SENATOR PAUL E. TSONGAS

Remarks Prepared for Delivery at
the Energy Education and Conservation Conference
Harvard Business School

March 26, 1979

When our present President wanted to describe the energy crisis and its imperatives in 1977, he recycled a phrase by William James. President Carter spoke of "the moral equivalent of war"-- which happens to be the title of a book James published in 1910 advocating a national program of youth service. The particular phrase conjures up common purpose, seriousness, urgency, emergency. And so the way Jimmy Carter labeled the bad news on energy was good news.

SINCE THEN, THE ADMINISTRATION HAS BEEN CONSISTENTLY INCONSISTENT IN DEEDS AND IN WORDS. AS A CONGRESSIONAL SUPPORTER OF THE PRESIDENT'S EXPRESSED GOALS, I HAVE DISCONTENTED MYSELF WATCHING THE ADMINISTRATION'S HALF-STEPS. THE STRATEGY OF GRADUALISM HAS US LOSING UNCOMFORTABLY IN A WAR OF ENERGY ATTRITION. THE AVERAGE AMERICAN STILL DOUBTS OUR CONVICTION ON ENERGY. AFTER 1977'S "MORAL EQUIVALENT OF WAR," WE SEEMED STUCK ON THE ENERGY EQUIVALENT OF RODNEY DANGERFIELD.

IMAGINE DANGERFIELD, WITH HIS HERKY-JERKY STYLE, AS POSTER BOY FOR THE ENERGY PROGRAM. PICTURE HIM

STANDING THERE, GETTING NO RESPECT, NERVOUSLY TIGHTENING
HIS PERSIAN TIE. HIS TALK IS PART OF THE PROBLEM, AND
SO IS HIS WEIGHT. It'S TIME TO CUT THAT LIQUID CONSUMPTION.
NO MORE BINGES ON BARRELS OF OIL. EVEN THE DANGERFIELD
NAME IS RIGHT. OUR MARCHING IN PLACE SINCE DECLARING
"WAR" IS DANGEROUS, AND SO ARE SOME OF THE DIRECTIONS
IN WHICH OUR GOVERNMENT MAY FINALLY RUSH.

IN 1979 THIS NATION HAS LITTLE TIME TO BELITTLE ITSELF, EVEN THOUGH IT OFTEN ACTS LIKE A HELPLESS GIANT, GETTING NO RESPECT. THOSE WONDERFUL PEOPLE WHO BROUGHT US OPEC STILL HAVE UNCLE SAM OVER A BARREL AND TAKING DICTATION. THE WHOLE ENERGY ISSUE IS INCREDIBLY COMPLEX IN RELATIVELY GOOD TIMES.

NOW THAT THE SHAH OF IRAN HAS MOVED ON DOWN THE ROAD TO MOROCCO, MUCH HARDER TIMES ARE LOOMING. LEADERSHIP SHORTCOMINGS ON ENERGY, COMBINED WITH SHORTAGES OF INFORMATION AND SUPPORT AMONG THE AMERICAN PEOPLE, MAKE ME VERY APPREHENSIVE.

TODAY IN GENEVA, THE OPEC MINISTERS ARE MEETING.

LATER THIS WEEK THE WHITE HOUSE WILL ANNOUNCE ITS
PROGRAM IN RESPONSE TO THE IRANIAN CUTOFF AND REALIGNMENT. WE ARE STILL LITERAL REACTIONARIES ON ENERGY,
CONSTANTLY REACTING TO UNANTICIPATED DEVELOPMENTS.

SO AT THIS CONFERENCE, AT THIS VOLATILE TIME,
LET'S CONSIDER THE PARTIAL SUCCESSES OF THE PAST,
LOOKING FOR ANY WEAKNESSES WHICH MAY PERVADE THEM.

I ALSO WANT TO DISCUSS WHAT KIND OF ENERGY PROGRAM
WOULD UNITE AMERICANS. SOLAR ENERGY AND ENERGY
CONSERVATION ARE IMPORTANT COMPONENTS. THE ROLE
OF EACH IN JOB CREATION MUST BE APPRECIATED. THE
HARDSHIP THAT EXPENSIVE ENERGY CAUSES POOR PEOPLE
ESPECIALLY CONCERNS ME. THE GOVERNMENT'S PROGRAM MUST
PROTECT THE INTERESTS OF POOR CITIZENS.

