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MANUFACTURING CHEMISTS ASSOCIATION

LUNCHEON, MADISON HOTEL, WASHINGTON, D.C.

TUESDAY, JAN. 8, 1974.



*John Engeman*  
*Roger Morton*  
*Bill Dwyer*  
*Dave Conklin*  
*Chuck Marshall* / *Jim Morton*

THANK YOU FOR YOUR WARM WELCOME.

IT'S ALWAYS GOOD TO START THE NEW YEAR  
WITH OLD FRIENDS.

I ALSO APPRECIATE THIS  
OPPORTUNITY TO BE WITH THE LEADERS OF OUR  
NATION'S GREAT CHEMICAL INDUSTRY.

IN THIS ENERGY CRISIS, YOURS IS ONE OF THE KEY ENTERPRISES WHOSE PRODUCTS ARE THE BUILDING BLOCKS OF A SCORE OF OTHER INDUSTRIES. IF WE CAN MAINTAIN A HIGH LEVEL OF CHEMICAL PRODUCTION, WE WILL HELP ENSURE THE JOBS OF MILLIONS OF WORKERS IN THOSE INDUSTRIES AND THE PRODUCTION OF EVERYTHING FROM FOOD TO CLOTHING TO AUTOMOBILES.



I NOTE THAT THE BROCHURE ANNOUNCING THE 1974 SPEAKERS AT THIS CHEMICAL FORUM LISTS MY TOPIC TODAY AS

THE LEGISLATIVE ISSUES CONFRONTING THE CONGRESS THIS YEAR. THAT PRINTING WAS BEFORE THE ROOF CAVED IN ON ME -- AND WITH YOUR PERMISSION, I'D LIKE TO SWITCH TO THIS SUBJECT THAT'S SO VERY MUCH ON THE MINDS OF US ALL: ENERGY -- THE CHALLENGE IT PRESENTS, TO OUR COUNTRY AND TO ALL NATIONS.

*RN / telephone*

FIRST, I THINK IT'S OBVIOUS TO US ALL THAT PRESIDENT NIXON'S STRATEGY FOR COPING WITH THIS CRISIS IS WORKING.



IT IS WORKING BECAUSE THE  
CORNERSTONE OF THAT STRATEGY IS THE  
COOPERATION OF THE AMERICAN PEOPLE.

IN THE NATIONAL CHARACTER, THIS  
TRAIT RUNS UNBROKEN. OUR PEOPLE HAVE NEVER  
FAILED IN THEIR WILLINGNESS TO SACRIFICE  
FOR THE COMMON GOOD IN TIMES OF CRITICAL  
NATIONAL NEED.

THE PRESIDENT KNOWS THAT IF A  
CHALLENGE IS MADE CLEAR AND IF A SENSE OF  
DIRECTION IS PROVIDED, AMERICANS WILL RESPOND.



SO IN THIS ENERGY CRISIS HE HAS LAID IT  
RIGHT ON THE LINE: AT STAKE ARE JOBS,  
INCOME, PRODUCTION, INVESTMENT. TO MAINTAIN  
THEM, WE HAVE TO TAKE MAJOR STEPS TO  
CONSERVE ENERGY THROUGHOUT THE ECONOMY.

AND OUR PEOPLE HAVE RESPONDED,  
IN ONE OF THE FINEST DISPLAYS OF UNITY IN  
PEACETIME HISTORY. IN 67 MILLION  
HOUSEHOLDS AND 120 MILLION MOTOR VEHICLES,  
THEY HAVE JOINED TOGETHER IN CONSERVATION  
MEASURES THAT ARE MAKING A MAJOR  
CONTRIBUTION TOWARD MEETING THE FUEL SHORTAGE.



AND BUSINESS, FROM THE SMALLEST RETAIL STORE TO THE HEAVIEST INDUSTRY -- INCLUDING YOUR OWN CHEMICAL INDUSTRY, I KNOW -- HAS LAUNCHED ENERGY CONSERVATION PROGRAMS THAT WILL SAVE MILLIONS OF BARRELS OF OIL THIS YEAR.

CLEARLY, THE CENTRAL MESSAGE IS UNDERSTOOD -- AND IS BEING ACTED ON -- THROUGHOUT THE NATION. IT IS SIMPLY THAT A KILOWATT SAVED SUSTAINS JOB SECURITY; A BARREL OF OIL WASTED THREATENS PRODUCTION.



SUCH HAS BEEN THE SUCCESS OF THESE CONSERVATION EFFORTS, AND THE ALLOCATION PROGRAM, THAT WE HAVE BEEN ABLE TO KEEP DISRUPTIONS TO THE BAREST MINIMUM.

STILL, THERE ARE THOSE WHO DISAGREE WITH OUR MEASURED AND LARGELY VOLUNTARY RESPONSE TO THIS CRISIS. AND A FEW HAVE SEIZED ON IT TO ADVOCATE THE MOST DRASTIC ACTIONS.

SOME SAY NATIONALIZE THE ENERGY INDUSTRIES.





OTHERS SAY CLAMP ARTIFICIALLY  
LOW PRICES ON FUEL.

STILL OTHERS WOULD PUT THE WHOLE  
ECONOMY IN A STRAITJACKET, WITH RIGID  
CONTROLS ON EVERYTHING.

