

REMARKS OF SENATOR BOB DOLE
ALBERT GALATIN AWARD DINNER
PLAZA HOTEL
NEW YORK, NEW YORK
JANUARY 25, 1974

IT IS A PLEASURE TO BE HERE IN NEW YORK TONIGHT TO PARTICIPATE IN THE PRESENTATION OF THE FIRST ANNUAL ALBERT GALATIN AWARD. THIS RECOGNITION FOR LEADERSHIP IN THE INDEPENDENT BUSINESS SECTOR OF AMERICA'S ECONOMY IS MOST FITTING AND APPROPRIATE.

THE INDEPENDENT SMALL BUSINESSMAN REPRESENTS THE ESSENCE OF OUR ECONOMIC SYSTEM. HE DEPENDS ON EXCELLENCE, INTELLIGENCE AND THE PROFIT MOTIVE TO BUILD HIS FUTURE. HE DOES NOT GO INTO BUSINESS WITH THE EXPECTATION OF RECEIVING A FREE RIDE OR A HANDOUT.

ALL HE ASKS IS THE OPPORTUNITY TO APPLY HIS SKILLS AND TALENTS IN THE MARKETPLACE, OR AN EQUAL FOOTING, AND WITH NO SPECIAL ADVANTAGES FOR HIMSELF OR HIS COMPETITORS.

SOURCE OF STRENGTH AND GROWTH

THIS IS THE SPIRIT WHICH BUILT OUR GREAT ECONOMY AND WHICH WILL KEEP IT STRONG. THE SMALL BUSINESSMAN IS THE PUREST EXAMPLE OF THIS SPIRIT. AND ALLOWED TO OPERATE ON SUCH A BASIS, THE INDEPENDENT BUSINESSMAN -- WHETHER AN INSURANCE AGENT, A MANUFACTURER OR A RETAIL

-2-

MERCHANDISER -- WILL CONTINUE TO BUILD AND STRENGTHEN OUR GREAT FREE-ENTERPRISE SYSTEM.

AS ONE WHO SERVED FOR FIVE YEARS ON THE SENATE SMALL BUSINESS COMMITTEE AND COMING FROM THE STATE OF KANSAS WHICH HAS SUCH A HIGH TRADITION OF INDIVIDUAL INITIATIVE AND SELF-RELIANCE, I HAVE GREAT RESPECT FOR THE SMALL BUSINESSMAN IN AMERICA AND FOR WHAT HE REPRESENTS IN OUR SOCIETY.

THEREFORE, I CONSIDER YOUR INVITATION TO BE HERE TONIGHT AN HONOR AND A PRIVILEGED OPPORTUNITY TO REAFFIRM MY BELIEF IN THE AMERICAN FREE-MARKET ECONOMY AND THE INDIVIDUALS WHO MAKE IT SO GREAT.

END WAGE-PRICE CONTROLS

AND MAY I ADD AT THE OUTSET THAT IN MY VIEW NO MORE CRITICAL DECISION IS APPROACHING FOR CONGRESS THAN THE DEADLINE OF APRIL 30, 1974.

ON THAT DATE THE ECONOMIC STABILIZATION ACT IS DUE TO EXPIRE. AND WITH IT WILL GO PHASE IV, THE COST OF LIVING COUNCIL AND ALL THE REGULATIONS, RED TAPE AND FRUSTRATIONS WHICH ARE NOW BURDENING THE ECONOMY.

I BELIEVE THIS MUST HAPPEN. THE ACT MUST BE ALLOWED TO RUN ITS COURSE, SO OUR FREE ECONOMY CAN RESUME PERFORMANCE OF THE VITAL OPERATIONS WHICH NO BUREAUCRACY OR GOVERNMENT MEDDLING CAN HOPE TO MATCH IN TERMS OF EFFICIENCY, EFFECTIVENESS OR GOOD FOR THE WHOLE COUNTRY.

-3-

THERE WILL BE TEMPTATIONS AND PRESSURES ON CONGRESS TO EXTEND THE LIFE OF WAGE-PRICE CONTROLS. OF COURSE, IT IS TEMPTING FOR GOVERNMENT, THE PUBLIC AND THE LEADERS OF BUSINESS AND LABOR TO RESIST. CONTROLS BREED A SORT OF SELF-PERPETUATING PSYCHOLOGY. WE TEND TO BECOME HOOKED ON THEM AND THINK WE CANNOT DO WITHOUT THEM.

