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'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh'

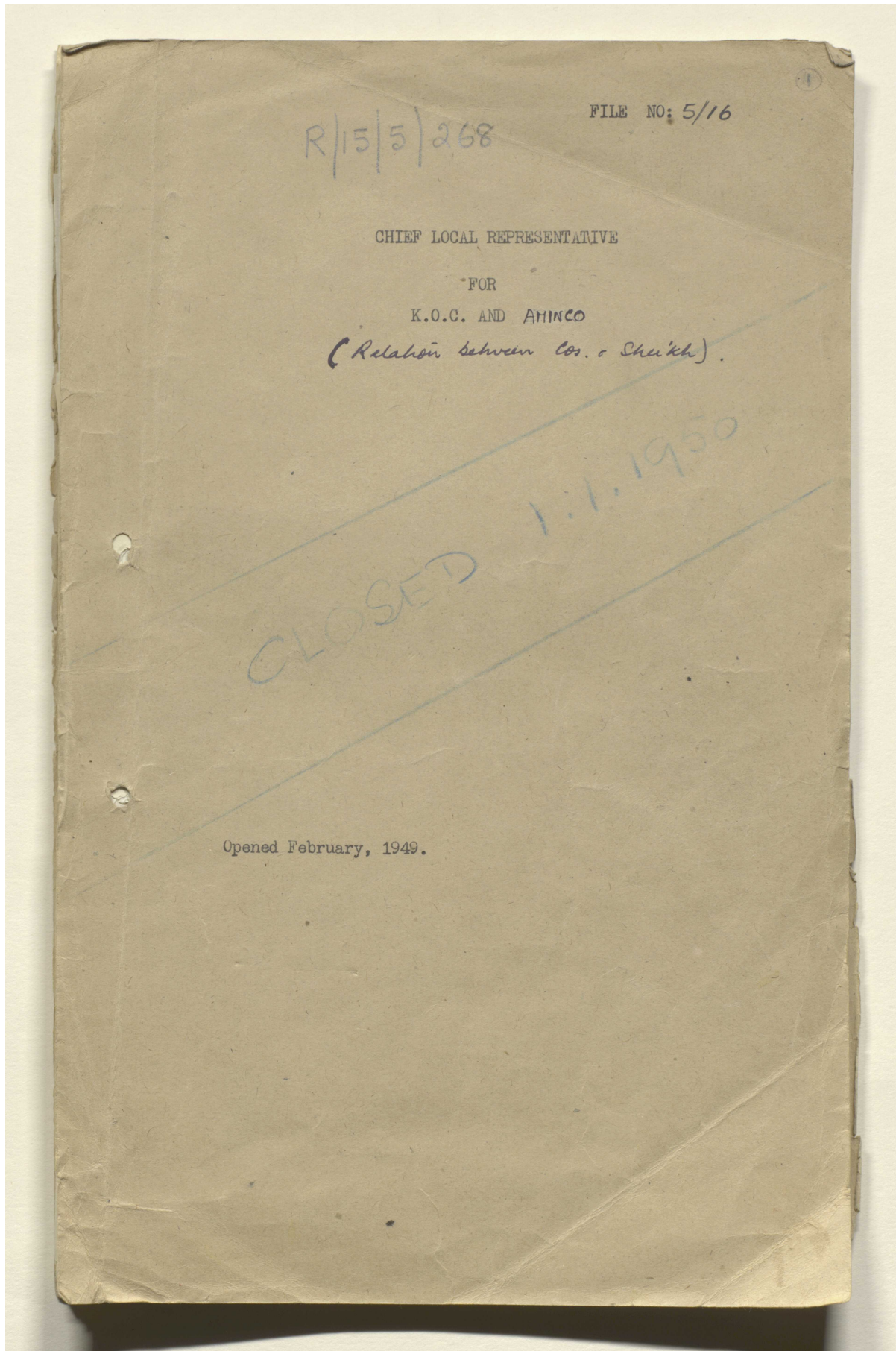
Holding Institution	British Library: India Office Records and Private Papers
Reference	IOR/R/15/5/268
Date(s)	8 Feb 1949-10 Dec 1949 (CE, Gregorian)
Written in	English in Latin
Extent and Format	1 file (56 folios)
Copyright for document	<u>Unknown</u>



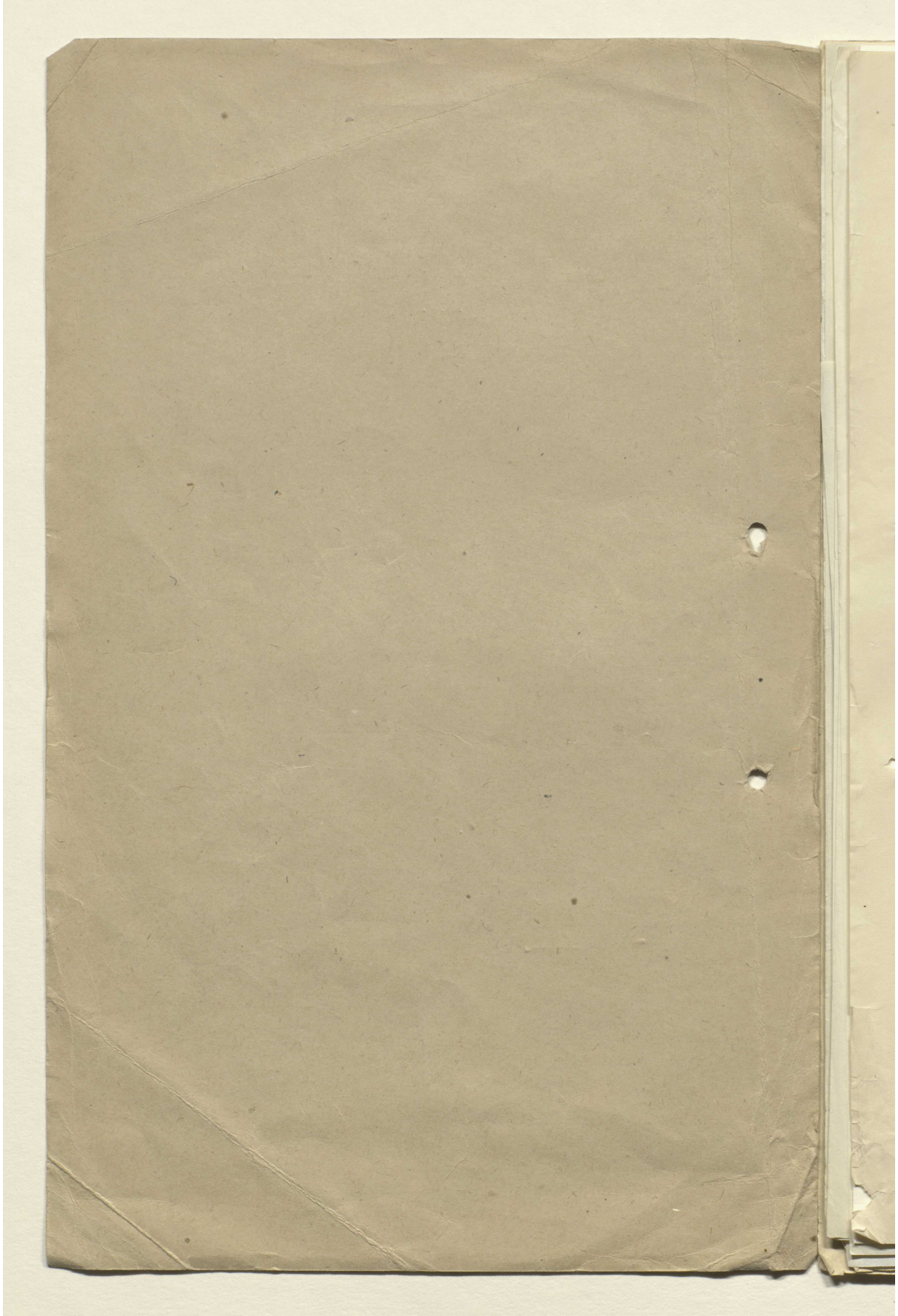
About this record

This file contains papers discussing the relationship between the Kuwait Oil Company, the British Political Agency in Kuwait, and the Kuwaiti Government. In particular, the papers discuss the concern by British authorities about the extent of their influence at the Kuwait Oil Company, and the extent to which the Ruler of Kuwait's authority applies to some of the Company's peripheral operations. Other papers discuss the removal and appointment of personnel in order to indirectly ensure a minimum of British influence at the Company. The latter half of the file includes papers that discuss the dismissal of Iraqi artisans at the Company, and the political repercussions of changing labour practices.

'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [front] (1/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [front-i] (2/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [2r] (3/116)

3/13 & 5/16

The Political Agency,
Kuwait.

D.O. No. C/18

8th February, 1949.

Dear Sir Rupert,

Will you please refer to your letter
122/3/49 dated 28th January, 1949.

2. I think you are correct in your assumption that the Oil Company has consistently failed to comply with article 4 of the Political Agreement. This failure is partly due to the Company's fear of offending the Shaikh, but against this it is not too much to say that on the appointment of a new General Manager, the Shaikh makes it perfectly clear to that person that he expects all matters concerning the Company to be brought to him direct, and not through the Political Agent. It is impossible for us to insist on the operation of the Article in question so long as the Shaikh continues to bully the Oil Company in this manner and the Oil Company continues to stand for it.

3. I am sure that in the early days of the Oil Company's operation the Company avoided consulting the Political Agent on problems concerning the Company as a matter of Company policy. Scott was quite jittery about it, though Jordan, I am glad to say, is better and does occasionally discuss cases. This policy often brings the Company into considerable difficulty, but so long as they continue in their masochistic attitude it does not seem to me that we can take the lead in getting them out of the situation in which they now find themselves.

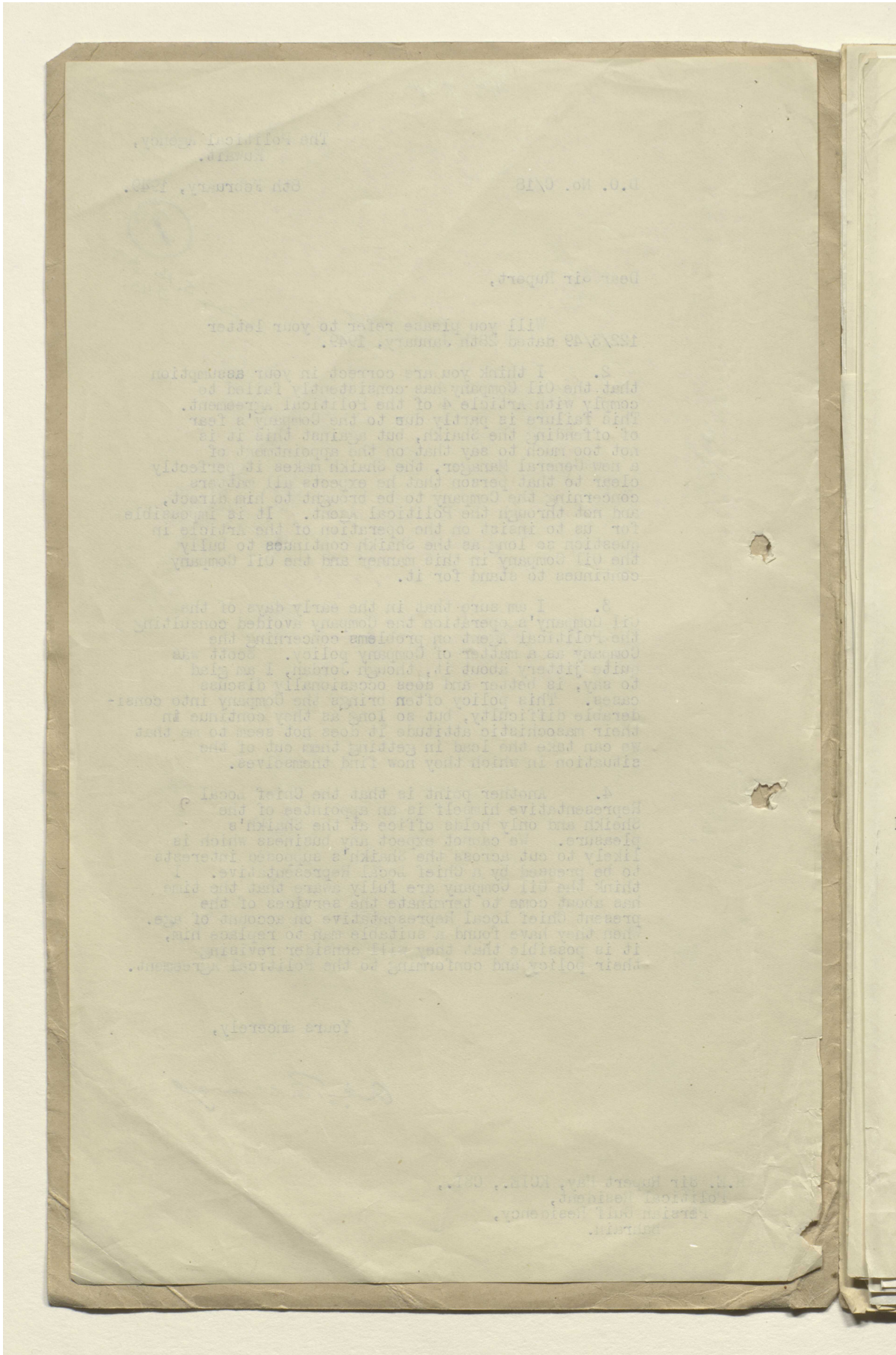
4. Another point is that the Chief Local Representative himself is an appointee of the Sheikh and only holds office at the Shaikh's pleasure. We cannot expect any business which is likely to cut across the Shaikh's supposed interests to be pressed by a Chief Local Representative. I think the Oil Company are fully aware that the time has about come to terminate the services of the present Chief Local Representative on account of age. When they have found a suitable man to replace him, it is possible that they will consider revising their policy and conforming to the Political Agreement.

Yours sincerely,

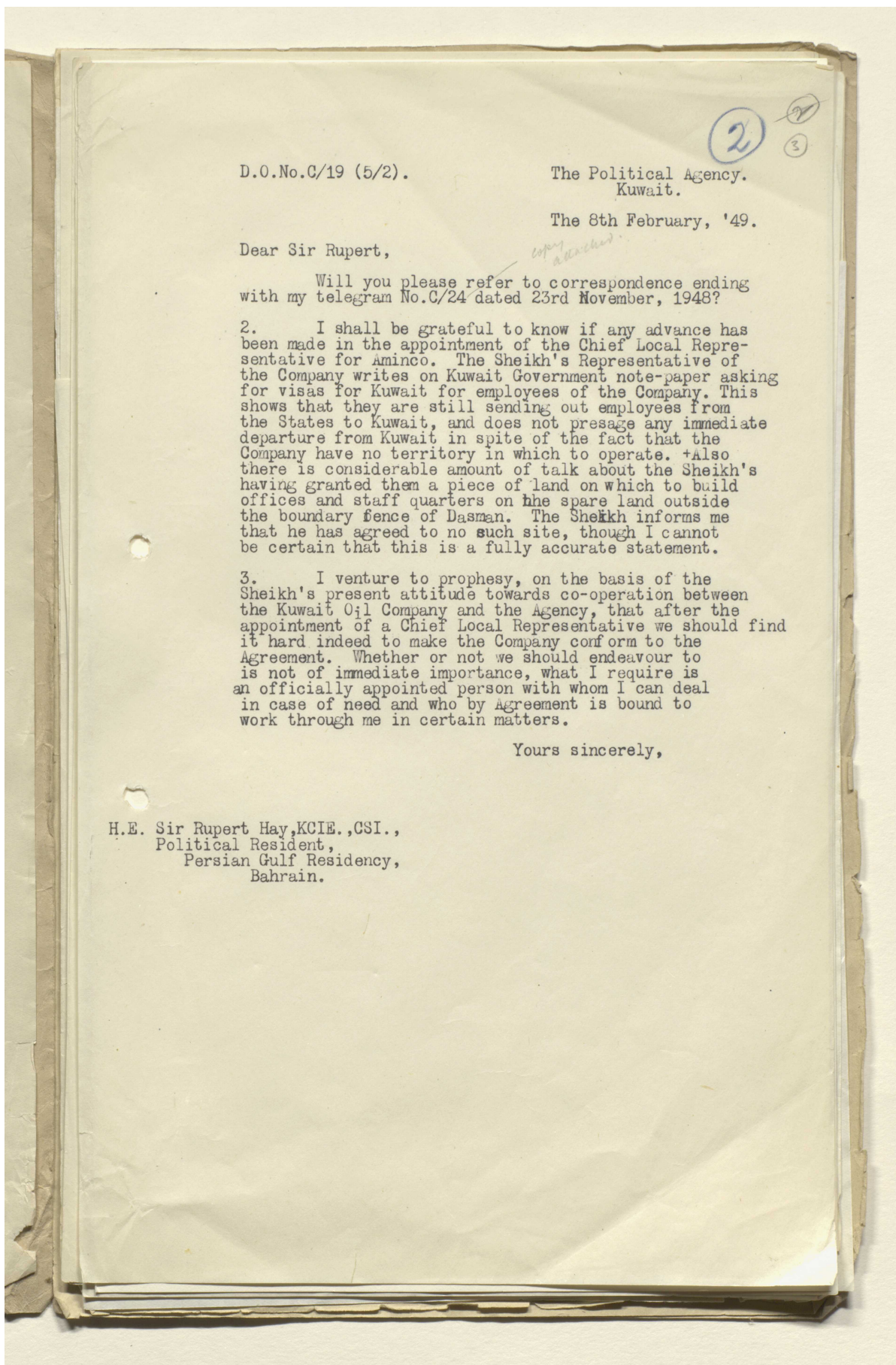
A. P. P. P. P.

H.E. Sir Rupert Hay, KCIE., CSI.,
Political Resident,
Persian Gulf Residency,
Bahrain.

'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [2v] (4/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [3r] (5/116)



D.O.No.C/19 (5/2).

The Political Agency.
Kuwait.

The 8th February, '49.