THESE MISGUIDED NOTIONS CAN ONLY  
BE DESCRIBED AS THE COUNSEL OF DESPAIR --  
AND DESPERATION.



INSTEAD OF RIGID CONTROLS THAT  
WOULD ONLY ADD TO THE SHORTAGES, WE NEED  
A MINIMUM OF INTERFERENCE WITH THE FREE  
ENTERPRISE SYSTEM'S ABILITY TO PRODUCE.

INSTEAD OF ARTIFICIALLY LOW FUEL  
PRICES, WE NEED REALISTIC PRICES THAT  
ENCOURAGE ENERGY CONSERVATION AND FOSTER  
INCREASED EXPLORATION AND DEVELOPMENT OF  
DOMESTIC ENERGY RESOURCES.



INSTEAD OF NATIONALIZATION, WE SHOULD REAFFIRM OUR SUPPORT FOR THE SYSTEM OF COMPETITIVE ENTERPRISE THAT HAS PROVIDED US WITH THE WORLD'S HIGHEST STANDARD OF LIVING.



I AM OPPOSED TO MONOLITHIC GOVERNMENT WHICH CLAIMS TO HAVE ALL THE ANSWERS. I PREFER TO RELY ON THE DECISION-MAKING POWER OF 211 MILLION AMERICANS, EXERCISING THEIR CHOICES IN THE MARKET PLACE, AND THE ABILITY OF INDUSTRY TO RESPOND TO THEIR NEEDS.

NO, THE COUNSEL OF DESPERATION DOESN'T IMPRESS ME. BACK IN MICHIGAN, WE DON'T PAY MUCH ATTENTION TO THOSE WHO ADVOCATE PULLING DOWN THE RAFTERS TO GET WOOD FOR THE FIREPLACE.

AS FOR GASOLINE RATIONING, WE HAVE SO FAR AVOIDED SADDLING THE AMERICAN PEOPLE WITH THIS BURDEN. *but*



BILL SIMON HAS PRUDENTLY READIED A WORKABLE PLAN IN CASE IT'S NEEDED. BUT I CAN ASSURE EVERY AMERICAN THAT IT'S GOING TO BE PUT INTO EFFECT ONLY AS A LAST RESORT.

I KNOW THAT SOME OF MY GOOD FRIENDS ON THE HILL THINK WE SHOULDN'T WAIT. WE SHOULD IMPOSE RATIONING NOW.

WELL, THEY HAVE THEIR REASONS, AND I RESPECT THEIR VIEWS. BUT A MAJORITY OF THE SENATE VOTED AGAINST RATIONING NOW, AND I AGREE WITH THE MAJORITY. I FAVOR GIVING OUR CONSERVATION MEASURES AND OTHER STEPS A CHANCE TO PROVE THEIR WORTH FIRST. I AM HOPEFUL THEY ARE SUFFICIENT, BECAUSE NO SYSTEM, NOT EVEN SIMON'S SYSTEM, CAN BE MADE COMPLETELY FREE OF INCONVENIENCES AND



INEQUITIES. NOT TO MENTION THE OPPORTUNITY FOR FRAUD AND CHEATING THAT ARE INHERENT IN ANY CONTROL PROGRAM, PLUS THE MILLIONS OF DOLLARS REQUIRED TO ADMINISTER IT.

I'M NOT SAYING WE MAY NOT HAVE TO COME TO RATIONING IN THE END. I AM SAYING THAT I'M FOR IT ONLY AS A LAST RESORT.

THE OTHER HALF OF OUR ENERGY STRATEGY, LOOKING MORE TO THE LONG RANGE FUTURE, IS TO INCREASE DOMESTIC SOURCES OF SUPPLY.



WITH THE COOPERATION OF THE  
CONGRESS AND THROUGH EXECUTIVE ORDER, WE  
ARE MOVING:

- TO CONSTRUCT THE ALASKA PIPELINE AND TAP  
THE VAST RESERVES OF THE NORTH SLOPE;
- TO INCREASE OIL AND GAS PRODUCTION ON  
THE OUTER CONTINENTAL SHELF;
- TO INCREASE THE PRODUCTION OF COAL, WHICH  
IS OUR MOST ABUNDANT AND LEAST COSTLY  
DOMESTIC SOURCE OF SUPPLY;
- TO LAUNCH PROJECTS MAKING THE RECOVERY OF  
SHALE OIL COMMERCIALY FEASIBLE;
- TO DEVELOP OUR GEOTHERMAL RESERVES ON  
FEDERAL LANDS;
- AND TO SPEED UP GENERATION OF NUCLEAR  
POWER.



IN ADDITION, THE PRESIDENT PROPOSES TO ACCELERATE OUR SCIENTIFIC AND TECHNOLOGICAL EFFORTS TO DEVELOP PROMISING NEW SOURCES OF ENERGY. THIS LONG RANGE PROGRAM WILL INCLUDE DEVELOPMENT OF TECHNOLOGIES IN THE FIELDS OF COAL GASIFICATION AND LIQUEFACTION, FUSION POWER, AND SOLAR ENERGY. THROUGH PROJECT INDEPENDENCE, WE HOPE TO DEVELOP BY 1980 THE POTENTIAL TO MEET OUR OWN REQUIREMENTS WITHOUT DEPENDING ON FOREIGN ENERGY SOURCES.





