Chairman of this Committee. Mr. Campbell expresses his sincere regret for being unable to attend this hearing personally.

The Liaison Committee is composed of representatives from 22 oil and gas associations spread throughout the United States. The names of these associations are as follows:

Alaska Independent Petroleum Association.
American Association Oilwell Drilling Contractors.
California Independent Producers and Royalty Owners Association.
Cardinal Petroleum.
Eastern Kansas Oil and Gas Association.
Kansas Independent Oil and Gas Association.
Kentucky Oil and Gas Association.
Land and Royalty Owners of Louisiana.
Michigan Oil and Gas Association.
Mississippi-Louisiana Oil and Gas Association.
National Stripper Well Association.
North Dakota Independent Oil and Landowners Association.
North Texas Oil and Gas Association.
Ohio Oil and Gas Association.
Oklahoma Independent Petroleum Association.
Panhandle Producers and Royalty Owners Association.
Permian Basin Petroleum Association.
Southwest Kansas Royalty Owners Association.
Southwest Pennsylvania Oil and Gas Association.
Texas Independent Producers and Royalty Owners Association.
Tri-State, Inc.
West Central Texas Oil and Gas Association.

The Liaison Committee met in Biloxi, Mississippi last month and voted to appear before this Committee in full support of the testimony submitted by the Independent Petroleum Association of America. The Liaison Committee endorses the need for Congressional guidelines that will insure elimination of special treatment and volumetric loopholes in the Mandatory Oil Imports Program which now seriously threaten the program's integrity and effectiveness. Such legislation, in the opinion of the Liaison Committee, should, at the very least, secure a 12.2 ratio between non-residual fuel oil imports and domestic production in the United States east of the Rocky Mountains as an absolute maximum authorization for such imports. The Committee urges that this standard be placed in the law so that the nation's security will be preserved by according domestic oil producers the market stability required to reverse drastic downward trends in domestic oil exploration activities.

Domestic producers are drilling approximately 40 percent less wells today than they were drilling twelve years ago. As a result, domestic reserve productive capacity has fallen below the current oil imports level. Unless drilling is soon restored to more adequate levels, the United States will prove unable to provide necessary oil supply in the event oil imports should be drastically reduced in an emergency.

For these reasons, Mr. Chairman, the Liaison Committee strongly urges that Congress adopt legislation that would assure a sound import program free from administrative manipulation on behalf of special interests and non-security objectives.

I have a statement here from the Kansas Independent Oil & Gas Association, known as KIOGA, and I am appearing on behalf of Mr. Richard Hoover who is president. I happen to be a vice president, director, and a former president of KIOGA. I am just going to make a short statement.

The State of Kansas is historically and currently one of the leaders in production of both crude oil and natural gas. Activity in the State is carried on mostly by independent operators, especially in the field of exploration.

Now, in the State of Kansas we have experienced about the same decline in activity, production, and reserves as Mr. McClure stated in his testimony. From 1957 to 1967 our crude oil production dropped