Dear Sir Rupert,

Will you please refer to correspondence ending with my telegram No.C/24 dated 23rd November, 1948?

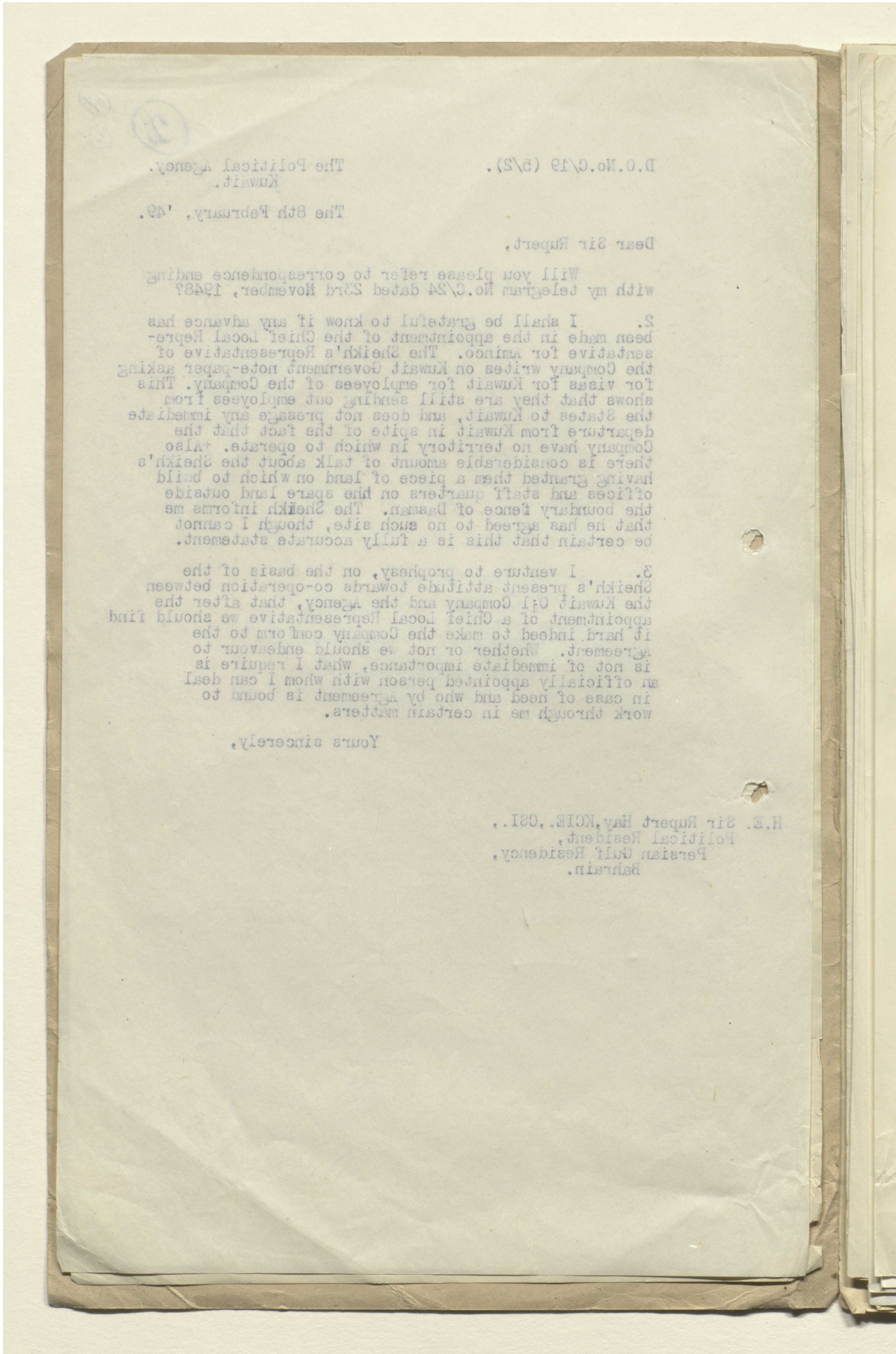
2. I shall be grateful to know if any advance has been made in the appointment of the Chief Local Representative for Aminco. The Sheikh's Representative of the Company writes on Kuwait Government note-paper asking for visas for Kuwait for employees of the Company. This shows that they are still sending out employees from the States to Kuwait, and does not presage any immediate departure from Kuwait in spite of the fact that the Company have no territory in which to operate. +Also there is considerable amount of talk about the Sheikh's having granted them a piece of land on which to build offices and staff quarters on the spare land outside the boundary fence of Dasman. The Sheikh informs me that he has agreed to no such site, though I cannot be certain that this is a fully accurate statement.

3. I venture to prophesy, on the basis of the Sheikh's present attitude towards co-operation between the Kuwait Oil Company and the Agency, that after the appointment of a Chief Local Representative we should find it hard indeed to make the Company conform to the Agreement. Whether or not we should endeavour to is not of immediate importance, what I require is an officially appointed person with whom I can deal in case of need and who by Agreement is bound to work through me in certain matters.

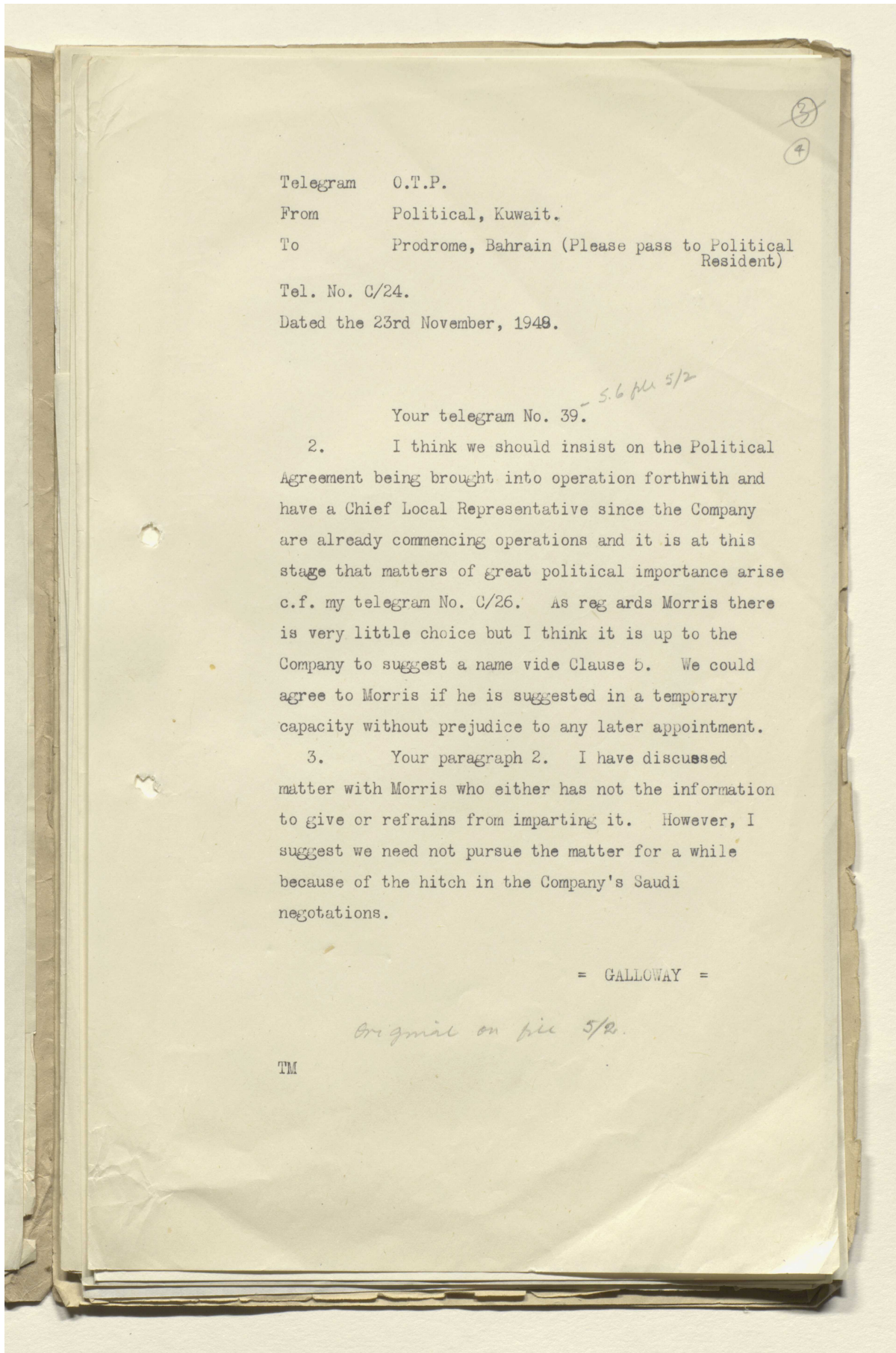
Yours sincerely,

H.E. Sir Rupert Hay, K.C.I.E., C.S.I.,
Political Resident,
Persian Gulf Residency,
Bahrain.

'File 5/16 Chief Local Representative for KOC and Aminco; relations between
companies and Shaikh' [3v] (6/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [4r] (7/116)



Telegram O.T.P.
From Political, Kuwait.
To Prodrome, Bahrain (Please pass to Political Resident)
Tel. No. C/24.
Dated the 23rd November, 1948.

Your telegram No. 39. *5.6 file 5/2*

2. I think we should insist on the Political Agreement being brought into operation forthwith and have a Chief Local Representative since the Company are already commencing operations and it is at this stage that matters of great political importance arise c.f. my telegram No. C/26. As regards Morris there is very little choice but I think it is up to the Company to suggest a name vide Clause 5. We could agree to Morris if he is suggested in a temporary capacity without prejudice to any later appointment.

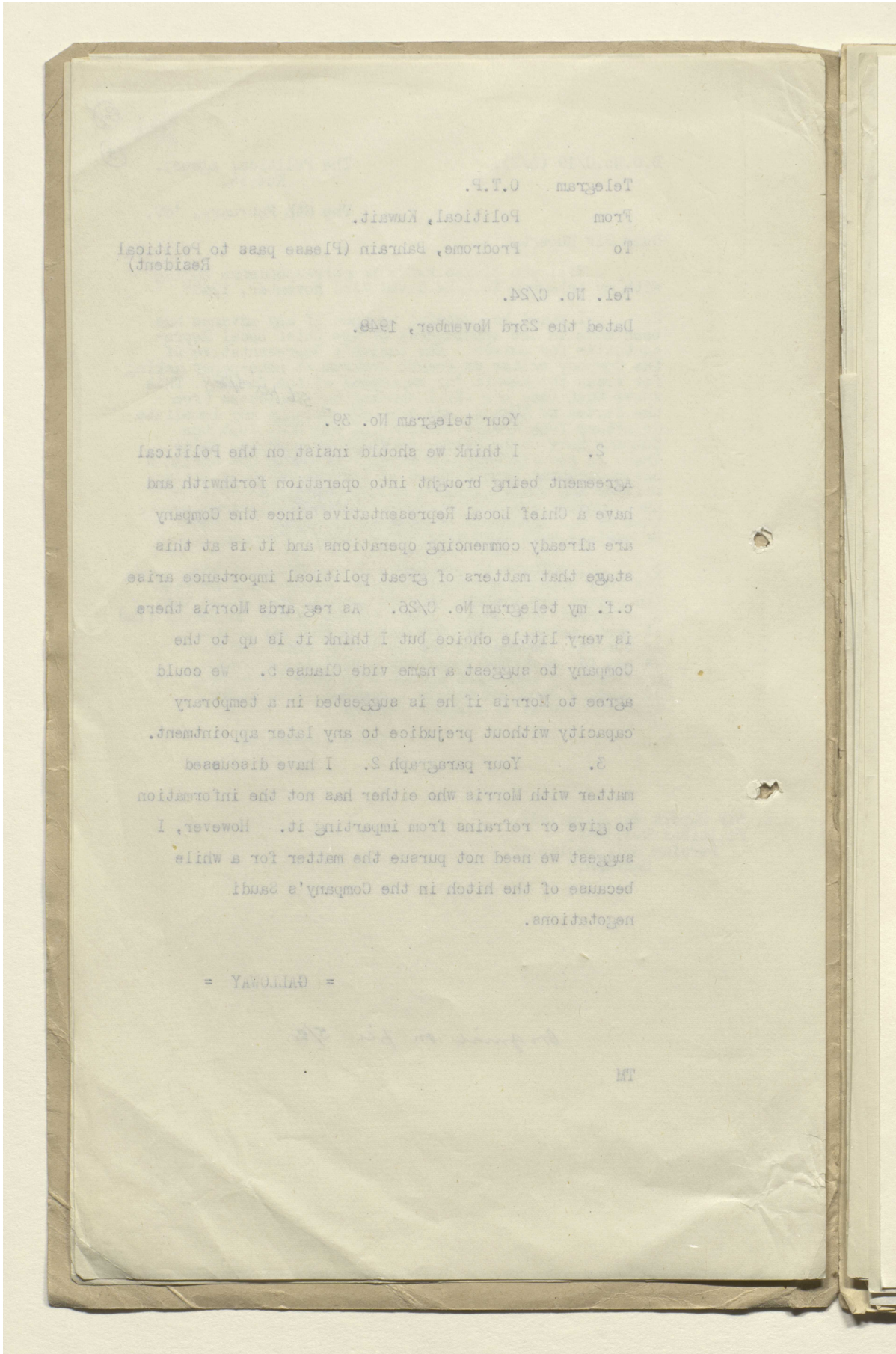
3. Your paragraph 2. I have discussed matter with Morris who either has not the information to give or refrains from imparting it. However, I suggest we need not pursue the matter for a while because of the hitch in the Company's Saudi negotiations.

= GALLOWAY =

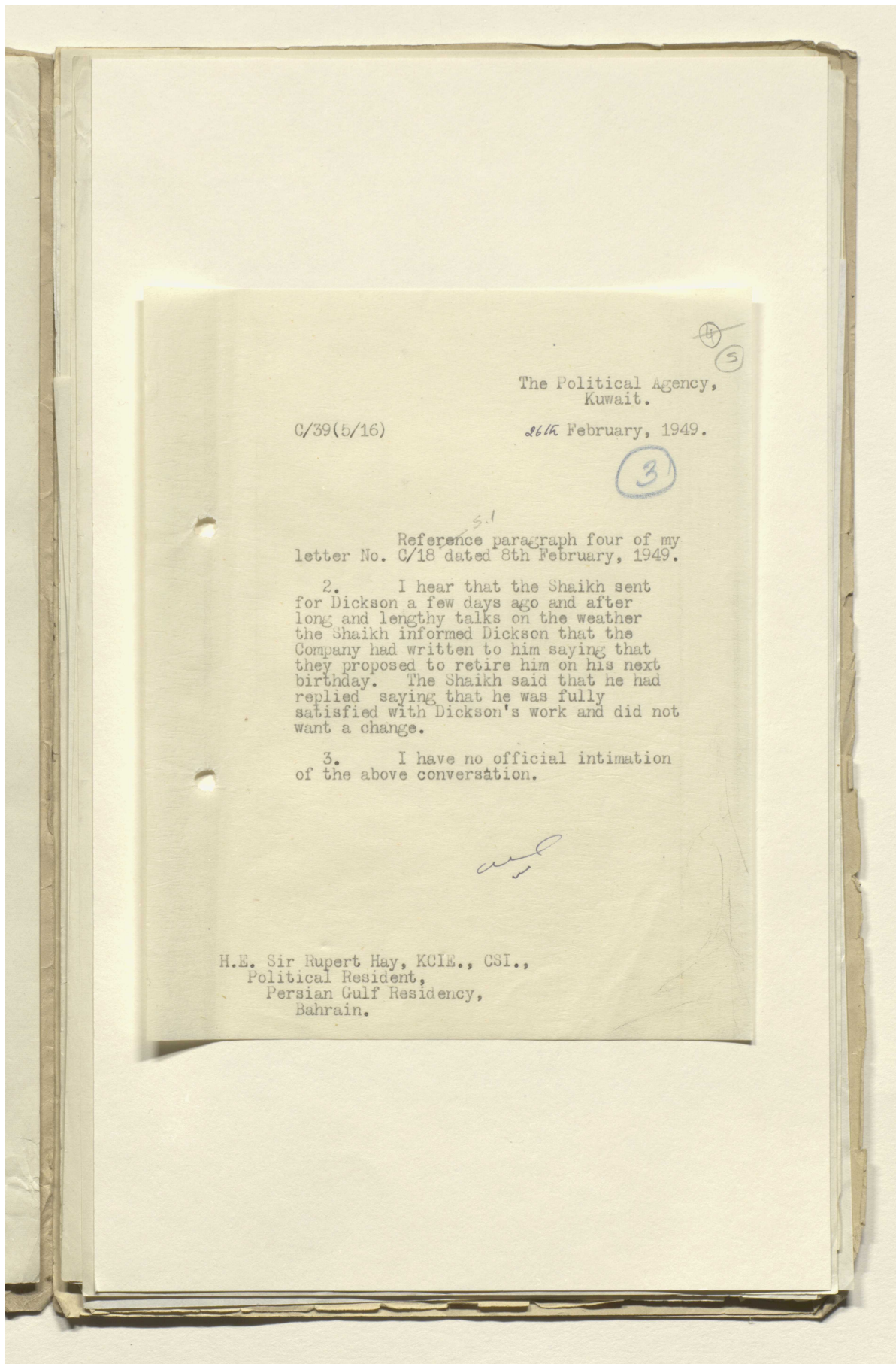
Original on file 5/2.

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'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [4v] (8/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [5r] (9/116)



The Political Agency,
Kuwait.

C/39(5/16)

26th February, 1949.

