

REMARKS OF SENATOR BOB DOLE  
CHAIRMAN, REPUBLICAN NATIONAL COMMITTEE

OHIO PETROLEUM MARKETERS ASSOCIATION  
COLUMBUS, OHIO  
WEDNESDAY, MARCH 24, 1971

IT IS A PLEASURE TO BE HERE IN OHIO TODAY AND TO MEET WITH REPRESENTATIVES OF ONE OF THE NATION'S MOST VITAL INDUSTRIES.

IN THIS DAY OF RAPID CHANGE AND DYNAMIC GROWTH WITHIN OUR COUNTRY, ENERGY IS THE CATCHWORD OF OUR TIMES. OUR YOUNG PEOPLE SEEM TO HAVE BOUNDLESS RESERVOIRS OF IT; OUR ECONOMY CONSUMES ENDLESS QUANTITIES OF IT; AND YOUR INDUSTRY IS PUSHED TO PRODUCE EVER-INCREASING AMOUNTS OF IT. YOURS IS A VERY "IN" INDUSTRY TODAY, BUT YOUR PROBLEMS ARE MATCHED BY THE DIMENSIONS OF YOUR IMPORTANCE.

THE ENERGY CRISIS

THE UNITED STATES, WITH ONLY ABOUT 6 PERCENT OF THE WORLD'S POPULATION, CONSUMES MORE THAN ONE-THIRD OF THE ENERGY USED BY THE FREE WORLD, AND OF THAT ENERGY THREE-FOURTHS IS SUPPLIED BY OIL AND NATURAL GAS. EVERY INDUSTRIAL PROCESS USES IT, NINE OUT OF TEN HOMES ARE HEATED BY IT AND EIGHT OUT OF TEN WORKERS DRIVE TO THEIR JOBS IN CARS FUELED BY IT.

THE PICTURE IS CLEAR: WE NEED ENERGY -- AND WE NEED IT IN VAST AMOUNTS -- TO POWER OUR INDUSTRY, STRENGTHEN OUR ECONOMY, AND SECURE OUR WELL-BEING.

-2-

WITH OUR COUNTRY'S VAST RESOURCES, WE HAVE NEVER HAD TO WORRY ABOUT RUNNING SHORT OF ENERGY. NEVER, THAT IS, UNTIL NOW.

TODAY A COMBINATION OF FACTORS HAS CREATED WHAT THE CHAIRMAN OF THE FEDERAL POWER COMMISSION HAS CALLED OUR "DEVELOPING ENERGY CRISIS." WE HAVE SEEN A FEW SYMPTOMS ALREADY: INVOLUNTARY POWER REDUCTIONS OR "BROWNOUTS" IN URBAN INDUSTRIAL AREAS AND SPOT SHORTAGES OF FUEL OIL AND NATURAL GAS. BUT WHAT PUTS THIS PROBLEM IN THE CRISIS CATEGORY IS NOT SO MUCH THESE SHORT-TERM SYMPTOMS AS SOME BROADER, LONG-RANGE THREATS.

#### STUDY AND UNDERSTANDING REQUIRED

THE PROBLEM MERITS CAREFUL STUDY. IF WE UNDERSTAND THE BASIC ISSUES WE WILL NOT HAVE TO SETTLE FOR HALF CURES.

AT THE PRESENT TIME, WE CONSUME EACH DAY IN AMERICA ABOUT 15 MILLION BARRELS OF OIL; SOME 60 BILLION CUBIC FEET OF NATURAL GAS; AND MORE THAN 1-1/2 MILLION TONS OF COAL.

VAST AS THESE QUANTITIES ALREADY ARE, DEMAND WILL CONTINUE TO INCREASE AT AN ENORMOUS RATE. AMERICA WILL NEED TWO-THIRDS MORE ENERGY BY THE END OF THIS DECADE THAN IT DOES TODAY. AND BY THE YEAR 2000, WE WILL BE USING NEARLY THREE TIMES THE PRESENT AMOUNT.



-3-

BUT WHAT ABOUT OUR SUPPLY? DO WE HAVE ENOUGH ENERGY SOURCES TO FULFILL OUR NEEDS? THE ANSWER TO THAT QUESTION IS NOT A SIMPLE "YES" OR "NO"; RATHER, IT IS: "YES, IF.....". LET ME EXPLAIN.

