

Now, I do agree with you that no competent enterprise, as you say on page 3, should be excluded from trying to obtain a lease and get into the business. Then you qualify that or make a suggestion as to those who are undertaking research and development. I would just suggest there that the amount of money invested in such research and development might not necessarily be the sole criteria for preference.

Mr. FISHER. There might be others; yes.

Senator ALLOTT. There might be others. In other words, I think the experience and what they have been able to develop might be the real criteria rather than the amount of dollars that have been spent. The Government, for example, is notorious in spending lots of dollars and coming up with very little, as you know.

What in your opinion, and I am exploring your ideas, would happen to a company, for example, which did not do its experimental work on Government property but rather did its research and experimental work on its own property? Would it be given an equal opportunity with the company or companies that had done their work on Government property or in conjunction with a Government contract for research?

Mr. FISHER. Well, we are probing the heart of the matter and these are just my reactions as you ask the question.

Senator ALLOTT. Yes, I am just probing your mind to find out what you are thinking about.

Mr. FISHER. Well, my own preference, as we are discussing it, would be not to penalize companies in any way that have made good research and development progress on their own properties, that this is as valid and as important as what might be done by another company on Government properties, and therefore, indeed, such work on the private land ought to be encouraged to the full.

Senator ALLOTT. Then, in your thinking, in getting additional leases or developmental leases, they should roughly stand in the same situation?

Mr. FISHER. Yes.

Senator ALLOTT. Dependent upon what they really have accomplished in their own field.

Mr. FISHER. That is right.

Senator ALLOTT. Would you be thinking somewhat in terms of a two-stage leasing program in which a preference would be given to those companies which have already developed, either on their own property or privately, methods of extraction and so forth, as compared to those who have done it on Government property and then perhaps in the second stage opening it up further to other companies which have not done this?

Mr. FISHER. Yes. That expresses more clearly what I had in mind in my statement, when I said that the first round of bids for the first year or two, or something like that, the bidding would be limited to those companies that had done significant research and development work on their own property or on Government property, conceivably elsewhere in the world. But the point of this is to draw companies with good research and development capacity from whatever industry into the research and development phase. I think in order to do that, one has to bait the hook to some extent and give them at least some