

FOR IMMEDIATE RELEASE

April 30, 1975

Office of the White House Press Secretary

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THE WHITE HOUSETEXT OF LETTERS FROM THE PRESIDENT TO THE  
SPEAKER OF THE HOUSE OF REPRESENTATIVES  
AND THE PRESIDENT OF THE SENATE

Dear Mr. Speaker: (Dear Mr. President:)

Three and one-half months have passed since I presented the Nation and the Congress with a comprehensive program to achieve energy independence by 1985. Although the policy I put forth was not an easy solution, it was, and remains today, the only comprehensive and workable national energy program. Because of the seriousness of the problem, I also moved to cut energy demand and increase supply to the maximum extent within my administrative discretion by announcing a three step increase in the fees on imported petroleum starting last February 1 and complete decontrol of old oil prices by April 1.

After imposition of the first dollar of the additional import fees, the majority leadership in the Congress requested that I delay further actions to provide time to evaluate my proposals, to formulate an alternative comprehensive energy plan and to enact legislation. I granted a 60 day delay in the spirit of compromise, in spite of the fact that we had already waited much too long to make the hard decisions our country needs.

In the 60 days that followed, a number of Congressional energy programs were introduced and considered. Little progress has been made though. Thus, I am forced to again make a difficult administrative decision.

Since my State of the Union Message last January, there has been no improvement in the situation in the Middle East. The existing tensions only heighten my belief that we must do everything possible to avoid increasing our dependence on imported oil in the months ahead.

The recession is coming to an end. But the pending upturn will result in greater demand for imported oil. At the same time, however, it will put us in a better position to absorb the adjustments that greater energy conservation will require.

There are some encouraging signs in the Congress. Chairmen Ullman and Dingell and ranking minority members Schneebeli and Brown have been working diligently in their respective committees to formulate a comprehensive energy program. After extensive hearings and discussions, their efforts to date embody some elements of the energy proposals which I sent to the Congress as well as several which could be potentially disastrous.

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The Senate has also conducted many hearings. Yet the only legislation which has passed is a bill that would impose mandatory restrictions within 60 days on recreational and leisure travel, hours of business operation, and commercial lighting. This bill is ineffective and unrealistic. It would result in unwarranted government control of personal freedoms, and would cause unforeseen economic consequences.

I am hopeful that the weeks ahead can result in agreement between the Congress and the Administration. I believe it can if we are willing to work diligently, honestly, and more rapidly. But I am concerned about the possibility of the Congress passing politically popular legislation which will not only fail to meet our energy needs but which could create serious economic problems for the Nation. From my many years in the Congress, I know how easy it is to become embroiled in endless debate over tough decisions. I also know how easy it is for the Congress to enact legislation full of rhetoric and high sounding purpose, but short of substance. That must not happen in this case.

Neither the House nor the Senate has passed one significant energy measure acceptable to the Administration in these past few months. Hence, I must be a realist -- since the time before final legislation will be on my desk is very long. I understand that in many ways the timing and substance is beyond the control of the individual committee chairmen. Yet, postponement of action on my part is not the answer. I am, therefore, taking these administration actions at this time:

- .. First, I have directed the Federal Energy Administrator to implement a program to steadily phase out price controls on old oil over two years, starting June 1, 1975. This program will not proceed until public hearings are completed and a plan is submitted for Congressional review, as required by statute. While I intend to work with the Congress, and have compromised on my original decision to proceed with immediate decontrol, the nation cannot afford to wait indefinitely for this much needed action. I intend to accompany this action with a redoubling of my efforts to achieve an appropriate windfall profits tax on crude oil production with strong incentives to encourage maximum domestic exploration and production.
- Second, I will again defer the second dollar import fee on crude oil and the \$.60 per barrel fee on imported petroleum products in order to continue the spirit of compromise with the Congress. However, I will be forced to impose the higher fees in 30 days, or sooner, if the House and Senate fail to move rapidly on the type of comprehensive legislation which is necessary to resolve our critical energy situation. Such legislation must not embody punitive tax measures or mandated, artificial shortages, which could have significant economic impact and be an unwarranted intrusion on individual freedom of choice.

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The administrative action that I have set in motion will help achieve energy self-sufficiency by 1985, stem increasing vulnerability during the next few critical years, and accomplish this without significant economic impact. Nevertheless, my actions alone are not enough. The Congress must move rapidly on a more comprehensive energy program which includes broader energy conservation and actions to expand supply. Action now is essential to develop domestic supplies and protect American jobs. It is my utmost desire in announcing these executive initiatives to balance our overwhelming need to move ahead with an equally important need not to force outright confrontation between the Administration and the Congress.

I pledge to work with the Congress in this endeavor. To the extent comprehensive and effective legislation is passed by the Congress, I stand ready to approve it. What I cannot do is stand by as more time passes and our import vulnerability grows. If this happens, I will not hesitate to impose the higher import fees. Meantime, my administrative actions must fill the gap in this endeavor. The country can afford no less.

Sincerely,

GERALD R. FORD

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