

# Pentagon

## Oil Order

### Confirmed

#### Washington

The Department of the Interior confirmed yesterday that at Pentagon request, 22 oil companies have been ordered to deliver 825,855,000 gallons of petroleum products to the military in November and December.

The step was taken under the 1950 Defense Production Act, which gives the Defense Department authority to exercise priorities over materials critically needed for national defense.

The Pentagon diversion for the two months amounts to only 19.6 million barrels, or slightly more than the national daily consumption of petroleum products.

The Defense Department, according to officials, was forced to commandeer oil supplies after domestic producers in recent weeks had refused to bid on Pentagon contracts.

According to officials, the oil companies, which used to sell their excess production to the military on a long-term contractual basis, are contending they no longer have sufficient supplies to bid on military contracts.

Officials also said they believed that many of the oil companies, rather than perhaps alienating Arab oil-producing nations with which they have close business connections by voluntarily selling to the Pentagon, have been waiting for government directives to supply oil to the military.