

That is a lot different than the confiscatory royalty system advanced by Udall as a tentative approach to oil shale development. Oil shale is fantastically richer per acre than most coal seams but a firm doesn't have to submit to public abuse to make its bid.

There are more oil shale hearings scheduled in Congress in September. The Senate Interior Committee, headed by Sen. Henry M. Jackson, D-Wash., is to follow the anti-trust committee hearings held earlier by Sen. Philip Hart, D-Mich. We hope the Jackson hearings are constructive; we'd hate to see oil shale lose out to coal simply because it was a larger windmill for Professor Galbraith's lance.

Senator ALLOTT. One of the paragraphs reads as follows:

So it is only obvious that oil firms should turn to the tried and true mineral procedures for fuel and chemical resource developing. There are huge quantities of coal on public lands which have been developed under lease and royalty for many years and there is more available, particularly in the west. By a commercially-proven hydrogenation process, this coal can be turned into gasoline and diesel fuel.

In other words, without belaboring the point, I am very strongly of the opinion that we are at the point where, unless we can provide sufficient incentives to private industry, those people who would normally be interested in the development of an oil shale process will turn to coal because of blocks put in their way, and that therefore, and as a result of this, our oil shale industry may be wrapped up for years or at least until the coal hydrogenation becomes uneconomic. It might even be wrapped up forever and completely bypassed in favor of other energy sources. I am sure the Secretary does not want to see this happen any more than I do.

Mr. UDALL. Well, Senator, my best judgment—I may be wrong—but on the basis of the advice of my people, I seriously doubt at this point that the type of patent policy that we propose would be a serious impediment.

Now some of the spokesmen for some of the companies may say so because they would prefer not to have it, but I do not think it is really going to be a serious impediment. As I say, I may be wrong, and I am willing to listen to arguments on this, but I do think that the long-term national interest in a vast resource—there is no resource like the United States oil shale in the world—requires that we have the best policy.

Senator ALLOTT. Well, I should have included also in my statement about the coal the Athabaskan Tar Sands. There is also an article in the Scientific American for February of 1966, a very comprehensive and fine article, about the development of the tar sands and oil shales, both, and I am raising this question with you now, because while I have not seen any of the statements that will be made, I would hope that these questions will be discussed by the industry when they appear. I think that is all I have at this time, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Allott.

Mr. Secretary, I want to ask you, with reference to the proposed Federal recordation bill, which I introduced, on the filing of mining claims, whether or not it might be possible, at least on an interim basis, to limit its application to the States or counties involved in oil shale development? There has been considerable opposition expressed from some of the other States, and as an interim measure, I would ask whether or not the department would be willing to go along on that approach as a compromise in order to get some early action on the proposed bill and the present problem?