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THE NEW AMERICAN SPIRIT

Being involved in a political campaign is an educational process. People have been quite frank with me about issues, and I think that I have found out what is on the minds of many Tar Heels.

At the head of the list is inflation. This an especially vicious issue because it cuts in so many directions and defies an easy solution.

The root of inflation is usually attributed to two causes, and I want to discuss these:

1. The price of oil that OPEC sets.
2. Government spending.

We all realize now that Americans were spoiled by cheap energy during the post-World War II years. We allowed our cars to grow fat and sprout extras that raised the windows, locked the doors, raised the trunks, turned off the lights, and pressed the gas peddle. We adorned our cars with hood

ornaments and fins, whitewalls and stereos. And at the heart of every car was a thirsty V-8 engine.

I cannot blame anyone for this era of extravagance, for there was no reason to think that our energy supplies would ever run low. The decade of the 1970s, however, gave pause to this preoccupation with luxury. We have now come to realize that both conserving energy and discovering new sources of energy are crucial to our continued prosperity.

This educational process was directly connected to the pocketbook. I will not review the progression of shortages that we have experienced in the past eight years; you know them all too well. But I do want to stress that our present crisis is directly connected to a way of life that wasted energy, and our hope for the future is linked to a new understanding of conservation and innovation.

If we were to remove imported oil from OPEC countries, our inflation would collapse like a ruptured hot air balloon. Remember that gasoline was selling for about 30 cents a gallon in 1972; it was only about 60 cents three years later; but we now have to come up with over \$1.20 a gallon. What we have seen, then, is a four-fold increase in eight years; that means that gasoline has doubled and doubled again since 1972. Absorbing that increase is the key to lower inflation, for

oil based products are part of our economy and can be seen in plastics, fertilizer, and a wide range of chemicals.

But we are now on our way out of this dependence on OPEC oil, and I will discuss the implications of this new approach to energy in a moment.

But right now I want to address the second part of the inflationary problem--big government spending. There is no doubt that our government, just like our automobiles, has grown tail fins, luxury items, and other frills that are unnecessary.

Yet, people shake their fist at the government with one hand and hold out the other hand for government money. I am constantly amazed at how people come up to me and loudly complain about government spending and how they are all for a balanced budget. Then they lower their voice and say, please increase funding for my pet project because it is so important. I know that the government is too big; I know that there is waste that ought to be cut out; and I also know that there are programs that are crucial.

In this connection, I have been working away at a new attack on big government. It is not a simple answer that will

cut our government back to what it was in 1890. I propose a new Federalism, a new concept of government that asks not what the Federal government can do for you, but what you can do to make State government more effective, what you can do to make county and local government more responsive. It will only be when we return government closer to the people that we will see the Federal bureaucracy shrink, that we will see an end to the piles of regulations, the miles of red tape, and the thousands of lazy bureaucrats.

Some of the power of the central government is necessary; the Constitution provides for it. But I am convinced that the scales should now tip away from Federal programs and that state and local government should handle more issues. If the trend is to be reversed, it will be with a heavy philosophical barrage--not with random rocks from single issue sling shots.

I have studied this problem of increasing Federal power, and from time to time I have won victories over the bureaucracy and government waste. The experience that I have accumulated in Washington will aid me in furthering this cause. I have won allies and made converts, and I am anxious to continue my pursuit of good and efficient government.

Let me now return to the issue of energy. A year ago there was widespread criticism of our energy program, for there was little visible on that front. Today there is a great deal to see, and I firmly believe that we are on the threshold of a new era in this country.

Anyone who is a student of history knows that while short term problems are important, one must see history as part of a long progression of events and decisions. Historians who look back a century from now will see the 1970s as a decade of floundering for answers, a time of shock and reaction, an era when people in the United States were educated to a new concept of energy.

Talking to people around the state and the nation, I now realize that we are ready for a new challenge on the energy front. The foundation is now in place. I remember when I sat on the committee that mandated the first mileage standards for automobiles. Today we are seeing the fruits of that foresight.

The 1981 model automobiles that are coming from Detroit are competitive in every respect with imports. More important,

the automobile workers have a new spirit that offers cooperation with management. Doug Fraser, the President of the United Automobile Workers, is now on the board of directors of Chrysler, and he represents the workers.

The new K cars promise to deliver good gas mileage, peppy acceleration, and plenty of room for six people. Both Ford and GM are coming out with automobiles, like Chrysler, that will get up to 40 miles to the gallon. We have now arrived at a new age of automobile travel. The fins and frills are gone, and now we realize that transportation is just as much fun in an economical and well built car as in an overloaded V-8. Our spirit of innovation is very much alive, and I am proud of the way that our automobile manufacturers have risen to the occasion.

The new automobiles fit neatly into the new concept of providing fuel for them. Last year we passed the Synthetic Fuels Act and the Windfall Profits Act. With the new sources of oil from shale and coal, we will achieve our energy independence. We are now at a take-off period in achieving our energy independence. In the next two decades of this century I believe that we will see an incredible era of technological innovation in the country.

Let me give you one example that is close at hand. On Monday I attended the dedication of a plant in Creedmore that will produce Ethanol. While many people were looking to the government for solutions, four farmers in Granville County invested their money in an Ethanol plant. They did not wait for loan guarantees, or cooperative agreements, or grants from the Federal government. On Monday they started up a plant that is now producing 350,000 gallons of Ethanol per year, and by the New Year they will producing at a rate of 1.2 million gallons. That plant produces fuel from corn, which is a renewable resource. Let me tell you that I was proud to be at this dedication. It proves what I know is true of the American people--we will find ways to achieve energy independence--with or without government help.

There is a spirit in this country that never surrenders. Tomorrow I will be at the 200th anniversary of the Battle of King's Mountain. That battle was won by mountain men who were indignant that the British were trying to invade their homes and deprive them of freedom. That spirit still lives. Americans do not like to be invaded by outsiders, nor do we want to be beholden to anyone. That frontier spirit and all the inventive genius that has made our country the greatest in the world is still very much alive and well.

We will marshal our genius, our frontier spirit, our love for independence, and we will continue our role as the leader in technology--and in freedom. And we will overcome our dependence on OPEC oil. We will stop this spiral of inflation.

Remember that World War II general who said, "Surrender Hell!" Remember John Paul Jones saying, "I have not yet begun to fight!" Remember those mountain men who chased the British back to Charlotte. We still have that spirit.

We have taken steps on the local level, on the state level, and on the National level to fight back. We are today witnessing the culmination of many policies.

Our forefathers won this continent from the wilderness. They constructed a viable economy and fought for their independence to run it as they pleased. We have endured wars and depressions, but we have always surmounted our problems. And our spirit will continue to give us the necessary pride and toughness to prevail over every crisis.