

vember 15, told the Department of State of reports it had heard, that the new King Saud and Prince Faisal were incensed by the attitude of Aramco during the recent strike and resented what they considered Aramco's policy of keeping Saudi Arabs from obtaining responsible positions in the company. Despatch 190 from Jidda, November 19, reported the Saudi Arabian Government was irritated by a report that Aramco had indicated to the press that the Dhahran strike had been directed against the government, rather than the company. The Embassy feared the ill will aroused by Aramco press statements would continue to plague its relations with the government. Documentation is in Department of State file 886A.2553.

No. 318

880.2553/11-3053: Telegram

The Chargé in France (Achilles) to the Department of State

CONFIDENTIAL

PARIS, November 30, 1953—5 p. m.

2099. I. Charpentier, Director General of Economic side of Foreign Office, in informal conversation with Labouisse, stated that French officials were pre-occupied with certain aspects of the world petroleum problem. He expressed particular concern over recent talks between Aramco and Saudi Arabia, without apparently knowing precise nature of those talks. He also expressed concern as to effects surplus supplies will have on prices. He said that Bonnet had been instructed to discuss matter with Department.

II. The particular points discussed by Charpentier fall roughly into three categories:

a. Iranian Oil. Present French concern here is that they be included in any conversations relating to possible cutbacks in other areas in event Iran production resumed. He said he had talked matter over with British, expressing view that this question should be discussed on "governmental level" and that British had agreed. Charpentier suggested that US, UK, French and Netherlands governments were those who should "put heads together."

b. Modification of structure of companies. Charpentier suggested possibility that events would necessitate some reconstitution of the structures of international oil companies in the Middle East. He apparently has in mind the possibility of single entity in each Middle East producing country which would own the oil, refining and distributions facilities, which ownership would be shared presumably by producing country and the international petroleum

¹ Repeated to London.