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THE WHITE HOUSE

REMARKS AT AFL-CIO
CONSTRUCTION TRADES MEETING

Last January, I went to a testimonial dinner in Washington honoring Bob Georgine. I asked Bob and the skilled construction trades to help America achieve energy independence -- and he has helped. I have just seen a copy of the September issue of the AFL-CIO "American Federationist" in which Bob Georgine again speaks out on the energy crisis. Bob, nothing could make me happier than your report that unions are still pressing so vigorously for energy growth.

I know that construction workers are among those suffering the heaviest impact of recession and the energy crisis. When you suffer, America suffers.

The mission of the skilled construction trades represented here is to build America. That is also my goal as President. Two centuries of construction enabled America to achieve its special status among the nations. I salute you as representatives of the millions of men and women who have had a part in this great building process. As America completes two hundred years of history, we face some very serious problems. But we -- you and I together -- will solve those problems. If any nation or group of nations in the world -- including those favored by nature with great oil resources -- think America is finished, that we no longer control our destiny and our finances, then they have another think coming.

The four million skilled construction workers you represent, and multitudes of other Americans will show the world that Uncle Sam isn't about to say "Uncle."

You and I know we can produce our own energy.

You and I know we can protect ourselves against arbitrary price increases by foreign nations.

You and I know we can provide more jobs.

You and I know we can bring an end to the intolerable situation in which America exports more than \$25 billion a year to pay for imported oil, while plenty of energy is potentially available at home. The money we will pay out this year for foreign oil would pay the wages for one million more American workers.

When I talk about energy I am talking about jobs -- American jobs.

Last year, about three-fourths of all planned nuclear plants, and over one-fourth of all coal plants scheduled to be built in the next 10 years were postponed or cancelled. Domestic oil production right here in the good old U.S.A. has fallen by 11 percent since early 1973. Natural gas production has declined so seriously that thousands of jobs are threatened this very winter.

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Last year the average American home paid about \$360 for foreign oil compared with only \$45 in 1970. Oil producing nations know that we are more dependent and more vulnerable than ever.

There is now a possibility that the OPEC nations' foreign oil cartel will once again raise prices. We don't have to take this lying down -- and we won't!

For starters, let's spend here at home for American jobs some of the billions we've been spending abroad for foreign oil and foreign payrolls. We can create construction jobs for workers, capital for industrial expansion, and new energy for all Americans. That's what independence is all about.

In response to those nations which would control our energy supply and prices and hence our future, I say to industry, to construction workers, and to all Americans: "Let's go into business for ourselves." Let's produce American energy in America with American workers.

Last January, I asked the Congress to act. The comprehensive program I then outlined was based upon my deep belief in America. By 1985 I envisioned:

- 200 major nuclear power plants.
- 250 major new coal mines.
- 150 major coal-fired power plants.
- 30 major new oil refineries.
- 20 major new synthetic fuel plants.
- the drilling of many thousands of new oil wells.
- the insulation of 18 million homes.
- and the manufacture and sale of millions of new automobiles, trucks and buses that use much less fuel.

I happen to believe we can do it. In another crisis -- the one in 1942 -- President Franklin D. Roosevelt said this country would build 50,000 warplanes a year. Our enemies scoffed. But by 1943, our production reached 125,000 aircraft annually. We did it then. We can do it again.

Frankly, we can't wait any longer for Congress to act on my comprehensive energy program.

Long-range security, jobs, and energy are inseparable. The time has come for action on energy independence.

Accordingly, I will shortly ask the Congress to erase all doubt about the capacity of America to respond. I will propose an entirely new \$100 billion Government corporation to work, with private enterprise and labor, to gain energy independence for the United States in ten years or less.

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This Energy Independence Authority will have the power to take any appropriate financial action --- to borrow and to lend -- in order to get energy action. It will serve as a catalyst and stimulant, working through -- not in place of --- American industry.

- It can stimulate economic growth.
- It can create new jobs.
- It can give us control over our own destiny.
- It can end runaway energy prices imposed by foreign nations.
- It can give foreign nations a new look at what Americans can do with our great resources when we stop talking and start acting.

That is my answer to those who tell us, Americans can no longer do what they set out to do.

I speak today to the great majority who believe in American capacities rather than in American incapacity. I speak to all Americans who know that this is still the same nation that made up its mind during World War II to develop synthetic rubber -- and did so; who know this is still the same nation that decided to harness the atom by the Manhattan Project and accomplished that objective; who know that this is still the same nation that said it would put the first man on the moon -- and did so. People said all these projects were impossible. But Americans have done the "impossible."

