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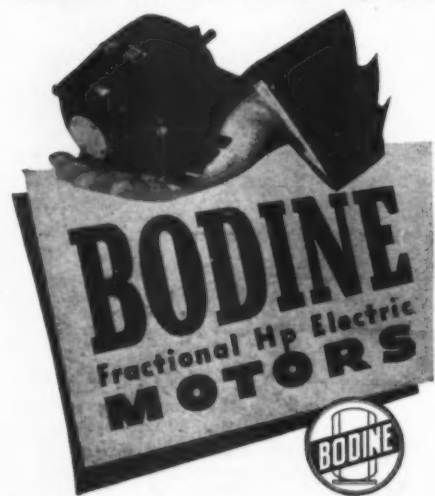
Dynamic Graphics, portrayed by a machine called the Econorama, developed by Willys-Overland Company, makes economics easier to understand.

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Perspective

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Friendship Is Not 'Vendible'

by RAYMOND MOLEY

A DECISION of United States Judge Edward A. Conger of New York, setting aside a verdict of \$1,150,000 for James A. Moffett and against the Arabian American Oil Co., Inc. (Aramco), is no ordinary incident in the law courts. It deserves a notable page in the history of political practice and morals.

Moffett brought suit some time ago against Aramco for \$6,000,000 as compensation for the exercise of influence in Washington in 1941, which he alleged caused the British, at the suggestion of the United States Government, to meet the financial demands of King Ibn Saud of Saudi Arabia. In early 1941, Aramco was under pressure from the king to hand over \$6,000,000 a year for the duration of the war. Aramco was reluctant to do so, and Moffett went to Washington to find some way to satisfy the king through a loan or gift from the government. Moffett at the time was a well-paid employee of oil companies tied in with Aramco.

MOFFETT'S chief qualifications for this task consisted of his friendship for the President and other Administration people, his previous service in the Administration, and his indubitable social contacts. His main contacts in Washington during the spring and summer of that year were with the President and five of his Secretaries, with Harry Hopkins, and with Jesse Jones, loan administrator. It appeared at once that there was no legal way by which our government could succor the king. But since at that time Jones was negotiating a loan to the British in the amount of \$425,000,000, secured by collateral, it seemed that the British might "take care of the king."

Hopkins on June 14, 1941, wrote to Jesse Jones:

"The President is anxious to find a way to do something about this matter... I am not sure what techniques there are to use. It occurred to me that some of it might be done in the shipment of food direct under the Lend-Lease bill, although how we could call that outfit a 'democracy' I don't know. Perhaps instead of using his royalties on oil as collateral we could use his royalties on the tips he

will get in the future on the pilgrims to Mecca."

Jones replied that there was no legal way to help.

Later the President sent the following "chit" to Jones: "Jess—Will you tell the British I hope they can take care of the king of Saudi Arabia. This is a little far afield for us. F.D.R."



Jones showed this to the British, but with his legendary caution never made it a condition, even verbal, of the loan. The words used were "suggestion," "hope," "consider," "request," etc. Moffett's lawyers in the suit, however, claimed that these were the words of diplomacy and that they really meant "required."

However, the British did "take care of the king" but

good. They apparently had more potent concerns in the Near East than the satisfaction of James A. Moffett.

Moffett's basic claim was that his intervention was the reason why the king was ultimately helped and why Aramco was relieved from regal pressure.

Judge Conger has set aside the verdict by granting two motions of the defendant: (1) that the evidence did not justify the claim that Moffett had brought about the king's relief; and (2) that even if it had, such use of influence was against public policy and could not justify monetary compensation.

The first of these need not concern us here. The second is all-important. Here I quote the opinion:

"The services contemplated under this contract are the kind that the law says may not be compensated for. They are against public policy."

THE classical statement of this law was written long ago by Justice Field in a Supreme Court decision:

"Personal influence to be exercised over an officer of government, in the procurement of contracts... is not a vendible article in our system of laws and morals, and the courts of the United States will not lend their aid to the vendor to collect the price of the article."

These words might well be inscribed and displayed in the offices of every lawyer and every public servant in Washington.