

[Energy Speech, 4/5/79] [2]

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We ~~are~~ Good evening.
Our ~~the~~ energy problem is bad and
getting worse. We are wasting too
much energy, ^{buying} ^{for} ^{importing} too much
oil from ~~foreign~~ ^{overseas} ~~countries~~ ^{foreign} ^{countries} and ^{not}
producing enough oil, ~~and~~ ^{and} ^{gas} ^{and} ^{coal}
in
the United States. The federal bureau-
cracy and red tape are so com-
plicated, ~~the~~ ^{the} ^{situation} it is almost un-
believable. Energy prices are high and
going higher no matter what we
* we have recently learned - ~~that~~ ^{that} ^{as} ^{you} ^{know} - that
so. Nuclear power production is
perhaps more uncertain and dangerous
than we had thought. Solar energy
use is lagging far behind its great
potential.

What can we do?

~~What can we do?~~

* Government price controls ^{help} ^{to} hold down U.S.
production, and encourage ^{the} ^{waste} and
excess on foreign oil.

7-8-6
81-10
2+4
28

Present law requires that federal government controls on oil be removed by September 1981, and ^{the law} gives me the authority at the end of next month to act --

To decide how to carry out this ^{I have decided that} ~~decontrol~~ process, Phased decontrol will begin on June 1st and continue ^{at a fairly uniform rate} over the ^{next} ~~following~~ 28 months period.

Oil prices will go up, and unless ~~unless~~ we tax the oil companies they will reap huge and undeserved profits. We must impose an excess profits tax on the oil companies to capture part of this money for the American people. We need this tax money to protect ~~low~~ ^{the poor and our working families} income American ~~you~~ from excessive price increases, to build a more efficient

transportation system, and to put
American genius to work solving
our long range energy problems.

Let me explain how this will
work: This may be the most im-
portant speech I ever give to you
and I hope you will listen care-
fully and give me your coop-
eration and support.

The energy crisis is real.

13% of ^{all} electricity in our country
comes from ^{the 72} nuclear power plants now
in operation. Some communities like
Chicago get more than 50% of their
electricity from nuclear power.

We consider these plants to
be safe, but in

Energy Address

Good evening.

I have asked for this time so that I can speak directly with you about our energy problem and what we must do to meet it.

Tonight I am taking steps to lift controls on domestic oil prices by September 1981; to harness American technological genius through an Energy Security Fund, paid for by a tax on the excess profits of oil profits; and to restrict oil consumption and increase energy production in our country. These steps are designed to take back power the OPEC oil cartel has over our lives and begin to restore it to our own hands.

Many Americans, I know, still do not believe that there is a serious energy problem. That is a mistake.

I said so in 1977. I say it again tonight, two years later. Time is growing short.

~~In~~ recent days, the accident at the Three Mile Island nuclear power plant ^{near} in Harrisburg, Pennsylvania, has brought our energy problems dramatically home.

While the situation at Three Mile Island is improving, and we have taken every precaution to protect the people of the area, this accident cannot help but cause concern about nuclear power.

have directed
I ~~am tonight directing~~ the establishment of an independent Presidential Commission of experts to investigate the causes of this accident and ^{to} ~~the adequacy of government's response at all levels. This commission will~~ make recommendations to me on how we can improve the safety of nuclear plants now in operation. You deserve a full accounting, *and you will get it.*

~~In the meantime, we must reject simplistic answers --~~
~~such as shutting down all nuclear plants.] Nuclear power~~
~~now provides 13 per cent of our nation's electricity,~~
It is obvious that ~~and~~ *nuclear power* we must continue to rely on ~~it~~ for the future, ~~but~~
safety will come first.

Although this nuclear ~~Quite apart from the Harrisburg accident,~~ *Pennsylvania is* ~~our nation's~~
is of serious concern,
energy crisis is fundamentally a petroleum crisis. We
are dangerously dependent on unstable and expensive sources
of foreign oil.

in the United States
~~Our own~~ oil production has been declining. Our imports
have been growing. A few foreign countries control the
amount that is produced and the price we must pay. ~~Some~~
~~times the oil crisis lies just below the surface, and~~
~~sometimes it comes into the open -- but it is always with us.]~~

Fifteen years ago, we imported hardly any oil. Today,
we import *about* ~~nearly~~ half the oil we use. We are by far the

270 X 10⁶
500 X 10⁸
270 X 10⁶

Customer for
largest [^]buyer of OPEC oil, *buying one-fourth* taking a quarter of the cartel's total production. This year, we ~~Americans~~ will pay out \$50 billion for foreign oil -- more than \$225 for every *man, woman and child in the United States.* ~~single one of us.~~

growing
This [^]dependence has made us dangerously subject to sudden price rises and interruptions in supply. We saw this in 1973 and 1974, when oil was embargoed and the price quadrupled. We have seen it again in the last few months, when the upheaval in Iran cut ^{world} supplies ^{of oil,} and the OPEC cartel raised prices again.

These shocks, ^{send} ~~are~~ stern warnings ^{about} ~~of the grave implications of~~ our present energy ~~trends.~~ Our national strength is dangerously dependent on a thin line of oil tankers that stretches halfway around the earth, and that originates *the Middle East and around The Persian Gulf,* in [^]one of the world's most unstable regions, ~~the Middle East.~~ *in the world.*

The National Energy Plan which I ^{proposed} ~~submitted~~ two years ago was the first major ~~national~~ effort to deal with these

problems. Then Congress debated and special interests
skussed for advantage for
~~jockeyed for position.~~ After 18 long months, Many of my
original proposals were enacted. Others were not, especially
those dealing with oil. We lost time we could not afford.

dangerous dependence
Our ~~alarming~~ reliance on foreign oil kept growing.

