

News from Senator

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OIL IMPORT FEE SPELLS MORE TAXES

WASHINGTON -- Following is a statement by Senator Bob Dole at a press conference held today with Rep. David Emery (R-Maine), Senator Bill Roth (R-Del.) and others on the repeal of the oil import tax:

I'm pleased to be here with such a distinguished group of congressmen and senators united for one of the best proposals I can think of -- repealing a \$12.6-billion tax burden President Carter decided he would impose on the American people. These congressmen are introducing a resolution to that effect today. Bill Roth and I introduced such a resolution in the Senate on April 2.

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 tax increase on the American people. Every American, rich or poor, whether living in cities or rural areas, will pay an extra 10 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 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.

I should add, we would have all acted sooner to repeal this tax, but the President pulled a little trick on us. He announced these new taxes on March 15, but he didn't make his proclamation until April 2. He still made his taxes effective retroactive to March 15, but he got a few extra weeks of revenue -- a few weeks of burden on the American taxpayer.