To: Jack Marsh
From: Max F.
FYI

THE WHITE HOUSE
WASHINGTON

September 3, 1975

MEMORANDUM TO: MAX FRIEDERSDORF

FROM: JACK MARSH Bill Kendall

Could you have Bill Kendall talk with Mansfield to see if there is a chance to postpone the pending Jackson hearings on energy matters.

If they do get an energy bill compromise, these hearings probably will not be relevant, but on the contrary could be counter-productive. They are slated to begin this week.

Have Bill touch base with John Hill after Hill contact.

I talked to Mike but he saw no chance of leading off Scoop!

John Hill

Go see Kimmitt

September 12, 1975

MEMORANDUM FOR: MAX FRIEDERSDORF

FROM: JACK MARSH

The President is very concerned about the introduction of the stand-by energy legislation. He wants us to be certain that we have sponsors for this and that it is pushed.

I think it would be in order to pull together a status report on this point which sets forth the House and Senate legislation and their respective sponsors.

Senator Pearson has introduced one of the measures, but I am uncertain just how many measures there are. I believe we should get a checklist of how many bills are to be introduced and when each of them went to the Hill and who introduced each one. I am not certain whether this is package legislation or whether there are several bills. My guess is that there was one package with several legislative proposals, but I believe there are individual measures that must accompany them.

Perhaps Bob Wolthuis can get this returned by Monday.

Many thanks.

JOM/dl

SEP 15 1975

THE WHITE HOUSE

WASHINGTON

September 13, 1975

MEMORANDUM FOR: DON RUMSFELD

THROUGH: JACK MARSH Jom
MAX FRIEDERSDORF MF. 6.

FROM: BOB WOLTHUIS RKW

SUBJECT: Presidential Meetings with Members of Congress on Energy Between January 1, 1975 and September 9, 1975

Attached are two lists showing the meetings President Ford has held with Members of Congress on energy. This does not include, of course, the President's State of the Union Address on January 15, 1975 where he devoted considerable time to energy.

This also reflects the minimum number of meetings. I have not included any meetings or individuals where I could not verify it.

STATISTICS SHOWING THE NUMBER OF ENERGY AND ENERGY RELATED MEETINGS BETWEEN THE PRESIDENT AND MEMBERS OF CONGRESS JANUARY 1, 1975 THROUGH SEPTEMBER 9, 1975

1. Between January 1, 1975 and September 9, 1975, the President held 48 energy or energy related meetings with Members of Congress.

2. The President has met at least once with 51 of the 99 Senators.

3. The President has met at least once with 304 of the 435 Members of the House.

4. Combined, the President has met at least once with 355 of the 534 Members of Congress.

5. Cumulatively - including Senators attending more than one meeting - the President has met with 190 Senators.

6. Cumulatively - including House Members attending more than one meeting - the President has met with 547 Congressmen.

7. Combined cumulatively - including House and Senate Members attending more than one meeting - the President has met with 737 Members of Congress.

PRESIDENTIAL MEETINGS WITH MEMBERS OF CONGRESS ON ENERGY

DATE	PARTICIPANTS	SUBJECTS
January 10	The Speaker	Energy
January 10	Al Ullman	Energy
January 11	Hugh Scott/John Rhodes	Energy
January 13	Russell Long	Energy
January 14	GOP Leadership	Energy
January 15	State of the Union	Energy
January 16	Bipartisan Leadership breakfast	Energy and the economy
January 21	GOP Leadership Breakfast	Re: Energy and the economy
January 27	GOP Leadership breakfast	Re: Oil tariffs
January 27	Senators Scott, Fannin, Hansen and Dole	Energy (S.J. Res. 12)

1975

January 28	Bipartisan leadership	Energy and the economy
January 29	Al Ullman	Energy and the economy
January 31	Dinner meeting with 50 House Republicans	Re: H.R. 1767 - deferring of oil tariffs for 90 days.
February 4	Dinner meeting in W.H. 100 Republicans	Re: H.R. 1767
February 5	Dinner meeting W.H. 100 House Democrats	H.R. 1767
February 18	GOP Leadership	Re: H.R. 1767
February 18	Dinner meeting with Senate Wednesday Club	Re: H.R. 1767
February 19	Breakfast meeting with Southern Senators	Re: H.R. 1767
February 19	Senators Baker & Roth	Re: H.R. 1767

1975

February 28	Carl Albert, Tip O'Neill Jim Wright, Senators Mansfield & Byrd	Energy
March 3	GOP Leadership	Energy & the economy
March 4	Breakfast meeting with Freshmen Democrats	Energy
March 5	Senate GOP Steering Committee	Energy
March 18	Herman Schneebeli, Bud Brown, Barber Conable	Energy
March 19	Russell Long	Energy
March 23	Al Ullman	Energy
March 26	GOP Leadership	Energy
March 31	Tour U.S. Naval Petroleum Reserve No. 1 Bakersfield, California Congressmen Ketchum and Bell	
April 4	Visit to geyser (Sonoma County, California) with Congressmen Don Clausen and George Miller	

1975

April 30	GOP Leadership	Energy
April 30	Executive Committee of House Republican Study Group.	Energy
May 20	GOP Leadership	Energy/Strip Mining
May 21	Joe Waggonner	Energy
June 5	GOP Leadership	Energy/Strip Mining
June 12	House Bipartisan Leadership	Energy
June 13	Bipartisan leadership	Energy
June 18	Dick Bolling, et al (Breakfast meeting)	Energy
July 10	GOP Leadership	Energy
July 14	Bipartisan Leadership	Energy
July 21	GOP Leadership	Energy
July 22	Bipartisan Leadership on SEQUOIA	Energy

1975

August 29	Carl Albert/Mike Mansfield	S. 1849 - Extension of controls
September 3	Hugh Scott/John Rhodes	Energy
September 4	Bipartisan Leadership	Energy
September 6	Democrat Senators	Energy
September 8	GOP Senators/breakfast	Energy
September 8	Bipartisan Leadership	Energy
September 9	GOP Leadership	Energy

SEP 16 1975

THE WHITE HOUSE

WASHINGTON

M

September 16, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: MAX L. FRIEDERSDORF M.L.F.

