

## No. 328

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*Memorandum of Conversation, by the Chief of the Petroleum Policy Staff (Eakens)*

CONFIDENTIAL

[WASHINGTON,] January 27, 1954. <sup>1</sup>

Subject: Effect of Oil Cartel Case on United States Interests and Objectives in the Middle East.

Participants: Mr. J. R. Withrow, Special Counsel for Socony-Vacuum Oil Company, Inc., in Oil Cartel Case.

Mr. Kalijarvi—E

Mr. Metzger—L/E

Mr. Eakens—PED

The first part of the discussion centered around questions which Mr. Kalijarvi had raised at the meeting on Saturday, January 23, <sup>2</sup> when Mr. Withrow presented to representatives of State, Defense, and CIA the findings of a study which he and two colleagues had recently made in the Middle East of the above-mentioned subject. Mr. Kalijarvi again mentioned his question as to whether Mr. Withrow did not have in mind what he expected to find before he went to the Middle East to make the study.

According to Mr. Withrow, he was frankly skeptical as to just what their study would show. In the study he represented three of the four parents of Aramco, one of which was Socony-Vacuum. He did not disclose the names of the other two. The fourth partner in Aramco did not think there was enough to the question to justify the study and did not join in it. Being skeptical when he started, Mr. Withrow said that he was surprised to learn of the serious repercussions which the people he talked with expected from a revival of the suit.

On the revival of the suit, he explained that what he meant was any action that led to news reports again appearing in the press as would be the case if the issues in the suit were aired in court proceedings. He said the impression which he received from people in the Middle East was that the suit already had been settled or dropped, and they were alarmed to learn that was not the case. They had apparently obtained this impression from the fact that nothing has been appearing in the Middle East press on the case now for many months.

<sup>1</sup> This memorandum of conversation was prepared on Jan. 28.

<sup>2</sup> See the transcript of the meeting, *supra*.