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Office of the White House Press Secretary

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THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

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

By removing these government controls, domestic production of oil will 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. Although 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 the year and seven cents by 1978 -- this is a small price to pay for our independence from the costly whims of foreign suppliers.

If the Congress acts on this compromise, on my other proposed energy taxes, including the tax on excessive profits of oil companies, and on the energy tax rebates for the American consumer, then the burden of decontrol will be shared fairly. Our economic recovery will continue. We will be able to protect American jobs.

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 this limited domestic resource.

But the powers 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.

I urge the Congress to accept this reasonable compromise. If it does not, my only alternative to ensure continued progress toward energy independence, will be to veto an extension of the oil price control law which will expire in August.

The plan I propose will gradually lift price restrictions on controlled oil and place a ceiling on all domestic crude oil prices.

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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 national security depend upon American control of the American economy. We cannot jeopardize the future by avoiding the tough energy choices today. We must pay the price necessary to give us command of our own economic destiny.

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