

Soviet Oil Offensive Creates Concern in American Industry

By NEIL A. MARTIN
United Press International
Washington—Congressmen have referred to it as economic banditry and cold war politics, while petroleum industry leaders say it is unfair competition and a threat to the security of the free world markets.

No matter how they describe it, they are all talking about the Soviet oil offensive—a rising gusher of cheap crude oil from behind the iron curtain which is oozing into the West's once exclusive free world markets.

In its bid to share and eventually dominate the world oil trade, Moscow is flooding the international market with crude and refined petroleum, hoping to out-produce, out-bargain and undersell all competitors.

Production Has Increased

Since 1950, Soviet crude production has increased four times until today the USSR is the world's second largest producer with output of about 3.3 million barrels per day. The United States retains supremacy with 7.3 million barrels per day while Venezuela is third with 3.2 million barrels.

Last January, the Soviet news agency Tass announced gross production of Soviet crude oil for 1962 had exceeded 1961 by 14 per cent—an increase much higher than expected. And at the outset of the Soviet Union's present seven-year-plan (1959-65), Premier Nikita Khrushchev boasted that the USSR would produce oil at the rate of three billion barrels a year by 1972.

Unlike most Russian boasts, this one could not be brushed aside. U.S. officials are voicing growing concern, not only about the cold war implications of Soviet oil but the economic security of the large American oil companies which conduct vast production and retail operations overseas.

Worried Congress

A worried Congress has made several studies of the Soviet oil offensive—the latest by a five-man commission of the House Foreign Affairs committee last February. In the meantime, the Department of Interior asked its national petroleum council, an industry advisory group, to keep up a running survey on Soviet exports and production.

Behind the rapid Soviet expansion, Western officials detect an attempt by Moscow to gain the economic dependence of nations which formerly bought from the West and are now buying from Moscow.

In case of an international crisis, officials point out, a sudden cut in these nations' oil supply by Moscow could have far-ranging repercussions.

Deny Implications

Soviet officials deny any cold war implications are attached to Moscow's oil policy, attributing it to "growing demands of the national economy of the USSR and other countries in the socialist community."

American oil officials, however, point out that Moscow exported 24 per cent (800,000 barrels per day) of all the oil it produced in 1961 and Soviet exports are still rapidly rising.

The political implication of the issue was probably best reflected by a Soviet journalist in a Moscow publication, "International Affairs." He wrote:

"Oil concessions represent the entire edifice of Western political influence in the world, of all military bases and aggressive blocs. If this foundation cracks, the entire edifice may begin to totter and then come tumbling down."

Three-D Policy

Sen. A. S. (Mike) Monroney, (D-Okla.), has termed this a three-D Soviet policy—"development, disruption and dependence"—to make some Western nations and underdeveloped countries entirely dependent on Moscow for economic survival.

In Africa and Asia, the Soviet Union has followed a dual policy: first, to encourage and lend the necessary technicians and materials to develop local oil industries, and, second, to supply a low cost economic base for operation via Communist oil.

In Ethiopia and Pakistan, Soviet geologists have been contracted to carry out a program of prospecting. Moscow is aiding India in natural gas and oil prospecting and refinery construction. Oil processing industries are being developed in Egypt which are designed to meet the requirements of Soviet crude oil. And a series of contracts between Ceylon and the Soviet bloc has made that tiny nation almost entirely dependent on Communist oil.

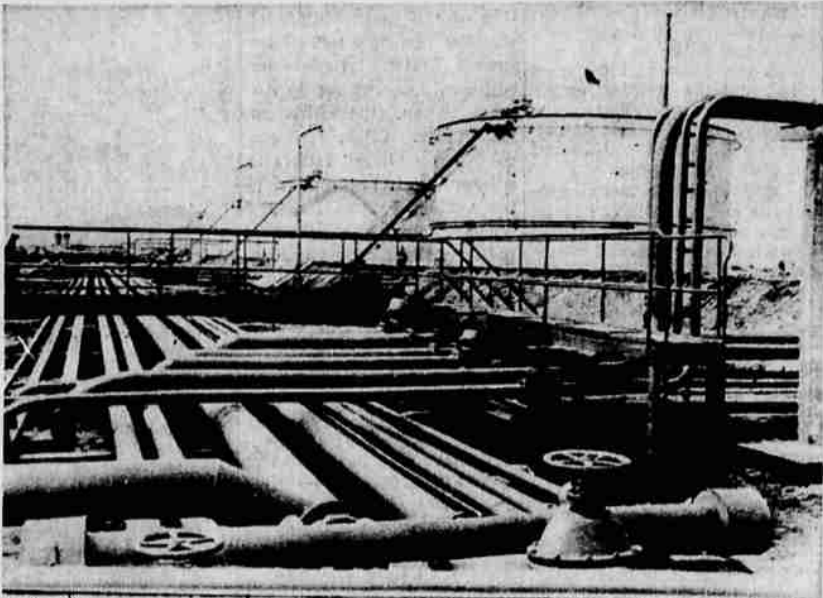
Opening Scheduled

The scheduled opening in November of the Soviet bloc's so-called friendship pipeline, which stretches 3,595 miles from Kulyshyev in the Soviet Union to Czechoslovakia and East Germany, has raised gushers of fear among Western oilmen.

