

REMARKS OF SENATOR HUBERT H. HUMPHREY

JOINT ENGINEERING LEGISLATIVE FORUM

Washington, D. C.

March 30, 1976

Your legislative forum this year focuses on the question: "A National Energy Conservation Policy: Myth or Mandate?"

That's a good question.

It's a good question because there is a myth that Congress -- and Washington generally -- is not serious about energy conservation. There is a myth that we have no National Conservation Policy.

The myth says that as memory of the embargo fades, so will energy conservation efforts.

The myth also says that the big loser in the Energy Compromise reached in December between Congress and the Administration was energy conservation. The myth is that because we did not have immediate energy price decontrol, we'll have little or no conservation.

The reality about energy conservation is precisely the opposite. Congress is deadly serious about energy conservation.

It has in fact already put into effect a comprehensive national energy conservation policy. And that policy is contained in the same legislation, The Energy Policy and Conservation Act, which allows oil price decontrol to occur over 40 months. In fact, according to Administration projections, the conservation measures in that Act will trim oil imports 40 percent by 1980.

What are these measures?

First and most important, it imposed mandatory auto fuel economy standards for 1978 and beyond. By 1985, this standard alone will be saving us an estimated 1 of every 6 barrels of oil we now import!

Next, it mandated a minimum 20 percent improvement by 1980 in appliance energy efficiency.

It mandated appliance and auto energy-use labeling to encourage consumers to select energy efficient products.

It set aside \$50 million annually to help State Governors develop conservation programs to cut energy consumption 5 percent by 1980.

And, it required the regulated transportation and communications industries to cut energy use 10 percent by next Christmas.

In fact, almost one-half of the entire 100 page Act was devoted to energy conservation.

Finally, just two weeks ago, Congress added mandatory building insulation standards to the list of energy conservation steps taken.

The result, when we add these programs up, is a very impressive National energy conservation program. A program which meets just about every target set out by the Administration and Congress over two years ago.

However, there is more that needs to be done to carry through our commitment to a comprehensive energy conservation program.

For example, industrial and commercial conservation programs can be expanded and improved.

Utilities can be encouraged to practice "peak-load" pricing and other techniques to trim electricity usage.

But, while these added steps will increase energy savings, Congress and the Administration must look elsewhere for other ways to substantially reduce oil imports.

One major effort must be the substitution of coal for oil. We must make more use of our huge coal reserves, if clean air requirements can be met.

As engineers, in fact, you can make a significant contribution to energy independence by developing reliable pollution abatement devices, like coal scrubbers. My "Coal Substitution Incentive Act of 1976," S. 3609, provides up to \$5 billion through 1985 in loan guarantees for pollution abatement devices to encourage conversion to coal. This legislation could save an estimated 2 million barrels of oil-equivalent daily in 1985.

Another fruitful area of savings is to recycle urban wastes into boiler fuel. My Solid Waste Recovery Act, S. 2439, would provide \$100 million over each of the next 4 years to municipalities to set up recycling plants. This effort could save an estimated one-half million barrels of oil daily.

We should also pursue the solar energy alternative more aggressively. Solar energy is expensive now and not widely accepted by consumers. The Government must focus an expanded solar program on more demonstration projects to sell the solar energy concept and bring costs down. That is exactly what the "Solar Energy Act of 1976," which I have offered with Senator Fannin and 20 other Senators, is designed to do.

Let me now take a step back and put energy conservation in perspective for a moment.

Why do we want to conserve energy?

Why has Congress mandated a comprehensive energy conservation policy as the law of the land?

The first reason is straight-forward: OPEC has pushed prices so high that it makes sense economically to conserve, to reduce to a minimum this costly ingredient in production, this necessary expenditure in every family budget.

With conservation, our real incomes in future years will be higher. We'll have more to spend here on goods and services because we'll be paying less to energy producers.

That means employment will be higher here.

It means less inflation.

And it means more exports as you and other engineers build and sell energy saving auto engines, furnaces and consumer goods.

So energy conservation is an asset, not a drain on our economy.

But, it's something more important than exports or inflation. It also can free us from the threat of another embargo.

By reducing our oil imports, we eliminate the Achilles heel of American political independence.

It frees us to pursue at home and abroad our own interests, without fear of energy blackmail.

So, it makes sense economically and politically. But it's not out there just waiting to be plucked...it is going to take a great effort.

Technically, an energy-efficient society is years away. We've just started to scratch the surface in developing energy conservation technology.

