

tions—a sort of international oil conference, meeting at a neutral place and having broad membership. He conceives of it as a technical forum with a limited advisory role which might reduce friction and help well intentioned governments resist undesirable local pressures. Such a scheme could evolve into a more binding arrangement.

5. *Mr. Henderson—Tehran*⁷

Ambassador Henderson sees problems in the proposed treaty yet conceives it possible that some kind of a form for advisory purposes might be useful. The treaty, he thinks, would increase the likelihood of Arab Governments consorting against the governments representing concession interests and thinks emotional and political factors would come more into the picture. The treaty would tend to align the United States back of the companies of other Western powers. If the proposal served an educational purpose, he is afraid the increased knowledge would be used against us. He recognizes the weaknesses in the present situation and the limiting nature of our antitrust legislation, but feels that the companies are in a fairly strong marketing position and that the Iranian nationalization episode may provide a lesson to other governments. The Arab Governments may eventually come together, yet their interests are not identical; they would tend to be coy in respect to an international treaty and suspicious of foreign governments injecting themselves into oil disputes. He surmises that Iran in the present state of affairs would not likely be able to participate. He suggests the safest long-range method of meeting the inevitable and formidable ganging together of the oil producing countries to be in the direction of probing other areas for new sources of petroleum thus making the United States and Europe less dependent on the Arab region.⁸

⁷ Letter from Henderson to Jernegan, Nov. 12, not printed. (880.2553/11-1253)

⁸ In a memorandum to Byroade, dated Jan. 19, not printed, Hoover agreed with Byroade's analysis of the problem. Hoover's reply stated that a situation existed which made the operations of American oil companies difficult in the Middle East, but he did not believe an International Petroleum Treaty as proposed in the Staff Study was the practical answer to the problem, and he agreed with the arguments against it. (880.2553/1-1954)

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Editorial Note

On December 18, 1953, attorneys from Socony-Vacuum Oil Company, Standard Oil Company of California, and The Texas Compa-