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Energy, Mines and
Resources Canada

Energie, Mines et
Ressources Canada

Minister

Ministre

Ottawa K1A 0A6 Ontario
January 27, 1977

Mr. Frank G. Zarb,
Hayden Stone Inc.,
767 Fifth Avenue,
New York 10022.

Dear Frank:

I was most pleased to find your letter of January 5th on my return two days ago from an extended trip abroad. Certainly the last few years have been momentous ones in the development of energy policies. Yours was a highly constructive and able contribution to these policies - you took the extraordinary complexities of the field, the diversities of separate interests, in your stride.

I very much enjoyed our association and hope that our paths will cross from time to time again in the future. In the meantime best wishes for your future endeavours.

Yours sincerely,

Alastair Gillespie.

P.S. And I hope you will find a little time for yourself before you fully immerse yourself in the commercial world once again.



net PB

F2-12123
cc EC



COMMONWEALTH of VIRGINIA

Office of the Governor

Richmond 23219

Mills E. Godwin, Jr.
Governor

December 21, 1976

The Honorable Frank G. Zarb
The Administrator
Federal Energy Administration
Washington, D. C. 20461

Dear Frank:

May I extend congratulations and best wishes to you as you leave the office of Administrator of the Federal Energy Administration.

I commend you for the excellence of your service and the dedication and hard work you have brought to this office. In my view you have done an excellent job and the people of this country are better for your wise direction of the energy programs.

You would be the first to concede that much still needs to be done, but you have brought us through a time of testing and trying to find the proper direction. Your record is very solid and it reflects wise judgment on many occasions.

I wish you well as you go into other fields of endeavor. I hope to see you from time to time.

With best wishes for the Season and the New Year, I am

Sincerely yours,

Mills E. Godwin, Jr.
Mills E. Godwin, Jr.

nl



THE ADMINISTRATOR
FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D.C. 20461

September 9, 1975

Honorable William Goodling
House of Representatives
Washington, D.C. 20515

Dear Bill:

I appreciate your letter of September 4 and your most gracious remarks.

We certainly had a good session all around and I am happy I was able to be there. Call me anytime.

Sincerely,


Frank G. Zarb
Administrator



BILL GOODLING
19TH DISTRICT, PENNSYLVANIA

COMMITTEES:
COMMITTEE ON EDUCATION AND
LABOR

SUBCOMMITTEES:
ELEMENTARY, SECONDARY AND
VOCATIONAL EDUCATION

LABOR STANDARDS

COMMITTEE ON
SMALL BUSINESS

SUBCOMMITTEES:
SMALL BUSINESS
ADMINISTRATION OVERSIGHT
SMALL BUSINESS LEGISLATION

006687

Congress of the United States
House of Representatives
Washington, D.C. 20515

WASHINGTON OFFICE:
ROOM 1713
LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
TELEPHONE: (202) 225-5836

DISTRICT OFFICES:
FEDERAL BUILDING
200 SOUTH GEORGE STREET
YORK, PENNSYLVANIA 17403

CHAMBER BUILDING
212 NORTH HANOVER STREET
CARLISLE, PENNSYLVANIA 17013

POST OFFICE BUILDING
ROOM 209
GETTYSBURG, PENNSYLVANIA 17325

September 4, 1975

Frank G. Zarb, Administrator
Federal Energy Administration
12th & Pennsylvania Avenue
Washington, D.C. 20461

Dear Frank:

How can I ever thank you enough for coming to this lowly freshman's District and turning my constituents on so well? Everyone was so impressed with your frankness and down-to-earth question and answer approach.

The 19th District Club wanted to know how I am ever going to top your appearance. As I think of it, that is going to be a problem.

I have enclosed the booklets that were given to you which you left on the podium.

Thank you again for accepting my invitation. You caused my star to rise considerably.

Sincerely,

Bill

BILL GOODLING
Member of Congress

BG/nan





HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515

BILL GOODLING
19TH DISTRICT, PENNSYLVANIA

January 17, 1977

Dear Frank:

It will just not be the same around here without you at FEA. I have long admired your zeal, forthrightness and optimism in the face of so many difficulties and frustrations. Thank you for your superb contributions to the Nation and thank you, also, for your personal courtesies to me. Please keep in touch.

In the meantime, all good wishes for the future.

Sincerely,

Bill

BILL GOODLING
Member of Congress

The Honorable Frank G. Zarb
Administrator
Federal Energy Administration
12th and Pennsylvania Avenue
Washington, D. C. 20461



THE WASHINGTON POST COMPANY

1150 Fifteenth Street Northwest, Washington, D. C. 20005

KATHARINE GRAHAM

May 17

Dear Mr. Zerk,

I'm awfully
sorry to have left lunch
but I didn't realize it
would start so late and
had an appointment. It
was very nice to meet
you & I hope to see you
again.

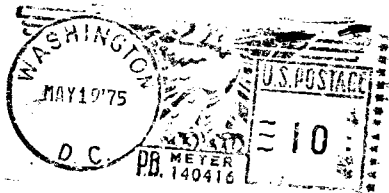
Sincerely

Katharine



THE
WASHINGTON
POST

delivers the most



The Honorable
Frank G. Zarb
Administrator
Federal Energy Administration
1200 Pennsylvania Avenue, N.W.
Washington, D. C. 20461

THE WASHINGTON POST COMPANY

1150 Fifteenth Street Northwest, Washington, D. C. 20005



FEDERAL ENERGY ADMINISTRATION

WASHINGTON, D. C. 20461

January 30, 1975

OFFICE OF THE ADMINISTRATOR

Honorable Alan Greenspan
Chairman
Council of Economic Advisers
Washington, D.C.

Dear Alan:

Today I met over lunch with the New York Times Editorial Board in New York. We had a very cordial discussion which centered principally on the energy proposals in the President's State of the Union Message.

I must say I was surprised at the questions they asked; questions which revealed a considerable misunderstanding, and lack of understanding, about what is in the Message; the background on which our proposals are based; and how and why we think that the proposals will work.

In view of the fact that the New York Times helps to set editorial opinion throughout the country and is so powerful in formulating public opinion, I am concerned that we are just not getting through (see enclosed recent editorials with key points highlighted).

Art Sulzberger asked me to return at my earliest convenience so that our dialogue can continue and I intend to do so.

I certainly hope, however, and urge that you will visit with the Board in the near future. Your close relationship with the President in shaping the Message would give the Times a further insight into the goals and objectives of our economic and energy proposals.

Enclosed is a list of today's attendees and their titles.

Sincerely,


Frank G. Zarb
Administrator



Enclosures

bcc: Dick Cheney
Ron Nessen
Bob Nipp

The New York Times

... and Energy @40

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JAN 14

The ringing rhetoric for energy conservation with which President Ford began his series of policy statements this week had grown a little muffled by the time he got to the State of the Union Message yesterday. Now the initiative has passed to Congress to fashion a meaningful and equitable energy tax program, seizing upon the positive aspects in what the President has proposed but realigning his emphasis better to achieve the goal of conserving otherwise wasted energy.

The strongest scrutiny must go to the arguments which the Administration will advance against gasoline taxes or rationing. "Neither would achieve the desired results and both would produce unacceptable inequities," Mr. Ford flatly stated. But the alternative he chose—a tax on all petroleum imports—introduces many inequities of its own and far more unacceptable ones. It would surely be easier to devise a rebate program to compensate low-income drivers and those who require their automobiles for their livelihoods than the elaborate devices the Administration has to concoct to compensate the far greater number of people grievously affected by price rises for all petroleum products.

Nor is it clear how the broad import tax is expected to achieve the desired result better than a tax on the specific use of that fuel, which is most wasteful and which apparently has the greatest elasticity of demand. Furthermore, there is a more effective and more direct method of achieving the President's goal of reducing oil imports by one million or more barrels daily: an import quota, with sealed competitive bids from the producers. This could work out to be far preferable to relying on indirect and slower-acting economic disincentives to oil imports that have their own deleterious, inflationary consequences.

Mr. Ford's proposal for mandatory thermal efficiency standards in all new buildings deserves strong support and rapid implementation. This would be a major step toward long-term conservation of energy. So would the tax credit to home owners installing insulation and other energy-saving equipment. The Congress could extend this idea to include some rebate or compensation to car-poolers or motorists who can switch to mass transit, a mode of efficient energy use almost totally—and astonishingly—ignored by the President's program.

Mr. Ford foresees a vast expansion of the energy industry in the coming ten years, at a capital and maintenance cost so formidable as to raise real doubts about whether the economy can support it. There are many experts who question whether this sweeping expansion is really necessary. The greatest advance in analysis of the energy problem over the past year is the evidence that balance can be approached more rapidly by cut-backs in demand, rather than open-ended and costly expansion of supply. Both Administration and Congress seemed committed to this goal; as a start it is clear that no conservation program that tries to protect the American motorist from the full negative impact of wasteful driving habits, and ignores mass transit, can seriously deserve the name.



Mr. Ford's Flawed Plan

For a man who has just executed a 179-degree turn in economic policy, President Ford is exhibiting surprising assurance that he has come up with just the right mix of programs for combating the complex triple challenge of recession, inflation and the energy crisis.

Undoubtedly, much of the President's news-conference determination to shoot down possible Congressional modifications represented psychological warfare; but it is still hard to reconcile his stance with his observation only a week ago that his basic aim is a policy of "conciliation, compromise and cooperation" with Congress.

Many Senators and Representatives, including a good many in his own party, fear that Mr. Ford's plan for tax rebates provides too little stimulus, is too slow-acting and fails to get enough extra purchasing power into the pockets of low- and middle-income families.

Their doubts are shared by large numbers of economists, conservative as well as liberal, along with virtually all of organized labor and major segments of finance and industry, even in Detroit.

Still greater reservations are held in and out of Congress over the energy package, which could worsen both recession and inflation. The folly of a program that would hit every industry and every consumer through higher electric, heating and transportation bills was underscored by yesterday's official report that consumer prices—though still increasing—are now edging toward promise of stability if no new inflationary whip is applied.

The nation cannot afford a repetition of the 12.2 per cent total jump in living costs that occurred in 1974. Indeed, even the seven-tenths of 1 per cent increase for December is itself too high, except as a transition to a more moderate rate. But the fact that the combined price of all nonfood items rose only four-tenths of 1 per cent last month and that commodity prices at wholesale have been falling sharply in recent weeks does fortify hope for a steadier price level.

Mandatory rationing, which Mr. Ford made such a show of denouncing yesterday, is by no means the only alternative to his plan for pushing energy costs up by \$30 to \$50 billion this year. Another, which we prefer, would include a quota on imported oil, backed by increased gasoline taxes; taxes on auto weight or horsepower; and large-scale Federal support for mass transportation.

As for the top-priority task of turning the economy uphill and putting millions back to work, the President would be well-advised to scrap his across-the-board tax rebate plan in favor of an \$80 payment to the poor plus a cut in withholding taxes at once tilted toward lower-income groups. This plan, which he himself endorses if hitched to his ill-conceived energy imposts, would provide more stimulus more quickly—and get it to the people hit hardest by high prices and a slack economy.



Too Little, Too Late

IN THE NATION

By Tom Wicker

To the extent that President Ford's tax program to stem the recession can be distinguished from his tax program to conserve energy, the former seems to have two major deficiencies as a means of stimulating the economy. And when both programs are taken together, the energy conservation plan seems to offset some of the stimulus of the antirecession tax cut, at the time when that stimulus is most needed.

The contradictory effect is one good reason why the Democrats who control Congress have decided on legislation to prevent Mr. Ford from taking the first step in his conservation program—imposing an additional \$1-a-barrel fee on imported oil, later to rise to \$3. They believe, moreover, that the Ford plan to force up prices of petroleum derivatives in order to drive down consumption is dangerously inflationary, and that the President's claim to have executive authority to impose the import fee is an unwarranted reversion to the "imperial Presidency" many thought had ended.

