Congressional Calendar

Commission report calls for deregulation of synthetic fuels

The three year-old National Transportation Policy Study Commission finally presented its findings and recommendations to House Speaker Tip O'Neill on June 26. The Commission, chaired by Congressman Bud Shuster (R-Pa), calls for deregulation of the transportation industry. The study calls for the abolition of the Interstate Commerce Commission, which was mandated to regulate and improve transportation systems, as well as the elimination of the Federal Maritime Commission and the Civil Aeronautics Board. The entire regulatory structure is to be collapsed into a single regulatory commission and a revised transportation department that will plunge the national transportation structure into chaos by "relying on the marketplace."

The report also calls for a "massive federally financed synthetic fuels industry because that's what our transport system runs on and we can't trust OPEC ... including coal liquification, oil shale, tar sands," declared Congressman Shuster in an interview with *Executive Intelligence Review*.

The proposal is modeled "on the South African program of plunking down a plant in the middle of a coal field. They produce oil at $1.50 a gallon" declared the commission chairman. Asked about the wage differential between the U.S. and South Africa, the Congressman said: "Then we will have to go to world prices, about $25-35 per barrel of oil." The proposals for a remodeled transport system are based on an economy fueled 20 percent by synthetic fuels and by a tripling of coal production. The commission report thus establishes a transport system for an economy based on inefficient, exceedingly costly energy sources—the hallmark of Nazi Germany's economy.

Commission members include Senators Chaffee (R-RI), Tower (R-Tex), Williams (D-NJ) Pressler (R-SD), Gravel (D-Ala), and Long (D-La) and Congressman Howard (D-NJ), Anderson (D-Cal), Florio (D-NJ) and Oberstar (D-Minn). Industry executives also on the commission include top officials of Southern Pacific Co., Herman Brothers, Williams Brothers Construction and Illinois Asphalt. At least one key staffer was affiliated with the Wharton School of Economics, which provided much consultation to the commission. The Wharton School, closely tied and funded by the Mellon financial interests, has done studies on developing a coal economy and work on controlling the labor movement—using Chile as a model.

Congressman Schuster is in the process of drafting a National Transportation Improvement Act, to implement the report's proposals and plans to have it ready by the fall.

Trucking, labor groups blast ICC nominees

Testifying before the Senate Committee on Commerce, Transportation and Science on June 27, spokesmen for the American Truckers Association, the Alliance for Competitive Trucking, and the U.S. Labor Party urged the rejection of three new presidential nominees to the Interstate Commerce Commission. All three representatives charged that the nominees were avowedly in favor of deregulating the trucking industry and were therefore constitutionally unable to serve on an agency whose mandated purpose is the regulation of the transportation industry.

In earlier questioning of the nominees, Republican Senators John Warner of Virginia and Larry Pressler of South Dakota expressed deep concern over the pro-deregulation views of the proposed commissioners, especially former Civil Aeronautics Board member and Alfred Kahn protégé Robert Gaskins. The press is widely reporting that the nominations are in serious trouble because of the powerful opposition by groups which oppose their confirmation by the Senate.

The U.S. Labor Party representative noted that while the nominees had paid lipservice in their adherence to the National Transportation Policy Act, all three thought that they would have "wide latitude" and "broad flexibility" in its implementation. "This is an open admission that the nominees intend to deregulate the industry by administrative fiat," said the U.S. Labor Party representative. "There is no 'wide latitude' in the interpretation of U.S. transportation policy. A regulated industry is essential for the maintenance of a capital-intensive, highly productive transportation system." She then reported on the results of a computer analysis of the effects of deregulation of the trucking industry on the U.S. economy, based on the Riemannian economic model of U.S. Labor Party Chairman Lyndon H. LaRouche, Jr. "The effects will be more costly, in terms of lives lost and cost to the economy, than the Vietnam war."

The representative then attacked the deregulation lobby, led by individuals and institutions such as Ted Kennedy, independent trucker Mike Parkhurst, the Wharton School of Economics and the American Enterprise Institute as a deployment in the drive to militarize the U.S. economy under the guise of "energy crises" and "transportation chaos."

In a related development, Congressman Albert Johnson (D-Ca) and 22 other congressmen introduced legislation on June 20 "to provide for more effective regulation of carriers" in the motor trucking industry. The legislation was drafted by the American Truckers Association and is being presented as an alternative to the Kennedy-Carter deregulation thrust. Sources report, however, that both the ATA and the antideregulation congressmen supporting the bill are being set up by the deregulators with legislation which may indeed act as a foot in the door to deregulation.

Senator blasts Rotterdam

In one of the few manifestations of minimal sanity seen on Capitol Hill in recent weeks, Sen. Bennet Johnston (D-La), chairman of the Subcommittee on Energy Regulation of the Senate Energy Committee charged that the administration is supporting price speculation on the Rotterdam oil spot market. In introducing S.1379, the Refined Petroleum Import Subsidy Act on June 20, Johnston said, "The most infamous and recent example of this (granting of subsidies to oil importers) is the administration's decision of May 24, 1979 to issue entitlements worth $5 per barrel to U.S. importers of middle distillates from foreign refineries. This decision, which drove the Rotterdam spot price of distillate fuel oils to over $50 a barrel has been unanimously denounced by our European and Japanese allies. No justification or analysis of the impact of this decision has ever been offered by the Department of Energy. The department does admit, however, that this decision has had no discernible effect on the ability of the United States to import middle distillates."

Johnston's legislation establishes a congressional veto power over such administrative actions. Johnston adds however, "I confess that by introducing new legislation in this area, I may be placing too little credence on the reliability of our legal system. DOE has disregarded the law with respect to subsidies of residual fuel imports. I have no more right to hope that the department will obey a new law when it shows itself to be so thoroughly indifferent to an existing one dealing with the same subject."

—*Barbara Dreyfuss and Susan Kokinda*