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THE WHITE HOUSE

WASHINGTON

October 29, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

FRANK G. ZARB

FROM:

JAMES E. CONNOR *JEB*

SUBJECT:

Telephone Call to Chairman Staggers
Regarding Energy Legislation

The President reviewed your memorandum of October 27 on the above subject and indicated the following:

" 10/28/75 - Talked with him- a bit
encouraging but a little vague on specifics"

Please follow-up with appropriate action.



cc: Don Rumsfeld


THE WHITE HOUSE

WASHINGTON

October 27, 1975

*10/28/75
Talked with him -- a bit
encouraging but a little
vague on specifics.*

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK G. ZARB 

SUBJECT: Telephone Call to Chairman Staggers Regarding Energy Legislation

John Dingell has indicated that his subcommittee (Energy and Power) will begin mark-up this week on emergency natural gas legislation. The sessions will be at night in order to allow Dingell and other subcommittee members to participate in the conference committee sessions on H.R. 7014 - S. 622 "Comprehensive Energy" Bill.

There are potential problems in both areas -- natural gas and the energy bill -- that Harley Staggers could help resolve if he could be persuaded to our point of view:

1. Dingell is strongly opposed to any natural gas legislation that focuses on the long-run. In his view, the House should only pass legislation that deals with our short-term emergency and resist legislation such as that passed by the Senate this week that also provides for the deregulation of new natural gas in the future. Although several members of Dingell's Subcommittee will try to achieve a bill similar to Pearson-Bentsen, a major effort will have to be launched if we are to overcome Dingell's strong feelings on this subject. As per your direction, we are going to attempt to be sure that a change to a Dingell bill will be in order on the floor.
2. We are down to the wire on the energy bill and the pricing issue in that the Conference Committee intends to complete its work by Wednesday or Thursday. Although some progress is being made on the price issue, there is still a possibility that we will not achieve a compromise that is acceptable to

both the Administration and Democratic majority. Jackson clearly has the lead, but Staggers could play a major role of trying to persuade Jackson to put partisan politics aside and work for an acceptable compromise. The problem we have here, however, is that Staggers is not that familiar with the price issue, even though he will be taking a lead role on the price issue in these final hours to allow Dingell more time to concentrate on natural gas.

We think it would help our chances if you could call Chairman Staggers Tuesday to indicate your views on these issues and the need for cooperation on these bills as we move into the final, critical stages of debate. I have attached talking points for the phone call if you agree with this recommendation. Max Friedersdorf concurs in this recommendation.

Attachments

TALKING POINTS

CALL TO CHAIRMAN STAGGERS ON ENERGY LEGISLATION

H.R. 7014 (The Energy Bill)

1. I understand that the conference committee is in the final stages of mark-up on H.R. 7014 and the four other bills before the committee.
2. I appreciate the effort you and others on the committee have made to respond to some of my concerns and objections in working with Frank Zarb and his staff.
3. Although there are some provisions in the bill at this point which I find troublesome, progress is being made on resolving our differences, and I hope that progress will continue. We have a real chance in this conference of achieving the major part of a comprehensive energy program.
4. The price issue however is key. You know how I feel on this issue, Harley. I firmly believe that we need to phase out controls, if we are going to maximize production from domestic sources -- if we are going to reduce our imports and vulnerability. If we don't get it from home, we will have to buy it from abroad -- and at even higher prices than decontrolled domestic oil.
5. I am willing to work on a compromise. I have compromised several times already. Although I do not believe that I can go too much beyond my 39 month plan in terms of imports, I do think we can find a way to make that basic plan acceptable to both sides.
6. I hope you will work with Frank Zarb on this so we don't reach an impasse. We also need your help in keeping narrow, partisan political interests out of this issue or others in the bill, or we may see months of work come to naught.

NATURAL GAS

1. As you know, the Senate passed a comprehensive natural gas bill last week that would take care of this winter's emergency and deregulate new gas over time.
2. Although this bill is not everything I asked for, its basic thrust is acceptable. I would also imagine that the Senate definition of

new deregulated gas has been so restricted from my original bill that it should be acceptable to most of the members in the House. The price effect of the bill will be very small and very slow in coming -- but it will turn around the current path we are on of declining domestic production.

3. I know that John Dingell is starting mark-up this week on an emergency natural gas bill. He is not inclined at this point, however, to work on the long-term problem of deregulation as part of this effort.
4. I need your help in trying to convince John of the need to not only pass emergency legislation this year, but also to take care of the long-term problem. If we don't do it now, we will need emergency legislation again next year.
5. If we could get something out of the House that is similar to the bill passed by the Senate, we could solve the gas problem once and for all and get this problem behind us. Coupled with other bills that are coming along, we could end the year with a record we would all be proud to take to the voters regarding a comprehensive energy program.
6. I hope you will talk to Frank about this and help us convince John Dingell of the opportunity we have now that the Senate has acted.