

Speaking strictly as a lay member of the public, there are several questions I feel worth raising at this juncture:

1. A totally new allocation of royalties should be made if any oil shale leasing is undertaken. In our view it is unsound public policy for 52½ percent of all royalties to go for reclamation purposes, 37½ percent for the respective State, and only 10 percent to the Federal Government.

With the enormous demands for Federal funds to rebuild our cities, acquire land for outdoor recreational purposes, combat air and water pollution, and the financial needs of modern education, we believe Congress must come up with a modern allocation of royalties if oil shale deposits are leased privately.

2. We question if leasing of surface deposits at this time is desirable. It would be a great tragedy for the whole Nation if Colorado and Wyoming came to look like parts of West Virginia and Kentucky, which bear the ugly scars of and to this day are being disfigured by strip mining. It would be much wiser to experiment with safe underground recovery methods and demonstrate their feasibility before surface mining is permitted.

May I just throw in there that I appreciated very much Senator Allott's discussion with the AEC yesterday about some of the safety problems involved in underground atomic testing, and we do not pretend to have any final answer on this thing. We just think it is a matter that needs to be fully aired, discussed, and explored.

3. While strictly developmental leasing may be wise and necessary now, the Federal Government should have the right to renegotiate any leases on public land once a feasible claim is operating, so the public interest will be fully protected. The present 12½-percent royalty on publicly owned oil and gas deposits may be justified, but this may prove later to be much too generous to the commercial oil companies. Any leasing arrangement on public land ought to be subject to review so the public interest is fully protected.

I may also add at that point that it would be good public policy, in our view, if the oil shale advisory committee could be continued under the leadership of Mr. Fisher and certainly we would like to see Mr. Galbraith back.

4. Great caution should be taken not to damage watersheds and wildlife which could be irrevocably destroyed by reckless leasing.

So finally, Mr. Chairman and members of this committee, we urge Congress to move with great caution on oil shale; to review royalty allocation so the Nation's neglected social needs will be helped; develop safe underground recovery methods before scarring the surface; protect the public interest by a review of the present 12½-percent royalty; and protect watersheds and wildlife.

Congress, we believe, has a great opportunity to use this immense national resource to advance education for millions of American young people and other worthwhile programs to improve the quality of life for all Americans by dedicating oil shale royalties for these special purposes.

The CHAIRMAN. Thank you, Mr. Wallick. We appreciate having your statement. It is very helpful.