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TRANSCRIPT OF PROCEEDINGS

DEPARTMENT OF THE INTERIOR.

In the matter of:

NATIONAL PETROLEUM COUNCIL MEETING

[REDACTED]

DATE: January 24, 1956.

PLACE: Washington, D. C.

HART & HARKINS
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C O N F I D E N T I A L

MORNING SESSION

Tuesday, January 24, 1956

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The meeting of the National Petroleum Council convened in Conference Room B of the Departmental Auditorium, between Twelfth and Fourteenth Streets on Constitution Avenue, Northwest, Washington, D. C., at nine-forty o'clock, Mr. Walter S. Hallanan (President, Plymouth Oil Company, Pittsburgh, Pennsylvania), Chairman of the Council, presiding.

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CHAIRMAN HALLANAN: Gentlemen, the Council will please come to order.

Will you please close the door in the rear?

This is the first meeting of the newly appointed Council for the calendar year of 1956.

We seem to have a very fine response of the members of the Council.

I will ask the Secretary to please call the roll.

ROLL CALL AND INTRODUCTION OF NEW MEMBERS

SECRETARY-TREASURER JAMES V. BROWN (National Petroleum Council): As I call the name of a member who is not present and has requested an observer to sit in this meeting in his place, will the observer kindly rise and give his name

1 so we can have it for the record?

2 Thank you.

3 Mr. Anderson.

4 MR. ROBERT O. ANDERSON (President, Malco Refineries,
5 Inc., Roswell, New Mexico): Here.

6 SECRETARY-TREASURER BROWN: Mr. Baker.

7 MR. HINES H. BAKER (President, Humble Oil and
8 Refining Company, Houston, Texas): Here.

9 SECRETARY-TREASURER BROWN: Mr. Ball.

10 MR. DOUGLAS CAMPBELL: Represented by Douglas
11 Campbell.

12 SECRETARY-TREASURER BROWN: Thank you, Mr. Campbell.

13 Mr. Barton.

14 Mr. Benedum.

15 Mr. Bergfors.

16 MR. FRED E. BERGFORS, SR. (President and Treasurer,
17 The Quincy Oil Company, Quincy, Massachusetts): Here.

18 SECRETARY-TREASURER BROWN: Mr. Blaustein.

19 MR. JACOB BLAUSTEIN (President, American Trading
20 and Production Corporation, Baltimore, Maryland): Here.

21 SECRETARY-TREASURER BROWN: Mr. Blazer.

22 MR. PAUL G. BLAZER (Chairman of the Board, Ashland
23 Oil and Refining Company, Ashland, Kentucky): Here.

24 SECRETARY-TREASURER BROWN: Mr. Brazell.

25 MR. REID BRAZELL (President and General Manager,

1 Leonard Refineries, Inc., Alma, Michigan, and President,
2 Western Petroleum Refiners Association): Here.

3 SECRETARY-TREASURER BROWN: Mr. Bridwell.

4 MR. J. S. BRIDWELL (Bridwell Oil Company, Wichita
5 Falls, Texas): Here.

6 SECRETARY-TREASURER BROWN: Mr. Bruce Brown.

7 MR. BRUCE K. BROWN (President, Pan-Am Southern
2 8 Corporation, New Orleans, Louisiana): Here.

9 SECRETARY-TREASURER BROWN: Mr. Russell Brown.

10 MR. RUSSELL B. BROWN (Independent Petroleum Associa-
11 tion of America, Washington, D. C.): Here.

12 SECRETARY-TREASURER BROWN: Mr. Burns.

13 MR. FRANK HAYES: Frank Hayes for Mr. Burns.

14 SECRETARY-TREASURER BROWN: Thank you, Frank.

15 Mr. Chipman.

16 MR. CHARLES A. CHIPMAN (President, Pennsylvania
17 Grade Crude Oil Association, Bolivar, New York): Here.

18 SECRETARY-TREASURER BROWN: Mr. Comerford.

19 MR. JAMES COMERFORD (President, Consolidated
20 Natural Gas Company, New York, New York): Here.

21 CHAIRMAN HALLANAN: Mr. Comerford, will you please
22 rise, sir?

23 Gentlemen, I desire to present a new member of the
24 Council -- Mr. James Comerford, President of the Consolidated
25 Natural Gas Company of New York. (Applause)

1 We welcome you to the Council, Mr. Comerford. We
2 are glad to have you.

3 SECRETARY-TREASURER BROWN: Mr. Cowden.
4 Mr. Crocker.

5 Mr. Cummins.

6 MR. JOHN F. CUMMINS (President, Cumberland Oil
7 Company, Nashville, Tennessee): Here.

8 SECRETARY-TREASURER BROWN: Mr. Donnell.

9 MR. J. C. DONNELL, II (President, The Ohio Oil
10 Company, Findlay, Ohio): Here.

11 SECRETARY-TREASURER BROWN: Mr. Dow.

12 MR. FAYETTE B. DOW (National Petroleum Association,
13 Washington, D. C.): Here.

14 SECRETARY-TREASURER BROWN: Mr. Warwick Downing.
15 Mr. Wesley Downing.

16 MR. WESLEY E. DOWNING (President, Independent Oil
17 Men's Association of New England, Incorporated, East Boston,
18 Massachusetts): Here.

19 SECRETARY-TREASURER BROWN: Mr. Duke.

20 MR. GORDON DUKE (2101 Connecticut Avenue, N. W.,
21 Washington, D. C.): Here.

22 SECRETARY-TREASURER BROWN: Mr. Dunnigan.

23 MR. JAMES P. DUNNIGAN (West Branch, Michigan): Here.

24 SECRETARY-TREASURER BROWN: Mr. Elliott.

25 Mr. Endacott.

1 MR. PAUL ENDACOTT (President, Phillips Petroleum
2 Company, Bartlesville, Oklahoma): Here.

3 SECRETARY-TREASURER BROWN: Mr. Fisher.

4 MR. MAX M. FISHER (Executive Vice-President, Aurora
5 Gasoline Company, Detroit, Michigan): Here.

6 SECRETARY-TREASURER BROWN: Mr. Follis.

7 Mr. Foster.

8 Clyde Foster.

9 MR. C. E. SPAHR: Spahr representing Foster.

10 SECRETARY-TREASURER BROWN: Thank you, Mr. Spahr.

11 Mr. Fox.

12 MR. STARK FOX (Executive Vice-President, Oil
13 Producers Agency of California, Los Angeles, California): Here.

14 SECRETARY-TREASURER BROWN: Mr. B. C. Graves.

15 MR. B. C. GRAVES (Chairman of the Board, Union Tank
16 Car Company, Chicago, Illinois): Here.

17 SECRETARY-TREASURER BROWN: Mr. B. I. Graves.

18 MR. B. I. GRAVES (B. I. Graves Associates, Petroleum
19 Consultants, San Francisco, California): Here.

20 SECRETARY-TREASURER BROWN: Mr. Hallanan.

21 CHAIRMAN HALLANAN: Here.

22 SECRETARY-TREASURER BROWN: Mr. Hamon.

23 MR. JAKE L. HAMON (First National Bank Building,
24 Dallas, Texas): Here.

25 SECRETARY-TREASURER BROWN: Mr. Hanks.

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MR. DON O'HARA: Don O'Hara.

SECRETARY-TREASURER BROWN: Thank you, Don.

Mr. Hardey.

MR. B. A. HARDEY (Post Office Box 1237, Shreveport, Louisiana): Here.

SECRETARY-TREASURER BROWN: Mr. Harper.

MR. JOHN HARPER (President, Harper Oil Company, Inc., Long Island City, New York): Here.

SECRETARY-TREASURER BROWN: Mr. Hartman.

MR. I. W. HARTMAN (Hersee Building, Mt. Pleasant, Michigan): Here.

SECRETARY-TREASURER BROWN: Mr. Hawley.

MR. CASH B. HAWLEY (President, National Congress of Petroleum Retailers, Inc., Detroit, Michigan): Here.

SECRETARY-TREASURER BROWN: Mr. Healy.

Mr. Hilts.

Mr. Hulcy.

Mr. Hunter.

MR. G. B. HUNTER (President, National Petroleum Association, Oil City, Pennsylvania): Here.

SECRETARY-TREASURER BROWN: Mr. Jacobsen.

MR. A. JACOBSEN (Chairman of the Board, Amerada Petroleum Corporation, New York, New York): Here.

SECRETARY-TREASURER BROWN: Mr. Jennings.

MR. B. BREWSTER JENNINGS (Chairman of the Board,

1 Socony Mobil Oil Company, Inc., New York, New York): Here.

2 SECRETARY-TREASURER BROWN: Mr. Charles Jones.

3 Mr. W. Alton Jones.

4 MR. W. ALTON JONES (Chairman of the Board, Cities
5 Service Company, New York, New York): Here.

6 SECRETARY-TREASURER BROWN: Mr. Kayser.

7 MR. PAUL KAYSER (President, El Paso Natural Gas
8 Company, El Paso, Texas): Here.

9 SECRETARY-TREASURER BROWN: Mr. Keck.

10 MR. WILLIAM M. KECK, SR. (Chairman of the Board,
11 Superior Oil Company, Los Angeles, California): Here.

12 CHAIRMAN HALLANAN: Gentlemen, I know we are all
13 glad to see Mr. Keck here. He is a rare visitor.

14 Won't you please rise?

15 We are glad to have you here, Mr. Keck.

16 Mr. William M. Keck. (Applause)

17 SECRETARY-TREASURER BROWN: Mr. Keeler.

18 Mr. King.

19 MR. ALWYN P. KING, JR. (President, Texas Independent
20 Producers and Royalty Owners Association, Houston, Texas): Here.

21 SECRETARY-TREASURER BROWN: Mr. Lawton.

22 Mr. Leach.

23 Mr. Ludwig.

24 Mr. Lyons.

25 MR. CHARLTON H. LYONS (President, Mid-Continent Oil

1 and Gas Association, Shreveport, Louisiana): Here.

2 CHAIRMAN HALLANAN: Mr. Charlton Lyons, will you
3 please rise, sir?

4 We welcome you back to the Council.

5 Mr. Lyons is a former member who is a newly elected
6 member and the new President of the Mid-Continent Oil and
7 Gas Association.

8 MR. LYONS: Thank you.

9 CHAIRMAN HALLANAN: Mr. Charlton Lyons. (Applause)

10 SECRETARY-TREASURER BROWN: Mr. McCollum.

11 MR. JAMES J. COSGROVE: Cosgrove for McCollum.

12 SECRETARY-TREASURER BROWN: Thank you, Major.

13 Mr. McFarland.

14 Mr. McGowen.

15 Mr. Maguire.

16 MR. FRED ROBINSON: Fred Robinson for Mr. Maguire.

17 SECRETARY-TREASURER BROWN: Thank you, Mr. Robinson.

18 Mr. Majewski.

19 MR. B. L. MAJEWSKI (President, Great American Oil
20 Company, Chicago, Illinois): Here.

21 SECRETARY-TREASURER BROWN: Mr. Marshall.

22 MR. J. HOWARD MARSHALL (Signal Oil and Gas Company,
23 Fort Worth, Texas): Here.

24 SECRETARY-TREASURER BROWN: Mr. Mattei.

25 Mr. Milligan.

1 MR. R. L. MILLIGAN (President, The Pure Oil Company,
2 Chicago, Illinois): Here.

3 SECRETARY-TREASURER BROWN: Mr. Moncrief.

4 Mr. Montrose.

5 MR. M. E. MONTROSE (President, Petroleum Equipment
6 Suppliers Association, Houston, Texas): Here.

7 SECRETARY-TREASURER BROWN: Mr. Mosher.

8 Mr. Mount.

9 MR. E. DALE MOUNT (President, American Association
10 of Oilwell Drilling Contractors, Dallas, Texas): Here.

11 SECRETARY-TREASURER BROWN: Mr. Naff.

12 MR. B. D. GOODRICH: B. D. Goodrich for Mr. Naff.

13 SECRETARY-TREASURER BROWN: Thank you, Mr. Goodrich.

14 Mr. Nielson.

15 Mr. Niness.

16 MR. S. F. NINESS (President, Leaman Transportation
17 Company, Inc., Downingtown, Pennsylvania): Here.

18 SECRETARY-TREASURER BROWN: Mr. Nixon.

19 MR. MASTON NIXON (President, Southern Minerals
20 Corporation, Corpus Christi, Texas): Here.

21 SECRETARY-TREASURER BROWN: Mr. Nolan.

22 MR. JOSEPH L. NOLAN (Manager, Oil Department, Farmers
23 Union Central Exchange, Inc., St. Paul, Minnesota): Here.

24 SECRETARY-TREASURER BROWN: Mr. O'Shaughnessy.

25 MR. JOHN F. O'SHAUGHNESSY (The Globe Oil and Refining

1 Company, Wichita, Kansas): Here.

2 SECRETARY-TREASURER BROWN: Mr. Parten.

3 MR. J. R. PARTEN (President, Woodley Petroleum
4 Company, Houston, Texas): Here.

5 SECRETARY-TREASURER BROWN: Mr. Pogue.

6 Mr. Porter.

7 MR. FRANK M. PORTER (President, American Petroleum
8 Institute, New York, New York): Here.

9 SECRETARY-TREASURER BROWN: Mr. Powers.

10 MR. MAURICE G. POWERS (President, National Stripper
11 Well Association, Huntington, West Virginia): Here.

12 CHAIRMAN HALLANAN: Mr. Maurice Powers, will you
13 please rise?

14 Gentlemen, I desire to present Mr. Maurice Powers
15 of Huntington, West Virginia, who is a new member of the Council
16 and is President of the National Stripper Well Association.

