NATIONAL ASSOCIATION OF TRUCK STOP OPERATORS Washington, D.C. June 14, 1979

IT'S A GREAT PLEASURE FOR ME TO BE HERE THIS MORNING. IT'S A GREAT PLEASURE TO BE ANYWHERE WHERE PEOPLE BELIEVE IN WORK AND ACCOMPLISHMENT AND MAKING YOUR OWN LITTLE CORNER OF THE WORLD A BETTER PLACE. THAT'S WHAT THIS COUNTRY IS ALL ABOUT. AT LEAST, THAT'S WHAT WE'VE HISTORICALLY BELIEVED. IT'S THE IDEA THAT SET US APART FROM OTHER LANDS AND OTHER PHILOSOPHIES. WE BELIEVED IN PEOPLE AS MORE THAN SIMPLY THE MEANS OF PRODUCTION. WE BELIEVED IN MAKING PRODUCTION THE MEANS FOR A BETTER LIFE FOR ALL AMERICANS.

IT'S AN IDEA WORTH RETURNING TO. IT'S AN IDEA THAT SAYS THERE'S NOTHING WRONG WITH INDIVIDUAL SUCCESS, NOTHING WRONG WITH INCENTIVE, NOTHING WRONG WITH PROFIT.

IT'S AN IDEA THAT THE PRESENT ADMINISTRATION SEEMS UNCOMFORTABLE WITH. OF COURSE, IT'S HARD TO TELL PRECISELY WHAT THE PRESENT ADMINISTRATION IS COMFORTABLE WITH. ONE WEEK, JIMMY CARTER IS FRANKLIN ROOSEVELT; ANOTHER, HE'S JERRY BROWN. ONE WEEK HE HAS ONLY KIND WORDS FOR BIG EXPENSIVE GOVERNMENT—INTRODUCING A WELFARE REFORM THAT'S NO REFORM AT ALL, OR DECLARING WAR ON THE ENERGY FRONT WITH AN ARTILLERY BARRAGE OF PURE RHETORIC. THE NEXT WEEK, THE WORDS TURN OUT TO BARELY CLOTHE THE NAKEDNESS OF THE PRESIDENT'S ENERGY PROPOSALS, WHICH ARE LITTLE MORE THAN A LIST OF NEW TAXES AND A REQUEST TO CONSERVE FUEL, PRETTY PLEASE.

IT'S HARD TO TELL MUCH FROM THE PRESIDENT'S WORDS ALONE; SO OFTEN THEY LEAVE LITTLE OR NOTHING IN COMMON WITH HIS ACTIONS. LITTLE IS CLEAR ABOUT THIS ADMINISTRATION EXCEPT ITS CONFUSION.

THIS IS ALSO CLEAR: WHEN JIMMY CARTER WAS ELECTED IN 1976, THE ANNUAL INFLATION RATE WAS 4.8%. FOR THE FIRST QUARTER OF THIS YEAR, INFLATION IS CLIMBING AT 13%. THE RATE OF ECONOMIC GROWTH WAS 5.7%, NOW IT STANDS AT LESS THAN 4%. A YEAR AGO, INTEREST RATES HOVERED AROUND 8%--TODAY, YOU'RE LUCKY TO FIND MONEY AVAILABLE AT 11%.

SO WHEN IT COMES TO THE DOMESTIC ECONOMY, YOU CAN PUT ASIDE ALL THE CONFUSION OF THE CARTER YEARS AND ADMIT BLUNTLY: IT'S NOT WORKING. SOMETHING IS WRONG, SOMETHING ABOVE AND BEYOND THE RISE IN THE PRICES WE PAY FOR OIL AND GAS. AND WHEN SOMETHING IS WRONG, A RESPONSIBLE OPPOSITION PROPOSES A PRACTICAL, POSITIVE ALTERNATIVE. THAT'S WHAT I WANT TO DO HERE WITH YOU THIS MORNING.

PRICE CONTROLS: THE WRONG WAY TO BEAT INFLATION

FIRST OFF, LET ME WARN YOU ABOUT A WRONG WAY TO COMBAT INFLATION: IT HAS POLITICAL APPEAL, IT LOOKS SIMPLE AND ALREADY SOME OF THE PEOPLE AT THE WHITE HOUSE ARE BACKTRACKING ON THEIR PREVIOUSLY IRONCLAD OPPOSITION TO WAGE AND PRICE CONTROLS. NO HONEST MAN CAN STAND BEFORE YOU AND PROMISE A QUICK FIX TO THE BASIC ILLS OF A SLUGGISH AND OVERREGULATED ECONOMY. THE FACT IS, WAGE AND PRICE CONTROLS WOULD LOCK THE BARN DOOR LONG AFTER THE HORSE HAS ESCAPED. THEY ARE UNFAIR AND VIRTUALLY IMPOSSIBLE TO ENFORCE. AND THEY GUARANTEE A NEW AND EVEN MORE DEADLY PRICE ERUPTION CNCE LIFTED.

