

Mr. WATTS. Does that go in the direction of directing the Secretary under what conditions he can grant exemptions, or does it do away with exemptions entirely?

Mr. McCLURE. It pretty well pins where this thing needs to be, sir.

Mr. WATTS. What?

Mr. McCLURE. It puts the 12.2-percent limitation on imports from outside the United States in context.

Mr. WATTS. Without any exemptions?

Mr. McCLURE. Within the 12.2 he would still have some very great latitude and discretion. Also within the provisions of that legislation is that anytime this Nation is in peril or in a defense posture the President of the United States retains the ability to do whatever this Nation has to do to keep itself up.

Mr. WATTS. Are they now importing 12.2 or more?

Mr. McCLURE. They are importing an amount greater than 12.2, and today it exceeds that figure by over a quarter of a million barrels a day.

Mr. WATTS. That is due to the exemptions?

Mr. McCLURE. That is correct, and the exemptions are fast eroding all of the basics underneath it. In other words, you can see here by the chart, the oil imports in districts I through IV, the lower portion, the dark portion indicates that amount which is allocable under the normal import program.

The red indicates the exceptions under the program and, as you can see, the growth of these exceptions is not only going above the 12.2 No. 1, but, No. 2, projected to 1972 the program, will be nothing but exceptions.

Mr. WATTS. In other words, to use an old country phrase, the tail has got to wagging the dog?

Mr. McCLURE. It is about this. When Uncle John runs the candy store and tells Jimmy to come by after school and he can have a candy bar, he doesn't understand why 20 kids are standing outside the door next afternoon, but Jimmy told them.

Mr. WATTS. Thank you.

Are there any further questions?

If not, the committee will adjourn until 2 o'clock this afternoon.

Mr. McCLURE. Thank you so much, Mr. Chairman.

(Whereupon, at 12:25 p.m., the committee recessed, to reconvene at 2 p.m., the same day.)

AFTER RECESS

(The committee reconvened at 2 p.m., Hon. Al Ullman, presiding.)

Mr. ULLMAN. The committee will come to order.

Mr. De Blois, we are happy to have you before the committee. Please identify yourself for the record and proceed as you see fit.

STATEMENT OF ROBERT De BLOIS, NEW ENGLAND FUEL INSTITUTE

Mr. De BLOIS. Mr. Chairman and gentlemen, I am Robert De Blois, an independent businessman from the State of Rhode Island, today representing the New England Fuel Institute. The New England