

SUGGESTED STATEMENT FOR INTRODUCTION OF CONCURRENT RESOLUTION

Speaker,  
Mr. ~~President~~, we are all aware of the increasingly serious national problem which has been given the name of the "Energy Crisis." The darkened hallways and garages of our own office buildings early this week served as a faint reminder for us of the inconveniences, and even hardships, being faced by the American public at large. The fuel oil shortage of last winter, with children being kept home from school because of dark and unheated classrooms, has now been replaced by the summer gasoline shortage, with our citizens reliving the gas rationing days of World War II.

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amended*  
Now it is beginning to become apparent that the American citizen is going to be asked to sustain a heavy increase in his cost of living as a result of this situation. In a recent decision, the Federal Power Commission authorized some producers of natural gas to increase their prices by 73 percent; this represents an estimated rate of return for those companies of 27.5 percent. The Commission has under consideration a new national pricing policy which gives every indication of imposing a similar increase in the price of natural gas on a nationwide basis.

Part of the justification for this, of course, has been the contention that there exists a great scarcity in our natural gas reserves, and that higher prices must be allowed in order to allow for increased exploration costs to find new reserves. And yet, the Federal Power Commission has not tied the 73 percent price increase to any agreement by the producers to undertake intensified exploration. On the contrary, two of the three



companies authorized to increase their prices specifically refused to commit themselves to reinvestment of their increased profits in future exploration and development.

As if this in itself was not sufficient to raise serious questions as to the legitimacy of increasing the cost of living, we have recently become aware that the available reserves of natural gas may have been seriously understated. The Federal Trade Commission and its staff is to be commended for their efforts to find out the true state of affairs. Unfortunately, the inquiry of the Commission has been delayed by the failure of some gas producers to honor the agency's subpoenas which sought to obtain substantiation for the scarcity of natural gas which the industry has assured us exists. A few days ago, the Justice Department went to court to enforce the FTC's subpoenas, and we may hope that in the coming months a clearer picture of our available reserves of natural gas will begin to emerge.

In recent days we have also heard charges that attempts were made by somebody at the Federal Power Commission to destroy data which the agency had obtained from the gas producers and which could shed a great deal of light on the present situation. I do not wish to prejudge the facts in that particular situation, Mr. ~~President~~ <sup>Speaker</sup>, but I think that it is time that we in the Congress have done with the regulatory agencies -- set up as arms of this Congress -- withholding information from the Congress, the collective representative of the public with whose business these agencies are entrusted. But that is a larger issue which we are working on in our Investigations Subcommittee at the present time.

In the meantime, we are faced with the prospect of an increase in the price of natural gas which, based on the Federal Power Commission's recent action in the so-called Belco case, may almost double the wellhead price. Unless some action is taken, this price increase will be accomplished before present inquiries into the existence of a legitimate natural gas scarcity have been completed.

Mr. President, I think it is time for a moratorium. We need an appropriate breathing spell to enable the true facts to be examined. I am, therefore, introducing a concurrent resolution expressing the sense of this Congress that it would not be in the public interest for the Federal Power Commission to deregulate the price of natural gas prior to January 1, 1974, or to permit increases in the price of natural gas above the administratively determined area rate ceilings in effect on June 1, 1973. This will still permit the producing companies to realize a return of approximately 15 percent, and will give the American people some hope that their cost of living will not be arbitrarily increased before all the relevant facts are known.