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MESSAGE CENTER

FROM : CAIRO No. 767, September 25, 1950

Enclosure

REF:

1950 OCT 6 8AM 102553

SUBJECT: Transmitting Copy of Notes re "Certain Aspects of the Political Situation at Kuwait. The Company's Local Relations and Other Non-Technical Matters Connected with These Operations".

OCT 5
ACTION INFORMATION

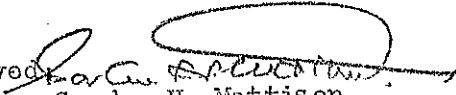
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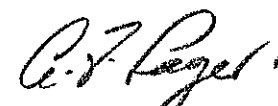
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Attached is a copy of a document which was found among the papers recovered from the recent TWA crash in Egypt and was undoubtedly in the possession of Mr. Aubrey SCOFIELD, Gulf Oil Company official, lost in this crash. It is believed that the material contained therein will be of interest to the Department.


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The Embassy is making arrangements to forward the original of this document, together with other confidential papers belonging to Mr. Scofield, to the Gulf Oil Company office in New York.

Approved 
Gordon H. Mattison
Counselor of Embassy


A. F. Lager
Petroleum Attaché

Enclosure:
Copy of notes as above-described.


AF Lager/gmm

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ACTION COPY — DEPARTMENT OF STATE

The action office must return this permanent record copy to DC/R files with an endorsement of action taken.

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NOTES ON CERTAIN ASPECTS OF THE POLITICAL SITUATION AT KUWAIT. THE COMPANY'S LOCAL RELATIONS AND OTHER NON-TECHNICAL MATTERS CONNECTED WITH THESE OPERATIONS.

POLITICAL

The political scene remains tranquil and the Company's relations with the Local Government have continued to be friendly. In the present circumstances prevailing in the Near and Middle East, where the atmosphere is often full of animosity and bitterness, is usually disturbed and generally depressing, the value of the patriarchal system of Government at Kuwait and the special treaty relationships with the West comes to be more appreciated. The continuity which this form of Government gives, the absence of irresponsible electioneering, freedom from a local gutter press, and the non-existence of the more unpleasant aspects of nationalism are factors which greatly assist the conduct of our operations. The treaty relationships which effectively avoid the interplay of international politics within so small a state provide the Company with fortunate circumstances in which to develop their project.

It is against this background that some of the questions likely to affect future local relations may be considered. The principal questions may be listed as follows:-

- (a) The Local Government, which is constituted and administered on traditionally Islamic lines, has in its present form neither the ability nor the capacity to deal effectively with the multifarious administrative, social and economic problems which the advent of oil has introduced.
- (b) There is a considerable undercurrent of dissatisfaction amongst the poorer classes at the ever increasing cost of living and the difficulty of procuring accommodations at reasonable rates.
- (c) Through overcrowding, poor nutrition, bad ventilation and other causes, physical health is generally poor and there is an alarming prevalence of tuberculosis.
- (d) At present most of the better educated and more influential Kuwaitis are too preoccupied with making the most of the present boom in the contracting business and the increase in trade to

pay much attention to the question of planned expenditure for the development of social and municipal services and to the problem of raising the general standard of living. When the boom period is over, it will have to be much more evident than it is at present that the wealth which the State has now acquired will be utilized for the benefit of the people. Unless this evidence is forthcoming a repetition of the 1938 disturbances is possible.

- (e) The chances of a disputed succession to the present Ruler are at present fairly substantial.
- (f) It is to the Company's advantage to encourage and foster the development of Government at Kuwait so that it has the maximum chance of survival. Through a representative of character, experience, knowledge and ability in charge of their local relations under the General Manager, the Company would be in a position to exercise considerable influence in the conduct of local affairs. Price control, distribution of foodstuffs, policing, inflation, public health and many other questions need a courageous approach if they are to be dealt with satisfactorily.
- (g) The comparative wealth of Kuwait from oil royalties is already great and will soon become fantastic. It will be far greater than the needs of the State even allowing for the most elaborate development plans. Unless a large proportion of this wealth is invested in development schemes in other Arab countries in more straightened circumstances, neighboring countries will cast covetous eyes on Kuwait and a demand annexation will be raised. The Ruler is understood to have been informed that the Arab League has already discussed the absorption of Kuwait by Saudi Arabia, though it can be confirmed that Ibn Saud himself has denied taking part in any such discussions. A further danger from Kuwait's newly acquired wealth is that unscrupulous self-seekers, unsuccessful politicians and other undesirable persons from other Arab countries will be attracted to the State.

