Franklin D. Roosevelt — "The Great Communicator" The Master Speech Files, 1898, 1910-1945

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1916 November 16

Chicago - American Mining Congress

Thorember 16, 1916

Speech at American Mining Congress [chucage]

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Sept. 28, 1949

This paper was read at the 19th Annual Session of the American Mining Cingress at Chicago, Ill., Nov. 16, 1916.

It was published in the Report of the Pooceedings of the Congress, 1917, p. 393 and in Petroleum Age, Nov. 1916, p. 3.

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Form 1204

CLASS OF SERVICE	SYMBOL
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WESTERN UNION

CLASS OF SERVICE SYMBOL

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Chicago Ills Nov 9 1916 OHE

Hon Franklin D. Roosevelt,

Washington, D.C.

Delighted advices Rear Admiral Peary you will address American Mining Congress Convention Thursday November sixteenth subject Naval Oil reserves as necessity to National Preparedness kindly wire collect when you will reach Chicago and number in party in order Hotel reservations may be made desire you be guest of Congress.

J F Callbreath,

Secretary.

540PM

DESPATCH.

(Bofesonge)

NAVY DEPARTMENT,

Assistant Sectionary's Office
Washington.

November 10 , 191 6.

Official alasso.)

J. F. Callbreath,

Secretary American Mining Congress Convention, Chicago, Illinois.

Impossible to be present in person. Will mail short paper on Mavy oil reserves next Tuesday to be read at Thursday meeting if you so desire.

Franklin D. Rocsevelt

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Received Forwarded (Date) (Check) (Operator.) (Check)

(Officer on watch,)

NB-0525

November 14. 1916.

My dear Sir:

I take pleasure in sending you herewith the paper on the necessity of naval oil reserves from the viewpoint of national preparedness, to be read at the American Mining Congress Convention on Thursday, the sixteenth.

Very truly yours.

Assistant Secretary of the Navy.

J. F. Callbreath, Esq., Secretary, American Mining Congress Convention, Lasalle Hotel, Chicago, Ill.

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THE NATIONAL NEED OF EAVAL PATROLEUM RESERVES

It seems a pity that the issue of patroleum recerves for the United States Havy has, to a certain extent, been clouded by legal or other claims which do not in any way affect the broad proposition. The chief consideration must be that of the good of the country from the point of view of its national defense.

The very life and future existence of the United States
Havy is at stake. This may be easily proved by the following
simple statement:

First. Oil-burning naval vessels possess great advantages over coal-burning vessels. The following may be quoted as some of the reseas:

- (a) Large amones of speed.
- (b) Absolute control over the emission of mache so that advantage may be taken of the ability to utilize smoke screens.
 - (c) Creater radius of action.
 - (a) Reduction in fire room force of about 55%.
- (e) Ability to refuel at sea, thereby increasing the effectiveness of the fleet by at least 25%, as that percentage of coal burners would be absent from their station for refueling.
- (f) Ability to maintain maximum speed for as long as the fuel lasts, because fires do not foul and fire room force does not become exhausted.

- (g) Flexibility in regard to increases and decreases of speed without loss of fuel, water and time.
- (h) Greater safety of the wessel from submarine attack because of greater permissible subdivision of ship.

Added to these advantages is the consideration that the Scouts, Destroyers, and Battle Cruisers authorized by the last navel appropriation could not be built if coal were used as fuel. As a result of these and other reasons the Navy Department some time ago definitely adopted the policy of building exclusively cil-burning vessels. It may be set down as a definite conclusion that the Navy cannot revert to coal-burning vessels without enormous loss of efficiency, and, furthermore, that the Navy will not so revert.

Secondly. In regard to the amount of oil necessary for the future of the navel service, the subject must be considered under three heads:

- 1. A reserve supply in tankage away from the immediate coast line for reserve in time of war.
 - 2. A current supply in tankage at fueling ports.
- 5. A natural underground protected reserve to ensure supply for the future of oil-burning ships.

Little need be said about the reserve tankage supply for use in time of war. It is estimated that the Mayy should have on hand in time of peace storage tanks supable of holding enough oil for a full two years' supply to the fleet for war time. This system of tankage should be begun immediately and expand as the number of oil-burning ships in the Navy increases from year to year. For our present needs we should have probably 2,000,000 barrels so stored. Ten years hence we ought to have 20,000,000 barrels.

In regard to the current supply in tankege at fueling ports, this selfect is being gradually developed by the Navy. An important factor of this is the construction of additional fuel ships, so that the Navy will be in a position to obtain its cil from all the markets of the world to its best advantage. Suggestion has even been made that it would be the wiser policy to take care of the Navy's current needs in time of peace from oil fields outside of the United States, thus causing less depletion of our own petroleum fields.

In regard to the last and by far most important form of supply - the natural underground protected reserve - we have but to look certain wellknown facts frankly in the face. We must admit that the total amout of oil within our continental limits is growing less from year to year and the number of available sources of new supply is necessarily diminishing. We already know the general figures in regard, for instance, to the Appalachian oil field, and we know also that the peak of supply has been, or will soon be, reached in other fields, and that there is not much probability of discovering new

fields of the same magnitude as those already opened. Add to this the known fact that commercial consumption of oil is increasing and one must reach the inevitable conclusion that there must be soon either importations from foreign fields or a serious shortage in this country. Oil men are much inclined to ridicule the idea that there can ever be a shortage of oil for naval purposes. In they base this perhaps on a lack of knowledge of what our fature needs are to be, and the following figures may be perhaps a surprise to people who have not gone into this question from the point of view of the future. The Mavy burns today in time of peace about 842,000 farrels of oil. The construction of new ships during the next few years, already authorized by Congress, will call for approximately the following annual consumption:

Fiscal year 1917,1,475,000 barrels

- " " 1918. 1.942,000 barrels
 - " 1919, 2,845,000 barrels
- " " 1920. 4,175,000 barrels
- " 1921, 5,854,000 barrels
- " 1982, 6,574,000 barrels
- " 1923 6,721,000 barrels.

