The original documents are located in Box 10, folder: "Speech - March 11, 1976 - Symposium on Energy at Davidson College in North Carolina" of the Frank Zarb Papers at the Gerald R. Ford Presidential Library.

REMARKS PREPARED FOR DELIVERY BY
THE HONORABLE FRANK G. ZARB, ADMINISTRATOR
THE FEDERAL ENERGY ADMINISTRATION, BEFORE THE

SYMPOSIUM ON ENERGY
LOVE AUDITORIUM, DAVIDSON COLLEGE
DAVIDSON COLLEGE, NORTH CAROLINA
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First, I want to thank President Spencer for inviting me to join you here at your Symposium on Energy.

The earliest symposium on record that I can think of is the one described by Plato in the Dialogues of Socrates. A great deal of intellectual discussion went on during that symposium, but there was also a large quantity of wine consumed.

In fact, in classical Greek, the word symposium literally means, a drinking party, so it's surprising that we aren't holding this meeting in the Nine Hundred Room.

On the other hand, today the primary meaning of the term is a discussion, and implies give and take. And that's what I am here for today: to hear what you have to say; to listen to your questions and exchange views.

Because of this, I don't plan to make an extended speech. But before we do get to the dialogue, I want to reflect on a few things that may put what we say in perspective, and give us all a point of departure for our discussion.

I want to talk for a few moments about goals, not so much about what they are, but how we as a nation approach them.

A sociologist would probably describe the United States as a goal-oriented society. But that's only part of the story.

The United States has invariably established major national objectives with a single-minded zeal, born of idealism. We have viewed our objectives in definitive, unequivocal terms

That national attitude was never truer than in the nineteen-sixties and early seventies. Out of a sense of national esteem, for example, we established a space program -- the goal: to put men on the moon.

With few exceptions, it met with unanimous national acclaim. And we proceeded to structure, staff and fund it with a clear, recognizable end in sight.

More or less simultaneously, we turned our attention to this planet -- to our own country -- and saw a need to cleanse and preserve our environment. Once again, we defined our goals in ideal terms and set about attaining them with evangelical fervor.

Frankly, I can't think of any other nation in the world that has delineated its objectives in such absolute, uncompromising terms and pursued them with such moral intensity. We don't just establish social programs to ameliorate the conditions of the poor; we start "wars on poverty."

Surely, few other nations in history have exhibited so enormous and -- quite fankly -- beautiful a capacity, not simply for believing in an ideal, but for seizing it, seeking its realization and succeeding in that effort.

That conjunction of belief and will is a national characteristic that should be prized and perpetuated. But we have, I believe, entered an era when it must also be tempered by realism.

In the past, we have met goals one by one; we have been able to deal piecemeal with problems -- to seek simple, direct solutions.

But in the energy crisis, we are faced with a dilemma which will not yield to simplicity -- to a few years of effort, or to a few billion dollars or to a few big breakthroughs. And this is true because the energy crisis is, in fact, a whole complex of technological, economic, environmental and, at bottom, human issues.

In a sense, the energy problem has an ecology all its own. That is, every interest -- the environment, the economy, consumerism, national security, foreign policy, agriculture and practically all public institutions -- political and corporate -- are related to each other by the need for adequate energy.

It is, quite simply, impossible to address the energy issue without considering practically every major issue on the national agenda. For a moment, I'd like to trace that ecology of issues and see where it leads us.

To begin with, the United States is the world's major industrial power. As a result, we have been able to guarantee our people a continuing prospect of prosperity. But with that power comes enormous responsibilities in world affairs. All of it -- our power, our prosperity and our ability to carry out our commitments in the world -- rests on sure supplies of energy -- largely oil and natural gas.

With the inexorable depletion of the more economic oil reserves in this country, we began, over time, to seek less expensive supplies overseas.

In effect, we grafted supplies of foreign oil into the root system of our economy. And when that graft proved unreliable, we realized that we would have to lean more heavily on our own system -- to strengthen and broaden it, or see the whole thing wilt.

Simply stated we have to turn to domestic sources of energy.

But when we look at these resources, we see that the issue is not just one of energy. Environmental issues impinge on every single one of them.

For example, coal, as you know, is plentiful and within the reaches of our own sovereignty. Yet in the west, where most of our current reserves exist, the most effective method of producing it -- surface mining -- requires the movement of huge amounts of earth.