OIL PROVIDES ONE EXAMPLE OF WHAT I MEAN. THIS VITAL COMMODITY HAS BEEN UNDER STRINGENT PRICE CONTROLS FOR YEARS—YET TRY AND TELL THAT TO A TRUCKDRIVER OR CONSUMER WAITING IN LINE FOR FIVE DOLLARS WORTH OF FUEL. THE SAME RULES APPLY TO OTHER COMMODITIES: CATTLEMEN, FOR INSTANCE, SIMPLY WITHHOLD THEIR PRODUCT FROM THE MARKET, DRIVING UP PRICES STILL FURTHER.

NO--WAGE AND PRICE CONTROLS ARE THE LAST RESORT FOR A NATION TIRED OF INTRUSIVE GOVERNMENT DICTATION. GOVERNMENT CAUSES INFLATION BY RUNNING UP HUGE BUDGET DEFICITS, BY DISCOURAGING PRODUCTION THROUGH HARSH TAXATION AND OVERREGULATION, BY BUNGLING THE ENERGY CRISIS AT A TIME WHEN STRONG LEADERSHIP WOULD HAVE DEVISED A COHERENT PLAN FOR PRODUCING OUR WAY OUT OF THE CURRENT SHORTFALL.

DO YOU REALLY WANT TO ENTRUST THE BATTLE AGAINST HIGH PRICES TO THE PEOPLE WHO BROUGHT YOU DOUBLE DIGIT INFLATION?

NEW ENERGY FOR AMERICA

YOU KNOW AS WELL AS ANYONE IN THIS COUNTRY JUST WHAT DIRE CONSEQUENCES HAVE FLOWED FROM OUR FAILURE TO ANTICIPATE THE CURRENT ENERGY CRISIS. NO OTHER ISSUE CUTS ACROSS AS MANY CONCERNS, BOTH DOMESTIC AND FOREIGN.

OUR NEED FOR NEW SOURCES IS CLEAR. YET THE CURRENT ADMINISTRATION WASTED TWO YEARS IN A DOOMED AND UNIMAGINATIVE "ENERGY PROGRAM" THAT WAS REALLY NOTHING MORE THAN A SERIES OF TAX INCREASES.

MEANWHILE, OUR BILL TO FOREIGN PRODUCERS CONTINUED TO SKYROCKET:

\$42 BILLION LAST YEAR, \$57 BILLION—OR MORE—THIS YEAR. OUR

DOLLAR WAS WEAKENED AT HOME AND ABROAD. OUR VERY POSITION OF

WORLD LEADERSHIP WAS THREATENED—AND ALL BECAUSE WE SEEMED UNABLE

TO COME UP WITH A LOGICAL PLAN TO PROMOTE THE DISCOVERY OF NEW

ENERGY AT THE SAME TIME WE CONSERVED WHAT WE ALREADY HAD.

THE PRESIDENT DECLARED WAR ON THE ENERGY PROBLEM, BUT NEVER MUSTERED THE TROOPS. THAT'S NOT LEADERSHIP, THAT'S DRIFT.

NOW HE HAS FINALLY COME AROUND TO A POSITION IN FAVOR OF DECONTROL OF PRICES, AN ADMITTEDLY TOUGH DECISION WHICH NEVERTHELESS SHOULD HAVE BEEN MADE LONG AGO. YET EVEN THIS ISN'T ENOUGH TO MEET OUR NEEDS. BY 1985, PRIVATE FORECASTERS PREDICT THAT AMERICANS MAY FALL SHORT OF OUR REQUIREMENTS BY UP TO 11 OR 12 MILLION BARRELS PER DAY. THAT'S ENOUGH TO MAKE THE CURRENT SHORTAGES LOOK LIKE CHILD'S PLAY.

NOW, ACKNOWLEDGING THE SERIOUSNESS OF THE PROBLEM, THE LAST THING WE SHOULD DO IS PANIC. THE NEXT TO LAST THING IS TO TURN OVER TO THE FEDERAL GOVERNMENT ABSOLUTE AUTHORITY FOR PLANNING AND ADMINISTERING ENERGY POLICY. ONE NEED ONLY EXAMINE THE RECORD OF THE DEPARTMENT OF ENERGY TO SEE WHAT THAT WOULD MEAN.

A LEADER DOESN'T MAKE DECISIONS RASHLY. HE PONDERS ALTERNATIVES, INCLUDING THE PAINFUL ONES, AND DESIGNS A PROGRAM THAT MAXIMIZES PRODUCTION AND MINIMIZES ANY UNFORTUNATE SIDE EFFECTS. I BELIEVE I HAVE SUCH A PROGRAM.

