

The Gulf Oil Corporation representative in London said that the Kuwait Oil Company in consultation with Gulf and AIOC was now reconsidering its position but unquestionably some discussions would have to be held with Kuwait.

For the Ambassador:
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No. 353

886A 2553/7-2054: Telegram

*The Ambassador in Saudi Arabia (Wadsworth) to the Department of State*¹

SECRET PRIORITY

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32. Herewith interim comment Deptel 16, July 16.² Have discussed substance and timing proposed representations with Owen of Aramco. While concurring substance as do I he prefers reserve detailed comment as he will have opportunity discuss local aspects especially timing with Davies in Dhahran tomorrow. We feel too there is from local viewpoint no immediate urgency my seeing King. He is expected return from Yemen today; and tanker bearing his name cannot arrive Damman much before end August (see Hamburg Consulate General despatch 436, June 9).³

Davies has already had two relatively encouraging meetings with Prince Faisal re oil price question and expects be called Jidda for fuller discussion in few days. From my past talks with him and Owen I sense there are nuances of approach in Onassis matter which I would do well consider with him and report to Department, e.g., Department directs me make strongest representations for modification of agreement by elimination its restrictive features whereas Aramco has so far flatly rejected it. Also timing our respective approaches seems important.

Personally I should prefer Department concurring first discuss problem at length with Faisal . . . bringing out and developing all arguments reference telegram and handing him *aide-mémoire* briefing its major points with request he bring it to King's urgent attention and arrange audience for me. Would Department wish

¹ Repeated to London, Tehran, and Dhahran.

² Document 351.

³ Not printed.