

While drilling of exploratory wells increased in 1966, the 505 wildcat wells drilled were less than one-half the number drilled in 1959.

Crude oil production increased 11 percent compared to an increase of 18 percent in crude oil imports into districts I through IV.

The only basis for mandatory oil import program is national security, and that basis must be completely reaffirmed. With that overall objective in mind we should:

Commit ourselves to the preservation of the general principles of the current quota system with a reasonable reduction in the overall level of imports.

Include all nonresidual imports in districts I through IV within the prescribed import ratio.

Subject all products moving from offshore chemical plants to the same restrictions that such products would have if moving from foreign sources.

Allow free imports into trade zones only to the extent products are exported and require raw material quota in proportion to the U.S. product imports.

Delay the use of the "discretionary" asphalt import authority at least until the Office of Emergency Planning has completed its study of national security aspects of the importing of both finished asphalt and asphalt content crude.

Continue to recognize the defense contribution of overland crude by exempting these imports from controls but restrict overland import growth to the same rate as the U.S. crude demand growth.

Establish more specific guidelines for the operation of the Oil Import Appeals Board.

These measures will provide long-range stability and insure an ample oil supply to this country in the interest of our national security. The American oil industry has too long suffered from the fourth agency of Government who rules by agency decree. It behooves us to protect our national economy and resources by supporting these measures.

On May 28 I introduced a bill (H.R. 17565) to provide for orderly trade in iron ore, iron and steel mill products. I would like now to provide the committee with additional evidence of the pressing need for this legislation.

The flood of steel imports into the United States has reached alarming proportions. If allowed to continue—and at present there is nothing to stop it—this trend will have disastrous effects not only on our balance of trade but on our national economic welfare and will seriously threaten our national security.

If this seems to be an overstatement, let me cite the figures on steel imports during the past decade:

In 1958, we imported 1.7 million net tons of steel, almost double the 1955 total of 973,000 tons 3 years previous. In 1961 this figure nearly doubled again to 3,160,000 tons. By 1964 we were up to 6.4 million tons. Last year it was 11.5 million. Thus the total has climbed some 10 million tons in 10 years, nearly doubling every 3 years—an incredible growth rate of almost 700 percent.

In dollars, this growth has been from \$192 million in 1958 to \$1.3 billion in 1967.