objectives and which, if continued, threaten to reduce the benefits of the program for independent refiners. This is because, as the quantity of imports allocable to the refiner class is reduced by these special deals, pressure will be generated to reduce quotas in the lower brackets of the sliding scale also.

These aberrations, this tinkering with the program, have been described by other witnesses and need not be described further by me. In respect to these special deals and loopholes, suffice it to say we share the concerns expressed by the producer groups to this Committee and we seek with them a return to the oil import program as so carefully developed up to two years ago.

As to the means to accomplish this result, we think some affirmative and forceful action by this Committee *now* is more important than delay while specific legislation is sought defining precise details such as the overall level of imports.[1] In this connection, the statutory basis of the program *has been* adequate—the deficiencies noted are recent and concern the implementation of the statute, rather than its content. We think therefore that the most immediate, simple, specific and effective step which the Committee on Ways and Means could take on this important subject would be a clearcut and affirmative report condemning recent aberrations in the oil import program.

Such a report could and should restate and confirm the original basic purposes of the underlying legislation and the manner in which those purposes have, until recently, been carried out. Such a report could and should expressly endorse the sliding scale method of distributing these valuable import rights—a matter on which existing legislative proposals are silent. Such a report could and should confirm the quota treatment which the independent refiner has had and must continue to have if the program is to succeed. In these respects such a report could deal effectively not only with the items in pending legislative proposals but with other aspects not covered in such proposals but of equally critical importance.

We say "deal effectively" because such a report from this important Committee must necessarily influence not only the current Administration but the Administration which will have the responsibility for the shape of oil import controls beginning next year. Furthermore, this action by this Committee can be accomplished without arousing some of the objections which proposals for a statutory mandate have inspired—especially the objections of the Administration that a precisely detailed statutory mandate would be too inflexible. We urge such an affirmative report by this Committee.

In the interest of completeness, and at the same time brevity of this statement, I call to your attention and ask that there be incorporated by reference here two basic documents setting forth the views of independent refiners and our concerns with the current state of the oil import program. One of these documents is the Association's statement of April 19, 1968, to the Department of the Interior on the imports auction scheme proposed by the Department. The other document to which I refer is the statement of this Association on October 31, 1967, to the Committee on Finance, United States Senate, regarding oil import quotas. This statement has been published under date of February 7, 1968, in the so-called "compendium" of industry comments with respect to import quotas and U.S. trade policies generally in connection with hearings proposed by that Committee.[2] We shall, for the Committee's convenience, furnish copies of these statements directly to you.

Statement of Independent Refiners Association of America, Committee on Finance, U.S. Senate, Regarding Oil Import Quotas, Oct 31, 1967

Summary

Independent refiners share the concern of independent producers with regard to recent changes in the oil import program which are designed for purposes other than the national security and which threaten the effectiveness of the program in maintaining a healthy producing and refining industry. They endorse S. 2332 which seeks to confirm and tighten the established oil import program.

[1] We endorse, of course, prompt passage of the extension of the Trade Expansion Act of 1962 which is the legislative basis for the oil import program and sets forth its national security purpose.

[2] Committee on Finance, United States Senate, 90th Congress, 2d Session, "Compendium of Papers on Legislative Oversight—Review of U.S. Trade Policies."