17 We are glad to have you as a member, Mr. Powers.

18 MR. POWERS: Thank you. (Applause)

19 SECRETARY-TREASURER BROWN: Mr. Rathbone.

20 MR. M. J. RATHBONE (President, Standard Oil Company
21 (N.J.), New York, New York): Here.

22 CHAIRMAN HALLANAN: Mr. Rathbone, will you please
23 rise, sir?

24 I desire to introduce to the Council Mr. Jack Rathbone,
25 a new member of the Council, and President of the Standard

1 Oil Company of New Jersey.

2 Mr. Rathbone. (Applause)

3 MR. RATHBONE: Thank you.

4 SECRETARY-TREASURER BROWN: Mr. Richardson.

5 Mr. Ritchie.

6 MR. A. S. RITCHIE (352 North Broadway, Wichita,
7 Kansas): Here.

8 SECRETARY-TREASURER BROWN: Mr. Roberts.

9 MR. JOHN A. ROBERTS (President, National Tank Truck
10 Carriers, Inc., Waltham, Massachusetts): Here.

11 SECRETARY-TREASURER BROWN: Mr. Robineau.

12 Mr. Rodman.

13 MR. ROLAND V. RODMAN (President, Anderson-Prichard
14 Oil Corporation, Oklahoma City, Oklahoma): Here.

15 SECRETARY-TREASURER BROWN: Mr. Rowan.

16 Did I pronounce that right?

5 17 He isn't here this time.

18 Mr. Skelly.

19 Mr. Spencer.

20 MR. J. E. DYER: Dyer for Spencer.

21 SECRETARY-TREASURER BROWN: Thank you, Mr. Dyer.
22 Staples.

23 MR. D. T. STAPLES (President, Tide Water Associated
24 Oil Company, San Francisco, California): Here.

25 SECRETARY-TREASURER BROWN: Mr. Supplee.

1 MR. HENDERSON SUPPLEE, JR. (President, The Atlantic
2 Refining Company, Philadelphia, Pennsylvania): Here.

3 SECRETARY-TREASURER BROWN: Mr. Swensrud.

4 Mr. Taylor.

5 Mr. Vandever.

6 MR. W. W. VANDEVEER (Vanson Production Corporation,
7 Inc., Cleveland, Ohio): Here.

8 SECRETARY-TREASURER BROWN: Mr. Violette.

9 Mr. Vockel.

10 MR. S. M. VOCKEL (President, The Waverly Oil Works
11 Company, Pittsburgh, Pennsylvania): Here.

12 SECRETARY-TREASURER BROWN: Mr. J. Ed. Warren.

13 MR. J. ED WARREN (The National City Bank of New
14 York, New York, New York): Here.

15 SECRETARY-TREASURER BROWN: Mr. William K. Warren.

16 MR. WILLIAM K. WARREN (Chairman of the Board, Warren
17 Petroleum Corporation, Tulsa, Oklahoma): Here.

18 SECRETARY-TREASURER BROWN: Mr. Weil.

19 MR. ALBERT H. WEIL (President, Natural Gasoline
20 Association of America, Shreveport, Louisiana): Here.

21 SECRETARY-TREASURER BROWN: Mr. Whaley.

22 MR. W. C. WHALEY (President, Sunray Mid-Continent
23 Oil Company, Tulsa, Oklahoma): Present.

24 CHAIRMAN HALLANAN: Mr. Whaley, will you please stand?

25 Gentlemen, Mr. W. C. Whaley, President of the Sunray

1 Mid-Continent Oil Company, a new member of the Council.

2 We are happy to have you as a member, Mr. Whaley.

3 (Applause)

4 SECRETARY-TREASURER BROWN: I think Mr. Elliott
5 has just entered the room, Mr. Hallanan.

6 CHAIRMAN HALLANAN: Have you called his name?

7 SECRETARY-TREASURER BROWN: Mr. Elliott.

8 CHAIRMAN HALLANAN: Mr. Elliott.

9 Gentlemen, I desire to present a new member of the
10 Council, Mr. Clint Elliott, President of the National Oil
11 Jobbers Council of Pine Bluff, Arkansas.

12 We are very happy to have you with us, Mr. Elliott.

13 (Applause)

14 SECRETARY-TREASURER BROWN: Mr. White.

15 MR. JOHN H. WHITE (President and Chairman, Hewitt
16 Oil Marketing Company, Charleston, South Carolina): Here.

17 SECRETARY-TREASURER BROWN: Mr. Wilson.

18 MR. ROBERT E. WILSON (Chairman of the Board,
19 Standard Oil Company (Indiana), Chicago, Illinois): Here.

20 SECRETARY-TREASURER BROWN: Mr. Windfohr.

21 MR. ROBERT F. WINDFOHR (Nash, Windfohr and Brown,
22 Fort Worth, Texas): Here.

23 SECRETARY-TREASURER BROWN: Mr. Wood.

24 MR. ROBERT L. WOOD (President, Independent Petroleum
25 Association of America, Midland, Texas): Here.

1 CHAIRMAN HALLANAN: Mr. Bob Wood, would you please
2 rise, sir?

3 Gentlemen, I desire to present the new President of
4 the Independent Petroleum Association and a new member of the
5 Council -- Mr. Robert L. Wood of Midland, Texas.

6 MR. WOOD: Thank you.

7 CHAIRMAN HALLANAN: Glad to have you, Mr. Wood.

8 (Applause)

9 SECRETARY-TREASURER BROWN: Mr. Wrather.

10 MR. JOHN WRATHER (1750 East Sunrise Boulevard,
11 Fort Lauderdale, Florida): Here.

12 CHAIRMAN HALLANAN: Gentlemen, we have a quorum
13 present for the transaction of business.

14 APPROVAL OF MINUTES OF LAST MEETING

15 You have received copies of the minutes of the last
16 meeting of October 20th, 1955. What is your pleasure?

17 (It was duly moved and seconded that the
18 minutes be approved.)

19 CHAIRMAN HALLANAN: It has been moved and seconded
20 that the minutes be approved. All in favor indicate by saying
21 "aye;" contrary "no." So ordered.

22 The report of the Secretary-Treasurer.

23 REPORT OF SECRETARY-TREASURER

24 SECRETARY-TREASURER BROWN: During the year the
25 contributions and other receipts of the Council totaled

1 \$109,538.

2 We spent \$109,981.

3 That was a little bit in excess of receipts.

4 We have a balance, however, at the beginning of the
5 period of \$33,488, and that is where we wind up.

6 The balance at the beginning of the year was \$33,931.

7 There is in our reserve fund \$113,000.

8 CHAIRMAN HALLANAN: Any comments or remarks?

9 Gentlemen, this being the first meeting of the new
10 Council, one of the first orders of business is the appointment
11 of a nominating committee.

12 MR. BRUCE K. BROWN: Mr. Chairman, I move that the
13 Chairman be authorized to appoint a nominating committee.

14 CHAIRMAN HALLANAN: You have heard the motion of
15 Mr. Brown.

16 Is there a second?

17 (The motion was severally seconded.)

18 CHAIRMAN HALLANAN: All in favor indicate by saying
19 "aye;" contrary "no." So ordered.

20 APPOINTMENT OF NOMINATING COMMITTEE

21 The Chair will appoint, in accordance with that
22 motion, Mr. Bruce Brown as chairman, Mr. Jack Rathbone, Mr.
23 B. C. Graves, Mr. Vandever and Mr. W. K. Warren as the
24 Nominating Committee.

25 MR. BRUCE K. BROWN: Would it be in order for the

1 committee to retire?

2 CHAIRMAN HALLANAN: It will be in order for the
3 committee to retire.

4 MR. BRUCE K. BROWN: Will the members of the commit-
5 tee please meet in the other room?

6 CHAIRMAN HALLANAN: Mr. Jacobsen, do you have a
7 report from the Agenda Committee?

8 MR. JACOBSEN: No; there is no report.

9 CHAIRMAN HALLANAN: No report.

10 MR. JACOBSEN: For the first time in many moons we
11 have nothing to take up.

12 CHAIRMAN HALLANAN: So, you pass this time.

13 Mr. Niness, are you ready to submit the report on
14 tank truck transportation?

15 Mr. Sam Niness, Chairman of the Committee on Tank
16 Truck Transportation.

17 REPORT

18 OF THE

19 COMMITTEE ON TANK TRUCK TRANSPORTATION

20 MR. NINESS: Mr. Chairman, Gentlemen of the Council:
21 We often wonder about the census in these surveys that are
22 made. This is the fourth one that has been made since World
23 War II. We made two during the war and we have made two since.

24 I think we all wonder at times that these surveys
25 are not headed for the waste paper basket or for the permanent

1 files, but it is not the case always because I remember very
2 well back in World War II we made our first survey in January
3 1942 of tank truck equipment in the United States and that
4 was the greatest thing we ever did because we were able to
5 go over to the War Production Board and go to other departments
6 of the government and tell them actual facts about our trucks
7 and about our fleets around the country, thereby getting
8 rubber, getting new trucks, getting steel for trailers and
9 many other things which other departments in Washington and
10 ODF couldn't get because they didn't have these surveys.

11 Therefore, it is my feeling, gentlemen, even though
12 these surveys are a lot of work, it is worth it because some-
13 thing may happen some day which in turn, if we had these
14 figures available, would be of great use to us in time of
15 emergency.

16 I shall read this letter dated January 19, 1956 to
17 Mr. Walter S. Hallanan, Washington, D. C.:

18 "Dear Mr. Hallanan:

19 "In your letter of November 18, 1954, you
20 requested that the Committee on Tank Truck Trans-
21 portation undertake a study of over-the-road tank
22 truck transportation in compliance with a request
23 from Mr. Hugh A. Stewart, Director, Oil and Gas
24 Division, Department of the Interior, in his letter
25 of October 18, 1954 (copy attached) which had

1 received the approval of the Council's Agenda
2 Committee and the Council.

3 "The study of over-the-road tank truck trans-
4 portation, which includes a census and analysis
5 of the nation's private and for-hire fleets in
6 several categories, was assigned to a Census Sub-
7 committee of which Mr. Lee R. Cowles is Chairman.
8 The roster of membership of the Census Subcommittee
9 is attached.

10 "It was recognized that a census of the nation's
11 private carrier tank trucks presented a distinct and
12 separate problem from that of the nation's for-hire
13 tank truck fleet because of the many thousands of
14 companies and individuals engaged in the marketing
15 and distribution of petroleum products. As a result
16 of several informal meetings with the Oil and Gas
17 Division and the Department of Commerce, the committee
18 followed the general lines of procedure set out
19 below in obtaining the required information:

20 "1. Private Carrier Trucks (Petroleum, Lique-
21 fied Petroleum Gas):

22 "The basic data made available by the
23 Bureau of Census in its 1954 Census of
24 Business was used in the analysis of the
25 nation's fleet of private carriers

1 implemented by the questionnaires returned
2 on the for-hire census and known operating
3 conditions.

4 "2. Private Carrier Trucks (Chemical):

5 "The census of private trucks in chemical
6 service was conducted by the Traffic Com-
7 mittee of the Manufacturing Chemists'
8 Association.

9 "3. For-Hire Trucks (Common and Contract
10 Carriers in Petroleum, Liquefied Petroleum
11 Gas and Chemicals):

12 "The census of all for-hire trucks in
13 these services was handled by a question-
14 naire to all for-hire carriers which was
15 patterned after the form used by the Bureau
16 of Census. This work was conducted through
17 the facilities of the National Petroleum
18 Council with the assistance of the National
19 Tank Truck Carriers, Inc.

20 "The report of the Census Subcommittee is
21 enclosed herewith. The Committee on Tank Truck
22 Transportation accepts the report as responsive to
23 the request of the Oil and Gas Division, Department
24 of the Interior.