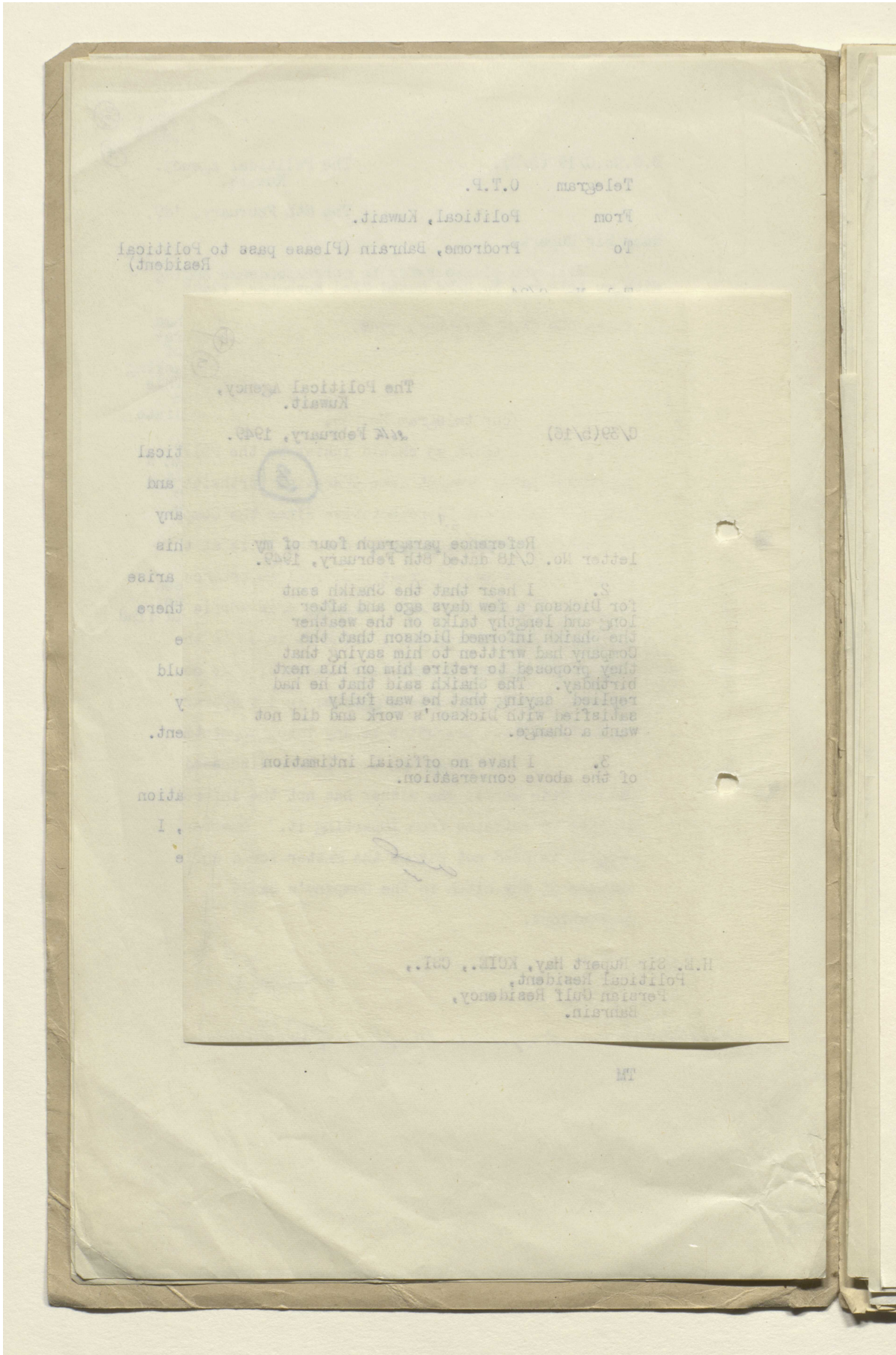
Reference paragraph four of my
letter No. C/18 dated 8th February, 1949.

2. I hear that the Shaikh sent for Dickson a few days ago and after long and lengthy talks on the weather the Shaikh informed Dickson that the Company had written to him saying that they proposed to retire him on his next birthday. The Shaikh said that he had replied saying that he was fully satisfied with Dickson's work and did not want a change.

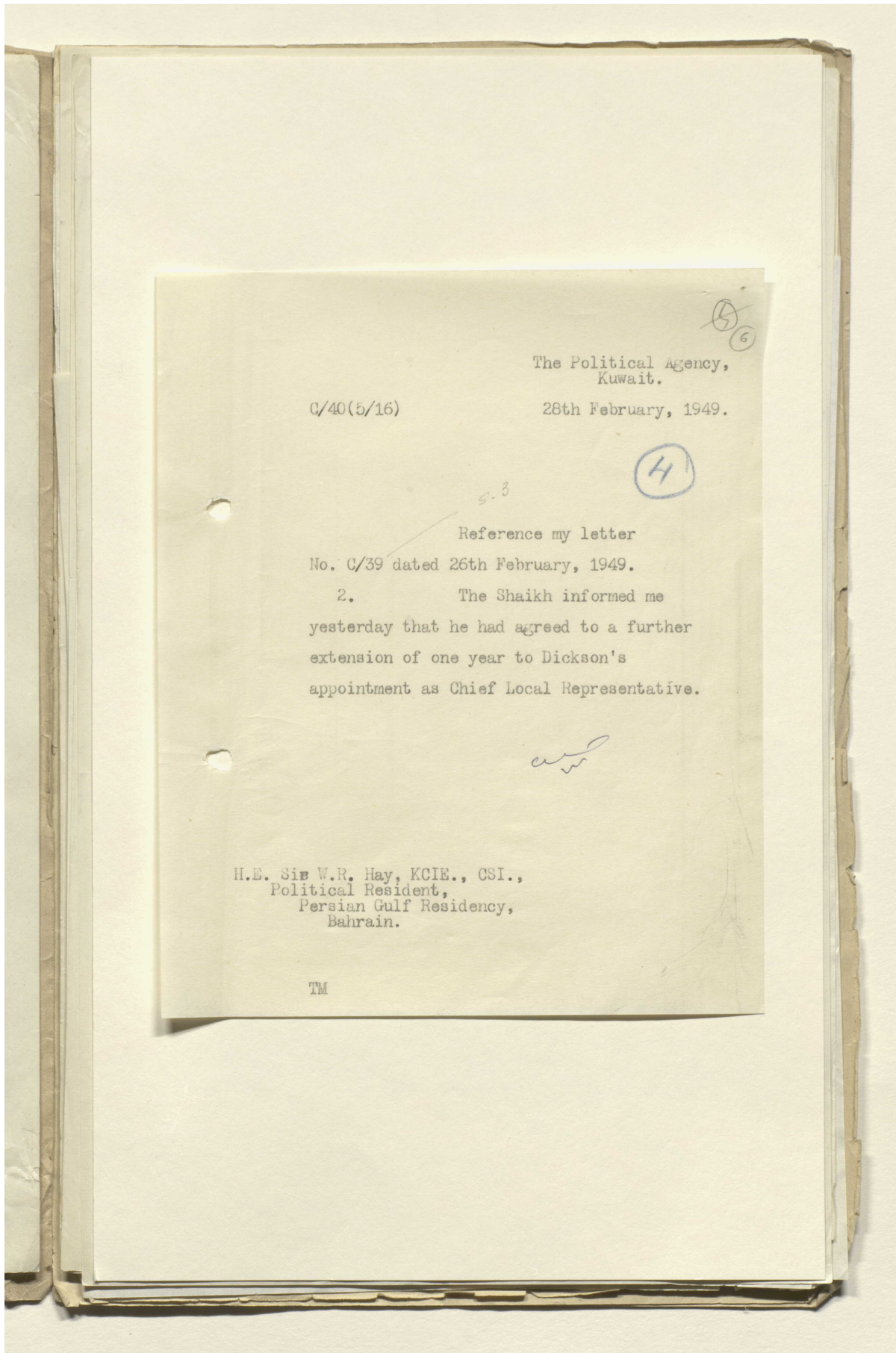
3. I have no official intimation of the above conversation.

H.E. Sir Rupert Hay, K.C.I.B., CSI.,
Political Resident,
Persian Gulf Residency,
Bahrain.

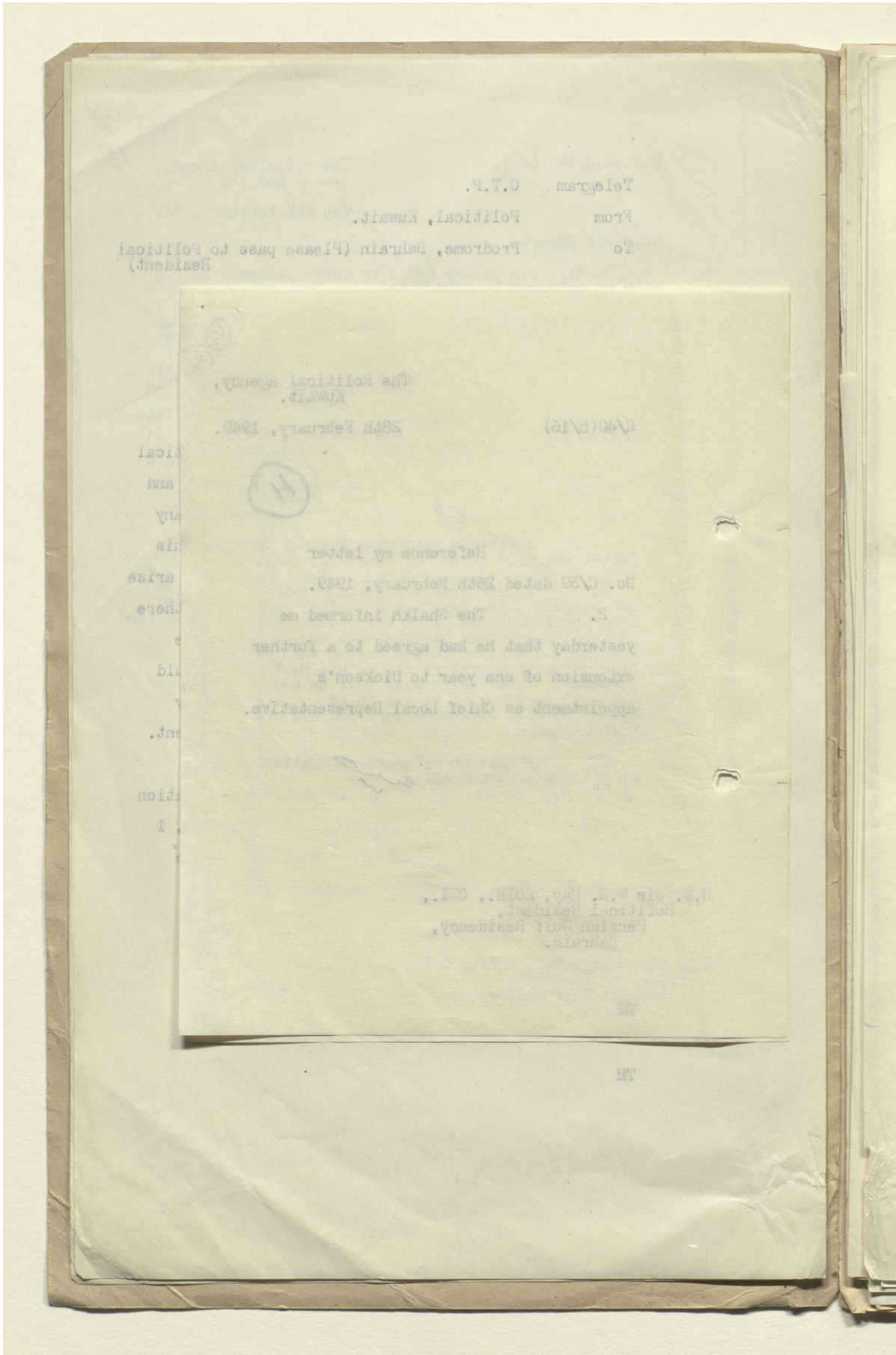
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [5v] (10/116)



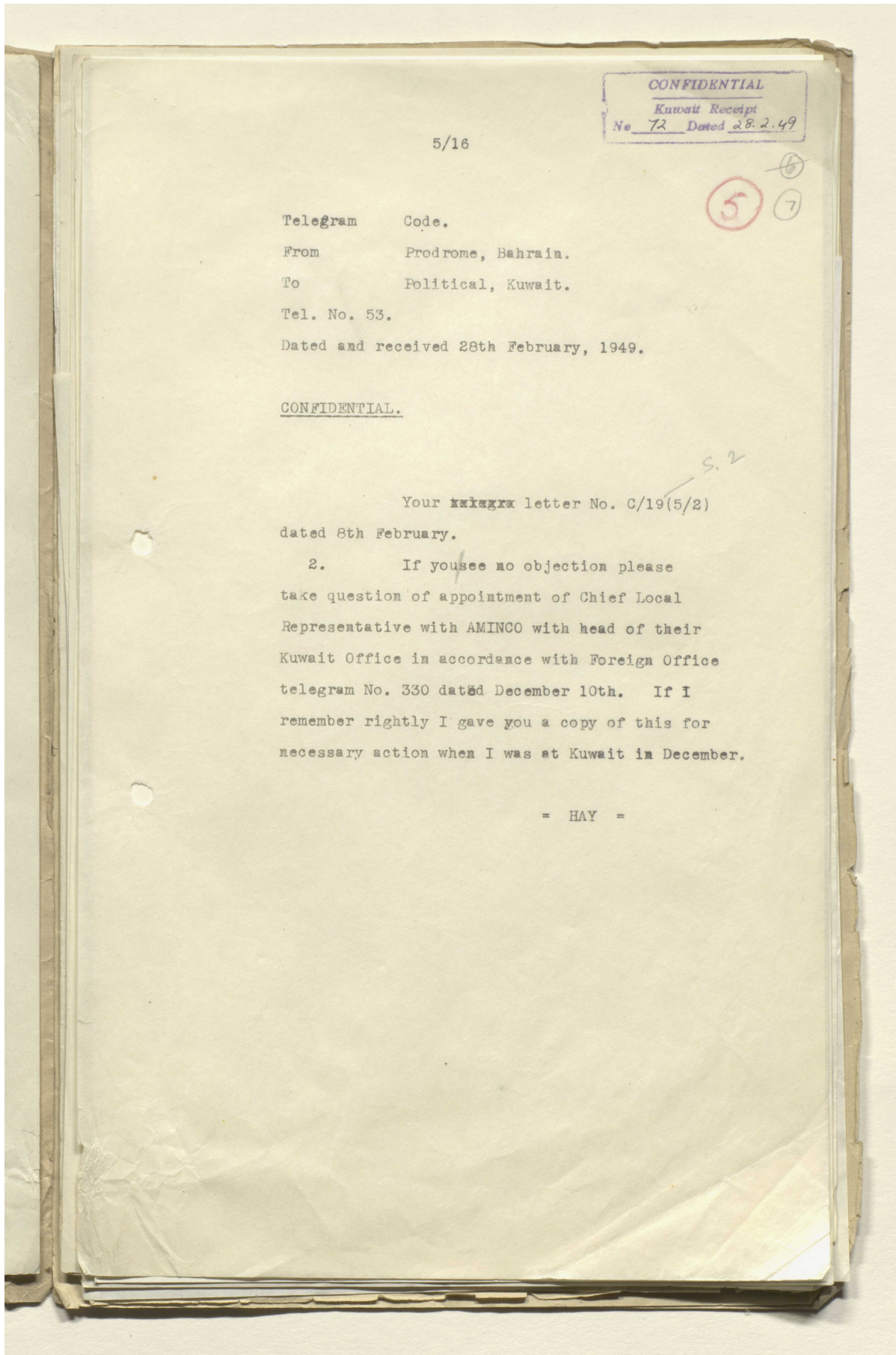
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [6r] (11/116)



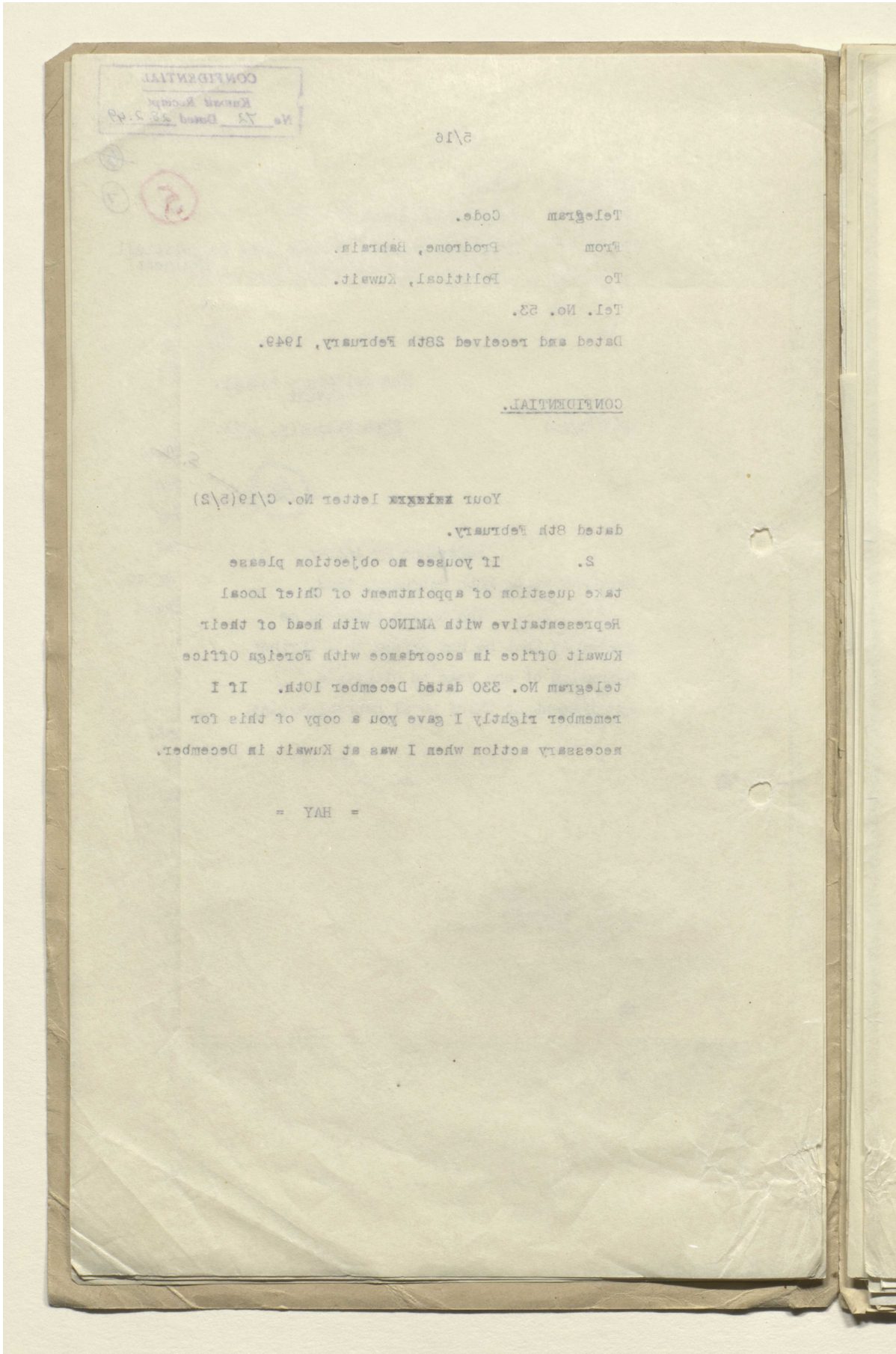
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [6v] (12/116)



