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Office of the Vice President
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REMARKS OF THE VICE PRESIDENT
AT THE
NATIONAL INDUSTRIAL ENERGY COUNCIL
DEPARTMENT OF COMMERCE
WASHINGTON, D. C.

(AT 1:50 P.M. EST)

THE VICE PRESIDENT: Mr. Secretary, believe me, ladies and gentlemen, the Secretary and I have a mutual admiration association. It has been going on for about 27 years.

The first time I had the pleasure of knowing the Secretary is when he testified before a group in Boston which I was associated with, on some facet of the State and local government.

I have always admired him and his dedication to this country in the best tradition of public service, this being a democracy; unless there are those who are willing to assume the responsibilities of the various facets of our life, one being the Free Enterprise System, another government, the whole range of social activities to the spiritual, the extraordinary blend of these which make up a free society.

The subject which we are here to discuss today, or which you are here to discuss and which you have been good enough to let me join you in relation to this subject, is one that affects all facets of our life, both national and international, and the well-being of the American people and our ability to do for the citizens of our country as a society and our ability to preserve our national security and play our role in the world. So that I can imagine a no more interesting or important subject.

I would like to salute Mr. Frank Zarb, who hasn't arrived yet, but who is the spearhead of this program. We were just meeting with a group of Senators at lunch on the subject of the hearings starting in the Senate and the House on the President's bill, Energy Independence Authority.

I would like to thank Mr. Darman, Mr. George, Mr. Shircliff, and all of you distinguished consumers of energy, who are the ones who really understand this problem, and those members of the public who have joined us on this occasion.

In order to try and be precise before going into any questions, I thought perhaps I would just go through a slightly condensed version of my thinking on this subject. It is harder to write a short speech than to make a long one. So I will stick with some short remarks first.

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As I say, you all know the President last October set up this Energy Independence Authority calling for energy self-sufficiency, which he had done in his State of the Union address a year ago, his first State of the Union address.

Yet, in the debate that has centered about this proposal since its introduction, the key issue has not been squarely faced in the country. That question is whether or not this Nation can afford to depend increasingly on imported oil.

To my way of thinking, the answer is clear. We are a great Nation, a world leader. We have great international responsibilities. We have a complex, interdependent, sensitive economy. Such a Nation simply cannot afford to depend on foreign sources for nearly 40 percent of its oil supply.

Since the end of the OPEC oil embargo over two years ago, we have witnessed the unhealthy economic consequences of cartelized pricing. We have lived with a constant threat to our economy and our security of another possible embargo.

A world leader cannot accept these conditions and expect to maintain its world leadership role. Nor can we count indefinitely on a trade surplus to finance what already this year has grown to a \$30 billion outflow -- this year it will be \$30 billion -- for the imported OPEC oil.

In the years ahead our balance of payments position could run into a deplorably serious deficit position. I think, as you noticed, last month for the first time in quite a few months we had a deficit in balance of payments.

It is only due to the fact that we are selling \$10 billion of armaments abroad and agriculture has upped its exports of agricultural products from about \$5 billion to over \$20 billion that we are able to pay this. This is something that I think has been inadequately considered.

In addition, if we spent the current \$30 billion annually at home for domestic production requirements, it would produce over a million new jobs which are urgently needed today.

Therefore, let us examine the Energy Independence Authority, not in abstract terms, but in terms of its capacity to act as a catalyst in solving this energy crisis.

Some people still doubt that there is an energy crisis. You wouldn't believe it, but at a Governors' Conference, Governor Exxon is the one who asked me that question as to whether there was an energy crisis.

He said, "How can there be an energy crisis when there is plenty of gas in the pumps?" I said, "You have got it right there. Sure there is plenty of gas in the pumps."

Why? Because we import 40 percent of our requirements." Therefore, that is why we have the crisis, because that supply can be cut off.

Some people believe that the OPEC cartel will probably collapse, or that if government regulations are lifted the present decline in domestic oil production will be reversed, or that some technological breakthrough will hand us an instant solution. And I think that a lot of people are waiting for these factors to take place, and that is why we do not see more action on the domestic front to achieve energy self-sufficiency.

All of these are hopes, not hard solutions. The reality is that we are increasingly dependent on imported oil and this dependence has increasingly dangerous consequences.

President Ford clearly recognizes this reality. And he has accepted the fact that government must act to meet its responsibilities to the American people both with respect to their economic well-being and their national security by facing up to the energy situation. Once the necessity to act has been accepted, the question then becomes what action alternatives do we have.

