

W. H. Ferry

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Earl Newson.

Arthur Newmyer telephoned me this morning warning us of the significance of the position now taken by Harriman that in view of the international situation he is not prepared to recommend that steel continue to be allotted for pipe lines in Arabia. I share his concern over this situation -- particularly when I understand that we are heading into some pretty scandalous publicity of ARAMCO and their entertainment of Arabian officials over here. That is, there is obviously working up in Washington a concerted attack on ARAMCO and the oil interests in connection with the partition fight.

Arthur has a suggestion. He says that the Company under these circumstances ought, in his opinion, to come out flatly against shipping steel for pipe lines over there on the grounds that it is needed for the Western Hemisphere. He thinks that the Company platform should be, in other words, "steel for the Western Hemisphere".

He points out that one of the Jersey Board told him that if they could get more steel up in Canada production there could be multiplied. John Suman says the same thing about Venezuela.

There is a germ of a very good notion here. The difficulty with it, of course, is that the Company would have to turn its back on its partners in ARAMCO. At least it would have to "clear its rear" by making peace with ARAMCO before making such a move. I have no idea whether there is even a likelihood of this.

Any reactions?