BUT WE CAN AND, I INDEED, WE MUST DO WITHOUT THEM -- FOR THE TRUTH WE CANNOT LONG SURVIVE WITH THEM. CONGRESS MUST RESIST THE URGE TO EXTEND THE LIFE OF GOVERNMENT ECONOMIC CONTROLS.

THE ECONOMY MUST BE PUT BACK TO WORK AT FULL STEAM AS EARLY AS POSSIBLE. THE REMAINING CONTROLS MUST BE REMOVED, AND ON MAY 1 WE CAN CONSIGN THE COST OF LIVING COUNCIL TO THE HISTORY BOOKS.

RIGHT ANSWERS, NOT EASY ANSWERS

IT MAY NOT BE QUITE SO COMFORTABLE OR RELAXING AS HAVING SOME BUREAUCRAT OR BOARD PROVIDING US WITH EASY ANSWERS: "YES , YOU CAN DO THIS" OR "NO, YOU CANNOT DO THAT."

BUT RATHER THAN EASY ANSWERS, THE FREE MARKET AND ONLY THE FREE MARKET CAN TELL US THE RIGHT ANSWERS. IT DOES NOT SERVE UP THESE ORDERS IN FRESHLY PRINTED AND NEATLY NUMBERED PARAGRAPHS IN THE FEDERAL REGISTER. BUT IT DOES PROVIDE THE ANSWERS WHICH WILL DIRECT THE

-4-

FORCES OF SUPPLY AND DEMAND TOWARD AVOIDING SURPLUS, FILLING SHORTAGES AND MAKING THE BEST POSSIBLE USE OF OUR VALUABLE TIME, MATERIALS, LABOR AND ENERGY RESOURCES.

AND AS YOU ALL KNOW THESE RESOURCES ARE BECOMING MORE VALUABLE EVERY DAY.

ENERGY CRISIS

AT THIS POINT, I WOULD LIKE TO TURN TO A DISCUSSION OF SOME OF THESE RESOURCES AND THEIR IMPORTANCE TO AMERICA'S ECONOMY AND, THEREFORE, TO EVERY BUSINESSMAN AND WOMAN HERE THIS EVENING.

IN PARTICULAR, I WOULD LIKE TO EXPLORE SEVERAL ASPECTS OF THE ENERGY CRISIS.

EVERY BUSINESSMAN IS AWARE OF THE ENERGY CRISIS, AND I CANNOT IMAGINE ANY BUSINESS WHICH WILL BE UNAFFECTED BY IT. SOME OF YOU HAVE BEEN STRUGGLING WITH IT FOR SOME TIME ALREADY, WHILE OTHERS ARE ONLY RECENTLY BEGINNING TO FEEL ITS IMPACT.

BUT LET THERE BE NO MISTAKE, THE CRISIS IS REAL, AND IT IS NOT GOING TO DISAPPEAR OVERNIGHT. SOME ASPECTS OF IT MAY BE SHORT-LIVED, THE ARAB OIL EMBARGO FOR INSTANCE.

-5-

PRICES, NOT SUPPLIES, THE PROBLEM

BUT SOME PROBLEMS -- LIKE THE SUPPLY-DEMAND GAP IN OUR DOMESTIC ENERGY SITUATION AND THE MONUMENTALLY HIGH PRICES FOR THE PETROLEUM IMPORTS NEEDED TO FILL THAT GAP -- WILL BE AROUND FOR A NUMBER OF YEARS.

THE MAGNITUDE OF PRICE INCREASES FOR FOREIGN OIL, WHICH CAME IN TWO STEPS IN OCTOBER AND DECEMBER, IS HARD TO CALCULATE. BUT ONE EXPERT HAS ESTIMATED THAT, FOR THE UNITED STATES ALONE, OUR ENERGY CHIEF, WILLIAM SIMON, TOLD THE SENATE FINANCE COMMITTEE THIS WEEK THAT OIL IMPORTS ARE EXPECTED TO COST NEARLY \$22 BILLION IN 1974, AS COMPARED TO \$7.5 BILLION IN 1973.

