

from Murmansk on the Barents Sea to the East Coast of the U. S., and from the Eastern Siberian plateau to West Coast ports, would require a fleet of some 30 LNG tankers. The dealings have cooled off slightly under White House scrutiny, but a U. S. decision on the deal is expected this spring.

What resistance there has been to LNG plans has come mainly from those who live next to the tanks and ports. On Staten Island, homeowner groups with names like Citizens' Committee Against a Fiery Death have exhausted themselves protesting Distrigas' construction of two enormous tanks in the area. The protests failed and the tanks are going up, but the citizens have the consolation of at least one droll memory. Last August, Distrigas official Gene Fetteroll put on a display of LNG safety which he capped by boldly plunging a burning cigarette into a dish of LNG. The skeptical locals then insisted that Fetteroll demonstrate outdoors, where, as the local papers reported, "the vapors ignited instantly into a small fireball."

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### Nice Place for a Picnic

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At another citizens' protest against LNG ports, in Cove Point, Maryland, environmental groups made what can most kindly be called a bizarre intrusion. After discovering that Columbia Gas System wanted to build an LNG terminal at a scenic spot which the state intended to buy for park land, the environmental groups urged that the tanks be moved to an industrialized, populated region instead. Protecting the shoreline was the right idea, but moving the tanks closer to people suggests a strange trade-off between scenery and safety. Columbia is still building the facility on the coast. For a last incredible touch, environmentalists urged that some 600 acres intended as a "blast buffer zone" around the tanks be opened as a public park.

Government agencies have also been reluctant to face the basic policy

question: Should we allow *any* LNG imports? The Federal Power Commission's recent decision to approve the deal between El Paso Natural Gas and Algerian suppliers was a one-shot ruling, concentrating on the specifics of the case rather than on overall energy-planning for the future. It is important that the general decisions be made, and that we examine alternatives before welcoming fleets of LNG tankers.

One aspect to consider is the tremendous cost of the LNG plans. The government is picking up the tab for a 25 percent subsidy on every \$90-million LNG supertanker built in U. S. yards. And a hungry maritime industry is one of the strongest lobbies for the LNG imports. The publicly-funded Export-Import Bank is providing credits for the construction of the liquefaction plants and pipelines in Algeria and would be asked to help finance the Russian construction with a loan of \$10 billion. This is 10 times as large as any loan the bank has made before, and there have been hints that the Treasury Department, in an unprecedented move, is considering setting up a special bank at the taxpayers' expense to finance just this deal.

Furthermore, the imports are driving up the cost of domestic gas, raising the value of U. S. reserves. The oil and gas companies provide the only figures on the size of reserves and have never fully admitted what exploration costs for new wells are. By allowing expensive LNG, the Federal Power Commission has virtually decontrolled gas prices. Officials say such options as coal gasification, solar energy, or gas from organic wastes, are a long way off, and the LNG is needed as immediate supplement—but it is left up to the industry to fund and set up a timetable for development of alternative energy sources.

The prospects for seriously stopping the LNG momentum long enough to take a look at it, seem dim. Like everything else, we seem to end up frying in our own juices. ■

# Tidbits and Outrages

## Compromise on Capitol Hill

From the Congressional *Record* of October 18, 1972:

Mr. MILLS of Arkansas. Mr. Speaker, I yield myself five minutes.

Mr. Speaker, we have a rather unusual report to bring back to the House. It appears that both sides have won a great victory with respect to the limitation on spending. The Senate would not take our language, as Members know, and the House would not recede from its language, so with the enactment of this conference report there will be a ceiling on spending of \$250 billion for one day.

At the end of that one day, the Senate language will prevail and that provision will become a nullity. In fact, any action taken under it will have no effect.

That was the only way, in fact, we could get the matter out of the two bodies, because the Senate had directed the President to do exactly what the House had directed him to do; namely, to hold the rate of spending to \$250 billion, but in the process they refused to implement that directive by allowing him the latitude required to carry it out.

Mr. WHITE. Mr. Speaker, I would like to ask the chairman, in his presentation did I understand him to say the President would have the power for one day, as we had discussed, to veto line items in the appropriations?

Mr. MILLS of Arkansas. Yes, but at the same time we say that anything he does on that one day is a nullity. He cannot really do anything under the provision.

## Floating Loans for Aerospace

A new glimpse into the folkways of defense contracting was provided by Harry Flood Byrd, Jr., Virginia's senior senator, in a little-noticed Senate speech on January 4. Byrd, whose dedication to economy in government exceeds even his fidelity to the military establishment, was struck by a newspaper account that a new \$18-million loan by the Navy to Grumman Corp. brought that aerospace giant's total indebtedness to the government to \$54 million. Byrd recalled a 1970 amendment to the Defense Production Act of 1950 which limits all loans to defense contractors to a total of \$20 million.

## The Lawyers

An important element in our national anti-crime program is the identification of major criminal groups which can be singled out for special scrutiny by the law.

Linda Matthews of *The Los Angeles Times* has uncovered a potentially useful lead. She reports that one group is especially likely to break tax laws—lawyers. Internal Revenue Service figures show that the lawyers will be convicted of tax crimes at a rate 7.5 times greater than that for the general public.

One crime for which lawyers are not yet subject to prosecution is the high amounts they charge for real estate settlement. Ronald Kessler, in *The Washington Post*, wrote a thorough expose of this scandal last year. There was an attempt to put a ceiling on these costs, but then real estate lawyers and their banking and title insurance allies went to work. The outcome, as described by AP:

The House Banking Committee has voted to strip a proposed ceiling on settlement costs from a pending housing bill and to repeal the limited authority in existing law for setting maximums. . . . The committee [also] voted to permit kickbacks (payments for referral of business), but only if they are disclosed, are "reasonable," and are made in good faith.

## Hellfire and Buck Rogers

One of our favorite sources of light reading is the *Commerce Business Daily*, published by the Department of Commerce, which contains a list of government procurement needs and contract awards. A typical issue announces the award of contracts for "Analysis of Postattack Radiological Environments" and an "Investigation of Improved Kill Mechanism Employing Miniaturized, Multipoint Initiation Trains." And for Buck Rogers fans there's always the contract to build an "Advanced Development Airborne Laser Locater Designator System (ALLD) for Hellfire/CLGP."

## Secret Service

Always on the lookout for new forms of public service, we were pleased to discover in a recent edition of the *Federal Register* that the Agriculture Department staff includes a "Confidential Assistant to the Confidential Assistant to the Secretary."