

- 1) Adjustment of Tapline's outstanding claims for customs charges;
- 2) Increased acceptance of non-dollar currencies, particularly Sterling;
- 3) Acceptance of the Company's income declarations for the years 1950, 1951 and 1952, 1953's return to be prepared on the same basis, adjusted only as increased billings to offtakers may commence;
- 4) Tax immunity of Aramco stockholders, offtakers and all others participating in export of the Company's products;
- 5) Adjustments for gravity and stabilization;
- 6) "Some understanding" regarding the other outstanding questions raised by the Government in January, 1952.

It will be noted that the stipulations enumerated above, constituting Aramco's *quid pro quo* for increasing its payments to the Government by an estimated \$50,000,000 a year, include virtually every major point of disagreement between the two parties.

J. JEFFERSON JONES, III

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#### *Editorial Note*

On October 21, Deputy Assistant Secretary of State John D. Jernegan sent letters to the Embassies in Amman, Baghdad, Beirut, Cairo, Damascus, Jidda, London, and Tehran enclosing an NEA Staff Study on an International Treaty in Respect to Middle East Oil Disputes. The study, dated October 16, suggested a multilateral oil treaty restricted in purpose and membership to providing a forum at a governmental technical level designed to facilitate settlement of disputes arising between the oil-producing states of the Middle East and foreign nationals holding oil contractual rights in those states. The letters to the Embassies, dated October 21, asked their views and comments on the enclosed staff study as soon as possible, so that the Department of State might then proceed to confer with other interested agencies in the Executive Branch. It requested the Embassies to consider, among other matters, whether the proposed treaty would be acceptable to the Near Eastern states concerned, and whether the oil companies would like it. The study suggested that a treaty having suitable provisions against any encroachment on the sovereignty of any producing country and providing for a reference of disputes to an international oil commission on a voluntary basis might tend to counter the objection that the producing countries would be reluctant to submit disputes arising within their own borders to an international body whose findings would have the effect of impinging on sovereignty. As far as