

REMARKS BY SENATOR GORDON ALLOTT

. . . Most of you people are interested in the development of oil shale as I am, (and while I'm not in Tell's (Ertl) category as an owner, or a potential owner) most of us are classed by a great number of people in this country as economic royalists who can only tear up the great beautiful mountains of Colorado and leave a vast desert wasteland which will forever remain a wasteland (something like the Sahara is at the present time). I see this, as you all know, because of my Committee work in Congress, and I see it as one of the greatest challenges to modern technology and modern development that we have. I don't share the "destructive development" point of view. I think we can have development and beauty too. But I would be remiss, working as I do on the Interior Committee, if I did not underscore the remarks that Tell made (and, Tell, I think you did a very great service by making these remarks).

I can recall a very similar incident when we were developing the Upper Colorado River Project; we were forced to abandon the best economic project in the whole scheme because of these same people — the bird and the bee people. For this reason, I think you have to realize that we *do* have to cope with them. Politically, we have to cope with them, and it's not sufficient just to say that we're going to develop oil. We must provide satisfactory answers along the line that Tell spoke of; thinking in terms of not only extraction, but of replacement of the land. We can't afford, in this country, to leave a vast area a desert wasteland, the people of this country simply will not permit it. This is not encouraging news to some, because it's going to add very greatly to the cost of extracting oil. However, looking back, there are great portions of West Virginia and Pennsylvania today which might be better off, not only from the scenic standpoint, but from an economic standpoint, if attention had been devoted to these things at that time.

There are many problems we must face, as you know, and some of the toughest problems are: how we are going to develop this shale; what the leasing policy is going to be; and how we work out agreements on unitization. One thing is certain, and he (Ertl) underscored this point too. We can't do like we do in an open oil field; just by drawing lines on the ground and saying, "All right, you can punch so many holes here, and you can punch so many holes there." Depending upon what your technology produces by way of extraction processes, we must find methods and means, through our Congress, to assure ourselves that the *most* economic use of the greatest single remaining national asset we have, is made. And these

United States Senator from Colorado

are the problems, the two chief problems with which, I think, we will be wrestling.

Let me thank you again for this opportunity to appear before you and say these few words. It's good to be with you. I just thought of one thing: one gentleman at the end mentioned water. I do think that the water question can be handled. Some of these methods, of course, use a minimum of water. The 1923 or '24 Colorado River Compact has yielded very disastrous results for the Upper Colorado River (in the acre-feet of water that we expected on the Colorado River Basin to be divided), in that it has not yielded the 15 million acre-feet upon which that Compact was based. Rather, the Upper Basin has realized nearer $3\frac{1}{2}$ million to 4 million acre-feet, instead of the $7\frac{1}{2}$ million acre-feet we expected. Mr. Delaney will speak on this tomorrow, and he's extremely able and extremely well informed on this. I do believe, and I have hopes that, particularly with the Glen Canyon and the Curecanti and our increasing ability to withhold water (which otherwise would go down for the free benefit of that state on the west there — California), we will be able to take care of all reasonable demands upon water. I haven't talked with Mr. Delaney, and I don't know whether he's going to take a pessimistic or an optimistic view. But, whatever view he takes, my own personal opinion is that with the filling of Lake Mead, and with the completion of these dams in the Upper Colorado River area, our water picture and our ability to handle the water demands from such an area are going to be greatly increased. We must also think in terms of the people who will be residing in that area, and their usage and need of water. Ladies and gentlemen, it's good to be with you, and thank you very much.

DISCUSSION

QUESTION: Senator, I wonder if it would be possible for you to give us any comments on the status of the depletion allowance.

ALLOTT: I can tell you the status of it very easily, but I can't give you any assurances as easily as that. The status of the depletion allowance is that it is in the Ways and Means Committee in the House, and it's in the Finance Committee in the Senate. Until we are through struggling with some of the tax questions that we now have, I can see no opportunity of moving it. There are some practical aspects of this, dealing with the present structure of the Government, but I would hope that by the latter part of this session we would be in a position to try to get some positive, at least the initial positive action, upon this legislation. For various reasons, upon which I'd rather not comment publicly, I don't think it's advisable to attempt to do this just at this minute. But, I think (and I say this after discussing this particularly with Senator Dominick and

Congressman Aspinall), that we are all of a mind that this is one of the *first* and most important things that we should push.

