The Washington Merry-Go-Round

Monday, Oct. 7, 1974 **B13**

Team Faulted on Oil ixon

By Jack Anderson A confidential congressional study accuses the Nixon administration of permitting the oil companies to gouge almost \$9 stuck with \$1.9 billion in excess billion out of motorists and oil bills. The administration other consumers in the last had claimed the Treasury Deyear.

Four dubious and perhaps illegal White House decisions were responsible for the \$9 billion loss, according to a study ordered by consumer watchdog Rep. John Moss (D-Calif.). In addition, the report reveals that Congress itself directly caused a \$2.6 billion ripoff.

These five pro-industry edicts not only gobbled up the consumers' pocket money at the pump. but also served to boost inflationary pressure and allowed the major oil companies to increase their profits by an average of 71 per cent, right in the middle of the oil crisis.

Here are the five rapacious rulings as detailed in the Li-brary of Congress Economics Division study prepared for Moss, chairman of the House Commerce and Finance Subcommittee:

wells from \$4.25 to \$5.25 a barrel doggle cost consumers \$2.23 bil- eral prices this rise has brought even though "this is oil that lion. cost, roughly, less than \$1 to produce." The consumer was partment had documents to justify the increase. But now, Treasury Secretary William E. Simon has privately conceded to Moss that no "Treasury or Federal Energy Office papers were presented" at the Cost of Living Council meeting where the decision was made.

Originally, the Cost of Living Council froze oil prices at \$4.25 per barrel in 1972, a price some 30 per cent higher than previous levels. Then, in August, 1973, the council freed prices on newly discovered oil noting a "ripple effect" caused to encourage exploration. This when oil prices "have dragged allowed the price to zoom to \$10.50 a barrel even though prices up with them." costs to the oil firms were sel- Since everything dom more than \$2 per barrel. The consumer costs: \$3.25 bil- uced or fueled by oil, coal or lion.

• For every barrel of new oil every price rise can, in part, be produced, the council let Big tied to the oil price increases. • The Cost of Living Council allowed the oil companies to in-crease "old oil" from existing

• The Federal Energy Office let retailers raise their profit margin from 7.25 cents per gallon to 11 cents per gallon because of gasoline shortages. But now the pumps are full, and the motorists' wallets are still being tapped by the high margins. The cost to oil and gasoline users: \$2.89 billion.

 Congress is to blame, the Moss study notes, for exempting oil wells producing less than 10 barrels a day from price controls. While this may have kept some marginal wells in production, it cost the consumers \$2.64 billion.

The Moss report concludes by coal and intra-state natural gas

Since everything from peanuts to power plants are prodnatural gas, this has meant that

on. Headlines and Footnotes-Inside informants tell us that the Central Intelligence Agency tipped off the Shah of Iran in August that five of his senior officers, including Gen. Kiumarc Saleh, were plotting to over-throw him. All five were imme-diately jailed for "misuse of power." It may be merely a coin-sidence that the American emission cidence that the American ambassador to Iran, Richard Helms, was a former CIA director. The CIA would not comment on the charge....Government lawyers, digging through the small print in the Foreign Assistance Act, have now found legal justification for ex-Presi-dent Nixon's gift of a military helicopter last summer to

Egypt's President Anwar Sadat. At the request of Rep. Jack Brooks (D-Tex.), government auditors had questioned Mr. Nix-on's authority to give away the helicopter. But the lawyers have now authorized the Agency for International Development to pay the \$3 million bill, which also covers spare parts and labor. They cited a provision that authorizes grants "essential to the national interest." "1974, United Feature Syndicate