25 "The Committee believes that this report is the

1 most accurate and complete census of the nation's
2 tank truck equipment that has yet been developed.

3 "Grateful acknowledgement is made to the
4 Chairman and members of the Census Subcommittee and
5 to the Bureau of Census; the Office of Oil and Gas,
6 Department of the Interior; the Manufacturing
7 Chemists' Association and the National Tank Truck
8 Carriers, Inc., for their assistance and cooperation.

9 Respectfully submitted,

10 S. F. Niness, Chairman

11 National Petroleum Council's

12 Committee on Tank Truck Transporta-
13 tion."

14 Now, in the interest of not taking too much time, I
15 will read only parts of the subcommittee's report.

16 "On October 18, 1954 Mr. H. A. Stewart, Director
17 of the Oil and Gas Division of the Department of the
18 Interior, directed a letter to the National Petroleum
19 Council requesting that the tank truck census reported
20 to that Department on January 29, 1952, be brought up
21 to date. He also suggested that the following
22 additional data be included:

- 23 "1. An estimate of the maximum increase of
24 carrying capacity of the tank truck fleet
25 that could be developed through emergency

1 operating procedures.

2 "2. With respect to private carriers, an estimate
3 of the number and capacity of semi-trailer
4 tanks that could be used in over-the-road
5 service."

6 Now, we will skip the rest of that page and all the
7 next page, and we will go over to Page 3, second paragraph:

8 "The Bureau of Census inventory of private tank
9 trucks reported all tank trucks, including those
10 of less than 3,000 gallons' capacity. However, this
11 report deals only with tank trucks in both for-hire
12 and private carrier service with a capacity greater
13 than 3,000 gallons. This, we believe, to include
14 all equipment suitable for intercity or over-the-
15 road transportation, and to that extent differs
16 from the January 1952 report which used 2,000
17 gallons' capacity as the arbitrary minimum."

18 This 2,000 gallons' capacity was the figure that we
19 used during the war when we made the two censuses at that time.
20 We used 2,000 gallons at that time to make our surveys.

21 THE FOR-HIRE CARRIER CENSUS

22 "The for-hire carrier census was conducted by
23 circulating a questionnaire to all known for-hire
24 tank truck operators in the continental United States.
25 This was a total of 1,215 known carriers, from whom

1 we received 1,072 replies, or 88.2 per cent. An
2 analysis, however, of these replies convinced the
3 committee that the latter represent at least 95
4 per cent of the tank truck equipment owned and
5 operated by the for-hire segment of the industry.
6 Each of the individual returns were analyzed and
7 where necessary personal contacts were made with
8 the carriers to assure the accuracy of our report.

9 "The returns were separated by PAD districts,
10 one through five, and equipment was separated as
11 between that which is commonly known as general
12 purpose -- namely, that which is used for the hauling
13 of the general line of petroleum products, such as
14 gasoline, kerosene, fuel oil, and so forth -- and
15 that used in the transportation of liquefied petro-
16 leum gas and the equipment used in the transportation
17 of various chemicals.

18 "Our census reveals that there are in operation
19 by the for-hire industry at the present time 16,046
20 general purpose tank trucks, semi-trailers and trains,
21 with a total capacity of 96,735,600 gallons, or an
22 average capacity per unit of 6,029 gallons. This is
23 an increase from 13,488 general purpose units with a
24 total capacity of 73,024,635 gallons and an average
25 unit capacity of 5,414 gallons as reported in 1952,"

1 by Mr. Spencer in his report of that day.

2 "It is interesting to note that each of the
3 PAD districts had a substantial increase in total
4 capacity and average size. The percentage of
5 increase in the total capacity is greater than the
6 corresponding percentage increase in the number of
7 units, which clearly reflects the increase in the
8 state size and weight laws and the improvement in
9 equipment design.

10 "The equipment used in the transportation of
11 chemicals revealed a total of 1,671 tank trucks,
12 semi-trailers and trains in for-hire service as
13 compared to the 171 revealed in the 1952 report."

14 This, you see, is a great change and shows the
15 rapid growth of the transportation of chemicals by truck.

16 "The equipment used in the transportation of
17 liquefied petroleum gas in operation by the for-hire
18 industry totalled 977 tank trucks, semi-trailers or
19 trains as compared to 506 in the previous report.

20 "The specific details of each of these types
21 of equipment are shown in the attached appendices.

22 PRIVATE CARRIER CENSUS

23 "Inasmuch as the private carrier census is based
24 on data secured by the Bureau of Census in their
25 inventory of petroleum bulk plants throughout the

1 United States, the committee believes this to be the
2 most accurate report on the private equipment now
3 being operated by the petroleum industry. The
4 information furnished us by the Bureau of Census was
5 analyzed, as explained in the prior part of this
6 report, and reveals that the private carrier fleet
7 of general purpose tank truck equipment which could
8 be used in intercity or over-the-road service totals
9 14,966 units with a total capacity of 77,539,950
10 gallons or an average unit capacity of 5,181 gallons.
11 These totals compare with the 1952 report of 9,665
12 units, having a total capacity of 47,954,000 gallons,
13 which represented an average capacity of 4,962 gallons
14 per unit.

15 "The private carrier figures like the for-hire
16 carriers' also indicate an increase in the units and
17 total capacity in each of the five PAD districts.

18 "The report submitted to the Council in 1952
19 did not include figures on the private tank truck
20 equipment transporting liquefied petroleum gas, but
21 this current census reveals that there are now in
22 operation in this service 2,100 units throughout the
23 continental United States with a total capacity of
24 5,070,675 gallons, an average capacity of 2,415
25 gallons per unit, of which 1,485 are straight tank

1 trucks and 615 are semi-trailers or trailer type.

2 "The private equipment engaged in the hauling
3 of chemicals totals 316 units, of which 92 are
4 straight tank trucks and 224 are the semi-trailer
5 and trailer type.

6 CONCLUSION

7 "A summation of the general purpose tank truck
8 equipment in the United States shows that with
9 respect to the number of units in operation there
10 has been an increase of 18.3 per cent in the number
11 operated by private carriers and 14.4 per cent
12 increase in the number operated by the for-hire
13 industry, or an average of 16.1 per cent increase
14 in the total number of units, over those reported
15 in 1952.

16 "In terms of total capacities, the private
17 carrier capacity has increased 38.3 per cent and the
18 for-hire capacity 29.8 per cent, or a total weighted
19 average increase of 33.2 per cent over the 1952
20 report. This indicates an increase of 14.8 per cent
21 in the average capacity per unit.

22 "The committee's conclusions with respect to
23 the questions raised in Mr. Stewart's letter of Octo-
24 ber 18, based on data obtained through its for-hire
25 census and an analysis of the information obtained

1 from the Bureau of Census, are as follows:

2 "1. The total capacity of the nation's general
3 purpose tank truck fleet is 174,275,550
4 gallons and if emergency measures were
5 adopted, such as 24 hour per day operation,
6 seven days per week, reciprocity as to
7 various state laws and regulations and the
8 fleet maintained in its present size and
9 kept in good operating condition, the
10 utilization of the entire fleet could be
11 increased approximately 30 percent.

12 "2. With respect to the private carriers an
13 estimate of the number and capacity of tank
14 trucks, semi-trailers and trains that are
15 suitable for and could be used in over-
16 the-road service is 14,966 units with a
17 total capacity of 77,539,950 gallons. It
18 is recognized that many of these units are
19 now engaged in both local and over-the-road
20 service.

21 Respectfully submitted,

22 L. R. Cowles, Chairman

23 Census Subcommittee of the National
24 Petroleum Council's Committee on Tank
25 Truck Transportation"

1 Now, gentlemen, the next page is Appendix A, which
2 shows a census of for-hire tank trucks in the United States,
3 all tank and trailer equipment, hauling petroleum products.
4 You see it broken down by the PAD districts, the number of
5 units, the total capacity and the average capacity per unit.

6 At the bottom of the page you see the total equip-
7 ment in the United States, the total capacity in the United
8 States and the average capacity per unit.

9 That is the for-hire.

10 Appendix B is the private tank trucks in the United
11 States, all tank and trailer equipment, hauling petroleum
12 products, and that shows it the same way, broken down by PAD
13 districts, the number of units, total capacity and average
14 capacity per unit, with the totals at the bottom of the sheet.

15 Appendix C is the total census of tank trucks, both
16 private and for-hire, of the petroleum equipment and does not
17 include LPG, chemical or other types of equipment.

18 This is also broken down by PAD districts, one through
19 five, number of units, total capacity in gallons and average
20 capacity per unit.

21 Now, the next sheet is the important sheet of all,
22 Appendix D. It is a comparative analysis of the data of the
23 NPC 1955 census versus the National Petroleum Council's 1951
24 census which was made by Mr. Spencer and reported to this
25 committee on January 29, 1952.

1 Now, in order to have a fair comparison, we had to
2 drop out, as you will note at the bottom of the page, private
3 or for-hire straight tank trucks because the 1951 census
4 reported only the tank trailer equipment and not the for-hire
5 trucks. Therefore, if you will turn back to A, B and C, you
6 will see we have dropped out the straight trucks and only
7 reported the semi-trailers or train types in this comparison.

8 Now, you will note the number of units by PAD
9 districts, 1951 versus 1955, with the increase and in one case
10 a decrease over 1951.

11 The same is true of the total capacity in gallons,
12 '51 versus '55, by private and for-hire, the total capacity in
13 1951 as compared with 1955, with the increases shown.

14 It also shows the average capacity per unit in 1951
15 versus 1955, with the increases per unit in those PAD districts.

16 Now, there may be some questions raised. For example,
17 you may want to know why it is in PAD District Number 1, the
18 private carriers increased their fleets by 26 per cent and the
19 for-hire only four per cent.

20 You might want to know why in District Number 3 the
21 private carriers increased their fleets only 2.2 percent and
22 the for-hire 38 per cent.

23 In District Number 5 the private carriers increased
24 12.9 per cent; the for-hire dropped 1.6 per cent.

25 Again in total capacity, the large increase in total

1 capacity is in District Number 3, for example, where the
2 increase of '55 over '51 is 67 per cent.

3 If you care to know the answer to some of those,
4 I am sure we can answer those questions for you.

5 The next sheet shows the special tank truck equip-
6 ment, private and for-hire, hauling LPG, by PAD districts,
7 number of units, total capacity and average capacity per unit;
8 the same with the semi-trailers and the trailers; then the
9 final and third column is the total equipment, number of
10 units, total capacity and average capacity per unit.

11 The last sheet shows the semi-tank truck equipment,
12 showing the private and for-hire, hauling chemicals, and here,
13 of course, gentlemen, is where the big increase came, and that
14 shows it by the United States as a whole, private carrier,
15 for-hire carrier and total equipment and number of units.

16 Mr. Chairman, before I ask for the adoption of this
17 report, I would like very much to introduce the four men who
18 are here in this room who spent many, many long days and hours
19 in Washington in the past year's time digging out this report.
20 I think we owe them a vote of thanks.

21 CHAIRMAN HALLANAN: Will you please introduce them,
22 Mr. Niness.

23 MR. NINESS: I certainly will.

24 Lee R. Cowles of Standard of Indiana, Chairman of the
25 Subcommittee. (Applause)

1 Frank Perry from Atlantic Refining Company in
2 Philadelphia, who spent the biggest part of his time down here,
3 I think, the last six months. (Applause)

4 Austin Sutherland, National Tank Truck Carriers of
5 Washington, D. C.

6 I think Austin was called out of town this morning,
7 sir, and I am sorry he isn't here.

8 The next man, sir, is one of our own staff members,
9 Vincent Brown, who prepared these charts, and I certainly
10 recommend him as a great man on charts, Mr. Chairman. He did
11 a marvelous job for us.

12 I want to thank him very kindly. (Applause)

13 Now, gentlemen, Mr. Chairman, I move the adoption
14 of our report.

15 MR. MAJEWSKI: Mr. Chairman, I would like to second
16 this, with this addition to the motion to adopt: That the
17 thanks of the Council be extended to Chairman Niness and his
18 committee and made a part of the record of these proceedings.

19 This is another example of the outstanding work done
20 without compensation for the benefit of the people of the
21 United States, and I would like that recorded in my second
22 of the motion.

23 CHAIRMAN HALLANAN: I think that is very appropriate,
24 Mr. Majewski.

25 You have heard the motion, Mr. Majewski's second and

1 addition to the motion.

2 Are there any questions in connection with the
3 report which you have just heard, gentlemen?

4 Any comments or any further remarks?

5 It represents a tremendous, comprehensive survey
6 of the tank truck industry, and I say we are very grateful
7 to you, Sam, for mobilizing this job and directing it.

8 You have heard the motion for the adoption of the
9 report. All in favor indicate by saying "aye;" contrary
10 "no." So ordered.