I have to say that I don't think the American people yet fully realize the situation that we are up against, and it is understandable, as we have already said, why.

Quite bluntly, I have yet to see any realistic alternatives from those who reject the creation of an Energy Independence Authority. The Authority is a solution to meet and solve our energy problem, yet it does not go beyond those specific objectives. It goes only as far as government should go in helping to achieve this important goal, and not a step further.

There is ample precedent in our history for positive government action to encourage the American enterprise system in achieving a national objective that will contribute to essential economic growth, the well-being of our people, increased job opportunities, and our national security.

For example: Agriculture, The Homestead Act and Federal encouragement to farm families through a multiplicity of various activities; Railroads, Federal land grants and rights-of-way for transcontinental railways. This is why we have an intercontinental railroad system.

The Automotive industry, which has been basic to our economic vitality, is there because government at all levels has spent billions of dollars building both the state and interstate highway system.

The Aviation industry, which we pride ourselves on as a Nation, is made possible as a result of billions of

dollars in research and development and military aircraft development which made possible the progress of our present private aviation industry for civilian use.

Economic Recovery, the Reconstruction Finance Corporation which began during the depression years under President Hoover; the Raw Material Shortages, the Rubber Reserve Corporation which was set up by the RFC when we couldn't get natural rubber during World War II, and five or six companies were contracted to get synthetic rubber under government contracts.

Three or four found solutions. This created a new industry in America. It was sold by the government, and they got their money out of it.

Here is essentially how the Energy Independence Authority would be financed and operated. Our best estimates are that the capital required to achieve American energy independence in this country within 10 years would be between \$600 billion and \$800 billion.

The Authority would be established with \$100 billion of financial resources -- \$25 billion of it in equity from the Federal Government and \$75 billion raised through loans by the Federal Government.

The objective would be to help finance on a self-liquidating basis those energy projects which (1) would contribute to energy independence; (2) which cannot get all or part of their necessary financing from private sources; (3) to simplify government clearances by having the Federal Energy Administration act as the central clearing-house with all other Federal and State agencies where they are involved, whether it is in ecological or other regulatory activities.

That agency would then have the responsibility for recommending to the Congress, to the President, simplification in order to accelerate the ability of this Nation to achieve its goal through the American enterprise system.

The Authority under the law proposed will go out of business at the end of 10 years -- having to stop making loans or advances in 8 years -- thus achieving its special purpose and preventing the development of another large permanent government bureaucracy.

The Authority's forms of assistance would include loans, loan or price guarantees, purchase of equity securities and the construction and lease-purchase of facilities, depending on the particular case and the circumstances.

And in all cases, to the maximum degree possible, private participation and financing would be required for the carrying out of the projects. So that it is done through the American enterprise system.

However, this assistance would be available only for energy projects which could not obtain sufficient financing from the private sector.

Examples of projects eligible for Energy Independence Authority support would include the production of synthetic fuels such as gas and oil from coal or oil shale -- either gasification plants at the mine head or in the neighborhood, or the development of a highly controversial but potentially exciting in situ process of drilling down into the coal vein, setting off an explosion, setting it on fire, and having the gasification process take place underground and then take the gas and either liquify it or use it in gas form when it comes to the surface.

The same is true for shale oil. There is a possibility there -- again from the ecological point of view tremendously interesting -- of drilling down, and there are various processes being developed, drilling down into the shale oil, setting off an explosion, setting it on fire, and then bringing the gasified oil up and condensing it on the surface.

The question is what are the costs? But if you take oil alone, and take the shale reserves in this country, we have what, four to five times as much estimated reserve in shale oil as all of the known reserves in the Arab world. So we are talking about a thing of major importance.

But again we are in an area where the costs are such they are unknown. And the pricing structure in this country, because of the uncertainty of government decisions in this area, where private enterprise cannot afford to make the investment until they know whether they have a chance, or a reasonable chance, of getting a return.

Therefore, government can afford to take that risk and, if successful, then they sell it and the money comes back. And if they are very successful, of course, they can make a profit and help pay for ones in which there was a loss.

Then you go to another field -- electric power from nuclear, geothermal or solar sources. There were what, 92 atomic power plants that have either been cancelled or postponed.

The President two years ago, or a year-and-a-half ago, called for 200 atomic power plants by the year 1985. Now it takes 10, 11 years to build one. You can't get into the rate base until it is completed and on line; therefore, the discouragement of the private enterprise for going in, with all the ecological and other problems involved.

