existed for ten years and no effort has been made either to eliminate the necessity for the protection by strengthening the domestic industry or to find a more appropriate and equitable means of administering the protection plan. A temporary measure intended to shield a vital domestic industry from exposure to suddenly increased world wide competition is becoming a permanent crutch not intended by the Congress. Does the industry in fact need a crutch? If it does, then it should have one designed for permanence, not the present patchwork system.

Oil is today one of the most abundant and useful, and therefore one of the most important, commodities in the world. Its importance to the industrialized nations cannot be overemphasized and its importance to the industrialized nations makes it important to all others. It would therefore be foolish to suggest that this nation should not have a national policy with respect to its own supply of this important material just as it would be unrealistic to suppose that each of the other nations of the world is not going to have for itself its own self determined national policy with respect to the acquisition, disposition and/or use of oil. Among the producing nations, oil is a vital instrument of national ambition, to be used to promote all foreign and economic policies. It is their sword in the economic battle of nations. To the consuming nations, oil is an essential source of energy, to be acquired in ever increasing quantities to further industrial development. Little wonder that both sets of nations necessarily have policies on oil. Recognizing that this nation, like the others, should also have a national policy on oil is what prompts us to be critical of the present situation, because what we have today is not really a policy, but a collection of makeshift rules and loopholes. Here then is our criticism of the proposed Trade Expansion Act of 1968—*not based on what the Act does but on what it does not do. It does not provide a way to eliminate the "temporary" artificial trade barrier of the Oil Import Quota System nor does it establish a national policy for oil.* It might well be argued here that the power to eliminate the import quota rests with the President since he is the person authorized by Congress to institute the quota. However, we suggest that since the import quota has been administered in a way *not intended by the Congress, namely as an economic measure rather than a national security measure*, it well behooves the Congress to alter the form of the protection being afforded the domestic oil industry and at the same time begin to develop a national oil policy.

What should our national oil policy be and what should it strive to accomplish? We believe the two long range objectives of such a policy should be—

1. To assure this nation of an adequate supply of petroleum for national defense.
2. To promote the peaceful economic growth of this nation by assuring an adequate continuing supply of petroleum at a reasonable cost.

It appears at first blush that these two objectives are opposed, the first pulling toward a higher price for petroleum to stimulate domestic production and the second pulling equally hard to keep petroleum prices lower, but this apparent conflict of objectives only seems so because it is impossible to accomplish both under the present Import Quota System. They can, and must, be reconciled.

The stop gap Import Quota System has more or less preserved the status quo but has not contributed to a permanent solution of either of objectives one and two. Ten years of Import Quota have not served to expand or strengthen the domestic industry to any great extent nor rendered the domestic industry any more able to compete in world markets. The decline in domestic drilling simply does not correlate with the amount of oil imported into the country, and it must therefore be conceded that the cause of that decline is found elsewhere. In any case the Import Quota has done little in the way of a long range solution to objective one. Similarily, the Import Quota has done little to achieve objective two, that of providing an adequate source of petroleum for expanding the domestic economy. Contrarily, the Import Quota may have actually inhibited expansion of the domestic economy by imposing an artificial limit on the amount of petroleum available. Thus, when measured against these objectives for a long range oil policy, the Import Quota System must be termed at best a temporary holding action. If the quota system is to be scrapped, what can be used to replace it that will accomplish the objectives a national oil policy should have? We are going to have to work to find an answer. If the answer were easy it would