

Government and Oil

Administration Resists Pressure to Move In

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This is one of a series of occasional articles on the world's energy problems.

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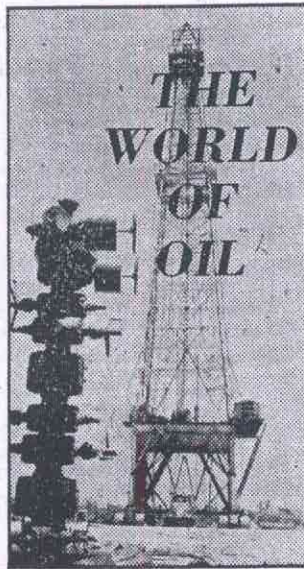
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The Nixon administration is resisting intense pressure for government to become directly involved in the international oil business.

With gas stations all over the map refusing to fill up the tanks of motorists, there is a populist wave of resentment against Big Oil. Some congressional voices are going so far as to demand nationalization of the oil industry, and the notion of regulating it like a public utility is even more current.

Simultaneously, the oil companies, whose once-privileged positions are under mounting attack from foreign government, are beseeching the administration to come to their aid.

Given the interests at stake and the political climate, some degree of increased government involvement seems inevitable. The



question is how much and for whom.

William Johnson, the energy adviser to the administration's Oil Policy Committee, recently outlined to an audience of Texas oilmen what he considered to be the two likeliest scenarios for the industry.

In the first, Johnson said "buoyed by adequate prices, the producers embark on a new wave of exploration, discovery and development. The result is national self-reliance in energy.

"In the second scenario, public and congressional reaction to price increases, product shortages, so-called windfall profits, and other complaints about the industry, imagined or real, result in reimposition of price controls and, perhaps, even a rollback in price levels.

"A national oil company is created and the issue is not whether the government should be in the oil business, but how much of the business government will control and operate."

In the view of the adversaries of the oil companies, the government for years has already been all too helpful to the industry. Former Oklahoma Democratic Sen. Fred R. Harris, now launching an organization called New Populist Action, charges, for instance, that

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