

AMERICAN FEDERATION OF LABOR AND
CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington D.C., March 9, 1967.

HON. HENRY M. JACKSON,
*Chairman, Committee on Interior and Insular Affairs,
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: In connection with recent hearings by your Committee on development of oil shale resources on federally owned lands, I wish to present the views of the AFL-CIO.

The AFL-CIO has long standing interest in development and protection of these resources. Our position was reiterated in a 1965 AFL-CIO convention statement which declared:

"We urge full protection of the enormous stake that all Americans hold in the oil shale deposits on federally owned lands. The federal government should rapidly enlarge its efforts to develop economically competitive techniques of processing liquid petroleum out of shale rock. It should build demonstration plants as yardsticks to private industry, performance and costs. Resumption of leasing on federal oil shale land should not be authorized without the strongest protection against private monopoly and speculation."

The oil shale resources lying under some 5.1 million acres in the Green River Formation of Colorado, Utah, and Wyoming are of almost incalculable value—with estimates ranging from \$300 billion to \$2.5 trillion. Revenues to the federal government from an orderly leasing program at the proper time and under appropriate safeguards will be enormous.

The importance of our shale oil reserves for this country's future energy requirements can scarcely be exaggerated. We believe these resources should be developed in such a way as to bring the broadest possible benefits to the public welfare, to strengthen the economy, to insure constructive competition, to prevent private monopoly over major natural resources, and to protect the affected environment.

Therefore, we support proposals by the Secretary of the Interior for a 10-year study of technological and environmental problems associated with development of oil shale resources.

However, we strongly oppose proposals by the Secretary which would lead toward commercial leasing of shale oil lands before the major problems of public interest protection, technology, and conservation are solved.

We are particularly concerned about the dangers of monopoly in shale oil development, and therefore we oppose the Secretary's proposals:

- (1) To exchange private lands for public oil shale bearing lands in order to assemble "management blocks" for private development purposes; and
- (2) To open up small areas of federal oil shale lands to test development by private interests.

We believe these proposals are contrary to the public interest because, as the Secretary himself admits, "the development contract may ripen into a lease for full scale production", and thus open the gates to private commercial leasing before public policy and safeguards are formulated and effective.

We do not oppose development of our oil shale resources, but we insist on full and complete protection of the public interest with such restrictions and controls as may be necessary to prevent monopolistic exploitation which benefits a few giant oil companies. These goals cannot be achieved—and, indeed, will be defeated—if the major responsibility for shale oil development is turned over to private industry.

Let me point out that there is nothing to stop the giants of the oil industry from developing extraction and processing methods for the oil shale lands they own privately already. There is no need to lure these companies into action with give-away open-door opportunities to lease or acquire federally owned oil shale lands.

One other point I would like to make, Mr. Chairman, relates to the joint effort of the Interior Department and the Atomic Energy Commission to determine the feasibility of underground nuclear explosions to release shale oil. We believe the greatest possible safeguards must be adopted to prevent excessive release of radiation into the environment above and below ground and to prevent unanticipated, dangerous underground environmental effects. Furthermore, we question