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THE WHITE HOUSE

PRESS CONFERENCE OF JAMES LONGLEY GOVERNOR OF THE STATE OF MAINE

THE BRIEFING ROOM

1:00 P.M. EST

GOVERNOR LONGLEY: Good afternoon

One of the things that I wanted to visit with the President about was the alternate sources of energy. We happen to hink that the state of Maine has a responsibility to help the country and the free world to the extent that perhaps we have reached the point in our lives that we should not allow the sword of Damocles to continue to hang over our heads to the extent that the oil interests are not only hindering us economically, but controlling us from the standpoint of our future freedoms.

Q Do you have a ready source of alternate energy in Maine?

GOVERNOR LONGLEY: Of course. I am glad you asked that question. We happen to think that of all the states that we perhaps have one of the greatest areas for alternate energy development; specifically, methanol.

We are undertaking a study with private capital in Maine for a methanol plant manufacturing facility, and our state is pledging its resources from the standpoint of supportive services.

We also happen to think the tide and the agronomy are key areas of alternate energy development.

Q Governor, what did you say to the President about his increase in the import tariff on foreign oil?

GOVERNOR LONGLEY: Candidly, I think that perhaps there have been too many people in the Congress that are playing political games with the tariff question and the entire energy question. I think it is about time that all of us in the country took a look at what the President is trying to accomplish. I would like to say that that is what we in Maine are trying to do and saying that if there is a way to do it better, fine, let's find it. I think the President has put forward a program. He has not in any way said that he is absolutely arbitrary or unequivical, but he has, in effect, said this is the best plan I have, and if you have got a better one, let's hear about it.

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Q Did you tell him that you supported him on this issue?

GOVERNOR LONGLEY: I support him from the standpoint of seeking alternate energy sources. I am not in support on the tariff issue at this point, no.

Q What did you say to him about it? Did you ask him to reconsider that?

GOVERNOR LONGLEY: We did not discuss the tariff issue except from the standpoint that the President obviously would be receptive to seeing what the Congress has to suggest. Our discussion was primarily in the area of alternate sources of energy.

Q Maine was one of the states that is a party to the suit to delay the tariff.

GOVERNOR LONGLEY: Yes, Maine is a party to the suit to delay the tariff imposition because of the effect on our economy. We offered to the President an alternate approach on a regional and a zone basis.

We are using a base price approach based on base demand, which takes into consideration the inequities, we feel, that are presently in the existing legislation.

Q Would you tell us a bit more about this methanol project?

GOVERNOR LONGLEY: The methanol project is the old wood alcohol approach. It can be used as an additive to fuel, which can increase gallonage, in some instances, one and a half to two times or 150 to 200 percent from the standpoint of mileage and it is also, from the standpoint of large-scale manufacturing, a total alternate source of energy.

Q Do you produce that up there, Governor?

GOVERNOR LONGLEY: It is being produced on an experimental basis. Widescale manufacturing of methanol is the key, and that is what we are exploring at this point. We could very easily be the leading producer of methanol in the country, if this pilot project takes off.

Q What would that mean in the way of production?

GOVERNOR LONGLEY: We are talking, actually, about a declining source of energy and based on our projections that if the methanol productivity holds -it is still experimental, obviously, still a pilot project, depending on the raising of private capital in large part -that the alternate energy source would, in effect, replace the declining energy source we have from the standpoint of oil, both from the standpoint of source of supply and cost. It is a low cost additive, a local alternative.

Q Would you want the governmentto build this plant?

GOVERNOR LONGLEY: No. The approach at this particular point is a Mr. Robert Monks in our state has taken on the responsibility. He headed up our energy office in our state. He has completed the project within budget and within the time from the standpoint of laying out a plan for action, and as Governor of this state, I have accepted his plan and he has accepted my challenge to run with the methanol project, which will be dependent on private capital.

Q What do they use to make methanol?

GOVERNOR LONGLEY: It is the wood fiber approach from a standpoint not at all unlike our pulp and paper approach, on squeezing the wood fiber into pulp as contrasted with the use of methanol, which is squeezing, in effect, the liquid derivative from the wood pulp into a liquid.

Q Is it mainly pine?

GOVERNOR LONGLEY: It can be all forms. Your soft woods obviously would have perhaps the greatest water content and, therefore, the greater liquid content.

Q And you do what with it, Governor? Do you put that into --

GOVERNOR LONGLEY: It is an additive to the fuel, to the oil, and some people feel it could be a total replacement, but this is still a problem of further study.

Q What is the President's reaction to it?

GOVERNOR LONGLEY: He is interested, exceedingly interested. He mentioned to Mr. Falk that he was familiar with what we are attempting to do and commended our state, I would say, on the basis of at least that we are trying to do something, and I think this is the key.

Q Is this going to be used as a gasoline additive?

GOVERNOR LONGLEY: Yes.

Q Have the major oil companies displayed any interest in it?

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GOVERNOR LONGLEY: There has not been at this particular point a great deal of interest shown by the major oil companies, no.

Q What do you want the President to do at this stage?

GOVERNOR LONGLEY: We were not asking the President to do anything. As a matter of fact, I would like to say on behalf of our state that we are saying to the President that as a state we have a greater priority in helping the Nation and coming to the country--to the extent this is workable--and saying here is something that will help the country and will hopefully help the free world.

Take those nations of the world that are controlling us from the standpoint of fuel and squeezing us from the standpoint of price: there is an equation here from the standpoint of the non-free world --

Q The state is financing this?

