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17th ANNUAL MEETING September 24-27, 1980
Mobile, Alabama

CBS REPLIES TO CONGRESSMAN LIVINGSTON

EDITOR'S NOTE: In the February issue we were able to publish Congressman Robert L. Livingston's letter to Mr. John D. Backe, President of CBS. At press time last month we did not yet have permission from CBS to publish their answer to Congressman Livingston's letter. We do now have that permission and are publishing herewith the replies which Congressman Livingston received from Mr. Backe. These are lengthy, I realize, but one of Mr. Backe's requirements was that we publish his response in its entirety. We are pleased to do this inasmuch as quite a few of our members felt that it was important that we get all of this material out to you.

CBS
51 West 52 Street
New York, New York 10019
(212) 975-5152

John D. Backe, President

Dear Congressman Livingston:

As a detailed reply to the matters raised in your letter of November 6, I am sharing two internal CBS memoranda which are enclosed.

The first deals with the Mobil and Kaiser Aluminum situations and was developed by Gene P. Mater, Vice President and Assistant to the President, CBS/Broadcast Group. Mr. Mater appeared in behalf of CBS at the November 13 hearings before the Subcommittee on Communications of the House Committee on Interstate and Foreign Commerce, a hearing which covered all of the subjects you have mentioned.

The second treats the specific financial questions you cite and was prepared by Jeffrey S. Rapaport, Director, Investor Relations.

These memoranda represent a good faith effort to provide you with a thorough analysis of the points

at issue.

With all good wishes,

Sincerely,

/s/ John D. Backe

The Honorable Robert L. Livingston
United States House of Representatives
Room 130 Cannon House Office Building
Washington, DC 20515

Encls.

November 29, 1979

CBS MEMORANDUM

FROM: Gene P. Mater (CBG)
TO: JOHN D. BACKE
DATE: November 27, 1979

Congressman Livingston, in his letter to you of November 6, has posed a number of serious questions regarding the CBS News report about the Mobil earnings and our rejection of the Kaiser Aluminum and Chemical Corporation commercial announcements. We have done our best to give these questions an equally serious airing internally and subjected them to a careful analysis with the following results.

(I have not attempted to cover those matters which are financial in nature and assume these will be handled elsewhere.)

1) Kaiser Aluminum and Chemical Corporation.
This was one of the subjects covered in a hearing on November 13 before the Subcommittee on Communications of the House Committee on Interstate and Foreign Commerce. I appeared in behalf of CBS on a panel of five witnesses representing a range of interests. A copy of my prepared statement is attached. In the course of those hearings, all of the major items men-

BUSINESS AFFAIRS OF THE INSTITUTE

Annual Meetings:

17th Annual Meeting - Mobile, Alabama
 September 24 - 27, 1980
 General Chairman: Jack H. Bryan
 Headquarters Hotel: Hilton Inn-Mobile

Other Annual Meetings:

18th Annual Meeting - Williamsburg, Virginia
 November 5 - 7, 1981
 General Chairman: John Kent Kane II
 19th Annual Meeting - Pasadena, California
 October 13-16, 1982 (NOTE: DATES NOW SET)
 General Chairman: Howard T. Anderson
 20th Annual Meeting - Jackson, Wyoming
 (DATES NOT SET AS YET)

