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Office of the White House Press Secretary

THE WHITE HOUSE

TEXT OF REMARKS BY THE PRESIDENT
TO BE DELIVERED TO THE
WHITE HOUSE CONFERENCE
ON DOMESTIC AND ECONOMIC AFFAIRS

It is good to be here in one of the most dynamic states of the nation. Florida is still the wave of the future--despite its phenomenal growth. It is an area of tremendous change and challenge. And I am well aware of the great contribution of the Cuban-American community to your cultural and economic growth.

Here in Florida, you have lived at the starting line of America's adventure in space--the breaking of one space barrier after another. We now reach beyond the moon to the most distant planets. You have been part of massive technological breakthroughs. These advances have opened vast new horizons to mankind here on earth.

Life has changed more in this century than in the preceding two thousand years. The world has been transformed. Our mission--your job and mine--is to confront these changes.

The greatest change is in the cost of energy. The United States must declare independence from foreign sources of energy. The public and private sectors of our society will spend hundreds of billions of dollars over the next decade to explore and develop new energy. Millions of workers and the massive power of our technology will combine to attack the problems before us. We must--and we will--win that struggle.

We are now importing more foreign oil than before embargo--almost seven million barrels a day. Thus, there are even graver risks in the event of another embargo. I can see nothing but folly in pouring out more and more of our national treasure to meet the ever-rising and intolerable costs of high-priced foreign oil.

If the Congress takes the ninety days it is demanding to develop its own energy program, every single day will be one of costly delay--adding about two hundred million dollars in costs for petroleum imports alone during this period. And if enactment of our comprehensive energy program is delayed for the remainder of this year, we would pay out more than two billion dollars for foreign oil.

The Congress is embarked on a massive gamble--a risk of increasing this nation's vulnerability to future embargoes which we cannot afford. I would rather invest the two hundred million dollars or the two billion dollars--as the case might be--in American jobs than send it abroad.

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Nearly six weeks ago, I presented an action program to the Congress -- I made detailed economic and energy proposals. But the Nation still waits for actinn by the Congress -- even such action that would make Americans just one gallon less dependent on imported oil or put just one dollar back into citizens' pocketsithrough the tax rebates I proposed.

So far, the only legislative move the Congress has taken on the energy problem was to block my proposal to increase tariffs on oil imports. This is a purely negative actinn which will force me to use the Constitutional power of veto for the first time in the ninety-fourth Congress. In effect, the Congress voted to continue for the time being our ever-increasing dependency on Arab and other foreign oil-p roducing nations. This course could lead America to disaster. In short, we have received promises and more promises from the Congress -- but no energy program and no economic plan.

The practical energy program I have proposed will move us toward our goal of energy independence by 1985. It will increase domestic energy production, conserve energy and prepare for potential future embargoes. In brief, we must:

-- Allow competitive pricing of new natural gas supplies.

-- Increase productinn of oil and gas from our outer continental shelf.

-- Double production of domestic coal supplies.

-- Amend the clean air act to achieve a better balance between our energy and environmental requirements.

We now consume approximately seventeen million barrels of oil per day. Almost seven million of this total is imported from abroad. By 1985, we will be consuming about twenty-four million barrels a day. Unless something is done, imports will rise to twelve point seven million barrels. That is over half the total we use -- and puts us at the mercy of others.

By adopting my package of energy proposals now before the Congress, we can become independent of foreign oil by the mid-1980's and at the mercy of nobody. We can reduce our needs from the projected twelve point seven million barrels to less than five million barrels.

Strategic petroleum reserves would replace three of these five million barrels in the event of a national emergency.

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But this plan must be implemented by the Congress. If the Congress cooperates, this is what I envision for America by 1985:

-- Two hundred major nuclear power plants.
-- Two hundred fifty major new coal mines.
-- One hundred fifty major coal-fired power plants.
-- Thirty major new oil refineries.
-- Twenty major new synthetic fuel plants.
-- Drilling of thousands of new oil wells.
-- Insulation of eighteen million homes.
-- And manufacturing millions of new cars, trucks and buses that use much less fuel.

To achieve our goals for the period beyond 1985, I have asked federal agencies -- particularly the Energy Resources Council and the newly-created Energy Research and Development Administration -- to work with the private sector to develop a broad range of new technologies that can tap all our domestic energy resources. This means not only coal, oil, gas and nuclear resources, but emerging alternatives such as solar, geo-thermal and oil shale energy.

