

III. BASIC POLICY OBJECTIVES

In spite of the extensive information already available on many aspects of oil shale and oil shale technology, the Board is impressed with the need for better knowledge about all aspects of oil shale, notably the processes and costs of developing it, and the hazards oil shale development may pose to other resources and human values. For these reasons, the Board is sensitive to the danger of premature commitment to a course that may later prove unwise. In fact, more important than any recommendation it might make as to specific courses of action is its overall recommendation that the government proceed cautiously toward development and maintain flexibility until the oil shale problems are better understood.

In its analysis of the oil shale policy question, the Board has narrowed the range of alternatives to a relatively small field. It agrees that oil shale development is not urgent to provide domestic supplies of liquid fuel for the immediate future, but it recognizes that at least several years lead-time will be required for the development of an oil shale industry. The Board agrees that oil shale development would not likely have a disruptive influence on the existing oil industry in the foreseeable future; moreover, it believes that orderly development of a competitive oil shale industry would provide future sources of oil of much benefit to the country.

The Board agrees that, whenever they may be leased, Federal oil shale lands should yield to the government a fair return for their value, that they should not be held for speculative purposes, and that development must take place only with full regard to conservation of other natural resources and human health. It also recognizes that the Federal government is going to have to play a major role in supporting research in conservation and health, particularly research necessary to develop conservation and health standards. In short, the Board agrees that the Federal government, working in appropriate cooperation with the States, should move positively but cautiously to encourage private oil shale development, with full protection of the public interest in the broadest sense, and that it must expect to provide some of the support, directly or indirectly, of the research required.²⁴

Guided by these considerations, the Board suggests the following objectives of Federal oil shale policy:

- (1) To encourage advancement of the technology of shale oil extraction and the development of a competitive shale oil industry.
- (2) To encourage wide industry competition and initiative in the development of techniques of mining and recovery.³
- (3) To establish conservation goals and standards for the recovery of the oil shale resource for the protection of other values in and adjacent to oil shale lands, and for the protection of public health and related values.
- (4) To prevent speculative use of leased Federal lands to the detriment of oil shale development.
- (5) To provide for reasonable revenues to the Federal and State governments from the use of Federal shale lands.
- (6) To set up whatever Federal program may be decided upon in such a way that it can be administered effectively.

IV. MEANS OF STIMULATING OIL SHALE DEVELOPMENT

The means considered by the Board for achieving these objectives may be outlined in terms of three alternative courses.

- (1) For the present and until the processes and costs of shale oil production, and hence the true value of oil shale land, are better known, the Federal government, in addition to continuing its regular research activities, should actively support research directly or through contracts with private organizations. Such a course would not only help to advance the state of

² The terms "research," "experimentation," and "development" are sometimes confused since they tend to overlap in actual situations. Mr. Childs would call attention to the need for clear definition of these terms in the initiation of lease terms and development requirements.

³ Mr. Galbraith would add "but only after government contract research has proved what can be done."

⁴ For Mr. Perkins' dissent on this subject see his statement in the final section of the report.