Folder 10. MR 604 (2) Sec. 1—Oil Conference, 20 February–23 June 1944.
FROM: THE PRESIDENT
TO: THE PRIME MINISTER
NO: 568, 23 JUNE 1944

EXTRACT

Your 708. Beaverbrook is as you know an old friend of mine and I shall be very happy to see him.

* * * * *

ROOSEVELT
FROM: THE PRESIDENT.
TO: AMBASSADOR WINANT, LONDON.
NO: 231617 NCR 310, 23 JUNE 1944.

Receipt of your message filed 1400 Z on the 21st is acknowledged.
Glad to know.

ROOSEVELT
I must ask you to protect me in forwarding this information as the
underlying situation
point of view to accept this information but I wanted you to understand the
British Government in the negotiations. It might, after all, be wise, from our
meetings that opposition is to appoint a Bevan group to represent the
prime minister in the suggestion to you because that is the simplest method
of opposition to our position. It would be a sheer guess to assume that the
undertaking and undertakings. Bevan group has been represented a table
strategic approach. This representation had the support of, then, join
—
Group that a strategic and authoritative approach would be the con-
proposition that everything recommendation, recommendation on how and when. The
for the second front operations. The cabinet committee in charge of the
undertakings, but he is not available as he is needed to handle transport
is to recognize that the aspect men to conduct these negotiations to
extent. The appointment of concerted in principle to continue the oil con-
feel you should know the exact situation in the cabinet in relation to
After reading the prime minister's message to you, number 708,
(MAP ROOM to HYDE PARK)

FROM: THE PRIME MINISTER
TO: THE PRESIDENT
NO: 708, 20 JUNE 1944

EXTRACT

1. The man I think best capable of stating the British case in the oil conference is without question Beaverbrook. While naturally we must choose our own representative to put our own point of view, I should be grateful if you would let me know in personal privacy whether you would foresee any American political or party difficulties in this choice by me. I should greatly regret if he were not acceptable as I believe he is far and away the best man to work towards a solution by cordial agreement.

* * * * *

PRIME
MEMORANDUM FOR THE PRESIDENT

In response to your memorandum of March eighth, with attached file, there is enclosed herewith a draft reply for your consideration. If this meets with your approval would you please return a copy with your O.K. so that it may be sent to London?
This telegram must be closely paraphrased before being communicated to anyone.

Mar. 10, 1944
11 p.m.

AMERICAN EMBASSY,
LONDON,
1836

FOR THE AMBASSADOR FROM THE PRESIDENT.

As you know, the State Department's press release on the oil conversations which was issued on March 7 (State Department's telegram number 1725, March 7) named the group which will conduct the conversations at the high level and indicated that the technical exploratory discussions will lead to the high level conversations at an early date. I believe this is in line with Eden's view as given in your telegram of March 6 conveying the Prime Minister's message relative to the release.

Please inform the Prime Minister that I consider it most desirable that the British group at the ministerial level be also named promptly. I assume that the British technical experts will leave for the United States at an early date and will be prepared to carry on rapid preparatory discussions with a view to carrying the conversations to the higher level without delay. Accordingly, please tell the Prime Minister that I hope that the ministerial group will arrange to arrive in Washington very shortly, perhaps within a week or ten days, after the technical discussions have begun.

HULL
THE WHITE HOUSE  
WASHINGTON  

March 8, 1944.

MEMORANDUM FOR  
THE ACTING SECRETARY OF STATE:

Will you prepare reply to the enclosed for me to send to Winant?  
Please return enclosure with your suggested reply.

F.D.R.
THE WHITE HOUSE
WASHINGTON

March 8, 1944.

MEMORANDUM FOR

THE ACTING SECRETARY OF STATE:

Will you prepare reply to the enclosed for me to send to Winant?

Please return enclosure with your suggested reply.

F.D.R.

From London, March 6, following up the President's number 485 to the Prime Minister of March 3rd and State Dept number 1680 to Winant of March 5th.
7 March 1944

MEMORANDUM FOR

THE ACTING SECRETARY OF STATE

In accordance with your telephone request of this morning, enclosed herewith is a copy of unnumbered message from Ambassador Winant to the President, dated 6 March 1944. Your attention is invited to the fact that this is a true copy, and therefore must be closely paraphrased before being communicated to anyone.

It is requested that a copy of any reply made or action taken by the Department of State to this message be forwarded to the White House Map Room for the information of the President.

L. MATHEWSON,
Colonel, General Staff.

1 Incl.
Msg, Amb. Winant to the President, 6 March 1944.
From: London
To: The President of the United States
No Number Filed: 06/2310Z

To the President from Winant.

Following up your message number 485 to the Prime Minister of March 3rd and State Department message number 1680 to me of March 5th (received this morning) I asked that the Cabinet take up the question of our oil conference in Washington at their evening session today.