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APPLICATIONS RECEIVED

ABSHIER, Jon F.; Golden, CO
 J.E. Keenan; A.G. Alpha; J.W. Furlow; R.V. Moore
 R. L. Brittain; R. R. Bower
ARCHINAL, Bruce E.; Houston, TX
 A. Logan; N. Fisher; R. Barton; V. Hansen; C. Baird
BELL, Dennis L.; Cedar Park, TX
 J.A. Wheeler; R. T. Kent; L.J. Turk; W. D. Hall;
 S. D. Hulke
BROWN, Michael P.; West Palm Beach, FL
 A. Kreitman; D. Spangler; G. Parker; T. Missimer;
 S. Upchurch
BUTLER, Dwain K.; Vicksburg, MS
 R.C. Benson; W.D. Reves; C. C. Mathewson; R. F.
 Ballard; D. M. Patrick
COTTRELL, Willard M.; Bellaire, TX
 L. F. Villanueva; V. A. Gotautas; A. Trepagnier;
 J. S. Schoelen; E. S. Hastings
DALY, Francis V.; Bellaire, TX
 C. E. Trowbridge; S. Chuber; E. G. Lipp; E. Turner;
 L. F. Villanueva
FEEGER, John A.; Buffalo, WY
 W. P. Hewitt; D. W. Lindgren; W. D. Michell; J. H.
 Moses; D. H. Whitehouse
FERRIS, Jon A.; Tulsa, OK
 C. Ferris, J. J. Rupnik; J. E. Upp; A. J. Schisler;
 N. J. Christie; D. K. Henderson; R. J. Weimer
FORSTER, Kim H.; Wise, VA
 R. Brant; R. Mullenex; M. Miller; L. Dick; R.
 Dolzani
GRANT, Stanley C.; Iowa City, IA
 W. B. Howe; B. Ostrom; D. Miller; J. A. Simon;
 F. H. Dorheim
HATCHELL, William O.; Santa Fe, NM
 E. C. Arnold; H. S. Johnson; J. W. Blagbrough;
 R. C. Lease; D. R. Metzler; J. M. Hill
HATTON, Kay Smith; Santa Fe, NM
 E. C. Arnold; J. M. Hill; L. N. Chaturvedi; F. West;
 R. Arndt; W. M. Sackett
KIRKHAM, Robert M.; Denver, CO
 J. Rold; A. Hornbaker; D. Pearl; D. Shelton; T.
 Bretz
KNOX, Jan; Austin, TX
 J. Stearman; J. Sansom; B. Bluntzer; B. Price;
 B. Klemt
LAMPIRIS, Nicholas; Aspen, CO
 J. Rold; A. Hornbaker; R. Pearl; L. Ladwig; D.
 Laing
LEONHART, Leo S.; Kennewick, WA
 C. E. Harris; A. G. Harris; F. A. DeLuca; R. A.
 Deju; R. Jackson
McCLELLAN, Jack L.; Roswell, NM
 D. Kinchloe; R. H. Cress; E. K. David; W. J. LeMay;
 K. C. Havenor
McCREVEY, John A.; Houston, TX
 E. J. McHuron; R. E. Warren; H. M. Britt; J. Craig;
 N. Rietman
McFADYEN, John B.; Mobile, AL
 J. H. Bryan; R. L. Siesen; F. F. Mellen; J. W. Erwin;
 R. Coogan
PARKS, John H.; Marion, IA
 O. J. Van Eck; S. Grant; W. I. Anderson; D. F.
 Nolan; R. Campbell
ULSTRUP, Robert A.; Houston, TX
 R. M. Berry; G. McDaniel; A. J. Setari; J. P.
 Clark; F. D. Mueller

VOYTEK, John E., Jr.; Minneapolis, MN
R. L. Schreurs; D. Johe; G. R. Ford; T. L. Davis;
F. G. Driscoll
WERTH, Erhardt P.; West Hempstead, NY
D. W. Miller; J. Isbister; J. A. Bart; B. Nemickas;
H. F. Ku; R. L. Stollar

If any Member has any recommendations, positive or negative regarding the qualifications of any of the above applicants, please mail your comments to General Headquarters within 30 days. Your comments will be held confidential within the Executive Committee and Screening Board of the local Section.

1980 DUES STATEMENTS

1980 Institute dues were due on January 1, 1980. The deadline, to avoid delinquency, is March 31, 1980. After that date there will be a \$10.00 late penalty. Your dues payment prior to that date will be greatly appreciated.

(Continued from front page)

tioned by Congressman Livingston were covered in some detail. The two and one-half hour session focused on the fairness doctrine, turndown of the Kaiser Aluminum commercial, the Mobil situation and political advertising. I am sure that the hearing transcript, when available, will be of interest to Congressman Livingston.

The Congressman, understandably, asks why he has not received a response to his letter to Neil E. Derrough, Vice President and General Manager, WCBS-TV, dated July 17, 1979. I spoke with Mr. Derrough. His office has no record of having received the letter. Had such a letter been received, it would not have been ignored. Nor was there any reason to avoid an answer since our position in the matter and the reasons for it were well known.

