

Government estimates place national petroleum needs for the next 12 years at a level equal to total production over the last 100 years. It is important to note that 3 to 5 years must be allowed from the state of exploration to develop a proven field.

The gentlemen who will follow me are experts in petroleum exploration and production. They will discuss in detail the ills of this industry that provides the basic security and strength of our economy. However, I will take this opportunity to express my feelings and concern on three specific issues.

Our national security depends upon our maintaining a healthy and vigorous domestic petroleum industry. The past three administrations have recognized this fact, and have supported the mandatory oil import program. The Middle East crisis last year dramatically reminded us of the wisdom of this policy.

When that crisis disrupted the world flow of oil from the Middle East and Africa, our domestic producers applied the emergency demands of the U.S. east coast, eastern Canada and Western Europe. This was the most recent test of our domestic capabilities.

Fortunately for us, the crisis was short in duration. It emphasizes the urgency of recognizing our domestic oil shortage and Congress must take appropriate action that will insure us of an adequate domestic supply of oil.

The mandatory oil import program places a 12.2-percent ratio limitation on imports of foreign crude. The sole purpose of this program is our national security. Our security would be jeopardized unless we had a strong, healthy, domestic oil industry capable to meeting any demand.

This we could not do if low-cost oil from petroleum exporting countries were to flood this country, with consequent damage to our own energy producing industries.

The present administration has manipulated the program in such a manner that it is mandatory that Congress spell out its limitations. National security is being sacrificed for the benefit of special interest groups. The administration has proven they are incapable of resisting the pressures of these groups and appears determined to disregard the 12.2 ratio by making it a minimum rather than a limit.

I am informed that U.S. interests own 60 percent of all Mid-East oil production. These companies have made sizable investments across the sea and have discovered oil reserves of staggering magnitude.

However, it is not a dependable source of supply. This was dramatically proven last year in the Middle East crisis. We are not only at the mercy of the governments of these oil-rich countries, but also the shipping industry that must be depended upon to transport this oil.

If we are so blind that we cannot recognize these facts, and take the necessary steps to strengthen our domestic production, we could severely jeopardize our national strength.

The petrochemical industry and its products, although largely unrecognized by the layman, have become essential to our modern way of life. We have come to rely on these products as they play important roles in food production, clothing, household and industrial detergents, protective and decorative coatings, automobile tires, ubiquitous plastics, and scores of other applications.