The Democrats clearly have the votes to pass legislation barring or repealing imposition of the import fees. Whether they can muster enough Republican support to override Mr. Ford's promised veto is not yet clear, but the price increases he wants will hit Republicans and Democrats alike.

Further discussion requires careful delineation of the two programs:

Stimulus: The President wants a 12 per cent rebate in 1974 personal income taxes, amounting to \$12 billion payable in two equal installments in May and August, with an upper limit of \$1,000 on the total rebate to any taxpayer. This he would couple with a \$4-billion increase in the tax credit to businesses for investment in plant.

Conservation: Mr. Ford's import fees on oil, plus a \$2-a-barrel tax on domestic oil that he also proposes, would produce \$30 billion annually in additional Government revenues. He would return that amount to the economy through a \$16.5-billion cut in personal income taxes, with heavy emphasis in the lower brackets, \$2 billion in "negative income tax" grants to the poor, a \$6-billion cut in the corporation tax,

a \$2-billion refund to state and local governments to offset their higher energy costs, and a \$500-million credit for taxpayers who insulate their homes. The Federal Government would retain the remaining \$3 billion, to cover its own increased energy costs.

The two major deficiencies of the antirecession tax cut—in the opinion of a non-economist who has had an Administration briefing as well as

advice from critical economists—are, first, that the \$12-billion personal income tax rebate does not provide enough stimulus, particularly on a one-shot basis limited entirely to 1974 taxes. Second, when that \$12 billion is further subdivided into May and August payments, it becomes both too little and too late.

The outlook now, for example, is that by June the economy will be running about \$200 billion below the full employment level. But by then, on Mr. Ford's timetable, only \$6 billion will have been pumped into the economy through the first half of the \$12-billion rebate on 1974 taxes. That is not enough to make much difference; and the remaining \$6 billion will not be due until August.

The Administration view is that to provide the entire rebate at once, in May, would put too much strain on the credit markets. But critics maintain that the Federal Reserve could accommodate this strain, if the Administration worked closely with it, and that getting \$12 billion of stimulus into the economy in May and June would be well worth any risk involved.

That point is sharpened by the fact that if Mr. Ford is able to impose and maintain the import fees on oil, they will begin to take substantial sums out of the economy right away; but at best Congress could hardly provide any of the offsetting tax reductions and credits before summer. Thus, if Congress accepted the President's program as he proposed it, he would put \$6 billion into the economy in May, but by then as much as \$3 billion or more would have been taken out by the import fees, leaving a net stimulus of only about \$3 billion.

Even if Congress lumps the 1974 tax rebate into one early payment, and successfully fends off or delays Mr. Ford's import fees, it is highly questionable that the \$12-billion per-

sonal income tax rebate, plus the \$4-billion investment credit for businesses, would be sufficient stimulus for a trillion-dollar economy that has slipped so swiftly into recession. An additional reduction of perhaps \$10 billion in personal income taxes for 1975 and 1976, above any reduction needed to offset new energy taxes, is almost surely going to be needed.

Besides, while few question the need for a stiff energy conservation policy, it is by no means clear that it can best be accomplished in one huge bite, taken right away, as Mr. Ford proposes. Nor have the Democrats as yet made much of a case for rationing or other alternatives to a price mechanism. Swift concentration on sufficiently stimulating the economy and a more leisurely and judicious approach to the long-term energy problem therefore seem in order, as the 94th Congress gets down to business.



Approach to Oil Pricing Pleases Next to No One

P. 37

President Ford's proposals for raising the prices of oil products across the board have stirred more opposition than almost any other element of his economic program. To discourage consumption and encourage production, he would levy a fee on imported oil, impose higher domestic oil taxes and de-control prices.

An outcry followed, and allocation, rationing and import quotas have all been suggested as substitute measures. Last week Congress moved to postpone the import tax for 90 days to allow consideration of the alternatives.

PROPOSERS

The President appears to have won the unconditional support of only the major automobile manufacturers, who said it would be unfair to concentrate taxes on gasoline users. They welcomed a program that spread the price burden across all products.

"Gasoline in terms of its share of the total petroleum market is only about 16 per cent," said Henry L. Duncombe Jr., vice president and chief economist of the General Motors Corporation. "If we're really serious about reducing oil imports, we've got to go beyond gasoline taxes."

The President staked out an early position against an excise tax on gasoline alone, and he has stuck to it. Nevertheless, Administration officials estimate his energy program will increase gasoline prices by about 10 cents a gallon at the pump, and they assert that this higher price will cut gasoline demand by 900,000 barrels a day.

The price of heating oil would rise to 48 cents a gallon from 38 cents, the Federal Energy Administration estimates, and the prices of jet fuel and of products such as plastics that are made from oil would also climb. These price increases are intended to reduce demand, and imports of crude oil, by 1-million barrels a day.

To those who called for alternate programs, the Pres-

ident replied that only increased prices would provide the incentives for increased domestic energy output.

OPPOSITION

Withering opposition was directed at the heart of the energy program — namely, the basic decision to force prices up in the hope of holding consumption down. But some of the loudest cries came from those who would be hurt by higher prices on petroleum products other than gasoline.

These included electric utilities and industries, particularly in New England, that burned large quantities of imported residual oil, a petroleum product. The airline industry protested higher prices for jet fuel and Trans World Airlines foresaw sharp fare increases as the result.

Other opposition to across-the-board increases was based on assertions that the Administration had misread the elasticity factor—that is, the extent to which consumption falls or rises when prices go up or down.

These critics pointed to the fact that gasoline consumption is little changed over the levels of a year ago even though prices have risen about 10 cents a gallon in the same period to 52 cents.

As for the assertion that higher prices will spur output, Milton Friedman, the economist, said the proposed domestic excise taxes and windfall profits tax would remove any production incentive.

OUTLOOK

The energy conflict is highly complicated and a resolution is not yet in sight. Congress is expected to block imposition of the import fees by the President and provide time for a national debate on energy policy.

Special consideration could be given those hardest hit by higher import prices, such as New England utilities and the consumers of imported heating oil, and there are many proponents of a simple gasoline tax. But the shape of an overall program remains in doubt.



Dialogue on Oil . . .

As the oil-consuming countries have begun to bite the bullet of pride and move toward a common energy policy, the oil-producing nations have begun to bite the apple of wisdom. The Organization of Petroleum Exporting Countries have now offered to open a dialogue with the industrial countries and, meanwhile, to freeze oil prices for the remainder of 1975.

The Algiers communiqué of the OPEC ministers of petroleum, finance and foreign affairs reflects a first step toward recognition of the chaos the egocentric policies of the oil cartel threaten for the world. The mounting economic crisis in both industrial and developing countries, heretofore dismissed by the oil-producing nations as exaggerated and a problem other countries must solve for themselves, is now described as "a growing threat to world peace and stability."

The thirteen OPEC nations plan to meet at the summit within a few weeks to approve joint positions for a producers-consumers conference. The extent to which they succeed is less important than the effort, which suggests a decision to move from confrontation to negotiation.

The negotiations, when they begin, are unlikely to be easy. The oil-producing countries retain the notion that present petroleum prices, five times those of 1973, are not only reasonable but must be indexed to the prices of industrial goods and increase in proportion to inflation next year and thereafter. They also want to discuss all "problems of raw materials and development."

The United States and the other oil-importing countries are prepared to discuss energy and financial problems but not other raw materials, which would hopelessly complicate any solution. They have no intention of agreeing to indexation of petroleum prices, which would legitimize the present price level, unless that price level is brought down substantially first.

. . . With the Consumers

Between now and March, through the new sixteen-nation International Energy Agency, the oil-consuming countries will try to agree on parallel programs for conservation of 2 to 3 million barrels of oil a day—7 to 10 per cent of imports. Joint programs to bring in new energy sources will seek agreement on a system of guarantees for new investment against later dumping of cheap Arab oil in Western markets. To these elements of joint consumer action is to be added the already-agreed \$25-billion Solidarity Fund to help weaker industrial countries carry their oil-payments deficits.

Once consumer solidarity is assured, the oil-consuming nations will try to arrive at a common position for the producers-consumers conference to be held next fall, which is to be preceded by a twelve-nation preparatory meeting this spring. The accommodation to be sought in these meetings, in the American view, must be based on the fact that the industrial countries alone can validate the earnings of the oil-producing nations by providing them with safe investments and a fair return on their capital. In return, the newly-rich oil-producing countries will be asked to accept joint responsibility for the stability and health of the world economic and monetary systems and commit themselves to supply assured quantities of oil at fair prices.

The key to all this is consumer solidarity, which can be effective in restraining oil demand, increasing supply and providing a financial safety net, beyond the agreement already in operation to stockpile supplies and pool oil in an emergency. Even these first faltering steps toward reducing dependence on the oil cartel have had an effect. The OPEC countries, knowing they cannot call the tune forever, are beginning to see the advantages of a negotiated settlement.

LIST OF ATTENDEES AT JANUARY 30, 1975 NEW YORK TIMES
EDITORIAL BOARD LUNCHEON, NEW YORK

Arthur Ochs Sulzberger, Chairman, President and Publisher

Peter Grose, Member of Editorial Board

Marian S. Heiskell, Director of Special Activities

David Jones, National News Editor

John B. Oakes, Editorial Page Editor

A. H. Raskin, Assistant Editorial Page Editor

A. M. Rosenthal, Managing Editor

Jack Rosenthal, Assistant Sunday Editor

Joan Whitman, Family/Style Editor

Tom Wicker, Associate Editor



United States Senate

OFFICE OF
THE ASSISTANT MINORITY LEADER
WASHINGTON, D.C. 20510

May 22, 1975

Honorable Frank G. Zarb
Administrator
Federal Energy Administration
Room 3400
New Post Office Building
12th and Pennsylvania Avenue, N. W.
Washington, D. C.

Dear Frank:

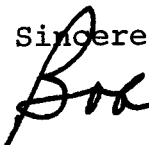
Just a line to let you know how much I appreciate the special, personal effort you made in connection with our program for the Michigan "Businessman's Day in Washington" on May 14.

You did an outstanding job, and many in the group have told me that they were very impressed by your remarks. They were also impressed by the fact that you took time out of your busy schedule to be with them.

Your participation helped to make the day a great success.

With warm best wishes, I am

Sincerely,



Robert P. Griffin
U. S. Senator

RPG:tb



CONGRESSIONAL AFFAIRS
MAY 23 PM 12:02 '75

ROBERT P. GRIFFIN
MICHIGAN

United States Senate

WASHINGTON, D.C. 20510

January 6, 1977

The Honorable Frank G. Zarb
Administrator
Federal Energy Administration
Washington, D.C. 20461

Dear Frank:


As the days of the Ford Administration draw to a close, I want to express my appreciation for your great service to the country.

While serving President Ford, you earned and maintained the confidence and admiration of all who value integrity and excellence in public office.

May the future hold for you much success, health and happiness.

With warm best wishes, I am

Sincerely,



Robert P. Griffin
U. S. Senator

rpg/b





FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D.C. 20461

OFFICE OF THE ADMINISTRATOR

January 10, 1977

Mr. David G. Hanes
5071 Sedgwick Street, N.W.
Washington, D.C. 20016

Dear David:

Just a word to tell you how much I valued your contribution to the FEA and your friendship.

You can be proud of your contribution to our energy efforts during a particularly trying time.

Wherever you go, and whatever you do, you will succeed and I hope we will continue to be dear friends.

