

REMARKS OF HONORABLE BOB DOLE

TIPRO
24TH ANNUAL MEETING
DALLAS, TEXAS
SUNDAY, JUNE 7, 1970

I AM HONORED BY BEING CHOSEN THIS YEAR'S RECIPIENT OF THE
"HAT'S OFF" AWARD.

THIS HONOR IS MADE ALL THE MORE MEANINGFUL BECAUSE OF THE
SIMILARITIES OF OUR TWO STATES, PARTICULARLY IN THE IMPORTANCE TO BOTH
OF THE INDEPENDENT OIL AND GAS PRODUCERS. HOPEFULLY, OUR ACCOMPLISHMENTS
OVER THE PAST YEAR WILL ENCOURAGE YOU TO CONTINUE YOUR EFFORTS TO PRODUCE
THE OIL AND GAS NECESSARY TO MEET OUR EXPANDING ENERGY REQUIREMENTS.

AS YOU KNOW, GOVERNMENT POLICIES WILL INCREASINGLY INFLUENCE
EXPLORATION AND DEVELOPMENT IN YOUR INDUSTRY. BUT WITH THE EXPANDED
INFLUENCE OF GOVERNMENT MUST COME A RESHAPING OF FEDERAL ENERGY POLICIES.
IF THIS AND ALLIED INDUSTRIES ARE TO SURVIVE, INCONSISTENT GOVERNMENT
POLICIES WILL CREATE INEFFICIENCY, DISCOURAGE THE NECESSARY DEVELOPMENT
OF OUR ENERGY RESOURCES, AND THUS WORK AGAINST THEIR OWN OBJECTIVES.

GOVERNMENT STUDY

I NEED NOT TELL YOU THAT U.S. OIL IMPORT POLICY IS UNSETTLED AND UNCERTAIN. WITHIN THE EXECUTIVE BRANCH OF GOVERNMENT, THE PRESIDENT'S OIL POLICY COMMITTEE IS CONTINUING TO STUDY THE RECOMMENDATIONS MADE BY HIS CABINET TASK FORCE ON OIL IMPORT CONTROL. ASIDE FROM THE PRESIDENT'S IMPOSITION OF QUOTAS ON CANADIAN OIL AND THE LIMITED EXPANSION OF VENEZUELAN IMPORTS, NO DECISIONS HAVE BEEN MADE BY THE OIL POLICY COMMITTEE ON THE FUTURE OF OUR OIL IMPORTS.

THE CONGRESS, THROUGH THE MINES AND MINING SUBCOMMITTEE OF THE HOUSE INTERIOR COMMITTEE AND THE HOUSE WAYS AND MEANS COMMITTEE, IS ENGAGED IN AN EXHAUSTIVE REVIEW OF THE OIL IMPORT QUESTION. LATER, THE SENATE FINANCE COMMITTEE WILL TAKE UP THE GENERAL ISSUE OF TRADE AND THEN FOCUS ON THE PARTICULAR QUESTION OF OIL IMPORTS.

EFFECTS OF GOVERNMENT POLICY

YET, GOVERNMENT INFLUENCE COMPETENT OR BLUNDERING, WELCOME OR UNWELCOME, FAIR OR BIASED, IS NOT LIMITED TO THE IMPORT QUESTION. KEY

DECISIONS WILL BE MADE IN THE NEAR FUTURE WHICH WILL AFFECT YOUR ACCESS TO PUBLIC LANDS. PENDING LEGISLATION TO MEET THE GROWING AIR POLLUTION PROBLEM WILL AFFECT BOTH YOUR PROCESSES AND PRODUCTS.

ONE PROMINENT EXAMPLE WILL BE THE ACTION TAKEN BY THE CONGRESS ON THE QUESTION OF FUEL ADDITIVES AND THE PROPOSED LEAD TAX. THESE DECISIONS WILL DIRECTLY AFFECT YOUR INDUSTRY.

