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THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AT THE
OPPORTUNITIES INDUSTRIALIZATION CENTERS'
11TH ANNUAL CONVENTION

GRAND BALLROOM
MARRIOTT HOTEL

1:10 P.M. EST

Dr. and Mrs. Sullivan, Senator Talmadge, my former colleagues in the House of Representatives, Governor Busbee, Mayor Jackson and other distinguished public officials, Mr. Ambassadors, OIC workers and executives, it is a great privilege and a very high honor of having the opportunity of participating in the very wonderful occasion today, and I thank you for the warm and friendly welcome.

I do thank you, Dr. Sullivan, for inviting me to this convention, primarily because I admire the job that the Opportunities Industrialization Centers are doing in training disadvantaged Americans so they can acquire the absolutely essential needed skills. Last, year, as Dr. Sullivan indicated, I visited Reverend Sullivan's 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, I must add, exhausted by trying to follow him up stairs three steps at a time, and I will add, parenthetically, I got a fairly good lobbying job last year. (Laughter.) But I must say, in 1975, he has become more subtle. (Laughter.)

You all know 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, extremely encouraging to me, to see businessmen from the largest corporations to the small neighborhood store working in local communities to help solve local problems. And I know precisely and very emphatically the job that was done in my hometown of Grand Rapids, Michigan, and, incidentally, our Mayor, Lyman Parks, is one of the 140 black Mayors in the United States.

The emphasis on training skills needed in local areas has always been a part of OIC, and that emphasis is more important today than ever in the history of our country. In moving beyond the original goal of helping urban blacks, OIC has wisely and very properly reached into the lives of Mexican-Americans, Indians and whites. The OIC creed, "We help ourselves," is not just for the disadvantaged Americans trying to improve his life, but for all of us.

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Taking a page from Dr. Sullivan, I have outlined an economic and energy program to the Nation and to the Congress, to allow us, all of us, 213 million Americans, to help ourselves out of our current difficulties. My plan, like all self-help, requires some sacrifices. It requires some energy, some time and some dedication, and those are hallmarks in the creed of OIC.

For one thing, we will be called upon to pay more for energy for a long time to come, until we in this country can produce enough energy for our needs at home. Some critics of what I have recommended to the Congress and to the American people suggest it is possible to solve our problems without making serious demands on all of the American people. Some of the critics have picked out one out of a series of interconnected problems and offered a seemingly popular solution to meet that particular piece of the difficulty.

I might say, this is like looking at a three-hour test, or a three-hour examination, and picking one question to give an answer. You know, it is also a good way to flunk a test. As I look back on my academic efforts, you cannot get a passing grade in an examination by just answering one of 50 questions. You have to answer all 50 and do the best you can.

It is my strong feeling and conviction that, what I have recommended to improve our economy and to solve our energy program, it tackles all of the questions and offers answers that I am convinced will work. Now, all answers, we well know, 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 respectfully say this: the energy problem will not wait. Besides, it is a big part of our economic problem.

For the past decade, there has been talk and more talk and more talk about the dangers of our increasing dependence on foreign oil. During the embargo, we found out how real that particular danger was, and still, no hard choices were made. It is my sincere conviction that 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.

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I am glad to report to you that in the budget that went to the Congress just yesterday I requested the appropriation of some \$2 billion 200 million so that we can develop those necessary domestic capabilities of energy and geothermal, solar and other unique and different sources of energy.

We can go back to the 1960's, and that is not too long ago for some of us to remember. This country had a surplus of capacity of crude oil which we were all able to take advantage of, and we were able, because of the availability, to use this surplus when their sources were disrupted.

Unfortunately, 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 1980s, that dependence on imported oil will amount to more than one-half of the oil we use in America.

It is my judgment that this trend must stop because among other reasons, 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 dollars but jobs.

If the present trend continues, more than 10 percent of the national employment and output would be subject to decisions of countries whose national interest might not match our own. The more oil we import, the more damage another embargo would do to our economy.

For instance, industry is forced into cutbacks by the lack of fuel would in turn be forced into laying off workers, perhaps unfortunately many of your trainees. It is tragic, but unfortunately true, that workers hired last are usually the first to go in such a crisis.

Another embargo could or might cripple our economy, making us much more vulnerable, not only economically but in the field of national defense as well. In short, we are not really talking about whether to act, but how to act.

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," if I might quote the Christian Science Monitor.

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There is no one-shot, painless answer to the complex energy problem that faces all 213 million Americans. It will not be sufficient to reduce oil consumption unless we also encourage domestic oil production.

These measures must be accompanied by a drive to get maximum efficiency out of all the energy that we use, and in a national search for new and better energy sources.

When I see or read some of the proposals that come from my friends on Capitol Hill, I am sometimes reminded of the difference between washing a car on the one hand and having it tuned up on the other. Washing the car will make it very shiny, but it will not make it run any better.

Some proposals do look shiny until you examine them in detail, and in depth, but even if they are shiny on the outside, in most cases they will not make the car run any better.

