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UNTIL 1:05 p.m., EST

February 3, 1975

Office of the White House Press Secretary  
(Atlanta, Georgia)

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THE WHITE HOUSE

TEXT OF REMARKS BY THE PRESIDENT  
TO BE DELIVERED TO THE  
OPPORTUNITIES INDUSTRIALIZATION CENTERS'  
11TH ANNUAL CONVENTION

Doctor and Mrs. Sullivan, Mr. Champion, Mr. Ambassadors and  
OIC workers:

Thank you for inviting me to this convention, because I admire the job that the Opportunities Industrialization Centers are doing in training disadvantaged Americans so they can acquire needed skills. Last year, I visited the Reverend Sullivan in Philadelphia for a first-hand look at the Pioneer Center. I came away encouraged by what I saw, inspired by Leon Sullivan's enthusiasm and exhausted by trying to follow him up stairs three steps at a time.

The success of OIC can be attributed to the personal attention given to the social and economic problems of the untrained worker, and the high degree of local involvement.

It is encouraging to me to see businesses from the largest corporations to the small neighborhood stores working in local communities to help solve local problems. The emphasis on training for skills needed in local areas has always been a part of OIC, and that emphasis is more important than ever in today's world. In moving beyond the original goal of helping urban blacks, OIC has reached into the lives of Mexican-Americans, Indians and whites. The OIC creed, "We help ourselves," is not just for the disadvantaged American trying to improve his life, but for all of us.

Taking a page from the Reverend Sullivan, I have outlined an economic and energy program to the nation and to the Congress to allow us to help ourselves out of our current difficulties. My plan, like all self-help, requires some sacrifices.

For one thing, we will be called on to pay more for energy for a long time to come until we in this country can produce enough for our needs. Some critics of my program suggest it is possible to solve our difficulties without making serious demands on all of the American people. They have picked one out of a series of interconnected problems, and offered a popular solution to meet it. This is like looking at a test and picking one question to answer. It is also a good way to flunk the test.

My economic and energy plan tackles all the questions and offers answers that will work.

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All answers are not easy or politically appealing. But they meet the problems head-on. To those who question the decision to work on the energy problem at a time when the nation faces both inflation and recession, I say this: the energy problem will not wait. Besides, it is a big part of the economic problem. For the past decade, there has been talk and more talk about the dangers of our increasing dependence on foreign oil. During the embargo, we found out how real that danger was, and still no hard choices were made.

We must reduce our foreign oil consumption. We must encourage domestic production. We must speed up the use of other energy sources such as coal and nuclear and solar power. We must develop new methods of producing energy.

During the 1960's, this country had a surplus capacity of crude oil, which we were able to make available to our trading partners whenever their surpluses were disrupted. This surplus vanished, and as a consequence, the United States today imports more than one-third of its oil from other nations. Unless we act, by the mid-1980's, that dependence on imported oil will amount to more than one-half of the oil we use.

This trend must be stopped, because we cannot afford the \$24 billion we sent out of the country last year to pay for foreign oil imports. That outflow represents not only the dollars, but jobs.

If the present trend continues, more than ten percent of national employment and output would be subject to decisions of countries whose national interests might not match ours. The more oil we import, the more damage another embargo would do to our economy.

For instance, industries forced into cutbacks by the lack of fuel would, in turn, be forced into laying off workers, perhaps many of your trainees. For workers hired last are usually the first to go in such a situation.

Another embargo could cripple our economy, making us vulnerable not only economically but in the field of national defense as well.

In short, we really are not talking about whether to act, but how. The longer the debate, the greater the delay. The longer the delay, the greater the problem.

Obviously, our national vulnerability is aggravated as America procrastinates. I, for one, will not fiddle while energy burns, to quote the Christian Science Monitor. There is no one-shot, painless answer to the complex energy problem. It will not be enough to reduce oil consumption, unless we also encourage domestic oil production. And these measures must be accompanied by a drive to get maximum efficiency out of all energy used, and a national search for new and better energy sources.

When I see some of the proposals coming from Capitol Hill I am reminded of the difference between washing a car and having it tuned up. Washing the car will make it look shiny, but it will not make it run better. Some proposals look shiny, but they will not make the car run better.