Soon I will have authority to act, and I ask you
~~Now we must take further steps.~~ *to help me.*

There is no single answer. We must conserve more.

We must produce more. And ^{now} we must join together in a
great national effort to ^{use American} ~~develop the new technology that~~
~~will let us ^{begin to} ~~move~~ to give us energy security~~
~~will help us make the transition away from oil in the~~
years ahead.
~~decades to come.~~

The most effective action we can take to encourage
both conservation and production here at home is to stop
subsidizing foreign oil and to stop ~~holding the price of domestically produced~~ *America*
~~oil at un-~~
down to ~~at artificially~~
realistically low levels.

This is a painful step. I'll give it to you straight:
each of us will have to use less and pay more.

But this is a necessary step, and I want to explain
it to you fully.

[In 1975, Congress passed a law which ends controls on
domestic crude oil on September 30, 1981 -- two and a half
years from now. If we simply wait for that day to come,
the full price impact of deregulation will hit us all at
once. That price impact will be at the equivalent of
about ten cents per gallon of gasoline -- too great a single
inflationary shock to our economy.

Yet these controls must be lifted. They encourage
us to waste oil
[consumption] and stifle domestic production. Through them,
we are helping OPEC by paying people to import more
foreign oil.

The same Act of Congress that mandated an end to

controls in 1981 also gave me, as President, authority to implement it in stages. I will use that authority in a way that softens the price impact to the consumer and maximizes the ^{gives an} incentives to produce domestic oil.]

Government controls must end.

Phased decontrol will gradually increase the price of petroleum products. In the short run it will add a small amount to our already high rate of inflation, ^{but} ~~but~~ that is the price we must pay to reduce our dependence on the foreign oil cartel. ~~[If all of us try to escape paying this price -- by demanding higher wages or salaries or profits -- we will simply make inflation worse, and none of us will gain.]~~

In the longer run this and the other actions I am announcing tonight will help us fight inflation. ^{other nations will join us as} ~~As~~ we cut down our ^{use} consumption of oil and increase our own production of energy. ^{foreign} ~~The~~ oil cartel will ^{therefore} find it harder to raise the

price. ~~[As we reduce our balance of payments deficit,]~~ ^{The}

dollar will be stronger and the prices we pay for imported

goods will be less. ^{This} Taking ~~painful actions~~ today will

strengthen our economy and reduce inflation in future years.

^{But}

~~[While decontrol will stimulate exploration, production,~~
and ~~conservation of oil in our country, it]~~ ^{could} will also further

fatten the already huge profits of oil companies. Part of

^{excessive} this new profit will be totally unearned.

That is why ^{we must have a} ~~[I will fight for a steep]~~ new windfall
profits tax to recover ^{the} ~~that~~ ^{billions of dollars} unearned ^{profit} for the American
people. This is the only way we can ensure that ^{you -} ~~the~~
American people are treated fairly.

^{excess profits}
I want to emphasize that this ^{tax} ~~[-- an Energy Security~~
~~Tax --]~~ is not a tax on the American people. It is purely
and simply a tax on the excess profits of the oil producers.

As surely as the sun will rise tomorrow, the oil

*to keep
They will want the
profits which they have
not earned.*

companies will fight this tax. They will tell us that we should simply turn all the money over to them, because they know best how to use it for the benefit of the American people. We had better not believe it.

excess profits

Even with the ~~Energy Security~~ Tax in place, the oil giants will get substantial new income -- enough to provide plenty of incentive for production. I will demand that they use their new ~~revenues~~ ^{income} to develop energy for America, not to buy department stores and circuses, as some have done in the past.

And I will fight to get this ~~windfall profits~~ tax passed. Tonight, I appeal for your support. ~~I hope you~~
Please
~~will~~ let your Senators and Representatives in Congress know that you support the ~~Energy Security~~ ^{excess profits} Tax -- that you do not want the necessity for ~~controlling oil prices~~ ^{producing more energy} to be turned into an excuse to rip you off. ~~Or: ... an excuse~~
~~to enrich the few at the expense of the many.~~

[The proceeds from this tax will be used for three purposes: first, to provide low-income Americans with protection against rising energy prices; second, to channel added assistance into energy-saving ^{transportation systems} mass transit; and third, to create an Energy Security Fund for the development of the new energy technologies that will be our nation's salvation in the future.

Before I talk about the other steps we are taking to produce and conserve more energy, I want to emphasize the first use I propose for these funds -- protecting the needy from higher energy costs.]

We ^{will} ~~must~~ sacrifice to meet our energy challenge, but the sacrifices must be fair. I am not going to put an undue burden on people who can't ^{not hardly} make ends meet as it is.

Besides using some of the proceeds of the ^{excess profits} ~~Energy Security~~ tax to give financial help to those among us who cannot

survive without it, I will ^{also} take these steps:

● First, I am asking every state to pass laws protecting the poor from arbitrary cutoffs of heat. [No

~~older American, no American child should freeze because there is no money to pay the heat bill.~~]

● Second, we will channel the tens of millions of dollars we are winning in lawsuits against oil companies for price gouging into further energy assistance ^{for} ~~to~~ lower-income citizens.

● And third, we will close foreign tax credit loopholes that ^{now} provide outrageous benefits to major oil companies.

* * *

Besides removing government controls ~~on~~ on oil, we
[~~Besides decontrol of domestic oil,~~] We must take other
actions to increase supply and ^{to} make the most of our own
domestic fuel reserves.

