

imagine any possibility of monopoly in developing oil shale deposits, particularly when the Federal Government itself controls the issuance of leases.

I would like to add that the petroleum industry operates daily in an extremely competitive environment. There are hundreds of marketing and refining companies, and in the producing phase the number of firms reaches into the thousands. These companies are competing constantly; for example, in the recent Outer Continental Shelf lease sale, about 55 companies participated in the bidding for the acreage the Government offered for sale. The nature of the competition in the industry has been recognized by Government officials. Before the Senate hearings on the competitive development of oil shale, Dr. Willard Mueller of the Federal Trade Commission stated: "that the competitive performance of the petroleum industry over the last 50 years has been quite effective."

Humble believes that in the best interest of the Nation the mineral energy resources contained within the public domain should continue to be developed by private enterprise under a minimum of Federal controls, as in the case of oil and gas, and without further Government expenditures on research. Multiple efforts by numerous private firms have developed the oil industry as we know it today. History well demonstrates that such efforts have been particularly successful in providing the necessary research and development for new processes and new products. This approach should be continued for oil shale. Thus, the Government should encourage private research and development leading to the commercialization of shale oil on the public oil shale lands.

Development of shale oil production should be determined by the normal economic forces governing competition among fuels, which have been so effective in the past. The free play of competitive pressures among domestic energy sources continues to be the best means of supplying the needs of the public at reasonable prices.

I would like to turn now to our position on the proposed regulations and with the general concepts I have just recited as a guide. I will discuss the specific regulations proposed by the Department of the Interior.

May 10 of this year, the Department of the Interior published its proposed regulations to govern oil shale leasing and land exchanges. Comments on the proposed regulations were invited. My company submitted its comments on the proposed regulations to the Department of the Interior on June 8, 1967.

We agree with Secretary Udall's testimony before this committee on February 21, 1967, that the Mineral Leasing Act of 1920 provides adequate authority to lease deposits on the public domain for the commercial development of shale oil. This act contemplates the development of mineral resources on the public domain by private enterprise. The public interest has been well served under this competitive system. We believe that extension of this concept to the oil shale lands will result in their orderly, efficient, and timely development.

The substance and general tenor of our comments on the proposed regulations follow:

The Secretary is to be commended for taking the initial step which could result in the development of federally owned oil shale reserves.