

**THE  
NATIONAL PETROLEUM COUNCIL**

**A UNIQUE EXPERIENCE**

**IN**

**GOVERNMENT - INDUSTRY COOPERATION**

**The First Seven Years**

**1946 - 1953**

**—1961—**

A STORY  
of  
INDUSTRY-GOVERNMENT COOPERATION

\* \* \*

between

THE OIL AND GAS INDUSTRY  
and the  
UNITED STATES DEPARTMENT OF THE INTERIOR

\* \* \*

THE  
NATIONAL PETROLEUM COUNCIL

June, 1946 to January, 1953

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1961



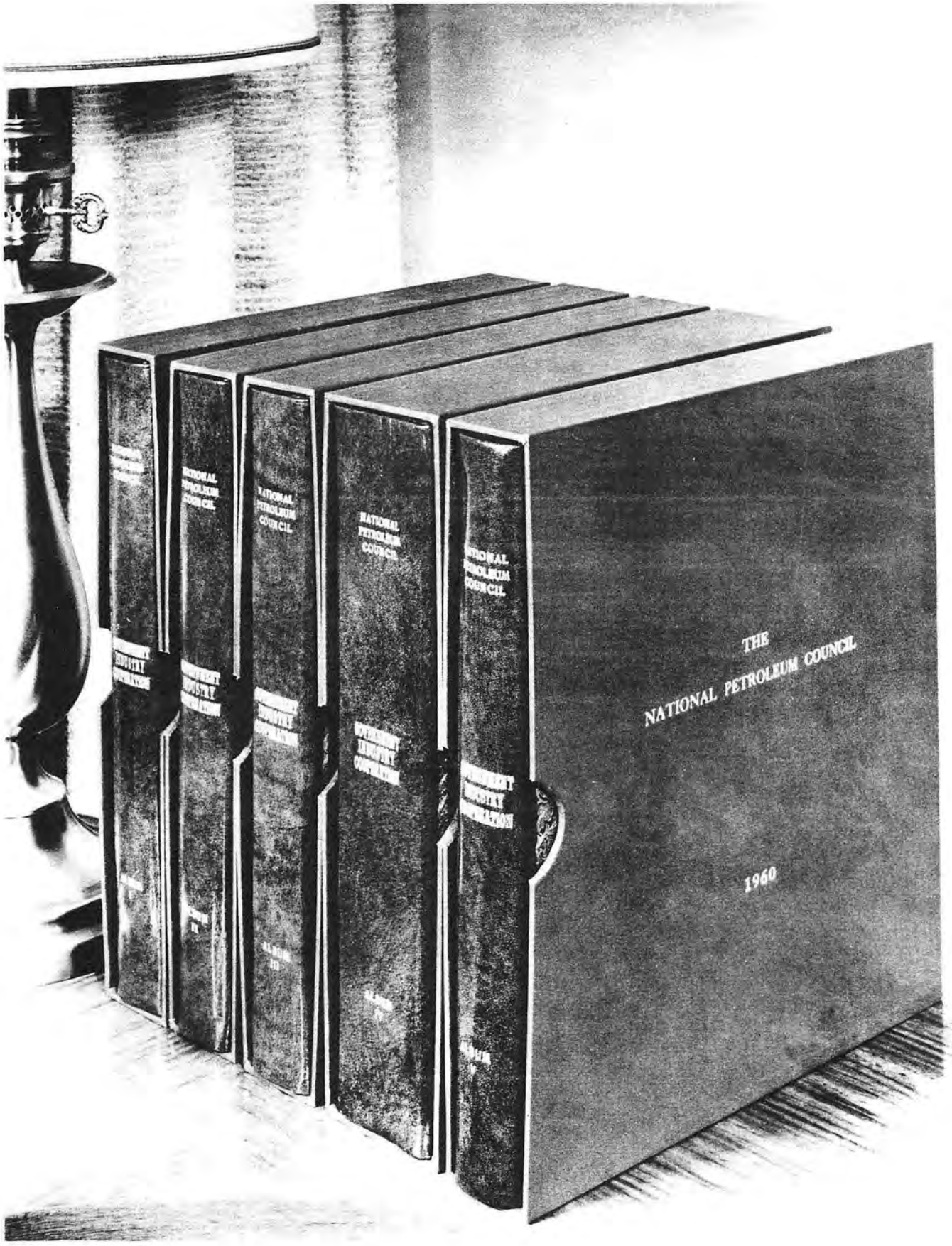
## A WORD TO THE READER

This booklet contains the complete text and an abridged summary of the supplementary material contained in an original Album of 5 Volumes, presented by the National Petroleum Council on September 26, 1961, to the Hon. Oscar L. Chapman, former Secretary of the Interior. The original 5-Volume work contains the pertinent facts regarding the establishment and activities of the Council during the period from June, 1946 to January, 1953, in which Mr. Chapman served as Under Secretary, and later as Secretary of the Interior, and also as Petroleum Administrator for Defense.

In 1959 Oscar Chapman informed Mr. Walter S. Hallanan, Chairman of the Council, of his intention to place his private papers, relating to his period of service with the Government, in the Harry S. Truman Library.

Mr. Chapman expressed the view that the cooperation between the oil and gas industry through the National Petroleum Council, and the Federal Government, through the Department of the Interior, was an outstanding contribution towards good government in this country, and that this story should be available to students and others interested in efficient government. He wished to place in the Library, a record of this cooperative industry-government effort during his administration, together with an original photograph of each member of the National Petroleum Council who served on the Council during the time he was Secretary of the Interior. To enable Mr. Chapman to place such a historical record of the Council in the Truman Library, 5 Volumes, covering the first seven years of the Council's existence, were prepared during 1960 and presented to him this year, 1961.

It is hoped this booklet will be of interest to the readers as a brief account of how and why the National Petroleum Council was established, and as a review of the successful and effective cooperation between the petroleum industry and the Federal Government in the interest of the national welfare and defense.



THE  
NATIONAL PETROLEUM COUNCIL

1960

NATIONAL PETROLEUM COUNCIL  
PETROLEUM INDUSTRY COOPERATION  
PART I

NATIONAL PETROLEUM COUNCIL  
PETROLEUM INDUSTRY COOPERATION  
PART II

NATIONAL PETROLEUM COUNCIL  
PETROLEUM INDUSTRY COOPERATION  
PART III

NATIONAL PETROLEUM COUNCIL  
PETROLEUM INDUSTRY COOPERATION  
PART IV

NATIONAL PETROLEUM COUNCIL  
PETROLEUM INDUSTRY COOPERATION  
PART V



# NATIONAL PETROLEUM COUNCIL

*(Established by the Secretary of the Interior)*

1625 K STREET, N. W.

WASHINGTON 6, D. C.

C  
O  
P  
Y

Walter S. Hallanan  
*Chairman*

R. G. Follis  
*Vice-Chairman*

James V. Brown  
*Secretary-Treasurer*

September 26, 1961

Dear Mr. Chapman:

On behalf of the members of the National Petroleum Council, I am pleased to present to you this album of five volumes, containing the pertinent facts regarding the establishment and activities of the Council during the period from June 1946 to January, 1953, in which you served as Under Secretary and later as Secretary of the Interior and also as Petroleum Administrator for Defense. These albums also contain photographs of the individuals whom you appointed to membership on the Council when you were Secretary of the Interior.

I should like to take this opportunity to express to you our appreciation for your steadfast devotion to and support of the Council and particularly for the remarkable courage you exhibited in maintaining the Council's autonomy and integrity.

We dedicate these volumes to you, to your associates in the government and the individuals of the oil and gas industry who functioned so effectively as a team in meeting the nation's oil and gas requirements in the petroleum defense program following the close of World War II and the subsequent Korean conflict.

With best wishes on behalf of all of the members of the National Petroleum Council and kindest personal regards, I am.

Sincerely,



Walter S. Hallanan  
Chairman  
National Petroleum Council

Hon. Oscar L. Chapman  
Attorney-at-Law  
Pennsylvania Building  
Washington, D. C.





THE NATIONAL PETROLEUM COUNCIL

A UNIQUE EXPERIENCE

IN

GOVERNMENT - INDUSTRY COOPERATION

The First Seven Years

1946 - 1953

**NATIONAL PETROLEUM COUNCIL**

**OFFICERS**

**CHAIRMAN 1946 - 1961**

**Walter S. Hallanan, Chairman of the Board  
Plymouth Oil Company**

**VICE CHAIRMAN 1949 - 1961**

**R. G. Follis, Chairman of the Board  
Standard Oil Company of California**

**SECRETARY-TREASURER 1947 - 1961**

**James V. Brown, Secretary-Treasurer  
National Petroleum Council**

**PAST VICE CHAIRMAN 1947 - 1948**

**N.C. McGowen, Chairman of the Board  
United Gas Corporation**

**PAST SECRETARY-TREASURER - 1946**

**Russell B. Brown - Former General Council  
Independent Petroleum Association  
of America**

**NATIONAL PETROLEUM COUNCIL HEADQUARTERS**

**601 Commonwealth Building  
1625 K Street, N. W. Washington, D.C.**



## ACKNOWLEDGEMENTS

The five albums comprising "The National Petroleum Council - A Unique Experience in Government - Industry Cooperation" were prepared under the auspices of the officers and the members of the 1959 - 1960 National Petroleum Council. The historical text was written by James V. Brown, Secretary-Treasurer of the Council and Vincent M. Brown, Staff Attorney. Credit for editing contents of these albums is given to Mr. Sam T. Mallison, Plymouth Oil Company and Mr. Vincent M. Brown. Photographs of Council members were reproduced and finished by Miller of Washington, D. C. Calligraphy was done by Mrs. Lawrence E. Imhoff. Research, composition and printing by executive type was accomplished by the able assistance of Mrs. Joann H. Bearinger, Miss Emily J. Miller and Miss Carol Reed of the Council's staff in Washington, D. C., and Mrs. Borland Bardell of San Francisco. The Appendices and non-photographic illustrations were printed by the Graphic Arts Press, Inc.

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## FOREWORD

### THE NATIONAL PETROLEUM COUNCIL

In two world wars, it has been decisively demonstrated that oil is the keystone of national defense -- the bulwark of any nation against aggression. Despite the suddenness with which America was precipitated into the Second World War, there was time for the government and the oil industry to establish a vital emergency partnership in coordinating all military and essential civilian requirements of petroleum and its products.

The job that was done through this cooperative undertaking assured and hastened victory for America and its allies. It was an achievement that has been indelibly written into the pages of history.

In any atomic war of the future, time will be as precious as men and material. Let us bear in mind that we can then buy time only at the frightful price of devastation and defeat.

Our military strategists and civilian leaders are fully aware that in the matter of petroleum supply, our national existence will depend upon push-button status for the oil industry.

It was recognized that this could be accomplished only through government-industry cooperation in setting up an agency that would not only meet all government requests for vital information but which could be converted into a war emergency basis overnight.

In the light of the saber-rattling of aggressors with dreams of world conquest, there was a tremendously important job to be done.

The President of the United States called the oil industry into this patriotic service.

Through the National Petroleum Council, the industry has done the job. It is continuing to do it.

As one who has been honored with the chairmanship of this body from the day of its organization, let me say that the National Petroleum Council was conceived in duty, born of patriotic purpose, and has been carried on under high scruple, integrity and dignity.

The oil industry has cooperated with government because it is the right thing to do. There was a job to be done. The industry was asked by the government to do it. It has done the job. It is as simple as that.

The Council is the child of an illustrious parent. It came out of the pattern and mold of the Petroleum Industry War Council, which is universally conceded to have been the industry group that share with government the most successful and productive government-industry partnership of the Second World War.

The Council, therefore, did not start without guide posts to fix its course. The basic principle of government-industry cooperation in matters vital to the public interest had already been established. It was merely the application of the same principle in the solution of the problems of the post-war era of uneasy peace and national defense.

The suggestion that an agency be established through which government and the oil industry might cooperate in promoting national security was made soon after the termination of the Second World War. It came from no less a person than the President of the United States, the Honorable Harry S. Truman. The industry's response to this call from the White House was immediate, wholehearted and virtually unanimous.

Members of the Council are not selected to represent their companies or the particular segment of the industry with which they may be identified. They are chosen because their ability and experience qualified them to be of service to the government. They are chosen from every segment of the industry in order to broaden the Council's thought and to increase the horizon of its service.

Every segment of the industry, large and small, has a voice and vote in the Council's deliberations. The vote of a member, who may be president of the largest integrated unit in the industry, counts no more than that of the smallest individual producer.

From the experience of two world wars, especially the last one, and from the estimates of military experts as to the petroleum demands of any future war, it was recognized by government, and indeed by the general public, that oil is the Gibraltar of our national defense and security. It was likewise recognized that the industry necessarily is large, complex, technical, integrated and far-flung. In both its technical and economic aspects, no industry is more important or more complex.

That is why our government wisely sought to avail itself of the knowledge and skill of the industry in seeking a proper and accurate factual basis, upon which solidly to base present or future vital decisions of the government on national problems related to petroleum. The truth is that the government wanted fresh water and it came to the head of the stream to get it.

Let me point out here that in its relationship with the industry, through the Council, the government has been interested only in mobilizing the facts about any given situation. The Council has not been called upon to advise government with respect to its planning. It has not volunteered to do so.

It is conceded, I think, that certain basic information about reserves and availability of petroleum and its many products, and facilities for their production, transportation and distribution was vital in the plans and decisions of both the executive and legislative branches of government, with particular emphasis upon present and projected needs of the armed services.

