

I do not believe that this is possible unless the Government intends to control every aspect of the oil industry.

The Secretary also expressed concern about protecting the resort and tourist facilities in the area. I am sure that many of you gentlemen are familiar with the Piceance area, but for those who are not I think it is safe to say that there have not been as many people in there this year as there are in this room. It is not a tourist and resort area. It is a rather desolated part of Colorado. So, much as we appreciate the consideration, we do not think it is a determining factor.

I think those are the only comments I have. Thank you, sir.

Senator HANSEN. Mr. Smith, as you know, this committee held informational hearings on oil shale in 1965. In order that we might have some continuity, would you care to comment on those hearings, that is, were there any assumptions made then which need revision now?

I appreciate, I might add parenthetically, that we have had a multiple mineral development that was not discussed then. The Wolf Ridge Minerals, as you know, of course, had not yet awakened the world to the possibility of dawsonite, and in that context I appreciate it has changed. Do you have any further observations that you would care to make, sir?

Mr. SMITH. At your hearings 2 years ago it was stated that the major issue was whether the Federal Government should open up its vast oil shale holdings to commercial leasing. I think it is disturbing that this question is still before us 2 years later. It was also suggested then that possibly the oil shale reserves should be held as an "ace in the hole." I feel very strongly that oil shale is not "money in the bank." Its relative value could decline. We cannot sit here and assume that this vast sum that people are continually talking about is going to be available in dollars 20 or 50 years from now.

We have tried to stress here that this is a very competitive field, the energy field, and it is perfectly possible that oil shale will be outrun by some competitor that is going to be the result of technology that is coming up fast right now.

The question was also asked at your hearing in 1965, "Should an early ruling on depletion allowances be sought?"

I believe there has been legislation proposed that will clear up the tax treatment of shale and again I feel it is regrettable that this legislation has not moved forward.

I noticed yesterday even that the Solicitor of the Department of the Interior was not clear himself as to the meaning of the legislation that is presently before the Congress.

That is all I have. Thank you, sir.

Senator HANSEN. On the overall problem of a progressive oil shale development policy, I want to compliment the Senator from Colorado on the legislation he has submitted before this Congress. Would you care to comment on the depletion allowance he has already—

Mr. SMITH. I believe that the legislation that is presently before the Senate and the House is adequate as far as commencement of an industry is concerned.

Senator HANSEN. Just one final question.

I know we are all concerned with development of these important resources, consistent with other values, and the protection of other