Sincerely,


Frank G. Zarb
Administrator





FEDERAL ENERGY ADMINISTRATION

WASHINGTON, D.C. 20461

December 20, 1976

Pay
We have to
direct G
respond
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OFFICE OF THE ADMINISTRATOR

Honorable Frank G. Zarb
Administrator
Federal Energy Administration
Washington, D.C. 20461

Dear Frank:

As we discussed on several occasions, I believe it would be inappropriate for me to remain in office much beyond the time your resignation becomes effective. I will, of course, stay as long as I may be of service to you. Please accept my resignation to become effective at your convenience, but in any event no later than one week beyond your departure.

I have enjoyed working for you during the last year or so, as much if not more than any job I have had in Government. It is said that no man is a hero to his valet. But clearly your special combination of courage, political adroitness, sincerity and common sense are responsible for the considerable energy achievements over the last two years. "What's best for the American people" has always been your Pole Star, and not just for the benefit of whatever staff happened to be in your office.

It has been a rare privilege to work for you. I very much hope our paths cross again.

Sincerely,

David G. Hanes

David G. Hanes



CLIFFORD P. HANSEN
WYOMING



UNITED STATES SENATE
WASHINGTON, D. C.

December 12, 1975

Dear Frank:

Thank you so much for traveling to Wyoming and addressing the Natrona County Republicans; we are all certainly in your debt.

I thought you might be interested in the enclosed remarks prepared by my Wyoming Representative, Warren Carlson.

You surely were good to make time in what I know is a very demanding schedule to come to Wyoming. I want you to know that Wyoming is deeply honored that you could come.

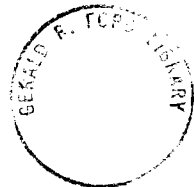
Martha and I send you and Pat our best during this Christmas Season.

With kindest personal regards,

Sincerely,

A handwritten signature in cursive script, appearing to read "Clifford P. Hansen".

Honorable Frank Zarb
Administrator
Federal Energy Administration
12th and Pennsylvania
Washington, D.C. 20461



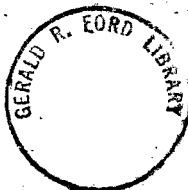


FEDERAL BUREAU OF INVESTIGATION
75 DEC 17 AM 9:52

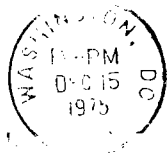
Frank Zarb was well received, and although it could not be said that every oil man present accepted him 100 per cent, I definitely had the feeling that very few of them came away unimpressed. Mr. Zarb spoke forthrightly at the dinner, and set out his views as to why he made his recommendation to the President as he did on S. 622. Not everyone agreed with him, but he certainly was candid in explaining in detail some of the factors he had to take into consideration in reaching his recommendation. Then, following the dinner, he took off his coat (literally), joined 30 or 40 oil men and wives in a separate room, and answered questions for 45 minutes, and urged them to ask anything they wished. I couldn't help but feel that even such people as Harry Roberts, Roy Guess, Marvin Wallway, Dave True and some of the hard questioners, really felt his knowledge was vast and his sincerity unwavering when he spoke out. Everyone mentioned how capable he was of giving straight answers to tough questions, and also how cool and courteous he was. I think even John Partridge felt that way,

--more

yet I'm certain John still has his own views on S. 622. Zarb indicated that he felt the bill "was the best he had seen--and unless it was enacted, there would be no bill for many months." Some oil men clapped at the thought of there being no bill, yet the reality of the situation was also recognized by most of them. Roy Guess, who acknowledged Zarb's capabilities, still said there was nothing good in sight for the independent oil man, and he described Zarb's explanations in this way: "What he is telling us here tonight is that 'We're going to kill you in the oil business (independents) for the next 40 months--and that will save the Democrats in Congress from killing you even more painfully--then after the 40 month period is over, things are going to start improving for the industry.' " Roy said that as the bill now stands, venture capital will dry up, and the whole picture for the industry will fall part, but he points out that perhaps if people can endure for the 40 month period in some way, the industry can come back. I think he said that slightly betterly, but even he said he could recognize what Zarb had to face in his job. Mr. Zarb had high praise for Senator Hansen, and at least on three occasions, said that if there were a number more Cliff Hansens in Congress, we would have been on the way toward energy independence six months ago. Now, it's a moot question as to when we'll start making headway toward that goal. He was replete with dire predictions about our energy supplies in the next few years, and said that some of the sophisticated new sources of energy (oil shale, solar energy, wind research) are actually many years away.



UNITED STATES SENATE
WASHINGTON, D. C.



Honorable Frank Zarb
Administrator
Federal Energy Administration
12th and Pennsylvania
Washington, D.C. 20461

CLIFFORD P. HANSEN
WYOMING

CLIFFORD P. HANSEN
WYOMING

F3 8/26
cc: CA
EC

COMMITTEES:
FINANCE
INTERIOR AND INSULAR AFFAIRS
VETERANS' AFFAIRS

United States Senate

WASHINGTON, D.C. 20510

August 23, 1976

Honorable Frank Zarb
Administrator
Federal Energy Administration
Washington, D.C. 20461

Dear Frank:

Many thanks for the copy of your letter to Senator Stone.

I would endorse your plan for a Joint Resolution and Joint Energy Committee 100%. But, I am afraid its results might be no better than those of S. Res. 45 some five years later. Perhaps I'm a pessimist.

Kind regards,

Sincerely,



Clifford P. Hansen
U. S. S.

CPH:nmw



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GRENVILLE GARSIDE, SPECIAL COUNSEL AND STAFF DIRECTOR
WILLIAM J. VAN NESS, CHIEF COUNSEL

United States Senate

COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS
WASHINGTON, D.C. 20510

January 6, 1977

Honorable Frank G. Zarb
Administrator
Federal Energy Administration
Washington, D.C. 20461

Dear Frank:

Thank you for your thoughtful note.

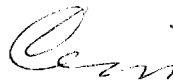
Getting the job done without Frank Zarb won't be as easy as it has been and it hasn't been that easy even with his incomparable help.

However, there may be some hope of reducing our vulnerability to the hazards of foreign oil now that the field of Democratic candidates for President has been reduced to the one soon to occupy the White House.

Maybe Scoop and some of the others will be a bit kinder to the new Administration and their proposals, which I hope will truly be addressed to quick enactment of a national energy program that places the highest priority on national security and the growth of our economy.

Kind regards,

Sincerely,



Clifford P. Hansen
U. S. S.

CPH:nmw



HENRY M. JACKSON, WASH., CHAIRMAN
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DEWEY F. BARTLETT, OKLA.

GRENVILLE GARBIDE, SPECIAL COUNSEL AND STAFF DIRECTOR
WILLIAM J. VAN NESS, CHIEF COUNSEL

United States Senate

COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS
WASHINGTON, D.C. 20510

March 1, 1977

*MA
pls see me*

Frank G. Zarb
Shearson, Hayden, Stone Inc.
767 5th Avenue
New York, New York 10022

Dear Frank:

Many thanks for coming down for the energy subcommittee meeting Monday.

I hear that you did your usual straight-to-the-point job in outlining a comprehensive Republican energy policy.

And, I would be willing to take half of your bet with Chuck Percy on decreasing the energy growth rate. He may, however, be depending on another embargo or two during that period.

I would hope you might give us some further guidance as we draft a policy statement and certainly would want your review, suggestions and comments before we put it in final form.

Kind regards,

Sincerely,

Cliff

Clifford P. Hansen
U. S. S.



CPH:nmw

THE ADMINISTRATOR
FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D.C. 20461

August 12, 1976

Honorable Philip A. Hart
United States Senate
Washington, D.C. 20510

Dear Phil:

We may disagree on policy, but that doesn't subtract
on my respect for you as a fine legislator and out-
standing public leader.

I sure would appreciate your autographing the
attached tear sheet.

Sincerely,


Frank G. Zarb

Attachments



Phyllis Friedenreich, Viewpoints/Ideas Editor

Telephone (516) 294-3000

July 19, 1976

Mr. Frank G. Zarb
Federal Energy Administration
Room 3119
Federal Building
Washington, D.C. 20461

Dear Mr. Zarb:

Here are tearsheets of your article as it appeared in our pages Sunday, July 18th. Once again, thank you for such a fine contribution to Newsday.

Sincerely,

Phyllis Friedenreich

Phyllis Friedenreich

PF/js



Break Up Big Oil? A Yes and No

By Frank G. Zarb

Breaking up the big oil companies is worth supporting *only if* the new organizational structure would help the nation and the American consumer.

Reorganization would be acceptable *only if* it would improve our ability to insulate the American economy from the effects of an actual or threatened oil embargo, diminish the control of the Organization of Petroleum Exporting Countries over the world price of oil; and result in more abundant and secure oil supplies at lower prices for the American consumer. These should be the criteria for any evaluation of divestiture or reorganization proposals.

However, there is strong reason to believe that the bill now before the Senate actually would undermine efforts to produce more domestic oil, strengthen OPEC's power to determine oil prices and increase consumer costs. The legislation proposes a radical departure from the government's traditional antitrust function and seems to ignore the question of its impact on our need for energy self-sufficiency.

On June 15, the Senate Judiciary Committee approved a divestiture bill, thus setting the stage for a legislative battle which could determine the form of government-business relations for years to come.

The bill would essentially prohibit a large oil company from engaging domestically in any two of the following major industry functions: production, pipeline transportation, or refining-marketing. This could result in less abundant, less secure and more costly supplies of petroleum for American consumers.

Those who equate integrated oil company operations with anticompetitive behavior have made the false assumption that independent refiners and marketers do not have sufficient access to crude oil and finished products, such as gasoline, since the major integrated companies, through ownership of their own crude oil production and the pipeline transportation system, can exclude the independents, thereby limiting their ability to compete.

In actual practice, there is every indication that the major oil companies themselves do not have anything approaching iron-clad control over crude supplies. For example, the 18 major oil firms that would be affected by the pending legislation produce only 60 per cent of the crude oil necessary to run their refineries, the remainder being imported or purchased in the domestic market. Of the 18, only one is totally self-sufficient in domestic crude oil.

The facts also suggest that the independent marketers have a high degree of access to refined products. In 1975, for instance, almost 18 per cent of refiner gasoline production was bought by "unbranded," independent marketers. When you include the "branded independents"—privately owned enterprises that

Frank G. Zarb is administrator of the Federal Energy Administration and executive director of the Energy Resources Council. He formerly lived in Lloyd Harbor.

happen to trade under major company brands—domestic refiners in that same year sold more than 80 per cent of their volume of gasoline and more than half their volume of distillates (diesel fuel, No. 2 heating oil, etc.) to independent marketers.

Nor does the purported control of the majors over large volumes of crude supplies seem to have impeded the entry and expansion of independent refiners in the market. Between 1951 and 1975, eight companies began refining operations and a total of 22 independent refiners increased their individual refining capacities to more than 50,000 barrels a day. They built or acquired the new capacity to refine almost 3 million barrels a day over the same period, and as of Jan. 1, 1975, they accounted for 20 per cent of all the crude oil refining capacity in the United States.

In fact, as The Washington Post pointed out in a recent editorial opposing the Senate divestiture bill, "... since World War II a number of new independent refineries have been successfully established. One of them . . . has grown fast enough to now be on the list of companies that would be broken up by this bill."

Another area in integrated oil company operations where anticompetitive behavior could occur is in the pipeline transportation system, which is heavily dominated by the major oil companies largely because of the substantial amounts of capital needed to build and maintain it. However, the system is closely regulated by the Interstate Commerce Commission, which prohibits rate discrimination and requires that the system be operated as a common carrier serving all shippers.

The domestic oil industry as it is currently organized is clearly capable of meeting the extremely high capital and technical demands of increased exploration, development and production, given certain governmental actions to establish a stable, predictable climate favorable to those activities. The process of divestiture, on the other hand,

—Continued on Page 11

By Phillip A. Hart

It happened in mid-sentence during a Senate antitrust and monopoly subcommittee hearing a couple of years ago: I went blank and couldn't think of a single example of a competitive industry. Stumped, I turned to the staff. No suggestions. I tossed the question to the audience—about 150 persons who work in industry or follow antitrust matters closely, or both. Silence.