IMPACT OF INCREASES

THERE IS NO WAY AT THE MOMENT TO SAY HOW THIS SITUATION WILL ULTIMATELY AFFECT AMERICAN BUSINESS, ANY PARTICULAR COUNTRY, OR THE ENTIRE WORLD ECONOMIC SYSTEM. IT IS SIMPLY TOO BIG TO GET A HANDLE ON IT SO SOON.

A FEW POINTS ARE APPARENT, HOWEVER:

-6-

NO TRADE SURPLUS

FIRST, THE TRADE SURPLUS THE UNITED STATES HAD HOPED TO HAVE IN 1974 IS GONE BEFORE THE FIRST MONTH IS OVER. WE WERE EXPECTING A FAIRLY SIZABLE SURPLUS, BUT THE BILLIONS ADDED TO OUR FUEL BILL HAVE PROBABLY WIPED OUT ANY GAINS OUR EXPORTS COULD HAVE MADE. THIS ALSO MEANS THAT OUR OVERALL BALANCE OF PAYMENTS MAY RUN INTO RED INK. IN ADDITION EVERY OTHER INDUSTRIALIZED AND DEVELOPING NATION IN THE WORLD WILL RUN A TRADE DEFICIT, SOMETHING THAT HAS NEVER HAPPENED BEFORE.

DOLLAR STRENGTHENED

SECOND AND IN THE "GOOD NEWS" CATEGORY, THE DOLLAR -- AS RECENT MONEY MARKETS AND SEVERAL FOREIGN DEVALUATIONS HAVE INDICATED -- WILL PROBABLY STRENGTHEN. THIS RESULT COMES ABOUT MAINLY BECAUSE OTHER COUNTRIES WITH THEIR GREATER OIL IMPORT REQUIREMENTS WILL BE HIT MUCH HARDER AND BECOME MUCH WEAKER.

HUGE REVENUES FOR ARABS

THIRD, THE OIL PRODUCING COUNTRIES ARE GOING TO HAVE A LOT OF MONEY ON THEIR HANDS. IT IS HARD TO GRASP THE SIZE OF THE FORTUNE THAT IS GOING TO POUR IN ON THESE COUNTRIES. BUT LET ME MAKE SOME COMPARISONS.

-7-

TAKING JUST THE 7 ARAB OIL PRODUCING NATIONS, TOGETHER, THEY TOTAL NOT QUITE ONE-TENTH OF THE POPULATION OF THE UNITED STATES. BUT THE MOST RECENT ESTIMATES PUT THEIR 1974 OIL REVENUES IN THE RANGE OF NEARLY \$90 BILLION. COMPARE THESE FIGURES WITH TOTAL 1973 AFTER-TAX PROFITS FOR ALL AMERICAN CORPORATIONS OF \$70 BILLION. LOOKED AT ANOTHER WAY, THESE PROJECTED OIL REVENUES ARE GREATER THAN THE ENTIRE-GROSS NATIONAL PRODUCTS OF SPAIN, BRAZIL, INDIA, MEXICO OR SWEDEN.

AND THAT IS A LOT OF MONEY -- AND A LOT OF POWER.

MATTER OF SURVIVAL

AND THIS SHIFTING OF WEALTH AND POWER REVEALS THE ENERGY CRISIS AS A MATTER OF ECONOMIC SURVIVAL -- NOT ONLY FOR AMERICA BUT FOR EVERY SINGLE ONE OF THE WORLD'S INDUSTRIALIZED AND DEVELOPING COUNTRIES.

THIS POINT ABOUT SURVIVAL IS PERHAPS THE MOST CRITICAL ELEMENT OF ALL IN OUR RESPONSE TO THE ENERGY CRISIS. AND THIS FACTOR MAY BE THE LEAST UNDERSTOOD AND NEGLECTED ONE OF ALL.

-8-

AS ANYONE IN THE BUSINESS WORLD KNOWS, AN ECONOMIC SYSTEM IS COMPOSED OF MANY INTERRELATED PARTS. EACH IS A SEPARATE ENTITY, BUT IN COUNTLESS AND OFTEN BEWILDERING WAYS THEY ARE ALL DEPENDENT ON EACH OTHER.

AND THIS IS TRUE WHETHER YOU TAKE ONE CITY, A NATION OR THE ENTIRE WORLD. AND YOU HAVE SEEN IT FIRST HAND IN EACH OF YOUR HOME TOWNS AND WITH YOUR OWN BUSINESSES.

