

ment and we could add our own observations if we felt it proper. . . .

Mr. Beeley observed in passing that the Iraqi Government had given notice to IPC that it wished to reopen negotiations on prices. As a sidelight, he mentioned that the note given the Company in this connection had had typed on the bottom "copy to Saudi Arabian Legation".

I remarked that if the Iraqis were already opening this question with IPC, it would seem to be less important that Aramco was involved in the same kind of discussion with Saudi Arabia. Mr. Beeley said IPC intended to refuse to reopen the price question; if Aramco made substantial concessions the IPC position would be greatly weakened.

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Memorandum of Conversations, by the Deputy Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Jernegan)

CONFIDENTIAL

[WASHINGTON,] August 5, 1953.

Subject: New Attitude of Arab States Toward Foreign Oil Companies

Participants: Mr. R.G. Follis, Chairman of the Board of Standard Oil Company of California
NEA: Mr. Jernegan

Mr. Follis said that his Company was deeply concerned about recent trends in the attitudes of the Arab States, specifically Saudi Arabia, toward the foreign oil companies operating in the region. He believed the action of the United States Government in bringing an anti-trust suit against the companies had caused the Arabs to look at the companies in a new light. Whereas formerly they had treated them as more or less ordinary commercial enterprises, they now tended to think of the companies as a powerful cartel which conspired to rig all petroleum matters in its own interest and threatened the sovereignty of the producing states. The Arabs took the line that if the United States Government itself made charges against the American companies, these charges must be true and the Arabs were therefore fully justified in taking any action, even including nationalization, necessary to protect their interests against this nefarious combine of economic imperialists.