

For the sake of brevity, I will confine my remarks to the oil import problem but would like to be on record as endorsing the statements made to the committee earlier by the American National Cattlemen's Association and the Texas & Southwestern Cattle Raisers Association.

Mr. Donald C. Watson, president of the Panhandle Producers & Royalty Owners Association, in his statement, which he will present on the oil import program, has illustrated the plight of independent oil operators and the declining state of the oil drilling and producing industry in the Texas Panhandle.

I am well acquainted with the conditions he describes and fully subscribe to his recommendations.

In May, I testified before the Subcommittee on Mines and Mining of the House Interior and Insular Affairs Committee and would like to direct the attention of the chairman and members of this committee to the report of those hearings. And I would like to offer the same recommendations to this committee that I made to the Interior Subcommittee.

About a year ago, I testified in hearings held by the Secretary of the Interior on the proposed import allocations for Puerto Rico which have subsequently been granted. Last December before the first of those allocations was announced by the Secretary, I addressed a letter to him in which I asked a number of questions about the justification under the oil import program for the approval of such allocations. In that letter, I said:

When hearings were held on the Hess quotas in May, it was opposed by a number of Members of the Congress. If my memory serves me, it was opposed by all elements of the petroleum industry, except Hess.

It was supported by the government apparatus, the taxi drivers, the florists, the Chamber of Commerce and the hotel people in the Virgin Islands. How such "witnesses" would bring to bear such persuasion, resulting in an action that has brought confidence in the import program to a new low, is a matter which, to say the least, is filled with intrigue.

The Secretary's reply was dated December 14 and the closing paragraph said:

I expect to announce decisions on at least some of the Puerto Rican applications immediately and will be glad to discuss any questions you may have with respect to them. I hope this letter will help you respond to your constituents who have written about the Hess allocation.

And he did announce them immediately—in fact that same day, and left for Puerto Rico where he participated in the dedication ceremony of Phillips Petroleum Co.'s new petrochemical facility there.

In his speech at the dedication, Secretary Udall was quoted as saying:

The Phillips Puerto Rico decision was one of the most difficult and controversial decisions I have been called upon to make as Secretary of the Interior.

I chose to cast my lot with the people of Puerto Rico—and to accept the severe criticism that followed—because I felt to do otherwise would thwart the most logical and most beneficial hope for industry-leased economic growth on this island.

He said his decision was justified by the added employment it would provide Puerto Ricans, the quickening pace of industrial development on the islands with attendant economic benefits, and the coupling of these advantages with conservation of the "natural and primitive