YOUR FIRMS AND THOUSANDS OF OTHERS LIKE THEM ARE LINKED TO THE ACTIVITIES AND FORTUNES OF BIGGER BUSINESSES NEARBY AND FAR AWAY. AND THEY IN TURN DEPEND ON YOU AND THE ECONOMIC ACTIVITIES OF YOUR EMPLOYEES.

AND IN JUST SUCH A WAY EACH NATION IN THE WORLD IS LINKED TOGETHER. AND THEY MUST ALL FACE THE CRISIS OF OIL PRICE INCREASES TOGETHER.

AMERICAN STRENGTH

NOW, AS I INDICATED EARLIER THE UNITED STATES SHOULD BE ABLE TO WEATHER THIS CRISIS BETTER THAN ANYONE ELSE. THIS IS NO SECRET. EVERY OTHER NATION KNOWS THAT WE DEPEND ON IMPORTS FOR ONLY ABOUT 30

-9-

PERCENT OF OUR OIL. THEY KNOW WE HAVE ENOUGH COAL TO SUPPLY OUR NEEDS FOR AT LEAST A HUNDRED YEARS, AND ENOUGH OIL FROM SHALE ALONE TO DO THE JOB FOR THIRTY YEARS OR MORE.

THEY KNOW THAT EUROPE IS MORE THAN 75 PERCENT DEPENDENT ON OIL IMPORTS, AND JAPAN IS ALMOST TOTALLY DEPENDENT.

IT DOES NOT TAKE A GENIUS TO RECOGNIZE THAT THE EUROPEANS AND THE JAPANESE ARE IN MUCH BIGGER TROUBLE THAN THE UNITED STATES.

BUT WE CANNOT ALLOW RECOGNITION OF THESE OBVIOUS FACTS TO OBSCURE OUR REALIZATION THAT THE PRESENT SITUATION IS INTOLERABLE FOR ALL NATIONS, ALIKE. IT IS SIMPLY A MATTER OF DEGREE.

A LYNCHING ACHIEVES THE SAME RESULT WHETHER A LONG ROPE OR A SHORT ONE IS USED. AND WHETHER WE SPEAK OF A DEVELOPED COUNTRY LIKE JAPAN OR THE UNITED STATES OR LESS DEVELOPED SUCH AS INDIA AND THE MANY EMERGING STATES IN AFRICA AND **LATIN** AMERICA, WE ARE DESCRIBING AN UNBEARABLE AND INTOLERABLE BURDEN.

REQUIREMENTS FOR POLICY

SO SOMETHING MUST BE DONE TO DEAL WITH THIS SITUATION, AND AS WE LOOK AT THE FACTS AND PROJECTIONS SEVERAL REQUIREMENTS BECOME APPARENT.

-10-

FIRST, THE UNITED STATES, BECAUSE OF ITS STRENGTH AND ITS RELATIVE RESISTANCE TO THE OIL PRICE INCREASES, IS IN A POWERFUL POSITION TO EXERT LEADERSHIP AMONG THE OIL CONSUMING NATIONS.

SECOND, THIS LEADERSHIP MUST BE DIRECTED TOWARD FORMULATING, IMPLEMENTING AND MAINTAINING A UNIFIED STRATEGY TO COPE WITH THESE INCREASES AND PREVENT FUTHER SUCH INCIDENTS.

AMERICAN LEADERSHIP

AS FOR THE FIRST POINT, I AM PLEASED TO SEE THAT THE PRESIDENT HAS WASTED NO TIME IN TAKING THE INITIATIVE OR LEADERSHIP.

ON JANUARY 10, HE INVITED THE OTHER MAJOR OIL-IMPORTING COUNTRIES TO MEET IN WASHINGTON ON FEBRUARY 11 FOR DISCUSSIONS OF THE OIL PRICE SITUATION.

THIS CONFERENCE, INVOLVING REPRESENTIVES OF THE EUROPEAN COMMON MARKET, CANADA AND JAPAN, MAY VERY WELL BE THE MOST IMPORTANT FOR THE FREE WORLD SINCE THE END OF WORLD WAR II.

THEREFORE, THE TIME IS RIPE FOR LEADERSHIP, AND THE UNITED STATES, BECAUSE IT IS THE STRONGEST NATION IN THE FREE WORLD -- AND LIKELY TO BECOME STRONG STILL -- IS THE CLEAR CHOICE TO EXERT THAT LEADERSHIP.