11 That carries your remark with it, Mr. Majewski.

12 Mr. Vandever, are you ready to make a report from
13 your Committee on Oil and Gas Industries Manpower?

14 MR. VANDEVEER: Yes, sir.

15 CHAIRMAN HALLANAN: Mr. Vandever.

16 REPORT

17 OF THE

18 COMMITTEE ON OIL AND GAS INDUSTRIES MANPOWER

19 MR. VANDEVEER: Mr. Chairman and Gentlemen: Last
20 May we had hoped we would have a final report on the Manpower
21 Committee of the Oil and Gas Industry for this first meeting
22 of 1956.

23 I can report to you that the report of this committee
24 shall be presented at the next meeting in its final stage, its
25 final report.

1 All of the information from the oil industry has
2 been received and is now being tabulated.

3 The information from the gas industry is not yet
4 complete.

5 I think probably, Mr. Chairman, there may have been
6 some reason for a little delay on some part of the gas industry
7 in replying to this report.

8 The 1952 skills and occupation breakdown has been
9 accepted, and we have worked from that program.

10 The next thing I would like to mention is that the
11 report that will be finalized at our next meeting will be on
12 the basis that it can always be brought up to date at any year.

13 We won't have to go back with all of these requests
14 for information being sent out because there are certain
15 statistics which we think -- and have good authority for
16 feeling that way -- can be brought up to date with certain
17 landmarks along the way.

18 We will have reports further from the contractors'
19 group, from the construction groups and all segments of
20 industry which are pertinent to the manpower of the oil and
21 gas industry.

22 Mr. Chairman, it is a brief report, but we shall
23 have the final one at the next meeting.

24 Thank you.

25 CHAIRMAN HALLANAN: Thank you very much, Mr. Vandevveer.

1 Mr. Brown, are you ready to report for the Nominating
2 Committee?

3 REPORT
4 OF THE
5 NOMINATING COMMITTEE

6 MR. BRUCE K. BROWN: This committee didn't work as
7 hard and as long as Mr. Niness's committee.

8 We have a report we are very proud of, and the
9 Nominating Committee unanimously places in nomination the
10 following names for election of officers and standing committees
11 of the National Petroleum Council for 1956:

12 The Chairman -- Walter S. Hallanan (Applause)

13 The Vice Chairman -- Mr. R. G. Follis. (Applause)

14 Thank you for the applause, gentlemen.

15 Now, I will read the nominees for the two standing
16 committees of the Council. If you will, please refrain from
17 applauding because so many of your names are mentioned here.

18 For the Agenda Committee:

19 Mr. A. Jacobsen, Chairman;. (Applause)

20 Mr. Hines H. Baker;

21 Russell B. Brown;

22 B. A. Hardey;

23 W. Alton Jones;

24 B. L. Majewski;

25 J. Howard Marshall;

1 A. C. Mattei;
2 L. F. McCollum;
3 J. R. Parten; and
4 P. C. Spencer.

5 For the Appointment Committee:

6 As Chairman, Mr. Frank M. Porter.

7 Members:

8 J. S. Bridwell;
9 J. C. Donnell, II;
10 B. Brewster Jennings;
11 J. Sayles Leach;
12 N. C. McGowen;
13 M. H. Robineau;
14 Roland V. Rodman;
15 Reese H. Taylor;
16 Robert F. Windfohr; and
17 D. T. Staples.

18 I move those names be placed in nomination and that
19 the nominations be closed.

20 I further move that the Secretary be instructed to
12 21 cast one ballot for the election of the nominees as reported

22 MR. MAJEWSKI: Second.

23 MR. BRUCE K. BROWN: Did you second the motion, Mr.
24 Majewski?

25 MR. MAJEWSKI: Gentlemen, the steamroller was moving

1 so well I thought I would use one word. (Laughter)

2 MR. BRUCE K. BROWN: All those in favor please say
3 "aye;" opposed "no."

4 (The motion was carried.)

5 Thank you very much.

6 The reason we did not nominate the Secretary-
7 Treasurer is that he is appointed by the Chairman.

8 ADDRESS

9 BY

10 CHAIRMAN-ELECT HALLANAN

11 CHAIRMAN-ELECT HALLANAN: Mr. Brown, Gentlemen of the
12 Council: I want to express to you my profound gratitude for
13 this indication of your continued confidence, and I should hope
14 to carry on in the future as we have in the past.

15 It seems to me that, in view of the fact that we
16 have crossed the 10-year line of our record of existence in
17 the National Petroleum Council, it is appropriate here this
18 morning to briefly review just what the Council has accomplished
19 within that time, and I hope I may have your attention for just
20 a few moments to bring to your mind some of the activities
21 which we have pursued and carried on.

22 I doubt that anyone familiar with the history of the
23 Council would question that we have gone through a very produc-
24 tive and successful experience in government-industry team work.
25 In fact, I think we could say with modesty that we have made

1 history through the National Petroleum Council's sincere and
2 unselfish cooperation with the Federal Government; but I think
3 at all times we must bear in mind the basic fact that this
4 Council came into existence not upon the initiative of the
5 petroleum industry, but as a result of the specific and direct
6 appeal of the President of the United States and the Secretary
7 of the Interior.

8 The petroleum industry was asked to assume certain
9 advisory responsibilities. We did not initiate the move for
10 the organization of the Council. We merely responded when
11 that call came to us, and I think it is fair to state here
12 and now if we had done anything less we might have been regarded
13 in the light of shirkers.

14 Throughout the history of our country the oil industry
15 has achieved an enviable record of measuring up to all its
16 responsibilities in both peace and war and, in view of that
17 fact, it was to be expected that the response of the industry
18 to the government's call in 1946 would be very wholehearted.

19 The strange circumstances are that those who would
20 have been most critical if the industry had failed to respond
21 are the very ones who now hint at some sinister purposes in the
22 Council's service to the government.

23 It has been my high privilege to serve as Chairman
24 of the Council throughout its existence, and in that capacity
25 I have worked closely with the outstanding representatives of

1 the industry who have served very unselfishly as members.

2 You men have given freely and generously of your
3 time, talent and substance in demonstrating that government
4 and industry can work together intelligently and effectively
5 in serving the national interest.

6 You have given that demonstration in a way that has
7 evoked expressions of gratitude and approbation from the highest
8 spokesmen in the civilian and the military departments of
9 government.

10 One representative of the military, who has worked
11 closely with the Council, only recently, publicly called the
12 Council indispensable in relation to the problems of the military
13 arm of our government.

14 Now, gentlemen, this just did not happen. It hap-
15 pened because we have had in the membership of the Council
16 from year to year men of a high standard of ability and
17 patriotic devotion who had the will to serve their country and
18 to do it with credit and distinction.

19 What seems to me to be deeply significant has been
20 the warm approval and the expressions of confidence that have
21 come from those who, from time to time, have occupied the
22 position of Secretary of the Interior and who were responsible
23 directly through their power of appointment for the Council's
24 continued existence from year to year.

25 It has been a source of profound gratification that

1 form Secretary of the Interior Honorable Julius Krug, under
2 whose administration the Council was organized, former Secre-
3 tary of the Interior Honorable Oscar Chapman and the present
4 distinguished Secretary of the Interior Honorable Douglas
5 McKay have made known from time to time their enthusiastic
6 approval of the work of the Council and its achievement, and
7 from the standpoint of the government there has not been at
8 any time apparently a lack of genuine acceptance and appre-
9 ciation of the Council's work in behalf of the public interest.

10 In a personal way, may I say that my services as a
11 member and Chairman of the Council has been one of the cherished
12 experiences of my life.

13 Many of us have burned the midnight oil on many
14 occasions when there were difficult problems confronting us.
15 However, for all of us there has been the overbalancing and
16 the rewarding compensation that comes with the satisfaction
17 of having made some contribution to our country's good.

18 Some people seem to have the idea that the Council
19 is a creature of the petroleum industry.

20 A few of the uninformed and those who would not
21 seek to be informed correctly look upon us as an aggressive
22 move of the petroleum industry to promote some selfish objec-
23 tive.

24 The facts are -- and I think it is appropriate to
25 review them -- that the Council resulted from a White House

1 directive issued by President Harry S. Truman on May the 9th,
2 1946.

3 At that time the Petroleum Industry War Council,
4 which had been such an outstanding success in the world war,
5 had been liquidated, along with the Petroleum Administration
6 for War and other temporary war agencies. It was then that
7 President Truman, recognizing the need for continuing the
8 valuable relationship between government and the oil industry,
9 wrote to the then Secretary of the Interior directing him to
10 create a peace-time agency similar to the most successful
11 Petroleum Industry War Council, and in his letter or his
12 directive President Truman made this significant statement
13 in outlining the desire of the government for the creation of
14 a petroleum advisory group -- and I quote as follows:

15 "I have been impressed with the great contribu-
16 tion of government-industry cooperation to the success
17 of the war petroleum program, and I feel that the
18 values of such close and harmonious relations between
19 government and industry should be continued. I,
20 therefore, suggest, Mr. Secretary, that you establish
21 an industry organization to consult and advise with
22 you."

23 I have said it before, but I do not think it can be
24 too often repeated -- that this Council was conceived in duty
25 born of patriotic purpose and has been carried on under prudent

1 caution, integrity and dignity.

2 Unfortunately, we know there are a few who, for one
3 purpose or another, would ascribe other motives to those who
4 have served so ably and industriously on this government-
5 industry team.

6 In the full and satisfying knowledge that we have
7 done the right thing in responding to this call of our govern-
8 ment, we can afford to be charitable with that small, but vocal
9 group of critics by saying that their actions in no genuine
10 way reflect an intelligent understanding of the historical
11 facts which go into the organization and the achievements of
12 the National Petroleum Council.

13 These facts, gentlemen, are a matter of record. They
14 speak for themselves, and we take great satisfaction in the
15 knowledge that not even the most biased can find anything on
16 or off the record of this Council which would bring other than
17 a sense of the utmost pride to the petroleum industry.

18 As the child of an illustrious parent, coming as it
19 did out of the pattern and mold of the Petroleum Industry War
20 Council, the National Petroleum Council did not start without
21 guideposts to fix its course.

22 The basic principle of government-industry cooperation
23 in matters vital to the public interest had already been estab-
24 lished. It was merely the application of the same principle
25 in the solution of the problems of a post-war era of uneasy

1 peace and national defense.

2 The problems examined by the Council in the past
3 10 years of its existence have fallen into three distinct
4 categories:

5 First, supplies of crude oil and products;

6 Second, facilities for refining, transporting
7 and storing crude oil and products; and

8 Third, organization of government and industry
9 for any possible future national emergency.

10 From time to time the Council has been requested
11 to make studies of problems upon which there was considerable
12 variance of opinion within the industry and the Council. I
13 am happy to say that in practically every instance of this
14 kind the committee that was designated to make the study,
15 representing all opinion within the industry, after great
16 deliberation, came forth with almost a unanimous report which
17 met the approval of the Council.

18 The record shows that 90 requests for such studies
19 have been made of the Council by the constituted authorities
20 of government.

21 The Council within this time has made 123 interim
22 and final reports to the government.

23 Over the life of the Council a total of 228 members
24 have worked at one time or another in preparing these reports
25 and, quite significantly and proudly, we point out that more

1 1,000 top-flight industry technicians who are not members
2 have worked at these same tasks.

3 This represents an army of technical talent which
4 the government, itself, could not have obtained at any cost.

5 May I point out that the activities of the Council
6 have been strictly nonpartisan. It was initiated and created
7 under a national Democratic Administration and has been
8 carried forward without change by the present Republican
9 Administration.

10 We know from the experience of two world wars,
11 especially the last one, and from the estimates of military
12 experts as to the petroleum demands of any future war, it is
13 recognized by the government and, indeed, by the general
14 public that oil is the Gibraltar of our national defense and
15 security.

16 It is likewise recognized that the industry necessar-
17 ily is large, complex, technical, integrated and farflung in
18 both its technical and economic aspects.

19 No industry is more important or more complex.

20 That is why our government wisely has sought to
21 avail itself of the knowledge and skill of the industry in
22 seeking to lay down a proper and accurate factual basis upon
23 which it could base present or future vital decisions of the
24 government on national problems related to petroleum.

25 The truth is the government wanted fresh water and

1 it came to the head of the stream to get it.

2 Let me point out here in its relationship to the
3 industry through the Council the government has been inter-
4 ested only in mobilizing the facts about any particular
5 problem. The Council has not been called upon to advise
6 government with respect to its planning, and certainly it has
7 not volunteered to do so.

8 It is conceded, I think, that certain basic informa-
9 tion about reserves and availability of petroleum and its
10 many products and facilities for their production, trans-
11 portation and distribution was vital to the plans and decisions
12 of both the executive and the military branches of the govern-
13 ment, with particular emphasis upon present and projected
14 needs of the armed services.

