

Mr. BUSCHMAN. Yes, oil discovery has gone down, but not per well drilled. It is remarkably consistent and the charts I have in this testimony show that over a 20-year period the amount of proven reserves found per well drilled is almost the same as it was 20 years ago.

We are not drilling enough wells. If we drill more wells we will find more reserves.

Mr. BYRNES. Thank you.

Mr. HERLONG. Any further questions?

Mr. BUSH. I would just like to commend the gentleman, Mr. Chairman, on his statement, and having been in that business before, certainly I know you are faced with a terrible plight. It is a business made up predominantly of small operators, small individuals, and I for one think that the testimony given with that particularly in mind makes a great deal of sense.

I thank the gentleman for his statement.

Mr. HERLONG. Thank you so much for your appearance before the committee.

Mr. BUSCHMAN. Yes, sir.

Mr. HERLONG. Mr. Herman Intemann. Mr. Intemann, we are happy to have you before the committee and if you will identify yourself for the record and proceed in your own way we will appreciate it.

STATEMENT OF HERMAN K. INTEMANN, VICE PRESIDENT, UNION CARBIDE CORP.; ACCOMPANIED BY GEORGE C. WELLS, VICE PRESIDENT

Mr. INTEMANN. Thank you, Mr. Chairman. My name is Herman K. Intemann and I am accompanied here today by George C. Wells and we are vice presidents of Union Carbide Corp.

Union Carbide is a major chemical and petrochemical producer involved extensively in both export and import trade as well as in overseas producing. We have submitted a longer and more detailed statement to the committee which I hope will be made a part of the record in full.

Mr. HERLONG. Without objection it will appear at length in the record following your oral statement.

Mr. INTEMANN. Thank you, sir.

I will summarize it briefly with emphasis today on what we believe to be the impact of the oil import control program on the domestic petrochemical industry. Late last year the management of Union Carbide decided its own detailed study and analysis product by product was needed to evaluate the effect on our corporation of the Kennedy round and related developments such as changes in the European tax system.

Our analysis now nearly complete shows that the Kennedy round tariff changes in combination with EEC border taxes and export tax exemption granted to EEC companies will have a net adverse affect on Union Carbide's profits by 1972 when the full extent of the changes have become effective.

The order of magnitude of this unfavorable effect as determined by our detailed study totals many millions of dollars. Despite this Union Carbide does not require nor does it expect to receive through legis-