That memory comes back now because it seems to typify a problem of those who favor divestiture for the oil industry. We argue that this will bring consumers the benefits of competition. We get back blank looks.

People are hard put to imagine what a competitive oil industry would look or act like. They are especially hard put to imagine how competition would affect consumers.

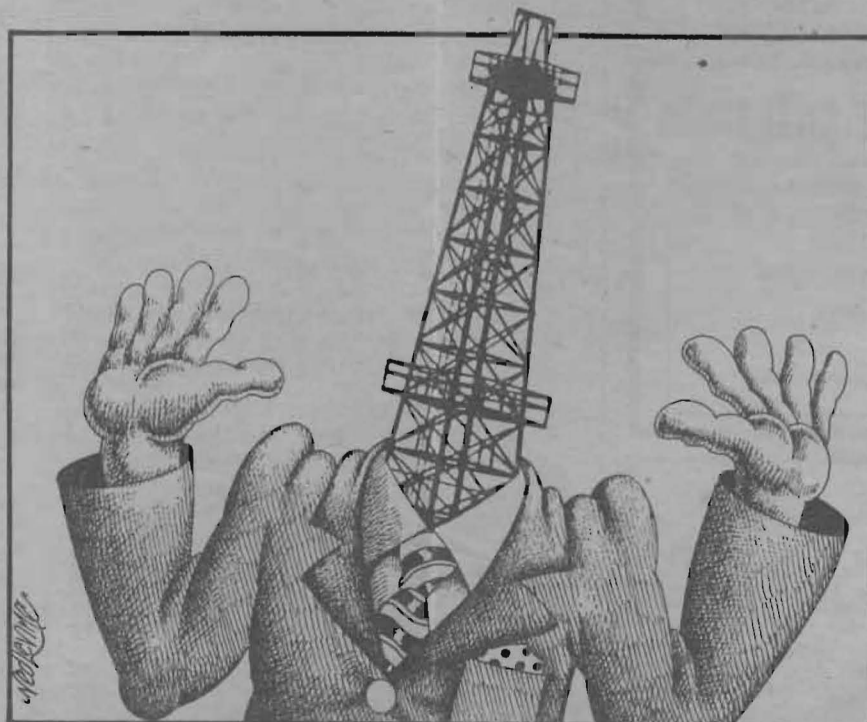
Frankly, I should have realized long ago that murmuring "competition" doesn't automatically bring blissful visions to consumers' minds. They don't often get a chance to see it practiced—even in this land supposedly dedicated to the free enterprise system.

Every one of our basic industries—such as steel, autos, copper, computers, communications—are dominated by a handful of companies that are able to control their market instead of being controlled by it. In a country of more than 300,000 manufacturing concerns, 200 control more than two thirds of total manufacturing assets.

The oil industry also suffers from a lack of competition. It is not defined as easily as some other industries in terms of concentration of ownership figures. But the bottom line is that there is no free market in crude oil or refined products.

The top oil firms own more than 79 per cent of crude reserves directly. When indirect control is added

Sen. Philip A. Hart (D-Mich.) is retiring at the end of this year after three terms in the U.S. Senate. He is chairman of the Senate subcommittee on antitrust and monopoly.



Newsday Illustration by Ned Levine

—in the operation of joint producing leases and such—the figure hits 90 per cent. The industry spokesmen tell us there are 10,000 producers. So the other 9,980 must control 10 per cent of the reserves.

Consider these other barometers of concentration in the industry. In 1972, the top eight refiners had 56 per cent of production. The top 20 had 84 per cent. Crude oil is generally sold to the pipeline on which it travels, and in 1973, 92 per cent of crude oil shipments were carried in the majors' lines (the top 18 companies in volume of crude production, refining and marketing are included among the "majors"). The same year the majors' pipelines carried 76 per cent of the refined oil products in the country. And in 1974, the top refiners held 80 per cent of the domestic market. That type of control by a group of companies that meet each other daily as partners in production, transportation and/or marketing thoroughly dilutes free markets in this industry and makes nonintegrated companies less than free-wheeling competitors. The loser, ultimately, is the consumer.

During the debate on the wisdom of divestiture for this industry, we are often asked: How much money will the consumer save? Frankly, I haven't the faintest idea. Nor, I am sure, does anyone short of God. We do know that if you take an industry that is not competitive and make it competitive, there is a downward pressure on prices.

At the moment this industry is dominated by an international cartel that may or may not hold together after divestiture. If it holds, the OPEC countries have announced they intend to continue to raise crude prices. But that will not be as easy after divestiture.

Then the companies buying the oil will not have an incentive to just pay the asking price. They will be the largest refiners in the world, the ones buying 95 per cent of the OPEC crude, and they will be getting their profits solely from refining and marketing. In other words, they will be tough negotiators and price-shoppers.

Today the major integrated oil companies have no incentive to bargain for lower prices. They have a stake in price increases. That's because their own reserves increase in value each time the world price is hiked. The magnitude of that incentive is impressive. For example, a \$1 increase for a barrel of crude means the value of the reserves that Exxon, Atlantic-Richfield and Sohio/BP hold just in Prudhoe Bay, Alaska, increases by \$10 billion.

That's the kind of condition in which sweetheart contracts flourish. OPEC scratches the oil companies' back, and vice versa. On the other hand, we do know that with the 5 per cent of the OPEC production now being purchased by nonintegrated refiners there has been some eroding of the cartel price.

So there is every reason to believe that competition over the years would keep prices from rising as fast and as high as they would without competition. For consumers, the stake is considerable. Every time gasoline goes up one cent a

—Continued on Page 10

Don't Break Up Big Oil

—Continued from Page 7

would force the oil industry into a period of instability and uncertainty.

This period of flux could involve a decade or more of litigation to adjudicate the numerous conflicting claims of all those with a direct interest in the outcome of divestiture. During this period capital spending by the affected companies would be sharply reduced, and industry management efforts would be diverted from the development of environmentally sound energy supplies to the administrative problems associated with divestiture. The net result of both would be to reduce domestic energy supplies and increase dependence of imported oil.

It is simply naive to expect any corporation to restructure itself radically without experiencing a period of decreasing productive activity. In addition, companies affected by divestiture would have reduced incentives and capabilities to make large capital investments while they are faced with such uncertainty. In short, expecting the U.S. oil industry and the financial community to cooperate productively and efficiently and make an uninterrupted contribution to national energy goals during a prolonged process of divestiture is not realistic.

The process of divestiture might result in an industry in which capital could be raised only at comparatively higher interest rates, leading to increased operating costs, and, ultimately, to higher consumer prices—precisely the opposite of the effect sought by the proponents of divestiture.

And should the proponents of divestiture then seek to restrain the resulting higher prices through controls, the ability of the fragmented domestic oil industry to engage in greater productivity would be further curtailed, leading to even greater vulnerability to interruptions of supply and increases in the price of imported oil.

Apart from the effects of divestiture on the production of domestic oil, an equally important consideration is its impact on the relationship of the United States to OPEC. There is no evidence that nonintegrated U.S. oil companies could bargain with the cartel more effectively than larger, vertically integrated firms to assure more secure supplies at lower prices.

The assertion that the companies are the willing instrument of the cartel in setting and maintaining prices will not bear scrutiny. The price of oil is a function of supply and demand. If the cartel can control production so that available oil supplies will support the price they decree, they effectively control the market. And with the continuing nationalization of oil company assets overseas, it is the cartel and its member countries that are now in a position to decide the volume of oil that will be produced, not the companies.

It has also been said that when decreased cartel production is necessary to support increased prices, the companies act as a mechanism through which proportional shares of the reduced production are allocated to the member states of OPEC. But the fact remains that this pro-rationing of decreased production is simply not essential.

One member of the cartel, Saudi Arabia, has such a large production capacity and such a relatively small need for oil revenues that it can absorb the entire production decrease necessary to support any given price. As long as the Saudis are willing to support the stability of the cartel by shutting in their production—a decision over which the companies have no control—OPEC will continue to dominate the supply, and, therefore, the price of oil.

If we are to produce more energy at reasonable prices, we must complete the implementation of a five-point national energy program:

1. Decrease the growth rate of U.S. energy consumption from an historic 3.6 per cent to something less than 2.8 per cent;
2. Increase domestic oil production from the current 8 million barrels per day to 12 million barrels per day, and increase domestic natural gas production from 20 trillion cubic feet per year to 23 trillion cubic feet per year;
3. Increase domestic coal production from the present annual rate of 603 million tons to one billion tons;
4. Increase electricity generated by nuclear power from today's level of 9 per cent to 26 per cent; and
5. Complete a national oil stockpile program giving this nation sufficient protection against the threat of future embargoes.

The implementation of these five points, or equally effective substitutes, will require deliberate and painful policy-making on a number of complex issues. There is no easy way out, but one thing is clear: We have the natural, financial and technological resources to get the job done.

As popular as the notion may seem, the divestiture legislation presently being considered simply does not help to provide or conserve more energy. Indeed, the debate only diverts attention from the tough energy decisions that this nation must face. □



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On Sunday, Newsday brings all its outstanding critics and writers together in one section for expanded coverage and comment. So remember, whether it's movies, television, theater, music, dance or art, you'll find it covered accurately and authoritatively in Part II of

Sunday Newsday

CORRECTION

There was an error in our ad in Newsday on Saturday, July 17

The item should have read as follows:

ASSORTED LONG-HANDLE TOOLS

REG. 4.49 **2⁹⁹**

PERGAMENT



Department of State

FEA

TELEGRAM

~~SECRET~~ 3594

PAGE 01 TEHRAN 04921 161017Z

13
ACTION SS-25

INFO OCT-01 IS0-00 SSO-00 /026 W

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S E C R E T TEHRAN 4921

EXDIS

DECLASSIFIED
E.O. 12958, Sec. 3.5
State Dept. Guidelines
By WHA, NARA, Date 11/24/00

PLEASE PASS TO FEA FOR ADMINISTRATOR ZARB

E.O. 11652: XGDS 1
TAGS: ENRG, OPEC, IR, US
SUBJ: SHAH COMMENTS ON LIL PRICES

1. AT CONCLUSION OF AUDIENCE EVENING OF MAY 15, SHAH COMMENTED THAT ADMINISTRATOR ZARB'S VISIT TO TEHRAN WAS A "WASHOUT". BEFORE I HAD A CHANCE TO REPLY, THE SHAH CONTINUED, "WE ARE NOT A COLONY." WHEN I ASKED WHAT HE MEANT BY THAT REMARK, THE SHAH REPLIED, "MR. ZARB'S OFFER TO ANSARY WAS SO REDICULOUS THAT HE MUST THINK THAT IRAN IS A COLONY OF THE UNITED STATES." AFTER I HAD FORCEFULLY REMONSTRATED, THE SHAH CEASED PUTTING ME ON, HIS TONE OF VOICE CHANGED AND HE BECAME MORE REASONABLE. HE STATED, "YOU KNOW VERY WELL THAT IT IS INEVITABLE THAT THE PRICE OF CRUDE OIL WILL RISE, IF NOT IN THE NEXT COUPLE OF MONTHS THEN LATER ON. YOU REMEMBER THAT WE SOLD SOME OIL TO INDEPENDENT COMPANIES A COUPLE OF YEARS AGO FOR \$35 A BARREL. OBVIOUSLY THIS WAS AN EXTREME AND UNUSUAL SITUATION, BUT EVEN SO I WOULD THINK THAT THE PRICE OF OIL WOULD EVENTUALLY RISE TO \$25. INCIDENTALLY, I HAVE BEEN DOING SOME FIGURING AND I AM WILLING TO WAGER THAT YOUR ALASKA OIL DELIVERED TO A REFINERY IN THE UNITED STATES WILL COST \$16 PER BARREL." THE SHAH THEN NOTED THAT THE UNITED STATES SEEMS TO HAVE FORGOTTEN ABOUT THE ENERGY CRISIS AND THE AMERICAN PUBLIC HAS GONE BACK TO A BUSINESS-AS-USUAL LIFE STYLE. HE COMMENTED, "ONLY THE PRICE OF LIL IS GOING



COPY 2 OF 2

SECRET

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Department of State **TELEGRAM**

~~SECRET~~

PAGE 02 TEHRAN 04921 161017Z

TO OBLIGE YOUR COUNTRY TO SEEK ALTERNATIVE SOURCES OF ENERGY."