Further, if the General Board recommendation for the replacement of battleships after they have been in service twenty yours service arried out by Congress, the total consumption of oil in the

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fiscal year 1927, or ten years hence, will reach the enormous total of 10,237,000 barrels! You will not blame me if I wonder whether the engineers of this country have carefully weighed the naval needs for the next ten years in the light of those startling figures.

From the military point of view, from the broadest point of view for ational defense, it is absolutely vital that we should be able to obtain within our own borders this amount of oil if our Navy is to be kept at the highest point of efficiency. It is perhaps not strange that the Navy Department has, therefore, made stremuous efforts to obtain oil lands sufficient for the Bavy's needs. I do not want to take up any controversy relating to the rights of any individual or of any private company to certain specific lands. I take it for granted that the government of the United States ought not to and will not deprive any citizen of his legal property without adequate compensation. There is no reason why such protection cannot be given either by the courts or by a specially Callant tribunal created to adjudicate all matters in dispute.

The important matter is that the government has the right to and must set aside reserve oil lands and prevent absolutely the taking of oil from these lands for private purposes. If private individuals have valid claims on these lands they must be adequately compensated for these claims, but they must cease to remove oil from these lands. It would be the height of

ridiculousness for the government to set aside certain oil bearing properties and allow private concerns to take out oil from any portion inside of the outer limits of such a reserve.

Any child knows that oil flows to a greater or less extent over large areas underground, and government oil lands must be absolutely and definitely protected against tapping from other sources.

There is in the first place no question that the government has the right to create such a reserve; there is in the second place no question of the military necessity for creating such reserves, and there is in the third place no question that the government, becked by the people of the United States, are going to get this reserve. What is needed now is not a fight by those who see the possibility perhaps of personal exploitation and possibly large gains; what is needed is the cooperation for the sake of the nation as a whole on the part of the hundreds of patrictic americans who have today interests in the production of cil. There is no question that a fair method can be worked out by which the rights of the individual will be wholly protected and the defence of the country in this vital respect thoroughly safeguarded.

FOR RELEASE FRIDAY, NOVEMBER 17.

Washington, D. C., November 16:- That the future existence of the United States Navy is at stake by reason of the lack of suitable petroleum reserves for navy purposes is the belief expressed to a representative of the Navy League of the United States by Assistant Secretary of the Navy Franklin D. Roosevelt.

"It is absolutely vital", said Mr. Roosevelt, "that the navy should be able to obtain, within its own borders, enough fuel to supply the navy's needs. This, I estimate, for the fiscal year 1917, approximately one and one half millions of barrels. With the building of new ships, the demand will increase until in 1923 almost seven millions of barrels will be required and by 1927, it will be necessary to provide over ten millions of barrels."

Mr. Roosevelt suggests that in the matter of oil lands withdrawm from public entry by the Government, part of which is claimed by entrymen under the Placer laws, that a suitable tribunal be created to adjudicate between the Government and the private claimants.

The best statement yet made of the advantages of cil burning over coal burning ships is given by Mr. Roosevelt in a striking statement which points out that the use of oil means more speed; control over smoke emission, so that advantage may be taken of the ability to utilize smoke screens; greater radius of action; reduction of the fire room force; ability to refuel at sea, thereby increasing the effectiveness of the fleet by at least 25 per cent; greater safety to vessels from submarine attack because of greater permissible subdivision of ship and other points well understood by naval experts.

"Added to these advantages", said Mr. Roosevelt, "is the important consideration that the scouts, destroyers and battle cruisers authorized by the last naval appropriation can not be built if coal were used as fuel. As a result of this and other reasons, the Department some time ago definitely adopted the policy of building exclusively oil burning vessels. The navy cannot revert to coal burning vessels without enormous less of efficiency, and it will not do so. We must have a reserve supply in fankage, away from the immediate coast line for reserve in

time of war: a current supply in tankage at fuel ports and a natural underground protocted reserve to insure supply for the future of oil burning ships. We should have enough oil on hand in time of peace for a full two years' supply to the fleet for wartime. This system of tankage should be begun immediately and extended as the number of oil burning ships in the navy increases from year to year. For our personal needs we should have probably two millions of barrels. "

Mr. Roosevelt called attention to the fact that at this time the navy is burning about 842,000 barrels per year. With the steadily diminishing supply, both as regards production and the number of available sources of new supply, the problem is steadily growing more serious. As the navy grows, more oil is necessary and the all-important question is where to obtain it. So precious does Mr. Roosevelt consider our oil that he believes that if necessary the Covernment should purchase oil from foreign fields, in order to protect its own source of supply.

The Assistant Secretary was invited to deliver an address before the Convention of the American Mining Congress in Chicago, tonight. Unable to be present, he has sent a paper to be read at the Congress, which is as follows:-

THE NATIONAL NEED OF NAVAL PETROLEUM RESERVES.

It seems a pity that the issue of petroleum reserves for the United States
Navy has, to a certain extent, been clouded by legal or other claims which do not in
any way affect the broad proposition. The chief consideration must be that of the
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