The prospect of this Soviet oil at the threshold of Western Europe stands as a formidable economic threat to the large international American companies which have market outlets in most of Free Europe.

These companies have protested repeatedly that they are losing their markets because they can't compete with Moscow's bargain-basement prices which are well under world prices.

In 1962, the domestic industry employed 1,030,293 workers in producing, refining and selling. This does not include



SHOWS PIPELINES—Pipelines and storage tanks erected at Schedt, East Germany (top) for receipt of low-cost Soviet oil, is shown in picture taken in June, 1962. UPI

the millions involved in the related supply, manufacturing and chemical industries.

Total Value of Oil

In terms of capital, the total value of domestic crude oil and natural gas in 1962 amounted to more than \$10.6 billion. Oil and gas production is a major industry in many states.

Several proposals have been offered by congressmen to counter the Soviet competition.

Sen. Jacob K. Javits, (R-N.Y.), has suggested that U.S. antitrust laws be amended to permit American oil companies to form alliances when they are in the interests of national security or conform with U.S. foreign policy.

Other suggestions have included firm maintenance of the controversial 27 1/2 per cent oil depletion tax allowance, a revision of the national security section of the foreign trade bill to curb imports, federal assistance in exploring and developing new reserves, and greater free world cooperation to combat the Soviet price war.

Sen. Hubert Humphrey (D-Minn.), once said:

"We must always, it seems to me, keep under close scrutiny the shifting trade tactics of the Soviet bloc, to see what kind of defensive measures need to be taken against them."

Area Residents Climb Mountain in Record Time

A Medford High school cross country track coach, accompanied by a 67-year-old Rogue valley rancher, last Sunday scaled Mt. McLoughlin in what they believe to be an unofficial world's record time.

Wearing only traditional track garb and carrying some water and a few sugar cubes, the pair left the base of the mountain, walking and running where the terrain would allow, and finished at the top nearly two hours later within minutes of each other.

The two mountain runners are Bob Huff, who, at the age of 32, weighs 165 pounds and stands 5 feet 11 inches, and Ernie Lyman, 67, who is an inch shorter but weighs more.

As Daily Exercise

Huff made the trek as part of his daily exercise to keep in shape for his coaching position at the high school, while Lyman made the trip in keeping with the kind of training he has been keeping at as long as he can remember.

Mt. McLoughlin, which is 9,495 feet high, was, as Huff said, as good an obstacle course as any.

Four Persons Hurt In Area Accidents

Four people were injured in two accidents on Jackson county highways Friday night, state police reported.

A rear-end collision on Interstate 5 north of Central Point resulted in injuries to Kenneth William Neal, 31, of 1876 Roberts rd., and his two sons Ronald, 9, and Kerry, 8.

Neal and his son, Kerry, were treated as out-patients at Sacred Heart hospital. Ronald was reported in fair condition with a broken leg.

The Neal car was northbound in the outside lane when struck in the rear by a California car which caused the Neal car to spin around and upset in a ditch. The California driver was not at the accident scene when state police arrived.

Douglas Saechi, 22, of 240 North Holly st., Medford, was treated for lacerations of the head and body and released from Rogue Valley hospital Saturday morning after he was thrown from his car on Jackson st. at McAndrews rd. State police said the car apparently was traveling at a high rate of speed, slid a distance and upset.

Phoenix Remodeling Will Be Completed By School Opening

Phoenix—Remodeling of the high school to provide additional classrooms will be completed by the time school opens, according to Phoenix School District Superintendent E. R. James.

Remodeled areas will include a large group instruction room and three regular classrooms plus counseling offices.

A new industrial arts and vocational agriculture building is being constructed and should be ready for occupancy late this fall, James said. Additional physical education and lunchroom facilities will be completed later in the school year.

Eight additional language laboratory stations are being added to the 12 booths already used in the foreign language laboratory. Purchase and installation was through the National Defense Education act funds.

Modern Physics Equipment

Equipment for the modern physics approach now being introduced in the high school also was secured through the National Defense Education funds.

Aspects of the modern approach to mathematics are to be introduced into the fifth and sixth grades and will be continued in the high and junior high schools.

The Phoenix High school English department again will use qualified reader aides for correcting English themes under a program authorized two years ago by the Phoenix school board and operated through the joint efforts of the Phoenix school officials and Dr. Arthur Kreisman, of Southern Oregon college.

A teacher clerical aide has been employed in the high school for the new year, James said.

Teachers Attend Courses

During the summer about 40 teachers from both elementary and secondary levels throughout the district attended institutes and workshops.

