

Mr. BUSH. I have just one or two quick questions to ask.

Are there any other independent producers testifying later because I don't want to take the time.

The CHAIRMAN. If you have a number of questions, Mr. Bush, we could ask these gentlemen to return after we hear our two colleagues, Mr. Mahon and Mr. Matsunaga.

Mr. BUSH. I would just like to ask Mr. McClure some questions for the record later and that would suit me.

The CHAIRMAN. Would you gentlemen remain in the room and let us hear from our colleagues.

Mr. Mahon.

Mr. Matsunaga, we will hear you right after Mr. Mahon.

We are pleased to have with us today our very distinguished colleague from the State of Texas, the Chairman of the Appropriations Committee of the House, one of the great leaders of the House of Representatives.

You are recognized.

STATEMENT OF HON. GEORGE H. MAHON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. MAHON. Thank you, Mr. Chairman.

I come before you with a very special interest. I represent the largest oil producing congressional district in the United States and by far the heaviest oil producing area of Texas.

Naturally I am concerned about preserving a healthy and stable oil industry. I am concerned about it for reasons of my own constituency. I am concerned about it for reasons of national defense because the sinews of war are involved here. About 70 percent of all shipments to Vietnam is oil in one form or another. Like you who are members of the Ways and Means Committee, I am concerned about it from the standpoint of the balance of payments.

Oil importation, of course, is necessary but the more we import the more it tends to contribute to the unfavorable balance.

Following my remarks, Mr. Chairman, I would like to file a statement for the record from the president and the executive vice president of the Permian Basin Petroleum Association located at Midland, Tex., a former home of Mr. George Bush of your committee.

The CHAIRMAN. Without objection, the statement will appear in the record following Mr. Mahon's remarks.

Mr. MAHON. Mr. Chairman, I am confident that this committee need not be reminded that there is no commodity more vital to this Nation's security than petroleum. Repeatedly since World War II, this Nation's petroleum industry has been called upon to meet emergency needs as well as the requirements of friendly nations in times of crisis. The most recent event is the continuing crisis in the Middle East. Fortunately, during this crisis the U.S. industry has been able to increase its production by 1 million barrels daily to help fill the supply gap in Europe, Canada, and our own east coast.

Mr. Chairman, your committee has been or will be furnished by other witnesses extensive facts and statistics concerning the serious declines that have been taking place in this most essential industry over the last decade. Therefore, I will not address myself to these alarming