THE NATIONAL PETROLEUM COUNCIL REPORTED LAST YEAR THAT IN MORE THAN 100 YEARS OF PETROLEUM EXPLORATION WE HAVE FOUND ONLY 45% OF THE OIL AND ONLY 34% OF THE GAS LYING UNDER THE CONTINENTAL UNITED STATES. WE STILL HAVE TREMENDOUS QUANTITIES OF OUR TWO MAIN ENERGY SOURCES WAITING TO BE FOUND.

IN 1954, WE THOUGHT WE HAD ENOUGH PROVED RESERVES OF NATURAL GAS TO LAST FOR 23 YEARS. DURING THE NEXT 15 YEARS, HOWEVER, CONSUMPTION INCREASED AT A MUCH FASTER RATE THAN WE WERE ABLE TO ADD TO RESERVES. SO BY THE END OF 1969, CONSUMPTION INCREASED SO GREATLY THAT WE HAD ONLY A 13 YEAR SUPPLY. THIS TREND HAS CONTINUED, AND FOR THE LAST TWO YEARS WE HAVE BEEN USING GAS FASTER THAN WE HAVE BEEN FINDING NEW SUPPLIES.

THE SAME HAS BEEN TRUE OF OIL FOR SIX OF THE PAST TEN YEARS.

-4-

OBVIOUSLY, WE MUST REVERSE THIS TREND OR WE WILL END UP WITH A SUPPLY OF UNDISCOVERED OIL AND GAS IN THE GROUND BUT NOT ENOUGH AT HAND FOR READY USE.

THE FIRST STEP IN REVERSING THE TREND IS TO FIND OUT WHAT CAUSED IT. THOUGH THERE IS NO SINGLE DETERMINING CAUSE OF THE PROBLEM, THE MAJOR CONTRIBUTING FACTORS SEEM CLEAR ENOUGH.

#### INVESTMENT INCENTIVES REDUCED

PERHAPS THE MOST BASIC POINT IS AN UNDERSTANDING OF THE ECONOMICS OF OUR PRIVATE ENTERPRISE SYSTEM. NEW RESERVES OF OIL AND GAS WILL BE DISCOVERED BY PEOPLE WHO ARE WILLING TO INVEST MONEY IN THE HOPE THAT IT WILL RETURN A PROFIT. BUT THE AMOUNT OF MONEY NEEDED FOR THESE INVESTMENTS IS LARGE, AND IT IS GROWING LARGER AS EXPLORATION TAKES US DEEPER INTO THE GROUND AND INTO MORE REMOTE PARTS OF OUR COUNTRY. THE CHANCES ARE STILL 8 OUT OF 9 THAT AN EXPLORATORY WELL WILL FIND NOTHING AT ALL.

OBVIOUSLY, UNLESS OIL AND GAS CAN BE SOLD AT A REASONABLE PROFIT WHEN THEY ARE FOUND, PEOPLE SIMPLY PREFER TO INVEST THEIR CAPITAL IN SOME OTHER KIND OF ENTERPRISE. IN POINT OF FACT, IN RECENT YEARS THERE HAVE BEEN DECREASING INCENTIVES TO INVEST IN PETROLEUM EXPLORATION. IMPORT POLICIES, DIRECT FEDERAL REGULATION AND



-5-

UNWISE TAX LEGISLATION HAVE ALL COMBINED IN THE PAST FEW YEARS TO MAKE EXPLORATION FOR NEW OIL AND GAS SUPPLIES LESS AND LESS ATTRACTIVE AS AN INVESTMENT OPPORTUNITY.

IN 1970, THE NUMBER OF EXPLORATORY OIL AND GAS WELLS DRILLED IN THE UNITED STATES WAS THE LOWEST IN 22 YEARS. AT A TIME WHEN THE DEMAND FOR PETROLEUM WAS MORE THAN HALF AGAIN AS MUCH AS IT WAS IN THE MIDDLE 1950's, WE ARE DRILLING 48% FEWER EXPLORATORY WELLS.

