

BOB DOLE
1ST DISTRICT, KANSAS

CANNON HOUSE OFFICE BUILDING
AREA CODE 202
225-2715

COMMITTEES:
AGRICULTURE
GOVERNMENT OPERATIONS

DISTRICT OFFICE:
210 FEDERAL BUILDING
HUTCHINSON, KANSAS 67501

Congress of the United States
House of Representatives
Washington, D.C. 20515

COUNTIES:		
BARBER	HODGEMAN	RAWLINS
BARTON	JEWELL	RENO
CHEYENNE	KEARNY	REPUBLIC
CLARK	KINGMAN	RICE
CLOUD	KIOWA	ROOKS
COMANCHE	LANE	RUSH
DECATUR	LINCOLN	RUSSELL
EDWARDS	LOGAN	SALINE
ELLIS	MEADE	SCOTT
ELLSWORTH	MITCHELL	SEWARD
FINNEY	MORTON	SHERIDAN
FORD	NESS	SHERMAN
GOVE	NORTON	SMITH
GRAHAM	OSBORNE	STAFFORD
GRANT	OTTAWA	STANTON
GRAY	PAWNEE	STEVENS
GREELEY	PHILLIPS	THOMAS
HAMILTON	PRATT	TREGO
HARPER		WALLACE
HASKEL		WICHITA

WASHINGTON, D. C.
OCTOBER 17, 1966

FOR RELEASE THURSDAY
OCTOBER 20, 1966

Congressman Bob Dole (R-Kansas) released the text of a letter written to Secretary of Interior, Stewart L. Udall, with reference to foreign oil imports. Dole stated that the oil import program adopted under the Eisenhower Administration has given some stability to the domestic oil industry, but that the changes proposed by this Administration would bring about a substantial increase in oil imports at the very time the independent oil industry in Kansas, and elsewhere, is struggling for survival. Congressman Dole emphasized that oil imports should be curtailed -- not increased. "Available evidence indicates that imports should be reduced, and for several years exploration and development of new resources have been seriously inadequate. The number of wells drilled so far this year is at a rate 40 percent below that 10 years ago and 15 percent below last year. Any increase in total oil imports at this time would also aggravate the balance of payments problem, and oil imports now constitute the largest deficit item in our trade aggregating more than \$2 billion annually.

THE TEXT OF THE LETTER IS AS FOLLOWS:

The Honorable Stewart L. Udall
Secretary of the Interior
Department of the Interior
Washington, D. C.

Dear Mr. Secretary:

The authorization by the Foreign-Trade Zones Board on September 12, 1966, of a foreign trade zone in Bay County, Michigan, for the operation of a petrochemical plant using imported oil, and the proposal to change the method of allocation of imported crude oil to refiners is viewed with alarm by the independent oil producers in Kansas and elsewhere.

Last December, President Johnson modified the Mandatory Oil Import Program to accommodate the petrochemical industry within the program and under this authority, it is my understanding you have allocated some 30,000 barrels daily of controlled imports to petrochemical plants. This action, I understood, was designed to eliminate any need for the establishment of foreign-trade zones for the operation of petrochemical plants. The independent oil industry of my State is deeply concerned that if the Michigan foreign-trade zone is permitted to utilize imported

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oil, other requests for trade zones inevitably will follow with the result that total imports would be substantially increased.

The proposal to revise the crude oil import allocation system is viewed with equal concern. Why should it be necessary to change the method of allocation after 7 years of a program which has given some stability to the domestic oil industry? This proposal would seem to result in penalizing small and medium-sized refineries and favoring larger ones. I am at a loss to understand its objectives, and fear that it would be so disruptive as to threaten the entire program, with resultant price-depressing effects.

Proposals to encourage further crude oil imports come at a time when the independent oil industry is struggling for survival. Oil imports should be curtailed, not increased, and I hope you will take action to accomplish a reduction during the next allocation period, beginning January 1, 1967.

Sincerely yours,

BOB DOLE
Member of Congress

ED:jh

THE TEXT OF THE LETTER IS AS FOLLOWS:

The Honorable Stewart L. Udall
Secretary of the Interior
Department of the Interior
Washington, D. C.
Dear Mr. Secretary:

The authorization by the Foreign-Trade Zones Board on September 12, 1960, of a foreign trade zone in Bay County, Michigan, for the operation of a petrochemical plant using imported oil, and the proposal to change the method of allocation of imported crude oil to refiners in which such plant by the independent oil industry in Michigan and elsewhere.

Last December, President Johnson modified the Mandatory Oil Import Program to encourage the petrochemical industry within the program and under that authority, it is my understanding you have allocated some 30,000 barrels daily of restricted imports to petrochemical plants. This action, I understand, was designed to eliminate any need for the establishment of foreign-trade zones for the operation of petrochemical plants. The independent oil industry of my State is deeply concerned that if the Michigan foreign-trade zone is permitted to continue imported