

that would involve over-riding the judgment of competent lawyers in the Department of Justice that there had in fact been violations of the anti-trust laws. Mr. Follis said he fully understood this. He wondered, however, if it would not be possible to conduct the case with a view to producing a minimum of unfortunate repercussions. Both General Smith and Mr. Waugh expressed great doubt that adverse publicity could be avoided once the case came to trial.

In the course of the conversation reference was made to the suggestion advanced last year that a governmental commission be set up to study the whole international oil picture with a view to substituting some form of continuing governmental control for the present anti-trust proceedings with regard to operations in the foreign field. General Smith said he would be glad to consider this suggestion. He would be willing to talk with Attorney General Brownell about this or any other procedure which would be politically possible and would get us out of our present dilemma. However, he would have to have some sort of definite proposal to make and he asked Mr. Waugh and Mr. Jernegan to make a study with this end in view.

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Memorandum of Conversation, by the Deputy Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Jernegan)

SECRET

[WASHINGTON,] August 17, 1953.

Subject: Middle East Oil

Participants: Robert H. Scott, British Minister
The Acting Secretary, W. Bedell Smith
NEA: Mr. Jernegan

Mr. Scott said that his Government was greatly concerned over the Middle East oil picture and wished to propose that informal talks be initiated on the subject between representatives of the British Embassy in Washington and appropriate officers of the Department. He suggested that Mr. Harold Beeley, Counselor of the Embassy, would be designated on the British side and that Assistant Secretary Byroade would seem to be an appropriate officer on the American side.

General Smith observed that he fully shared the British Government's concern over the oil picture in the Middle East and that he saw no objection to the proposed talks. Our Officers were always at