2. AT THIS JUNCTURE I HAD AN OPPORTUNITY TO MAKE THE POINT THAT I REGARDED MR. ZARB'S VISIT TO IRAN AS A MOST USEFUL ONE. I EXPLAINED TO THE SHAH WHY I FELT THIS TO BE SO INCLUDING THE FACT THAT IT HAD PROVIDED AN OPPORTUNITY FOR MR. ZARB TO EXPLAIN TO MINISTER AMOUZEGAR AND OTHER IRANIAN OFFICIALS WHAT US POLICY ON OIL CONSERVATION AND ALTERNATIVE SOURCES NOW IS. THE SHAH SNAPPED BACK, "DO YOU HAVE A COHERENT ENERGY POLICY?" I THEN WENT OVER IN SOME DETAIL WHAT MR. ZARB HAD HAD TO SAY HERE ABOUT CONSERVATION AND ABOUT WORK BEING DONE IN THE UNITED STATES ON OTHER SOURCES OF ENERGY.

3. COMMENT: I HAVE PUT MUCH OF THE FOREGOING IN DIRECT QUOTES IN ORDER TO CONVEY THE FLAVOR OF THE SHAH'S REACTIONS. THESE SHOULD NOT BE TAKEN PERSONALLY BY MR. ZARB OR ANY OTHER USG OFFICIAL. THE SHAH FIGHTS HARD FOR HIS POINT OF VIEW, BUT HIS RHETORIC SHOULD NOT BE OVERREAD ANY MORE THAN HE OVERREADS PUBLIC STATEMENTS OF US OFFICIALS OPPOSING HIS OIL POLICIES.

4. COMMENTING ON RECENT GAS FINDS IN IRAN, THE SHAH NOTED THAT ALMOST EVERY WELL THAT HAS RECENTLY BEEN DRILLED, WHETHER ON LAND OR IN THE WATER, HAS DEMONSTRATED THE PRESENCE OF QUANTITIES OF GAS. THE SHAH NOW ESTIMATES THAT IRAN MAY HAVE AS MUCH GAS AS THE SOVIET UNION "OR EVEN MORE". THIS LED TO A DISCUSSION OF THE NIOC/DISTRIGAS/ EL PASO LNG PROJECT. THE SHAH RUMINATED AS TO WHY IT WAS TAKING EL PASO SO LONG TO WORK OUT THE NECESSARY ARRANGEMENTS. HE NOTED DELAYS CAUSED BY DEBATE OVER PIPELINE VS. THE SUEZ CANAL ROUTE, THEN OVER THE RATE WHICH THE EGYPTIANS WOULD CHARGE FOR USE OF THE CANAL. HE EXPRESSED CONCERN RE ANTICIPATED DELAYS WHEN TIME COMES TO OBTAIN RULINGS OF THE FEDERAL POWER COMMISSION.
HELMS

~~SECRET~~

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*****CONFIDENTIAL*****

Jib

DATE 88/11/76

WHITE HOUSE SITUATION ROOM

MESSAGE ANNOTATIONS:

NO MESSAGE ANNOTATIONS

MESSAGE:

IMMEDIATE
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FM TEHRAN

TO THE WHITE HOUSE/FRANK ZARB

~~CONFIDENTIAL~~ 111525Z AUG 76

TO: FRANK ZARB, ADMINISTRATOR FEDERAL ENERGY AGENCY
WASHINGTON, D.C. IMMEDIATE
FM: AMBASSADOR HELRS, TEHRAN 373
MINISTER ANSARY WANTS YOU TO TELEPHONE HIM SOONEST POSSIBLE
AT CLARIDGE'S HOTEL IN LONDON. HE WILL BE THERE TODAY AS WELL
AS THURSDAY. HE HAS REPLY TO QUESTION YOU POSED HIM.

DECLASSIFIED
E.O. 12958, Sec. 3.5
State Dept. Guidelines
By *W/H*, NARA, Date *11/24/00*

PSN: 015480

TOR: 224/161012

DTG: 111525Z AUG 76

*****CONFIDENTIAL*****





WYOMING
EXECUTIVE DEPARTMENT
CHEYENNE

ED HERSCHLER
GOVERNOR

December 21, 1976

Mr. Frank Zarb
Administrator
Federal Energy Administration
Washington, D. C.

Dear Frank:

I appreciate receiving your kind letter of December 15th, and I want you to know that it is with a great deal of personal sadness that I realize that you are leaving the Administration. I am sure you realize that you did not always tell me everything that I wanted to hear, but I can also tell you that it was very refreshing to have had dealings with a person of your stature and capability, who "told it like it is."

I wish you would be willing to leave the "exciting" East and come West. I can assure you that I would have a good job waiting for you in Wyoming State Government.

With every best wish, kindest regards and a sincere hope that you have continued success in the future, I am

Yours sincerely,
A handwritten signature in cursive script, appearing to read "Ed Herschler".

EH:b



100-100000-100000

100-100000-100000

76 DEC 27 4 11:11
FBI - NEW YORK



FEDERAL ENERGY ADMINISTRATION

WASHINGTON, D.C. 20461

OFFICE OF THE ADMINISTRATOR

November 12, 1976

Honorable Frank G. Zarb
Administrator
Federal Energy Administration
Washington, D.C. 20461

Dear Frank:

Although I must admit that I am looking forward to a change of pace and the private sector, it is hard to leave FEA -- its mission, its work and its people.

We have had some incredible challenges over the past several years, beginning with the embargo and its gasoline lines, but we have come a long way legislatively, programmatically, operationally here at FEA and in terms of educating the nation. In fact, when I recall all the work that had to be done and all the obstacles we faced, it is actually amazing to see what we have accomplished.

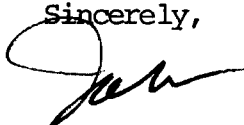
I can say without qualification that the progress that has been made is due to Frank Zarb. Until you came along, the Executive Branch was in disarray, the Congress was going in a million directions, there was confusion and there were hard feelings. I know these things because I was in the middle of it. But that came to an end when you picked up the energy task. You pulled the Administration together, you became a single focal point for the Congress, you earned the respect of people with differing points of view, and you brought stability and order to FEA. Those are massive accomplishments, but they are real and they are appreciated -- by me, by FEA, by those in Congress and by the public.

I am most appreciative, however, of the opportunity and privilege I have had to work with you. Your example has been an example to me; I have learned more about this town and how to move in it from you than I could have learned from thousands of others. And the opportunity you have given me to grow and expand with the confidence that I had your support has been the most valuable professional opportunity of my life. Please accept my thanks.



I wish you every success when you leave FEA and look forward to continuing our relationship in the future. We have to stay in touch, because we are coming back someday.

Sincerely,

A handwritten signature in black ink, appearing to read "John A. Hill". The signature is fluid and cursive, with a large initial "J" and "H".

John A. Hill
Deputy Administrator





1735 new york avenue, n.w., washington, d.c. 20006 (202) 785-9577

January 18, 1977

Mr. Frank Zarb
 Director
 Federal Energy Administration
 Washington 25, D. C.

Dear Frank:

The change of administration whether it is at the national level or in one of our counties is always especially sad when we have to say at least a temporary goodbye to people that we have worked with.

This is especially the case with your leaving the government. You have our complete respect and admiration and I think that given all of the circumstances you have performed extremely well.

You should take great pride in your stewardship because we certainly do.

I do hope that we will be working together soon in some other capacity and we send our very best wishes to you for great good health and fresh new career challenges.

Sincerely yours,

A large, stylized handwritten signature in dark ink, appearing to read 'Bernie', is written over the typed name.

Bernard F. Hillenbrand
 Executive Director





From

Chet Holifield

M. C.

7-17-75

Frank -

I often wish I
was there to help you
in this Energy fight.

But, when I see
the confusion in
Congress, I doubt if
I could help much.

Let me know if
there's anything I
can do.

Chet

LIBRARY

CHET HOLIFIELD

2001 LINCOLN AVE. MONTEBELLO, CA. 90640
(213) 728-3113

7-17 - '75

Dear Frank

Received copy of your speech
in San Francisco July 11th.

It was one of the best pro-
nuclear speeches I've seen this year.

I like your hard hitting style. It's
what Holifield & Hoerner have been
doing for twenty eight years & sixteen
years, respectively.

Keep up the pressure. My article
in Lew King's Energy report of June 9th
ruffled a few feathers. But I think
it did some good.

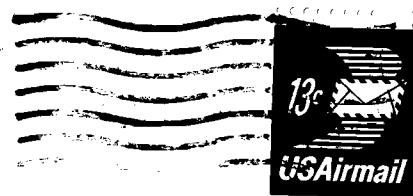
Cenders wants you to take over the
offensive on Nuclear Offense and Defense
My advice is to step into the
vacuum and push Nuclear and Coal.

It's our only hope for substantial
domestic controlled, cheap (relatively) electric
power in the next fifteen to twenty
years. Best regards

Chet.

75 JUL 21 4:10:02
RECEIVED
OFFICE

CHET HOLIFIELD
2001 LINCOLN AVE.
MONTEBELLO, CA. 90640



Federal Energy Administration
Pennsylvania Ave Near 12th St
Room 3400
Washington
DC



Attention Please.
Honorable Frank G. Zarb
Administrator

THE ADMINISTRATOR
FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D.C. 20461

July 26, 1976

Mr. Melvin C. Holm
Chairman of the Board
Carrier Corporation
Carrier Tower
Syracuse, New York 13201

Dear Mel:

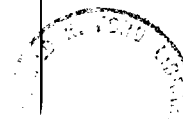
It was good to see you the other day in New York.

I certainly appreciate your sending me the material on solar and solid waste recovery. It was very helpful.

Hope to see you soon.

Sincerely,


Frank G. Zarb
Administrator



Date: 7/26/76

From the desk of The Administrator

To: Bill Rosenberg

Mr. Zarb thought you would
like to have these materials.

P Burris

Federal Energy Administration

Room 3400

Ext. 6081



Melvin C. Holm
Chairman of the Board

*peg
write him
trub's for F.V.I. #
material
I send to
Ranking*

July 14, 1976

The Honorable Frank G. Zarb
Administrator
Federal Energy Administration
1200 Pennsylvania Avenue, N. W.
Washington, D. C. 20461

Dear Frank:

It was a real pleasure to visit with you yesterday and I am looking forward to the time when we can be together again.

You indicated an interest in our solar residence project and our solid waste recovery program and I said that I would send you some information on both.

The solar residence, which is located just north of Naples, Florida, has been designed to minimize energy consumption by proper selection of insulation for the walls and ceilings, use of double glazed glass including solar glass, and control of shade factors reducing energy gain from the sun.

Although this residence is 2,500 square feet of living space, the maximum cooling load is estimated at 27,000 btuh; while the normal cooling load for this residence would be 48,000-60,000 btuh.

Solar assist will be used for solar cooling, comfort heating, a two-temperature level domestic water system and swimming pool heating.