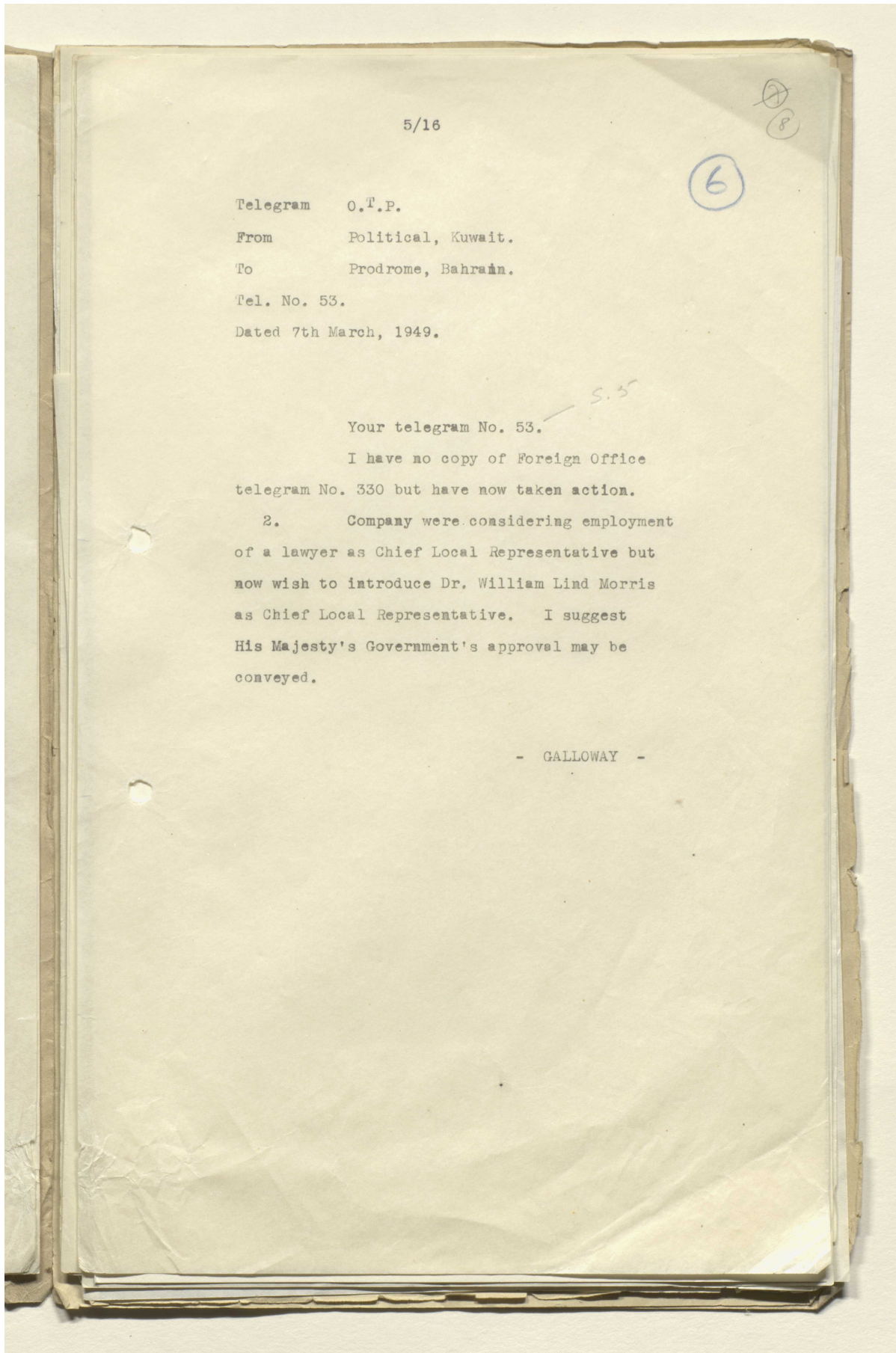
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [7r] (13/116)



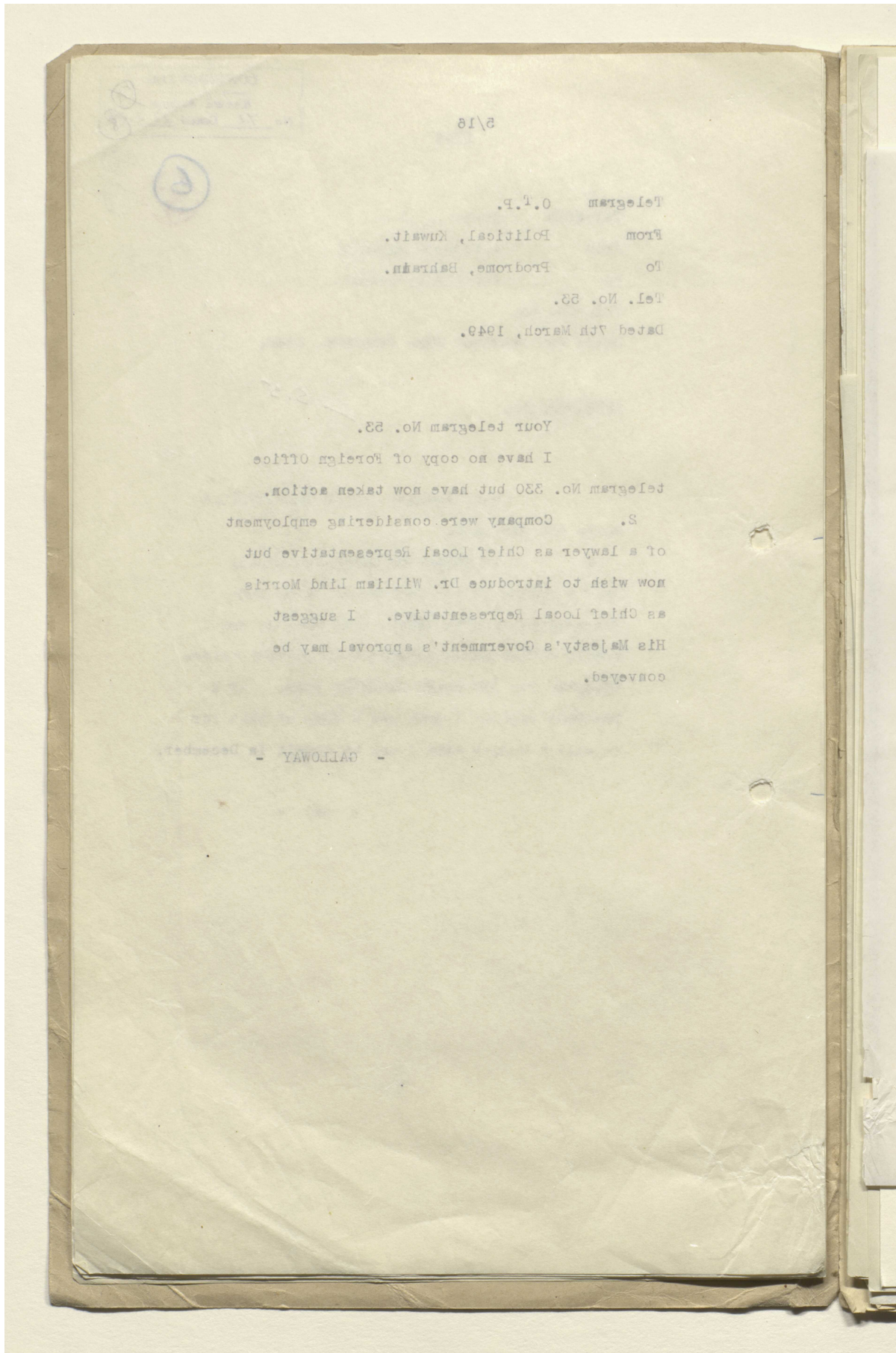
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [7v] (14/116)



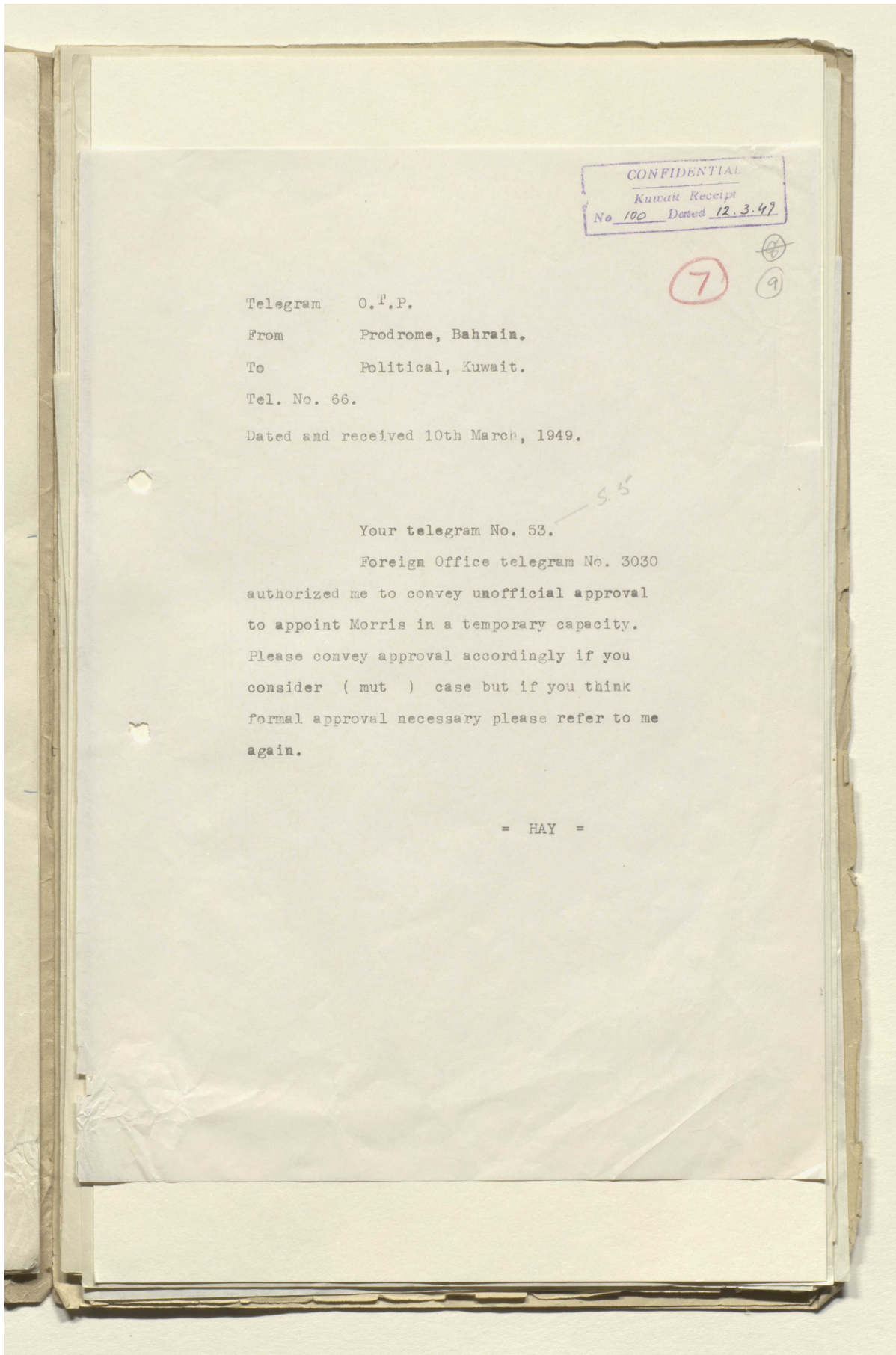
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [8r] (15/116)



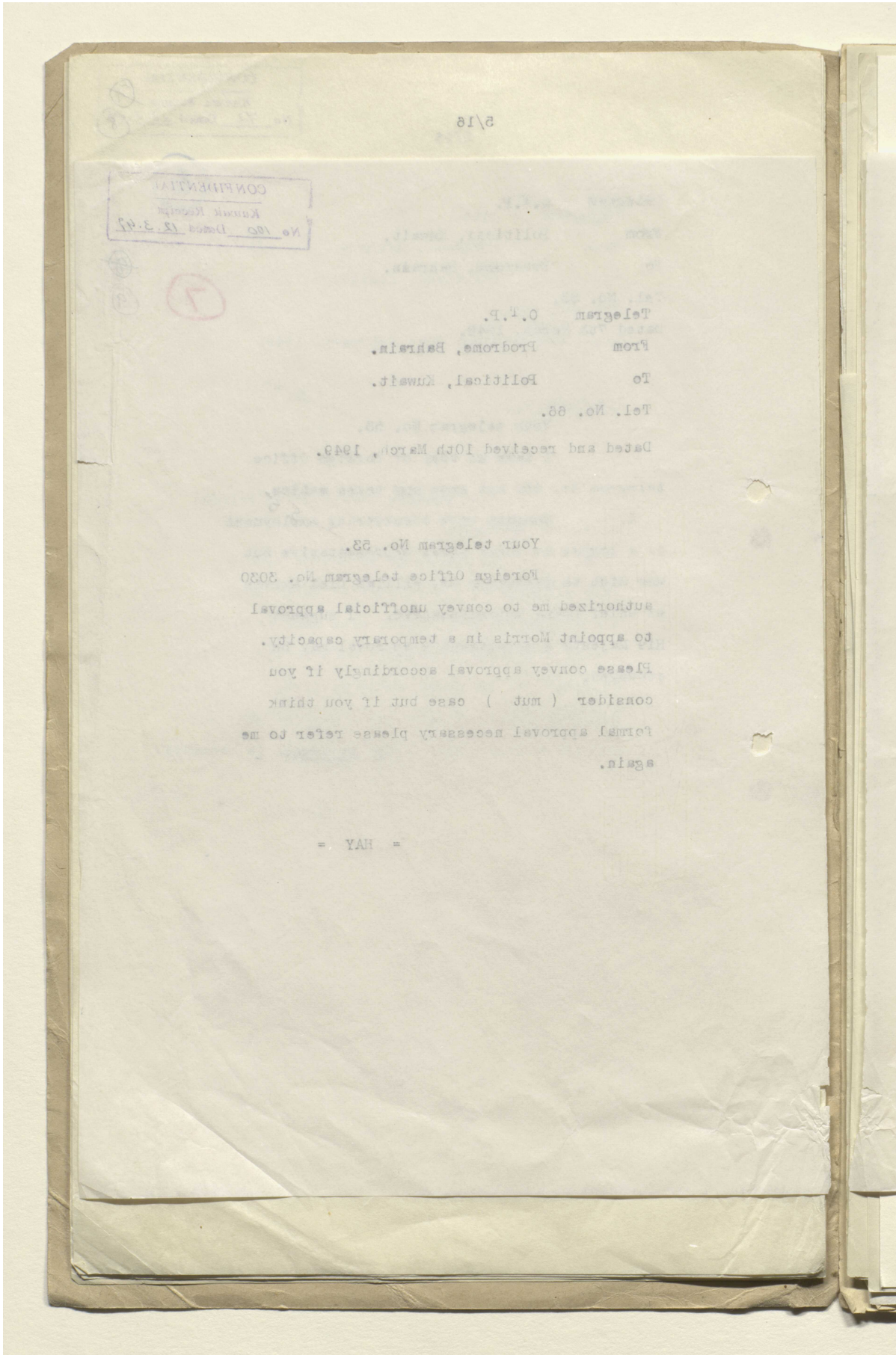
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [8v] (16/116)