LAST YEAR, WE HAD A YEAR-LONG TAX DEBATE CULMINATING IN ADOPTION OF THE "TAX REFORM ACT OF 1969." ALTHOUGH THE INDEPENDENT OIL AND GAS PRODUCER FOUND HIMSELF IN A SEVERE COST-PRICE SQUEEZE, THE CONGRESS ADDED \$600 TO \$700 MILLION TO THE OIL INDUSTRIES' TAX BILL, AND THIS ADDITIONAL BURDEN WILL IMPOSE LIMITS ON THE INDUSTRY'S ABILITIES TO PURSUE DOMESTIC EXPLORATION AND DEVELOPMENT.

THESE ARE NOT THE ONLY INSTANCES OF INCONSISTENCY AND FALSE LOGIC IN FORMULATION AND APPLICATION OF GOVERNMENTAL POLICY. THE TREATMENT OF NATURAL GAS IS ANOTHER TIMELY EXAMPLE. CONTRARY TO THE INTENT OF CONGRESS,

THE SUPREME COURT IN 1954 INTERPRETED THE NATURAL GAS ACT AS REQUIRING FEDERAL PRICE CONTROL OF NATURAL GAS AT THE WELLHEAD. THE ATTEMPT BY THE FEDERAL POWER COMMISSION TO IMPLEMENT THE COURT'S MANDATE HAS BEEN UNSATISFACTORY. FEDERAL PRICE-FIXING OF NATURAL GAS WAS IMPLEMENTED TO "PROTECT" THE CONSUMING PUBLIC, BUT HAS INSTEAD SHRUNK THE SUPPLY OF NATURAL GAS CONTRARY TO THE PUBLIC INTEREST.

ALL THESE POLICIES ARE AFFECTING OIL AND GAS DEVELOPMENT AND ARE CREATING AN ARTIFICIAL, DANGEROUS SHORTAGE OF PETROLEUM FUELS -- IN AN UNSPOKEN INDICTMENT OF GOVERNMENT POLICIES. I KNOW THE NIXON ADMINISTRATION IS CONCERNED ABOUT THIS SHORTAGE, BUT THE QUESTION REMAINS WHETHER ANYTHING CAN BE DONE WITHIN THE PRESENT FRAMEWORK.

LOOKING TO THE FUTURE

THE PRESIDENT'S ADVISORY COUNCIL ON EXECUTIVE ORGANIZATION, THE A.S.H. COUNCIL, RECENTLY SUBMITTED RECOMMENDATIONS ON OUR ENVIRONMENTAL PROGRAMS AND THE AGENCIES WHICH ADMINISTER THEM. THE COUNCIL SPECIFICALLY INDICATED THAT ALL AGENCIES CHARGED WITH THE RESPONSIBILITY OF FORMULATING OR ADMINISTERING ENERGY POLICY BE PLACED UNDER ONE AGENCY.

MOREOVER, THE CHAIRMAN OF THE FEDERAL POWER COMMISSION FAVORS THE CREATION OF A NATIONAL ENERGY RESOURCES COUNCIL TO DEVELOP A PLAN TO MEET ENERGY NEEDS OF THE FUTURE. MR. NASSIKAS (NAH-SEECUS) STRESSED THAT THERE WAS NO SINGLE FEDERAL ENERGY AGENCY TO CARRY OUT TOTAL ENERGY POLICY TO ATTAIN A BALANCED OBJECTIVE OF EFFICIENT AND PRODUCTIVE UTILIZATION OF OUR ENERGY RESOURCES..."IN HARMONY WITH ENVIRONMENT AND THE REALITY OF DIVIDED STATE-FEDERAL RESPONSIBILITY."

THE SENATE PUBLIC WORKS COMMITTEE, OF WHICH I AM A MEMBER, IS PRESENTLY CONSIDERING LEGISLATION THAT WOULD CREATE A NATIONAL COMMISSION ON MATERIALS POLICY. IT WILL BE CHARGED WITH THE DEVELOPMENT OF RECOMMENDATIONS FOR THE MOST EFFECTIVE METHODS OF EXPLORATION OF RESOURCES, DISPOSAL OF WASTE PRODUCTS, AND COORDINATION OF SCIENTIFIC KNOWLEDGE IN THIS FIELD.