-11-

FAR MORE THAN ANY PREVIOUS MEETINGS, CONFERENCES OR GATHERINGS, THE FEBRUARY DISCUSSIONS AMONG THE OIL-IMPORTING COUNTRIES ARE ABSOLUTELY CRUCIAL TO THE ECONOMIC POLITICAL AND STRATEGIC FUTURE OF THE WORLD.

BUT NOW THAT THE UNITED STATES HAS STEPPED FORWARD TO PROVIDE LEADERSHIP BY CALLING THIS MEETING, ANOTHER VITAL REQUIREMENT EMERGES.

THESE NEGOTIATIONS MUST LEAD TO A UNIFIED, COHERENT STRATEGY FOR MANAGING THE CRISIS PRECIPITATED BY THESE PRICE INCREASES. I WOULD NOT WANT TO ATTEMPT ANY SPECULATION ABOUT THE SPECIFIC DETAILS OF THIS STRATEGY. AT THIS POINT NO ONE IS REALLY CERTAIN OF THE ENTIRE IMPACT THE NEW PRICES WILL HAVE OR EXACTLY HOW THE CONSUMING NATIONS CAN BEST RESPOND. BUT SEVERAL GENERAL POINTS ABOUT THIS STRATEGY REQUIRE EMPHASIS.

THREE ELEMENTS OF STRATEGY

FIRST, THIS STRATEGY SHOULD NOT BE FORMULATED IN AN ATMOSPHERE OF CONFRONTATION WITH THE OIL PRODUCING COUNTRIES.

SECOND, IT SHOULD BE DEvised IN AN ATMOSPHERE OF DISCIPLINED UNITY AMONG THE CONSUMING COUNTRIES. AND THIRD

AND THIRD IT SHOULD TAKE INTO CONSIDERATION THE NEEDS, ASPIRATIONS AND VIEW POINTS OF THE LESS DEVELOPED-OIL-IMPORTING COUNTRIES.

-12-

NO CONFRONTATION

FIRST, IN REGARD TO AVOIDING THE ATMOSPHERE OF CONFRONTATION, CLEARLY, IT IS NOT IN OUR INTERESTS TO BRING ABOUT A MAJOR COLLISION BETWEEN THE OIL-PRODUCING AND OIL-CONSUMING COUNTRIES. SUCH AN OUTCOME WOULD BE TOTALLY UNDESIRABLE -- AND, I BELIEVE UNNECESSARY.

BUT JUST AS THE OIL-PRODUCING COUNTRIES ARE FREE TO CONSULT AMONG THEMSELVES ON THEIR PRICING POLICIES, THE OIL-CONSUMING COUNTRIES SHOULD BE FREE TO GATHER FOR DISCUSSIONS ON THEIR MEANS OF MANAGING THE CRISIS THESE INCREASES HAVE CREATED.

THAT THE UNITED STATES INTENDS NO CONFRONTATION OVER THESE MATTERS WAS EXPLICITLY CONVEYED TO THE OPEC COUNTRIES IN A LETTER FROM PRESIDENT NIXON ON THE SAME DAY HE ISSUED THE INVITATIONS FOR THE FEBRUARY CONFERENCE.

IN FACT, THE PRESIDENT EXPRESSLY STATED THAT THIS CONFERENCE WAS INTENDED TO SERVE AS THE GROUNDWORK FOR EARLY CONSULTATIONS BETWEEN THE CONSUMING AND PRODUCING NATIONS.

SO I BELIEVE THESE DISUCSSIONS CAN BE CONDUCTED IN A POSITIVE, CONSTRUCTIVE ATMOSPHERE WHICH WILL LEAD TO A BETTER UNDERSTANDING OF THE FACT THAT RESOLUTION OF THIS CRISIS IS ESSENTIAL FOR EACH CONSUMING NATION AND FOR THE PRODUCERS AS WELL.

-13-

DISCIPLINED UNITY

ON THE SECOND POINT, THE OIL CONSUMERS' STRATEGY MUST BE FORGED AND PURSUED THROUGH A POSITIVE OF DISCIPLINED UNITY AMONG THE CONSUMER COUNTRIES.

I CANNOT STRESS THE IMPORTANCE OR THE DIFFICULTY OF THIS POINT TOO STRONGLY.