#### ALTERNATIVES TO DOMESTIC RESERVES

WHAT, THEN, ARE THE ALTERNATIVES AVAILABLE TO US? FIRST, SHOULD WE IMPORT MORE OIL FROM PLACES LIKE THE MIDDLE EAST AND NORTH AFRICA, WHICH HAVE TWO-THIRDS OF THE WORLD'S RESERVES OF CRUDE? SECOND, SHOULD WE GO BACK TO A MUCH GREATER USE OF COAL FOR POWER GENERATION AND HEATING? THIRD, SHOULD WE LOOK TO SUCH DEVELOPMENTS AS WIDESPREAD NUCLEAR POWER GENERATION AS A BASIC ENERGY SOURCE?

MORE THAN LIKELY, WE WILL HAVE TO DO ALL THREE IF WE ARE TO KEEP UP WITH THE TREMENDOUS ENERGY DEMANDS WE FACE IN THIS COUNTRY. BUT WE WILL HAVE TO DO SO IN ADDITION TO EXPANDING OUR OIL AND GAS RESERVES.

-6-

FOREIGN SUPPLIES INSECURE

AND THERE WILL BE DIFFICULTIES ALONG THE WAY. TO BEGIN WITH, WE CANNOT AFFORD TO DEPEND TOO HEAVILY ON IMPORTED OIL AT THE EXPENSE OF DOMESTIC SUPPLIES. OVERSEAS AREAS, UNFORTUNATELY, CANNOT BE REGARDED AS A RELIABLE SOURCE OF SUPPLY. EASTERN HEMISPHERE PRODUCTION HAS BEEN INTERRUPTED NO FEWER THAN 9 TIMES SINCE WORLD WAR II.

FORTUNATELY, WE IN THE UNITED STATES DEPEND ON FOREIGN SOURCES FOR ONLY ABOUT 23% OF OUR OIL, AND MOST OF THIS DOES NOT COME FROM THE MIDDLE EAST.

COAL TOO DIRTY

GREATER USE OF COAL, EVEN IF SUPPLIES WERE ADEQUATE, WOULD PRESENT ANOTHER DIFFICULTY: POLLUTION. THE INTEREST WHICH PEOPLE ALL OVER THE COUNTRY HAVE TAKEN IN ELIMINATING AIR AND WATER POLLUTION IS ENCOURAGING. WE HAVE AT LAST AWAKENED TO THE VOILENCE BEING DONE TO OUR ENVIRONMENT, AND ARE WILLING TO DO SOMETHING ABOUT IT. BUT THE POLLUTION-ABATEMENT MOVEMENT ITSELF HAS PRODUCED PROBLEMS.



-7-

REDUCING AIR POLLUTION REQUIRES, AMONG OTHER THINGS, THAT WE CUT DOWN ON EMISSIONS OF SULFUR OXIDES. COAL-BURNING POWER PLANTS ARE THE MAJOR SOURCE OF THIS PARTICULAR POLLUTANT, AND MOST URBAN AREAS NOW HAVE LIMITS ON SULFUR EMISSIONS. BECAUSE UTILITIES AND INDUSTRIES IN THE EAST HAVE TROUBLE GETTING LOW-SULFUR COAL, WHICH IS MINED MOSTLY IN THE WESTERN STATES, THEY HAVE TURNED INCREASINGLY TO OTHER FUELS -- LOW-SULFUR RESIDUAL OIL AND NATURAL GAS. THIS HAS PUT INCREASED PRESSURE ON THE PETROLEUM INDUSTRY, WHICH WAS ALREADY HAVING TROUBLE FINDING ENOUGH NEW RESERVES TO KEEP UP WITH THE INCREASED DEMAND.

#### NUCLEAR POWER SLOW TO DEVELOP

THE DEVELOPMENT OF NUCLEAR POWER PLANTS HAS EXPERIENCED A NUMBER OF SETBACKS. WE ARE STILL A LONG WAY FROM THE BRIGHT PROMISES HELD OUT FOR THIS ENERGY SOURCE IN THE 1950's. AT THAT TIME, IT WAS THOUGHT THAT WITHIN TWENTY YEARS THERE WOULD BE AN ADEQUATE NUMBER OF QUIET, EFFICIENT, NON-POLLUTING NUCLEAR GENERATING PLANTS. IN FACT, THERE ARE RELATIVELY FEW IN OPERATION.

