

U.S. Navy Building Fleet for Saudis

By Jack Anderson

Saudi Arabia has cut off oil to the U.S. armed forces since Oct. 21. Yet the U.S. Navy, turning the other cheek, is building the Saudis a new fleet.

The details are contained in a confidential memorandum sent to the top Navy ship designers at the request of Navy Secretary John Warner. Signed by Warner's engineering chief, Rear Adm. P. C. Jones, the memo calls for "intensified management" to oblige the Saudis.

"The United States has agreed to undertake a program to construct several classes of ships for the Royal Saudi Navy Force," the memo states.

Not only will the Navy butter up King Faisal by designing the ships, but the memo says the United States will also oversee "contractor performance, resources allocation and all other matters concerning . . . assigned project work."

When we asked engineers on the project how it was going, they hissed nervously: "That's confidential! We're not supposed to discuss that!"

Among the confidential revelations in the memo: The United States is building guided-missile gunboats, patrol ships and war frigates for the new Saudi navy.

Yet on Oct. 21, King Faisal's government served notice on Aramco to halt all oil deliveries

to the U.S. armed forces and warned that "any deviations" would be "harshly dealt with."

Aramco, the world's largest petroleum producer, is a consortium of four U.S. oil companies — Exxon, Mobil, Standard of California and Texaco. Ironically, they are permitted to charge off Saudi taxes against their U.S. taxes, because they persuaded Congress that the rich Saudi oil reserves are essential for U.S. defense.

Yet the oil colossus, putting profits ahead of patriotism, didn't hesitate to carry out King Faisal's orders rather than risk offending the stern old monarch.

The King ordered the cut-off because he felt that American weapons, which President Nixon rushed to Israel, were being used to kill Arab soldiers.

Aramco has pleaded that it had no alternative but to comply with the King's dictum. Otherwise, the consortium's only source of crude oil would have been jeopardized.

At the State Department, officials explained that the Saudis simply would have taken their business to Britain, France or Japan if the United States had refused to build the ships.

PROPANE PINCH—We have received reliable reports that brokers have driven up the price of propane gas by hoard-

ing it until the customers bid the price up.

Propane has jumped from 13 cents a gallon in 1972 to about 40 cents a gallon today. Caught in the pinch are the South's rural poor, who use propane to heat their homes.

At the old price, propane was slightly more expensive than other heating fuels. But propane heaters were far less expensive than other heating equipment.

Georgia's Gov. Jimmy Carter furnished us with pathetic appeals he has been receiving from the poor people in his state.

"I can't see no way we can keep on like this, can you help us please?" a mother wrote to him. The woman told Carter her propane fuel bill had shot up from \$16 to \$35 a month since last winter. "We eat mostly oatmeal now, but pretty soon we won't even be able to afford that," she wrote.

A 67-year-old widow complained to Carter that her fuel bill had risen from \$20 to \$50 a month, putting an intolerable strain on her \$200 monthly income.

The money that is squeezed out of the poor largely goes into the pockets of unscrupulous brokers. Here's how they operate:

Brokers will buy propane from refiners, then store the fuel in underground tanks

rented from the refiners. This creates an artificial shortage, which pushes up prices.

This same brokers' game is also played with other petrochemical stocks. There is evidence that the oilmen, too, have contributed to the price squeeze on propane.

Footnote: Both the Federal Energy Office and the House Small Business Committee have told us they are investigating the propane scandal.

INPUT AND OUTGO — While most Americans stay home now on weekends because of the energy crisis, bureaucrats at the Health, Education and Welfare Department are winging around the country at the taxpayers' expense.

HEW teams are dispatched from the nation's capital to places like San Francisco, Anchorage, Seattle, New Orleans and Denver to check on the new "terminal input system." The trips are made on the weekends, and the travelers don't have to be "terminal input system" experts to go. They are supposed to help HEW keep track of its personnel.

Sources close to the program tell us that many of the travelers have nothing more to do with the program once they return. All the taxpayers get is a bill for per-diem expenses and time-and-a-half overtime pay.

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