

filing of a complaint. The foreign documents problem would be much the same in a civil case, since the Justice Department could, through discovery under the Federal rules, call for the production of documents relating to the issues in the complaint. If the basis of the court's order quashing the subpoenas on the Anglo-Iranian Oil Company is valid, Anglo-Iranian Oil could not be made a party defendant in the case, or, if made a defendant, could secure dismissal of the complaint; if, however, the basis of the court's order is erroneous, as may well be held upon appeal, Anglo-Iranian Oil Company would be a defendant in the civil action. It should be emphasized that the decree in the civil case is the instrument by which restrictive practices, changes in organization, etc., affecting oil operations, are accomplished. The institution of a civil suit during a postponement of the Grand Jury's proceedings would not preclude a subsequent institution of a criminal suit.

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*Memorandum of Conversation, by William McMaster of the  
Petroleum Policy Staff*

CONFIDENTIAL

WASHINGTON, December 23, 1952. <sup>1</sup>

Subject: Principle of Division of Pipe Line Profits.

Participants: Messrs. Duce and Chapman, Arabian American Oil  
Co. (Aramco)  
Messrs. Noble and Britton, Trans-Arabian Pipe Line  
Co. (Tapline)  
Mr. Funkhouser--NE  
Messrs. Eakens and McMaster--PED

This meeting resulted from an offer by Mr. Britton to come to Washington for a discussion of the pipe line transit payments problem in the Middle East.

Mr. Eakens opened the meeting with a general summary of the Department's thinking and position on the matter at the present time. He said that contrary to reports in New York and even in London, the Department has taken no position favoring the application of the 50-50 profit-sharing principle to pipe line transit agreements. He said, in fact, that the Department has not taken a position on any of the substantive questions involved in this problem. The present fixed-fee basis of payments, however, seems to

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<sup>1</sup> This memorandum of conversation was prepared on Dec. 29.