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THE WHITE HOUSE
WASHINGTON

May 6, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

FRANK ZARB

FROM:

JERRY H. JONES

The attached was returned in the President's outbox with a notation that it was an interesting article. It was requested that it be sent to you for your information.

Thank you.

cc: Don Rumsfeld

THE WHITE HOUSE
WASHINGTON

Don R

Interesting suggestion.
Have someone talk
with ^{by} Frank Jobe.

THE WHITE HOUSE
WASHINGTON

MAY 06 1975

May 5, 1975

MEMORANDUM FOR JERRY JONES

FROM: DICK CHENEY 

Attached is a note that came out of the Out Box.

Pass it on to Frank Zarb.

Attachment



SLIPPING ON OIL

BY HOWARD FLIEGER

You can't see it or feel it, but you'd better believe it: The energy crisis is still with us, explosive as ever.

And nobody is really doing much of anything to make it go away.

A multination conference in Paris, called to consider petroleum needs, production and prices, ended where it started—nowhere.

In Congress there are almost as many ideas about energy legislation as there are members. A half dozen or so plans have been worked up by one committee or another, but agreement on an over-all, realistic policy is no closer now than it was in January, when this session was called to order.

President Ford knows what he wants, but he is not getting it, and isn't likely to. The public attitude seems to be "So what?"

The odd thing about the present "fill'er up" euphoria is that the fuel situation is no nearer solution now than it was that winter when so many filling stations ran out of gas. As a matter of fact, it is worse, if you look ahead.

Even with slightly reduced consumption, the U.S. remains dependent on Middle East oil—and the Arabs can cut it off at the well or price it sky high any time they choose.

So—what's next?

If Washington's time-honored tradition were followed, the scenario would go this way:

1. A special commission is created to study the problem and its portents. That gets the thing out of everybody's in-box.

2. The commission makes a long and genuinely valuable examination of the outlook.

3. Everybody praises the study as a significant blueprint for action—which most of them really are. The report prompts a few days of scare headlines and thoughtful editorials about a clear and present danger.

4. The document—usually several volumes—is sent to Congress.

5. That's the last of it.

There are no indications President Ford has

any thought of going the route outlined here. But it has been suggested, and there are precedents galore. Through the years, Washington has had a penchant for compiling scholarly studies—and forgetting them.

Does anybody remember the Paley Report? That was the popular name of the time—the summer of 1952—that was given to a five-volume report made by a Materials Policy Commission appointed by President Truman. It was named for its chairman, William S. Paley of the Columbia Broadcasting System.

Using 1950 as a starting point, the Commission undertook a thorough analysis of the world's resources and material needs for the next 25 years.

It was instructed to examine existing and potential supplies and requirements. It was to make recommendations for ways to see that we got all the fuel and vital materials we would need in the foreseeable future.

The Commission did just that. Almost a quarter of a century ago it warned: "Domestic crude production is still far from the end of the road, but even under fairly optimistic assumptions it cannot keep pace with rising domestic needs up to 1975."

The study recommended that the U.S. start immediately on a program, encouraged by Government, to increase oil exploration and production, and get moving on developing petroleum substitutes and synthetics, coal and other energy sources.

Otherwise, it said, we would be dangerously dependent on foreign oil by 1975.

So here it is—1975—and we are now importing two of every five barrels of oil used in this country.

If you're curious why we're in this situation, and what thoughtful men said should have been done to prevent it, you'll find it all in the Paley Report of 1952—if you can locate a copy under all the dust.

contracts and loans or grants. Effective July 1, firms found to be in violation of the Federal Clean Air and Water Pollution Control Acts will be listed by the EPA as ineligible for large federal awards. Firms with criminal convictions will be "delisted" after violations have been fully corrected, others after completing a schedule for abating the condition.

■ **PENSION-PLAN** administrators will soon get more help from the Internal Revenue Service in setting up new plans or changing existing ones. The IRS will issue sample language and model paragraphs that can be used to comply with requirements of the pension-reform law enacted last year. The information will be available at local IRS offices.

■ **SAFETY COMPLAINTS** will now be checked out by the Occupational Safety and Health Administration, even if workers' protests are made orally or in unsigned statements. OSHA has directed its field offices to follow up on informal accusations if there is reasonable cause to believe the hazards exist.

■ **MONEY FUNDS** that invest in short-term debt, such as large certificates of deposit and Treasury bills, would be required to value net assets by using estimated market prices. The Securities and Exchange Commission, proposing such a rule, says this would be fairer than basing asset value on original costs plus a fixed increase as maturity nears. Views may be sent by May 23 to: The SEC, 500 North Capitol Street, Washington, D.C. 20549.

■ **DOOR-TO-DOOR** marketers of household and consumer products risk legal action by the Federal Trade Commission if they impose restrictive rules on their independent distributors. The FTC has just charged one firm with unfairly restraining trade by, among other things, fixing resale prices.

Conclusions expressed are based on decisions of the courts, government agencies and Congress, which, for reasons of space, cannot be set forth in detail. U.S. News & World Report, on written request, will refer interested readers to sources of this basic material.

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