

STATEMENT OF HON. GARNER E. SHRIVER, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF KANSAS

Mr. SHRIVER. Mr. Chairman and members of the committee, I am sure I need not remind this committee that there is no commodity more important to the national security than petroleum. On many occasions, over the past decade, experience has shown, time and time again, that the United States is the only completely reliable and adequate source of petroleum for this Nation's needs in time of crisis and conflict. Last year the Middle East crisis once again demonstrated the importance of having a readily available supply of oil in this country to meet the needs of this Nation and also to help supply the oil requirements of other friendly nations.

Last week I appeared with other witnesses from Kansas who furnished your committee with adequate facts and statistics which revealed that during the past decade this Nation's petroleum-producing industry has been going downhill. Mr. Clinton Engstrand, vice president and director of the Kansas Independent Oil & Gas Association, in his statement before the committee, declared:

Within the past decade the producing industry in Kansas has been devastated by powerful economic forces and government action. Its numbers have been drastically reduced, its productive capacity has dwindled, the search for vital energy reserves has declined alarmingly and daily production has diminished.

In the State of Kansas the oil-producing industry is largely made up of the smaller elements in the oil industry. Due to this the declines that have taken place in the oil-producing industry during the past decade have been particularly hard on Kansas independent oil and gas producers. As a result, a large percentage of them have had to give up and quit the business. This has hurt the overall economy of Kansas, as well as the harm that has been done to our Nation's security.

The serious conditions existing in the domestic petroleum-producing industry are well known to this committee and likewise to the executive branch of our Government. The Department of the Interior, which is the department closest to the overall situation with respect to petroleum, stated in its in-depth study of the petroleum-producing industry, published in January 1965, " * * * what has been done since 1956 to find new supplies of oil, whether through new discoveries or through increasing recovery rates of old deposits, has not been enough to provide a sound basis for future growth."

We are all well acquainted with the mandatory oil import program. I am concerned by the failure of this program to achieve its stated purpose that is mainly to assure a vigorous domestic petroleum industry for national security reasons. In fact, recent actions of the Department could lead to a complete dismantling of the program and further aggravate the already serious conditions existing in the domestic petroleum producing industry.

Even with the mandatory oil import program, the following adverse developments have taken place in my State of Kansas:

1. The number of rotary rigs operating in Kansas is down from 155 in 1957 to an estimated 32 in 1968.
2. Proved crude oil reserves in Kansas as of December 31, 1956, amounted to 992,211,000. In 1967 such reserves had been reduced to approximately 700 million barrels.