-8-

SO, WHAT IS THE PICTURE? WE SEE A RISING DEMAND FOR CLEAN-BURNING FUELS TO MEET AIR QUALITY STANDARDS, BUT A DELAY IN THE USE OF NUCLEAR POWER. WE SEE A SHORTAGE OF SUITABLE GRADES OF COAL. WE SEE INCREASED DEMAND FOR NATURAL GAS BUT DECLINING EXPLORATION AND DEVELOPMENT OF OUR NATURAL GAS RESERVES. AND WE SEE CUTBACKS AND INTERRUPTIONS IN FOREIGN OIL PRODUCTION, AND A SLUMP IN THE DISCOVERY RATE OF NEW DOMESTIC CRUDE RESERVES.

GENTLEMEN, IT IS A PICTURE OF A GROWING ENERGY CRISIS -- GREATER THAN ANY WE HAVE EXPERIENCED EXCEPT FOR TIMES OF DECLARED WAR. AND THE MORE THE PROBLEM IS STUDIED, THE MORE IT APPEARS THAT OIL AND GAS WILL HAVE TO PROVIDE A LARGE PART OF THE SOLUTION. THE COUNTRY IS GOING TO RELY PRINCIPALLY ON THE PETROLEUM INDUSTRY TO CLOSE THE EVER-WIDENING GAP BETWEEN THE ENERGY IT NEEDS AND THE ENERGY IT PRODUCES.

#### A COHERENT ENERGY POLICY NEEDED

THE TASK OF SUPPLYING SUFFICIENT ENERGY TO MEET THE NEEDS OF THE UNITED STATES CANNOT BE ACCOMPLISHED IF NATIONAL ENERGY POLICIES CONTINUE TO BE FRAGMENTED. THE PIECEMEAL HANDLING OF ENERGY PROBLEMS IS GOING TO GET US DEEPER AND DEEPER INTO TROUBLE.



-9-

WE MUST HAVE GOVERNMENTAL POLICIES THAT WILL CONSIDER ALL THE FACTS. THE COMPLEX INTERPLAY INVOLVING ENERGY SUPPLY, THE ENVIRONMENT, RESOURCE CONSERVATION, ECONOMIC GROWTH, AND THE ATTAINMENT OF OTHER IMPORTANT GOALS REQUIRE THE DEVELOPMENT OF A COMPREHENSIVE ENERGY POLICY.

THE PETROLEUM INDUSTRY IS GOING TO HAVE TO FIND HUGE NEW RESERVES OF OIL AND GAS IF IT IS TO PROVIDE 75% OF THE ENERGY IN 1980 AND 65% OF THE VASTLY GREATER REQUIREMENTS OF 2000. ESTIMATES SHOW THAT THIS MEANS THE INDUSTRY WILL HAVE TO SPEND FROM \$150 BILLION TO \$200 BILLION OVER THE NEXT TEN OR FIFTEEN YEARS TO KEEP UP WITH GROWING NEEDS.

THIS KIND OF CAPITAL INVESTMENT IS NOT EASILY COME BY -- CERTAINLY NOT AT 8 TO 1 ODDS. SO CONTINUED FINANCIAL INCENTIVES ARE ESSENTIAL. AND THAT MEANS WE WILL HAVE TO TAKE ANOTHER LOOK AT CRUDE OIL IMPORTS AND THEIR EFFECTS, CONTINUE TO LOOK AT THE ARTIFICIALLY LOW PRICES SET ON NATURAL GAS, ANOTHER LOOK AT THE RISING TAX BURDENS PLACED ON THE PETROLEUM INDUSTRY.

-10-

AS YOU WELL KNOW, GENTLEMEN, THIS NATION OF OURS RUNS ON ENERGY. GIVEN THE PROPER INCENTIVE, THE ENERGY-SUPPLY INDUSTRY, WITH ITS DEMONSTRATED TECHNOLOGICAL CAPABILITY, CAN ASSURE THAT OUR COUNTRY WILL CONTINUE TO BE A LAND OF PLENTY, WITH A CLEAN AND SECURE NATURAL ENVIRONMENT. SUCCESS DEPENDS UPON SINCERE COOPERATION OF REGULATORS, ALL SEGMENTS OF THE ENERGY-SUPPLY INDUSTRY, AND THE PEOPLE AT LARGE. LET US ACT NOW, BASING OUR POLICIES FOR ACTION ON OUR ACCUMULATED EXPERIENCE. IF WE DO, WE WON'T HAVE TO SETTLE FOR HINDSIGHT AND HALF-WAY REMEDIES. RATHER, WE WILL ENJOY THE SUCCESSFUL OUTCOME OF EVALUATION AND PLANNING.