IT IS BASED, FIRST, LAST, AND ALWAYS, ON THE IDEA OF PRODUCING AS MUCH ENERGY FROM AS MANY SOURCES AS POSSIBLE. WE CAN'T AFFORD TO BE CHOOSY—WE NEED EVERY BARREL OF OIL WE CAN GET.

- 1. THAT'S WHY THE ADMINISTRATION WAS WRONG IN CANCELLING A DEAL FOR MEXICAN GAS IN THE WAKE OF THE CRISIS IN IRAN. I THINK THE UNITED STATES AND MEXICO HAVE MUTUAL INTERESTS, INCLUDING A HEALTHY ECONOMY SOUTH OF THE BORDER. WE CAN EXPORT OUR TECHNOLOGICAL KNOW-HOW--THEY CAN EXPORT OIL AND GAS.
- 2. THERE IS A HUNDRED YEARS' SUPPLY OF COAL IN THIS COUNTRY—
 YET LAST YEAR THE COAL INDUSTRY OPERATED AT 150 MILLION TONS
 UNDER CAPACITY. THOUSANDS OF MINERS IN WEST VIRGINIA ARE OUT OF
 WORK OR WORKING ONLY SHORT SHIFTS. WHY?

BECAUSE OF ENVIRONMENTAL RESTRAINTS, THE CLEAN AIR ACT, SURFACE MINING PROBLEMS. EPA HAS STRICT STANDARDS ON SULFUR EMISSIONS IN THE BURNING OF COAL, YET A RECENT STUDY BY THE NATIONAL ACADEMIES OF SCIENCE AND ENGINEERING SUGGEST THAT VERY LITTLE EVIDENCE EXISTS ON ANY HEALTH EFFECTS OF SULFUR EMISSIONS.

ALL OF WHICH DOESN'T BOTHER EPA--THEY'RE CONSIDERING EVEN TOUGHER RULES, WHICH WOULD MAKE MOST OF WEST VIRGINIA'S COAL VIRTUALLY UNUSABLE.

THE PRESIDENT TALKS ABOUT COAL AS A MAJOR SOURCE OF ENERGY. YET HIS WORDS DON'T GET TRANSLATED INTO ACTS. REGULATORS IN 12 DIFFERENT DEPARTMENTS—AND 30 ORGANIZATIONAL UNITS—HAVE YET TO ACCEPT THEIR OWN PRESIDENT'S OPDERS.

IN 1976, THE PRESIDENT TOLD AUDIENCES IN TEXAS AND LOUISIANA THAT HE FAVORED DEREGULATION. AFTER THE ELECTION, HE TOLD A CONNECTICUT AUDIENCE THAT HE OPPOSED DEREGULATION. NOW HE'S FOR IT AGAIN. BUT IS THIS LEADERSHIP?

3. AMERICA SHOULD MAKE A MUCH GREATER COMMITMENT TO FINDING AND EXPLOITING ALTERNATIVE SOURCES OF ENERGY. SOLAR, NUCLEAR, GEOTHERMAL, EVEN THE WIND AND WAVES THEMSELVES: A LEADER WHOSE SENSE OF THE FUTURE EXTENDED BEYOND THE NEXT ELECTION WOULD RECOGNIZE THE POTENTIAL FOR ECONOMIC EXPANSION AS WELL AS ENERGY INDEPENDENCE. ONE RECENT STUDY IN THE CONGRESS FOUND THAT AS MANY AS 3 MILLIONS NEW JOBS COULD BE CREATED IN THE SOLAR ENERGY FIELD BY 1990. AGRICULTURE COULD BE BOOSTED BY THE PRODUCTION OF GASOHOL, WHICH BLENDS FARM AND FIBER PRODUCTS WITH GASOLINE.

HOWEVER WE EVENTUALLY PROCEED, IT IS IMPERATIVE THAT WE HALT THE DRIFT AND CONFUSION OF RECENT YEARS. BY RELAXING CURRENT REGULATIONS, WE CAN STIMULATE PRODUCTION AND EASE THE IMMEDIATE CRUNCH. BY REDESIGNING OUR TAX SYSTEM, WE CAN PROVIDE ADDITIONAL INCENTIVE TO FIND AND EXPLOIT NEW WAYS OF HEATING OUR HOMES AND FACTORIES. BY RECOGNIZING IN THE ENERGY CRISIS LONG-TERM POTENTIAL AS WELL AS LONG-TERM PROBLEMS, WE CAN ACTUALLY STRENGTHEN OUR ECONOMY AND RESTORE AN ECONOMIC SYSTEM WHERE FREE ENTERPRISE IS MORE THAN A HAND-ME-DOWN SLOGAN.

