OIL IMPORTS IN DISTRICTS I-IV (EXCLUDING RESIDUAL FUEL OIL)

[Thousands of barrels daily]

	1959	1965	1968	1972 estimate
SPECIAL TREATMENTS				
Special treatments outside 12.2 percent:				
Overage from Canada		12	60	(1)
Bonded jet fuel and distillate fuel	15	38	80	(1)
From Puerto Rico	35	35	35	(1)
No. 4 fuel oil			25	(1)
Carryover of 1967 quotas			36	(1)
Total	50	85	236	(1)
Special treatments within 12.2 percent:				
Overland from Canada and Mexico	56	192	310	(1)
From Puerto Rico and Virgin Islands			46	(1)
Carryover of 1967 quotas			36	(1)
Petrochemical quotas			52	(1)
No. 2 fuel oil			7	(1)
Total	56	192	451	(1)
Total special treatments:				
Overland from Canada and Mexico	56	204	370	[2] 600
Bonded jet fuel and distillate fuel	15	38	80	[2] 150
From Puerto Rico and Virgin Islands	35	35	81	[3] 150
No. 4 fuel oil			25	[2] 50
Carryover of 1967 quotas			72	
Petrochemical quotas			52	[4] 300
No. 2 fuel oil			7	[3] 50
For low-sulfur fuel				[5] 300
For asphalt				[6] 100
Bonus imports for exports				[7] 100
Grand total	106	277	687	1,800
SUMMARY				
Imports outside 12.2 percent: Special treatments	50	85	236	(?)
Allowable imports within 12.2 percent:				
Special treatments	56	192	451	(?)
Regular allocations	817	793	650	(?)
Total allowable imports per 12.2 percent	873	985	1,101	1,250
Total special treatment imports	106	277	687	1,800
Percent of total allowable imports	12.1	28.1	62.4	144

Sources for 1972 estimates:

[1] See totals below.
[2] Continuation of existing policies and trends.
[3] Application of precedents, already set, to pending and future applications.
[4] Increase in present allocations, per program of chemical companies.
[5] Per May 24, 1968, proposal of Interior Department.
[6] Displacement of east coast domestic asphalt, per authority already granted to Interior Department.
[7] Bonus for present exports of petrochemicals and oil lubricants, per Dec. 24, 1967, joint announcement by Secretaries of Commerce and Interior.

Because of these special treatments, it is clear that the import program has now reached, in fact has passed, the "breaking point." Preferential and special treatments inevitably breed both the seeking and granting of more and more such treatments; breaching, to an increasing extent, the 12.2-percent ceiling.

Let's look ahead if the present administrative practices are continued, the chart shows "special treatment" imports increasing to an estimated 1,800,000 barrels daily by 1972. This would exceed total allowable imports by almost 50 percent, before even giving any consideration to regular allocations not subject to special treatment. Obviously, Mr. Chairman, the Mandatory oil import program would be in shambles, with huge excesses necessarily being permitted over the 12.2-percent ceiling.