The domestic hot water systems will supply 140°F water to the dishwasher and clothes washer, while 105°F water will supply the rest of the residence. The study will determine whether energy can be saved by using this type of system and what temperature level water can satisfy normal residence requirements.

The solar cooling will be supplied by the use of a Rankine cycle which will use R-114 as the power fluid. The shaft output from the expander will drive a standard Carrier semi-hermetic compressor which is incorporated in a standard refrigeration cycle.

There are three planned stages of study in the Rankine cycle:



Handwritten marks, possibly initials or a signature, located in the upper left quadrant of the page.

76 JUL 19 AM 11:31

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

1. Collect and store solar energy at or under 100°C.
2. Increase the collection temperature to 120°C.
3. Increase the operating temperature to as high a level as judged technically feasible, probably in the range of 150°C.

Ninety-three data points will be measured and recorded, and the information will be forwarded to our Computer Systems Services group in Syracuse for data reduction.

Some of my associates have visited with FEA on a number of occasions and have kept in tune with their Federal Buildings Program in the relation to solar. A recent report prepared by Miter Corporation supplied to us by FEA is one of the most realistic approaches and understandings of solar and how the Federal government can participate in its development.

We plan to have this system in operation by this fall and I would be happy to keep you posted on further developments if you so desire.

Our Solar Energy Department, which is a part of our Energy Systems Division, is working on a number of other potential outside projects but so far the going is very slow. However, we are determined to continue to make progress in these areas. Any suggestions that you might wish to make will be deeply appreciated.

As to resource recovery from waste, I am enclosing two writeups. The first deals with the subject on an overall basis; the second has to do with a specific project under way here in Syracuse.

I am also enclosing a copy of our annual report for fiscal 1975. I call your particular attention to the section headed "Tomorrow" beginning on page 17. You will also find references to energy conservation matters in the text on pages 6 through 16.

Please let me know if you need any other information.

With best regards,

Sincerely,



Melvin C. Holm
/cm

March 7, 1974

*Personal
C-115-212*

Honorable Frank Horton
House of Representatives
Washington, D. C. 20515

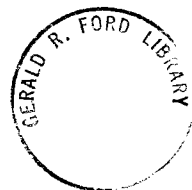
Dear Frank:

Many thanks for your kind thoughts.

I hope we will be working together for a long time.

Sincerely,

Frank G. Zarb
Associate Director





HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515

FRANK HORTON
THIRTY-FOURTH DISTRICT
NEW YORK

March 5, 1974

Dear Frank:

An outstanding accomplishment, indeed! The cover of "Government Executive" and who knows, perhaps soon to be on the cover of "Time" and "Newsweek."

Aside the issues of who is on the cover, I thoroughly enjoyed the article and felt that some very outstanding comments were made. I have watched with great interest the activities of both OMB and FEO and am confident in the leadership which you have displayed in both positions. May I take this moment to wish you continued success.

I also thought you might have need of an additional copy of the publication and am sending it along with my best wishes.

With kindest personal regards, I am

Sincerely,

A handwritten signature in cursive script, appearing to read "Frank Horton".

Frank Horton

Mr. Frank Zarb
Associate Director
Office of Management and Budget
Washington, D.C.



Congress of the United States
House of Representatives
Washington, D. C.

11-4

Memo from the desk of

CRAIG HOSMER, M. C.

11/1/74

Dear Frank -

Many Thanks for
listening to Lou Kruser
on behalf of the small
refiners -

They're good people
& many are my constitu-
ents.

I had a business date
to keep & couldn't wait
for your call - somebody
wanted to talk about my
plans for next year - Craig

AMERICAN NUCLEAR ENERGY COUNCIL

1750 K STREET, N.W. ● SUITE 300 ● WASHINGTON, D.C. 20006

(202) 296-4520

CRAIG HOSMER
PRESIDENT

May 11, 1976

The President
The White House
Washington, D. C. 20500

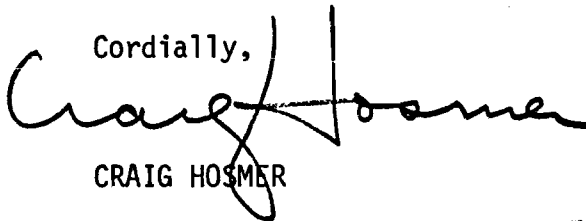
Dear Mr. President:

Jack Anderson's column in the Washington Post recently reported dissatisfaction in the energy industry with Mr. Frank Zarb, and attempts to have him removed. Although I have no knowledge of the credibility of the story, I would like to take this opportunity to affirm our support for Mr. Zarb.

In an environment in which many Americans have forgotten the energy problem and their legislators have taken this as a signal to ignore it also, Mr. Zarb has vigorously pursued the goal of maintaining public awareness of the energy situation and has striven for policies which would result in greater energy independence. The Federal Energy Administration plays an integral role as the lead agency in helping to formulate and execute our nation's energy program, and we believe that Mr. Zarb is a very effective and capable Administrator of that agency.

We at the American Nuclear Energy Council strongly support the work which Mr. Zarb and the Federal Energy Administration are doing to attempt to improve the energy posture of our nation.

Cordially,



CRAIG HOSMER

CH/cl



United States Senate

WASHINGTON, D.C. 20510

July 23, 1976

Mr. Frank Zarb
Administrator
Federal Energy Administration
New Post Office Building
12th St. and Pennsylvania Ave.
Washington, D.C. 20461

DEar Frank:

I was both surprised and delighted to run into you in New York. I must admit that I didn't expect to see you while the Democrats were gathered for our Convention in New York City. It was, indeed, however, a pleasant surprise.

You're doing a good job, Frank, and I enjoy the opportunities that we have to visit both out of committee sessions and in.

I told Muriel when you left our table after your short visit that you do a good job with the FEA -- and I mean it. I know I might give you a rough time on occasion, but you are indeed competent.

I'm sure I'll see you around Washington in the near future. Muriel joins me in sending the best.

Sincerely,



Hubert H. Humphrey



HUBERT H. HUMPHREY
MINNESOTA

United States Senate

WASHINGTON, D.C. 20510

July 23, 1976

Mr. Frank Zarb
Administrator
Federal Energy Administration
New Post Office Building
12th St. and Pennsylvania Ave.
Washington, D.C. 20461

DEar Frank:

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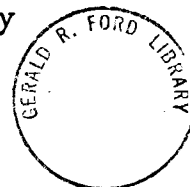
I told Muriel when you left our table after your short visit that you do a good job with the FEA -- and I mean it. I know I might give you a rough time on occasion, but you are indeed competent.

I'm sure I'll see you around Washington in the near future. Muriel joins me in sending the best.

Sincerely,



Hubert H. Humphrey



#. 1. I. 21

United States Senate

WASHINGTON, D.C. 20510

December 15, 1976

Mr. Frank G. Zarb
Administrator
Federal Energy Administration
New Post Office Building
Washington, D. C. 20461

Dear Frank:

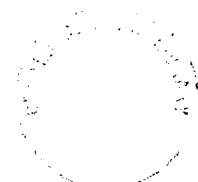
I just read that you were resigning. Well, dear friend, before you leave that office, where you have worked so diligently and effectively, let me just thank you for the cooperation that you have extended to me and my office and my constituents. Your record of public service is commendable and outstanding.

Just wanted to wish you the best.

Sincerely,



Hubert H. Humphrey



SUSPENSE DATE

Info

CONTROL NUMBER

JUG232

CONSTITUENT

SOURCE

Hungate, Rep Wm L.

SUBJECT:

Thank You Letter

Date of Inq

8/8

Date Received

8/12

Routing Date

8/13

REFERRED FOR:

Preparation of reply for signature of

ADMINISTRATOR

DEPUTY ADMINISTRATOR

DIRECTOR FOR CONGRESSIONAL AFFAIRS

PREPARATION OF FACT SHEET

INFORMATION ONLY

DRAFT OF AN APPROPRIATE REPLY

Acknowledgement

not made

made by

phone
letter

ACTION TO:

*Administrator - Original
C/A - File*

REMARKS:

cc: Paul Cyp



NOTE: Responses should be delivered to Rm. *4358* NPO

DIRECTOR FOR CONGRESSIONAL AFFAIRS

Nancy Savary

EXT

6211

ROOM

WILLIAM L. HUNGATE
9TH DISTRICT, MISSOURI

JOB 232

2437 RAYBURN BUILDING
PHONE: 202-225-2956

COMMITTEE ON SMALL BUSINESS

CHAIRMAN, SUBCOMMITTEE ON
REGULATORY AGENCIES

JUDICIARY COMMITTEE
CHAIRMAN, SUBCOMMITTEE ON
CRIMINAL JUSTICE

Congress of the United States
House of Representatives
Washington, D.C. 20515

August 8, 1975

STAMPED MAIL

Honorable Frank G. Zarb
Administrator
Federal Energy Administration
Washington, D.C. 20461

Dear Mr. Zarb:

Thank you for your thoughtful letter and I deeply appreciate your kind remarks about my decision to retire from Congress at the end of this term.

My career in Congress is all the more rewarding when we achieve a level of mutual respect and cooperation with governmental leaders like you, and I'll miss that.

Again, I appreciate your letter and wish you continued success in the tremendous job you have ahead.

With best regards, I remain

Sincerely yours,

William L. Hungate

WLH/mr

*I'm grateful
for your notes -
you understand
this place,*



100-100000

100-100000

100-100000

100-100000

100-100000

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100-100000

100-100000

75 AUG 12 AM 11:16

CONGRESSIONAL AFFAIRS



FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D.C. 20461

OFFICE OF THE ADMINISTRATOR

July 31, 1975

Honorable William L. Hungate
United States Congress
Washington, D.C. 20515

Dear Bill:

Some weeks ago I read about your decision to retire from the Congress. We have not been able to know each other very well, but I have had an opportunity to learn a little bit about you.

I wanted you to know that I sincerely regret your leaving public life and that you are an honest, decent American with all the right instincts. While I understand your feelings as to what's happening to the political system, having gone through the energy exercise of the last several weeks, I can understand it more than ever.

This is indeed a period of emptiness from a standpoint of all the good things that once characterized the motives, methods and actions of the total government structure. I can only hold out hope that this is an unusual moment in time that the Nation will return to the age of "camelot."

My best wishes to you and your family for the future.

Sincerely,


Frank E. Zarb
Administrator



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warded to

Hungate to Retire; Cites Camelot End, Watergate Arrival

By Richard L. Lyons
Washington Post Staff Writer

Rep. William L. Hungate (D-Mo.), whose droll humor brought some relief to the House Judiciary Committee's impeachment deliberations last summer, announced yesterday he will retire at the end of next year because he has lost his "passion" for the job of congressman.

"Politics has gone from the age of 'Camelot' where all things were possible to the age of 'Watergate' when all things are suspect," Hungate said.

Last year, as the House Judiciary Committee considered charges against then President Nixon on national television, Hungate voiced impatience at the refusal of some Republicans to accept what he considered obvious facts.

If an elephant walked into the committee room, he said then, some members might insist that it could be a "mouse with a glandular condition."

Hungate presided last fall over what is believed to be the only presidential testimony before a congressional committee, when President Ford explained his pardon of Nixon for any crimes he may have committed as President.

Hungate is considered a hardworking, competent congressman. Recently he guided through the House a bill making changes in the federal rules of criminal procedure.

But, age 52 and a House member for 13 years, Hungate said yesterday his "enthusiasm for public service has been waning" because of frustrations, pressures and demands of the job.

"The years erode tolerance, stamina and patience," said Hungate in announcing his plans to retire at the end of the 94th Congress and return to the practice of law.

