

POLICY STATEMENT

IMPORT QUOTAS

The National Oil Jobbers Council vigorously opposes the granting of favored import quotas on number two fuel oil to selected independent terminal operators since such will create an unreasonable market advantage and discriminate between the favored quota recipients and others with whom they compete. This can only interfere with historical marketing patterns which will interfere with free and open competition. If and when financial hardships, dislocation, or shortages can be factually established and importation of number two fuel oil is required, then allocation of quotas should be granted to all independent terminal operators equally on a historical basis. Such allocation should benefit all marketers and consumers equally on a non-discriminatory basis.

PURPOSES OF COUNCIL

To establish a National Council of state and regional trade associations whose memberships are composed of independent oil jobbers and marketers of petroleum products;

To establish, maintain, and promote systems of education and instruction for independent petroleum marketers throughout the United States to the end of assisting such independent marketers in the more economic distribution and sale of petroleum products for the benefit of themselves and the general public;

To create and foster a cooperative spirit between independent marketers and distributors of petroleum products, to advocate and encourage the adoption of practices, customs, and legislation affecting the marketing of petroleum products to the end of maintaining fair practices and a system of free, competitive enterprises, as well as to oppose customs, practices, regulations, and legislation contrary to such purposes; and

To perform generally all services for and on behalf of independent petroleum jobbers and distributors in a manner similar to that engaged in by boards of trade and chambers of commerce to the extent that such activities are consistent with the laws of the United States, the State of Tennessee, and the Charter of the Council, but under no circumstances to be contrary to the general welfare of society or to be for the individual profit of its members.

STATEMENT OF EDWIN JASON DRYER, COUNSEL, INDEPENDENT REFINERS
ASSOCIATION OF AMERICA

My name is Edwin Jason Dryer. I appear here on behalf of the Independent Refiners Association of America of which I am counsel.

The Association for which I speak is composed of, and represents, domestic independent oil refiners. It includes independent refiners of all types—in all parts of the country and of varying size—representing their common interests as independents.

The members of this Association have an enormous and common stake in the success and integrity of the oil import program—a stake measured by the simple fact that, in the absence of their quotas in that program, most of them could not survive. This is because they do not have the large non-refining resources, typically including substantial quantities of crude oil, both foreign and domestic, enjoyed by their integrated major company competitors. Essential to their survival is the distribution of the competitive advantage of such foreign oil as enters the domestic market in a manner which, in its practical economic effects, will foster competitive equality between independent refiners, with costs based upon domestic crude oil prices, and their integrated major company competitors.

Independent refiners are therefore critically concerned with an aspect of the oil import program which does not specifically appear in the legislative proposals before the Committee for a quantitative limit on imports—namely, the way in which quotas, within the overall limit, are actually distributed. This aspect of the program is important not only to independent refiners but also to the success of the program as a whole. This is because of the role of the independent refiner in maintaining a competitively healthy petroleum industry and his special role in the mobilization base for national security.