

NATIONAL PETROLEUM COUNCIL

REPORT OF THE
COMMITTEE ON NATIONAL PETROLEUM COUNCIL
ORGANIZATION STRUCTURE UNDER THE
NATIONAL DEFENSE PRODUCTION ACT

DECEMBER 5, 1950

HEADQUARTERS

1625 K Street, N. W.
Commonwealth Building

Suite 601
Washington 6, D. C.

Telephone: EXecutive 5167

REPORT OF THE
COMMITTEE ON NATIONAL PETROLEUM COUNCIL
ORGANIZATION STRUCTURE UNDER THE
NATIONAL DEFENSE PRODUCTION ACT
DECEMBER 5, 1950

Your Committee on National Petroleum Council Organization Structure Under the Defense Production Act met in the office of the National Petroleum Council December 4, 1950, for consideration of the problem presented in the attached letter, dated November 22, 1950, addressed to members of the Committee and signed by Walter S. Hallanan, Chairman of the National Petroleum Council.

All members of the Committee were present except C. L. Harding, who was represented by John Scott as alternate.

The Committee reviewed the provisions of Public Law 774, 81st Congress, known as the "Defense Production Act of 1950," and the various government orders relating to the petroleum industry and issued pursuant to the Act, for the purpose of determining the relationship of the Act and such orders to the problem presented to the Committee.

The Committee also reviewed the authority and the organization of the National Petroleum Council with particular reference to the Articles of Organization of the Council and the composition of the Council.

In the opinion of the Committee, the Council as now constituted can perform the functions now being carried on and in addition thereto could perform the industry advisory committee duties contemplated by Section 701 of the Defense Production Act. With possible exception of

representatives of manufactured gas, the Council consists of a fair representation for independent, small, medium, and for large business enterprises, for different geographical areas, for trade association members and non-members, and for different segments of the oil and gas industry.

Comparison of the functions of the Council under its Articles of Organization, and as these functions have developed in practice, with the functions of an industry advisory committee of the type contemplated by Section 701 of the Defense Production Act of 1950 shows that the Council's actions go beyond those of adviser as to rules, regulations, or orders, or amendments thereto issued under the authority of the Defense Production Act.

Should the Secretary of the Interior desire to formalize his announced intention by also designating the National Petroleum Council as an industry advisory committee pursuant to Section 701 of the Defense Production Act of 1950, there would appear to be no objection to the Council accepting such designation and performing such functions in addition to those which it performs at present.

The Council's activities are limited by its Articles of Organization to advising the Secretary of Interior and the Director of the Oil and Gas Division. It is clear that if the Council were designated as an industry advisory committee under Section 701 of the Defense Production Act of 1950, the Articles of Organization of the Council would need to be amended by adding at the end of numbered Paragraph 1 of the present Articles of Organization, a new paragraph reading in substance as follows:

"During the existence of the Petroleum Administration for Defense the National Petroleum Council shall have as an additional purpose to advise or inform the Administrator or Deputy Administrator of the Petroleum Administration for Defense with respect to any matters relating to petroleum or the petroleum industry submitted to it by or approved by the Petroleum Administrator for Defense or Deputy Petroleum Administrator, including but not limited to the purposes provided in Section 701 of the Defense Production Act of 1950."

Respectfully submitted,

Hines H. Baker, Chairman
Committee on National Petroleum
Council Organization Structure
Under the National Defense Pro-
duction Act

C
O
P
Y

NATIONAL PETROLEUM COUNCIL
1625 K Street, N. W.
Washington 6, D.C.

November 22, 1950

Mr. Hines H. Baker, President
Humble Oil & Refining Company
P. O. Box 2180
Houston 1, Texas

Dear Mr. Baker:

Under the authority given me at the meeting of the National Petroleum Council on July 25, 1950, I am hereby appointing you as Chairman of the Committee on National Petroleum Council Organization Structure Under the National Defense Production Act.

The Committee is requested to make a study of the National Defense Production Act of 1950 to determine whether it has any bearing upon the present organization of the National Petroleum Council.

Your Committee members have been advised of their appointment and I would hope to have the views of the full membership, with particular consideration to the legal phases of this matter, prior to the next meeting of the Council on December 5, 1950.

There is enclosed for your information a copy of the National Defense Production Act of 1950 and a list of the members of your Committee.

Sincerely,

/s/ Walter S. Hallanan

Walter S. Hallanan
Chairman

Enclosures (3)

COMMITTEE ON NATIONAL PETROLEUM COUNCIL
ORGANIZATION STRUCTURE UNDER THE
NATIONAL DEFENSE PRODUCTION ACT

CHAIRMAN - Hines H. Baker
Humble Oil & Refining Company

Russell B. Brown
Independent Petroleum Association
of America

J. J. Cosgrove
Continental Oil Company

C. L. Harding *
Socony-Vacuum Oil Company, Inc

George Koegler
Standard Oil Company (N. J.)

J. Howard Marshall
Ashland Oil & Refining Company

J. R. Parten
Woodley Petroleum Company

* John Scott
Socony-Vacuum Oil Company, Inc.