● ^{I have already signed} ~~Tomorrow, I will sign~~ an executive order that will set rigid timetables for cutting through federal red tape on new projects, including pipelines, ports, and refineries.

● ^{We will} ~~I will propose legislation to~~ expedite both State and court review of the pending pipeline from California to Texas. It has been stuck in a ^{quagmire of more than 700} ~~swamp of~~ State permit applications for the last 14 months.

● ~~I am directing the Department of the Interior to~~ ^{We will} speed up its review of pipeline applications to serve the northern ^{part} ~~tier~~ of our country.

● ^{exploration and} We will step up ^{and} production of oil and gas on federal land. ~~by speeding up our leasing schedule on the outer continental shelf, increasing production at our Naval Petroleum Reserve at Elk Hills, California, and leasing part of our Alaskan naval reserve for energy exploration.~~

This week my - 13 -
Yesterday (3)

began

• ~~My~~ personal representatives ~~[have begun]~~ negotiations in Mexico City that we hope will lead to a long-term agreement on sales of Mexican natural gas to the United States, at a price that is fair to both countries.

• To ~~increase the supply of our most abundant fuel~~ ^{coal --} resource -- ~~coal~~ ~~[I am directing]~~ the heads of the three federal agencies which regulate the coal industry ~~to will~~ report to me within sixty days on ways to encourage greater mining of coal -- *our most abundant fuel resource.*

*If we get
Energy funds*

• I will ~~further~~ ~~encourage~~ ^{increase the use of} solar energy, and will announce significant measures ~~to do so on~~ _____.

We will establish ambitious solar ^{energy} goals, and we will act to achieve those goals.

* * *

In addition to producing more energy, we must conserve more energy. Conservation is cheap and clean. And

every barrel of oil we ~~conserve~~ ^{save} is a barrel we don't have to import.

and the leaders of other consuming nations have already

I ~~have~~ set a goal of reducing our ~~country's~~ oil

consumption by five percent of ~~our consumption~~ -- ^{in our country} some

1 1/2 million barrels a day.

To help accomplish this goal; I ~~am taking the following~~ ing steps:

have asked

● I ~~am asking~~ Congress to grant me immediate authority to require that thermostats in all commercial buildings be set no higher than 65 degrees in winter and no lower than 80 degrees in summer -- and to pass other mandatory conservation plans I have submitted. As soon as I get that authority, I will use it. ~~This will save us a great deal of oil.~~

will be included

● ~~I am ending~~ free parking, for government employees, *in order to reduce the number of wasteful one-passenger cars going to work.* I call on state governments and private employers to follow suit.

will encourage the use of

- I ~~will seek~~ ^T tax credits, ~~for~~ [^] wood-burning heat stoves.

all citizens to honor, and all

- I am asking [^] the states to ~~step up enforcement of~~ ^{enforce} a major energy saver ~~the~~ 55 mile per hour speed limit. This is one of the most effective ways to save oil.

- I will set gasoline reduction targets for ~~each of~~ our fifty States, ^{and permit each} ~~Each State must~~ ^{may to} meet its target however it chooses, ~~and~~ ^T the timetable will be strict. If a State fails to meet its target, I will have no choice but to order mandatory steps, including gas station closings if necessary, to achieve the needed savings. If these savings are not made, we will almost certainly have gasoline shortages next year.

* * *

There are other actions I will take to help tide us over the loss of Iranian supplies:

On a temporary basis, as needed:

#2

● I will extend certain environmental deadlines, where it is safe to grant them, and make regulatory changes to help avoid serious shortages of gasoline.

● ~~I will order Electric utilities~~ ^{They will be ordered} to run coal and other non-oil-burning generating plants at full capacity and ^{to} transmit the extra power to areas where oil burners can be phased out. Unless utilities do so voluntarily.

● I have directed the Secretary of Energy to ~~use all of his legal powers to~~ promote the use of coal and natural gas as a substitute for oil.

In addition, I ask each of you to take an important action on behalf of our nation. I ask you to drive ^{twenty} ten ~~or twenty~~ miles a week fewer than you do now. One way to do this is not to ^{drive} ~~take~~ your ^{own} car to work ^{every} ~~one day a week~~. Take the bus, go by carpool -- or, if you work close to home, walk.

^{This}
~~I assure you that your~~ action can make a significant

*This will help to hold
down prices of fuel, and*

difference. For each day that we do this, we can save

hundreds of thousands of

_____ barrels of oil. And you ^{*obviously*} [personally] will save [some

*10% = 3 mil
5% = 1.5*

~~of the~~] money you would otherwise ^{*have spent*} spend on gasoline.

→

* * *

So far ~~this evening~~ I have spoken about producing more energy and conserving more energy.

Now in the ^{*next*} ~~last~~ few minutes of ~~this broadcast~~, I would like to talk about the third -- and most promising -- part of our battle for energy security: the development ^{*and use*} of *American* technology.

We are already investing some \$3.5 billion each year to develop the ^{*new*} ~~wide range~~ of energy ^{*optimal supplies*} ~~technologies~~ we will need for the future.

But we must step up ^{*this*} ~~that~~ effort. Just as we harnessed American dedication and brain power to put men on the moon, we will make the same kind of massive, purposeful effort

to achieve the goal of national energy security through technology. ~~And~~ We must begin now.

That is why the Energy Security Fund -- and the tax on ^{excess} oil profits that will pay for it -- is so vitally important.

