

expected to intensify badgering of oil companies, including Tapline, and of placing us in greatly weakened position in protecting their interest, not to mention invidious effect which such publicity would have on general American reputation for integrity."

CONCLUSIONS

From the preceding analysis of the evaluations of the Missions it will be seen that there was no unanimity that prosecution of the oil cartel suit would be seriously damaging to United States national interests and objectives throughout the Middle East. Most of the missions left the impression that the potential effect could not be evaluated or was not likely to be serious. This evaluation was made by missions located in important oil producing or transit countries—e.g., Baghdad, Kuwait, Damascus, and Cairo—as well as by those where oil problems are not so important.

Only two of the missions seem completely convinced that prosecution of the suit would jeopardize vital United States national interests, while a third thought that the position of the oil companies and the ability of the United States Government to support them would be further undermined. It may be significant that the two missions which take the most serious view of the potential effect of prosecution of the suit are those in Iran and Saudi Arabia where currently the problems of oil are most critical.

Thus whether or not the potential damage to United States interests and objectives in the Middle East is to be considered a matter of grave concern as judged by these field reports depends upon the weight to be given the evaluation of the respective missions.

No. 334

880.2558/4-554

*The Under Secretary of State (Smith) to the Attorney General of the United States (Brownell)*¹

SECRET

WASHINGTON, April 9, 1954.

DEAR MR. ATTORNEY GENERAL: On January 5, 1954, the Department received a letter from attorneys representing Socony-Vacuum Oil Company, Inc., Standard Oil Company of California and The Texas Company in connection with the pending civil anti-trust suit

¹ This letter was drafted by Fritzman and Armstrong between Apr. 2 and Apr. 7 and was cleared by Eakens, Kalijarvi, and Phleger.