P.S. to the NEWS
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SOLVING THE OIL CRISIS

History is full of examples of how government controls of various kinds create shortages of economic goods. There simply is no way that a government bureaucracy can run an economic system as efficiently as the free market.

Russia was a grain-exporting nation under the Czars; but, after 55 years of Communist control, the Russian people would have starved last year without largescale shipments of American wheat. Cuba was one of the largest sugar-producing countries in the world -- until Castro came along and created sugar shortages.

Likewise in America, Government controls have turned the greatest petroleum-producing nation in the world into one with a 14 percent petroleum shortage. The trouble is not only price control, which has dried up the building of new refineries and stimulated exports, but the fact that our Government has forbidden its citizens to use our vast oil reserves.

We wouldn't have any oil shortage today if the Alaska pipeline had been started four years ago, instead of being blocked by the Federal Government and the courts, and if offshore drilling had not been severely restricted. Even though Congress finally passed a bill which gave the go-ahead to the Alaska pipeline, there still are 1,100 major and minor government permits which must be issued before the legal path to construction is cleared.

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Government officials have recently been complaining about oil hoarding; but the Federal Government itself is the biggest oil hoarder in the world. Studies made by the National Petroleum Council and by the Department of the Interior show that the continental shelf off our East, West and Southern coasts contains even more oil reserves than Alaska.

However, the Supreme Court and Congress have combined to grab for the Federal Government the title to all our continental shelf beyond a limit which is three miles for most states, and three leagues for Texas and Florida. Then, the Federal Government simply refused to permit oil wells to be drilled on most of our continental shelf.

Some estimates of U.S. energy reserves are extremely high. The U.S. Geological Survey estimates that, at current rates of consumption, we have a 500-year supply of petroleum and a 300-year supply of natural gas under the outer continental shelf on our Atlantic and Gulf of Mexico coasts, in Alaska, and in deep mainland fields. On land owned mostly by the Federal Government in three western states, there are two trillion barrels of high-grade oil in shale rock -- an amount six times greater than all proven reserves of crude petroleum on earth.

The Government should sell leases to drill for oil on the continental shelf -- just as the countries bordering on the North Sea in Europe have done. In time, this can solve our oil shortage, make America self-sufficient in oil, reduce our balance of payments deficit, and give the Government a royalty income which can bring about much-needed tax reductions.

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