsors have backed a similar bill in the Senate.

The synfuels program was opposed from the early days by conservatives, who saw it as an offense against the free market and a waste of money. Some Democrats like Representative Mike Sy-

nar (D-Okla.), chairman of the House government operations subcommittee on the environment, energy, and natural resources, also have attacked it as "nothing more than corporate welfare." Environmentalists opposed it as a sponsor of new polluters. However, this opposition did not have much political clout until this spring, when the SFC ran into ethical and managerial troubles. When that happened, congressmen who had not been concerned before began to have doubts. Wolpe's bill, designed as an umbrella to shelter all the skeptics, gained supporters. Senior congressmen such as Wright and McClure continued to defend the agency and, according to a Wolpe aide, went so far as to send out a "Dear Colleague" letter asking congressmen to remove their names from the Wolpe bill. But on 14 May the Administration broke with the leadership and sided with the motley opposition.

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A hearing in Synar's subcommittee on 16 May made clear that it was the perceived "management fiasco," as one congressman said, that has done in the SFC. Even as the hearing began, another surprise came out. One of the three remaining members of the seven-member board of directors, former oil executive John Carter, Jr., announced that he was quitting as of that moment. Carter's explanation: in view of the time it would take to carry out the new policy and considering that his own term expires in August, he saw no point in staying on. According to several reports, Noble also offered to leave, but was asked to stay. He and a long-time business associate, Victor Schroeder, are the only remaining board members.

The SFC must have at least four board members to conduct business. It lost a quorum on 27 April with the resignation of Victor Thompson, Jr. Just the day before, Thompson had resigned as president of the SFC. His handling of a stock sale is under investigation by the Securities and Exchange Commission—a fact

he neglected to mention to his peers on the board when they named him president (*Science*, 11 May, p. 582). After he resigned as president, but before he quit the board, he voted to support two important SFC actions promising price supports to a Dow Chemical synthetic gas project in Louisiana and the Great Plains Coal Gasification Project in North Dakota. Both are now caught in the political maelstrom.

Neither the White House nor the Department of Energy can say when the SFC will be able to resume work. At the hearing on 16 May, Noble said he had pleaded with the White House to "give us our directors." He claimed that the agency is only 3 or 4 months away from doing all that it had intended in its "phase one" operation, which was to dispense about \$15 billion in loan guarantees and price supports. But now the Administration has agreed to hammer out an agreement with Congress before nominating new board members, and that will take time.

As part of this effort, the White House press release said, new legislation to be unveiled soon will "limit the use of the remaining funds to those projects whose products will not cost significantly more than the projected market price of competing fuels." No one in the Administration or Congress seems to know precisely what this means. Noble said on 16 May that it did not make much sense to him, for the purpose of the SFC is to support concepts that are not competitive. Some observers have said that a strict interpretation would rule out 90 percent of the SFC proposals under consideration. Hodel interpreted it as knocking out all pending projects save Great Plains. A new bill on the SFC is to be ready for Congress by the end of May, and by then this "market test" provision should be clearer.

One effect of the change in policy will be to eliminate for now any opportunity for eastern coal states to participate in the synfuels bonanza. The SFC arranged its agenda in such a way that the first projects to be considered—justified on the basis of economic viability—were shale oil proposals, most of them based in Colorado. In addition, the SFC has acted on heavy oil and tar sands projects, again approving mainly western proposals. Two bailouts have been en-

dorsed, one of a utility-sponsored gasification project in California and the other the Great Plains Project, whose chief sponsor is the Tenneco pipeline company. Coal state congressmen on Synar's subcommittee complained to Noble on 16 May that the SFC has ignored the Appalachian region in making awards. However, now that the SFC has been

put on a short leash and a small budget, these states seem less likely than ever to benefit from the synfuels program.

It is ironic, some Administration officials say, that the SFC should be gutted in the same week that a Saudi oil tanker was attacked in the Persian Gulf by fighter planes. U.S. energy supplies may be more secure now than a decade ago,

but they are still vulnerable to disruption, with potentially severe consequences for the economy. It is also ironic that the SFC, designed intentionally to be beyond the reach of Congress, is now being reined in on the grounds that its directors have been operating too much in the fashion of private businessmen.

—ELIOT MARSHALL

Third World Academy Looks for Funds

Trieste, Italy. Funding difficulties are threatening to undermine an imaginative attempt to establish a new learned society that is intended to act as a mouthpiece for the scientific communities of the developing nations, the Third World Academy of Sciences.

Launched last year primarily at the initiative of a group of Third World scientists who had first discussed the idea at a 1981 meeting of the Pontifical Academy of Sciences in Rome, the new academy has been warmly welcomed by politicians and scientists ranging from Li Xian Nian, chairman of the People's Republic of China, to Frank Press, president of the U.S. National Academy of Sciences.

At the inaugural meeting of the academy, held in Trieste last fall, its members agreed on a number of activities that they hope to carry out. These include the publication of a quarterly newsletter on scientific and technological activities in the Third World (and eventually a Third World science journal); the award of five annual prizes to recognize outstanding accomplishments by scientists from developing countries; and the organization of conferences on themes such as "biotechnology for development" and "microelectronics for development."

So far, however, despite warm words of support received from all over the developed and developing world, the academy has had little success in raising the initial \$4-million endowment which it calculates is necessary to finance such activities. Looking for money has proved to be "a very uphill task," says president Abdus Salam, 1979 Nobel Prize winner in physics and director of the International Center for Theoretical Physics in Trieste, northern Italy.

Salam says that one of the main purposes of the academy is to convince Third World countries—as well as the development agencies which fund projects in them—of the importance of basic science. "There can be no proper technology transfer without science transfer," he says, pointing to examples of fields from biotechnology to solar energy where fundamental knowledge is an essential component of technical development.

Toward this goal, he is hoping to organize a meeting of representatives from all the existing scientific academies in Third World countries to discuss the opportunities for greater South-South collaboration in science. "There are some 35 such academies, but they have never met," he says, adding that one of the purposes of such a meeting would be "to keep each other's morale up."

A more practical aim of such a meeting would be to find a common strategy for convincing Third World governments of the growing importance of basic science in their develop-

ment plans. "I wrote to all the heads of state who attended the Cancun meeting in Mexico in 1981," says Salam. "I got replies from all the rich heads of state, supporting what we are doing; but India was the only poor country to respond."

Salam, who comes from Pakistan, says that this reaction confirms his feeling that fundamental scientists still have to convince people of the contribution they can make to development. "Third World countries have to realize that basic science is a legitimate activity for them to support," he says, pointing out that many governments in such countries award funds for applied science but not for fundamental research.



Abdus Salam

Received verbal support but little hard cash.

The Third World Academy, which started with 28 founding fellows (each chosen on the grounds of their existing membership of First World academies of science) and has since elected another 14, has already received an offer from Belisario Betancur, the President of Colombia, to host an international symposium on both South-South and South-North cooperation toward the end of 1984.

Organizing such a conference, however, and in particular contributing toward the air fares of the 200 nongovernmental scientists who would be invited to attend, will take funds which currently do not exist. The Third World Academy has received a grant of \$100,000 from the Canadian International Development Agency, most of which goes toward running the organization from a small office in Trieste, and received a further \$50,000 from a local fund to organize its first meeting last fall.

Salam acknowledges that considerably more will be needed to mount a sustained program of activities, and says that finding such money is now his top priority.

—DAVID DICKSON