How was the government to get this information? There were three ways in which this could be done. First, it could find a method of tapping the enormous reservoir of accurate, first-hand knowledge within the industry itself. Second, it could, to the very great peril of national security, rely upon what has been called random hodgepodge of amateur guesses. Third, it could, at great cost to the taxpayers, build a new and inevitably mushrooming bureau of government, which, at best, could do no more than rely upon the industry for the very same data which is now made available through the Council, free of all cost to the government. No government bureau could possibly command the services of the



caliber of men who, through the Council, have served the government in this voluntary cooperative relationship.

The nation should be grateful that the first and only practical method was chosen.

There is nothing mysterious about the manner in which the Council operates. It holds no star chamber sessions. Its doors are always open to representatives of all branches of the government. As a matter of fact, at practically every meeting of the Council, representatives of government in attendance actually outnumber the members of the Council. These include the Secretary of the Interior and staff of assistants, as well as representatives of other executive departments, key personnel of the military services, and members of Congress.

It might be appropriately said that the Council operates in a fish bowl.

The problems examined by the Council in the fourteen years of its existence have fallen into three categories -- Supplies of crude oil and products; Facilities for refining, transporting, and storing crude and products; and, Organization of government and industry for any possible future national emergency.

The record shows that 99 requests for such studies have been made of the Council by the government.

The Council has made 140 interim and final reports to the government. Over the life of the Council, a total of 289 members have worked at one time or another in preparing these reports. More than 1351 top-flight industry technicians,

who are not members, have worked at these tasks. This represents an army of technical talent which the government itself could not have obtained at any cost.

The National Petroleum Council and its organization could be an important secret weapon in any future war. It could be shifted overnight to a war-time basis. Plans for this shift have already been studied and are beyond the blueprint stage. It must be remembered that in any atomic push-button war of the future, there will be no time to organize from the bottom up as we did in the last world war. We recognize the Pearl Harbor of 1941 would be like a child's play compared to the devastation of any sneak attack of today or tomorrow.

As far as it is possible for anyone to be prepared for sudden emergency, the oil industry's house is in order. We are determined to keep it that way.

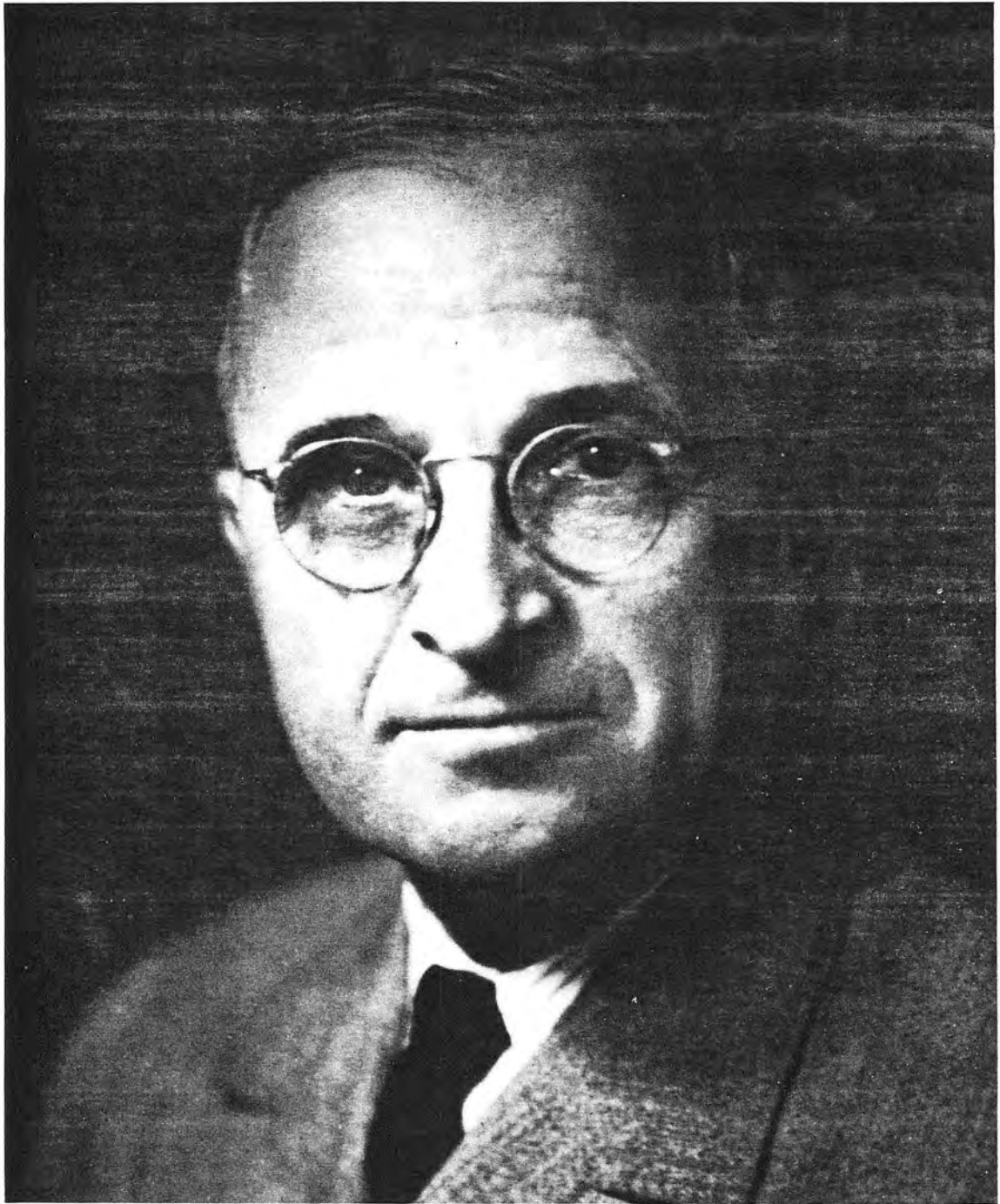
We are living today at a pace that would have been incredible even as late as two decades ago. The ever-increasing tempo of our material and social advance brings new and more complex problems to every door.

We are made more conscious every day that we are all bound up together in this enterprise of maintaining our free way of life. No one segment of the economy can evade or shirk its responsibilities without invoking a penalty upon all.

The oil industry has more than measured up to the unusual demands of this complex age. It has not been satisfied merely to hold the pace. It has moved out ahead to blaze a bright new trail in demonstrating that industry and government can work together in the public interest without surrender by either of one iota of sovereignty.

The record that has been made will stand the most careful scrutiny and critical appraisal. As an industry, we are proud of that record. We submit it before the bar of public opinion, with full confidence that the verdict will come in the approval of the work that has been done. We are equally confident of support of the industry's plan to carry on in this patriotic effort to give its best for the protection of our national defense and public welfare.

By Walter S. Hallanan  
Chairman  
National Petroleum Council



HON. HARRY S. TRUMAN  
President of the United States  
1945-1953

## PREFACE

I have been impressed with the great contribution of government-industry cooperation to the success of the war petroleum program, and feel that the values of such close and harmonious relations between Government and Industry should be continued.

(Harry S. Truman)\*

The record of government-industry cooperation in the World War II petroleum program is the history of a unique experience, dealing with an unprecedented experiment in government-industry cooperation during a period of this country's greatest peril. The experience begun at that time continues up to the present, and its success is recognized throughout the nation.

A portion of that history is set forth within these pages in order to provide a review of some of the factual background leading up to the conclusion by the President of the United States that such close and harmonious relations between the Government and Petroleum Industry should continue in peacetime.

A History of the Petroleum Administration for War (1941 - 1945), published by the Government, records the evolutions and operations of that government agency and describes the industry side of the partnership, moving on to the creation of the national body, the Petroleum Industry War Council. That History relates the manifold activities of the wartime operations of the oil partners - Government and Industry - which were required to supply petroleum products for the machines of war and a tremendously amplified home front economy.

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\*The President of the United States in his letter to the Secretary of the Interior, May 3, 1946.



Recognition of the effectiveness of government-industry cooperation in the war petroleum program, as expressed by President Truman; the Special Committee on Petroleum Investigation of the Committee on Interstate and Foreign Commerce, House of Representatives; the Joint Chiefs of Staff Army-Navy Petroleum Board; the Secretaries of the Interior, Hon. J. A. Krug and the Hon. Oscar L. Chapman, is recounted here in part or documented by quotations in part or in full.

These pages also present for review some of the principal steps taken by the Government, following World War II, in the establishment of an industry organization to consult and advise with the Government as suggested by President Truman, and the subsequent internal organization of the National Petroleum Council as a peacetime industry advisory body for that purpose.

It is not intended in this year of 1960, within these pages, to record fully the history of the National Petroleum Council. The Council is still functioning some fourteen years after its creation. It is hoped that a useful purpose may be served, however, by recording here some of the details of the establishment, organization, activities and operations of the National Petroleum Council in fulfilling its responsibilities as the oil partner of the government-industry team created on June 18, 1946, in response to the recommendation of President Truman. This record covers the period between the time President Truman suggested to the Secretary of the Interior, on May 3, 1946 that the values of such harmonious relations between the Government and the petroleum industry as experienced during the war "should be continued" and, the close of Mr. Truman's administration at the beginning of the year 1953.

Creation of the National Petroleum Council was looked upon as a new departure in the theory of government-industry relations and regarded by the House Special Subcommittee on Petroleum Investigation as a significant development, a natural outgrowth of the cooperative accomplishment experienced during the war. The Subcommittee pointed out that prior to the war, relationships between the petroleum industry and the Federal Government were anything but close and harmonious. Machinery did not exist, according to the Subcommittee, for enabling the oil industry to contribute effectively out of its practical experience and to give government the benefit of information and recommendations upon problems of common and public concern.

While it was thought that this new departure was to be a peacetime experiment in cooperation between government and industry, the nation soon was engulfed in a war emergency of great magnitude when the Republic of Korea was invaded on June 25, 1950 and the United States as a member of the United Nations went to the aid of South Korea on June 27, 1950.

While the clouds of war had been moving upon the nation, the National Petroleum Council had already been called to Washington for an "extremely important" meeting which was held on July 25, 1950. Secretary of the Interior, Oscar L. Chapman, addressed the members of the Council at that meeting.

More will be said about that meeting in the text of the record. The Chairman, in introducing the Secretary of the Interior, paid tribute to the men of the Council and the petroleum industry. He said to Mr. Chapman,

I know that you are weighted with great burdens at the moment, but I do not believe that there is anything more important for you to know than that this house of petroleum is in order, that we are ready to march, ready to meet any responsibility you give us.

Secretary Chapman replied,

It is needless for me to say to you how important your industry itself is during this crisis. It is important in peacetime, but it is even more important in the crisis facing the country today. As an industry you are one of the crucial points, the focal points, of action that will need to be taken. It will be through your industry, and through you to whom we must turn for advice, so we will be able to meet the petroleum demands, not only the military but the domestic economy as well.

Secretary Chapman informed the members of the Council at that meeting of his plans to consult the Council upon the kind of organization required within government to obtain effective cooperation from the oil and gas industry, in meeting the tasks ahead.

The success achieved by Secretary of the Interior, Oscar L. Chapman, in the field of defense mobilization attracted attention all over the nation. The smoothness of petroleum operations during his administration attested to its efficiency. The History of the Petroleum Administration for Defense which he organized and effectively administrated in order to meet the Korean crisis, is yet to be published.

As a personal tribute to the Hon. Oscar L. Chapman the members of the National Petroleum Council \* have, through its chairman and the facilities of the

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\* The membership of the National Petroleum Council on June 15, 1960, is contained in the Appendices to this volume.

Council's headquarters in Washington, prepared this album containing a summary record of the Council's activities together with reproductions of photographs of those members who were appointed by and served as members, of the National Petroleum Council during the administration of the Hon. Oscar L. Chapman as Secretary of the Interior and Administrator of the Petroleum Administration for Defense, December 1949 - January 1953.

## AN INTRODUCTION OF TWO MEN

### SYMBOLIZING THE GOVERNMENT-PETROLEUM INDUSTRY TEAM

**OSCAR L. CHAPMAN: SECRETARY OF THE INTERIOR (1949 - 1953)**

A champion of the principle that the preservation of our competitive system is essential to the maintenance of our tremendous productive power. (J. R. Parten)\*

**WALTER S. HALLANAN: CHAIRMAN OF THE NATIONAL PETROLEUM COUNCIL (1946 - )**

His understanding, his firm nature and his staunch independence have carried the Council through many perilous days. Walter is an American independent - a man born with a love for freedom and with a dedication to the rights of his fellow men. (Oscar L. Chapman)\*

Since the establishment of the National Petroleum Council in June of 1946, more than three hundred dedicated and capable members of the American petroleum and natural gas industries have accepted with honor appointments by Secretaries of the Interior to serve on the Council. Over two thousand additional individuals have served on special study Committees of the Council. Thousands more, either directly or indirectly, through their affiliation with the petroleum industry, have made possible the contributions of experience and technical knowledge so consistently available to the Council. This service to the Council has been the very curbstone of the cooperative effort between the petroleum industry and the Government of the United States, and an extremely valuable contribution to the defense effort.

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\*At a Testimonial Dinner in honor of Walter S. Hallanan in Washington, D. C., April 21, 1952.



Many individuals of the oil and gas industries through temporary service with the Government, and many other dedicated full-time government employees, representing the government side of the team, have also made valuable contributions to this same cooperative effort and the defense program.

Representative of the leadership in industry and in Government in this cooperative effort are two men who have devoted extensive time and effort in making this successful Government-Industry partnership a reality.

