

2. Tactically Tapline and IPC can be expected stand pat and refuse any renegotiation.⁴

3. Strategy however may take into consideration full company knowledge when pipelines originally proposed that negots with states transitted wld be never-ending and that constant state of "guerrilla warfare" wld exist between two parties. This approach, while not most desirable, is perhaps the most realistic and best palliative available is for all foreign interests including pipeline companies and govt agencies to develop best possible atmosphere of mutual respect so that heat from repetitive crises can be kept at minimum".

4. IPC also has had some reservations re desirability ratification May 15 heads of agreement.

BRUCE

⁴ Telegram 1480 from Beirut, Feb. 10, reported IPC intended to inform President Chamoun it was unwilling to consider upward revision of the payments proposed under the May 1952 pipeline agreement, and the company had no objection to submitting the agreement to Parliament for debate. (887.2553/2-1053) Telegram 1495, Feb. 11, reported that, at the request of the British Embassy, the IPC representative would not present President Chamoun with a categorical refusal. IPC officials planned to confer in London on a possible new approach to pipeline agreements with Syria and Lebanon. The local IPC representative hoped to return with advice to the President that IPC was willing to negotiate a new agreement which would incorporate some basic terms from the original convention and the May 1952 agreement. (887.2553/2-1153)

No. 270

Editorial Note

A report by the Secretary of the Interior and Petroleum Administrator for Defense, entitled "National Security Problems Concerning Free World Petroleum Demands and Potential Supplies," dated December 2, was transmitted to the Executive Secretary of the National Security Council. The report was submitted to the National Security Council on December 8 for consideration at an early Council meeting, and designated NSC 138 on the same day. (S/P-NSC files, lot 61 D 167, "Free World Petroleum Demands and Potential Supplies, National Security Problems Re NSC 138, 138/1") For a summary, see volume I, Part 2, page 1291.

No. 271

Editorial Note

Negotiations between Aramco and the Saudi Arabian Government, adjourned in Riyadh on May 15, were resumed in Jidda from