

Mr. SCHNEEBEL. That is right but I think for the record we would like to have the figure that you have.

(The following letter was received by the committee:)

INDEPENDENT PETROLEUM ASSOCIATION OF AMERICA,
Washington, D.C., July 3, 1968.

HON. WILBUR MILLS,
Chairman, Committee on Ways and Means,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: On June 27, 1968, Mr. Harold M. McClure, Jr., President of the Independent Petroleum Association of America testified before the Committee on Ways and Means.

Congressman Schneebeli (transcript page 2879) requested that Mr. McClure supply certain information for the record relative to compensating factors against the U.S. deficit in petroleum trade (imports less exports) including the flow of funds related to petroleum operations abroad.

The information requested is as follows:

SELECTED DATA ON OILS' BALANCE OF PAYMENTS

[In millions of dollars]

	Petroleum trade deficit	Net capital outflow	Income returned to United States	Net balance
1960.....	-1,055	-452	+1,150	-357
1961.....	-1,192	-793	+1,336	-649
1962.....	-1,286	-606	+1,565	-327
1963.....	-1,336	-828	+1,715	-449
1964.....	-1,454	-760	+1,856	-358
1965.....	-1,634	-977	+1,799	-812
1966.....	-1,668	-876	+1,778	-76

Source: Department of Commerce.

It should be recognized that there are items additional to those listed above which enter into the overall balance of payments for petroleum. For example, purchases of oil abroad by the U.S. military, tanker freight and insurance payments, royalty fees etc., for which official Government statistics are frequently not available.

In evaluating this matter, it is important to keep in mind that the net capital outflow and the income returned to the U.S. from petroleum operations abroad would not be materially affected by adjustments in the Mandatory Oil Import Program. This is due to the fact that more than 85 percent of the production from these operations is marketed in foreign markets, with less than 15 percent being imported into the U.S.

Sincerely,

L. DAN JONES, *General Counsel.*

The CHAIRMAN. Any further questions? Mr. Collier.

Mr. COLLIER. Just to get your colloquy with our colleague from Massachusetts in some perspective, Mr. McClure, is there any need in the light of domestic production for there to be a fuel shortage in New England or any other section of the country?

Mr. McCLURE. In light of our present situation?

Mr. COLLIER. Yes, sir.

Mr. McCLURE. Is there any need to have a shortage?

Mr. COLLIER. Yes, sir.

Mr. McCLURE. The answer to your question is there is not. There is an imminent potential danger if this industry does not go back to work and start drilling the exploratory wells, the wildcat wells, necessary to keep this Nation strong. I can say there is a long-range potential problem if we don't face up to some of our immediate problems.