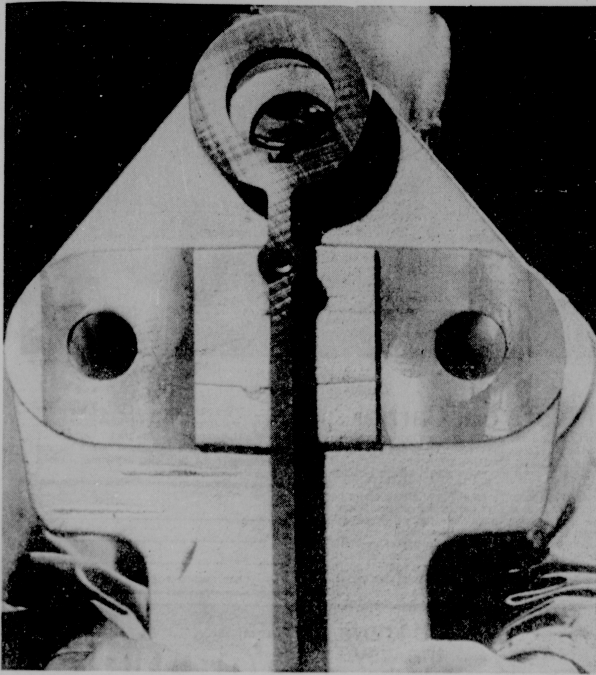


# Iran's Oil Industry on Its Own

## Business



Art in industry— What looks like a metal sculpture is in reality a key part of the feeder system in glass-container-making machinery. Its bore height is being measured by a quality control inspector in the Emhart Corp. plant in Windsor, Conn.

TEHRAN, Iran (AP) — The new revolutionary government will operate Iran's huge oil industry without the help of foreign production technicians, the head of the National Iranian Oil Co. said Sunday.

"We at this time do not need any foreign personnel at any level" to handle the current production of 4 million barrels a day or more, Hassan Nazih told a news conference.

Before Iran's February revolution, some 600 foreign technicians aided in the production of an average of 6 million barrels of crude oil daily through the foreign-operated Oil Services Co.

Nazih said, "OSCO is finished."

Officials of the NIOC noted at the news conference that Iran, like other oil-exporting countries, is getting "better deals now" on supply contracts than it had in the past. But Nazih refused to say whether Iran's income from oil exports would be larger now than before the revolution — and before the latest round of sharp price increases.

Exports will be lower than in pre-revolutionary times, but the price is higher. Industry sources expect Iran's daily oil income to average \$48 million to \$50 million now, compared with \$55 million to \$60 million before the revolution.

The sale of oil provides 90 percent of Iran's foreign income.

Nazih said the government is limiting daily production to 4 million barrels for the time being, and production for the rest of the year is likely to average 3.5 million to 4 million barrels a day.

The NIOC's marketing director, Reza Azimi, said the company sold oil on the spot market in March at between \$18.70 and \$22.20 and will continue to sell about 200,000-300,000 barrels per day on a spot basis.

Azimi said new nine-month supply contracts had been agreed upon with some 35 countries and oil companies, including agreements for providing a total of 1.05 million barrels per day to Exxon, Texaco, Gulf, Shell and Caltex.

The contract price is \$16.57 per barrel for light crude and \$16.04 for heavy crude. Azimi said all contracts are contingent on foreign companies agreeing not to transfer the oil to South Africa or Israel.

They, but their leaders say they are willing to leave the oil industry in the hands of the central government.

Ayatollah Sheik Mohammad Taher al Shobier (Khatami), the religious leader of the province's ethnic Arabs, had threatened to leave Iran to protest the activities of the new government's revolutionary committees, but he announced Sunday he would stay in the country.

He had charged that the committees and Islamic courts set up by Ayatollah Ruhollah Khomeini, guiding force of the Iranian revolution, were "vengeful and purge-oriented" and "give a bad name to Islamic justice."

Firing squads have executed at least 161 persons convicted by the Islamic courts of violence or political or moral offenses since the February revolution.

## House Tackles 1980 Budget

WASHINGTON (AP) — The House, accustomed to fattening the federal budget to stimulate the economy, is starting work on a 1980 budget that is likely to require some belt-tightening in order to slow inflation.

The spending plan recommended by the House Budget Committee would, after inflation is considered, allow defense spending to rise by about 1.5 percent over this year's level. Other government programs would be authorized an average increase of about 0.3 percent.

Spending would total \$532.7 billion. The deficit, a figure on which the fight against inflation has been focused, would be \$24.9 billion, compared with the \$36.6-billion deficit expected this year.

This marks the first time in the five-year history of the congressional budget process that lawmakers will be making an effort to hold down spending, rather than increasing it to spur the economy.

Consideration of the budget is expected to occupy the House for three days this week. The Senate, meanwhile, plans to complete action on a bill creating a separate department of education and on legislation aimed at reducing aircraft noise.

President Carter's energy program faces another possible setback this week. The Senate Energy Committee is expected to reject Carter's proposal for standby authority to order the weekend closing of gasoline stations.

The panel probably will substitute a plan that would allow the governors to meet federal fuel-consumption standards the best way they see fit.

The budget being considered by the House would cut Carter's defense budget by about \$3 billion. It would add \$900 million for education and \$3.1 billion more for a variety of assistance programs such as meals for the elderly and child nutrition.

The proposal would reduce the program of public-service jobs for depressed areas under the Comprehensive Employment and Training Act to 200,000 jobs by the end of 1980. In approving its budget last week, the Senate recommended a cut to 100,000.

House budget-writers also proposed to eliminate the program of revenue-sharing for the states, at a saving of \$2.3 billion. The Senate wants to continue that aid.

The Senate and House are expected to agree by May 15 on a spending ceiling for fiscal 1980, which begins next Oct. 1. That target figure will serve as a guide for lawmakers as they consider legislation this summer. After the ceiling is reviewed in late summer, it will limit expenditures during the following 12 months.

The already-confusing budget process is even more murky this year because the House, Senate and the Carter administration cannot

agree on the course of inflation and economic growth.

The administration is using the most optimistic assumptions, forecasting that inflation this year will average 7.4 percent — compared with last year's 9 percent — and that the economy will grow by 2.2 percent.

At the other extreme is the Senate Budget Committee, with an inflation forecast of 8.2 percent and growth of 1.1 percent. The House panel is in between, assuming inflation of 7.7 percent and growth of 1.7 percent.

These assumptions have a direct bearing on government spending. As the economy grows more slowly, more federal dollars are spent for welfare and unemployment compensation. As inflation increases, tax collections go up. But so do the cost of government purchases and the monthly checks that go out to Social Security recipients.

Because of these different economic forecasts, it is difficult to compare the three budgets proposed by the Senate and House committees and the Carter administration.

But the Congressional Budget Office, using the same assumptions as did the Senate, offers this comparison:

- Carter — Spending, \$539.3 billion; deficit, \$40.6 billion.
- Senate — Spending, \$532.6 billion; deficit, \$29 billion.
- House — Spending, \$536.4 billion; deficit, \$32.4 billion.



Bridge sold— A.A. Rhomberg stands beside the Eagle Point Bridge, between Dubuque, Iowa, and Wisconsin, that was built in 1901. Stockholders of the Dubuque-Wisconsin Bridge Co. are selling their property to the state of Iowa, and a new, four-lane span will replace it. Rhomberg, whose grandfather was the original promoter of the bridge across the Mississippi, will be the last of five Rhombergs to serve as secretary of the bridge company.

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