On the other hand, if the economy doesn't pick up, we will find ourselves in a situation where the decreased demand for energy, whether it is electricity or gas or oil or whatnot, is going to put us in a position where we run the

risk of getting back to shortages, inflation, pressures due to higher prices as there is competition for the product.

Therefore, government could very well, if it was determined essential, construct an atomic power plant on a lease-purchase basis in a contract with a power company that it would buy when the power plant was completed on a lease-purchase basis, and a contract with the regulatory authority in the State in which the power plant was to be built that the rates would be changed at the time when the power plant went on line.

As I pointed out, a lot of people say, "Well government shouldn't have anything to do with it, shouldn't get into private enterprise, or they shouldn't get in the field."

Well, the history of this enterprise system in America has been that when there was a national need, the government took actions which created a climate or which created the incentives or the conditions to encourage private enterprise to achieve the objective. In this case, that is exactly the course.

There are others who say, "Well, this would just be a subsidy." It would not be a subsidy of private enterprise.

On the other hand, there are those who say, "Well, this is a first step for the government to get into the energy industry and to take it over."

And I would like to say that my opinion is the real danger for the energy industry is not assistance in becoming energy self-sufficient as a Nation through this method; the real danger is if we fail to do it and we get in a crunch, then the government is going to step in, and there are people today who advocate this already, then the government will step in and either go into its own business of production or will actually take over the industry.

So that in my opinion, this is in the tradition of our country. It is the encouragement, it is the catalyst to get us off dead center. A hundred billion dollars represents only a fraction of what the total investment is that is needed. But the minute prices are known, costs are known, in these various fields, the minute patterns are established, then private enterprise and private capital can move forward on their own with certainty.

And let's face it, one of the really serious problems that our country faces today is that with regulations, and the legislative intent that is written into so much of the regulatory statutes, they have left the determination as to how it will be carried out to the regulatory agencies. Those agencies then write the rules and regulations. These they change.

And you never know if you are a corporation and you want to make an investment what those rules are going

to be. Therefore, you don't know if you invest a hundred thousand or a million dollars what the rules will be and whether you will be able to make a return on the investment.

Now, I know what the answer in a great many people's minds is right around this table here. If you just get rid of these regulations, then industry would go.

The answer to that is the public want regulations, and the Congress is not about to abolish the regulations. And the best we could hope for is the simplification of these and the stabilization of these so you know the rules of the game and they are not changed while you are in the middle of the play.

But still, because of the price situation, and the danger of -- let's hope and pray that it never happens -- of another blow-up in the Middle East and resumption of an oil boycott, this country faces absolute chaos, both in terms of security and in terms of our economic and social life.

Now, this bill also would permit the financing through one of these means as described of facilities that are related to energy self-sufficiency, such as transportation, the financing through the purchase of preferred stock or loan on the repair of a roadbed, modernization of a roadbed, pipelines, other forms of transmission, where private capital is not available.

The Authority would be run by a board of five knowledgeable directors to be appointed by the President, subject to Senate confirmation.

Let us ask some of the questions as to what the Authority would do and would not do. Would it have an influence on capital markets by allocating capital to energy?

Of course it would. It would be doing exactly that, up to a possible total of \$100 million out of \$600 million. But this is national policy anyhow. Therefore, the President by his statement has already said this is our national policy and, therefore, he has made the policy decision in terms of national security.

It is a question of whether the companies can get the financing from private sources or from government sources -- but there is the need.

The important question is whether government should take action to get us off dead center and on the road to achieving energy independence and giving our economy a firm, reliable base for steady growth and the increase of jobs, which is essential.

We need two-and-a-half million jobs now this year, and then we are going to need annually ~~any~~ growth

rate of about a million six to two million jobs to meet the needs of a growing population, kids coming out of schools and colleges.

I have to say there are those who believe in a no-growth philosophy. That means those who have got it already are sort of in a position of saying, "We are aboard lads. Pull up the ladder. To hell with the rest of them."

I have to think and believe deeply this country has grown to where it is in terms of opportunity for all through growth; and that if we are to have growth, we have the potential for the energy, the raw materials, and preservation of our ecology at the same time; that we have the science and technology to do it and the system to do it, the enterprise system, and it is the greatest system in the world. Unless we make it work, it is not going to be preserved.