15 There is nothing mysterious about the way this
16 Council operates. It holds and never has held any star-
17 chamber sessions. Its doors are always open to representatives
18 of all branches of the government, and these representatives
19 of the government are never without the consciousness that any
20 sneak attack upon this country, in this age of the H bomb,
21 would make Pearl Harbor look like child's play. They are
22 aware that the life of our nation and the destiny of all
23 mankind are wrapped up in the joint effort to shore up America's
24 defense and power of retaliation so that no aggressor would
25 dare to attack us. All recognize that oil is the most vital

1 element in this supreme effort to protect America and to
2 maintain the peace of the world.

3 That is why the industry was called into the service
4 of the government and that is why the industry has responded
5 with such dedicated purpose.

6 In all humility, we submit that the National
7 Petroleum Council has made a vital contribution to the high
8 purpose of making our country impregnable to the attack of
9 world aggression.

10 There was a job to be done. The President of the
11 United States and the Secretary of the Interior called upon
12 the petroleum industry to do it.

13 The Council has responded to the best of its ability
14 in completing that job, and we are anxious to continue the same
15 kind of patriotic service in the future as we have during the
16 past year, to the end that the experience of government-
17 industry team work may prove to be a wholesome and worthwhile
18 achievement for the good of all.

19 Thank you very much. (Applause)

20 Gentlemen, I was happy that the Secretary of
21 Interior could be here at the time of our organization proce-
22 dure this morning. He has, as I have said in my remarks,
23 been an enthusiastic supporter of the Council. He has shown
24 his confidence by his reappointment of the members of the
25 Council that has met here this morning.

1 We want him to know we are anxious to continue to
2 do the same job that we have been doing in the past and under
3 his direction to go forward to even greater purposes.

4 I am happy to present to you Secretary of the
5 Interior, our boss, Honorable Douglas McKay.

6 (The assembly arose and applauded.)

7 ADDRESS

8 BY

9 HONORABLE DOUGLAS MCKAY

10 SECRETARY OF THE INTERIOR

11 SECRETARY MCKAY: Chairman Walter and Gentlemen: I
12 was very much pleased with the smooth team work in the running
13 of your politics. (Laughter)

14 I only wish we in this administration had as much
15 confidence as to who is going to be President as you are here.

16 I knew you were reluctant to accept this position;
17 but, with the pressure, you took it.

18 When I came here this morning, wondering what I was
19 going to say to all these gentlemen, it was answered very
20 easily by your very eloquent speech.

21 All I can say is: I approve of your speech. I
22 never read it before. I had nothing to do with the writing.

23 One time down in Gatlinburg, Tennessee, Frank Lausche
24 was Chairman of the Governor's Conference. You see, we don't
25 have any politics in the Governor's Conference. If we did, it

1 would be ruined very quickly.

2 So, we elected Frank Lausche Chairman of the Governor's
3 Conference, and he made a very brilliant speech. After he got
4 through, I said, "Frank, can I borrow that copy of yours?"

5 He said, "What do you want it for?"

6 I said, "I am going up to the Republican Convention
7 next year and I think that would be a good platform for us."

8 (Laughter)

9 So, I approve of your platform, Walter, and all the
10 things you have said have been true.

11 It has been most pleasant for me to work for this
12 Council the past three years.

13 When I came here, I came here a little early to find
14 a place to live, because places to live at that time were at
15 a premium, and also to find out just how this job runs and
16 what there was in the department that I never heard of.

17 Oscar Chapman was very kind to me in getting me
18 oriented, and that's the last kindness that any member of his
19 party has shown to me from that time, (laughter), although
20 I will say Oscar has been very kind to me always. He has
21 never called me a crook and I have never abused him because
22 he was very, very pleasant in orienting me; but he spent most
23 of the time orienting me on the petroleum situation and this
24 Council. He had me briefed completely one afternoon. So, I
25 got off to a good start.

17

1 I am thoroughly in accord with what you said,
2 Walter, and, in addition to that, I believe this country, if
3 it survives over the ages, will survive as a private enter-
4 prise country and not as a socialistic country.

5 You know, one time over in Rome, when we were there,
6 in June, -- the World Petroleum Conference -- I had a press
7 conference one day and I didn't know how hardly to answer
8 that. I have trouble enough with domestic conferences, but
9 to get one in a foreign country -- I thought I might get
10 Dulles tangled up in my hair. So, one of the questions they
11 asked me -- you know how they are doing over there. Gulf has
12 got some oil down in southern Italy and the government owns
13 it in northern Italy, and they would like to have the govern-
14 ment own it all. So, one of the questions they asked of me:
15 "We are just a little bit confused about your government.
16 You seem to give away your oil rights."

17 I said, "Well, we make a pretty good trade on it.
18 Our laws are a little bit different than yours. Take the
19 off-shore oil down around the Gulf of Mexico. We have already
20 dumped it into George Humphrey's treasury 252 million dollars
21 on the leases these fellows got, and then they have to go down
22 and spend a million to seven million dollars in building
23 platforms with which to experiment on the ground underneath
24 the ocean, and then they pay us three dollars an acre a year,
25 I believe it is, for each acre of land that lies under 150 to

1 300 feet of water; then, when they get oil or gas, we get
2 one-sixth of that; and then, when they make a profit, we take
3 away from 52 per cent on up; and then, when the stockholders
4 get their dividends, we take from 20 per cent on up. So, I
5 believe the government's got the best end of the deal."

6 (Laughter)

7 The only way that private enterprise survives in
8 such a thing is by ingenuity and courage and research and
9 being better able to do the job day by day in order to keep a
10 little profit; and I, therefore, subscribe to the principle
11 of private enterprise as being the backbone of this country.
12 It always has been and always will. It is the incentive for
13 people to better their conditions in this country that makes
14 them take chances and do a little extra work, a little extra
15 effort, and so forth.

16 I may be talking out of turn, but I believe in that
17 principle because the only way people are going to take chances
18 are to have some rewards.

19 Back 30 years ago -- we have been drilling in my
20 home state for 50 years and we never found any oil -- it used
21 to be us suckers who put money in some wildcat scheme, and
22 now it is you fellows with the big bankrolls putting your
23 money in that sort of thing, and there are some good leases
24 out there. If they ever hit anything, I will be very sorry I
25 don't own any land, because I don't; but I say again it is the

1 courage and initiative and resourcefulness of the private
2 enterprise people who have made this thing possible.

3 Walter, there is nothing I can add to what you have
4 already said. That is a good speech.

5 I have got Felix here. He furnishes the brains for
6 our department. He just came down from the Hill, where he
7 was successful in getting one of our new appointees approved
8 unanimously.

9 It takes a pretty good man to get that.

10 It has been a pleasure to be here.

11 Let me say this: If there is anything we can do
12 for you here, our department, we will be most happy to cooperate
13 with you.

14 Let me say in closing I have always been enthusiastic-
15 ally for this organization. I will continue to be so.

16 Rest assured if we ever run into trouble on any-
17 thing, disagree, I will be just as enthusiastically condemning
18 you as I am praising you now.

19 It has been a pleasure to work with you for these
20 three years. (Applause) *Here*

21 CHAIRMAN-ELECT HALLANAN: Secretary Wormser, after
22 you had that success on the Hill, which Secretary McKay
23 related, I am sure you are in a pretty good humor this morning,
24 and we are delighted to have you here as always.

25 The Assistant Secretary of the Interior -- Honorable

1 Felix Wormser, gentlemen. (Applause)

2 REMARKS

3 BY

4 HONORABLE FELIX WORMSER

5 ASSISTANT SECRETARY OF THE INTERIOR

6 SECRETARY WORMSER: Mr. Chairman, Gentlemen: I am
7 sorry I couldn't have been with you earlier; but, as the
8 Secretary indicated, I had the duty of going on the Hill and
9 appearing before the Senate Interior and Insular Affairs
10 Committee to present the next Director of the Geological
11 Survey. It was a very pleasant assignment, and, as you know,
12 the Geological Survey is one of our great scientific organi-
13 zations. I don't think there is anybody in the room who
14 hasn't benefited to some extent from the work of the Survey.
15 Certainly the geological and topographic mapping has been
16 priceless to all oil companies and mineral companies and, in
17 the rich tradition of the Survey, a distinguished geologist
18 is going to assume control.

19 Bill Wrather, our beloved Bill, as you may know,
20 has been ill now for almost a year. He has had trouble with
21 his back and his legs and he has just gone home from the
22 hospital. He was in the hospital here a few days ago. He
23 is making a recovery, I am delighted to report, and he has
24 retired. So, we have selected as his successor a man who has
25 spent his career in the Geological Survey and, in placing its

1 destiny in his hands, I am sure he will add new luster to
2 its wonderful past.

3 I am going to introduce him to you in just a minute,
4 but before I do I want to add another thought that I have and
5 then I will ask Tom Nolan, who is a new director, to say a
6 few words, and that is simply this: I want to echo the
7 sentiments of our distinguished Secretary of the Interior
8 about the Council.

9 Now, the Secretary of the Interior was the Chairman
10 of the cabinet committee on mineral policy a few years ago
11 which had the difficult problem of establishing a mineral
12 policy for the United States. I don't know how many of you
13 have seen the result of this committee's deliberations, but
14 one of the items in this report -- and I have it here -- I
15 should like to read to you. It happens to be the very last
16 recommendation on government-industry relations. It said:

17 "The committee believes that the objectives
18 sought by mineral policy can be more effectively
19 achieved if closer cooperation can be developed
20 between government and the mineral industries."

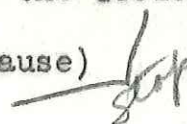
21 Certainly petroleum is part of the mineral industries,
22 and certainly if the proof of the pudding is in the eating
23 it is a record that the Council has established certainly over
24 the period during which I have had some association with it,
25 and long before that, and it seems to me that when the

1 Secretary of the Interior and our department puts its shoulder
2 to the wheel and tries to foster even closer relations than
3 we have had in the past with the Council it is reflecting
4 the report of this distinguished committee.

5 Now, I spoke to you last night, and I don't want to
6 bore you, but I do want to tell you it is a great honor to
7 present to you now our next Director of the Geological Survey,

Obester 8
follows at
10:45 a.m.

Thomas Nolan, who is over here. (Applause)



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Obester
following
Barnes
10:45 a.m. 1
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TO

Mr. Hallanan, Mr. Wormser, Felix didn't
give me any warning as we came down from the Capitol that he
was going to do anything like this to me.

I am very happy, however, that I will be able to
succeed Bill Wrather whom I think many of you know. He has
been much closer to the oil industry than I have been, be-
cause I have been closer to the mineral field.

I have a great many friends among you and I certainly
hope that our relations between the survey and the industry
will continue to be as pleasant and as fruitful as they have
been under Mr. Bill Wrather.

I hope to see him this afternoon at his home and I
will be very happy to report to him that Felix has thus pre-
sented ^{me} ~~my~~ to so many of his friends. Thank you (Applause)

CHAIRMAN-ELECT HALLANAN: The Chair at this time
recognizes Mr. Majewski on the matter of personal privilege.
Mr. Majewski.

start RESOLUTION OF APPRECIATION

M. B.L. Majewski: Mr. Chairman, Walter appointed
BILL KEELER Chairman of the Military Petroleum Advisory Board
and me to prepare and present a resolution, a testimonial of
appreciation and commendation for dedicated service to the
people of the United States by a soldier patriot, and oil man,
General Will -- called by his friends Chick - White.

I am privileged by the unavoidable absence of Bill

1 Keeler to present this resolution because it particularly
2 comes at a time when the Council and its contemporary Govern-
3 ment are being assailed and branded by inuendo and press re-
4 leases by demagogues before we are afforded a hearing. And
5 by hearing I mean the American way.

6 This is another election year, you know, National
7 election year I am reminded. I have voted since I was eight-
8 een legally. I am a privileged person in our town. The Irish
9 controlled the Democratic Politics and they neither could read
10 or write in my day and when I told them I was eighteen they
11 put down twenty-one.

12 The game of twenty-one is a favorite passtime of the
13 Irish, God love them.

14 Now what I wanted to say is this, and I take privi-
15 lege in doing it, I don't want to get up in the middle of
16 something else. But I do want to say that here we have a
17 marvelous record of achievement for ten years. I doubt that
18 arithmetic and so do a lot of you people.

19 I asked nine people where the meeting was being held
20 today. All nine did not know where it was, including myself.
21 We called up and we could not call up until after nine o'clock
22 because after the National Petroleum Council meeting yesterday
23 -- it wasn't functioning this morning after last night's food.

