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THE WHITE HOUSE

REMARKS OF THE PRESIDENT
TO THE
JOINT SESSION OF THE KANSAS STATE LEGISLATURE
STATE CAPITOL

12:09 P.M. CST

Mr. Speaker, President of the Senate Rogers, Governor Bennett, Senator Pearson, Judge Fatzer, distinguished Members of the State Legislature, it is a very high honor and a very great personal privilege to have the opportunity of joining you here this morning.

And may I thank all of you as I thanked the many thousands out in front. It is great to be among people who are friendly, who look forward -- it just is a great thrill, and I thank you and I thank them.

Naturally, I am proud to be here in the great State of Kansas, where people seem to have a very special regard, not for the rights of citizenship, but the responsibilities as well.

I understand that 68 percent of the Kansas electorate went to the polls in November, as against a national average of slightly under 40 percent, and so, let me take this occasion to salute the concerned citizens of your great State of Kansas. It is a great privilege and a very high honor for me to be in a State where voting isn't considered a spectator sport.

Ever since I was a youngster, I have had a very special feeling for Kansas because Kansas is where Dorothy lived before she went to visit the wonderful Land of Oz, where all kinds of strange, whimsical and unexpected things happened. But I am beginning to think that if strange, whimsical and unexpected things were what Dorothy was really interested in, she wouldn't have gone to Oz; she would have gone to Washington, D. C. (Laughter.)

Thank you very much for the opportunity of saying a few words before this Joint Session of the Kansas State Legislature. I would like to thank my very good friend, Governor Bob Bennett, my former colleagues in the Congress, Senators Jim Pearson and Bob Dole, my other associates of former days in the House of Representatives, for urging me to attend this occasion. Their advice has helped me to open up a new phase of my effort to mobilize our country to meet the economic and energy challenges that are on our doorstep.

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In less than an hour, I will be meeting and talking with a gathering of Midwestern Governors on these two very vital subjects. Later this afternoon, I will have the privilege of meeting with my friends of the press for a televised news conference.

But this event, here, in your beautiful and historic State Capital, brings another vital factor into play. I refer, of course, to the legislative branches of our state governments. There is no doubt about it, America faces very, very grave challenges today, and I have been very frank, you might even say somewhat blunt, in describing the seriousness of our economic situation to our people throughout the country.

I feel, as I am sure you do, that they deserve the unvarnished truth, and for far too long in America, they have been given some sugar coated reassurances while pressing problems went untended.

As many of you know, I have always believed in action rather than rhetoric. I have offered the Nation an action program to fight inflationary recession, to tackle the energy crisis, to create jobs and to foster economic stability.

I don't pretend that my plan is perfect, but it is a plan, and so far, no one has come forth with a better idea.

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There have been critics. We expect that, those of us who have been in the political arena for a few years. There have been questions, and we expect those questions, but no one has put forth a comprehensive workable alternative.

I think I can speak quite frankly to a group of legislators. Here is a copy of the various recommendations incorporated in one bill for the solution of our energy program, 167 pages. The title is: "To increase domestic energy supplies in availability and to restrain energy demand and to prepare for energy emergency and for other purposes."

This piece of legislation is the result of many hours of hard work by people in the Executive Branch and many hours of hard work by myself, but it is a comprehensive plan to meet the problem of vulnerability to foreign sources of oil.

This is before the Congress. I regret to say -- and I say it with sadness -- the Congress has been working on this piece of legislation, four pages, and the purpose, according to the title of this bill, is to suspend for 90 days the authority of the President to act.

Now, it seems to me that the American people want something that is a plan for forward moving action rather than a four-page bill to move backward. And I say, in the strongest voice that I can, and with the deepest conviction that I have: The Congress ought to be working on this instead of wasting their time on this.

We need action. We can't tolerate moving backwards.

I said a moment ago, this may not be perfect but it is a plan to save energy, to stimulate additional production for a wide variety of sources of energy and I think the American people want something like this rather than a four-page bill that goes backward, not forward.

So, what I am saying to you is: As we move ahead, I hope the Congress will abandon what they are doing and join with me in working together in a positive way to solve America's problems. And I ask for your counsel, your suggestions and, ultimately, your support. The sooner we act, the better it will be for Kansas as well as the other 49 States.

Consider, for example, the impact that further delay in the energy field will have on farmers here in your great State as well as other agricultural States. Unless we start now to achieve energy independence, the American farmer will grow more and more dependent on the foreign oil cartel for the energy products that the farmer needs to sow and reap his crops. His costs, his profits and his productivity will be at the mercy of the foreign force, or a combination of them.

The farmer would be trapped between growing pressures for lower food prices in the marketplace and higher costs from his energy suppliers. Any way you look at it, this is a no-win proposition for the American farmer.

