

*Every American . . . as an individual, a businessman, or a public official . . . is watched carefully by the rest of the world. This is a time when all of us should recognize*

## The Need for Vision

Whether he likes it or not, the American citizen today has an immense responsibility. He represents the most powerful and influential free nation in the world, and his behavior—individually, and in the mass—is carefully followed and appraised everywhere.

Radio, newspapers, and magazines reach into the most remote gathering places, carrying the latest reports on current American thought and conduct to people who may never have left their home village, perhaps have never seen an American—and almost certainly will never get a first-hand look at life in the United States.

Particular weight is given to action taken by our Government officials. To the great majority of foreign citizens—indeed, to the majority of Americans—a Senate Subcommittee, for instance, speaks with the voice of the United States Government. What it says, they believe, the Government is saying.

The confusion in far places caused by such recent events as the investigation of the American oil industry by the Senate Judiciary Committee's Subcommittee on Antitrust and Monopoly is bound to weaken foreign faith in American good will, and it is perhaps time the citizen pressed for more responsible public behavior on the part of politicians who choose to spotlight their activities through the use of mass communications media. If the individual American, and international American business, have responsibilities to behave honorably and with reason—so, surely, do their elected Government officials.

There is unquestioned value in the public airing of issues which affect the nation and the world—and, of course, those the Senate Subcommittee raised *do*. But there is unmeasured danger in the reckless charge, hurled into television screens across the nation and into headlines across five continents.

The public is interested in knowing how an industry as big as oil manages itself. It should be, and it has a right to such knowledge. But when this right is perverted for political gain, a very dangerous situation is created.

The oil industry, particularly, has suffered from this kind of irresponsible attack. It is subjected to a running fire of politically inspired charges which have hampered its ability to function with full efficiency at home and abroad, have undermined its prestige—and, what is worse, have damaged this nation's prestige among foreign countries. These attacks carry many labels, but it is interesting that careful analysis shows they center around the four P's: Power, Profits, Prices, Privileges.


Industry critics paint a picture of the oil companies as having so much *power* they determine the foreign policy not only of the United States, but of other countries as well. The critics claim *profits* are so great in the oil industry, everyone in it owns a pink limousine. They say the industry fixes *prices*—that its leaders get together to move them up and down at whim. And they say it is a special *privilege* industry because of percentage depletion.

Any honestly motivated person who seeks the facts soon finds out these charges are palpable nonsense. But they are dangerous nonsense. History has taught us that if you concoct a big enough lie, and tell it often enough, it very quickly gains respectability.

In the case of the Antitrust Subcommittee's hearings, the danger lay in misinformation, widely circulated. From the start, the Subcommittee brushed aside what industry leaders, Department of the Interior officials with whom the industry had cooperated in the oil lift, and most economists considered the salient fact to emerge from the Middle East Emergency Committee effort. At Government request, the oil industry had temporarily put aside normal business considerations, rearranged its very complex logistical patterns, and in a matter of weeks last Fall had worked out emergency shipping schedules which delivered to Europeans facing a Winter without fuel almost 90 per cent of their normal petroleum needs. Few emergency undertakings of such scope had ever been handled so successfully.

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What the Subcommittee concerned itself with, however, was not the practical success of the oil lift. Instead, it attempted to put a "price-fixing" label on a long-overdue increase in crude oil prices; it called the allowance for income tax paid to foreign countries a special privilege; it hinted that joint ownership of producing companies in the Middle East acted in restraint of foreign commerce. It objected to the member oil companies meeting regularly in a Government-sponsored Middle East Emergency Committee, even though the inescapable alternative had been suffering and deprivation for millions of foreign citizens whose friendship our ambassadors so energetically cultivate.

This philosophy was not merely one of supporting antitrust laws. It was one that regarded them as superseding every other aspect of the national interest. It appeared to ignore, or at the very least minimize, what President Eisenhower and the Department of the Interior saw as a clear need for swift, unfettered action in a grave and urgent world situation.

What was accomplished by the Subcommittee's hearings? Out of the many sessions spent querying industry leaders, economists, and others—a mouse was brought forth, in the form of a "majority" report.

It was a majority report only by the slimmest margin. The 10-point document authored by the two Subcommittee members was refuted by the other

two members of the Subcommittee with a single exception.

There are 96 members in the United States Senate. Two of them succeeded in broadcasting a blistering attack on the oil industry, with which their two colleagues on the Subcommittee disagreed almost entirely. Yet this attack traveled around the world, and undoubtedly was accepted as fact by millions. It is a truth of mass communications that an accusation, almost without exception, will be played by the press more heavily than a denial. It can be assumed, sadly, that what the world audience received was at best a lopsided coverage weighted on the side of the majority report. This alone places a heavy responsibility on those who take advantage of mass communications to issue charges.

In its overseas operations, American industry has demonstrated that it recognizes its responsibilities as a symbol of the United States. It has made every effort to gain and keep friends wherever it goes, by acting fairly and conducting its affairs with honesty and dignity. Indeed, it has become one of our most potent and valuable diplomatic arms, paving the way for successful foreign relations by creating an atmosphere of mutual respect and trust.

The petroleum industry has nothing to fear from public inquiry, properly conducted. What it, and every individual, should fear and fight against is the flagrant misuse of public inquiry to spread misinformation to a puzzled world which looks to this country for leadership, vision, strength, and maturity.

#### "MAJORITY" FINDINGS REFUTED BY SUBCOMMITTEE COLLEAGUES

*In his painstaking, point-by-point refutation of the "majority" Senate Antitrust Subcommittee report, Senator Dirksen—who, along with Senator Wiley, dissented with the findings—declared, in part:*

"The oil lift was a success. Europe's essential oil needs were met without any interference in oil supplies to United States consumers. To say some other plan might have been better is like saying a substitute would have been better after the regular player has just hit a game-winning home run."

"The undisputed testimony of witnesses from all facets of the oil industry . . . shows that the increase in prices was long overdue. It was clear in the testimony that many small, independent companies in the oil industry would have been seriously

hurt, perhaps eliminated from business, if increases in prices of petroleum products had not followed the increase in the price of crude oil."

"The testimony adduced at the hearings, including references to previous Congressional reports, substantiates the need for continued application of the depletion provision in the Federal income tax laws to oil operations in areas outside of the United States of America, as well as those within this country. The success of American oil companies in developing oil reserves abroad has made an invaluable contribution to the security of the country and its allies."

"If foreign income taxes could not be used as a credit against payments toward United States Federal income taxes, all American business would

be taxed twice and under a great handicap in competing with companies domiciled in other countries."

"The majority report, largely adopting the unwarranted charges of the staff members that ownership by major oil companies of pipe lines is monopolistic . . . demonstrates a complete misunderstanding of pipe line operations."

"The unusual procedure of presenting these [the Subcommittee staff's] erroneous or ill-founded statements, conclusions, and recommendations in open session before the Subcommittee has created confused ideas throughout the world, especially in the Middle East and Europe, as to the operation and effectiveness of the oil lift program and as to the American oil companies' operations abroad as a whole."