Extranjeros

Carter's First-Year Strategy

By James Reston

WASHINGTON, Dec. 1—President Carter's close personal friend, Charles Kirbo of Atlanta, was in the capital the other day commenting on the physical strains of the Presidency. He said he thought the President looked tired and older and that he ought to go fishing.

After a year in this job all Presidents get the same advice from their families and friends. But aside from Presidents Eisenhower and Ford, who knew the arts of creative neglect, they usually go on as before. Jimmy Carter, who is a little drawn around the eyes but entirely composed, will be no exception.

It is simplicity and concentration that usually produce lucidity and decision in the White House. But President Carter didn't get to the White House by loafing and he still regards the 12-hour work day as a sign of moral weakness.

Also, he seems to have a theory about the best way to approach the four-year Presidential term. This is that the entire agenda of the four years of his responsibility should be placed before Congress, the American people and the world in the first year.

It is a respectable but controversial theory, defying the principle that simplicity and concentration produce best results. But Mr. Carter decided to start with a full shopping list, regardless of how much effort this required or the opposition it aroused.

When he is accused of taking on too much too soon, he tells the story (told to him incidentally by Charles Kirbo) of the man who was accused of being drunk and setting fire to the bed. When the judge asked the man how he pled, he said, "Not guilty." He admitted: "I was drunk but the bed was on fire when I got into it."

That is Mr. Carter's plea as well. There were inflammable crises in the Middle East, Africa, Panama, Cyprus and other places abroad when he took office last January, and a lot of smoke at home on welfare, unemployment, inflation, medical care, etc. In short, he inherited all these infernos and insisted on debating them all in public. It was not the normal way, he says, but he has no excuses.

Accordingly, there is little chance that he will change his work habits. But coming down to the end of the year, he can change his priorities and his Cabinet line-up for 1978, particularly in economics and finance.

Fundamental decisions have to be made in this complicated area, not only decisions of policy but of personnel. It is not clear to many observers here why there has been such a long delay in picking a successor to Bert Lance as head of the Office of Management and Budget, or what is gained by a protracted debate over the future of Arthur Burns at the Federal Reserve.

One disturbing aspect of this is that Mr. Carter's reputation as a decisive man who was going to insist on efficient government by a strong, unified Cabinet is now under serious question, even among some members of that Cabinet, who are beginning to fall into the old Washington habit of expressing their doubts to the President not in Cabinet debate, but individually through the press. They had better be careful: Mr. Carter's tolerance of this technique is somewhat limited.

Coming down to the end of his first year in office, Mr. Carter's way of doing things is still a surprise, but it is a surprise in a surprising way. Nobody doubted he would be an industrious, dominant President. But it was assumed a year ago that he would concentrate on domestic affairs; he has concentrated instead on foreign matters.

