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NEWS from U.S. Senator Bob Dole

(R.—Kans.)

New Senate Office Building, Washington, D.C. 20510 (202) 225-6521

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CONTACT: JANET ANDERSON

FROM THE NATION'S CAPITOL
BY SENATOR BOB DOLE

ENERGY PROPOSALS

Increased taxes on crude oil and natural gas proposed by the President to reduce our dependence on imported oil would be costly. But most of the alternatives to his proposals which have been discussed so far would probably cost even more.

Rationing is the most widely discussed example. If gas rationing contingency plans prepared last year were implemented, American motorists would receive 36 gallons per month at the regular market price. That might fit the needs of most big city residents, but 36 gallons a month won't get most Kansans very far.

Rationing

Most rationing proposals I have heard would allow those needing more gas to get it--but at a price much higher than normal. Under the rationing plan devised last year, coupons could be sold or traded by drivers using less than 36 gallons a month. The FEA expects that the price of gasoline from the excess coupon market would reach \$1.75 or higher.

FEA estimates a taxpayer cost of \$3 billion to pay for the 15-25,000 employee agency necessary to implement and enforce a rationing program. Based on these estimates, rationing could raise the cost of living by over 2.5 percent. There are also fears that rationing could prove to be recessionary, costing people jobs and depressing business expansions that might otherwise be possible. And that clearly is the last thing we need.

Allocation and import quota proposals have been put forward as alternatives. They would result in a government-created fuel shortage. We would then have Federal employees saying which businesses can have a bigger allocation to expand output or which new companies can have an allocation to get started. Not long ago, dozens of Kansans were calling my office for help in getting a larger allocation. I feel reasonably certain an allocation or import quota program would have real problems, too.

President's Plan

A major part of the President's plan is to decrease demand for petroleum by increasing oil and natural gas taxes, raising the price of refined products. That is far from a perfect solution. But in this complex and unprecedented situation, there are no perfect or painless solutions.

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Home insulation and automotive efficiency incentives and other conservation plans are also in President Ford's program as are plans for expanded production. The Congress is already working on these.

Action Needed

In view of the \$24 billion for foreign oil last year and the unsecure sources of much of that oil, the Congress has a responsibility to act on a comprehensive solution to our over-dependence on imported oil. I am hopeful that we will agree on the least painful and most effective solution.