WE NEED THIS FOR BOTH DOMESTIC  
AND FOREIGN POLICY REASONS.

MUCH OF THIS PROGRAM REQUIRES  
POSITIVE ACTION BY CONGRESS. SOME OF THE  
REQUIRED AUTHORITY IS EMBODIED IN THE  
ENERGY BILL WHICH CONGRESS FAILED TO PASS,  
BEFORE ADJOURNMENT, BUT WHICH WE HOPE WILL  
BE ENACTED PROMPTLY AFTER ITS RETURN LATER  
THIS MONTH. IN THE MEANTIME, WE ARE USING  
EXISTING AUTHORITY TO MOVE AHEAD.



AMERICA IS GOING TO MEET THIS  
ENERGY CHALLENGE.

WE'RE GOING TO MEET IT BECAUSE WE  
HAVE THE STRONGEST, THE MOST PRODUCTIVE,  
THE MOST RESILIENT ECONOMY IN THE WORLD --  
AND ONE THAT HAS AN UNPARALLELED CAPACITY  
TO WITHSTAND SHOCKS AND STILL FORGE AHEAD.

WE'RE GOING TO MEET IT BECAUSE  
WE ALREADY PRODUCE 85 PER CENT OF OUR  
ENERGY FROM DOMESTIC SOURCES, WITH THE OIL  
EMBARGO AFFECTING LESS THAN 10 PER CENT  
OF OUR REQUIREMENTS.



WE'RE GOING TO MEET IT BECAUSE WE HAVE SOME OF THE FINEST SCIENTISTS AND ENGINEERS IN THE WORLD SEARCHING FOR NEW WAYS TO PRODUCE AND CONSERVE ENERGY.

ABOVE ALL, WE'RE GOING TO MEET IT BECAUSE OF THE SPIRIT AND DETERMINATION OF THE AMERICAN PEOPLE AND THE RESOURCEFULNESS AND COOPERATION OF INDUSTRY.

MOREOVER, IN THE PROCESS OF MEETING IT, WE'RE GOING TO BECOME A STRONGER, MORE PRODUCTIVE NATION, NOT WEAKER.



CHALLENGE HAS BEEN OUR STRENGTHENING  
MEDICINE SINCE THE FOUNDING OF THE  
REPUBLIC. WE HAVE NEVER FAILED TO GAIN  
FROM IT -- TO TURN IT INTO OPPORTUNITY.

BUT I ALSO WANT TO EMPHASIZE TODAY  
THAT THE ENERGY CRISIS INVOLVES MORE, MUCH  
MORE, THAN JUST A DOMESTIC CHALLENGE FOR  
THE UNITED STATES.

OF EQUAL URGENCY IS THE CHALLENGE  
OF THIS CRISIS TO THE CONCEPT OF ECONOMIC  
INTERDEPENDENCE IN THE WORLD, A CHALLENGE



INVOLVING ALL NATIONS. AND I WANT TO STRESS THAT OUR INTEREST IN THIS GLOBAL PROBLEM IS NO LESS THAN THAT IN OUR OWN DOMESTIC PROBLEM.

SECRETARY KISSINGER'S RECENT CALL FOR THE NATIONS OF THE WORLD TO JOIN WITH US IN A MASSIVE PROGRAM TO SOLVE THE ENERGY PROBLEM IS ONLY THE LATEST EXAMPLE OF OUR SUPPORT FOR INTERNATIONAL COOPERATION ON MANY FRONTS.



BEYOND THESE EFFORTS IS OUR COUNTRY'S LEADERSHIP IN GETTING THE GENEVA PEACE NEGOTIATIONS UNDER WAY. THE PARTIES INVOLVED NOW HAVE A DIRECT CHANNEL OF COMMUNICATIONS. THEY WILL BE DISCUSSING LONG-STANDING DISPUTES THAT HAVE LED TO WAR AND THE THREAT OF EVEN WIDER WAR. NO ONE UNDERESTIMATES THE DIFFICULTY OF FINDING SOLUTIONS TO THESE PROBLEMS, BUT THE WHOLE WORLD IS HOPEFUL. I BELIEVE THAT THERE IS NOW AN UNPARALLELED OPPORTUNITY FOR SUCCESS IN THE SEARCH FOR A JUST AND LASTING PEACE IN THE MIDDLE EAST. WE ARE FIRMLY COMMITTED



TO DOING EVERYTHING WE CAN TO HELP ACHIEVE THAT OBJECTIVE. I MIGHT ALSO ADD I AM OPTIMISTIC THAT THE ARAB OIL EMBARGO WILL BE LIFTED WITHIN A RELATIVELY SHORT TIME.

THE FORCES OF THE MODERN WORLD HAVE MADE THE VITAL INTERESTS OF ALL NATIONS INDIVISIBLE.

THIS APPLIES NOT JUST TO THE IMPORTANCE OF REDUCING INTERNATIONAL TENSIONS THAT THREATEN THE PEACE, BUT ALSO TO THE POSITIVE BENEFITS THAT FLOW FROM ECONOMIC COOPERATION.



