



# NEWS from U.S. Senator Bob Dole

(R.—Kans.)

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WICHITA KANSAS -- Addressing himself to the energy problems confronting the United States, Senator Bob Dole said today that taxes and prices are the keys to avoiding economic and strategic peril for the United States.

Speaking at the 36th annual meeting of the Kansas Independent Oil and Gas Association, Dole noted that some thirty years of governmental meddling and political demagoguery have hampered the ability of KIOGA and other independents to launch the exploration and drilling efforts required to meet the Nation's energy needs from domestic sources.

Dole identified the U.S. independent petroleum industry as vital to the nation's future and underscored the need to maintain secure and ample supplies from domestic sources.

Dole noted the recent statement by the leader of Lybia that foreign oil would become a certain weapon to pressure the United States. Dole said, "for every barrel of oil not produced by the U.S. domestically, a barrel of Lybia's oil or someone else's must be substituted for it. And each additional barrel of foreign oil means more red ink on our balance of payments ledger. This could mean a balance of payment deficit for petroleum alone of \$25 billion by 1985. This past year's total deficit from all sources was \$13 billion."

"In addition consider the leverage such imports would give Col. Kadaffi to exert his pressure. And where will that pressure come? Surely, it will ultimately be directed against Israel and America's commitment to that Nation's right to survive. But will the pressure come through further price increases so huge as to make today's six- to eight-dollar foreign oil look like a bargain? Or will it come through the withholding of the crude oil needed for our national defense and our industrial economy?"

But Dole said, "we are not helpless in the face of this problem. Coal supplies constitute some 91% of our potential domestic energy sources, and our technology will eventually devise environmentally acceptable means of mining in and putting it to use. But in the short and mid-term era -- until the coal problems are solved and the atom is fully harnessed -- oil and gas will be critical. And this is where our independent petroleum industry becomes so important, with its proven ability to discover and develop new petroleum reserves."

"Adequate prices for crude oil and natural gas, coupled with an intelligent tax structure, will do mere to stimulate domestic production than anything else." Dole called for early enactment of legislation to end federal regulation of natural gas prices, "to get the government out of the price-fixing business, so the laws of supply and demand can work to set natural gas prices at their market value."

Looking ahead to Congressional consideration of major tax reform legislation, Dole said he considers, "tax policy and energy policy to be inseparable." A member of the tax-writing Senate Finance Committee, Dole promised to work to see "that America's energy needs are met at the same time that its financial house is put in order."