That is why every vote in Congress for this fund will be a vote for America's future -- and every vote against it will be a vote for ^{excessive oil company profits and for} reliance on the whims of ^{the} foreign oil ^{cert. el.} ~~seller~~s.

The Energy Security Fund will ^{let} ~~help~~ us pursue a ^{sound} ~~coherent~~ planned strategy of energy research and development.

In years to come, we will design buildings, appliances and engines ^{that serve us better and use} ~~for cars and for industrial use~~ that do ~~a better job on~~ less energy.

We will greatly improve our ^{transportation systems to make it more} ~~mass transit~~, so that we ~~reduce our reliance on the automobile and use alternate means~~ of ~~transportation that are~~ clean, fast, and efficient.

~~We will seek ways to broaden the use of our huge coal~~
^{must will}
~~deposits~~
~~reserves~~ by turning coal into clean gas, ~~oil~~, and solid
fuels.

We will learn to ^{use} ~~exploit~~ our ^{immense} ~~huge~~ reserves of oil shale ~~in~~
~~an economical and environmentally sound way.~~

~~We will use more gasohol -- the combination of alcohol~~
^{produce} ~~and gasoline that is~~ already ^{being} used in several Midwestern states.
^{derived} ^{our replenishable} ^{produced} ^{from forests and croplands}

~~I will seek the permanent elimination of the federal gas~~
~~tax on it, and I will ask Congress to give the same tax ex-~~
~~emption to all fuels that are at least one-tenth synthetic.~~

We will promote the use of small-scale hydroelectric
plants, powered by ^{streams}
power. ~~A few turbines in the flow of an ordinary river can~~
light ~~homes~~ without the need for big dams. New
England has thousands of such facilities that haven't been
used for years, but ^{they can} ~~could~~ be ^{used} again.

We will develop ~~advanced~~ and safe ~~techniques~~ of
generating electricity with nuclear power.

And we will turn increasingly toward the ultimate source of all our energy, the sun.

There are solar techniques that are economical right now, especially for space and hot-water heating. With ^{existing} tax credits ~~[already established by the National Energy Act,]~~ and with our ^{new} Energy Security Fund we will encourage ^{more rapid} the development and use of ^{solar power.} ~~these techniques.~~

Farther in the future, we will use solar ^{energy in} ~~power~~ for ^{other ways,} many ~~energy~~ purposes, including the direct conversion of sunlight into electricity. We already use this method in our space program, but scientific ^{discoveries} ~~breakthroughs~~ will be needed to make it work for our homes and factories. The Energy Security Fund ^{derived from excess profits tax} will help pay for ^{this exciting} the basic and applied research and development ^{program.} ~~that can lead to those breakthroughs.~~

^{All of} ~~I hope,~~ ^{steps} these actions can be part of a wider international effort. ^{Other nations are eager to cooperate.} ~~to the same ends.~~ ~~I~~ ~~It~~ ~~entirely~~ ~~our~~ ~~wants~~

The actions I have announced tonight will ^{begin to} move us away from ~~using~~ imported oil and toward a future of real energy security. Some of these actions will require sacrifice. None will seriously ^{reduce} ~~diminish~~ the quality of our lives -- and some will ^{give us a better life.} ~~enhance~~ it. These are necessary steps, because our country faces a serious petroleum crisis and a broader energy challenge. The future of the country we love is at stake.

~~We~~ American families and ~~American institutions~~ have met equal challenges in the past. ^{we} ~~They have~~ ^{Our nation has} endured and prospered.

~~I am sure that~~ **I**f we recognize the urgency of ~~the~~ ^{this} challenge -- and if we work together to meet it ~~in unity~~ -- then we too will endure. We too will prosper. We too will triumph.

Thank you, and good night.

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Good evening.

nation's Our ^{serious-- it's} energy problem is ~~bad~~ and getting worse.

We are wasting too much energy, ^{we are} buying far too much oil

from foreign countries, and we are not producing enough ^{production} oil, gas, ~~and~~ ^{or} coal in the United States. ^{To control energy price and distribution} The Federal

bureaucracy and red tape ^{have become} ~~are~~ so complicated, it's ~~is~~ almost

unbelievable. Energy prices are high and going higher,

no matter what we do. ^{recent} The ^{in Pennsylvania} accident at the Three Mile

Island nuclear power plant ^{has demonstrated dramatically} *that we*

have other energy problems. ^{The use of} Coal and solar energy, ~~use, are~~

which are in plentiful supply, are ~~is~~ lagging far behind their great potential.

What can we do? *We can solve these problems together.*

^{Federal} government price controls now hold down ~~us~~ *our own*

production and encourage ~~the~~ ^{increasing} waste and dependence on

foreign oil.

Present law requires that ^{these} Federal government controls on oil be removed by September 1981, and the law gives me the authority at the end of next month to carry out this ^{decontrol} process. In order to minimize sudden economic shock, I have decided that phased decontrol ^{of oil prices} will begin on June 1st and continue at a fairly uniform rate over the next 28 months. *The immediate effect of this action should be to increase production of oil and gas in our own country.* ^{With decontrol,} ~~oil~~ prices will go up ^{on oil already discovered,} and unless we tax the oil companies they will reap huge and undeserved ^{windfall} ~~new~~ profits.

As government controls end, We must impose ^{a windfall} ~~an excess~~ profits tax on the oil companies to capture part of this money for the American people. ~~We need~~ ^{This} tax money will go into an Energy Security Fund, and will be used to protect low income families from energy price increases, to build a more efficient ^{mass} transportation system, and to put American genius to work solving our long-range energy problems.

all of this in more detail.
Let me explain, ~~how this will work~~. This is very
important, and I hope ^{all of} you will listen carefully and give
me your cooperation and ~~your~~ support.