Over the next five years alone, the federal government plans to spend more than eleven billion dollars in energy research and development.

Our 1976 energy research program calls for $2.3 billion, more than double the amount of two years ago. Industry investment in energy development will be far greater. State and local governments also will join the effort.

America is rich in energy resources. We have -- potentially -- a thousand years of nuclear fuel. We have hundreds of years of coal resources. Our potential for solar energy is vast. Large deposits of untapped oil shale and geo-thermal energy lie beneath our western states.

We must find ways to use these resources economically. At the same time, we must use them in a manner that is environmentally acceptable. And we must keep our options open: our capabilities must be broad and flexible so that we develop varied sources of energy which are not mainly dependent on only one or two. That is why we have launched a comprehensive federal energy effort that will cooperate closely with American industry.

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Let us consider some of the exciting energy alternatives: Since conventional oil and gas comprise less than 10 percent of our proven domestic reserves in fossil energy, a major thrust in our research effort aims to develop new technologies for efficient, clean use of our coal and oil shale resources to provide energy for utilities, industries and homes. To this end, the Federal Government has already begun a broad program to develop coal gasification, liquification and advanced technologies for utilizing oil shale.

Before the end of the year, four pilot plants will be in operation to convert coal to gas for home use. Another four plants to convert coal to oil for commercial and industrial use are under construction or in operation.

If our nation is to achieve energy independence, nuclear power must be developed to its full potential -- consistent with the public health and safety. In addition to getting current generation nuclear power plants on line more rapidly, we must develop a new generation of nuclear reactors. This includes the so-called fast breeder nuclear reactors. Only by this means can we capture the full potential of our nuclear resources.

Future reactors of this kind will be capable of fuel efficiencies some 60 times greater than present nuclear light water reactors. Uranium supplies will thus be extended for centuries rather than decades.

This is a big and difficult job. But we must do it ensuring that the safety of the public is not endangered and that the environment is protected.

Our 1976 budget also provides for a vigorous long-term program to develop controlled nuclear fusion. There are serious scientific and technical problems to overcome before we achieve practical fusion. However, this effort holds out future hope for vast amounts of clean energy. Fusion along with solar energy are unique in that they may supply energy for thousands of years into the future.

Our 1976 energy program also includes an accelerated solar energy effort. This is particularly important to the future energy needs of Florida. As a pioneer of solar energy, dating back to the 1930's, the Sunshine State can now play a leading role in the application of solar energy to commercial and private buildings.

My program is designed to help develop technologies for solar heating and cooling; by converting solar energy to electricity; by producing power economically from the wind; and exploring the potential of other solar technologies.

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The Federal Government already has major solar heating and cooling experiments underway in a half-dozen states. For example, the first demonstration for solar heating at a hospital will be in a new two-hundred-bed Indian reservation facility in New Mexico. Solar heating is already being demonstrated at several federal office buildings around the country.

The government is exploring the potential for central station production of electricity from solar energy. Just one of these stations -- with a few square miles of collectors -- could someday supply the energy needs of a city of two hundred and fifty thousand people. This technology is now expensive and it takes many years to develop commercially. But we are on the way.

The use of geo-thermal energy holds out great potential for some areas of the country. Large underground hot water will be the source of significant electricity within the next ten years, mostly in the southwest. Early this month in southern Idaho, drillers tapped a new hot water resource for geo-thermal development in that region. Our first efforts to extract energy from dry hot rock -- potentially the largest geo-thermal resource -- are underway in New Mexico.

With federal support, this country is on the road to producing alternative automotive engines with obviously far greater fuel efficiency. Government scientists tell me these engines could be in widespread use by the 1990's.

Energy was once relatively cheap in America. That day is past. We must conserve energy through the development and application of improved technology. America must have more efficient means for energy conversion, transmission, distribution, storage and utilization.

What I am saying is simply this: We must solve our energy problems. There is no alternative to success in this effort. For without energy, America stops.

I will do my part. The Federal Government, state and local governments will contribute their share. So will private industry. And colleges and universities. But what we really need is your support as individuals.

We must ask ourselves: Will future generations of Americans say we met the challenge? Will they say this was a year of the decline and fall of the American dream? Or, will they say that we were worthy of their trust.

I call upon you today to join with me in confronting the changes before us and in conquering the challenges ahead -- so that we may truly say to those who follow:

We strengthened our place in the sun. We faced up to our responsibilities. And we succeeded. Thank you.

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