

FOR IMMEDIATE RELEASE

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Office of the Vice President
(Wichita, Kansas)

REMARKS OF THE VICE PRESIDENT
AT THE
REPUBLICAN GOVERNORS CONFERENCE
HOLIDAY INN PLAZA
WICHITA, KANSAS

(AT 9:12 A.M. CST)

Governor Kitt Bond, I want to thank you for your generous remarks, and to Governor Bob Bennett for his hospitality. It is a pleasure being here; and to all of the other distinguished Governors and friends and the distinguished members of the panel whom I admire -- Mr. Diamond, Mr. Toffler and Mr. Royster -- whom I know you are all looking forward to hearing from.

I am deeply grateful for this opportunity, and I have to say it is a pleasure to be back in this warm and friendly atmosphere here.

Your invitation to the Annual Republican Governors' Conference is not only deeply appreciated; for me it is a little bit like a college Homecoming Day, representing particularly the classes of 1959 consecutively through 1973. But speaking for all other classes as well, I bring you alumni greetings.

(Laughter.)

Our only wish is that the present enrollment was larger. But then, Republican quality belies our numbers.

You have suggested I might help set the stage for the distinguished panel to follow in its discussion of the Bicentennial, 1776 to 1976. My first observation is that we have 13 Republican Governors going into 1976 and there were 13 colonies in 1776. That should be no cause for present satisfaction.

Even if 13 be a lucky number, it is lucky only for those States fortunate to have your leadership. But it is too few for this country. Republicans have only 18 percent of the registered voters. It also is too little.

It bodes well neither for the Republican Party nor for the Nation, which is best served by a vital two-party system. A vigorous two-party system has been a key element of our American democracy -- though neither the signers of the Declaration of Independence nor the drafters of the Constitution designed it that way. Each of the parties, in contending for political office over the years, has had to appeal to a wide spectrum of the electorate.

At times, one party or the other has emphasized particular political, economic or social views. But both have wisely accommodated to change over the decades and enlisted support from broad segments of American society.

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This is a time not only to remember but to reinforce this simple truth: No major American political party can long endure by directing its appeal to a narrow minority, neglecting the opinions, the interests and the aspirations of the vast majority of the electorate.

It will not serve the Nation to have our major parties polarize at ideological extremes. Our American major parties have been, are, and should remain open to persons of all backgrounds and a wide spread of political opinion.

As Governor Milliken of Michigan, former Chairman of the Republican Governors Association, said only yesterday: "The important thing in the 1976 election and beyond is that this party must be broad-based and moderate and progressive in its approach. It cannot be a right-wing political party that excludes broad segments. If it were to be so dominated, then as a national party the Republican Party is through. The party cannot survive the present and thrive in the future if it has a narrow base."

I withdrew as Vice President for 1976 because I do not wish to be involved in political squabbles, nor to allow distraction centering around cults of personalities, to distract the President from his all important responsibilities of dealing with the problems of the people of this Nation and of the world, and to move the Republican Party to any extreme at a time when the national interest requires it to stand for the concerns of the vast majority of Americans.

My second observation for this Bicentennial panel concerns the American people themselves, and their leadership. From what I know of the years leading up to 1776, the leaders of those momentous years were noted for telling the people the plain truth -- or in modern vernacular, "telling it like it is" -- witness the federalist papers. The Declaration of Independence itself not only told it like it was but summoned the people to a new and united effort to better their lot and condition.

The situation today is no less serious. It calls for equal candor and courage. To illustrate, I quote from "The Wall Street Journal" of November 18th a statement by Louis Harris, the pollster: "We have found the American people distinctly of a mind of late of insisting that their leadership level with them out in the open on just how serious the problems are confronting us as a Nation... If given a choice between seriously trimming their material life-styles or enduring more cycles of double-digit inflation and high levels of unemployment, they find that decision relatively easy. By 77 percent to 8 percent, they would opt for cutting back in their material life-styles."

Clearly, like 1776, this is a time to face the realities that confront us and to take action. It is not a time for pussyfoot politics nor dodging of responsibility by playing "Always Put off till after Election the Tough Decisions of Today." Postponement is not progress -- it is retrogression. The problems that cry out for action will neither go away nor diminish.

In these critical times, the people clearly expect their leaders to put aside partisanship and prerogatives and act to meet realistically the pressing issues. A critical case in point is the energy situation.

President Ford devoted most of his State of the Union message last January to an eloquent plea for legislation leading to energy independence for this Nation by 1985. But as Governor Briscoe of Texas said the other day at our Domestic Council meeting in Austin, "If this country had reacted to Pearl Harbor as we have to the energy crisis, we would all be speaking Japanese today."