One of these shiny solutions is rationing. But it will not solve the energy problem. To make the program work, we would have to ration for between five and ten years to achieve a sufficient reduction of oil consumption needed to make us really independent of foreign oil.

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Consider this: It is estimated that if the Congress legislates gas rationing there will be about \$140 million licensed automobile drivers in the country who would be eligible for their quotas. If they were cut back from their present average usage of fifty gallons per month to thirty-six gallons to achieve the necessary savings, that would leave each one with about nine gallons per week.

Now what happens to those who absolutely need more gas to get to work or school, or to shop for food? There would have to be machinery set up to administer the program and handle appeals. And that machinery could range from a vast federal bureaucracy to small town boards to decide, for instance, who would receive an extra ration. That would put an automatic system of red tape at all levels and in every town, and into the life of every driver.

Unfortunately, no group in this country is more familiar with government bureaucracy than low-income families, who often must depend on government assistance to survive.

Rationing would penalize low-income Americans because those who needed extra gas would be forced to buy coupons from those who used less than the allotment. The Federal Energy Administration estimates these coupons could sell for about \$1.20 for each gallon of gas -- all this on top of the existing price of gas. This means gasoline bought with extra purchased coupons could cost as much as \$1.75 per gallon.

This would take a big chunk of the income of the farmer who must drive fifty miles to the market, or the commuter who must use his car to get to work, or the salesman who has no other way to reach the customers, or the millions of other American who have become dependent upon their cars for everything from their livelihood to their lives.

There is another unfortunate aspect of rationing, it would be the emphasis on consumption, instead of on reducing consumption.

Under my plan, Americans would be forced to make hard decisions on how to reduce their use of gasoline to the minimum; under rationing, Americans would be concerned with ways of obtaining more gas. In short, rationing would not be a quick solution, an easy solution, or even a fair solution. It would restrict the basic freedom of movement in this country while failing to come to grips with the diverse needs of Americans for transportation.

Even if it were workable, gasoline rationing would not go to the heart of the problem, which is reducing total oil consumption. Gasoline is only about forty percent of a barrel of crude oil. The gasoline rationing advocates offer no solution on how to save on the other sixty percent of that barrel of crude.

Our current national situation on energy is very much like having a disease. If we do not accept painful treatment now leading to a cure, the disease will only get worse. Like a disease, the energy problem will not spontaneously disappear. Neither will it be cured by a couple of congressional aspirin.

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Our twin economic problems of recession and inflation are part of the disease, which must also be treated swiftly and firmly.

The stimulant of a tax rebate to reduce the impact of recession will not be enough without other measures. That is why the \$16 billion rebate I propose is tied into a comprehensive plan. It will put \$12 billion into the pockets of individual Americans. It will provide a \$4 billion incentive to business and agriculture to expand productivity and create more jobs.

The importance of making this rebate available to business can be seen in this statistic: it takes \$12,000 of equipment and plant to support every job.

We have to encourage investment if plant capacity is to expand and if jobs are to be created -- if our economy is to grow and prosper in other words.

This audience is very sensitive to the problems of business and the problems of the job seeker. I think you know the fate of both are closely intertwined.

At the same time, you also realize the middle-income Americans who carry the tax burdens of the nation must not be penalized for their success. Disadvantaged Americans must be encouraged to train for new jobs, for higher incomes for a better standard of living. These incentives must not be removed. When I made the final tough decisions on tackling the energy problem, fighting recession, and working on inflation, I tried to see that the burden was shared fairly among individuals as well as business.

I can assure you the special problems of low-income Americans were considered very carefully in the decisions I made. But I am convinced that the fate of all Americans rides upon our mutual success in overcoming present problems. And those problems require a commitment that looks down the long road to solutions.

A secure economic energy future depends upon the willingness of all Americans to join in this common effort and I believe in that willingness. I believe Americans will accept the sacrifices of today, for a stronger and better country tomorrow.

I have faith that "we will help ourselves" overcome the economic and energy difficulties.

Thank you.

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