

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

~~SECRET/NODIS/XGDS~~

MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Ford  
William Simon, Secretary of the Treasury  
Alan Greenspan, Chairman, Council of Economic  
Advisers  
Eric Zausner, Federal Energy Administration  
Rogers Morton, Secretary of Commerce  
Frank Zarb, Federal Energy Administration  
Donald Rumsfeld, Assistant to the President  
Major General Brent Scowcroft, Deputy Assistant  
to the President for National Security Affairs

DATE AND TIME: Saturday, December 7, 1974  
10:30 a. m.

PLACE: Cabinet Room

SUBJECT: Energy Briefing Group

Morton: I want to give an overview of the methodology for developing the issues so that decisions can be made. I want to open the window on the method of procedure and the options we are developing. This is not a decision meeting.

The crisis is one of price, not supply, except for natural gas.

[He introduced Mr. Zarb, who introduced the briefing.]

Zausner: Briefing --

1. Historical energy supply.
2. Projections at \$7 and \$11 oil.



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 E.O. 12958 (as amended) SEC 3.3  
 NSC Memo, 3/30/06, State Dept. Guidelines  
 By          NARA Date 6/14/09

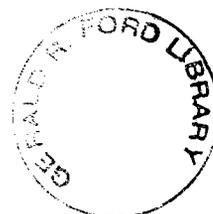
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 EXEMPTION CATEGORY 5 (b) (1, 3)  
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Simon: The world will be awash with oil in a few years.

Greenspan: So the critical issue is the national security one.

With a more fragmented supply, the chance of an oil cut-off is less. Are we willing to pay the insurance costs at the lessened risk?



# P/ Energy Briefing

7 Dec

in. Overview of methodology for developing issues so that decisions can be made.

Open consideration on method of procedure & options are being. Into decision meeting.

The crisis is one of price, not supply, except for natural gas.

Final assumptions - East (Eric Zansner)  
Zansner  
Zansner  
John Hill

## Zansner Introduction

### Zansner Briefing:

1. Historical energy supply
2. Projections at \$0.5 & \$1.00/bbl.

Lesson: World will be almost w/o oil in a few years.  
 Conclusion: So a critical issue is a well security rule.  
 W/o a more fragmented supply, chances for a cutoff is less, and are willing to pay a maintenance cost at a lesser risk?

## Alternate Positions

Comp'd arrived today next Saturday.  
 - Send E-mails  
 Harvats.

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E.O. 12958, SEC. 3.5

NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES

BY Da NARA, DATE 2/1/04