One can imagine the devastating consequences I have already mentioned of another boycott. Forty percent of our energy comes from abroad now. But the East Coast depends between 80 and 90 percent on imported energy, and a boycott this time, whereas before it was 27 percent -- and then some of the countries didn't boycott -- now I think we would find absolute chaos.

Since energy development today is an especially risky business, you might well ask whether government should be taking these risks. As Lincoln said, "The legitimate object of government is to do for a community of people whatever they need to have done, but cannot do at all, or cannot as well do, for themselves, in their separate and individual capacities. In all that the people can do as well for themselves, government ought not to interfere."

I still agree with Lincoln on that. If industry does this itself, fine; and capital will flow from private sources, fine. If it won't, it is a national need. And no group understands that better than those who are here present.

This is especially important in this case where our national security is involved, and our national security and dependence on oil supplies.

Because of the risks and high capital requirements, no one can fault the private sector for being hesitant to venture on a new course where present government regulation and the lack of clear congressional action to date in support of the President's declared national policy of energy independence leaves future prices so uncertain.

At the same time, since these sources must be developed, it makes eminent good sense for government to come in on a self-liquidating basis to share or take the high risks and enable the private sector to get the job done.

What sets apart the successful entrepreneur is that he took risks which others would not take -- and made them pay off.

Obviously, all the investments the Authority makes are not going to be successful. But those that are will yield not only a financial return to the government but the principal beneficiary will be the Nation which will profit from stimulated economic growth and strengthened national security.

Gentlemen, these are the highlights. my opinions on the subject, which I think express those of the Administration. I would be delighted to answer any questions or discuss any phase of it.

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MR. MAY: Mr. Vice President, wouldn't your allocation of this financing tend to patronize the program by which we obtained energy independence, and wouldn't that necessitate a previously established, pretty well, plan of action?

THE VICE PRESIDENT: That is a two-part question. The first part, the answer is certainly, yes. On the second part of your question, I question whether the government has the wisdom to determine how this country should develop its energy sources, because new developments are going to take place and only as those take place and are successful will it be possible to say.

For instance, you could do an in situ gas production from coal in place in deep mines -- and this at a competitive price -- and this revolutionizes the production of gas.

If you do it on the surface, as the South Africans do it, then you have high costs, higher than present production costs. So that has been a subsidized proposition. So it is hard to tell until you know what is going to come through which direction we should go in.

But coal obviously is a major source. Gas supplies are going to run out at some point. Even oil is going to decline very rapidly going into the nineties. So you go to nuclear energy.

Then you go to the question of the ecologists. What is going to happen in the vote in California? And whatever happens in that proposition out there is going to influence importantly what happens in nuclear energy nation-wide.

Some people happen to believe in no-growth. I think this is a disaster for our country. So I think there is no wisdom except the competitive effort of free enterprise that can tell what is the most effective, efficient way to do it.

SECRETARY RICHARDSON: Might I ask members of the council to identify themselves for the record so that in looking back over it we will know whose questions these were.

That was Bill May of American Can Company on the first question.

MR. MILLIKEN: Frank Milliken, Kennecott.

How do you tie this in with the ERDA demonstration procedure, some of these projects where technology has not advanced adequately to justify, you might say, full-scale operations?

THE VICE PRESIDENT: Hand in glove, to me. They just go together. ERDA develops the new things, makes a laboratory demonstration; and then if the taking of that laboratory demonstration out into a full commercial production is too risky and the end product price is not well understood in advance, then I think that that is where this corporation comes in. But if they get private capital to finance it, then the corporation isn't needed.

MR. MILLIKEN: But you would look to ERDA first to go through the demonstration?

THE VICE PRESIDENT: Yes. This is not a research operation. It is really a financial institution. It is an investment bank on a self-liquidating basis.

MR. DANZANSKY: Joe Danzansky of Giant Food.

Mr. Vice President, how can we as a council be of help in this project in getting it through?

THE VICE PRESIDENT: Anyone who is a member of this council or in this room today who is ready to or would be willing to consider testifying in either the Senate or House on this subject would make a major contribution. That is of the moment the most important thing.

MR. DANZANSKY: Would it be helpful if we had a resolution?

THE VICE PRESIDENT: Fantastic. Fantastically helpful. Because the tragedy is, and I just met with a group of Senators, as I said, on this subject, and they pointed out that the American people really are not clear yet as to whether there is a crisis. And they say, "How is Congress going to act until the American people are aware that there is a crisis?"

