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Japan, Britain thank Arabs for oil Rationing almost out of the picture: Simon

(The Associated Press)
Japanese and British officials thanked the Arab nations today for promising them more oil but warned that it would not end the energy crises in their countries.

The Arab oil ministers announced Tuesday at the end of a two-day meeting in Kuwait that they would restore some of the cuts in production ordered after the Arab-Israeli war.

The ministers said the 5 per cent cut planned for January would be canceled and instead production cutbacks now totaling slightly more than 25 per cent would be reduced to about 15 per cent. But they said their embargo on all shipments of Arab oil to the United States and the Netherlands would continue unchanged because of those countries' continuing support of Israel.

In Washington, the White House said President Nixon and Secretary of State Henry A. Kissinger discussed the Arab oil development during a phone conversation Tuesday. Neither Nixon nor Kissinger had any public comment about the development.

A spokesman for the oil ministers said in Kuwait, "The Arab states noted with satisfaction the new trend in the United States toward understanding the Arab case, and the tendency among a large number of congressmen and senators to understand the Arab case, and the problem and the Israeli aggression. But this trend is not enough for us to call off the embargo."

"Japan and other friendly countries including Britain and France will be provided with their needs," said Saudi Arabia's oil minister, Ahmed Zaki Yamani.

Another spokesman also mentioned Belgium and indicated all countries except the United States and the



Oil ministers of the Organization of Arab Petroleum Exporting Countries take a break during a meeting in Kuwait yesterday at which it was decided to relax certain oil export restrictions. From left to right are Yusuf Sherawi of Bahrain, Abdul Rahman Salem Atiqi of Kuwait, Ezzidin Mabrouk of Libya and Manie Utaibah of Abu Dhabi. (UPI)

Netherlands would benefit from the production increase. He added that the Arabs would consider the Americans friendly only when U. S. efforts produced an Israeli withdrawal from all Arab territories captured in the 1967 war.

"It is a great pleasure for us that Arab countries have decided to treat Japan as a friendly nation," said Hirotsuka Mitsuda, the chairman of the Japan Oil Federation.

The minister of international trade and industry, Yasuhiro Nakasone, said despite the Arabs' action, the government would go ahead with a 20 per cent cutback in consumption of petroleum and electricity by major industries on Jan. 1 because of the reduction of oil shipments in December. But later in the day Nakasone's office said the cutback was postponed for 10 days while it studied the new situation.

The chairman of the Tokyo Electric Power Co., Kazutaka Kikawada, cited another energy crisis factor affecting oil

Oil policy shift

users everywhere: the \$3.94-a-barrel price increase decreed Sunday by the Persian Gulf oil states. Its purpose is to conserve the Arabs' oil reserves without reducing their income, not to reduce support for Israel.

British Trade Secretary Peter Walker welcomed the Arab move and said its effects could be felt by the end of January. But he pointed out that Britain's energy troubles are due mostly to the slowdown by its coal miners and railwaymen, not the Arab oil squeeze.

By HOBART ROWEN
(The Washington Post)
WASHINGTON — Energy czar William E. Simon has virtually decided that the United States will not have to put coupon rationing of gasoline into effect, he indicated in an interview with the Washington Post.

If President Nixon approves, an announcement along these lines may be made on Thursday morning. It is also possible, Simon says, that the administration will not abandon its work on a stand-by plan for rationing, including printing of ration books, to be used if its present expectations do not work.

"But I think we can manage without rationing if the (voluntary) conservation program keeps going," Simon said.

There are three critical developments that have co-incident to firm up the administration's well-known ideological opposition to a formal rationing system.

First, there has been a leakage of 700,000 barrels a day for the month ending December 7 from the Arab nations supposedly operating an air-tight embargo. Simon said that the maximum shortfall is now estimated at only 2.7 million barrels a day (compared to the first estimate of 3.4 million) and that the figure will be published Thursday will indicate the shortfall could be as low as 1.25 million barrels a day.

Second, there is a growing conviction that the Arab embargo will soon be lifted, based on private conversations U. S. officials had with Saudi petroleum minister Zaka Ahmed Yamani on his recent visit here.

Third, Simon says, "there is a growing sentiment in opposition to rationing." That means the administration believes the political pressure from Capitol Hill for rationing will diminish when Congress returns after the Christmas recess.

The lowest current estimate of the shortfall — 1.25 million barrels a day — incorporates not only the substantial and unexpected leakage from the embargoing nations, but a 20 per cent acceleration in the "draw-down" of inventories.

But Simon makes it clear that his policy for the moment will be geared to the more pessimistic estimate of a 2.7 million barrel shortfall. First of all, he notes, "we can't bet that the leakage will continue." And in any event, the leakage might largely reflect oil which had started through the intricate world-wide distribution system before the embargo became fully effective.

