"I recently had one of the representatives from one of these countries come to me and say 'why don't you join us and we will fix the world price?'

"I said, 'Do you want me to go to jail?'

"That is exactly what would happen to me if I participated in something like this.

"First, I think the prices would be low. They would eliminate the incentive to discover ore in this country and at the time the uranium mining industry dried up they would fix the price and you would pay it or you would not get any uranium to put into your reactors for power.

"If this country wants to be a have-not nation, then the best way is to allow importation of foreign ore, recognizing that they do not recognize the same laws as we do and they will form cartels and they will dictate prices.

"Chairman HOLIFIELD. I am glad to find a common ground upon which you and I can agree. I am inclined to think you are right.

"I think that we are up against it on the importation of foreign ore or anything that comes from foreign countries, we are up against the problem where we have to look at it from the standpoint of its effect upon our own business people and here, again, the Government can be protective, as well as irritating.

"I think we do have to look at this and keep a very close look upon importation of ore. I do not mean by that that it should be excluded completely because I think sellers by one means or another sometimes can take advantage of scarcity.

"That happens and I think it might be salutary to have a little importation of foreign ore at least in the background to have a retarding effect upon people who would want to take advantage of a semi-monopolistic production of ore."

The quoted discussion, if it dealt with "energy" instead of merely one form thereof (uranium) illustrates one of the points we want to make.

Congress should replace the present system of import controls on energy with a Congressional determination which will give the necessary assurance of long-term reliability.

The Secretary of the Interior in his appearance before this Committee on June 4 described the existing program as one of "flexible controls on oil imports maintained through administrative techniques." Although he said that the "national security" is "the paramount—the only—reason why such imports are controlled," he added, "We believe that enactment of restrictive legislation would serve no beneficial purpose but would only make it more difficult to meet unexpected contingencies."

We believe the Secretary has attempted to use the flexibility available to him under the current program for purposes *other* than national security. We have already referred to the fact that imports of residual oil into the East Coast area (the area of most severe competition with coal) were virtually decontrolled some two and a half years ago. It is appropriate to point out that decontrol came shortly after a new wage contract forced coal producers to make modest increases in coal prices.

It is also appropriate to repeat here that even now the Secretary proposes to grant additional quotas on crude oil as a bonus to those companies which produce low-sulfur residual oil.

Others believe, as we do, that the Secretary has used his flexibility in controlling imports for purposes other than national security. Testifying before the Department of Interior in the oil import hearings on May 22, 1967, B. R. Dorsey, president of the Gulf Oil Corporation, stated, in part:

"We recognize that the United States has many serious problems. We also recognize the desirability in designing any program to have it contribute toward easing as many problems as possible. However, we are also keenly aware from some of our own experience that adjusting a program directed toward solving one problem to try to solve other problems most often limits and sometimes destroys the basic objective. We are concerned because we believe this is happening to the Oil Import Control Program. The program was weakened when it was originally designed by the provision for quota trading in an effort to maintain inefficient refiners. Since the program has been in operation, it has been further weakened (1) by awarding import allocations to chemical companies in what, in our opinion, was a mistaken belief that it would help the balance of payments; (2) by allowing one company a special privilege to bring gasoline from Puerto Rico: to Districts I–IV to improve employment in Puerto Rico: and (3) by using it as a threat to force a decrease in gasoline prices, which was very questionable."