

Speeches and messages: 1973-1974: The Energy crisis

Senator Daniel K. Inouye Papers

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The Energy Crisis

Tonight I have been asked to share with you some of my thoughts and observations on the current energy crisis. I shall do so by responding to questions most often asked by constituents. However, as I proceed, I hope you will bear in mind that I am a politician, not an economist.

First: When did the energy crisis begin?

In July of 1970, the chairman of the Senate Public Works Committee, Senator Jennings Randolph of West Virginia, introduced a measure to establish a national commission on fuels and energy. In introducing this measure, Senator Randolph spoke of the dwindling supplies of fuels and rising demand for this precious commodity. This measure was opposed by the White House, which stated that its Domestic Council was prepared to undertake necessary studies--studies that, incidentally, still have not been published. Congressional response and reaction to the Randolph proposal were minimal at best. The media was not concerned. America wasn't concerned.

In February of 1971, Senator Henry Jackson, chairman of the Senate Interior Committee, and Senator Randolph, together with 50 other Senators, introduced Senate Resolution 45 to authorize a national fuels and energy policy study. The investigation and hearings began in May of 1971. To date extensive hearings have been conducted on energy conservation, oil import policy, fuel shortages, Federal leasing programs, energy research programs, and deep water ports to accommodate the super tankers. But, here again, public and media reaction and response were minimal at best. It was still business as usual for America.

In June of 1971, President Nixon issued his first energy message. Very few Americans became excited. A year later, Senator Jackson presented a major address warning America about the dangers of dependency on foreign oil, especially excessive dependence on Middle East oil. Although public reaction and response heightened noticeably, it was still business as usual for most of America. In December of 1972, members of Congress advocated the appointment of an energy czar. In June of 1973, President Nixon appointed Governor John Love of Colorado after six other lesser governmental officials had served briefly in that role. Now, once again, we have a new energy czar, William Simon.

This chronology has been cited to suggest that notwithstanding the warnings of an impending energy crisis, most Americans were not convinced or concerned until the recent oil embargo by the Middle East Arab states. Sadly, there are still a few Americans who are not fully convinced. This minority maintains that the energy crisis was manufactured to detract public attention from the President's domestic problems.

Second: What caused the energy crisis?

Obviously there is no single cause. However, I believe that the newly-appointed czar, William Simon, aptly described the major cause of our energy shortage when he told the nation, "We are a nation of wastrels in the consumption of energy."

We use more energy for air conditioning in the United States than does the People's Republic of China, with four times our population, for all purposes. We consume 4-1/2 times as much energy per capita as does Japan. With six per cent of the world's population, we are responsible for 35 per cent of the world's current energy consumption.

Our consumption, before the oil embargo, was increasing at a four per cent annual rate, which if unchecked, would have meant a doubling of our energy needs by 1990.

Most of our increase in energy consumption has been in the form of increased demand for oil. In 1971, we consumed about 15 million barrels of oil a day. Today our consumption approximates 18 million barrels per day. It should be noted that this increase in consumption came about at a time when our domestic production and refining capacity were slowly declining. This resulted in increased reliance upon oil imports from the Middle East.

What is true for the nation is no less true for Hawaii. Hawaii's consumption for electrical energy has increased at a rate of 10.5 per cent while our population has been increasing by eight per cent per annum.

We Americans have designed our economy and evolved our life styles on the assumption that we would continue to enjoy unlimited supplies of cheap energy. Much of the rest of the industrialized world began to emulate us. This was the blueprint for disaster.

More than any other energy source, our nation's demand for electricity has increased at an astronomical rate. Most of this electricity, as here in Hawaii, is generated from oil. Over the past decade, our national demand for electricity has increased at a rate of seven per cent per year. This is double the growth rate of all other energy sources and, if unchecked, experts predict that by the year 2000, more than 40 per cent of our total energy resources will be used for electricity--where some 65 per cent of the energy consumed is lost in the conversion process.

Our transportation profile of energy use, while interesting, demonstrates a gross lack of planning and overall inefficiency. We have become a nation of automobile drivers.

Two-car families are now commonplace and, as we progress up the economic and social ladder, we insist upon driving the huge gas guzzlers--status symbols of affluence. All of our high schools must today provide huge parking lots--not for faculty parking but for student parking.

Third: Are the environmentalists responsible for our energy shortage?

In any national crisis, many seek seapegoats. Since we are not at fault--so we maintain--we find it necessary to blame someone or some group. We need a target for our anger. The President blames the Congress. The Congress angrily responds by blaming the President. Consumers blame the oil-producing companies that have shown extraordinary profits during the past year. However, the most common target for many has been the environmentalist. Politicians have pointed the finger of accusation at the environmentalist. Industry and especially oil- or energy-producing companies have done the same. Labor has joined forces. Even the White House has done the same.

I find this attempt to "blame" the environmentalists for our shortage both depressing and unfair. In a recent Science Magazine report, it was shown that as a nation we now waste up to 60 per cent of our energy potential due to inefficient technology. The environmentalists may have prevented or delayed the construction of a few refineries, but what good are these refineries without crude oil? It would still be a few years before Alaskan crude oil can be shipped to our refineries, even if there had been no opposition to the pipeline.

If it is felt that some of our Federal environmental protection standards have been overly stringent or unreasonable, let those who so feel face that issue on its own merits. Let us not cloud the issue with the emotions of a crisis.

I am certain the day will come when America will hail the environmentalist as a national hero. Unfortunately, too often we ignore, avoid, or castigate the bearer of words of impending danger until the tragedy is almost upon us, or until it is too late.

Fourth: What does the crystal ball tell us about the future of the energy crisis?

Many experts have tried the prediction game only to find themselves far off the target. There are too many unknowns and variables. Worst of all, there is no single reliable source of statistical information. Even our energy czar is making decisions based upon educated guesses. To this day, there is no agreement as to the current shortfall in oil supplies.

As to Hawaii's immediate future, one must await the decisions of the energy office as they apply to fuel allocations for Hawaii's users. We have tried our best to convince the energy office of Hawaii's uniqueness--our total reliance upon oil as a source of energy; our separation from the Mainland; our dependence upon tourism as a major source of State income. At this moment, all we can do is await the decision. If it fails to recognize Hawaii's uniqueness, a major effort must be made to appeal that decision.

As to our nation in general, it would appear that if Americans continue to discipline themselves in observing fuel conservation practices--driving at slower speeds, joining car pools, cutting out unnecessary joy riding, lowering building thermostats, turning off unnecessary lights, etc.--and if Americans don't panic and adopt the attitude of "every man for himself," this crisis will not be too painful. Unfortunately for some, this pain will be unbearable--unemployment, loss of savings. I am certain that every effort will be made by our government to lessen the pain for these unfortunates.

The time of adjustment--change in living styles and change in delivery systems--may be our most painful period. It will be a time for changing our emphasis from quantity to quality in our lifestyles; huge status-symbol Cadillacs, Lincolns, Buicks, and Oldsmobiles will soon become rare sights on our highways. It will be a time for the toughening of America. We have been long pampered with fuel-guzzling comfort-producers: home air conditioners and big smooth-riding cars with power buttons for every conceivable comfort. And hopefully, during this crisis, there will be a noticeable improvement in the quality of the air we breathe.

And finally, if our scientists succeed in discovering inexpensive ways to gassify and liquify coal, to extract oil from shale, to provide nuclear energy, to harness geothermal energy, all without endangering our environment, we can look ahead to better times.

I remain an optimist and this optimism is well founded. Americans have always demonstrated their strength and resolve in times of crisis. I am certain that we will once again weather this crisis and emerge from it a stronger America.