

of Section 232 the Director and President are told in broad language to "recognize the close relation of the economic welfare of the Nation to our national security." In addition, the subsection admonishes recognition of the effect of imports on "the requirements of growth of such industries [critical to defense] and such supplies and services including the investment, exploration, and development necessary to assure such growth"

As recently as August, 1965 the Department of State⁵⁹ maintained that any further restriction of oil imports would not be necessary for national security and would not be in the national interest. In support of its position it notes, for instance, that Venezuela draws nearly 60 percent of its government income directly from its petroleum industry, and that petroleum constitutes about 90 percent of all Venezuelan exports. Therefore, "increasing prosperity for the Venezuelan petroleum industry is essential if the country is to remain an effective democracy and a keystone in our relations with Latin America."⁶⁰

There has been a marked increase in oil imports allowed within the last year. Imports quotas on residual fuel oil were raised at eastern ports for 1966 by Secretary Udall, despite strong objections from coal and domestic oil producers and a number of eastern railroads and utility companies.⁶¹ Secretary Udall has indicated further that he favors the complete elimination of any import restrictions on residual fuel oil.⁶² In order to accomplish unlimited imports Secretary Udall must, and apparently will, appeal to the Office of Emergency Planning for a ruling that such a move would not endanger national security. As will be seen in Part Two, United States programs regulating foreign oil imports and our national defense requirements must be taken into account in arriving at any policy for the development of oil shale.

PART 2—GOVERNMENT'S ROLE IN THE DEVELOPMENT OF OIL SHALE

Today there is no federal policy providing for the development of oil shale. Undersecretary of the Interior John A. Carver, Jr., in testifying before the Senate Interior Committee in May, 1965 said, "This reserve is so big and so valuable that . . . when one hears words like Teapot Dome . . . it tends to freeze any kind of action, either congressional or administrative."⁶³

And yet the formulation of an appropriate national policy is essential for the future development of oil shale. In an effort to discover why no such policy has ever been formed, this paper will first give an outline of the current situation. Next to be discussed will be the many problems which Congress must consider if, and when, it decides to establish comprehensive leasing procedures for the future commercial development of federal oil shale lands.

The problem of contested claims for unpatented lands lies outside the scope of this paper.⁶⁴ As was indicated earlier,⁶⁵ the amount of land involved in these mining claim disputes is minimal compared to the oil shale lands and deposits which await the formulation of a federal leasing policy. Furthermore, the formulation of such a policy should not be precluded by the presence of these contested claims. Any policy covering the lease of federal lands would still leave resolution⁶⁶ of remaining conflicts over contested lands to appropriate proceedings between the respective claimants.⁶⁷

⁵⁹ MacArthur Letter, *supra* note 57.

⁶⁰ Letter from Douglas MacArthur II, Assistant Secretary for Congressional Relations, Dept. of State, to Gordon Allott, U.S. Senate, June 22, 1965.

⁶¹ Wall Street Journal, Dec. 23, 1965, p. 2.

⁶² *Ibid.*

⁶³ Senate Hearings on Oil Shale, *supra* note 3, at 61.

⁶⁴ See note 5 *supra*.

⁶⁵ See note 3 *supra*.

⁶⁶ Senator Allott (R. Colo.) has introduced legislation in the past two Congresses addressed to the problem. S. 1009, 89th Cong., 1st Sess. (1965).

This bill is intended to amend the "savings" clause, Section 37, of the Mineral Leasing Act by reasserting the present validity of claims to oil shale lands which were valid but unpatented at the date of passage of the Mineral Leasing Act. The bill, if passed, would effectively revoke all administrative and legal actions taken by the Secretary of Interior in declaring these unpatented claims invalid. The bill has died in the Senate Interior Committee both times and that committee has apparently received no Department Report concerning it from the Secretary of Interior.

See also, CONG. REC. 1962 (daily ed. Feb. 4, 1965).

⁶⁷ Ely, *supra* note 11, at 303.