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STATEMENT OF SENATOR BOB DOLE AT PRESS CONFERENCE ON REPEALING THE OIL IMPORT TAX

I'm pleased to be part of this distinguished group that has come together to stop the 12.6 billion dollar tax burden President Carter decided he would impose on the American people. A number of Congressmen introduced last week a Resolution to express their disapproval of this action. Bill Roth and I introduced such a Resolution in the Senate on April 2nd.

I hope in this meeting we can cut through the double talk and twisted logic that the White House and the Department of Energy have put out on this issue. For example, the President announced these new taxes as part of his anti-inflation program. In fact, even the Administration admits this action will add three quarters of a percent to the current crushing rate of inflation suffered by the American people. If OPEC gets the idea that this fee shows that consumers will tolerate higher prices, we, of course, could see still greater inflationary effects.

Just as ironic is the President's title for these new taxes: The Gasoline Conservation Fee. That may sound great as a title, but what it comes down to is a 12.6 billion dollar tax increase on the American people. Every American, rich or poor, whether living in cities or rural areas, will pay an extra ten cents a gallon of gasoline into the U.S. Treasury.

What is the conservation part of this tax? The President says we may reduce oil consumption by 100,000 barrels a day this year. My arithmetic says the taxpayer will pay about 345 dollars in new taxes for every barrel saved.

If the President had asked us in Congress, we might have told him that didn't seem like a very cost-effective way to save energy. But, of course, he didn't ask -- the President thinks he's found a way to increase our taxes without all the bother of going through proper constitutional procedures. The American people are sending a clear message that they want a balanced budget, but I don't think they have in mind balancing the budget on the backs of the taxpayers with new presidentially imposed taxes.

Another example of the twisted logic in the President's action is the operation of the oil import fee. This fee is supposed to reduce our dependence on foreign oil. But if you look closely at the fine print, what the President has proclaimed requires the fee to go up if we import less oil, while the fee will go down if we import more.

I suspect the courts would finally say no to this abuse of Presidential authority. Legal proceedings would be lengthy, however, and I hope we will put a quicker end to this matter in Congress. I recognize that the President can veto our resolution but I'm optimistic that the American people are going to make their opposition to these new taxes so clear that we'll be able to override any veto.

Today's group of consumer groups, gasoline marketers or rural electric cooperatives can make a very important contribution to this effort. These groups, and others that will join, can show the grass roots support for repealing this new tax. The pressure is already mounting. Senator Roth and I have 24 of our colleagues who have asked to cosponsor this Resolution. The cosponsors are Senators Cohen, Danforth, Exon, Garn, Hatch, Heinz, Humphrey, Laxalt, Lugar, McGovern, Schmitt, Tower, Wallop, Boren, Bumpers, Burdick, Church, Cochran, Hayakawa, Kennedy, Pressler, Helms, Zorinsky, and McClure. Finally, Senator Roth and I sent a letter to Secretary Duncan today asking him for Department of Energy material dealing with the President's decision to impose this import fee. This material should help us prepare for hearings before the Finance Committee in the future.