

News from Senator

BOB DOLE



(R - Kansas)

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DOLE CALLS FOR CREATION OF
INTERNATIONAL STRATEGIC PETROLEUM RESERVE;
LETTERS TO SECRETARIES BAKER & WATKINS UNDERSCORE POSSIBLE END TO
"OIL BLACKMAIL" & MORE BURDEN-SHARING FROM JAPAN AND GERMANY.

WASHINGTON -- A MAJOR NEW INTERNATIONAL OIL RESERVE IS NEEDED SO THAT DICTATORS SUCH AS SADDAM HUSSEIN CAN'T USE ENERGY BLACKMAIL TO HELP CARRY OUT THEIR CAMPAIGNS OF TERROR AND AGGRESSION.

THAT'S THE RECOMMENDATION OF SENATE REPUBLICAN LEADER BOB DOLE (R-KANSAS) WHO TODAY SENT LETTERS TO SECRETARY OF STATE JIM BAKER AND SECRETARY OF ENERGY JAMES WATKINS URGING THEM TO "VIGOROUSLY" PURSUE THE CREATION OF A NEW OIL RESERVE, A MOVE THAT WOULD ALSO FORCE MORE BURDEN-SHARING ON OIL-CONSUMING ALLIES SUCH AS JAPAN AND GERMANY.

THE TEXT OF THE LETTERS IS AS FOLLOWS:

BOB DOLE
KANSAS

United States Senate

OFFICE OF THE REPUBLICAN LEADER
WASHINGTON, DC 20510-7020

March 4, 1991

The Honorable James D. Watkins
Secretary of Energy
Department of Energy
Forrestal Building
1000 Independence Avenue, SW
Washington, D.C. 20585

Dear Mr. Secretary:

One small but important lesson of the Persian Gulf crisis is that the Strategic Petroleum Reserve (SPRO) can work -- to help our nation meet its emergency energy needs, and to help moderate the impact of rising oil prices on the American consumer.

In a recent speech, I suggested that an international SPRO - - to be located in secure, accessible and environmentally sensible sites -- could also work, to serve several important national purposes.

In my proposal, the international SPRO would be large enough to meet the emergency needs of all participating nations -- presumably to include our major allies. For that reason, it would significantly reduce our current, common vulnerability to "oil blackmail."

- more -

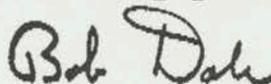
In addition, the international SPRO could be the mechanism to achieve more equitable burden-sharing among our allies. Under my proposal, the U.S. would enjoy equitable access to the reserve. But the lion's share of the cost of stocking the SPRO would be borne by wealthy allies -- the major oil producers of the Gulf region, and the major oil-consumers in the alliance, such as Japan and Germany. Those nations benefit as much or more than we do from the stability of oil-producing regions of the world and the safety of international sea lanes vital to international oil markets. Yet, before the Gulf war, they made little or no direct contribution to our extraordinarily expensive efforts in these areas. American armed forces provided the muscle, and the American taxpayer paid the bill.

It might also be possible to structure the procurement of oil for the SPRO to benefit American domestic producers, by providing them a more reliable, long-term, and fairly-priced consumer for their product.

I believe that our leadership in the Gulf War will give us substantial new leverage to pursue our interests in the post-war world, especially on matters relating directly to the Gulf region. I hope that we will use that leverage aggressively and effectively in the area of energy independence -- and one good place to start is by vigorously pursuing the idea of an international SPRO.

I look forward to the opportunity to discuss this matter personally with you, and with Secretary Baker, to whom I have sent an identical letter.

Sincerely yours,



BOB DOLE
United States Senate