necessary if employment levels are to be maintained and a strong and vigorous domestic producing industry is to be perpetuated in the interest of national security.

The record of this and other hearings held by Congress and the Department of Interior is replete with evidence in support of this premise. During the Eisenhower administration, a special cabinet committee found that foreign oil imports into the United States were excessive and constituted a threat to our national security. Accordingly, by executive order, the present mandatory oil import program was initiated.

The necessity for maintaining reasonable restrictions on foreign oil imports to encourage domestic petroleum self-sufficiency has been reaffirmed by both the Kennedy and Johnson administrations. The wisdom of this policy was graphically demonstrated during the recent Arab-Israeli conflict when Middle Eastern oil was curtailed. At that time our ability to provide sufficient petroleum to meet both our own needs and those of our allies prevented what overwise would have been a major fuel crisis.

For these reasons we are greatly concerned over what we consider to be recent arbitrary bureaucratic manipulation of this essential program for purposes unrelated to its basic intent. The granting of exemptions, special import licenses and other dispensations by executive order has reached a point where the integrity of the entire program is in jeopardy.

In order to correct this situation it is strongly urged that the Congress of the United States officially recognize the fundamental need for controlling offshore foreign crude oil imports into this country and that concerted Congressional action be taken to legislate the present provisions of the mandatory oil import program into law. Such action is imperative if the demonstrated effectiveness of this program is to be preserved in the interest of national security.

The CHAIRMAN. We thank you, Mr. Fox.

Mr. McCLURE. Mr. Chairman, it will take us about 2 minutes to complete our formal statements. I would like to present to you Mr. Joseph C. Shell, executive director of the California Independent Producers & Royalty Owners Association.

The CHAIRMAN. Mr. Shell. Mr. Shell, before you begin, I want to recognize Mr. Utt.

Mr. UTT. Mr. Chairman, I just want to welcome Mr. Shell to this committee. He is a former minority leader of the State Assembly of California, an outstanding citizen of our State, and I welcome him here to the committee.

The CHAIRMAN. Thank you, Mr. Utt.

STATEMENT OF JOSEPH C. SHELL

Mr. SHELL. Congressman Utt, thank you very, very much for your complimentary remarks.

Mr. Chairman and members of the committe, my name is Joseph C. Shell. I am executive director of California Independent Producers & Royalty Owners Association. I have been a small oil producer in the State of California for 25 years and a member of the California Legislature from 1953 to 1963.

It is true that the overall picture of balance of payments as related to imports of oil is a large problem with many facets. To those of us who are small independent operators in the State of California however, the continuation of imports at their present rate into California has us hanging on the ropes. We are doubly susceptible to this import pressure because the price structure of crude oil in California has remained the same for the last decade while operating costs have accelerated sharply. There are thousands of wells in California which