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Speech by Senator Paul Tsongas  
Saturday, March 3, 1979  
Worcester County Regional Environmental Council

## ENERGY AND THE ENVIRONMENTAL MOVEMENT

Thank you for the opportunity to speak to you this evening. I am pleased that you asked me to talk about the energy crisis. I believe the energy crisis is our Nation's greatest threat and greatest test. Our economy, our environment and our very democracy rest on how we meet that crisis today.

In this decade, we have faced three energy crises -- the oil embargo of 1973, the natural gas shortages of 1976, and the coal strike which followed closely in 1977. We were quickly lulled back from those three periods with little lasting impact.

Today we face the fourth energy crisis of this decade. This summer, you and I will sit in long gas lines and pay still higher gasoline prices. By winter, home heating oil will cost more and severe shortages particularly in New England, may well be common. A 1.5 billion-dollar coupon gas rationing program could be imposed at any time. This program will be a bureaucratic nightmare. Already we see signs that our hard-won environmental protections are being set aside.

A President who once called the energy crisis the moral equivalent of war failed to mention the crisis in his State of the Union address. And today weeks after the Iranian cutoffs began, the Administration has failed to provide a clear direction or unified energy policy. No wonder the public is teased by the prospect of panaceas such as Mexican oil or nuclear or coal or even solar.

What the Administration has failed to tell the American people in convincing terms is simply this. The cutoff of Iranian oil we have experienced since December is a manifestation of a deeper, harsher energy reality. Although the political situation in Iran may be stabilizing, the oil picture there remains unstable. The repercussions of the cutoffs are far more serious than the precious stocks we are depleting on a daily basis. In fact, the five percent cutoff may actually be a blessing -- if it wakes this nation up to the folly of its addiction to OPEC oil.

Consider how vulnerable we are today -- more vulnerable now than we were a few weeks ago when Iran's political fate was less certain. We know that a resumption of Iranian oil exports will not even patch

the broken dike. If Ayatollah Khomeini wants to produce oil for export, there is no guarantee he will succeed. The Iranian leader doesn't control many of the oil workers. What if he does succeed? Production will never reach former levels. Furthermore, it will take several months for us to feel the impact and the oil will cost even more than the OPEC price.

What's most distressing is that we have no cushion. Right now we get 30 percent of our oil from Saudi Arabia. What guarantee is there against a similar uprising in that country? One assassin's bullet could cut off that supply. Our relations with Saudi Arabia has suffered since Iran. The Saudis are rethinking their policy towards us. They are cutting back on production increases and they are charging even higher prices on those added barrels.

If Iran resumes production, as we now expect, there is a strong possibility that Saudi Arabia and other OPEC countries will probably stop producing at more than normal rates. That will significantly minimize the impact of Iranian production and we'll be back where we are right now.

What we can expect is higher prices. The Saudis are unable to restrain OPEC from raising its prices again. By May, OPEC prices could be up 40 percent. Spot market prices are now up to \$28.00 a barrel -- perhaps even higher. Venezuela -- which provides 25 percent of New England's residual fuel -- is raising its price by 15 percent. Iran is now talking about actioning off oil at \$10.00 above the OPEC price. Abu Dhabi, Qatar, Libya and Kuwait have either announced increases or are planning them.

The government has predicted gas shortages and higher prices this spring and early summer. Last week President Carter finally presented proposed mandatory conservation guidelines to Congress after a two-and-a-half year wait. He emphasized they are standby measures and there is no present intention of implementing any of those measures. I think the President is understating the short-term fallout of the present crisis. Here is what I foresee in the near term:

Mandatory allocations and controls and mandatory conservation measures by summer, perhaps earlier. Spelled out, those measures mean restrictions of weekend gasoline sales, limits on building temperatures, and advertising lighting curtailments.

Inflationary spinoffs which may be a serious blow to our economy. Plants could shut down, unemployment could increase, just at a point where the President is



indicating the possibility of a balanced budget.

That is the short-term picture. Over the long term -- within the next 10 years -- gasoline coupon rationing is inevitable unless we change our ways. And that long-range view could be shortened at any second by another crisis. There is no insurance we can buy to protect against another Iran.

