

# Oil companies accused of overcharging customers

WASHINGTON (AP) — The government yesterday accused seven major oil companies of overcharging their customers nearly \$1.7 billion during a 5½-year period and said the money should be refunded.

The Energy Department proposed orders to make the oil companies return the alleged crude oil overcharges, either to customers or to the federal treasury.

Paul Bloom, special Energy Department counsel for compliance, said no charges of criminal activity were involved.

The companies were accused of violating federal price controls on crude oil, mainly by incorrectly classifying oil into categories that would allow it to be sold at higher prices.

Bloom said the total of nearly \$1.7 billion in overcharges included about \$500 million previously alleged as possible overcharges. He

said the \$500 million is now included in the new enforcement actions seeking refunds from the companies.

He said the proposed orders seek refunds totaling \$888,328,889 from Texaco; \$577,959,477 from Gulf Oil; \$101,618,243 from Standard Oil of California; \$42,023,718 from Atlantic Richfield; \$29,063,516 from Marathon Oil; \$24,139,927 from Standard Oil of Indiana, and \$16,969,403 from Standard Oil of Ohio.

A Marathon Oil spokesman commented that the overcharging allegation was "completely untrue." Spokesman Bill Ryder said his company would "vigorously oppose" any refund order.

Standard Oil of California said it has abided by the Energy Department's rules and regulations, but could not comment specifically because it had not seen the proposed order.

Standard Oil of Indiana issued a statement saying company officials had not yet seen the proposed order and could not comment specifically. But the statement said the Energy Department has given the company adequate opportunity to explain its pricing actions.

Standard Oil of Ohio also had no immediate comment.

Bloom told a news conference that legal representatives of all seven companies were notified of the proposed orders by telephone Tuesday afternoon and had received copies of the proposed orders yesterday morning in Washington.

Bloom said some 67 enforcement actions had previously been taken, alleging a total of some \$2.3 billion in overcharges for crude oil.

Since about \$500 million of the \$1.7 billion in yesterday's proposed orders was included in the

earlier actions, the total of alleged overcharges now has climbed to about \$3.5 billion, Bloom said.

The allegations have stemmed from audits of the major refiners to check their compliance with federal price regulations from August 1973 through March 1979.

Bloom said most of the alleged pricing violations involved incorrect designation of oil producing property in which oil that should have been classified as "old" oil was sold as new oil at a higher price.

He said other violations involved classification of some oil as having come from so-called "stripper wells" — low production wells that are exempt from federal price ceilings.

The Energy Department said some of the companies redrew boundaries of their oil fields in order to increase the amount of oil that could

be classified as "new oil" — that produced from wells placed in operation after 1972.

Production added to an oil field after 1972 can be sold at the "new" oil price of \$13 per barrel, while "old" oil is limited under price controls to \$8 per barrel. Thus, on paper, a field that produced mainly "old" oil could appear to be "new" oil land, the department said.

The oil companies have 40 days to file objections to the allegations and seek agency review. If unsatisfied with that review, they can eventually take the cases into federal court.

If overcharges are confirmed, the Energy Department wants the money refunded directly to customers whose claims can be identified. Overcharged money that cannot be refunded to specific customers may be refunded to the general public through rollbacks of prices by the companies.

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### Realtor runs for supervisor

## Conflict of interest feared

By JIM WILHELM  
Daily Collegian Staff Writer

A direct conflict of interest would exist if Ralph F. Brower were elected third ward supervisor in Ferguson Township, according to two members of the Park Hills Homeowners Association, a group opposed to the proposed Ferguson Mall.

Brower, a Century 21 realtor, is running unopposed for supervisor in the May 15 primary elections. Brower has been employed by Oxford Development Company, contacting residents living near the proposed mall site on the Dreibeibis farm tract to secure options to purchase their homes.

"If he were elected supervisor he'd have a direct conflict of interest if he had to vote on mall decisions," said Chester Gnat, assistant to the University provost and president of the Park Hills Homeowners Association.

Gnat said Brower's reasoning that the mall decision would be completed by the time Brower would take office in January is not accurate.

