

market facilities, with respect to common interests in the matter of over-production, and with respect to transportation facilities. With this situation in mind, Mr. Hayden believes that if transportation of oil were dissociated from ownership, and carriers forced to render impartial service, producers could be expected to work out their problems on a basis of common self-interest, agreements for the voluntary regulation of production following as a matter of course. These agreements would, under the plan, receive the sanction of Federal law in order to avoid prosecution under the antitrust laws. The method suggested would, of course, do no more than clear the way for agreements for the curtailment of production to be voluntarily entered into by the promoters.

Though Mr. Hayden's conclusion that any direct control by the Federal government through legislation would be unconstitutional is undoubtedly justified on the basis of precedent, it must not be forgotten that, however legal scholars may seek to camouflage the truth, necessity makes measures legal and constitutional which were not so before the necessity arose.

PHILIP S. ALEXANDER, '31.

---

THE STABILIZATION OF THE PETROLEUM INDUSTRY, by *Leonard M. Logan* (Oklahoma Geological Survey, Bulletin No. 54). University of Oklahoma Press, 1930. Pp. 248. Price \$2.50.

The author of this book, which gives the false first-impression of being highly technical, appropriately indicates his purpose in the preface by stating that it is to give the background out of which the problem of over-production in the petroleum industry has grown, to explain the problem, and to discuss the principal plans offered for its solution. The brief introduction, which discusses the variant views of several editorialists and statesmen on the problem, is of much value to one who is encountering the subject for the first time. In three brief chapters, the author discusses respectively the historical, geological and legal backgrounds of the industry. The treatment of each subject is commendable in that such a wide field is covered both adequately and concisely.

With this foundation in mind, he gives an able discussion of the economics of the production of petroleum, in terms of demand, supply and price. With a few exceptions, those economists and technologists who are acquainted with petroleum, decree the exhaustion of its supply within the comparatively near future. The use of such substitutes as shale oil, coal, lignites, and agricultural products to alleviate the situation is impractical so long as the price of petroleum is less than its substitutes. The price of petroleum should be maintained at a high level, that is, high enough to justify a reasonable profit and at the same time to eliminate unessential uses of the product. To create such high prices some form of organized production and marketing would be necessary. The backwardness of the producers and the government to recognize and cope with the problem, however, has helped the archaic anti-trust laws to obstruct any material development along the lines of cooperation among the producers.

The author gives interesting briefs of the plans offered for stabilization by various authorities, both private and governmental, and he discusses in detail the proration and unit operation plans. Although there are on the statute books of most oil-producing states some conservation laws, most of them are too feeble to be of much effect. The Lyon gas conservation law of California is commended.

The need for conservation has become more acute since the late war, when its importance to the public safety was well realized. In summarizing the problem, the author asks, should prices control output, or should output control prices? In the petroleum industry, output should control prices. The most practical method of controlling production is through voluntary cooperation and control, with the pool, instead of the lease, as the unit of production.

There can be found in a rather neatly prepared appendix valuable statistical data as to the production of oil, its value and price, and the number of wells drilled.

The author draws for his material mainly on recent government documents and current periodicals. This is commendable in that a broad but accurate view of the problem is afforded. Perhaps the literary merit might have been increased had Mr. Logan found it feasible to re-word some portions of his book, which were obviously taken verbatim from his references. Despite the consequent unevenness in style, the book is surprisingly readable and digestible from the viewpoint of the layman. Since the author takes pains to present all sides of the question in somewhat "Literary Digest" manner, a fair presentation is given. The work, perhaps, attempts to cover too much territory, yet it gives at least a bird's-eye view of the situation, which is valuable to the business man or lawyer who is interested in the subject. Moreover, the careful outlining and subdividing of the various sections make the work a fine handbook for one who is seeking information on the subject in a minimum of time.

H. ROBERT SHAMPAINE, '32.