Walter Simms Hallanan, President of the Plymouth Oil Company, has been Chairman of the National Petroleum Council since its beginning, having been re-elected annually by its members 1946 - 1960. A short biography of Mr. Hallanan follows. His story is submitted as symbolic of the oil partner of this government-industry team.

Oscar Littleton Chapman, between 1946 and 1953, served as Acting Secretary, Undersecretary and finally Secretary of the Interior. During the Korean conflict he was also the Petroleum Administrator for Defense. His biography is set forth below as representative of the high quality of government leadership throughout this cooperative effort.

In selecting these two men as representatives of the hundreds who have served, or continue to serve, we are not unmindful of the distinguished work performed by those many individuals, both in the oil and gas industries and in the Federal Government, who contributed to the solution of countless petroleum and gas problems, or the obtaining of reliable factual technical data so essential both in peace and in war.



WALTER SIMMS HALLANAN  
Chariman — National Petroleum Council  
Chairman of the Board — Plymouth Oil Company

**WALTER SIMMS HALLANAN\***

**Chairman, National Petroleum Council**

Walter Simms Hallanan, Chairman of the National Petroleum Council since its creation in 1946, is a West Virginian who, although a national industrial and political figure for many years, still maintains his home and his interests in his native state.

The son of a country doctor, Walter Hallanan was born in Huntington, attended the public schools there and later attended Morris-Harvey College, then a small Methodist school located in nearby Barboursville but now a large institution of higher learning in the capital city of Charleston.

At the age of 17, he became a "cub" reporter on the Huntington Herald.

Two years later, he was managing editor of that newspaper, a position which he held until 1913 when he became secretary to Governor H. D. Hatfield.

In 1917, at the close of Governor Hatfield's term, Mr. Hallanan was appointed as State Tax Commissioner.

At the conclusion of his 6-year tenure in that office, he became identified with the oil industry and in 1923 was one of the organizers of Plymouth Oil Company. He was elected as its first president and has been continuously re-elected for the last 37 years. Under his management, Plymouth has grown into one of the larger and more successful independent integrated oil companies of the country. Mr. Hallanan is also President of Republic Pipe Line Company and a director of many other industrial concerns.

Mr. Hallanan's interest in politics and public affairs did not cease with his entry into the oil business. He was elected to the West Virginia State Senate in 1926 and was chosen as Chairman of the Finance Committee.

In 1928 he was elected as West Virginia's member of the Republican National Committee. He has been continuously re-elected to membership on the Republican National Committee ever since and in point of service, but not in years, he is now a senior member.

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\*At a Testimonial Dinner in honor of Walter Simms Hallanan in Washington, D. C., April 21, 1952.

Mr. and Mrs. Hallanan reside in Charleston, West Virginia, where their daughter, Elizabeth, is a judge of the Juvenile Court of Kanawha County - the first and only woman judge of a court of record in that state. They have a son, Walter Simms Hallanan II, who is engaged in the oil business and who is the father of two sons and a daughter.



OSCAR LITTLETON CHAPMAN  
Secretary of the Interior 1949-1953



## OSCAR LITTLETON CHAPMAN\*

### A Story and an Appreciation

Oscar Littleton Chapman was born in the heart of Virginia's tobacco country. Omega, Halifax County, was the place. October 22, 1896, was the date.

His education commenced in a one-room country schoolhouse. At fourteen he was chosen by his classmates to buy a present for the school. The gift he chose - a picture of Abraham Lincoln - involved him in his first political controversy. The school board suspended him.

Graduating from Randolph-Macon Academy in 1918, Oscar enlisted in the Navy. A pharmacist's mate in the Transport Service, he crossed the seas forty-eight times. This arduous activity brought on tuberculosis and he was sent to Denver to recover, receiving his medical discharge in August 1920.

He studied law at night and served, during 1922 -27, as Probation Officer of Judge Ben Lindsey's famous Juvenile Court. During this period Oscar married Olga Pauline Edholm, who died in January 1932.

He completed his legal education at the University of New Mexico and the Westminster Law School, receiving his LL.B. degree in 1929. Admitted to the Colorado bar in the same year, he was taken into law partnership by Edward P. Costigan. A few months after the partnership commenced, Costigan ran for the United States Senate. Oscar managed the campaign and Costigan was elected. Chapman remained in Denver caring for the firm's legal practice until 1933. In the interim, however, he managed still another Senatorial campaign, which resulted in Senator Alva B. Adams being sent to Washington from Colorado.

In the Spring of 1933, when the Democrats under Franklin Delano Roosevelt took over the administration of national affairs, Chapman was offered the pick of several Federal appointments. He chose to become an Assistant Secretary of the Department of the Interior because of his interest in the welfare of minority groups coming under Interior's jurisdiction. However, during the 13 years that followed, all or most of the Interior Department's numerous bureaus administering affairs ranging from national parks to metallurgical research were supervised at one time or another by Chapman.

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\*At a Testimonial Dinner in Honor of Oscar Littleton Chapman in Washington, D. C., December 8, 1952.

In February 1940, Oscar married Ann Kendrick, of Louisiana, and they have one son, James Raleigh Chapman.

In February 1946, at the time of Secretary Ickes' resignation, President Truman named Oscar Acting Secretary of the Interior and in March he was elevated to the "permanent" rank of Under Secretary. In December 1949 he attained a distinction rarely accorded career men in government - full cabinet status. He became Secretary of the Interior.

Six months later the Communists struck in Korea and the new Secretary assumed additional burdens. To his cabinet responsibilities and his supervision of far-flung activities of the Interior Department there was added a heavy load of defense mobilization work. The mobilization problems of five major industries - oil and gas, power, solid fuels, minerals and commercial fisheries - were thrust upon the Secretary in the Fall of 1950.

Comprehending the experience of the Department of Interior during World War II as a sound guide, Chapman molded his petroleum defense agency into a tried and true, result-getting pattern. First, an absolute divorce of politics from administration. Second, the segregation of temporary mobilization activities from ordinary peacetime activities of the Interior Department. Third, the selection of mobilization personnel already experienced in the affairs of the industry to be mobilized.

The success achieved by the Secretary in the field of defense mobilization has attracted attention all over the nation. The smoothness of petroleum operation has attested to its efficiency. The minimum necessary regulation has been accomplished in full consultation with the oil and gas industry. The military and the general public have not experienced any real shortages of products or services, except during a nation-wide labor disturbance.

Known for years as "the smilingest man in Washington", Oscar Chapman fought hard for his side in the recent national elections but accepted defeat with his usual grace. When, in January 1953, Oscar leaves leadership in government to return to the law, he will take with him the deep gratitude and admiration of the petroleum industry as expressed through the National Petroleum Council - and the warm friendship of its membership.

## CHAPTER I

### A GUIDEPOST

It seems clear that the able and effective organization, representative of both the Government and the Petroleum Industry, contributed splendidly to the stupendous petroleum supply task. The system of organizing and operating this work seems to have established a guidepost that might profitably be applied in many activities of Government whether for peacetime or military purposes. \*

At the very outset of World War II on December 8, 1941, the American Oil industry faced the greatest challenge in its history. It was instantly called to the defense of the country to supply the life line of the nation's vast military machine and defense effort - oil.

On May 27, 1941 an unlimited national emergency was declared. The next day the President of the United States, Franklin D. Roosevelt, directed a letter to the then Secretary of the Interior, Harold L. Ickes, stating that one of the essential requirements of the national defense program was the development and utilization with maximum efficiency of our petroleum resources and our facilities for making petroleum and petroleum products available adequately and continuously in the proper forms and at the proper places to meet military and civilian needs. In order to ensure this result the President designated Secretary Ickes as Petroleum Coordinator for National Defense. \*\*

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\* From Final Report, Special Subcommittee on Petroleum Investigation, Committee on Interstate and Foreign Commerce, House of Representatives, December 30, 1946.

\*\* See, History of the Petroleum Administration for War, Exhibit 1, Appendix 7, p. 374.

More than 30 agencies of government had at that time an interest in some aspect of oil and it was immediately apparent that there would be a difficult task in the coordinating and unification of their activities. Even more distressing was the fact that a close working relationship between government and the petroleum industry was an untried procedure, in fact, virtually nonexistent.

To anticipate the result one need only recall the now famous statement that America and its allies floated to victory on a sea of oil. The Government was aware as the months after Pearl Harbor slipped by that the nation was engaged in a life or death struggle. The highest tribute, therefore, must be paid both to the foresight and leadership of the responsible individuals in government, as well as the leaders of the petroleum industry, through whose efforts an immediate government-industry partnership was formed in order to meet the challenging war years ahead. Because of this mutual cooperation the industry did in fact provide in full and on time the vast flood of petroleum products required by the armed forces and defense industries during World War II. There is no question that the fulfillment of this gigantic task was one of the great industrial accomplishments in the history of warfare.

The successful industry-government teamwork did not spring up overnight. At first there was resistance and even criticism in various quarters with respect to the principles initially developed by the Office of Petroleum Coordinator - chiefly due to the fact that a close working relationship between government and the petroleum industry was an extremely novel concept. Shortly after establishment of the Office of Petroleum Coordinator basic concepts of organization were

developed which prevailed throughout the existence of that Office and its successor, the Petroleum Administration for War. Briefly stated these principles were:

1. All governmental activities and responsibilities relating to oil for war would be brought together and centralized in one effective agency.

2. The agency would be organized along functional lines paralleling the principle functions of the petroleum industry itself and would be staffed by men possessing practical experience in oil.

3. Industry committee organization would be created to advise and assist government, and thus the full resources of the industry would be enlisted on a cooperative basis. Voluntary compliance and support would be emphasized, with orders and regulations being kept to a minimum.

The Office of Petroleum Coordinator was created by the May 28, 1941 letter of the President, not by an Executive Order or statutory authorization. Accordingly, although a state of national emergency existed, the document did not confer upon the Office any compulsory power or authority. In order that it be armed with realistic means of carrying forth its objectives an Executive Order was issued on December 2, 1942 establishing the Petroleum Administration for War, to succeed the OPC; this order contained a reasonably adequate basic charter.\* The Order in effect authorized and formalized many of the understandings, operating arrangements and definitions relating to jurisdiction and responsibilities, that had been slowly and somewhat painfully evolved during the preceding year and a half.

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\* Executive Order No. 9276



**RALPH KENNETH DAVIES**  
President — American Independent Oil Company  
Deputy Petroleum Administrator for War 1941-1945

The nation had placed in the hands of the Petroleum Administration for War and the vast and complex American petroleum industry the most serious trust and responsibility, which demanded nothing short of victory for America and its allies. The war effort was rapidly demonstrating that petroleum was the main line of national defense. The ability to supply unprecedented volumes of aviation gasoline, diesel oil, fuel oils, lubricants and countless other petroleum products, became a matter of vital concern not only to the public, who learned of the necessities of conservation from gasoline rationing programs and other governmental restrictions, but to the petroleum industry itself through the ever-increasing demands for greater production and for better, more effective war products.

At the successful conclusion of hostilities, Congress, the armed forces and the executive branch of government had at last the time and opportunity to review the efficiency and successfulness of the overall war petroleum effort. The benefits of government-industry cooperation had clearly been demonstrated. The experiment and experience of this "partnership" stood as a guidepost to both government and industry, indicating the road to future beneficial cooperation in the interest of national defense, both in peacetime and in conflict.

#### Congressional Comment

One of the first groups to study and appraise the war petroleum effort was the Special Subcommittee on Petroleum Investigation of the Committee on Interstate and Foreign Commerce, House of Representatives. The Subcommittee headed by Congressman Clarence F. Lea had conducted hearings from time to time during



World War II, giving consideration to the critically important and rapidly changing wartime petroleum situation, issuing reports in 1942, 1943 and 1945. On December 30, 1946, the Subcommittee made its final report, \*\*excerpts of which are set forth below:

During the first year of the war the United States supplied 78 per cent of the oil for military purposes and, during the first half of 1945, was supplying 75 per cent of the oil for allied war purposes...

The world-wide scope of the oil supply job called for a world-wide program whereby production, refining, and transportation operations of all the United Nations and friendly countries were controlled so as to assure the most efficient use of all facilities.

But all the oil in the world would have been of no value for the war purpose unless it could be delivered to the right place at the right time. To accomplish this required construction of hundreds of tankers, tank cars, barges, storage tanks, terminals and pumping stations and thousands of miles of pipelines. Our oceangoing tanker fleet was increased three times in total tonnage during the war despite all losses from enemy action and other causes.

...The committee feels that because of the importance of this organization of the government and industry and the cooperation between the two, a plan of a practical effective cooperation was evolved which may well be emulated in other agencies of government. This would be particularly true if the country should again be placed under the strain of a great war...

The Petroleum Administration (for War) was unique among governmental agencies in the extent to which it relied upon and cooperated with an industry. It made the fullest use of the resources, experience, and ingenuity of the petroleum industry. Other war agencies made effective use of industry advisory committees, but not to an extent comparable to that furnished by the petroleum industry.

Petroleum Administration for War made a practice of consulting with its industry organization with respect to all problems of importance. The industry was given a genuine participation in the war-time undertaking; it was never regarded as a silent partner...Cooperation was not one sided or an empty gesture...

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\*\*House Report No. 2736, 79th Congress, 2nd Session.

The accomplishment of Petroleum Administration for War had demonstrated the value of another basic principle of organization, namely, the wisdom of staffing the oil agency with men experienced in practical petroleum operations... This policy of staffing the agency to a large extent with practical oilmen gave rise to some criticism. Certain other war agencies, for example, adopted the opposite policy of assigning men to do work in the fields in which they lacked experience, for fear that they might show favoritism and prejudice on behalf of their industry or the companies with which they had been connected. But Petroleum Administration for War weighed against the possible disadvantages, the obvious advantages of employing personnel with the requisite technical and practical background in oil operations. The committee believes that the decision was a sound one, and the record clearly established that not only was a complex and highly technical task accomplished with great efficiency and competence, but the public interest was fully safeguarded.

