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NEWS

HOUSE REPUBLICAN CONFERENCE

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CHAIRMAN

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TASK FORCE LOOKS AT GAS

The House Republican Task Force on Energy and Resources, investigating the critical problems of fuel shortages and price increases, has received information concerning the shortage of natural gas and other fuels.

After a full day of meetings, the Task Force released information received from Barney Clarke, President of the Columbia Gas System, Inc., who told of a "monumental" energy crisis facing the U.S., particularly in the area of diminishing natural gas reserves. Mr. Charles A. Robinson, Jr., Staff Counsel for the National Rural Electric Cooperative Association, met with the Task Force also, and presented a study on possible artificial restraints in the fuels industry.

One of the primary topics of interest in the morning session was Alaskan natural gas, from which Mr. Clarke said that his corporation alone is looking for a possible "six trillion cubic feet" of supply for future years. Due to the almost pollution-free characteristics of natural gas, it has become one of the most sought-after fuels for electric power generation, particularly in concentrated urban areas. Mr. Clark described the rising demand for the fuel, and the large sums of money, nearly a half a billion dollars, which Columbia Gas is investing to assure a future supply outside of the "lower 48" states.

An unusual sidelight which evolved during the questioning concerned Alaskan natural gas being shipped to Tokyo. Japan has some of the strictest air pollution control standards in the world, according to government sources, and natural gas is highly prized in the capital city. At present, the Alaskan gas is liquified at a U.S. owned refinery in Alaska and shipped in specially-designed Japanese tankers directly to Tokyo, while at the same time West Coast regions, such as Southern California, are experiencing difficulties in obtaining gas supplies. Existing legislation prohibits the Japanese tankers from unloading at U.S. ports, however. Columbia Gas is to ship liquified natural gas (LNG) from Algeria to a new facility to be built on the Chesapeake Bay.

The afternoon session centered on a study ordered by NRECA, together with the American Public Power Association, concerning possible artificial restraints in the fuel industry. The report, titled "Artificial Restraints on Basic Energy Sources," was discussed by the Staff Counsel for NRECA, with particular emphasis on the formation of "energy companies"; that is, corporations which own oil, natural gas, coal, and uranium ore. During his statement, the rural electric co-op representative submitted a letter from Miles W. Kirkpatrick, Chairman of the Federal Trade Commission, to Congressman Joe Evins (D-Tenn), describing the extensive investigation proposed by the FTC in the Southern Louisiana case. Mr. Robinson expressed the concerns of the rural electric cooperatives that fuel prices reflect fuel costs plus reasonable profits. In particular, he mentioned

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that some co-ops experienced a 100% increase in coal costs in 1970.

In summarizing the hearings, Task Force Chairman McClure said, "This is the type of problem which has to be resolved. We have heard information on fuel availability and cost, but there is a definite need for more facts."

"In the weeks ahead," continued Mr. McClure, "the Task Force will continue to investigate these and other critical questions, so that we will be able to make detailed recommendations for a national program on energy and fuels."

The Task Force membership broadly represents the United States, with Bill Archer (Tex.), Donald G. Brotzman (Colo.), John Buchanan (Ala.), John J. Duncan (Tenn.), Craig Hosmer (Calif.), Hastings Keith (Mass.), Sherman P. Lloyd (Utah), Manuel Lujan (N.Mex.), James D. (Mike) McKeivitt (Colo.), Clarence E. Miller (Ohio), M. G. (Gene) Snyder (Ky.), Robert H. Steele (Conn.), William C. Wampler (Va.), Charles E. Wiggins (Calif.), and Roger H. Zion (Ind.) as members. Michael D. Hathaway serves as Task Force Director.