It was my intention to forward their decision to Stettinius, but the Prime Minister asked that I transmit it directly to you.

"The War Cabinet welcome your assurance that there is no desire on the part of the United States Government to propose the transfer of our property and interests in Iraq and Iran, which we presume includes our properties elsewhere. In consequence of this, we waive our objection to talks not being in London and will send a delegation to the United States. We still feel, however, that this delegation should be official and expert, and once the ground is clear and facts established, that higher authorities
should then intervene.

As the fact that we are sending a delegation will now become public property, I suggest that a communique on the following lines be issued:

"The Governments of the United States and the United Kingdom are undertaking preliminary and exploratory discussions on petroleum questions. These discussions will be, in the first instance, at the official and expert level, and will take place in Washington."

As I am likely to be questioned in Parliament on the subject, I must reserve the right to make it clear that no question arises of any transfer of existing rights or properties in oil. Signed Churchill."

Eden told me that the Technical Committee might be called to meet at once and that the conference on a ministerial level could be called immediately thereafter to meet in Washington.

Would you be good enough to inform Stettinius, as I promised him on the telephone today, that I would cable him of the results of the Cabinet meeting this evening?
To President via usher.

On a.m. of 7 March, Mr. Stettinius called Map Room, saying that the President had read to him the contents of Winant's message, and requested that a copy be sent to him. Copy was delivered at 1000Q/7 to Mr. Stettinius.

By memorandum, dated 8 March 1944, President also referred message to State Department for action. Answered directly by State Department #1836, 10 Mar 44, to Ambassador Winant, signed by the President.
This telegram must be paraphrased before being communicated to anyone other than a Governmental agency. (SR)

AMBASSADOR,
LONDON.
1726

FOR THE AMBASSADOR.

For your information we are quoting below the press release which was issued the afternoon of March 7:

QUOTE: The Acting Secretary of State today made the following announcement, which is being issued simultaneously in Washington and London: SUBQUOTE. The Governments of the United States and the United Kingdom are undertaking preliminary and exploratory discussions on petroleum questions. These discussions will be, in the first instance, on an expert technical level, and will take place in Washington. END SUBQUOTE. The Acting Secretary of State stated that it is contemplated that these informal conversations with the British Government on problems of mutual interest relating to oil would lead at an early date to further conversations between the two Governments at a higher level. For this purpose the President has appointed a group under the Chairmanship of the Secretary of State consisting of Secretary Ickes as Vice Chairman, Under Secretary of War

March 7, 1944
9 p.m.
Patterson, Under Secretary of the Navy Forrestal, Charles Rayner, Petroleum Adviser of the Department of State, and Charles E. Wilson, Vice Chairman of the War Production Board.

In making the above announcement, the Acting Secretary of State stated that should these conversations lead to conclusions, no decision affecting producing areas would be taken without consultation with the governments of the countries concerned. He also pointed out that this Government is at all times ready to discuss economic problems with other governments and accordingly will welcome discussions with the government of any other friendly country concerning petroleum questions of mutual interest. END QUOTE.

STETTINIUS
(Acting)
(OFR)

ECA: CH: KW
FROM: AMBASSADOR WINANT, LONDON
TO: THE PRESIDENT
NO: UNNUMBERED

* * * * * Your further message on the oil situation was also
most welcome and the announcement of Stettinius coming on to London
further eased sensibilities here as the Government has been very
conscious of insistence by us that major conferences be held in
Washington. Cabinet ministers needed the Prime Minister on this
score. I will report to you shortly on the reactions here on oil
as it relates to the Middle East area.

* * * * *

ORIGINAL filed "PRESIDENT-WINANT" file.

No reply was made by the President or the State
Department to this message.
FROM:  THE PRIME MINISTER
TO:  THE PRESIDENT
NO:  601. 4 MARCH 1944.

PRIME MINISTER TO PRESIDENT ROOSEVELT PERSONAL AND MOST SECRET.

Your number 485. Thank you very much for your assurances about no sheeps eyes at our oilfields at Iran and Iraq. Let my reciprocate by giving you the fullest assurance that we have no thought of trying to horn in upon your interests or property in Saudi Arabia. My position on this, as in all matters, if that Great Britain seeks no advantage, territorial or otherwise, as the result of the war. On the other hand she will not be deprived of anything which rightly belongs to her after having given her best services to the good cause—at least not so long as your humble servant is entrusted with the conduct of her affairs. I will bring the matter before the Cabinet on Monday and hope to telegraph you immediately thereafter.

* * * * *

- 1 -
FROM: THE PRESIDENT
TO: THE PRIME MINISTER
NO: 485, 3 MARCH 1944

* * * * *

Referring to 591, I am having the oil question studied by the
Department of State and my oil experts, but please do accept my as-
surances that we are not making sheep's eyes at your oil fields in
Iraq or Iran. I cannot hold off the conversations much longer.

