

REMARKS OF SENATOR BOB DOLE

NASHUA ROTARY

Nashua, New Hampshire
Monday, October 15, 1979

I'm delighted to be with all of you. The fact is, it's delightful being anywhere in New Hampshire during the fall foliage season. The only thing that isn't wonderful about this time of the year, when the White Mountains are covered with scarlet and gold, and nature herself seems most benevolent, is that autumn invariably gives way to winter.

And winter, while it's a vital season to New Hampshire's economy, carries with it problems of both social and economic kind. Especially this winter, when a serious threat of home heating oil shortages exists, the people of New Hampshire may look upon the winter season as a double-edged sword.

So let me ponder with you for a few minutes the true dimension of the energy crisis in New Hampshire, and what I am trying to do to resolve it.

HOME HEATING OIL - A CRISIS OF COST

Earlier this year, I joined with Senators from New England and elsewhere in writing the President, requesting that we have in place 240,000 barrels of home heating oil before the temperatures began to plummet. It now looks as if our goal has been met. But problems remains.

It's not enough just to have enough home heating oil to get us through another New England winter. We must also make certain that its cost is not so high that thousands of middle income people, the elderly living on fixed incomes, the economically disadvantaged - that all those who have problems in meeting the immediate consequences of decontrolled prices do not suffer or lose their faith in the compassion of a free enterprise economy.

In discussing this with dealers, bankers, accountants and others familiar with the problem, I've learned that fuel oil companies - traditionally family businesses with small profit margins - are facing new capital demands this year that pose a threat to customers and dealers alike.

Like many small businesses, fuel oil dealers confront a cash flow problem. They have to pay more for their product than ever before, and they have to pay it sooner without getting cash discounts previously available to them. On the customer side, they find higher prices incur greater debt, for the same amount of oil used last winter. At a time of high inflation throughout the economy, when the average user of home heating oil will find himself paying \$300 more just to keep warm this winter, we are confronted with a terrible choice: There may be people in this city, in this state, who have to choose between eating and heating.

That's not right, not in the richest country on earth, not in a state that always made the most of its community spirit, and whose people relate to each other as friends and neighbors rather than statistics on a graph.

So what can government do to help? More to the point, what can it do to display compassion - without creating a brand new bureaucracy, drowning its own good intentions in a sea of red ink and paperwork?

Let me spell out what I'm trying to do.

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SOLVING THE CREDIT CRUNCH

First, I have introduced legislation in the Congress to ease the credit strain now facing many fuel oil dealers. Some oil companies, recognizing the problem, are considering easier credit terms or holding down prices on oil itself. The SBA just last week announced its intention to grant loans to fuel oil dealers.

But for most of them, the restrictions on SBA loans will make the program virtually worthless. With this in mind, I am sponsoring legislation to guarantee SBA loans that are consistent with today's prices. The program could be put together almost overnight, because it would be administered by an existing agency. No new bureaucracy would be created. Loans would become available within 30 days of the bill's passage, and would be made eligible to small dealers as well as large.

Once we guarantee availability, then we must try to ease the severe impact of fuel cost, especially on the low income and fixed income consumer.

The Senate Finance Committee, where I am the ranking Republican, has been discussing the impact of higher energy prices on the poor this week. I offered a plan, which the Committee is considering, to make cash payments to food stamp and supplemental security income recipients and those eligible for such programs but not now participating. This plan will make additional funds available to the aged, blind, and disabled poor as well as the working poor to help them pay their energy bills.

I have suggested that the amount of money available to the low income individuals be based on how cold it is in the area where they live. That way people in New Hampshire will get more money to pay the exceedingly high fuel bills they will be facing this winter. It seems only fair that the benefits be provided on that basis, since the need is greater in the colder states.

This is a workable program. It can be put in place in time for this winter's problems. It is relatively simple to administer through already existing HEW channels. And it helps the cash flow problems of energy providers by giving low income consumers the money to pay their bills on time.

Hopefully, the Committee will make a decision on this issue tomorrow. It is important that we make this assistance available as soon as possible in order to ward off emergency situations this winter.

While energy and home heating oil may be this winter's problem, we cannot afford to overlook the long-term problem that pervades every aspect of our economy - inflation. There could be no clearer sign of this problem than the events of the past week. Record prime interest rates and record Federal Reserve System discount rates sent the stock market spiraling downward as investors gave a vote of "no confidence" to the present administration's ability to stop inflation.

