

of strength to prevent and deter war. In this effort, experience has demonstrated that no munition is more important than oil.

When oil imports were cut off during World War II, six of the seven billion barrels needed to meet the requirements of the United States and our allies came from domestic sources. Oil constituted two-thirds of all materials shipped overseas during that war.

Later, the shut-down of Iranian oil in 1951 and the closing of the Suez Canal in 1956 and 1957 disrupted oil supplies for the free world. During this Suez crisis, Western Europe was faced with the prospect of industrial collapse. European troops were landed in Egypt and World War III threatened. The United States as in World Wars I and II was in a position to supply oil to Europe and it was U.S. oil that overcame shortages and averted war. Without alternate supply sources to replace Middle East oil, the European nations affected were faced with two choices (1) to pay the price demanded or (2) take the Canal by force.

More recently, the Middle East crisis last June resulted in closure of the Suez Canal again and it has remained closed ever since. The domestic industry supplied the energy demands on the U.S. East Coast, Eastern Canada and in Western Europe. U.S. production increased by more than a million barrels per day during this emergency. However, unless our exploration effort is increased markedly and soon, the next emergency might find the U.S. unable to make up for the interrupted imports.

Today, Russia is engaged in a positive and successful program of greatly expanded Soviet oil production to strengthen Russia internally and to increase oil exports as a prime weapon in the Russian economic and political offensive. It would be foolhardy in the extreme for the United States to pursue policies that would weaken our security position as to petroleum supplies while the Soviets exert their efforts to maximize their petroleum capabilities. We simply cannot afford the risks involved in becoming increasingly dependent on uncertain foreign sources of oil.

In short, national security and the peace of the free world require that U.S. oil imports be limited to the extent necessary to maintain a vigorous, expanding domestic petroleum industry.

PETROLEUM AND ECONOMIC GROWTH

In addition to its importance to national security, petroleum is vital to the economic growth of the United States and the Nation's standard of living.

Petroleum (oil and natural gas) supplies 74 percent of total U.S. energy needs and energy is the indispensable ingredient of higher standards of living. Through the increased use of energy, men produce more; work more efficiently; live in greater comfort; and travel farther and faster on land and sea, under the polar ice cap, through the air, and out into the far reaches of space. The well-being and material progress of mankind is directly related to energy consumption.

During the past three decades, national income in the United States has paralleled the growth in energy consumption. The relationship between U.S. energy consumption and national income also holds true in the case of other countries. When a total energy is expressed in terms of equivalent gallons of oil consumed per person per year, national income varies from country to country in the direct relationship of one dollar of national income per capita for each gallon of energy.

PER CAPITA NATIONAL INCOME COMPARED WITH PER CAPITA ENERGY CONSUMPTION

	Energy consumption (expressed in gallons of oil)	National income (U.S. dollars)
United States.....	2,165	2,909
Canada.....	1,801	1,841
United Kingdom.....	1,216	1,453
Australia.....	1,129	1,620
West Germany.....	996	1,450
Netherlands.....	767	1,277
France.....	695	1,447
Japan.....	420	694
Argentina.....	315	740
Brazil.....	83	217
India.....	41	86

Source: United Nations, 1965.