SUBJECT: Senate Democratic Policy Committee Action

The Senate Democratic Policy Committee met this afternoon and deferred action on consideration of policy for extending the Emergency Petroleum Allocation Act which expired August 31.

Senator Mansfield indicated he did not want to discuss the issue until he had another opportunity to confer with the President.

The Policy Committee did decide to bring up S. 2310, the Glenn-Hollings Natural Gas Emergency Bill on Thursday, September 18, which will be subject to amendment by the Administration-sponsored Natural Gas Emergency Standby Act.

Following disposition of this legislation, the Policy Committee decided to call up S. 692, the unacceptable Magnuson long range gas deregulation bill which will be amendable to the Pearson-Tunney version similar to the Administration bill.

bcc: Don Rumsfeld
Jack Marsh

Cee: Sparling

Cong.

September 20, 1975

Dear Jim:

Thank you for your letter of September 17 as well as the attached survey in connection with energy-related appearances of several agencies before Congressional Committees.

I found the survey most interesting, and will be bringing it to the President's attention upon his return to Washington.

Thank you for taking the time to bring this to my attention.

With all good wishes, I remain,

Sincerely,

John O. Marsh, Jr.
Counsellor to the President

Mr. James M. Sparling, Jr.
Assistant to the Secretary
for Congressional Affairs
Department of Commerce
Washington, D. C. 20230
cb

THE WHITE HOUSE

WASHINGTON

1. T/U to Jim

2. TT file

original in TT folder.

UNITED STATES DEPARTMENT OF COMMERCE
Office of the Secretary
Washington, D.C. 20230

September 17, 1975

Honorable John O. Marsh
Counsellor to the President
The White House
Washington, D. C. 20500

Dear Jack:

Because many Members of Congress and spokesmen within the Executive Branch have publicly expressed concern over the fact that there are numerous Congressional Committees having jurisdiction over energy-related legislation, the Office of Congressional Affairs in the Department of Commerce has asked a number of Departments and Agencies to enumerate the number of times they have appeared before Congressional Committees and Subcommittees in this 94th Congress.

The results of this survey, covering January through August, are enclosed for your information.

With all good wishes,

Sincerely,

James M. Sparling, Jr.
Assistant to the Secretary
for Congressional Affairs

Enclosure

SUMMARY STATEMENT ON SPECIAL SURVEY ON ENERGY-RELATED APPEARANCES BEFORE CONGRESSIONAL COMMITTEES OF THE 94TH CONGRESS, JANUARY THROUGH AUGUST, 1975

During the month of August, Departments, Agencies and Commissions were asked to participate in a survey, directed by the Office of Congressional Affairs, Department of Commerce, to determine just how many Congressional Committees were hearing testimony on energy-related matters.

A questionnaire was submitted to the eleven Federal Departments, and to twelve out of fifty-nine Agencies and Commissions which would be most likely to have testified on energy problems. The following questions were asked: (1) How many appearances have Executive Department and Agency personnel made before Congressional Committees on energy legislation? (2) Which full committee or subcommittee heard the testimony, and how many appearances were made before each? (3) How many hours were spent in testifying, and how many man hours were involved in preparing testimony? (4) What is the estimate of anticipated demand in man hours for energy-related testimony for the balance of the session?

In total, twenty-three Departmental/Agency/Commission contacts were made, with all responding. Of the twenty-three respondents, five indicated that they had not, as yet, testified on energy-related matters. They were: Department of Health, Education, and Welfare; Department of Labor; Civil Aeronautics Board; National Science Foundation; and National Transportation Safety Board. The eighteen remaining respondents were as follows:

Department of Agriculture
Department of Commerce
Department of Defense
Department of Housing and Urban Development

Department of the Interior
Department of Justice
Department of State
Department of Transportation
Department of the Treasury
Energy Research and Development Administration
Environmental Protection Agency
Federal Energy Administration
Federal Power Commission
Federal Trade Commission
Interstate Commerce Commission
National Aeronautics and Space Administration
Small Business Administration
United States Postal Service

These eighteen respondents reported a total of 344 appearances before 86 Congressional Committees and Subcommittees during the first eight months of 1975.

Seventeen of the respondents were able to determine that 732 hours had been spent in giving testimony. An estimated 15,855 man hours were used to prepare testimony, with this figure on the conservative side, since it does not include man hours for testimony of the Energy Research and Development Administration. Preparation time includes a variety of support functions, briefings, meetings, drafts, memoranda, etc.

While most were unable to predict what man hours might yet be required during the balance of the session, eight of those surveyed estimated 6,650 hours may be needed. Based on reported man hours, which excluded those of ERDA, one might assume that a figure of 10,000 man hours would not be unreasonable in estimating the number of man hours which might yet be necessary for preparing and giving testimony on energy problems during the next four months.

Reinforcing the view that Congress' approach to energy problems is fragmented, is the fact that 86 legislative committees and/or subcommittees have been hearing energy testimony and, should subcommittees report out energy bills to their respective committees, the total number of committees and subcommittees considering energy problems would reach 91.

To argue that it is difficult for the Administration to present its energy programs to the Congress is an understatement when one considers that energy-related legislation and concerns have or are being considered by 86 committees and subcommittees of the Congress. These 86 committees and subcommittees have actually heard Executive Branch testimony since January of this year. There may be others who have discussed such energy concerns, but Executive Branch witnesses were not involved.

