

PRESIDENT'S SECRETARY'S FILE
Subject File
Oil Conference
Box 156

PSF
REMINDER FOR THE PRESIDENT:

You said you wished to talk with
Ed Stettinius about this today.

PSF. Oil Conference folder
4-44

file
per mail.

THE UNDER SECRETARY OF STATE
WASHINGTON

February 12, 1944

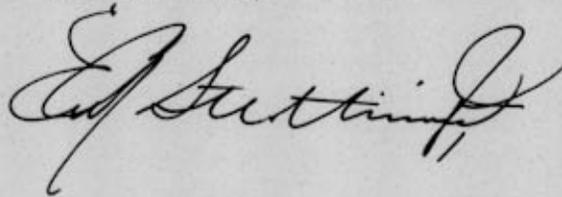
Dear Miss Tully,

I am terribly sorry to have to go back at the President with the attached, but I have no other choice under the circumstances. I am sure you will understand.

The press will be raising the matter at the White House and the State Department the first of the week, and I think that a quick decision is necessary.

Many thanks,

Sincerely yours,



THE UNDER SECRETARY OF STATE
WASHINGTON

February 12, 1944

ARRANGEMENT FOR THE PRESIDENT

You will recall your instructions to me yesterday on the forthcoming British petroleum conversations. You suggested the American negotiating group be made up as follows: - Secretary Ickes, Chairman, the Under Secretaries of State, War and Navy and Mr. Charles E. Wilson, Vice Chairman of the War Production Board.

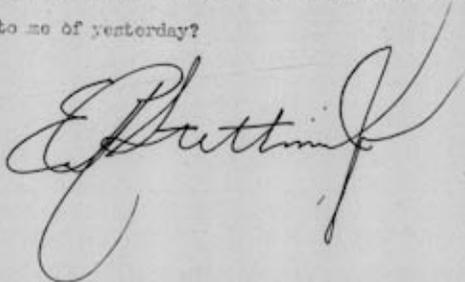
Owing to the keen personal interest Secretary Hull has taken in these conversations and the importance he attaches to them in view of the Department's responsibility in the conduct of our foreign relations, it was felt that the Secretary should be informed of the changes contemplated. I called him this morning and he asked me to pass along to you the following observations in his behalf.

1. He feels it would be a great mistake to deprive the Department of the leadership in these discussions.
2. He is strongly opposed to conducting the discussions on other than a working level with technical and political experts who can devote full time to the very intricate problems involved.

With your approval, he has already formally advised the British that the conversations will be conducted at the working level with the American group headed by Mr. Charles Farnor, Petroleum Adviser of the Department, with the other members - Mr. Paul Alling, Deputy Director

of our Office of Eastern and African Affairs, and a representative of Secretary Ickes' Petroleum Administration for War. He has also informed the American petroleum industry to the same effect. Hence, in his opinion, to change now would be dangerous from the viewpoint of the successful conduct of these important and difficult conversations, and it would indicate to the British as well as to our industry a state of confusion within the Government. Furthermore it would damage the prestige of the Department of State in the discharge of its responsibilities.

I am sorry to have to raise this matter with you again but in view of the Secretary's strong feeling on the matter, I felt certain you would wish me to do so. As you know a prompt and final decision is needed. After considering the Secretary's comments, do you wish to change your instructions to me of yesterday?

A handwritten signature in cursive script, appearing to read "E. A. Tamm". The signature is written in dark ink and is positioned at the bottom right of the page.

BSF

Oil conference folder
43-414

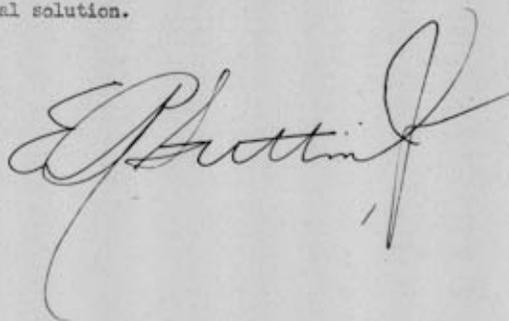
THE UNDER SECRETARY OF STATE
WASHINGTON

February 15, 1944

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MEMORANDUM FOR THE PRESIDENT

Immediately after our telephone conversation this morning, I discussed the matter of the oil negotiation committee thoroughly with Mr. Loken and he is perfectly satisfied with this final solution.



