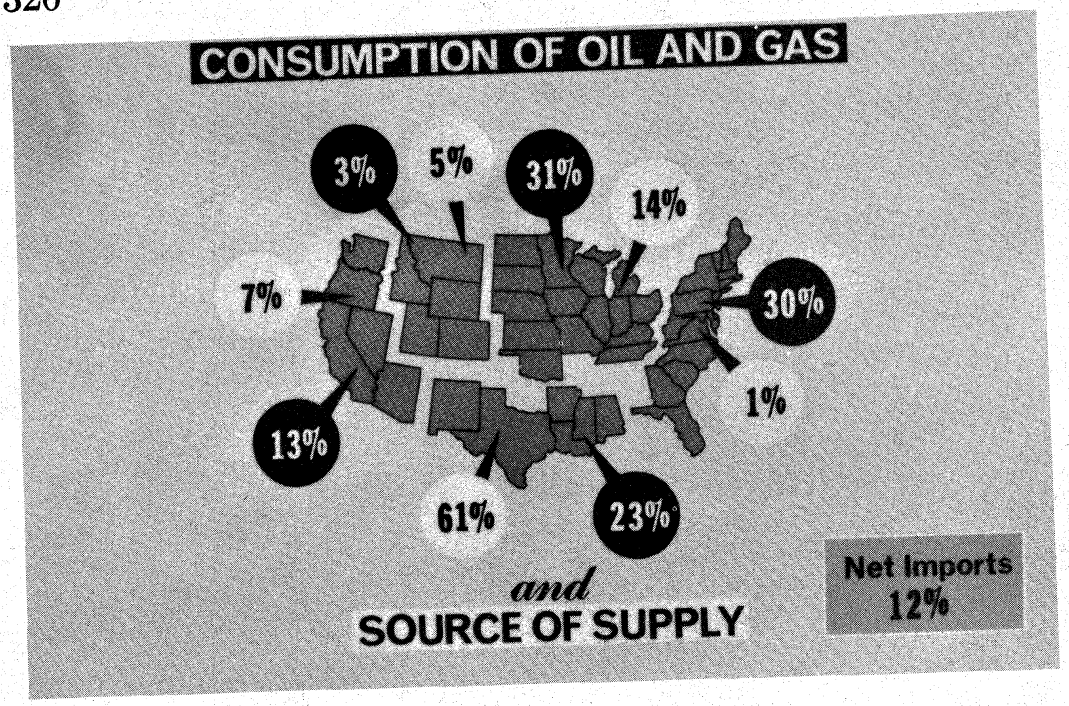


CHART 8

Oil shale, in moving to market, conceivably might move to the west coast where there is a deficit equal to 6 percentage points, or it might move to the central area, where there is a much larger deficit, or it might move to the east coast where the petroleum deficit is as large as 29 percentage points. We must consider, of course, in this movement, the economics of transportation. It can be stated generally that the cost of moving liquid petroleum by land is substantially greater than moving by water. The oil shale must move a considerable distance by land because of its location before it meets any market. And in order to overcome the disadvantage of the higher transportation costs, there must be other cost factors in relation to other energy sources that are lower. The same thing would apply if we were to consider the oil in Canada as a potential source of liquid petroleum to satisfy the U.S. market. In this case, net imports account for 12 percent of the total petroleum supply.

The largest use of petroleum is represented by industry and commerce, 39 percent in total; transportation, which includes all forms of transportation, and agriculture account for 25 percent of the consumption. The residential market, which is primarily space heating, is the smallest, 15 percent. And the primary energy required by the electric utilities for generating purposes accounts for 21 percent. [Chart 9.]

We can look at this market in a little different fashion on chart 10.

Of the electricity produced by the utilities, 30 percent moves to the residential market and 7 percent to the industrial-commercial market. Therefore, considering the total consumption of energy by these markets, both direct and indirect, we find industry and commerce accounting for 53 percent of all energy consumption in the Nation; residential use, 22 percent, and transportation, again 25 percent.

Chart 11 shows us the primary energy sources for each of these geographical regions.