QUESTION: I've been out of the State for about a week, Senator Allott, but when I left home there was an article (I think about 10 days ago), and I think I spoke to you at coffee of it, about the possibility of using some water out of this little pond up here called Dillon Reservoir and putting it down into Parachute Creek, Grand Valley, and that area for the development of oil shale. Publicly, can you make any comment about this. Gordon?

ALLOTT: Mark, I'll have to confess I haven't seen your letter yet. I've been gone as long as you've been out of the state.

MARK: Well, maybe I didn't lick the stamp.

ALLOTT: I'm not prepared to comment on that now. There are some fantastic things under consideration now, or that *will* be under consideration by Congress, for the alleviation of the overall water problem in the Colorado River Basin. I don't dare mention, I suppose, what rivers might be tapped, without any injury to the states involved in any respect, but one of them is named after the discoveror of America. The Senators up in that area seem to take a considerable amount of umbrage every time we talk about this. But the facts are, I think, that we are going to see the day when we will have long distance transportation of water into the Colorado River Basin. It may not be tomorrow, it won't be tomorrow, but I think that just as sure as we're sitting here it's going to come one of these times to help alleviate our salinity problem — to help alleviate our problems with Mexico; this whole thing isn't going to be solved with this 5 million dollar canal — and also to help alleviate what someday is going to be a distressing shortage in the Upper Colorado River Basin.

QUESTION: I think Secretary Udall has indicated that the United States might need an overall energy policy before he could take any steps toward solving, or making some of the decisions on the oil shale lands that the Federal Government owns here. Do you have any comment on that?

ALLOTT: Well, I remember his remark. I don't agree with it. I don't think you can ever achieve, in our great changing world today, an overall energy policy. Our Public Service, in the last few weeks has announced a projected atomic energy plant here in this state, which is something that none of us foresaw five years ago. I personally didn't think this technology would advance this rapidly. I had no idea it would. And there may be other developments of our power resources that will come, outside of oil and coal, and other similar sources. I personally feel that this is an attempt to duck the issue, rather than to grapple with it, and tackle it. That's about all I can say at this time. Incidentally, we had a long mineral

fuel policy study in the Senate three years ago, of which Senator Anderson was the chairman. It produced a lot of wonderful factual information, and nobody seems to be aware of it. They simply seem to have thrown it into the wastepaper basket and forgotten about it. This is a characteristic, of course, of our Government — that you spend a lot of money trying to find something out, and then after you find out, you go ahead do something anyway, regardless of what the report says.

RUSS CAMERON: Would you care to comment on the benefits to be derived from the hearings on oil shale that Senator Jackson has called?

ALLOTT: Well, frankly, I think very few benefits will be derived from them. It's hard to understand, at the moment, the reason for them. He apparently has decided to hold hearings upon the interim report of the so-called "Blue Ribbon Committee", a committee which met (if my recollection is right), four times. Except for two gentlemen on it (the President of our School of Mines and Mr. Mock), they were completely unacquainted with what they were talking about, and I really can't see how this is going to contribute. As I look at it, the main things we have to solve in the congressional area, legislatively, lie in two areas. First of all, the leasing problem; how this is gone about. With that will come the thing I spoke about at first, how you leave the land, etc. Secondly (and I've already stated that this is our *first* priority), is the matter of depletion. There is a third aspect: that of trying to clear up all of the claims, locations, patents, and counter-claims, etc., that we now have. I have a bill pending, as you know, to do that. Senator Jackson, the Chairman of the Interior Committee, has shown some reluctance (when I talked with him when he first told me he was going to hold these hearings) to use that bill as a means for going ahead. So I think it's rather just a general excursion to try and acquaint the people with some of the problems, and perhaps to give some people a chance to voice their thoughts on this matter. I hope, and I know, that we'll have representatives from Colorado who will be there and express our own point of view very forcibly. Also, I might add just this last comment on this leasing, location, and patent thing — the injustices that are done. There are some people with patents to their mining claims who are done. There are some people with patents not *have* patents, that is to say, some have been denied where there is no visible difference in their situations. It's going to be a terrible mess to clear up. Until we clear it up, I don't know how the Government is going to enter into a knowledgeable, sensible or sane leasing policy. Because, until this matter is cleared up, it's going to be almost impossible for the Government to lease. We've got to clear up the titles first.