PSF *Oil Conference folder*
file 4-44

THE UNDER SECRETARY OF STATE
WASHINGTON

*Message
Key
with
7-6-22*

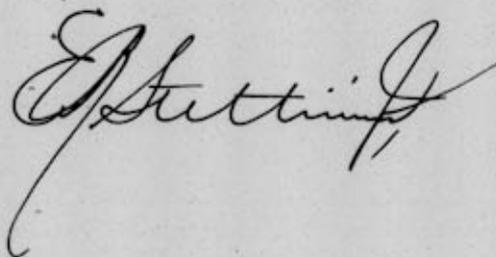
February 22, 1944

MEMORANDUM FOR THE PRESIDENT

Subject: British Petroleum Discus-
sions.

In accordance with your instructions
in our conversation this morning, I en-
close herewith a proposed message from
you to the Prime Minister.

Enclosure.



THE UNDER SECRETARY OF STATE
WASHINGTON

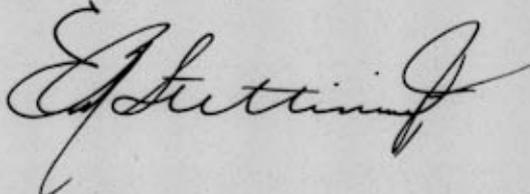
February 22, 1944

Dear Miss Tully:

The President urgently requested that this be sent today and I should greatly appreciate it therefore if you would put it before him.

With best wishes,

Sincerely yours,

Enclosure. 

Miss Grace G. Tully,
The White House.

ADDRESS OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON, D. C.



file

DEPARTMENT OF STATE
WASHINGTON

*PSF Oil Conference folder
4-44*

March 29, 1944

MEMORANDUM FOR THE PRESIDENT

SUBJECT: FORTHCOMING CONVERSATIONS
WITH THE BRITISH ON OIL

In accordance with the desire expressed in your memorandum of March 24, 1944, I have advised Mr. Leo Crowley that you wish him to be a member of the group which will conduct for this Government the forthcoming conversations with the British on oil.

CH



March 24, 1944

MEMORANDUM FOR THE SECRETARY OF STATE:

Through an oversight no representative of the Foreign Economic Administration was included in the group named to negotiate with the British on the Middle East pipeline. Would you be good enough to tell Leo Crowley that I would like him to be one of the group?

(FDR)

LC:fm

(1007)

OFFICE OF OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON, D. C.

*CA
OK
H.P.
unpublished
by the Navy
and returned
to Secy Hull
4/16/44
Oil Conference folder
4-44*



DEPARTMENT OF STATE
WASHINGTON

Bx 174

MEMORANDUM FOR THE PRESIDENT

SUBJECT: FORTHCOMING CONVERSATIONS, ^{April 7,} 1944
WITH THE BRITISH ON OIL

I refer to your memorandum of April 5, 1944, expressing concern that the British have not appointed a committee for the forthcoming oil conversations corresponding to the Cabinet Committee appointed by you of which I am Chairman.

Ambassador Winant reports that it is contrary to all British custom and procedure to publish the names of Ministerial Committees. He also reports that the British, in order to have their Committee rank equally with the Committee appointed by you, are faced with the difficulty of having to send here members of the War Cabinet, including Foreign Minister Eden and Lord Leathers, at a time when these men are seriously involved in operational preparation for the invasion.

Ambassador Winant reports that he has pressed this matter as hard as possible in several conversations with the Prime Minister and Foreign Minister Eden. He is convinced that they are not attempting to evade the issue but desire to work with us. It is his opinion that the British will take definite action after expert groups representing the two Governments have conducted exploratory discussions.

Accordingly, I strongly believe, and hope you will concur, that we should not approach the British again at this time concerning the Ministerial Committee but should proceed rapidly with such exploratory discussions, and the Department is completing the necessary plans to that end. The British have named their group of experts who will arrive here about April 15. This group, which is headed by Sir William Brown, is composed of experts in foreign political and economic policy, representatives of the Service branches and the British oil industry. I have named the Department's Petroleum Adviser to head the American group of experts and I have informed Secretary Ickes that it is my view that the American group should also include two additional experts (foreign economic and political) of the State Department, three experts from the Petroleum Administration for War, and a representative each of the Army and Navy.