In conclusion, the committee highly commends the services of those in the Government and in the industry who made possible the gigantic and effective contribution which the petroleum industry gave to the success of the war. The scope and completeness of the effort justly elicited not only the commendation of our country, but of the whole civilized world, whose future comfort and security, if not existence itself, were in the balance in the critical days of the war.

The Petroleum Administration for War was operated throughout and built up under the able, effective leadership of Secretary Ickes and Ralph K. Davies. Its organizational cooperation between Industry and Government was the work of a genius.

The staff of the organization gave a fine ability to the support of the well-planned organization and contributed its full share.

The change of the relations between the Government and the Industry from that of distrust and recrimination to one of sincere, hearty, self-sacrificing cooperation was in itself a great accomplishment.

The members of the various committees who cooperated domestically and in the foreign fields of production, transportation, and distribution equally contributed to the ultimate success.

The result of these services was such that in substantial terms it may be said that petroleum products needed were there in quantity in time and place where most needed. That meant an earlier victory for the United Nations, and the saving of unnumbered lives.

### Armed Forces Comment

It is generally recognized that the petroleum supply program, of such critical importance in the conduct of World War II, was a remarkable success. Notwithstanding extreme difficulties, the entire oil program was carried out smoothly, efficiently, and with a minimum of dislocations and dissension.

The tribute of the military authorities who so largely used the oil products is best expressed in a letter from the Joint Chiefs of Staff Army-Navy Petroleum Board, addressed to Mr. Ralph K. Davies, Deputy Petroleum Administrator for War, under date of November 10, 1945. This letter was signed on behalf of the Army by General Brehon Somervell and Major General Edward M. Powers, and on behalf of the Navy by Admiral F. J. Horne and Rear Admiral John H. Cassady. A facsimile of the letter, reproduced herein, expresses to the Petroleum Administration for War and the entire American Petroleum Industry, the appreciation and admiration of the Army-Navy Petroleum Board for the superb contribution which was made to the victory of the United Nations by providing in full and on time the vast flood of petroleum products required by the armed forces during World War II.

### Executive Department Comments

The formal History of the Petroleum Administration for War, mentioned previously states that:

The Petroleum Industry War Council performed a most essential role in the government-industry partnership, bringing together as it did a representative group of the oil industry's outstanding leaders to consider and deal with the many wartime problems that were primarily of national significance. It was recognized by these men that a task of great urgency had to be done, and they set themselves to the undertaking in good spirit and with a singleness of purpose that is all the more remarkable considering the diversity of background and viewpoint presented.



THE JOINT CHIEFS OF STAFF  
ARMY-NAVY PETROLEUM BOARD

NAVY BUILDING  
WASHINGTON 25, D. C.

10 November 1945

Mr. Ralph K. Davies,  
Deputy Petroleum Administrator,  
Washington 25, D. C.

Dear Mr. Davies:

The Army-Navy Petroleum Board extends to you and through you to the entire staff of the Petroleum Administration for War and the entire American petroleum industry its deep appreciation and admiration for the superb contribution which has been made to the victory of the United Nations by providing in full and on time the vast flood of petroleum products required by the Armed Forces during World War II.

The fulfillment of this gigantic task was without question one of the great industrial accomplishments in the history of warfare. The urgent demands of the Army and the Navy for unprecedented volumes of aviation gasolines, motor gasoline, diesel oil, fuel oils, lubricants and countless other petroleum products vital to victory were unending and often appeared impossible of fulfillment.

It is a very special tribute, therefore, that at no time did the Services lack for oil in the proper quantities, in the proper kinds and at the proper places. Because of the resourcefulness, untiring and unceasing efforts, and outstanding accomplishments of the Petroleum Administration for War and the petroleum industry, not a single operation was delayed or impeded because of a lack of petroleum products. No Government agency and no branch of American industry achieved a prouder war record.

Yours must be a deep satisfaction in the knowledge that your agency and the petroleum industry have made so outstanding a contribution to the victory of the United Nations, a contribution fully and gratefully recognized by the Armed Forces.

Sincerely yours,

BREHON SOMERVELL  
General, U. S. Army.

F. J. HORNE  
Admiral, U. S. Navy,  
Chairman.

EDWARD M. POWERS  
Major General, U. S. Army.

JOHN H. CASSADY  
Rear Admiral, U. S. Navy.

Speaking at the first meeting of the newly formed National Petroleum Council on June 21, 1946, the Secretary of the Interior, the Hon. J. A. Krug made the following comments:

While I did not work at first-hand with this great industry, I had some very interesting and unique experience...with some of the other major American industries.

Before the war for a considerable period of time, I had worked for the Government in various capacities that were not exactly hand-in-hand affairs with American industry, and I never shall forget the first year or so of the war effort - as a matter of fact, it was before we got into the war at all - when industry and government tried working together. It was, I think, appreciated by all of us that the problems in the decade of the 30's were by no means simple, but unfortunately, I think during that period in large part Government tried to go it on its own and industry seemed to be more than happy to let Government go it on its own.

The preparedness for the war brought on some new and serious problems, and it became apparent to everyone that if we were to do the job at all it would have to be through cooperative effort.

I never will forget the first meetings we had with some of the important industry advisory committees in the Office of Production Management which preceded the War Production Board. In particular I think of one with a certain industry, which was, of course, vital to the war effort. At the first meeting it was as if a bunch of stray panthers and lions had been let loose in the same cage--the industry people unwilling to trust the Government representatives, and I am sure the Government representatives in large part feeling the same way. It took a number of months to overcome that attitude, months during which vital decisions were delayed because of lack of confidence on both sides. But somehow or other - characteristic, I think, of Americans generally--it was overcome so that about the time of Pearl Harbor, or in any event shortly thereafter, that feeling disappeared and there followed four years of intense cooperation.

Undersecretary of the Interior, the Hon. Oscar L. Chapman, in appearing before the United States Senate Special Committee Investigating Petroleum Resources on June 17, 1946 said:

As the time came near for the closing of PAW, we realized the tremendous value that Department had received, or the Petroleum Administration for War had received, from its close coordination and cooperation from industry itself. We feel that that was a value that should not be lost in terminating that agency, and that the Department should try to continue to receive the advantages and values that PAW had received from the industry by keeping some close coordination of its work with industry. Much closer coordination and cooperation than the Department of the Interior, as such, had been doing in the past, with respect to administration.

Senator Moore (interposing): That is prior to the creating of the PAW?

Mr. Chapman: That is right, Senator, of course PAW was a separate administration from the Department of the Interior itself...although the Secretary was the Administrator of one, and Secretary of the Interior of the other.

Having that in mind, there was considerable discussion between the PAW officials and Interior Department officials, with the Secretary of the Interior - at that time Secretary Ickes and Secretary Krug - regarding what mechanics could be set up to take advantage of this coordination or this cooperation that I referred to. We had Mr. Davies work out and suggest to us some mechanics of how this best could be done. We feel that the Oil and Gas Division is one of the ways to coordinate what is being done within the Department of the Interior on a better and sounder administrative basis than had been done in the past. We hope and I feel confident that it will improve the administration in the Department by coordination of its many oil and gas functions.

On May 3, 1946, President Truman signed the Executive Order terminating the Petroleum Administration for War, which of course in turn discontinued the Petroleum Industry War Council. The outgoing Deputy Administrator of PAW, Ralph K. Davies, who had served the war petroleum effort so valiantly, told the Lea Committee that "if we have learned anything from our wartime experience in oil, we have learned how important it is that the Government maintain a close relationship with the petroleum industry as it deals with oil affairs." He stated that PAW, throughout the war, had the benefit of the counsel and advise of the Petroleum

Industry War Council, composed of representative leadership of the American industry. "I am perfectly certain that the success achieved with oil in the war would not have been achieved without this body." Mr. Davies suggested emphatically that it was just as essential, as the Federal Government dealt with oil matters in peacetime, that it have similar industry support. He recommended that any plan with respect to improved governmental organization for the future should definitely include a Petroleum Council of a comparable sort.





JULIUS ALBERT KRUG  
Secretary of the Interior 1946-1949



## CHAPTER II

### BIRTH OF A PEACETIME GOVERNMENT-INDUSTRY PARTNERSHIP

You should, through such office as you designate, serve as the channel of communication between the Federal Government and the petroleum industry... I, therefore, suggest you establish an industry organization to consult and advise with you. (H. S. Truman)\*

Sixteen days after Mr. Ralph K. Davies' proposal to the Lea Committee, President Truman wrote to the new Secretary of the Interior, the Hon. Julius A. Krug, stating that he had terminated, effective May 8, the Petroleum Administration for War inasmuch as it had successfully completed its wartime assignment. The President joined in agreement with Secretary Krug that immediate steps should be taken to assure coordination in peacetime of the Federal Government's many interests in petroleum, petroleum products and associated hydrocarbons. He requested Secretary Krug to obtain coordination and unification of Federal policy and administration with respect to the oil activities carried on by the various government departments, centralizing these activities where practicable. In addition, the President suggested that an industry organization be established to consult and advise with the Secretary of the Interior in order to preserve the values of the close and harmonious relations between government and industry experienced during the war petroleum program. A copy of President Truman's letter is set forth below. From the request contained in his letter sprang the action of the Secretary of the Interior which resulted in the creation of the National Petroleum Council.

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\* From a letter dated May 3, 1946, addressed to the Secretary of the Interior, J. A. Krug, by the President of the United States.

May 3, 1946

My dear Mr. Secretary:

In keeping with the Administration's policy of winding up the affairs of war agencies as quickly as possible after their emergency responsibilities have been discharged, I have acted upon your recommendation to terminate, effective May 8, the Petroleum Administration for War, which has successfully completed its war-time assignment.

I am in agreement with your views that steps should now be taken to assure coordination in peacetime of the Federal Government's many interests in petroleum, petroleum products and associated hydrocarbons.

To the extent possible one agency must bear the primary responsibility for providing a focal point for leadership and information for the numerous agencies of the Federal Government dealing with petroleum. I, therefore, request that you undertake the initiative in obtaining coordination and unification of Federal policy and administration with respect to the functions and activities relating to petroleum carried on by the various departments and agencies. Where practicable and appropriate governmental activities relating to petroleum should be centralized and I ask that from time to time you submit to me for consideration proposals looking to the accomplishment of this objective.

You should, through such office as you designate, serve as the channel of communication between the Federal Government and the petroleum industry, and as the liaison agency of the Federal Government in its relations with appropriate State bodies concerned with oil and gas. I have been impressed with the great contribution of government-industry cooperation to the success of the war petroleum program, and feel that the values of such close and harmonious relations between Government and industry should be continued. I, therefore, suggest that you establish an industry organization to consult and advise with you.

In this connection, I think it would be most helpful, if Mr. Ralph K. Davies, Deputy Petroleum Administrator throughout the war, were to remain on for a brief period to assist in organizing and launching these activities and to supervise winding up the affairs of the Petroleum Administration. Mr. Davies possesses a broad experience in oil, and enjoys a high standing both within Government and within the petroleum industry. I believe that his participation would assure the full cooperation and support that is so essential in the initial phase.

I need not emphasize to you the importance of petroleum in the life of the Nation and the consequent necessity for assuring the adequate and continuous availability of this vital resource. You are requested to keep me informed concerning significant developments in the petroleum field, and to consider and recommend such steps as may be necessary appropriately to safeguard our petroleum future.

Copies of this letter are being sent to the Secretaries of State, War, Navy, and Commerce, for their information and guidance. I am sure you will find them ready to cooperate fully.

Very sincerely yours,

/S/ Harry S. Truman

HARRY S. TRUMAN

Hon. J. A. Krug  
Secretary of Interior  
Washington, D. C.

So it was that even as the wartime petroleum agency was expiring, a new plan for peacetime oil administration - an agency dedicated to the principle of cooperation - not - control - was being born.

In keeping with the tenor of the President's May 3 request, Secretary of the Interior Krug on May 6 issued an administrative order establishing an Oil and Gas Division within the Department of the Interior. This order provided that the new Division "with a view to the conservation of oil and gas resources of the Nation and the achievement of petroleum security," shall:

1. Assist the Secretary in the execution of the President's instructions to:
  - (a) Coordinate and unify policy and administration in respect to functions and activities relative to oil and gas carried on by the several departments and agencies of the Federal Government;
  - (b) Serve as the channel of communications between the Federal Government and the petroleum industry;
  - (c) Serve as liaison agency of the Federal Government in its relations with the appropriate State oil and gas bodies and;
  - (d) Review technological development in the field of petroleum and synthetic hydrocarbon fuels and coordinate Federal policy with respect thereto.
2. Obtain and analyze information as to oil and gas matters in which the Federal Government has a proper interest and, in this connection, serve as the central Federal clearing house for statistics, technical data, and other information relating to oil and gas.
3. Keep the Secretary informed with respect to the adequacy and availability of supplies of petroleum and its products to meet the current and future needs of the Nation, and with respect to significant developments in the petroleum field, and make recommendations with respect thereto.

4. Develop proposals looking to the centralization of Federal functions and activities relating to oil and gas in keeping with the President's letter.
5. Coordinate all oil and gas policies and activities in the Department of the Interior.