IN THIS NEW ERA SCIENCE,  
TECHNOLOGY, TRADE, INVESTMENT,  
COMMUNICATIONS -- THE KEY ELEMENTS OF  
ADVANCED INDUSTRIALISM -- HAVE TAKEN THE  
EGGS OF ALL NATIONS AND BROKEN THEM IN A  
COMMON PAN. THESE EGGS ARE NOW SCRAMBLED.  
THEY CAN NEVER BE UNSCRAMBLED.

THE BEAUTIFUL PART IS THAT THIS  
SCRAMBLING PROCESS HAS THE MAGICAL ABILITY  
TO PRODUCE MORE FOR EVERYBODY.





SCIENCE AND TECHNOLOGY MULTIPLY  
THE POWER OF MEN TO PRODUCE A THOUSANDFOLD.

TRADE OPENS UP MARKETS AROUND THE  
GLOBE FOR THE PRODUCTS OF ALL WORKING  
PEOPLE.

INVESTMENT SPREADS CAPITAL AND  
TECHNOLOGY EVERYWHERE, CREATING NEW SKILLS  
AND BETTER PAYING JOBS.

COMMUNICATIONS SOWS NEW IDEAS  
THAT IN TURN PRODUCE THE SEEDS FOR OTHER  
IDEAS.



AND WHEN THESE FORCES ARE INTERMIXED, THE RESULT HELPS TO SATISFY THE NEEDS AND ASPIRATIONS OF MORE AND MORE PEOPLE ALL OVER THE EARTH.

WE SEE THE PROCESS AT WORK EVERYWHERE, WITH MANY DIFFERENT KINDS OF GOODS AND SERVICES BEING EXCHANGED.

FOR EXAMPLE, NORTH AFRICA AND THE MIDDLE EAST HAVE SOME OF THE GREATEST FOOD DEFICITS IN THE WORLD. THE UNITED STATES IS THE WORLD'S MOST EFFICIENT PRODUCER OF



SOYBEANS, WHEAT AND OTHER GRAINS. SO WE  
AND OTHER NATIONS HELP TO FEED THE PEOPLE  
OF THAT REGION.

SOME COUNTRIES IN THAT AREA  
REQUIRE ADVANCED TECHNOLOGY AND SKILLED  
ENGINEERS AND GEOLOGISTS TO HELP TAP THEIR  
VAST OIL DEPOSITS. THE UNITED STATES AND  
OTHER COUNTRIES HELP SUPPLY THESE.



SOME COUNTRIES IN THAT AREA NEED PLACES WHERE THEY CAN SAFELY INVEST SOME OF THE MONEY THEY EARN FROM THE SALE OF OIL. THE ECONOMIES OF THE UNITED STATES, JAPAN, THE NATIONS OF EUROPE AND OTHER COUNTRIES, PROVIDE THE STABILITY AND GROWTH REQUIRED FOR THOSE INVESTMENTS.

ON THE OTHER HAND, OUR COUNTRY, EUROPE, JAPAN AND OTHER NATIONS HAVE NEEDED THE OIL PRODUCED IN THE MIDDLE EAST AND NORTH AFRICA TO OPERATE OUR EXPANDING INDUSTRIAL ECONOMIES. WE HAVE BEEN



STEADY CUSTOMERS FOR THAT OIL, WITH OUR REQUIREMENTS GROWING EVERY YEAR. OUR ECONOMIES ARE STRUCTURED ON THE UNINTERRUPTED FLOW OF THIS OIL. WE ALL DEPEND ON IT, IN THE SAME WAY THAT REGION DEPENDS ON US FOR SOME OF ITS CRITICAL NEEDS.

SO THE PROCESS INVOLVES A CIRCULAR FLOW THAT REQUIRES THE COOPERATION OF ALL TO KEEP THINGS MOVING.

BUT IT CAN BE EASILY HALTED.



CLOSE AN OIL VALVE IN THE MIDDLE EAST AND YOU THREATEN TO SHUT DOWN A FARM TRACTOR IN OUR MIDDLE WEST.

HALT THAT TRACTOR AND SOME PEOPLE IN THE WORLD WILL HUNGER FOR BREAD.

I DON'T EXPECT THAT TO HAPPEN. IT WOULD BE DISASTROUS FOR ALL.

THE ENERGY CRISIS IS A CHALLENGE TO THIS HERITAGE OF COOPERATION. IT CHALLENGES OIL PRODUCERS AND CONSUMERS ALIKE



TO RECOGNIZE ANEW THE COMMONALITY OF OUR INTERESTS. AND IT CHALLENGES ALL OF US TO RENEW OUR COMMITMENT TO THE FULFILLMENT OF OUR COMMON ASPIRATIONS. FOR THERE CAN BE NO DOUBT THAT WE SHARE A COMMON DESTINY.

LOOKING DOWN THE LONG ROAD TO THE FUTURE, WE KNOW THAT AMERICA AND OTHER NATIONS HAVE NO ALTERNATIVE BUT TO DEVELOP NEW SOURCES OF ENERGY, FOR THE SIMPLE REASON THAT IN THE NEXT FEW HUNDRED YEARS



THE WORLD WILL EXHAUST ALL KNOWN FUEL RESOURCES. WE MUST PERFECT NUCLEAR FISSION OR LEARN TO UTILIZE THE INEXHAUSTIBLE ENERGY OF THE SUN.

