

THE WHITE HOUSE

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February 5, 1976

National Security Study Memorandum No. 237

Council on International Economic Policy Study Memorandum No. 38

TO: The Secretary of State
 The Secretary of the Treasury
 The Secretary of Defense
 The Administrator, Federal Energy
 Administration
 The Director of Central Intelligence

SUBJECT: U. S. International Energy Policy

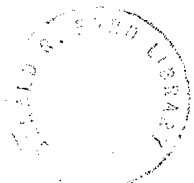
The President has directed that a study be undertaken of measures to ensure a reliable supply of required energy imports at reasonable prices over the next five years. The study should especially consider possibilities for influencing pricing and production decisions in exporting nations.

The study should address the following:

- The likely level of U. S. energy import dependence over the next five years.
- Possibilities for diversifying imports of energy by type and source and for encouraging increased production capacity in countries willing to export more oil.
- The degree to which diversification and increased production could influence OPEC pricing decisions and improve the security of supply for the United States and our allies.
- The international and internal dynamics of the OPEC cartel and the motivations and objectives of its more important members, including possible reasons for and likelihood of embargoes or price increases over the next five years.

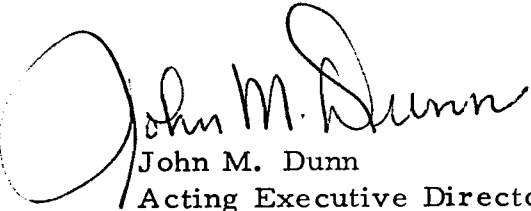
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- The factors most likely to influence the cartel's decisions, including the anticipated level of world demand for OPEC oil, the likely balance of trade positions of OPEC countries over the next five years, strategies they may follow to increase income and ways in which the United States might influence those strategies to its advantage, including the use of bilateral agreements.
- Means to strengthen consumer solidarity in the IEA.
- Possibilities for the United States to encourage restraints in OPEC pricing over the near term, including examination of possibilities for unilateral action, multilateral action, use of the CIEC, and use of the IEA.

The study should contain options and recommendations on the above issues. It should be conducted by representatives of the addressees, the National Security Council Staff and the Staff of the Council on International Economic Policy, and be chaired by a representative of the Secretary of State. The report should be submitted to the President by March 15, 1976.


John M. Dunn
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Brent Scowcroft
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