* * * * *
TELEGRAM SENT

February 29, 1944
Midnight

This telegram must be closely paraphrased before being communicated to anyone. (MC)

AMERICAN EMBASSY
LONDON

1540

PERSONAL FOR THE AMBASSADOR FROM THE ACTING SECRETARY.

In reply to your telegram of February 27 to the President regarding oil situation, please refer to our 1332, February 22 and our 1359, February 23. The following is the substance of a telegram sent by the Prime Minister to the President on February 25:

I told Winant, when he brought to me your telegram dated February 22, that the way things were developing was causing me much concern. That a technical inquiry should be made regarding the world-wide oil position is quite agreeable to our Cabinet. We both would then know how we stand. However, our Cabinet has expressed the following definite views:
February 29, 1944 midnight to London

views:

(1) That the inquiries should be on official level to determine the facts;

(2) That the inquiries should preferably be held in London;

(3) That we be given the authority to tell Parliament that there will be no proposal made to alter the present ownership of oil interests in the Middle East, on which the British Navy is dependent, or elsewhere. If you will allow me to say so, your telegram seems to convey your decision on these matters and dismisses these points.

This evening I read the telegrams to the Cabinet, and the apparent possibility of a wide difference opening between the British and the Government of the United States on such a subject and at such a time was very disturbing to them. Ministers particularly concerned have been asked for reports and in a few days this matter will again be brought before the Cabinet. In the meantime I trust that you will not commit yourself
February 29, 1944 midnight to London

You yourself to any public announcement as I am not at all certain it could be endorsed by us. If this matter should become public in any manner other than by agreement, there will be debates in Parliament, with many things being said which would be resented on your side of the Ocean and which would darken counsel (sic).

That all these troubles should have arisen at this time when you have so many worries to contend with grieves me deeply, and I wish to assure you that I will do my best to be helpful on every occasion. However, it is my firm belief that real harm might be done to Anglo-American relations by opening up these matters with maximum publicity without knowing where they will lead.

We are now awaiting further word from London as a result of Cabinet meeting referred to in paragraph 3 above.

The President has clearly indicated that he desires the conversations on oil to be held on a high level with no oil problems excluded from the agenda.
February 29, 1944, midnight to London

agenda and that the conversations be held in Washington at an early date. As indicated above, the position of the British Government is that they desire the conversations to be held first on the technical level, that no discussions should be undertaken involving a change in the present existing ownership of concessions in the Middle East, and further that they would prefer to have the conversations take place in London.

With the exception of the exchange of communications between the President and the Prime Minister, the exchanges in preparation for the oil discussions have been between the Department and the British Embassy here. While it is believed this should continue to be the usual channel of communication, you are authorized to make any inquiry you consider advisable. Would you be good enough to report any information you may obtain and your reactions. We shall keep you posted of developments here.

STETTINIUS
(Acting)

2/29/44
MEMORANDUM FOR REAR ADMIRAL WILSON BROWN

Thank you for your note of February 28, addressed to the Secretary of State, enclosing copies of two unnumbered messages from Ambassador Winant to the President dated February 27. I have told Miss Tully today and Mr. Raynor of my office has also told Major Greer that we will reply to these messages direct. I shall send you copies of the replies when they go out.
28 February 1944

MEMORANDUM FOR

THE SECRETARY OF STATE:

By direction of the President, the attached copies of two unnumbered messages from Ambassador Winant to the President, dated 27 February 1944, are forwarded for your information.

Very respectfully,

WILSON BROWN,
Rear Admiral, U.S. Navy,
Naval Aide to the President.

2 Incls.
Incl 1-Oil conference.
Incl 2-Establishment of machinery for post-war economic collaboration.
From: London
For: The President of the United States
No number
Filed 272030E

To the President from Winant.

Last Wednesday I was asked to give the Prime Minister a message from you on the oil situation (Department 1332 of February 22). I did this. He replied directly to you.

I have no information here on the suggested oil conference to be held in Washington nor have I been authorised to discuss this situation. I simply carried out the directive to deliver your message to the Prime Minister and notified the Department that I had done so.

I believe it would be useful if you would allow me in inquire as to what the position is here so that I could send you an authoritative statement and perhaps clarify some of the issues involved.

No Sig

Regraded Unclassified
From: Military Attache London
To: The President of the United States
No. 591. Filed 24/1334Z

Prime Minister to President Roosevelt. Personal and most secret. Number 591.

Your telegram of February 22nd was brought to me by Winant and I told him that I was much concerned at the way things were developing. Our cabinet are quite willing to have a technical enquiry into the oil position throughout the world. We should then know how we both stood.