To give the Carter energy package of 1977 its due, the proposals were tough and comprehensive. A good place to start. The plan was so good it was dismantled in the Senate, and what came out of a conference committee late in 1978 was a grey version. (Now if I had been in the Senate back then . . . it probably would have sunk much the same.) Its supporters were caught over-confident. They were engulfed by opposition lobbies.

But, one of the things that deflated pressure for passage was the wavering Administration line on Just how serious the "energy crisis" was. The President's strong speech was backed up with back-pedaling in a matter of days. Faith in the energy program has been handicapped by big shifts in the Official tone of energy rhetoric. It's never too

LATE TO TALK SENSE TO THE AMERICAN PEOPLE. THE LAST STATE OF THE UNION ADDRESS SOFT-SOAPED THE GLOBAL ENERGY SCENE. I HOPE THIS WEEK'S MESSAGE LAYS THE SITUATION OUT CANDIDLY.

WE FACE AN EMERGING EMERGENCY IN OIL. THE SUPPLY SYSTEM IS PULLED TIGHT. EVEN WITHOUT ANOTHER IRAN, A RECENT GOVERNMENT ACCOUNTING OFFICE STUDY PREDICTED AN AVERAGE OIL PRICE OF \$18 A BARREL BY THE END OF THE YEAR. IT FORECAST A RISE IN UNEMPLOYMENT OF 100,000 AMERICANS IN 1979 AND ANOTHER 100,000 IN 1980 DUE TO THE OIL PRICE RISE. THE STUDY ESTIMATED THAT THE PRICE INCREASE WOULD MAKE THE GROSS NATIONAL PRODUCT \$8.5 BILLION LESS THAN IT WOULD BE OTHERWISE.

I WILL NOT, CAN NOT, SUPPORT A CALL FOR SHORTTERM SACRIFICE THAT LACKS A LONG-RANGE VISION OF A
HEALTHIER ENERGY FUTURE. THERE MUST BE A MUCH STRONGER
COMMITMENT TO RENEWABLE ENERGY SOURCES AND CONSERVATION.
WITHOUT A MAJOR FEDERAL COMMITMENT IN THIS DIRECTION,
A PLAN TO DEREGULATE OIL (EVEN WITH A MECHANISM TO
BAR WINDFALL PROFITS) IS SIMPLY A FOOLISH "DRAIN AMERICA
FIRST" POLICY. WITHOUT A RENEWABLE ENERGY FUTURE, WE
SHOULD BE KEEPING OUR OWN FOSSIL FUELS IN THE GROUND.

WE CAN <u>BEST</u> RECONCILE PRESSING NECESSITIES WITH LONG-TERM REALITY BY INCLUDING MAJOR FEDERAL INITIATIVES FOR RENEWABLES. AND WHY NOT THE BEST?

Solar energy is a growth industry for the 80's. It may be a \$10 billion market by 1985. A study done for the New England Energy Congress found that a solar and conservation strategy would create 11 times as much employment as a nuclear option. It is very promising for New England because 14% of all U.S. solar firms are located in the region; 7% are in Massachusetts. Here we have a highly skilled labor force supported by a large high technology industrial base and top universities.

BUT SOLAR TECHNOLOGIES SUFFER IN THE MARKETPLACE
BECAUSE COMPETING FUELS CONTINUE TO HAVE A COMPETITIVE
ADVANTAGE, AND BECAUSE THE MAJOR INVESTMENT IS AT THE
FRONT END. FUNDS FOR MARKET DEVELOPMENT, TRAINING, AND
COMMERCIALIZATION IN THE DEPARTMENT OF ENERGY ARE
TOTALLY INADEQUATE. THE FEDERAL OFFICE OF MANAGEMENT
AND BUDGET HAS TAKEN THE
GOVERNMENT SHOULD PRETTY MUCH KEEP HANDS OFF OF
COMMERCIALIZATION OF SOLAR ENERGY.