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That is one of the reasons why I am so adamant about our need to act now on the energy front. We can't let things slide away any further. We have waited far too long.

At the same time, though, I recognize that the farmer may well be concerned about the immediate impact the energy program that I suggest will have on his operations.

In the short term our conservation taxes on foreign oil will raise his energy cost. I can understand, as a consequence, his concern. And we intend to do something about it.

In the State of the Union Message that I gave to the Congress on January 15 and in my subsequent television address to the nation on the economy, I stressed that no industry, nor any geographical area would be allowed to suffer a disproportionate burden of the energy program, and this promise and pledge definitely applies to the American farmer.

I renew that pledge today. As long as I am President, the American farmer will receive the fuel he needs to do the job for 213,000,000 Americans and many others throughout the world.

I will not let the American agriculture run out of gas.

As a tax relief, the result of increasing the investment tax credit from seven to twelve percent will be a savings of nearly a quarter of a billion dollars for America's farmers and ranchers.

I have also instructed the Federal Energy Administrator, Frank Zarb, to design for the agricultural community a rebate program to compensate the American farmer for increased energy costs caused by our conservation program. We will be announcing the details of this program within the next several weeks, but I wanted all of you in this great State to know now that this problem is at the very top of my list of concerns as well as yours.

Let me give you another clear case where energy action is needed that can materially benefit the people of Kansas. As you know, the demand for nitrogen fertilizer has begun to outpace its supply. The reason is very simple. Under the current and outmoded regulatory system, natural gas suppliers have no incentive to increase or even maintain adequate production and distribution. Thus far this year, natural gas curtailments have already resulted in the loss of about 140,000 tons of nitrogen fertilizer. Estimates for total loss during the year range from 200,000 tons to 400,000 tons.

To give you an idea of how important this is, a loss of 200,000 tons, if it were all concentrated in corn yield, would reduce the 1975 crop by about 160,000,000 bushels, or about two and a half percent of the total corn crop.

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I think we should head off this problem before it gets out of control. And the way to do it is to deregulate the price of new natural gas in America.

But to do this, quite frankly, I will need your help. I will need the support of public opinion and, ultimately, the agreement of the Congress. I could give you word and verse of how hard we have tried to get the Congress to move in this area. But, unfortunately, thus far, no action has materialized. It is a part of that legislative program that I submitted. It is a vital part. But if we are going to get the kind of nitrogen fertilizer that I mentioned a few moments ago, we better deregulate natural gas, and the sooner the better.

Now I would like to announce an important action that I am taking in response to the request of many governors. Last week I met with a number of governors in Atlanta, Georgia. Last night I met with another group of governors in Houston, Texas, and I will have the privilege and honor of meeting with some additional governors here this afternoon.

The ones that I have met with have pointed out to me that owing to the softness in the construction industry, they, as governors, will be able to accelerate work on our highway system at lower cost than in the recent past. Accordingly, I have ordered release of up to \$2 billion in additional Federal highway funds.

The governors have assured me that these funds are needed and can be put to immediate use in highway construction projects that can be underway by June 30, 1975. This action will help an industry that has been one of the hardest hit during our current economic turn-down.

In reaching this decision, I considered that authority is already available in the Highway Trust Fund.

Now, I have urged State governors to focus these additional funds, first, on projects that will produce meaningful jobs, second, on improvements that will enhance highway safety and, third, on projects that will complete key links in our interstate system.

Priority -- and I add this as a very important part of the recommendation -- will also be given to urban mass transportation projects which State and local officials agree should be substituted for less critical highway projects.

Now, solving our problems as I look down the road will not be easy, but I would remind you of something that a man from Abilene, Kansas, one of the greatest men that Kansas ever produced, once said, and I quote, "Free men do not lose their patience, their courage, their faith, because obstacles are mountainous, the path uncharted. Given understanding, they invariably rise to the challenge," end quote.

Dwight Eisenhower knew this was true and he proved it as a gallant commander during World War II and as President of the United States.

And he had something else to say about American history and the American character that I believe bears repeating today, when we are hearing so much from prophets of doom and gloom. Here is what Ike had to say in this regard. "It has been the tough-minded optimist," Ike said, "whom history has proved right in America."

That was true in Ike's time and it is true in ours as well.

I am a tough-minded optimist. And may I reciprocate by saying, as I look at this chamber, I know that each and every one of you, as well as collectively, are tough-minded optimists as well.

I believe in America, as you do. I believe in America's future, as you do. I am confident that you, joined with me in this great challenge that we face both at home and abroad, we are optimists, we are strong, we have a faith, we are dedicated and I simply conclude by saying we can do the job together and I am honored and pleased to have had an opportunity of being with you here on this fine occasion.

Thank you very, very much.

END (AT 12:30 P.M. CST)