

# French Oil Journal Urges Revised U.S. Energy Program

*The French oil industry magazine Bulletin de L'Industrie Pétrolière called on President Carter to revise his current energy program in its Oct. 20 issue. In an article titled "Toward a Revision of Carter's Energy Program?" the journal described the coalition of Republican and conservative Democratic Congressmen who would support a nuclear energy program, and took note of the role of the U.S. Labor Party (mistakenly termed the American Labor Party) as the "driving force" of the progrowth alliance.*

## *Bulletin De L'Energie Petroliere*

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After President Carter's spectacular attack against the U.S. oil industry just a week ago, the situation on this front has calmed down. (Since Mr. Carter speaks of a genuine war, let's keep this war terminology.) We have analyzed the White House incumbent's position and the first reactions of some oil companies. Now that the dust has settled a bit we begin to see the problem in its two dimensions: that of the President's general policy and that of his energy program proper.

As a matter of fact, all the observers of the U.S. political arena agree that Jimmy Carter is confronted with a mounting opposition to his conceptions...

But there is a second element which we must take into account. U.S. opinion and political circles are faced with two alternatives: that of Mr. Carter, who puts the emphasis on energy conservation (and is therefore accused of advocating zero growth), and one which consists in preaching the continuation of an expansionist policy by arguing that it is possible through greater reliance on nuclear energy. It is a fact that Carter's demagogical attitude toward the oilmen, as expressed in last week's press conference, is fought by another demagogy, that of a coalition including the conservative wing of the Democratic Party, the whole Republican Party, but also unions and other political factions as the American (sic) Labor Party, which seems to be the driving force of this counteroffensive; to our knowledge the coalition seems to gain increasing support in the country...

According to an article published early this month in the *Executive Intelligence Review*, one of the publications of the American Labor Party, members of Congress belonging to the conservative wing of the Democratic Party, Carter's party, are pressuring for a thorough overhaul of M. Carter's energy plan with the primary objective of stressing production rather than conservation of energy. This call for revision was also apparent in Exxon Chairman C. Gavin's declarations following Mr. Carter's press conference...

Beyond all polemics concerning the dispositions of the Carter energy program, the question remains whether

the oil industry should continue its research effort (an idea which is also to be found on this side of the Atlantic), or whether the oil companies should somehow become implementation tools carrying research with public funds. For some governments do hope to induce the producing countries, be they members of OPEC or not, to recycle their oil revenues in research for new sources of energy in lieu of the oil companies — since the policy of OPEC (and of some countries) deprives them of the essential means necessary to ensure world energy supply...

## Eximbank:

### Life Will Be Very Complicated

*An Eximbank official had the following comments on the Stevenson resolution:*

**Q:** ...You have seen the Stevenson resolution? What kind of prices do you think he's talking about?

**A:** I've seen bits and pieces of it. What I understand is that the "reasonable prices" he is talking about are \$1.75 per thousand cubic feet. That is, of course, way out of line. But I guess it establishes a bargaining range.

**Q:** Am I correct in assuming that the loan from the Eximbank's viewpoint is separate from the question of pricing? And that Schlesinger at the DOE does not have any direct say-so over the loan?

**A:** That is correct. But the Concurrent Resolution No.59 (Stevenson's resolution) is going to make life for us very complicated. There is going to be pressure, saying that Eximbank should hold off until the price is "satisfactory."

**Q:** What I understand from Stevenson's office is that they introduced the resolution explicitly in order to give Schlesinger more leverage in beating down the Mexican price.

**A:** That is not unreasonable to assume.

**Q:** What does Eximbank feel about the price issue?

**A:** At the time we first were working on the project, last July and August, price was no problem. We looked at Pemex as a whole, its ability to meet loan repayments, and there was no question that they would be able to pay the loan back. And private banks were very eager to lend. Now, the injection of the price question in this way, has created a potential political explosion in Mexico.

**Q:** Does the Stevenson resolution cover both the direct \$340 million Eximbank loan for the pipeline and the additional \$250 million for corollary Pemex projects?

**A:** The wording is sufficiently vague so that both may be covered.