THE FEDERAL BUDGET FOR SOLAR IS OFFENSIVE—

A FOOLISH FALSE ECONOMY. THE GOVERNMENT
SHOULD BE SERVING AS AN EXAMPLE FOR INDIVIDUALS AND

BUSINESSES WITH A MAJOR PROGRAM OF SOLAR PURCHASES.
THIS WOULD ALSO ENCOURAGE ECONOMIES OF MASS PRODUCTION
AND LOWER DIRECT PRODUCT COSTS TO THE PUBLIC. WASHINGTON ALSO SHOULD BE DOING MORE TO SPUR INTERNATIONAL
EXPORT OF AMERICAN SOLAR TECHNOLOGY. ANOTHER WORTHY
PROPOSAL IS A SOLAR ENERGY DEVELOPMENT BANK TO PROVIDE
LONG-TERM, LOW-INTEREST LOANS TO RESIDENTIAL AND
COMMERCIAL USERS.

Two years and two months after this Administration began, a review of federal solar energy policy is about to be released. We can only hope for the best on this.

A LOT OF WATER HAS GONE OVER A LOT OF DAMS SINCE I977, MOST OF THEM CAPABLE OF GENERATING LOW-HEAD HYDROELECTRICITY WITH PROPER PLANNING AND LITTLE INVESTMENT. HYDROELECTRICITY SHOULD BE SPINNING TURBINES ON HUNDREDS OF SMALL DAMS IN MASSACHUSETTS, INSTEAD OF SPINNING BUREAUCRATIC WHEELS IN WASHINGTON, D.C. BIOMASS IS ANOTHER NEGLECTED RENEWABLE ENERGY FORM THAT IS CONSIDERED PART OF THE SOLAR CATEGORY. BIOMASS AND LOW-HEAD HYDRO ARE BOTH ATTRACTIVE NEAR-TERM FORMS OF RENEWABLE ENERGY THAT DESERVE GREATER FEDERAL ENCOURAGEMENT.

I know that renewables can supply one-fourth of U.S. energy needs by the year 2000, and I favor this as an urgent federal goal. The council on Environmental Quality estimates that technical improvements in today's economy could eventually reduce fuel consumption by 40% without cutting output. It urges replacement of electric resistance heating by heat pumps, improvements in building insulation and lighting, and other increased energy efficiencies.

CONSERVATION IS THE BEST "ALTERNATIVE ENERGY SOURCE"

OF THEM ALL. UNITS OF ENERGY SAVED ARE ABOUT AS "CLEAN"

AS THEY COME. IMPROVEMENTS IN FUEL USE EFFICIENCY MAY

SAVE ENERGY FOR YEARS. FUELS SAVED BY CONSERVATION

WILL HELP KEEP FACTORIES OPEN AND HOMES WARM NEXT WINTER.

PUBLIC OFFICIALS PREFER TO HAVE GOVERNMENT PROD CITIZENS

TO SAVE ENERGY VOLUNTARILY, BUT THE TIMES ARE DEMANDING

MANDATORY CONSERVATION.

In the matter of conservation, Congress and the President are flawed leaders. Congress has failed by a whopping margin to ban the sale of gas-guzzling cars. The President recently sent Congress a stand-by gas rationing plan required by law. The rationing plan and its companion measures seemed rushed in their drafting,

I'LL SAY ONE THING FOR GAS RATIONING. IT WOULD CREATE JOBS--GOBS OF THEM IN A \$1.5 BILLION PLAN THAT WOULD BE A BUREAUCRATIC CHAMBER OF HORRORS. RATIONING IS AN EXTRAORDINARY ACTION TO BE ATTEMPTED ONLY AFTER OTHER HARD ACTIONS MAY HAVE FAILED. YET WE ARE BOUND TO BE RATIONED BEFORE THE 1980'S ARE FINISHED, UNLESS WE LEARN THAT ECONOMIC GROWTH DOESN'T NECESSARILY REQUIRE PROPORTIONATE ENERGY GROWTH.

According to the Council on Environmental Quality, in its report The Good News About Energy, we can save a lot of energy by increasing its productivity. If we are determined, we can hold the increase in energy used in the U.S. between now and 2000 to 10-15%. Increased energy productivity allows costs to be cut, which may then free dollars for another investment.

