

**The original documents are located in Box 11, “7/14/75 - Statement on Decontrol of Petroleum” of the President’s Speeches and Statements: Reading Copies at the Gerald R. Ford Presidential Library.**

### **Copyright Notice**

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

THE PRESIDENT HAS SEEN . . . .

STATEMENT ON DECONTROL OF PETROLEUM

MONDAY, JULY 14, 1975

TO REDUCE OUR GROWING DEPENDENCE ON FOREIGN OIL,

I WILL ~~TODAY~~ SEND TO THE CONGRESS A COMPROMISE PLAN

TO PHASE OUT REMAINING GOVERNMENT PRICE CONTROLS ON

DOMESTIC OIL BY JANUARY, 1978.

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,

~~Americans~~  
~~the~~

*here at home*  
↑

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 <sup>THIS</sup> ~~THE~~ YEAR AND SEVEN CENTS BY 1978.--  
THIS IS A SMALL PRICE TO PAY FOR OUR <sup>NATIONAL</sup> 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.

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

ENERGY CHOICES TODAY.      *WHATEVER* WE MUST PAY ~~THE~~ PRICE */ IS* NECESSARY

TO GIVE US COMMAND OF OUR OWN ECONOMIC DESTINY.

END OF TEXT