Inflation has proven to be an almost intractable enemy of economic progress. But to combat inflation effectively, we must first realize the limitations that exist upon federal action. Wage and price controls would be the worst possible way to achieve any lasting moderation in the price spiral. Voluntary guidelines and presidential finger-pointing do nothing to strike at the heart of those forces which fuel the inflationary cycle.

ECONOMIC PRIORITIES

For 19 of the last 20 years, the federal budget has been out of balance. We have preferred to buy now and pay later - and that payment invariably comes in the painful form of inflation.

I favor a constitutional amendment to cap both federal spending and taxing at 18% of the GNP. This is no budgetary straitjacket. A simple vote by 2/3 of the Congress could permit a deficit in time of special need. But to settle for anything less than such an amendment, in the face of growing special interest group power, weakened political parties and a mentality that equates a federal printing press with a strong currency, would only encourage the relentless trend toward concentrating counterproductive levels of the national wealth in Washington.

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Limiting the amount of wealth flowing to Washington and the phenomenal sums the government must borrow to pay its debts would release billions of dollars for private investment. It would also reassert our historic belief in a government that promotes private production instead of public paternalism .

Also, I believe regulatory reform must be a major priority of the next administration. Today, over 100,000 people working in 116 government agencies have as their sole responsibility telling other Americans what government forbids them to do. The Office of Management and Budget has estimated the cost of such regulation at \$2,000 per American family per year. That's enough to pay the average family's grocery bill.

56 agencies exist to regulate business. Their efforts add \$666 to the cost of an average car, and \$15 to \$2500 to a new home's pricetag.

I want to regulate regulations. I will introduce this week in the Senate a regulatory reform proposal to require a cost-benefit analysis on every rule and regulation that is proposed. I would also require that private means of achieving the same objective be fully evaluated and all proposed regulations be submitted to judicial review, making certain that private sector input is not overlooked.

Whether it be the current energy problems or the cruel tax of inflation, fueled by excessive government spending and red tape, let us not forget we remain the freest, most advanced, most capable people in the world. We have the stamina and the determination of the American people.

We should look upon our current problem, not as a crisis of permanent duration, but as spurs to renewal, commensurate with ^{our} proud past.

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(Walter Congress)

REMARKS OF SENATOR BOB DOLE
NASHUA ROTARY
NASHUA, NEW HAMPSHIRE
MONDAY, OCTOBER 15, 1979

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Caryn
Baird"

I'M DELIGHTED TO BE WITH ALL OF YOU. THE FACT IS, IT'S DELIGHTFUL BEING ANYWHERE IN NEW HAMPSHIRE DURING THE FALL FOLIAGE SEASON. THE ONLY THING THAT ISN'T WONDERFUL ABOUT THIS TIME OF THE YEAR, WHEN THE WHITE MOUNTAINS ARE COVERED WITH SCARLET AND GOLD, AND NATURE HERSELF SEEMS MOST BENEVOLENT, IS THAT AUTUMN INVARIABLY GIVES WAY TO WINTER.

AND WINTER, WHILE IT'S A VITAL SEASON TO NEW HAMPSHIRE'S ECONOMY, CARRIES WITH IT PROBLEMS OF BOTH SOCIAL AND ECONOMIC KIND. ESPECIALLY THIS WINTER, WHEN A SERIOUS THREAT OF HOME HEATING OIL SHORTAGES EXISTS, THE PEOPLE OF NEW HAMPSHIRE MAY LOOK UPON THE WINTER SEASON AS A DOUBLE-EDGED SWORD.

James M. Ryan

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SO LET ME PONDER WITH YOU FOR A FEW MINUTES THE TRUE DIMENSION OF THE ENERGY CRISIS IN NEW HAMPSHIRE, AND WHAT I AM TRYING TO DO TO RESOLVE IT.

HOME HEATING OIL - A CRISIS OF COST

EARLIER THIS YEAR, I JOINED WITH SENATORS FROM NEW ENGLAND AND ELSEWHERE IN WRITING THE PRESIDENT, REQUESTING THAT WE HAVE IN PLACE 240,000,000 BARRELS OF HOME HEATING OIL BEFORE THE TEMPERATURES BEGAN TO PLUMMET. IT NOW LOOKS AS IF OUR GOAL HAS BEEN MET. BUT PROBLEMS REMAIN.

