Ash: Energy Crisis 'One-Time'

By Lou Cannon
Washington Post Staff Writer

A rosy picture of the energy shortage was painted yesterday by Office of Management and Budget Director Roy L. Ash, who termed the present crisis "manageable, one-time and short-term."

In a breakfast meeting with reporters Ash described the energy shortage as essentially a problem of distribution and predicted that the present pinch being felt by motorists would be over "in a few months."

Ash said also that he expected the price of oil ultimately to stabilize at from $7 to $8 a barrel rather than its present $10 to $11 range. This, he suggested, would mean that gasoline prices would remain near their present level of 50 cents a gallon.

"You can't get to $1 a gallon by any reasonable calculation," he said.

In the long term, Ash said, it may be necessary for the federal government to provide some kind of insurance, similar to the Federal Home Loan insurance, for big businessmen who make huge investments in development of marginal energy shortages.

Without such insurance, he said, these businessmen could be financially ruined if the oil-producing nations subsequently dropped prices and made the marginal energy source unprofitable.

Ash also forecast that the Arab nations would come to invest their income from the increased price of oil within the United States because the American economy would yield them the greatest return for their money.

Ash said he welcomed such investment because the United States would have sovereign control over the investments as the Arab nations now do over American investments in their countries.

The budget director said that the Nixon administration would move quickly with a number of moves to avoid a recession if one appeared in the offing.

Deputy Budget Director Fred Malek said last week that the admisistration would "bust the budget" if necessary to block a recession.