Executive Department spokesmen have made 344 appearances -- 193 before House Committees, 126 before Senate Committees, and 25 before Joint Committees -- for a total of 732 hours of testimony -- testimony that is supported by over 15,000 hours of meetings, briefings, drafts and memoranda necessary for going "on the record" on energy issues. And, it is estimated that another 10,000 man hours may be necessary to meet requirements for testimony before the end of the year.

It would seem that it is most timely for very serious consideration to be given to the proposal of Select Committees on Energy in the House and Senate, so that the energy questions facing the American people might be brought into sharper focus, as well as Congressional response to such needs. A good number of Members of Congress agree, but the outlook for appropriate action remains remote.

SURVEY DATA ON NUMBER OF ENERGY-RELATED APPEARANCES BEFORE CONGRESSIONAL COMMITTEES OF 94TH:

DEPARTMENT OR AGENCY	NUMBER OF APPEARANCES	HOUSE	SENATE	JOINT	HOURS OF TESTIMONY	MAN HOURS OF PREPARATION	FORECAST OF MAN HOURS
Agriculture	9	6	3	0	9	*	*
Commerce	10	4	5	1	14	925	300
Defense	7	5	2	0	48	220	36
HUD	7	4	3	0	15	197	*
Interior	19	12	6	1	*	*	*
Justice	5	4	1	0	15	110	*
State	16	7	9	0	17½	364	212
DOT	8	4	4	0	12½	424	86
Treasury	12	5	7	0	37	300	*
ERDA	100	54	31	15	165	*	50 (testimony)
EPA	34	20	11	3	136	3264	1152
FEA	89	49	35	5	200	9345	4800
FPC	9	7	2	0	*	*	*
FTC	2	1	1	0	2	12	14
ICC	1	0	1	0	2	111	*
NASA	10	8	2	0	48	577	*
SBA	5	2	3	0	10	*	*
USPS	1	1	0	0	1	6	*
18	344	193	126	25	732	15855	6650 Plus

NOTE: * indicates that survey participants did not furnish data

LIST OF COMMITTEES AND SUBCOMMITTEES CONSIDERING ENERGY PROBLEMS (# OF HEARINGS)

SENATE AERONAUTICAL AND SPACE SCIENCES (3)

SENATE APPROPRIATIONS (2)
- Defense (1)
- Interior (2)
- Public Works (9)

SENATE ARMED SERVICES (½)
- National Stockpile and Naval Petroleum Reserves (½)
- Research and Development (1)

SENATE BANKING, HOUSING AND URBAN AFFAIRS (3)
- Housing and Urban Affairs (1)

SENATE BUDGET (2)

SENATE COMMERCE (13)
- Environment (1)
- Surface Transportation (2)
- Special Subcommittee on Science, Technology and Commerce (4)
- Special Subcommittee on Oil and Natural Gas Production and Distribution (1½)

SENATE FINANCE (5)

SENATE FOREIGN RELATIONS (3)
- Arms Control, International Operations and Security Agreements (2)
- Multinational Corporations (1)

SURVEY ON ENERGY-RELATED APPEARANCES, continued:

SENATE:	Full Committees	11
	Subcommittees	22
	Special Subcommittees	2
	Select Committee	1
	Policy Committee	1
	Ad Hoc Subcommittee	1
		38 Committees

HOUSE:	Full Committees	8*
	Select Committee	1
	Subcommittees	33
		41 Committees

JOINT:	Full Committees	2
	Subcommittees	3
	Ad Hoc Committee	1
		6 Committees

TOTAL: 86 Legislative Committees

NOTE: * Possible addition of 6 more Full Committees in the House and 1 Full Committee in the Senate, should subcommittees report out energy bills, for a grand total of 91 committees considering energy legislation.

SENATE GOVERNMENT OPERATIONS (6)
- Permanent Subcommittee on Investigation (1½)
- Federal Spending Practices, Efficiency and Open Government (2)
- Intergovernmental Relations (½)
- Oversight Procedures (3)
- Reports, Accounting and Management (1½)
- Ad Hoc on Export Reorganization (1)

SENATE INTERIOR AND INSULAR AFFAIRS (21)
- Energy Research and Water Resources (7)
- Environment and Land Resources (2)
- Minerals, Materials and Fuels (3)
- National Fuels and Energy Policy Study (½)

SENATE JUDICIARY (0)
- Administrative Practice and Procedure (2)
- Separation of Powers (1)

SENATE PUBLIC WORKS (5½)
- Environmental Pollution (4)
- Transportation (1)

SENATE SELECT SMALL BUSINESS (6)

NOTE: To coincide with the actual number of appearances, committees meeting jointly are figured at ½ per joint meeting.

JOINT COMMITTEE ON ATOMIC ENERGY (6)
- Agreements for Cooperation (1)
- Communities (1)
- Legislation (6)
- Ad Hoc on Breeder Reactor (4)

JOINT ECONOMIC COMMITTEE (7)

HOUSE AGRICULTURE (1)
- Department Operations, Investigations and Oversight (2)

HOUSE APPROPRIATIONS (3)
- Defense (1)
- Interior (8)
- Public Works (10)
- State, Justice, Commerce and Judiciary (1)

HOUSE ARMED SERVICES (1)
- Investigations (5)
- Research and Development (1)
- Seapower and Strategic and Critical Materials (1)

HOUSE BANKING, CURRENCY AND HOUSING (0)
- Economic Stabilization (2)
- Housing and Community Development (3)
- International Development Institutions and Finance (1)

HOUSE BUDGET (2)

HOUSE GOVERNMENT OPERATIONS (0)
- Conservation, Energy, and Natural Resources (6)
- Legislation and National Security (1)

HOUSE INTERIOR AND INSULAR AFFAIRS (8)
- Energy and the Environment (11½)
- Mines and Mining (3½)
- Water and Power Resources (2)

