

But the strongest answer to those favoring increased imports is that such a policy would only serve to worsen the present balance-of-payments problem. Further, recent months have witnessed a series of unsettling events in foreign oil-producing countries. The government of Indonesia has recently taken over that country's major oil-production and refining facilities, which had, until that time, been owned and operated by American companies.¹²⁴ The government of Venezuela has recently levied increased taxes on American companies producing oil there.¹²⁵ These companies are being rudely reminded that "the power to tax is the power to destroy." In Libya, American companies have just undergone a difficult year. The Libyan government revised its concession agreements with American companies and now requires a significant increase in royalty payments.¹²⁶ All of these events show a trend which indicates the dangers to the United States inherent in its heavy reliance upon foreign oil.

3. Control of the "energy mix"

Congress must consider future energy requirements and the "energy mix" which would best meet these requirements. But in planning for the future, Congress must scrupulously avoid preferential treatment that constitutes a manipulation of energy sources in disregard of the demands of the open market. To do otherwise would be to engage in "end-use" control.

Oil shale should be allowed to take its place, along with other fuel sources, in providing for the Nation's future needs. Atomic energy and coal¹²⁷ are two other potentially competitive sources of fuel. In the past the government has given a great boost, through subsidies, to the atomic energy industry. Some with a vested interest in securing a favored position for nuclear power¹²⁸ may be opposed to the development of oil shale. But the oil shale industry should not now be prohibited from competing on equal terms with this and other energy sources if a genuine need for the production of shale oil can be shown.

4. Control of the market

As was noted in Part One, Rostow, de Chazeau, Kahn, and others are strongly critical of the petroleum industry and its apparent enjoyment of freedom from government regulation. They denounce in particular production control by state prorationing statutes and what appears to be industry control over market prices. Domestic exploration activity and domestic crude oil reserves are at their lowest points since 1949.¹²⁹ Now the critics of the petroleum industry may find it convenient to oppose the development of oil shale because they fear that such development would allow for a revival of the domestic petroleum industry.

But such fears are irrational and unfair. In the first place, the oil shale industry should obviously be allowed to develop on its own merits. In the second place, there are indications that it will be the mining and chemical industries, and not petroleum, which will be most instrumental in the development of oil shale. Private enterprise as a whole will contribute new technology, new capital and new market demands for the production of shale oil. Nothing prevents the government from creating new answers and establishing a workable relationship with private enterprise in this new endeavor.

In regard to all these considerations involving the national interest, Byron Mock most recently said:

"By the time the report [of the Oil Shale Advisory Board] came out it seemed to me that we had resolved two questions. First, there was no public interest that justified holding up an oil shale industry. As a consequence thereof there was no public interest that necessitated indefinite delay of lifting the withdrawal on federal oil shale lands. The second conclusion was that there were definable public benefits to be achieved from opening the oil shale reserves."¹³⁰

¹²⁴ Wall Street Journal, Dec. 31, 1965, p. 6.

¹²⁵ Wall Street Journal, Jan. 6, 1966, p. 14.

¹²⁶ Wall Street Journal, Jan. 6, 1966, p. 14, Jan. 5, 1966, p. 9, Dec. 29, 1965, p. 18. See

also, "Mideast Oil: Big Supply, Little Savvy," Wall Street Journal, Dec. 6, 1965, p. 10.

¹²⁷ Some oil companies are presently purchasing coal properties and developing techniques for making gasoline from coal. See Wall Street Journal, Oct. 20, 1965, p. 1.

¹²⁸ For instance, the TVA (which has evolved into a government power monopoly) has announced that it may build a nuclear power unit next year "if the price is right." See

Wall Street Journal, Dec. 20, 1965, p. 4.

¹²⁹ Wall Street Journal, Jan. 6, 1966.

¹³⁰ Mock, *supra* note 12, p. 65.