

The investment in domestic plants and factories by the petrochemical industry for bulk chemicals and plastics exceeds \$19 billion. Their employees number close to half a million. This industry must be recognized as a prime source of strength to the Nation in a time of emergency.

The raw materials that are the feed stock for this industry are crude oil derivatives and natural gas liquids, which are subject to control by the oil-import program. These oil and natural gas liquids are chemically converted by complicated, highly technical, and expensive operations into an enormous range and variety of synthetic organic chemicals and plastics. A \$4 barrel of oil can generate as much as \$40 in chemical sales.

At the present time, domestic feedstocks ethane, propane and butane, are priced essentially at parity with foreign feedstocks, such as naphtha or gas oil. If local demand for propane were to increase drastically for home and industrial uses, this competitive price advantage could disappear.

Now is the time to recognize this industry—its benefits to us, its needs, and the necessity of integrating it in a sound manner into the oil-import program.

I must stress that an honest evaluation of all the facts of our oil import must be accomplished to enable it to better serve the national welfare and interests of all those it affects.

The Oil Import Administration must be strengthened with the addition of specialists who have a keen knowledge and understanding of the industry which their decisions so vitally affect.

The oil-import program is of crucial importance to the petroleum and petrochemical industries. These future needs cannot be met by the policies of yesterday unless we wish to court disaster. Congressional action must be taken to spell out the limitations of this program.

Mr. Chairman, I thank you very much for allowing me this opportunity to appear.

The CHAIRMAN. Senator, we thank you, sir, for bringing your views to the committee. Mr. McClure.

STATEMENT OF HAROLD M. McCLURE, JR., ET AL.—Resumed

Mr. McCLURE. We have two additional witnesses and we will attempt to expedite the completion of this testimony. I would like to present to the committee Stark Fox, executive vice president of the Independent Oil & Gas Producers of California.

STATEMENT OF STARK FOX

Mr. Fox. Mr. Chairman and members of the committee, my name is Stark Fox. I am executive vice president of Independent Oil & Gas Producers of California, which is a consolidation of Oil Producers Agency of California and San Joaquin Valley Oil Producers Association. It is the only statewide organization of independent oil producers in California. I appear in support of pending legislation which would write the standard of the oil import program into law.

Mr. Chairman, I have a statement here which I am sure has been filed with the committee by Mr. Ralph W. Trueblood but I would like to make sure that is in the committee record.