HOUSE INTERNATIONAL RELATIONS (0)
- International Organizations (2)
- International Resources, Food and Energy (3)
- International Trade and Commerce (1)

HOUSE INTERSTATE AND FOREIGN COMMERCE (0)
- Energy and Power (24)
- Health and the Environment (2)
- Oversight and Investigations (4)
- Transportation and Commerce (3)

HOUSE JUDICIARY (0)
- Monopolies and Commercial Law (1)

HOUSE MERCHANT MARINE AND FISHERIES (0)
- Oceanography (1)

HOUSE PUBLIC WORKS AND TRANSPORTATION (0)
- Aviation (2)
- Surface Transportation (1)

HOUSE RULES (1)

HOUSE SCIENCE AND TECHNOLOGY (4)
- Energy Research, Development and Demonstration (28)
- Energy Research, Development and Demonstration (Fossil Fuels) (12)
- Environment and the Atmosphere (9)
- Space Science and Applications (2)

HOUSE SMALL BUSINESS (0)
SBA Oversight and Minority Enterprise (1)

HOUSE WAYS AND MEANS (12)

HOUSE SELECT COMMITTEE ON OUTER CONTINENTAL SHELF (6)

NOTE: To coincide with the actual number of appearances, committees meeting jointly are figured at ½ per joint meeting.

September 22, 1975

MEMORANDUM FOR: MAX FRIEDERSDORF

FROM: JACK MARSH

If I have not already mentioned it to you, the Vice President called me yesterday afternoon and is most anxious that there be a pre-notice of the President's major announcement on the energy situation today on the West Coast.

The Vice President is going to meet with George Meany at about 11:00 this morning and I think it was his view that he would like to have pre-notices to key leaders on the Hill.

This is a very major announcement and since the program may be somewhat controlversial, it is essential that we get the word out.

JOM/dl

THE WHITE HOUSE

WASHINGTON

September 26, 1975

MEMORANDUM TO: JACK MARSH

FROM: RUSS ROURKE R

Jack, the attached statement was discussed with the President in this morning's "Nessen" meeting. ~~Although~~ The President indicated that the tone of his statement would be directly affected by the percentage increase voted by OPEC, i.e., a five percent increase would result in a mild rebuke, whereas a fifteen to twenty percent increase would bring the roof down. In any event, whatever the increase, he plans to take a good shot at Congress.

Obviously, then, several draft statements should be prepared with an appropriate tone adopted for each option.

rec'd 9/26 11:53

due: 9/26 12:30 p.m.

FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D.C. 20461

OFFICE OF THE DEPUTY ADMINISTRATOR

September 26, 1975

MEMORANDUM FOR: Mr. Seidman
Lt. Gen. Scowcroft
Mr. Marsh
Mr. Greenspan
Mr. Nessen
Mr. Carlson
Mr. Parsky
Mr. Hormats
Mr. Bosworth

FROM: John A. Hill
Deputy Administrator

Here is a revised statement for the President which contains the latest comments by Mr. Greenspan, Mr. Zarb, Mr. Parsky, and others. It has been decided that the President will make the statement.

Please review and have your comments back to Bob Reisner in my office (961-6025) by 12:30 P.M. today.

Attachments

2 — file.

DRAFT

September 26, 1975

DRAFT PRESIDENTIAL STATEMENT

REGARDING OPEC PRICE INCREASE

The Organization of Petroleum Exporting Countries (OPEC) today announced that oil prices will be increased by $____ a barrel or ___% on _____, and an additional $____ a barrel or ___% on _____.

I regret this OPEC action to raise world oil prices. The world economy has not yet absorbed theabrupt and massive increases in OPEC oil prices of 1973 and 1974 which seriously depressed economic output and accelerated inflation. There is no economic justification for this latest increase. Actions taken between January 1973 and today have raised the price of OPEC oil by ___%, while the price that OPEC countries are paying for their imports has increased by only ___%.

This new increase could hamper the fragile process of recovery for the rest of the world and impose additional burdens on U.S. consumers. These price increases will be particularly onerous for the developing countries.

The United States has worked hard to establish a sound and cooperative basis for resuming the dialogue between oil-producing and oil-consuming countries on vital economic issues we all face: energy, commodities, development, and

finance. This price increase will make more difficult a cooperative and constructive approach to these problems. The U.S. continues to seek cooperation, not confrontation, with the oil producers. Our participation in the formal conference with the producers later this year will be based on this philosophy.

At the same time, this stark reminder of OPEC's continuing exclusive control over oil prices reemphasizes the necessity for the U.S. to move rapidly to regain control over its own energy destiny. The only way to regain that control is by adopting a coherent, effective national energy policy and by working together with the other major oil-consuming nations to reduce our dependence on imported oil.

I have taken all of the actions available to the President to start this Nation down the long road to energy independence, but Executive actions cannot do it alone. Our helplessness in the face of repeated assaults on our economy by OPEC should be enough of a spur to Congress to get them at last to pull together with the Administration so that the next OPEC action does not go unanswered.

Congress must share the responsibility with OPEC for today's price increase, because it has yet to enact the legislation necessary to spur domestic energy production and induce conservation -- legislation which I proposed nine months ago.

This not only includes long-delayed action on the domestic oil price issue but also on the development of the Nation's naval petroleum reserves for a strategic storage program, the deregulation of new natural gas production, the enactment of mandatory energy-saving building construction standards, and the badly needed reinstatement of the FEA's authority to order mandatory power plant conversions from oil to coal. Congress must also squarely face the Nation's urgent need for striking a responsible balance between environmental and energy priorities.

Today's OPEC price increase also exposes the fallacy of those in Congress who promise America's consumers cheap energy through continuation or expansion of government price controls on oil.

These controls have a proven track record of encouraging consumption and discouraging production, leaving the Nation increasingly dependent on OPEC for its oil.