THE OIL PRICE INCREASES ARE STAGGERING FOR EVERY COUNTRY. AND THE PRESSURES AND TEMPTATIONS FOR EACH NATION TO GO OFF ON A "ME FIRST" RUSH FOR ADVANTAGES IN THE FACE OF THIS ADVERSITY IS STRONG. BUT SUCH SELFISH AND SHORTSIGHTED ACTIONS WOULD ONLY MAKE THE SITUATION WORSE.

WEAKNESS IN DIVISION

IN THE FIRST PLACE, FRAGMENTING THE POSITION OF THE CONSUMING COUNTRIES WOULD GIVE THE PRODUCERS MAXIMUM LEVERAGE FOR THEIR PRICE AND SUPPLY MANIPULATIONS. IF THEY CAN ISOLATE AND SUBDUE EACH CONSUMER COUNTRY, ONE AT A TIME, THEY WILL BE ABLE TO SQUEEZE THE LAST DROP OF MONEY, CONCESSIONS AND PREFERENTIAL TREATMENT OUT OF EACH ONE.

THERE IS ALMOST NO LIMIT TO THE DEMANDS THEY MIGHT MAKE -- FROM PROMISES TO BUILD NEW REFINERIES AND TO SUPPLY STEEL AND MANUFACTURED

-14-

GOODS, ALL THE WAY TO DELIVERY OF NUCLEAR WEAPONS AND THE MISSILE SYSTEMS TO UTILIZE THEM.

DANGER IN DEMANDS

I DO NOT INTEND TO BE AN ALARMIST. BUT THIS IS A REAL POSSIBILITY, BECAUSE I FEAR THAT MANY OF THE PRODUCING COUNTRIES -- LYBIA FOR EXAMPLE -- CANNOT BE RELIED UPON TO ACT RATIONALLY, REASONABLY OR RESPONSIBLY.

AND LOOKING AT THE COURSE THAT HAS BEEN FOLLOWED SO FAR, IS THERE MUCH ACTUAL DIFFERENCE BETWEEN THE SUSPENSION OF OIL DELIVERIES TO ACHIEVE SOME POLITICAL GOAL AND THE USE OF NUCLEAR WEAPONS FOR THE SAME PURPOSE?

I DO NOT THINK SO. AND THE RUSH OF NATIONS SUCH AS FRANCE TO SUPPLY THE ARABS WITH FIGHTER AIRCRAFT AND OTHER CONVENTIONAL WEAPONS AT THIS EARLY STAGE OF THE SITUATION IS EXTREMELY UNSETTLING.

THE FRENCH ARE A PARTICULAR CONCERN. THE NEAR-PANIC DEVALUATION OF THE FRANC EARLIER THIS MONTH -- IN AN EFFORT TO AVOID THE SAME MONETARY RAVAGES THEY SO RECENTLY PRACTICED ON THE DOLLAR -- RAISES THE CONCERN THAT THE ARRONGANCE AND PETTY SELFISHNESS THAT HAS MARKED FRANCE'S

-15-

ROLE IN NATO, THE UNITED NATIONS AND THE COMMON MARKET WILL NOT BE RESTRAINED IN THE FACE OF THE ENERGY CRISIS.

ADDED TO THIS IS THE STILL MORE OMINOUS FACT THAT FRANCE -- BY ITS REFUSAL TO HALT ATMOSPHERIC TESTING OF ATOMIC WEAPONS -- HAS CLEARLY DEMONSTRATED A FAULTY SENSE OF APPRECIATION FOR ITS RESPONSIBILITIES AS A NUCLEAR POWER.

DEBTS TO AMERICA

THEREFORE, I BELIEVE THAT IN THE CASE OF FRANCE -- BUT WITH OTHER NATIONS AS WELL -- THE UNITED STATES SHOULD CALL IN SOME OF ITS LONG-UNCOLLECTED CHIPS AND SET THINGS STRAIGHT. I BELIEVE WE HAVE EVERY RIGHT -- ⁱⁿ AND/THIS CASE THE OBLIGATION -- TO DO SO.

