

Rationing of Gas Ruled Out by Nixon

By Tim O'Brien

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The lifting of the Arab oil embargo means the nation no longer faces the threat of compulsory gasoline rationing, President Nixon said last night.

In a series of other actions related to the end of the embargo, the President said he has:

- Rescinded a government request that gasoline stations voluntarily close down on Sundays.
- Increased oil allocations to industry and agriculture, "so that they can have the necessary energy to operate at full capacity."
- Ordered additional allocations of gasoline "with the purpose of diminishing the lines (at filling stations), and we hope eventually eliminating them."

Mr. Nixon made the announcements in an appearance before the National Association of Broadcasters in Houston.

He cautioned that, despite the end to the embargo, fuel shortages will persist in the United States and "the pressure on prices will continue."

He said the nation still faces an anticipated shortage of from 5 to 8 per cent, and he said "it will be necessary to continue our voluntary program of car-pooling and also of slower driving."

Price increases are expected in both gasoline and fuel oil as renewed supplies of higher-priced Arab oil begin to flow into the United States.

One industry spokesman said yesterday that prices "will probably be at least a nickel or a dime higher by year's end." Other industry sources say the price increases could be even greater.

Mr. Nixon assailed Congress about the lack of progress on energy legislation, saying: "The greatest shortage of energy is the

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lack of energy on the part the Congress of the United States in getting to work and passing the legislation needed to increase the supply of energy."

Heading his list was administration-backed legislation to de-regulate natural gas prices "so that we can have additional supplies of natural gas, which we have in great abundance and which is the cleanest fuel we could possibly have."

He asked Congress to approve legislation to relax environmental restrictions on coal mining, to speed up the construction of nuclear power plants and to provide authority for the construction of deep-water ports.

"As I have said . . . the purpose of the United States is to develop our energy resources, which we have in abundance, so that by the year 1980 the United States will be completely independent of any foreign source for our energy. We can accomplish that goal," Mr. Nixon said.

"But we can accomplish that goal only if the Congress quits dragging its feet on proposals that they now have before them and have had before them for several months," he said.

The director and deputy director of the Federal Energy Office have been less optimistic than the President about achieving complete self-sufficiency by 1980. In January, energy chief William E. Simon said the nation could become self-sufficient by 1985 or 1990. His deputy, John C. Sawhill, said in February that the United States will still have to import some oil in 1980.

Earlier, the American Automobile Association reported

that gasoline is already more readily available at retail pumps than at any time this year.

The AAA based its report on a spot check of more than 6,000 filling stations across the country. It found only 3 per cent of the stations completely out of fuel. Two weeks ago, about 20 per cent had dry pumps, the motorists' organization said.

Fewer stations are limiting customers to specific gallon or dollar purchases, the AAA said. About 7 per cent of the surveyed stations are closing down by noon on weekdays, compared with 9 per cent a week ago. About 29 per cent are pumping fuel after 7 p.m. on weekdays, one percentage point higher than a week ago.

While slightly more stations are setting quotas on the amount of gasoline they will sell each day, fewer are staggering operating hours between early morning and late afternoon shifts.

The AAA found that 16 states and six turnpikes continue to use versions of Oregon's odd-even license tag rationing plan, and that municipally administered plans are still in effect in California, Florida, Connecticut and West Virginia.

Meanwhile, cautious optimism was the byword for many businesses and industries affected by the embargo and fuel shortages in general.

The auto industry, airlines and power boat manufacturers agreed that the end of the embargo would help them, while warning that no immediate upturn should be expected.

The three major auto makers—General Motors, Chrysler and Ford—issued statements applauding the end of the em-

bargo, saying that potential car buyers would now be free of the uncertainties it caused.

"We believe that many car buyers who have been waiting for some good news will see this as a sign of confidence to return to the marketplace," said Lynn Townsend, board chairman of Chrysler.

The sagging auto industry has almost 1.75 million unsold cars in inventory, and the United Auto Workers estimates that at least 100,000 workers have been laid off because of the sales slump.

In Michigan, February unemployment was 10.5 per cent, a figure which a state employment service specialist called alarming. In Saginaw County, Michigan—home of two large General Motors plants—February unemployment was 10.1

per cent, compared with 5.1 per cent a year ago.

Richard C. Gerstenberg, board chairman of General Motors, cautioned that "the end of the embargo is not the whole answer. The nation's gasoline scarcity requires immediate and positive clarification by the federal government."

Gerstenberg called for an end to "all price controls"—especially those on gasoline. He and others in the auto industry stressed that one lasting outcome of the fuel shortage will be the switch to smaller cars.

Al Limburg, a spokesman for Boat Industries Associations, said the lifting of the embargo "can't do anything but help us."

He said new boat orders tended to dip somewhat below normal in the past three months, but that the turndown was limited to intermediate-sized craft. In the past two weeks, he said, orders had begun picking up for many boat manufacturers.

United Airlines said "lifting the embargo should have a healthy impact on the general economy" and that "reductions in business travel widely predicted for later in the year as a result of the economic slowdown may well not occur."

But United cautioned that some airline traffic expected as a result of people switching from car to air travel may not materialize.

E. Douglas Kenna, president of the National Association of Manufacturers, joined the chorus of cautious optimism, calling the embargo's end "good news," but urging continued vigilance over the nation's fuel stocks.