

Chron

MEMORANDUM

NATIONAL SECURITY COUNCIL

INFORMATION
October 15, 1973

Thanks. JAK

MEMORANDUM FOR: MAJOR GENERAL SCOWCROFT
FROM: JOHN KNUBEL *JAK*
SUBJECT: Statement by Treasury Under Secretary Simon

Bill Simon today made a statement on energy conservation (Tab A). It has been cleared by the press as a statement of "U. S. capability to withstand an Arab boycott." It uses data out of the NSC/Treasury study.

Since this sort of public statement is what Henry has been trying to avoid, I did some investigation and found that

-- Treasury claims to have cleared the statement with the White House press office on Friday.

-- The White House press office claims to have received the proposed statement and refused clearance.

If we are asked about this in new conference I recommend taking the following line:

-- Energy conservation is being thoroughly investigated as part of the President's overall energy program.

-- Short term conservation has likewise been studied as part of the Office of Emergency Preparedness and other efforts.

-- But that we are not in any sense mobilizing against the potential Arab cutoff simply because we do not expect any to materialize.

ON-FILE NSC RELEASE
INSTRUCTIONS APPLY

cc: Les Janka

ON FILE TREASURY RELEASE INSTRUCTIONS
APPLY

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Mideast Oil 200

By R. GREGORY HOKES

Associated Press Writer

-WASHINGTON AP - The government today released figures showing that the United States could get along without Arab oil, at least for the time being, in the event of a cutoff because of the Arab-Israeli war.

The figures showed that the United States imports about 1.1 million barrels a day of oil direct from the Arab countries. This is only about 6 per cent of the total daily average U.S. consumption of 17 million barrels a day.

William E. Simon, chairman of the President's Oil Policy Committee, said this country could reduce consumption by as much as three million barrels a day if it is willing to make an all-out conservation effort.

A source close to Simon's office, which released today's statement, said it was intended in part to show Americans that the United States is not totally dependent on oil imports from the Arab countries.

Even before the Arab-Israeli war broke out earlier this month, President Nixon had warned the Arab countries they should not take the U.S. need for their oil for granted.

In addition to imports of oil from the Arab countries, the United States also imports about 2.7 million barrels a day from the Caribbean and Latin America and 1.4 million barrels a day from Canada.

But although the United States now imports only about 6 per cent of its daily needs from the Middle East, government forecasts call for a much greater reliance on Mideast imports later this decade, and today's statement from Simon's office did not address that problem.

The list of conservation measures recommended by Simon has been released before. Uppermost on the list is a recommendation to reduce home heating by three degrees in winter, and reduce air-conditioning by three degrees in the summer.

Others include reducing auto speed limits to 50 miles an hour and stopping use of hot water for laundering.