

laws to the overseas operations of United States oil companies, and to the remedies to be sought in a civil antitrust suit.

c. The President should instruct the Attorney General to prepare a complaint as a basis for a civil action under the antitrust laws, if in the judgment of the latter this action is warranted, copies to be transmitted to the members of the Commission mentioned in recommendation b for their information as soon as practicable after completion but in any event at least 10 days before it is publicly filed.

d. An announcement of this course of action should be made by the President.

44. The Department of the Interior concurs in the foregoing report (not including its recommendations in paragraph 43), the report being generally in accord with the memorandum of the Secretary of the Interior (NSC 138), but the Department of the Interior does not either approve or disapprove the recommendations in paragraph 43 and does not join therein.

No. 280

PPS files, lot 64 D 563, "Strategic materials (oil)"

*Report by the Departments of State and Defense*¹

SECRET

WASHINGTON, [January 6, 1953.]

NSC 138/1

FOREIGN PETROLEUM POLICY

1. The question of the applicability of anti-trust laws to the international operations of the oil companies has called attention to the fact that there are many complex and intricate problems, of great importance in our national security and foreign policy, inherent in the situation. These problems are likely to be of substantial duration, and the effective disposition of the current action against the oil companies will contribute only to a partial solution of them. It is the conviction of the Departments of State and Defense that the entire situation needs to be examined in all its aspects by responsible Executive departments.

2. The Departments of State and Defense therefore recommend that the commission proposed in the report submitted to the National Security Council in response to NSC Action No. 692 be asked to undertake a full study of the problem, and to report within a year. For this purpose the Commission should have its terms of reference extended to include the following:

¹ See footnote 1, *supra*.