

companies. He said this was only tentative thinking on his part but that matter of structure of companies would certainly have to be discussed and French would like to be in on discussions. His reason for suggesting some structural modifications was that we would be "eaten to bits" by the producing countries if the off-takers could not get together. He realized anti-trust problem for US would make it all more important that matter be handled on governmental level.

c. Soviet Offers. Charpentier mentioned facts that Soviets have agreed to furnish French 400 thousand tons crude from Baku; that Finns had asked whether French wanted one million tons Russian oil; that Soviets had recently offered sell gasoline to France against payment in Austrian schillings (Charpentier said French had refused offer; he also requested that information re this offer be closely held); and that Soviets offering oil to Italy and certain South American countries. He feels that entry of Soviets in world petroleum picture emphasizes the need for inter-governmental discussions among US, UK, French and Netherlands.

III. Wish to emphasize that Charpentier approach very informal and apparently unofficial. Gather that any official approach in hands of French Embassy Washington. If Department has been approached by French Embassy, we would appreciate receiving comments. ²

ACHILLES

² Telegram 2027 to Paris, Dec. 3, not printed, informed the Embassy that Ambassador Bonnet had requested informal talks on Middle East oil problems at the official level, preferably on a tripartite basis with the British. On Dec. 3, the French Embassy was informed that the Department of State would be glad to discuss the matter with them on a bilateral basis, since such talks had recently been held with the British. (880.2553/11-3053) For a memorandum of the first conversation with the French on Dec. 18, see Document 320.

No. 319

883A.2553/12-1853: Telegram

The Ambassador in Lebanon (Hare) to the Department of State ¹.

CONFIDENTIAL

BEIRUT, December 18, 1953.

531. Prime Minister Yafi asked me call this morning and raised question of renegotiation of unratified IPC agreement (Embtel 518, December 11). ² Said he had previously taken up with British and

¹ This telegram was sent by pouch.

² Not printed; it reported the Government of Lebanon had been corresponding with Tapline and IPC, requesting new negotiations of the May 1952 agreements and asking the companies to get in touch with the Minister of Finance. Neither company planned to contact him. (883A.2553/12-1153)