These and other considerations show that our local relations are not so simple as they might be expected to be. Our efforts to secure good will should not I suggest be confined to satisfactory dealings with the official hierarchy. It is as certain as it is understandable that there will be strong opposition to the changes in the structure and working of Government at Kuwait which must come if the new situation created by oil is to be effectively tackled. This opposition will come from a desire to cling to traditionalism and to the purely Islamic concept of the State with the

Shariat Law as its basis; and also from the wealthier merchant class who see in the present system greater freedom for commercial and business enterprise. During this period of change it will be the poorer section of the community which will suffer most. A large proportion of this section will be employed by the K.O.C. and in the development of the Arab township at Ahmadi on model lines the Company has the opportunity of setting the pace towards improved standards of living amongst the ordinary people. If this scheme can be generously supported it is certain to prove a most valuable investment in good relations and an effective method by which the Company can influence the course of local economy and social well being to its own and to the State's advantage.

PUBLIC RELATIONS

Discussions were held with Mr. Jordan, Mr. Campbell and Mr. Atkinson on the questions of placing the Company's weekly paper (The Kuwaiti) on a better footing and the development of further publications.

It is recommended that the immediate objectives should be -

- (a) The development of The Kuwaiti so that it caters for all sections of the Company's English-speaking ex-patriate employees,
- (b) the issue of a good daily news sheet in English covering British, American, Indian and Pakistani news,
- (c) the preparation of weekly pictorial news strips featuring items of Company interest, mainly for the benefit of illiterate employees. The news strips should be placed on notice boards in the various camps.

I do not consider it necessary to make any approach to the Local Government in connection with any of the above, but before we consider the publication of an Arabic news sheet for our Arab employees, an approach to the Ruler will be necessary. The introduction of an Arabic news sheet might be used as a lever to start a local newspaper at Kuwait - a development which the Ruler might not welcome.

For the purpose of (a), (b) and (c) the following are required:-

- (i) a printing press and operators;
- (ii) a printing lithograph for photographs, and operators for it;
- (iii) photographic equipment;

- (iv) the supply of better quality paper;
- (v) transport for the editor (at present he has no car allotted to him);
- (vi) accommodation for presses, editor and staff at Ahmadi;
- (vii) for the daily news sheet, if there is no copyright objection to using radio news bulletins, either a competent stenographer and a radio capable of receiving American, British, Indian and Pakistani stations - and/or Reuters cables. The Bell-schreiber system has been shown to be unsatisfactory;
- (viii) an assistant editor who would also undertake photography. (It was considered that a suitable man could be found for this work from among our staff at Kuwait).

*US I E
Cairo could
supply some
machines.
Could copy
bulletins
Wholesale
Answer*

Note

Bechtels already issue a daily news sheet based on radio news from the U.S.A. and Great Britain which is circulated to all British and American staff. Mr. Jordan considered that we should let this arrangement stand until Bechtels have completed their contracts.

If these general proposals are approved it is suggested that we ask Kuwait to submit detailed proposals on this basis, together with an estimate of cost and their proposals for the superintendence and administration of this side of our activities.

ISLANDS

From further inquiries it appears possible that the Ruler of Kuwait may be allotted the islands of Farsi and Arabi when the status of these islands comes to be determined as part of the general "continental shelf" issue. The navigation lights erected on these islands were put up only after H.M.G. had secured the consent of the Ruler of Kuwait - a tacit recognition of sovereignty. If these islands go to Kuwait - this will not be without opposition from Persia and Saudi Arabia - they will become part of the K.O.C's Concession area, together with their territorial waters.

Maqta island was recognized as belonging to Kuwait under the Anglo-Turkish Convention of 1913 but not in the subsequent definition of Kuwait's territories. It lies however in Saudi Arabian territorial waters and it is very unlikely that any claim to this island could be supported.

SEA BED RIGHTS BEYOND TERRITORIAL WATERS

It is confirmed that the American Independent Oil Company's oil rights in the Neutral Zone do not include any rights in the sea bed off the Neutral Zone beyond territorial waters.

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