STATEMENT ON DECONTROL OF PETROLEUM

MONDAY, JULY 14, 1975
TO REDUCE OUR GROWING DEPENDENCE ON FOREIGN OIL,

I WILL送TO THE CONGRESS A COMPROMISE PLAN

to phase out remaining government price controls on

DURING THIS PERIOD OF DECONTROL, A PRICE CEILING WILL BE PLACED ON ALL DOMESTICALLY PRODUCED OIL TO ENSURE THAT AMERICAN CRUDE OIL PRICES CANNOT BE DICTATED BY FOREIGN OIL PRODUCERS.
BY REMOVING THESE GOVERNMENT CONTROLS, PRODUCTION OF OIL WILL BE STIMULATED AND ENERGY CONSERVED. DECONTROL AND THE IMPORT FEES I IMPOSED EARLIER WILL REDUCE OUR DANGEROUS RELIANCE ON FOREIGN OIL BY ALMOST 900,000 BARRELS A DAY IN JUST OVER TWO YEARS.
THERE IS NO COST-FREE WAY TO REDUCE OUR DEPENDENCE ON INCREASINGLY EXPENSIVE FOREIGN OIL.  ALTHOUGH GRADUAL DECONTROL WILL RESULT IN A PRICE INCREASE ON ALL PETROLEUM PRODUCTS -- LESS THAN ONE AND ONE-HALF CENTS PER GALLON BY THE END OF THE YEAR AND SEVEN CENTS BY 1978. THIS IS A SMALL PRICE TO PAY FOR OUR INDEPENDENCE FROM THE COSTLY WHIMS OF FOREIGN SUPPLIERS.
IF THE CONGRESS ACTS ON THIS COMPROMISE,

ON MY PROPOSED ENERGY TAXES, INCLUDING THE TAX ON

EXCESSIVE PROFITS OF OIL COMPANIES, AND ON MY PROPOSED

REFUNDS TO THE AMERICAN CONSUMER TO MAKE UP FOR HIGHER

ENERGY COSTS, THEN THE BURDEN OF DECONTROL WILL BE SHARED

FAIRLY, OUR ECONOMIC RECOVERY WILL CONTINUE.

WE WILL BE ABLE TO PROTECT AMERICAN JOBS.
THE PROBLEM IS -- 60 PERCENT OF ALL DOMESTIC PRODUCTION IS STILL PRICE-CONTROLLED AT ABOUT FIVE DOLLARS AND 25 CENTS PER BARREL. THIS PRICE DISCOURAGES THE USE OF NEW AND MORE EXPENSIVE PRODUCTION TECHNIQUES.

IT ENCOURAGES WASTEFUL USE OF THIS LIMITED DOMESTIC RESOURCE.
BUT THE POWERS I POSSESS UNDER THE CURRENT LAW TO PHASE OUT CONTROLS ARE LIMITED. EITHER THE SENATE OR THE HOUSE OF REPRESENTATIVES CAN PREVENT GRADUAL DECONTROL FROM GOING INTO EFFECT.
THIS MORNING I HELD A MEETING ON THIS SUBJECT WITH
THE DEMOCRATIC AND REPUBLICAN LEADERS OF THE HOUSE AND SENATE.

IT WAS RECOGNIZED THAT THIS IS A VERY COMPLICATED
MATTER. THERE SEEMS NOW TO BE AGREEMENT THAT THE NATION
MUST HAVE BOTH A SHORT RANGE AND A LONG RANGE SOLUTION TO OUR
ENERGY PROBLEMS. AND, AS ANYONE KNOWS WHO HAS SERIOUSLY
STUDIED THE MATTER, AND WHO IS HONEST WITH HIMSELF, THERE IS
NO OPTION OR ALTERNATIVE AVAILABLE THAT IS FREE.
I would hope the Congress would give this important matter the serious consideration it deserves and not take hasty action. I will continue to urge the Congress to accept this reasonable compromise. If it does not, one alternative to ensure continued progress toward energy independence would be to veto an extension of the present oil price control law which will expire in August.
BUT THE PLAN I PREFER WILL GRADUALLY LIFT PRICE

RESTRICTIONS ON CONTROLLED OIL AND PLACE A CEILING ON ALL

DOMESTIC CRUDE OIL PRICES.
WE STILL HAVE THE CHOICE OF ACTING IN OUR OWN
BEST ENERGY INTERESTS INSTEAD OF REACTING TO DECISIONS MADE
BY FOREIGN COUNTRIES. WE MUST START THINKING OF THE
ENERGY CRISIS IN TERMS OF AMERICAN JOBS, HOMES, FOOD
AND FINANCIAL SECURITY.
OUR ECONOMIC WELL-BEING AND NATIONAL SECURITY

DEPEND UPON AMERICAN CONTROL OF THE AMERICAN ECONOMY.

WE CANNOT JEOPARDIZE OUR COUNTRY'S FUTURE BY AVOIDING THE TOUGH

ENERGY CHOICES TODAY. WE MUST PAY THE PRICE NECESSARY

TO GIVE US COMMAND OF OUR OWN ECONOMIC DESTINY.

END OF TEXT