IT'S NOT ENOUGH JUST TO HAVE ENOUGH HOME HEATING OIL TO GET US THROUGH ANOTHER NEW ENGLAND WINTER. WE MUST ALSO MAKE CERTAIN THAT ITS COST IS NOT SO HIGH THAT THOUSANDS OF MIDDLE INCOME PEOPLE, THE ELDERLY LIVING ON FIXED INCOMES, THE ECONOMICALLY DISADVANTAGED - THAT ALL THOSE WHO HAVE PROBLEMS IN MEETING THE IMMEDIATE CONSEQUENCES OF DECONTROLLED PRICES DO NOT SUFFER OR LOSE THEIR FAITH IN THE COMPASSION OF A FREE ENTERPRISE ECONOMY.

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IN DISCUSSING THIS WITH DEALERS, BANKERS, ACCOUNTANTS AND OTHERS FAMILIAR WITH THE PROBLEM, I'VE LEARNED THAT FUEL OIL COMPANIES - TRADITIONALLY FAMILY BUSINESSES WITH SMALL PROFIT MARGINS - ARE FACING NEW CAPITAL DEMANDS THIS YEAR THAT POSE A THREAT TO CUSTOMERS AND DEALERS ALIKE.

LIKE MANY SMALL BUSINESSES, FUEL OIL DEALERS CONFRONT A CASH FLOW PROBLEM. THEY HAVE TO PAY MORE FOR THEIR PRODUCT THAN EVER BEFORE, AND THEY HAVE TO PAY IT SOONER WITHOUT GETTING CASH DISCOUNTS PREVIOUSLY AVAILABLE TO THEM. ON THE CUSTOMER SIDE, THEY FIND HIGHER PRICES INCUR GREATER DEBT, FOR THE SAME AMOUNT OF OIL USED LAST WINTER. AT A TIME OF HIGH INFLATION THROUGHOUT THE ECONOMY, WHEN THE AVERAGE USER OF HOME HEATING OIL WILL FIND HIMSELF PAYING \$300 MORE JUST TO KEEP WARM THIS WINTER, WE ARE CONFRONTED WITH A TERRIBLE CHOICE: THERE MAY BE PEOPLE IN THIS CITY, IN THIS STATE, WHO HAVE TO CHOOSE BETWEEN EATING AND HEATING.

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THAT'S NOT RIGHT, NOT IN THE RICHEST COUNTRY ON EARTH, NOT IN A STATE THAT ALWAYS MADE THE MOST OF ITS COMMUNITY SPIRIT, AND WHOSE PEOPLE RELATE TO EACH OTHER AS FRIENDS AND NEIGHBORS RATHER THAN STATISTICS ON A GRAPH.

SO WHAT CAN GOVERNMENT DO TO HELP? MORE TO THE POINT, WHAT CAN IT DO TO DISPLAY COMPASSION - WITHOUT CREATING A BRAND NEW BUREAUCRACY, DROWNING ITS OWN GOOD INTENTIONS IN A SEA OF RED INK AND PAPERWORK?

LET ME SPELL OUT WHAT I'M TRYING TO DO.

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SOLVING THE CREDIT CRUNCH

FIRST, I HAVE INTRODUCED LEGISLATION IN THE CONGRESS TO EASE THE CREDIT STRAIN NOW FACING MANY FUEL OIL DEALERS. SOME OIL COMPANIES, RECOGNIZING THE PROBLEM, ARE CONSIDERING EASIER CREDIT TERMS OR HOLDING DOWN PRICES ON OIL ITSELF. THE SBA JUST LAST WEEK ANNOUNCED ITS INTENTION TO GRANT LOANS TO FUEL OIL DEALERS.

BUT FOR MOST DEALERS, THE RESTRICTIONS ON SBA LOANS WILL MAKE THE PROGRAM VIRTUALLY WORTHLESS. WITH THIS IN MIND, I AM SPONSORING LEGISLATION TO GUARANTEE SBA LOANS THAT ARE CONSISTENT WITH TODAY'S PRICES. THE PROGRAM COULD BE PUT TOGETHER ALMOST OVER NIGHT, BECAUSE IT WOULD BE ADMINISTERED BY AN EXISTING AGENCY. NO NEW BUREAUCRACY WOULD BE CREATED. LOANS WOULD BECOME AVAILABLE WITHIN 30 DAYS OF THE BILL'S PASSAGE, AND WOULD BE MADE ELIGIBLE TO SMALL DEALERS AS WELL AS LARGE.

