

HOUSE OF REPRESENTATIVES
Committee on
Interstate and Foreign Commerce
Room 1334, House Office Bldg.
Washington, D.C.

May 18, 1936.

Mr. Amon G. Carter,
The Star-Telegram,
Fort Worth, Texas.

Dear Mr. Carter:

I received the letter of Mr. R. E. Wertz of the Amarillo Oil Company, under date of April 18th, in reference to H. R. 11662, pending before the Interstate and Foreign Commerce Committee.

I can appreciate the natural interest that you would have in legislation concerning the gas industry.

This bill is a rather conservative bill, drawn along conservative lines of regulation, and omitting many of those troublesome features and regulations that have been proposed for the gas industry.

I believe that a candid review of the situation from the standpoint of all affected States would convince you that there is a substantial need of regulation. I believe it would, in the end, be far better for the industry to accept a fair, moderate regulator measure than to await the time when perhaps under public pressure a much more far-reaching and doubtful measure of regulation would be urged upon Congress.

There is a gap in interstate regulation that cannot be covered except by Federal Legislation.

I do not think we are warranted in assuming that the Federal Power Commission, which it is proposed to have jurisdiction over the Administration of this Act, will use its powers in a destructive or unfriendly way to the gas industry. A law properly administered should be helpful to the industry and help solve some of its problems.

The necessity of giving gas a chance to meet its competitive fuels is apparent, and I cannot conceive that the Commission would ignore that phase in whatever power it may exercise. In fact, the Commission is to have no right to fix local rates for industrial purposes.

The purpose of the proposed legislation is not to restrict the legitimate use of gas, but rather to encourage such use.

The bill does not propose any control of production or waste. It leaves that problem to the State. If compacts are made, they can only be entered into with the approval of each State concerned, and then the Federal government would cooperate to carry out the purposes of such compacts, which might include conservation and prevention of waste.

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I am sure my Committee is not unconscious of the practical situations you suggest, and I am very glad to have your letter for consideration in that connect.

So far as I am able to judge, it is not likely that radically different amendments will be adopted in this measure so as to make it more objectionable as you apprehend might be the case.

Appreciating your interest, I am

Sincerely yours,

(Signed)

Sam Rayburn

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