The cabinet however has definitely expressed the following view, namely:

First, that the enquiry should be on the official level in the first instance in order to ascertain the facts.

Secondly, they would prefer that it should take place here in London, and

Thirdly, that we should be authorized to state to Parliament that no proposal will be made to change the existing ownership of oil interests in the Middle East on which, as you know, our Navy depends or elsewhere.

Your telegram dismisses all these points and if you will allow me to say so seemed to convey your decision on these matters.

When I read the telegrams to the cabinet this evening I found them also very much disturbed at the apparent possibility of a wide difference opening between the British and United States governments on such a subject and at such
From: Military Attache-London
To: The President of the United States

No. 591     Filed 24/1334Z

a time. I have called for reports from the Ministers particularly concerned and will bring the matter before the cabinet again in a few days. Meanwhile I trust you will not commit yourself to any public announcement because I am by no means sure that we could endorse it. Should the matter become public, otherwise than by agreement, debates will take place in Parliament at which all kinds of things would be said which would darken counsel and be resented on your side of the ocean.

I am deeply grieved that all these troubles should arise at a time when you have so many worries to contend with, and you may be sure that I will on every occasion do my best to be helpful. But I feel sure that to open up these matters with the maximum publicity without knowing where they will lead us might do real harm to Anglo-American relations.

No Sig
AMERICAN EMBASSY,
LONDON
#1332, 22 FEBRUARY 1944.

FOR THE AMBASSADOR. Please deliver this message personally to the Prime Minister from the President.

QUOTE. I have given most careful consideration to your telegram of February 20. I have noted particularly your concern that a wrangle between the two Governments on oil must be avoided. You point to the apprehension on your side that the United States desires to deprive you of oil assets in the Middle East. On the other hand, I am disturbed about the rumor that the British wish to horn in on Saudi Arabian oil reserves. Problems and questions which give rise to rumors and apprehensions of this sort also clearly indicate the strong need for arriving at a basic understanding between the two Governments regarding Middle Eastern oil, which understanding should lead to oil agreements of a broader scope.

I agree that the actual working technical discussions should be at the expert staff level. However, in view of the great long range importance of oil to the post-war international security and economic arrangements, it is my firm conviction that these technical discussions should take place under the guidance of a group at Cabinet level and I cannot, therefore, change my position in this regard. While the American group will be under the chairmanship of the Secretary of State, I desire to preside at the first meeting of the joint group to be held in the Cabinet Room of the White House.

It is my view that all of the discussions should take place in
Washington and that, in order that the broadest possible understandings may be reached, there should be no limitations on the petroleum problems to be discussed.

I assure you that it is the firm intention of this Government to approach these conversations in a frank and fully cooperative manner and with a clear desire to reach a mutually satisfactory agreement which will strengthen our collaboration in the tremendous joint enterprise to which you have alluded. Roosevelt. UNQUOTE.
From: Embassy London

To: The President of the United States

Number 583

Prime Minister to President Roosevelt. Personal and most secret.

Para 1. I have been watching lately with increasing misgiving the official telegrams about the oil business. I am very glad you have consented to delay for a few days the publication of a purely American statement. You may be sure I should only wish to arrive at what is fair and just between our two countries. Surely this can be patiently considered between us before it is flung into public discussion on both sides of the Atlantic. A wrangle about oil would be a poor prelude for the tremendous joint enterprise and sacrifice to which we have bound ourselves.

Para 2. Lord Halifax has explained to me the difficulties of the situation on your side. We too have our difficulties which may become very formidable in Parliament. There is apprehension in some quarters here that the United States has a desire to deprive us of our oil assets in the Middle East on which, among other things, the whole supply of our navy depends. This sensitivity has of course been
greatly aggravated by the Five Senators. I am sure these suspicions are entirely unfounded so far as the Government of the United States is concerned. When however it is announced that you are to open a conference upon oil in Persia and the Middle East and that the Secretary of State is to be the leader of the American Delegation the whole question will become one of first magnitude in Parliament. It will be felt that they are being hustled and may be subjected to pressure. I am sure to be asked for an assurance that the question of no transfer of property will arise and I shall be unable to give such an assurance. Moreover great expectations will certainly be aroused in the United States by a conference on oil opened under your auspices. Will there not be unceasing pressure upon you from those elements in the United States which are least friendly to us to gratify these expectations at our expense?

Para 3. International conferences at the highest level should surely be carefully prepared beforehand and I would beg you to consider whether it would not be more advisable to proceed as a first step for official and technical talks on the lines which had, I understand, already been agreed between the State Department and ourselves.

No Sig
PUBLICATION AND MICROFILM COPYING RESTRICTIONS

Reel duplication of the whole or of any part of this film is prohibited. In lieu of transcripts, however, enlarged photocopies of selected items contained on these reels may be made in order to facilitate research.