

VETO OF H.R. 1767

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

VETOING H.R. 1767, AN ACT TO SUSPEND FOR A 90-DAY PERIOD THE AUTHORITY OF THE PRESIDENT UNDER SECTION 232 OF THE TRADE EXPANSION ACT OF 1962 OR ANY OTHER PROVISION OF LAW TO INCREASE TARIFFS, OR TO TAKE ANY OTHER IMPORT ADJUSTMENT ACTION, WITH RESPECT TO PETROLEUM OR PRODUCTS DERIVED THEREFROM; TO NEGATE ANY SUCH ACTION WHICH MAY BE TAKEN BY THE PRESIDENT AFTER JANUARY 15, 1975, AND BEFORE THE BEGINNING OF SUCH 90-DAY PERIOD; AND FOR OTHER PURPOSES



MARCH 5, 1975.—Message and accompanying act ordered to be printed as a House document

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WASHINGTON : 1975

To the House of Representatives:

I am returning H.R. 1767 without my approval. The purposes of this Act were to suspend for a ninety-day period the authority of the President under section 232 of the Trade Expansion Act of 1962 or any other provision of law to increase tariffs, or to take any other import adjustment action, with respect to petroleum or products derived therefrom; to negate any such action which may be taken by the President after January 15, 1975, and before the beginning of such ninety-day period.

I was deeply disappointed that the first action by the Congress on my comprehensive energy and economic programs did nothing positive to meet America's serious problems. Nor did it deal with the hard questions that must be resolved if we are to carry out our responsibilities to the American people.

If this Act became law, it would indicate to the American people that their Congress, when faced with hard decisions, acted negatively rather than positively.

That course is unacceptable. Recent history has demonstrated the threat to America's security and economy caused by our significant and growing reliance on imported petroleum.

Some understandable questions have been raised since my program was announced in January. I am now convinced that it is possible to achieve my import goals while reducing the problems of adjustment to higher energy prices. Accordingly:

- I have directed the Administrator of the Federal Energy Administration to use existing legal authorities to adjust the price increases for petroleum products so that the added costs of the import fees will be equitably distributed between gasoline prices and the prices for other petroleum products, such as heating oil. These adjustments for gasoline will not be permanent, and will be phased out.
- To assist farmers, I am proposing a further tax measure that will rebate all of the increased fuel costs from the new import fees for off-road farm use. This particular rebate program will also be phased out. This proposal, which would be retroactive to the date of the new import fee schedule, will substantially lessen the adverse economic impact on agricultural production, and will reduce price increases in agricultural products.

These actions will ease the adjustment to my conservation program in critical sectors of the Nation while still achieving the necessary savings in petroleum imports.

Some have criticized the impact of my program and called for delay. But the higher costs of the added import fees would be more than offset for most families and businesses if Congress acted on the tax cuts and rebates I proposed as part of my comprehensive energy program.

The costs of failure to act can be profound. Delaying enactment of my comprehensive program will result in spending nearly \$2.5 billion more on petroleum imports this year alone.

If we do nothing, in two or three years we may have doubled our vulnerability to a future oil embargo. The effects of a future oil embargo by foreign suppliers would be infinitely more drastic than the one we experienced last winter. And rising imports will continue to export jobs that are sorely needed at home, will drain our dollars into foreign hands and will lead to much worse economic troubles than we have now.

Our present economic difficulty demands action. But it is no excuse for delaying an energy program. Our economic troubles came about partly because we have had no energy program to lessen our dependence on expensive foreign oil.

The Nation deserves better than this. I will do all within my power to work with the Congress so the people may have a solution and not merely a delay.

In my State of the Union Message, I informed the Congress that this country required an immediate Federal income tax cut to revive the economy and reduce unemployment.

I requested a comprehensive program of legislative action against recession, inflation and energy dependence. I asked the Congress to act in 90 days.

In that context, I also used the stand-by authority the Congress had provided to apply an additional dollar-a-barrel import fee on most foreign oil coming into the United States, starting February 1 and increasing in March and April.

I wanted an immediate first step toward energy conservation—the only step so far to reduce oil imports and the loss of American dollars. I also wanted to prompt action by Congress on the broad program I requested.

The Congress initially responded by adopting H.R. 1767 to take away Presidential authority to impose import fees on foreign oil for 90 days.

Although I am vetoing H.R. 1767 for the reasons stated, I meant what I said about cooperation and compromise. The Congress now pledges action. I offer the Congress reasonable time for such action. I want to avoid a futile confrontation which helps neither unemployed nor employed Americans.

The most important business before us after 50 days of debate remains the simple but substantial tax refund I requested for individuals and job-creating credits to farmers and businessmen. This economic stimulant is essential.

Last Friday, the majority leaders of the Senate and House asked me to delay scheduled increases in the import fees on foreign oil for 60 days while they work out the specifics of an energy policy they have jointly produced. Their policy blueprint differs considerably from my energy program as well as from the energy legislation now being considered by the House Committee on Ways and Means.

I welcome such initiative in the Congress and agree to a deferral until May 1, 1975. The important thing is that the Congress is finally

moving on our urgent national energy problem. I am, therefore, amending my proclamation to postpone the effect of the scheduled increases for two months while holding firm to the principles I have stated. It is also my intention not to submit a plan for decontrol of old domestic oil before May 1.

I hope the House and Senate will have agreed to a workable and comprehensive national energy legislation.

But we must use every day of those two months to develop and adopt an energy program. Also, I seek a legislative climate for immediate action on the tax reductions I have requested. It is my fervent wish that we can now move from points of conflict to areas of agreement.

I will do nothing to delay the speedy enactment by the Congress of straight-forward income tax cuts and credits by the end of this month.

Under present conditions, any delay in rebating dollars to consumers and letting businessmen and farmers expand, modernize and create more jobs is intolerable.

I do not believe the Congress will endanger the future of all Americans. I am confident that the legislative branch will work with me in the Nation's highest interests.

What we need now is a simple tax cut and then a comprehensive energy plan to end our dependence on foreign oil.

What we *don't* need is a time-wasting *test* of strength between the Congress and the President. What we *do* need is a *show* of strength that the United States government can act decisively and with dispatch.

GERALD R. FORD.

THE WHITE HOUSE, *March 4, 1975.*