

FEDERAL OIL SHALE PROGRAM

STATEMENT OF ANGUS McDONALD, DIRECTOR OF RESEARCH, NATIONAL FARMERS UNION

Unfortunately, because of assignment in Wisconsin, I was unable to appear before this Committee on the date scheduled for the hearing. I am therefore sending a copy of this statement to each Member of the Committee with the hope that our views may receive some consideration.

National Farmers Union, for many years, has been interested in resource development on public lands. We have appeared many times before many Congressional Committees urging that the public interest receive consideration when policy and action programs relating to the public lands were developed. The National Farmers Union has consistently urged that public land resources be developed or distributed to the end that the greatest possible number of our citizens would be benefitted.

Our position in regard to the family farm Reclamation Law stems in large part from this policy position. We have urged this Committee over a long period of years to protect the 1902 Reclamation Law which provides that benefits from federally built dams be limited to that amount of water required to irrigate 160-acres per person, or 320-acres for a man and his wife. Unfortunately, administration of this law has been difficult and has seemed at times almost impossible to enforce. In our opinion, land-owners in California are illegally receiving vast amounts of water from Federal projects.

We are aware that the Department of the Interior, in the Central Valley and in the Imperial Valley project in California, has taken cognizance of this situation and has taken steps to penalize those who are illegally using water and to bring about better administration of the law.

Formulation of policy relating to the distribution of benefits from development of oil shale lands will no doubt encounter the same kind of obstacles experienced in administering the Reclamation Act. Mining claims, according to the recent statement of the Secretary of the Interior, have not been filed with his Department and it is therefore impossible to ascertain the location and the number of mining claims which have been filed in the land records of counties throughout the West. We suggest that legislation is urgently needed and that these claims, some of them many years old, should be invalidated and that the Department be given authority to bring some order out of chaos in regard to the exploitation of minerals on public lands.

There seems to be a great deal of confusion and misunderstanding, at least on our part, as to whether or not the Department can, under present law, put into effect the program which the Secretary outlined on January 27 of this year. According to various newspaper stories, oil and mining companies have deluged the Department of the Interior with a flood of new mining claims. Apparently this is an attempt to get in on the ground floor and preempt the right to develop oil shale.

I call attention to a press release of the Bureau of Land Management, dated November 23, 1966 which, and I quote, says:

"The Act of August 13, 1954, provides that rights to oil shale and certain other leaseable minerals are reserved to the United States both before and after a patent is issued to a mining claimant on public lands known to be valuable for any leaseable minerals.

"To be valid, a mining claim must be on lands open to mining location, and there must be a discovery of a deposit of a valuable mineral subject to location under the U.S. mining laws.

"The Bureau said reports growing out of the Colorado platinum activity that a claim located for metals carries rights to oil shale simply are not true."

It would seem that if the Department is correct in this release, oil companies and others are going through a lot of lost motion in filing these claims. However, they may be depending on either Department of Interior policy or the enactment of a Congressional statute to circumvent the 1954 law.

Our attention has also been called to a combine consisting of 24 oil and mineral companies, which was formed to investigate the use of nuclear explosives in the recovery of oil from shale. It is reported that this group has met with representatives of the Atomic Energy Commission in an effort to set up a cooperative venture utilizing nuclear explosions to transform the oil shale into a liquid which could then be taken out of the ground.