"So many unusual things have happened with this proposed mall so far that it's hard to say when all the decisions will be completed," Gnat said. As an example, Gnat cited the recent failure of the Centre Daily Times to print the second notice on the proposed mall's public hearings. The error forced the postponement of the hearings until May 23 and 24.

"Certainly Mr. Brower is going to be involved with mall

decisions if he's elected," said Benjamin Novak, attorney for the Association. "There are continuing decisions that have to be made about the mall, such as the approval of traffic lanes, police protection and drainage plans.

"Common sense tells you that if he has to make any decisions relating to the mall, he's going to have a direct conflict of interest," Novak said.

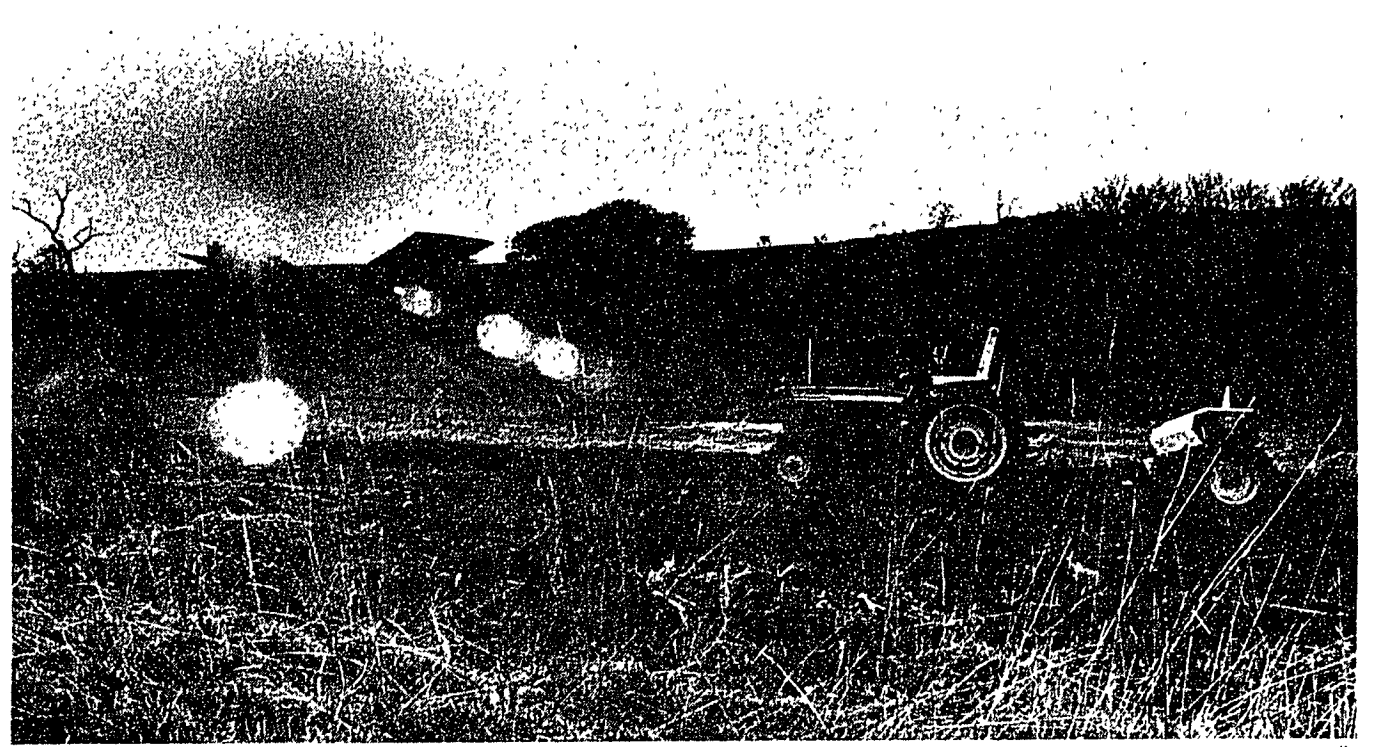
Brower told The Daily Collegian Tuesday he did not feel there was any conflict of interest involved with his candidacy. He said he was running for supervisor because he was "sick and tired of some of the things I saw going on in the township . . ."