TO BEGIN WITH, WHERE WOULD SOME OF THESE COUNTRIES -- FRANCE INCLUDED -- BE TODAY WITHOUT THE UNITED STATES AND OUR HEROIC RESCUE OF EUROPE FROM HITLER'S TYRANNY? HOW WOULD THERE SPLINTERED AND INEFFECTIVE GOVERNMENTS HAVE RESISTED THE THRUST OF MILITARISTIC COMMUNISM IN THE POSTWAR ERA WITHOUT THE MIGHT OF AMERICA IN NATO TO PROTECT IT? AND WHERE WOULD THE GERMAN, FRENCH, ITALIAN AND OTHER EUROPEAN ECONOMIES BE TODAY WITHOUT THE GENEROSITY AND VISION OF AMERICA'S MARSHALL PLAN?

-16-

I DO NOT KNOW THE PRECISE ANSWERS TO THOSE QUESTIONS. BUT I DO KNOW THAT WITHOUT AMERICA'S CONTRIBUTIONS, EFFORTS AND SACRIFICES OVER THE LAST 35 YEARS, THESE OIL-THIRSTY COUNTRIES WOULD BE A LOT MORE CONCERNED WITH SLAVE LABOR CAMPS, PURGES OF INTELLECTUALS AND SUPPRESSION OF FREE THOUGHT THAN THEY ARE ABOUT OIL TODAY.

SO I SAY IT IS HIGH TIME FOR AMERICA TO LAY IT ON THE LINE WITH OUR FRIENDS, REFRESH THEIR MEMORIES AND PUT THEM ON NOTICE THAT THEIR SURVIVAL -- AND OURS TOO -- DEPENDS ON COOPERATION IN MEETING THE OIL CRISIS.

COOPERATION IN MANY FIELDS

AND IT IS NOT SIMPLY A MATTER OF RESISTING CONCESSIONS, TO THE PRODUCING COUNTRIES. IT ALSO INVOLVES STABLE AND RATIONAL MONETARY POLICIES, TRADE TATICS AND PLANNING FOR THE FUTURE. THIS IS VITALLY IMPORTANT, FOR WE COULD DENY EVERY REFINERY PROJECT, STEEL SHIPMENT AND EXCHANGE OF GOODS TO THE PRODUCER COUNTRIES AND STILL PRODUCE CHAOS AND WORLDWIDE DEPRESSION THROUGH IRRATIOANL CURRENCY DEVALUATIONS, DISRUPTIVE TRADE PRACTICES AND FAULTY PLANNING IN/^{the}INTERNATIONAL ECONOMIC SPHERE.

-17-

REGARD FOR LESS-DEVELOPED NATIONS

AND THIS BRINGS ME TO A FINAL POINT IN EXAMINING OUR APPROACH TO THE ENERGY CRISIS.

WE -- THE AMERICANS, THE JAPANESE AND THE EUROPEANS -- MUST NOT BECOME SO CONSUMED WITH OUR OWN PROBLEMS THAT WE FORGET OR NEGLECT THE LESSER-DEVELOPED COUNTRIES OF THE WORLD. MOST OF THEM, WHILE HAVING SMALLER ECONOMIES, ARE FACING MUCH GREATER PROBLEMS THAN ANY INDUSTRIALIZED NATION.

THERE EMERGING ECONOMIES HAVE AN UNQUENCHABLE THIRST FOR NEW CAPITAL TO DEVELOP INDUSTRY, TO INTRODUCE BETTER AGRICULTURAL METHODS AND TO BUILD THEIR STANDARDS OF LIVING. EVERY EXTRA AMOUNT THAT THEY MUST SPEND FOR OIL IS A DIRECT REDUCTION OF THEIR PROGRESS TOWARD ECONOMIC STABILITY AND SUFFICIENCY.

THEY HAVE NO CUSHION, THE OIL PRICES ARE A DRAIN ON THEIR VITAL ARTERIES.

THUS THE INDUSTRIALIZED COUNTRIES -- FOR SIMPLE HUMANITARIAN REASONS -- CANNOT LEAVE THEIR LESS DEVELOPED COUNTRIES OUT OF THEIR PLANNING TO MEET THE OIL CRISIS.

-18-

BUT -- MORE IMPORTANTLY -- THE INDUSTRIALIZED COUNTRIES,
FOR THEIR OWN ECONOMIC AND STRATEGICS REASONS, CANNOT AFFORD TO
NEGLECT THESE COUNTRIES.