CH



State Dept. folder 2-44

THE WHITE HOUSE
WASHINGTON

April 5, 1944

MEMORANDUM FOR

SECRETARY HULL

I am concerned that the British have not appointed a committee to discuss oil with the committee which I appointed some weeks ago, of which you are Chairmen. I know that they have appointed a "technical" group which will be here shortly; but I think that it is extremely important that conversations begin immediately on a policy level. Will you please communicate with the British immediately and urge them to appoint their representatives and to have them over here for policy conversations with your committee? I think they should start not later than May 1, and earlier would be better.

F. D. R.
F. D. R.

No papers accompanied the original of this memorandum to the Secretary of State.

4/5/44

I told Betty Hillegan
that this was sent.

hms

THE WHITE HOUSE
WASHINGTON

April 5, 1944

MEMORANDUM FOR THE PRESIDENT.

This is that proposed memorandum to Secretary Hull about the British delegation on oil.

If you send it, will you please let me know so I can tell Secretary Ickes about it?

Ln

S. I. R.

~~SECRET~~

Oil conference folder 4-44

Oil Conference file

PSF Bx 174



DEPARTMENT OF STATE
WASHINGTON

May 4, 1944

MEMORANDUM FOR THE PRESIDENT FROM SECRETARY HULL

The enclosed draft Memorandum of Understanding on petroleum was agreed to, on an ad referendum basis, by the United States and United Kingdom expert groups as a result of the exploratory discussions on oil, and was considered on May 2 by the Committee you appointed and of which I am Chairman. This Committee unanimously approved the Memorandum.

In the exploratory discussions, the United Kingdom Delegation urged that the Memorandum of Understanding be re-enforced on two counts:

1. The British group felt that there should be explicit recognition of the United Kingdom's dependence upon imported petroleum supplies and that therefore there should be special assurances of ample supplies to the United Kingdom for its national security and industrial and commercial well-being. The American expert group felt that the prime purpose of the Memorandum is to assure ample oil supplies to all countries and that any specific further assurance for the United Kingdom would be in conflict with our established commercial policy.

2. The United Kingdom group urged that the two Governments should agree not merely to respect but also to support all valid concession contracts. This further commitment would have obligated the United States Government to take joint action with the British vis-a-vis third governments regarding the validity of contracts, and the American group was not authorized to consider so broad a commitment.

We understand that when the British Delegation presents the draft Memorandum to the Cabinet Committee, they will urge that the second of these points be pressed again at a higher level. It is thought unlikely that there will be further pressure for special assurances of supplies for the United Kingdom.

Enclosure:

Draft Memorandum
of Understanding.

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State Dept. 11-73
By *RAH* Date *5-30-72*



~~SECRET~~

SECRET

April 29, 1944

MEMORANDUM OF UNDERSTANDING WITH THE UNITED KINGDOM ON PETROLEUM

Preamble

The Governments of the United States and the United Kingdom, whose nationals hold, to a substantial extent jointly, rights to explore and develop petroleum resources in other countries, recognize:

1. That ample supplies of petroleum*, available in international trade to meet increasing market demands, are essential for both the security and economic well-being of nations;
2. That for the foreseeable future the petroleum resources of the world are adequate to assure the availability of such supplies;
3. That such supplies should be derived from the various producing areas of the world with due consideration of such factors as available reserves, sound engineering practices, relevant economic factors, and the interests of producing and consuming countries, and with a view to the full satisfaction of expanding demand;
4. That such supplies should be available in accordance with the principles of the Atlantic Charter.

I

The two Governments agree that the development of petroleum resources should be expanded in an orderly manner on a world-wide basis with due consideration of the factors set forth in paragraph 3 of the Preamble and within the framework of applicable laws or concession contracts. To this end they will concert their efforts to ensure, with respect to petroleum resources in which rights are held or may be acquired by the nationals of either country,

1. That petroleum shall be available in international trade to the nationals of all peace-loving countries in adequate volume, at fair prices and on an equitable and nondiscriminatory basis;

2. That

* "Petroleum" throughout this document is used to signify crude petroleum and its derivatives.

