THE STATE OF THINGS

Showdown between stations and powerful gas companies

By VAL HYMES

The guns are now drawn in the showdown at the gas pump. They're starting to play rough.

The fuel shortage controversy is still bubbling. More and more stations are closing down. The shooting is about to begin right out where the public can see it.

An explosion should occur soon on Capitol Hill, in the Justice Department, the courts, or in states like Maryland where three separate branches of government are probing whether the consumer may be the victim of a mammoth conspiracy.

The oil companies have again flatly denied that they are conspiring to "contrive" a gasoline shortage to push up prices or swallow up independent dealers.

The charges that could soon lead to the mandatory allocations they fear have gained credibility, they say, "through repetition" and "without a shred of supporting evidence."

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Simply put, the shortage can be blamed, they say, on the galloping increase in demand, a shaky import program, delays in the Alaska pipeline and offshore drilling leases, and a lack of refinery capacity. They lay much of the blame at the feet of environmentalists, but deny vociferously they are trying to "discipline the Congress."

Independent dealers are being wiped out but not because the oil companies want to corner the corner gas station market, they insist, but because the independents usually rely on a surplus that doesn't exist or on island refineries without an access to imported oil.

"One of your troubles," an oil executive told one dealer, "is that you're mixing morals and business."

The dealers call these fightin' words, and have been strapping on their guns at thousands of stations that are not only independent, or lessee dealer-operated, but even some that are manager-operated under a new hybrid arrangement just short of a company-owned station.

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"Some of the stories told by these men are real horror stories and they lead to a dangerous trend," says Charles L. Binsted, president of the National Congress of Petroleum Retailers, as well as director of the Greater Washington/Maryland Service Station Association.

Dealer after dealer has been forced out by a refusal to renew a lease after 18 years, after 10 years or nine years of building up a business by working 16 hours a day, seven days a week.

"We ate beans and bread for months," said the father of eight. "We're living off our savings," says the father of five. One man who sold BP gasoline for 18 years watched helplessly as the BP trucks drove past his station to a company-owned station within walking distance until he was forced to close May 31.

"We're out of gas," he says he was told.

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Now even the jobbers or marketers — the middlemen — are being squeezed out, say the dealers, and there are some hair-raising tales there too.

William L. Easterling, 39, and his partner, Lee D. Scott, 38, two small businessmen with seven children between them, have run head-long into a battle with the BP Corporation, for which they were agents in Southern Maryland for two years.

It started out as a civil dispute that Easterling says grew from the company's insistence that he supply a federal installation rather than his regular customers. At this point, both men are jobless, their trucks are idle, the drivers fired; a $3.3 million anti-trust suit was filed against BP, then criminal search and seizure warrants sent State troopers to their homes and offices to confiscate every piece of paper including a child's birth certificate.

At least two other major oil companies are facing Justice Department action for moves that Easterling and Binsted say look like a "lock-step" strategy to go into retailing, or the "company-owned store."

That's how it was in the beginning, until the government warned in the 1920's that the oil companies should put a dealer between them and the customer; that price-controlling "from the wellhead to the nozzle" was a no-no.

There are 2,100 stations in Maryland. A hefty percentage of the dealers are ready to fight in the courts and in the Legislature — maybe this summer — for some teeth in the new law that will prevent arbitrary and sudden cancellation of leases but won't stop the non-renewals that are used against the short-term franchises.

Two other Maryland laws going into effect July 1 could mean jail or fines for companies refusing to get State approval of brand-mixing or advertised acceptive claims. But that doesn't mean the customer will find out about it necessarily.

The dealers' group wants a full disclosure of distribution methods in the federal law, saying that's the only way to stop the relentless march on their stations. And why, they ask, are the companies building more stations right next door to those they refuse to supply?

The dealers have been sharpening their political nails. They beat back the oil companies on the gimmick games and giveaways and they're confident that the Congress will respond soon with protections for the lessee-dealer; that mandatory allocations are inevitable, and that State officials are in their corner.

But that doesn't tell us if there is or isn't a gas shortage. It may depend where you're standing. One oil executive was asked by Binsted how the company could profit in the face of a shortage by taking over 15 area stations.

"Is there or isn't there a shortage?" Binsted demanded.

"Well, there is and there isn't," was the reply.

New DSS center opens Friday

An Open House marking official opening of Liberty-Garrison Social Services Center of the Baltimore Department of Social Services is scheduled Friday afternoon at the Center, 3301 W. Garrison Boulevard (corner Garrison Blvd. and Forest Park Ave.)

A ribbon cutting by Mayor William D. Schaefer at 2:30 p.m., will mark the opening of the center.