Aside from production, its use is conditioned by a legitimate desire for cleaner air. So a multitude of questions are then raised: How clean, for example, should it be and how much are we willing to increase the price of electricity to attain that standard?

But the best illustration of the economics of energy is in oil and natural gas. There is more of both within our own borders.

But, as I suggested earlier, these reserves are more remote, more difficult to produce and, therefore, more expensive. There is little doubt that more oil and more natural gas will be produced if that expense can be met.

In that kind of situation, the natural response of the market mechanism is usually sufficient to cover the expense and foster production. But higher energy prices are a novelty in this country, and so the issue becomes charged.

Individual consumers are buffeted by claims and counter-claims. The result is confusion and uncertainty in the marketplace which, in turn, is transmitted into the political process. At that point, it becomes not solely a question of the effect of price on consumption and production, but upon voters.

Another case which points to the complexity of the energy problem is nuclear power. We have proposed a major increase in our ability to generate electricity with it. The subject arouses opposition which is both vocal and emotional.

Yet the fact remains that, despite a decrease in the growth of overall energy consumption, the demand for electricity will continue at more than twice the rate for energy generally. That demand will have to be met somehow; if not from nuclear plants, then from coal and oil facilities.

But, as we already know, coal has some unwelcome environmental properties and transportation problems that will limit its use. So, without nuclear power and unable to fill the gap with coal, we will be left with a growing reliance on imported oil to fuel power plants and produce electricity.

Just think for a moment what that could mean in 1985: we think that by that time nuclear power could be -- and should be -- producing roughly twenty-five percent of our electricity, rather than the present eight percent.

If it isn't and the deficit is being made up with imported oil, another embargo would make the 1965 blackout in the northeast look like a practical joke.

And that same kind of calculus pertains to every other fuel available to us: The less coal we use because of environmental scruples, the more we will increase our petroleum imports; the less natural gas we have available because of suppressed prices, the more oil we will have to buy from abroad to replace it.

So we come full circle back to our original goal -- ensuring the economic stability and the international credibility of the United States by importing less oil not more.

My point is not that this objective should take absolute precedence over all our other national aspirations; far from it. Basically, I contend that the situation we face today is qualitatively different from the crises of the past.

The energy crisis, unlike the Apollo Program, has no clearly visible goal which can be achieved with dramatic finality. No one can see how many barrels of oil we don't import, and it won't show up in 1985 on a TV special.

What's more its scope is so wide that it touches on -- and is touched by -- virtually all our other goals. We cannot solve it and maintain all our other national goals with the same type of emotional commitment and single-minded exclusivity that have characterized our efforts in the past. We can no longer ally ourselves solely with one cause -- such as the environment, or consumerism or even unrelenting resource development.

Almost by definition, that kind of alliance with one element in our national life presupposes enmity for some others. And our economy, our environment, our political process and our life as a powerful and prosperous nation are simply too interdependent to endure that kind of schizophrenia.

We have to learn a new more pragmatic approach to our problems and priorities. We have to adjust to the fact that our goals will have to be approached comprehensively and attained progressively.

We have a national goal of clean air and we will reach that objective, but it won't be immaculate because we also need to reduce oil imports by burning more coal.

We have a national goal of preserving as much of our physical environment as possible, and we will attain that goal. Strip-mined land won't necessarily Be the same as it was before mining but it will be reclaimed.

We have a national goal of reasonable prices and we will attain that objective. We'll never have oil at $3 a barrel again because it can't be produced in this country for that much. But we can ensure stable prices for a broad range of energy resources, and help the economy adjust.

And finally, we have a national goal of developing the ability to become invulnerable to interruptions of oil supplies. We can achieve that goal also, but not without sacrifice, not without national will and certainly not without compromise.

All our goals -- worthy enough in themselves -- only make up one general national objective: the maintenance of a free, strong, prosperous, humane society, capable of guaranteeing those blessings to its citizens. In the final analysis, this is why the environment is important; this is why energy is vital; this why the economy and the government function.

And in that ultimate goal there is also idealism, but as I indicated earlier, that ideal can only be approached in increments, while we calculate our progress in percentages. After all, in real life the ideal is never attained absolutely; only approximated.

Plato, for example, set out his ideal commonwealth when he wrote the Republic. It had a theory which is studied even today, but no one ever studies The Republic's history because it only existed in the mind of the philosopher.

Thank you and now I'd like to hear your questions.

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