Well, there are leaders and there are followers. But I happen to think you are the leaders, and you understand it because you are aware of it. You are the ones who are going to have to go forward.

MR. FORD: L. C. Ford, Chevron Shipping.

I understood you to say that the public wants these regulations, referring I believe to regulations on business.

THE VICE PRESIDENT: That is according to the public opinion polls.

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MR. FORD: Honestly, I don't personally think they have the foggiest idea of what these regulations are.

THE VICE PRESIDENT: They don't.

MR. FORD: And how massive they are.

THE VICE PRESIDENT: That is right. That is why they want them.

(Laughter.)

MR. FORD: My concern about this particular program is that it does concede that the private sector is lost, up to a point; that there is no retreat from the situation we are in. There is no hope that this mass of regulations and shackles that are on us can be removed.

This worries me because I don't think we should really give that up. Isn't there some chance we can go back somewhat here?

THE VICE PRESIDENT: Yes, there is. You see, the way I personally view it -- we each have our own perspective on these things -- is that a lot of these are left over from the 19th century and that they are unrelated to today, and that the Congress has followed a policy of legislating intent and not legislating law.

This is totally contrary to our original concept, and then they leave it to bureaucracies to write the law. Then, because it is vague, the courts get in the act. Because the court gets in, you sue on one side or the other, depending on what side you are on, and the court is now legislating and administering.

We have a total breakdown -- not a total, but a serious breakdown -- in the separation of powers that the original founding fathers created between Legislative, Executive and Judiciary.

My personal solution, or approach, to this question of regulation is that we as a Nation -- that is the Executive and Legislative and the people -- have got to reexamine what is our objective.

Take airlines. Do we want Air Canada in America? If so, we need one kind of regulation. Do we want private airlines to stay in business? If so, you have to create conditions which permit them to stay in business.

Those are all clear, simple things that any intelligent people can do. Bring them up to date; then you write your regulations to maximize the ability of our American enterprise system to meet people's needs.

But we haven't done that yet. So we are just building regulation on top of regulation.

You can say that I am speaking glibly on this. I for three years have been Chairman of the commission created by the Congress to study the 1972 Water Quality Act. We just finished our recommendations. We spent \$17 million in studies. I can give you a few illustrations.

The electroplating industry, for instance, there are 90,000 companies. If the '77 and '83 regulations are enforced, 35,000 small companies will go into bankruptcy. Okay, this is what you are talking about.

Now, until we made these studies, nobody looked at that. So we have come up with recommendations which would be more realistic. But what was done was intent was legislated, and then the environmental agency is writing regulations to carry out the intent, and then the courts get in and sue, and we are in a jungle, frankly.

But I think it has got to be done systematically. But basically the American people want government to regulate these activities because they want to preserve the environment. They want to have safety. They want to have equal employment opportunities.

Now the question is, how do you do it without destroying the system?

So I am with you, but I think it is going to be a complicated factor, and it won't happen in time to get us off the dead center on energy.

MR. WHITING: Mr. Vice President, the bill and the amount of the bill put together will be \$600 billion to \$800 billion of investment. One sees now a forecast beginning to come as a result of a weakness of the economy in '74 and '75, and also perhaps in conservation, because you can't really distinguish between the two.

But you see more reliable forecasts. I think most recently "Fortune" magazine projected \$4 billion to \$5 billion in total investments.

THE VICE PRESIDENT: For energy self-sufficiency?

MR. WHITING: I believe so, but I am not absolutely positive on that. But you see lower figures. Will that have any impact on the bill or the amount in the bill?

THE VICE PRESIDENT: Of course, there is nothing that says in the bill you have to spend the money. The money would be appropriated as the need was required, and the limitations on the use of the money are very sharp.

The project has to make a contribution to energy independence. It has to prove it can't get private capital. It has got to get the money from the government at a competitive rate. They cannot go and drop to a very low rate. Otherwise you drive private capital out of the market.

In other words, we have tried to write into this all of the protections which preserve the system and enhance it and encourage it rather than compete with it. So if it could be done for less, great.

MR. MACHOWSKY: Mr. Vice President, Bill Machowsky of Georgia Pacific.

Some of us are concerned about market forces. I wonder whether we shouldn't concentrate on deregulation of natural gas and oil before going into your program so that we would know where you need the subsidy and how much of a subsidy.