Taking the larger shortfall estimate, nonetheless, Simon feels that the way to solve the problem is not by coupon rationing, but by additional ways to force American motorists to conserve.

For example, he is considering proposals to close gasoline stations on one additional day a week in addition to Sunday shut-downs. "Another idea being

examined is some arrangement, by random selection, that would keep every car off the road one day a week. That would force more car-pooling, Simon says.

He also has under study a plan that would bar youngsters from driving themselves to high school or colleges. This might be enforced by requesting school authorities to close down parking lots. For most of the other conservation measures being studied, he says that the defense production act provides adequate authority.

He concedes that some of these steps might be considered harsh, but feels that they would be less oppressive than coupon rationing. "If we had a basic weekly ration of 10 gallons a week," he says rhetorically, "can you imagine how many exceptions we'd have to make in order to get people to their jobs? It would be better to force car-pooling." The one thing that would help Simon toward rationing, and away from his present decision would be evidence that the jam-up at gasoline stations is becoming intolerable. "If they're waiting 3 or 4 hours in line for gasoline, we can't expect drivers to do that," Simon acknowledges.

But clearly, he doesn't see that in the picture. "When the embargo lifts," he says, "what we will have left is spot shortages, and that won't warrant rationing."

On prices, Simon is untroubled by the doubling of the posted price for Persian Gulf oil, although it "raises hell with the less developed countries, hurts the Europeans and murders the Japanese." For the United States, he says, it should accelerate long-term plans to develop alternate sources of energy, ultimately doubling domestic production of oil from 4 billion to 8 billion barrels of oil a year.

He also cites a study by William Nordhaus of Yale University, to be published shortly by the Brookings Papers on Economic Activity, which estimates that crude oil from shale can be produced in the United States at \$5.60 a barrel, compared with the new "market" price of Persian Gulf oil which Simon estimates to be \$8.50 a barrel.

Nordhaus also estimates that sufficient petroleum from conventional sources can be produced to satisfy nearly all U. S. needs at about 6 dollars-a-barrel.

Might not the steadily escalating prices of Mideast oil tend to pressure the administration to let domestic prices move higher, to about a parity with Mideast oil?

"There's no way we'd allow that," says Simon firmly. "The long term supply price of oil here is around \$7 a barrel, and the cost of alternate sources of energy will determine domestic oil prices. That (7 dollars) price is sufficient to provide all the incentive the domestic industry needs."

Christmas holiday not entirely peaceful

(The Associated Press)
Christmas 1973 was a holiday of more terrorism, less warfare and more economic uncertainty for the Christian world.

There also were the traditional family reunions, feasting, gift-giving and prayers for peace.

Road travel was light and Yule lights dim in many countries because of fuel shortages.

"As he exists, man is not perfect," Pope Paul VI told 30,000 Romans and tourists Christmas Day in St. Peter's Square. "Exalt man: you will make more evident his deficiency, his incompleteness, his inner need to be saved. We say it once and we say it in a word: his need for a savior."

Thousands jammed St. Peter's Basilica for Christmas Eve and Christmas Day Masses. But fewer than 4,000 persons — the smallest crowd in years — made the pilgrimage to Bethlehem because of fears of Arab terrorist attacks. The Israeli government put a heavy security guard on the little town in occupied Arab territory, and there was no violence.

It was the first Christmas at peace for American soldiers in 12 years, and the first in freedom for American prisoners of war from Indochina. The Skylab 3 astronauts walked outside their spacecraft for a better view of the comet Kohoutek and radioed to earth their hopes for understanding among all men.

President Nixon and his family spent the day at the White House, and the President had a telephone conference with Secretary of State Henry A. Kissinger about oil policy.

A shortage of gasoline and urgings by the Nixon administration for Sunday and holiday closings shut down all but a scattering of service stations around the United States. State police said most motorists decided it was better to stay home rather than risk running out of gas.

Christmas night was peaceful in London and Northern Ireland after bomb explosions Christmas Eve that killed three men and wounded 41 men and women. On Christmas Day, 200 Belfast demonstrators battled police with



Pope Paul VI imparts his "Urbi et Orbi" blessing to Vatican City and the world on Christmas Day from the central loggia of St. Peter's Basilica. (UPI)

flists and rocks, and a 63-year-old woman was shot in the mouth when she was caught between British troops and gunmen of the Irish Republican Army.

Traffic from West Berlin through the Berlin Wall to East Germany was light, but officials expected thousands of West Berliners to cross today to visit relatives in the Communist East. Meanwhile, East German border guards profited

from the holiday to repair five holes that West Berliners had knocked in the wall during the year to show their anger at the barrier.