To the extent that we do not demonstrate the firmness to cut back domestic energy demand through decontrol of prices, OPEC will be in a position to do it for us, draining our national wealth to foreign coffers.

In 1970, America paid $3 billion for foreign oil. In 1974, we paid $25 billion -- more than $400 for every American family. In 1977, we'll pay $32 billion -- even in the unlikely event the Cartel doesn't increase prices again.

The longer the Nation delays in decontrolling oil prices, taxing windfall profits of oil companies and rebating higher prices to consumers, the more willing and able the OPEC Cartel will be to hit us with price increases again and again.

The Congress must learn that the real issue over price controls on oil is not between cheap energy or expensive energy. It is between keeping America's wealth at work in America or watching it drained away in ever-increasing quantities.

The money this Nation spent on oil imports in 1974 could have paid the salaries of 1,600,000 American workers, or built more than 600,000 brand new homes.

It is these jobs, these salaries, these homes which we should keep in mind in reflecting on our failure to take strong energy action in the past and the urgent need to do so in the future.

U.S. CRUDE OIL IMPORTS IN BARRELS

PER DAY FROM OPEC NATIONS

COUNTRY	JULY 1975 in B/Day	% OF TOTAL JULY 1975	TOTAL 1974 B/Day	% of U.S IMPORTS 1974
Algeria	395,000	9.2%	208,000	5.6%
Iraq	None		None	
Kuwait	8000	.2%	1600	0.04%
Libya	256,000	6%	1600	0.04%
Qatar	None		18,000	.5%
Saudi Arabia	479,000	11.2%	412,000	11%
Ecuador	39,000	.9%	65,000	1.7%
Gabon	53,000	1.2%	30,000	0.8%
Indonesia	486,000	11.3%	284,000	7.6%
Iran	207,000	4.8%	511,000	13.7%
Nigeria	581,000	13.5%	678,000	18.2%
Venezuela	592,000	13.8%	427,000	11.4%
United Arab Emirates	114,000	2.7%	87,000	2.3%
TOTAL			TOTAL	
Arab OPEC	1,252,000	29.2%	3,733,000	
Non-Arab OPEC	1,958,000	45.6%		
Total OPEC		74.8 percent of total U.S. imports		
Mexico-Canada & others	1,084,000	25.2%		
TOTAL	4,294,000	100%		

September 25, 1975

QUESTIONS AND ANSWERS

ON THE OPEC PRICE INCREASE

Question:

1. Various members of the Cartel wanted a higher price increase than the ___% finally settled on by the Oil Ministers. What factors lead to the specific level of the price increase finally selected by OPEC?

Answer:

Middle East oil production at 19.6 million barrels per day in July hit its highest level of 1975. OPEC producers, after six lean months, anticipate growing output due to seasonal demand factors and Western economic recovery, and so expect oil revenues to rise regardless of a price increase.

OPEC nations have benefited financially in recent months from the strengthening of the U.S. dollar in international markets. Between April and August, the U.S. dollar has risen 5 percent in value vis-a-vis IMF Special Drawing Rights (SDRs), thus tending to dilute one of the main OPEC arguments for a substantial price hike.

With the prospects of OECD economic recovery and expansion in the offing, many OPEC nations feel vulnerable to the charge of slowing or stifling a general world economic upturn by imposing a large increase in the price of oil.

Many OPEC friends and allies among the poor nations of the world are pinched by high oil prices and could grow more restive, and possibly hostile, under the burden of a large oil price increase.

- more -

We should not be misled by the relatively moderate price increase announced today. Our growing dependence on imported oil will certainly make it easier for OPEC to raise prices in the future to even higher levels.

Question:

2. What can oil-consuming nations do to combat OPEC actions?

Answer:

The cartel has the advantage of controlling two-thirds of known oil reserves. Close cooperation with our 17 allies in the International Energy Agency -- and a solid U.S. national energy policy -- are essential starting points, if we are to have any influence on oil prices and supply.

The consensus among the members of the International Energy Agency is clearly against a confrontational approach to the solution of the oil problem. If the U.S. attempted unilateral economic sanctions, the most likely result would be a loss in U.S. export sales with no substantial damage to OPEC, since there are few U.S. goods and services that could not be provided by other industrial countries.

Question:

4. What is the long-range aim of the U.S. in dealing with OPEC?

Answer:

We are aiming towards a decrease in the vulnerability of the U.S. to the unilateral setting of prices by OPEC. We have chosen a path of strong cooperation among the consumer countries and impressing the OPEC nations with the serious importance we attach to the continuing dangers of high oil prices.

The U.S. will need a strong and comprehensive domestic energy program. As the U.S. energy conservation ethic grows, new U.S. oil, gas, and coal supplies become available, and non-OPEC foreign energy supplies are uncovered, the strength, and perhaps the cohesion, of OPEC will deteriorate.

Pressures will then increase on OPEC to become more reasonable and cooperative in their price demands. Their short-term present advantage will inescapably lose out as our energy plans gain speed and scope.

At the same time, the United States has agreed to meet with representatives of the industrialized and developing oil consumer nations and the OPEC oil producers on October 13 in Paris to prepare for a larger conference on the great economic issues before us, which will be convened before the year is out.

I believe that this dialogue, undertaken in a spirit of cooperation and mutual respect, can result in a mutually beneficial evolution of relationships between industrial and developing nations.

Question:

5. What has been happening to domestic oil production?

Answer:

Domestic oil production has been declining since 1970 (it is down 11% since early 1973) and is now about 8.4 million barrels per day (MB/D), a decline of more than 500,000 barrels per day from last year (1974).

Question:

6. What is happening to U.S. oil imports?

Answer:

Imports were predicted to average about 6.5 million B/D, but are now expected to rise up to 7 MB/D by the end of this year Imports are expected to grow to an average of more than 7.5 MB/D in 1977, if no action is taken to reduce demand or increase supply. The added imports in the next two years are expected to come mainly from Arab nations and could double our vulnerability to an embargo.

