The decline in exploratory work which began in 1957 was halted—permanently we hope. There were an average of 2,074 rotary rigs operating in the United States in 1959, about eight percent higher than the previous year.

There were 10,073 wildcat wells drilled—about 19.8 percent of all wells drilled and about five percent greater than the 1958 level.

Proven reserves of liquid hydrocarbons registered another record high, with more than one and one-half billion barrels added to the Nation's proven reserves over and above the production for the year.

We would not be so foolhardy as to claim that the mandatory oil import program is entirely responsible for this modest, but encouraging, upswing. However, in fairness, we do claim it has been an important contributing influence, both materially and psychologically.

In retrospect, I think it fair to say that the present program is succeeding where—despite a valiant effort—the voluntary program was doomed to failure.

Crude oil markets have been influenced by the stabilizing effects of the program—and, while these markets do not fully meet the desires of the domestic producers, many have frankly stated that the market conditions would probably be far worse without the program.

Well completions and wildcat activity have moved modestly upward.

There are more crews in the field seeking oil.

The possibility of economic extinction no longer faces the efficiently operated independent refinery.

The oil industry—indeed, each company—can properly assess the impact of imports on over-all business activity.

These achievements provide a firm basis—a foundation—upon which another advancing era for the oil industry can be built.

Many problems face you. Consumer demand is not rising as rapidly as it has in past years. Your refining capacity outstrips the demand for products. As a consequence, inventories are high.

You will note, however, that excessive imports are not generally listed in the table of contents of today's problems.

From the beginning, we in the Department of the Interior insisted that crude oil imports were not the sole cause of the problems faced by the petroleum industry. Today, we insist with equal vigor that mandatory controls on oil cannot solve all of the current problems of the Nation's fuel industries, nor should they be expected to. These controls will play only a supporting role in your future stability.

Initiative, ingenuity, business acumen, and sound judgment gave this Nation its magnificent petroleum industry. To these positive values—as distinct from governmental action—you must look to find the answers to the full scope of the problems of the industry.

In this effort we seek to be helpful.

PETROLEUM INDUSTRY RESEARCH FOUNDATION, INC.
New York, N.Y., July 2, 1968.

Mr. LEO H. IRWIN,
Chief Counsel, Ways and Means Committee,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. IRWIN: As part of the hearings on foreign trade legislation currently held by your Committee, the dates of June 27th and 28th were set aside for the U.S. oil industry. While our organization did not participate in these hearings, we had expressed our views on the subject of oil imports on May 16, 1968 before the Subcommittee on Mines and Mining of the House Interior and Insular Affairs Committee.

We would like to submit a copy of the testimony given by our organization on that occasion for inclusion into the record of the hearings held by the Ways and Means Committee. We understand the records of your Committee are being kept for such additional submissions until July 3, 1968.

Sincerely,

JOHN H. LICHTBLAU,
Director of Research.