2) Mobil News Story. As to the Mobil complaint, this has been examined in detail by the responsible executives at CBS News. The stand behind the Ray Brady story, which they consider fair and accurate. In fact, CBS News points out that some of Mobil's contentions simply are not correct. Our report was not primarily about Mobil, but about oil industry accounting practices in general. This issue -- how integrated oil companies account for their domestic and foreign profits -- has been debated for years. Governmental agencies and Congressional committees have raised questions regarding these practices, and CBS News believes it certainly was proper for the broadcast to raise some of these issues at this time of public uncertainty over the nature and sources of oil company profits.

Contrary to what Mobil stated in its ad, CBS News took no position on the issue of oil company profitability. We reported the percentage increase over last year's third quarter profits -- the very same fact that Mobil put at the beginning of its press release the day of our report. Mobil apparently believed that was the most important fact; so did we.

The spokesman for the Energy Action Educational Foundation, which Mobil criticizes, was clearly labeled four times in the report as an oil company critic. CBS News was reporting one side of a legitimate dispute,

just as it has reported the oil company side of the profitability question numerous times over the past month, including interviews on the MORNING NEWS broadcast, on the CBS EVENING NEWS, and a full half-hour interview with Jerry McAfee, Chairman of Gulf Oil Corporation, on FACE THE NATION.

In fact, over the past six months, oil company spokesmen have appeared 17 times on the CBS EVENING NEWS, 10 times on the MORNING NEWS (of which three appearances were in-depth studio interviews), and four times on FACE THE NATION. What Mobil did not say in its advertisement is that CBS News attempted to get a Mobil spokesman to appear as part of Ray Brady's report that evening. Despite a call from CBS News, Mobil never replied. Mobil feels that they have been grievously wronged by the report; yet on the day of the report they didn't think it important enough to return the CBS News call and agree to appear as part of that report. I should add that, at the November 13 House hearings, Chairman Lionel Van Deerlin said after the five panelists had read their prepared statements: "It might be noted a representative of Mobil Oil Company was invited as the sixth panelist, whose interest in this subject was manifest in advertising in the Washington Post and other newspapers recently. The company spokesman said that unless we could assure them a half-hour uninterrupted to present their case, they would rather not appear. I appreciate that all of you have managed to be heard, all five of you, within a half hour." (The panel of five included the Chairman of Kaiser Aluminum, Cornell C. Maier.)

Mobil also makes much of the fact that CBS News developed the thesis of the report before Mobil's earnings were announced. In one sense, they are absolutely correct; but the implication Mobil draws is misleading. CBS News had been working on a story for some time, regarding the views of Europeans who, some industry observers believe, are bearing a disproportionate share of rising oil product prices because of the presence of price controls on some U. S.-produced oil and the absence of price controls in Europe. This was what Ray Brady's report was all about. It was a legitimate story, which was only indirectly related to Mobil's earnings. Had Mobil not announced its earnings that day, CBS News would have used the report anyway, because it dealt with a more general issue than the question of Mobil's profits.

Finally, I would add, in response to Congressman Livingston's specific question about our willingness to announce our own profit figures, the following observations. Whether profit figures for any industry (oil, or broadcasting or other) become a matter of focus for CBS News is strictly a news judgment in which management does not share. However, it is not too difficult to appreciate why oil company profits at this time are infinitely more newsworthy than those of broadcasting. Congressman Collins (R-Texas) asked me a similar question at the November 13 hearing:

"Just how much did you state the profits of CBS? You have to use a yardstick to compare. In other words, you said they were making the big ripoff. They make less than your network. You could have made that comparison. Why didn't you use a yardstick?"

To which I replied:

"I think the answer to that, if I

might venture into the news area, is very simple. And that is that the average man in the street does not buy network time, but does buy gasoline."

However, no one should imply that CBS News does not deal with broadcast industry matters. It has done so on special broadcasts and in its regular news coverage and often in ways which were critical of the industry and CBS itself. The segment entitled "The Ratings Game" on 60 MINUTES of September 17, 1978 dealt unflatteringly with network broadcasting and presented profit figures for all three networks. Jeff Greenfield, as a regular featured television critic on SUNDAY MORNING, a production of CBS News, is noted for his sometimes devastating commentaries on television programming and the industry in general. Another illustration is found in a two-part broadcast produced by CBS News, "Is Anyone Out There Learning?" In it were the following comments from Walter Cronkite:

"A major factor in the learning process, both in school and outside, is television. And in case you haven't been listening, television has been talking quite a beating for its impact on education. We'll look next at the reasons why.

