to the general policy against import quotas announced in the General Agreement on Tariffs and Trade (GATT).[52]

The Korean War temporarily alleviated the pressures of import competition. Then in July, 1954 President Eisenhower established the Cabinet Committee on Energy Supplies and Resources Policy. This Committee concluded that our national security could best be protected if imports were kept in balance with the domestic production of crude oil in the proportionate ratios which existed in 1954. The Committee recommended a program of "voluntary restrictions of imports" to be practiced by the industry itself.

During the next few years and throughout the Suez crisis[53] the voluntary program worked with less and less effectiveness, until 1959, when President Eisenhower created by proclamation the Mandatory Oil Import Control Program.[54] Under this program, which remains in effect today, imports of crude oil, unfinished oils and finished products (except residual fuel oil to be used as fuel) entering Districts I–IV (including all of the United States east of the Rockies) are not to exceed 9 per cent of the total demand in those districts. In District V (which includes the West Coast) imports are limited to an amount which, together with domestic production and supply, will approximate total demand in the district. Puerto Rico was given a quota whereby imports were not to exceed those of calendar year 1957. The Oil Import Administration, Department of Interior, is charged with the responsibility of maintaining the proper ratio of imports to demand. In 1964,[55] the ratio stood at 9.6 per cent, an increase of .6 per cent over 1959. The O.I.A. also supervises the allocation of import quotas to individual oil and petrochemical refiners.

At the present time the State Department is attempting to follow generally an open-door policy with respect to foreign trade. That Department, operating under the mandates of the Trade Expansion Act of 1962 (TEA),[56] is committed to the belief "that it is in our national interest to maximize foreign trade."[57] Nevertheless, the requirements of national security are recognized as one justifiable exception to this otherwise open-door policy.

Section 232 of the Trade Expansion Act sets out the rules governing the use of this exception and represents the legal basis for the present oil import control program. Under that section the Director of the Office of Emergency Planning is authorized to investigate and promptly advise the President of any importations threatening the national security. The President is then directed by the section to take such steps as are necessary to remove the threat. Under subsection (c)[58]

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[52] Signed at the Geneva Conference of 1947 between the U.S. and 22 other nations.

[53] During the Iranian and Suez crises major American companies producing in the Middle East were asked by the U.S. government to meet together for the purpose of ascertaining how best to overcome the effects of the crisis on supply and demand. They were guaranteed immunity from any antitrust litigation. Their voluntary agreements remain on file and will be put into effect upon the consent of the U.S. Attorney General in the event of any such future international petroleum supply crises. See *Conservation of Oil and Gas, A Legal History*, ABA Sect. M & NRL (Sullivan ed. 1958).

[54] Pres. Proc. 3279, 24 Fed. Reg. 1781 (1959), as amended by Pres. Proc. No. 3290, 24 Fed. Reg. 3527 (1959) which exempted from import restrictions crude oil imported by overland means from Canada or Mexico.

[55] Monthly Petroleum Statement, Mineral Industry Surveys, Dept. of Interior, March 8, 1965, Table 22.

[56] Act of Oct. 11, 1962, 76 Stat. 872 (1962) (codified in scattered sections of 19 U.S.C.).

[57] Letter from Douglas MacArthur II, Assistant Secretary for Congressional Relations, Dept. of State, to Gordon Allott, U.S. Senate, Aug. 9, 1965.

[58] Trade Expansion Act of 1962, *supra* note 56, § 232.

"(c) For the purposes of this section, the Director and the President shall, in the light of the requirements of national security and without excluding other relevant factors, give consideration to domestic production needed for projected national defense requirements, existing and anticipated availabilities of the human resources, products, raw materials, and other supplies and services essential to the national defense, the requirements of growth of such industries and such supplies and services including the investment, exploration, and development necessary to assure such growth, and the importation of goods in terms of their quantities, availabilities, character, and use as those affect such industries and the capacity of the United States to meet national security requirements. In the administration of this section, the Director and the President shall further recognize the close relation of the economic welfare of the nation to our national security, and shall take into consideration the impact of foreign competition on the economic welfare of individual domestic industries; and any substantial unemployment, decrease in revenues of government, loss of skills or investment, or other serious effects resulting from the displacement of any domestic products by excessive imports shall be considered, without excluding other factors, in determining whether such weakening of our internal economy may impair the nation's security."