Question:

7. What will be the price impact on the American consumer?

Answer:

The price impact of today's action by OPEC will be in the range of _____ cents per gallon for petroleum products.

DRAFT - September 27, 1975

STATEMENT BY THE PRESIDENT

The price increase announced today by OPEC cannot be justified on economic grounds [redacted] For many countries, especially poorer countries, it will hamper the fragile process of economic recovery and will worsen [redacted] inflation.

The American people should realize that Congress has refused to take any step to reduce our vulnerability to such whims of the OPEC oil cartel. So long as Congress refuse[redacted]s to enact a[redacted] program which will allow America to produce its own energy with its own workers and to set its own prices, we will find ourselves increasingly vulnerable to OPEC.

We will continue to be vulnerable to [redacted] arbitrary OPEC price increases -- which will take away billions of American dollars and thousands of America's jobs -- until Congress faces up to the energy problem and makes the hard decisions for Americans to regain their energy independence.

(MORE)

Those members of Congress who, for political or other reasons, refuse to adopt an energy program would like the American people to believe they are trying to hold energy prices down.

Today's action by OPEC demonstrates the fallacy of that view.

In fact the opposite is true.

During the four years of so-called price controls since 1971 our bill for imported oil has gone up more than 700 percent. Inaction by the Congress means higher prices and increased dependence.

Everyday, we are finding that we are buying more and more oil from OPEC at higher and higher prices.

Congress must adopt an energy program which will permit us to control our own supply and set our own prices.

Until Congress acts, we will continue to lose American dollars and American jobs to foreign energy producers. I hope that today's OPEC action will finally get the message through the Members of Congress that we cannot afford to remain vulnerable and without an energy policy.

# # #

energy

October 9, 1975

MEMORANDUM FOR: JIM CANNON
BOB HARTMANN
JIM LYNN
RON NESSEN
DON RUMSFELD
FRANK ZARB

SUBJECT: JACK MARSH

The President saw the attached letter from Jim Sparling, Assistant to the Secretary of Commerce for Congressional Relations, together with the attached in reference to the Congressional Committee addressing the energy problem. He thought it would be a useful document for you to have from a standpoint of background and also talking points.

JOM/dl

SEP 19 1975

UNITED STATES DEPARTMENT OF COMMERCE
Office of the Secretary
Washington, D.C. 20230

September 17, 1975

Honorable John O. Marsh
Counsellor to the President
The White House
Washington, D. C. 20500

Dear Jack:

Because many Members of Congress and spokesmen within the Executive Branch have publicly expressed concern over the fact that there are numerous Congressional Committees having jurisdiction over energy-related legislation, the Office of Congressional Affairs in the Department of Commerce has asked a number of Departments and Agencies to enumerate the number of times they have appeared before Congressional Committees and Subcommittees in this 94th Congress.

The results of this survey, covering January through August, are enclosed for your information.

With all good wishes,

Sincerely,

James M. Sparling, Jr.
Assistant to the Secretary
for Congressional Affairs

Enclosure

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

SUMMARY STATEMENT ON SPECIAL SURVEY ON ENERGY-RELATED APPEARANCES BEFORE CONGRESSIONAL COMMITTEES OF THE 94TH CONGRESS, JANUARY THROUGH AUGUST, 1975

During the month of August, Departments, Agencies and Commissions were asked to participate in a survey, directed by the Office of Congressional Affairs, Department of Commerce, to determine just how many Congressional Committees were hearing testimony on energy-related matters.

A questionnaire was submitted to the eleven Federal Departments, and to twelve out of fifty-nine Agencies and Commissions which would be most likely to have testified on energy problems. The following questions were asked: (1) How many appearances have Executive Department and Agency personnel made before Congressional Committees on energy legislation? (2) Which full committee or subcommittee heard the testimony, and how many appearances were made before each? (3) How many hours were spent in testifying, and how many man hours were involved in preparing testimony? (4) What is the estimate of anticipated demand in man hours for energy-related testimony for the balance of the session?

In total, twenty-three Departmental/Agency/Commission contacts were made, with all responding. Of the twenty-three respondents, five indicated that they had not, as yet, testified on energy-related matters. They were: Department of Health, Education, and Welfare; Department of Labor; Civil Aeronautics Board; National Science Foundation; and National Transportation Safety Board. The eighteen remaining respondents were as follows:

Department of Agriculture
Department of Commerce
Department of Defense
Department of Housing and Urban Development

Department of the Interior
Department of Justice
Department of State
Department of Transportation
Department of the Treasury
Energy Research and Development Administration
Environmental Protection Agency
Federal Energy Administration
Federal Power Commission
Federal Trade Commission
Interstate Commerce Commission
National Aeronautics and Space Administration
Small Business Administration
United States Postal Service

These eighteen respondents reported a total of 344 appearances before 86 Congressional Committees and Subcommittees during the first eight months of 1975.

Seventeen of the respondents were able to determine that 732 hours had been spent in giving testimony. An estimated 15,855 man hours were used to prepare testimony, with this figure on the conservative side, since it does not include man hours for testimony of the Energy Research and Development Administration. Preparation time includes a variety of support functions, briefings, meetings, drafts, memoranda, etc.

While most were unable to predict what man hours might yet be required during the balance of the session, eight of those surveyed estimated 6,650 hours may be needed. Based on reported man hours, which excluded those of ERDA, one might assume that a figure of 10,000 man hours would not be unreasonable in estimating the number of man hours which might yet be necessary for preparing and giving testimony on energy problems during the next four months.

Reinforcing the view that Congress' approach to energy problems is fragmented, is the fact that 86 legislative committees and/or subcommittees have been hearing energy testimony and, should subcommittees report out energy bills to their respective committees, the total number of committees and subcommittees considering energy problems would reach 91.