The energy crisis is real. I said so in 1977, and
I say it again tonight, ^{almost exactly} two years later. Time is running
short.

While the situation at Three Mile Island is
improving and we have taken every precaution to protect
the people of the area, this ^{nuclear} ~~accident~~ ^{obviously} ~~cannot help but~~
cause all of us concern.

I have directed the establishment of an independent
Presidential Commission of experts to investigate the
causes of this accident and to make recommendations on
how we can improve the safety of nuclear ^{power} plants. You
deserve a full accounting, and you will get it.

~~It is obvious that our use of nuclear power must continue, but safety will come first.~~

Although this ~~nuclear~~ accident is of immediate concern, the fundamental cause of our nation's energy crisis is petroleum. We are dangerously dependent on ~~uncertain~~ ^{uncertain} and expensive sources of foreign oil.

Since the 1973 embargo, oil production in the United States has ^{actually} ~~dropped~~. Our imports have been growing. ^{Just a} ~~A~~ few foreign countries control the amount ^{of oil} ~~that~~ is produced and the price we must pay.

Just ten years ago, we imported hardly any oil. Today, we ^{buy} ~~import~~ about half the oil we use ^{from foreign countries.} We are by far the largest customer for OPEC oil, buying one-fourth of ~~that~~ ^{foreign} the cartel's total production. This year, we will pay out \$50 billion for ^{imported} ~~foreign~~ oil -- an average of \$900 for every family in the United States.

This growing dependence has left us dangerously exposed to sudden price rises and interruptions in supply.

In 1973 and 1974, ^{shipment of} oil was embargoed and the price quadrupled almost overnight. In the last few months, the upheaval in Iran, ^{again} cut world supplies of oil, and the OPEC cartel ^{leaped up} raised prices, ^{again}.

These shocks have sent us stern warnings about energy, but our nation has not yet responded to these warnings.

Our national strength is dangerously dependent on a thin line of oil tankers ^{stretching} that stretches halfway around the earth, ^{which} ^{originating} and that originates in the Middle East and around the Persian Gulf -- one of the most unstable regions in the world.

The National Energy Plan which I proposed ^{in April, 1977} ~~two years~~ ago was the first major effort to deal with these problems.

Then, for 18 long months, Congress debated and special

interests struggled for advantage. Some of my original proposals were enacted, and benefits are already obvious, but proposals dealing with oil were not adopted, and we have now lost time we could not afford. ~~Our dangerous dependence on foreign oil kept growing.~~ ^{is still}

With new legal authority, I am ^{now able to} act ~~now~~ without delay.

There is no single answer. We must conserve more.

We must produce more. And now we must join together in a great national effort to use American technology to give us energy security in the years ahead.

The most effective action we can take to encourage both conservation and production here at home is to stop rewarding those who import foreign oil and to stop encouraging waste by holding the price of American oil ^{far} down _{below} its ^{replacement or} true value.

This is a painful step, ^{and} I'll give it to you
straight: Each of us will have to use less ^{oil} and pay more _x
for it.

But this is a necessary step, and I want ^{you} to ^{understand} explain
it ~~to you~~ fully.

Excessive Federal government controls must end.

Phased decontrol will gradually increase the price
of petroleum products. In the short run it will add a
small amount to our rate of inflation, but that is the
cost we must pay to reduce our dependence on the foreign
oil cartel.

In the longer run the actions ^{I'm} ~~I am~~ announcing
tonight will help us ^{to} fight inflation. Other nations will
^{and support} join _{us} as we cut down our use of oil and increase our
own production of energy. The foreign oil cartel will
^{then} ~~therefore~~ find it harder to raise ~~the~~ prices. The dollar

will ^{grow} be stronger and the prices we pay for many imported goods will be less. This will strengthen our economy and reduce inflation in future years.

But decontrol could also further ^{inflate} ~~fatten~~ the already large profits of oil companies. ^{As I have said,} ~~A~~ part of this excessive new profit will be totally unearned, what is called a "windfall" profit.

That is why we must have a new windfall profits tax to recover the unearned billions of dollars, and to ensure that you -- the American people -- are treated fairly.

I want to emphasize that this ^{windfall} ~~excess~~ profits tax is not a tax on the American people. It is purely and simply a tax on the new ^{un} ~~windfall~~ profits of the oil producers, which they will receive but not earn.

Even with the ^{windfall} ~~excess~~ profits tax in place, our oil producers will get substantial new income -- enough to provide plenty of incentive for increased ^{domestic} production.

I will demand that they use their new income to develop energy for America, ^{and} not to buy department stores and hotels, as some have done in the past.

Congressional leaders, who share my belief that ^{a windfall} ~~an excess~~ profits tax is necessary, warn me that we face two very real threats to these proposals.

First, as surely as the sun will rise, the oil companies can be expected to fight to keep the profits which they have not earned. Unless you speak out, they will have more influence on the Congress than you do.

Second, the inevitable scrambling by interest groups for a larger share of ^{these} ~~the~~ revenues can leave

the Congress divided, bogged down, and unable to act.

Unless your voice is heard, once again the selfish ^{ness} ~~interests~~
of a few will block action, ^{which is} badly needed to help our entire
nation.