24 I would like to say this one thing, that the oil men
25 and I have differed and I will reserve that right to continue

1 to differ with them, but when you find them assailed from the
2 outside unfairly then I think we ought to do something about
3 it.

4 Here is a marvelous record of achievement recorded
5 on behalf of the people of the United States and while we sit
6 back and take it on the chin I am wondering. Silence in this
7 case, in my opinion is not golden.

8 Now when I talk without compensation, excepting for
9 periodic harassment sometimes specialized with vitriol and
10 abuse -- however, being past sixty and no longer available for
11 the Draft, I want in my humble opinion to tell you that the
12 time is long past when a complete and public answer should be
13 made to these demagogues who not only knock our petroleum
14 industry, our patriotism in our country, but our integrity.

15 At the proper time I should like to urge upon the
16 Council to request time for the Council's officers and repre-
17 sentatives before the Celler -- Mr. Celler's Committee today,
18 I want to say , because I think the time has come, at least
19 for Mary Majewski's oldest boy, but like Patrick Henry I want
20 to, "Give me Liberty or give me Death".

21 And I do that because I believe it is good for the
22 benefit of mankind and the dignity of man, and since all the
23 people I know, with few exceptions, in the oil business have
24 the dignity of men and are human creatures of Christ, I want
25 to go out and put the record bare and try once and for all to

1 stop all of this abuse and this vitriol which is unearned and
2 unwarranted and which must be stopped now. This I think also
3 would strengthen the hand of the Government.

4 Mr. Secretary of the Interior and Mr. Secretary
5 Wormser would be in a position to fight like they should
6 fight for the preservation of an enterprise that is being
7 done for the people, not for the oil business, many times to
8 the detriment of the oil business.

9 Now I go back to the present task, but I could not
10 afford to miss the opportunity. I now go to the pleasant
11 task of presenting a Resolution of Appreciation to a fine
12 American:

13 WHEREAS, the National Petroleum Council, an organi-
14 zation composed of leaders representing a true cross section
15 of the oil and gas industries of America, chosen and appointed
16 by the Secretary of the Interior annually since 1946 and

17 WHEREAS, the purpose of the National Petroleum
18 Council is to counsel and advise the Secretary of the Interior
19 or the Director of the Office of Oil and Gas with respect to
20 any matter relating to petroleum or the petroleum industry
21 submitted to it or approved by the Secretary or Director and

22 WHEREAS, it is the belief of the National Petroleum
23 Council that it is essential to Government-Industry coopera-
24 tion that there exist a mutual understanding of the complex,
25 continuing problems relating to current and prospective

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1 supplies of petroleum as well as the military and essential
2 civilian requirements for petroleum and its products, all,
3 of prime importance to the general welfare of the Nation in
4 time of peace as well as in time of war and

5 WHEREAS, Brigadier General Will W. "Chick" White
6 has for the past two years, with an unselfish and utter dis-
7 regard for his own interests, served honorably and with out-
8 standing distinction as Staff Director, Petroleum Logistics
9 Division, Office of the Assistant Secretary of Defense in
10 the Department of Defense and

11 WHEREAS, Brigadier General Will W. "Chick" White,
12 during his dedicated service to the Nation, brought to the
13 Petroleum Logistics Division of the Department of Defense
14 his vast experience and understanding of the problems of the
15 petroleum industry and

16 WHEREAS, Brigadier General Will W. "Chick" White, by
17 his exemplary leadership and an unstinting performance of
18 duty has added immeasurably to the accomplishments of the
19 Petroleum Logistics Division of the Department of Defense,
20 but in addition, has set an outstanding example of the
21 achievements made possible through the cooperative efforts
22 of Government and industry in solving important petroleum
23 problems for the good of the Nation:

24 NOW, THEREFORE BE IT RESOLVED, that we, the members
25 of the National Petroleum Council, at Washington, D. C.,

1 this 24th day of January, 1956, take the occasion of his
2 retirement from these duties as director of all petroleum
3 matters within the Department of Defense, to commend
4 Brigadier General W. W. "Chick" White for his outstanding
5 contributions to the defense efforts of our Nation. The
6 Council gratefully takes this opportunity to express its
7 sincere appreciation to a great American and soldier for
8 his dedicated services to the military forces of the United
9 States in a position for which he was so admirably qualified.

10 I move the adoption of this resolution by a rising
11 vote. *Lot*

12 CHAIRMAN-ELECT HALLANAN: You have heard the reso-
13 lution, gentlemen, and the motion.

14 It is appropriate, I think, in the presence of
15 General White that we should have a rising vote. May I ask
16 the members to stand?

17 (Whereupon, the members rose and indicated approval)

18 The resolution is unanimously adopted. Now General
19 White saw that expression of our appreciation and gratitude
20 and esteem of his high service. I think it is appropriate to
21 call upon you because I know you have a message for us today.
22 We will all be delighted to hear from you at this time.
23 General White.

State

MILITARY PETROLEUM REQUIREMENTS
BY
BRIGADIER GENERAL W. W. WHITE,
USAF, STAFF DIRECTOR, PETROLEUM
LOGISTICS DIVISION, OFFICE OF
ASSISTANT SECRETARY OF DEFENSE
(SUPPLY AND LOGISTICS)

GENERAL WHITE: Mr. Hallanan, Mr. Wormser, gentlemen of the Council, I did have a lot to say and it is all knocked into a cocked hat. I will have to start over again as I talk, I am afraid.

I cannot tell you how deeply honored I am at this expression of esteem, an industry I have worked with for many years and I hope to work with for many more years and work in for many more years.

It is the sort of thing that makes a man feel pretty good.

A couple of weeks ago on a weekend I went down with some friends of one of the Wildlife Preserves to go geese hunting, and one of the first things that the guide told me as we went out in pre-dawn was, "If you see any swans, be sure not to shoot them. If you do shoot them, be sure to get them and bring them in in a hurry because if you bring them in in a hurry your fine will be only \$500.00, but if they catch you with them you go to jail as well as paying a fine."

That sort of put me on the qui vive for swans, and swans did fly over the blinds and they sang their song. It is not a song at all. It is a sort of a cacophony that you

1 would not like to have on your Hi-Fi set for sure.

2 So I don't think I ought to call this my swan song,
3 but it certainly is the last time I will be privileged to
4 talk to you as a representative of the Department of Defense.

5 And before I go any further into the matter that I
6 did want to discuss with you, I would like to tell you, Mr.
7 Hallanan, and all of the gentlemen in the Council that the
8 sentiments which Secretary McKay and Mr. Wormser have given
9 to you this morning in regard to the indispensibility of the
10 National Petroleum Council are heartily seconded by me superi-
11 ors over in the Pentagon building.

12 I can just remind you of the three items that the
13 Committee Chairman reported on this morning. Mr. Vandever's
14 Committee on Oil and Gas Industry Manpower, Mr. Niness' Com-
15 mittee on Tank Truck Transportation, and Mr. Burns' Committee
16 on Underground Storage and Petroleum, all three of those items
17 are absolutely vital to the business of National Defense. They
18 are absolutely essential to us in any of our studies as to
19 the ability of this country to fight a war if necessary and
20 without the type of unselfish and completely patriotic labor
21 that you and all your colleagues in the industry are giving,
22 I don't know how the plans of the Department of Defense could
23 be firmed up.

24 During the past two or three months there have been
25 numerous requests from people in the industry and within

1 various segments of Government regarding the effects of our
2 planning on the Middle Distillate here in this country and
3 in the free world in the event we get into trouble.

4 I went to the Security people in the Department of
5 Defense to ask them if I could give some figures to you
6 gentlemen which were similar to those which I gave at our
7 last meeting here in regard to aviation fuels, which would
8 give you some insight as to our calculations and thinking in
9 regard to the Middle Distillate picture as it is seen from
10 the Military side.

11 So that today I would like to talk just as briefly
12 as I can on the subject of the Middle Distillates, particu-
13 larly those in which the Military are interested.

14 Those are of course first the jet fuels, JP-1, the
15 gasoline type fuel, JP-4, whose main characteristic is a
16 vapor pressure between two and three pounds; JP-5, so-called
17 for lack of a better term is a Middle Distillate with no
18 vapor pressure and excellent stability, and characteristics
19 which I will discuss later.

20 Of course, all the grades of Diesel fuel, No. 1 and
21 No. 2 fuel oils, kerosene, and to a slight extent solvents.

22 Today the Military demand for Distillate is about
23 300,000 barrels per day and we have forecast that it will
24 increase to about 440,000 barrels a day by fiscal year 1965
25 under peace time conditions. Obviously this demand doesn't

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1 pose any great to the industry. It is less than 15% of the
2 total United States output of this type of fuel, that actually
3 the problem isn't quite as simple as it comes out that way.
4 We have to gear the Military plans to the projected increases
5 in conception of industry and of the people of the country
6 even in peace time, and certainly that is one of the most
7 important things that we have to take into consideration in
8 time of war.

9 Now meeting all the requirements of jet fuel which
10 were negligible, almost non-existent ten years ago, will
11 probably be one of our greatest mutual problems in the future.
12 Everyone know that jet engines consume a terrific amount of
13 fuel.

14 Everyone who has read the newspapers knows that in
15 the commercial industry the jet age is beginning. There is
16 almost one billion dollars worth of new jet commercial on
17 order today.

18 Some of the larger military aircraft now flying con-
19 sume jet fuel at the rate of better than 2,500 gallons an
20 hour, and it doesn't take much arithmetic to figure out that
21 it would take the average automobile one and one half times
22 around the world, just that one hour's consumption by the
23 plane.

24 We estimate over at the Pentagon that the military
25 jet fuel requirement under peace time conditions will increase

1 from its present 231,000 barrels per day to slightly more
2 than -- somewhere in the neighborhood of 340,000 barrels
3 per day by fiscal year 1965.

4 The civilian jet fuel requirements we think will
5 increase from maybe 12,000 barrels a day to somewhere in the
6 neighborhood of 70,000 barrels a day in fiscal year 1965.

7 That makes a total jet fuel demand under peace time
8 conditions on the industry of about 410,000 barrels per day.

9 So far we have only talked about peace time re-
10 quirements. Come a war and the total free world jet fuel
11 requirements can be between one million and two million
12 barrels per day if the war lasts sufficiently long to get all
13 of the aircraft into operation which are planned.

14 That alone is more than 15% of the total world re-
15 quirements of all petroleum products.

16 As you know today the fuel used by the military of
17 not only this Nation but most of the NATO Nations as well is
18 the JP-4 type. That is the low pressure vapor type fuel.

19 However, as aircraft engines and aircraft themselves
20 go into the supersonic stage we are going to have to have a
21 heavier fuel and one which has very firm and stable thermal
22 characteristics.

23 As I say we are calling it for want of a better term,
24 JP-5 type fuel.

25 The Navy is now using JP-5 fuel and is planning to

1 use that fuel for all carrier operations.

2 The reason is that it can be stored in unprotected
3 tanks around the skin of the carriers, and it can also can
4 be mixed with gasoline to produce a JP-4 type of fuel.

5 The need for high temperature stability is one which
6 has us worried. There is extensive research work going on
7 in industry and in the Military laboratories to develop a
8 standard laboratory method for testing the stability of this
9 JP-5 type of fuel.

10 Based on the progress we have made to date, there is
11 considerable concern as to whether the refining industry
12 would have sufficient and appropriate processing capacity to
13 process and produce under war time conditions the required
14 volume of this type of fuel which would meet the high tempera-
15 ture stability characteristics which are needed

16 Another important question is the type of jet fuel
17 which would be selected for civilian aircraft in the future.
18 Currently available refining facilities have considerably
19 more JP-4 fuel or gasoline or kerosene of the low vapor pres-
20 sure type.

21 The requirements of the Military are designed as a
22 compromise between the performance characteristics and the
23 war time availability of such enormous quantities.

24 The specific limit for jet fuel for civilian con-
25 sumption and peace time are generally or will probably

1 develop as a compromise between price, performance in the
2 engine and safety characteristics.

3 During the last was essentially all of the avia-
4 tion gasoline which was produced met specific limits due to
5 the logistics which were involved. In any future emergency
6 certainly standardization of military specifications will
7 have to be accomplished for jet fuels.

8 Since the commercial jet fuel characteristics are
9 just coming into being right now, it would seem to us prudent
10 to provide that such standardization should be written in
11 now in relation to the extent that commercial jet aircraft be
12 designed to operate on military fuel if the need arises.
13 Obviously, however, there is still a fire hazard.

14 We have estimated that the peace time Distillates
15 won't increase in the period of time we are talking about
16 and will not rise to more than 400,000 barrels per day under
17 war time conditions.

18 This compares to a current United States Distillate
19 demand of two million barrels per day because buses, trucks,
20 trailers and space heaters will provide an increasing volume
21 of outlets between now and 1965 and the total Distillate de-
22 mand could be increased if the gas-turbin engines for auto-
23 mobiles come into the market.