Board of Supervisors Chairman Ernest Bergman said he doesn't feel Brower would face a conflict of interest "as long as he abstains from voting when any decision on the mall arises."

"I think any man has a right to run for township supervisor," Bergman said. "Of course as a realtor, he'll probably have to abstain from voting more often."

In a related action, Ferguson Township Planning Commission member Martha Hummel voluntarily abstained from a discussion and recommendation vote on the mall at the commission's meeting Monday night.

Hummel said she had a conflict of interest on mall decisions because she is employed as a sales associate at Brower's offices at 125 E. Nittany Ave.



Sunrise, sunset

The sun may be setting over Beaver Stadium, but this University employee is still making tracks and sowing the fields with oats.

### Israelis march along occupied West Bank

TAPUAH, Occupied West Bank (AP) — Thousands of Israelis celebrating independence day marched through the occupied West Bank yesterday and Prime Minister Menachem Begin reiterated that Jews have the right to settle in the disputed lands.

The nationalist march sparked protests among West Bank Palestinians. An Arab youth was shot in a Bir Zeit demonstration and 10 West Bank mayors marched peacefully through the city of Nablus to demand an end to Jewish settlements in the West Bank of the Jordan River.

The mayors also resolved to call a general strike May 15 against settlements, against the autonomy plan and against the Israel-Egypt peace treaty, which they said is a sellout of the Palestinian cause.

Begin, in a radio interview broadcast on Israel's 31st independence day, said his negotiators would demand the continuation of Israeli settlements when talks on West Bank autonomy start late this month.

"It is completely obvious that we have the right to settle in Eretz Israel," Begin said, using the Hebrew term that includes both the West Bank and Israel in its pre-1967 borders.

The West Bank march, centered in the new settlement of Tapuah, 25 miles north of Jerusalem, was called "march for Eretz Israel," and it drew at least

10,000 Israelis, who came in scores of buses and hundreds of private cars.

The Israelis, some from other West Bank settlements, sang Hebrew songs, chanted nationalist slogans and carried banners as they walked a dusty eight-mile course near Tapuah in the heart of the Arab-populated West Bank.

The march was organized by Gush Emunim, an ultranationalist settlement organization whose name means "bloc of the faithful."

Trouble erupted in Bir Zeit, 15 miles north of Jerusalem, when about 100 Palestinian youths barricaded the road and threw stones at Israeli cars heading for Tapuah.

Naib Nahleh, 18, was hit in the chest by a bullet. Israeli military sources said Israeli soldiers apparently were not in the area at the time, indicating that an armed Israeli civilian may have fired to break up the rock-throwing.

Nahleh was reported in good condition after surgery to remove the bullet.

One of the West Bank mayors, Fahed Kawasmeh of Hebron, denounced Egyptian President Anwar Sadat's comment on Tuesday that the West Bank and Gaza Strip belong to Egypt and all Arabs, not to the Palestine Liberation Organization.

The 100 people in city hall rose to their feet after Kawasmeh said: "We are of one mind that the PLO is our representative — in the past, now, in the future, forever."

## Council forms committee to study Phi Psi

By RON YOUNG  
Daily Collegian Staff Writer

A special advisory committee has been formed to make a recommendation to State College Borough Council on the fate of the Phi Psi 500.

The committee was formed last night at a special meeting held at the State College Municipal Building to discuss the drinking, clean up and vandalism problems that resulted from the annual Phi Psi 500 race April 21.

Members of the committee include Mayor Arnold Addison, Borough Council President Ingrid Holtzman, Borough Manager Carl Fairbanks, State College police chief Elwood Williams Jr., Borough Solicitor Robert Kistler and Raymond O. Murphy, vice president for student affairs.

Addison said the committee would listen to a tape of the meeting and would then make a recommendation to borough council on the fate of the beer drinking race.

During the meeting Matt Rhodes, chairman of the Phi Psi 500, said some of the problems were outside the control of the Phi Kappa Psi fraternity.

Rhodes said the race was held "on the first beautiful day of spring," which brought a lot of people out to release tensions and have a good time. He said the fraternity could not be responsible for people who lost control.