ONE OF MY LEARNED FRIENDS WAS TELLING ME THE OTHER DAY ABOUT A GREAT ARAB HISTORIAN AND PHILOSOPHER NAMED IBN KHALDUN (CALL-DOON) WHO LIVED IN THE 14TH CENTURY. HIS MASTERWORK WAS TITLED "AN INTRODUCTION TO HISTORY" AND I WANT TO QUOTE ONE OF ITS CENTRAL THEMES.





KHALDUN (CALL-DOON) WROTE:

“YOU READ THE BOOKS OF THE PHILOSOPHERS THAT MAN IS BY NATURE POLITICAL . . . THE MEANING OF THIS SAYING IS THAT THE LIFE OF THE SOLITARY HUMAN BEING IS IMPOSSIBLE, AND THE EXISTENCE OF MAN CANNOT BE COMPLETE EXCEPT TOGETHER WITH THE MEMBERS OF HIS SPECIES BECAUSE OF HIS INCAPACITY TO PERFECT HIS EXISTENCE IN LIFE. THEREFORE HE IS BY HIS NATURE IN NEED OF COOPERATION IN ABSOLUTELY ALL OF HIS NEEDS.”



THIS WAS A SOUND PHILOSOPHY FOR  
THE ARAB WORLD 600 YEARS AGO AND IT IS A  
SOUND PHILOSOPHY FOR THE WHOLE WORLD TODAY.  
WE SHOULD ALL ACT ON IT.



-- END --

REMARKS BY VICE PRESIDENT GERALD R. FORD  
BEFORE THE MANUFACTURING CHEMISTS ASSOCIATION LUNCHEON  
MADISON HOTEL  
WASHINGTON, D. C.  
TUESDAY, JANUARY 8, 1974

ADVANCE FOR RELEASE IN TUESDAY PM's

Thank you for your warm welcome. It's always good to start the New Year with old friends.

I also appreciate this opportunity to be with the leaders of our Nation's great chemical industry.

In this energy crisis, yours is one of the key enterprises whose products are the building blocks of a score of other industries. If we can maintain a high level of chemical production, we will help ensure the jobs of millions of workers in those industries and the production of everything from food to clothing to automobiles.

I note that the brochure announcing the 1974 speakers at this Chemical Forum lists my topic today as the legislative issues confronting the Congress this year. That printing was before the roof caved in on me -- and with your permission, I'd like to switch to this subject that's so very much on the minds of us all: energy -- the challenge it presents, to our country and to all nations.

First, I think it's obvious to us all that President Nixon's strategy for coping with this crisis is working.

It is working because the cornerstone of that strategy is the cooperation of the American people.

In the national character, this trait runs unbroken. Our people have never failed in their willingness to sacrifice for the common good in times of critical national need.

The President knows that if a challenge is made clear and if a sense of direction is provided, Americans will respond. So in this energy crisis he has laid it right on the line: at stake are jobs, income, production, investment. To maintain them, we have to take major steps to conserve energy throughout the economy.

And our people have responded, in one of the finest displays

(more)



of unity in peacetime history. In 67 million households and 120 million motor vehicles, they have joined together in conservation measures that are making a major contribution toward meeting the fuel shortage. And business, from the smallest retail store to the heaviest industry -- including your own chemical industry, I know -- has launched energy conservation programs that will save millions of barrels of oil this year.

Clearly, the central message is understood -- and is being acted on -- throughout the nation. It is simply that a kilowatt saved sustains job security; a barrel of oil wasted threatens production.

Such has been the success of these conservation efforts, and the allocation program, that we have been able to keep disruptions to the barest minimum.

Still, there are those who disagree with our measured and largely voluntary response to this crisis. And a few have seized on it to advocate the most drastic actions.

Some say nationalize the energy industries.

Others say clamp artificially low prices on fuel.

Still others would put the whole economy in a straitjacket, with rigid controls on everything.

These misguided notions can only be described as the counsel of despair -- and desperation.

Instead of rigid controls that would only add to the shortages, we need a minimum of interference with the free enterprise system's ability to produce.

Instead of artificially low fuel prices, we need realistic prices that encourage energy conservation and foster increased exploration and development of domestic energy resources.

Instead of nationalization, we should reaffirm our support for the system of competitive enterprise that has provided us with the world's highest standard of living.

I am opposed to monolithic government which claims to have all the answers. I prefer to rely on the decision-making power of 211 million Americans, exercising their choices in the market place, and the ability of industry to respond to their needs.

(more)



No, the counsel of desperation doesn't impress me. Back in Michigan, we don't pay much attention to those who advocate pulling down the rafters to get wood for the fireplace.

As for gasoline rationing, we have so far avoided saddling the American people with this burden.

Bill Simon has prudently readied a workable plan in case it's needed. But I can assure every American that it's going to be put into effect only as a last resort.

I know that some of my good friends on the Hill think we shouldn't wait. We should impose rationing now.

