

been getting by Shaikh Abdullah and Salha since removal negots. Dhahran and they are apparently digging in toes to point where prepared break off negots without agreement all points on agenda.

Having discussed situation fully and frankly with directors both during and before negots, my feeling is they have exhibited commendable forthrightness and reasonableness in negotiating with Saudis and that compromise agreement on the three main outstanding points probable except for dispute re number members on board which, curiously enough, outside observers wld probably find difficulty in understanding point at issue as between 2 and 3 members. In circumstances, acrimonious breakup of negot in failure agree on this point, however valid Aramco's reasons may be, cld be unfortunate from relations standpoint and I have asked Owen convey thought to directors that, if they feel necessary stick on this point, they shld be very careful to handle in such way as show reasonableness their position. <sup>4</sup>

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<sup>4</sup> Despatch 341 from Jidda, May 21, transmitted to the Department of State a summary of the discussions and conclusions of the Aramco-Saudi Arabian negotiations during January and February, received from the Jidda office of Aramco. (886A.2553/5-2152)

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886A.2553/3-1252

*Memorandum of Conversation, by David Longanecker of the Office of African Affairs*

SECRET

WASHINGTON, March 12, 1952. <sup>1</sup>

Participants: NEA—Mr. Jones  
 NE—Mr. Kopper  
 NE—Mr. Awalt  
 PED—Mr. McMaster  
 AF—Mr. Longanecker  
 Mr. Charles Harding and  
 Mr. Thomas Kelly, Socony Vacuum Oil Company

Mr. Harding opened the discussion by stating that he thought the Department would be interested in an informal report on the recent discussions between Aramco officials and SAG for the purpose of reaching agreement on various changes requested by the latter in Aramco's operating arrangements.

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<sup>1</sup> This memorandum of conversation was prepared on Mar. 14.