One of those shiny solutions that some have advocated -- and I do not challenge their motives whatsoever -- is rationing, but it is my very deep conviction that it will not solve the problem.

To make the program work, we would have to ration not for six months, not for one year, but a minimum of five years. And if we are going to have a ten-year program to solve the problems of energy, which we need, you would look down the road of a ten-year prospect of rationing. I do not think it will work that way.

Let me speak, if I might, considering this alternative. 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 quota. Incidentally, we have about 285 million gallons of gasoline available every day.

Now, if they were to cut back from their present average usage of 50 gallons per month -- that is the national average -- to 38 gallons per month, to achieve the necessary savings, which is the saving of one million barrels of foreign imported oil per day, that would leave each individual with about nine gallons per week.

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What happens -- and this is a very legitimate question -- to those who absolutely need more gas to get to school, to work, or to shop for food? There would have to be machinery set up to administer the program and handle appeals and that machinery, we know from past experience, could range from a vast Federal bureaucracy to small town boards to decide, for instance, who would receive that extra ration and would put an automatic system of red tape at all levels and in every town and in 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.

Again, it is my deep conviction and judgment that rationing would penalize low-income Americans because those who needed extra gas would be forced to buy coupons, buy coupons above the rationing quota from those who would use less than the allotment.

The Federal Energy Administration estimates these coupons could sell for about \$1.20 for each gallon of gasoline, all of this on top of the existing price of gasoline today.

I think this is logical to conclude, that it would mean gasoline without those extra purchased coupons could cost as much as \$1.75 cents per gallon. We know that this would take a great big chunk out of the income of the farmer who must drive 50 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 his customers, or the millions of Americans who have become dependent upon their cars for everything from their livelihood to their lives.

And yet, there is another unfortunate aspect of rationing. It would be the emphasis on consumption instead of reducing consumption. Under the proposals that I have submitted to the Congress, Americans would be forced to make some hard decisions on how to reduce their use of gasoline to the minimum.

Under rationing, Americans would be concerned with the waste that they could obtain more gasoline and, in short, rationing would not be a quick solution or even an easy solution or, in my judgment, even a fair solution.

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It would restrict the basic freedom that we think is important in America, the basic freedom of movement in this country, while failing to come to grips with the very diverse needs of Americans for transportation.

Even if it were workable -- which I do not think it is -- gasoline rationing would not go to the heart of the problem that we face as a country. And the heart of that problem is reducing total oil consumption.

Gasoline is only about 40 percent of a barrel of crude oil. The gasoline rationing advocates offer no solution, to my knowledge, on how to save on the other 60 percent of that barrel of crude oil.

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 some Congressional aspirin. We need a comprehensive, solid, constructive solution if we are going to end our vulnerability to foreign oil imports.

Our twin economic problems of recession and inflation are part of that 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 tax rebate that I have proposed is tied into a comprehensive plan that will put \$12 billion into the pockets of individual Americans.

It will provide a \$4 billion tax incentive to business and to agriculture to expand productivity and to create more jobs. The importance of making this rebate available to business can be seen in this simple statistic.

Businessmen here know precisely what I am talking about. It takes \$12,000 of equipment and plant to support every job. Some jobs require a greater investment. 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 the months and years ahead.

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

At the same time, you also realize that middle-income Americans who carried the tax burden of the Nation must not be penalized for their success. Disadvantaged Americans must be encouraged to train for new jobs, for higher income, for a better standard of living, and these incentives to the people that you work with on a day-to-day basis must not be removed.

They should be available. As you train these people, they must have the inspiration and the incentive and the availability to move up that social and economic ladder.

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When those final, tough decisions were made, as I was tackling the energy problem, fighting recession and working on inflation, I did my very best to see that the burden was shared fairly among all peoples, individuals as well as business, and I can assure you, the special problems of low income Americans were considered very carefully in the decisions that were made. And if you look at the total package, the plan to stimulate and stabilize and improve our economy and the plan to give us energy independence, you will find that the fate of all Americans was carefully considered and appropriate -- in fact, special consideration was given to the less well-off. And if the Congress will act affirmatively on the total program, those who are disadvantaged will be given financial assistance and given an opportunity to improve their lot through OIC.

But what we have to recognize -- and that is what Dr. Sullivan said so eloquently -- is the fate of all Americans rides upon our mutual success in overcoming present problems, and these problems require a total commitment that looks down the road to total solutions. A secure economic-energy future depends upon the willingness of all Americans to join in this common effort, and I believe very deeply in this common willingness.

I believe Americans will accept the sacrifices of today for a stronger and a better country tomorrow. I have a deep and abiding faith that we will help ourselves overcome the problems we face in the economy, the energy difficulties that are on our doorstep and, in the process, make us a better people, individually and collectively -- a better people, not only for ourselves, but our posterity.

Thank you very kindly.

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(AT 1:35 P.M. EST)