Oil companies accused by FTC of contributing to gas shortage

By MICHAEL CONLON

WASHINGTON (UPI) — The Federal Trade Commission (FTC) accused the eight largest U.S. oil companies Tuesday of monopolistic refining and marketing practices that have boosted their profits, forced American motorists to pay inflated prices and contributed to the gasoline shortage.

For nearly a quarter century, the FTC said, the big oil firms have controlled the market from oil well to gas pump, making it almost impossible for new companies to enter the refining business.

Named in the complaint were the Exxon Corp., New York City; Texaco Inc., New York City; Gulf Oil Corp., Pittsburgh; Mobil Oil Corp., New York City; Standard Oil of California, San Francisco; Standard Oil of Indiana, Chicago; Shell Oil Corp., Houston, Tex.; and Atlantic Richfield Co., New York City.

The complaint was not a suit, but was within the agency's usual legal channels for attacking matters which it considers illegal. The FTC did not spell out precisely what it wants the oil industry to do to settle the complaint, except that it will seek any action it considers necessary "to correct or remedy the effects of anti-competitive practices...and to restore competition in the relevant market or markets."

The agency issued an anti-trust complaint against the big eight companies, giving them 30 days to respond. The action was unusual since the agency generally issues a proposed complaint, giving the party involved a chance to settle the matter "out of court."

If the oil companies deny the complaint the matter will be adjudicated before the FTC and the companies can appeal to the courts any adverse decision that might result.

The biggest impact of the gasoline shortage has been east of the Rockies, an area where 50 percent of the nation's gasoline is sold, the FTC said.

The complaint resulted from a two-year-long staff study of the oil situation which was completed only July 1.

UPI Roundup

Javits: Nixon should answer

COOPERSTOWN, N.Y. — Sen. Jacob Javits, R-N.Y., said Monday Congress "should and must have a reply from President Nixon to all the charges that have been made" regarding the Watergate scandal. Speaking at the 12th annual conference of the New York State Broadcasters Association, the liberal Republican said he thought the President's reply should be made when the bulk of the Watergate testimony has been heard.

USSR grain sales investigated

CHICAGO — Sen. Henry Jackson, D-Wash., said Monday his subcommittee will begin investigating what may be a major scandal—the grain sales to the Soviet Union. Jackson told a news conference the Senate's permanent subcommittee on investigations, of which he is chairman, would open hearings on the grain deal Friday. The senator, here to address an Elks Convention, said, "I think the handling of the grain sales last year was gross negligence at best. I want to see trade with Russia," Jackson said, "But not at our own expense."

Nixon paying $1.75 a day

WASHINGTON — President Nixon will be billed $1.75 a day during his stay at Bethesda Naval Medical Center where he is being treated for viral pneumonia. That's the going rate for the commander in chief and naval officers. Enlisted men pay nothing.

Nixon blocks Secret Service testimony at Watergate hearings

By HELEN THOMAS

WASHINGTON (UPI) — President Nixon Tuesday personally blocked Secret Service testimony before the Senate Watergate committee about his taped conversations and telephone calls, and the committee promptly appealed to Nixon to make the tapes themselves available.

Sen. Sam Ervin Jr., D-N.C., the committee chairman, read a letter from Nixon saying that "no official or agent of the Secret Service shall give testimony" to the committee. Nixon added he would give "prompt consideration" to a committee request for "information on procedures."

Ervin said he hoped that "the word 'procedures' is much broader than the strict interpretation that word might imply," and that the committee would be able to gain access to those White House tapes relating to the Watergate scandal it is investigating.

The committee is eager to get its hands on the recordings for evidence that could firmly corroborate or disprove testimony by ousted White House Counsel John Dean III that Nixon probably had knowledge of the Watergate coverup as early as Sept. 15, 1972.

White House press secretary Ronald Ziegler told reporters the matter of the tapes was still under discussion but that no decision had been reached, a comment that seemed to leave open the possibility the tapes might be made available despite their classification as "presidential documents" forbidden to the Senate committee.

But Herbert Klein, the President's outgoing communications director, told a Washington luncheon that although release of the tapes would be good sense politically, he doubted Nixon would "violate principle" and give them to the committee.

Ervin's committee delayed the start of its afternoon session for nearly an hour while it discussed privately what to do about the Nixon order gagging the Secret Service, which installed the equipment for recording presidential conversations in the spring of 1971.

The committee had subpoenaed three past or present Secret Service employees. Ervin said the three showed up in compliance with the subpoenas, but refused to testify in accordance with the Nixon order.

Among the three was Alfred Wong, deputy director of the Secret Service for protective intelligence, who was director of the technical services division at the time the recording devices were installed at the White House, the Executive Office Building and Camp David, Md., at Nixon's request.

The other two were Edward Morgan, assistant Treasury secretary for enforcement, tariff and trade; and Clarence "Buck" Lyda, congressional liaison for the Secret Service.

Ervin, in remarks affirmed by Sen. Howard Baker, R-Tenn., the committee's vice chairman, said it was "not worthwhile at the present time to engage in any controversy with the Secret Service." Both said they hoped for a fast and favorable response to the committee's request from Nixon himself.

Alaska pipeline bill approved by Senate

By ELMER LAMMI

WASHINGTON (UPI) — With Vice President Spiro Agnew casting a critical tie-breaking vote, the Senate Tuesday approved a right-of-way for the trans-Alaskan oil pipeline which would exempt it from safeguards provided in the Environmental Policy Act of 1969.

But Sen. Henry Jackson, D-Wah., author of the act which created the Environmental Protection Agency, said the Senate action would delay — not speed up — construction of the 789-mile pipeline to pump petroleum from Alaska's North Slope.

An amendment by Sens. Mike Gravel and Ted Stevens of Alaska declaring that the project had met the requirements of the 1969 law was approved by a vote of 49 to 48.

A motion by Sen. Clifford Case, R-N.J., to reconsider the action failed when Agnew voted against it to break a 48-48 tie. It was the first time since he took office in 1969 that Agnew's vote had been decisive in breaking a tie.

The Senate then went on to approve, 77 to 20, a bill granting a right-of-way to the pipeline.

The bill now goes to the House where similar legislation was reported out of a House interior subcommittee later Tuesday.