To develop that technology is the greatest challenge to your profession -- to the American engineer -- since the space program.

I know you can meet that challenge. The same society that can warm and cool 3 men in the bitter vacuum of deep space can surely warm and cool us more efficiently right here on the ground. In fact, I believe it is time to take the lessons of space and apply them here at home -- to bring our space technology down to earth.

All we need is for you to rise to that challenge. And if you do, I'll see to it that no one in Washington -- or anywhere else -- stands in your path.

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Joseph Dillard

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YOUR LEGISLATIVE FORUM THIS YEAR FOCUSES ON THE QUESTION:

"A NATIONAL ENERGY CONSERVATION POLICY: MYTH OR MANDATE?"

↳ THAT'S A GOOD QUESTION.

↳ IT'S A GOOD QUESTION BECAUSE THERE IS A MYTH THAT CONGRESS --
AND WASHINGTON GENERALLY -- IS NOT SERIOUS ABOUT ENERGY CONSERVATION.

↳ THERE IS A MYTH THAT WE HAVE NO NATIONAL CONSERVATION POLICY.

THE MYTH SAYS THAT AS MEMORY OF THE EMBARGO FADES, SO WILL
ENERGY CONSERVATION EFFORTS.

↳ THE MYTH ALSO SAYS THAT THE BIG LOSER IN THE ENERGY COMPROMISE
REACHED IN DECEMBER BETWEEN CONGRESS AND THE ADMINISTRATION WAS
ENERGY CONSERVATION. THE MYTH IS THAT BECAUSE WE DID NOT HAVE
IMMEDIATE ENERGY PRICE DECONTROL, WE'LL HAVE LITTLE OR NO
CONSERVATION.

↳ THE REALITY ABOUT ENERGY CONSERVATION IS PRECISELY THE
OPPOSITE. ↳ CONGRESS IS DEADLY SERIOUS ABOUT ENERGY CONSERVATION.

↳ IT HAS IN FACT ALREADY PUT INTO EFFECT A COMPREHENSIVE
NATIONAL ENERGY CONSERVATION POLICY. ↳ AND THAT POLICY IS CONTAINED
IN THE SAME LEGISLATION, THE ENERGY POLICY AND CONSERVATION ACT,
WHICH ALLOWS OIL PRICE DECONTROL TO OCCUR OVER 40 MONTHS. ↳ IN FACT,
ACCORDING TO ADMINISTRATION PROJECTIONS, THE CONSERVATION MEASURES
IN THAT ACT WILL TRIM OIL IMPORTS 40 PERCENT BY 1980.

↳ WHAT ARE THESE MEASURES?

FIRST AND MOST IMPORTANT, ^{Congress} ~~IT~~ IMPOSED MANDATORY AUTO FUEL
ECONOMY STANDARDS FOR 1978 AND BEYOND. ↳ BY 1985, THIS STANDARD
ALONE WILL BE SAVING US AN ESTIMATED 1 OF EVERY 6 BARRELS OF OIL

WE NOW IMPORT!

↳ NEXT, ^{Congress} ~~IT~~ MANDATED A MINIMUM 20 PERCENT IMPROVEMENT BY 1980

IN APPLIANCE ENERGY EFFICIENCY,

↳ IT MANDATED APPLIANCE AND AUTO ENERGY-USE LABELING TO ENCOURAGE CONSUMERS TO SELECT ENERGY EFFICIENT PRODUCTS,

↳ IT SET ASIDE \$50 MILLION ANNUALLY TO HELP STATE GOVERNORS DEVELOP CONSERVATION PROGRAMS TO CUT ENERGY CONSUMPTION 5 PERCENT BY 1980,

↳ AND, IT REQUIRED THE REGULATED TRANSPORTATION AND COMMUNICATIONS INDUSTRIES TO CUT ENERGY USE 10 PERCENT BY NEXT CHRISTMAS.

↳ IN FACT, ALMOST ONE-HALF OF THE ENTIRE 100 PAGE ACT WAS DEVOTED TO ENERGY CONSERVATION,

↳ FINALLY, JUST TWO WEEKS AGO, CONGRESS ADDED MANDATORY BUILDING INSULATION STANDARDS TO THE LIST OF ENERGY CONSERVATION STEPS TAKEN,

↳ THE RESULT, WHEN WE ADD ^{UP} THESE PROGRAMS ~~UP~~, IS A VERY IMPRESSIVE
NATIONAL ENERGY CONSERVATION PROGRAM. ↳ A PROGRAM WHICH MEETS JUST
ABOUT EVERY TARGET SET OUT BY THE ADMINISTRATION AND CONGRESS OVER
TWO YEARS AGO. ~~IT~~

↳ HOWEVER, THERE IS MORE THAT NEEDS TO BE DONE TO CARRY THROUGH
OUR COMMITMENT TO A COMPREHENSIVE ENERGY CONSERVATION PROGRAM.

