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Office of the White House Press Secretary  
(Vail, Colorado)

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THE WHITE HOUSE

TEXT OF REMARKS BY THE PRESIDENT  
AT THE VAIL SYMPOSIUM

VAIL, COLORADO  
AUGUST 15, 1975

I'm very pleased to meet today with a group considering how to deal with the energy problem -- instead of debating its existence.

Our energy problem is like a giant puzzle. Solving this puzzle requires the piecing together of many complex, interlocking parts.

When the parts are properly fitted, we will have a program that decreases energy consumption, increases domestic fuel supplies and stimulates new energy technology. Our immediate goal is to increase production of domestic oil and gas while decreasing wasteful consumption by increasing efficient use of fuel.

In meeting this objective, however, we must establish the framework for the inevitable transition to an energy economy that does not rely on depletable resources. For within the next 25-50 years, oil and gas -- which constitutes two-thirds of the fuel we now use -- may be too costly to burn at any price.

As one important piece of our energy puzzle, our national coal reserves contain greater energy potential than the Middle East's reserves of oil. Increased use of coal is vital to energy independence. This resource must be developed and consumed with a commitment to balancing energy needs with environmental concerns.

With almost half of the Nation's coal reserves in the West, you in this region are justifiably concerned about the quality of development. As one who has visited here many times, I share this concern.

But let me emphasize this: We can tap our national energy resources without despoiling the environment. We will be able to do so, however, only in an atmosphere of realism -- not antagonism.

This Administration is committed to seeing that improved mining technology insures safe and environmentally sound production of coal. We also need improved technology to burn coal directly without producing environmental damage. The Nation's capacity to convert coal into clean, gaseous and liquid fuel can and must be developed.

Even if our reliance on imported oil for 38 percent of our current use did not make us vulnerable to economic and political disruption, we would still have to utilize our coal reserves.

The fact is -- we are an energy dependent society. With our Nation's reserves of oil and natural gas being depleted, and with the uncertainty of foreign supplies we must utilize existing energy sources, and develop new ones.

Our dependence on imported oil at an average cost of \$25 billion per year prompted my comprehensive energy program in January -- and makes intolerable the Congressional delay of the past six months -- and requires tough actions now. To help reduce dependence on imports and stem the outflow of American dollars and jobs, I will veto the six-month extension of price controls on domestic oil which the Congress passed just before recessing.

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Since last January, this Administration tried to work with the Congress to find a compromise on decontrol. The Congress twice rejected reasonable Administration compromises. I went more than half way with the Congress on the issue.

Approval of this extension would mean only more months of delay without the critically needed incentives to promote conservation and spur new domestic oil production. An extension would continue price uncertainty for consumers and producers alike and tend to increase our dependence on foreign oil sources. More important, it would signal to foreign producers our inability to face up to this problem. Your representatives in Congress should keep this in mind as they vote to sustain my veto. This is particularly important at a time when producing nations are considering increasing the price American consumers will have to pay.

To cushion the impact of sudden decontrol, if the Congress sustains my veto, as it must, I will lift the special import fees on crude oil and petroleum products. If the Congress refuses to sustain my veto and continues counter-productive price controls, I will have no other choice than to continue import fees. These fees were imposed in the first place to induce conservation and reduce consumption and our reliance on foreign oil -- which is vital to our national security interests. It is incomprehensible to me that the Congress would jeopardize our ability to achieve energy independence at this critical hour.

Unless we decontrol so-called "old oil" and implement the other elements of my energy program, an increasing share of our oil supply will be coming from high-priced and unreliable foreign sources. Hence, gasoline and other petroleum product prices will continue to rise and our vulnerability to future embargoes will become intolerable.

The net effect of immediate decontrol and removal of the import fees will mean an increase of a few cents per gallon in the price of petroleum products -- contrary to what others have predicted. This is a small price to pay to reduce our vulnerability to embargoes and exorbitant price increases imposed by foreign producers.

Painful as they are, higher prices do promote conservation and increased efficiency in the use of petroleum products.

Cheap energy encourages waste and preserves inefficient energy technology. When the price of energy reflects its value to society, as determined by the marketplace, there will be an incentive to stop squandering it and develop advanced technologies, such as solar energy.

Reduced consumption helps reduce dependence. But this alone will not solve the problem. A dramatic increase in U.S. production is also required. Decontrol will stimulate domestic production by removing the restrictive \$5.25 per barrel price ceiling on so-called "old oil" which accounts for 60 percent of all domestic production. This ceiling arbitrarily discourages the use of new and more expensive production technology. By establishing an artificially low price, it encourages indiscriminate use of our limited domestic resources. This is not good energy policy. It is not good environmental policy.

If the Congress also enacts my two proposals -- for energy refunds to consumers and a "windfall profits" tax on oil companies, then the impact of decontrol, cushioned by the removal of the import fees, will not hinder economic recovery.

Swift action on these taxes must be accompanied by Congressional action on all segments of my comprehensive energy package.

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The on-again-off-again Congressional approach to energy is hazardous, expensive, and frightening. Every day we delay means greater dependence on unreliable supplies of foreign oil, pushes back development of more efficient use of available energy and retards the search for new energy sources here at home.

We are running out of time -- time we can use to help balance our environmental concerns with our energy needs. The longer we talk, the shorter our time to act responsibly. By the time a crisis confronts us, such as the 1973 oil embargo, it is too late to act. We can only react.

I urge you to help us obtain Congressional action on a comprehensive energy program. Failure to make tough decisions today drastically increases the vulnerability of our economy to disruption and reduces our options to meet the energy needs of the future.

Economists and environmentalists have been telling us that there is no free lunch in this world. And they are right. The price for control of our own economic, energy, and environmental destiny is small in dollars, but high in reward -- if we make the tough decisions that are demanded of us.

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