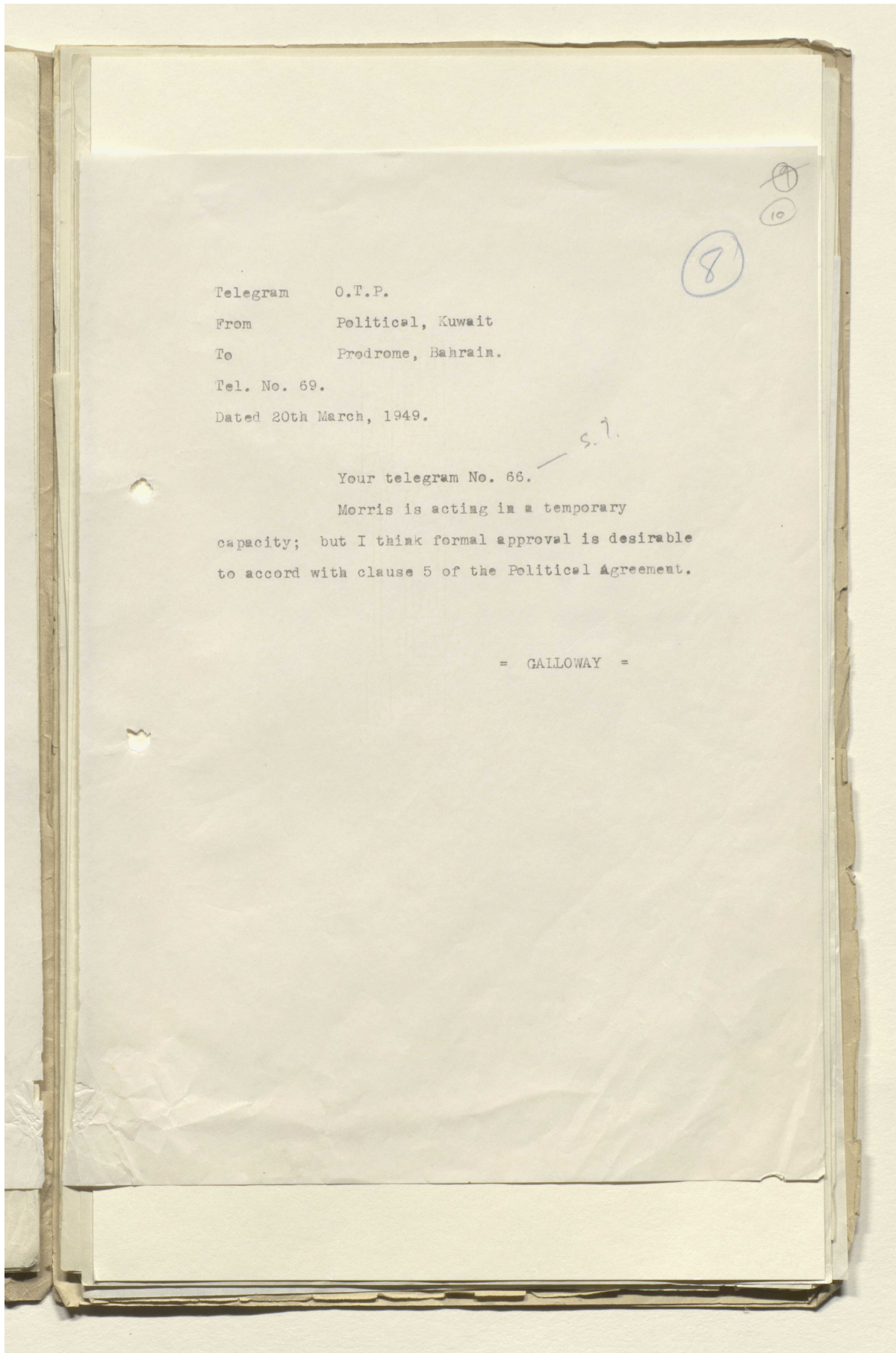
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [9r] (17/116)



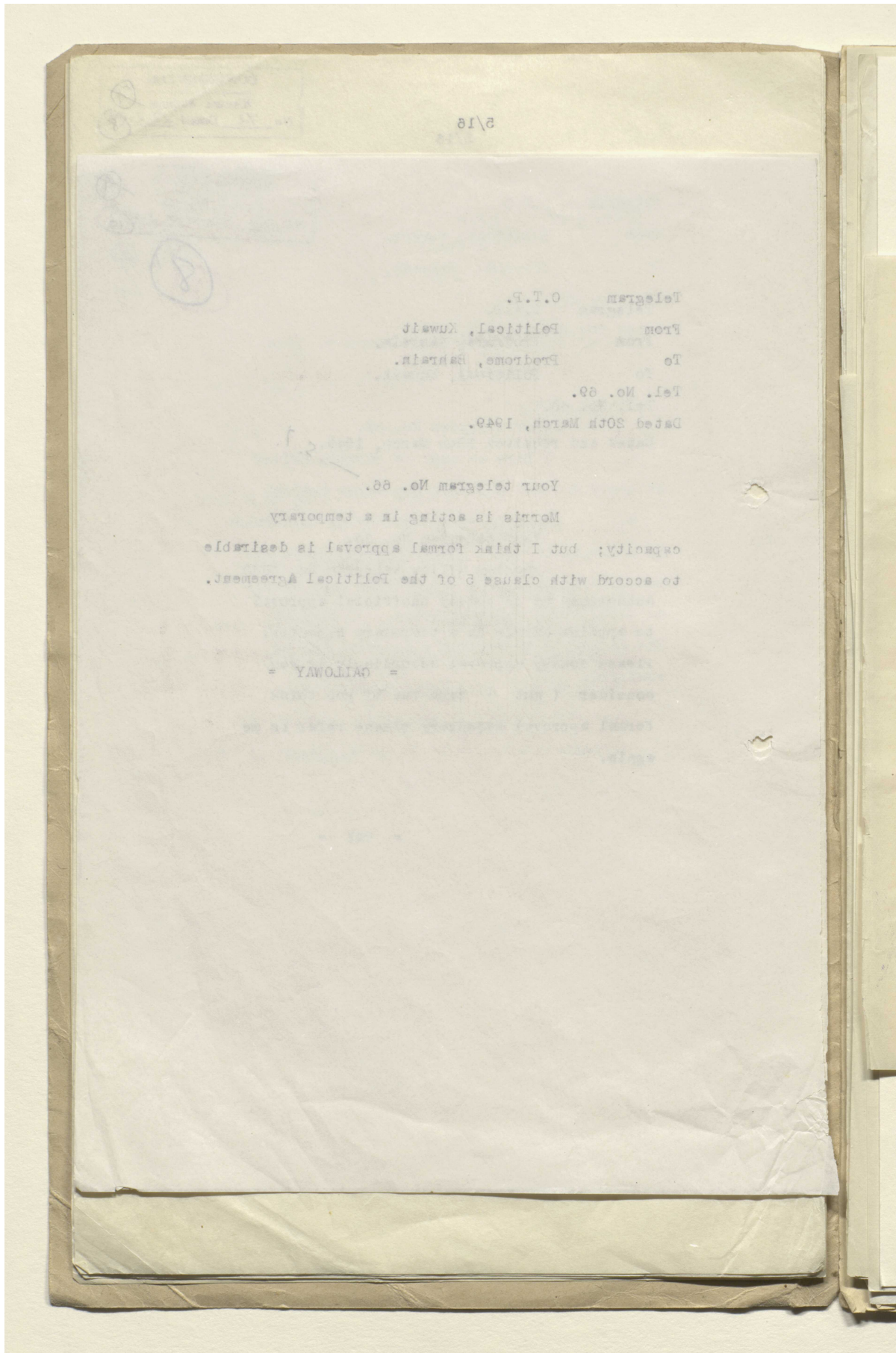
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [9v] (18/116)



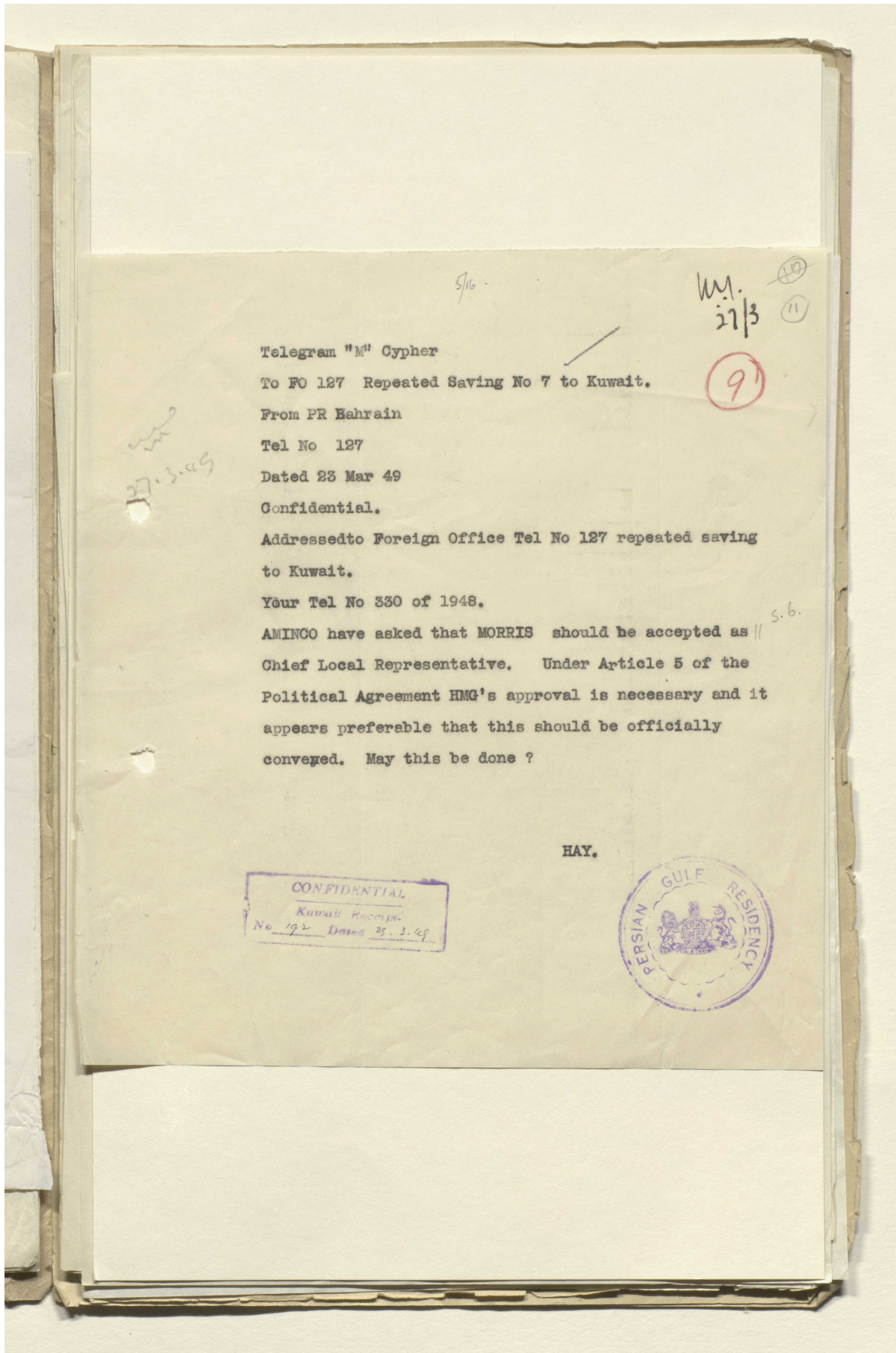
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [10r] (19/116)



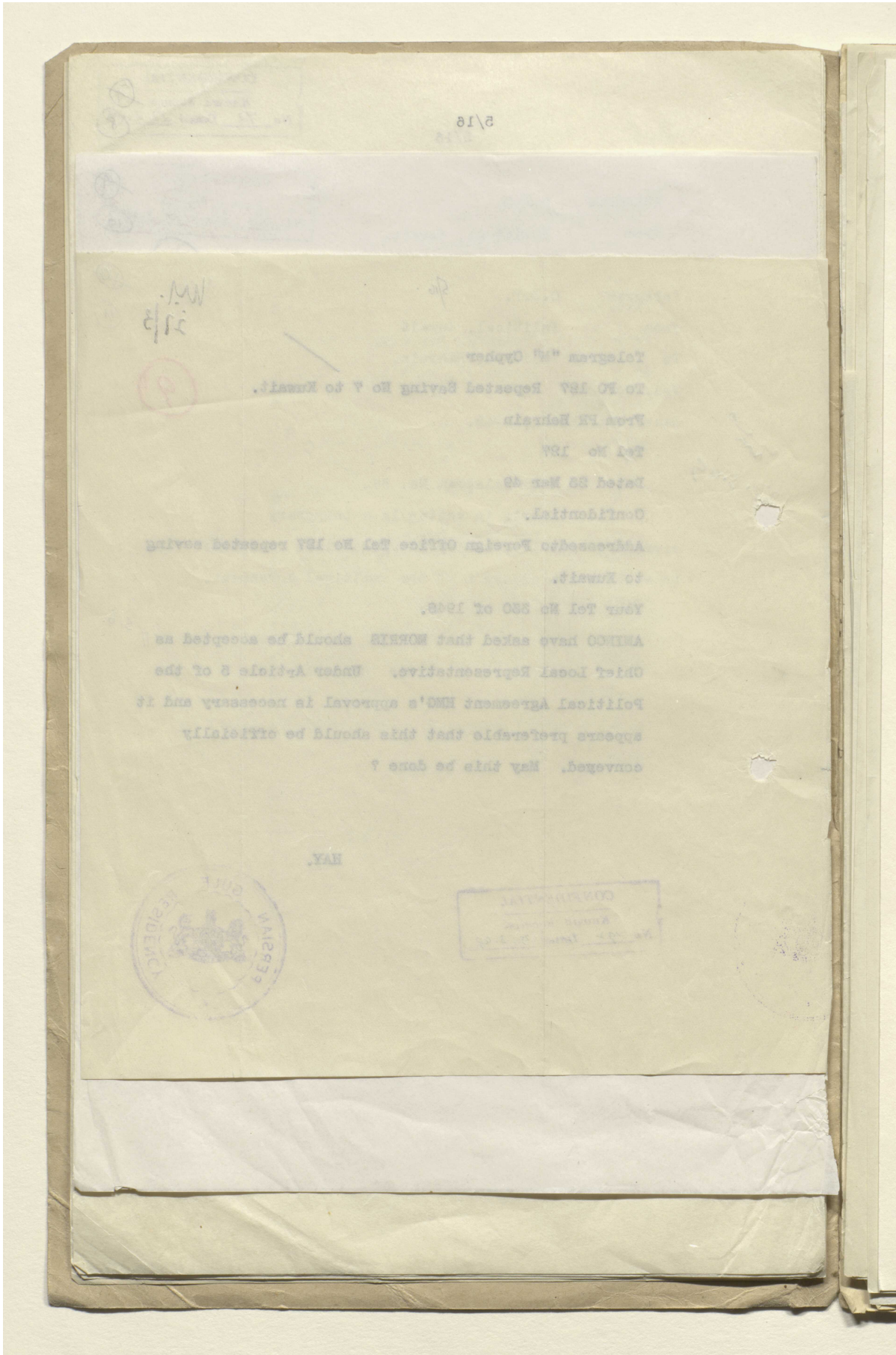
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [10v] (20/116)



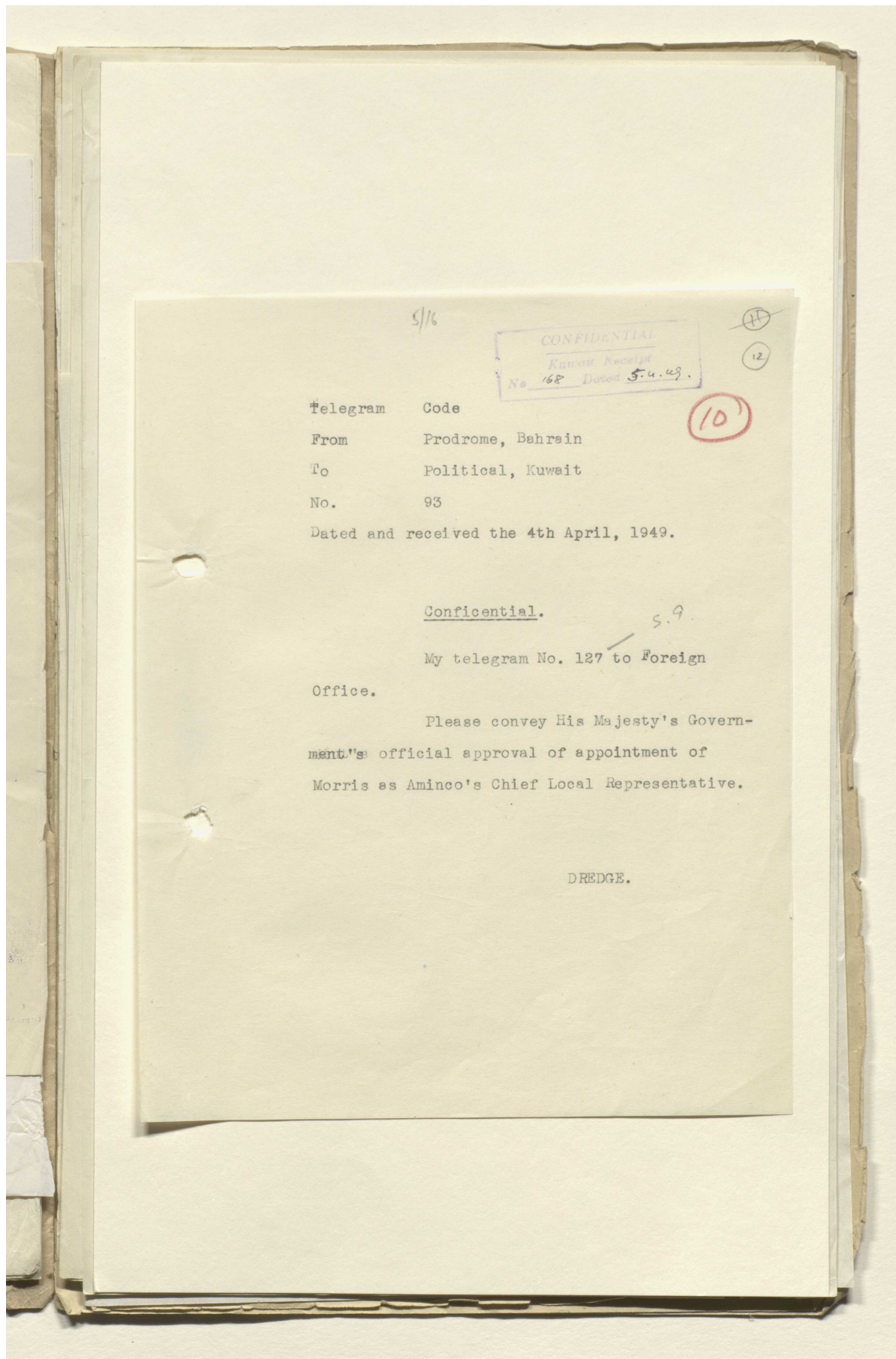
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [11r] (21/116)



