

The CHAIRMAN. Without objection, the statement of the senior Senator from Colorado made before the Hart Subcommittee on Anti-trust and Monopoly will be included at this point in the record. (The statement referred to follows:)

STATEMENT OF SENATOR GORDON ALLOTT BEFORE ANTITRUST AND MONOPOLY SUBCOMMITTEE OF THE SENATE JUDICIARY COMMITTEE, APRIL 26, 1967

Mr. Chairman, I appreciate this opportunity to make these remarks before the subcommittee, and I hope it will serve a useful purpose.

Inasmuch as the bulk of the oil shale resource is in my own State of Colorado I have followed these hearings with some interest. I have had an opportunity to briefly read the transcript of the hearings held last week on Tuesday, Wednesday and Thursday. As a result, I noticed that the scope of these hearings is such that I felt it might be useful for me to comment on the subject.

As the Chairman knows, the Interior and Insular Affairs Committee, on which I serve, has held two sets of hearings on oil shale. While I understand that the February 1967 hearings are soon to be printed, they were not completed. Those hearings were adjourned subject to the call of the Chair. While I cannot speak for the Chairman, it was my understanding and belief that further hearings would be scheduled as developments warrant. During those hearings I specifically asked the Secretary of the Interior if he thought that separate hearings on just the leasing aspect of oil shale would be helpful and advisable. He agreed that they would be useful at the right time. The Secretary then explained what he believed the "right time" would be. Rather than paraphrase him, I shall quote him directly from the transcript:

"Once we have put out our regulations, once we have had comments from industry and from others, once we have then made our regulations final, and we are moving on into the development of the new leasing techniques, if they are new, we are not sure they will be, I think this would be a time when it would be useful to us to have the Committee get into this picture."

The Secretary and I share the belief that the more public discussion there is of the issues and problems involved the more likely we are to find the best and most appropriate answer.

In this respect, Mr. Chairman, these hearings before this Subcommittee can be helpful. The more light that is shed on the subject the better our chances will be of separating the wheat from the chaff, of discerning fact from fiction, of determining what is substance and what is fantasy. It would be most unfortunate if either the Congress and/or the Department of Interior based its policy decisions on fantasy rather than fact. As you pointed out in your opening statement, Mr. Chairman, the overall problem rests within the jurisdiction of the Interior and Insular Affairs Committee, but I am sure that the record developed here with respect to competition and monopoly will be carefully reviewed by the Interior Committee when circumstances and developments are such that the overall policy can be appropriately considered.

I am fully in accord with the belief "... that the fastest development of oil shale will come about when a program is developed which encourages maximum competition." Obviously, the problem is how to develop such a program. To simply open up the land to unbridled leasing may not only create a giant speculative leasing flurry, but may also tend to retard development by securing mining rights to those who are not seriously interested in development and denying them to those who do wish to develop oil shale. Such leases are sometimes characterized as "nuisance leases". On the other hand, to delay in coming up with a leasing program increases the chances of concentration, because it affords those with abundant capital an opportunity to solidify their position by acquiring certain necessary and associated rights, such as water rights, patent rights to technology, etc., tending to eliminate those not having the staying power that large amounts of capital affords. It is for this reason that I have been urging the Secretary of Interior to promulgate leasing regulations with research and development requirements at the earliest possible time. I must say, however, that my urgings have gone largely unheeded, for with the exception of the Secretary's announced Five Point Oil Shale Development Program, dated January 27, 1967, nothing in this regard has come from the Department. As announced, the Secretary's proposal would appear to be within