GOVERNMENT CAN HELP, BUT ONLY THE PRIVATE SECTOR CAN ULTIMATELY ACCOMPLISH ALL THAT MUST BE DONE. SO LET'S BELIEVE IN OUR GOVERNMENT, TO BE SURE, BUT LET'S HAVE A GOVERNMENT THAT FIRST OF ALL BELIEVES IN US.

HELP FOR THE TRUCKING INDUSTRY

AND THAT INCLUDES FAITH IN BASIC INDUSTRIES SUCH AS YOURS. THREE FOURTHS OR MORE OF ALL CONSUMER GOODS IN THIS COUNTRY ARE MOVED BY TRUCKS. YOU, IN TURN, SERVE AMERICA'S TRUCKERS AT A TIME OF RISING FUEL PRICES AND DECREASED FUEL AVAILABILITY. NO ONE CAN HONESTLY PREDICT THAT FUEL PRICES WILL GO DOWN IN THE MONTHS AHEAD. BUT TRUCK STOPS SHOULD NOT HAVE TO GO INTO THE SPOT MARKET IN ORDER TO GET FUEL AND MAINTAIN CUSTOMERS.

I CAN'T TELL YOU THERE ARE ANY EASY ANSWERS. OVER THE LONG RUN, ONLY INCREASED PRODUCTION WILL MEET YOUR NEEDS. BUT SOME THINGS CAN BE DONE NOW. THIS WEEK, I TESTIFIED BEFORE SENATOR THOMAS EAGLETON'S SUBCOMMITTEE ON GOVERNMENTAL EFFICIENCY. IN MY COMMENTS, I OPPOSED ADMINISTRATION PLANS TO REDUCE THE POWERS OF THE DEPARTMENT OF ENERGY'S REGIONAL OFFICES OF HEARINGS AND APPEALS. AT A TIME WHEN GREAT CONFUSION EXISTS REGARDING GASOLINE ALLOCATION, WHEN A RECORD NUMBER OF CASES ARE BEING FILED, AND WHEN DIESEL SHORTAGES ARE APPROACHING CRISIS PROPORTIONS, NOW IS NO TIME TO CURTAIL FIELD OPERATIONS.

AS YOU UNDOUBTEDLY KNOW, THERE ARE CASES PENDING BEFORE DOE WHICH ARE SEVERAL MONTHS OLD. THERE IS A WEALTH OF NEW AND COMPLICATED ENERGY REGULATIONS COMING OUT OF WASHINGTON, AND GENUINE HARDSHIP CASES AMONG DEALERS AND SUPPLIERS REQUIRE THE PRESENCE OF ANOTHER TO HEAR SUCH APPEALS. YET THE FEDERAL GOVERNMENT HAVING CREATED THIS MESS IN THE FIRST PLACE, NOW WANTS TO CONSOLIDATE OFFICES. IT'S WRONG FOR YOU, FOR TRUCKERS, FOR THE CONSUMER. AND I'M HOPEFUL THE CONGRESS WILL RECOGNIZE THIS IN TIME.

IN ADDITION, I HAVE JOINED WITH A NUMBER OF MY COLLEAGUES IN WRITING THE PRESIDENT ABOUT THE NATIONAL DISTILLATE SUPPLIERS. WE HAVE ASKED THAT SEVERAL STEPS BE TAKEN NOW.

- 1. THAT THE PRESIDENT ESTABLISH A GOAL OF 240 MILLION BARRELS TO BE IN PLACE BY OCTOBER 1.
- 2. TO MEET THAT GOAL, REFINERIES MUST ADD ABOUT A MILLION BARRELS OF MIDDLE DISTILLATE PER DAY. IF THIS PLAN IS NOT ADOPTED AND IN PLACE BY JUNE 30, THE DEPARTMENT OF ENERGY MUST HAVE DEVELOPED ITS OWN APPROACH.

- 3. THIRD, THE DEPARTMENT MUST COLLECT INFORMATION TO ASSESS WHETHER IT AND THE OIL INDUSTRY ARE RESPONDING TO THE NEED.
- 4. FINALLY, THE ADMINISTRATION SHOULD URGE THAT SUPPLY CONTRACTS FOR MIDDLE DISTILLATES BE RENEWED UP AND DOWN THE SUPPLY CHAIN. THE DEPARTMENT SHOULD MAKE CLEAR ITS WILLINGNESS TO MANDATE CONTRACT RENEWAL ON A COMPANY BY COMPANY BASIS, IF NECESSARY.

THESE STEPS WOULD HELP MEET THE DEMANDS FOR DIESEL FUEL AND HOME HEATING OIL. TRANSPORTATION AND AGRICULTURE ALIKE WOULD BENEFIT.

BUT THIS IS A TEMPORARY SOLUTION AT BEST. JOIN WITH ME IN PROMOTING A RETURN TO THE PRODUCTIVE INSTINCTS WHICH MADE THIS COUNTRY GREAT. FUTURE GENERATIONS WILL THANK US--IF NOTHING ELSE, FOR NOT HAVING TO WAIT IN LINE FOR GASOLINE.