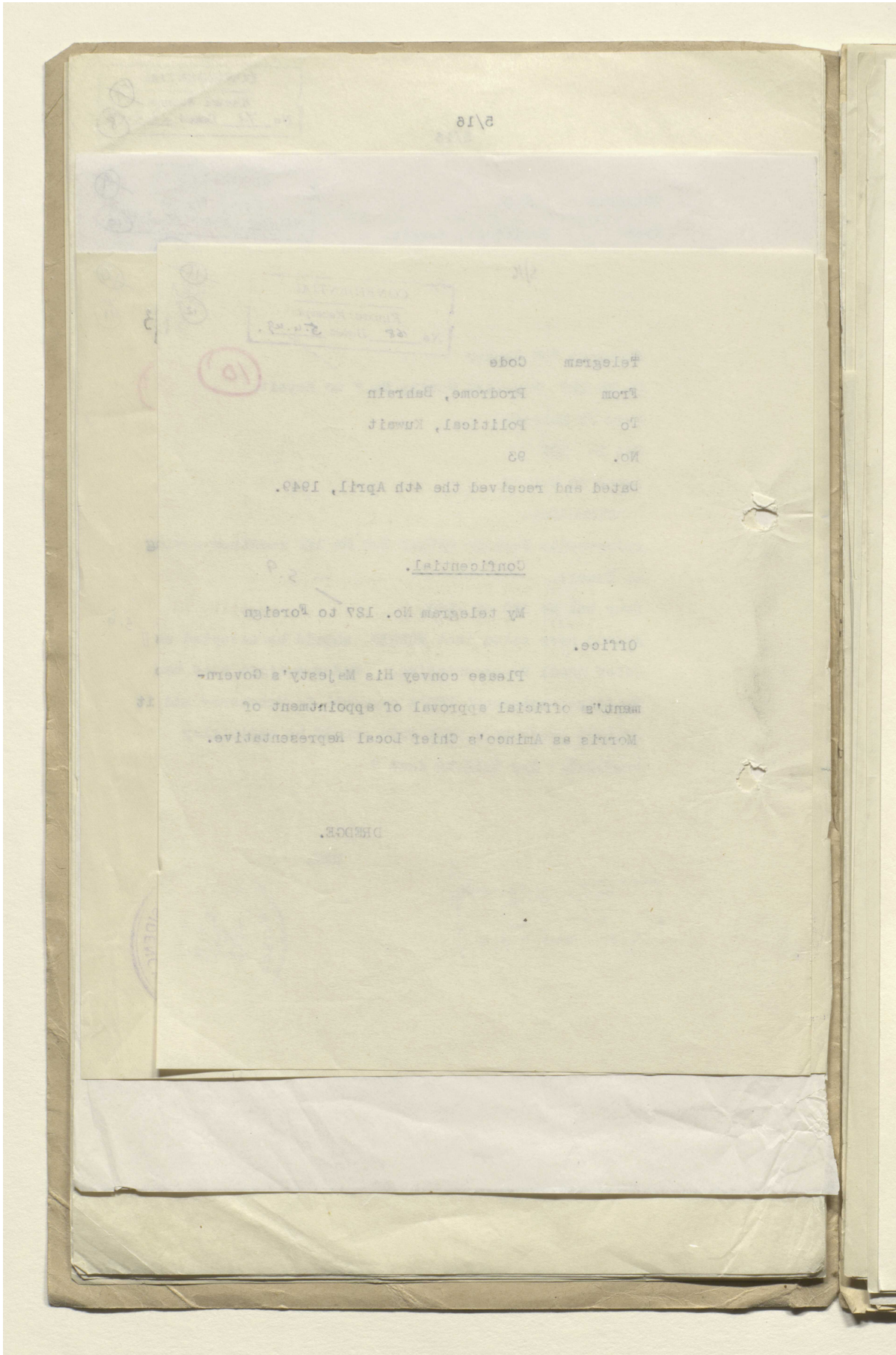
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [11v] (22/116)



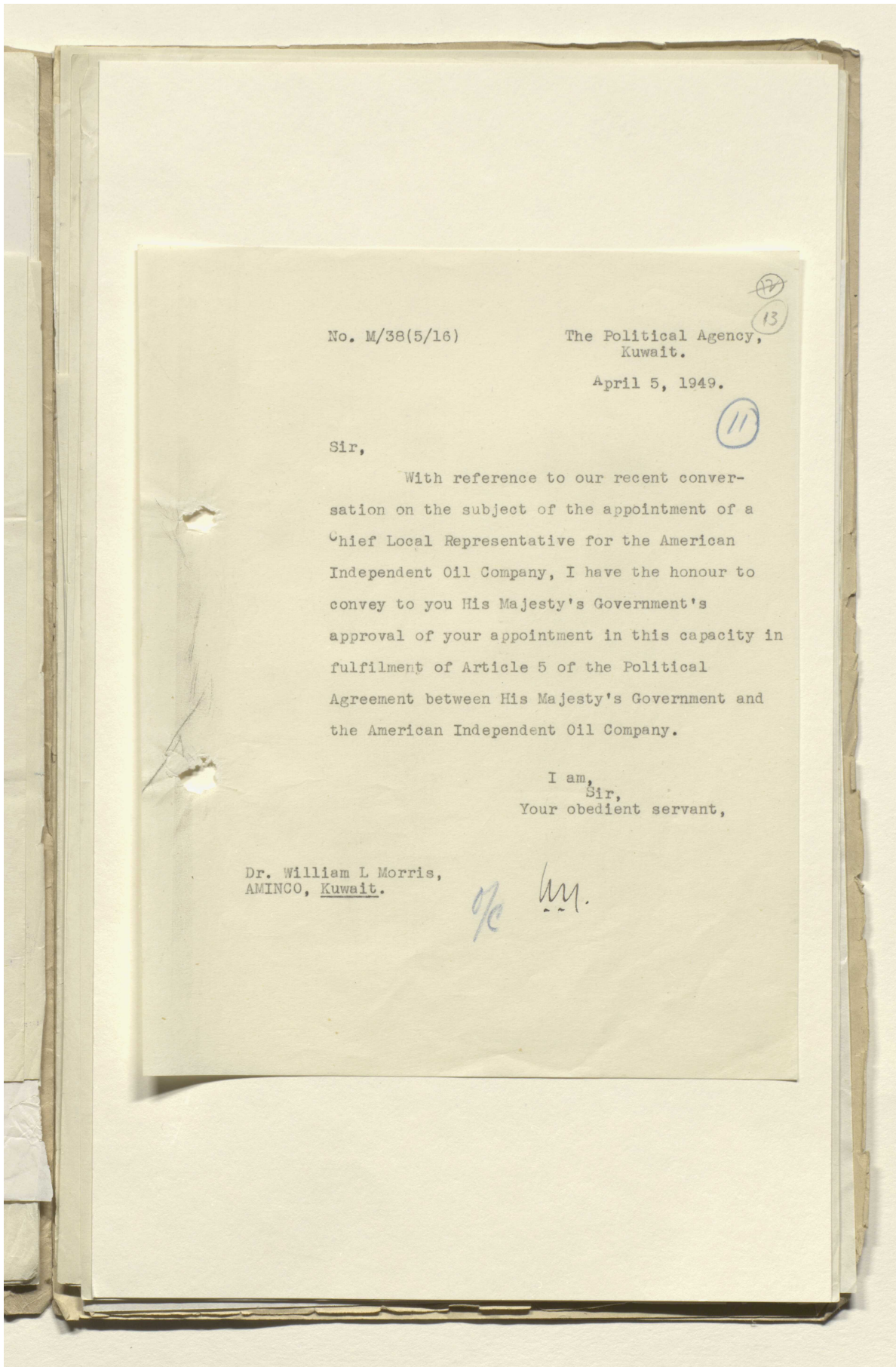
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [12r] (23/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [12v] (24/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [13r] (25/116)



No. M/38(5/16)

The Political Agency,
Kuwait.

April 5, 1949.

Sir,

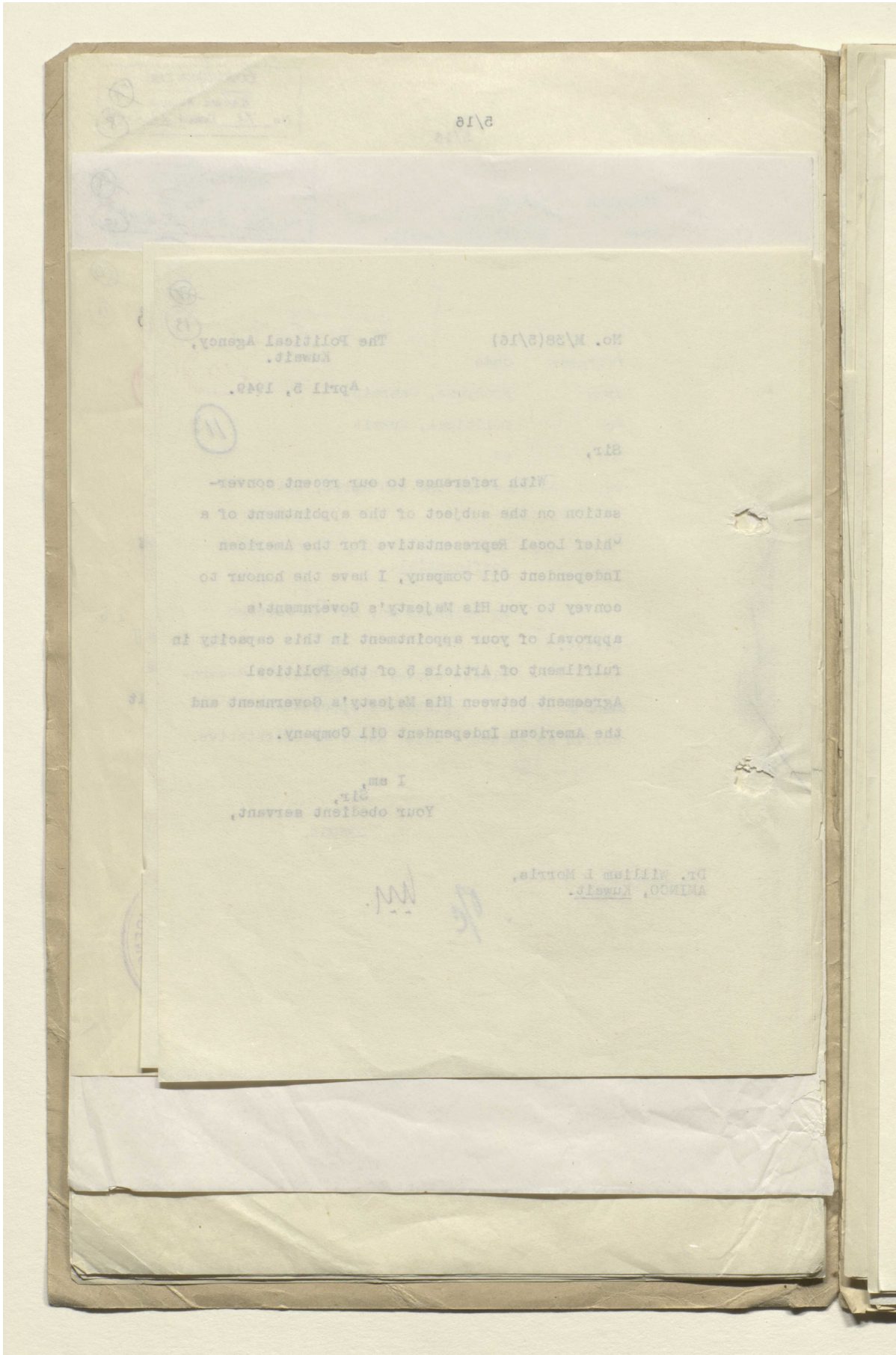
With reference to our recent conversation on the subject of the appointment of a Chief Local Representative for the American Independent Oil Company, I have the honour to convey to you His Majesty's Government's approval of your appointment in this capacity in fulfilment of Article 5 of the Political Agreement between His Majesty's Government and the American Independent Oil Company.

I am,
Sir,
Your obedient servant,

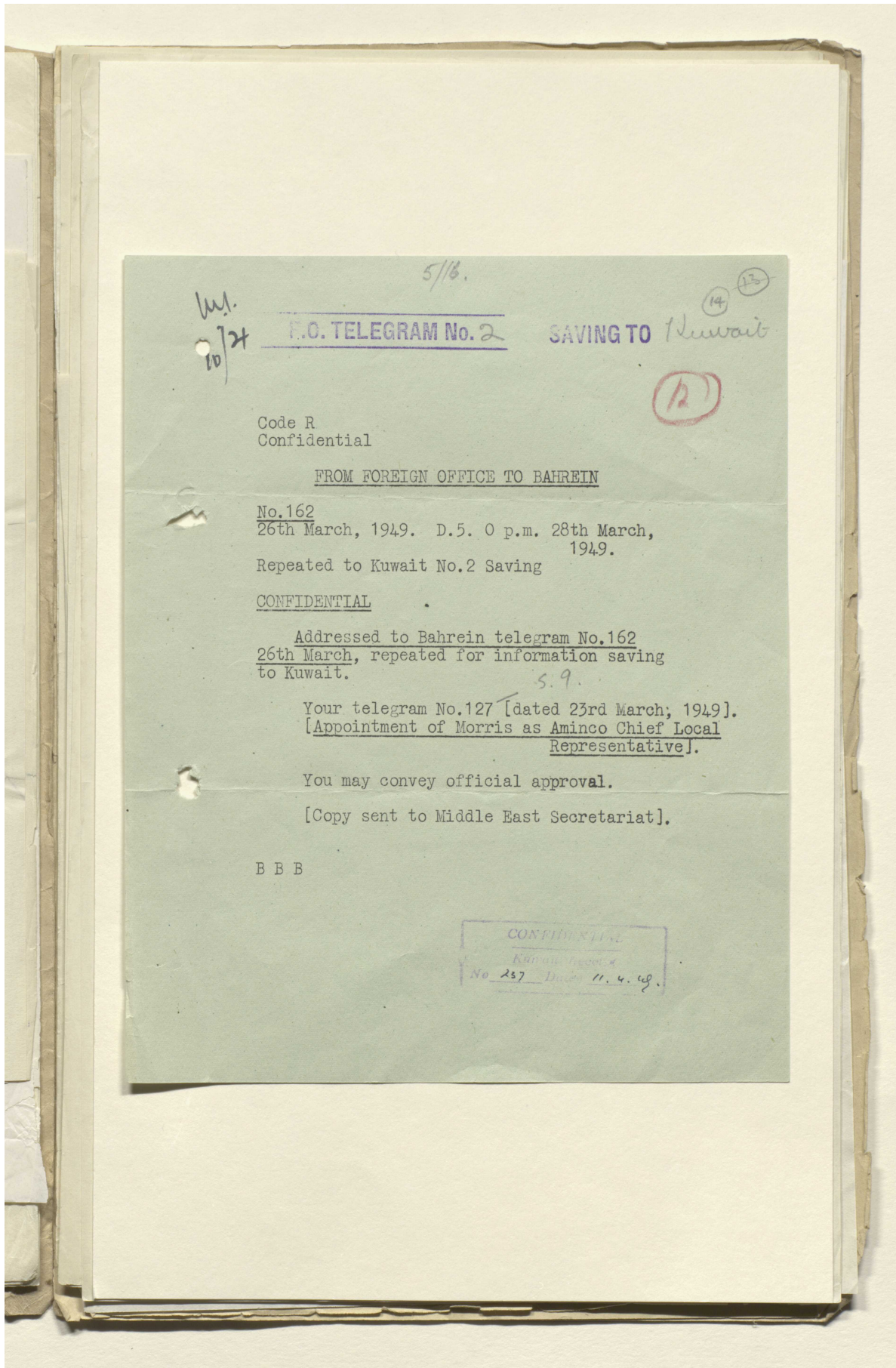
Dr. William L Morris,
AMINCO, Kuwait.

% W.L.M.

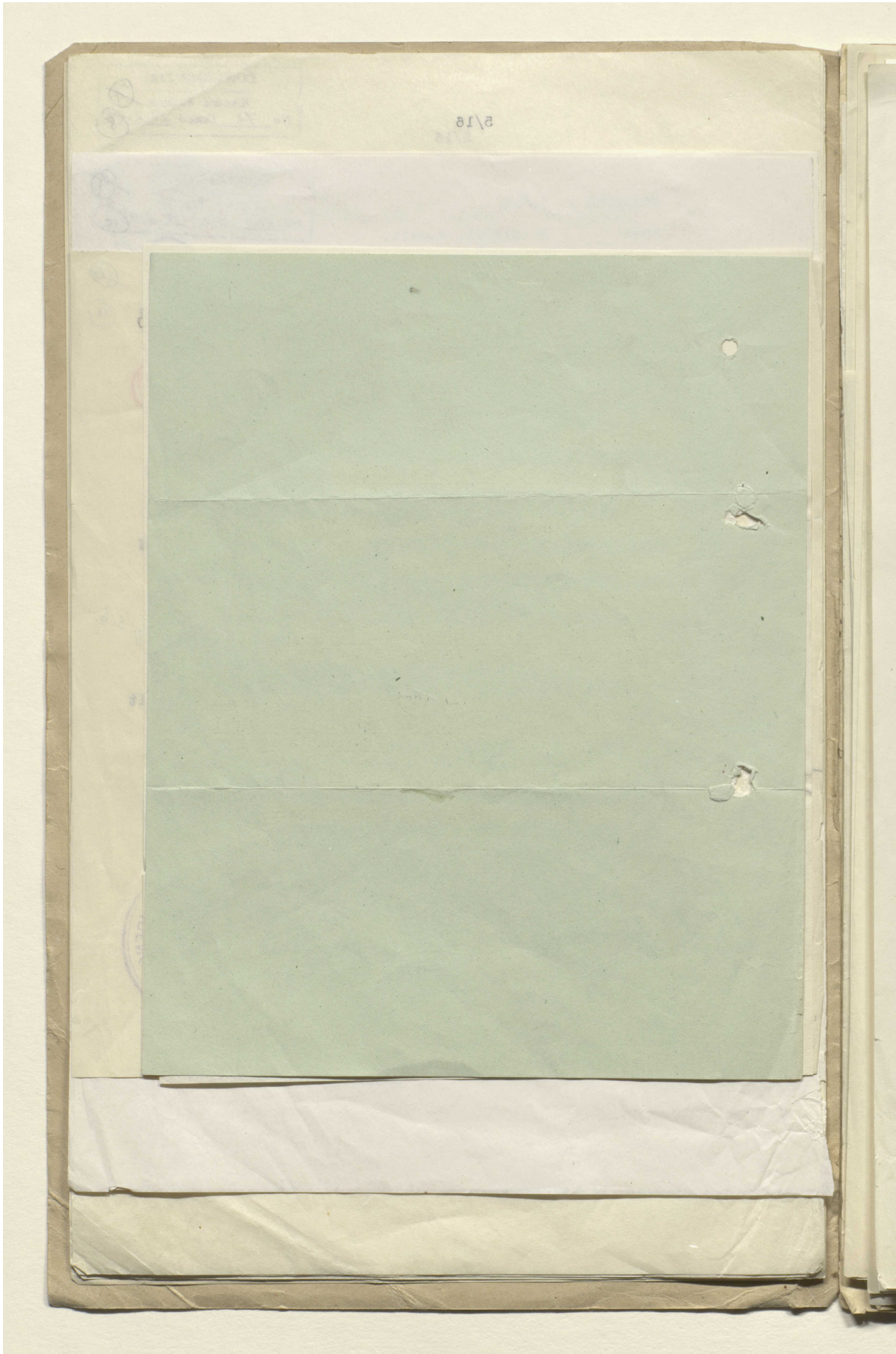
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [13v] (26/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [14r] (27/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [14v] (28/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [15r] (29/116)

31/3 & 5/6 ✓

118
15

CONFIDENTIAL.

