

dum went on to express the conviction that agreement could be reached on the terms for the payment of this amount.

Mr. Owen expressed his disappointment at the proposal. He again reiterated that the willingness of the Saudi Arabian Government to accept payment of its full claim in installments was not a "compromise". He then asked if he should tell Mr. Davies that the SAG refused to make any compromise proposal. Khalid Bey replied that he must ask his colleagues before making a reply to Mr. Owen's question and the meeting adjourned.

While Aramco has no definite information on the point, it anticipates that further meetings will not take place until after the end of Ramadan (June 4).

J. JEFFERSON JONES, III

No. 345

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Memorandum of Conversation, by the Director of the Office of Near Eastern Affairs (Hart)

CONFIDENTIAL

[WASHINGTON,] May 26, 1954.

Subject: Recent Tanker Agreement Between Mr. Onassis and the Saudi Arabian Government.

Participants: Mr. Aristotle Socrates Onassis, Shipping Magnate and Owner of the Saudi Arabian Tanker Co., Ltd.
Mr. Thomas Pappas, Asst. to Mr. Spyros Skouras, Head of 20th Century-Fox Films
Mr. Henry A. Byroade, Assistant Secretary, NEA
Mr. Parker T. Hart, Director, NE

Note: The following conversation resulted from a suggestion made to Mr. Byroade by Mr. Spyros Skouras of 20th Century-Fox Films, who indicated that Onassis was concerned over the reaction to his agreement with the Saudi Arabian Government and desired to be heard by the State Department on this subject.

Mr. Onassis reviewed the background of shipping developments since World War II which had culminated in his agreement with the Saudi Arabian Government. The war years had brought home to many countries their vulnerability in the face of the monopoly of commercial shipping enjoyed by the few great maritime nations, especially as these nations suffered heavy shipping casualties. Numerous states which had hitherto relied upon such shipping for their necessary trade were driven to the conclusion that they must henceforth have fleets of their own. Other states which did not re-