FOR IMMEDIATE RELEASE   JULY 25, 1975

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

In the effort to break the deadlock on energy legislation prior to the August Congressional recess, I am prepared to compromise on the critical issue of oil decontrol. I will submit to the Congress later today my second Administrative decontrol program.

This Nation desperately needs cooperation, not confrontation, on the critical energy issue. The new compromise decontrol plan I propose will answer the legitimate concerns raised by Members of the Congress during the lengthy discussions which have been held on this problem.

This plan will gradually phase out price controls over a 39 month period -- through November 30, 1978. As part of the decontrol plan, a price ceiling of $11.50 per barrel will be imposed on all domestically produced oil.

Although this represents a rollback on all current uncontrolled oil prices, the $11.50 ceiling will gradually increase by five cents per month over the length of the program. However, this ceiling will assure that future increases in the price of imported oil will not affect our domestic market prices.

This plan is a critical first step in reversing our growing dependence on foreign oil. Combined with "windfall profits" tax on oil companies and rebates of energy taxes to the American people, this plan will not hinder our economic recovery nor raise prices during 1975. It will not allow unfair gains or produce undue hardships.

After Congress rejected the 30 month decontrol plan I submitted last week, I was faced with two choices: to either veto the proposed extension of price controls scheduled to expire August 31 or seek a compromise with the Congress.

I urge the Congress to accept this program and simultaneously enact a simple three month extension of the law. To achieve energy independence, the Congress and the President must work together on this and other parts of my comprehensive energy program. I urge the Congress to accept this compromise so that we can get on with the solution of this most pressing problem.

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