

Hearings to 'De-mystify'

U.S. Links to Oil Firms

Washington

Previously secret testimony released today indicates the U.S. government may have conceded too much authority to major oil companies that negotiated agreements with the Arab oil producing nations, Senator Frank Church, (Dem-Idaho), charged.

The testimony was given October 11 to Church's subcommittee on multinational corporations by James Akins, now U.S. ambassador to Saudi Arabia, and then with the State Department's Office of Fuels and Energy.

Akins told the subcommittee he and Dudley Chapman of the Justice Department's antitrust division waited on Jan. 11, 1971, outside the office of a New York City lawyer while officials of several major firms reached agreement inside on negotiations with the Arab oil producing companies over prices.

Four days later the Justice Department issued a letter telling the oil companies the government did not plan to take any action under the antitrust law with respect to the agreement.

As a result of this and other actions by government officials in regard to oil company agreements and policies with other countries, Church said his subcommittee will open public hearings Wednesday on the question of government involvement in these agreements.

"It is time that we begin the process of de-mystifying the inner sanctum of this most secret of industries

Argentina Cuts Speeds To Save Oil

Buenos Aires

Gasoline will be rationed to all federal departments and speed limits will be imposed to reduce Argentina's oil consumption, Economy Minister Jose Gelbard said yesterday.

The rationing is effective immediately, he said.

Speed limits will be imposed February 1, restricting gasoline-powered vehicle cars to 50 miles per hour. The speed limit for vehicles using kerosene and diesel fuel will be about 55 mph.

Associated Press

and open up to the light of day the foreign policy decisions to the U.S. government which have played such a critical role in shaping the structure of international oil," Church said.

"For what we will see is a complex interplay of private interests shading into public policy decisions so that the two become virtually indistinguishable, and it is rarely, if ever, possible to tell where the one leaves off and the other begins," Church said.

He said that although the major oil companies said

the agreements would bring about a secure supply of oil and stable prices, the Arab oil embargo has proven this to be false and suggests the government may have been negligent in its dealings with the oil companies.

"I think, throughout, the government should have been much more attentive and alert to the consequences of this agreement," the senator said at a press conference.

He said the hearings will focus on the last round of negotiations between the major oil companies and the Arabs and the effects of the antitrust waiver, and also how the government separated the interests of the United States and the oil companies.

Sources close to the subcommittee indicated the hearings would focus on the activities of eight major oil companies which have the largest interests in the Arab countries. These firms are Exxon, Gulf, Texaco, Mobil, and Standard Oil of California, all of the United States, and British Petroleum, Royal Dutch Shell, and Compagnie Francaise des Petroles of France.

However, it was learned Shell and British Petroleum had asked not to be involved in the hearings because of the difficult positions their governments are in with the Arab nations, and the subcommittee was not expected to require officials of these two firms to testify.

Reuters