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THE ENERGY REGIME: CONGRESS AND THE EXECUTIVE BRANCH

Mr. JACKSON. Mr. President, as a result of the President's remarks last week on the performance of Congress in the energy field, I have received a number of inquiries from Senators and others asking for the facts on this subject. I am making this statement today to clarify the record of Congress and the administration on energy issues.

Let me say at the outset that I regret very much the President's remarks on this subject. Not only are these remarks an erroneous impression, they have also injected an element of partisanship in an area where, at least as far as Congress is concerned, bipartisan cooperation has been the order of the day.

The record is clear that, with the support of members of both parties, this Congress is in the process of compiling an exceptional record on energy issues.

This is the Congress that gave the President discretionary authority last April to allocate fuels. This is the Congress that has cleared for the President's signature the trans-Alaska pipeline bill, the Emergency Petroleum Allocation Act. And this is the Congress that has taken the initiative, in the National Energy Emergency Act, to direct executive action to deal with unprecedented fuel shortages.

ORIGINS OF THE ENERGY STUDY

Legislative interest in critical energy issues has not developed overnight. Senators may recall that on July 16, 1970, Senator Jennings Randolph introduced legislation cosponsored by Senators of both parties to establish a National Commission on Fuels and Energy. This was to be a joint executive-legislative body to make a comprehensive study of the Nation's energy needs and how best to meet them.

The administration opposed creation of this Commission on the grounds that its work would overlap with studies by the executive branch—studies announced after Senator Randolph's bill was introduced. If such studies were in fact made by the Domestic Council, the administration did not let that be known. But it is significant that the administration was on notice, more than 3 years ago, of deep congressional concern about emerging energy problems.

Because a serious study was obviously needed, Senator Randolph and I sought to authorize a unique cooperative effort in the Senate in early 1971. On February 4, 1971, I introduced Senate Resolution 45, cosponsored by 50 Senators, authorizing the national fuels and energy policy study by the Senate Interior Committee, with participation by the Committee on Commerce and Public Works and the Joint Committee on Atomic Energy. This has not been idle participation either. Under the leadership of Senators Magnuson, Pastore, and Randolph, the committees have played a major role as the study has progressed.

The study authorized by the Senate on May 3, 1971—when Senate Resolution 45 was approved—was broad in scope, involving a comprehensive investigation of the Nation's energy needs and energy resources; of the alternatives available for meeting those needs; and of the effect of Federal laws and policies on the fuels and energy industries and the economy. In late 1971 and continuing into mid-1973, the committee held extensive hearings on a wide range of issues including domestic and foreign oil, nuclear energy, the role of the Federal government in energy, the preservation of oil supplies, the development of energy resources, and the energy infrastructure of the Nation.

As the energy study progressed, it became increasingly obvious to many of us that the Nation's energy problems were serious, that we were entering a period of dangerous dependency on foreign oil, that alternatives to such dependency were not being exploited and that critical energy issues were not being considered at the highest levels of Government.

WARNING ABOUT IMPORTS

My concerns were expressed in a letter to the President in June 1972 in which I asked for a full-scale "in-depth study and assessment of all foreign oil dependency issues, both economic and non-economic." And in the fall of 1972, I pressed for a comprehensive energy policy message to Congress. Both were ignored.

On my return from a trip to the Middle East in the fall of 1972, I again warned of the dangers of increasing dependence on Middle East oil. In a speech on December 7, 1972, in Pittsburgh, I set forth some conclusions about this problem which bear repeating:

First, despite official assurances to the contrary, I believe there are major dangers of political instability in the Middle East. This region's history of political turmoil, internal dislocations, regional rivalry, and the administration's policy provide a shaky foundation for long-term commercial enterprise, for permanent foreign investments, and for increased dependence on vital energy supplies.

Second, I believe that the optimum of many of the proposals is being compromised by fast and loose policy making. There are U.S. and foreign company representatives as to the security of future supplies from this region is unwarrented. The desire of these nations to manage their own resources, and to own and control both production, transport, refining and marketing facilities has, I believe, been greatly underestimated.

Third, even if we assume political stability and rational decision-making on the part of the major oil producing nations—an assumption I consider reasonable after my meeting with leaders in Iran and Saudi Arabia—the sheer magnitude of the revenues to be derived from oil production raises serious concern that oil revenues will not be needed for internal development be invested by these countries? Will economic considerations of national security, foreign policy and a shutting-off of supplies even if political or bargaining considerations do not?

