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1/27/75  
Guidance: We are now studying reports of the results of the OPEC Ministerial meeting in Algiers and we are, therefore, not prepared to comment specifically on the decisions of that group. I would simply remind you that the President and Secretary Kissinger expressed this country's international energy program on a number of occasions and that this program looks toward a meeting between oil producers and consumers and that we have also spoken of the eventual inclusion of the developing nations in the consultation process at an appropriate point.

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3. Q. What is the Administration's reaction to the OPEC offer to negotiate with consuming nations on the stabilization of oil prices?

GUIDANCE: The U. S. is working with the members of the IEA to develop constructive positions for a producer-consumer dialogue. We are studying the ideas resulting from the OPEC meeting including the suggestion that oil prices should be pegged to inflation -- a concept with which there are several technical problems. The U. S. is committed to the development of a constructive relationship among producers and consumers and is studying the means by which we can achieve those ends.

3/7/75

May 19, 1975

Rm

SEC. SCHLESINGER AND  
AMERICAN RESPONSE TO ANOTHER OIL EMBARGO

Sec. Schlesinger on Sunday said that while a new oil embargo by Arab nations was "very improbable" an American military response to it "could be achieved" although "it is certainly not an option that is attractive." "As I've indicated before, we might be less tolerant of such an embargo than we have been." Arab reaction, understandably was swift and sharply critical.

Q. What is the President's reaction to Sec. Schlesinger's comments on the possible use of U.S. force in the event of another oil embargo?

A. I would have no comment on the Secretary's remarks.

FYI: The no comment response to to be used at State and DOD as well.

June 22, 1975

PROSPECTS FOR AN OIL PRICE INCREASE

Q: What is the US reaction to the expressed intention of some oil producers to increase the price of oil?

A: We believe that an increase in the price of oil would be highly inappropriate, and extremely disruptive to all countries. It would hit countries just as they are coming out of a major recession. It would diminish employment prospects and reduce the demand for the exports of developing countries. And it would be particularly disruptive to the poorest countries who are still suffering the adverse effects of the last price increase.

The US has put forward a number of proposals to improve the dialogue between producers and consumers. Our objective is to construct a world energy system capable of providing the fuel needed to continue and to extend the progress of producers and consumers, developed and developing countries alike. Nothing could be more disruptive to political understanding of the producers' objectives or detrimental to the spirit of a constructive dialogue than a new price increase.

December 22, 1975

OPEC Terrorist Incident

Five terrorists claiming to be members of the Arm of the Arab Revolution seized about 70 hostages yesterday at the OPEC headquarters in Vienna. According to news reports the terrorists killed three and injured eight during the attack. Eleven of the thirteen OPEC ministers are being held (Qatar and Abu Dhabi representatives were not present).

The terrorists are now in Algiers where negotiations are in progress on the freedom of the hostages and the terrorists' demands. Roughly 40 hostages were taken to Algiers; all but four OPEC ministers have been freed. The four are Yamani of Saudi Arabia, Amouzegar of Iran, Mabrouk<sup>OU</sup> of Libya and Abdulkarim of Iraq.

At present the plane is being refueled and there is some speculation that it will depart for Iraq. Whether or not the four ministers will be taken along is as yet unclear.

Q: Has the President spoken or commented on the terrorist incident in Vienna?

A: I think all of you know the President's views on incidents <sup>like</sup> of this kind. The State Department is, of course, aware of the developing situation, ~~but at this time in the interest of the safety of the hostages and the delicacy of the situation, I don't think we will have more to say on this.~~ <sup>and following events closely.</sup>

*The U.S. Government deplores senseless violence of this kind.*

POSSIBLE OPEC PRICE INCREASE

Q: There are reports coming out of the OPEC Ministers Meeting in Indonesia that OPEC will raise the price of oil by at least 5%. Do you have any reaction to these reports?

A: We've seen speculation to that effect but I prefer to reserve comment until the OPEC Ministers reach a final decision. *and we have a renewed impact,*

The President has made clear, however, that any rise in the price of oil would be an unfortunate event, particularly in the face of the current world economic situation.



OPEC OIL PRICE INCREASES \*

Q: What would you do if OPEC nations raised the price of oil again when the oil ministers meet in late May?

*Para. one* { A: Market conditions certainly do not warrant any further increase in the price of oil. There remains considerable unused productive capacity in the OPEC countries, and world demand for OPEC oil is below the level of 1973, when prices were only a quarter of the current level.

I see increasing evidence that many OPEC countries feel it is not in their interest to take actions which threaten the economic recovery of the industrialized nations or add further to the burdens of the non-oil producing developing countries, who have been hardest hit by higher prices. We are continuing to discuss these broad producer/consumer issues with the OPEC nations, partly in the interest of preventing the possibility you suggest.

FYI: We are discussing these problems in the dialogue between oil consuming countries and oil producers in the Conference on International Economic Cooperation as well as at the UNCTAD meeting in Nairobi.

\* to be used in conjunction with a domestic energy policy Q & A.

December 16, 1976

OPEC MEETING

Does the President have any comment on the departure of the Saudi Arabian Oil Minister Yamani from the OPEC Conference in Doha?

I do not think I am going to comment on the day-to-day developments of this conference.

MIA REPORT

Does the President have any comment on the report released yesterday by the House Select Committee on Missing Persons in Southeast Asia?

I have nothing for you on that at this time. Copies of the report, which was only released yesterday, have been received and its conclusions and recommendations on the MIA question will be studied carefully.

[The President's policy has been that the United States is pledged to the fullest possible accounting of our MIA's]

LEBANESE ENVOY

Will anyone at the White House be meeting with the Lebanese Envoy, Ghassan Tuani, who is in the United States to discuss reconstruction aid for Lebanon.

I do not believe Mr. Tuani's schedule, which is being coordinated by the State Department, has been fully finalized so as yet I do not know whether he will be seeing anyone here. I do know, however, that he met with Under Secretary Habib and Assistant Secretary Atherton over at State yesterday and will be seeing Secretary Kissinger today.

5. FYI ONLY: If asked about U. S. reaction to OPEC's proposal for a long-term price freeze you may say that we are studying what reports we have and will examine the proposal further following the conclusion of the IEA meeting. (Kissinger and Enders and Anderson are all out of the country).

## MIDDLE EAST -- OIL EMBARGO

Q: Is the fact that there might be an oil embargo in any new war in the Middle East one of the most serious considerations in your policy reassessment and does your concern about such an embargo constitute an implicit acknowledgement that U. S. relations with the Arab states will have to take priority over U. S. relations with Israel?

A: The central objective of our Middle East policy is to achieve peace, avoid war and maintain the good relations we now enjoy with the Arab states and Israel. The history of the area has shown that in the absence of momentum toward peace, the chances for war increase. That is why we cannot accept stagnation or a stalemate in our peace efforts. It is also obvious that we cannot ignore the possibility of an oil embargo if the chances for another war become a reality.

We do not intend to have a foreign policy dictated by oil considerations. I have submitted legislation to reduce our dependence on imported oil, and I strongly urge the Congress to act quickly in this vital area.