

Could you have someone give us a brief rundown on this? Seems possible that the DCI did mention the 6% in a Congressional briefing- but wouldn't he have been talking about total energy consumption? Is there an unclassified record of what he said? We'd appreciate a reply by 1 November.

[Redacted]

[Redacted]

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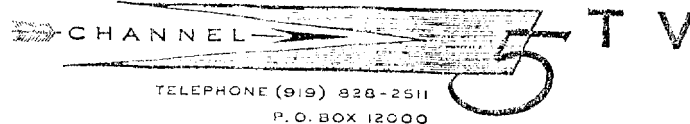
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26 October 1974
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2619 WESTERN BOULEVARD
RALEIGH, NORTH CAROLINA 27605

William P. Cheshire
Editorial Director

October 14, 1974

The Central Intelligence Agency
Administrative Offices
McLean, Virginia

Gentlemen:

We invite your attention to the attached copy of an editorial (no. 3111) telecast by this station on 10/10/74 at 6:20PM and on 10/11/74 at 6:55AM. We hereby offer our facilities to you for response to any statements contained therein to which you may wish to present an opposing view. We will be glad to hear from you in this connection.

Sincerely,

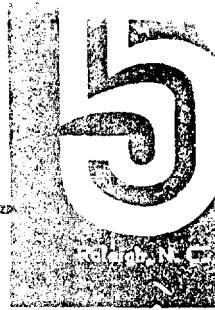
William P. Cheshire

WPC/br
Enclosure

VIEWPOINT

An Editorial Expression of the Voice of Free Enterprise

William P. Cheshire, Editorial Director



3111-10/10/74

It's a curious thing. A year ago, various "experts" were assuring Congress and the public that the Arabs could be safely ignored while we rushed to the side of Israel, because the Arab oil we used amounted to barely a drop in the ocean.

Testifying last year at the height of the Arab-Israeli War, the head of the U. S. Central Intelligence Agency assured Congress that Arab oil accounted for only about 5 or 6 percent of what we used. Newsweek magazine in a widely noted cover article last September, put the Arab contribution at even less.

How things have changed. A year has elapsed, and the new word from on high is that Arab oil prices are to blame for inflation. In order to survive, we are told, America may have to declare war against the whole Middle East, minus Israel, which has no oil. It's nonsense.

Now, to recognize that it's nonsense is not to argue for flinging ourselves at the feet of King Faisal. It's to argue for keeping our wits, so as not to be taken in by clever propaganda.

Take alarmist reports that the price of oil has quadrupled. There's some justification for complaint. Mideast oil is priced too high. But for years, the oil companies got Mideast oil at a steal. It was possible to ship oil halfway around the world from the Persian Gulf and still sell it for less than oil from Texas. So when it's said that the price has quadrupled, one needs to keep in mind the old skinflint price of \$2 a barrel.

Because they've raised prices, the oil producers are prospering. But the question should not be whether they are prospering. (It's scarcely sporting of us to wish they weren't.) The question should be whether we are getting gouged and whether the gouging is so horrendous that we should seriously contemplate World War III.

The answer is no; we should contemplate no such thing. To toy with the notion that we should -- and to toy with it at the very highest level -- is dangerous to the point of recklessness. Yet top American officials are reported in Newsweek and elsewhere to have under consideration wild schemes ranging from assassinating oil sheiks to sending airborne troops to the Persian Gulf.

This station's editorials are solely the responsibility of the owners and are voiced by our Editorial Director, William P. Cheshire, after an editorial board has agreed upon their contents.

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It verges on insanity. Exactly what we don't need is some hare-brain
Tong war. What we do need is a policy that makes friends among the oil
producers -- the kind of policy we have followed, somewhat jerkily, for
the past several months. In terms of getting oil at a negotiated price,
no other policy makes sense.

Viewpoint # 3111.....October 10,

CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

OLC 74-2070/a

26 OCT 1974

Honorable Dante B. Fascell, Chairman
Subcommittee on Inter-American Affairs
Committee on Foreign Affairs
House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

In response to your letter of 20 September 1974 concerning the transcript of 11 October 1973 hearing before the Subcommittee on Inter-American Affairs, I respectfully request that the classification of the transcript be maintained.

As you noted at the beginning of the hearing, the meeting with the Subcommittee was the result of a prior arrangement and agreement with you and Chairman Morgan. Among the matters of agreement was the fact that the meeting would be in executive session and with the clear understanding on my part that the matters discussed therein would not be released for publication.

As you know, I want to cooperate with the Foreign Affairs Committee to the maximum extent, but that cooperation must be based on some areas of mutual understanding. In that spirit I would hope that the Committee will appreciate that most of my briefings will have to remain classified despite disclosures of information from those hearings or speculation that may appear in the press with respect to the material covered.

Sincerely,

SIGNED

W. E. Colby
Director

MEMORANDUM FOR: Messrs. Proctor/Walsh

I have a vague recollection that the 6% figure referred to in the attached editorial represented the Arab-imports component of our total energy consumption, not of our oil consumption. The DCI may well have testified to that effect. Should I ask OER for the background on this? Yes EWB No

correct I assume the Agency will not want to exercise its right to reply, but if Colby has been misquoted and if there's some public record to demonstrate it (Congressional Record?), the TV station might be so informed.

25 Oct 74
(DATE)

FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

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