Frank Zarb, the Federal Energy Administrator, set forth the truths of the energy situation at the Denver public forum of the Domestic Council on October 21. "The first truth is the energy crisis is real," he said, "and we sold out our energy independence for cheap foreign oil."

The second truth is that the Organization of Petroleum Exporting Countries, that is OPEC, is here to stay and is going to continue to increase their prices and maximize their revenues at our expense and that of the rest of the world.

In Frank Zarb's words, "Now if the embargo didn't teach us the lesson of OPEC, we just had a refresher course. The 10 percent increase in import oil is going to cost the American people another \$2 billion a year on top of the \$25 billion we are now paying, and they have told us they are going to meet again next June to determine how much more American wealth will transfer from here to there."

Frank Zarb's third truth is that "there is no easy out." It will require of us both energy conservation and development of American oil and gas production from all sectors, and energy from all other sources -- coal, nuclear, solar and geothermal -- if, in Zarb's words, "we are going to regain control over our own destiny," and avoid blackmail or a boycott, which now would be catastrophic to our Nation.

I think all of us realize that those States on the Eastern Seaboard now import between 80 and 90 percent of their energy in the form of oil from abroad. A boycott would totally paralyze the economy.

We have to also realize that the economic aspects of energy are closely related to political conflicts and struggles in the world, and that revolves around the Middle East. While tremendous progress has been made, there is still great danger. Therefore, we are not out of this situation yet, and we have got to have the courage to be realistic about where we are and what we do and what we face.

His fourth truth is that "the era of cheap energy is over. If we do nothing, our oil will decline, prices go up, the Americans will pay higher prices, and those dollars will continue to flow from here to there. If we develop our own resources, they will go up, but within the context of our program."

Clearly the American people want the truth about our energy situation, and the Zarb statements tell it like it is. One has to recognize the fact that close to \$30 billion, which will be spent next year, if employed and spent in this country to produce energy here, would produce in the neighborhood of a million jobs for Americans, directly in relation to it, and be the basis for the dynamism and the growth of our economy -- balanced with ecological objectives; and they are not in conflict. We have scientific and technological skills to meet both our energy and our ecological needs and do them together and stimulate the economy, get it off dead center, and get employment back so everybody has an opportunity.

Clearly the American people want the truth about our energy situation, and the Zarb statements tell it like it is. But what is the compromise action developed by the Senate and House conferees that was proposed for congressional action last week -- and how does it face these truths?

First, the compromise would roll back all domestic oil prices and reduce the price of gasoline from 1 to 3 cents a gallon during our election year, 1976. This would knock efforts to conserve gasoline consumption on the head, and could only result in pushing up petroleum imports beyond the present disastrous level of 40 percent.

Second, after 1976 -- in other words, after we have celebrated our Bicentennial, and everyone has been re-elected -- under this compromise plan, the price of domestic oil could go up at an annual rate of 10 percent until all controls expire after 40 months.

As a result, conservative estimates are that by 1978 we could be importing 50 to 55 percent of our energy requirements for the country as a whole. As I have already mentioned, let's not forget the East Coast, 80 to 90 percent of its requirements are imported.

Furthermore, the compromise bill contains an "average price" mechanism that not only puts controls on all domestic oil but will result in four or five different prices for domestic oil. This can only make worse a congressionally-created administrative process which is already a bureaucratic nightmare. All this, mind you, when we are talking of the need for deregulation to encourage domestic production, jobs, growth, efficiency and the elimination of red tape.

The close to \$30 billion we will be spending for imported oil next year, if spent on domestic production of energy, in and of itself would produce one million new jobs for Americans here at home and remove the devastating vulnerability to our national security.

The sum total of this compromise would be to discourage domestic energy self-sufficiency; make us indefinitely dependent on OPEC oil; transfer even more of our wealth to the OPEC nations, impairing our national growth, our employment and, indeed, our future quality of life.

The whole exercise is more reminiscent of the Missouri Compromise than the Declaration of Independence. To paraphrase the Battle Hymn of the Republic, surely Zarb's truths will not be "marching on."

Your panelists will assess our 200 years of independence, the present state of our society and our capacity to surmount the shocks of the future. They have a challenging task. Indeed, the Nation faces unprecedented challenges right now, and basic to all of them is the achievement of energy independence. To postpone action, to hide from the truths that confront us, is to sell ourselves short in a world where, surely, problems abound, but opportunity is there for the taking.

Thank you very much.

(Applause.)

END (AT 9:27 A.M. CST)