"It's easy enough for people in our business to say that television is simply an easy target for criticism of many things gone wrong. We are a substantial part of most people's time. We are visible, we are vulnerable, and we have a responsibility for self-examination, especially to look at the accusations that television is a major reason for the decline in the education of our youngsters."

"Our CBS News poll shows that 40% of the people we interviewed say that television has had a bad effect; 23% say its had a good effect; the rest say it has a mixed effect, no effect, or they have no opinion . . ."

In addition, on CBS News regular newscasts numerous industry matters have been treated, usually in reports which deal with criticisms made of the industry by political figures or others.

In all these matters the standard applied is a constant one. It is the professional news judgment of CBS News.

While it is easy to understand the concern which prompts Congressman Livingston's questions, I am confident that we have conducted ourselves conscientiously and with fairness in handling the problem areas to which he refers.

BEFORE THE SUBCOMMITTEE
ON COMMUNICATIONS HOUSE
INTERSTATE AND FOREIGN
COMMERCE COMMITTEE

Statement by Gene P. Mater
Vice President and Assistant to the President
CBS/Broadcast Group
November 13, 1979

I appreciate the opportunity to state briefly the

views of CBS on the fairness doctrine and questions relating to public access to broadcasting, as outlined in your letter of invitation.

I wish to emphasize at the outset that throughout its history, CBS has been committed to the fair and objective presentation of news to the public. However, CBS regards the concepts of governmentally enforced fairness and access as fundamentally inconsistent with the free press guarantees of the First Amendment. Accordingly, we have long opposed any such existing or proposed intrusions by government into the realm of journalistic discretion and responsibility.

It should be emphasized that the presentation of varying viewpoints is and has always been an integral part of broadcast journalism. Indeed, a key feature of CBS news and informational broadcasts is the presentation of different viewpoints in a variety of formats. These presentations, however, reflect editorial judgments by broadcast journalists -- judgments as to the newsworthiness of issues and events and the selection of appropriate spokesmen.

There are those, of course, who are not satisfied with the amount of attention that their particular views or messages receive in normal journalistic channels. But in Columbia Broadcasting System v. Democratic National Committee -- the 1973 case in which the U.S. Supreme Court ruled that neither the Constitution nor the Communications Act creates a right of access to broadcast time -- the Court expressly rejected the view that

"every potential speaker is 'the best judge' of what the listening public ought to hear or indeed the best judge of the merits of his or her views."

Rather, the Court found that

"For better or worse, editing is what editors are for; and editing is selection and choice of material."

Efforts to mandate public access have been considered and rejected in other contexts. Only last April, the Supreme Court struck down the non-discretionary, first-come-first-served access scheme imposed by the Federal Communications Commission on cable systems.* And just last month, the FCC declined to adopt a proposed non-discretionary access plan as either a substitute for, or supplement to, existing fairness doctrine requirements.

At CBS we believe that the public is best served by presenting the discussion of public issues in a journalistic context, not by providing time for the presentation of partisan viewpoints on the basis of who is first in line. We also do not believe that we would serve either our audience or the public interest by providing time to partisan spokesmen because of their ability to pay. We do not believe that television time for the expression of points of view on public issues should be offered to the highest bidder. Therefore, it is our policy not to sell time for advertising addressed to issues of public controversy. The only exception is the sale of political time during election periods.

We do not believe that the public would benefit by our adopting an advertising policy that would allow partisans to purchase time to present their views on public issues. Indeed, as Chief Justice Burger wrote in his majority opinion in Democratic National Committee

*FCC vs. Midwest Video Corp.

"the public interest . . . would scarcely be served by a system so heavily weighted in favor of the financial affluent, or those with access to wealth."

At CBS we take most seriously our responsibility to inform the public. We are proud of the role that our news and public affairs broadcasts have played in contributing to public awareness of competing views on vital public issues.