To argue that it is difficult for the Administration to present its energy programs to the Congress is an understatement when one considers that energy-related legislation and concerns have or are being considered by 86 committees and subcommittees of the Congress. These 86 committees and subcommittees have actually heard Executive Branch testimony since January of this year. There may be others who have discussed such energy concerns, but Executive Branch witnesses were not involved.

Executive Department spokesmen have made 344 appearances -- 193 before House Committees, 126 before Senate Committees, and 25 before Joint Committees -- for a total of 732 hours of testimony -- testimony that is supported by over 15,000 hours of meetings, briefings, drafts and memoranda necessary for going "on the record" on energy issues. And, it is estimated that another 10,000 man hours may be necessary to meet requirements for testimony before the end of the year.

It would seem that it is most timely for very serious consideration to be given to the proposal of Select Committees on Energy in the House and Senate, so that the energy questions facing the American people might be brought into sharper focus, as well as Congressional response to such needs. A good number of Members of Congress agree, but the outlook for appropriate action remains remote.

SURVEY DATA ON NUMBER OF ENERGY-RELATED APPEARANCES BEFORE CONGRESSIONAL COMMITTEES OF 94TH:

DEPARTMENT OR AGENCY	NUMBER OF APPEARANCES	HOUSE	SENATE	JOINT	HOURS OF TESTIMONY	MAN HOURS OF PREPARATION	FORECAST OF MAN HOURS
Agriculture	9	6	3	0	9	*	*
Commerce	10	4	5	1	14	925	300
Defense	7	5	2	0	48	220	36
HUD	7	4	3	0	15	197	*
Interior	19	12	6	1	*	*	*
Justice	5	4	1	0	15	110	*
State	16	7	9	0	17½	364	212
DOT	8	4	4	0	12½	424	86
Treasury	12	5	7	0	37	300	*
ERDA	100	54	31	15	165	*	50 (testimony)
EPA	34	20	11	3	136	3264	1152
FEA	89	49	35	5	200	9345	4800
FPC	9	7	2	0	*	*	*
FTC	2	1	1	0	2	12	14
ICC	1	0	1	0	2	111	*
NASA	10	8	2	0	48	577	*
SBA	5	2	3	0	10	*	*
USPS	1	1	0	0	1	6	*
18	344	193	126	25	732	15855	6650 Plus

NOTE: * indicates that survey participants did not furnish data

LIST OF COMMITTEES AND SUBCOMMITTEES CONSIDERING ENERGY PROBLEMS (# OF HEARINGS)

SENATE AERONAUTICAL AND SPACE SCIENCES (3)

SENATE APPROPRIATIONS (2)
- Defense (1)
- Interior (2)
- Public Works (9)

SENATE ARMED SERVICES (½)
- National Stockpile and Naval Petroleum Reserves (½)
- Research and Development (1)

SENATE BANKING, HOUSING AND URBAN AFFAIRS (3)
- Housing and Urban Affairs (1)

SENATE BUDGET (2)

SENATE COMMERCE (13)
- Environment (1)
- Surface Transportation (2)
- Special Subcommittee on Science, Technology and Commerce (4)
- Special Subcommittee on Oil and Natural Gas Production and Distribution (1½)

SENATE FINANCE (5)

SENATE FOREIGN RELATIONS (3)
- Arms Control, International Operations and Security Agreements (2)
- Multinational Corporations (1)

SURVEY ON ENERGY-RELATED APPEARANCES, continued:

SENATE:	Full Committees	11
	Subcommittees	22
	Special Subcommittees	2
	Select Committee	1
	Policy Committee	1
	Ad Hoc Subcommittee	1
		38 Committees
HOUSE:	Full Committees	8*
	Select Committee	1
	Subcommittees	33
		41 Committees
JOINT:	Full Committees	2
	Subcommittees	3
	Ad Hoc Committee	1
		6 Committees

TOTAL: 86 Legislative Committees

NOTE: * Possible addition of 6 more Full Committees in the House and 1 Full Committee in the Senate, should subcommittees report out energy bills, for a grand total of 91 committees considering energy legislation.

SENATE GOVERNMENT OPERATIONS (6)
- Permanent Subcommittee on Investigation (1½)
- Federal Spending Practices, Efficiency and Open Government (2)
- Intergovernmental Relations (½)
- Oversight Procedures (3)
- Reports, Accounting and Management (1½)
- Ad Hoc on Export Reorganization (1)

SENATE INTERIOR AND INSULAR AFFAIRS (21)
- Energy Research and Water Resources (7)
- Environment and Land Resources (2)
- Minerals, Materials and Fuels (3)
- National Fuels and Energy Policy Study (½)

SENATE JUDICIARY (0)
- Administrative Practice and Procedure (2)
- Separation of Powers (1)

SENATE PUBLIC WORKS (5½)
- Environmental Pollution (4)
- Transportation (1)

SENATE SELECT SMALL BUSINESS (6)

NOTE: To coincide with the actual number of appearances, committees meeting jointly are figured at ½ per joint meeting.