REMARKS OF SENATOR BOB DOLE NATIONAL ASSOCIATION OF TRUCK STOP OPERATORS WASHINGTON, D.C. June 14, 1979

IT'S A GREAT PLEASURE FOR ME TO BE HERE THIS MORNING. IT'S GREAT PLEASURE TO BE ANYWHERE WHERE PEOPLE BELIEVE IN WORK AND ACCOMPLISHMENT AND MAKING YOUR OWN LITTLE CORNER OF THE WORLD A BETTER PLACE. THAT'S WHAT THIS COUNTRY IS ALL ABOUT. AT LEAST, THAT'S WHAT WE'VE HISTORICALLY BELIEVED. IT'S THE IDEA THAT SET US APART FROM OTHER LANDS AND OTHER PHILOSOPHIES. WE BELIEVED IN PEOPLE AS MORE THAN SIMPLY THE MEANS OF PRODUCTION. WE BELIEVED IN MAKING PRODUCTION THE MEANS FOR A BETTER LIFE FOR ALL AMERICANS.

IT'S AN IDEA WORTH RETURNING TO. IT'S AN IDEA THAT SAYS THERE'S NOTHING WRONG WITH INDIVIDUAL SUCCESS, NOTHING WRONG WITH PROFIT.

IT'S AN IDEA THAT THE PRESENT ADMINISTRATION SEEMS UNCOMFORTABLE WITH. OF COURSE, IT'S HARD TO TELL PRECISELY WHAT THE PRESENT ADMINISTRATION IS COMFORTABLE WITH. ONE WEEK, JIMMY CARTER IS FRANKLIN ROOSEVELT; ANOTHER, HE'S JERRY BROWN. ONE WEEK HE HAS ONLY KIND WORDS FOR BIG EXPENSIVE GOVERNMENT—INTRODUCING A WELFARE REFORM THAT'S NO REFORM AT ALL, OR DECLARING WAR ON THE ENERGY FRONT WITH AN ARTILLERY BARRAGE OF PURE RHETORIC. THE NEXT WEEK, THE WORDS TURN OUT TO BARELY CLOTHE THE NAKEDNESS OF THE PRESIDENT'S ENERGY PROPOSALS, WHICH ARE LITTLE MORE THAN A LIST OF NEW TAXES AND A REQUEST TO CONSERVE FUEL, PRETTY PLEASE.

IT'S HARD TO TELL MUCH FROM THE PRESIDENT'S WORDS ALONE; SO OFTEN THEY LEAVE LITTLE OR NOTHING IN COMMON WITH HIS ACTIONS. LITTLE IS CLEAR ABOUT THIS ADMINISTRATION EXCEPT ITS CONFUSION.

THIS IS ALSO CLEAR: WHEN JIMMY CARTER WAS ELECTED IN 1976, THE ANNUAL INFLATION RATE WAS 4.8%. FOR THE FIRST QUARTER OF THIS YEAR, INFLATION IS CLIMBING AT 13%. THE RATE OF ECONOMIC GROWTH WAS 5.7%, NOW IT STANDS AT LESS THAN 4%. A YEAR AGO, INTEREST RATES HOVERED AROUND 8%--TODAY, YOU'RE LUCKY TO FIND MONEY AVAILABLE AT 11%.

SO WHEN IT COMES TO THE DOMESTIC ECONOMY, YOU CAN PUT ASIDE ALL THE CONFUSION OF THE CARTER YEARS AND ADMIT BLUNTLY: IT'S NOT WORKING. SOMETHING IS WRONG, SOMETHING ABOVE AND BEYOND THE RISE IN THE PRICES WE PAY FOR OIL AND GAS. AND WHEN SOMETHING IS WRONG, A RESPONSIBLE OPPOSITION PROPOSES A PRACTICAL, POSITIVE ALTERNATIVE. THAT'S WHAT I WANT TO DO HERE WITH YOU THIS MORNING.

PRICE CONTROLS: THE WRONG WAY TO BEAT INFLATION

FIRST OFF, LET ME WARN YOU ABOUT A WRONG WAY TO COMBAT INFLATION:
IT HAS POLITICAL APPEAL, IT LOOKS SIMPLE AND ALREADY SOME OF
THE PEOPLE AT THE WHITE HOUSE ARE BACKTRACKING ON THEIR PREVIOUSLY
IRONCLAD OPPOSITION TO WAGE AND PRICE CONTROLS. NO HONEST MAN
CAM STAND BEFORE YOU AND PROMISE A QUICK FIX TO THE BASIC ILLS
OF A SLUGGISH AND OVERREGULATED ECONOMY. THE FACT IS, WAGE AND
PRICE CONTROLS WOULD LOCK THE BARN DOOR LONG AFTER THE HORSE
HAS ESCAPED. THEY ARE UNFAIR AND VIRTUALLY IMPOSSIBLE TO ENFORCE.
AND THEY GUARANTEE A NEW AND EVEN MORE DEADLY PRICE ERUPTION
ONCE LIFTED.