These included mathematics and science institutes, a contemporary mathematics workshop for elementary teachers, team teaching workshops, the able and gifted program, counseling and coaching. Three more teachers obtained their masters' degrees and others completed summer college courses.

New and replacement teachers in the high school are Everett Cade, mathematics and science; Miss Sally Maulding, library and English; Mrs. Laura Felt, English and journalism; Glen Aiken, social studies and counseling; Mrs. Carol McDaniel, art and library; and Mrs. Janet Clark, English.

Added to School Staff

Larry Yarnell and Mrs. Olga Holland have been added to the junior high school staff for language arts. Mrs. Jane Germer and Miss Margaret Ann Bolz will be new first grade teachers at the Phoenix grade school; Mrs. Iris Stewart, fifth grade and Gale Eastwood, sixth grade. Miss Jeanne Warnock will be teaching third grade at the Talent grade school.

High school fees payable upon registration will total \$16.50, James noted. This includes book fee, towel fee and student body card. The book usage fee of \$9 is required since state law does not permit purchase of high school texts by the school district. This covers work books and current events papers.

The towel fee of \$1 also is required. The student body activity card is \$6.50. Students wishing to purchase a school year book may reserve a copy by paying \$4 additional.

Residents Ask Road Be in County System

Two residents on Canal st. near Orchard Home dr. Friday asked the Jackson county court and county engineer to include connecting Archer dr. in the county road system.

Mrs. Randolph Hugdahl, 2230 Canal st., and Mrs. Genie A. Putman, 2210 Canal st., particularly asked the county court authorize patching of the section near Canal st. Overflowing of the irrigation canal due to fall rain storms has washed out much of the former granite base, they said.

County officials said it would cost the area residents \$800 to grade, install driveway curbs, and add some granite or gravel, plus additional money to repair the particular section requested.

The county would start work on the road early next May.

Mrs. Hugdahl said the road is so bad that the postal service may require the residents to move their mailboxes to a nearby road in better shape.

for your greater convenience...

As an additional service to customers, Pacific Power & Light Co. has completed arrangements for a pay station at White City.

When accompanied by service bills, payments may now be made at the

CASCADE VARIETY In The CASCADE SHOPPING CENTER AT WHITE CITY

Payments made by mail should be addressed to Pacific Power & Light Company; P.O. Box 1592; Medford, Oregon

Pacific Power & Light Co. • 216 W. Main St., Medford

Be Choosy . . . Get Jacuzzi PUMPS!

1/2 H.P. DEEP WELL PUMP With 42 Gal. Tank and Air Charger \$15.95 down, \$13.15 per mo.

Centrifugal Irrigation Pumps \$29.50 and up

Siskiyon Hardware
223 W. Main Ph. 772-2939
• S&H GREEN STAMPS •

CRATER FINANCE
Cascade Shopping Center
White City—826-2721

Let Us Put You On Top of The Wonderful World of Money

The "money months" are here again! If you need EXTRA CASH just give us a ring on the phone and tell us how much you need. ONE LOAN — ONE convenient monthly payment. Call on us today!

A Handy Hundred or More From Crater Finance
Money From Crater Finance is like Money From Home.

CRATER FINANCE
138 PINE CENTRAL 664-1273

BRILL METAL WORKS
Commercial—Industrial
Residential Sheet Metal Work
Stainless, Galvanized and Copper Fabrication
2287 West Main
PHONE 772-4440

CRATER FINANCE
Cascade Shopping Center
White City—826-2721

Let Us Put You On Top of The Wonderful World of Money

The "money months" are here again! If you need EXTRA CASH just give us a ring on the phone and tell us how much you need. ONE LOAN — ONE convenient monthly payment. Call on us today!

A Handy Hundred or More From Crater Finance
Money From Crater Finance is like Money From Home.

CRATER FINANCE
138 PINE CENTRAL 664-1273

HURRY, MAN HURRY! LAST DAY TODAY!

We've got too many new mobile homes on our lot so we're doing something about it. Prices on the existing units have been slashed to help them move. Drop by today and take a look at Southern Oregon and Northern California's largest selection of mobile homes and travel trailers. . . . All priced to sell NOW!

OPEN TODAY Till 8 P.M.

- ★ Bank Financing
- ★ Low Down Payments

KIT STATELINER
55x10 2-bedroom, front kitchen, completely furnished, carpeted living room, Alaskan insulated.
FULL PRICE \$4895
\$1200 Down—\$64.15 per Mo.

IMPERIAL
Built in Oregon, insulated for cold north-west. 55-foot 2-bedroom. Front kitchen.
\$4527.00
\$1130 Down—\$58.95 per Mo.

KIT "Sierra" Home
55-Foot, 2 bedroom, center kitchen, Alaskan insulated. Completely furnished.
Full Price \$3975
Down \$ 995
Per Month \$53.95

WALKER THE WEEPER TRAILER HDQTRS.
1243 South Riverside Phone 773-4553