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Divestiture Dangerous

THE Senate judiciary committee has agreed to vote June 15 on a bill to force breakup of major oil companies. The proposed action also is called "dismemberment" and "divestiture."

Business leaders insist that enactment of pending bills would mean much more to the nation than mutilation of some of the country's most successful examples of free enterprise.

It would mean higher costs for energy, impediment of exploration for new sources, and a basic change in our traditional free economic system. It would transfer decision-making in business from ownership and management to Congress and the "litter" of federal bureaus that it has produced.

It is a fact that eight oil companies are rated among the 15 biggest companies in the United States, but that doesn't mean competition is lacking. The oil industry is very competitive.

The big firms do not make up all of the petroleum industry. American Petroleum Institute reports there are more than 10,000 different producers of crude oil and gas, plus 130 different refining firms, over 18,000 fuel oil distributors, and around 200,000 service stations in this country.

Advocates of the breakup are crying "Monopoly!" because major companies provide more than one step in petroleum exploration, development, transportation, refining and marketing.

Apparently, proponents would have no qualms about inexperienced bureaucrats making critical decisions for either large or small oil companies. However, the record of government dealings with businesses does not inspire confidence.

Noting that each house of Congress has a committee to probe into small business problems and the existence of agencies such as the Small Business Administration, Nation's Business magazine says: "The help government gives small businessmen comes nowhere near the harm it does to them." Examples are cited.

The proposed breakup of the oil industry is only part of a many-faceted attack by economic planners who apparently would like for industries and businesses to be nationalized, with control centered in powerful bureaus. Russia has such a system.

An interesting aspect of this drive by political reformers, Congress and the Federal Trade Commission is that most of the same people resist applying antitrust restraints to labor.

A special exemption granted to organized labor allows unions to engage in price-fixing, restraint of trade and other monopolistic practices outlawed by the Sherman Antitrust Act of 1890, says the United States Industrial Council. It has announced a major drive to have the exemption removed.

The public would feel the shock of a breakup of big oil companies through disruption of business, higher fuel prices, uncertain employment, and effect upon stock it holds in oil firms.

The nation would feel the effects from now on, because Congress would be saying that no business could engage in enterprises not approved by federal bureaus nor attain a degree of success greater than Congressmen consider to be proper.