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ONCE WE GUARANTEE AVAILABILITY, THEN WE MUST TRY TO EASE THE SEVERE IMPACT OF FUEL COST, ESPECIALLY ON THE LOW INCOME AND FIXED INCOME CONSUMER.

THE SENATE FINANCE COMMITTEE, WHERE I AM THE RANKING REPUBLICAN, HAS BEEN DISCUSSING THE IMPACT OF HIGHER ENERGY PRICES ON THE POOR THIS WEEK. I OFFERED A PLAN, WHICH THE COMMITTEE IS CONSIDERING, TO MAKE CASH PAYMENTS TO FOOD STAMP AND SUPPLEMENTAL SECURITY INCOME RECIPIENTS AND THOSE ELIGIBLE FOR SUCH PROGRAMS BUT NOT NOW PARTICIPATING. THIS PLAN WILL MAKE ADDITIONAL FUNDS AVAILABLE TO THE AGED, BLIND AND DISABLED POOR AS WELL AS THE WORKING POOR TO HELP THEM PAY THEIR ENERGY BILLS.

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I HAVE SUGGESTED THAT THE AMOUNT OF MONEY AVAILABLE TO THE LOW INCOME INDIVIDUALS BE BASED ON HOW COLD IT IS IN THE AREA WHERE THEY LIVE. THAT WAY, PEOPLE IN NEW HAMPSHIRE WILL GET MORE MONEY TO PAY THE EXCEEDINGLY HIGH FUEL BILLS THEY WILL BE FACING THIS WINTER. IT SEEMS ONLY FAIR THAT THE BENEFITS BE PROVIDED ON THAT BASIS, SINCE THE NEED IS GREATER IN THE COLDER STATES.

THIS IS A WORKABLE PROGRAM. IT CAN BE PUT IN PLACE IN TIME FOR THIS WINTER'S PROBLEMS. IT IS RELATIVELY SIMPLE TO ADMINISTER THROUGH ALREADY EXISTING HEW CHANNELS. AND IT HELPS THE CASH FLOW PROBLEMS OF ENERGY PROVIDERS BY GIVING LOW INCOME CONSUMERS THE MONEY TO PAY THEIR BILLS ON TIME.

HOPEFULLY, THE COMMITTEE WILL MAKE A DECISION ON THIS ISSUE TOMORROW. IT IS IMPORTANT THAT WE MAKE THIS ASSISTANCE AVAILABLE AS SOON AS POSSIBLE IN ORDER TO WARD OFF EMERGENCY SITUATIONS THIS WINTER.

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WHILE ENERGY AND HOME HEATING OIL MAY BE THIS WINTER'S PROBLEM, WE CANNOT AFFORD TO OVERLOOK THE LONG-TERM PROBLEM THAT PERVADES EVERY ASPECT OF OUR ECONOMY - INFLATION. THERE COULD BE NO CLEARER SIGN OF THIS PROBLEM THAN THE EVENTS OF THIS PAST WEEK. RECORD PRIME INTEREST RATES AND RECORD FEDERAL RESERVE SYSTEM DISCOUNT RATES SENT THE STOCK MARKET SPIRILING DOWNWARD AS INVESTORS GAVE A VOTE OF "NO CONFIDENCE" TO THE PRESENT ADMINISTRATION'S ABILITY TO STOP INFLATION.

INFLATION HAS PROVEN TO BE AN ALMOST INTRACTABLE ENEMY OF ECONOMIC PROGRESS. BUT TO COMBAT INFLATION EFFECTIVELY, WE MUST FIRST REALIZE THE LIMITATIONS THAT EXIST UPON FEDERAL ACTION. WAGE AND PRICE CONTROLS WOULD BE THE WORST POSSIBLE WAY TO ACHIEVE ANY LASTING MODERATION IN THE PRICE SPIRAL. VOLUNTARY GUIDELINES AND PRESIDENTIAL FINGERPOINTING DO NOTHING TO STRIKE AT THE HEART OF THOSE FORCES WHICH FUEL THE INFLATIONARY CYCLE.