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State Dept. Action, 1-11-78
By: BAP Date: 5-30-72

2. That the development of petroleum resources and the benefits received therefrom by the producing countries shall be such as to encourage the sound economic advancement of those countries;
3. That the development of these resources shall be conducted with a view to the availability of adequate supplies of petroleum to both countries as well as to all other peace-loving countries, subject to the provisions of such collective security arrangements as may be established;
4. That, with respect to the acquisition of exploration and development rights in areas not now under concession, the principle of equal opportunity shall be respected by both Governments;
5. That the Government of each country and the nationals thereof shall respect all valid concession contracts and lawfully acquired rights, and shall make no effort unilaterally to interfere directly or indirectly with such contracts or rights;
6. That the exploration for and development of petroleum resources, the construction and operation of refineries and other facilities, and the distribution of petroleum shall not be hampered by restrictions imposed by either Government or its nationals, inconsistent with the purposes of this Memorandum of Understanding.

II

The two Governments recognize that the principles declared in Article I hereof are of general applicability and merit adherence on the part of all nations interested in the international petroleum trade of the world.

Therefore, with a view to the wider adoption and effectuation of the principles embodied in this Memorandum of Understanding they agree that as soon as practicable they will propose to the governments of other interested producing and consuming countries an International Petroleum Agreement which, inter alia, would establish a permanent International Petroleum Council composed of representatives of all signatory countries.

To this

To this end the two Governments hereby pledge themselves to formulate plans for an international conference to consider the negotiation of such a multilateral Petroleum Agreement. They also pledge themselves to consult with other interested governments with a view to taking whatever action is necessary to prepare for the proposed conference.

III

There are, however, numerous problems of joint immediate interest to the two Governments, with respect to petroleum resources in which rights are held or may be acquired by their nationals, which must be discussed and resolved on a cooperative interim basis if the general petroleum supply situation is not to deteriorate.

With this end in view the two Governments hereby agree to establish a Joint Petroleum Commission to be composed of ten members, five members to be appointed immediately by each Government. This Commission, in furtherance of and in accordance with the principles stated in Article I hereof, shall consider problems of mutual interest to both Governments and their nationals, and, with a view to the equitable disposition of such problems, shall be charged with the following duties and responsibilities:

1. To prepare long-term estimates of world demand for petroleum, having due regard for the interests of consuming countries and expanding consumption requirements,
2. To suggest the manner in which, over the long term, this estimated demand may best be satisfied by production equitably distributed among the various producing countries in accordance with the criteria enumerated in paragraph 3 of the Preamble,
3. To recommend to both Governments broad policies for adoption by operating companies with a view to effectuating programs suggested under the provisions of paragraph 2 above,
4. To analyze such short-term problems of joint interest as may arise in connection with production, processing, transportation and distribution of petroleum on a world-wide basis, wherever the nationals of

either

either country have a significant interest, and to recommend to both Governments such action as may appear appropriate;

5. To make regular reports to the two Governments concerning its activities;
6. To make, from time to time, such additional reports and recommendations to the respective Governments as may be appropriate to carry out the purposes of this Memorandum of Understanding.

The Commission shall establish such organization as is necessary to carry out its functions under this Memorandum of Understanding. The expenses of the Commission shall be shared equally by the two Governments.

IV

To effectuate this Memorandum of Understanding the two Governments hereby grant reciprocal assurances:

1. That they will adhere to the principles set forth in Article I, paragraphs 1 to 6 inclusive,
2. That they will endeavor to obtain the collaboration of the governments of other producing and consuming countries in the implementation of the principles set forth in Article I, and will consult, as appropriate, with such governments in connection with activities undertaken under Article III,
3. That upon approval of the recommendations of the Commission they will endeavor, in accordance with their respective constitutional procedures, to give effect to such approved recommendations and, wherever necessary and advisable, to ensure that the activities of their nationals will conform thereto,
4. That each Government will undertake to keep itself adequately informed of the current and prospective activities of its nationals with respect to the development, processing, transportation and distribution of petroleum,
5. That each Government will make available to the Commission such information regarding the activities

of its

of its nationals as is necessary to the realization of the purposes of this Memorandum of Understanding.

V

This Memorandum of Understanding shall continue in force until six months after notice of termination by either Government or until superseded by the International Petroleum Agreement contemplated in Article II.