

# Clements Making Defense Oil Policy

By Jack Anderson

Despite disclaimers, Deputy Defense Secretary William P. Clements, who came to the Pentagon from the oil industry, is making decisions about the Pentagon's oil reserves.

His boss, Defense Secretary James Schlesinger, assured the press Nov. 30 that Clements "has not been involved" and would be "the first to remove himself" from oil decisions.

Yet two internal memos reveal that Clements not only has poked his nose into oil policy but that his decisions could enhance his personal holdings in Sedco, a Texas-based oil drilling firm. He still owns 1.6 million shares of Sedco stock, worth an estimated \$107.8 million.

Just 13 days before Schlesinger promised Clements would keep his hands off oil problems—on Nov. 17—the quiet Clements signed a memo declaring: "I hereby approve the creation of a Defense Energy Policy Council reporting directly to me for the purpose of approving major policies related to energy matters."

On the same day, according to another memo, Clements approved a Pentagon plan that would allow "a procurement strategy that will permit industry participation in the exploration, development and production of the reserves."

One company that is eager to join in this "industry participation" is none other than Sedco, which is seeking new engineering contracts for Arctic oil exploration. A new mobile drilling platform is also being developed by the firm for use in the Beaufort Sea.

The military's largest oil reserve, of course, is located in the Alaska North Slope and Beaufort Sea. With this vast reserve, according to the General Accounting Office, naval reserves may hold "close to the current proven recoverable oil from all domestic oil fields."

Clements has set up a task force, which is now considering whether to open this massive oil reserve to alleviate the energy crisis. If this decision is made, according to the memos in our possession, private industry likely would be invited to help extract the oil.

Sedco would have an inside track in getting some of the lucrative contracts. Meanwhile, trade publications say that Sedco may also be a bidder on the construction of the Alaskan pipeline.

A Pentagon spokesman told my associate Jack Cloherty that the idea of taking oil out of the Alaska reserve is hypothetical,

at least at this time. Therefore, he said, it is "too early" to charge Clements with a conflict of interest.

But after reading the internal memos, we are waiting for Schlesinger to say that his statements about Clements are "inoperative."

Footnote: Rep. John Moss (D-Calif.) has asked the Nixon administration to investigate what he calls "the strange goings-on" around the Navy petroleum reserves. So far, he has received only a perfunctory response from an assistant navy secretary.

**Big Game**—The Watergate hullabaloo, unfortunately, has overshadowed one of the Nixon administration's most progressive programs. Under the leadership of Assistant Interior Secretary Nathaniel Reed, the Fish and Wildlife Service is cracking down on the shady dealers who profit from killing, selling and trading animals.

Reed has organized teams of special agents, lawyers and intelligence experts similar to the Justice Department's strike forces. These teams are zeroing in on illegal wildlife slaughter, illicit trophy rings and other commercial traffic in endangered species.

High on the wanted list are the big game guides who buy animals from zoos and then turn them loose to be shot down by wealthy trophy hunters. Some "guides" have been known to corral animals for their customers, who then mow the beasts down while they are penned up. These intrepid hunters pay thousands of dollars for shooting-gallery privileges so they can mount the heads of their "big game."

**Washington Whirl**—The computer at the National Institutes of Health churned out "yes" to a question about the impeachment of President Nixon. An NIH spokesman confirmed that the code of the print-out indeed came from the computer but suggested that the answer was only a prank. . . . Not all congressional junketeers tour the beaches and nightclubs. On a recent holiday weekend, Reps. Ed Derwinski (R-Ill.), Ed Madigan (R-Ill.), George O'Brien (R-Ill.) and Vernon Thomson (R-Wis.) flew down to the Guantanamo naval base in Cuba and spent two busy days inspecting the isolated outpost. . . . Probably the most unusual comeback campaigner in 1974 will be Tom Mechlin who is seeking the U.S. Senate seat denied him 22 years ago in Nevada. He caught the public imagination by hiking through Nevada. At 53, his legs are a little stiffer but he plans to leg it through Nevada again.