"Where once criticism fell without impact, it now lands heavily. Since I entered office, the duties have increased dramatically, exceeded only by public dissatisfaction with Congress. Politics has gone from the age of 'Camelot' where all things were possible to the age of 'Watergate' when all things are suspect."

Hungate said he came to Washington intending to stay only one term "to straighten things out," but found it would take longer. After six years he became a subcommittee chairman but felt "invisible restraints" and decided that even if he stayed 10 more years or longer and became chairman of the Judiciary Committee he couldn't achieve all the things he wanted.

He likened the public life to a hammock—hard to get into and hard to get out of. But he said he thought it time to step aside and give others a chance for service. Dismissing suggestions that he run for governor of Missouri,



REP. WILLIAM L. HUNGATE
... lost passion for job

he said he is leaving public life.

White-haired with a youthful face, Hungate comes from Mark Twain country along the Mississippi and has a collection of Twain-like stories for any occasion. He succeeded the late Clarence Cannon, crusty old longtime chairman of the House Appropriations Committee, who looked like Grumpy of Walt Disney's Seven Dwarfs and talked like Donald Duck. Hungate can mimic Cannon perfectly.

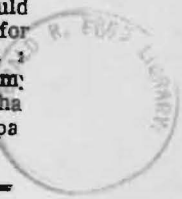
A graduate of Harvard Law School and a former Missouri prosecutor, Hungate said he entered public life in part because of an experience in World War II. Five of the 12 men in his rifle squad were killed, five were wounded—and Hungate was transferred to headquarters because he played saxophone and the colonel wanted a band. Hungate said he could find no rational reason for that experience and "felt responsibility to serve my country in some way that might at least partially repay their sacrifices."

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HENRY M. JACKSON, WASH., CHAIRMAN

FRANK CHURCH, IDAHO
LEE METCALF, MONT.
J. BENNETT JOHNSTON, LA.
JAMES ABUREZK, S. DAK.
FLOYD K. HASKELL, COLO.
JOHN GLENN, OHIO
RICHARD STONE, FLA.
DALE BUMPERS, ARK.

PAUL J. FANNIN, ARIZ.
CLIFFORD P. HANSEN, WYO.
MARK O. HATFIELD, OREG.
JAMES A. MC CLURE, IDAHO
DEWEY F. BARTLETT, OKLA.

GRENVILLE GARSIDE, SPECIAL COUNSEL AND STAFF DIRECTOR
WILLIAM J. VAN NESS, CHIEF COUNSEL

United States Senate

COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS
WASHINGTON, D.C. 20510

January 6, 1977

The Honorable Frank G. Zarb
Administrator
Federal Energy Administration
1200 Pennsylvania Avenue, N. W.
Washington, D. C. 20461

Dear Frank:

As you return to private life, I want to express my appreciation for your work with the Committee during your service as the Administrator of the Federal Energy Administration. I am particularly grateful for your continuing effort to consult with us and keep us advised on important policy matters.

We have had our disagreements but we have also made significant progress under difficult circumstances. I think you can take great pride in your contribution to the development of national energy policy in this period.

You leave with our respect and our best wishes for success in your new career.

Sincerely yours,



Henry M. Jackson
Chairman

HMJ:ggc



December 14, 1973

*Consp -
pers.*

Mr. F. Glenn Jacobs
Box 94
Seligman, Arizona 86337

Dear Mr. Jacobs:

It is heart warming to hear from a patriotic veteran as yourself who is trying to help his country in every way he can.

We understand your situation and see no reason why you will not be able to drive to your mother's for Christmas. We would encourage however your observing the 50 mile per hour maximum while driving on the highways.

We appreciate your concern and efforts to help alleviate the crisis now present in the United States.

Sincerely,

Frank G. Zarb
Acting Assistant Administrator
for Operations and Compliance



2 Dec 73

Box 94

Seligman, Arizona 86337

Dear Government,

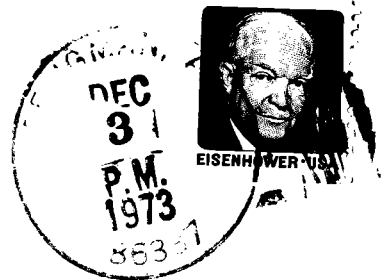
If I ride my bike to work every day to save gas, is it all right

If I drive over to New Mexico (600 mile round trip) to visit my widowed mother at Christmas?

I am a disabled Veteran so I should get priority.

Sincerely,
F. Glenn Jacobs





Government
Washington, D.C.



J. BENNETT JOHNSTON
LOUISIANA

United States Senate

WASHINGTON, D.C. 20510

January 31, 1977

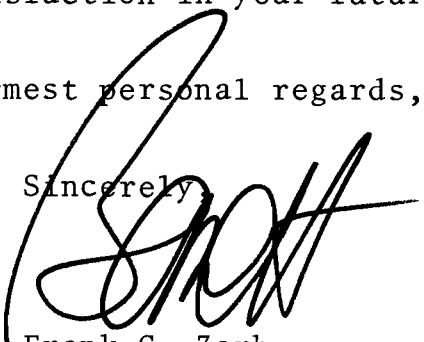
Dear Frank:

Just a note to thank you for your very kind letter and to say that it has been a pleasure working with you over the years.


I'd also like to take this opportunity to wish you every success and much satisfaction in your future endeavors.

With warmest personal regards,
I am

Sincerely,



The Honorable Frank G. Zarb
Administrator
Federal Energy Administration
Washington, D. C. 20461





FEDERAL ENERGY ADMINISTRATION

WASHINGTON, D. C. 20461

OFFICE OF THE ADMINISTRATOR

December 31, 1974

Rabbi Joseph Levine
806A Wood Street
Texarkana, Texas

Dear Rabbi:

Thank you for your letter of November 29 -- I apologize for the delay in writing.

When you are next in town, please call me, I would love to see you.

Thank you again for writing, and best wishes to you.

Sincerely,

A handwritten signature in black ink, appearing to be "F. Zarb", written over the typed name.

Frank G. Zarb
Administrator



RABBI JOSEPH LEVINE
806A WOOD STREET
TEXARKANA, TEXAS

MOUNT SINAI CONGREGATION
TEXARKANA, TEXAS

Nov. 29, 1974

Dear friend;

As it was said of the great
Robert & Lee you always assume
responsibility.

May God bless you in
all that you do. May He
keep you safe and well
Amen Amen

Dear

Faithfully
Josephine
Rabbi



Nominee as Federal Energy Chief

Frank Gustav Zarb

By SHAWN G. KENNEDY

Special to The New York Times

WASHINGTON, Nov. 25—
 "Frank can get a job done. He is an organizer. He's a manager. There is nothing complicated about it, he just does the job," said an associate, echoing the words of others who have worked for and with Frank G. Zarb.

Man
 in the
 News

Today, President Ford turned to Mr. Zarb to "get a job done" in one of the country's major struggles—the energy crisis—naming him to succeed John C. Sawhill as administrator of the Federal Energy Administration.

Mr. Zarb has been Associate Director of the Office of Management and Budget for science, energy and natural resources, a post he will resign. He has also been serving as Executive Director of the Energy Resources Council, a Cabinet-level position he will retain.

"He will be the one to see on energy," a Government energy official said.

Mr. Zarb was recruited for the Nixon Administration in 1971 from the New York investment banking concern of Hayden Stone, Inc., now Shearson Hayden Stone, Inc., where he had been in charge of the company's "back office" or internal operations.

Earlier, in 1970, he was instrumental in the successful merger of Cogan, Berlind, Weil & Levitt and Hayden Stone. The former, a small firm, took over Hayden Stone, a much larger concern

that was failing, mainly as a result of mismanagement of its "back office." Mr. Zarb's operational abilities smoothed the way for the transformation.

"Frank made it possible for a minnow to swallow a whale," said a former associate at Hayden Stone of the merger.

The Nixon Administration apparently wanted to make use of Mr. Zarb's management talents. In 1971 he was named Assistant Secretary of Labor, and one of his first assignments was to examine the regional structure of the Labor Department and to make recommendations on how it could be run more effectively and efficiently.

In 1972, Mr. Zarb rejoined Hayden Stone as executive vice president and chairman of the company's executive committee.

But in July, 1973, he was coaxed back to Washington, by George P. Shultz, who had been his superior as Secretary of Labor.

For Mr. Zarb the decision to return to the Government was a difficult one. At Hayden Stone, he was earning \$110,000 a year and his family was settled in a home they had built on Long Island.

"The cutting edge was George Shultz," Mr. Zarb said recently. "He appealed to me, and his wife talked to my wife."

Among his responsibilities at Office of Management and Budget was the overseeing of the budget for all Federal energy programs. Recently he headed a White House committee that worked on the

transition of the new energy research and development administration.

During the height of last winter's energy crisis, Mr. Zarb acted as Assistant Administrator of the Federal Energy Administration's Operation and Compliance Division.

An associate at the Federal Energy Administration said he believed Mr. Zarb's strengths would offset what he considered to have been Mr. Sawhill's weaknesses.

"While Sawhill weighed the pros and cons of a problem philosophically, Zarb is more pragmatic," he said. "His solution tend to be based on those with the lowest political economical costs."

Mr. Zarb is known as a hard worker, an administrator who "works two hours for every one" that he asks of his employees and aides.

Frank Gustav Zarb was born in New York City on Feb. 17, 1935. He received a B.B.A. degree from Hofstra University in 1957 and an M.A. degree in 1961, also from Hofstra.

The medium-built, dark-haired Mr. Zarb is married to the former Patricia Koster and they have two children; a daughter, Krista, 14-years-old, and a son, Frank Jr., 12.

Eskimo Art Gets Around

OTTAWA (AP)—An exhibition of 404 Canadian Eskimo carvings has been seen by about 450,000 people in Leningrad, Moscow, London, Philadelphia and Montreal since April 1972, says the Northern Affairs Department of Canada.



WORLD BROTHERHOOD PROGRAMS

1972

Rev. R. A. McCurry, Pastor of the Polly Chapel Baptist Church and President of the Texarkana Ministerial Alliance, takes pleasure in announcing the World Brotherhood Schedule for 1972.

Rabbi Joseph Levine, Chairman of the local Inter-Faith Committee, will have the cooperation of the Protestant and Catholic clergymen for the various programs.

On Sunday afternoon, January 30th, at 2 o'clock, the Federal Correctional Institution will have a brotherhood program.

On Tuesday, February 1, at 12 o'clock noon, the Texarkana Oaklawn Rotary Club will have a brotherhood program.

Wednesday, February 2nd, at 12 o'clock noon the Texarkana Noon Kiwanis Club will conduct a brotherhood program.

On Thursday, February 3rd, at 12 o'clock noon, the Downtown Rotary Club will have a brotherhood program.

Friday, February 4th, at 12 o'clock noon, the Jay-Cees will present a program on brotherhood.

Monday, February 7th, at 12 o'clock noon, the Lions Club will conduct a brotherhood program.

Monday, February 7th, at 6:30 p.m., the Evening Kiwanis Club will present a program on brotherhood.

Tuesday, February 8th, at 12 o'clock noon, the Optimist Club will conduct a brotherhood program.

Wednesday, February 9th, at 10:00 a.m., Washington Sixth Grade School will have a brotherhood program, at which time Rabbi Joseph Levine will speak on the subject "Lincoln Belongs to Every Church".

Thursday morning, February 10th, at 7:00 a.m., the Twin Cities Kiwanis Club will present a program on brotherhood.

Friday morning, February 11th, at 8:40 a.m., Texarkana, Arkansas, High School will have a brotherhood program.

On February 16th (Wednesday) at 6:30 p.m. a dinner will be held at First Methodist Church - Arkansas, and Rabbi Joseph Levine will review the book Heaven Help Us by Rabbi Herbert Tarr.

Thursday, February 24th, at 10:00 a.m., Texarkana, Texas High School will have a brotherhood program.

