

CONGRESSMAN LES AUCOIN  
REMARKS TO OREGON HOUSE OF  
REPRESENTATIVES  
"ENERGY"  
APRIL 18, 1979

I'D LIKE TO SHARE A FEW THOUGHTS WITH YOU THIS MORNING ON AN ISSUE THAT'S GOING TO TEST OUR POLITICAL INSTITUTIONS -- AND EACH OF US -- AS NO OTHER ISSUE WILL IN THE NEXT SEVERAL YEARS.

IT'S THE ENERGY ISSUE. IT WON'T GO AWAY. IT'S GOING TO GET BIGGER AND IT'S GOING TO BRING US A SERIES OF CRITICAL CHOICES.

THERE ARE THREE SPECIFIC THINGS I WANT TO DEAL WITH TODAY:

1. THE PRESIDENT'S OIL DECONTROL PLAN AND THE WINDFALL PROFITS TAX.
2. THE QUALITY OF CABINET LEADERSHIP ON ENERGY.
3. THE QUESTION OF NUCLEAR POWER.

I ENDORSE PRESIDENT CARTER'S PLAN TO DECONTROL DOMESTIC OIL PRICES. IT RECOGNIZES A SIMPLE FACT: THAT YOU HAVE TO PRICE OIL

AT IT'S REPLACEMENT COST. IF YOU DON'T, THERE WON'T BE DOMESTIC OIL TO REPLACE THE OIL THAT WE'RE USING. THAT MEANS EITHER OIL SHORTAGES OR RUNNING THE RISK OF OTHER NATIONS BEING OUR ENERGY PROVIDERS. THOSE ALTERNATIVES ARE EVEN WORSE THAN TEMPORARY HIGHER PRICES, AS DIFFICULT AS THEY ARE TO TOLERATE.

BUT THE PUBLIC DESERVES TO KNOW THAT WE'RE GOING TO GET HIGHER PRICES ON OIL. THE CHOICE IS WHO DO WE WANT TO PAY -- DO WE WANT TO CONTINUE TO BUY IMPORTS AND SEND MONEY OUT OF THIS COUNTRY AT PRICES SET BY THE OIL CARTEL, OR DO WE WANT TO BUY AMERICAN SUPPLIES FROM AMERICAN SUPPLIERS AND KEEP OUR DOLLARS AT HOME.

MOST PEOPLE WOULD, I THINK, AGREE THAT WE MUST HAVE OUR OWN SUPPLIES. THAT'S WHAT DECONTROL WOULD DO. THAT'S WHY THIS PART OF THE PRESIDENT'S PLAN IS SOUND.

I CANNOT BE AS COMPLIMENTARY OF THE PRESIDENT'S FIRST DRAFT OF THE WINDFALL PROFITS TAX.

I DO SUPPORT -- STRONGLY -- THE WINDFALL PROFITS TAX APPROACH. BUT I AM IN DISAGREEMENT TODAY WITH THE ADMINISTRATION ON HOW IT SHOULD BE USED. I DON'T THINK THE TAX SHOULD BE USED AGAINST PROFITS THAT ARE PLOWED BACK INTO NEW EXPLORATION AND DRILLING HERE IN THE UNITED STATES.

THE PRESIDENT'S PLAN WOULD TAX AWAY 50 CENTS OF EVERY DOLLAR OF PROFIT. WHEN YOU COMBINE THAT WITH ANOTHER 30 CENTS IN CORPORATE INCOME TAXES, STATE TAXES AND ROYALTY PAYMENTS, YOU ARE LEFT WITH 20 CENTS ON THE DOLLAR FOR NEW PRODUCTION.

THAT JUST ISN'T ADEQUATE. IT'S ESTIMATED THAT WE NEED \$25 BILLION IN DOMESTIC OIL INVESTMENT BY 1982. THIS PROGRAM WON'T GET US THERE.

THE RESULT COULD BE THE WORST OF BOTH WORLDS FOR THE CONSUMER -- HIGH PRICES WITHOUT INCREASED SUPPLIES BECAUSE THE GOVERNMENT WILL HAVE TAXED AWAY MONEY NEEDED FOR DRILLING AND TESTING.

I'D BE WILLING TO SUPPORT AN EVEN STIFFER WINDFALL PROFITS TAX THAN THE PRESIDENT HAS PROPOSED. I'D RAISE THE TAX TO 90 PER CENT

IF THE OIL COMPANIES TRIED TO USE THEIR NEW PROFITS TO SPEND IN REAL ESTATE OR TO BUY DEPARTMENT STORES. BUT IF THEY'RE PLOWED BACK INTO THE GENERATION OF NEW OIL SUPPLIES, I'D LET THOSE NEW DOLLARS GO TO WORK FOR US WITHOUT THE HANDCUFFS OF AN EXTRA TAX.

OBVIOUSLY, THIS COULD BECOME AN EMOTIONAL ISSUE. BUT WHAT THE COUNTRY NEEDS IS AN ENERGY POLICY THAT PRODUCES MORE THAN EMOTION. IT NEEDS A POLICY THAT PRODUCES OIL.

AMENDMENTS TO THE WINDFALL PROFITS TAX PLAN ALONG THE LINES I'VE MENTIONED WOULD GIVE US AN ENERGY POLICY THAT DOES PRODUCE OIL.

THERE IS NO WAY TO HAVE EFFECTIVE POLICY WITHOUT EFFECTIVE LEADERSHIP. AND I HAVE TO REPORT TO YOU THAT, BASED ON HIS TWO-YEAR TRACK RECORD, IT'S MY OPINION THAT ENERGY SECRETARY JAMES SCHLESINGER IS THE WEAKEST CABINET OFFICER BY FAR.

