

Montana Producers Won't Agree

Vinson Forecasts Jump in Oil Output Without Price Increase

Members of the Montana oil fraternity, while not in sympathy with rejection of the proposed 35-cent increase on crude oil by Stabilization Director Fred M. Vinson, will probably be even less in sympathy with the alternative methods suggested by him, as a means of increasing the nation's oil output.

Most news accounts adequately covered the reasons given by him for the turndown.

What most of them didn't carry were Vinson's ideas as to how the desired production increases may be had without increasing the price of crude oil.

Here's his program, as he outlined it, and with all figures quoted exactly as given by him:

Full use of the productive capacity of Texas oil fields, which are estimated to have an unused capacity of more than 300,000 barrels daily over the September rate of production.

Increased drilling in proven areas, as distinguished from wildcatting. Vinson said the drilling of the 19,000 wells in proved areas, as planned for 1944, would "contribute significantly" to the country's productive capacity, without the necessity of a price increase.

The use of foreign oil. He estimated that at least 337,000 barrels daily of foreign oil would be used

by the end of next year, as a result of measures under way to utilize available foreign sources "to the full."

Estimating that this country, with only 38 percent of the United Nations' crude oil reserves, is supplying 75 to 80 percent of the oil for the war, Vinson declared: "There can be no justification in exhausting this country's oil reserves at the most rapid rate possible if there is any feasible alternative."

Vinson also said that any incentive program would have no effect on crude oil production for a year or two, and that there was no prospect that such measures would result in any increase in gasoline for non-essential civilian use.

NEW PRIORITY SETUP

Relative priority groups have been established for the refining of critical petroleum products required for the armed forces and essential civilian purposes, the petroleum administration for war has announced. U. S. refiners will be informed of the suggested preference groups for the various petroleum products by PAW's district directors of refining.

Oil Trade Notes

All truck operators have been forbidden to inaugurate new operations or extend present routes without receiving prior approval from the ODT under new orders issued by Joseph B. Eastman, director of the office of defense transportation. All truck operators performing over-the-road, local cartage or pick-up-and-delivery operations are affected.

Production of 100-octane aviation gasoline today is more than four times greater than production in the early months of 1942, and within a few months will be about eight times greater, the petroleum administration for war has announced. PAW also said that present production exceeds the 1944 goal of ultimate requirements as set by military and government authorities in the spring of 1942. At the same time PAW released the first list of new 100-octane plants and their location. Since Dec. 7, 1941, PAW and the oil industry have initiated 72 major 100-octane construction projects. Of these, 32 have been completed, in spite of delays in getting the necessary materials, and the remaining 40 will be completed within four months. An additional 22 domestic plants have been scheduled in PAW's 1944 program and engineering work on these has been under way for some time.

Postwar competition for the world's petroleum will be keen and higher prices likely, it is predicted in "Ethyl News," publication of Ethyl corporation. A drastic upheaval in markets as they were known in prewar times, with a scramble for the relatively small surpluses which will be available for world trade, is the outlook, it is declared in a survey of "Oil for Tomorrow."

Coincident with its changing position from a net exporter of oil to an importer, to meet war and civilian consumption, the United States stands to lose a prewar export market amounting to approximately \$400,000,000 annually, the survey says. If the war continues,

this country will be a formidable factor as a buyer in foreign markets, it is asserted.

The United States, largest oil-producing nation, will not be able to continue sizable shipments to Great Britain and the Continent after the war because of a probable excess of domestic demands over production, the survey shows. As a result there will be a marked increase in movements of oil from the Middle East and Far East, it is believed.

The war production board has announced a revision of conservation order M-26 designed to protect the power parts of new passenger cars and trucks which now remain in the hands of dealers. The amendment requires dealers to drain engine oil, refilling with at least a one-half charge of rust-inhibiting oil, and run the engine at idling speed for five minutes. The oil must be left standing in the engine. At six-month intervals, dealers are required to turn the engine over to assure that the oil in the engine and lubricants in the transmission and rear axle assembly are properly distributed. Dealers must also remove all spark plugs at six-month intervals and inject two ounces of rust-inhibiting oil into each cylinder.

LOS ANGELES—Office of Price Administration rationing officials are seeking the co-operation of gasoline dealers who are asked to "pass the word along to their customers, that—

"Motorists with B and C rations should keep a wary eye on their gas coupons, and apply for renewal rations—not immediately on top of the renewal date—but, at least, 20 days before the last coupon is to be used."

Paul Barksdale d'Orr, district OPA ration chief, advised the early renewal application in order that war price and ration boards would have sufficient time to process the applications, and the motorists would not be left without gasoline.

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But Someone Else May Want to Telephone

All the world loves a lover but not when he ties up the party line so other people can't use the telephone. That is particularly true today when so many calls are urgent and important because of war work. Most party line users realize this and keep their conversations brief.

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