

As to the latter problem, we are now making a parallel study and hope to present our views to you in the near future. It is sufficient to say here that leaving such an important block of lands in limbo is not conducive to prompt development and is not in the public interest.

It is to the unavailability of the publicly-owned deposits that we primarily address ourselves in this letter. As you know, the thickest and richest deposits of oil shale and a very large percentage of the total reserves lie in the public domain.

It makes obvious sense, in a situation where present technology is relatively primitive, that the pioneering in research and development will better be conducted in higher grade areas. The improvements in technology which will inevitably result will then make economically available the lower grade deposits.

It follows clearly that the first step which must be taken is to make a reasonable portion of the public domain lands available to industry for further exploration, research and development at the earliest possible time on terms that are reasonable and fair to industry and also serve and protect the public interest.

3. An impediment to prompt action, whether it be under existing laws and regulations or in the formulation of new laws and regulations, is the limited amount of technological background in oil shale development available to both government and industry to provide guidelines for an appropriate leasing policy. The obvious dilemma is that without such experience it is difficult to formulate a sound leasing policy, and without a leasing program we cannot obtain the necessary experience. It is believed that the program we hereafter recommend will provide a solution to this dilemma consistent with the full protection of the public interest in these lands.

4. In formulating any leasing policy appropriate recognition of the public interest is of paramount importance. Although not an exhaustive list, it is essential that a sound leasing program give full consideration to:

(a) An appropriate compensation to the public, through payments of lease bonuses, rentals and royalties, by private industry;

(b) Full recognition of the importance of the development of this supplemental energy source as a national and hemispheric defense measure and as a significant stimulus to our country's economy;

(c) Full recognition of the importance of maintaining strong and healthy industries in the fields of conventional oil, gas, coal and other energy sources;

(d) Appropriate but subordinate recognition, via an appropriate import control program, of the value to our international position of a reasonable foreign oil import program; and

(e) The additional employment opportunities inherent in a multi-million dollar industry, and the hundreds of collateral manufacturing, service and supply functions required to sustain it, are of tremendous national interest—and particularly to the presently depressed mining communities of the nation.

In addition to the foregoing specific matters it is obvious that the stimulation and improvement of the various technologies used in oil shale development cannot fail to add materially to the value and utility of the nation's other great energy sources.

5. It is submitted that all of the foregoing matters can be reconciled by your enunciation and prompt implementation of the following suggested program:

*Executive Order No. 5327*, dated April 15, 1930, withdrawing oil shale deposits from disposal should be revoked at the earliest possible time, at least as to the tracts of land involved in the First Phase of the suggested leasing program outlined below.

*The Existing Law* relating to oil shale leasing provides an adequate basis for the First Phase of the leasing program.

*The Existing Regulations*, with a minimum of alteration, provide an adequate basis for the First Phase of the leasing program and should be amended, not revoked.

*The First Phase* of the leasing program should be the simultaneous offering of a limited number of representative but high-grade tracts of oil shale lands for lease under competitive bidding procedures.

*The Lands* so offered should be carefully selected to assure that they are not subject to the cloud of unpatented mining claims, and should be in reasonably compact blocks. Such lands should be selected with a view to the experience