

After some discussion of the point, it was decided that the proper course of procedure for Mr. Stevens is to approach Colonel Drake of the Gulf Oil Corporation, the American partner in the Kuwait Oil Company, for the desired information. Mr. Stevens felt that this procedure would be successful and, if not, he would communicate again with the Department. It was agreed also that in the latter event the Department might appropriately take the matter up with the British Foreign Office, suggesting that it would appear to be appropriate for the Foreign Office to assist Mr. Stevens in this matter.

With respect to the islands previously mentioned, Mr. Stevens stated that Aminco intended to keep them within its concession as long as possible, but must either give them up or begin drilling on them within three years. Another provision requires the company to pay the Sheik \$50,000 at the end of five years. Either of these two obligations, depending upon circumstances existing at the time these periods approach an end, may decide the company to release the islands from the concession.

Mr. Jones asked whether Mr. Stevens has heard any reports or has any opinions on whether the British are thinking or working on a confederation of the Shiekdoms in the Persian Gulf area. Mr. Stevens said he feels that there is something going on along this line but does not have any clear ideas on the subject. There may be some ideas of bringing about a confederation of Iraq and Kuwait which would seem to be one of the more logical combinations. Whether current ideas go beyond this point he does not know. He does feel that the British are very anxious to consolidate their position in this last remaining stronghold of British economic interest.

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*Memorandum of Conversation, by William McMaster of the  
Petroleum Policy Staff*

SECRET

[WASHINGTON,] May 6, 1952. <sup>1</sup>

Subject: Discussion of Federal Trade Commission Report on International Petroleum Cartels with Representatives of the British Embassy. <sup>2</sup>

Participants: Mr. D. A. Greenhill, First Secretary, British Embassy

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<sup>1</sup> This memorandum of conversation was prepared on May 9.

<sup>2</sup> For additional documentation on this FTC report, see vol. 1, Part 2, pp. 1259 ff.