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Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

For nearly a year the American people and many of our friends abroad have been waiting to see whether the Executive and Legislative branches of our government could reach agreement on the basic framework of a National energy policy. It has long been apparent that further delays and indecision would only prolong our nation's vulnerability to foreign energy producers. Since the oil embargo of 1973, we have in fact become more dependent upon foreign oil, and our total payments to foreign producers have continued to increase at an intolerable rate.

The single most important energy objective for the United States today is to resolve our internal differences and put ourselves on the road toward energy independence. It is in that spirit that I have decided to sign the Energy Policy and Conservation Act.

This legislation is by no means perfect. It does not provide all the essential measures that the Nation needs to achieve energy independence as quickly as I would like. However, after balancing the inadequacies and the merits, I have concluded that this bill is in the national interest and should be enacted into law. There are three factors that I have found persuasive in reaching this decision.

First, this bill will enable the U. S. to meet a substantial portion of the mid-term goals for energy independence that I set forth in my first State of the Union address. Among the measures I requested in January which are provided in this legislation are authorities for a strategic storage system, conversion of oil and gas fired utility and industrial plants to coal, energy efficiency labeling, emergency authorities for use in case of another embargo, and the authorities we need to fulfill our international agreements with other oil consuming countries.

Second, the pricing provisions of this legislation, properly implemented, will permit the gradual phasing out of controls on domestic oil. The bill seeks to lower retail prices in the short term and runs the risk of creating a false impression that we can have all the energy we want at cheaper prices. But, over time, this legislation removes controls and should give industry sufficient incentive to explore, develop and produce new fields in the Outer Continental Shelf, Alaska, and potential new reserves in the lower 48 states. I fully intend to use the flexibility which is granted to me by this legislation to expedite the decontrol of crude oil in order to increase domestic production. I do not expect the Congress to stand in the way of such actions.

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I know there are some who fear that this legislation could mean that the energy industry will be subjected indefinitely to governmental controls which would create further distortions and inefficiencies. As one who believes that minimizing governmental interference in the marketplace is essential to a strong economy and more jobs, I share those concerns. Accordingly, I pledge that I will work to ensure that by the end of 40 months, governmental controls over domestic oil prices will be fully phased out. We will begin immediately, as authorized by the legislation, to remove all current price and allocation regulations except those on crude oil prices.

Third, I am also persuaded that this legislation represents the most constructive bill we are likely to work out at this time. If I were to veto this bill, the debates of the past year would almost surely continue through the election year and beyond. The temptation to politicize the debate would be powerful, and the Nation could become further divided. This most responsible action now is to set the best course we can and stick to it.

On balance, therefore, I find that this legislation is constructive and puts into place the first elements of a comprehensive national energy policy. It permits me to remove the two dollar per barrel oil import fee. It provides a foundation upon which we can build together toward our goal of energy independence.

Now we should move forward to complete the legislative tasks I set before the nation last January. Specifically, we still need natural gas legislation to deal with immediate shortages and to increase our supply of natural gas over the long run. The only solution is to deregulate the price of new natural gas. The Senate has acted favorably on such legislation. I urge the House to act expeditiously so that, by the end of January, deregulation of the price of new natural gas will have become law. But this isn't the only new legislation we need. For example, our nation needs prompt Congressional action to permit production of oil from the Naval Petroleum Reserves, to ensure greater energy efficiency in our homes and buildings, to stimulate the commercial development of synthetic fuels and to permit greater use of nuclear power for generating electricity. I will continue to press in 1976, as I have done in 1975, to see that all these programs and other elements of my comprehensive energy programs are enacted. Having now built a foundation, we must maintain our determination to achieve energy independence.

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