



United States Department of the Interior

OFFICE OF OIL AND GAS
WASHINGTON, D.C. 20240

In Reply Refer To:
EOG 1024

JUN 28 1973

Mr. Paul E. Healy
City Clerk
City Hall
Cambridge, Massachusetts 02139

Dear Mr. Healy:

President Nixon has asked us to reply to your letter of May 25, 1973, expressing the views of your town concerning petroleum prices.

The petroleum industry in the United States is undergoing important changes. Domestic production of crude oil has reached its peak, but is still not able to satisfy the growing demand for petroleum products, nor has new refinery construction equaled increased demand.

However, our projections do not indicate as severe a gasoline shortage as indicated, nor do we believe prices will reach sharply higher levels.

This Administration has initiated a voluntary allocation program for petroleum products to assure the continuation of historic oil distribution patterns and to assure that essential needs are being met. This program is aimed at seeing that all marketers and users, and particularly the independents, get a share of the petroleum supply available.

As you may know, President Nixon addressed the country on June 13, 1973, concerning inflation. Gasoline was included among the products to be frozen in price pending revised regulations. Petroleum product prices in general have not risen as rapidly in recent years as has the general price index, but petroleum is so extensively used in our economy that controls were considered necessary.

Your support of the President's policies is earnestly encouraged.

Sincerely yours,

Associate Director

J. Roy Goodearle

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Comm. from Oil and Gas office Re: to
allocation program for petroleum products.

In City Council

July 2, 1973

7/2/73
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