WASHINGTON

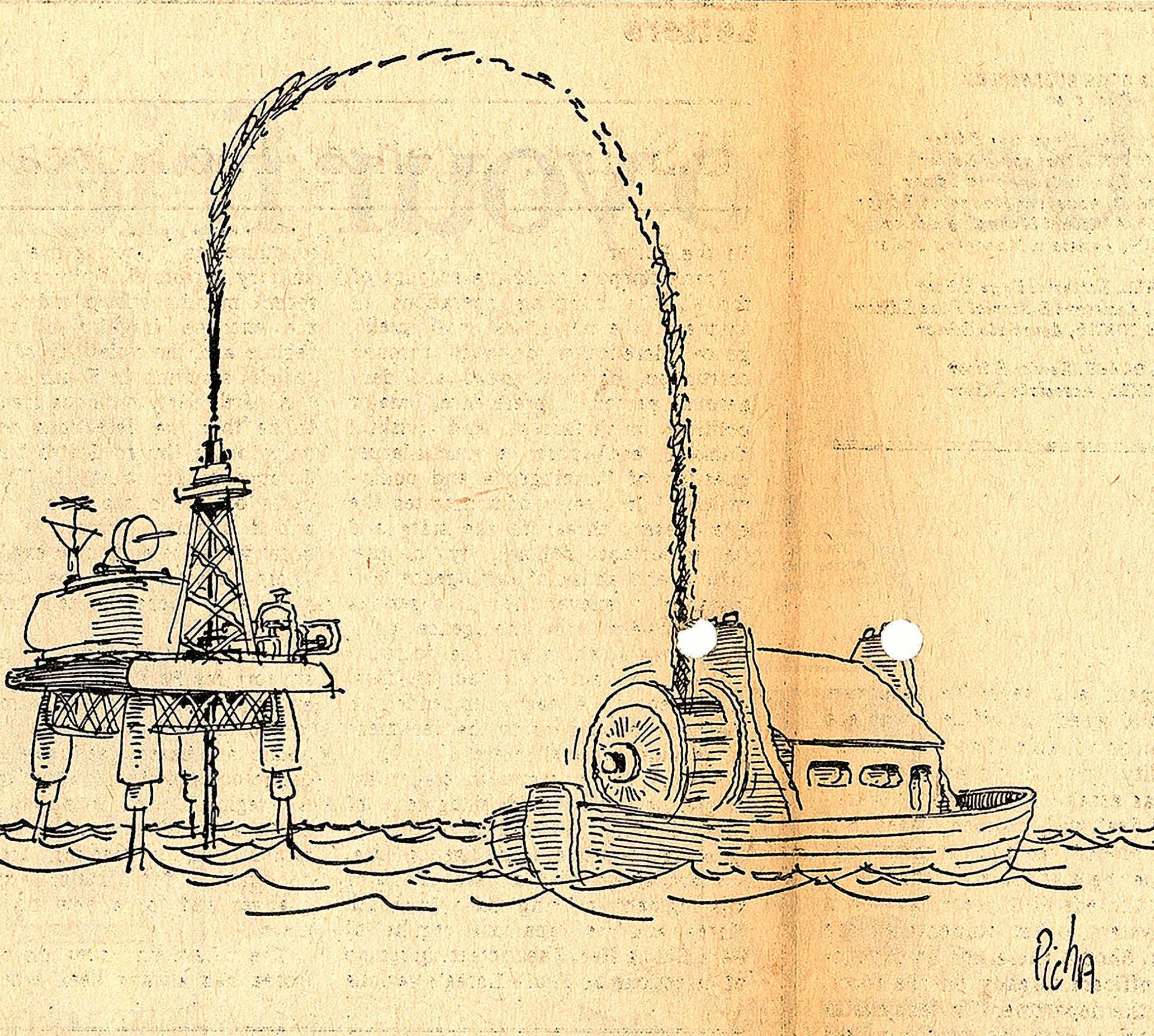
He reads all these criticisms in the press and is not amused, but unlike Presidents Eisenhower and Ford, who may have read the papers too little, and Presidents Johnson and Nixon, who concentrated on their clippings too much, Mr. Carter is neither indifferent nor paranoiac about them. He concentrates on his work and for him, though he is a speed-reader, this means a reading and working 16-hour day.

All this confuses the Congress and the press in Washington. Mr. Carter sees more Congressmen, holds more press conferences, answers more questions and goes more places than any President in recent memory. And yet our most persistent and fair President-watcher in this city, John Osborne of The New Republic, observes that Mr. Carter is still regarded as "a very closed and private person, more so in some respects than Richard Nixon. . . ."

It is a paradox: an "open" President who seems remote. But coming down to the end of his first calendar year in the White House, admitting all these criticisms and watching his decline in the popularity polls, he seems quite calm.

The surface of the waters of his political world are more troubled this December than last, just before he walked down Pennsylvania Avenue to the White House, but he says he is not worried. The deeper tides are going with him, he believes. And he has other beliefs that sustain him. In 1978, he insists, the debates he provoked in both foreign and domestic policy will produce decisions which nobody will like all the way, but compromises that probably most people can live with.

As for Charles Kirbo's observation that he looks a little tired and older, he says even his dear friend Charlie doesn't look as young as he used to.



For Oil and Gas Compromises

By Robert B. Stobaugh

CAMBRIDGE, Mass.—Consumers of oil and gas are receiving a subsidy of $30 billion yearly—the result of the United States Government's setting the prices of United States-produced oil and gas below world market prices.

We are currently witnessing a very intense debate on Capitol Hill on what to do about these price controls.

Yet President Carter, the oil industry and the Congress are in basic agreement on a crucial principle—that prices paid by users of United States oil should be increased and that they should be at, or near, world levels of $14.25 a barrel, not $9 a barrel. This would increase prices paid for domestic crude oil by some $15 billion yearly—half of the $30 billion subsidy.

The President and the oil industry are arguing over who is going to get the resulting revenues.

