

both British and American ownership. Mr. Jackson's only comment was that Venezuela is a developed country whereas Kuwait is not.

On the other question, that of price adjustments, BP seems to wish to go to full posted prices for purposes of settling with the Shaikh. Gulf, on the other hand, has strictly adhered to a true 50/50 division of profits with the Shaikh on its actual sales prices. It considers this fair and in the best interests of both itself and the Shaikh and does not see how it could go to full posted prices on all crude sales.

It was agreed in the meeting with Mr. Jackson on December 13 that the two companies would reexamine their positions and discuss the matter again on December 20. Gulf was therefore expecting to hear from Jackson again today.

I took the opportunity of inquiring of Mr. Rhoades whether Gulf was under any impression that the objective of the British was to squeeze Gulf out of Kuwait. His reply was, "None whatever." He went on to say that Gulf's relationships with the British Government have been very good and that he could not believe that that's the case. He thought that the real problem Gulf is up against is the stubbornness of Sir William Fraser.

He went on to comment, however, that Gulf is concerned about an attitude recently expressed by the British Foreign Office. This was that Gulf was taking too serious a view of the sanctity of contracts. The comments of the Foreign Office official suggested that the strong idea held by Gulf regarding the sanctity of contracts was more or less out of date.

In closing, I told Mr. Rhoades that the Department was very interested in being kept informed regarding developments in their discussions with BP and that it would be appreciated if he would let us know about further developments. This he agreed to do.

No. 379

886D.2553/12-2454: Telegram

*The Charge in the United Kingdom (Butterworth) to the Department of State*¹

SECRET

LONDON, December 24, 1954—2 p. m.

2876. Reference Department telegram 3355.² Getty told Embassy today that he has not agreed to charter super-tanker *Saud*, or any

¹ Repeated to Jidda, Kuwait, and Dhahran.

² Telegram 2848 from London, Dec. 22, reported the Foreign Office had asked if it could confirm a report that Getty had recently made a deal with Onassis to trans-

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