CBS MEMORANDUM

FROM: Jeffrey S. Rapaport (CAS)
TO: John D. Backe
DATE: November 27, 1979

Here is a review of the specific questions mentioned in Congressman Livingston's November 6 letter which are of a financial nature.

1) I don't know his source or sources on return on equity. On the attached schedule, which is an extract from the Fortune 500 Directory, CBS's 1978 return on equity is 21 percent as opposed to the 24.3 percent he presents. There are other minor differences for the three oil companies he mentions.

2) The more important fact, however, is that from a capital investment point of view, the two industries are different. Oil companies are capital intensive requiring large fixed capital. While CBS does have manufacturing operations, facilities and equipment, we derive most of our revenue from creative efforts that do not require the plant and equipment, relative to our size, that heavy industry requires.

The two industries are not comparable in this sense.

3) With respect to his first two questions on CBS's third quarter profits, CBS's net income in the third quarter was \$53,089,000 versus \$48,508,000 in the same period in 1978, an increase of 9 percent.

4) His third question asking what our percent of return on equity in before-tax dollars for CBS in the third quarter of 1979 and for 1979-to-date, does not fall into standard financial terminology. Return on equity is calculated on a post-tax (net income) basis and is only meaningful on an annual basis. Our shareholders' equity as of September 30, 1979 stood at \$1,029.2 million and our net income for the 12 months ending September 30, 1979 was \$193.2 million for a return of 18.8 percent.

Because of the strong performance the oil industry is having in 1979, it is likely that their return on equity will increase significantly this year.

APPOINTMENTS GEOLOGISTS CAN FILL

The AIPG External Appointments Committee is trying to assist Federal and various State officials fill vacancies in their departments. At this time there are the following vacancies:

1. Director - U. S. Bureau of Mines - Presidential Appointment
2. U. S. Bureau of Land Management - Director of Energy and Minerals Division, Washington, DC

3. Supv. Physical Scientist, GS-15, U. S. Bureau of Mines, Washington, DC Notice 80-48
4. Supv. Geophysicist, GS-15, U. S. G. S., Menlo Park, CA Notice 80-39
5. Supv. Env. Scientist, GS-15, U. S. G. S., Reston, VA
6. Supv. Physical Scientist, GS-15, U. S. G. S., Lakewood, CO

AIPG now receives a weekly listing of nearly all Federal vacancies. The above listings are for GS-15 or higher only.

If you are interested in any position or know of other vacancies, please contact Ray Robeck, Chairman of the External Appointments Committee (303) 233-4748.

SUMMER JOB PROGRAM

The Executive Committee encourages geologists to make summer jobs available to geology students and college professors. In view of the time of the year, the program may not be fully effective this year, however, this year's program will provide insights for improvement. Please send National Headquarters: (1) Title of the job; (2) Location of the job; (3) Name and address of employer; (4) Pay scale; (5) Requirements for the job; and (6) Starting date of the job and duration.

SECTION NEWS

Colorado Section

(Reprinted from the Colorado Communicator, Vol. 10, No. 1, 1980)

PERSPECTIVE

from U.S. Senator Bill Armstrong

Windfall Profits Tax Falsely
Named; It's An Excise Tax

WASHINGTON - If you heard someone had shot himself in the foot, your natural reaction probably would be sympathy for the poor fellow who hurt himself.

But you might not be so sympathetic if you learned that the fellow, having shot himself in the foot, was now drawing a bead on his kneecap. You might even start to wonder if he were playing with a full deck.

Energy policy in the hands of Congress has been just about as dangerous as the gun in the hands of such a misguided marksman. Having shot our economy in the foot with ill-considered price controls on domestic production of oil and natural gas, Congress is now taking careful aim at our economic kneecap with its so-called Windfall Profits Tax.

The Windfall Profits Tax is based on a premise so far-fetched that it is almost silly. To protect us from buying too much imported oil, Congress is going to slap a whopping tax on domestic oil.

Like many other things in Washington, the Windfall Profits Tax is falsely named. It is not a profits tax at all, but an excise tax.

