production allocation is one of benefits to follow ratification of 1952 agreement.

Department assumes Embassy informed and proceeding take appropriate measures informally prevent any such unwarranted action by Lebanese Government bearing in mind that IPC is a U.K. company with predominant U.K. interest and consequently U.K. should logically take initiative. Department opposed to formal coordinated approach with British at this time but favors effective cooperation at Beirut and has so informed British Embassy. Presumably U.K. Embassy Beirut has appropriate instructions.

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Editorial Note

Telegram 823 from Jidda, April 24, reported the Aramco negotiators had been summoned to Riyadh on April 19. Only one meeting was held, at which Aramco presented its pricing proposal, which the Saudis agreed to consider. The negotiations were then suspended for several days by mutual consent. (886A.2553/4-2453) Despatch 347 from Jidda, May 16, transmitted a detailed account of the Aramco proposal on pricing and an account of meetings held between Aramco and Saudi Arabian representatives at Dhahran for 4 days at the beginning of May and at Riyadh in the middle of May. During these meetings, Aramco representatives, although insisting their past payments had been reasonable, agreed to discuss retroactive payment back to January 1, 1952, as long as that question, together with pricing and other outstanding matters, could be settled all together at one time. When the Aramco negotiators refused to consider making retroactive payments for 1951, the Finance Minister told them they had made a mistake in not agreeing with his suggestions. He then announced he was withdrawing from the negotiations and turning the matter over to the Government to handle as it saw fit. (886A.2553/5-1653)