24 In order to assure increased production it seems
25 to us that new training methods and the expanded use of

1 additives will be necessary during this period.

2 Hydrogen of course can be used and hydrogen distil-
3 lation is improving. It seems to us particularly to prove
4 that the refining industry should continue to build this type
5 of capacity in view of what we foresee and we are actually
6 acutely aware of the potential shortages of Distillates in
7 an emergency time. Military people realize that fuel per-
8 formance demanded by military engine design must be evaluated
9 in terms of fuel availability under emergency conditions,
10 taking into consideration of course competing demands for
11 other military fuels as well as the fuels for essential
12 civilian use.

13 For this reason the JP-4 type of fuel was substituted
14 for the kerosene type of fuel for jet aircraft.

15 The Navy, as I have said, has recognized that the
16 heavier type of fuel is the best for its purposes but it too
17 is only used aboard aircraft carriers where it is essential.

18 The Army realizes the many advantages in dieselizing
19 all of its mobile equipment but due to the expected shortages
20 of Distillates it has limited its use to particular types of
21 equipment as of the present period.

22 The Army policy is directed to limit the use of
23 Distillate fuel in Army equipment, but reviewing the efforts
24 which are being made to convert as much as possible to gaso-
25 line.

1 In conclusion I would like to say that the new
2 problems which we foresee in the Military and which the
3 petroleum industry are facing are in all probability similar
4 to those which industry has faced with conspicuous success
5 in the past.

6 I am very certain that by working together as you
7 have in the past the Military and the Petroleum industry will
8 be able to surmount any of these problems no matter how dif-
9 ficult or how formidable they turn out to be.

10 It is with real regret that I leave this job. It
11 has been a fascinating job. It has been a very high honor.
12 It seems to me that progress continually being made and had
13 been made during my tour of duty between the Military and
14 industry toward a better understanding of these problems.

15 I am sure that my successor will see to it that this
16 cooperation continues as it has. I certainly enjoyed the
17 contacts that I have had with individual members of the
18 Council and with the marvelous workings of the Council itself
19 and I hope that we can continue to see each other in the
20 future. Thank you, gentlemen. (Applause) *stop*

21 MR. MAJEWSKI: Mr. Chairman

22 CHAIRMAN-ELECT HALLANAN: Mr. Majewski.

23 MR. MAJEWSKI: Someone suggested that I did not
24 complete that resolution, but I had already cleared it with
25 Mr. Brown.

1 report on the truant officer that Colonel Gilliam is on
2 maternity leave. He has just become the proud father of a
3 very beautiful daughter and the father and daughter are doing
4 very well, as is the mother.

5 Also, Mr. Chairman, with this group you get quite
6 accustomed to tossing bouquets at times I would like to change
7 the tenor for a few seconds and toss out a couple of bou-
8 quets that I think should be tossed.

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1 Quite often we look at perspectives, we think, but
2 we lose the perspective because of being engrossed in special
3 situations and just lose track of what we are doing for the
4 moment.

5 We became interested in just who we were doing busi-
6 ness with in the petroleum industry, and we had a survey made,
7 and this is all a matter of public information. I am just re-
8 peating what quite a few of you must already know.

9 For the full year period ending last June 30th, from
10 those domestic companies furnishing petroleum products in bulk
11 quantities from continental sources, for a total of 125,000,000
12 barrels, the Richfield Corporation furnished 8,700,000 barrels,
13 or 7% of our total requirement.

14 Similarly, for the last six months, the last six
15 calendar months of 1955, for a total requirement of some
16 63,000,000 barrels, the Cities Service Oil Company furnished
17 6,000,000 barrels, or a total of 9.6% of our requirement.

18 After I compiled that information we asked ourselves
19 a question; so what? Well, our answer to that is the most
20 sincere appreciation of the military for that type of support.
21 It is conclusive evidence to us that military requirements
22 play a very important part in the supply program of the major
23 companies in this industry.

24 Now, in making that statement I do not wish to de-
25 tract at all from the contributions in support of the military

1 program that are made by all companies. We have had tremen-
2 dous support, and in many instances quite possibly those per-
3 centages might not reflect the true situation because other
4 companies may have extended themselves far beyond that.

5 Nevertheless, I would like to say "Well done" to
6 those two companies and extend our sincere appreciation. In-
7 cidentally, I do not own stock in either one, although I wish
8 I did. And also incidentally, as Charlie Halleck said last
9 night, I do not have a Cadillac but I do think that the com-
10 panies may take justifiable pride in their position in the
11 industry.

12 Another item of interest to us, Mr. Chairman, mem-
13 bers of the Council, was a quotation in the trade press by a
14 senior official of the Shell Oil Company in which he was
15 quoted as saying that Government business does not enter into
16 their basic pricing policy. Now, that was not elaborated up-
17 on. I hope that it is in the right direction. I am quite
18 sure that it is. We were delighted to see that statement of
19 policy because first we are going out for quantity. We will
20 talk quantity first. But always, after talking quantity, we
21 will talk price, and I think that with our and your taxpayer's
22 hats on you would want us to do just that thing, and I under-
23 stand that some of the taxpayer's hats are pretty large.

24 But the more products that we can get under a limi-
25 ted budget the more hours flown by our planes, the more hours

1 steamed by our ships and the greater amount of training for
2 our tanks.

3 I would like to depart a bit in this part of the pre-
4 sentation from an overall picture to a brushfire situation
5 because I want to focus particular attention to this. This is
6 a localized situation, but inasmuch as it does have a material
7 bearing on national defense I think it is of direct interest
8 to this Council.

9 I have reference to the west coast residual picture
10 and the degree of coverage that we have obtained to date in
11 getting our requirement. I am not up here pounding a desk
12 or making any demands or anything of that sort. We have cer-
13 tain military requirements and we are appealing for the assist-
14 ance of this great industry in meeting a rather critical situa-
15 tion that faces us at this time.

16 We have always had your support and we have never
17 once gone without fuel oil. In approaching this situation we
18 are using a very moderate approach of cooperation between the
19 military and the industry. We have kept it on the level of
20 the west coast companies, in particular.

21 The situation generally developed back in 1954 when
22 the inventory, work levels of inventories increased to a
23 rather high and uneconomical level of some 30,000,000 barrels.

24 At this time, and I am speaking now particularly on
25 the basis of information and advice that I have been receiving

1 from the industry representatives, individual companies took
2 their own action, and rightly so in a free, competitive
3 economy, to reduce their position to where it was an economical
4 type of operation to where it ranges somewhere between
5 18,000,000 to 20,000,000 barrels on the west coast in the
6 residual area. Measures were taken to bring the inventories
7 down. We were interested in what measures were taken.

8 One of the measures that was taken was to increase
9 the exports. If these charts were superimposed on the other,
10 you would find that the low point of exports to Pacific and
11 Atlantic destinations came at the same time that this inven-
12 tory level was rising at a rather steep rate.

13 This part of the chart down here represents exports
14 to the Atlantic areas. This major portion of it represents
15 exports to Pacific destinations.

16 So the result of independent actions by the compan-
17 ies produced a cumulative effect on the industry that brought
18 the inventory down on a steep slide, down to where I believe
19 they are about 12,000,000 today. Before check measures could
20 be put into effect to stop that slide, requirements were ex-
21 ceedingly difficult to obtain from the west coast.

22 We noted that position, and last May when we went
23 out for our requirement for the last six months of 1955 we
24 were over 100%, we were subscribed over 100% in addition to
25 our requirement. We took up full requirements, but of course

1 we had to turn back to industry that which was oversubscribed.
2 It was on a competitive formula advertised basis. We cannot
3 quarrel with industry disposing of that stock, not sitting and
4 holding it until we came around and wished to pick it up.

5 So with this indication before us of the inventory
6 going down, anticipating difficulty in obtaining full coverage
7 for this period, we shifted under the provisions of law from
8 competitive bidding to negotiation, and a justification of
9 this which was made in advance of our tenders to industry was
10 that we did not consider that the product was in sufficient
11 supply to provide full coverage. We would love to have been
12 mistaken and proven wrong and stood the criticism of having
13 made a bad guess.

14 But when we went out to industry on our first re-
15 quirement of 4,400,000 barrels of Navy specification, we re-
16 ceived tenders of 1,400,000 barrels. That is essentially 25%
17 coverage for our current six months, the six months that we
18 are in now.

19 One of the other factors that were of interest to us
20 was what is the yield, what is the percentage yield coming for
21 residual from the west coast? First, the post-war year of
22 1946 ran about 42%. That has been gradually decreasing to
23 where it is now about 33% on your west coast. Additional
24 measures taken by the west coast industry will further decrease
25 this yield in a year or two to come.

1 We are not particularly interested in what the yield
2 means. We are more interested in what quantity is available
3 because we cannot fill our tanks up with percentages. We
4 need volumes of oil to put in our tanks.

5 After the first round of negotiations we took another
6 course of action, which was to address a personal letter
7 to the president of each one of the companies capable of supplying
8 residual fuel oil to the military.

9 We also made known the degree of coverages at
10 industry-military conferences that were held here in
11 Washington. As a result of that we increased our coverage to
12 1,900,000 barrels out of a 4,400,000 barrel requirement and
13 decided that if we could speed up deliveries, even though that
14 was only 50% of our requirements, we would not further badger
15 an already beleaguered industry at the moment, that we would
16 wait until some of these measures that had been put into effect
17 would have an opportunity to come up to the surface and
18 there would be more optimism in the availability of the product.
19

20 However, less than 50% of our coverage spread over
21 a six month period would not bring us through the first three
22 months. We thought we would wait until spring before we would
23 go back to industry.

24 This chart shows generally how our requirements have
25 been running with respect to the availability of product.

1 Here again there is a very close correlation between
2 the general industry position with respect to their inventory
3 and our requirements. If this chart here were superimposed
4 you would follow very closely. Those fluctuations here were
5 the way the chart is drawn and comes about by availability of
6 liftings scheduled and availability of product. Right now we
7 are running something around 10% of the residual requirements
8 from the west coast.

9 Not having obtained our full coverage, having less
10 than 50% for the first six months, we came face to face with
11 this situation; that we were caught in a position down here on
12 this chart at an extremely low inventory level of industry.
13 We had almost exhausted possibilities of getting additional
14 product.

15 As a result we had to overhaul the whole situation
16 and see where we stood. This is what we were brought face to
17 face with two weeks ago. San Pedro is the supply point for
18 San Diego, Seattle, Alaska and Pearl Harbor. On the first of
19 the year we start with 440,000 barrels of product at San Pedro.
20 We have a capacity for 1,000,000 barrels.

21 Our intake in January was 400,000, roughly. We had
22 700,000 committed, which left us with an inventory of
23 190,000. Projecting it forward for the month of February, we
24 had 500,000 scheduled in and 750,000 going out, which you can
25 see placed us in a negative position. And we, like anyone

1 else have some sludge down in the bottom of the tanks, and that
2 includes all of the sludge.

3 So at that time it was decided to make a personal ap-
4 peal to the petroleum industry, still keeping it on an indi-
5 vidual company basis, still keeping it on the moderate type
6 of approach. A visit was made to the west coast. I am de-
7 lighted to say that the reception and the cooperation that we
8 received on the west coast has pulled us out of this position.
9 Otherwise we would have had to take some other action that
10 what we did. +han

11 Two Persian Gulf cargoes were being moved into Pearl
12 Harbor. That is not always an economical move, considering
13 the cost of product and the cost of transportation. However,
14 under these circumstances we fortunately picked up two MSTs
15 vessels that were returning from the Persian Gulf to the west
16 coast for overhaul and they would have come back in ballast.
17 So it is a free ride, although it is not actually out-of-
18 pocket dollars, It is dollars saved.

19 We also substituted in our shipments to Pearl Harbor
20 some No. 6 instead of Navy Special. We can only use the Navy
21 Special in our combatant vessels and we do have some power
22 plant requirements for No. 6 where we are in a better position
23 with respect to our inventories of Navy Special.

24 As a result of our visit to the west coast we im-
25 proved our integrity on firm coverages from 1,900,000 to

1 3,000,000. In other words, we picked up 1,100,000 barrels of
2 Navy Special, plus 200,000 barrels of Bunker C. I think on
3 the west coast it is quite possible that is called No. 6. But
4 it is just that black oil that we like to buy.

5 After returning we further analyzed our position.
6 This is where we stand now with respect to our coverage: our
7 requirement is 4,400,00 of Navy Special and we have an indica-
8 ted coverage of 3,000,000 barrels, or a deficit of 1,400,000.