Radio Station KOSY will present a world brotherhood program in February.

The Rev. Oran Coble will occupy the pulpit of the Mt. Sinai congregation on Friday evening, February 25th, at 7:45. Following the service there will be a social hour.

On Sunday morning, February 27th, at 11:00 a.m., Rabbi Joseph Levine will occupy the pulpit of the Central Christian Church. His subject will be "THE PSALMS".

Congress of the United States
House of Representatives
Washington, D.C. 20515

January 24, 1977

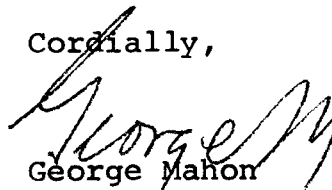
Honorable Frank Zarb
Shearson Hayden Stone
767 5th Avenue
New York, New York 10002

Dear Frank:

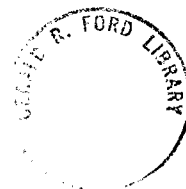
I am in the process of trying to clear my desk before the rush of the new session begins. I don't think I ever thanked you for your letter of some time ago in regard to your departure from government service. Please let me say that I shall always appreciate your kindness to me and to the people I represent. You were most considerate and helpful at all times. I think you did the best job that could be done under the circumstances.

I wish you success and happiness in your future endeavors.

Cordially,


George Mahon

M:dp



SPARK M. MATSUNAGA
HAWAII

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others
pls see me*

F

United States Senate

WASHINGTON, D.C. 20510

January 31, 1977

Mr. Frank G. Zaro, Administrator
Federal Energy Administration
Washington, D. C. 20461

Dear Mr. Zaro:

Please accept my sincere thanks for your kind message of congratulations on my election to the U. S. Senate. Please be assured that I will exert every effort to merit your continued support and will continue to serve the best interests of Hawaii and the Nation.

If I can be of any service to you, please do not hesitate to let me know.

Aloha and best wishes.

Sincerely,



Spark Matsunaga
U. S. Senator



JOHN C. STENNIS, MISS., CHAIRMAN

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United States Senate

COMMITTEE ON ARMED SERVICES

WASHINGTON, D.C. 20510

T. EDWARD BRASWELL, JR., CHIEF COUNSEL AND STAFF DIRECTOR

January 5, 1977

Honorable Frank Zarb
Administrator
Federal Energy Administration
Washington, D. C. 20510

Dear ~~Mr. Zarb~~,
Frank,

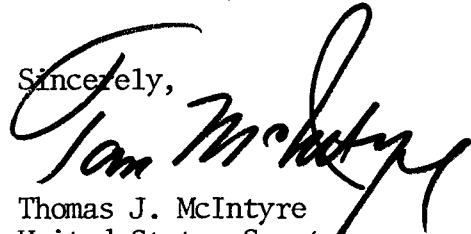
Thank you for your kind letter of December 22. We have not always agreed on policy or philosophy on energy issues, but it has been a pleasure nonetheless to work with a man of your integrity and understanding.

I am confident that, with continued efforts, we can complete a national program that will ease the burden of increasing energy costs and lessen our dependence on foreign oil.

As you leave office, you can take with you the knowledge that you have had a crucial role in setting the nation on the right course.

Let me take this time to wish you the best of luck in your business and personal affairs in the years ahead.

Sincerely,



Thomas J. McIntyre
United States Senator

TJM:Vm





THE SECRETARY OF THE NAVY

WASHINGTON, D.C. 20350

May 7, 1975

Honorable Frank G. Zarb
Administrator
Federal Energy Administration
Twelfth Street and Pennsylvania Avenue, N.W.
Washington, D.C. 20461

Dear Frank:

I see by the Washington Post, April 23, 1975, that you have been given the inestimable honor of sharing billing with General Robert E. Lee's ghost. While the ghost may not feel a need for specific citizenship at this late date, he may feel that, in this instance, his position is more enviable than yours. Still, if an impossible task must be set, they couldn't have found a more capable or dynamic man to take it on. My only question is, where will you find the "energy"?

Seriously though, I believe Dave Broder has more than adequately summed things up and has made an honest appraisal of the situation, and I just wanted to tell you that I agree with Broder's analysis.

My very best regards.

Sincerely,

Bill

J. William Middendorf II



FLORIDA TOURIST OFFICE
OFFICE OF THE
ADMINISTRATOR

75 MAY-9 PM 3:19



FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D. C. 20461

OFFICE OF THE ADMINISTRATOR

May 24, 1975

MEMORANDUM FOR ROGERS C.B. MORTON

FROM: FRANK G. ZARB

This is in response to your note of May 23 concerning ways to keep you completely informed in energy policy developments. It certainly would be helpful to me if we could find a way for you to be continually updated on day to day changes in respect to energy programs and legislative activities.

Sam Tuthill is the right guy and is welcome here on a continuing basis. I have talked to John Hill and Eric Zausner and directed that Sam be invited to all meetings which we are responsible for conducting during the course of the business day, particularly as they relate to policy changes or legislative initiatives.

Rog, there are no substitutes for you and I meeting once a week for an hour or so whether we need it or not. I simply believe that both of us are going to have to make a commitment to spend one hour a week, and put it on our calendars and make that meeting a very high priority item. I have asked Peggy to call your office and schedule these meetings for three or four weeks in advance. What do you think?





May 23, 1975

PERSONAL AND CONFIDENTIAL

MEMORANDUM

To: Frank G. Zarb
From: Rogers C. B. Morton *Rog*

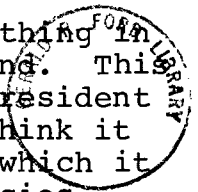
I feel it is very necessary as Chairman of the Energy Resources Council to have a senior staff person as liaison to serve me and you as well as other member organizations. It is necessary that this person be brought early on into the deliberations and discussions that lead to recommendations, actions, or strategy. Otherwise, it would be virtually impossible for me to give this Council any leadership whatsoever.

I have been very hesitant to make any statements to the press or appear on television for fear of creating some confusion during your negotiations with Congress, which obviously were very sensitive.

There are several ways that this liaison and transfer of information can be organized. One is to assign someone like Eric Zausner or John Hill the direct responsibility of keeping me informed through a briefing technique. The disadvantage of this is that such briefings would have to be at my convenience and therefore would present a scheduling problem for anyone from your staff assigned the job. The other option is to have a senior person spend whatever time is necessary actually working with your top level people so that I can dial in at virtually any hour and be brought up to speed. This seems to me the most preferable approach. I brought Sam Tuthill in from Iowa to fill this role. I think he should be given a chance. Based on all of our investigations, he should be able to make a substantial contribution. Obviously, if he does not work out, I am completely flexible, but I am anxious to give it a try.

This is the first time I have ever been chairman of anything which I felt that I was, to a degree, alone on the island. This makes it somewhat difficult to properly represent the President in the assignment that I was given, and as a result I think it takes away some of the prestige of the ERC, a prestige which it needs very badly to influence all the energy constituencies.

Give some thought to this, and we will discuss it at the first opportunity.



KINGDOM OF SAUDI ARABIA
MINISTRY OF PLANNING
Minister's Office

2/23 peg
cc: a

Mr. Frank G. Zarb,
Administrator,
Federal Energy Administration,
WASHINGTON, D.C. 20461.
U. S. A.

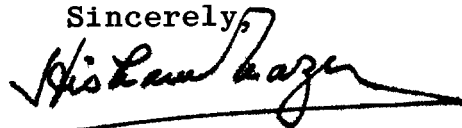
Dear Mr. Zarb:

Thank you for your letter of January 5, 1977, in which I learned that you are preparing to leave Government service.

I really enjoyed meeting and talking with you on the different issues we discussed. These discussions were quite rewarding.

I wish you the best of luck and happiness.

Sincerely,



HISHAM M. NAZER

Minister of Planning



Ref: 210

Date: February 14, 1977 Enclo: -----

Please address your replies to the Minister

P.O. Box 358 RIYADH

Cable: PLAN

Telex: 20075 PLAN SJ

FEDERAL BUREAU OF INVESTIGATION

FEB 23 AM 7:52

المملكة العربية السعودية

وزارة التخطيط

ص.ب. ٣٥٨ - الرياض

برقياً 'تخطيط'

KINGDOM OF SAUDI ARABIA

MINISTRY OF PLANNING

P.O. BOX 358 - Riyadh

Cable Address - Plan

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REGISTER NO. 17405

~~RETURN RECEIPT REQUESTED~~



فرانك ج. زارب

Mr. Frank G. Zarb,
Administrator,
Federal Energy Administration,
WASHINGTON, D.C. 20461.

USA

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R 17405



THE WHITE HOUSE

WASHINGTON

January 6, 1977

Dear Frank:

As the time approaches for the Ford Administration to pass into history, I wanted to express to you my appreciation for your help and your many kindnesses during these past two and a half years.

As I have told you before, I believe that President Ford's energy program will more and more be recognized as a truly monumental achievement. You should be proud of your role in that.

Since so much of the news from the Ford White House did involve energy matters, I and the White House Press Office have called on you many times for your wise guidance and intelligent advice. You have made a very large contribution to a better understanding by the press and the public of the important energy issues and, therefore, have helped to achieve a better appreciation of President Ford's true accomplishments.

Most of all, I have fond memories of your sardonic humor and your friendship, even in those moments of maximum confusion and journalistic hostility.

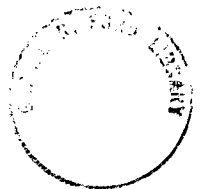
I want to wish you the very best of luck on your future endeavors. I look forward to continuing our association in the years ahead,

Best wishes.

Sincerely,



Ron Nessen
Press Secretary
to the President



Mr. Frank Zarb
7704 Falstaff Road
McLean, Va. 22101

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

DEC 4 1974

OFFICE OF
THE DIRECTOR

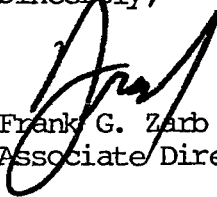
Mr. Robert Novak
Evans & Novak
1750 Pennsylvania
Suite 1312
Washington, D. C. 20006

Dear Bob:

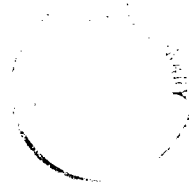
Thanks for the breakfast on Friday and the soft boot
in the behind on Sunday.

Keep it up; it's good for me and good for the country.

Sincerely,



Frank G. Zarb
Associate Director



Book

JOHN C. STENNIS, MISS., CHAIRMAN

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DEWEY F. BARTLETT, OKLA.

United States Senate

COMMITTEE ON ARMED SERVICES

WASHINGTON, D.C. 20510

T. EDWARD BRASWELL, JR., CHIEF COUNSEL AND STAFF DIRECTOR

January 18, 1977

Honorable Frank Zarb
Shearson, Hayden, Stone
767 5th Ave.
New York, New York 10002

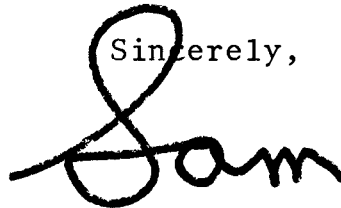
Dear Frank:

I want to take this opportunity to join with your many friends and colleagues in commending you on a job well-done as Administrator of the Federal Energy Administration.

Yours has been a difficult task, and your positive influence on the direction of our energy future has been of great benefit to the Nation. The complexities of the problems themselves, as well as the diversity of jurisdiction over their several aspects, have presented substantial difficulties. However, you have been impressive in both the integrity and candor with which you have approached the situation.

It has been a personal pleasure for me to have had your counsel and your friendship. I wish you the very best in your future endeavors.

Sincerely,



Sam Nunn

RECEIVED
JAN 20 1977