

public corporation which could begin immediate and extensive investments in the technology of oil shale development. Such a commitment of public resources would not necessarily envision the permanent domination of the oil shale industry by the government. Indeed, the first stages of the Secretary's leasing proposals envision an experimental rather than a commercial effort. The functions of such a quasi-public corporation could be limited to this phase. Its costs could be recovered from royalties received after commercial production was instituted by private lessees. Such a public oriented entity is ideally suited to undertake one important function of the proposed research, that of protection of the environment. While the Secretary's proposed regulations quite laudably take this important matter into account, it seems to me that a public corporation would be more naturally concerned with, and place greater emphasis upon conservation values than a private concern which is quite properly preoccupied with returning a proper reward to the shareholders. The skies of our cities and the state of our rivers attests to this. Nobody is in favor of air or water pollution, nor does anyone aspire to upset the delicate ecological balance, but experience has proved that people and corporations do these things with little thought of the consequences until critical situations are presented. I am sure that private lessees would be concerned with these matters, particularly inasmuch as the regulations would make such an interest mandatory. For my part, however, the goal of minimizing the possible adverse effects on the environment of large scale retorting operations is a goal of the highest priority. Much as I desire the prompt development of this important resource, I would not suffer such development at the expense of turning northwestern Colorado into an ash pit. A corporation naturally attuned to such a goal may be more effective than a corporation required by regulations to demonstrate some concern.

If the proposed regulations of the Secretary of the Interior are to be modified before leasing proposals are accepted, the modifications should be brought to the attention of this Committee. If the protective measures which have been made a part of the proposed regulations are substantially weakened to the detriment of the public interest, the Committee should consider not only the proposed regulations as amended, but also alternate proposals such as Dr. Garnsey's.

Another aspect of the Garnsey proposal, as it contrasts with the leasing regulations promulgated by the Secretary, which deserves the Committee's consideration, is his claim that such a quasi-public or public entity would be more likely to insure the speedy advance of the art of oil shale retorting and refinement. Many economists, Dr. Garnsey included, have expressed the concern that private oil companies may not want immediate development of oil shale resources. As a non-economist, I am not qualified to speak to that subject. But it seems the advantages of such an approach as Garnsey suggested, together with thoughtful consideration of the dangers of foot dragging efforts, ought to be considered before the acceptance of regulations which do not appear to make satisfactory progress an essential requirement of a lease.

In summary, I wish to suggest :

- 1) That the first priority in approaching the Secretary's leasing proposals is to clear the titles clouded by the claims filed in 1966;
- 2) The best method of promptly accomplishing this is a legislative taking coupled with fair and adequate provisions concerning payment of just compensation for the claims;
- 3) The procedures and the past practices of the Department of the Interior should be reviewed to ensure the maximum safety and the greatest application of competent deliberation in decisions regarding oil shale matters;
- 4) Any changes in the proposed leasing regulations, and any specific applications, should be reviewed publicly by this Committee before final action is taken.
- 5) If the regulations are substantially modified by the elimination of requirements designed to protect the public interest, the feasibility of alternate methods of insuring oil shale development should be considered together with the final leasing regulations.

I appreciate the opportunity of expressing my views and thank the Committee for having heard me.

Senator Moss. The hearing will now be recessed until 9:30 tomorrow morning.

(Whereupon, at 5:15 p.m., the committee recessed, to reconvene at 9:30 a.m., on Friday, September 15, 1967.)