This administrative order was followed, on June 3, by the issuance of an Executive Order signed by the President which authorized the transfer to the Oil and Gas Division of Interior's Petroleum Conservation Division, which had been charged with the administration of the Connally Hot Oil Act. This then was the first step in the process of consolidating existing oil activities of the Federal Government in the new bureau.

Before proceeding to the establishment of the National Petroleum Council, Secretary Krug on May 24, 1946, asked the Attorney General, the Hon. Tom C. Clark, for an expression of his views with respect to the establishment of the Council and the functions, duties and authorities it was proposed the Council have, with specific reference to the relation of the antitrust laws and the attitude of the Department of Justice thereto. The Secretary of the Interior advised the Attorney General that it would be the purpose of the Council to provide a competent, responsible and representative body through which the vast abilities and experience of the petroleum industry would be conveniently available to advise and consult with the Secretary of the Interior and with his Oil and Gas Division. He stated it would be the duty and function of the National Petroleum Council:

- (a) To advise or inform the Secretary of the Interior or the Director of the Oil and Gas Division with respect to any matter relating to petroleum or the petroleum industry submitted to it by the Secretary or Director, and;

- (b) To raise on its own motion any matter relating to petroleum or the petroleum industry within the purview of the President's letter of May 3, 1946 and, after approval by me or the Director of the Oil and Gas Division, consider such matter and advise and inform the Secretary or the Director with respect thereto.

In accomplishing its purpose the National Petroleum Council would be expected to obtain, compile and analyze all pertinent and available facts, figures and other data, wherever appropriate with respect to any matter which might be properly before it. In this connection the Secretary of Interior pointed out that the Council would be authorized:

- (a) To direct such inquiries and questionnaires to such companies, organization, or persons as may be necessary or appropriate.
- (b) To ask and receive expert assistance from any company, organization, or person.
- (c) The Council, after compiling and analyzing all available and pertinent data with respect to any matter which may be before it will, if the Council deems it necessary or advisable, reduce to writing such specific proposal with respect thereto as it deems necessary or appropriate and shall submit it with a statement of facts and reasons to the Secretary or the Director of the Oil and Gas Division.
- (d) The Council will be expected to maintain a small staff, with clerical and minor administrative duties, and to employ such persons as it finds necessary for carrying out its duties and will be authorized to appoint such committees as it deems necessary for investigation and report on specific problems. The membership of these committees may or may not be drawn, in whole or in part, from the membership of the Council. Minutes will be kept of all meetings of the Council and copies will be filed in the Oil and Gas Division.
- (e) Operating expenses of the National Petroleum Council will be met from a fund to which voluntary contributions may be made by companies or individuals engaged in the petroleum industry upon solicitation by the Council.

Three days following Secretary Krug's letter the Attorney General replied that the Department of Justice had never taken the position that consultation by any industry committee with the government violates the antitrust laws. He stated that the Department had no objection to the formation of industry committees to advise and consult with government agencies. Indeed, the formation of such a committee to advise any particular department of the government was the responsibility of that department. However, the Attorney General qualified the Department of Justice's endorsement of industry advisory committees with the two following provisos:

- (1) The consultation must not involve the determination by the industry advisory committee itself of policies or the administration of programs which should be the sole responsibility of the government agency. Moreover, the authority to consult and advise should not be considered as implying that members of such committees are authorized to get together and reach an agreed position in anticipation of such consultations.
- (2) Membership on the National Petroleum Council or any of the committees cannot be regarded as conferring on the participants any immunity from the antitrust laws. For example, if apart from the legitimate activities of the Council or its committees, members were to agree on any private plan or program as a group, or take part in any such plan or program, then the Department of Justice would be free at all times to invoke, if necessary, the antitrust laws against the participants notwithstanding the fact that some or all of them may have been members of the Council.

Finally the Attorney General noted that while membership on any committee was a matter for determination by the sponsoring government agency, the Department of Justice believed that some provision should be made to ensure that all groups would be afforded representation on the committee and that no group would be prevented from bringing its grievances or suggestion to the government.

Some months later, on September 11, 1946, the Acting Attorney General, James P. McGranery, elaborated further upon the Department's original comments, particularly the one that read "the authority to consult and advise should not be considered as implying that members of such committees are authorized to get together and reach an agreed position in anticipation of such consultations". He defined this sentence to mean that, after the Secretary of Interior or the Director of the Oil and Gas Division had duly submitted or formally approved a matter as appropriate for consideration by the National Petroleum Council or any of its committees or subcommittees, those groups might properly undertake factual research and submit their findings for the purpose of advising and informing the Secretary or Director, in conformity with the general procedures outlined in the Attorney General's letter of May 27. Mr. McGranery cautioned that it should be understood that activities undertaken by the Council, or its committees and subcommittees, prior to such assignment of a matter, fall outside the purview of consultation as therein defined and hence lie outside the range of activities covered by the Department's previous correspondence on the matter.

It would be expedient to note here precisely the purpose of the executive branch of government in moving towards the establishment immediately after World War II of a peacetime petroleum industry advisory group to the Department of Interior. Mr. Ralph K. Davies appeared before the U. S. Senate's Special Committee Investigating Petroleum Resources on June 17, 1946. At the conclusion of his



testimony the Chairman of the Committee, Senator Joseph C. O'Mahoney, summarized the situation as follows:

The Chairman: Now, then do I correctly interpret these various documents to mean: First, that the war controls have been definitely ended; second, that there is no purpose to set up any form of peacetime control over the petroleum industry; third, that it is the object of the administration to coordinate the executive functions of the Federal Government in the field of petroleum; and fourth, that in doing so you are seeking to bring about the appointment of an advisory council in order that there may be understanding and cooperation between the executive arm of the Government and the industry - all of this being based upon a recognition of the fact that the policy-determining branch of Government still is the Congress of the United States?

Mr. Davies: Mr. Chairman, that expresses our purpose accurately and, I think, completely.

In his testimony at that time, Mr. Davies stated that the Department of Interior's plan contemplated organizing a petroleum industry council of some 75 members, somewhat comparable to the Petroleum Industry War Council, and that the peacetime council would work very closely with the Department of Interior. It was intended that the Department would lean very heavily on such a council for the preparation of material and for counsel and advice as it had during the war. He said that if it were not for such an additional piece of machinery that the Department was putting in place here, which cost the government nothing, it would be necessary to hire many more people to attempt to do the work in Washington. It was more practicable for the oil industry to do much of this work inasmuch as it had the people, the facilities and the technical know-how.

Following out the request of the President of the United States, and having obtained the views and approval of the Department of Justice, Secretary of the Interior Krug on June 18, 1946, created the National Petroleum Council to advise him and the Oil and Gas Division of his Department on oil and gas matters. In establishing the Council the Secretary appointed 85 individuals prominently identified with the petroleum and natural gas industries to serve without compensation for a term of one year. He called the first meeting of the new Council to be held on June 21, 1946 at the Department of Interior. The announcement of his action and the reason for taking it is reproduced below in its entirety.

With the establishment of the Council by the Secretary of Interior there was presented a bold new challenge to the great American Oil and Gas Industries. Those industries had been called upon during the nation's darkest hour of crisis to do a job. They had done the job nobly. War had ended in victory. But the future with its peacetime readjustments held forth no certainties. Recognizing the values of close government-industry teamwork where oil and gas matters were concerned, the government was calling upon the industry once again to serve the interests of the nation's defense and security during peacetime. It remained with the petroleum industry to take up the challenge, properly organize its industry advisory council, and proceed to accomplish whatever task the government might give it to do.

**DEPARTMENT OF INTERIOR ANNOUNCEMENT**  
**ESTABLISHING NATIONAL PETROLEUM COUNCIL**

June 18, 1946

Secretary of the Interior J. A. Krug today announced appointments to a newly established National Petroleum Council, an industry committee serving without compensation to advise him and the Oil and Gas Division of the department on oil and gas matters.

Telegrams sent to 85 men prominently identified with the petroleum and natural gas industries set June 21 for the first meeting to be held in Washington, Secretary Krug said.

Mr. Krug paid tribute to the invaluable assistance he had had from Ralph K. Davies, formerly Deputy Petroleum Administrator, in organizing the Council, as well as in relation to other aspects of launching the program of the Oil and Gas Division.

The Secretary explained that members of the National Petroleum Council do not serve as representatives of their companies, but as representatives of the industry as a whole. Nevertheless, he said in selecting the membership special attention was given to assuring a well balanced representation as between large and small companies in all parts of the country and from all phases of both oil and natural gas industries.

Mr. Krug pointed out that while many of the members are affiliated with the larger companies, the preponderance of representation is from the smaller independent companies. "These small companies," he said, "in the aggregate form a large and most important segment of the petroleum industry and one of the largest classes of small business in the country."

On the list of Council appointees are 21 presidents or representatives of trade associations representing in turn many thousands of the smaller oil companies throughout the country. Also included are 7 members representing the natural gas industry. The remainder are from the petroleum industry at large.

The Council membership included 55 men who served at some time during the war on the Petroleum Industry War Council, the national industry advisory group which aided Petroleum Administration for War in mobilizing the United Nations oil resources on a world-wide scale.

The Interior Secretary said that the PIWC membership had been used as a nucleus in organizing the National Petroleum Council both because of the outstanding calibre of the individuals who served on it, and also because of the need to take advantage of their unique experience in working with Government in the cooperative solution of wartime problems. He pointed out, however, that duplicate company representation, which had proved necessary for the wartime organization, had been eliminated in the formation of the peacetime industry council.

"The purpose of establishing the National Petroleum Council outlined by President Truman is to continue the Government-Industry teamwork that proved so important a factor in the success of the War program," Mr. Krug said.

"The support and assistance of these experienced industry representatives will be invaluable as we face the problems of the post-war era."

Mr. Davies, in commenting upon the plans for the Council, said that it was contemplated that there would be established a series of national committees of the Council. This additional organization, he pointed out, will broaden further the scope of industry representation and will provide working groups of great value to Government. The composition of these committees will be considered with the Council when it meets on June 21, Davies said.

Mr. Krug's telegram to the Council members read as follows: "Pursuant to the President's letter of May 6 directing that the Secretary of the Interior undertake to unify and coordinate Federal policy and administration with respect to petroleum and to serve as the channel of communication between the Federal Government and the industry, an Oil and Gas Division has been established in the Department of the Interior.

"In view of the outstanding contribution which government-industry cooperation made to the success of the war petroleum program, it is important that the value to the welfare and security of the Nation of such close and harmonious relations between government and industry should continue. Accordingly, in harmony with the President's directive I am, in consultation with Mr. Ralph K. Davies, the former Deputy Petroleum Administrator for War, creating an industry advisory group, to be designated as the 'National Petroleum Council', whose membership will be drawn from both large and small interests so distributed as to ensure a truly representative group.

"It is presently intended that quarterly meetings of the Council will be held in Washington to consider petroleum problems. However, approval of this schedule and other organizational and procedural matters will be on the agenda for the Council's first meeting to be held June 21st at 10:30 A.M. in Room 5160, New Interior Building.

"In view of your extensive knowledge of the petroleum industry and experience in its operations, I hereby appoint you a member to this National Petroleum Council, to serve without compensation for a term of one year. Your telegraphic acceptance of this appointment and assurance that you will attend the June 21st meeting will be greatly appreciated by me. Particularly do I urge your presence at this initial meeting."

The telegrams to the association presidents stated that their appointments were ex officio for their term of office."



**RALPH GWIN FOLLIS**  
Chairman of the Board — Standard Oil Co. of California  
Vice Chairman — National Petroleum Council

## CHAPTER III

### THE NATIONAL PETROLEUM COUNCIL IS ORGANIZED

The oil industry recognizes its responsibility to the public, and it likewise recognizes its responsibility in the interest of national security... We are here with open minds and with a desire to cooperate. (W.S. Hallanan)\*

On June 21, 1946, 53 newly appointed members of the National Petroleum Council met for the first time in Washington, D. C., with officials of the Department of Interior. While there were some misgivings as to whether petroleum industry cooperation with the government could be continued in peacetime as it had during the war, there was unity with respect to one basic point - industry's willingness to be of service to the Nation. Mr. Ralph K. Davies, then Acting Director of the newly established Oil and Gas Division, reviewed for the Council members the President's letter of May 3 and the subsequent actions taken by the Secretary of Interior. He stated that the Council had been created at the instance of the President; and that Secretary Krug had appointed 85 members selected by the Secretary in such a manner as to ensure that each branch of the industry would be represented, in each area of the country, and that as well balanced a group as could be composed was the result.

Mr. Davies said that the basic purpose for establishing the Council was to perpetuate the cooperation that existed during the war period between the forces

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\* Comments at First Meeting of National Petroleum Council, June 21, 1946.

of the Federal Government and the forces of the Industry. It was felt that the purpose of getting cooperation could again be accomplished in a similar way in times of peace. He noted that there was considerable skepticism with relation to the desirability of creating the Council - both in industry circles as well as in government. To this he responded,

... I do believe that if people will be reasonable and fair-minded and practical, not prejudiced about this thing, and will consider the fact, they will not find in any part of this program anything to be fearful about. They will have to agree, if they really study the problem, that it is only by some such means that a better oil job can be done. Surely that is in the public interest and if it is in the public interest it is in the oil industry's interest...

