

Exploratory wells drilled in 1967 are down 35.1% from the 1957-1959 averages. Employment in the domestic industry is down 18.6% from the 1957-1959 levels. Crude oil prices—in the face of gross inflation—are down 1.4% from the 1957-1959 levels.

Oil profits have consistently run below manufacturing industry's profit margin for over a decade.

LEGISLATION IS NEEDED

The guidelines of the mandatory oil import program are being ignored. Loopholes in the program are currently allowing an overage of 180,000 barrels per day. Petitions for increased imports are receiving favorable consideration by the Department of the Interior with alarming frequency.

Mr. Chairman, the defense of this Nation is our first consideration. The economic health of those vast areas of the United States where the domestic oil industry is predominant is of vital concern to all of us.

In my opinion, the only way to assure proper import controls—the only way to assure proper safeguards for the defense of the Nation's fuel supplies, is for the Congress to enact legislation pending before your committee writing the import limitation into law.

DOLE BILL PENDING

I have introduced H.R. 10689, now pending before your committee. This legislation would write the 12.2% of consumption import limitation into statute law. The loopholes would be closed. Hopefully, the economic revitalization of the domestic oil industry could begin.

Mr. Chairman, I urge this committee to report a bill which will assure such economic revitalization. Much of my State of Kansas is economically dependent on oil. Hundreds of counties across America are in a decline because of the stagnation of this once vibrant industry.

For our economy at home, for our defense abroad, I recommend enactment of meaningful legislation to reverse these alarming trends.

STATEMENT OF WILFRED H. HALL, EXECUTIVE VICE PRESIDENT, NATIONAL OIL JOBBERS COUNCIL

Gentlemen, The National Oil Jobbers Council is a non-profit business trade association located in Washington, D.C. It is composed of 35 State or regional associations covering 41 States (see Appendix #1). Our membership of approximately 9,600 individual firm members is composed entirely of distributors who handle petroleum products at wholesale and retail levels. This segment of petroleum distribution handles 24% of the gasoline sold to service stations, 74% of the heating oil sold to households. Also, a substantial percentage of residual oil sold in the nation today is handled by them. This group has serious interest in U.S. tariff and trade regulations which bear upon petroleum, since it is the raw material on which their business and livelihood depends.

The Council has been concerned with the import program since 1955 when we objected to the so-called "National Security Amendment" to the Trade Agreements Act. We objected to federal pressures invoked during the so-called "voluntary" plan of quotas. We again testified in 1958, 1965 and 1968 in various Congressional committees against aspects of import programs under discussion by the Senate Finance Committee and others. Again, we wish to voice our opinions concerning the oil import program as it is presently constituted. Further, we wish to propose ideas which we believe will strengthen the Nation's security while preserving vital inter-fuel competition. The future of our members depends upon adequate energy resources, not only in the short run, but in the long view as well.

OIL AS A PART OF TOTAL IMPORT POLICY

Liberalization of modern trade between the U.S. and other nations began, perhaps, during the Trade Agreement Act of 1934. Some 11 extensions of the basic authority have been granted to the President up to 1962. The Trade Expansion Act of 1962 further liberalized Presidential authorization to negotiate multi-lateral trade. The so-called "Kennedy Round" of negotiations aimed at further liberalization of trade and took into account an emerging European Common