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Central Files
THE PRESIDENT HAS SEEN *d.f.*

THE WHITE HOUSE
WASHINGTON

November 12, 1974

MR. PRESIDENT:

Attached for your information
is the latest Petroleum Situation
Report.

Don

A handwritten signature in black ink, appearing to be "DR" or "DRF", written over a horizontal line.

Petroleum Situation Report

Federal Energy Administration

National Energy Information Center



Week ended: October 18, 1974

Highlights

Crude Oil Imports

During the years 1966 through 1972, when imports of petroleum products increased by 85 percent, refined product imports were always larger than crude oil imports. In 1973, when total imports rose to 6202 MB/D, crude oil imports increased to 109.5 percent of product imports.

The import picture during the first four months of 1974 was distorted by the Arab oil embargo. Total crude imports were down, averaging 3004 MB/D--about 6.3 percent less than refined. After the embargo ended, crude imports picked up and during the next four months averaged 4141 MB/D, greater than product imports by 62 percent.

From the mid-sixties through 1970, Venezuela and Canada were our chief sources of imported crude. Starting in 1967, imports from Canada exceeded those from Venezuela, and in 1970 made up 51 percent of our imported crude. Since then, although the quantity went up 49 percent, the fraction of total crude supplied from Canada has gone down, and in 1973 was only 31 percent. In 1971, four additional countries, Indonesia, Iran, Nigeria and Saudi Arabia, became major suppliers of crude to the United States. From 191 MB/D in 1970 our imports from these countries grew to 1327 MB/D in 1973.

The table shows U.S. crude imports for four time periods from four geographic regions: Eastern Hemisphere, Arab; Eastern Hemisphere, All Other; Western Hemisphere, Canada; and Western Hemisphere, All Other. Comparing 1973 with May-August 1974, one can see that the Arab fraction of our imports remained almost constant while Eastern

PERCENT CRUDE OIL IMPORTS BY SOURCE				
	1972	1973	1974 ₁	1974 ₂
EASTERN HEMIS.				
Arab	20.0	25.3	2.0	26.5
Other	22.2	25.0	46.2	40.5
WESTERN HEMIS.				
Canada	35.8	30.9	31.5	19.9
Other	22.0	18.8	20.3	13.1
TOTAL (MB/D)	2469	3546	3004	4141

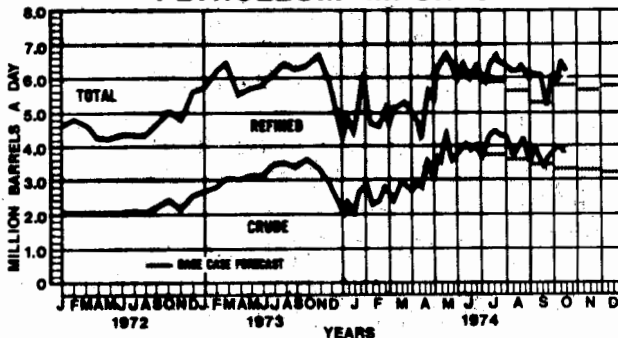
1974₁=(Jan.-Apr.); 1974₂=(May-Aug.)

Hemisphere, All Other increased greatly at the expense of both Canada and Western Hemisphere, All Other. Canadian and Venezuelan imports were down 271 and 166 MB/D respectively, while total imports were up. The big increases were in Iran (+384 MB/D), Nigeria (+303 MB/D), and Indonesia (+86 MB/D). Among the Arab nations Algeria (+228 MB/D), Saudi Arabia (+123 MB/D), and United Arab Emirates (+54 MB/D) had large increases while Libya went from 153 MB/D to zero.

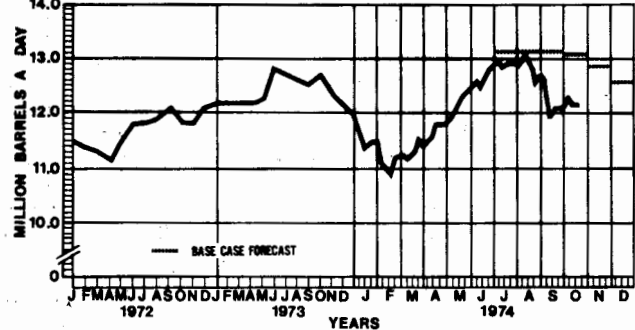
After 1977, Alaska crude and the new supplies available from Mexico should reduce our dependence on Eastern Hemisphere crude oil.