EXTREME CARE TO USE ENERGY EFFICIENTLY WILL EASE
THE TRANSITION TO AN ECONOMY OF SOLAR-BASED, LIMITLESS
ENERGY. LARGE, DIRTY, DANGEROUS FUELS SUCH AS COAL
AND NUCLEAR ARE NEEDED DURING THE TRANSITION. BUT
IN THE LONGER RUN, COAL AND NUCLEAR COULD NOT ENSURE
ECONOMIC STABILITY, EMPLOYMENT, AND HEALTH AS WELL.

THAT IS WHY MY CONSTITUENTS AND I WILL BE LISTENING FOR A STRONG--VERY STRONG--CONSERVATION EMPHASIS IN PRESIDENT CARTER'S ENERGY STATEMENT LATER THIS WEEK. WE WILL BE HOPING FOR VERY LITTLE IN THE WAY OF LOOSER POLLUTION STANDARDS, BECAUSE WE KNOW THERE ARE NO CHEAP FIXES ON THE ENERGY ISSUE--JUST DIFFERENT WAYS TO PAY THE PRICE. AND WHEN THE SOLAR REVIEW COMES OUT, ANYTHING LESS THAN THE HIGH OPTION ON SOLAR ENERGY WILL BE TOO LITTLE. A LEISURELY PACE TOWARD RENEWABLE ENERGY PRESENTS TOO HIGH A RISK TO MY REGION, AND MY NATION.

THE PRESIDENT'S STATEMENT MAY BEGIN TO TURN AROUND THE WORST FAILURE OF U.S. ENERGY POLICY: AMERICANS ARE STILL UNCONVINCED THAT THERE IS A <u>CRISIS</u>.

THERE IS A FAILURE TO COMMUNICATE. YET THE PUBLIC AFFAIRS BUDGET OF THE ENERGY DEPARTMENT IS LESS THAN \$4 MILLION AND IS BEING CUT. BUT THIS CRISIS IS A COLLECTIVE FAILURE. It'S WRONG TO CLOSE OUR EYES AGAIN AND PICK A SCAPEGOAT.

Public officials, News Media, Educators, Foundations Homemakers, the Labor Movement and others should Join the Debate. Unions, for example, can spread information very fast. Directly or indirectly, workers' Jobs are threatened when energy isn't dependable. So today's Conference, and things like Project Pacesetter in Allegheny County, Pennsylvania, are worthwhile parts of the search for answers.

Most Americans want to know what's happening in a field that can affect their lives so basically. They deserve to have the facts, and to be reasonably assured that wheeler-dealers aren't profiteering illegally, for example, by "daisy-chaining" old oil, or by playing games with their inventories.

When oil is deregulated, most of the "excess profit" will just have to be taxed away by the government. Some of those revenues should go into developing renewable energies. The rest of the federal tax should go into a new program to aid low-income Americans. The average low-income household spends about 30% of its annual income on energy. One recent proposal would subsidize improved weatherization on a house, and provide CETA workers at no cost. There also should be program for emergency fuel oil assistance to poor Americans in cold weather.

We're ready to tighten our belts here in Massachusetts on the energy issue--if our region is not singled out. Americans in general are willing to ensure unpleasant changes in their lives--if the justification is sound and the communication straight-forward.

As a political candidate and as President, Jimmy Carter's words have appealed to my constituency, my people, on this issue. He must know that alternative energy technologies like solar do very well in the polls. And he must be reading the polls at least once a week, from Time to Time.

IF BY CHANCE HE SHOULD TURN HIS BACK ON HIS OWN ENERGY PAST, HIS OWN PHILOSOPHY, I WOULD HAVE TO STAND BY THE APPROACH I BELIEVE BEST SUITED TO THE NATION AS A WHOLE. I WOULD BE LEFT TO WONDER ON ENERGY, "WHY NOT THE BEST?" IT WOULDN'T BE AN EGO-TRIP, BUT RATHER A CALM DISCUSSION OF THE ISSUE THAT DWARFS EVERY OTHER ONE IN AMERICA TODAY. I'M GENUINELY APPREHENSIVE THAT ANOTHER WINTER WILL COME WITH INSUFFICIENT HEAT IN BOSTON AND INSUFFICIENT LIGHT IN THE WHITE HOUSE.

#####