Consider what a bureaucratic nightmare awaits us with coupon rationing;

It will cost nearly \$300 million to set up and \$1.5 billion a year to run, an estimate I believe is too low.

It will require the mailing of 165 million coupon rationing checks on a quarterly basis to all registered car and truck owners. Our massive social security system mails out only 25 to 30 million checks per month.

It will mean that consumers have to cash ration checks for coupons in order to purchase gas. Each registered vehicle will get the same number of coupons. The potential number of special cases is mind-boggling. There would be no equity under that kind of program.

The Department of Energy says a rationing program would take from 6 to 8 months to get rolling. Can we expect to have a 6-month lead time on such an emergency? The answer obviously is "no."

I think the next 6 months will show that our last 6 years were a dismal failure in terms of Government response to the energy crisis. Where is our sense of urgency right now?

We are still selling and promoting fuel inefficient automobiles. I think they should be prohibited.

I might add that I had an amendment to that effect on the energy bill two years ago.

We have yet to adopt a serious program to develop solar energy and other alternative energy sources such as biomass, low head hydro and wind energy. We need an aggressive and comprehensive program.

That, indeed, is not in the President's budget.

We have a strategic petroleum reserve that has barely begun to be filled. We must plan for regional product reserves to protect oil dependent areas like New England.

The Secretary of Energy has indicated that after the initial buys, it is unlikely that the reserve will

continue to be filled.

We have no permanent program for helping low-income families and the elderly cope with shortages and higher prices. We need a large-scale weatherization program for the poor and the elderly.

We need it this winter, but we surely will need it the winter that follows.

As the energy crisis accelerates there will be damaging effects on our environment. Progress by environmentalists will be set back. The signs are already here.

Look at the gas situation. Shortages of unleaded gas are slowing down the phase-out of regular gas. There is pressure to allow the use of cancer-causing MMT in unleaded gas. A week ago the price of low sulphur fuel increased faster than regular fuels. Companies required to use low sulphur fuels are lobbying for relief. These companies are running out of low sulfur fuels and are asking for waivers to avoid economic dislocations and layoffs. New York State this week allowed the emergency distribution of fuel for homes and industry with a sulfur content above the legal air quality limit. This exemption is only for 30 days. But a request has been made to extend the exemption through June.

Real threats to our survival and our environment are going to be harder to forestall. I anticipate mounting pressure for the breeder reactor and off-shore drilling. Anti-pollution devices that require energy will cost more and more. Who will be willing to pay for them?

As environmentalists, you and I have a job to do. We have to educate ourselves to the real impact of this crisis. The biggest threat to what you are trying to accomplish isn't the inflation fighters. It is energy.

The environmental movement is strong across the country. An energy conservation movement? Who ever heard of it? When Detroit walks the lobbies of the Capitol, no one is ahead of them -- or even tagging behind -- countering their proposals. No one is there to say "no" when they fight against stiff gas guzzler taxes and bans on fuel inefficient cars.

You have the consciousness to take the lead in educating the American public to the urgency of conservation. The federal government has been incredibly lax in this area. I think people are ready to give up our oil addiction -- or would be -- if they knew about alternatives.



I don't have to repeat the litany of things you can do as individuals to conserve energy and buffer yourselves against worse shortages. You know about turning the thermostats down, buying fuel efficient cars. You know about turning off the lights when they aren't needed. Perhaps you are not aware of government incentives such as tax credits that motivate conservation. Insulation, weather stripping, caulking, modified flue openings, automatic furnace ignition systems, clock thermostats -- all of these qualify for a 15 percent tax credit. Solar heating and hot water systems qualify for a 30 percent tax credit. The federal Department of Housing and Urban Development has grants available in Massachusetts of \$400 for solar hot water heaters.

You need to educate yourselves about conservation and take the lead in educating your communities. Air and water pollution, the degradation of our land and natural resources, will seem unimportant to a populace up to its ears in gas rationing procedures. A breeder reactor will seem less threatening to a nation held ransom by OPEC nations.

The Iranian oil cutoffs have moved the energy crisis into our daily lives. The short-term consequences will be uncomfortable. Unlike the other crises of the seventies, however, we will not go back to normal. Iran is a warning signal. If we do not heed the signal now, the gas lines of 1979 will be hardly remembered in the harsh light of what awaits us in the eighties.