

(Embtel 273, December 12),<sup>1</sup> which he apparently felt would enable him "finish with Onassis" . . . .

King told him Pacific Western had concluded agreement with Onassis for use tanker "[*Saud I*] first." This confirmed reports Aramco had received earlier in week from other Saudi sources. Davies said he would be telegraphing full report to his board in New York today and suggested Department would be interested in learning details from Duce.

2. Re Aramco-SAG pricing negotiations. Test agreement drafted Jidda by Aramco negotiators and Minister of Finance Surur is being studied by Royal councilors. Surur had been authorized inform him answer would be given January 10.

WADSWORTH

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<sup>1</sup> Dated Dec. 13, not printed. It reported on an article in the semi-official Saudi Arabian newspaper *Biladal Saudiyah* regarding the disagreement between the Saudi Arabian Government and Aramco, which considered the Onassis Agreement incompatible with its concession agreement. Unless the government and the company reached agreement before Jan. 15, 1955, the dispute was to be referred to an arbitration committee. (886A.2553/12-1354)

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No. 378

886D.2553/12-2054

*Memorandum of Telephone Conversation, by the Chief of the  
Petroleum Policy Staff (Eakens)*

OFFICIAL USE ONLY

[WASHINGTON,] December 20, 1954.<sup>1</sup>

Subject: Kuwait Payments Problem

Participants: Mr. R. O. Rhoades, Vice President, Gulf Oil  
Corporation, Pittsburgh, Pa.

Mr. Eakens—PED

I telephoned Mr. Rhoades to inquire about the status of Gulf's talks with Mr. Basil Jackson, a director of The British Petroleum Company, Ltd., or BP (formerly Anglo-Iranian Oil Company, Ltd.), who is now in the United States discussing with Gulf the negotiations which the two companies are going to have with the Shaikh of Kuwait on the latter's request for an upward revision in payments. Gulf and BP are equal partners in the oil concession in Kuwait.

The main new development which Mr. Rhoades mentioned was the meeting held in London on this question by the Foreign Office

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<sup>1</sup> This memorandum was prepared on Dec. 28.