Stalled Companies

By RAY CROMLEY
WASHINGTON — Senate of President-elect Jimmy Carter's people are referring to the idea for government regulatory reform passed without much opposition 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 National Council of Economic Advisers, and pushed again by Charles L. Schultze, Mr. Carter's choice to head the CEA, would eliminate many of the details now enforced by the regulatory agencies — prescribing what companies must do to reduce pollution and to meet other health, safety and related social goals, and substitute a graduated tax. The further a corporation missed the goals, the higher 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 delayed in getting on target, the more he would cost him. In effect, dwindling would be taxed.

Schultze is convinced that savings could be made in repetitive costly inspections, court cases and in the higher prices companies must now face. This is the result of being forced to solve environmental, safety-

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. farm trade. The last time I checked the figures, we could produce now in half the years cost — and the Japanese are highly efficient farmers. 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 which in retrospect seems a good idea.

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 have talked less about the goals they're required to

By JACK ANDERSON
WASHINGTON — It started in the quiet darkness before dawn. Two small, sleepy, seemingly insignificant barges slowly pulled down the canyon wall near the north end of the great earth-filled Tetson Dam.

But three minutes before noon on the Fourth of July, 1976, the 30-story dam split open and a massive wall of water poured over the peaceful Idaho countryside. Miraculously, only 14 people died from the flood's impact. But over a billion dollars worth of land and real estate was washed away. Thousands were left homeless.

Subsequent investigations indicated that the dam should 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 weak, the engineering dubious. But unfortunately, Washington was more sensitive to the lobbying for the dam than to the scientific warnings against it. And as the government built a monster called Tetson.

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

The Hanshi Fault hadn't been discovered when the government issued the construction permit in 1963. 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 Hanshi Fault. They found it by using a method, ironically, that the nuclear industry's critics had successfully 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 weaken 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 5 billion dollars it cost to build it was spent. Now it is too late to reverse 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 tightening its standards to make the Diablo Canyon plant more earthquake resistant. But no one engineering concern 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 "turns 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" will be granted.

It was also the case, according to a congressional finding, that doomed the Tetson Dam. But the politicians who pushed 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 unshackled.

Congress, of course, conducted its usual investigations, but those didn't pervert Reclamation Commissioner Gil Stuett.

He told some bureaucrats, as we reported last year, that he was not going anywhere for as long as the congressional inquiries continued.

Now we have discovered additional evidence of his apparent noncompliance over the dam disaster. At obscure House hearings, Stuett pooh-poohed the casualty estimate, which had then reached only 11.

The total number of deaths is 11, three of which were handguns wounds, two were suicides, one in a car and two others after the loss of their home the other two years after the flood...

"He reported bloody to the Water and Power subcommittee.

"There have been a number of heart attacks. I think the dimonings were a total of two, five of whom were a couple of 78 and 79 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 credit. Thousands might have been drowned. Stuett assured the NRC that he and his agency were "extremely sensitive" to the Tetson Dam disaster. But if sterner measures had been taken against the responsible bureaucrats, the NRC might have been more sensitive to the Tetson Dam disaster.

KOREAN DRUG KING — Intelligence reports indicate that North Korea is so desperate for hard currency that it is directing a worldwide drug ring to raise money.

North Korean diplomats in the Scandinavian countries have been chased 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 last seen hedging 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.