PERSIAN GULF RESIDENCY,
BAHRAIN.

(122/26/49)

2nd May, 1949 .

13

not read. *not read.*
Please refer to my semi-official letter (122/21/49) of the 19th April which may have reached you unnumbered. It referred to your letter (E 2963/1531/91) of the 18th March about the question of security in the Kuwait Oil Company's installations.

2. I have for some time been perturbed by the failure of the Kuwait Oil Company to comply with the provisions of Article 4 of their Political Agreement which amongst other things adversely affects our influence over the Sheikh. As he can get almost anything he wants by applying direct to the oil company we have nothing to bargain with when we want something out of him such as the appointment of British advisers.

3. The first desideration is to get rid of the present Chief Local Representative, Dickson. He is now 68 and the company have for several years been trying to get rid of him but the Sheikh, whose nominee he is, will not agree. The Sheikh on the 27th February informed Galloway that he had agreed to Dickson's appointment being extended for a further year. He is entirely in the Sheikh's pocket, and para 7 of Audsley's report on his visit to Kuwait gives us ample grounds for insisting on his removal. I would call particular attention to the attitude he adopted in conversation with Audley over the proposal that the company should have its own security force - a matter in which he should have supported the company's policy (if they have any) and not that of the Sheikh. He was appointed by the Sheikh under Article 6(a) of the Commercial Agreement between the Sheikh and the Company, and the Sheikh will naturally try to retain him as long as possible as he is his man and he will have no say in the appointment of his successor. There is nothing in the Political Agreement or elsewhere providing for the removal of a Chief Local Representative once appointed but I am of the opinion that if we were to inform both the company and the Sheikh that Dickson was persona non grata and that we refused to have any further dealings with him, the company would be compelled to recommend somebody in his place, and the Sheikh though he would no doubt resist as long as possible would be forced to accept the position.

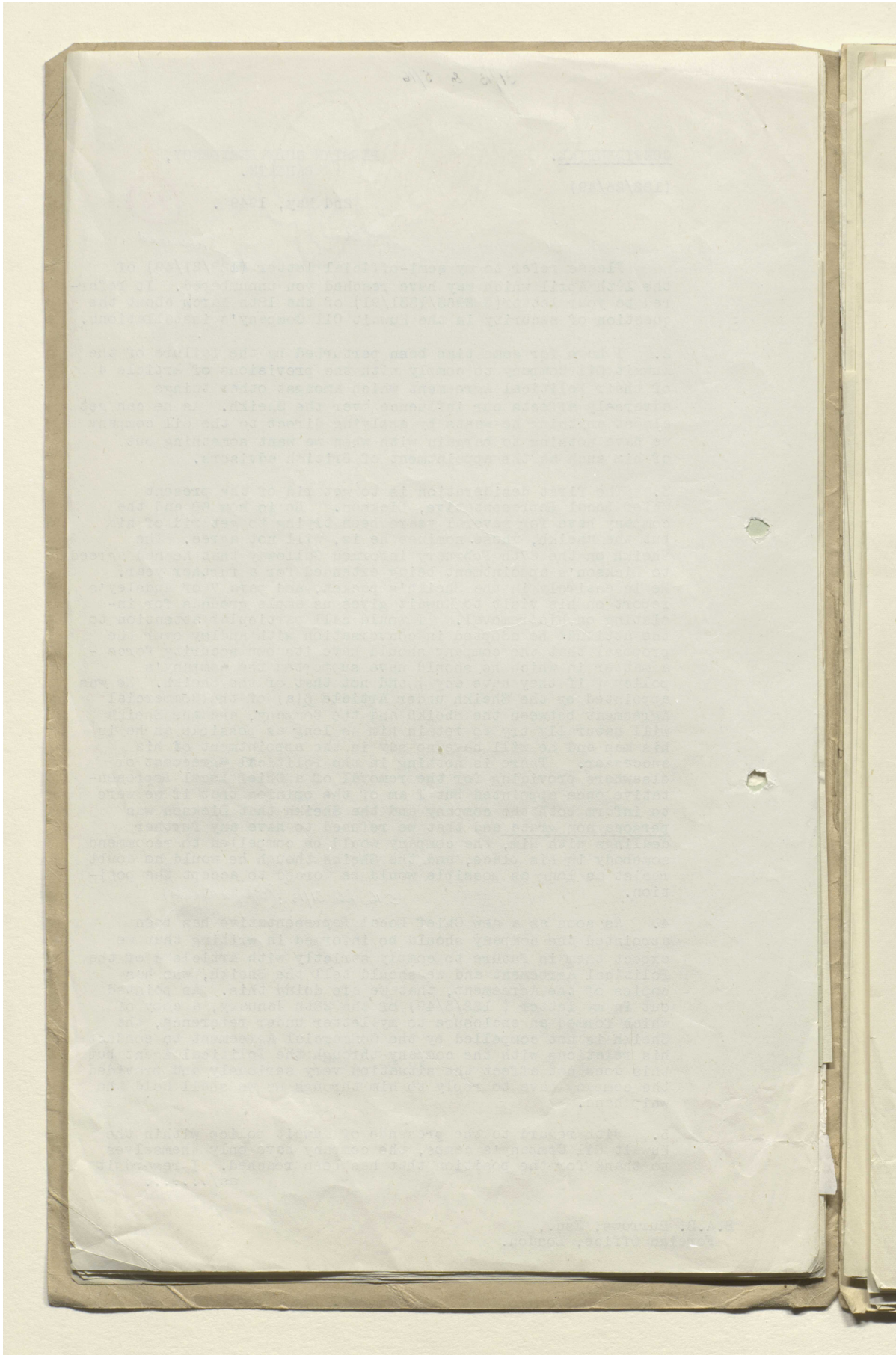
S. 16 file 31/13. (copy attached)

4. As soon as a new Chief Local Representative has been appointed the company should be informed in writing that we expect them in future to comply strictly with Article 4 of the Political Agreement and we should tell the Sheikh, who has copies of the Agreement, that we are doing this. As pointed out in my letter (122/3/49) of the 28th January, a copy of which formed an enclosure to my letter under reference, the Sheikh is not compelled by the Commercial Agreement to conduct his relations with the company through the Political Agent but this does not affect the situation very seriously and provided the company have to reply to him through us we shall hold the whip hand.

5. With regard to the presence of Kuwait police within the Kuwait Oil Company's camps, the company have only themselves to thank for the position that has been reached. I regard it as/.....

B.A.B. Burrows, Esq.,
Foreign Office, London.

'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [15v] (30/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [16r] (31/116)

(5)
(16)

as most unsatisfactory but once the company have acquiesced in their presence I cannot see that we have any right to order the Sheikh to remove them. Southwell's screed is a miserable effort to wriggle out of the false position in which he now finds himself and shows a complete misunderstanding regarding jurisdiction. The Kuwait police can only deal with persons subject to the Sheikh's jurisdiction, and their Commandant, Jabir al Ahmed has recently been forced to admit that he was wrong in arresting and fining a Pakistani for assaulting an Arab. The company's police are required for dealing with persons subject to the Political Agent's jurisdiction and should continue to perform this function whatever state of training and efficiency the State Police arrive at. Southwell's last paragraph is typical of the attitude of the company's management towards any approach to the Sheikh through the Political Agent - which as I have already indicated is a matter we must do our best to put right.

6. It may interest you to know that recently when a fracas occurred in the desert at some distance from Ahmed the State Police immediately applied to the company for transport to take them to the scene of action and intended to leave the camp entirely unprotected. Jordan mentioned this case to show that the arms discussed in my letter (122/24/49) of the 29th April were still required in spite of the presence of Kuwait police in the company's camp.

7. Would you kindly let me know if action may be taken on the lines proposed in paras 3 and 4 ?

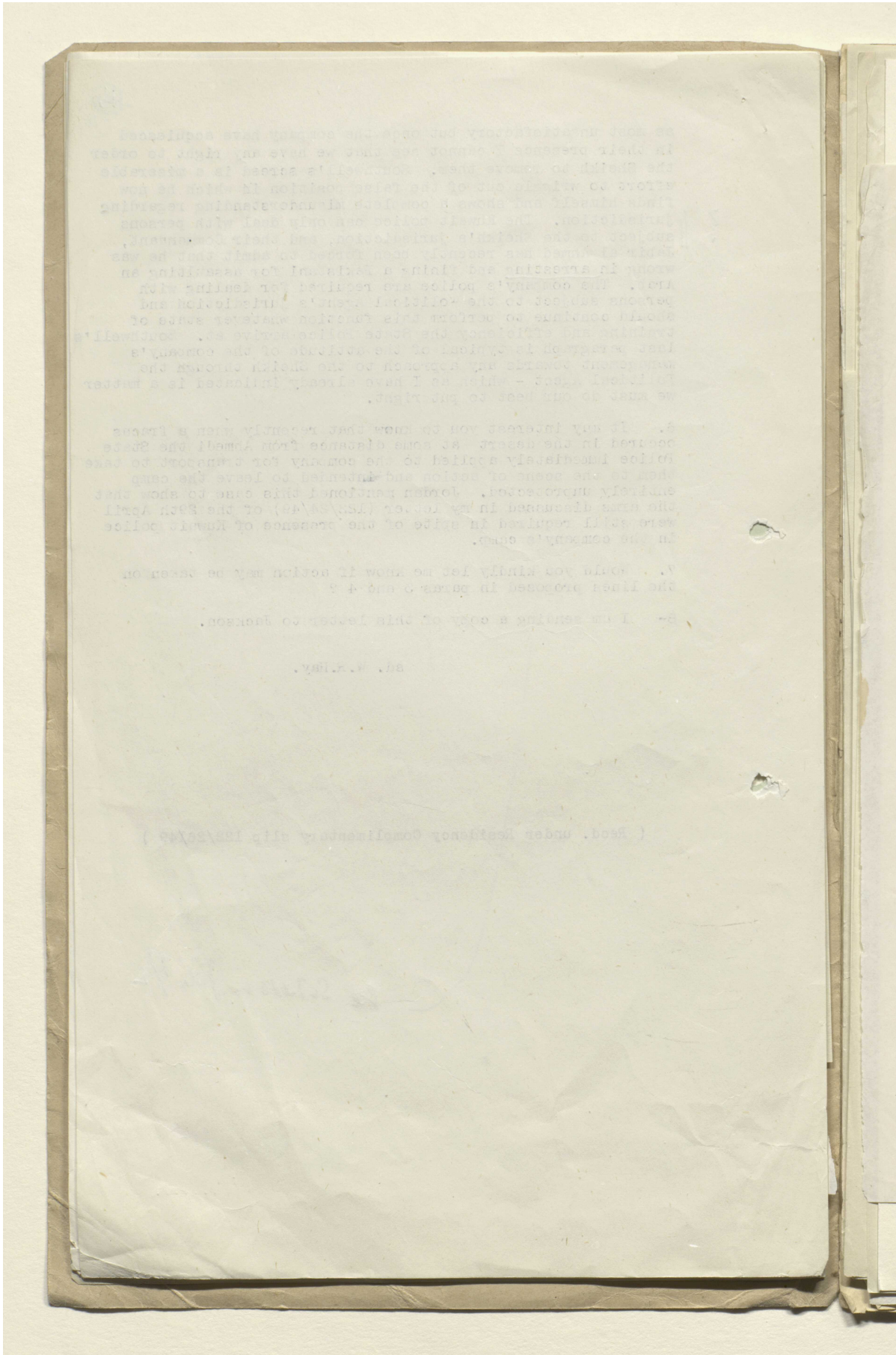
8- I am sending a copy of this letter to Jackson.

sd. W.R.Hay.

(Recd. under Residency Complimentary slip 122/26/49)

see S57210 in file 7/2

'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [16v] (32/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [17r] (33/116)

31/13 & 5/16 ✓

(16)
(17)

122/3/49

PERSIAN GULF RESIDENCY,
BAHRAIN
28th January, 1949.

Dear Galloway,

Please refer to your semi-official letter
No. C/6(31/13) of the 20th January.

2. I agree with the action you have so far taken. I consider we must resist to the best of our ability any endeavour on the part of the Sheikh to station his own guards inside the Kuwait Oil Company's camp.

3. As I mentioned to you at Kuwait, this case has brought to my notice the unsatisfactory position which appears to exist as in respect of communications between the Oil Company and the Sheikh. In Article 4 of the Political Agreement with the Company it is laid down that the Chief Local Representative will be responsible for the Company's local relations with the Kuwait authorities and these local relations shall always be conducted through the Political Agent except as regards routine commercial business. The Sheikh, on the other hand, vide Article 6(a) and (b) of his Commercial Agreement with the Company, does not appear to be bound to conduct his relations with the Company through the Political Agent, although it is to be inferred that all business ordinarily will be conducted by his Official Representative with the Chief Local Representative. The position is much less satisfactory and much less well-defined than it is in Bahrain.

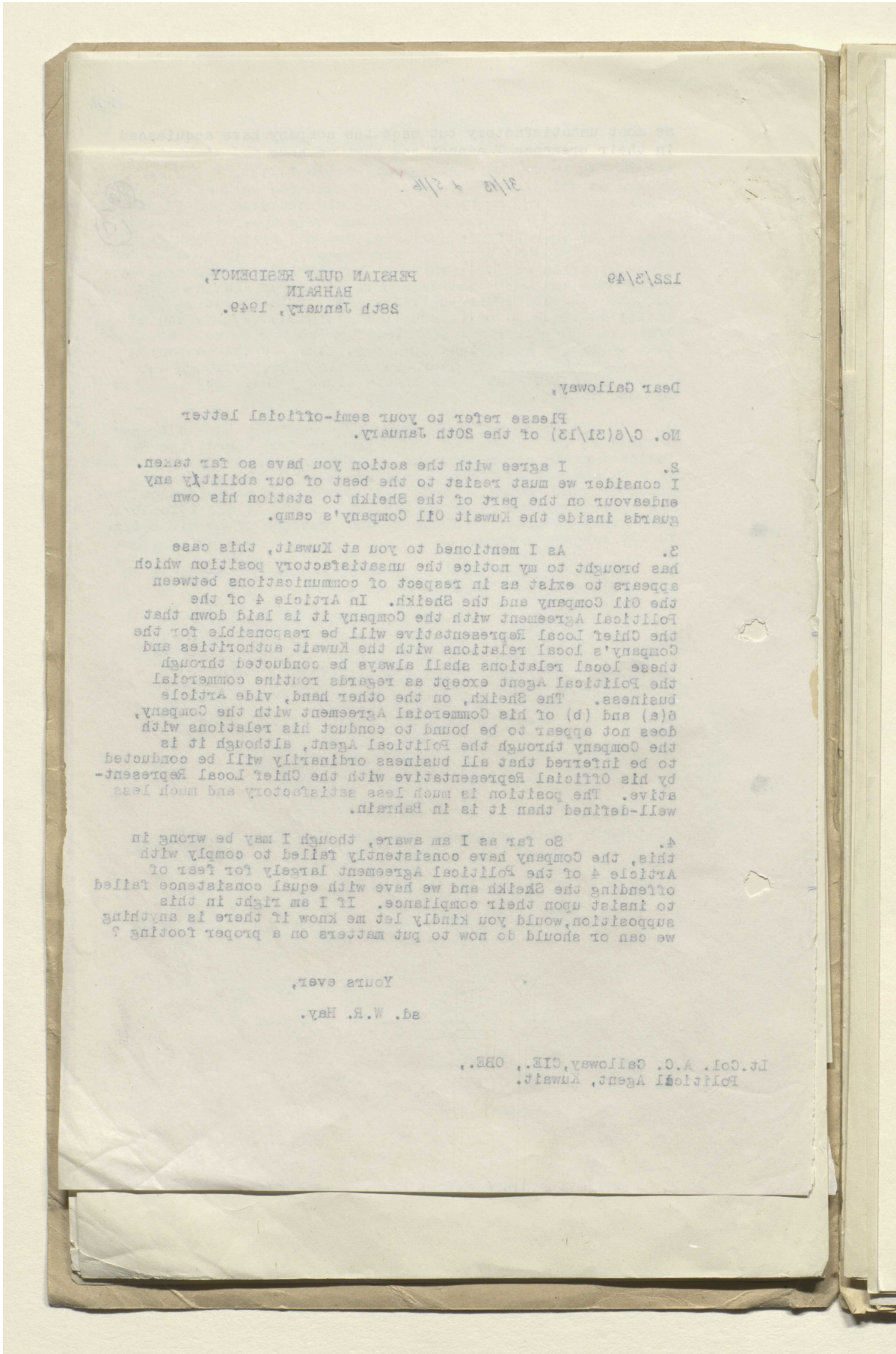
4. So far as I am aware, though I may be wrong in this, the Company have consistently failed to comply with Article 4 of the Political Agreement largely for fear of offending the Sheikh and we have with equal consistence failed to insist upon their compliance. If I am right in this supposition, would you kindly let me know if there is anything we can or should do now to put matters on a proper footing ?