JOINT COMMITTEE ON ATOMIC ENERGY (6)
- Agreements for Cooperation (1)
- Communities (1)
- Legislation (6)
- Ad Hoc on Breeder Reactor (4)

JOINT ECONOMIC COMMITTEE (7)

HOUSE AGRICULTURE (1)
- Department Operations, Investigations and Oversight (2)

HOUSE APPROPRIATIONS (3)
- Defense (1)
- Interior (8)
- Public Works (10)
- State, Justice, Commerce and Judiciary (1)

HOUSE ARMED SERVICES (1)
- Investigations (5)
- Research and Development (1)
- Seapower and Strategic and Critical Materials (1)

HOUSE BANKING, CURRENCY AND HOUSING (0)
- Economic Stabilization (2)
- Housing and Community Development (3)
- International Development Institutions and Finance (1)

HOUSE BUDGET (2)

HOUSE GOVERNMENT OPERATIONS (0)
- Conservation, Energy, and Natural Resources (6)
- Legislation and National Security (1)

HOUSE INTERIOR AND INSULAR AFFAIRS (8)
- Energy and the Environment (11½)
- Mines and Mining (3½)
- Water and Power Resources (2)

HOUSE INTERNATIONAL RELATIONS (0)
- International Organizations (2)
- International Resources, Food and Energy (3)
- International Trade and Commerce (1)

HOUSE INTERSTATE AND FOREIGN COMMERCE (0)
- Energy and Power (24)
- Health and the Environment (2)
- Oversight and Investigations (4)
- Transportation and Commerce (3)

HOUSE JUDICIARY (0)
- Monopolies and Commercial Law (1)

HOUSE MERCHANT MARINE AND FISHERIES (0)
- Oceanography (1)

HOUSE PUBLIC WORKS AND TRANSPORTATION (0)
- Aviation (2)
- Surface Transportation (1)

HOUSE RULES (1)

HOUSE SCIENCE AND TECHNOLOGY (4)
- Energy Research, Development and Demonstration (28)
- Energy Research, Development and Demonstration (Fossil Fuels) (12)
- Environment and the Atmosphere (9)
- Space Science and Applications (2)

HOUSE SMALL BUSINESS (0)
SBA Oversight and Minority Enterprise (1)

HOUSE WAYS AND MEANS (12)

HOUSE SELECT COMMITTEE ON OUTER CONTINENTAL SHELF (6)

NOTE: To coincide with the actual number of appearances, committees meeting jointly are figured at ½ per joint meeting.

OCT 15 1975

THE WHITE HOUSE

WASHINGTON

October 14, 1975

MEMORANDUM FOR: MAX L. FRIEDERSDORF

THRU: VERN LOEN VL

FROM: CHARLES LEPPERT, JR. CLJr.

SUBJECT: Rep. Bill Cohen (R-Me.)

Rep. Bill Cohen has asked me to bring to your attention the fact that Secretary of the Treasury Simon has written congratulatory letters to Senator Edmund Muskie for his cooperation on energy matters.

Cohen contends that his own Administration is hurting his chances of running against Muskie for that Senate seat by publicly praising Muskie who in turn can use the letter(s)in the campaign.

Talked to Hal Eberle about this and he confirms the fact that Simon has sent such a letter to Muskie. Eberle states that Simon wanted to send the letter despite advice to the contrary. Eberle says direction to Simon on such matters will probably have to come from the White House.

The State

AMBROSE G. HAMPTON, Publisher
BEN R. MORRIS, Co-Publisher
ARTHUR D. COOPER, Associate Publisher
WILLIAM E. RONE JR., Editorial Page Editor
CHARLES WICKENBERG JR., Associate Editor
WILLIAM D. WORKMAN JR., Editorial Analyst
ROBERT A. PIERCE, Managing Editor

Ford Shouldn't Accept Price Rollback For Oil

PRESIDENT Ford is developing the tactic of taking a firm stand on shifting sand into a not very agreeable art form.

He goes out on the stump and thunders like a lion. Then he goes back to Washington and plays a game of give-and-take with Congress as if he were still minority leader of the House.

In recent days we have seen him ease off of his firm policy against a bailout of New York City as polls began to show that public opinion around the country was shifting on the issue. Now he is apparently ready to compromise on the common situs picketing bill, something he once opposed.

The same thing could be happening on the comprehensive energy bill, on which Congress completed work 10 days ago. At first he was resolute in his stand in favor of removing price controls on domestic oil immediately. He backed away from that position, perhaps wisely, in favor of phased-out controls that still would allow oil prices to rise and cut consumption and increase incentives for oil exploration.

Now he appears ready to bend even further and accept the congressional bill, which *The Wall Street Journal* brands as a "political shell game" rather than a solution to the nation's energy problems.

Rigidity is no virtue in public life, but sometimes a leader has to take a stand on principle. If he signs the energy bill, he will be abandoning the high ground of principle in favor of a questionable compromise.

Taken as a whole, this bill doesn't disturb us as much as it does the oil industry and free enterprise purists. But it does have distressing features.

Foremost among these is the 12 per cent rollback in the present cost of domestic oil, a rollback that will last until next year's elections. Congress, pure and simple, is trying to buy consumer support with a temporary price cut of about 3½ cents per gallon, while in the long run doing the consumer no favor at all.

This rollback comes at a time when the oil industry, having suffered the loss of its depletion allowance earlier this year, is experiencing sharply falling profits. All of this is going to lessen the industry's financial ability to seek new oil sources and recover hard-to-get-at oil from existing wells.

At the same time, the lower gasoline prices next year should increase consumption and produce an imbalance of supply and demand. That would mean long lines at the pumps again, or greater reliance on expensive and uncertain foreign supplies. Neither would be a benefit to the consumer.

Under the energy bill, domestic price controls would be gradually lifted over a 40-month period. And the President, with the approval of Congress, could allow faster rises than that set forth in the legislation for expensive Alaskan crude or oil recovered from existing wells by costly secondary or tertiary means.

These loopholes, plus the fear that a failure to compromise might make Congress take a harsher stand, apparently has led Federal Energy Administrator Frank Zarb to accept the bill and urge that Mr. Ford go along.

There are some incentives down the line for the oil industry, but Big Oil is upset with this new, complex congressional effort to dicker with its price structure. Almost surely, there will be a delay in going after new sources, such as those thought to be offshore in the Atlantic.

At the very least, the President should insist that the Congress take the bill back and strip out that politically inspired rollback before he ends the year-long standoff between the White House and