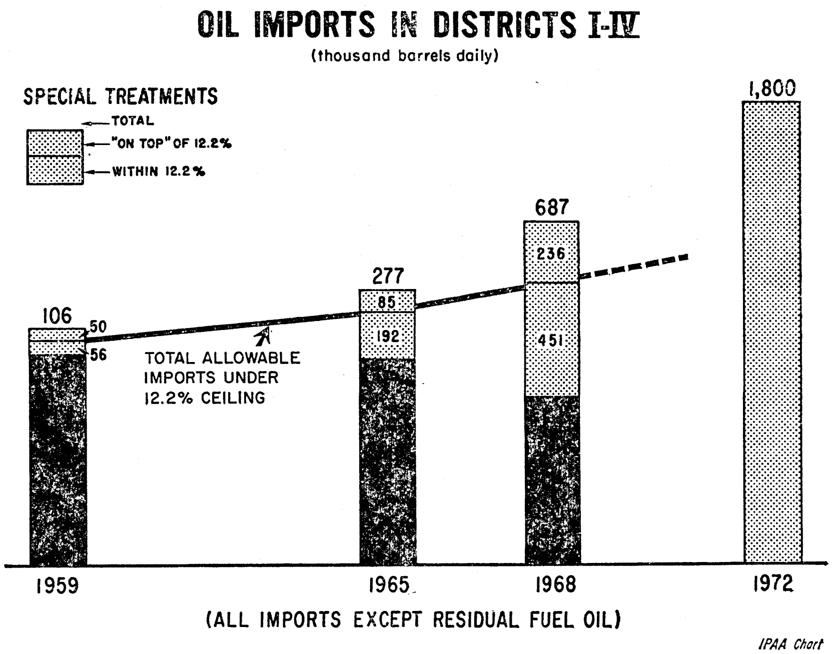
Answers to these questions can be found on the chart entitled "Oil Imports in Districts I–IV" which you see on my left. In that area east of the Rockies, the most important security standard of the import program is the limitation of imports to 12.2 percent of production.



This standard is being dismantled by a substantial increase in "special treatments" that give a favored and perferential position to various categories of imports, as well as classes of importers, types of products, and individual companies.

In 1959 these special treatments were relatively limited; totaling about 100,000 barrels daily, equivalent to only one-tenth of the total allowable imports. By 1965, 6 years later, the volume of imports given special treatment had increased to 277,000 barrels daily.

In the next 3 years, since 1965, however, this volume has skyrocketed to almost 700,000 barrels daily, equivalent to almost two-thirds of the total allowable imports under the 12.2 percent ceiling. The result was predictable: It became impractical to find "room" within the 12.2 percent ceiling to accommodate all of the large increase in special treatment imports. As a result, a total of close to 250,000 barrels daily are now being imported over and above the ceiling.

All of this overage is imported at the expense of domestic production and in violation of the policy of maintaining a stable relationship between imports and production.