#### A COOLING AMERICA

LAST MONTH, YOU MAY RECALL, A TIME MAGAZINE COVER DEPICTED A PALE AND PERSPIRING UNCLE SAM WITH AN ICEBAG ON HIS HEAD. THE CAPTION READ: "THE COOLING OF AMERICA." THE GENERAL THRUST OF THE LEAD ARTICLE WAS THAT THE FRENETIC, SOMETIMES HECTIC PACE OF THE SIXTIES



-11-

IS FINALLY STARTING TO SLACKEN, AND A CALMER, SOMEWHAT MORE DELIBERATE PACE OF NATIONAL LIFE HAS BEEN ESTABLISHED.

THIS MAY BE A CONVINCING IMPRESSION NOW, IN MARCH, 1971, BUT FOR A TIME, A CONFUSING CRESCENDO OF HOSTILITY, DESPAIR AND SELF-DOUBT APPEARED TO HAVE SPRUNG OUT OF THE 1960's UPON THE NEW DECADE LIKE A PLAGUE.

WE SAW BOMBINGS, MASS DISORDERS AND A SO-CALLED CULTURE OF REVOLUTION GROWING AT AN ALARMING RATE. WE SUFFERED A WAR, BEGUN IN ERROR, ESCALATED IN DECEPTION AND PROSECUTED IN INDECISION. AND WE RODE A RUNAWAY ECONOMY FUELED BY WARTIME PRODUCTION AND FANNED BY IRRESPONSIBLE DOMESTIC PROGRAMS. AS AMERICA EMERGED FROM THE 1960's, THE NATION SEEMED ALMOST LIKE A SWELLING BALLOON, ASSAULTED BY MANY THORNS OF ADVERSITY, AND READY TO BURST.

-12-

THIS WAS THE HARSH LEGACY OF THE PROGRAMS AND POLICIES OF THE 1960's. IT WAS HARSH, BUT HARDLY SURPRISING, FOR IT IS TO BE EXPECTED THAT NEARLY TEN YEARS OF GOVERNMENTAL MISMANAGEMENT AND IRRESPONSIBILITY WILL ULTIMATELY PRODUCE SEVERE REACTIONS.

INDEED, THE PAST TWO YEARS HAS BEEN AN INTENSIVE COURSE IN THE SCHOOL OF HARD KNOCKS. AND WE HAVE LEARNED THE PAINFUL LESSONS WHICH HISTORY PROVIDES IN RESPONSE TO ACTIONS UNDERTAKEN WITHOUT REGARD FOR THE CONSEQUENCES FIVE OR TEN OR MORE YEARS DOWN THE ROAD.

#### A STRATEGY FOR THE FUTURE

BUT EVEN THOUGH WE HAVE HAD TO BEAR UP UNDER THESE DIFFICULTIES THERE HAS BEEN A MAJOR CAUSE FOR HOPE AND OPTIMISM IN THIS COUNTRY, AND THAT IS THE NEW LEADERSHIP OF PRESIDENT RICHARD NIXON. BECAUSE, AFTER MANY LONG YEARS OF FOLLOWING NATIONAL POLICIES AIMED SOLELY AT THE 1960's, AND BASED, IN THE FINAL ANALYSIS, ON THE THINKING OF THE 1930's, OUR NATIONAL LEADERSHIP IS NOW DIRECTING A STRATEGY OF THE 1970's. THIS STRATEGY IS NOT AIMED JUST AT THE CURRENT 4- OR 8-YEAR PRESIDENTIAL PERIOD, BUT IT IS GEARED TO THE NEEDS AND CHALLENGES OF THIS EMERGING DECADE AND THE THIRD CENTURY OF AMERICA'S INDEPENDENCE.

IN THE SHORT TERM AND OVER THE LONG RUN, WE HAVE HAD A FUNDAMENTAL REORIENTATION OF OUR GOVERNMENT'S ENTIRE LEADERSHIP AND DIRECTION. AND WE HAVE SET OUR COUNTRY'S COURSE BY NEW STARS AND TOWARD MORE MEANINGFUL HORIZONS.



-13-

AND SLOWLY -- SOMETIMES EVER-SO-SLOWLY -- WE ARE BEGINNING  
TO SEE THE SHIP OF STATE ANSWER TO THE HELM.