The difference is important. A real windfall profits tax is paid by the people who earn the windfall profit. But an excise tax is paid by you and me, in

AIPG WASHINGTON REPORT
Legislative and Regulatory Activity Watch List

Compiled monthly by your Legislative and Regulatory Committee, Russell Wayland, Chairman, Washington, DC and AIPG Washington Legislative Counsel, James U. Hamersley & Gail L. Fairman, 1800 M Street NW, Ste. 1040, Washington, DC 20036 (202) 223-8200

SENATE AND HOUSE BILLS

<u>Bill No.</u>	<u>Description</u>	<u>Sponsors</u>	<u>Hearing Schedule</u>	<u>Committee Status</u>	<u>Final Deposition</u>	<u>AIPG Input</u>	<u>AIPG Position</u>
HR 3636	Alaska Lands	Udall (D-AZ)	Completed	Endorsed by Carter Admin. & conservation interests	Passed House as HR 39 with language of HR 3651	Previous Testimony	
HR 39	Alaska Lands	Jackson (D-WA)	Senate Emer. Committee completed	Further delay anticipated. Will reach Floor in July. Filibuster threatened if Tsongas amend. passes.			
Amend 626	Environmentalists alternative to S9 - Similar to land area withdrawal in House Bill.	Tsongas (D-MA)					
S 1176	Alaska Lands Would restrict executive's ability to withdraw lands	Gravel (D-AK)	Completed	Park Subcomm. (Senate Energy)			
Bill to be intro.	RARE II Lands (roadless area review evaluation) Numerous bills dealing with individual areas or states			Senate passed Idaho Bill S2009 OR Bill S2031. Latter likely to die in House Interior due to release language House passed HR5487, Colorado & S. Dakota S2123 Colorado Bill in Committee	Testimony 2-8-79		Geological evaluation for future potential required before any land withdrawal. AIPG opposes passage of bill
S 2112	Reinstate Prof. Surveyor in Surface Mining Act	Thurmond (R-SC)	None Sched.	Pending in SubComm. on Energy & Nat. Resources		Prev. Test. 3-79	
S. 1403	Surface Mining Act Amend to insert Prof. Surveyor	Jackson (D-WA)		Stalled in House Inter. Comm. Passed Senate		Previous Test.	
HR 6070	Direct Mult. Use Mgmt. for lands not wilderness or RARE II not acted on by certain date	Foley (D-WA)	None Sched.	Pend in Agri. Comm. & Interior Comm. Udall (D-AZ) & Seiberling (D-OH) in Interior likely to bury bill			
HR 3919	Windfall Profits	Ullman (D-OR)	Completed.	In Conference. Conferees completed action. \$227.7 billion approved Pending for Senate.			
S 1246	Petroleum Industry Competition Act	Metzenbaum (D-OH)	Completed				
HR 8	Prevents 8 major oil companies from obtaining federal coal and uranium leases	Udall (D-AZ)					
S. 1637	Onshore Oil & Gas Leasing (Embodies Administrations proposal)	Jackson (D-WA)	Nothing scheduled	Nothing further scheduled; pending Energy & Envir. SubComm Pending Energy Res. Subcomm. (House Interior)	Defeated in late June by 2-1 margin as an amendment to Morehead synfuels bill (HR 3930)		AIPG opposes divestiture
S 493	Deep Seabed Mining Act	Melcher	Completed	Dec 14 passed Senate after agreement to an amend. in the nature of substitute		Previous Testimony	
HR 2759	Deep Seabed Mining Act	Studds (D-MA)	completed For. Affrs. Mark Up sch. for 1980	Admin. deal that House not vote on S.493 til April to avoid harmful impact on next round of Law of the Sea talks. House Comm. spokesman states comm. probably go with HR 2759			

Colorado Section (cont.)

the form of higher prices for the petroleum products we buy.

If you wonder how we're going to increase domestic production of energy by lowering the rate of return to energy producers, and how we're going to get Americans to buy less foreign oil by making domestic oil more expensive, you're not alone. Virtually every economist in the United States is asking the same questions.

Economists don't argue about whether the Windfall Profits Tax, in its present form, will reduce domestic energy production. They only argue about how much. Estimates vary according to the final shape of the tax bill and the economic assumptions used. But some experts think the loss in domestic production will be more than the amount of oil we import from Abu Dhabi, Dubai, and Oman combined, about 15 percent of our total imports.

