There is another aspect of the oil import program which is causing considerable concern because of its impingement upon our international financial situation.

It costs money, paid out in dollars, to buy residual fuel oil in foreign producing countries. This adds to our balance-of-payments problems.

A significant portion of each dollar paid in this country for residual fuel oil finds its way to the producing country in the form of taxes and other charges levied by the Government of the producing country. Just how large is this portion is difficult to determine.

However, the bill for foreign residual oil comes to at least $600 million a year and a substantial portion goes to foreign nations for drilling and production rights, and charges for transportation in foreign-owned oil tankers.

The drain on the dollar increases with every increase in residual oil purchased abroad. There can be no question about the foreign oil purchases affecting adversely our balance of payments. The only question is just how large is the dollar drain.

Mr. Chairman, I believe the facts I have presented clearly show that the residual oil import control program has not been administered to achieve the objectives which it was originally set up to achieve.

(1) It has not protected the national security, by assuring an adequate and sure supply of heavy industrial fuel under all possible circumstances.

(2) It has not protected the essential domestic coal industry against foreign competition. This has been costly in terms of jobs, it requires more than 300 production workers for each million tons of coal mined in this Nation, even with the high degree of mechanism which has been achieved. The equivalent of 80 million tons of coal now consumed in the form of foreign industrial oil adds up to thousands of jobs and millions of dollars in payrolls and income for American workers and businesses.

(3) It has not prevented a significant area of the Nation from becoming overly dependent upon a foreign industrial fuel. No longer can we close our eyes to the potentially dire consequences to the economy of the east coast of a sudden halt, or an even sharp reduction in residual oil shipments to this country due, to use the words of Assistant Interior Secretary Moore, to "war or political uncertainty."

Now, the Government proposes an action for which we can see no justification and which would compound the whole problem of dependence on foreign petroleum sources, both for residual fuel oil and for crude oil as well, many times. The Secretary of the Interior has published a proposal in the Federal Register to set up a system granting bonuses for the import of additional crude oil and unfinished oil to refineries which produce low sulfur residual oil for consumption in areas where low sulfur fuel is required by Federal, State, or local regulations. I will not argue the merits of this proposal here, save to point out that there is substantial scientific opinion that the presence of sulfur oxides in the ambient atmosphere normally found even in urban centers has never been proven to be a serious menace to health. I could cite many authorities for this point of view and would be glad to supply that to the committee if you would like. Since this substantial doubt does exist there certainly seems to be no excuse for further garroting the import control program not only for crude petroleum but