

(4) require the Secretary of Interior to contest all outstanding mining claims covering oil shale land, whether the claims be new or old;

(5) require the Secretary of Interior to recover the value of illegal past disposals;

(6) investigate the abuses of Interior Employees by Secretary Udall and his officials and provide for proper restitution for these employees as well as require the Secretary to award recognition for their exceptional meritorious service;

(7) create a new multi-purpose regional oil shale of planning and development corporation on the model of the TVA;

(8) conduct a detailed investigation of the oil shale scandal on the model of the Teapot Dome investigation, to determine what individuals, officials, and companies were responsible for the maladministration in the Department of Interior and elsewhere in the Executive Branch and how this can be stopped without delay;

(9) create a congressional watchdog committee on oil shale staffed by outstanding economists and by competent investigators from the General Accounting Office and the Federal Bureau of Investigation;

(10) block the exchange and leasing regulations proposed by Secretary Udall so as to avert the biggest giveaway ever proposed in the history of America as would occur if the proposed oil shale regulations are adopted; and

(11) expose nationally the facts which prompted former Senator Paul Douglas to recently state that "this (oil shale resource) is the most important submerged issue in American domestic politics involving the greatest scandal thus far in the history of our republic." See 37th article in my oil shale series, published August 24, 1967.

Gentlemen of the Senate, I thank you for permitting me to appear before you to express my views on the greatest untapped treasure in the United States. My hope and my reason for being here is to see that this oil shale treasure will be used for the benefit of all Americans and if necessary for the benefit of all mankind.

STATEMENT OF SINCLAIR OIL & GAS CO.

Mr. Chairman and members of the committee, your committee has contributed significant clarification to oil shale issues through its past hearings. We feel that this hearing may well be the most important yet. We believe that there will be real need for a viable oil shale industry in the next decade to meet our domestic needs, to provide for national emergency, and to prevent overdependence on foreign supplies of raw hydrocarbon materials.

Sinclair is extremely pleased that the Department of the Interior has taken the stand of encouraging development of federal oil shale lands by private free enterprise. Our company welcomes the competition Interior hopes to foster. We feel that the public interest can be served best by the free enterprise approach and that revenues can be generated for the state and federal governments that can be used for public benefit. However, we do not believe that the federal oil shale lands can possibly generate for public funds the tremendous amounts some speakers have envisioned. In fact, we believe that the regulations as proposed would penalize projects on government land so much that development of federal lands and resulting public funds may be precluded. Our purpose today is to point out the aspects of the proposed regulations that would seem the most destructive of attainment of the stated objectives of the Department and that would do the most to keep private industry from moving ahead on development of government oil shale reserves.

Recovery of the hydrocarbon and mineral values from oil shale and conversion of them to forms that can be used are difficult tasks. Sinclair has spent millions of dollars and hundreds of man-years of effort on these problems in the last 15 years. The indicated rate of return on invested capital is still such that companies with massive privately owned oil shale reserves and with oil shale zones as rich as those of federal oil shale lands have preferred to invest their money elsewhere. Under the proposed regulations, any chance of windfall profit rests with the land speculator who would risk only small amounts of money and make no contribution to the development of a shale oil industry. Therefore: 1) if the government will not give the investor who leases government land an opportunity