

DECLASSIFIED

E.O. 12958, as amended, Sect 3.5

NSC/Soubers to Smith 09/06/2002

By lfr Date 02/09/07

NATIONAL SECURITY COUNCIL

WASHINGTON, D.C. 20506

~~SECRET/EXDIS~~

January 15, 1971

National Security Study Memorandum 114

TO: The Secretary of State
 The Secretary of Treasury
 The Secretary of Defense
 The Secretary of Interior
 Chairman, Council of Economic Advisers
 Chairman, Office of Emergency Preparedness

SUBJECT: World Oil Situation

The President has directed the preparation of a paper on the world oil situation. It should first outline the major considerations involved including such questions as: its implications for NATO; for our role in attempting to settle the Arab-Israeli dispute; for our relations with Europe and Japan; and the domestic and international economic implications, including our own economy and balance of payments, the British balance of payments, the U. S. -European/Japanese competitive position, etc.

The paper should then outline the possible options relating to U.S. involvement vis-a-vis the consuming countries, the oil companies and the producing countries, analyzing the pros and cons of each. It should address such questions as: should we be prepared to ration oil domestically to contribute to an all-out effort to withstand the OPEC demands? should we use our diplomatic leverage in an effort to support the positions of the companies? should we seek to get the consuming countries to take the lead in withstanding OPEC?

The paper should be prepared by the Inter-Agency Oil Task Force on the subject already in existence under the chairmanship of the Department of State. The paper should be submitted to the Assistant to the President for National Security Affairs by January 19. A Senior Review Group meeting on the subject will be held on January 21.


Henry A. Kissinger

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