GOVERNOR LONGLEY: No. The initial project is completely private capital and that is the approach at this point to the extent the state is providing supportive services and expertise.

Q Governor, you are opposed to the President's plan to raise oil tariffs. Do you think he has done a poor job of selling that proposal or do you think it is just a bad idea, and no matter how he tries to sell it, it will be unacceptable?

GOVERNOR LONGLEY: No, I happen to feel that the President has done an amazingly fine job under difficult circumstances. He has bitten the bullet, so to speak, and said to the Congress, here is my plan, and absent a better plan, we can find all the fault we want with it.

As Governor of Maine and the New England States in particular that are hardest hit by this tariff, I think there is a burden upon us that says, okay, come up with something better, come up with something more workable, and as Governor of Maine, I want to say we have.

We have come up with alternates for him on this base-line approach of base supply, base demand and a more equitable price structure. In addition, we said to the President, "Mr. President, we, as a state, stand ready to move forward not only with methanol." We want to take another look at Passamaquoddy, an exceedingly important project in the Roosevelt years, that was shelved in large part by the oil companies that said we would never have an energy shortage.

So, we are saying to that extent that the oil companies have sidetracked us, as a Nation and as a state, from the standpoint of development of the tides, that it is time to take another look.

Q Governor, how about the tax proposals of the President? I know the President feels that Congress is moving too slowly on that. Are you concerned about that? Energy is not the only concern in your state. Your economy is not going too well.

GOVERNOR LONGLEY: As an independent Governor that has come out of the business community, I have found that all of the government moves quite slow by comparison, so when you say slow, I want to say compared to what because I think government is very slow.

Q Are you here, because you won't be here for the Governor's conference and the dinner Thursday night?

GOVERNOR LONGLEY: No. We will be here for the conference and for the dinner.

Q Sir, are you saying that Congress is really not doing its job very well, that at least the President is trying to take some action?

GOVERNOR LONGLEY: I have said that in effect I wish the Presidential candidates in the Congress would stop playing politics and come up with a plan better than the President or come up with a constructive improvement to the plan he submitted, yes.

Q Governor, have any other states taken an affirmative initiative like Maine has in supplying ideas or alternatives?

GOVERNOR LONGLEY: Would you believe that I have got my hands full trying to be Governor of Maine and at this particular point, I am not aware of what other states are doing. I am not aware at this point of any other states that have come to the President with alternate plans. Have they, Mr. Falk?

MR. FALK: There have been some states that have come forward with alternate supply questions or alternate supply proposals.

GOVERNOR LONGLEY: All right.

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Q In the development of the methanol versus oil, the states with great forests, have they shown any interest in what Maine is doing with methanol?

GOVERNOR LONGLEY: Based on the information that we have presently, we are taking the lead on this. I cannot speak for certain for the other states.

Q One more question about the methanol?

GOVERNOR LONGLEY: Yes.

Q Can that be used as an additive to fuel oil?

GOVERNOR LONGLEY: Yes. All sources of oil products; it could be used as an additive.

Q Do you think we ought to find out for sure?

GOVERNOR LONGLEY: I have asked Mr. Monks to have a plan on the drawing board for us from the standpoint of investment capital inside of 60 to 90 days. We think time is of the essence.

Q Governor, is this labor intensive enough to do much for the job program?

GOVERNOR LONGLEY: Yes, we think it could be very definitely a plus in our job problem, and -- whoever addressed the problem previously of jobs -- it is a serious problem in our state. Unemployment, which is a problem nationally, is not our greatest problem, as much of a problem as it is.

It is under-employment -- the need for both spouses to work, if they are married at all, to survive in our state by and large -- probably one of the highest incidences of under-employment in the country; in part, if you will, a product of some exploitation, in part a product of textiles and shoes affected by imports so that our people obviously are thinking at this point when is America going to really start taking care of America?

Q Governor, just one more question. Do I understand that the President didn't try to sell you on anything in that meeting and didn't try to get your support on a tax or his energy package? Did you get into a conversation about this?

GOVERNOR LONGLEY: I really didn't feel that he was trying to sell me. I think he is a very convincing individual. I believe him; I trust him. I think he needs our support.

I did not feel that I was being sold. I believe that the President recognizes the right of the Governor of Maine to disagree with him on the tariff approach to the extent that we have entered into the litigation, but I think he also respects the Governor of Maine to the extent that neither one of us was disagreeable in our disagreement.

No, I don't believe at all that he is trying to sell me. I think genuinely he is aware that I am meeting with my Congressional delegation, very much aware that the two Senators from our State are very important and very much aware that I have said to our Congressional delegation, let's set Presidential politics aside and get on with the business of helping the President.

Q I don't know why you are really here. Did you really come here to say that? You have not asked the government for anything, you just want to focus on your plan, or what?

GOVERNOR LONGLEY: Actually, why I am here at the White House?

Q Did you want to tell the President about this particular methanol?

GOVERNOR LONGLEY: I am the only independent Governor in the country. That might have some bearing on my being here. I am not sure. I wanted very much to visit with the President, to follow up on correspondence to him previously, to answer any questions that he might have, and I am very proud, I wanted to share my family and have my family meet the President.

Unfortunately, none of the five children could be with us, but Mrs. Longley was with me, and we had a delightful visit with the President. I happen to believe that more than being an independent Governor -- I have always voted for the person.

While I was a Democrat before I became an independent, he is my President, and regardless of who is serving in that office, I want as much as possible, particularly these days, to pay the President the respect that is due him. I think he is entitled to our respect and support.

THE PRESS: Thank you.

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