of a group which desires to build a refinery in Guam. The statement was filed at the Interior Department's hearings of May 22–24, 1967, and put the Department on notice that the group wanted a quota to import 12,500 B/D of gasoline into District V. The proposed refinery is predicated on the securing of an import quota; without it, the refinery won't be built.

As we understand the purpose of the import program, it is to enhance the national security by maintaining an active, healthy, and vigorous domestic oil industry—not to provide an opportunity for someone to go into business. Make no mistake about our meaning: We have no objection to anyone's building a refinery anywhere in the world, including California, anywhere else in District V, or Guam, for that matter. We applaud his enterprise and wish him well, just so long as his project is based upon his estimate of its chances of economic success in the face of existing competitive conditions. When he says, however, that he is going into business because he expects to receive an import quota, and says that without it he would not proceed, we draw the line.

HAWAII'S MISCONCEPTION

We recently heard testimony presented by a Member of this House who has sought complete exemption of Hawaii from oil import controls, and has actually gone so far as to introduce a bill, now before this committee, to accomplish that objective. (Mr. Matsunaga; H.R. 12437.)

As we understand his argument, it is that Hawaii is some 2,400 miles from the west coast, hence tankers from that area are as vulnerable as tankers from any other oil source; and that, without controls, Hawaiian fuel supplies would be cheaper.

For the sake of discussion, we will stipulate that he may be correct in both cases. And then we will emphatically state that he shows complete ignorance of the fundamental purpose of the oil import program.

That purpose is to enhance national security—including all 50 States—by preserving a healthy, vigorous, and capable domestic petroleum industry. Had there not been such an industry in the 1940's Hawaii today might well be the easternmost outpost of the Japanese empire, instead of the youngest State in the Union.

OIL IMPORT CONTROL DIFFERENCES

We now turn to basic differences between legislative control over oil imports and similar control over any other commodity.

First, control over oil imports was instituted in 1958 and made mandatory in 1959 because the rate of imports was found, by the then Office of Civil and Defense Mobilization, to threaten to impair the national security. That office so certified to the President. Such a finding, to our knowledge has never been made as to any other industry.

Second, legislative standards for oil import control add nothing new in the field of foreign trade. As noted above, oil imports have been federally controlled for 10 years. What the proposed legislation would do is merely prevent future distortion of the national security purpose of the program by capricious administrative exceptions and exemptions wholly unrelated to that purpose.