

established themselves in the industry during its early, governmentally controlled stages. The 1954 Act also requires licensees to make a full disclosure of any unpatented technology possessed by them at the time their license is granted. Congress might use similar procedures in order to insure fair treatment for all participants in oil shale development.

6. Speculation

The Department of Interior has often expressed its fear that "speculative tendencies"¹²⁰ brood menacingly over prospective oil shale development. But it should be pointed out that the "do-nothing" attitude of that Department has probably contributed more than any other single factor to speculation in oil shale land and adjacent water rights.

Bryon Mock, a member of the Oil Shale Advisory Board, recently said: "At least to me, the taint of Teapot Dome and its application to the oil shale reserves of the Federal Government will best be laid to rest by opening all or part of the Federal oil shale lands to competitive leasing with performance requirements written in that eliminate those who cannot or will not develop the reserve. This does not mean that all should be opened at once but in my opinion some should be. To some the withholding of the federal oil shale reserves from development may be construed to be as great a granting of favors to those who wish to restrict competition in that field as would be the direct issuance of preference to such people. This dilemma is one common to public administrators. To my mind affirmative action is the only solution."¹²¹

C. "The National Interest": Its broad considerations

In the preceding section immediate and specific considerations for leasing policy formation were discussed. As was noted, choices are available in each of these areas, and such choices can be readily tested, adopted and changed, if necessary, during the forthcoming development of an oil shale industry.

The present section will explore broader considerations having to do with the general "national interest." Such issues as are involved here are difficult to define and the policy choices within them are often hard to evaluate.

The writer feels that some of these issues must underlie the otherwise unexplained opposition which has so far prevented the development of oil shale. The future of oil shale depends in large measure upon the frank and open discussion of these issues. Once it can be shown that production of shale oil is in the best national interest, then the major obstacle to oil shale development will have been removed.

1. Defense needs and national security

Captain K. C. Lovell, Director of Naval Petroleum and Oil Shale Reserves, Department of Defense, says unequivocally¹²² that the immediate development of oil shale is necessary for national security. Citing figures showing projected increases in domestic demand and increased reliance on foreign oil (an estimated 30 per cent from foreign sources by 1983), he urges that development be commenced just as soon as possible. It is clear that the new oil shale industry cannot produce instant oil." Humble Oil Company estimates a lead time of from eight to ten years before facilities could accomplish "on stream" production.¹²³ Thus, Captain Lovell urges that to wait for war or a national emergency would be to wait too long before attempting to mobilize necessary shale oil production.

2. Foreign trade and the control of imports

As we noted in Part One, the State Department is committed to the expansion of foreign trade whenever such expansion would not endanger the national security. It was seen that Secretary of Interior Udall has recently indicated his desire to increase the importation of foreign oil into this country.

It is obvious that such importation of foreign oil has a profound effect upon our domestic petroleum industry. It may well be that those who oppose the development of oil shale really do so because they favor an increase in the importation of foreign oil.

¹²⁰ DEP'T. INTERIOR SYNOPSIS, *op. cit.* *supra* note 3, at 41.

¹²¹ Mock, *supra* note 12, at 67.

¹²² Senate Hearings on Oil Shale, *supra* note 3, at 64.

¹²³ Reistle, *supra* note 1.