Fuel Policy Is Spawning Scandals

By Jack Anderson

President Nixon simply hasn't leveled with his fellow Americans about the fuel crisis. He has adopted half measures, put out misinformation and made Pollyanna-like promises. Here are resulting scandals that have already developed:

Scandal No. 1—The President misled the nation when he claimed heavy duty trucks and highway buses are more efficient at 55 miles per hour and should be permitted, therefore, to travel five miles faster than cars.

It's not the trucks but the trucking lobby which is more efficient. Cummins Engine Co., the diesel engine manufacturer, has found that its engines will operate more efficiently at 50 mph.

An interoffice teletype, intended for the eyes only of the corporate bosses, states that a speed reduction from 60 to 55 mph will bring a 7 per cent fuel savings but that a further reduction to 50 mph would push the fuel savings to 10 per cent.

This is substantiated by the Transportation Department's private estimates, which show the highway dreadnaughts could save 47,000 barrels of fuel a day by slowing from 55 to 50 mph.

We cited the department's own figures to Deputy Assistant Secretary Irwin Halpern who, echoing the President, had testified on Capitol Hill that the big trucks and buses "operate more efficiently" at 55 mph.

Halpern admitted our figures were right and his testimony apparently was wrong. But he pointed out, quite accurately, that fuel economy depends upon the variables. Terrain, transmission, axle ratios, driving techniques and mechanical adjustments can effect gas mileage.

The decision to let the big diesel rigs travel 55 mph, said Halpern, took into account the "economic impact." Truckers are paid by the mile, so a slowdown in miles traveled per day reduces their profits. "We simply sought the right balance," he said.

Scandal No. 2—Sources close to the oil industry tell us some suppliers are holding back fuel until prices go up. Then they will be able to sell the same fuel for higher profits. Other profiteers are diverting oil, intended for the United States, to foreign ports where prices already are higher.

This suppressing and siphoning of America's scarce fuel, say our sources, has been encouraged by the President's pricing and priorities policies.

Hardest hit have been the independent truckers, who tell us they don't mind driving slower so much as taking on fuel in dribbles. Most truck stops will no longer fill up their tanks. This means the truckers must stop for fuel more often, which plays havoc with their schedules.

Truckers keep in touch with one another by radio, reporting highway conditions and exchanging information. This underground network has been buzzing lately with talk of a nationwide, pre-Christmas shutdown, as a protest over fuel policies.

Some want to keep their trucks off the highways for a week. But the word is spreading that a 48-hour shutdown, probably December 13 and 14, would be dramatic enough.

Scandal No. 3—The President's fuel policies appear to be fashioned of, by and for the oil-gas industry. Most of the policy-making bodies, such as the American Petroleum Institute, National Petroleum Council and the Interior Department's Oil and Gas Office, are dominated by industry people.

Now Interior Secretary Rogers Morton is bringing in 250 oil executives to help handle fuel allocation. The crash program to squeeze oil from shale is also directed by an old hand from the oil industry, Reid Stone, a former Atlantic-Richfield Oil Co. executive.

Not surprisingly, Interior has granted terms that will permit the oil barons to reap a bonanza from shale oil. The oil companies will dig out the shale, then crush and heat it in an attempt to extract oil. Interior has estimated that the shale in Colorado, Utah and Wyoming eventually could yield up to 600 billion barrels of oil.

The oil companies will pay the government an average royalty of about 17 cents per barrel. This can easily be recouped from the 15 per cent depletion allowance, which will net the oil companies about 45 cents per barrel. The companies will also be allowed to deduct the rent from the annual royalty they will pay the government for leasing the shale land.

Under the terms adopted by the Interior Department, the bidding for leases will start at 50 cents an acre, although the land was being sold commercially during the 1960s for $4,500 an acre. The cost of reclaiming the land, after it has been strip-mined, will also be borne largely by the public.

Stone told us these terms are necessary to give the oil companies "an adequate return" on their investment. He will have nothing to say, he added, about who gets the oil shale leases.

Scandal No. 4—The President told the Seafarers Union that the oil crunch shouldn't last much longer than a year. He also promised the nation that his "Project Independence" could bring self-sufficiency in energy by 1980.

This is quite different from what his energy experts have been telling him privately. Our policies since World War II, they tell us, have made us so dependent upon foreign oil that the 1980 goal is completely unrealistic.

They say sadly that President Nixon still hasn't come to grips with the oil crisis.