PROGRESS IN VIETNAM

THE EFFECTS ARE APPARENT IN MANY AREAS. IN SOUTHEAST ASIA WE  
HAVE SEEN -- PARTICULARLY IN THE PAST TEN MONTHS, SINCE THE CAMBODIAN  
INCURSIONS -- A REMARKABLE CHANGE IN THE COMPLEXION OF THE WAR.

LOOKING BACK TWO YEARS, WE REMEMBER THAT WHEN PRESIDENT NIXON  
TOOK OFFICE, HE INHERITED A STEADILY ESCALATING WAR IN WHICH AMERICA  
WAS LOSING TRAGIC NUMBERS OF MEN, HUGE SUMS OF MONEY, AND A SIZABLE  
PORTION OF NATIONAL MORALE -- ALL IN THE ABSENCE OF ANY SUBSTANTIAL  
GAINS AGAINST THE ENEMY. AS THE LAST YEAR OF THE 1960's BEGAN, IT  
LOOKED AS IF AMERICA HAD BEEN TRAPPED IN AN ENDLESS NIGHTMARE OF  
JUNGLE WARFARE IN A FAR-OFF LAND. THERE WERE MORE THAN HALF A MILLION  
AMERICAN FIGHTING MEN CARRYING THE BURDEN OF COMBAT IN VIETNAM. THE  
ENEMY HAD THE INITIATIVE AND WAS ON THE OFFENSIVE. OUR ALLIES WERE  
INEFFECTIVE AND ILL-EQUIPPED FOR THE DEFENSE OF THEIR COUNTRY. AND  
AMERICAN CASUALTIES INCREASED WEEK-BY-WEEK.

-14-

BUT NOW ALL THAT HAS CHANGED. FOR, SINCE ASSUMING OFFICE, PRESIDENT NIXON -- DESPITE THE CONSTANT ATTACKS OF SOME PUNDITS AND POLICITICANS -- HAS SUCCEEDED WHERE HIS TWO PREDECESSORS FAILED. HE IS REVERSING THE FLOW OF AMERICAN MEN TO COMBAT, WINDING DOWN THE PACE OF THE WAR, AND ENABLING OUR ALLIES TO SHOULDER THE MAJOR BURDEN OF THEIR OWN DEFENSE.

BY MAY 1st, 265,000 AMERICAN FIGHTING MEN WILL HAVE BEEN WITHDRAWN. ONLY A FEW DAYS AGO, DEFENSE SECRETARY MELVIN LAIRD WAS ABLE TO ANNOUNCE THAT IF THE PRESIDENT'S PLAN CONTINUES ON SCHEDULE, THERE WILL BE FEWER THAN 50,000 AMERICAN TROOPS LEFT IN VIETNAM BY THE END OF 1972. THINK OF IT,-- THAT WILL BE LESS THAN ONE-TENTH THE NUMBER THAT PRESIDENT NIXON INHERITED FROM THE PREVIOUS ADMINISTRATION IN 1969.

GROUND ATTACKS AGAINST ALLIED UNITS WERE DOWN 60 PERCENT DURING FEBRUARY, AND THERE HAS BEEN A SHARP OVERALL DECLINE IN ENEMY ACTIVITIES INSIDE SOUTH VIETNAM SINCE THE THRUST INTO CAMBODIA LAST MAY.



-15-

PERHAPS THE BIGGEST STORY IS TOLD IN THE NUMBERS OF CASUALTIES SUFFERED BY AMERICAN FORCES. BEFORE THE CAMBODIAN OPERATIONS, AN AVERAGE OF 136 MEN WERE BEING KILLED IN ACTION EACH WEEK. SINCE THE END OF THE CAMBODIAN OPERATIONS IN JUNE OF LAST YEAR, THE AVERAGE WEEKLY RATE HAS BEEN 49 KILLED. NOW, ANY CASUALTIES AT ALL ARE TOO MANY, BUT THE FIGURES SHOW A GREAT IMPROVEMENT IN THE SAFETY OF OUR MEN AS A RESULT OF THE BOLD AND DECISIVE ACTION TAKEN BY PRESIDENT NIXON. AND REMEMBER, IT IS THE PRESIDENT, NOT YOU, NOR I, NOT THE CHAIRMAN OF THE SENATE FOREIGN RELATIONS COMMITTEE, WHO HAS THE AWFUL RESPONSIBILITY FOR THE SAFETY AND WELL-BEING OF AMERICAN SERVICEMEN.

