

by Mr. Duce, so one can assume that the parents of Aramco approve.)

After Mr. Nitze had indicated our concern with the international repercussions of the suit, he said that we nevertheless, as Government servants, were charged with upholding U.S. laws. To this Duce replied that he for one had always favored the elimination of practices which could properly be construed as violations of our own law.

No. 269

887.2553/11-152: Telegram

*The Acting Secretary of State to the Embassy in Lebanon*¹

SECRET

WASHINGTON, November 13, 1952—7:05 p. m.

914. Ref Embtels 839² and 901³ Dept has little info which wld allow it judge whether two and half Mil annual payments by both pipelines to Leb Gov constitutes legitimate source of complaint. Therefore, Dept desires continue uninvolved in all aspects of negots which are essentially commercial. Emb action shld be guided by this principle but Emb may wish reemphasize to Leb officials apparent disadvantages renegotiation as given urtel so shortly after previous negots completed. Emb shld continue review facts and equities in situation and advise Dept. USG may then wish take substantive position particularly in case deadlock. In this connection additional info available from company sources Wash fols:

1. Hakim may be protagonist in seeking renegotiation pipeline contracts. He apparently has made personal econ study worldwide pipeline conventions and reportedly was impressed by 1950 Oil Forum article suggesting yet uncompleted Tapline wld save company estimated sixty million dollars per year. Tapline officials indicate article highly speculative and inaccurate.

¹ Drafted by Funkhouser and cleared by PED and OMP. Repeated to Amman, Baghdad, Damascus, Jidda, Dhahran, Tel Aviv, and London.

² Dated Oct. 31, not printed. It reported several members of the finance committee of the Lebanese Chamber of Deputies had said they could not recommend ratification of the agreement signed on May 15 with IPC, since they felt no agreement negotiated by the old government could possibly be the best agreement Lebanon could obtain. The Embassy's economic officer had pointed out to Hakim, the Minister of Finance, the many arguments against renegotiation, but Hakim said the government was not willing to face a parliamentary dispute over the IPC agreement, which it was sure could not be ratified. He assured the Embassy Lebanon would not be unreasonable, but both he and President Chamoun felt the pipeline companies could easily afford a higher transit fee. (887.2553/10-3152)

³ Dated Nov. 1, not printed. It reported a discussion with a Tapline official of the possible renegotiation of the pipeline company agreements. (887.2553/11-152)