Well, they have their reasons, and I respect their views. But a majority of the Senate voted against rationing now, and I agree with the majority. I favor giving our conservation measures and other steps a chance to prove their worth first. I am hopeful they are sufficient, because no system, not even Simon's system, can be made completely free of inconveniences and inequities. Not to mention the opportunity for fraud and cheating that are inherent in any control program, plus the millions of dollars required to administer it.

I'm not saying we may not have to come to rationing in the end. I am saying that I'm for it only as a last resort.

The other half of our energy strategy, looking more to the long range future, is to increase domestic sources of supply.

With the cooperation of the Congress and through executive order, we are moving:

- to construct the Alaska pipeline and tap the vast reserves of the North Slope;
- to increase oil and gas production on the Outer Continental Shelf;
- to increase the production of coal, which is our most abundant and least costly domestic source of supply;
- to launch projects making the recovery of shale oil commercially feasible;
- to develop our geothermal reserves on Federal lands;
- and to speed up generation of nuclear power.

In addition, the President proposes to accelerate our scientific

(more)



and technological efforts to develop promising new sources of energy. This long range program will include development of technologies in the fields of coal gasification and liquefaction, fusion power, and solar energy. Through Project Independence, we hope to develop by 1980 the potential to meet our own requirements without depending on foreign energy sources.

We need this for both domestic and foreign policy reasons.

Much of this program requires positive action by Congress. Some of the required authority is embodied in the energy bill which Congress failed to pass, before adjournment, but which we hope will be enacted promptly after its return later this month. In the meantime, we are using existing authority to move ahead.

America is going to meet this energy challenge.

We're going to meet it because we have the strongest, the most productive, the most resilient economy in the world -- and one that has an unparalleled capacity to withstand shocks and still forge ahead.

We're going to meet it because we already produce 85 per cent of our energy from domestic sources, with the oil embargo affecting less than 10 per cent of our requirements.

We're going to meet it because we have some of the finest scientists and engineers in the world searching for new ways to produce and conserve energy.

Above all, we're going to meet it because of the spirit and determination of the American people and the resourcefulness and cooperation of industry.

Moreover, in the process of meeting it, we're going to become a stronger, more productive nation, not weaker. Challenge has been our strengthening medicine since the founding of the Republic. We have never failed to gain from it -- to turn it into opportunity.

But I also want to emphasize today that the energy crisis involves more, much more, than just a domestic challenge for the United States.

Of equal urgency is the challenge of this crisis to the concept of economic interdependence in the world, a challenge

(more)



involving all nations. And I want to stress that our interest in this global problem is no less than that in our own domestic problem.

Secretary Kissinger's recent call for the nations of the world to join with us in a massive program to solve the energy problem is only the latest example of our support for international cooperation on many fronts.

Beyond these efforts is our country's leadership in getting the Geneva peace negotiations under way. The parties involved now have a direct channel of communications. They will be discussing long-standing disputes that have led to war and the threat of even wider war. No one underestimates the difficulty of finding solutions to these problems, but the whole world is hopeful. I believe that there is now an unparalleled opportunity for success in the search for a just and lasting peace in the Middle East. We are firmly committed to doing everything we can to help achieve that objective. I might also add I am optimistic that the Arab oil embargo will be lifted within a relatively short time.

The forces of the modern world have made the vital interests of all nations indivisible.

This applies not just to the importance of reducing international tensions that threaten the peace, but also to the positive benefits that flow from economic cooperation.

In this new era science, technology, trade, investment, communications -- the key elements of advanced industrialism -- have taken the eggs of all nations and broken them in a common pan. These eggs are now scrambled. They can never be unscrambled.

The beautiful part is that this scrambling process has the magical ability to produce more for everybody.

Science and technology multiply the power of men to produce a thousandfold.

Trade opens up markets around the globe for the products of all working people.

Investment spreads capital and technology everywhere, creating new skills and better paying jobs.

(more)



Communications sows new ideas that in turn produce the seeds for other ideas.

And when these forces are intermixed, the result helps to satisfy the needs and aspirations of more and more people all over the earth.

We see the process at work everywhere, with many different kinds of goods and services being exchanged.

For example, North Africa and the Middle East have some of the greatest food deficits in the world. The United States is the world's most efficient producer of soybeans, wheat and other grains. So we and other nations help to feed the people of that region.

Some countries in that area require advanced technology and skilled engineers and geologists to help tap their vast oil deposits. The United States and other countries help supply these.

Some countries in that area need places where they can safely invest some of the money they earn from the sale of oil. The economies of the United States, Japan, the nations of Europe and other countries, provide the stability and growth required for those investments.

On the other hand, our country, Europe, Japan and other nations have needed the oil produced in the Middle East and North Africa to operate our expanding industrial economies. We have been steady customers for that oil, with our requirements growing every year. Our economies are structured on the uninterrupted flow of this oil. We all depend on it, in the same way that region depends on us for some of its critical needs.

So the process involves a circular flow that requires the cooperation of all to keep things moving.

But it can be easily halted.

Close an oil valve in the Middle East and you threaten to shut down a farm tractor in our Middle West.

Halt that tractor and some people in the world will hunger for bread.

I don't expect that to happen. It would be disastrous for all.

The energy crisis is a challenge to this heritage of

(more)





cooperation. It challenges oil producers and consumers alike to recognize anew the commonality of our interests. And it challenges all of us to renew our commitment to the fulfillment of our common aspirations. For there can be no doubt that we share a common destiny.

