

November 19, 1947

MEMORANDUM FOR FILES

On November 5, 1947 I received a visit from the following officials of the Standard Oil Company of New Jersey: Mr. Howard Page, Assistant to the President in charge of economics, Mr. Leo Walsh, Treasurer, and Mr. George Keoglar, Council. The subject of discussion was the role in the Marshall Plan of United States corporations with investments in the Marshall Plan countries.

The representatives of Standard Oil outlined their problems with respect to new investments in Marshall Plan countries, with particular reference to the company's situation in Italy, France, and the United Kingdom. They conceived their alternatives to be: (1) new investment of their own funds entirely at their own risk; (2) investment of their own funds under a guaranty of the United States Government to make possible the transfer of profits; and (3) provision under the Marshall Plan for investment of United States Government funds through U.S. corporations now doing business in the Marshall Plan countries. They wanted to know in particular whether enterprises in the Marshall Plan countries now owned or controlled by U.S. corporations were to be excluded from consideration in the Marshall Plan (as they say is their understanding from a reading of the report of the C.E.R.C.) or whether such operations were to be placed on the same footing as locally owned and controlled operations in the Marshall Plan countries.

I told the representatives of Standard Oil that I could not personally see any good argument for the guaranty by the U.S. Government of the transfer of profits on private investment in Marshall Plan countries, and that it was a type of operation that had not at any time been seriously considered by the Export-Import Bank. I then commented to the representatives of Standard Oil that I knew of no sentiment in the Export-Import Bank or elsewhere in the U.S. Government for discriminating against foreign enterprises owned or controlled by U.S. corporations in the carrying out of the Marshall Plan. I went on to mention the problem recently confronting the Export-Import Bank with reference to Italian companies in which there was an important U.S. interest. I told them that the decision in that case, after consulting with the U.S. interests involved regarding their willingness to invest new funds in their Italian affiliates, was to place them on exactly the same footing, so far as credit arrangements were concerned, as other Italian companies.

I then described in some detail the way in which the Bank's credits to Austrian and Italian enterprises had been arranged, and suggested that the situations with which the Export-Import Bank had been dealing in these two countries were similar to those which would arise under the Marshall Plan.

It should be emphasized that the representatives of Standard Oil did not come to the Bank seeking assistance from it but only to explore the thinking of the interested agencies in the U.S. Government on the problem created by required new investment in American properties in Marshall Plan countries.

August Maffry

cc: Board of Directors
Secretary's Office
Mr. Tirana

Dictated November 10, 1947

AM:DT