President Carter wants to capture this $15 billion for the Government. He proposes an "equalization tax" on domestic crude oil that would gradually bring its price up to the world level.

The oil industry, naturally enough, would like to have the entire $15 billion for itself (although I do not think the industry believes it has a realistic chance of getting all of it). The industry would prefer to get the extra revenues directly from the oil purchasers, but would be willing to have the Government assume the role of equalization-tax collector, so long as the tax was then returned to the industry to finance exploration for new oil fields.

This is what the battle now going on in Congress is all about. Broadly, the Congress is split right down the middle. The House bill supports the President; the Senate bill supports the oil industry.

There are merits to the positions of both sides. Under the President's plan, the oil industry would be given greater incentives to carry out new explorations because it would pay very low equalization taxes on newly found oil. Given this incentive, the industry could find money to conduct further explorations.

The dozen or so giant companies already have a large net cash flow and pay substantial and rising dividends. And the innumerable smaller companies that now are plowing back available cash, including additional borrowing, into exploration, and paying small or no dividends, could raise additional funds by selling common stock in capital markets because of enhanced profit potential.

The companies are correct in arguing that the receipt of $15 billion would result in even more exploration. This is especially important for the smaller companies. This may well be why the smaller companies are lobbying much harder than the big ones for higher prices. The giants, although President Carter's political target, have been relatively quiet in this battle. They may feel that they lack power in the current political climate and that their best strategy is to tread softly. In addition, they may fear a hostile public response to a dramatic rise in their profits while gasoline prices rise.

From the national point of view, the case for higher prices to the consumer is strong. Higher prices are crucial to a conservation program, and conservation, of course, is of critical importance to the nation's international political and security positions. The President and the Congress agree on this.

Thus, it is in the national interest to find a compromise that would split the $15 billion surplus that would result from higher prices.

A fair and workable compromise might well include the following steps:

1. The first would be to replace price controls with the equalization tax on pre-1974 oil (the so-called old oil). Because the tax on "old" oil would be so large, the Government would capture three-fourths of the $15 billion surplus. The Government could use these funds for a mixture of purposes: a general rebate to citizens (not in proportion to the amount of fuel used, otherwise conservation is defeated); incentives for conservation; incentives for new and, in particular, nontraditional energy sources; and some exploration incentives to the politically powerful small producers, a step probably necessary to gain Senate approval.

2. Gradually let 1974-77 oil ("new" oil) be sold at world market prices. Although providing only a modest share of the $15 billion surplus to the producers, this would help restore industry confidence—a step necessary to maximize exploration—since much of this oil was found under the belief that it was to be sold at world prices.

3. Let post-1977 oil ("new new" oil) be sold at world prices. This is close to the President's proposals. It would reward producers only to the extent that they found additional oil.

■

What should be done about the other $15 billion subsidy—that on natural gas? Natural gas is different from oil because gas moved across state lines—about one-half of the total—has been subject to price controls for decades, but gas sold intrastate has been completely free of controls.

So instead of "old oil" and "new oil" and "new new oil," the crucial split is between "interstate" and "intrastate" gas. (Estimates of the subsidy on controlled natural gas vary widely depending on differing sets of plausible assumptions. It seems to me, however, that $15 billion is a reasonable approximation.)

There has been little argument over the President's proposals to continue subsidizing consumers using interstate gas found before 1976. This is where the bulk of the natural-gas subsidy exists—a major loophole in any conservation program.

The fight focuses instead on the President's proposal to regulate newly found natural gas sold interstate (breaking a campaign pledge), and his proposal to place newly found gas sold intrastate under price controls. In exchange, the President is offering higher prices for the post-1975 interstate gas than now exists.

Here too a solution similar to my proposal on oil suggests itself: Place a gradually increasing tax on old natural gas to raise prices to the consumers, but deregulate new natural gas.

The net results of such a compromise on oil and gas would be threefold: It would raise prices to the consumer in a gradual manner—a "must" in any realistic energy policy. It would capture a large part of the so-called "windfall" profits for the Government—probably a "must" politically. It would provide the industry with adequate incentives and confidence to search almost as diligently for new oil and natural gas as would be the case with decontrol of all prices without any equalization taxes—an unrealistic goal in any event.

