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## Congressional Record - Gas Rationing Will be Necessary

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## GAS RATIONING WILL BE NECESSARY

Mr. MANSFIELD. Mr. President, the latest figures on unemployment are at 4.5 percent which I think is the lowest in 3 years. These figures go back a month, I believe. Since that time, there have been statements made that unemployment, in view of the energy crisis, will possibly reach 8 percent.

I note that the administration, in the person of the Chairman of the Council of Economic Advisers, Mr. Stein, said he saw no basis for projections of a possible 8 percent unemployment rate in the next year if the Arab oil embargo is not lifted. That statement is taken from the Oil Daily under date of Thursday, November 8, 1973.

However, I note that United Airlines, American Airlines, and Frontier Airlines are either laying off pilots, stewardesses and stewards, and some ground crews, or will be in the process of doing so shortly.

I note also that a private plane concern, the Cessna Manufacturing Co., I believe located in Kansas, at the present time has indicated it will be forced to lay off 25 percent of its personnel and perhaps more in the months ahead because of the prohibitions on fuel laid down so far as general aviation is concerned.

I note also that on yesterday it was announced the armed services are shipping to Vietnam and Cambodia 22,000 barrels of aviation gasoline every day.

It is known, of course, that because of the drawdown in Mideast oil, something on the order of 600,000 barrels a day, I believe, have been diverted from domestic use for the use of our armed services. That is understandable. I do not know whether they need that much, but certainly the armed services should have a priority. But I cannot understand 22,000 barrels of oil a day going to Cambodia and South Vietnam at this time; because I want to say to my associates in this Chamber that we are facing a crisis which I do not think we even yet realize is as serious as it is going to be.

Mr. President, the resumption of oil

shipments from the Mideast would make no difference in the immediate future—and, I would say, up to 2 years—in the difficulties which confront this Nation in an energy sense today.

We have been profligate with our resources. We have been wasteful with our energy uses. We have, I understand, over the past several years, wasted between 40 percent to 50 percent of the energy we consume.

We are not going to be able to overcome that deficiency through lowering thermometers in our homes or offices to 68 degrees. We are not going to be able to overcome that deficiency by establishing a rate of 50 miles an hour for automobiles, a rate, incidentally, which I note in the last day or so has been raised to 55 miles an hour for trucks.

Chilly homes and reduced speeds on our highways will be among the least serious of the difficulties which confront us at the present time.

What I am worried about is not the minor sacrifices, but what the economic effects of the shutdown on imports on the one hand and the wastage on the other by this country will cause, because what we will have will be an increase in fuel prices—whether we like it or not; what we will have will be increased unemployment, and the signs are there already—whether we like it or not; and what we will have will be increased inflation, now running about 8 percent a year—whether we like it or not.

If we are not careful and do not face up to this problem as we should, I think that the danger of a recession next year is not only apparent, but very likely real.

I would point out further, Mr. President, that the petrochemical industry will be hard hit, as well as the plastics industry, the synthetic rubber industry, and the fertilizer industry. At the present time, General Motors, I think, is shutting down 16 of its plants a week or so before Christmas. Whether they will reopen after the first of the year is undetermined at this time, but that means that thousands of men will be out of work, and consumer goods and food will be affected, because, after all, if we are going to produce the surpluses we need in order to feed ourselves and hungry countries throughout the world, we are going to see that the farmers get enough gasoline.

Thus, Mr. President, with all these factors to consider; namely, unemployment, shortages, increase in prices, I would hope that the administration would give the most serious consideration not to an increase from the present 4-cent national Federal sales tax on gasoline to something on the order of 30 or 40 cents, as has been mentioned, but to rationing. That is not popular, but at least it is equitable. The poor and the middle-income groups will be treated on that basis just as fairly as the rich who can afford increased prices and who would be able to afford increased taxes.

All I want to do is to raise, once again, warning flags as to what confronts this Nation at the present time, and to point out that so far as importation of fuel from the Middle East is concerned, it will not make a bit of difference so far as the

crisis which confronts us at this present time is concerned, even if it is resumed.

So it is time to face up to the facts and to do what can be done, and also to recognize that there is such a thing as equality insofar as the distribution of fuel oil supplies is concerned. That would be far better than any kind of inequitable system which seeks to raise more revenue through increased taxes on gasoline.

Mr. President, if that is ever done—and I shall oppose it all the way through—it will mean that the poor and the middle-income groups, who now bear the greatest share of the burden of taxation in this country—and they have no tax loopholes—will be the ones who will have to carry the added burdens.

Accordingly, Mr. President, I would hope that while the administration, the President, and his counselors are meeting, they will be able to come up with solutions which will allow us to confront this problem on an equitable basis.

I want to assure the President that if he does, the Senate will be prepared to support him because we, too, are aware of the emergency which exists in this country today and we are well aware of what this crisis—this potential crisis—can do to us in the years ahead.