THE SOUTH VIETNAMESE ARE IMPROVING

ANOTHER ENCOURAGING POINT IS THE NEW SENSE OF CONFIDENCE AND CAPABILITY OF THE SOUTH VIETNAMESE ARMED FORCES IN ASSUMING THE BURDENS OF DEFENDING~~ING~~ THEIR COUNTRY AND CARRYING THE BATTLE TO THE ENEMY. CAMBODIA WAS THE FIRST DEMONSTRATION OF THIS NEW LOOK OF THE ARVN. THERE, IN CONJUNCTION WITH UNITED STATES GROUND FORCES, THE SOUTH VIETNAMESE PROVED THEMSELVES TO BE EFFECTIVE AND AGGRESSIVE IN LAUNCHING AND MAINTAINING A SUSTAINED OPERATION. A LITTLE-NOTICED FACT IS THE ASSUMPTION BY THE SOUTH VIETNAMESE FORCES OF THE RESPONSIBILITIES FOR THE CONTINUING CAMBODIAN OPERATIONS IN RECENT

-16-

MONTHS. THEY NOW FLY THE HELICOPTERS, THEY NOW CONDUCT THE GROUND OPERATIONS -- AND THEY ARE HAVING GREAT SUCCESS.

MORE RECENTLY, IN LAOS, DESPITE THE DEFEATIST SECOND-GUESSING OF MEDIA FIELD MARSHALLS AND CAPITOL HILL CHIEFS OF STAFF, THE SOUTH VIETNAMESE HAVE GONE IN ALONE ON THE GROUND AND SERIOUSLY DISRUPTED THE VITAL FLOW OF <sup>THE ENEMY'S</sup> MEN AND MATERIAL ON THE HO CHI MINH TRAIL NETWORK. AFTER THE SUCCESS OF THE CAMBODIAN OPERATIONS IN CLOSING DOWN ROUTES OF SUPPLY AND INFILTRATION FROM THAT DIRECTION, THE EFFECTS OF THE LAOTIAN CAMPAIGN WILL BE SIGNIFICANT. ALL OF THESE FACTS LEAD ME TO BELIEVE THAT THE PIOUS DOUBTERS AND THE ALARMISTS CRYING OF WORLD WAR III WILL LOOK PRETTY SILLY WHEN THE END OF 1972 ROLLS AROUND WITH ONLY 50,000 OR FEWER AMERICAN TROOPS REMAINING IN A SECURE AND STABILIZED SOUTH VIETNAM.

YOUNG PEOPLE ARE RESPONDING

BUT NOT ALL THE SIGNS OF A COOLING AMERICA IN THE 1970's ARE TO BE FOUND IN THE INDOCHINA WAR. HERE AT HOME, OUR CAMPUSES HAVE BEEN QUIETER AND MORE DIRECTED TOWARD POSITIVE GOALS. OF COURSE, YOUNG PEOPLE ARE STILL CONCERNED -- AS THEY OUGHT TO BE. THEY ARE ANXIOUS



-17-

ABOUT THE WAR. THEY ARE HOPEFUL OF SOLVING OUR DOMESTIC PROBLEMS IN THE AREAS OF HUMAN NEEDS AND THE ENVIRONMENT. BUT MORE AND MORE THEY ARE REJECTING THE CALLS TO RADICALISM AND VIOLENCE AND ARE TURNING THEIR ENERGIES AND TALENTS TO CONSTRUCTIVE CHANNELS FOR CHANGE AND IMPROVEMENT.

#### THE FEDERAL EXAMPLE

I BELIEVE A MAJOR INFLUENCE ON YOUNG PEOPLE'S ATTITUDES TOWARD THE PROBLEMS THEY SEE HAS BEEN THE EXAMPLE SET BY THE NIXON ADMINISTRATION IN FACING THE PROBLEMS AND CHALLENGES OF PROVIDING BETTER, MORE RESPONSIBLE GOVERNMENT IN AMERICA. THEY, AND THE REST OF THE AMERICAN PEOPLE, HAVE SEEN WITHIN OUR NATIONAL GOVERNMENT A REMARKABLE REASSESSMENT AND REORIENTATION OF OUR ATTITUDE TOWARD THE ROLES OF FEDERAL, STATE, AND LOCAL GOVERNMENTS IN FULFILLING THEIR RESPONSIBILITIES. A BROAD STRATEGY OF REFORM AND RENOVATION HAS BEEN SET OUT TO MAKE ALL GOVERNMENT, NOT JUST THE GOVERNMENT IN WASHINGTON, D.C., MORE RESPONSIVE TO THE NEEDS OF THE PEOPLE AND BETTER EQUIPPED TO FUNCTION IN A WORLD OF SHRINKING DISTANCES, INSTANTANEOUS COMMUNICATIONS AND MONUMENTALLY COMPLEX RELATIONSHIPS BETWEEN GOVERNMENTS AND MEN.

