

tremely cordial; will appoint commission work out details modified five year army program; asked me discuss Saudi membership IBRD with Prince Faisal; made appointment see Davies re Onassis' agreement.

Davies saw him late yesterday; discussion cordial; . . . representatives SAG and Aramco will meet today.

Still later Defense Minister saw Colonels Boyd and McCarten; said King wished them get down to work at once; offered fullest cooperation.

My feeling is tide our relations has turned but am wondering whether it is not rather because of other developments (e.g. Gholam Mohammad's and Nasir's advice and shift Egyptian policy following Suez agreement) than as result persuasion our part.

WADSWORTH

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No. 365

886D.2553/8-2654: Telegram

*The Chargé in the United Kingdom (Butterworth) to the  
Department of State*<sup>1</sup>

CONFIDENTIAL

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1006. Reference Deptel 1029.<sup>2</sup> Have discussed Kuwait payments problem fully with Proctor and on basis reftel informally with Foreign Office and Ministry Fuel and Power. Gulf and AIOC latter with Jackson senior representative had meeting with two agencies Monday and with Kemp Wednesday. Result is that situation calmer and problem likely dormant next 4 weeks and perhaps longer.

Companies explained case fully to Foreign Office but did not request specific assistance believing they should first complete talks with Kemp. Foreign Office said however, company case impressive both in facts and moderation with which presented. Following approach by Embassy Officer Foreign Office has informally advised political resident Persian Gulf of potential difficulties in situation if Kuwait takes premature decision against companies from which retreat may be impossible for prestige reasons. Believe he and others, without making a specific issue of it which British unwilling do, will as opportunities offer urge Kuwait authorities keep open mind on matter until companies have made full presentation their case and will also make point perhaps in connection with ex-

<sup>1</sup> Repeated to Kuwait.

<sup>2</sup> Document 363.