Mr. BUSH. Would you agree with me that formalizing of the 12.2 relationship that now exists in the so-called voluntary or mandatory program would have no effect on the price at all except as to the——

Mr. INTEMANN. No; whether 12 under law of 12.2 or 15 under law or 8 under law or 8 would not change the price trends.

Mr. BUSH. That is the only thing I want to clear.

Mr. INTEMANN. There is no question about that.

Mr. BUSH. Thank you.

Mr. HERLONG. No further questions?

We thank both of you for your appearance before this committee.

Mr. INTEMANN. Thank you.

Mr. WELLS. Thank you, Mr. Chairman.

Mr. HERLONG. Mr. Robert Burch.

Mr. Burch, for the purpose of the record will you identify yourself and you may proceed in your own way.

STATEMENT OF ROBERT BURCH, ROCKY MOUNTAIN OIL & GAS ASSOCIATION

Mr. BURCH. Thank you, Mr. Chairman.

My name is Bob Burch. I live in Denver, Colo. I am an independent oilman and I am representing the Rocky Mountain Oil & Gas Association.

The Rocky Mountain Oil & Gas Association is an association of substantially all of those engaged in the discovery, development, production, transportation, and refining of oil and gas in the seven-State area comprising Colorado, Montana, Nebraska, Idaho, South Dakota, Utah, and Wyoming. Our membership includes major and independent companies and individuals.

The manatory oil import program is based upon the congressional delegation of authority to the President set forth in the national security clause of the Trade Agreements Extension Act. This provision of law has but one purpose—the safeguarding of the national security. This authority was exercised to establish the oil import program for the express purpose of maintaining a healthy and vigorous domestic petroleum industry. The Middle East crisis of last summer serves dramatically to remind us of the wisdom of that policy.

The mandatory oil import program has been in effect since 1959. It is our firm conviction that the program has been vital to our national security. We, as an association, have strongly supported the program and have cooperated with the Government to improve its effectiveness.

The stated policy of our association adopted in 1959 and reaffirmed from time to time is to favor the limitation of imports of crude oil and petroleum products to the extent that such imports will not impair our national defense.

Despite the contribution that has been made by the mandatory oil import program, the health and vigor of the domestic petroleum industry has suffered a persistent deterioration since 1959.

Changes have been made in the import program, to serve objectives extraneous to the national security As a result of the cumulative effect of these actions there is a widespread concern in our association that the program is losing the essential element of long range stability and