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OFFICE OF THE WHITE HOUSE PRESS SECRETARY

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THE WHITE HOUSE

REMARKS OF THE PRESIDENT  
REGARDING HIS COMPROMISE  
ON OIL DECONTROL

THE BRIEFING ROOM

11:32 A.M. EDT

THE PRESIDENT: I have a short statement I would like to read.

To reduce our growing dependence on foreign oil, I will 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 insure that American crude oil prices cannot be dictated by foreign oil producers.

By removing Government controls, production of oil here at home can 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. 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 this year, and 7 cents by 1978.

This is a small price to pay for our national 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 and we will be able to protect American jobs.

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The problem is 60 percent of all domestic production is still price controlled at about \$5.25 per barrel. This price discourages the use of new and more expensive production techniques. It encourages wasteful use of the limited domestic resource.

But, the powers that 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 the Senate. It was recognized that this is a very complicated matter. There seems now to be an agreement that the Nation must have both a short-range and long-range solution to 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 very serious consideration that 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 insure 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 our national security depend upon American control of the American economy. We cannot jeopardize our country's future by ducking the tough energy choices today. We must pay whatever the price is that is necessary to give us command of our own economic destiny.

Thank you very much.

QUESTION: Mr. President, did you run into any opposition at the meeting this morning?

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THE PRESIDENT: We had a minimum of opposition. We had a greater understanding of the complexity of this problem. It was a very beneficial meeting in that there was this understanding and recognition that the energy problem had to be faced very squarely if we were to solve the problem of American independence and to get our own house in order so that we could protect ourselves from the vulnerability of foreign producers.

Thank you very much.

THE PRESS: Thank you, Mr. President.

END (AT 11:40 A.M. EDT)