The North Vietnamese News Agency said Hanoi Catholics "jubilatedly celebrated Christmas against the background of a country from which the foreign aggressors had been driven out."

The Chilean military government, fearful of terrorist attacks, enforced tight security for the holiday. Police sources said 130 persons were arrested in Santiago for violating the 11 p.m. 5:30 a.m. curfew, and authorities said one motorist was shot and seriously wounded by a military patrol when he ignored orders to halt.

Vatican blessing

Soviet spacemen return safely to earth

MOSCOW (AP) — The Soviet Union's Soyuz 13 spaceship and its two cosmonauts returned safely to earth today after a successful flight that lasted just under eight days. Tass announced.

"At all stages of the flight the systems of the Soyuz 13 spaceship and on-board scientific equipment functioned properly," the Soviet news agency reported. A television report said Soyuz 13 made a soft landing on a snowy steppe in Kazakhstan, about 210 miles from the Baikonur space center where it was launched Dec. 18.

The crew — Maj. Pyotr Klimuk and Valentin Lebedev — got out of the spacecraft without assistance "and feel excellent," the report said.

Tass said Soyuz 13 landed at 11:50 a.m. Moscow time, or 3:50 a.m. EST. Soyuz 13 was launched on Dec. 18 to test the spacecraft that is scheduled to link up with an American Apollo space-

ship 18 months from now in 1975. With three Americans circling the globe in Skylab 3, it was the first time that the United States and the Soviet Union have had men in orbit at the same time.

Tass said Soyuz 13 landed 120 miles from Karagandain, a city in Kazakhstan.

It was the second manned Soviet space flight in three months after a

lapse of more than two years. During that period scientists redesigned the Soyuz craft to correct the faults that caused the death of three cosmonauts in Soyuz 11.

U. S. space officials said the Russians made an unannounced launch of a Salyut space station on Nov. 30. They speculated that the Soyuz would link up with it.

Super-high tides feared

WASHINGTON (AP) — Astronomical conditions will cause abnormally high tides on two dates in early 1974 and serious flooding could strike the U. S. East coast should severe Atlantic storms occur, weather forecasters say.

On Jan. 8 and Feb. 7, the forecasters said Tuesday, the moon will be in its fullest phase, thus causing high tides. It also will be unusually close to the mid-Atlantic coast.

In addition, the moon and sun, whose gravitational pull also influences the tides, will be in a relatively rare alignment and the earth also will be near its closest annual approach to the sun.

More British bombings?

LONDON (AP) — Scotland Yard warned today it expected more bombings following a Christmas Day lull in a guerrilla campaign that has killed three persons and injured more than 100 in London and Northern Ireland over the past nine days.

London police kept bomb disposal experts on duty today, which is Boxing Day, a British holiday. A special watch over movie theaters also was ordered. One recent bomb exploded inside a theater.

The only casualty reported on Christmas Day was a 63-year-old Belfast woman. She was shot in the mouth when she got caught in a crossfire between gunmen and British troops in the Roman Catholic New Lodge district.

London was quiet Christmas for the first day since Irish guerrillas launched a bomb blitz nine days ago that injured 78 people in 23 explosions. Bombs went off Christmas Eve in two crowded taverns in the Hampstead section, injuring seven persons.

Scotland Yard said its 120-man bomb squad was remaining on full alert with all leaves canceled. The day after Christmas is also a holiday in Britain. Christmas Eve brought Northern Ireland its worst single bomb incident in nearly seven months. Three persons

were killed and 34 were wounded when a bomb went off prematurely in a Catholic-owned tavern in Newry, on the border with the Irish Republic.

Police said two teen-age members of the Irish Republican Army entered the bar with the bomb in a shoebox and warned everyone to get out. But the bomb exploded as the crowd rushed for the doors, killing the two IRA men and a Protestant customer.

More than 50 IRA men have blown themselves up in the four and a half years of Catholic-Protestant warfare in Northern Ireland. The confirmed death toll in the fighting now stands at 925.

Violence in Newry and Belfast early Tuesday included firebomb attacks on stores and businesses.

Weather Outlook Rain

Mostly cloudy with a chance of showers this afternoon. High 45 to 50. Occasional rain likely tonight and Thursday. Low tonight in the mid 30s and the high Thursday about 45. Variable winds five to 15 miles per hour. Probability of precipitation is 30 per cent this afternoon and 70 per cent tonight and Thursday.

Geneva temperatures today: at 8 a.m., 41; noon, 43. High during last 48 hours: 45; low, 35; precipitation, .25 rain; this month, 2.51; this year, 26.06. Sunrise tomorrow at 7:39 a.m.; sunset, 4:39 p.m.

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