I'M CONVINCED HE SHOULD RESIGN. THIS IS A MAN WHO SO COMPLETELY BOTCHED UP THE NEGOTIATIONS ON LAST YEAR'S ENERGY BILL THAT HE BECAME ONE REASON FOR THE DELAY IN PASSING A BILL.

THIS IS A MAN WHO GAVE DIRE PREDICTIONS ABOUT THE LOSS OF IRANIAN OIL. BUT THEN HE TURNED HIS BACK ON MEXICAN OIL AND NATURAL GAS ACROSS OUR BORDER. IN DOING THAT, HE SERIOUSLY SET BACK RELATIONS WITH MEXICO AND DENIED THAT COUNTRY A CHANCE TO SOLVE SOME CHRONIC ECONOMIC PROBLEMS...WHICH IN TURN, WOULD HAVE HELPED US SOLVE SOME PROBLEMS AS WELL.

FINALLY, THIS IS A MAN WHO TOOK A LONG LOOK AT THE EVENTS AT THREE MILE ISLAND IN PENNSYLVANIA AND DESCRIBED THE WORST NUCLEAR SCARE IN OUR HISTORY AS AN "UNPLEASANT EVENT."

PRESIDENT CARTER NEEDS BETTER ENERGY LEADERSHIP IN THE CABINET THAN MR. SCHLESINGER PROVIDES.

IN THE WAKE OF THREE MILE ISLAND, I MUST SAY A FEW THINGS ABOUT NUCLEAR POWER.

SUPPORTERS ARE TRYING TO PUT THE BEST FACE ON THE INCIDENT. BUT ALL THE SOOTHING WORDS FAIL TO HIDE TWO IMPORTANT FACTS: THE

"UNTHINKABLE" BECAME THINKABLE ON THREE MILE ISLAND, AND THE "IMPOSSIBLE" WAS SUDDENLY VERY POSSIBLE INDEED.

WE CAN NOW SEE WHAT WE ALWAYS REALLY KNEW. NUCLEAR POWER IS A CALCULATED RISK. IT'S NOT HARMLESS. IT'S DANGEROUS.

SOME ARE NOW CALLING FOR STUDIES TO TELL US HOW TO MAKE ATOMIC PLANTS SAFER. THAT'S FINE. BUT THAT PRESUPPOSES EVERYTHING SHOULD GO ON WITHOUT REEXAMINING THE QUESTION OF NUCLEAR POWER.

THE ISSUE IS NOT "HOW."

THE ISSUE IS "WHETHER."

WHETHER WE SHOULD BE TURNING TO THESE PLANTS AT ALL TO MEET OUR NEW ENERGY NEEDS. THIS ISN'T SIMPLY A QUESTION OF A VALVE THAT WON'T CLOSE...OR A GAUGE THAT READS WRONG...OR BACKUP PUMPS THAT DON'T WORK. IT'S ALSO A QUESTION OF RADIOACTIVE WASTES LETHAL FOR THOUSANDS OF YEARS THAT SCIENCE DOESN'T KNOW HOW TO STORE. IT'S ALSO A QUESTION OF POSSIBLE SABOTAGE.

NUCLEAR ENERGY IS A TECHNOLOGICAL VIETNAM, A PROGRAM RUN BY OFFICIALS TOO STUBBORN TO EXTRICATE US DESPITE THE GROWING EVIDENCE THAT WE'RE PLAYING AN END GAME.

THERE ARE THOSE WHO SINCERELY BELIEVE WE HAVE NO OTHER CHOICE. THEY SAY WE'RE STUCK AND MUST KEEP ON BUILDING NUCLEAR PLANTS DESPITE THE RISK.

THOSE PEOPLE ARE WRONG. WE AREN'T TRAPPED. WE AREN'T PRISONERS OF PAST SHORT-SIGHTEDNESS. WE HAVE OPTIONS. WE ARE FREE TO USE THOSE OPTIONS. IT'S NOT TOO LATE TO TAKE ALL THE PLANS FOR ALL THOSE NEW NUCLEAR PLANTS AND TO BRING THEM TO A COLD SHUTDOWN.

WE'VE GOT COAL RESERVES TO LAST US 200 YEARS. TODAY, HUNDREDS OF TONS ARE SITTING IN STOCKPILES. THOUSANDS MORE ARE WAITING TO BE MINED. DOMESTIC OIL IS WAITING TO BE TAPPED. CONSERVATION IS STILL AN UNMET GOAL. WE WASTE 30 PER CENT OF ALL THE ENERGY WE CONSUME. THE GENERAL ACCOUNTING OFFICE SAYS RECAPTURING LOST ENERGY IS THE MOST EFFECTIVE ENERGY WE CAN PRODUCE.

ANOTHER OPTION IS ALTERNATIVE ENERGY SOURCES. SOLAR POWER COLLECTORS ON INDIVIDUAL BUILDINGS AND HOMES CAN PROVIDE SIGNIFICANT AMOUNTS OF ENERGY. AND SO CAN GEOTHERMAL AND OTHER ALTERNATIVE

SOURCES IF GIVEN AN ADEQUATE COMMITMENT THROUGH RESEARCH AND DEVELOPMENT.

ALL THESE OPTIONS AND OTHERS CAN MEET OUR SHORT-TERM ENERGY NEEDS. THEY CAN BUY US TIME UNTIL THOSE RESEARCH AND DEVELOPMENT EFFORTS BRING LASTING AND ABUNDANT NEW ENERGY TECHNOLOGY ON LINE.

THE TASK WON'T BE EASY. IT'LL REQUIRE SACRIFICE, ADJUSTMENT AND CHANGE. BUT IT'LL BE WORTH IT.