Rhodes admitted the race ran too long and said most of the problems began during the last 45 minutes of the event. He said the race was expected to end at 3 p.m. but was not over until 3:45 p.m.

Lt. Ronald Smeal, of the State College Police Department, said, "The situation was as bad as I've seen it here in 11 years."

Smeal said people were walking anywhere they wanted to without any consideration of the traffic problems or the patrolmen on duty.

"I had plainclothes officers in bars who said people were paying as much as \$10 a six-pack, telling bartenders to keep the change. As a result, bartenders were not too anxious to check cards," Smeal said.

Smeal gave a slide show of the Phi Psi 500 at the meeting and said there were underage people drinking in the streets. He said he could not be sure of their ages, but if he had been on the street he would have checked them.

Smeal said the crowds would not listen to the patrolmen on duty. The patrolmen had to dodge garbage and debris from the high rise apartments all day, he said.

Rhodes said crowd enforcement is going to be a big problem in any future events and the fraternity had not come up with any practical solutions.

The problems came from "a large crowd that got out of control," Rhodes said. The event is not bad just because it attracts so many people, he said.

"There was no fear of retribution in the crowd . . . the police force was not visible," Rhodes said.

If the visibility of the police force were increased downtown some of the problems might disappear, Rhodes said. Some of the Phi Kappa Psi brothers were out trying to control the crowds, he said, but they had no authority over the people and were ignored.

Robert Shirk, president of the Downtown Businessmen's Association, said downtown State College business suffered because of the 500. Shirk compared the drop in business to the loss when the arts festival is held downtown.

"I think the borough fathers should look long and hard before they grant another permit for the Phi Psi 500 or any other event of that magnitude," Shirk said.

Shirk is the owner of the State College Floral Shoppe at 127 W. Beaver Ave.

"It is obvious that the Phi Psi 500 generated more problems than were expected," said Lloyd Sorrels, a private detective from State College. "I reject the remarks about how much money was raised for charities. It does not justify the amount of damage that was done to the town."

Sorrels said if drinking liquor is a prerequisite of the Phi Psi 500, he thinks it should not be held next year. He suggested the race be held on campus and the participants drink milk or soda.

Robert Albright, manager of the All-American Rathskeller, said the race was one of the worst he had ever seen. He said at least 12 to 15 dozen glasses were broken at the Rathskeller during the event.

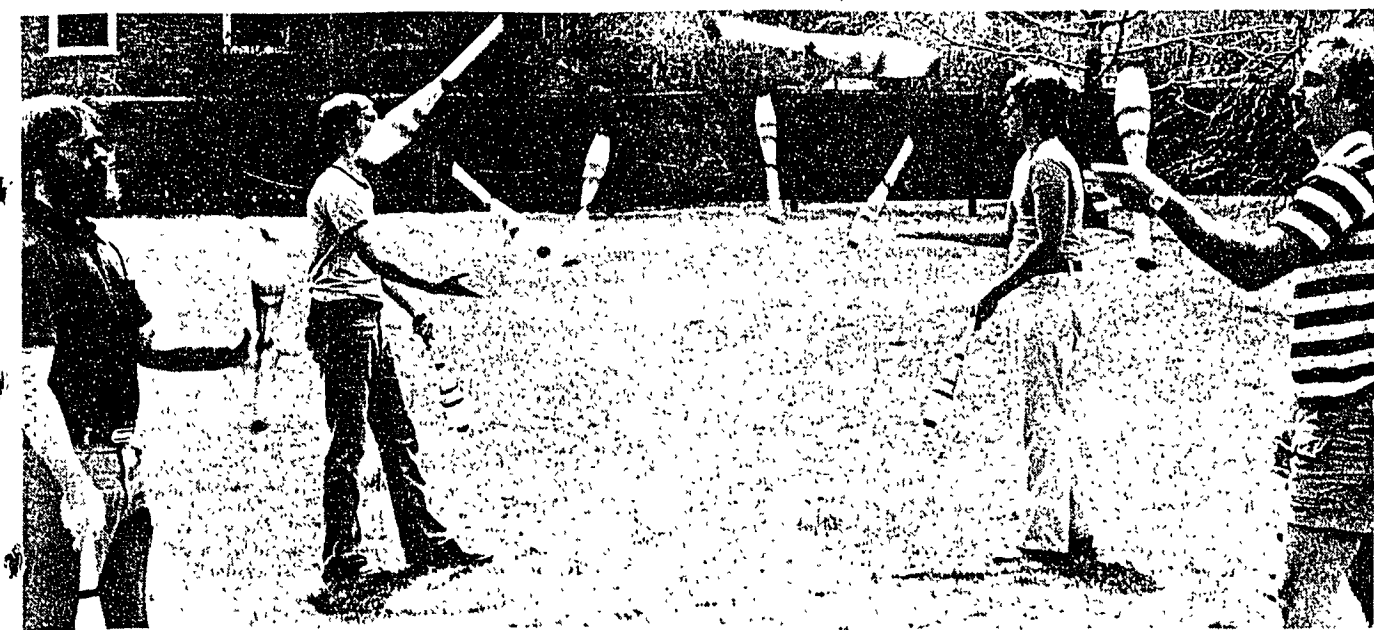
Albright said accusations that beer was being served to minors were untrue. "Statements made that we were serving beer to minors were wrong," he said.