THE ROLE OF THE INDEPENDENTS

IF THERE IS TO BE A NEW APPROACH TO ENERGY POLICIES, YOU AND YOUR ORGANIZATION MUST TAKE AN ACTIVE PART IN FORMULATING THAT APPROACH.

WHILE THE NEW YORK TIMES EDITORIALIZES ABOUT THE PERVASIVE INFLUENCE OF THE OIL LOBBY, THE RESULTS OF LAST YEAR'S DEBATE OVER THE TAX BILL AMPLY DEMONSTRATE THE WEAKNESS OF THEIR ARGUMENT. IT WAS OBVIOUS THAT THE OIL INDUSTRY WAS POORLY EQUIPPED TO MEET THE CHALLENGES OF THE HEAD HUNTERS AND SCAPEGOAT SEEKERS IN CONGRESS.

WHEN THE TIME CAME IT FOUND IT HAD LOST OLD ALLIES AND GAINED SOME NEW ENEMIES.

DURING THE TAX DEBATE, IT BECAME APPARENT THAT THE INDUSTRY HAD FORGOTTEN THE IMPORTANCE, INDEED, THE NECESSITY OF THOROUGH PREPARATION AND SKILLFUL ADVOCACY. YOU HAVE A VALID AND PERSUASIVE CASE TO PRESENT, BUT YOUR OPPONENTS HAVE BEEN GREATER IN NUMBER, MORE EXHAUSTIVE IN THEIR PREPARATION AND MORE DEDICATED TO ACTION. RATHER THAN BEING UNITED

THE OIL INDUSTRY SPEAKS WITH MANY VOICES. RATHER THAN IDENTIFYING AND MEETING NEW CHALLENGES, YOU HAVE RESTED ON OLD VICTORIES. RATHER THAN RESPONDING TO NEW ATTACKS IN A LOGICAL AND RATIONAL MANNER, YOU HAVE USED THE TIRED ARGUMENTS OF THE PAST.

TELL YOUR STORY

YOUR STORY MUST BE TOLD. IT IS A GOOD ONE THAT CAN BE SUPPORTED. BUT, IF YOU DO NOT BEGIN NOW, YOUR ENEMIES WILL CONTINUE TO EXPLOIT YOUR WEAKNESS. THEY ARE NOT GOING TO STOP WITH THE TAX LAWS. IMMENSE PRESSURES ARE BEING BROUGHT TO BEAR TO ELIMINATE IMPORT RESTRAINTS. DURING THE PAST YEAR, I HAVE HEARD OIL MEN COMPLAINING ABOUT PRESIDENT NIXON'S FAILURE TO SUPPORT THEIR CAUSE. YOU MUST REMEMBER, HE HAS TO LIVE WITH THE CONSUMER TOO, AND IF YOU ARE UNWILLING TO SERVE AS YOUR OWN BEST ADVOCATE, HOW CAN YOU EXPECT HIM OR THE CONGRESS TO FULLY SUPPORT YOU? NEITHER CONGRESS NOR THE PRESIDENT CAN LISTEN TO AN UNTOLD STORY.

THE BEST HOPE FOR THE OIL INDUSTRY IS AGRESSIVE ACTIVITY BY THE INDEPENDENTS. IN THE PAST, YOU HAVE PAID AN ECONOMIC PRICE, ASSUMED AN ECONOMIC BURDEN, AND TAKEN AN ECONOMIC RISK TO EARN YOUR LIVELIHOOD. NOW YOU MUST MEET THE POLITICAL CHALLENGE.

YOUR VOICE IS A CLEAR ONE, YOUR ARGUMENT IS A STRONG ONE. IT MUST BE HEARD. AT STAKE IS MORE THAN JUST THE FUTURE OF THIS PARTICULAR GROUP. AT STAKE IS THE LIFE OF YOUR INDUSTRY.