

November willingness re-negotiate sitting tight await developments.

Considerable news coverage being given government need re-negotiate Tapline agreement and mention made consideration decree to set stage for re-negotiation. Swigart feels that if Parliament should invalidate May 1952 agreement government will probably whip up public opinion to point where pressure will require Tapline enter re-negotiating discussions.

See Embtel 1220 for Finance Minister Hakim's views. ³

MINOR

³ Not printed; it reported Hakim told the economic officer the May 1952 agreement modified a convention ratified by Parliament, and therefore, it also had to be ratified. He stated that if Parliament rejected the May agreements the Government of Lebanon would return to the old agreements, and would probably have to refund excess payments made by Tapline under the May agreements. He admitted there was a close connection with the IPC-Syrian negotiations, and added that Jordan was also interested. (883A.2553/12-2352)

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

CONFIDENTIAL

WASHINGTON, December 30, 1952. ¹

Subject: Current problems of Trans-Arabian pipe line Company (Tapline) in the Middle East.

Participants: Mr. Duce, Aramco

Messrs. Eddy, Noble and Britton, Tapline

Mr. Nitze—S/P

Messrs. Funkhouser and Dorsey—NE

Messrs. Eakens and McMaster—PED

This meeting was requested by the oil company officials to discuss current problems confronting Tapline in the Middle East.

Mr. Duce said the situation, particularly in Syria and Lebanon, has become so serious that the company considered it necessary to advise the Department of the impact of the situation on the company's operations and of the position it expects to take with respect thereto. He requested Mr. Noble to outline the company's views and their proposal for meeting the impending problems.

Mr. Noble prefaced his remarks with the statement that although he is a counsel of record in the United States Government's

¹ This memorandum of conversation was prepared on Jan. 5, 1953.