OIL PROVIDES ONE EXAMPLE OF WHAT I MEAN. THIS VITAL COMMODITY HAS BEEN UNDER STRINGENT PRICE CONTROLS FOR YEARS—YET TRY AND TELL THAT TO A TRUCKDRIVER OR CONSUMER WAITING IN LINE FOR FIVE DOLLARS WORTH OF FUEL. THE SAME RULES APPLY TO OTHER COMMODITIES: CATTLEMEN, FOR INSTANCE, SIMPLY WITHHOLD THEIR PRODUCT FROM THE MARKET, DRIVING UP PRICES STILL FURTHER.

NO--WAGE AND PRICE CONTROLS ARE THE LAST RESORT FOR A NATION TIRED OF INTRUSIVE GOVERNMENT DICTATION. GOVERNMENT CAUSES INFLATION BY RUNNING UP HUGE BUDGET DEFICITS, BY DISCOURAGING PRODUCTION THROUGH HARSH TAXATION AND OVERREGULATION, BY BUNGLING THE ENERGY CRISIS AT A TIME WHEN STRONG LEADERSHIP WOULD HAVE DEVISED A COHERENT PLAN FOR PRODUCING OUR WAY OUT OF THE CURRENT SHORTFALL.

DO YOU REALLY WANT TO ENTRUST THE BATTLE AGAINST HIGH PRICES TO THE PEOPLE WHO BROUGHT YOU DOUBLE DIGIT INFLATION?

NEW ENERGY FOR AMERICA

YOU KNOW AS WELL AS ANYONE IN THIS COUNTRY JUST WHAT DIRE CONSEQUENCES HAVE FLOWED FROM OUR FAILURE TO ANTICIPATE THE CURRENT ENERGY CRISIS. NO OTHER ISSUE CUTS ACROSS AS MANY CONCERNS, BOTH DOMESTIC AND FOREIGN.

OUR NEED FOR NEW SOURCES IS CLEAR. YET THE CURRENT ADMINISTRATION WASTED TWO YEARS IN A DOOMED AND UNIMAGINATIVE "ENERGY PROGRAM" THAT WAS REALLY NOTHING MORE THAN A SERIES OF TAX INCREASES. MEANWHILE, OUR BILL TO FOREIGN PRODUCERS CONTINUED TO SKYROCKET: \$42 BILLION LAST YEAR, \$57 BILLION—OR MORE—THIS YEAR. OUR DOLLAR WAS WEAKENED AT HOME AND ABROAD. OUR VERY POSITION OF WORLD LEADERSHIP WAS THREATENED—AND ALL BECAUSE WE SEEMED UNABLE TO COME UP WITH A LOGICAL PLAN TO PROMOTE THE DISCOVERY OF NEW ENERGY AT THE SAME TIME WE CONSERVED WHAT WE ALREADY HAD.

THE PRESIDENT DECLARED WAR ON THE ENERGY PROBLEM, BUT NEVER MUSTERED THE TROOPS. THAT'S NOT LEADERSHIP, THAT'S DRIFT.

NOW HE HAS FINALLY COME AROUND TO A POSITION IN FAVOR OF DECONTROL OF PRICES, AN ADMITTEDLY TOUGH DECISION WHICH NEVERTHELESS SHOULD HAVE BEEN MADE LONG AGO. YET EVEN THIS ISN'T ENOUGH TO MEET OUR NEEDS. BY 1985, PRIVATE FORECASTERS PREDICT THAT AMERICANS MAY FALL SHORT OF OUR REQUIREMENTS BY UP TO 11 OR 12 MILLION BARRELS PER DAY. THAT'S ENOUGH TO MAKE THE CURRENT SHORTAGES LOOK LIKE CHILD'S PLAY.

NOW, ACKNOWLEDGING THE SERIOUSNESS OF THE PROBLEM, THE LAST THING WE SHOULD DO IS PANIC. THE NEXT TO LAST THING IS TO TURN OVER TO THE FEDERAL GOVERNMENT ABSOLUTE AUTHORITY FOR PLANNING AND ADMINISTERING ENERGY POLICY. ONE NEED ONLY EXAMINE THE RECORD OF THE DEPARTMENT OF ENERGY TO SEE WHAT THAT WOULD MEAN.

A LEADER DOESN'T MAKE DECISIONS RASHLY. HE PONDERS ALTERNATIVES, INCLUDING THE PAINFUL ONES, AND DESIGNS A PROGRAM THAT MAXIMIZES PRODUCTION AND MINIMIZES ANY UNFORTUNATE SIDE EFFECTS. I BELIEVE I HAVE SUCH A PROGRAM.

