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Congress of the United States

House of Representatives

Washington, D.C. 20515

October 29, 1976

Mr. John R. Pike
39 Paget Road
Madison, Wisconsin

Dear Mr. Pike:

Knowing of your concern, I wanted to write to you about H.R. 12112, the Synthetic Fuels Loan Guarantee bill, which was defeated on September 23.

I opposed the Rule and the bill because of a philosophical conviction: The economic success of this nation derives from a free economy, unencumbered by over-regulation and overcontrol by government.

Rather than eliminating the real cause of our energy shortage the synthetic fuels loan guarantee program would have compounded the problem by committing billions of the taxpayers' money into a highly expensive and inefficient technology subject to more government controls.

H.R. 12112 contained a highly controversial provision allowing \$500 million in price supports which was specifically rejected by the Science and Technology Committee. It would have exceeded the budgetary provision for the bill by \$750 million.

It completely omitted all of the Ways and Means Committee tax provisions which would have brought the bill into compliance with the Budget Act.

In addition, the version reported to the House floor was not given full and fair consideration by any of the committee involved--no hearings, no committee reports, no impact assessment.

When the bill was first introduced, it was referred to four different House committees, each of which approved its own separate version of the bill during the summer. However, the bill did not receive approval of the Rules Committee until September 16. The modified Rule given H.R. 12112 would have permitted only one hour of debate for each committee, and only supporters would have had time to speak on the floor.

The synfuel bill, in effect, would have constituted government financing of government regulation. The bill specified that a loan would not be approved for synfuel projects in a case where the applicant did not meet certain financial and management requirements.

I believe, conservation, rather than huge outlays for synthetic fuels production, is the most cost-effective way to reduce U.S. dependence on foreign oil imports. Decontrol will force conservation while encouraging greater exploration and development of energy sources.

One of the most responsible and realistic efforts toward achieving America's energy independence is the proposed Arctic Gas Pipeline which I have wholeheartedly endorsed. I have supported transportation of natural gas reserves in Alaska's Prudhoe Bay area via all-land pipeline to areas of the nation's experiencing severe natural gas shortages, including Wisconsin.

I could not support an energy program which would concentrate large sums of the taxpayers' money into a technology which does not realistically address the primary causes of our energy dilemma--overregulation and overcontrol of our domestic energy industry.

Again, many thanks for your continued interest in this matter.

Best regards,



ROBERT W. KASTEN, JR.
Member of Congress

RWK:vs