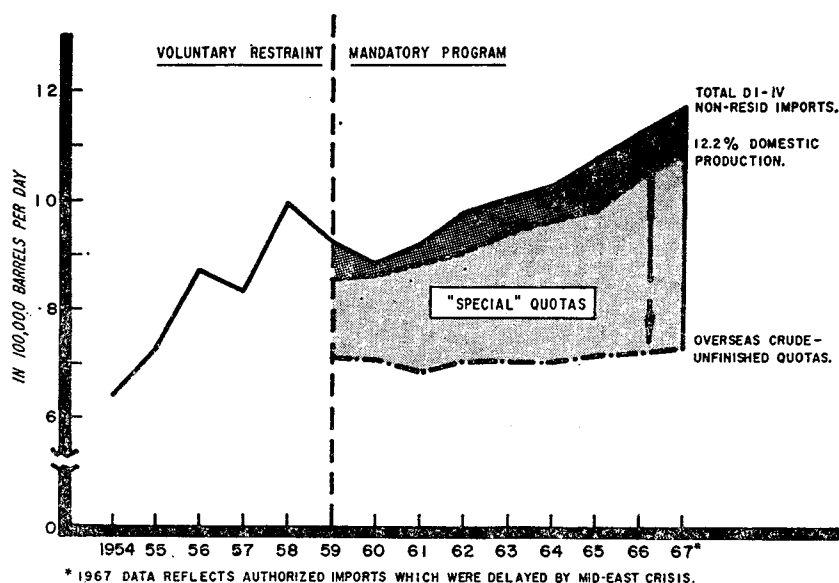


**PRESENT OIL IMPORT ALLOCATION SYSTEM
CONSISTENTLY EXCEEDS 12.2 CEILING
AND ENCOURAGES "SPECIAL" QUOTAS IN DISTRICTS I - IV**



The CHAIRMAN. Mr. McClure, Senator Tower was to be with your group and I notice he is now in the room. Would you recognize him next?

Mr. McCLURE. Thank you.

The CHAIRMAN. Come on, Senator Tower.

We are pleased to have you with us this morning and you are recognized, sir.

**STATEMENT OF HON. JOHN G. TOWER, A U.S. SENATOR FROM THE
STATE OF TEXAS**

Senator TOWER. Thank you very much, Mr. Chairman. I appreciate the privilege of appearing before the most prestigious committee of the most prestigious legislative body in the world.

The CHAIRMAN. In view of that tell us very briefly just what you want.

Senator TOWER. Mr. Chairman, I don't know that I can add much to what Mr. Steed and other experts have said this morning but I would like to express my views on a continuing problem.

Our domestic proven crude oil reserves are dwindling at an alarming rate, while our domestic exploration has declined 40 percent in the last decade. Petroleum provided 74 percent of all U.S. energy requirements in 1967, and the U.S. demand for oil is steadily increasing.