As 1973 progressed, there was increasing doubt about the ability of our existing energy system to meet the country's fuel needs. But the administration's oil experts assured us that the needs could and would be met. What happened in the winter of 1972-73 is now history. One would have thought, however, that the fuel shortages which occurred then would have provided a warning to Administration policymakers.

The disarray in the administration on energy issues during this period was reflected in the fact that the White House was unable to produce a Presidential energy message for Congress. The message that was first promised for January finally came in April, too late to be necessary to bolster the weekly energy situation, I held that message with a second message in June.

Meanwhile, the efforts to provide top-level energy policy leadership in the White House continued. In December 1972, citing the large number of Federal agencies in the energy field, many of them working at cross purposes, I had urged the appointment of an energy "czar" to provide overall leadership and coordination; 1973 began with the designation of an energy troika of Messrs. Ehrlichman, Kissinger, and Shultz, which never really functioned. Then came the appointment of Mr. Charles Johnson as the President's energy aide. Thereafter, Deputy Treasury Secretary Simon, as chairman of the Oil Policy Committee, played a major role in energy matters until Governor Love was appointed as head of the Energy Policy Office in June.

FUELS ALLOCATION SYSTEM

While these administrative changes were taking place, those of us involved in energy matters were concentrating on measures to allocate scarce fuels and otherwise deal with impending shortages. Administration officials, under questioning, had testified before the Interior Committee as early as January that they lacked adequate authority to allocate fuels in times of shortages and I had announced in February that I would introduce legislation to remedy this.

From the outset, the administration took the position that no allocation system was necessary. At the hearing on the proposed mandate bill on May 1, 1973, Secretary Simon testified that:

We do not believe that direct government control of fuel distribution is necessary and we hope that we will never have to implement an allocation or formal consumer rationing system.

It was a matter of days, however, before the administration announced a limited voluntary allocation program under the authority provided by Senator Eagleton's amendment to the Economic Stabilization Act.

After the voluntary program had been in effect several weeks, Secretary Simon conceded that it was not working effectively and said a mandatory program would be instituted. Then Governor Love was appointed and he took the issue under his administration. In August, he issued proposed regulations for a mandatory program, but said in effect that they would not work and he hoped not to use them.

Specifically, Governor Love said of his proposed mandatory program:

In spite of our efforts, this program, as it stands now, is not one that works and I believe it would have been in the best interest of the country to eliminate it altogether. The Governor's proposal was, in my opinion, not a practical solution to the fuel shortage problem. It would have added to the confusion that already exists and would have undermined the efforts of the voluntary program.

As the administration considered extending the voluntary program, I was concerned that the situation had changed and that the voluntary program was not sufficient to meet the nation's needs. Therefore, I urged the President to ask Congress to consider a mandatory program, and to do so in a way that would build on the success of the voluntary program, and not undermine it.

On April 29, 1973, the President asked Congress for a "prompt and an adequate energy program to meet the challenge of a growing energy crisis." Congress responded with the Energy Policy Act of 1973, which authorized the Secretary of Interior to allocate and ration energy in the public interest.

But the energy situation remained critical. And just as I was concluding this statement, the Administration announced that it was temporarily halting the voluntary program in order to prepare for allocation. Just as I signed this report, the President was making a statement to Congress that allocation had been halted for the fourth time since January 15, 1973.

It is clear that the administration has not been able to respond adequately to the energy crisis. The administration's handling of energy matters has been marked by public pronouncements that were not followed by action, and by a failure to recognize the gravity of the situation. As a result, the nation is faced with a growing energy crisis that is not being adequately addressed by the Administration.
SENATE

Channel of Natural Reversal

Yet urged Congress and institutional mechanisms appeared last fall to be the responsible alternative to the allocation bill, which the President introduced with the co-sponsorship of 27 Senators—the administration turned a deaf ear. But as the serious nature of our energy situation became more apparent, the administration’s attitude has changed. The President is now publicly committed to the kind of program we proposed last spring. But the question still remains whether the administration will commit the funds to make a real R & D effort. At this moment, the Office of Management and Budget has impounded more than $20 million in funds for energy research and development.

The administration’s record on development of our geothermal steam resource is cause for concern about the strength of its commitment to energy research and development. It is reported by the Interior that the administration has yet to promulgate the regulations that would permit public lands to be leased for this purpose. Under the determined leadership of Senators Bentsen and Cranston, the Interior Committee has been pushing hard to accelerate geothermal development. But the administration has opposed legislation pending before the Interior Committee to speed commercial development of geothermal energy through a program of loan guarantees. And it has impounded the additional $7 million appropriated by Congress earlier this year for geothermal development.

