Mr. Carver responded:

"If the withdrawl order were to be lifted, and I think the Secretary has authority also to do that." Page 35.

The present leasing proposals being considered by this Committee are promulgated pursuant to that authority. Surely the people and the Congress wish to have confidence in the procedures and personnel of any Department to whom the power is given to dispose of so much of the national treasure of the United States.

The acceptance or rejection of various proposals made pursuant to the proposed regulations will not be a simple matter of opening sealed bids. It will involve many subjects and technical judgments.

It is not my purpose to cast doubt either on the integrity or capacity of the Department or on its ability to make these judgments in the public interest. It is my purpose to suggest that in important matters involving the public interest the department's procedures have not always been sufficiently guarded.

For example, the Department issued patents on a tract involving considerable acreage although the same claims in the hands of the same applicant had been declared null and void on the ground of fraud in the location in earlier proceedings. Although the error was subsequently discovered and suit was brought to recover either title to the lands or restitution of the value thereof, the government recovered only a portion of the profit realized by the applicant. This was the Eaton case which was concluded by settlement in 1957.

My own search of the county records in Garfield and Rio Blanco counties revealed a case in which the Department issued patents on claims which had previously been declared null and void upon grounds other than the erroneous ground of failure to perform assessment work. These lands, together with some others which were previously patented, were sold to a major oil company for in excess of 1.5 million dollars. For the same land the government had received approximately $61,500. I wish to emphasize that I am not expressing any opinion as the the validity or the invalidity of these claims. Two things about the case concerned me and, I think, properly relate to my concerns about the leasing proposals. One was that as to more than 5,000 of the acres sold, the patents were not issued until after the sale. It would appear that the ultimate purchaser had good grounds to believe that they would be issued. Second, when I examined the file in the General Land Office, I was unable to find any reference to the fact that these claims had been previously denied patents. It is possible that such evidence was contained in the abstract, which had been removed from the file and was not available at the time I checked the records. One other thing should be noted in connection with this case. The sale price of $1.5 million or more, as above mentioned, was for an undivided one-half interest in the land!

These apparent lapses of procedure cause concern in light of the tremendous significance of departmental decisions involving billions of barrels of the people's oil.

In his testimony on May 12, 1965, Mr. Carver also told the Committee:

"In other words, given what we know about oil shale as a resource transcending all other deposits of hydrocarbons now known on earth, it seems to me that a Secretary would want to keep the Congress closely apprised of everything he did in the field. These resources, after all, belong to all the people of the United States." Page 36

I wholly concur in that statement. I presume it remains the policy of Secretary Udall under whom Mr. Carver served.

For this reason, I suggest this Committee request that the Secretary refer the proposed leases to the Committee for review before any binding decisions are made. Congress and the people should know the facts concerning alternative proposals before commitments are made which would divest us of control of some of our most valuable public lands.

At this time it is difficult to speculate as to the probable effect of the Secretary's proposals. It is apparent from a review of statements made in the press by representatives of oil companies that there is considerable concern about the proposed royalties and, more particularly, about the provisions relating to patent rights. If, as may be the case, the present proposed regulations do not entice major investment in research facilities as envisioned, the Committe should review the whole idea of private leasing as opposed to other approaches such as that envisioned by Dr. Morris Garnsey, a distinguished Professor of Economics at the University of Colorado. Dr. Garnsey, in testimony before the Subcommittee on Anti-Trust and Monopoly of the Judiciary Committee, urged consideration of a public or quasi-