

were giving us tremendous criticism because the Texas Railroad Commission wouldn't open the valve and wouldn't flood the country with domestic production in order to save their hides. So I would simply urge on the gentleman the concern that some of us have about the national defense posture in it.

I am sympathetic to the pure economic problem which you have, and I would like to help supply an answer to it.

Mr. MATSUNAGA. I assure the gentleman that we have no intentions of subverting the national defense posture, and we are saying that this in no way will detract from our defense program.

Mr. BUSH. I would like to visit with the gentleman privately and maybe we can come up with something.

Mr. MATSUNAGA. Thank you very much, I would be happy to.

Mr. BUSH. Mr. Chairman, I have one or two other questions.

The CHAIRMAN. Mr. Bush.

Mr. BUSH. Mr. McClure, as I understand the main thrust of your testimony, is it correct that your main concern with the program is the exemptions recently entered into by the Secretary on this low-sulphur residual? Is that the main worry that you have at this minute?

Mr. McCLURE. Exception is the key word in our testimony. In other words, we have said and sincerely believe that the mandatory oil import program as it was conceived and implemented is a fine program, it serves the Nation well. We have raised considerable question about the exemptions, Congressman Bush, and one of the exemptions you just mentioned has not been implemented by the Secretary, but let me just speak to that point.

The Secretary has in mind the granting of import tickets to import crude oil into the United States over and above the 12.2 ratio, saying that by granting these tickets he will cause low-sulphur residual fuel oil to be burned in such areas as Boston, New York, and the east coast for the specific purpose of reducing air pollution.

We fervently aspire and adhere to the philosophy that we as a nation must improve our quality of air, and we as an industry will and should do everything within our power to see that this takes place.

But when laws exist on the books of the city of New York, Boston, other places in New Jersey, that require that sulphur fuel of a particular percentage of sulphur be burned, there is no rhyme or reason, in our judgment, for awarding a bonus to a company for adhering to that law.

It would be just as much of a rationale to expect that in Illinois, in Chicago, the constituents of Congressman Collier would be reimbursed \$50 for not speeding on the freeway, you see.

So this is what we are objecting to, the excuses that are being given for these exemptions when there is no validity in them and this low-sulphur fuel which is under consideration by the Secretary is just one of a multitude.

Another exception that has been granted is the Puerto Rican situation. This is a highly critical exemption process and certainly should not have been allowed by the Secretary.

In other words, put it this way, administrative rules and regulations and the law should be administered without fear or favor, but we do have these exceptions coming in and experiencing this type of favor