



Cromley Column

## Stalled Companies

By RAY CROMLEY

WASHINGTON — Some of President-elect Jimmy Carter's people are refurbishing an idea for government regulatory reform pushed without success by the Nixon administration — an idea so filled with common sense, nevertheless, that it just might work if Congress and the bureaucracy can be persuaded to go along.

The approach, as conceived by the Nixon Council of Economic Advisers, and pushed again by Charles L. Schultze, Mr. Carter's choice to head the CEA, would eliminate many of the detailed how-you-must-do-it rules now enforced by the regulatory agencies — prescribing what companies must do to reduce pollution and to meet other health, safety and assorted social goals, and substitute a graduated tax. The further a corporation missed the goals, the higher would be the tax.

There would be little official concern or regulation on how industry must go about achieving the goals. And no time tables. But the longer a businessman dabbled in getting on target, the more it would cost him. In effect, dawdling would be taxed.

SCHULTZE is convinced millions could be saved in repetitious costly inspections, court cases and in the funds companies must now waste. This is the result of being forced to solve environmental, safe-

ty of land that could be planted, farmers with the aid of scientists increased the productivity of each acre so greatly that American agriculture is the mainstay today of U.S. foreign trade. The last time I checked the figures, we could produce rice at half Japan's cost — and the Japanese are highly efficient people. We find no problems today in competing worldwide in a wide range of agricultural products.

As wages increased, U.S. industry developed automation and other labor-saving devices at what in retrospect seems breakneck speed.

The men arguing for the new approach in regulation reason that if companies now are forced to pay an escalating price for polluting air and water, for higher than reasonable accident rates, for goods which endanger consumers and for other undesirable practices controlled by the regulatory agencies, American business will make the same strides in solving many of these problems as did the farmers and businessmen in meeting the challenge of land use restriction and increasing labor costs.

THIS APPROACH obviously would not solve all the evils of bureaucratic regulation. And there are some dangers if the end results aimed at were pipe dreams. But most businessmen I know complain less about the goals they're required to

By JACK ANDERSON  
with LES WHITTEN  
WASHINGTON — It started in the quiet darkness before dawn. Two small leaks, seemingly insignificant, trickled down the canyon wall near the north end of the great earth-filled Teton Dam.

But three minutes before noon on the fearful Sunday, June 5, 1976, the 50-story dam split open, and a massive wall of water roared over the peaceful Idaho countryside. Miraculously, only 14 people died from the flood's ravages. But over a billion dollars worth of Idaho real estate was washed away. Thousands were left homeless.

Subsequent investigations indicated that the dam should not have been built at all. For the Bureau of Reclamation knew, long before a billion gallons of water backed up behind the dam, that it was a risky project. The geology was tricky, the engineering dubious. But unfortunately, Washington was more sensitive to the lobbying for the dam than to the scientific warnings against it. And so the government built a monster called Teton.

NOW A WORSE disaster may be in the making on the California coast. A nuclear power plant is nearing completion near Diablo Canyon, just three miles from an earthquake line called Hosgri Fault.

The Hosgri Fault hadn't been discovered when the government issued the construction permit in 1966. But several eminent geologists warned that more care should be taken to locate possible faults

in that earthquake-prone area.

In 1971, Shell Oil geologists announced the discovery of the Hosgri Fault. They found it by using a method, ironically, that the nuclear facility's critics had unsuccessfully urged the government to try.

Yet despite the earthquake danger, the government went ahead with the Diablo Canyon plant. It doesn't take a geologist to figure out that an earthquake could rupture the nuclear power plant. This could cause a radiation spill, with catastrophic consequences.

The construction of the plant could have been stopped in 1971, of course, before the full \$1.2 billion it cost to build it was spent. Now it is too late to recover the enormous construction cost; the plant will soon be ready to open. However, it still requires an operating license from the Nuclear Regulatory Commission, which is supposed to protect the public safety.

The NRC is toughening its standards to make the Diablo Canyon plant more earthquake resistant. But no human engineering could guarantee the safety of a plant on the edge of an earthquake fault.

The NRC's project manager for the plant, Dennis Allison, told us that the commission's proposed safety regulations give some comfort "but not much." He acknowledged that the site "turned out to be not such a great place."

YET SO MUCH money and effort has been invested in the plant, and so many

powerful politicians have backed it, that there is tremendous pressure to open it. Allison said the operating license "probably" would be granted.

It was also the site, according to congressional findings, that doomed the Teton Dam. But the politicians who promoted the dam and the bureaucrats who planned it have not been held accountable for the billion-dollar disaster. The Bureau of Reclamation, whose mismanagement helped to produce the catastrophe, has been left unscathed.

Congress, of course, conducted its usual investigations, but these didn't perturb Reclamation Commissioner Gil Stamm. He told some bureaucrats, as we reported last year, that he "wasn't losing any sleep at night" over the congressional inquiries.

Now we have discovered additional evidence of his apparent nonchalance over the dam disaster. At obscure House hearings, Stamm pooh-poohed the casualty count, which had then reached only 11. "The total number of deaths is 11, three of which were gunshot wounds, two were suicides, one is a couple of days after the loss of the dam, the other two weeks after the loss . . ." he reported blandly to the Water and Power subcommittee.

"There have been a number of heart attacks. I think the drownings were a total of five, two of whom were a couple of 76 and 78 years of age who were warned by relatives in ample time but refused to leave their home. Some time later, when they saw the water rising, they did choose to leave, but it was too late. They

were drowned."

It is true that the warnings reached most Idaho residents in time for them to escape the flood. For this, the dam builders deserve no credit; thousands might have been drowned. Stamm assured us that he and his agency are "extremely sensitive" to the Teton Dam disaster. But if sterner measures had been taken against the responsible bureaucrats, the NRC might be a little less willing to issue an operating permit to a nuclear plant on the rim of an earthquake fault.

KOREAN DRUG RING — Intelligence reports indicate that North Korea is so desperately short of hard currency that it is directing a worldwide drug ring to raise money.

North Korean diplomats in the Scandinavian countries have been ousted for their drug and black-market dealings. But the intelligence reports suggest they were merely part of a worldwide operation directed by the North Korean government itself.

The disgraced diplomats were hastily hustled off to Moscow. But intelligence reports say they have now been shipped back to Pyongyang. There were reports, in fact, that the North Koreans were smuggling drugs to their Communist comrades behind the Iron Curtain.

Footnote: Intelligence reports claimed that North Korean agents have turned up mysteriously in Mexico and Africa.

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## Washington Merry-Go-Round

# A-Plant Built Near Fault