

The Truth About Pine Island

and the Standard Oil Company of Louisiana

WITH the signing of the armistice last November, the entire industrial machinery of the United States came to a discolating pause. Conditions in the steel, copper and cotton markets of the country changed over night. The oil industry, like these, were on a war footing, it felt the shock of the sudden change.

In the Pine Island field the shock was especially severe. The demand for Pine Island crude had grown up principally with, and because of, the war. Pine Island is a heavy crude. Its natural refining value for gasoline and kerosene is negligible, when compared with Caddo, DeSoto and other high grade crudes, and it was used principally as a fuel oil.

With the signing of the armistice, Government and Allied contracts for fuel oil were cancelled right and left. The principal outlet for Pine Island crude was thus closed, for while it does furnish a good base for lubricants, the demand for lubricants both here and in other parts of the country, is more than met already from the residues of the other crudes, which it is necessary to refine in order to obtain gasoline and kerosene. Thus the demand for Pine Island crude fell away abruptly and the field was faced with the problems of finding a market for this crude.

These are the conditions under which, during the last few months, there has developed an outpouring of propoganda under the guise of news, which aims to prejudice the public and to create hostility against the Standard Oil Company of Louisiana and pipe line companies in general for the personal and private benefit of certain interests in the Pine Island field.

The Standard Oil Company of Louisiana has enjoyed the friendship, the confidence and the good-will of the people of this state ever since its incorporation under the laws of Louisiana in 1909, and it values this friendship and good-will too highly to allow such misrepresentation to continue unchallenged.

The immediate object of this propoganda is to persuade Governor Pleasant to call a special session of the Legislature to enact legislation for the direct and personal benefit of the Pine Island producers.

The Standard Oil Company of Louisiana does not presume either to oppose or to urge a special session. That is for Governor Pleasant to decide according to his judgment of the needs of the state at large. But we do maintain:

- (1) That there is no need of a special session so far as the general oil interests of the state are concerned;
- (2) That no special session can create a demand for Pine Island or any other oil when no such demand exists.

The truth is, that it is an economic problem that is involved from beginning to end and not a matter of law or legislation. The Standard Oil Company of Louisiana has sought in every direction for a satisfactory solution of this problem—the problem of finding a free outlet for a product, the demand for which is severely limited. Among others to whom it turned for counsel and relief is the Oil Division of the U. S. Fuel Administration, Washington, D. C. They replied as recently as March 20th of this year:

“After investigating the matter we have reached the conclusion that the lack of a market for the oil (Pine Island) is the outcome of economic conditions over which no one now has any control, and that in this sense there is nothing in the way of a remedy that would prove effective.”

The Standard Oil Company of Louisiana is still making every effort to secure relief from the existing situation, but it is manifest no remedy is to be found in attempts to change the natural laws of supply and demand, which can not be altered in the case of oil any more than in that of sugar, cotton, rice or lummbur.

STANDARD OIL COMPANY OF LOUISIANA