all grades of oil than it was in 1948. This does not take into account any adjustment for cost of living increases and obviously we are paying much more for all our goods and services. How much longer our people can endure such a situation is not known but we have already lost many of them and more are leaving. Is this building a strong domestic producing industry to help assure our national security?

RECOMMENDATION

The imports program has never been perfect but it is now being rapidly turned into a disgraceful sham. Something must be done soon to bring the program back to its relative stability of a few years ago with adequate safeguards to assure that necessary changes will be made on an equitable and meaningful basis, always keeping in mind the original intent of the program. The Ohio Oil & Gas Association endorses the twelve point program on oil imports of the Independent Petroleum Association of America with particular emphasis at this time on point number XII: "Immediate support of legislative action to provide long-range stability in the import program to assure both the funds and incentives for finding and developing adequate domestic reserves." Experience dictates the need for this type of legislation, which is now pending in Congress, since the basic levels of imports supposedly allowed under the program have been circumvented on many occasions.

SUMMARY

It is obvious that the administrative fiat being used to grant the special treatment to a few will certainly be harmful to the majority. We do not doubt for a moment that such actions are putting our country on a direct course of dependence on unreliable foreign oil and will further aggravate by several hundred million dollars the present $2 billion annual deficit in our balance of payments from oil imports. This necessary legislation will establish a reasonable level of oil import quotas that will assist our domestic petroleum industry in finding and producing adequate reserves as needed for the security and economic well being of our great country.

Sincerely,

DAVID H. BELL, *President.*

STATEMENT OF ROLAND A. WHEALY, VICE PRESIDENT, ASHLAND OIL & REFINING CO.

Mr. Chairman and members of the committee, my name is Roland A. Whealy. I am a vice president of Ashland Oil & Refining Company, a Kentucky corporation, with its principal office at 1409 Winchester Avenue, Ashland, Kentucky. I reside in New York, New York.

The company (herein called "Ashland") is engaged in all phases of the oil business, including production, refining, transportation and marketing. It is a larget net purchaser of crude oil.

We appreciate this opportunity to express our views as to the Mandatory Oil Import Program, a program limiting the importation into the United States of very low-priced foreign-produced crude oil, unfinished oils and certain petroleum products to such a level as to maintain a strong and vigorous domestic petroleum industry capable of meeting any national emergency. Evidence of importance of that capability was clearly demonstrated last summer when U.S.-produced crude oil not only met additional domestic demands due to interruption of supplies from the Eastern Hemisphere, but also supplemented requirements in Europe and Canada. Had not such a program been instituted in March 1959 there is no doubt our petroleum producing capabilities would have been in such a state of deterioration as to have been unable to meet the challenge. We are in full accord with the original objectives of the program, that is the legal and public policy to maintain a healthy and vigorous petroleum industry in the United States in the interest of national security.

In expressing our views to the Committee we wish to convey to you our deep concern, particularly as it applies to the administrative deviations from these objectives, which we believe are gravely undermining its effectiveness, and to urge corrective action which we consider essential if the program is to serve its proper purpose. We believe that Congressional action is needed to provide definite and meaningful guidelines to restore the program to its original national