The proposed Energy Independence Authority would have a ten-year life and be self-liquidating. It is designed to achieve what many regard as impossible --- energy independence by 1985. But it is a program to secure our jobs, our standard of living, and the national interest of the United States.

This new government corporation would be an independent Federal authority reporting directly to the President. This concept is bigger than partisanship. I am determined to appoint as its directors Americans of stature without regard to partisan considerations.

The new Energy Independence Authority will seek:

- New technologies to support or directly produce or transport American energy;
- Technologies to support American nuclear development;
- Electrical power from American coal, nuclear and geothermal sources.

The Energy Independence Authority will undertake only those projects which private business cannot undertake alone. It will not replace the private enterprise system -- it will supplement it. My vision is of dramatic action to produce oil and gas from coal, safe and clean nuclear and coal-generated electric power, harness the energy of the sun and the natural heat within the earth and build numerous other energy facilities. The Energy

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Independence Authority would act to finance those projects vitally needed for America's energy independence that will not be financed even by America's great private capital resources.

We will need over \$600 billion of energy investments over the next decade to finance American energy independence. As always, most of that investment will come from private sources. But I am convinced that we cannot wait for our emerging technologies to become conventional technologies. We must act now to speed their development. We must also ensure that conventional projects with very large capital needs will have adequate access to investment resources.

The central defect of America's present energy system is that it relies most on our least plentiful domestic energy sources -- oil and natural gas -- and relies least on our most abundant energy resources -- coal and nuclear power.

My vision is of crash development -- in harmony with environmental protection -- of these abundant resources. America's oil shale resources are more vast than all the oil reserves of the Middle East. America's coal resources are ten times greater than our oil shale resources. And America's ability to harness the atom is legendary -- with the known potential of producing unlimited amounts of clear, safe energy.

Without this Energy Independence Authority, these vast treasures of America might never be developed -- or developed too late to keep America's leadership in the world. With an Energy Independence Authority, we will have the financial means to tap all this energy during the next crucial decade.

The Energy Independence Authority will be an important new element, but only one element in our total national energy independence effort.

We need dramatic action to produce synthetic fuels -- at least a million barrels a day -- floating nuclear power plants mounted on barges, new pipelines for oil and gas and vast energy parks throughout America.

My vision is of America going back to work as a chain reaction of economic activity spreads throughout all fifty States. To build energy is to create energy -- and jobs -- in all sectors of national life.

It has been estimated that for each job created directly in industry, the ripple effect throughout the economy creates at least another unrelated job. The total number of jobs generated will more than double the energy-related jobs.

Let me cite an example:

Four hundred thousand man years of labor are required to construct plants and manufacture equipment for fifty nuclear plants. This represents 650,000 man years of labor in the time frame required.

I want to see millions of new jobs in the next ten years with healthy widening ripples of growth throughout the economy. I am directing my energy and economic advisers to take all steps required, in the shortest time possible, to make this vision a reality. And I am also counting on you, the construction workers who will do the job. You have the skills. You have the courage. You have the dedication which enabled America to defend itself in times of war and to develop in times of peace.

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I am confident of your ability and that of all Americans, labor and management; Democrats and Republicans, and Independents; employed and unemployed; rich, poor, and struggling; old and young; to unite behind this bold new program.

As America's population grows, and our economy expands, we must create some eleven million more jobs by 1980. This is a big order. It cannot be filled by Government alone or by industry alone, or by unions, or by politicians acting on their own. But the problem can and will be solved if we all work together, just as you in this hall are today united to building America.

The door to the White House will remain open, as it has since I have been President, to those who champion the cause of America's working people. Nor will I ever close my heart to the millions of Americans who are now unable to find work.

I will not rest as long as any American who wants to work cannot find employment. Too many people remain without jobs. I have heard references to so-called "acceptable" rates of unemployment. I do not recognize the acceptability of any level of unemployment as long as people can't find jobs. I am determined to help create new jobs, on a sound economic basis -- good jobs, real jobs and not make-work \$2 an hour jobs.

When statistics are issued on the loss of jobs, there are some losses which are not published. I refer to the loss of hope among the young people seeking their first real job, the loss of self esteem among heads of households who are laid off, the loss of security and standards of living that people worked for years to achieve, and, most important, the loss of faith in America's future.

These are tragic losses. They are losses that the United States of America cannot and will not permit.

The need for skilled construction workers to build new energy installations and for new operators to run them will be enormous. By planning and working now, we can ensure that development is orderly and that progress is continuous.

As we enter our third century, Americans can look back with great pride upon our achievements in providing safe, healthful, stable and productive jobs. But we still have much to do. Let's go to work together.

Thank you very much.

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