Another research area where Congress has consistently taken the leadership is coal research. As a member of the Appropriations Committee, Senator Byrd of West Virginia worked long and hard on the Interior’s request to authorize the implementation of a mandatory allocation program for crude oil and subsequently obtained the appropriation.

I might point out, Mr. President, that both these bills represent initiatives by the Congress. The trans-Alaska pipeline bill was developed by the Interior Committee, working with the executive branch, after the court of appeals held that the Secretary of the Interior had exceeded his authority in granting a right-of-way for the pipeline. The fuels allocation bill, which I introduced last April, was opposed by the administration from the outset.

The Senate’s first energy bill was passed on May 10, 1973. This was Senator Hollings’ proposal to create a Council on Competitiveness in the Executive Office of the President.

The Senate has also passed two important bills which provide the standards and institutional mechanisms for reconciling our energy and environmental needs. I refer to the National Land Use Policy Act—passed on June 12, 1973—and the Federal Mining Reclamation Act—passed on October 9, 1973.

Research and Development

Another congressional initiative has been in the critical field of energy research and development. When I introduced legislation authorizing a massive 10-year, $3.5 billion, R & D program on March 19, 1973—with the co-sponsorship of 27 Senators—the administration turned a deaf ear. But as the serious nature of our energy situation became more apparent, the administration’s attitude has changed. The President is now publicly committed to the kind of program we proposed last spring. But the question still remains whether the administration will commit the funds to make a real R & D effort. At this moment, the Office of Management and Budget has impounded more than $20 million in funds for energy research and development.

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Energy Conservation Legislation

It is worth noting, Mr. President, that the administration has also opposed the National Fuels and Energy Conservation Act, introduced on July 13, 1973, reported by the committee and now pending on the Senate Calendar with action planned in the immediate future. This legislation, which lays the foundation for a serious energy conservation effort, is co-sponsored by 36 Senators.

Despite the critical importance of efforts to reduce energy demand, the administration has never submitted any legislation on this subject to the Congress. It has not only opposed my bill, but also opposed major bills on this subject developed by the Commerce Committee. In a letter dated July 31, 1973, Assistant Secretary of the Interior, Wakefield, opposed my bill on the ground that a similar conservation program already exists. He also argued that the bill “calls for a fractionized and less well organized approach to the vital matter of energy conservation than the current Federal program.”

The effectiveness of the Federal program is quite frankly, still very much in doubt as the need for serious conservation efforts grows greater than ever.

Strategic Reserve

The administration has also opposed legislation which I introduced on April 16, 1973, to establish a national strategic petroleum reserve in order to minimize the impact of disruption of our oil imports. Although the administration supports the concept of such a reserve and agrees that legislation is necessary, it opposed my bill and has yet to submit its own legislation on discretionary authority under the Defense Production Act, the Economic Stabilization Act, and other statutes to make contingency plans, to prepare for rationing, and to allocate scarce fuels. But it has never been willing to face up to the realities of the situation. Congress, at every turn, has had to force the administration to act by proposing, enacting, or threatening to enact appropriate legislation.

Let me repeat, Mr. President, that the unprecedented efforts which Congress has made on energy matters have been on a bipartisan basis. I wish to acknowledge, in particular, the great contribution of Senator Fannin and his Republican colleagues on the Interior Committee. Senators of both parties have worked long and hard on these issues. I am confident that we are developing a legislative program that will enable the Federal Government to deal with our critical energy problems and serve as a basis for long-term national energy policy.

Mr. President, I ask unanimous consent that there be included in the Record at this point a list of the energy related bills already pending or pending before the Interior Committee in the press of Congress.

I also ask unanimous consent that the full text of my letter to the President of April 16, 1973, addressed to the Mining Institute of December 7, 1972, be included in the Record.
November 15, 1973

CONGRESSIONAL RECORD — SENATE

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ENERGY RELATED BILLS PENDING OR ACTED UPON BY THE SENATE INTERIOR AND INSULAR AFFAIRS COMMITTEE IN THE 93RD CONGRESS INTRODUCED


November 2, 1973: S. 2652, Coal Conversion Act.

The Committee has held joint hearings with the Commerce and Public Works Committees on the question of authorizing the construction of deepwater ports and is developing draft legislation on this subject.