Looking down the long road to the future, we know that America and other nations have no alternative but to develop new sources of energy, for the simple reason that in the next few hundred years the world will exhaust all known fuel resources. We must perfect nuclear fission or learn to utilize the inexhaustible energy of the sun.

One of my learned friends was telling me the other day about a great Arab historian and philosopher named Ibn Khaldun, who lived in the 14th century. His masterwork was titled "An Introduction to History" and I want to quote one of its central themes.

Khaldun wrote: "You read the books of the philosophers that man is by nature political . . . The meaning of this saying is that the life of the solitary human being is impossible, and the existence of man cannot be complete except together with the members of his species because of his incapacity to perfect his existence in life. Therefore he is by his nature in need of cooperation in absolutely all of his needs."

This was a sound philosophy for the Arab world 600 years ago and it is a sound philosophy for the whole world today. We should all act on it.

# # #



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# MANUFACTURING CHEMISTS ASSOCIATION

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WILLIAM M. STOVER  
VICE PRESIDENT  
GOVERNMENT RELATIONS

December 19, 1973

To: Washington Representatives, Executives and  
Friends of the Chemical Industry

VICE PRESIDENT GERALD FORD SPEAKS  
AT JANUARY 8 CHEMICAL FORUM

Gentlemen:

We are delighted that the Honorable Gerald R. Ford, Vice President of the United States, will be the featured speaker at the MCA CHEMICAL FORUM luncheon, Tuesday, January 8, 1974. The former House Minority Leader and Republican Congressman from Michigan officially assumed his new responsibilities following swearing-in ceremonies before a joint session of Congress December 6. He is expected to assume a leading role in the Administration's domestic policy, with special emphasis on relations with the Congress.

An added feature of the January 8 luncheon will be attendance by members of the MCA Board of Directors who are meeting in Washington on that date.

The CHEMICAL FORUM begins at noon Tuesday, January 8, 1974, in the Dolley Madison Room, The Madison Hotel, 15th and M Streets, N. W., Washington, D. C. We anticipate a capacity crowd to hear the Vice President and urge that you make your reservations promptly (\$11 per person).

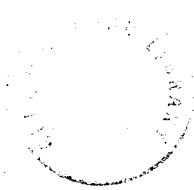
RESERVATIONS: Telephone Mrs. Newton at MCA headquarters, (202) 483-6126, ext. 303.

*Bill Stover*

William M. Stover



SUGGESTED TIMETABLE FOR APPEARANCE  
OF VICE PRESIDENT GERALD R. FORD  
AT THE CHEMICAL FORUM LUNCHEON,  
JANUARY 8, 1974



- 12:00 Noon: The Vice President arrives at The Madison Hotel, 15th and M Streets, N. W., Washington, D. C.
- The Vice President is ushered directly to the Mt. Vernon Room (second floor, rear) for private reception with approximately 50 members of the MCA Board of Directors and Association officers.
- 12:25 p.m.: The Vice President and MCA Board members move into the Dolley Madison Room and take seats for lunch.
- 12:30 p.m.: General reception comes to an end and audience is seated.
- Luncheon is served.
- 1:15 p.m.: Master of Ceremonies introduces dais guests and other distinguished visitors from the audience.
- 1:25 p.m.: Introduction of the Vice President by Mr. Werner C. Brown, President of Hercules Incorporated, and Chairman of the Board of the Manufacturing Chemists Association.
- 1:30 p.m.: Remarks by the Honorable Gerald R. Ford, Vice President of the United States
- 1:55 p.m.: Response by Mr. William J. Driver, President, Manufacturing Chemists Association (Mr. Driver will present the Vice President with a small token of appreciation).
- 2:00 p.m.: Adjournment (the audience may be held in place while the Vice President exits).

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THE ENERGY CRISIS AND  
THE CHEMICAL INDUSTRY: SUMMARY

The chemical industry is basic to the nation's economy. There is little that can be manufactured, processed or grown without chemicals.

Consequently, while large in its own right, the industry's vital importance is in its impact on its customers, its customers' customers, and thus progressively to the public market place.

Aware of the key role that chemicals play in the economy, and equally aware of the responsibility this entails, the Manufacturing Chemists Association, speaking for its 170 U. S. member companies with more than ninety percent of the country's production capacity of basic industrial chemicals, holds:

1. that the national interest requires that priority be given to sustaining the economy and thereby providing the highest possible rate of productivity and employment;
2. that energy allocation is a necessary temporary measure to deal with an emergency and to assist the economy to begin shifting to a new energy consumption pattern, one of prudent thrift and better use of energy supplies;
3. that the interests of the nation and the consuming public will best be served with the removal of allocations and price restraints at the earliest possible moment, thus permitting the strength of a domestic free market economy to assert itself;
4. that the chemical industry pledges itself to an immediate energy conservation goal of ten percent, rising to fifteen percent in the next 24 months;
5. that the chemical industry is unique in its dependence on petroleum feedstocks, yet consumes only six percent of the crude oil and natural gas products used in this country;
6. that Project Independence is a vital undertaking and that the chemical industry recognizes the essential role it must play in assuring its success;
7. that nations must export to get what they need through imports. The chemical industry has long been a major positive factor in the overall national balance of trade;
8. that, in progressing through the current crisis to the realization of energy independence, the sustaining of the economy must be the primary goal of every American.

