shale deposits is that they are either too scattered or not well located for mining operations. You may recall from the map which was reproduced in your 1965 hearing record that the private lands in the richest oil shale area of Colorado tend to stretch out into very narrow ribbons—usually following stream valleys. And this is understandable because that is where the old homesteads were made and the patents were issued. Similarly, it would assist Federal management of public land oil shale deposits if isolated pockets of private land could be eliminated. Accordingly, we are proposing to undertake an extensive program of exchanging public for private lands with the primary objective of assembling manageable blocks for development purposes. Let me emphasize the development aspect of that objective. We fully intend, as a condition of the exchange, to require the private party to make definite development commitments. We do not propose to assist in the assembly of valuable properties for the purpose of speculation or hoarding of the oil shale resource.

It goes without saying, of course, that such exchanges could only be made on a value-for-value basis. Given the nature of this resource and our comparatively limited knowledge of it, this necessarily means that we would exchange only oil shale lands for oil shale lands. And I should like to add that the BLM have a long history, we have a lot of the tools that have been developed over the years for this type of exchange and I am confident, although we want to proceed very carefully on this front so that we protect the public interest, that we can carry out a rational blocking-up program that will involve the traditional type of exchange of lands of equal value to block off holdings.

The central core of this effort to get oil shale into the mainstream of the American economy is aimed directly at development of the resource itself. Two years ago we advised you that the Mineral Leasing Act of 1920 was the only authority that existed for this purpose and that we had doubts about its adequacy. We now believe, however, that section 21 of that act, as amended, is broad enough to permit the Department of the Interior to receive and act upon a number of the types of proposals contemplated by point 3 of our five-point program.

Accordingly, we are proposing to open small areas of oil shale lands to development on a test basis. Each area must be large enough to accommodate a prototype of actual production conditions. But in terms of the total area of Federal holdings, the acreage committed will be relatively small at the outset—the most limited that will accomplish the purpose, naturally. In essence we are proposing several development contracts, giving high priority to variety in the methods and techniques to be employed. Depending on performance results and what is learned from these contractual arrangements, the development contract may ripen into a lease for full-scale production on terms which must also evolve out of experience.

It is not possible at this time to specify how many such contracts will be made or their precise terms. Much will depend on industry's response to our invitation to submit applications. Our objective is to get the broadest kind of industrial participation, either through a number of individual companies or through joint ventures. In every