↳ FOR EXAMPLE, INDUSTRIAL AND COMMERCIAL CONSERVATION PROGRAMS
CAN BE EXPANDED AND IMPROVED.

↳ UTILITIES CAN BE ENCOURAGED TO PRACTICE "PEAK-LOAD" PRICING
AND OTHER TECHNIQUES TO TRIM ELECTRICITY USAGE.

↳ BUT, WHILE THESE ADDED STEPS WILL INCREASE ENERGY SAVINGS,
CONGRESS AND THE ADMINISTRATION MUST LOOK ELSEWHERE FOR OTHER
WAYS TO SUBSTANTIALLY REDUCE OIL IMPORTS.

↳ ONE MAJOR EFFORT MUST BE THE SUBSTITUTION OF COAL FOR OIL.

↳ WE MUST MAKE MORE USE OF OUR HUGE COAL RESERVES, IF CLEAN AIR REQUIREMENTS CAN BE MET.

↳ AS ENGINEERS, IN FACT, YOU CAN MAKE A SIGNIFICANT CONTRIBUTION TO ENERGY INDEPENDENCE BY DEVELOPING RELIABLE POLLUTION ABATEMENT DEVICES, LIKE COAL SCRUBBERS. My "COAL SUBSTITUTION INCENTIVE ACT OF 1976," S. 3609, PROVIDES UP TO \$5 BILLION THROUGH 1985 IN LOAN GUARANTEES FOR POLLUTION ABATEMENT DEVICES TO ENCOURAGE CONVERSION TO COAL. THIS LEGISLATION COULD SAVE AN ESTIMATED 2 MILLION BARRELS OF OIL-EQUIVALENT DAILY IN 1985.

↳ ANOTHER FRUITFUL AREA OF SAVINGS IS TO RECYCLE URBAN WASTES INTO BOILER FUEL. My SOLID WASTE RECOVERY ACT, S. 2439, WOULD PROVIDE \$100 MILLION OVER EACH OF THE NEXT 4 YEARS TO MUNICIPALITIES TO SET UP RECYCLING PLANTS.

THIS EFFORT COULD SAVE AN ESTIMATED ONE-HALF MILLION BARRELS
OF OIL DAILY.

L A MAJOR CHALLENGE YOU AS ENGINEERS FACE IS
THE DEVELOPMENT OF NEW ENERGY SOURCES -- ALTERNATIVES TO OIL,

GAS, AND COAL. L WE CANNOT ACHIEVE ENERGY INDEPENDENCE UNTIL

THESE ALTERNATIVE ENERGY SOURCES CAN COMPLEMENT CONSERVATION

EFFORTS.

L WE ARE SEEING SOME BREAKTHROUGHS IN FUSION ENERGY

DEVELOPMENT. L AND THE BREEDER PROGRAM IS ON SCHEDULE.

L YOU HAVE AN OBLIGATION TO SEE THAT WASHINGTON KEEPS THESE
NUCLEAR PROGRAMS ON SCHEDULE -- AND THAT THEY RESULT IN SAFE

AND ECONOMICAL ENERGY.

↳ WE MUST PURSUE GEOTHERMAL ENERGY MUCH MORE RAPIDLY.

↳ IT WAS THE FIRST ENERGY SOURCE MANKIND USED. IT IS NOW THE MOST
NEGLECTED.

↳ SYNFUELS FROM COAL AND OIL SHALE ARE OTHER ENERGY SOURCES
WE ARE NEGLECTING.

↳ WE SHOULD ALSO PURSUE THE SOLAR ENERGY ALTERNATIVE MORE
AGGRESSIVELY. SOLAR ENERGY IS EXPENSIVE AND NOT WIDELY
ACCEPTED BY CONSUMERS. ↳ THE GOVERNMENT MUST FOCUS AN EXPANDED
SOLAR PROGRAM ON MORE DEMONSTRATION PROJECTS TO SELL THE SOLAR
ENERGY CONCEPT AND BRING COSTS DOWN.

