

# Nixon Sees Rationing as Unlikely Soon

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President Nixon said yesterday that Americans have conserved so much energy voluntarily that it looks as though the nation will get through the winter without homes going cold and without having to resort to gasoline rationing in the spring.

He declared in a 15-minute radio address that this "personal, voluntary" conservation "is now the single most important reason for our success so far" in coping with fuel shortages aggravated by the Arab oil embargo.

"If this voluntary cooperation continues," the President said, "I can say confidently to you today that we can prevent hardships this winter and that we can avoid gas rationing this spring."

He said his feelings "could not be stronger" on the federal responsibility to make sure oil companies do not "make huge profits from the shortage" while individuals make sacrifices to conserve energy.

"I can assure you," Mr. Nixon said, that Americans will not wind up paying \$1 a gallon for gasoline nor \$1 for a loaf of bread. He called reports of that possibility "scare stories" that are "ridiculous."

He gave no sign that the Arab oil embargo will be lifted soon, as some oil executives are predicting, but did assert that the world is "approaching a point where the oil embargo and the increase in prices on the international market is self-defeating for everyone."

"Clearly," Mr. Nixon said in this connection, "we must have a cooperative, international accommodation of both supplies and prices."

He warned, however, that even if the oil embargo is eased and prices go down that "we must continue to move forward toward achieving a capacity for self-sufficiency in energy right here at home."

The United States, he said, "must never again be caught in a foreign-made crisis where

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the United States is dependent on any other country, friendly or unfriendly, for the energy we need . . ."

He took exception to reports alleging that the current crisis is phony, declaring: "The shortages are genuine; they may become more severe, and they are potentially dangerous."

The President said "the heart of the current emergency" is the fact that the United States cannot make up from foreign sources the entire difference between the 11 million barrels of oil it produces and the 18 million barrels it uses on a given day.

The shortage, he said, threatens to be 2.7 barrels a day for the first three months of 1974. This is one reason the administration is calling for continued conservation of energy and pressing for an end to the Arab oil embargo.

The President ran down a list of executive actions to combat windfall profits by oil companies and to keep track of the supply-and-demand situation in fuel. Most of the actions had been announced previously by director William E. Simon of the Federal Energy Office or other officials.

Mr. Nixon said he will renew his request to Congress Monday for legislation to tax any windfall profits of the oil companies. Such money should be given to the government and plowed back into the development of new fuel supplies, he said.

Administrator Russell E. Train of the Environmental Protection Agency recommendation last week that revenue from windfall profit taxes be invested in mass transit—a recommendation Mr. Nixon did not mention yesterday.

The President said he will also ask Congress for authority to require oil companies "to provide a full and constant accounting of their inventories, their production, their

costs and their reserves" so the federal government can monitor these supplies itself.

In advance of such legislation, Mr. Nixon said, the Federal Energy Office will audit the records "of all the major domestic oil companies" and meet with oil executives if those reports are unsatisfactory.

"I shall not allow the American people to be the victims of a snow job in a crisis which affects the jobs, the comfort and the very way of life of millions of Americans," the President pledged.

He added that "an immediate review" will be made of the "international tax structure to ensure that American

companies which are developing energy resources abroad are not permitted to avail themselves of special tax advantages abroad." He also has ordered a review of "other tax laws affecting companies that produce energy."

American oil companies with foreign operations are nervous about losing their corporate tax deductions allowed for taxes paid to a foreign country arguing that such a loss would put them at a competitive disadvantage with foreign oil producers.