imports of oil continued to rise, leading to the establishment of the present mandatory oil import program in 1959. In initiating the latter program, the President of the United States declared it is "necessary that we preserve to the greatest extent possible a vigorous, healthy petroleum industry in the U.S."

After nine years it is obvious that the mandatory program has failed to provide enough assistance to create healthy economic conditions for domestic oil producers. Therefore, it is time to re-evaluate the program.

TOO MANY CHANGES AND EXEMPTIONS

The program has been subject to frequent change, especially in recent years. Less than half of the total amount imported is subject to import control. Recent months have seen the establishment of exempt foreign trade zones, especial allocations to petrochemical plants, a 5 percent increase granted on imports of unfinished oils, permitting larger shipments from plants in Puerto Rico and the Virgin Islands, failure to include nearly 60,000 barrels per day of jet fuel under the program, the placing of No. 4 fuel oil imports outside the 12.2 percent import quota, and have seen Canadian imports consistently exceed estimated import volumes.

The foregoing rash of special grants, exemptions, etc., threaten to destroy the effectiveness of the program. The door has been opened for more and more companies to request the same treatment. Unless corrective action is taken immediately, further import growth is probable.

It is essential for immediate steps to be taken which will stabilize import policies. Only by firmly established policies can the mandatory oil import program be restored to a long-range staple basis. Otherwise, the U.S. oil import program faces severe deterioration. This would bring further hardship to domestic oil producers. Fewer wells would be drilled and less oil would be discovered. National security would be impaired by forcing this country to become dependent upon the uncertain availability of a plentiful supply of foreign oil at reasonable prices.

NEED LAW TO STABILIZE CONDITIONS

Therefore, it is recommended that Congress enact a law which will: (1) limit oil imports to a fixed ratio with domestic oil production, and (2) clearly define what types of oil imports are exempt from this limitation, such as residual fuels into Districts I–IV. Otherwise there will be irresistible pressures to place increasing amounts of imports outside and fixed basic limit.

Mr. HERLONG (presiding). Thank you very much, Mr. Buschman, for your contribution. Are there any questions?

Mr. BYRNES. Mr. Chairman.

Mr. HERLONG. Mr. Byrnes.

Mr. BYRNES. In the last 15 to 20 years have there been any scientific developments to help in this discovery process, or are we still limited to the same kind of scientific information we had at that time?

Mr. BUSCHMAN. Is this concerning the drilling of wells?

Mr. BYRNES. Well, the discovery. You were talking about discovery, where oil is.

Mr. BUSCHMAN. Of course, certainly I am primarily qualified to comment on drilling, but as far as the techniques——

Mr. BYRNES. But you were talking in your testimony about the need for discovery.

Mr. BUSCHMAN. Yes, sir.

Mr. BYRNES. And I was just wondering to what degree there have been scientific advances in the area of discovery.

Mr. BUSCHMAN. There certainly has been meaningful new methods of seismographic work and things of that nature that the industry has developed that are more helpful now.

Mr. BYRNES. And yet the rate of discovery is declining.