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Correction

Elaine Morgan's article "In Defense of Virgins," which appeared on this page Nov. 25, inaccurately attributed a New Yorker drawing to James Thurber, as several readers have pointed out, testily. Actually, Carl Rose drew the little girl who tells her mother, "I say it's spinach, and I say the hell with it," and E. B. White wrote the caption. One reader observed: "It seems that, even at this late date, Thurber [who often spoke of the drawing before his death, in 1961] is still capable of being at the heart of misinformation."

"It's broccoli, dear."
"I say it's spinach, and I say the hell with it."

Drawing by Carl Rose; © 1928, 1956 The New Yorker Magazine Inc.

The High Cost of Repression

By Tom Wicker

Those three brave Chilean women who have refused to sign a statement renouncing political activity have done more than give up—at least temporarily—their homeland. They have demonstrated once again the duplicity and callousness of the Pinochet regime in Chile (not that they were ever in question, except by the gullible).

The three women recently came to the United States to confer with officials at the United Nations and in Washington about relatives who have disappeared in Chile—in the case of Ana de Los Angeles Gonzalez Gonzalez, for example, her husband, her two sons and her pregnant daughter-in-law. When they returned to Chile last week, they were first refused admittance by Government order, then put aboard a plane for Buenos Aires without their luggage, detained there for six hours without food or drink, and finally brought back to New York through the good offices of United States and United Nations officials.

Now the Chilean Government has offered to admit the women to their own country only if they sign a statement promising to refrain from political activity. They have refused the offer, as well as an American proffer of political asylum here, and are demanding that they be allowed to return to Chile unconditionally.

This is reasonable, since they have legitimate Chilean passports and since the Government decree—No. 604—under which they were told to sign the political renunciation was supposed to apply only to political exiles desiring to return to Chile. There are about one million exiles from Chile today, a tenth of its population; one of them, Jaime Castillo, former vice president of the Christian Democratic Party, went on a five-day hunger strike in Venezuela to protest decree No. 604.

But Ana Gonzalez and her companions, Gabriela Bravo and Ulda Ortiz, are by no stretch of imagination "political exiles." They were not expelled, they did not flee, they made no secret while in New York and Washington about their intention to return to Chile, and they did not engage in political action other than to ask for help in locating relatives who had disappeared, or in getting information about them from the junta. They are not charged with legal violations.

The retaliation chosen by the junta—pretending the women are exiles—is characteristic of its sly efforts to escape international disapproval for its continuing repression of individual rights in Chile. The junta changed the name of the secret police, for example, from DINA to the National Information Center, in a pretense that secret police had been abolished; it pretends that it holds few political prisoners when Amnesty International has documented the disappearance of 1,500 persons. Just recently, a U.N. committee pointed out that the "disappeared" person tactic is being used less often; instead short-term detention and torture are now preferred.

Deputy Assistant Secretary of State Mark L. Schneider, whose efforts opened many doors in Washington for the three women, believes that Chile's institutionalized and sophisticated denial of human and political rights will not stop until "the costs of continuing repression, that is, relations with the U. S. and world opinion, are greater than the costs of relieving repression." And the costs of repression are rising.

Already, in fiscal year 1976, because of the junta's violations of human rights, the United States held up $11 million of $27.5 million that had been appropriated for aid to Chile. General Pinochet then cut off his nose to spite his face by refusing the rest of the money. So for fiscal 1977 (just ended) Chile received no American development or military aid, and only $17 million in Food for Peace and Peace Corps assistance. For 1978, even those accounts will be down to $5.7 million, according to the Center for International Policy in Washington.

Even international aid is in real jeopardy. In fiscal 1976, notwithstanding its dismal human rights record, Chile received a total of $283.2 million from the World Bank, the International Monetary Fund, the Inter-American Bank and the Export-Import Bank. Compare that sum with Chile's 1977 balance-of-trade deficit of $90 million to gauge the importance of continuing multilateral aid to the regime.

But because of the Harkin-Badillo amendment (which requires the U. S. representative to international banking agencies to veto aid—except for that directly benefiting a needy people—to countries with reprehensible human rights records), the Inter-American Bank gave no aid to Chile in 1977, leaving it only $60 million from the World Bank. For fiscal 1978, Harkin-Badillo should require the United States to veto $145 million of a projected $177 million from multilateral sources; and in fiscal 1979, $108 million of $129 million from the World and Inter-American Banks is scheduled for a U.S. veto (all figures from the Center for International Policy).

In other words, the cost of keeping Ana Gonzalez and her companions out of Chile is becoming prohibitive.