

Summary:

Mr. Duce brought Mr. Ohliger and Mr. Owen, who recently returned to the US from Dhahran for a brief visit, into the Department for an informal meeting with Mr. Hart. Mr. Ohliger said he would remain in the US for about two or three weeks. Mr. Owen said he was returning to Saudi Arabia on June 30.

After briefly referring to the background of the SAG-Aramco negotiations, which are in temporary suspension by mutual agreement,² Mr. Ohliger said the SAG had chosen the firm of DeGolyer and McNaughton of Texas to advise the Government on certain aspects of the negotiations. The firm, Mr. Duce said, is known to be extremely competent on oil pricing problems, and Aramco officials are pleased over the selection. He outlined briefly how the Texas firm was chosen: Following suspension of the discussions, Sheikh Abdullah Suleiman had cabled the Saudi Arabian Ambassador in Washington for assistance in choosing three advisors, one Mexican, one Venezuelan, and one Canadian. The Ambassador had spoken to him (Duce) about it and then had discouraged this request, pointing out to the Finance Minister that Mexico had no real oil industry and therefore no advisors, that Venezuelan oil competed directly with Saudi oil, and that if it were a Saudi desire to keep the British out of the country as much as possible, then a Canadian should not be named. The Ambassador recommended DeGolyer and McNaughton. This firm, Mr. Duce added, also is a consultant for the US Navy.

² See footnote 2, Document 252.

No. 261

800.054/7-752: Telegram

*The Acting Secretary of State to the Embassy in the United Kingdom*¹

SECRET

WASHINGTON, July 8, 1952--5:48 p. m.

149. Embtel 89.² Release or leak FTC Report not believed imminent. However Pres has indicated willingness make report avail-

¹ Drafted by McMaster and cleared by E, OMP, EDT, BPT, and BNA.

² Not printed; it asked the Department of State if release or a leak of the FTC Report was imminent. The British Ministry of Fuel and Power was preparing a statement on the report, which he had heard would be released, and the Embassy requested guidance. (800.054/7-752)