Source: Census Bureau and Bureau of Mines

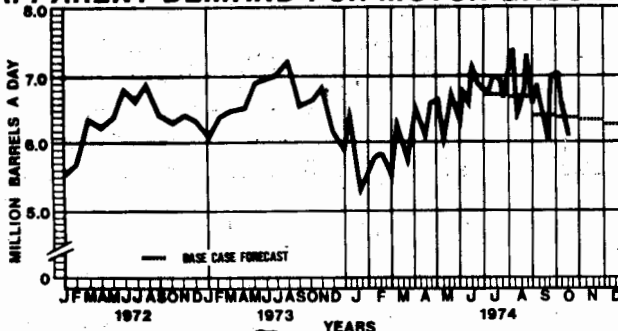
PETROLEUM IMPORTS



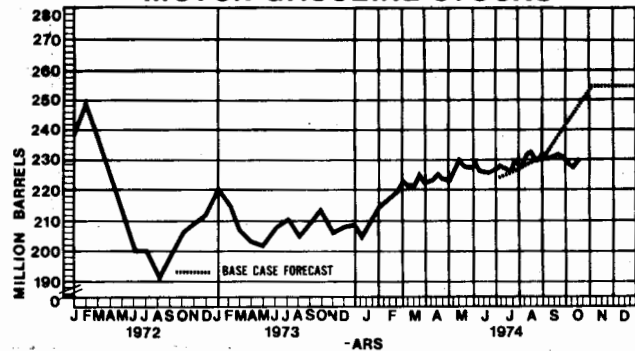
CRUDE OIL RUNS-TO-STILLS



APPARENT DEMAND FOR MOTOR GASOLINE



MOTOR GASOLINE STOCKS



U.S. PETROLEUM INDUSTRY OPERATIONS
(Excluding Puerto Rico)
Thousands of Barrels per Day

FOR WEEK ENDED October 18, 1974	WEEKLY DATA			4-WEEK AVERAGE	
	Current Week	Last Week	Last Year a	1974	1973 a
TOTAL DEMAND FOR PRODUCTS*	15,490	17,729	17,128	16,914	17,629
IMPORTS OF REFINED PRODUCTS	2,514	2,424	2,808	2,303	2,920
CRUDE OIL					
Domestic Production	8,640 a	8,641 a	9,324	8,690 a	9,361
Imports	3,764	4,048	3,912	3,857	3,735
Ending Stocks (MMB)	254.0	252.4	248.2	-	-
Runs to Stills	12,218	12,185	12,715	12,250	12,659
MOTOR GASOLINE					
Production	6,269	6,282	6,524	6,386	6,524
Imports	273	218	153	204	183
Apparent Demand*	6,122	6,634	6,402	6,713	6,795
Ending Stocks (MMB)	229.7	226.8	202.6	-	-
TOTAL JET FUELS					
Production	921	919	960	913	879
Imports	168	267	187	203	120
Apparent Demand*	959	1,135	1,026	1,051	973
Ending Stocks (MMB)	31.9	30.9	25.4	-	-
DISTILLATE FUEL OIL					
Production	2,627	2,612	2,899	2,663	2,820
Imports	202	280	425	210	268
Apparent Demand*	1,854	3,101	2,590	2,642	2,815
Ending Stocks (MMB)	232.6	225.8	201.1	-	-
RESIDUAL FUEL OIL					
Production	1,123	1,037	923	1,083	887
Imports	1,450	1,206	1,728	1,263	1,795
Apparent Demand*	2,223	2,535	2,758	2,373	2,664
Ending Stocks (MMB)	73.4	70.9	56.9	-	-

* Shipments from primary supply are calculated by FEA by summing supply items and adjusting for inventory change. This does not represent consumption during the period, as it does not provide an indication of usage from or build-up of supplies in secondary and consumer storage.

Source: FEA, unless otherwise indicated.
a = API

TOTAL DEMAND FOR ALL PETROLEUM PRODUCTS for the 4 weeks ended Oct. 18 was 16.9 million barrels a day, 4.1 percent less than a year ago but 5.2 percent higher than the Base Case forecast. For the past week total apparent demand was 15.5 million barrels a day, 2.2 million less than last week and 1.6 million less than a year ago. The immediate cause of the drop in apparent demand this week was the large increase in primary stocks. Each of the major products increased, for a total increase of 13.2 million barrels, which accounts for 1.9 million barrels a day of the reduction in apparent total demand.

TOTAL IMPORTS OF PETROLEUM at 6278 MB/D, were down about 200 MB/D from last week. The drop was in crude oil imports, refined product imports were higher by 90 MB/D. Both residual fuel oil (+244MB/D) and gasoline (+55MB/D) increased, while jet fuels and distillate were lower.

The 4-week average of imports is 6160 MB/D, almost 500 MB/D lower than that of last year.

Apparent demand for **MOTOR GASOLINE** was 6713 MB/D for the 4 weeks ended Oct. 18, 1.2 percent less than last year but 5.4 percent higher than the Base Case forecast. Imports increased by 25 percent and their 4-week average is now 204 MB/D, 21 MB/D higher than a year ago. Stocks at 229.7 million barrels are 27 million higher than last year. Last week's stocks were revised down by 3.9 million barrels, increasing apparent demand for that week by 533 MB/D.

Stocks of **DISTILLATE FUEL OIL** increased again and at 232.6 million barrels are 6.8 million higher than last week and 31.5 million higher than a year ago as reported by the API. This large increase in primary stocks is reflected in apparent demand which was 1,854 MB/D, the lowest since early July. However, last week's demand was 3,101 MB/D and the 4-week average demand is 2,642 MB/D, 6.1 percent less than that of last year.

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