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THE WHITE HOUSE

TEXT OF REMARKS BY THE PRESIDENT
TO BE DELIVERED TO
DEDICATION CEREMONIES AT THE
PERMIAN BASIN PETROLEUM MUSEUM

MIDLAND, TEXAS

I am delighted to be here in West Texas -- an area rich in natural resources -- oil, natural gas, cattle, good land and good people. I am particularly pleased to be here to take part in the dedication of this fascinating petroleum museum. And I particularly appreciate and enjoyed that shower of rose petals. Believe me, in the last year, when it comes to oil, I've had very little coming up roses. But I think it very significant that the drilling rig behind me is named after Santa Rita -- the patron saint of the impossible. When it comes to the good of our country, Americans have always joined together and worked together to achieve the seemingly impossible. I am certain that in the weeks ahead, the Congress and I will be able to do so once again -- to give our Nation an energy program that will cut us free from dependence on interruptible foreign supplies. America's energy future must be ours to decide. It cannot be entrusted to the policies or passions of others in far-off foreign lands.

And I want to thank the man who invited me out here, my long-time close friend, George Mahon. George and I spent countless hours working together on the House Committee on Appropriations, and I know what a hardworking, dedicated Representative he is. Historians say we closed the American frontier in 1890, but in Midland in 1975, the adventurous spirit of the frontier is obviously still thriving. The enterprise and spirit of the hardworking people of West Texas shows in the productivity of this region. This area furnishes the Nation cattle and cotton -- oil and natural gas.

You have also demonstrated how much Americans can accomplish with the right incentives. Incentives are the fuel of our free market system -- and the energy West Texas helps supply is the fuel of our economy. The Permian Basin produces 25 percent of the Nation's domestic oil and 20 percent of the United States natural gas production. To keep this oil and natural gas flowing from this region, the Nation must make it economically feasible to search for new production and development methods.

This is one of the major reasons I believe decontrol of domestic oil prices is so necessary. The vote in the United States Senate this week sustaining my veto of an extension of the oil price controls has paved the way for decontrol. We are finally on the road to energy independence. Since 1971, America's bill for imported oil has climbed from just over \$3 billion annually to \$25 billion today -- a 700 percent increase.

(MORE)

The \$25 billion could provide more than one million jobs for Americans. Although the 4.5 percent unemployment rate in Midland in August is below the national level -- it is higher than usual here. Unemployment is a problem worrying all Americans. It is a problem that must be solved by a healthy, thriving economy. With foreign producers supplying 40 percent of our oil needs, American jobs and dollars are being held hostage by other countries. We cannot control either the price or the supply of imported oil. That makes us vulnerable to economic disruptions -- disruptions we can ill-afford if we are to continue to expand our economic system.

If we don't give America's oil industry the incentives to search for new sources and new production techniques through decontrol and if we continue the present trend, within ten years we will import more than half of the oil we need. Energy keeps this Nation going. Energy is the pump of our economic system. Unless we make some tough decisions about energy now, the Nation is in danger of suffering a dangerous energy emergency which could come at anytime. Decontrolling oil prices at home will move us toward energy independence abroad. Energy independence will require that we find new energy sources and develop new methods -- but those solutions will not come overnight. Action must be taken now to spur the search for new sources. Research and development are critical elements in my proposed national energy program.

But in the next few years, we will have to rely on our most readily obtainable energy resources -- oil, natural gas and coal -- to meet our energy needs. Natural gas is one of the most environmentally acceptable forms of energy. But despite the many plusses of natural gas, the history of the Federal Government's policy toward this valuable asset has been a very sorry one. Over the past 20 years, the Federal Power Commission has kept interstate prices at an artificially low level -- and that has seriously hampered exploration and development. We must stop Federal regulation of prices on new gas for interstate use. I can assure you that natural gas deregulation is an Administration priority.

Solving the energy problem goes back to some basic American principles. We must put back into our economic system more old-fashioned incentives. The profit incentive -- the search for a better life -- populated this continent. It brought thousands of dreamers to West Texas -- men and women willing to risk all to find a livelihood on the land or under the land. What has made America unique? The explanations are as varied as this vast Nation itself. But I am convinced that perhaps the key to our uniqueness is that we wrote into our first great document -- the inalienable right of the pursuit of happiness. In that pursuit -- Americans have dreamed big dreams -- taken great risks -- sometimes failed miserably and sometimes succeeded magnificently. But that freedom to dare is the secret of our greatest national achievements. The men and women to whom this museum is dedicated lived and enjoyed that freedom to the fullest. The spirit of enterprise and daring this museum records in the petroleum industry must be kept alive all across America. So in the memory of those who dared to follow their dreams -- I dedicate this museum.

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