AS MUCH ENERGY FROM AS MANY SOURCES AS POSSIBLE. WE CAN'T AFFORD TO BE CHOOSY—WE NEED EVERY BARREL OF OIL WE CAN GET.

- 1. THAT'S WHY THE ADMINISTRATION WAS WRONG IN CANCELLING A DEAL FOR MEXICAN GAS IN THE WAKE OF THE CRISIS IN IRAN. I THINK THE UNITED STATES AND MEXICO HAVE MUTUAL INTERESTS, INCLUDING A HEALTHY ECONOMY SOUTH OF THE BORDER. WE CAN EXPORT OUR TECHNOLOGICAL KNOW-HOW--THEY CAN EXPORT OIL AND GAS.
- 2. THERE IS A HUNDRED YEARS' SUPPLY OF COAL IN THIS COUNTRY—
 YET LAST YEAR THE COAL INDUSTRY OPERATED AT 150 MILLION TONS
 UNDER CAPACITY. THOUSANDS OF MINERS IN WEST VIRGINIA ARE OUT OF
 WORK OR WORKING ONLY SHORT SHIFTS. WHY?

MINING PROBLEMS. EPA HAS STRICT STANDARDS ON SULFUR EMISSIONS IN THE BURNING OF COAL, YET A RECENT STUDY BY THE NATIONAL ACADEMIES OF SCIENCE AND ENGINEERING SUGGEST THAT VERY LITTLE EVIDENCE EXISTS ON ANY HEALTH EFFECTS OF SULFUR EMISSIONS.

ALL OF WHICH DOESN'T BOTHER EPA-THEY'RE CONSIDERING EVEN TOUGHER RULES, WHICH WOULD MAKE MOST OF WEST VIRGINIA'S COAL VIRTUALLY UNUSABLE.

THE PRESIDENT TALKS ABOUT COAL AS A MAJOR SOURCE OF ENERGY. YET HIS WORDS DON'T GET TRANSLATED INTO ACTS. REGULATORS IN 12 DIFFERENT DEPARTMENTS—AND 30 ORGANIZATIONAL UNITS—HAVE YET TO ACCEPT THEIR OWN PRESIDENT'S ORDERS.

IN 1976, THE PRESIDENT TOLD AUDIENCES IN TEXAS AND LOUISIANA THAT HE FAVORED DEREGULATION. AFTER THE ELECTION, HE TOLD A CONNECTICUT AUDIENCE THAT HE OPPOSED DEREGULATION. NOW HE'S FOR IT AGAIN.

BUT IS THIS LEADERSHIP?

3. AMERICA SHOULD MAKE A MUCH GREATER COMMITMENT TO FINDING AND EXPLOITING ALTERNATIVE SOURCES OF ENERGY. SOLAR, NUCLEAR, GEOTHERMAL, EVEN THE WIND AND WAVES THEMSELVES: A LEADER WHOSE SENSE OF THE FUTURE EXTENDED BEYOND THE NEXT ELECTION WOULD RECOGNIZE THE POTENTIAL FOR ECONOMIC EXPANSION AS WELL AS ENERGY INDEPENDENCE. ONE RECENT STUDY IN THE CONGRESS FOUND THAT AS MANY AS 3 MILLIONS NEW JOBS COULD BE CREATED IN THE SOLAR ENERGY FIELD BY 1990. AGRICULTURE COULD BE BOOSTED BY THE PRODUCTION OF GASOHOL, WHICH BLENDS FARM AND FIBER PRODUCTS WITH GASOLINE.

HOWEVER WE EVENTUALLY PROCEED, IT IS IMPERATIVE THAT WE HALT THE DRIFT AND CONFUSION OF RECENT YEARS. BY RELAXING CURRENT REGULATIONS, WE CAN STIMULATE PRODUCTION AND EASE THE IMMEDIATE CRUNCH. BY REDESIGNING OUR TAX SYSTEM, WE CAN PROVIDE ADDITIONAL INCENTIVE TO FIND AND EXPLOIT NEW WAYS OF HEATING OUR HOMES AND FACTORIES. BY RECOGNIZING IN THE ENERGY CRISIS LONG-TERM POTENTIAL AS WELL AS LONG-TERM PROBLEMS, WE CAN ACTUALLY STRENGTHEN OUR ECONOMY AND RESTORE AN ECONOMIC SYSTEM WHERE FREE ENTERPRISE IS MORE THAN A HAND-ME-DOWN SLOGAN.

GOVERNMENT CAN HELP, BUT ONLY THE PRIVATE SECTOR CAN ULTIMATELY ACCOMPLISH ALL THAT MUST BE DONE. SO LET'S BELIEVE IN OUR GOVERNMENT, TO BE SURE, BUT LET'S HAVE A GOVERNMENT THAT FIRST OF ALL BELIEVES IN US.