*to establish the energy
security fund, and to
meet our future
energy needs,*

I will fight to get this tax passed, and tonight,

I appeal for your support. Please let your Senators and
Representatives in Congress know that you support the

^{windfall} ~~excess~~ profits tax -- ^{and} that you do not want the ^{need to produce} ~~necessity~~

~~for producing~~ more energy to be turned into an excuse
to cheat the public and to damage our nation.
~~for a rip-off.~~

^{can}
We ~~will~~ meet our energy challenge, but I am not
going to put an undue burden on people who can hardly
make ends meet as it is.

Part of the proceeds of the ^{windfall} ~~excess~~ profits tax
will go to help those among us who will be hurt most by
rising energy prices. ^P I will also ~~take these steps:~~

~~First, I am asking~~ ^{ask} every State to pass laws protecting Americans from arbitrary cutoffs of heat, ^x for their homes.

~~Second, we~~ will channel the tens of millions of dollars we are ^{already} winning in lawsuits against oil companies for price gouging into further energy assistance for lower-income citizens.

-- And, ~~third,~~ for the sake of fairness, ^I we will ask Congress to close foreign tax credit loopholes that now ^{give} ~~provide~~ unnecessary benefits to the major oil companies.

* * *

Besides removing government controls on oil to encourage production, we must take other actions to increase supply and to make the most of our own domestic fuel reserves.

-- I have today signed an executive order that will set strict deadlines for cutting through Federal red tape on ^{important} new energy projects, ^{such as} ~~including~~ pipelines, ~~ports,~~ ^{seaports} and refineries.

-- We will move to eliminate ^{bureaucratic} barriers to construction of the pending pipeline from California to Texas, which has been stuck in a quagmire of more than 700 State and local permit applications for the last 14 months.

~~-- We will speed up our review of ^{other} pipeline applications to serve the northern part of our country.~~

-- We will step up exploration and production of oil and gas on Federal lands.

-- This week my personal representatives began negotiations in Mexico City ^{which} ~~that~~ we hope will lead to an agreement on sales of Mexican natural gas to the United States, at a price that is fair to both countries.

-- ~~The heads of~~ ^T the three Federal agencies which regulate the coal industry will report to me within 60 days on ways to encourage greater use of coal -- our most abundant fuel resource.

^{And}
-- [^]I will soon announce significant measures to increase and to accelerate the use of solar energy.

* * *

In addition to producing more energy, we must conserve more energy. Conservation is our cheapest and cleanest energy source. ^{It helps to control inflation, and every} ~~Every~~ barrel of oil we save is a barrel we don't have to import.

We have recruited 17 other consuming nations to join us in ^{pledging to reduce} ~~setting a goal of reducing~~ expected oil consumption by 5 percent.

To help accomplish this ^{conservation} goal:

-- I have asked Congress to grant me standby authority to require that thermostats in all commercial buildings be set no higher than 65 degrees in winter and no lower than 80 degrees in summer. As soon as I get that authority, I will use it.

-- Steps will be taken to eliminate free parking for government employees in order to reduce the waste of gasoline in commuting to work. I call on State governments and private employers to follow suit.

-- Tax credits will encourage the use of wood-burning stoves.

-- I am asking all citizens to honor, and all States to enforce, the 55 mile-per-hour speed limit. This is one of the most effective ways to save oil fuel.

-- I will set ~~gasoline reduction~~ targets for our
to reduce gasoline consumption,
50 States, and ask each State to meet its target.

The timetable will be strict. If States fail to meet
their targets when gasoline shortages exist, ^{then} I will order
the weekend closing of service stations.
mandatory steps, including ~~gas station closings~~, to achieve
the needed savings. If these savings are not made, we
will almost certainly have gasoline shortages as early
as this summer.

In addition, I ask each of you to take an important
action on behalf of our nation. I ask you to drive 10 or
20 miles a week fewer than you do now. One way to do
this is not to drive your own car to work every day. ^{At least once a week} Take
the bus, go by carpool -- or, if you work close to home,
walk.

This action can make a significant difference for our country. For each day that we do this, we can save hundreds of thousands of barrels of oil. This will help to hold down prices of fuel, and you obviously will save money you would otherwise have spent on gasoline.

* * *

As needed on
^ ~~on~~ a temporary basis,

may
-- I ~~will~~ ^ extend certain environmental deadlines and make regulatory changes [~~where it is safe to grant them~~] to help avoid serious shortages of gasoline.

-- Unless utilities do so voluntarily, they ~~will~~ *may* be ordered to run ~~coal and other~~ non-oil-burning generating plants at full capacity and to transmit the extra power to areas where oil burners can be phased out.

~~-- I have directed the Secretary of Energy to
promote the use of coal and natural gas as a substitute
for oil.~~

* * *

So far I have spoken about producing more energy
and conserving more energy.

Now in the next few minutes, I would like to talk
about the third -- and most promising -- part of our
battle for energy security: *shifting to more abundant sources of energy by*
the development and use of
American technology.

We are already investing some \$3.5 billion each
year to develop the new energy supplies we will need
for the future.

But we must step up this effort. Just as we
harnessed American dedication and brainpower to put men

on the moon, we will make the same kind of massive, purposeful effort to achieve the goal of national energy security through technology. We must begin now so that we can regain control over our energy future.

That is why the Energy Security Fund -- with the tax on ^{windfall} ~~excess~~ oil profits that will pay for it -- is so vitally important. That is why every vote in Congress for this Fund will be a vote for America's future -- and every vote against it will be a vote for excessive oil company profits and for reliance on the whims of the foreign oil cartel.

The Energy Security Fund will let us pursue a sound strategy of energy research and development.

In years to come, we ^{can} ~~will~~ design automobiles, buildings, appliances and engines that serve us better and use less energy.

^{Can}
We ~~will~~ improve mass transit and make our entire transportation system cleaner, faster, and more efficient.