Other participants are: Mrs. Maud S. Harvey, acting director, Baltimore City Department of Social services; Maurice A. Harmon, deputy secretary, Maryland State Department of Employment and Social Services; Mrs. Barbara Robins, district manager, Liberty-Garrison Social Services Center, and Mrs. Catherine Drayton, community representative.

The Liberty-Garrison Social Services Center is the 10th localized Center opened by the DSS as part of a plan for decentralization of services. Eventually, 22, such centers will be located throughout Baltimore.

Wednesday is the 4th of July

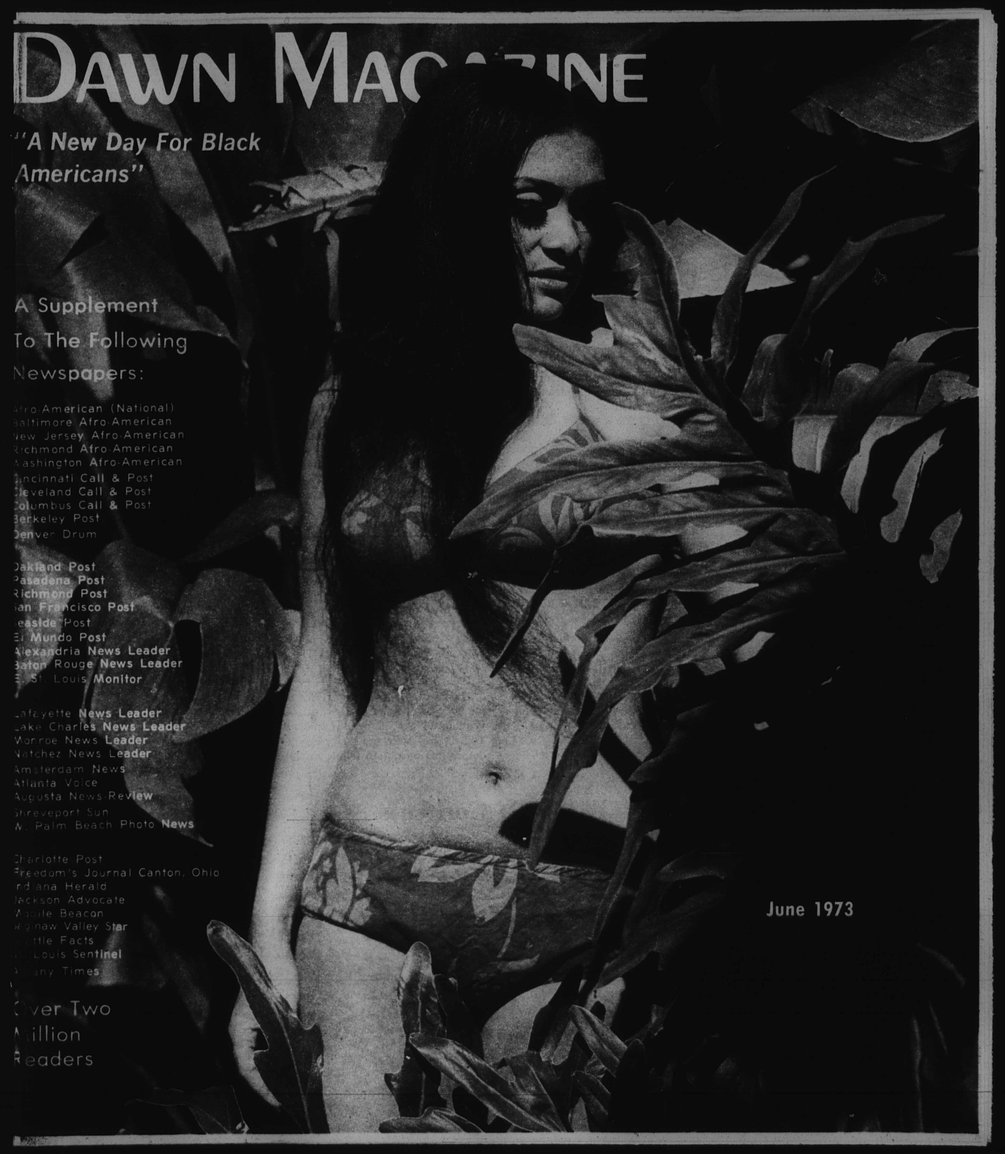
but our fireworks are on the 6th

If you've ever thrilled to the exciting fireworks on the 4th of July, then you already know what it's like to win the Lottery. You're waiting and waiting and waiting and all of a sudden BOOM.

This week we've changed from our usual Thursday Drawing to a spinning of the Wheels of Fortune on Friday.

So buy your tickets early and get ready to celebrate with us on Friday. With a little luck you may be holding one of our $50,000.00 firecrackers.

BOOM.

Lottery Drawing at 12:15 Ocean City

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