HELP FOR THE TRUCKING INDUSTRY

AND THAT INCLUDES FAITH IN BASIC INDUSTRIES SUCH AS YOURS. THREE FOURTHS OR MORE OF ALL CONSUMER GOODS IN THIS COUNTRY ARE MOVED BY TRUCKS. YOU, IN TURN, SERVE AMERICA'S TRUCKERS AT A TIME OF RISING FUEL PRICES AND DECREASED FUEL AVAILABILITY. NO ONE CAN HONESTLY PREDICT THAT FUEL PRICES WILL GO DOWN IN THE MONTHS AHEAD. BUT TRUCK STOPS SHOULD NOT HAVE TO GO INTO THE SPOT MARKET IN ORDER TO GET FUEL AND MAINTAIN CUSTOMERS.

I CAN'T TELL YOU THERE ARE ANY EASY ANSWERS. OVER THE LONG RUN, ONLY INCREASED PRODUCTION WILL MEET YOUR NEEDS. BUT SOME THINGS CAN BE DONE NOW. THIS WEEK, I TESTIFIED BEFORE SENATOR THOMAS EAGLETON'S SUBCOMMITTEE ON GOVERNMENTAL EFFICIENCY. IN MY COMMENTS, I OPPOSED ADMINISTRATION PLANS TO REDUCE THE POWERS OF THE DEPARTMENT OF ENERGY'S REGIONAL OFFICES OF HEARINGS AND APPEALS. AT A TIME WHEN GREAT CONFUSION EXISTS REGARDING GASOLINE ALLOCATION, WHEN A RECORD NUMBER OF CASES ARE BEING FILED, AND WHEN DIESEL SHORTAGES ARE APPROACHING CRISIS PROPORTIONS, NOW IS NO TIME TO CURTAIL FIELD OPERATIONS.

AS YOU UNDOUBTEDLY KNOW, THERE ARE CASES PENDING BEFORE DOE WHICH ARE SEVERAL MONTHS OLD. THERE IS A WEALTH OF NEW AND COMPLICATED ENERGY REGULATIONS COMING OUT OF WASHINGTON, AND GENUINE HARDSHIP CASES AMONG DEALERS AND SUPPLIERS REQUIRE THE PRESENCE OF ANOTHER OFFICE TO HEAR SUCH APPEALS. YET THE FEDERAL GOVERNMENT HAVING CREATED THIS MESS IN THE FIRST PLACE, NOW WANTS TO CONSOLIDATE OFFICES. IT'S WRONG FOR YOU, FOR TRUCKERS, FOR THE CONSUMER. AND I'M HOPEFUL THE CONGRESS WILL RECOGNIZE THIS IN TIME.

IN ADDITION, I HAVE JOINED WITH A NUMBER OF MY COLLEAGUES IN WRITING THE PRESIDENT ABOUT THE NATIONAL DISTILLATE SUPPLIERS. WE HAVE ASKED THAT SEVERAL STEPS BE TAKEN NOW.

- 1. THAT THE PRESIDENT ESTABLISH A GOAL OF 240 MILLION BARRELS TO BE IN PLACE BY OCTOBER 1.
- 2. TO MEET THAT GOAL, REFINERIES MUST ADD ABOUT A MILLION BARRELS OF MIDDLE DISTILLATE PER DAY. IF THIS PLAN IS NOT ADOPTED AND IN PLACE BY JUNE 30, THE DEPARTMENT OF ENERGY MUST HAVE DEVELOPED ITS OWN APPROACH.

- 3. THIRD, THE DEPARTMENT MUST COLLECT INFORMATION TO ASSESS WHETHER IT AND THE OIL INDUSTRY ARE RESPONDING TO THE NEED.
- 4. FINALLY, THE ADMINISTRATION SHOULD URGE THAT SUPPLY CONTRACTS FOR MIDDLE DISTILLATES BE RENEWED UP AND DOWN THE SUPPLY CHAIN. THE DEPARTMENT SHOULD MAKE CLEAR ITS WILLINGNESS TO MANDATE CONTRACT RENEWAL ON A COMPANY BY COMPANY BASIS, IF NECESSARY.

THESE STEPS WOULD HELP MEET THE DEMANDS FOR DIESEL FUEL AND HOME HEATING OIL. TRANSPORTATION AND AGRICULTURE ALIKE WOULD BENEFIT.

BUT THIS IS A TEMPORARY SOLUTION AT BEST. JOIN WITH ME IN PROMOTING A RETURN TO THE PRODUCTIVE INSTINCTS WHICH MADE THIS COUNTRY GREAT. FUTURE GENERATIONS WILL THANK US--IF NOTHING ELSE, FOR NOT HAVING TO WAIT IN LINE FOR GASOLINE.