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Congressional Record S. 20407 - National Emergency Petroleum Act of 1973

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President, the pending business before the Senate, S. 2589, is a bill to authorize and direct the President and State and local governments to develop contingency plans for reducing petroleum consumption, and assuring the continuation of vital public services in the event of emergency fuel shortages or severe dislocations in the Nation's fuel distribution system, and for other purposes. This bill is a matter of highest importance. I am delighted that the Senate Committee on Interior and Insular Affairs has acted with such expedition.

I should like to note that the hearings were held in public, that the markup of the bill was held in public, and the representatives of the administration were present at the time of the markup. In view of the emergency nature of the situation, I think the bill is of the highest importance at this time, should be considered as expeditiously as possible, and that proper consideration should be given to all amendments offered.

But may I express the hope, also, that there will not be too much in the way of extraneous amendments to the pending measure because time is of the highest significance. I am not at all certain that even yet we understand the need for emergency legislation, nor am I sure that the legislation goes far enough. I point out that even without the war in the Middle East, this crisis would have been upon us, perhaps to a lesser degree; but with Arab oil coming in, I believe that we would have been confronted with it this coming winter and next spring.

I point out, Mr. President, on the basis of remarks made by the distinguished Senator from Washington (Mr. Jackson), the manager of the bill and the chairman of the Committee on Interior and Insular Affairs, that the last tanker has left the Middle East destined for this country. It will arrive sometime next week, and that will stop, for some months—in my opinion, at least—the inflow of Middle East oil to the United States as well as to other areas contiguous thereto.

What I am leading up to is the very great possibility that if something is not done, industry will be curtailed to a degree, unemployment will be increased from the rate of 4.5 percent at present—which is a decided drop, may I say, in the last year—and the result could well be that as prices rise, there will be increased demands on the part of labor for higher wages, and that out of that could come an increase in inflation, which at the present time, if my memory is correct, is hovering in the vicinity of 8 percent a year. That is overall.

Statements have been made by members of the administration, both pro and con, on the question of rationing and on the question of a gas tax. In the latter category, amounts in the area of 30 to 40 cents a gallon have been mentioned. May I say, Mr. President, that I would be opposed to a gas tax of any considerable proportion; because, when you get right down to it, once again it would be those least able to pay, the poor and middle-income group, who would be forced to assume the greater share of the burden. As a matter of fact, the Federal gas tax at the present time amounts to about 4 or 5 cents per gallon. That is a sales tax. If you up the ante to 30 or 40 cents, that would mean an additional Federal sales tax by six- or eight-fold. Again may I emphasize that it would hit hardest the people who can least afford to pay it.

Therefore, if there is to be a choice between an increase in gas taxes and rationing, I think rationing, equitably applied, is the best answer. In that way, I think we can avoid the burden sharing which the poor and the middle-income people of this country have carried for too long, at too great a price and, incidentally, may I say, with very little in the way of loopholes to help give them relief.

Richard Nixon