^{Can}
We ~~will~~ broaden the use of our huge coal deposits by turning coal into clean gas, liquid, and solid fuels.

^{Can} ^{how}
We ~~will~~ learn _^ to use our immense reserves of oil shale.

^{the products of}
From _^ our forests and croplands, we ^{can} ~~will~~ produce more gasahol -- already being used _^ ^{to replace gasoline} in several Midwestern States.

^{Can}
We ~~will~~ promote the use of small-scale hydroelectric plants, powered by the flow of ordinary streams without the need for big dams. ~~New England alone has thousands of such dams ^{and plants} that haven't been used for years, but they can be used again.~~

^{Can}
And we ~~will~~ turn increasingly toward the ultimate source of all our energy -- the sun.

There are solar techniques that are economical right now. With existing tax credits and with our new Energy Security Fund, we ^{can} ~~will~~ encourage ^{even} more rapid development and use of solar power.

^{In} ~~Farther in~~ the future, we will use solar energy in many other ways, including the direct conversion of sunlight into electricity. We already use this method ^{for} ~~limited~~ purposes such as in our space program, but scientific discoveries will be needed to make it more useful in our homes and factories.

^{PP} The Energy Security Fund derived from the ^{windfall} ~~excess~~ profits tax will pay for these exciting new energy programs.

All of these steps can be part of a wider international effort. Other nations are eager to cooperate.

The actions ^{and plans} I have announced tonight will move us away from imported oil and toward a future of real energy security. These actions will give us a better life. These are necessary steps, because our country faces a serious petroleum problem and a broader energy challenge. The future of the country we love is at stake.

We Americans have met equal challenges in the past. Our nation has endured and prospered. Ours is a great country, and we have ^{bountiful} ~~great~~ resources and technological genius.

~~if~~ ^{we must} we ^{must} recognize the urgency of this challenge -- and ^{we must} ~~if we~~ work together to meet it, ~~++~~ ^{Then} we too will endure. We too will prosper. We too will triumph.

Thank you, and good night.

#

Good evening.

Our nation's energy problem is ^{very} serious -- and it's getting worse. We are wasting too much energy, we are buying far too much oil from foreign countries, and we are not producing enough oil, gas, or coal in the United States. To control energy price, production and distribution, the Federal bureaucracy and red tape have become so complicated, it's almost unbelievable. Energy prices are high and going higher, no matter what we do. The use of coal and solar energy, which are in plentiful supply, is lagging far behind their great potential. The recent accident at the Three Mile Island nuclear power plant in Pennsylvania has demonstrated dramatically that we have other energy problems.

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What can we do? We can solve these problems together.

Federal government price controls now hold down our own production and encourage waste and increasing dependence on foreign oil.

Present law requires that these Federal government controls on oil be removed by September 1981, and the law gives me the authority at the end of next month to carry out this decontrol process. In order to minimize sudden economic shock, I have decided that phased decontrol of oil prices will begin on June 1st and continue at a fairly uniform rate over the next 28 months. The immediate effect of this action ~~should~~^{will} be to increase production of oil and gas in our own country.

As government controls end, prices will go up on oil already discovered, and unless we tax the oil companies they will reap huge and undeserved windfall

profits. We must impose a windfall profits tax on the oil companies to capture part of this money for the American people. This tax money will go into an Energy Security Fund, and will be used to protect low income families from energy price increases, to build a more efficient mass transportation system, and to put American genius to work solving our long-range energy problems.

Let me explain all of this in more detail. This is very important, and I hope all of you will listen carefully and give me your cooperation and support.

The energy crisis is real. I said so in 1977, and I say it again tonight, almost exactly two years later. Time is running short.

While the situation at Three Mile Island is improving and we have taken every precaution to protect

the people of the area, this nuclear accident obviously causes all of us concern.

I have directed the establishment of an independent Presidential Commission of experts to investigate the causes of this accident and to make recommendations on how we can improve the safety of nuclear power plants. You deserve a full accounting, and you will get it.

Although this accident is of immediate concern, the fundamental cause of our nation's energy crisis is petroleum. We are dangerously dependent on uncertain and expensive sources of foreign oil.

Since the 1973 embargo, oil production in the United States has actually dropped. Our imports have been growing. Just a few foreign countries control the amount of oil that is produced and the price we must pay.

Just ten years ago, we imported hardly any oil. Today, we buy about half the oil we use from foreign countries. We are by far the largest customer for OPEC oil, buying one-fourth of that foreign cartel's total production. This year, we will pay out \$50 billion for imported oil -- ^{about \$650} ~~an average of \$900~~ ^{household} ~~for every family~~ in the United States.

This growing dependence has left us dangerously exposed to sudden price rises and interruptions in supply. In 1973 and 1974, shipment of oil was embargoed and the price quadrupled almost overnight. In the last few months, the upheaval in Iran again cut world supplies of oil, and the OPEC cartel prices leaped up again.

These shocks have sent us stern warnings about energy, but our nation has not yet responded to these warnings. Our national strength is dangerously dependent

on a thin line of oil tankers stretching halfway around the earth, originating in the Middle East and around the Persian Gulf -- one of the most unstable regions in the world.

The National Energy Plan which I proposed in April, 1977 was the first major effort to deal with ^{all} these problems. Then, for 18 long months, Congress debated and special interests struggled for advantage. Some of my original proposals were enacted and benefits are already obvious, but proposals dealing with oil were not adopted, and we have now lost ^{precious} time we could not afford.

With new legal authority, I am now able to act without delay.