THE ENERGY CRISIS AND  
THE CHEMICAL INDUSTRY

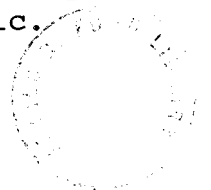
Americans today enjoy the highest standard of living on earth, an achievement that has been reached through an economy built on technological and industrial strength, a blessing of natural resources, and the skills of the American worker. The chemical industry is a major factor in providing that strength.

The United States is now entering a period of being short of the energy needed to fit the nation's historical consumption pattern. This poses a threat to the viability of industry and to the economy unless as a nation we choose to give priority to the preservation of jobs rather than to personal comfort and convenience. The Manufacturing Chemists Association (MCA) fully supports energy allocation on a temporary basis as a necessary measure to handle an emergency and to assist the economy in shifting to a new energy consumption pattern, one of prudent thrift and better use of energy supplies. Cooperation between the industry and the government in this period is essential. Business planning and large capital investment programs characteristic of industry cannot be undertaken in an atmosphere of uncertainty.

While the MCA recognizes a temporary need for allocation to assure that vital needs are met, it believes that, in the longer term, the best interests of the American consumer are served by a domestic free market economy. This will become increasingly important as the country moves to develop new sources of energy as a means of increasing future energy supplies. A free market will encourage continued growth of industry and expand new energy sources.

The chemical industry has recognized the growing shortage in domestic energy supply for some time and has been taking steps to emphasize energy conservation in its operations. The MCA pledges that the chemical industry will continue its conservation efforts to reach a goal of a 10% saving in energy consumption per unit of product output in the shortest possible time - increasing this to 15% within the next twenty-four months.

Among the manufacturing industries, the chemical industry is unique in its heavy reliance on petroleum and petroleum-related materials in that it depends on oil, natural gas, and natural gas liquids for primary feedstocks. These feedstocks are the life-blood of the petrochemical sector of the chemical industry and cannot be substituted for in existing plants. Any significant conversion to other feedstock sources, such as coal, will require technical break-throughs plus many years of engineering, construction and major recapitalization. Priorities for the chemical industry during mandatory allocation of natural gas and petroleum products are vital to the total economy and general welfare of the public.



The basic chemical building-blocks made from petroleum are used throughout the chemical industry. The actual quantities involved are minor, since petrochemical feedstock constitutes just 6% of the total crude oil and natural gas products consumed in this country.

The importance of the chemical industry to the economy can be recognized by the extent to which its products have become integral and essential parts of other industries. Some of the more obvious industries, businesses, professions, and services critically dependent on chemicals include:

- . Agriculture
- . Food
- . Automotive and auto parts
- . Construction
- . Transportation
- . Packaging
- . Paper
- . Rubber
- . Pharmaceutical
- . Medical
- . Electrical
- . Electronic
- . Clothing
- . Soap and detergent
- . Household appliance
- . Furniture
- . Footware
- . Personal care and grooming
- . Steel
- . Aluminum
- . Aviation and space
- . Municipal sewage treatment
- . Plastics
- . Paint
- . Water treatment
- . National defense
- . Environmental enhancement
- . Boating
- . Leisure time
- . Sports

This list is endless, directly affecting everyone in the nation. Already the news media have documented the impact in a number of industries, citing shortages, reductions in production, and cutbacks in employment.

In certain circumstances, chemical materials can in theory be replaced by natural products. However, these also require some chemical treatment. Further, the time and logistic factors required to bring them into use are so formidable that irreparable damage will have been done to the economy before the substitution could be effected.

In other cases, a substitution of natural products would cause still different repercussions. For example, if cotton must replace large quantities of synthetic fiber, then land now in other agricultural production would have to be surrendered at the cost of food production. And regardless whether the land be used for cotton or grain, fertilizers, herbicides, pesticides and fungicides all would be needed to maximize production.

From this brief account, it is obvious that the impact of chemicals upon American life is enormous. The essential relation of the chemical industry to other industry requires that it have a continuing high priority for feedstocks and energy to supply the nation with its products.



Project Independence, recently announced by the President, is intended to make the United States capable of being independent of foreign energy sources. Project Independence must build upon the conservation and conversion measures developed for handling the near-term energy crisis. More efficient energy use, both by the American people and American industry - together with the application of new modes of energy production and the development of new supplies - must form the basis for Project Independence. The MCA supports this vital project, and recognizing the essential role it must play, dedicates its members in the chemical industry to work vigorously towards its early success.

The world today is one interlocking economy. No nation can isolate itself and survive, for no nation has everything it needs to sustain itself. Therefore, nations must export to get what they need through imports. The chemical industry does just this. By supplying other nations chemical exports they need, we have been able to secure what the U. S. needs. For the past 15 years, the chemical industry has had an uninterrupted favorable balance of trade and has been a major positive factor in the overall national balance of trade.

In progressing through the current crisis to the realization of energy independence, the sustaining of the economy must be the primary goal of every American.

December 18, 1973