ECONOMIC PRIORITIES

FOR 19 OF THE LAST 20 YEARS, THE FEDERAL BUDGET HAS BEEN OUT OF BALANCE. WE HAVE PREFERRED TO BUY NOW AND PAY LATER - AND THAT PAYMENT INVARIABLY COMES IN THE PAINFUL FORM OF INFLATION.

I FAVOR A CONSTITUTIONAL AMENDMENT TO CAP BOTH FEDERAL SPENDING AND TAXING AT 18% OF THE GNP. THIS IS NO BUDGETARY STRAITJACKET. A SIMPLE VOTE BY 2/3 OF THE CONGRESS COULD PERMIT A DEFICIT IN TIME OF SPECIAL NEED. BUT TO SETTLE FOR ANYTHING LESS THAN SUCH AN AMENDMENT, IN THE FACE OF GROWING SPECIAL INTEREST GROUP POWER, WEAKENED POLITICAL PARTIES AND A MENTALITY THAT EQUATES A FEDERAL PRINTING PRESS WITH A STRONG CURRENCY, WOULD ONLY ENCOURAGE THE RELENTLESS TREND TOWARD CONCENTRATING COUNTER PRODUCTIVE LEVELS OF THE NATIONAL WEALTH IN WASHINGTON.

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LIMITING THE AMOUNT OF WEALTH FLOWING TO WASHINGTON AND THE PHENOMENAL SUMS THE GOVERNMENT MUST BORROW TO PAY ITS DEBTS WOULD RELEASE BILLIONS OF DOLLARS FOR PRIVATE INVESTMENT. IT WOULD ALSO REASSERT OUR HISTORIC BELIEF IN A GOVERNMENT THAT PROMOTES PRIVATE PRODUCTION INSTEAD OF PUBLIC PATERNALISM.

ALSO, I BELIEVE REGULATORY REFORM MUST BE A MAJOR PRIORITY OF THE NEXT ADMINISTRATION. TODAY, OVER 100,000 PEOPLE WORKING IN 116 GOVERNMENT AGENCIES HAVE AS THEIR SOLE RESPONSIBILITY TELLING OTHER AMERICANS WHAT GOVERNMENT FORBIDS THEM TO DO. THE OFFICE OF MANAGEMENT AND BUDGET HAS ESTIMATED THE COST OF SUCH REGULATION AT \$2,000 PER AMERICAN FAMILY PER YEAR. THAT'S ENOUGH TO PAY THE AVERAGE FAMILY'S GROCERY BILL.

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56 AGENCIES EXIST TO REGULATE BUSINESS. THEIR EFFORTS ADD \$666 TO THE COST OF AN AVERAGE CAR, AND \$15 TO \$2500 TO A NEW HOME'S PRICETAG.

I WANT TO REGULATE REGULATIONS. I WILL INTRODUCE THIS WEEK IN THE SENATE A REGULATORY REFORM PROPOSAL TO REQUIRE A COST-BENEFIT ANALYSIS ON EVERY RULE AND REGULATION THAT IS PROPOSED. I WOULD ALSO REQUIRE THAT PRIVATE MEANS OF ACHIEVING THE SAME OBJECTIVE BE FULLY EVALUATED, AND ALL PROPOSED REGULATIONS BE SUBMITTED TO JUDICIAL REVIEW, MAKING CERTAIN THAT PRIVATE SECTOR INPUT IS NOT OVERLOOKED.

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WHETHER IT BE THE CURRENT ENERGY PROBLEMS OR THE CRUEL TAX OF INFLATION, FUELED BY EXCESSIVE GOVERNMENT SPENDING AND RED TAPE, LET US NOT FORGET WE REMAIN THE FREEST, MOST ADVANCED, MOST CAPABLE PEOPLE IN THE WORLD. WE HAVE THE STAMINA AND THE DETERMINATION OF THE AMERICAN PEOPLE.

WE SHOULD LOOK UPON OUR CURRENT PROBLEMS, NOT AS A CRISIS OF PERMANENT DURATION, BUT AS SPURS TO RENEWAL, COMMENSURATE WITH OUR PROUD PAST.