THE VICE PRESIDENT: As you know, the Administration did, as Frank Zarb -- who has gotten here now; he is right in front of me -- Frank Zarb has done more to try and get this accomplished than any individual in the country.

He was within a hair's breath of getting it done and then the House voted against it. It is an election year and these are hot subjects, and very few want -- he says we need both.

MR. MACHOWSKY: What order, though?

THE VICE PRESIDENT: But all I am trying to say is if we get it, that is fine. It makes it simpler. Then maybe you get private capital and you won't have to borrow from the corporation.

That is the beauty of it. It isn't putting the government into business. It is making the government act in this case as a banker that is willing to take certain risks that private enterprise, under the conditions that exist, is not willing to take.

If you get this, which I support 100 percent -- it is essential -- then that eliminates financing a whole series of activities. But I think that the beauty of this is that flexibility.

MR. COLEMAN: Mr. Vice President, you made the statement something to the effect that the American people do not yet believe there is an energy crisis. In your opinion, how can this belief be established for the American people?

THE VICE PRESIDENT: Or disillusionment.

Of course, if there was another oil boycott, that would do it. That is obvious. We hope there won't be.

Therefore, you have two means -- well, three means. The President of the United States can on national television point out some of the dangers we face. His authority, and he can get the national television, is very important.

I think, as we discussed at lunch today with the

Senators, that we have got to get media themselves, the leaders in the media -- press, radio and television -- to understand this so that they in their treatment of these subjects will try and help the American people on a news basis -- not propaganda, but just on a factual basis.

They are always writing editorials and talking about these things. They can tell the American people the truth, that we do face a serious crisis.

What of course is happening is we are subsidizing the high foreign oil by holding down domestic prices of domestic producers so as to average to the consumer a lower price. It is an artificial price in terms of the ability to replace with new production or to buy abroad. So that it is a totally artificial situation today created by government action -- both government at home and abroad. But we have got to help the public understand this.

MR. McKENNA: Mr. Vice President, Mike McKenna, National Federation of Independent Business.

I think Congress and the Administration need more input from private bodies so far as the rule-making process is concerned.

THE VICE PRESIDENT: No question.

MR. McKENNA: I think it would be of benefit if they had advisory committees where these matters were processed through them by the people affected by it before they put the rules into effect.

THE VICE PRESIDENT: Absolutely right. You could say the same things for States and local governments.

I will never forget -- I will use the illustration of the government. State and local governments suffer just as a business does. They are all tied up in red tape, too.

A bill was passed, it was Title 19, which created Medicaid. I had been under a lot of criticism as a Governor for not getting all we were entitled to from Washington. So we studied this bill very carefully and figured out what we could get in New York. You know, a good Philadelphia lawyer and so forth.

We went to Washington with the request for \$218 million, by increasing our eligibility standards, and so forth.

I got a call from Senator Javits and he said, "You have to come down and meet with the delegation. We have a crisis."

I went down. They said, "New York State has taken all the money Congress planned for the entire bill, for the entire country under this bill."

I said, "Look, Senator. We didn't write the bill. You never consulted us about the bill. We had no opportunity to express ourselves."

Now, perhaps we were delinquent not knowing what they were doing, but we didn't. I said, "All we did was to just take what you had written and then follow that law."

One Congressman who was there from our delegation said, "Had I known what was in that bill, by God I would have voted against it."

I said, "Great, Congressman. Go back and tell your constituents that and that will insure their confidence in your representation."

(Laughter.)

THE VICE PRESIDENT: But frankly, this is just the situation. These things are so complicated these dedicated men and women on the Hill don't understand a lot of these things. And it is our fault as citizens and as representatives.

I think you are absolutely right, and we ought to make this really a major part of our efforts -- both as local government and as private enterprise. So I am with you 100 percent. It would prevent a lot of this stuff.

These hearings we had with all the people testifying on the Water Quality Act. If we had done this ahead of the writing of the bill instead of afterwards, it would have changed the writing of the bill. Now luckily the report is going out, and I think when they rewrite the bill it will be a much better bill.

Ladies and gentlemen, you are very kind to let me come here. I am deeply grateful. I just worry about where we are going to be 10 years from now and what might happen between now and then, and what can happen to some of your companies if we run into a shortage and then your goods have to go up and you have to lay off workers, and you can't get the energy and you start paying more for it and we get back into inflation. We need that like a hole in the head.

I thank you very much indeed.

(Applause.)

END (AT 2:30 P.M. EST)