That's a big step backwards, a step we can't afford to take.

Why is Congress doing something which seems so counterproductive?

Evidently the purpose of the Windfall Profits Tax isn't to produce more energy. Its purpose seems to be to punish the oil companies for the sins of the OPEC cartel. They aren't to blame for those sins, but they're handy. Congress is behaving a lot like the man who, after a bad day at the office, comes home and kicks the dog, yells at his wife and spanks the kids.

Abusing the family is no way to make up for frustrations at the office, and abusing oil producers is no way to put an end to the energy crisis. Congress should be working to maximize, rather than minimize, domestic energy production. The best way to do that is to enact a real windfall profits tax that has a plowback provision, i.e. an exemption or credit for reinvesting in new energy production.

The oil companies aren't to blame for the machinations of the OPEC cartel, but they shouldn't be permitted to profit unduly from the misery OPEC has forced on the rest of us. This can be done by imposing a surtax on profits, so we can get at the excess without boosting costs of production or reducing incentives that already exist for domestic production. At the same time, companies should be exempted from tax if they reinvested their profits in expanding domestic production. This would divert those profits to the most urgent economic need facing our country, the production of more energy.

If Congress were to change direction and enact a real windfall profits tax with a plowback provision, our goal of energy independence, and not just our kneecaps, would be in range.

Illinois-Indiana Section

The Indiana Natural Resources Commission has released LC Document No. 9-140 which sets forth the rules, really regulations, for certification of geologists under the Indiana law passed last year. (IC 25-17.5).

All inquiries, applications, correspondence and other matters related to these regulations should be addressed to: State Geologist, Geological Survey Division, Department of Natural Resources, 611 North Walnut Grove, Bloomington, IN 47405.

PROFESSIONAL PARAGRAPH

Bruce E. Cox, CPGS 4040 and W. I. Van der Poel, CPGS 4658 have recently established a geological consulting firm in Missoula, Montana. Their firm is called Earthworks, Inc., P. O. Box 7911, Missoula, Montana 59807 and they provide mineral exploration, hydrologic and engineering geologic services.

LEGISLATIVE COMMITTEE COMMENTS
GEOLOGICAL SURVEY

DENVER - At a time when most state agencies are being criticized by legislative review committees, the State Senate's Agriculture, Natural Resources, and Energy Committee recently reversed the trend by commending the Colorado Geological Survey for its activities and programs regarding development of the state's mineral and energy resources.

The Committee, as part of a normal review of state agency activities within their jurisdiction, had requested a hearing in January into the Geological Survey's activities for the past year, its future goals, and budgetary needs.

According to State Geologist John W. Rold, activities of particular interest to the Committee were: evaluation of geothermal heating potential for the new penitentiary and other correctional facilities; potential use of geothermal energy for heating homes and industries at Pagosa Springs, Gunnison, and the San Luis Valley; statewide coking coal evaluation, lignite and coal investigations east of Denver; mineral resource reviews of proposed wilderness and other withdrawal areas; project reviews of uranium mill sites, major mines, major construction activities of all types (including state buildings), and hazardous waste sites; and the status of federally-funded investigations.

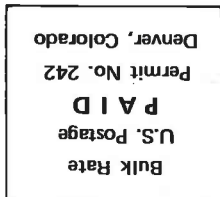
In previous Joint Budget Committee hearings, the Survey in presenting the Governor's budget had requested a state-funded coal geologist, a geothermal geologist and two persons to develop a system which would gather, collect and distribute statistical resource, development, and social-economic impact information on energy and mineral development activities throughout the state.

Rold said Senator Tilman Bishop of Grand Junction particularly commended the Agency's publication activity for "timely distribution of investigative results in a manner understandable to and usable by the general public."

"This program is one hundred percent financed by publication sales receipts rather than state tax dollars," Bishop said.

After the meeting, Committee Chairman Harold McCormick of Canon City in a letter of support to the Joint Budget Committee, said, "As a result of this meeting, the committee would like to express its support for adequate funding for the Colorado Geological Survey. Due to increased activities and demands for the division, the level of funding for this function merits careful consideration. The development of the state's energy resources continues to be a subject of primary concern to the committee. We wish to respectfully share this concern with you."

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