↳ THE SOLAR ENERGY RESEARCH ACT OF 1974, WHICH I AUTHORED,
ESTABLISHED THE SOLAR TECHNOLOGY BASE WE HAVE TODAY.

THE NEXT STEP IS TO LOWER THE COST OF SOLAR ENERGY,

↳ THAT IS EXACTLY WHAT THE "SOLAR ENERGY ACT OF 1976,"

WHICH I HAVE OFFERED TODAY WITH SENATOR FANNIN AND 20 OTHER

SENATORS, IS DESIGNED TO DO.

↳ NOW, LET ME TAKE A STEP BACK AND PUT ENERGY CONSERVATION

IN PERSPECTIVE FOR A MOMENT.

↳ WHY DO WE WANT TO CONSERVE ENERGY?

↳ WHY HAS CONGRESS MANDATED A COMPREHENSIVE ENERGY CONSERVATION POLICY AS THE LAW OF THE LAND?

↳ THE FIRST REASON IS STRAIGHT-FORWARD: OPEC HAS PUSHED PRICES SO HIGH THAT IT MAKES SENSE ECONOMICALLY TO CONSERVE, TO REDUCE TO A MINIMUM THIS COSTLY INGREDIENT IN PRODUCTION, THIS NECESSARY *business* EXPENDITURE IN EVERY FAMILY BUDGET.

↳ WITH CONSERVATION, OUR REAL INCOMES IN FUTURE YEARS WILL BE HIGHER. WE'LL HAVE MORE TO SPEND HERE ON GOODS AND SERVICES BECAUSE WE'LL BE PAYING LESS TO *foreign* ENERGY PRODUCERS.

↳ THAT MEANS EMPLOYMENT WILL BE HIGHER HERE.

↳ IT MEANS LESS INFLATION. *It means less public expenditures.*

↳ AND IT MEANS MORE EXPORTS AS YOU AND OTHER ENGINEERS BUILD AND SELL ENERGY SAVING AUTO ENGINES, FURNACES AND CONSUMER GOODS.

h SO ENERGY CONSERVATION IS AN ASSET, NOT A DRAIN ON OUR ECONOMY.

h BUT, IT'S SOMETHING MORE IMPORTANT THAN EXPORTS OR INFLATION.

h IT ALSO CAN FREE US FROM THE THREAT OF ANOTHER EMBARGO.

h BY REDUCING OUR OIL IMPORTS, WE ELIMINATE THE ACHILLES HEEL
+ Economic
OF AMERICAN POLITICAL INDEPENDENCE.

h IT FREES US TO PURSUE AT HOME AND ABROAD OUR OWN INTERESTS,
WITHOUT FEAR OF ENERGY BLACKMAIL.

h SO, IT MAKES SENSE ECONOMICALLY AND POLITICALLY. BUT IT'S
NOT OUT THERE JUST WAITING TO BE PLUCKED...IT IS GOING TO TAKE A

GREAT EFFORT — you a massive cooperative
endeavor, a vigorous partnership of
Govt, and the private sector.
h TECHNICALLY, AN ENERGY-EFFICIENT SOCIETY IS YEARS AWAY. WE'VE

JUST STARTED TO SCRATCH THE SURFACE IN DEVELOPING ENERGY

CONSERVATION TECHNOLOGY.

L TO DEVELOP THAT TECHNOLOGY IS THE GREATEST CHALLENGE TO YOUR
PROFESSION -- TO THE AMERICAN ENGINEER -- SINCE THE SPACE PROGRAM

L I KNOW YOU CAN MEET THAT CHALLENGE. L THE SAME SOCIETY THAT
CAN WARM AND COOL 3 MEN IN THE BITTER VACUUM OF DEEP SPACE CAN
SURELY WARM AND COOL US MORE EFFICIENTLY RIGHT HERE ON THE GROUND.

L IN FACT, I BELIEVE IT IS TIME TO TAKE THE LESSONS OF SPACE AND
APPLY THEM HERE AT HOME -- TO BRING OUR SPACE TECHNOLOGY DOWN TO
EARTH, - *Including the lessons we learned
in Planning + management.*

L ALL WE NEED IS FOR YOU TO RISE TO THAT CHALLENGE, AND IF
YOU DO, I'LL *do my best to see to it* ~~SEE TO IT~~ THAT NO ONE IN WASHINGTON -- OR ANYWHERE
ELSE -- STANDS IN YOUR PATH.



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