-18-

THIS APPROACH BY THE FEDERAL GOVERNMENT UNDER THE NIXON ADMINISTRATION COULD NOT HELP BUT INSPIRE AND ENTHUSE YOUNG PEOPLE WHO ARE FULL OF ENERGY AND DESIRE TO IMPROVE THE WORLD. THEY HAVE SEEN PROPOSED A MAJOR RESTRUCTURING OF THE FEDERAL EXECUTIVE BRANCH. THIS INITIATIVE WOULD IMPLEMENT A SYSTEMATIC CONSOLIDATION AND REORIENTATION OF THE BUREAUCRACY. SUCH A PROPOSAL WAS UNHEARD OF THROUGHOUT DECADES OF EXPANSION AND PROLIFERATION OF BUREAUS AND AGENCIES.

ALONG WITH THE STRUCTURAL REFORM OF THE FEDERAL GOVERNMENT, THE YOUTH OF THIS COUNTRY HAS SEEN UNCLE SAM SAY TO HIS POORER AND OVERWORKED COUSINS, THE STATE AND LOCAL GOVERNMENTS, "COME ON, BOYS, LET ME SHARE MY BANKROLL WITH YOU, SO WE CAN ALL DO A BETTER JOB." THE PRESIDENT'S REVENUE SHARING PLANS ARE FAR MORE THAN JUST A SCHEME TO SPREAD THE RESOURCES OF THE FEDERAL GOVERNMENT. THEY ARE A BLUEPRINT FOR ENABLING THE STATES AND LOCALITIES TO TAKE BACK FROM WASHINGTON THE RESPONSIBILITIES AND DUTIES WHICH THEY NATURALLY CAN DO BEST, MOST EFFECTIVELY AND FOR LESS COST. REVENUE SHARING IS A MAJOR NEW APPROACH, ALLOWING PEOPLE TO HAVE GOVERNMENT PROGRAMS WHICH AFFECT THEM CLOSER TO THEM, AND THEREFORE BETTER ABLE TO MEET MORE OF THEIR NEEDS AND SOLVE MORE OF THEIR PROBLEMS.



-19-

PROGRESS WITHIN THE SYSTEM

ALL THESE PROPOSALS, GOVERNMENT REORGANIZATION, REVENUE SHARING, ARE MAJOR DEPARTURES FROM THE OLD WAYS OF DOING THINGS. THEY ARE INNOVATIVE, NEW; YOU MIGHT EVEN SAY THEY ARE REVOLUTIONARY -- AS THE PRESIDENT DID IN HIS STATE OF THE UNION MESSAGE. BUT ABOVE ALL, THEY ARE BEING PUT FORWARD AND PURSUED WITHIN THE ESTABLISHED FRAMEWORK FOR IMPLEMENTING CHANGE. I BELIEVE THIS IS A GREAT EXAMPLE FOR YOUNG PEOPLE, FOR ALL PEOPLE WHO HEAR THE CRY OF THE DEMAGOGUE AND THE AGITATOR. WE NOW HAVE NATIONAL LEADERSHIP COMMITTED TO CHANGE, DEDICATED TO REFORM AND DEVOTED TO PROGRESS. AND BECAUSE THIS COMMITMENT AND DEDICATION AND DEVOTION ARE BEING IMPLEMENTED AND DEMONSTRATED EVERY DAY -- BECAUSE OF THIS -- THE AMERICA OF THE EMERGING '70's IS A COOLING AMERICA, A CALMING AMERICA, AND AN AMERICAN WHICH WILL CONTINUE TO PROGRESS AND SOLVE ITS NATIONAL DILEMMAS AS IT HAS FOR NEARLY 200 YEARS.