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NEWS from U.S. Senator Bob Dole

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EXCERPTS FROM SPEECH BY
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BEFORE THE MID-WINTER CONVENTION AND
TRADE SHOW OF THE OKLAHOMA PRESS ASSOCIATION
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Change is all around in Washington these days -- at least superficially.

The biggest change won't just be one of style, though, if President Carter does what he says he wants to do. The biggest change will take place in Congress -- on the Democratic side of the aisle. For if the President is to live up to some of his commitments, the Democratic-controlled Congress will have to do a 180 degree turnarround on a number of important issues.

Look at energy. President Carter says we must have a comprehensive long-range national energy program. President Ford presented just such a program to Congress two years ago and it was rejected by the Democratic majority.

President Carter is saying conservation will be the cornerstone of any national energy policy. While we must certainly eliminate all wasteful use of energy, Congress concluded that our economy was so linked to the supply of energy that reliance on stringent conservation measures would depress the economy and be self-defeating.

On several occasions before and after the election, Mr. Carter declared himself in favor of natural gas deregulation. But the people he put in charge of energy policy keep saying they're not in favor of deregulation and they don't think he is either.

Whenever someone comes from Washington and talks to you about how the federal government is going about solving our shortage of natural gas, you must have the feeling that these decisions are being made on another planet -- in a far-off world of make-believe.

I don't blame you.

In a state where the economy is so closely tied to the production of oil and gas, I won't waste your time by preaching a sermon on deregulation. You are in touch with the views and the best interests of your communities and your readers. You know more about the real down-to-earth meaning of the energy crisis than any of us in Washington ever will.

The truth of the matter is that when Gerald Ford was President, he outlined a comprehensive program to deal with the energy problem over the next two decades. Here is a list of the steps that were taken by President Ford that would have helped prevent the natural gas shortage. Almost all of them were rejected or countered by the last Congress -- including, as you know, the deregulation of natural gas prices at the well-head.

If President Carter is going to do what he says he wants to do, Congress is going to have to change -- change its voting style, its willingness to face up honestly and responsibly to the tough but vitally important issues facing our nation.

GOVERNMENT REFORM

Government reform is another example of where Congress is going to have to change if we are to achieve the goals that have been laid out by the President. He has promised to rearrange and restructure the tangled mass of federal programs and agencies that exist today. But a Democratic Congress enacted the laws that established that tangled mass of programs, many of which are mandated by law itself. It was a Democratic Congress that wrote the tax code the President calls a disgrace

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to the human race. And if meaningful changes are to come about in the area of government reform and tax reform, Congress is going to have to work with the President to bring them about.

President Carter and Congressman Brooks, the Chairman of the House Government Operations Committee, are currently in disagreement over how much authority the President should be given to reorganize government. The issue is not insignificant, but it does overshadow the basic question which is: "Will President Carter's leadership abilities enable him to get the Democratic Congress to do what they have refused to do the last eight years during the Republican Administration?"

Presidents Nixon and Ford sent to Congress numerous proposals to combine and consolidate programs. Few were given serious consideration because most would have disturbed or destroyed Congressionally created and controlled bureaucratic fiefdoms. Are members of Congress willing to send out press releases now saying they abolished the agencies they put out press releases saying they created five years ago? If not, government reform will amount to lots of talk and a reshuffling of advisory committees and councils rather than basic reform of our government structure that is needed to assure efficiency and tax savings.

DEFENSE

But there is another kind of change going on in Washington. And this has nothing to do with style.

It's a most serious and unwelcome change, from campaign rhetoric which advocated a national defense capability "second to none" to the early shapings of a national security policy which could well weaken our negotiating position with the Soviet Union.

Last year's federal budget reflected real growth in national defense spending for the first time in years. In the five preceding years, Congress had taken almost \$40 billion from the defense budget. But thanks to a great effort by President Ford and a momentarily cooperative Congress, we passed a defense budget that reflected our real defense needs and the current international situation.

During the campaign, defense issues were critical. President Carter promised a strong defense, fulfillment of international commitments, and a strong negotiating position in our dealing with the Russians. And that's what the American people wanted. But is that what they are going to get? Some of the President's nominations -- including that of Paul Warnke to be our chief arms control negotiator -- raise serious doubts about President Carter's commitment to a U.S. defense capability "second to none". I am especially concerned about Mr. Warnke's advocacy of some unilateral cutbacks in weapons development and procurement. Because I don't think that is how we should negotiate, by throwing away the bargaining chips before sitting down at the table.

We all remember how the Soviet government chose to "test" the new Kennedy Administration in Berlin and Cuba back in the early '60's, and I think it would be a serious mistake to indicate any weakness on our part now when it comes to disarmament talks or defense appropriations.

Unfortunately, national defense isn't the only issue over which President Carter seems to be taking a turn for the worse. Although during the campaign, he pledged a balanced budget by 1980, he is apparently already planning to add from \$15-20 billion to the fiscal 1978 budget recommendations of President Ford. I do not think an increase can be justified. It will only add to the deficit, delay realization of a balanced budget, and add to the growing public disillusionment with campaign promises which evaporate after Inauguration Day.

And while I disagree with the President's plan to substantially increase federal spending, I do agree with him that some federal economic stimulus policies are called for. The Senate Republican Policy Committee has come up with a sound, responsible economic stimulus package, consisting of permanent individual income tax cuts, increased public spending on youth employment projects, tax policies to encourage capital formation, and a new tax incentive to encourage hiring by private businesses. The last element -- the employment tax credit -- is an innovative new economic tool by which the federal government, through the tax credit mechanism, pays part of the wages of newly hired private workers. It creates permanent, productive, and rewarding jobs. Employees receive full wages, employers taxes are reduced, and unemployment goes down. It's an untried idea. But I think it is, in a very real sense, an idea whose time has come -- a much less expensive alternative to massive federal public service and public works jobs programs. Page 2 of 3

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It's too early to tell what directions this new administration will be taking. There are signs that the Carter Administration will be pushing the common situs picketing bill -- which was vetoed by Gerald Ford when he was President -- and you can look for a fresh drive to force the repeal of state right-to-work laws.

In fairness to the new President, we'll have to wait and see what he does. It is clear, though, that if the President is to carry through on his plans, a lot of Democratic members of Congress are going to have to swallow their words of the last two years.