beauty of the mountains, the sparkling sand beaches, and beautiful blue waters of this beautiful Caribbean island."

And he has since approved other plants in Puerto Rico—one for a 60,000-barrel-per-day crude oil import allocation as feedstock for another core crude unit to sustain petroleum and petrochemical facilities to be constructed by Sun Oil Co.

I wish to point out that I am not criticizing Phillips Petroleum Co., Hess Oil Co., Sun Oil Co. or any other company, but rather the circumvention of the purpose and intent of the oil import program in granting these allocations.

As I understand it, the mandatory oil import program was established by the President under authority of the national security clause of the Trade Agreements Extension Act following a report of the Special Committee To Investigate Crude Oil Imports, in which the committee found, among other things, that imports of crude oil derivatives and products "threaten to impair the national security."

The program, while far from perfect, was well conceived and, taken as a whole, served the Nation well until 1965. But for the past 3 years the program has undergone almost continuous change through concessions that have been granted that are in no way related to the original purpose.

It is obvious today that the administration of the program has wandered far afield. Exceptions to its basic rules have been granted by administrative decisions without regard to the explicit authority and intent of the program and in spite of overwhelming objections by the great majority of those most directly affected.

There are three overriding reasons why Congress needs to write some specific guidelines into this program.

1. The domestic oil and gas industry is being systematically dismantled personnelwise by the administration of this program. Last year for the fourth year of the past 8 years less crude oil was discovered than was produced. Discovery of new reserves is running at only one-half the rate that the Department of the Interior says we will need by 1980.

2. The Suez crisis of last year clearly illustrated that all American citizens have a vital stake in maintaining our reserve capabilities and reversing this trend of growing dependence on foreign oil. The military alone is now consuming more than a million barrels daily—far more than the peak period of World War II.

3. Aside from the economic impact on one of our vital domestic industries and the threat of losing our self-sufficiency posture, net oil imports constitute the largest single factor in the U.S. balance-of-payments deficit.

This figure is running close to $2 billion a year and if the Secretary of the Interior further increases imports outside the 12.2-percent ceiling, the potential increase under authorizations made by the amended Presidential proclamation could add another $300 million a year. This is clearly an area in which the deficit could be substantially reduced rather than increased.

Mr. Chairman, I believe that a reassessment by Congress of the real intent of the national security clause of the Trade Agreements Extension Act is long overdue. Under present circumstances, I believe this committee should make a searching investigation of the basic