Secretary of the Interior, J. A. Krug, in addressing that first assembly of the Council made it quite clear from the outset that in organizing the Council and setting up an Oil and Gas Division in the Department of the Interior there was no effort, open or hidden, to extend in any way the government's control over the oil and gas industry. Rather, the goal was to find a way to make things work best to the common end, which is to make certain that the American people have all the oil and gas products that they need and the assurance of an adequate supply for the future. He summed up his intentions as follows:

The number one purpose of this group is to do a good and practical job, and through industry cooperation and advice, aid in perfecting the government-industry relationships so that they accomplish their purpose with the minimum of disruption, with the minimum of friction, and with the greatest possible results... I do hope that we can keep the same kind of a team working together in peacetime that your Chairman referred to as existing in wartime... I know in your future discussions that you will always keep in mind the tremendous public interest in the operations of this industry, and I think through this kind of a setup



that together we can further the public interest, and whether we disagree or not, at least we will know what we are talking about. We will not have, as we had for a long period before the war, two separate armed bands making their own separate plans, connecting their own strategy, frequently with the public being caught in the middle.

Secretary Krug requested the Council members assembled to organize themselves in a manner similar to that in which they were organized during the Second World War, so that the Council would not be just another group of very important and prominent names on stationery, but on the contrary a group of men who wanted to do a job and who were willing to give their time to it.

The individual who had been elected temporary Chairman of the Council, Walter S. Hallanan, responded on behalf of the industry in a manner which sounded the keynote of the future - the high purpose and willingness to serve on the part of each and every member of the Council. He said at that time:

I think it is proper to say that we come here representing an industry that has always tried to respond to any request from the government calling for cooperation, and we are here today with that purpose and objective in mind. We had a great industry-government team during the war, and we are very proud of the record we made... We have in contemplation a perpetuation of that cooperative effort.

The oil industry recognizes its responsibility to the public and it likewise recognizes its responsibility in the interest of national security. We are a great key industry. We want you to know that we are here with open minds and with a desire to cooperate.

A special committee was appointed at that first Council meeting to study the type of organization, the scope of authority and function of the Council, and problems involved therein. This committee met on July 9, 1946 and agreed that the proposed National Petroleum Council could fulfill a useful function, subject to legal clearance, in petroleum industry relations with representatives of the

United States Department of the Interior, Oil and Gas Division, in an advisory capacity.

The committee recommended a program of industry cooperation with the Oil and Gas Division and authorized the temporary Chairman of the Council to appoint three special subcommittees to study and report back to the committee their recommendations on: (1) the scope and procedure, (2) organization and personnel, (3) legal phases of the National Petroleum Council. These study groups reported to the committee on September 24, 1946, and the committee presented its findings to the Council at its second meeting on September 26. The recommendations of the committee were adopted by the National Petroleum Council at that meeting in the form of its Articles of Organization. The basic form of organization and the manner in which the Council functions had not been substantially varied since that date. The Articles of Organization as they exist today are set forth in entirety in the appendices to this volume.

The committee of 15 individuals that drafted the Articles concluded that it was impossible to foresee the various problems that might arise, and that it was therefore inadvisable, prior to substantial experience, to impose limitations on matters of Council consideration in addition to those established by law and those specified in the letter of May 24, 1946 from the Secretary of the Interior to the Attorney General (see above). The committee further concluded that the Council should reserve the right to decide whether it will consider any matter referred to it.

With regard to the antitrust problems, it was the opinion of the legal advisor, concurred in by the legal subcommittee, that any group organized as the Council has been organized and which confines its activities to advising the government in the manner provided for in the Secretary's May 24 letter would not violate the United States Antitrust Laws or similar state statutes. In addition it was recommended that the most proper procedure would be to have no discussion in the Council on any matter whatsoever until and unless the Secretary of the Interior or Director of the Oil and Gas Division has duly submitted or formally approved such matter as appropriate for consideration by the Council.

The Council does not concern itself with trade practices or the like, nor does it engage generally in any of the usual trade association activities. It is assumed that Council members will make their recommendations in accordance with their individual experience and judgment.

In the event any Council member should wish to have a matter considered by the Council, he must submit such matter in writing to the Chairman of the Council who thereupon, and prior to any discussion by the Council itself, refers the matter to the Secretary or the Director for his approval or disapproval.

It is interesting to note that the Council, from its very birth provided for its own self-contained "police force". This exists in the form of a standing committee designated as the "Agenda Committee". Every matter submitted or approved by the Secretary of the Interior or the Director of the Oil and Gas Division, prior to any consideration, is referred directly by the Chairman of the Council to the Agenda Committee. This Committee thereupon considers whether

the matter is proper and advisable both in the practical and legal sense, for Council consideration and reports its views thereon to the Council. Should an Agenda Committee report be unfavorable to Council consideration, the report is submitted at the next meeting of the Council for such action as the Council may deem appropriate under the circumstances. In 14 years of service to the government the Agenda Committee has recommended that 88 requests by government for studies be favorably received and undertaken. The Committee found it either impractical or inadvisable to undertake 11 requests during this same period.

The members of the National Petroleum Council are appointed annually by the Secretary of the Interior, and throughout each of its many years of existence the membership has been drawn from all segments of the American Petroleum and Natural Gas Industries, from the production phases down to the retail marketing level. At present there are 108 members of the Council. The Council is wholly supported by the voluntary contributions received from the members.

Ever since the day it was formally organized, on September 26, 1946, it has been a proud boast of the Council and the 289 men who have served on it, that this service, attended by a wealth of technical and factual data on domestic oil and gas potentialities and operations, has been made available to the Nation at absolutely no cost to the Federal Government. It is also with pride that the Council can state that at all times and in all matters it has operated within full view of the public. Each of its 140 detailed reports have been published and released not only to government, but to the entire Nation. All Council meetings are open to members of the Congress and interested members of government.

In the next chapter we shall review some of the first problems the Council was called upon to consider, and particularly how it served government during the period from its establishment to December, 1952, at the expiration of Secretary of Interior Oscar L. Chapman's term of office.



JAMES VINCENT BROWN  
Secretary-Treasurer — National Petroleum Council

CHAPTER IV  
THE FIRST SEVEN YEARS OF SERVICE  
1946 - 1952

I have been impressed and inspired by the way you men assume and discharge responsibilities that come when you accept appointment to this Council. Your work has made this government-industry team outstanding in all of Washington. (Hon. Oscar L. Chapman)\*

Within less than five months following the President's request that a peacetime petroleum industry advisory council be established, a representative cross-section of the American petroleum industry had been appointed by the Secretary of the Interior to serve on the National Petroleum Council; the Council had held two meetings; had put its house in order and stood ready to answer the call to service by the Nation.

The first request by government for the assistance of the Council came as early as September 26, 1946, when Mr. Ralph K. Davies, as Acting Director of the Oil and Gas Division in the Department of Interior, wrote to Mr. Walter S. Hallanan, Temporary Chairman of the Council, stating that there were presently pending before the Oil and Gas Division certain problems concerning petroleum on which the advice and recommendations of the Council were desired. He thereupon listed six serious problems requiring thorough study amongst which were the following:

1. There existed an acute shortage of materials of various kinds needed by the oil and gas industry, particularly materials containing steel, lead and other metals, which were affecting various activities of the industry vital to the national welfare. The government agencies controlling the allocation of these materials

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\*Address at Walter S. Hallanan Testimonial Dinner, April 21, 1952

looked to the Oil and Gas Division to present the requirements of the petroleum industry. In order that the Division might be adequately informed, the Council was requested to establish a committee to study the matter and submit any appropriate recommendations.

2. At the request of the Air Technical Command the Bureau of Mines was engaged upon a program of investigative and statistical work relating to the future availability of fuels for military aircraft. The question of refinery capacity for the production of such fuels in varying proportions, qualities, and quantities was presenting complicated technical problems. The Bureau of Mines requested the Oil and Gas Division to obtain the establishment by the National Petroleum Council of a committee to obtain the necessary data.

3. There also existed a shortage, at that time, of pressure tank cars for the transportation of liquefied petroleum gases, which was seriously threatening to interfere with many of the essential industrial and civilian requirements. Since other industries were competitors of the petroleum industry for these tank cars the question of relative priorities had to be determined. The Civilian Production Administration requested the Oil and Gas Division to participate in such decisions on this and related matters as the government might reach. In order that the Division might be well informed the Council was requested to have a committee study the situation.

With the acceptance by the Council of these initial assignments, the peacetime industry-government cooperative effort was launched. The first of the special



subcommittees that have been established to date were appointed, and in like manner the first of 1351 experts and technicians connected with the vast and complicated petroleum industry, who have served the Council, began to devote time and energy for the sole purpose of assisting their national government. Those early problems were followed by a succession of matters of immediate concern to industry and the government, as would be expected where a dynamic industry and the most progressive and powerful nation on earth were moving ever forward. Such problems not only related to the economy, but even more important to national security and preparedness for any international eventuality.

In 1948 the Council was called upon to give direct assistance to the government in connection with voluntary agreements and later the statutory provisions of Public Law 395 relating to petroleum and natural gas and transportation facilities and equipment during the period of temporary dislocation of products and facilities that existed at that time.

During the immediate post-war readjustment period the Report of the Sixteen Nations was formulated by participating countries, which recommended a program devised for the economic recovery of Europe. The National Petroleum Council was called upon to render an analysis of the report, explaining the petroleum operations outside the United States in relation to the supply problems of the Committee of European Economic Cooperation. Other Council reports made prior to the time Secretary of Interior Chapman took office included studies on the proposed Federal Mineral Leasing Act, Government Royalty Oil Regulations, International Standards

for Measurement of Liquid Petroleum Fuels, Petroleum Industry Manpower, Military and Government Petroleum Requirements and Transportation Facilities.

Throughout the 1947 - 1948 period the subject of national oil policy had been a matter for intensive consideration and discussion by the several branches of the government, the public, and the petroleum industry. The immense importance of petroleum in the world at that time, just as it is today, combined with changing facts and circumstances, had focused the national attention on this important area of the economy. Several committees of the Congress, many high officials of the executive branch, and a number of important groups of citizens were calling for prompt formulation and enunciation of the broad principles of sound national oil policy. As a result Secretary of Interior Krug, on July 3, 1948, told the Council that, "if such policy is to be informed and in the public interest, it is essential that the wisdom and experience of the petroleum industry be brought to bear on the subject". He requested the National Petroleum Council to appoint a committee to restudy and supplement the report on A Petroleum Policy for the United States adopted on October 24, 1945 by the Petroleum Industry War Council, and to present its views and recommendations to the Council.

The Council's response to the Secretary's urgent request appeared in the form of its report entitled, "A National Oil Policy for the United States" submitted to Secretary Krug on January 13, 1959. The thorough review of this report is recommended as required reading for any serious student of good government and industry-government cooperation. Here we shall only list four broad general principles proffered by the Council as being fundamental to a sound national oil policy:

1. The national security and welfare require a healthy domestic industry.

Continuing supply to meet our national oil needs depends primarily on availability from domestic sources. Due consideration should be given to the development of foreign oil resources, but the paramount objective should be to maintain conditions best suited to a healthy domestic industry which is essential to national security and welfare. To this end, adequate and equitable availability of essential materials is a fundamental requisite.

2. The public interest can best be served by a vigorous, competitive oil industry operating under the incentives of private enterprise.

The very nature of oil is such that multiple efforts on a very wide scale and initiative in high degree are required in all phases of industry operations from finding to distribution.

The participation by many in the far-flung and diverse activities of the industry provides those multiple sources of initiative, imagination, and responsibility, out of which spring a great variety of discoveries and inventions, new ideas, and tremendous productivity.

The competitive form of economic organization, by offering the promise of reward commensurate with contribution and efficiency, utilizes a motivating force for which no adequate substitute has been found. Other nations have tried other methods, but it is the American oil industry operating under the American system which sets the highest standards of achievement and service.

3. The appropriate functions of federal and state governments in relation to the industry and the principles underlying their present relationships should be maintained.

Under the concepts of the American Economy the functions of government with respect to industry are primarily to provide the conditions under which industry may operate with maximum efficiency and to assure that the public interest is safeguarded.

The functions of the oil industry are to discover, produce, and transport oil, and to refine and distribute its products. Participation in such operations is not a proper function of government.

In the exercise of their powers a clear line of demarcation should continue to exist between federal and state governments.

The operation of the American petroleum industry is grounded on state regulations of oil and gas production in the interest of conservation. State regulation under our constitutional system evolved as the legal and most effective answer to the problem of a widely dispersed natural resource. State authorities have proved effective in their protection of the public welfare, and the decentralized approach has been highly successful in meeting the wide variety of conditions that prevail in different areas.

When oil conservation problems have arisen involving coordination among states, instrumentalities have been developed to deal with them effectively, such as the Interstate Oil Compact to Conserve Oil and Gas, operating with the sanction and aid of the Federal Government.

4. No government actions specifically affecting the oil industry should be taken without proper regard for the long-term effect and without consultation with the industry.

Mainly because of restrictions brought about by the war, temporary difficulties developed in supplying the sharply increased post-war demand. Some, in both public and governmental circles, gained the false impression that this country was faced with a permanent oil shortage requiring special measures.

Situations of this kind invite the consideration of dangerous expedients. Such measures directed at a single, passing phase of a cycle are not only unnecessary but can be destructive of sound long-range policy.

The oil economy is acutely sensitive to governmental interference with the free market. As long as a free market prevails, price functions effectively as a regulator of supply and demand, and as an allocator of supply to the channels of greatest need. It also provides the necessary incentives for exploration, increased efficiency, and technological improvement, and permits the capital formation necessary to continued progress.

These conditions assure a vigorous industry prepared to meet a real emergency if it arises. In the two world wars, the industry's readiness was a decisive factor in our victories.

