A further problem which must concern the Congress, although it does not come within the jurisdiction of your Committee is the question of the depletion allowance for oil shale. Should it be the 15% allowance presently permitted for shale, the 27½% figure used for oil or some other, lower amount reflecting the fact that exploration expenses are virtually nonexistent where oil shale is concerned?

Finally I would add that there is enough oil shale land in private hands—15%—for the industry to begin answering some of the above questions itself. If it wishes to join with the Federal government in a creative partnership to find answers, that is all to the good. But until the government is in a postion to give reasonable answers to all of these questions, I feels we cannot in all conscience lease further shale oil land to private interests.

I hope that I will have an opportunity to discuss my proposal with you and the members of your Committee, Mr. Chairman, after it has been worked into final form and introduced on the floor of the Senate. But above all I urge you and your Committee, Mr. Chairman, to bring to a halt the present hasty administrative effort to distribute this shale oil land.

Sincerely,

WILLIAM PROXMIRE,
U.S. Senator.

Senator Moss. Our first witness this morning will be Mr. John G. Winger, vice president, Energy Resources Division, the Chase Manhattan Bank, New York. We are happy to have you with us, Mr. Winger. You may proceed.

STATEMENT OF JOHN G. WINGER, VICE PRESIDENT, ENERGY RESOURCES DIVISION, THE CHASE MANHATTAN BANK, NEW YORK, N.Y.

Mr. Winger. It is an honor for me to be here today, Mr. Chairman. I think, as we all recognize, the energy industry ranks among the very largest of the economic activities of the Nation, and because of the great importance of the energy industry the bank I represent created 31 years ago a special division to deal with the bank's relations with these various energy industries. It was necessary for the management of the bank to have a continuous flow of information relating to these industries, if it were going to carry on its affairs in the most efficient manner.

We have, in addition, customers from every factor of the economy coming to the bank and seeking information about the energy industries.

Just to cite one example, a steel company wanted to make a survey of 25 percent of their market. Some companies will come to us and seek information about the future prospects for forward planning in good fashion.

As I understand it, I am to present to the committee some of the information we have generated for business purposes. Unfortunately, the nature of this information does not lend itself to a written report. Therefore, we are going to utilize, today, visual aids. Experience has taught us that we can communicate far more information within a given period of time in that manner, so that this story will appear on the screen in a series of slides, each being in the nature of a building block, each slide adding a part to the picture. Some of this material may raise questions in your minds, so I will say that often a succeeding chart will tend to clear up that question.

Now, if you can give me a moment, I shall turn this on and proceed.