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NEWS from U.S. Senator Bob Dole

(R.—Kans.)

New Senate Office Building, Washington, D.C. 20510 (202) 224-6521

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CONTACT: JANET ANDERSON

DOLE RESOLUTION COMDEMNS CRUDE OIL IMPORT FEE

WASHINGTON, D.C. -- Senator Bob Dole today introduced a resolution expressing the sense of the Senate that the President should not impose an oil import fee on imported crude oil as a means of solving the nation's energy problems. Dole said that a proposed \$5 per barrel import fee would be inflationary while doing very little to reduce our dependence on foreign oil.

Congressman Bill Archer introduced an identical resolution in the House of Representatives today. Cosponsors to Dole's resolution include Senators Hathaway, Moynihan, Brooke, and Durkin. Following are excerpts from Dole's introductory statement:

THE PROPOSED TARIFF ON IMPORTED OIL

Mr. President, last week it was reported that the Administration was considering imposing a \$5 per barrel fee on imported oil. It appears that over the past week the Administration has discussed the idea with several groups. It now seems likely that the President might actually impose such an import fee in order to pressure Congress on the crude oil equalization tax.

Mr. President, I have been interested in this concept since last October when the idea was first mentioned by Secretary Schlesinger. At that time it was thought to be just a get-tough tactic. It was, nevertheless, somewhat akin to blackmail and I acted to prevent such a hasty move by the Administration. Back in October, it was obvious that there had been no credible analysis to the effects of an oil import fee. The Administration did not know whether a \$5 fee on imported oil would result in decreased imports. Furthermore, the Department of Energy had no idea what the impact would be on the economy. The proposal was a knee-jerk reaction. It was an idea born of frustration, because the Finance Committee was in the process of dismantling the Administration's energy tax program.

My response to the situation six months ago was to propose an amendment to the Energy Tax Bill that would prevent the President from imposing the import fees. The Amendment was adopted by the Senate Finance Committee and by the full Senate. The Amendment is now pending before the Energy Tax Conference and I have every reason to believe, should there be an Energy Tax bill, that it be enacted into law.

IMPACTS UNKNOWN LAST WEEK

When the idea for an import fee resurfaced last week, I contact the Department of Energy to get the most recent analysis of the proposal. However, the Department of Energy hasn't done any analysis. Upon further investigation, I learned that the management of the Department of Energy has never requested any such analysis from the economists and information specialists in their own agency. My inquiry - that they look into the effects of the fee - was the first request that they had ever recieved! This means that during the entire six month period, while the Dole Amendment was pending, the Administration never bothered to prepare the factual basis to support the imposition of an oil import fee.

As of last week, the positive effect of an oil import fee was still unsubstantiated. The only new wrinkle was that the Administration was preparing to cut a deal, to trade-off a half-baked idea for a terrible idea. They now wanted to bargain away this import fee to get the crude oil equalization tax.

EFFECTS OF THE IMPORT FEE

Because the Department of Energy had not even looked into the effects of the import fee, I had my staff calculate the effects of the proposed fee, using some of the same information that is available in the Department of Energy.