9 Out of our requirement for Bunker C of 2,500,000
10 barrels, we have 1,500,000 coverage, for a deficit of 1,000,000
11 barrels, for a total of 2,400,000 barrels total deficit in the
12 residual area.

13 I must admit that we are fudging a little bit on
14 this figure.

15 As I came in this morning, one of the members said,
16 "Every time you show up there is a shortage of product." and
17 seeing Mr. Rathbone here today reminds me that a few years
18 back I was on a similar mission and I went into his office on
19 my hands and knees to pick up some product, putting marketing
20 procedure in reverse. You may not remember this, Mr. Rathbone,
21 but I do very vividly. He asked me, "Why did you come to me
22 first?" I said, "Well, I thought that I had the best possi-
23 bility of getting started off with something when I made the
24 rounds further on." So he said, "Well, all right I will send
25 you off with something in your pocket." and I went away, and


1 it was a considerable assistance.

2 Now, in this chart here I am liable to get in ser-
3 rious trouble with a very good friend of mine because Mr. Ted
4 Peterson was extremely helpful and cooperative on this mission
5 to the west coast and in conference with Mr. Peterson and of-
6 ficials of his company it was indicated that Standard Oil of
7 California was going to give us an additional one-half mil-
8 lion barrels, and we haven't received it as yet, but I have
9 already dealt him in with those 3,000,000, and I am quite sure
10 I am not violating any confidence in saying that we have that
11 rather firm.

12 Gentlemen, that is our situation now, and I have
13 often been told that you should always leave them smiling in
14 any presentation. But this is a very, very serious situation
15 to us right now.

16 Last evening when we heard our very distinguished
17 speakers discussing the gas bill, Federal regulation and so
18 on, the thought came to me that those laws do not do us too
19 much good for too long a period if we don't have our ships
20 steaming, or if they are swinging around a hook or if our
21 proper training is held up.

22 I do ask very, very earnestly and very sincerely
23 the cooperation of all those companies that are able to bend
24 a little more on the cars and give us full coverage for this
25 six months. Thank you very much, Mr. Chairman and gentlemen.



1 CHAIRMAN-ELECT HALLANAN: Thank you very much,
2 Captain for that interesting presentation. Are there any
3 questions, gentlemen, that you would like to direct to the
4 Captain in connection with his problem?

5 DR. WILSON: I would like to ask the Captain if he
6 feels that the Navy is exercising quite the usual prepared-
7 ness when, at the expiration of a contract period and a known
8 period that in that period they have an eighteen days' sup-
9 ply of residual fuel, as the San Pedro figures would indicate?

10 CAPTAIN DRESHER: Yes, sir, I think I can answer
11 that. Possibly not satisfactorily. But last fall we anti-
12 cipated that we might encounter this, and at that time we did
13 go out to industry. That was, I believe, in September. We
14 went out with a non-specified quantity on the basis that things
15 were going to be tough and we had better get whatever we could
16 in anticipation of our requirements.

17 And there again the response was a bit on the meager
18 side. We did get about 500,000 barrels at that time, but that
19 still left us with this position.

20 I might clarify this a bit more in stating that on
21 the west coast we don't hold essentially our mobilization re-
22 serves there because our tankage is limited. True, all of the
23 products that are in our tanks on the west coast add up to our
24 mobilization reserve world wide, and on a world wide basis
25 we are short just about our deficit on the west coast, so we

1 cannot use the west coast as a storage bank for our mobiliza-
2 tion reserve. I don't know whether I have satisfied you in
3 that answer.

4 DR. WILSON: I am amazed to see a place like San
5 Pedro with the end of a period with only an eighteen days'
6 supply. With the possibility of bombs dropping, it seems to
7 me that the Navy ought to have more in reserve than that.

8 CAPTAIN DRESHER: We must plead guilty to using
9 industry itself as part of our tankage because we do have tre-
10 mendous tankage in other areas. But where we are located with
11 direct access to pipelines and refineries we consider that as
12 immediately available, as set apart from areas where we have
13 to use transportation to get the oil. We do protect ourselves
14 more at a distance from the refineries than we do directly
15 adjacent to the refinery. *htp*

16 CHAIRMAN-ELECT HALLANAN: Gentlemen, I was very
17 pleased a few minutes ago to look across to my right and find
18 that we have an old friend with us, and I know you are as
19 delighted to greet him as I am. Admiral Burtom Biggs will you
20 stand up and take a bow?

21 ADMIRAL BURTOM BIGGS: I am very glad to be here,
22 gentlemen. You know the bad penny always shows up eventually.

23 I have been out in the Pacific for four years and I
24 just came back to see if this outfit looks about the same. I
25 don't see much difference.

1 CHAIRMAN-ELECT HALLANAN: Glad to have you here.
2 Mr. Brown, do you wish to present the report of the Committee
3 on Petroleum Storage?

4 SECRETARY-TREASURER BROWN: Mr. ^{Wms}Barnes, the chair-
5 man of the Committee on Underground Storage is unable to be
6 here, but he has reported to me that the Committee is working
7 on its assignment.

8 He has selected some technical man to undertake that
9 phase of the study and their work is in progress, and that is
10 all of the report at this time.

11 CHAIRMAN-ELECT HALLANAN: That is merely a progress
12 report?

13 SECRETARY-TREASURER BROWN: Yes, sir.

14 CHAIRMAN-ELECT HALLANAN: I am now anxious to have a
15 few words from the Director of the Oil and Gas Division for
16 any length of time he wishes to cover as far as that is con-
17 cerned. Mr. Hugh Stewart, Director of the Oil and Gas
18 Division.

19 *Stewart* REMARKS BY MR. HUGH STEWART, DIRECTOR,
20 OIL AND GAS DIVISION

21 Mr. Chairman, Mr. Secretary and members of the
22 Council, I have listened to a lot of discussions this morning,
23 some of them highly commendatory.

24 I joint the Secretary in feeling that Chairman
25 Hallanan said about all that anyone could say about this
Council and the service that the Council renders to this

Government.

1
2 Chairman Jacobsen of the Agenda Committee appeared
3 to complain this morning because I had not dreamt up some new
4 request to impose upon the Council. I don't know whether he
5 was complaining to me or just kidding me for my lack of in-
6 genuity, whatever it is.

7 We don't pretend to try to burden the Council with
8 requests for which we don't have a real need, and in making
9 the requests that we do make we get a response that is beyond
10 anything that anybody can hope to get.

11 I have listened to the briefing of the Tank Truck
12 Census Committee this morning from Mr. Niness. That gives us
13 a bench mark, and I think a very accurate bench mark on which
14 to estimate the tank truck carrying capacity we have available
15 in this country, a bench mark which for the next two or three
16 or four years -- and normal additions can be made -- but one
17 which in the event of a bomb attack we would be able to go
18 into the movement of oil, whether it is by pipeline, tank
19 truck or anything but rails. We have a tank truck capacity and
20 know what it is and where, largely, it is located. That
21 survey alone has a tremendous value in all of our defense
22 planning.

23 You have another study on which Mr. Vandever re-
24 ported, and I have followed that one particularly, this man-
25 power study. I think for the first time, when that report is

1 finished we will have another very important bench mark and
2 one which, through established sources, can be kept current.

3 General White commented on the importance of man-
4 power. We find the farther we go into our military planning
5 studies for petroleum and gas, the farther we go the more we
6 are impressed with the manpower problem.

7 We have another one which we are trying to work out
8 with the Military Petroleum Advisory Board, and that is the
9 materials problem, but this study which the Council is making
10 will furnish the Government as a whole -- it will furnish our
11 office and the Military Petroleum Advisory Board with a sound
12 basis for the refined forecasts and estimates which they will
13 have to make.

14 We are just getting started in our program for this
15 year. In our staff we have one more man and I think I have
16 Mr. Walter Keefe -- if he is here -- I would like to have him
17 rise and introduce himself. Walter Keefe was the PAD in
18 foreign production. He spent a career in the service of the
19 Gulf Mene Grande Oil Company and is a production man, a
20 petroleum engineer of recognized quality. I was able to coax
21 him to come in and join us and help us carry the foreign
22 petroleum load in the Office of Oil and Gas.

23 Mr. Hallanan, I have said all I can say about the
24 need, the importance as I see it, for this Government-industry
25 liaison. It is not a one-way street. It is a two-way street.

1 We give to you and you give to us and together I think we will
 2 make up a team which even in peace time is indispensable.
 3 Then as a safeguard in the event of war it would be absolutely
 4 essential, as essential as any of our armed forces.

5 With that I want to express my own appreciation to
 6 the Council for selecting you for the Chairman for another
 7 year. I found you easy to get along with, easy to get work
 8 out of, and I certainly am glad to know that you are willing
 9 to assume that responsibility. Thank you. *stop*

10 CHAIRMAN-ELECT HALLANAN: Gentlemen, we will now
 11 move on to another item.

12 BUDGET

13 CHAIRMAN-ELECT HALLANAN: At our first meeting, under
 14 our articles of organization it is stipulated that we should
 15 fix the budget for the ensuing year.

16 The Chair would recommend that the budget be fixed
 17 at the same amount as last year, of \$85,000.

18 MR. JONES: I so move.

19 MR. RUSSELL B. BROWN: I second the motion.

20 CHAIRMAN-ELECT HALLANAN: All those in favor of the
 21 motion, signify by saying "Aye"; those opposed by saying "No".

22 The "Ay's" have it and the motion is carried.

23 *start*
 24 MR. MAJEWSKI: If there was a Government Chairman
 25 appointed, how would he go about getting the money to run this
 Council? By assessment of the members of it? That has always

1 been a mystery to me. I do not say it facetiously. It is just
2 one of the things that comes to my immature mind occasionally
3 that I want to propound to someone to develop.

4 CHAIRMAN-ELECT HALLANAN: To me it is a moot question.

5 MR. MAJEWSKI: I urger earlier that the Council and
6 its representatives, the officers and selected representatives
7 represent our Council. I don't mean to say that we should go
8 to Mr. Celler to try to make evident that we are trying to per-
9 petuate ourselves. What I was trying to say with my poverty
10 of English was that the Secretary of the Interior and the
11 Secretary who is present with us today, Mr. Felix Wormser,
12 that they, if they think this is a valuable asset, that they go
13 to the proper people, even to Mr. Celler, and say we want these
14 fellows here. T'aint that we want to be here, and if you want
15 to make a case we will be glad to have a representative group.
16 It is not only Mr. Celler.

17 I am disturbed with the Department of Justice who has
18 had access to these records who says "Look, I think that is a
19 little suspicion."

20 I might add that we went to Madison with a Government
21 Chairman running the thing with the industry representative and
22 we all got our butts in the sling because the Chairman wouldn't
23 stand up to tell the facts, wouldn't tell them all, wouldn't
24 tell the jury the facts. The present group is always excepted.

25 MR. HAMON: Would the gentlemen yield for a question?

1 Are you for or against the investigation?

2 MR. MAJEWSKI: That is one thing I have never been
3 accused of, of being mysterious.

4 I want to make clear that I have another charge for
5 Secretary Wormser and I would say to Mr. Brownell, if I was
6 him, I would say "Herbert," -- is that is name? I would say
7 "Herb, look, what is the idea of putting the pitch on these
8 fellows? We want them here. Why do you want to chase them
9 out." Make the appeal on what the facts and the records are.

10 We don't want to perpetuate ourselves. If the
11 Government doesn't want us, we have important things to do.
12 We don't like to come to see Mr. Celler. I will be a witness
13 if the Secretary wants. I will make a damn good one. Don't
14 let anything show on this record that we made a motion to per-
15 petuate ourselves.

16 Unless we are wanted, the hell with it. Does that
17 answer your question, Jake?

18 MR. HAMON: I am still confused.

19 MR. MAJEWSKI: You will be as long as you come to
20 Washington. *stop*

21 CHAIRMAN-ELECT HALLANAN: I would like to request
22 Mr. Sam Niness to wait to meet the press, and I would like to
23 request Mr. Hines Baker, Mr. W. Alton Jones, Mr. J. Howard
24 Marshall and Major Parten to meet with me in the Council of-
25 fice at 3:30 this afternoon, if that is convenient for them.

NEW BUSINESS

1
2 CHAIRMAN-ELECT HALLANAN: We now pass to the item
3 of new business. Is there any new business?

ADJOURNMENT

4
5 CHAIRMAN-ELECT HALLANAN: If there is nothing fur-
6 ther to come before us, a motion to adjourn is in order.

7 MR. MAJEWSKI: I so move.

8 CHAIRMAN-ELECT HALLANAN: It has been so moved.

9 All in favor, signify by saying "Aye".

10 Those opposed by saying "No".

11 The "Aye's" have it. It is so ordered and we now
12 stand adjourned.

13 (Whereupon at 12:00 o'clock, noon, the meeting was
14 adjourned.)