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THE WHITE HOUSE

REMARKS OF THE PRESIDENT  
AT THE  
ROBERT BLAKE RESIDENCE

3:20 P.M. CDT

Thank you very, very much, John, and again let me express my appreciation to the President of Texas Tech for the wonderful opportunity to be over there today. It was a wonderful audience, and I am deeply grateful and that medal I will prize and cherish. Thank you again.

I claim the rain, which was welcome -- I am not claiming this Michigan weather that we have right now, but it is nice to see you all and I am deeply grateful for Bob's hospitality and generosity, and thank you, Bob, very, very much.

Let me take just a minute or two to say a word about something all of you from Texas are deeply interested in and a matter I spent a great deal of time on since I became President in August of 1974.

At that time, we recognized that we had to do something about energy in this country. We had the tragedy of the October war in 1973, and the net result of an embargo and escalating oil prices from overseas customers and the growing, growing dependence of the United States on energy from afar and our need to find energy independence in this United States.

So, in January of 1975, if you will refresh your memory, I recommended to the Congress in my State of the Union Message what I thought was a sound and constructive long-range program for energy independence of this country. It called for total deregulation of domestic oil production by April 1, 1975, and it called for the deregulation of new natural gas as soon as Congress would move on it, and we urged them to move immediately.

Unfortunately, the Congress, from January of 1975 until December of 1975, diddled and dawdled and debated and delayed and finally they sent a piece of legislation down that was far from perfect, but that is what we are operating under at the present time and I have committed myself publicly as well as otherwise that we are going to use every single provision in that legislation to decontrol as rapidly as possible. I think our batting record is pretty good.

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We got some new definitions of property which I think are somewhat significant as far as your industry is concerned. We have had some other decisive action by the FEA after a little pressure and a little persuading, so as far as the administrative action that they can take, we are moving as rapidly as we possibly can.

Now under the decontrol features, let me review very quickly what we have accomplished, using every possible way to decontrol this great industry in our country. The first action we took was to propose to the Congress that we deregulate residual oil, and that is now effective.

We are in the process of proposing the deregulation of distillates, and that should happen in the relatively near future unless Congress turns us down. We are in the process of proposing the deregulation of gasoline, and as soon as that can get through the Congressional mill -- and I hope it will-- that part of the FEA's responsibility will be totally terminated.

Under the law, we are permitted to ask over the 40-month period, the first step of a 10 percent increase in the, what is it, composite price \$7.66, \$5.25 for old oil and what is it, \$12 something for new oil. But we are in the process right now of getting that first 10 percent increase, and I assure you because I know it is right, because it conforms with my basic philosophy that I set forth in January of 1975, that we will use every step that is possible to get decontrol by the end of the 40-month period.

Now, one other point. I can recall very vividly in the last days of trying to get the energy act changed to make it as flexible and I think as constructive as possible. We were trying to do something for stripper wells and tertiary production.

Let me just say that our people worked as hard as they could to get the last element into the conference report, but unfortunately there were certain powers on the liberal side -- I say liberal side -- of the Democratic Party that just wouldn't go along. I could name them, but it doesn't do any good at this point.

All I know is they didn't go along with what we proposed. Maybe you know who I am talking about. They aren't going to be President of the United States, I can tell you that. (Laughter)

But what I am trying to say--I know and I have known from the first time that we had to sit down and analyze what our problem was--the only way to become energy independent in this country is to provide an incentive so people will explore, they will drill, they will produce, they will refine and they will market.

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One final comment. Speaking of marketing and all the other things that go to make up this great industry, there are people in the Congress today who want to force down this great industry what is called divestiture. People have asked me how I feel about that. I will tell you how I feel about it.

When you measure divestiture in any of the bills that have been proposed -- and the criteria is will it increase production, make us more independent, will it in any way reduce the price to consumers -- when you measure any of those proposals by those criteria, the facts are they won't reduce the price and they won't provide any incentive and get more energy independence for this country, so I am against divestiture, period.

So, I believe in what this great free enterprise system we have can do. It is a precious freedom just like the individual freedom that we have in America, and we have to fight to keep it, we have to fight to expand it.

Dr. Murray, let me just say this. I suppose as an academician you know a lot more about the history of this country than I do. But, if we look back and see the first century of America, we know that our forefathers put together the greatest form of Government in the history of mankind.

It was a hard struggle for those people in those days, starting from 13 poor struggling Colonies, but what a blessing they gave us. The second century of our great national history we became the most productive industrial country in the history of mankind. Our third century has to emphasize the freedom of the individual.

We have to get away from mass Government, mass industry, mass labor. We have to generate the opportunity for every one of us and the things we stand for as individuals, and that is what I would hope to do in the next four years as President of the United States.

Thank you very, very much.

END (AT 3:29 P.M. CDT)