

We sincerely hope that the Office of Foreign Direct Investment adheres to the approach first discussed so that Ashland, and similar companies, with valuable properties and investments in foreign countries will not have the retention of those properties and their investments jeopardized by regulations which have the effect of favoring certain companies for no other reason than the fact that they have made large foreign investments in the base year or years.

We also submit that the current program for restricting American companies from investing in and expanding operations in foreign countries should be temporary and that consideration be given to enacting appropriate legislation to terminate, or at least limit, at the earliest practical date restrictions on foreign investments by American companies. The current restrictions seriously hamper American companies in maintaining their competitive position in the face of increasing competition from foreign companies. The long-range result of such restrictions will be to seriously and adversely affect long-term United States balance of payments.

We respectfully request that this letter be included in the record of the proceedings in the hearings on tariff and trade proposals.

Cordially yours,

ORIN E. ATKINS, *President*.

#### STATEMENT OF CONTINENTAL OIL CO.

Continental Oil Company is broadly engaged in the petroleum, chemical, coal and related businesses, both foreign and domestic. We are vitally concerned with legislation and regulations relative to the imports of hydrocarbons into the United States.

We strongly support the provision of the Trade Expansion Act which permits the President of the United States to establish limitations on such imports, upon request, but only after determination that circumstances exist which threaten or impair our national security.

In accordance with this legislation, the Mandatory Oil Import Program was instituted by Presidential Proclamation 3279, issued on March 10, 1959. We believe that the limitation of oil imports continues to be essential in order to assure adequate producing, transportation and manufacturing capability to meet our petroleum energy requirements during a national emergency.

We feel that the Mandatory Oil Import Program can be properly administered provided that national security is the prime consideration in determining quota levels and the allocation thereof. We sincerely believe this to be the intent of Congress under the "national security" provision of the Trade Expansion Act under which the program is authorized.

Many administrative interpretations since 1965 have departed from the national security basis or concept, and we are seriously concerned that these departures dilute the program as to render it ineffective in providing for national security. We are attaching a detailed analysis of the oil import program and recent administrative interpretations. This analysis, dated May 13, 1968, was filed by Continental Oil Company before the Subcommittee on Mines and Mining of the House Interior and Insular Affairs Committee.

We urge that existing legislation be amended to require that in the administration of the oil import program national security will be the sole consideration in determining quota levels and the allocation thereof.

#### STATEMENT OF CONTINENTAL OIL CO., PERTAINING TO THE BASIC OIL IMPORT PROGRAM BEFORE THE HOUSE INTERIOR AND INSULAR AFFAIRS COMMITTEE, SUBCOMMITTEE ON MINES AND MINING, MAY 13, 1968

Continental Oil Company strongly supports the fundamental purpose of the Mandatory Oil Import Program which is to adjust "imports of crude oil and unfinished oil and finished products . . . so that such imports would not threaten to impair the national security." Renewed efforts should be directed toward the preservation of the successful aspects and correcting the proven shortcomings and inequities of the program as it now exists.

To accomplish this goal, we would make the following general observations:  
First: So many changes and special provisions have been made in the recent past as to place the entire program in jeopardy of complete breakdown through administrative confusion and complexity.