The Council's Committee on National Oil Policy set forth the aims and the elements of a sound national oil policy under five headings: Domestic Oil, Natural Gas, Foreign Oil, Imports and National Security. The Committee concluded that the American oil industry is distinctively a product of the American way of life and for many years has operated under one of the most effective and efficient industrial policies in our economy. The Committee further asserted that the industry would continue to produce the optimum economic and social gain inherent in the nation's petroleum resources, granted the conditions of a free economy and continued recognition of the economic laws which direct its operations. It emphasized that vigorous oil development under competitive conditions at home and abroad is the best way to assure our national security.



MAX WAITE BALL  
Founder and Partner — Ball Associates

## The Korean Conflict

Even before World War II had become history the leaders of the Nation, both in government and in industry, foresaw that the methods of warfare employed in that conflict were virtually outmoded. Further armed conflict would entail the use of nuclear weapons together with advanced aircraft and technology. Because of this fact the experiences of World War II could not serve as a complete and adequate pattern for the nation's defense structure. As early as April 2, 1948, the Director of the Oil and Gas Division, Max W. Ball, placed before the National Petroleum Council a request for consideration of a problem which recognized the shape of things to come. He told the Council, at that time, that in view of the central importance of petroleum to the national security and welfare, the government and the petroleum industry should be prepared to reinstitute immediately, when and if necessary, any measures necessary to safeguard and assure supplies for essential needs in times of emergency and to provide the best possible government and industry set-up to function at such time. He said "much experience and knowledge with respect to such matters was gathered during the recent war. It is recognized, however, that changing circumstances have made much of this knowledge obsolete and furthermore, that in many instances only imperfect solutions were found to vital problems". Accordingly, in the interests of preparedness the Department of Interior felt that the National Petroleum Council would perform a most valuable public service if it should survey the petroleum experience of the recent war and the pattern that

emerged during the period 1941 - 1945, and recommend such government, government-industry and industry organization, procedures and policies as in its opinion would best meet the needs of any future emergency.

Once again the industry through the Council went to work in the interest of the present and future security of the nation. On January 13, 1949, the Council's Committee on National Petroleum Emergency presented its findings to the Council in response to Mr. Ball's request. The Committee noted that the experience of the last emergency had clearly demonstrated that two fundamental principles must be followed by the government if the great resources and abilities of the petroleum industry were to be organized to serve the nation with maximum efficiency during an emergency period. The first principle related to the necessity for a specialized vertical rather than a general horizontal government organization to deal with the internal problems of the petroleum industry in all its phases. The ramifications of oil are so vast, so specialized, so complex, and so unique, as to require a governmental organization of experienced oil personnel, authorized to work with the petroleum industry in all its branches.

The second of the fundamental general principles listed by the Committee related to the inefficiency which is likely to result from any attempt to "take over" the industry and the large amount of creative and productive effort which can be brought forward by an industry-government partnership such as existed during World War II. Government controls should be held to a minimum. Only by mobilizing the initiative of individuals all the way along the line and throughout the industry



can real solutions be found for the new and presently unpredictable situations which another national emergency would inevitably bring to the nation and its petroleum industry.

Less than 18 months after the National Petroleum Council had recommended the types of organization, procedures and policies that would be needed to meet another emergency, the nation was faced with the whirl of war clouds in Korea. In June 1950, there existed a very definite possibility that America could be moving into World War III. The government oil job rested in the hands of Secretary of Interior, Oscar L. Chapman. He, the men in his Oil and Gas Division, and the leaders of the oil industry were gravely concerned about the then sudden increased demands for oil products and especially the specialized fuels. This concern was accentuated by the knowledge of an indicated shortage of steel and other critical materials so necessary to any enlarged supply program. Everyone knew that the necessary step-up in production, even given the necessary materials, would be in its self a gigantic task.

The National Petroleum Council was hurriedly called into session on July 25, 1950, to receive a briefing on the precarious international developments. The Hon. W. Stuart Symington, who only 90 days before had assumed the responsibility of the Chairmanship of the National Security Resources Board, told the Council that it was the wish of President Truman that there not be started a large number of new government agencies superimposed upon other existing agencies. It was up to the present agencies, therefore, to do the job and they would need in every way the full co-operation of industry. He said that the oil business of the United States would be

handled by the Department of Interior which could not discharge its serious responsibilities without a large measure of cooperation from the petroleum industry, because in a sense much of the necessary work would be delegated to the industry itself.

The Chairman of the National Petroleum Council, Walter S. Hallanan, in introducing Secretary Chapman, pointed out that the petroleum industry was not in the same position at that hour of national crisis that it was in at the outbreak of World War II. He said,

We have put forth our plans and formulas and have laid in your hands, Mr. Secretary, our recommendations as to what this industry can do and what it is quite willing to do in order to meet any responsibility. You have appointed this Council. We are here at your service. We are here to meet the call of our government. We believe that oil will be the vital factor in winning any future war as it was in former victories in war... I know that you are weighted with great burdens at this moment, but I do not believe that there is anything more important for you to know than that this house of petroleum is in order, that we are ready to march, ready to meet any responsibility you give us.

Secretary Chapman told the Council that both the industry and government experience in the last war had given the nation a great advantage and that they were meeting under a most unhappy outlook, and for a future that they would have to defend. He said,

It is needless for me to say to you how important your industry itself is during this crisis. It is important in peacetime, but it is even more important in the crisis facing the country today. As an industry, you are one of the crucial points, the focal points, of action that will need to be taken. It will be through your industry, and through you, to whom we must turn for advice so we will be able to meet the petroleum demands, not only the military but the domestic economy as well... There isn't anything in America more important than this cooperation and this work that you are doing here today.

The emergency government oil and gas agency, designed to coordinate and direct the vital fuels problems during the Korean crisis, was formally established by Secretary Chapman on October 3, 1950. On that date pursuant to the authority vested in him by Executive Order 10161 entitled "Delegating Certain Functions of the President Under the Defense Production Act of 1950" the Secretary issued Order No. 2591 establishing the Petroleum Administration for Defense to be headed by himself as Administrator. On November 22, Secretary Chapman appointed Bruce K. Brown as the first Deputy Administrator of the Petroleum Administration for Defense.

It was the responsibility of the Petroleum Administration for Defense to establish and effectuate basic policies, plans and programs to assure the availability of adequate supplies of petroleum and gas when and where needed to meet defense requirements for military, industrial, and essential civilian use. In addition it was to determine foreign and domestic requirements in industry operations, assure adequate supplies for security and defense needs, and act as claimant agency on behalf of the petroleum and gas industry before the other appropriate Government agencies for the acquisition, allocation, and expediting of critical materials requisite to the sustaining and increasing of petroleum and gas production, refining, transportation and distribution. Finally, it was to recommend to appropriate Government agencies the granting of Certificates of Necessity covering petroleum and gas operations, and review and make recommendations on applications for loans or other forms of financial assistance filed by petroleum and gas operators.

In retrospect it must be said that it was fortunate for this country that under the Defense Production Act the defense powers as related to petroleum supply were redelegated to the Secretary of the Interior. Likewise it was the country's good fortune that the man who occupied the office of Secretary of Interior was a highly respected patriot possessing all the qualifications required to meet the task of a Defense Petroleum Administration.

Secretary Chapman called frequently on the National Petroleum Council for advice. He demonstrated courage in accepting the advice of the Council and setting up an independent type of petroleum administration for defense of which he, regardless of his numerous responsibilities, was the Administrator. His petroleum administration was eminently successful. Recognizing that volume production could not be attained by giving orders from Washington alone, he relied upon industry cooperation and staffed the Petroleum Administration for Defense with employees drafted from industry who were highly skilled and experienced in the field of petroleum supply. As claimant agent, he personally interceded and gave of his time to facilitate procurement of steel and other critical materials needed to implement the petroleum supply program. He showed great wisdom in formulating a defense petroleum supply program which did in fact and in all respects meet the military needs and served adequately civilian demands. He also showed sound judgment in utilizing the techniques and procedures which had been created and successfully used during World War II, when the trail of government-industry cooperation was blazed.

Oscar L. Chapman has always been a champion of the principles that the preservation of our competitive system is essential to the maintenance of our tremendous productive power. For this reason he won during his administration as Secretary of Interior, and still retains, the confidence of the leaders of the oil and gas industries.

Subsequent to enactment of the Defense Production Act, the Deputy Attorney General, Peyton Ford, on October 19, 1950 sent a letter to all government agencies having responsibilities under the Act. This letter set forth five basic criteria or suggested standards recommended by the Department of Justice to be observed by the agencies with respect to the organization and utilization of industry advisory committees. Briefly these criteria were as follows:

1. There should be statutory authority for the employment of industry advisory committees or an administrative finding that it is necessary to utilize such committees to perform certain statutory duties.

2. The agenda for such committees and their meetings should be initiated and formulated by the government.

3. The meetings to be held should be at the call of and under the chairmanship of full-time government officials.

4. Full and complete minutes of each meeting should be kept.

5. Functions of such committees should be purely advisory and any determinations of action to be taken should be made solely by government representatives.

The Department of Justice later advised that their recommended standards were applicable to the administration of all industry advisory committees utilized by various departments and agencies and were not limited to those committees formed under the Defense Production Act of 1950.

It must be noted carefully that throughout the development of these recommended advisory group standards, officials of the Department of Justice emphasized that compliance with their suggested criteria affords no immunity from prosecution of the antitrust laws. The Department's attitude was that as long as the activities of industry advisory committees were carried on within these limitations, it would not view the activities as constituting an independent violation of the antitrust laws.

The institution of the defense mobilization program and the newly promulgated advisory committee standards raised certain questions involving the National Petroleum Council's status, which called for immediate resolution if the Council were to continue to function efficiently during the Korean crisis as it had during its first five years of existence. The Department of Justice advised Secretary of Interior Chapman that the Council's form of organization did not meet the Department's five recommended standards for industry advisory groups, chiefly because the Council had an industry chairman.

The position Secretary Chapman took with respect to this matter stands as a tribute to his vision and wisdom. He recognized that the National Petroleum Council was successfully functioning as the industry partner on a valuable government-industry team. The Council had been efficiently and properly functioning as an advisory group without surrendering one iota of its autonomy. It elected its own

officers, supported itself and took every precaution to ensure that it confined its activities at all times to keep well within the limits of the antitrust laws and its own basic purpose - to act solely as an advisory body to the Secretary of the Interior, his representatives in that Department, and in the Petroleum Administration for Defense.

Secretary Chapman insisted that the Council be permitted to continue to function as it had in the past. Throughout the early months of 1951, he carried on discussions with the Department of Justice concerning the function, organization and methods of policy of the National Petroleum Council. Finally on June 4, 1951, with the concurrence of the Attorney General, he prescribed certain basic directions to govern the Council which he designated as his "Directive to the National Petroleum Council". To guarantee the acquiescence of the Department of Justice he even obtained the signature of the then Attorney General, Hon. J. Howard McGrath to his Directive. That document is reproduced here in its entirety.

That the position Secretary Chapman took was justified can readily be demonstrated by the extremely valuable work the Council went on to do, not only for the Secretary and his Petroleum Administration for Defense, but the Nation itself. Throughout the Korean war and up to the present time the National Petroleum Council, through its technical study committees, has devoted concentrated time and effort to reviewing America's petroleum and gas resources and facilities, and advising government on the vital fuels situation and its potential, particularly in the area of defense preparedness and even potential nuclear disaster. Under



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
OFFICE OF THE SECRETARY  
WASHINGTON 25, D. C.

JUN 4 - 1951

National Petroleum Council  
Room 601  
Commonwealth Building  
Washington 6, D. C.

Directive to the National  
Petroleum Council

Gentlemen:

As you know, for some time I have been discussing with the Department of Justice the functions, organization, and methods of operation of the National Petroleum Council. With the concurrence of the Attorney General, I am herewith prescribing the following basic directions to govern the Council:

1. The Council shall act solely and exclusively in an advisory capacity to me both as Secretary of the Interior and Petroleum Administrator for Defense, and to my representatives in the Department of the Interior and in the Petroleum Administration for Defense;
2. The Council shall not make recommendations with respect to specific allocations of supplies, or materials, or the use of facilities to or among individual units of the petroleum industry. At such times as it is necessary in the discharge of my responsibilities under the Defense Production Act of 1950 for me to obtain recommendations with respect to such allocations or uses, I shall appoint special industry advisory committees headed by appropriate full-time Government officials for such purposes.
3. The Council shall make provision for the transmittal of minutes of its meetings through me to the Attorney General.

While the foregoing directions represent no material change in the conduct of the Council, it is desirable at this time for me to state them in this positive form so as to obviate any question with respect to the limitations upon the scope of the activities of the Council.

Insofar as the details of its procedures and methods are concerned, I shall expect the Council to continue to function as it has in the past.

Sincerely yours,

*Osborn I. Chapman*  
Secretary of the Interior and  
Petroleum Administrator for Defense

*reformed  
J. H. ...*



Secretary Chapman, the Council studied the oil and gas industries manpower situation; materials and chemicals requirements necessary to the petroleum industry's operations during the Korean situation; the petroleum industry's reserve productive capacity; steel requirements for oil operations; storage capability in the industry, both above ground and underground; transportation facilities; the trends in petroleum consuming equipment; and oil tubular goods so vital to continued ability to produce crude oil during an emergency.

