of events leading up to signature of agreement, engaging in histrionics which only tended confirm Aramco thinking that to make any concession to his position would be to subject company to continuing future pressures. Although seemingly willing charge only competitive tanker rates, he insisted on need for guarantee that given number his tankers would be used to carry Saudi oil or that carriage of given tonnage or given percentage total tonnage would be assured his Saudi tanker company.

Meeting broke up inconclusively as Onassis had appointment call on Prince Faisal; but Onassis obviously jumped at Davies invitation that he call again "for tea." They will pursue discussion today.

4. I am flying Dhahran to meet with Generals Glantzberg and Grover and will return with them to Jidda to present General Glantzberg to King morning October 28. At dinner last night King approved my going and said would send airplane to fetch me if he wished see me earlier. Davies will report his discussions to New York office which will keep Duce informed.

My feeling is we should let Davies carry ball for time being; but as I shall have excellent occasion speak with King on 28th, Department may wish instruct me re any special points I should make. I agree with Davies that main Aramco issue—whether Onassis agreement is violative of concession agreement—seems as things now stand headed for arbitration.

WADSWORTH

No. 370

886A.2553/11-154

Memorandum of Conversation, by the Officer in Charge of Arabian Peninsula–Iraq Affairs (Fritzlan)

SECRET   [WASHINGTON,] November 1, 1954.

Subject: Onassis Agreement Developments

Participants: Mr. Stavros Niarchos, Greek Ship Operator
             NEA—Mr. Jernegan
             NE—Mr. Hart
             NE—Mr. Gay
             NE—Mr. Fritzlan

Mr. Niarchos, who is the brother-in-law and a trade competitor of Onassis, called to discuss the latest developments. He said he understood that recent events in Jidda indicated a likelihood that the question of whether the Saudi Arabian Government had violated the terms of Aramco concession in concluding the Onassis agree-