POTENTIAL ALLIES

AND THE REASONS ARE SIMPLE. FIRST, THE LESS DEVELOPED
COUNTRIES CAN BECOME IMPORTANT ALLIES OF THE INDUSTRIALIZED NATIONS.
IN THE INTERNATIONAL MONETARY FUND, IN THE UNITED NATIONS AND IN
ALMOST EVERY OTHER WORLD ORGANIZATION, THE NATIONS OF AFRICA, LATIN
AMERICA AND ASIA HAVE THE VOTES, THE INFLUENCE AND THE ABILITY TO
BACK UP OR BRING DOWN THE EUROPEAN, NORTH AMERICAN AND JAPANESE POSITIONS.

THIS FACT COULD BECOME EXTREMELY IMPORTANT IN THE UP-COMING
NEGOTIATIONS OF NEW CURRENCY EXCHANGE AGREEMENTS, THE NEGOTIATIONS ON
TARRIFS AND TRADE AND IN ANY UN DEBATE WHICH FINDS OIL-CONSUMING
NATIONS POTTED AGAINST THE OIL PRODUCERS.

VITALLY IMPORTANT PARTNERS

BUT BEYOND THIS REALM OF INTERNATIONAL POLICIES, THERE IS THE
FACT THAT THE LESS DEVELOPED COUNTRIES ARE IMMENSELY RICH IN THE NATURAL
RESOURCES THAT SUPPLY OUR INDUSTRIAL ECONOMIES.

-19-

FOR EXAMPLE CHILE, PERU, ZAMBIA AND ZAIRE PRODUCE THE MAJORITY OF THE WORLD'S COPPER. MALAYSIA, BOLIVIA, INDONESIA, NIGERIA, ZAIRE AND AUSTRALIA CONTROL MOST OF THE TIN. JAMAICA AND SURINAM SUPPLY TWO-THIRDS OF AMERICA'S ALUMINUM. AND THE UNITED STATES' BILL FOR METALS IMPORT IS EXPECTED TO RISE FROM \$5 BILLION IN 1970 TO POSSIBLY \$18 BILLION BY 1985 AND \$44 BILLION BY THE END OF THE CENTURY.

THESE FIGURES ARE CAUSE FOR SERIOUS CONTEMPLATION. FOR I DO NOT THINK IT TAKES MUCH IMAGINATION TO PICTURE THE POSSIBILITY OF A GREAT COPPER, OR TIN OR ALUMINUM PRICE MANIPUALTION SIMILAR TO THE CURRENT OIL SITUATION TAKING PLACE IN THE NOT TOO DISTANT FUTURE.

THEREFORE, IF THE UNITED STATES IS ALERT AND CAN READ THE HANDWRITING ON THE WALL, I BELIEVE WE SHOULD BEGIN TODAY TO SHAPE OUR ATTITUDES AND POLICIES TO THESE REALITIES.

NOT ONLY OUR ENERGY POLICIES, BUT OUR ENTIRE FOREIGN POLICY WILL HAVE TO BE ATTUNED TO THESE NATIONS AND TO THEIR IMPORTANCE FOR OUR FUTURE.

-20-

CONCLUSION

OUR ECONOMY AND THE ENTIRE WELL-BEING OF OUR NATION ARE VERY MUCH IN THE BALANCE AS 1974 BEGINS. THE REST OF THIS DECADE AND INTO THE NEXT WILL BE A PERIOD OF GREAT STRESS AND CHALLENGE TO OUR SYSTEM. AND THE APPROACHES WE DEVELOP TO DEAL WITH THIS STRESS AND CHALLENGE WILL HAVE WIDE-RANGING IMPACT ON EVERY BUSINESS AND INDIVIDUAL IN THE NATION.

THIS IS A TIME THAT REQUIRES VISION, WISDOM AND RESOURCEFULNESS ON THE PART OF EVERY CITIZEN AND INDIVIDUAL AT EVERY LEVEL OF SOCIETY.

AMERICA HAS BEEN TESTED BEFORE AND EMERGED STRONGER AND BETTER FOR THE EXPERIENCE. MY FAITH IN OUR COUNTRY IS STRONG AND WILL REMAIN SO. AND I BELIEVE TODAY'S CRISIS IN THE OUTLOOK FOR OUR ENERGY CAPABILITIES WILL ALSO MEAN A BETTER AMERICA OVER THE LONG TERM.

Shunk at Linn Party -

Grand
Shores

about 12 ... 11:11

Called the W. house -- no one around

- Beer Store - \$4.95

- Salter -- (How I got in.

(Part Control - Congress (in Red
extermination