There is no single answer. We must produce more. We must conserve more. And now we must join together in a great national effort to use American technology to

give us energy security in the years ahead.

The most effective action we can take to encourage both conservation and production here at home is to stop rewarding those who import foreign oil and to stop encouraging waste by holding the price of American oil down far below its replacement or true value.

This is a painful step, and I'll give it to you straight: Each of us will have to use less oil and pay more for it.

But this is a necessary step, and I want you to understand it fully.

Excessive Federal government controls must end.

Phased decontrol will gradually increase the price of petroleum products. In the short run it will add a

small amount to our rate of inflation, but that is the cost we must pay to reduce our dependence on the foreign oil cartel.

In the longer run the actions I'm announcing tonight will help us to fight inflation. Other nations will join and support us as we cut down our use of oil and increase our own production of energy. The foreign oil cartel will then find it harder to raise prices. The dollar will grow stronger and the prices we pay for many imported goods will be less. This will strengthen our economy and reduce inflation in future years.

But decontrol could also further inflate the already large profits of oil companies. As I have said, part of this excessive new profit will be totally unearned -- what is called a "windfall" profit.

That is why we must have a new windfall profits tax to recover the unearned billions of dollars, and to ensure that you -- the American people -- are treated fairly.

I want to emphasize that this windfall profits tax is not a tax on the American people. It is purely and simply a tax on the new profits of the oil producers which they will receive but not earn.

Even with the windfall profits tax in place, our oil producers will get substantial new income -- enough to provide plenty of incentive for increased domestic production. I will demand that they use their new income to develop energy for America, and not to buy department stores and hotels, as some have done in the past.

Congressional leaders, who share my belief that a windfall profits tax is necessary, warn me that we face two very real threats to these proposals.

First, as surely as the sun will rise, ^{tomorrow} the oil companies can be expected to fight to keep the profits which they have not earned. Unless you speak out, they will have more influence on the Congress than you do.

Second, the inevitable scrambling by interest groups for a larger share of these revenues can leave the Congress divided, bogged down, and unable to act. Unless your voice is heard, once again the selfishness of a few will block action which is badly needed to help our entire nation.

I will fight to get this tax passed, to establish the Energy Security Fund, and to meet our future energy needs, and tonight I appeal for your support. Please let your Senators and Representatives in Congress know that you support the windfall profits tax -- and that you do not want the need to produce more energy to be turned into an

excuse to cheat the public and to damage our nation.

We can meet our energy challenge, but I am not going to put an undue burden on people who can hardly make ends meet as it is.

Part of the proceeds of the windfall profits tax will go to help those among us who will be hurt most by rising energy prices.

I will also ask every State to pass laws protecting Americans from arbitrary cutoffs of heat for their homes.

We will channel the tens of millions of dollars we are already winning in lawsuits against oil companies for price gouging into further energy assistance for lower-income citizens.

~~And~~ **F**or the sake of fairness, I will ask Congress to close foreign tax credit loopholes that now give

unnecessary benefits to the major oil companies.

And, to ease short run inflationary pressures, ^{I will see that} ~~I will~~
~~Propose to lift~~ ~~propose that~~
~~temporarily lift~~ existing fees and duties now applicable
to imported crude oil and products, ~~will~~ ^{be lifted temporarily.}

* * *

Besides removing government controls on oil to encourage production, we must take other actions to increase supply and to make the most of our own domestic fuel reserves.

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-- We will move to eliminate bureaucratic barriers to construction of the pending pipeline from California to Texas, which has been stuck in a quagmire of more than 700 State and local permit applications for the last 14 months.

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To help accomplish this conservation goal:

-- I have asked Congress to grant me standby *in four areas, one of which is* authority to require that thermostats in all commercial buildings be set no higher than 65 degrees in winter and no lower than 80 degrees in summer. As soon as I get that authority, I will use it.

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-- I may extend certain environmental deadlines and make regulatory changes to help avoid serious shortages of gasoline.

-- Unless utilities do so voluntarily, they may be ordered to run non-oil-burning generating plants at full capacity and to transmit the extra power to areas where oil burners can be phased out.

* * *

So far I have spoken about producing more energy and conserving more energy.

Now in the next few minutes, I would like to talk about the third -- and most promising -- part of our battle for energy security: shifting to more abundant sources of energy by the development and use of American technology.

We are already investing some \$3.5 billion each year to develop the new energy supplies we will need for the future.

But we must step up this effort. Just as we harnessed American dedication and brainpower to put men on the moon, we will make the same kind of massive, purposeful effort to achieve the goal of national energy security through technology. We must begin now so that we can regain control over our energy future.

That is why the Energy Security Fund -- with the tax on windfall oil profits that will pay for it -- is so vitally important. That is why every vote in Congress for this ^{tax and} Fund will be a vote for America's future -- and every vote against it will be a vote for excessive oil company profits and for reliance on the whims of the foreign oil cartel.

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We can improve mass transit and make our entire transportation system cleaner, faster, and more efficient.

We can broaden the use of our huge coal deposits by turning coal into clean gas, liquid, and solid fuels.

We can learn how to use our immense reserves of oil shale.

From the products of our forests and croplands, we can produce more gasahol -- already being used to replace gasoline in several Midwestern States.

We can promote the use of small-scale hydroelectric plants, powered by the flow of ordinary streams without the need for big dams.

And we can turn increasingly toward the ultimate source of all our energy -- the sun.

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We must recognize the urgency of this challenge -- and we must work together to meet it. Then we too will endure. We too will prosper. We too will triumph.

Thank you, and good night.

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