

I would like to emphasize that the projections for 1972 include only the known cases of "special treatments," already granted or under consideration by the Interior Department. The projected increases, therefore, could well prove to be much lower than they would normally be.

CONCLUSION

The United States petroleum industry has the capability of providing the Nation with petroleum supplies adequate to meet national security needs.

Under the present administration of the oil import program, it is our opinion that the domestic oil industry will continue to deteriorate and our Nation will unnecessarily and artificially become dependent upon unreliable foreign oil sources.

The industry needs, therefore, a clear policy mandate from the Congress that the domestic industry is preferential to a dependency on foreign source oil and that oil imports will be limited so as to encourage the domestic industry to remain capable of supplying our oil requirements at all times, both during peace time and during emergency. We have documented this presentation with evidence set forth in Appendixes A, B, C, D, and E, which Mr. Chairman, in the interest of time I would like to request that they be incorporated in the record as part of my statement. I certainly want to thank you for the privilege of testifying before your committee. We will proceed with the testimony of the other producer groups and then respond to any questions you might like to ask or have questions now, sir.

The CHAIRMAN. All right. You proceed and give us your entire testimony and then we will ask questions.

Mr. McCLURE. Very good.

The CHAIRMAN. Without objection the material you referred to will be included at this point in the record.

(The appendixes referred to follow:)

APPENDIX A.—THE ORIGIN AND PURPOSE OF THE MANDATORY OIL IMPORT PROGRAM

Few major national policies have received more study and consideration over the past two decades than has the matter of excessive petroleum imports and their impact on the domestic petroleum producing industry and national security.

During this period there emerged, as a direct result of the thorough and exhaustive consideration by the Legislative and Executive branches of the Federal Government, a firm national policy on petroleum imports. In the interest of national security this policy calls for the maintenance of a proper balance between petroleum imports and domestic petroleum production in order to insure a dynamic and vigorous domestic petroleum producing industry—an industry which at all times would be capable of producing the petroleum needed to supply at reasonable prices the petroleum products so necessary for an ever-expanding national economy and to furnish the vital supplies so necessary to successfully prosecute wars, stave off and deter war threats and help other friendly nations with their petroleum needs in times of crises.

The basic national policy on petroleum imports did not just happen.

As far back as January 13, 1949, the National Petroleum Council, established under the auspices of the Federal Government as the official oil industry advisory body to the Federal Government, outlined a set of fundamental principles as essential to a national oil policy. These principles, which were formulated by the Council at the request of the Secretary of the Interior, were adopted unanimously by the Council.

The very first of these fundamental principles was as follows: