

State and Local

A&M prof: Oil import fee plan may backfire, raise fuel prices

By Jo Ann Able
Staff Writer

While the drop in crude oil prices has sparked support from many state and federal officials for an oil import fee, a Texas A&M accounting professor warns that the plan may backfire.

Dr. Larry Crumbley, whose research focuses on the energy industry, says the fee has a definite downside. Sixth District Rep. Joe Barton is sponsoring a bill for a five-year oil import fee that sets a target price for

oil at \$22 a barrel. If the market price is lower than that target price, as it is today, the fee would be the difference between the market price and the target price. If the market price is higher than that \$22 target price, there would be no fee.

Barton says the purpose of the bill is to set a price level for oil that would keep American producers in business until natural market forces bring the price back up.

"I don't think we should just stand by and let the OPEC cartel drive our Texas oil producers out of business,"

Barton says. "They're not going to keep the prices down at the levels they are today for a very long period of time. Once they get our people out of business then they would allow the price to go back up when we wouldn't be in a position to do anything about it."

Crumbley says propping up depressed oil prices would result in higher fuel prices for consumers at the gas pump. He says the current drop in consumer transportation costs should have an impact on the inflation rate that would benefit the entire economy.

Barton says that although an import fee would cause slightly higher gasoline prices, he thinks Texans would be willing to spend an extra 15 or 20 cents a gallon to maintain jobs and oil exploration in Texas and ensure as much domestic production as possible.

"It's kind of like the oil filter commercial," Barton says. "You can pay a little bit now or pay a lot later."

Crumbley says he believes the fee would be unevenly distributed on regions within the United States that depend more heavily on oil, especially agricultural areas, which currently are enjoying a decrease in the costs of fuel and fertilizer; and domestic manufacturers of plastic, glass, cement, paper, steel, textiles, chemicals and paint.

Barton says the bill contains no exemptions, so everyone would pay the same price for petroleum-based products. If Congress wanted to make a special exception for agricultural users, Barton says it could be

handled in another piece of legislation.

"But in order to work, the import fee would have to be simple and easy to administer," Barton says. "I wouldn't want to begin making a lot of exceptions and exemptions in this bill because it would make it too cumbersome."

Crumbley says another ill effect of an oil import fee is the creation of large new administrative bureaucracies which may cause significant market distortions.

Barton says his import fee bill, unlike the price control systems of the early 1970s, has no quotas to equalize prices. The fee would be administered by customs officials at the point of entry, he says.

"We already have adequate administrative personnel to check the tankers that are coming in and how many barrels of oil they have," Barton says. "It would be a simple procedure to multiply the number of barrels times the fee and remit the money to the treasury."

Crumbley says he is worried by the fact that when oil was at \$22 a barrel a couple of years ago the industry was flat on its back — there was no drilling even then.

"Now they want to bring it (the market price) back to \$22," Crumbley says. "If it didn't help then, how's it going to help now? It would bring in revenue and help the deficit, but I'm not sure what it would do for drillers."

Barton says he has spoken to hundreds of people in the oil industry who told him that \$22 is the price

In Advance

Three voting sites listed for freshman class elections

Voting for Tuesday's freshman elections will be from 9 a.m. to 6 p.m. at these polling sites: the main lounge of the Memorial Student Center, in front of the Sterling C. Evans Library and outside Sbisra Dining Hall.

In the event of rain, the Sbisra site will be moved to the A-1 lounge.

Freshmen must present a current Texas A&M identification card at the polling site in order to vote.

Congressional candidates to address Student Senate

Congressional candidate Pete Geren and a representative for U.S. Rep. Joe Barton will speak to the Student Senate at its meeting Wednesday at 7:30 p.m. in 204 Harrington.

Geren and Barton will face each other for the U.S. 6th District congressional seat in an election Nov. 4.

Geren and Barton's representative each will speak five minutes and then answer questions from the senate, said Miles Bradshaw, speaker of the senate. The senate invited Geren and

Barton to speak because it believes students have the right to be informed of the candidates' views concerning higher education, Bradshaw said.

In other action, a resolution calling for A&M to divest its interests in South Africa will be introduced to the senate, Bradshaw said.

He also said a bill may be put on emergency that, if passed, would form a student-faculty committee to oversee the University Police Department's budget.

Electronic bug found in campaign office

AUSTIN (AP) — Federal and state authorities Monday were investigating the discovery of an electronic bug in the office of Republican gubernatorial candidate Bill Clements' campaign strategist.

"Our agents verified it is an operable, clandestine listening device," said David Wells, spokesman for the Texas Department of Public Safety.

"We will be conducting an investigation in cooperation with the FBI to determine if it was used to illegally intercept communications and who is responsible," Wells said.

Clements campaign manager George Bayoud said the device was found by private investigators Sunday night behind a picture in the office of Karl Rove, Clements' chief strategist in the race against incumbent Democratic Gov. Mark White.

Neither Bayoud nor Rove said they knew who placed the device in Rove's office.

"We don't know," Rove said. "We may never know. I do know

for a fact, certain, who benefits most from the kind of knowledge you'd get from listening in on my telephone conversations. That's our political opposition."

A spokesman for White said directing an allegation at the governor's re-election campaign would be bizarre and incredible.

"If they found a bug, that's a serious matter," said spokesman Mark McKinnon. "But if they're blaming us, it's a bunch of bull."

"I'm here with all the key people of this campaign. There was absolutely no knowledge of it."

McKinnon noted that Clements' staff announced the discovery only hours before the candidates scheduled statewide televised debate.

"I think it's clear this seems to shift the focus of the debate," he said.

Clements officials said they decided to hire investigators after details on planned purchases of television time and discussions about hiring Lee Atwater, a political operative for Vice President George Bush leaked out.

Clements, White report campaign finances

AUSTIN (AP) — Republican challenger Bill Clements has about \$152,000 on hand in his campaign accounts, while Democratic Gov. Mark White has close to \$2 million, spokesmen for the campaigns said Monday.

Monday was a filing deadline for state-required campaign expenditure reports. White's finances were reported in a series of

documents related to several campaign committees. Shannon Ratliff, White's campaign treasurer, said the bottom line shows White has raised about \$8 million and spent \$6 million.

"I think it's gone very well," Ratliff said. "You are correct to perceive that this has not been an ideal year for raising money."

"I'm sure we still are going to be trying to raise

more. It seems like, based on (Clements') media... he's buying everything he can buy. He's apparently relying on paid media."

John Weaver, Clements' deputy press secretary, said the GOP candidate and ex-governor has raised \$6,260,000 and spent \$6,110,000.

"Our fund-raising is ongoing and it's strong," Weaver said.

level that could keep the industry in business until the market recovers.

"It would keep domestic stripper wells in production, which are the wells that produce less than 10 barrels a day," Barton says. "It's a sufficient price to do some exploration activity, to keep some people out

working on the seismic crews and the land crews, doing some wildcatting."

It won't create a huge boom, he says, but it should increase the number of drilling rigs operating today from about 700 back to about 1,500 or 2,000.

Freshmen & Sophomores RE: YearBook Photos

Photos for freshmen and sophomores will be taken until Oct. 31 at AR Photography II at 707 Texas Ave. (across from the A&M Polo Field).

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