Unless some of the problems are corrected the Rathskeller will not take part in any more Phi Psi 500 races, Albright said.

Fred Richenderfer, Phi Kappa Psi chapter advisor, said, "We can move the race out of State College very easily, but I think the tradition of the race would be lost and the race would be watered down."

### Clarification

In yesterday's Collegian, an article reported University faculty wages could be cut next year due to budgetary problems. University officials said faculty wages may be cut later, not next year.



Juggler's Vein

Instead of juggling figures in equations, these math professors and a student are juggling duck pins. From the left, David Sibley, Joe Bradley, Jim Frank (9th-computer science), and Brad Jackson can be found practicing on almost any sunny afternoon.

## British election race to be close

LONDON (AP) — Britain's 41 million voters decide today whether the country will continue along a moderate socialist path under the Laborites of Prime Minister James Callaghan or take a sharp turn to the right under the Conservatives of Margaret Thatcher.

The latest opinion poll indicated a fairly even split among the country's 41 million voters, raising the prospect of a "hung Parliament," with neither the Laborites nor the Conservatives winning an overall majority to govern the country for the next five years.

Four last-minute polls in today's morning newspapers predicted Mrs. Thatcher will topple Callaghan.

Three polls backed a Conservative forecast of a 25 to 30 seat majority in the 635-member House of Commons, while the established Gallup Poll predicted the Tories will win only a slight margin, and probably not enough for an overall majority.

Before the polls were published,

Callaghan and Mrs. Thatcher cautiously claimed their parties would triumph.

"We have considerable grounds for cautious optimism," Mrs. Thatcher said at her final pre-election news conference yesterday.

Callaghan closed the campaign after a visit to his own parliamentary district in Cardiff, Wales. "If you vote Conservative you'll vote for change with chaos," he said last night. "Tomorrow's vote is going to determine the shape of our society in the 1980s."

Both leaders must run for re-election to the House of Parliament in their own districts. Mrs. Thatcher's district is in suburban London.

Callaghan has been fighting an uphill battle since a no-confidence vote forced dissolution of Parliament in March. Mrs. Thatcher at first seemed confident in her quest to become Europe's first woman prime minister.

But the polls showed that the early 22 percent commanding lead of the Con-

servatives, or Tories, as they are called, was steadily whittled down during the month of campaigning.

A National Opinion Poll survey taken Monday for the conservative Daily Mail showed Labor pulling ahead by a slender 0.7 percent margin. Some analysts predicted the lead could be 2 percent by election day, still not enough for a commanding majority.

The parties need at least 318 seats to win a majority.

### Be gentle

For the Gentle Thursday activities we'll have considerable cloudiness with only a few peaks of sunshine possible. There will be a few afternoon showers though with only a couple hours of rain and a high of 70. Tonight and tomorrow will be mostly cloudy with a few showers with a low of 54, and a morning high of 63 tomorrow.