**THE WHITE HOUSE**  
**CORRESPONDENCE TRACKING WORKSHEET**

**INCOMING**

**DATE RECEIVED:** AUGUST 22, 1990

**NAME OF CORRESPONDENT:** THE HONORABLE JIM BATES

**SUBJECT:** EXPRESSES CONCERN REGARDING THE IMPACT OF  
THE IRAQI INVASION OF KUWAIT AND THE PRICE  
AMERICAN CONSUMERS ARE PAYING FOR GAS; URGES  
RELEASE THE STRATEGIC PETROLEUM RESERVES

**ACTION**

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**COMMENTS:**

Additional Correspondents: MEDIA: L, INDIVIDUAL CODES: 1230

MAIL USER CODES: (A) __________ (B) __________ (C) __________

*ACTION CODES:  
*DISPOSITION  
*A-APPROPRIATE ACTION  
*C-COMMENT/RECOM  
*D-DRAFT RESPONSE  
*F-FURNISH FACT SHEET  
*I-INFO COPY/NO ACT NEC  
*R-DIRECT REPLY W/COPY  
*S-FOR-SIGNATURE  
*X-INTERIM REPLY  

*OUTGOING  
*CORRESPONDENCE:  
*TYPE RESP=INITIALS OF SINGER  
*CODE = A  
*COMPLETED = DATE OF OUTGOING

REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE  
ROOM 75, OEOB) EXT-2590  
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING  
LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.
August 24, 1990

Dear Congressman Bates:

Thank you for your recent letter to the President regarding increases in the price of oil in the wake of the Iraqi invasion of Kuwait.

We appreciate being apprised of your concerns regarding the price increases and their impact on consumers throughout the country. Please know that I have taken the liberty of providing your remarks to the President's energy policy advisors so that they, too, are aware of your recommendations regarding the Strategic Petroleum Reserve and the establishment of an Emergency Oil Price Task Force.

Thank you again for your interest in writing.

With best regards,

Sincerely,

Frederick D. McClure
Assistant to the President
for Legislative Affairs

The Honorable Jim Bates
House of Representatives
Washington, D.C. 20515

bcc: w/ copy of inc to Dept. of Energy - for appropriate action
     bcc: w/ copy of inc to NSC - FYI
     bcc: w/ copy of inc to Dept. of State - FYI
     bcc: w/ copy of inc to Dept. of Justice - FYI
     bcc: w/ copy of inc to Office of Economic and Domestic Policy - FYI
August 15, 1990

The Honorable George Bush
President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

I am writing with regard to the price American consumers are paying for gasoline in light of the recent Iraqi invasion of Kuwait. I am deeply concerned about the impact of the Iraqi invasion on the world supply and price of oil.

Consumers are justifiably concerned about gasoline price increases and wonder if these increases are really justified by oil companies' increased costs. I share this skepticism and am very interested in assuring that this situation is not exploited to the disadvantage of the American consumer.

According to the Financial Times, "oil facilities worldwide are brimming over after a recent surge in production by Kuwait and the United Arab Emirates." Stocks of oil in industrialized countries were at historic highs at the beginning of July. The Times also noted that "unlike previous oil supply crises of the 1970s, the U.S. has now amassed a strategic reserve of nearly 600 million barrels," and other countries, like Venezuela, are also considering making up any difference in supply.

Nonetheless, there already is speculation about dramatic price increases. I would like to add my voice to that of others calling for decisive action now on the part of the United States. The suggestion made by Senator Lieberman and 17 other Senators in a recent letter to you was excellent. I agree that an Emergency Oil Price Task Force, composed of representatives of the Department of Energy, the Department of Justice, and Federal Trade Commission, and the Commodity Futures Trading Commission should be convened to monitor the world oil situation, the actions of the oil industry, and the prices of oil and petroleum products in this country.
I also believe that strategic petroleum reserve oil ought to be released onto the market as a means of protecting our economy and the consumer. Unfair price gouging will hurt both the consumer and our country.

Thank you for your consideration.

Sincerely,

JIM BATES
Member of Congress