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DEPARTMENT OF STATE

Office of FAR EASTERN AFFAIRS MAY 10 1948 DIRECTOR Department of State

Memorandum of Conversation

RESTRICTED

DATE: May 7, 1948

692.119/5-748

SUBJECT: Oil

PARTICIPANTS: H.R.H. Wan Waithayakon, Siamese Ambassador
Mr. Dilokrit Kridakon, First Secretary of the Siamese Embassy
Mr. Charles S. Reed II, SEA
Mr. Kenneth P. Landon, SEA

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In the course of a call on Mr. Reed, the Siamese Ambassador referred to a request made on April 23 for the Department's support in securing an export license for a shipment of oil by the Richfield Oil Company to Bangkok. He recalled that the Department, after receiving information from Bangkok, had informed the Embassy that it was unable to support such a request in view of the fact that it was possible for the Siamese Government to secure oil from the Persian Gulf through such oil companies as Standard Vacuum, Caltex and Shell. The Ambassador said that he had referred this matter again to his government and had been instructed to approach the Department once more in the matter. He explained that the oil contract with Richfield dated from early 1947; that his government was eager to fulfill its agreement with Richfield Oil Company; and that he himself felt that it was desirable for the Department to give a favorable decision lest the new Siamese Government should feel that it was being rebuffed for political reasons.

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It was explained to the Ambassador that the Office of International Trade was limiting export licenses to shipments which were absolutely imperative; that it would be difficult to justify the export of oil to Siam at this time as it was known that adequate supplies could be procured from the Persian Gulf;

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Gulf; and that in order to ease the Ambassador's mind in regard to the political implications of a negative decision we could instruct our Ambassador at Bangkok to reassure the Siamese Government in this respect. It was pointed out that according to our information purchases of oil from the Gulf of the same amount as the proposed shipment by the Richfield Oil Company might save the Siamese Government as much as a quarter of a million dollars, so that in withholding the export license we would be saving the Siamese Government a substantial amount of dollar currency. The Ambassador appeared to be satisfied and said that he would report again to his government.

SEA:KPLandon:mtb

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