

REPORT BY THE CHAIRMAN

OF THE NATIONAL PETROLEUM COUNCIL'S

COMMITTEE ON PETROLEUM INDUSTRY STEEL REQUIREMENTS

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At the meeting of the Council on July 29, 1948 I reported that there were no voluntary agreements in effect for supplying the petroleum industry's steel needs, with the exception of the freight car program which was in operation prior to this Committee's report on steel requirements. At that time, however, two plans had been proposed for the allocation of steel for surface production equipment and for barges.

Since the July 29th Council meeting, voluntary agreements have been placed in effect relating to the following steel needs of the petroleum industry:

	<u>Steel Allocated</u> <u>(Expressed as</u> <u>Annual Rate)</u>
(1) Oil field tanks and certain surface production equipment	198,360 tons per year
(2) Dry and wet cargo barges	240,000 " " "
(3) Tankers	<u>483,360</u> " " "
Total	921,720 tons per year

The above figures are not directly comparable with this Committee's estimates, totalling 10,381,000 tons on an annual basis for all steel mill products for all branches of the industry. For example, dry cargo barges for other than oil use are included in the above allocations. However, it may be concluded that voluntary agreements to date affect somewhat less than 10 percent of the petroleum industry's total steel needs as calculated by this Committee. Within recent weeks, a proposed plan covering steel for consumer oil storage tanks was rejected by the Commerce Department's Steel Products Industry Advisory Committee and consideration of a plan covering bulk plant storage was postponed. There has

been continued refusal by the Steel Advisory Committee to consider any voluntary allocation plan for tubular goods that represent approximately 50 percent of the petroleum industry's total steel requirements.

In connection with the steel requirements of the petroleum industry, and tubular goods in particular, the Interior Department has taken an active part in advising other agencies of the Federal Government and urging further consideration of these requirements under the voluntary allocation program. The Council's Committee on Petroleum Industry Steel Requirements has not been called upon officially for any advice in regard to these matters and the Committee, therefore, has not held any meetings since the last meeting of the Council. The Committee has considered its authority to be restricted to that of a fact-finding group to estimate requirements, with no responsibilities regarding any study of present problems of steel supply and distribution or recommendation and formulation of any program of voluntary allocation.

Respectfully submitted,



Russell B. Brown,
Chairman, N.P.C. Committee
on Petroleum Industry Steel
Requirements