

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS
815 Sixteenth Street, N.W., Washington, D. C. 20006



MEMORANDUM

JAN 31 1977

File

Date: January 28, 1977

To: All Members of the U. S. House of Representatives
From: Andrew J. Biemiller, Department *AJB*
Subject:

I think the attached letter regarding the natural gas crises
will be of interest to you and your staff.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

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(202) 637-5000

January 28, 1977

Honorable John Dingell
U. S. House of Representatives
Washington, D. C. 20515

Dear Congressman Dingell:

The AFL-CIO is obviously and deeply concerned about the economic hardship and human suffering caused by the national gas shortage. The picture is an alarming one. Hundreds of thousands of our members are out of work, their children are being deprived of schooling and their homes are cold.

Thus we are prepared to support temporary and limited legislation to alleviate the current emergency, even though we know full well it will have no effect on unemployment.

While we have reservations about the emergency measure proposed by President Carter, we support his proposal, with two modifications.

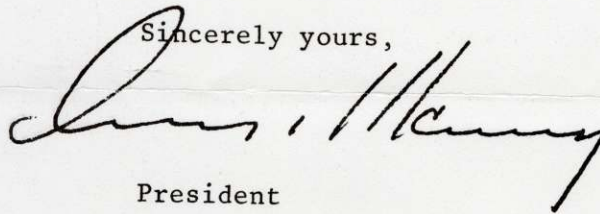
We urge the Congress to limit the emergency authorization to purchase intrastate gas at unregulated prices only until April 30, 1977, rather than July 31, 1977 as provided in the President's proposal. The longer period would do nothing to meet the current emergency but is designed only to allow the pipelines to replenish reserves. While this is a legitimate concern, it is not an emergency that requires abandoning measures that protect the consumer.

We believe the bill should specifically provide the President with authority in this emergency period to allocate the sale of gas now sold intrastate to the interstate pipelines at the national price set by the Federal Power Commission for interstate gas.

If it is fair and equitable to allocate gas from one interstate pipeline to another, as the proposed bill provides it is equally equitable to allocate the gas from the intrastate market to the interstate pipelines. This would actually create additional gas for the interstate market.

Our support of legislation to alleviate the current emergency should not be misinterpreted. We have long opposed deregulation of natural gas prices. Deregulation of this natural monopoly would have a devastating overall inflationary impact on their entire economy and would create catastrophic financial hardship for the consumer. Our position on deregulation is unalterable.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "James H. McHenry". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

President