Exxon head speaks on energy

By Robaire Warren

Oil use in the US will decline to one third of all energy sources, and, although oil will still be used heavily in transportation, the US will cope its use of coal for the generation of electricity by the end of the century, according to Exxon Corporation President Howard C. Kauffman, speaking yesterday at the inauguration of the Sloan School of Management's Distinguished Speakers Chair.

Kauffman spoke on the topic of "US Problems in the Changing Energy Scene and Management Challenges Confronting the Sloan School," focusing mainly upon what he referred to as the "ongoing energy transition." "This is one of those subjects about which more is said and written about than is true," Kauffman told the audience of about 300 persons. He added that the Exxon Corporation is one of the few conglomerates that is actively subdividing the research and development of new energy sources.

Kauffman expressed a positive attitude toward foreign and government competition in the oil industry. He remarked that he knew of very few instances where no outside competition was present and the situation survived. "But notice that it took Mexico 40 years to make it work," added Kauffman.

Although the major part of the question and answer period which followed Kauffman's speech was devoted to the energy topic, the management element of the energy industry was discussed to a minor extent. Kauffman remarked: "Managing is a matter of setting realistic goals." He also answered questions regarding his management policies and his opinions of the policies of some foreign corporations.

Kauffman is the first of many speakers to appear through the Sloan School of Management's Distinguished Speakers Series. The Series is supposed to "provide a forum for business leaders to address issues of importance to business and society."

The series will be an annual event, with this year's series celebrating the School's 30th birthday.

The next lecture scheduled for Thursday, October 22, will feature Sanford Weill, chairman and chief executive officer of Shearson Loeb Rhoades, Inc. Following him will be Robert N. Noyce, vice chairman of Intel Corporation; Donald E. Peterson, president of the Ford Motor Company; and Archie McGill, vice president of American Telephone and Telegraph Corporation. The series is being managed by graduate students of the Sloan School. "It gives students the opportunity to increase their understanding of management and its future challenges," according to a spokesman for the organizing group.

Kauffman, who received a bachelor's degree in mechanical engineering from the University of Oklahoma and served as a naval officer during World War II, began his career with Exxon in 1946. After spending a number of years working at various locations within the United States, Kauffman spent 17 years working abroad and in Latin America. In 1974, Kauffman was named senior vice president of the corporation, and one and one-half years later was named president.

Kauffman is also affiliated with a number of other organizations, including the Chace Corporation and Bank, the American Petroleum Institute, and the New York Chamber of Commerce and Industry.

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