

be given to the proposition that this Nation needs a vigorous and active domestic oil industry if it is to provide the American industry and the American economy in general with a guaranteed power supply. I am here to suggest that the petroleum industry cannot perform this essential task in face of substantial imports of foreign petroleum products.

With the view in mind of not being repetitious of the excellent presentation which has been prepared by Governor McKeithen, I ask the committee's permission at this point to present that statement in behalf of the Governor. Mr. Chairman, I urge that the committee consider this statement carefully, and give active consideration to his excellent arguments in making up your minds concerning this most important issue before you. For my own part, I endorse the Governor's statement and associate my own views and position with his.

(The statement referred to follows:)

STATEMENT OF HON. JOHN J. McKEITHEN, GOVERNOR, STATE OF LOUISIANA

Mr. Chairman and Members of the Committee: I greatly appreciate the opportunity to present to you my thoughts on a question which is of overriding national concern, and of particular importance to Louisiana. That is the necessity to maintain reasonable limits on the importation of foreign oil to the end of encouraging the search for, development and availability of domestic petroleum supplies adequate to meet the needs of our country in any emergency, at any time, in any place.

It is my conviction that should our country ever lose its position of self-sufficiency in petroleum fuels it will have lost its position of strength as a world power. Events still fresh in our minds, which disrupted the flow of 10 million barrels daily of Middle East oil to Free World markets in the summer of 1967, attest to the grim realities which would face our country and its citizens should we choose a course leading to irretrievable dependence on remote and vulnerable petroleum supplies.

As Governor of our second-largest oil producing state, I felt compelled to state my views for two reasons: The first is that the Congress has the basic constitutional duty and responsibility to weigh carefully the impact of imports of strategic and critical materials, such as petroleum, upon our ability to maintain adequate domestic supplies of such materials—and, where the evidence supports the need, to legislate safeguards which are required for our national security.

Secondly, going beyond the imperative need to see to it that we are never without adequate defense fuel supplies within our own control, there are large areas of our country where the economic activity of entire communities—and indeed of entire states—are dependent upon a healthy, growing petroleum producing industry. Louisiana is such a state. Petroleum production is our primary natural resource. It is our largest single industrial employer. It is the largest single source of revenue to our state government.

In reference to my first point, I wish to recognize and to commend this committee for the wise thought and helpful action it has devoted in the past to defining and implementing a national policy as to imported oil. In the Defense Amendment which this Committee wrote into the Trade Agreements Act of 1955, there was ample authority to effectively limit petroleum imports in the interest of national security. This was not a direct implementation of policy, however; it was a delegation of this authority to the Executive branch. When this authority was used to establish the Mandatory Oil Import Program, in March 1959, all who had devoted energy and thought to the problem had reason to expect that it was, at last, resolved.

Indeed the Mandatory Oil Import Program has been of tremendous importance in preventing the total collapse of the domestic oil producing industry. When it was implemented, our country was headed full gallop toward irreversible dependence on foreign oil. The program has postponed that grim day, but its effectiveness in serving our national security in the future is now in great doubt. This doubt now exists because those responsible for administering the program have departed from the singular purpose intended by Congress, the assurance of adequate defense oil supplies, to improvise a complexity of special