An example of the careful, detailed types of study the Council made during Secretary Chapman's administration is evidenced by the Council's report of October, 1951 on Capital and Materials Requirements for Increasing Availability of Petroleum Products. The Department of Interior requested the Council for estimates of the cost in capital and materials of increasing the Western Hemisphere's availability of petroleum products by one million barrels daily over the level of operations during the period November 1, 1950 through January 31, 1951. Such information was urgently needed by the government for its own defense planning. Various subcommittees were set up by the Council and each of their studies involved a tremendous amount of technical work. For example, the subgroup on new capacity under the refining subcommittee worked out flow sheets and preliminary designs for four different sizes of refineries at three different locations, and their report alone comprised 113 pages of text, flow sheets and tables. The studies of the committee and its subcommittees resulted in the development of the various estimates requested by government. Its final report was presented on October 31, 1951. The committee

emphasized that while the cost figures given represented realistic estimates of what the committee believed could be done by way of increasing production, refining, transportation and storage requirements at the different specified locations and under specified assumptions, it was not recommending this as a program or even indicating that the proposed increments were the most economical or desirable ones. The committee stated that given a favorable economic climate, industry would and should continue to expand in the future as it had in the past, based on the individual decisions of many different companies using their own funds.

Secretary Chapman was extremely interested in the feasibility of synthetic liquid fuels being processed either from coal or shale. In 1950 he requested the National Petroleum Council to:

1. Review the estimates made by the Bureau of Mines for the cost of producing synthetic liquid fuels and its estimates on comparative costs of producing liquid fuels from crude oil.
2. Prepare independent cost estimates.
3. Make recommendations as to ways and means, if any, for improvement of future cost estimates by the Bureau of Mines.

The Council immediately went to work on this extensive assignment. Inasmuch as the Bureau of Mines was not prepared to submit estimates of the costs involved in the production of liquid fuels from crude oil, no studies were made by the Council on this subject. A subcommittee of experts in the synthetic fuels field was established under the Council's Committee on Synthetic Liquid Fuels Production Costs. That

subcommittee in turn organized additional technical subcommittees comprised of specialists in mining, research, development, engineering and economics. For two and a half years these men worked on their assignment, enlisting the aid of over 150 other technical personnel in their own companies, and consulted hundreds of outside concerns during the course of the investigation. The Committee itself estimated that the study cost the participating companies over five hundred thousand dollars. There was absolutely no cost to the government. The detailed findings of this Committee were completed on February 26, 1953, and included an analysis of coal hydrogenation and oil shale; a further analysis on coal hydrogenation as proposed by the Bureau of Mines; and a complete study of the Fischer-Tropsch synthesis process.

## Conclusion

As stated at the outset it is not the purpose of this brief treatise to trace in its entirety the history of a monumental achievement of the oil industry in the field of government-industry relations.

Despite the suddenness with which America was precipitated into the Second World War, there was time for the government and the oil industry to establish a vital emergency partnership in coordinating all military and essential civilian requirements of petroleum and its products. The job that was done through this cooperative undertaking assured and hastened victory for America and its allies. It was an achievement that has been indelibly written into the pages of history.

Our military strategists and civilian leaders are fully aware that in an atomic war of the future time will be as precious as men and material in the matter of petroleum supply, and our national existence will depend upon push-button status for the oil industry.

It has been recognized that this can be accomplished only through government-industry cooperation in setting up an agency that would not only meet all government requests for vital information but which can be converted into a war emergency basis overnight.

The President of the United States called the oil industry into this patriotic service. Through the National Petroleum Council the industry has done the job. It is continuing to do it.

The Council is not only willing that the full story of its outstanding record of public service be told - it is anxious that this be done. In this presentation it is pleased to have the opportunity to tell a portion of that story - its origin and its service from 1946 to 1952, particularly under one of the Nation's most eminent Secretaries of Interior, Oscar L. Chapman.

The activities of the Council have been strictly non-partisan. It was initiated and created under the national Democratic administration and has been carried forward by the present Republican administration. The idea for the National Petroleum Council did not come from within the industry. It was conceived by the Federal Government. The industry's response was and still remains immediate, wholehearted and virtually unanimous. In its relationship with the petroleum industry, through the Council, the government has been interested only in mobilizing the facts about any given situation. The Council has not been called upon to advise government with respect to its planning, nor has the Council volunteered to do so.

The accomplishments of the Council have been publicly recognized in the most gratifying manner by every agency of the Federal Government with which it has worked. All of the four Secretaries of the Interior under whom the Council has operated have given public expression of their appreciation of the Council's patriotic service.

The oil industry has moved out ahead to blaze a bright new trail in demonstrating that industry and government can work together in the public interest

without surrender by either of one iota of sovereignty. The National Petroleum Council is confident of support of the industry's intention to carry on in this patriotic effort to give its best for the protection of our national defense and public welfare.

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List of members appointed to serve on the National Petroleum Council by the Secretary of the Interior, Oscar L. Chapman, during his term of office 1949-1953, and whose photographs are contained in Volumes III-V in the Album presented to Mr. Chapman.

Adams, Kenneth Stanley	- Phillips Petroleum Company
Anderson, Robert Bernerd	- W. T. Waggoner Estate
Anderson, Robert O.	- Hondo Oil and Gas Company
Arnold, Charles H.	- Haggarts Service
Ashton, Holbrook Thayer	- Western Petroleum Refiners Association
Baker, Hines Holt	- Humble Oil and Refining Company
Ball, Munger T.	- Sabine Transportation Company, Inc.
Barton, Thomas Harry	- Lion Oil Company
Benedum, Paul Gregory	- Hiawatha Oil & Gas Company
Bergfors, Fred E.	- The Quincy Oil Company
Bero, John L.	- National Oil Jobbers Council
Birmingham, John P.	- Independent Oil Men's Association of New England, Inc.
Blaustein, Jacob	- American Trading and Production Corp.
Blazer, Paul Garrett	- Ashland Oil & Refining Company
Blodget, Rush M.	- Oil Producers Agency of California
Boyd, William R., Jr.	- American Petroleum Institute
Brazell, Reid	- Leonard Refineries, Inc.
Bridwell, J. S.	- Bridwell Oil Company
Brigance, F. Weldon	- American Association of Oilwell Drilling Contractors
Brown, Bruce K.	- Petroleum Chemicals, Inc.
Brown, Russell Bard	- Independent Petroleum Association of America
Burns, Henry Stuart Mackenzie	- Shell Oil Company
Churchill, Warren Stanley	- American Association of Oilwell Drilling Contractors
Coleman, Joseph Pickens	- National Stripper Well Association
Colley, Robert House	- Atlantic Refining Company
Cowden, Howard Austin	- Consumers Cooperative Association
Craig, Earle McKee	- National Petroleum Association
Crocker, Stuart Miller	- The Columbia Gas System, Inc.
Cummins, John Fenner	- Cumberland Oil Company
Davenport, Horace	- Independent Oil Men's Association of New England, Inc.
DeGolyer, Everett Lee	- DeGolyer and MacNaughton

Donnell, James C., II  
 Dow, Fayette Brown  
 Downing, Warwick M.  
 Downing, Wesley E.

Drake, James Frank  
 Dressler, John

Duke, Gordon  
 Dunnigan, James P.  
 Endacott, Paul  
 Falck, Edward  
 Fisher, Max M.  
 Flenniken, William Williams  
 Foree, Robert L.

Foster, Clyde Tanner  
 Fox, Stark  
 Franklin, Harry K.

Gernert, Hial B.  
 Graves, Benjamin Clifford  
 Graves, Bert I.  
 Hamon, Jake L.  
 Hanks, George J.  
 Hardey, Burton A.  
 Hargrove, R. H.  
 Harper, John  
 Hartman, Irvin W.  
 Herlihy, Fred W.  
 Hill, Charles Sumner  
 Hilts, Harry B.  
 Holliday, Wallace Trevor  
 Holman, Eugene  
 Hulcy, Dechard Anderson  
 Jacobsen, A.  
 Jennings, Benjamin Brewster  
 Johnson, Carl A.

Jones, Charles S.  
 Jones, John Paul

Jones, Mason B.  
 Jones, William Alton

- The Ohio Oil Company
- National Petroleum Association
- Independent Oil Producer
- Independent Oil Men's Association of New England, Inc.
- Gulf Oil Corporation
- New Jersey Gasoline Retailers Association and Allied Trade, Inc.
- Southeastern Oil Companies
- The Lazy Oil Company
- Phillips Petroleum Company
- Edward Falck & Company
- Aurora Gasoline Company
- Rocky Mountain Oil & Gas Assoc.
- Texas Independent Producers & Royalty Owners Association
- Standard Oil Company (Ohio)
- Oil Producers Agency of California
- Twin City Area Gasoline Retailers Association, Inc.
- Rocky Mountain Oil & Gas Assoc.
- Union Tank Car Company
- B. I. Graves Associates
- Independent Oil & Gas Producer
- South Penn Oil Company
- The Hardey Company
- Texas Eastern Transmission Corporation
- Harper Oil Company, Inc.
- Independent Oil & Gas Producer
- National Oil Marketers Association
- Rocky Mountain Oil & Gas Assoc.
- Empire State Petroleum Association
- The Standard Oil Company (Ohio)
- Standard Oil Company (N.J.)
- Lone Star Gas Company
- Amerada Petroleum Corporation
- Socony Mobil Oil Company, Inc.
- Independent Refiners Association of California
- Richfield Oil Corporation
- Pennsylvania Grade Crude Oil Assoc. National Stripper Well Association
- Petroleum Equipment Suppliers Assoc.
- Cities Service Company

Lawton, Richard Gray  
Leach, J. Sayles  
Lerch, Frank H., Jr.  
Leyendecker, Harry  
  
Lovejoy, John M.  
Lynch, John F.  
Lyons, Charlton Havard, Sr.

McCollum, Leonard Franklin  
McDowell, Robert Wright  
McGowen, Norris Cochran  
Maguire, William G.  
Majewski, Bernard L.  
Markham, Baird H.  
Marshall, J. Howard  
Mattei, Albert Chester  
Mayer, Frederick Miller  
Maynard, Nelson

Meece, Brown Louis  
Morrill, Clyde G.  
Mosher, Samuel Barlow  
Nielson, Glenn E.  
Niness, S. F.  
Nixon, Maston  
Nolan, Joseph L.  
O'Shaughnessy, John F.  
Parten, Jubal Richard  
Payne, Bryan W.

Payne, William T.  
Peck, Rankin P.  
Pogue, Joseph Ezekiel  
Porter, Frank Martin  
Pyles, E. E.  
Reitz, Walter R.  
Richardson, Sid Williams  
Ritchie, A. S.  
Robineau, Maurice Henry

Robinson, J. French

- Janlyn Oil Company, Inc.
- The Texas Company
- Consolidated Natural Gas Company
- Independent Refiners Association of America
- Seaboard Oil Company (Del.)
- Natural Gasoline Association of America
- Independent Petroleum Association of America
- Mid-Continent Oil & Gas Association
- Continental Oil Company
- Mid-Continent Petroleum Corporation
- United Gas Corporation
- Panhandle Eastern Pipe Line Company
- Great American Oil Company
- American Petroleum Institute
- Signal Oil & Gas Company
- Honolulu Oil Corporation
- Petroleum Equipment Suppliers Assoc.
- National Congress of Petroleum Retailers, Inc.
- Globe Oil & Refining Company
- Atlantic Coast Oil Conference, Inc.
- Signal Oil & Gas Company
- Husky Oil Company
- Leaman Transportation Company
- Southern Minerals Corporation
- Farmers Union Central Exchange, Inc.
- The Globe Oil & Refining Company
- Woodley Petroleum Company
- Texas Independent Producers & Royalty Owners Association
- Mid-Continent Oil & Gas Association
- National Congress of Petroleum Retailers
- Independent Petroleum Consultant
- American Petroleum Institute
- Monterey Oil Company
- Quaker State Oil Refining Corporation
- Sid W. Richardson, Inc.
- Independent Producer
- The Frontier Refining Company
- Independent Refiners Association of America
- Consolidated Natural Gas Company

Rodgers, William Starling Sullivant	- The Texas Company
Rodman, Roland Vere	- Anderson-Prichard Oil Corporation
Rowan, A. H.	- Rowan Drilling Company, Inc.
Scott, A. W.	- National Petroleum Association
Shannon, Richard Stoll	- Pioneer Oil Company
Skelly, William Grove	- Skelly Oil Company
Smith, Cecil W.	- Montana-Dakota Utilities Company
Spencer, Percy Craig	- Sinclair Oil Corporation
Staples, David T.	- Tidewater Oil Company
Streeter, Clarendon E.	- Pennsylvania Grade Crude Oil Assoc.
Sutter, Theodore	- Petroleum Equipment Suppliers Assoc.
Taylor, Reese Hale	- Union Oil Company of California
Thompson, A. W.	- American Association of Oilwell Drilling Contractors
Thompson, Roy J.	- National Oil Jobbers Council
Tollett, Raymond Lee	- Western Petroleum Refiners Association
Tompson, Guy A.	- Petroleum Equipment Suppliers Assoc.
Vandever, W. W.	- Vanson Production Corporation
Violette, Willis Gordon	- Standard Oil Company (Kentucky)
Vockel, Stewart M.	- The Waverly Oil Works Company
Warren, Guy I.	- Texas Independent Producers & Royalty Owners Association
Warren, John Ed	- Cities Service Company
Warren, William Kelly	- Warren Petroleum Corporation
Wescoat, L. S.	- The Pure Oil Company
Whaley, William Charles	- Sunray Mid-Continent Oil Company
White, John H.	- Port Oil Company
White, Joseph F., Sr.	- White Fuel Corporation
Williams, Russell S.	- Individually Branded Petroleum Assoc.
Wilson, Robert Erastus	- Standard Oil Company (Indiana)
Wrather, John	- John Wrather, Inc.
Wright, Clarence Herman	- Sunray Mid-Continent Oil Company
Zehrunge, Winfield Scott	- National Petroleum Association
Zoller, Henry Eugene	- The Derby Oil Company

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