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Press Release - Muskie Co-Sponsors Legislation to Reduce Heating Oil Price

Edmund S. Muskie

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MUSKIE

Maine

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IMMEDIATELY
Monday, May 10, 1971 **FOR RELEASE**

MUSKIE CO-SPONSORS LEGISLATION TO REDUCE HEATING OIL PRICE

Senator Edmund S. Muskie (D-Maine) today joined with members of the New England Congressional delegation in sponsoring legislation aimed at reducing the price and increasing the supply of home heating oil in New England.

The New England States Fuel Oil Act of 1971 would remove all import restrictions on No. 2 fuel oil, the major source of home heating oil in Maine. These restrictions have proved the principal cause of increased prices of home heating fuel in Maine.

The bill also would eliminate existing tariffs on all petroleum products now covered by the Oil Import Quota program and would direct the Secretary of State to negotiate with Canada to establish a Northeastern Regional Oil Area encompassing Canada and the New England states. Such an area, similar to a "common market" for oil, could lead to the end of controls on all petroleum products for New England.

"Almost one year ago, I commended President Nixon's action to permit the import of an additional 40,000 barrels of No. 2 fuel oil to the East Coast in the hope that this might result in lower prices," Senator Muskie said.

"Unfortunately, in the 6 months following this action, two of the major oil companies which dominate the East Coast market increased their refinery prices by 3 cents a gallon, a 50 per cent increase costing the New England consumer millions of dollars. Now is the time for action -- before prices go up again. Another increase of 1.3 cents per gallon has just been announced, an increase which could cost New England consumers \$60 million.

"The oil import program is like a patchwork quilt. Clearly, the only effective way to deal with it is to eliminate all restrictions on fuel imports into our region.

"In addition, this bill would enable our government to explore seriously the possibility of Maine obtaining access to the lower cost fuel supplies which are available to our Canadian neighbors.

"If adopted, this bill would at last recognize the critical relationship of supply and demand for heating oil in New England and establish the ground rules we need to provide essential supplies at reasonable prices. This bill would eliminate for New England a system which guarantees profits for a few giant oil companies at the expense of the individual homeowner in Maine."