

designed to recover a pipeline investment, possibly on a replacement basis, within a reasonably short time and with interest on investment after costs of operation equal to the government's income from a small fixed fee and a non-discriminatory tax. Thereafter through American companies and the British Government, the agreement of interested British companies should also be sought. Finally, and assuming the necessary company and British Government agreement, the United States Government should lend its active support to obtaining the agreement of Middle East Governments to the suggested proposal and to insuring their continued adherence to the agreement within its terms.

It is recognized that no arrangement can be guaranteed as a stable one. Dressing them up as principles doesn't help at all in the view of the Gulbenkian interests in IPC. Perhaps equal sharing of income will hold only as long as new ways can be found to redefine the agreements to give more and more to Governments. The alternative of working without standards or bench marks seems certain to be unstable. With United States and United Kingdom Government support of positions based on principles they have approved, it may be possible to give them stability. It is worth an intensive try.

EDWIN G. MOLINE

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No. 274

800.054/12-1952

*Memorandum by the Assistant Legal Adviser for Economic Affairs  
(Metzger)*<sup>1</sup>

WASHINGTON, December 19, 1952.

THE CURRENT SITUATION OF THE ANTI-TRUST OIL CASE

At present, the so-called Anti-Trust oil case is not actually a criminal case against defendants; rather, it is a Grand Jury investigation into possible violations of the Anti-Trust statutes on the part of five major American companies and the Anglo-Iranian Oil Company, and the Shell combination. Subpoenas have been issued for domestic and foreign records of the American companies; no subpoena has been issued to the foreign Shell corporations, while the subpoena which had been issued to the Anglo-Iranian Oil Com-

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<sup>1</sup> Attached to the source text was a memorandum, dated Dec. 19, from Metzger to Armstrong, informing him that the paper contained some material for the oil paper he was preparing. (800.054/12-1952)