Yours ever,

sd. W.R. Hay.

Lt.Col. A.C. Galloway, CIE., OBE.,
Political Agent, Kuwait.

'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [17v] (34/116)



122/3/49
BAHRAIN
28th January, 1949.

Dear Galloway,

Please refer to your semi-official letter No. C(31/13) of the 20th January.

I agree with the action you have so far taken. I consider we must resist to the best of our ability any encroachment on the part of the Shaikh to station his own guards inside the Kuwait Oil Company's camp.

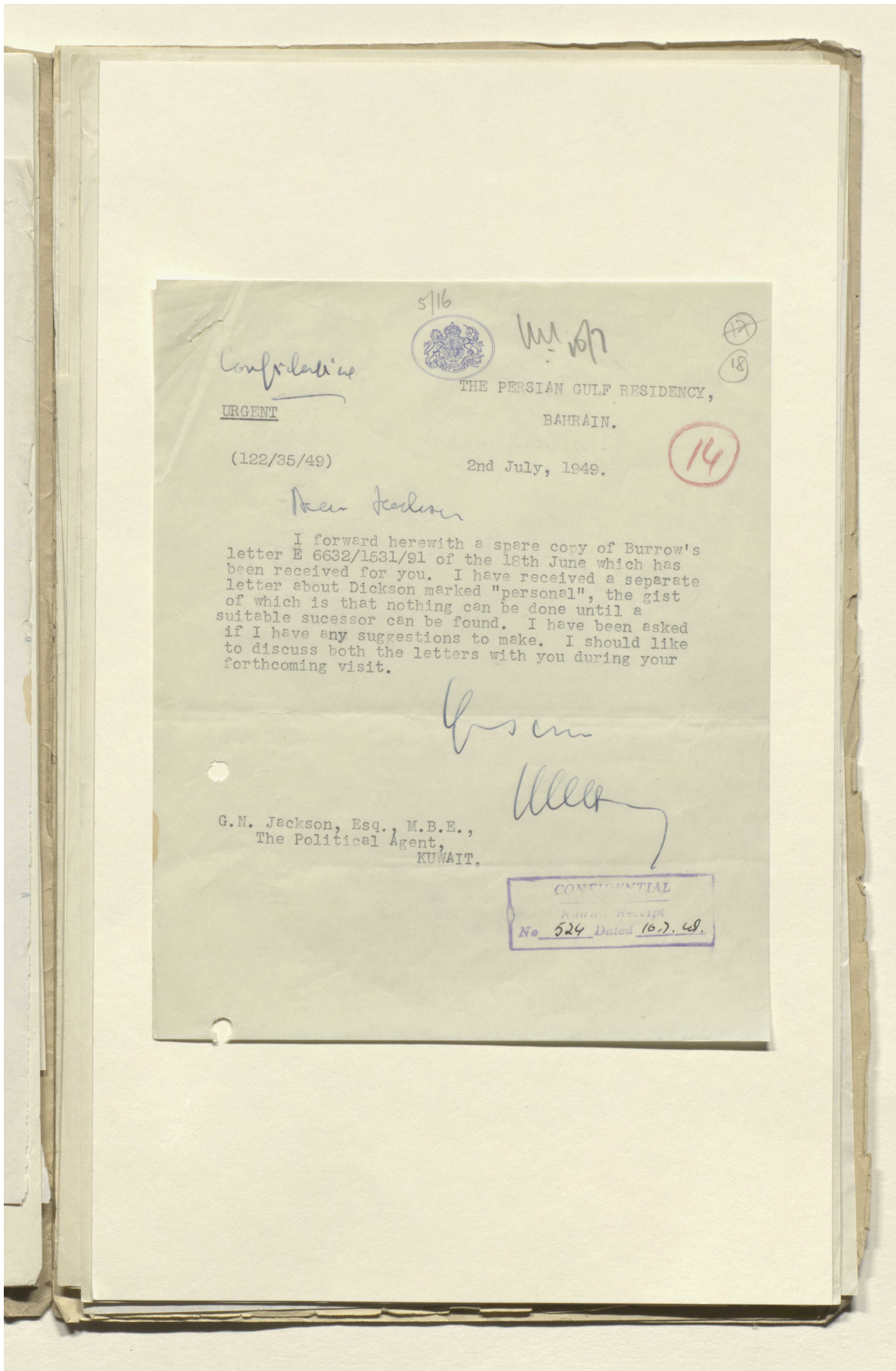
As I mentioned to you at Kuwait, this case has brought to my notice the unsatisfactory position which appears to exist as in respect of communications between the Oil Company and the Shaikh. In Article 4 of the Political Agreement with the Company it is laid down that the Chief Local Representative will be responsible for the Company's local relations with the Kuwait authorities and these local relations shall always be conducted through the Political Agent except as regards routine commercial business. The Shaikh, on the other hand, vide Article 8(a) and (b) of his Commercial Agreement with the Company does not appear to be bound to conduct his relations with the Company through the Political Agent, although it is to be inferred that all business ordinarily will be conducted by his Official Representative with the Chief Local Representative. The position is much less satisfactory and much less well-defined than it is in Bahrain.

So far as I am aware, though I may be wrong in this, the Company have consistently failed to comply with Article 4 of the Political Agreement largely for fear of offending the Shaikh and we have with equal conscience failed to insist upon their compliance. If I am right in this, I am sure you would kindly let me know if there is anything we can or should do now to put matters on a proper footing?

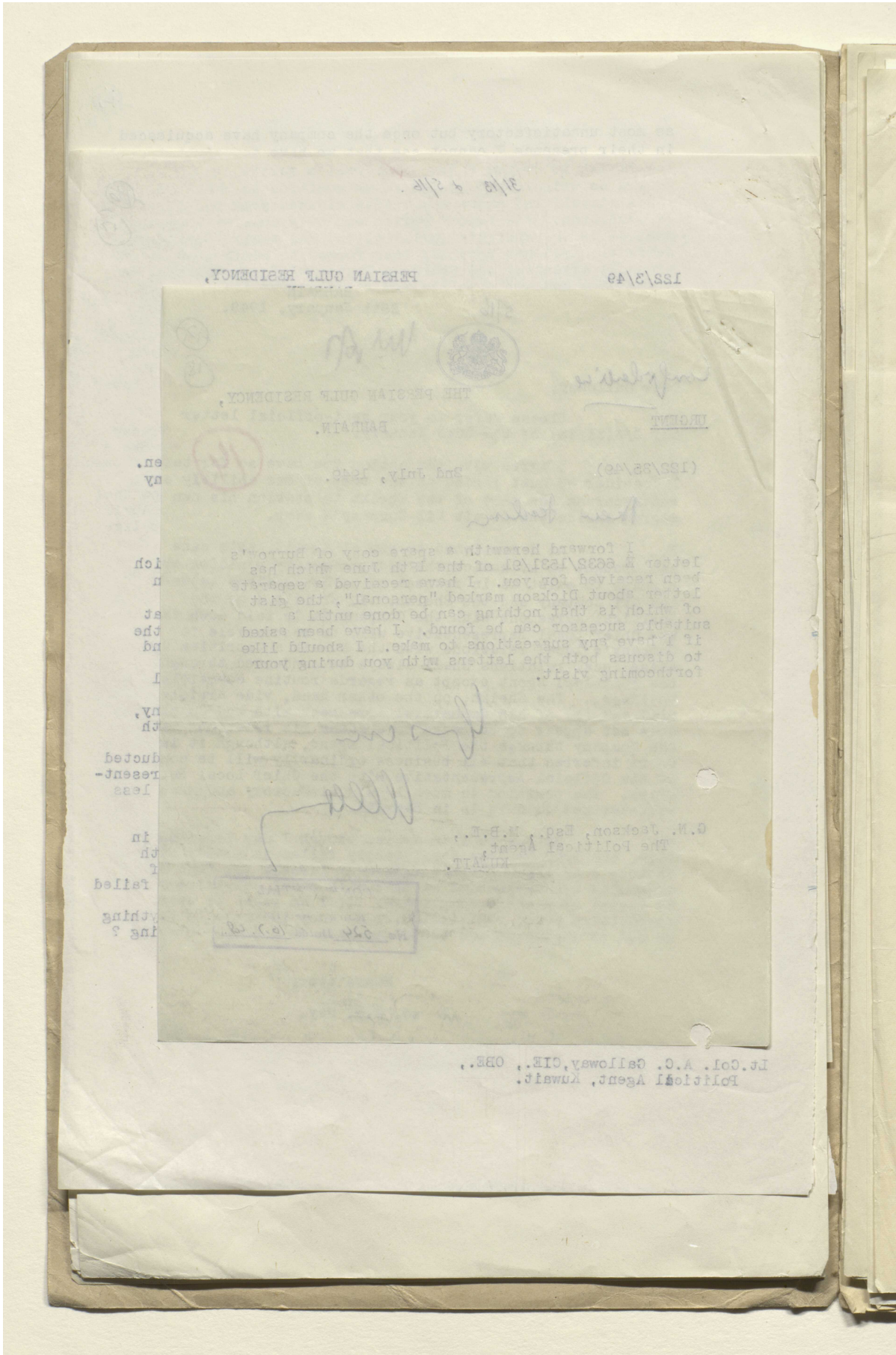
Yours ever,
W.R. Hay.

Political Agent, Kuwait.
Lt. Col. A.C. Galloway, C.B.E., C.M.G.

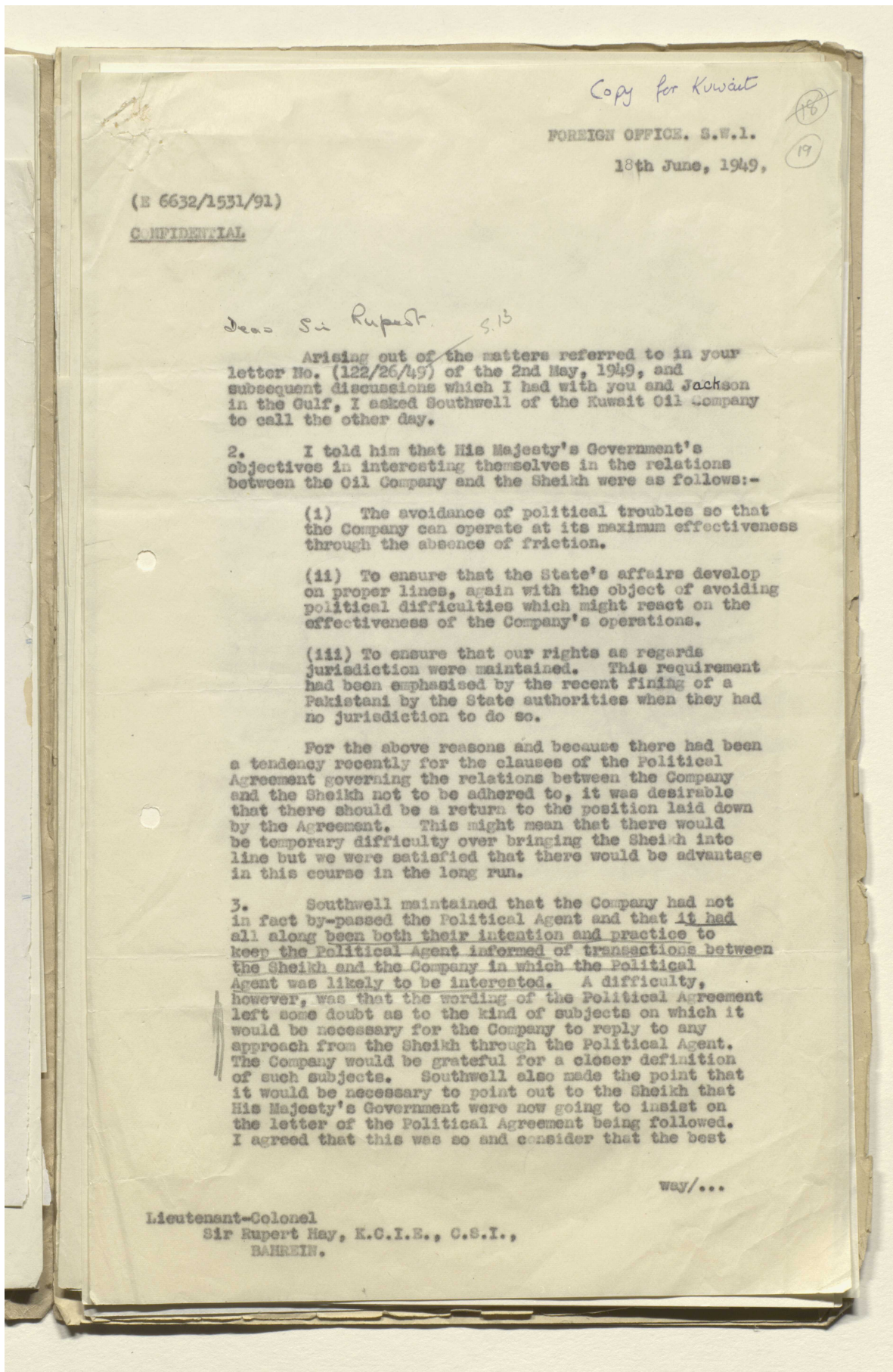
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [18r] (35/116)



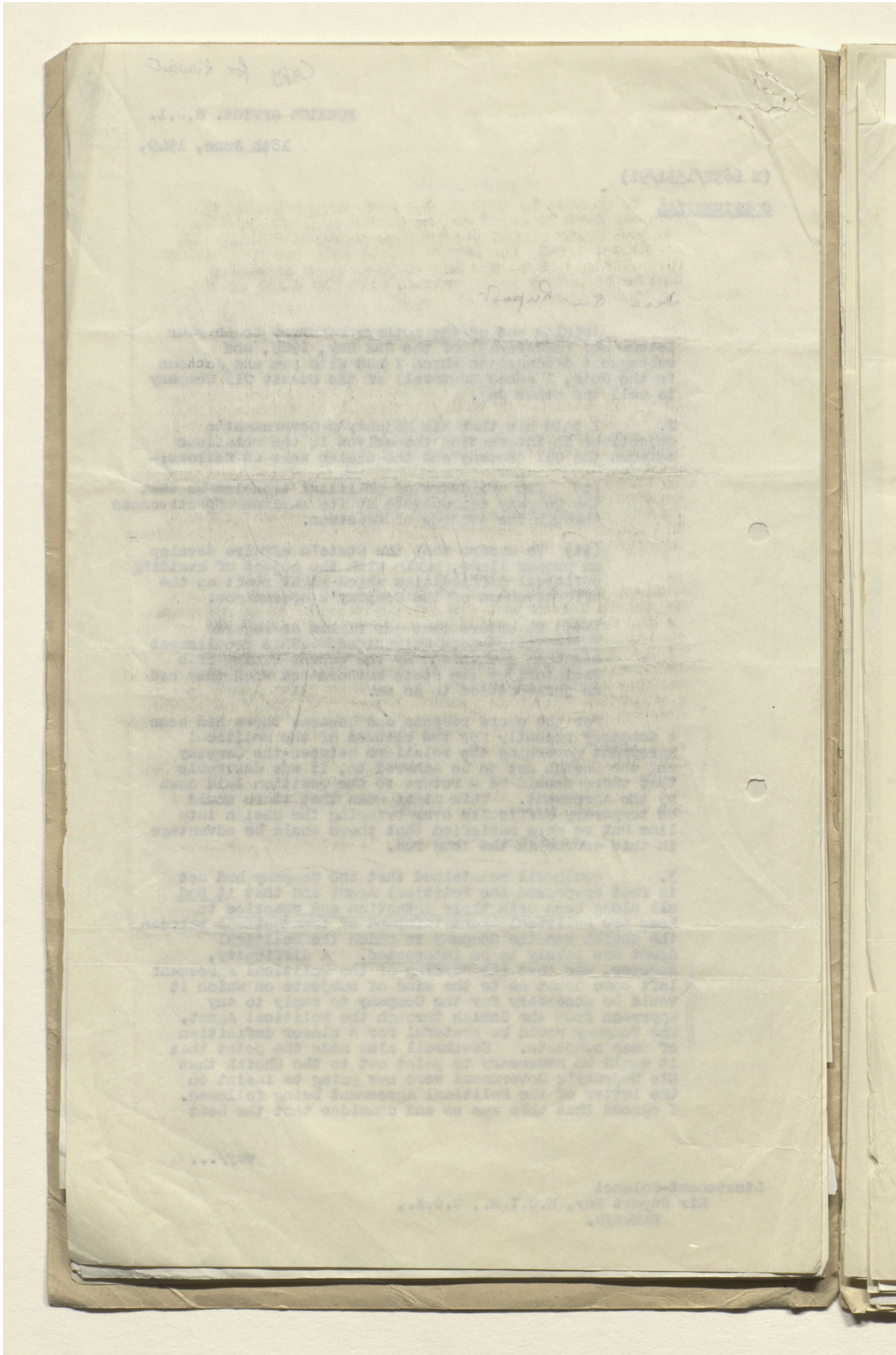
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [18v] (36/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [19r] (37/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [19v] (38/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [20r] (39/116)

(A)
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way to do this is that on the next occasion when the Company have to reply to the Sheikh on a non routine subject which should properly be conveyed through the Political Agent, the latter should take the opportunity of pointing out to the Sheikh that in so informing him he is acting in accordance with the terms of the Political Agreement.

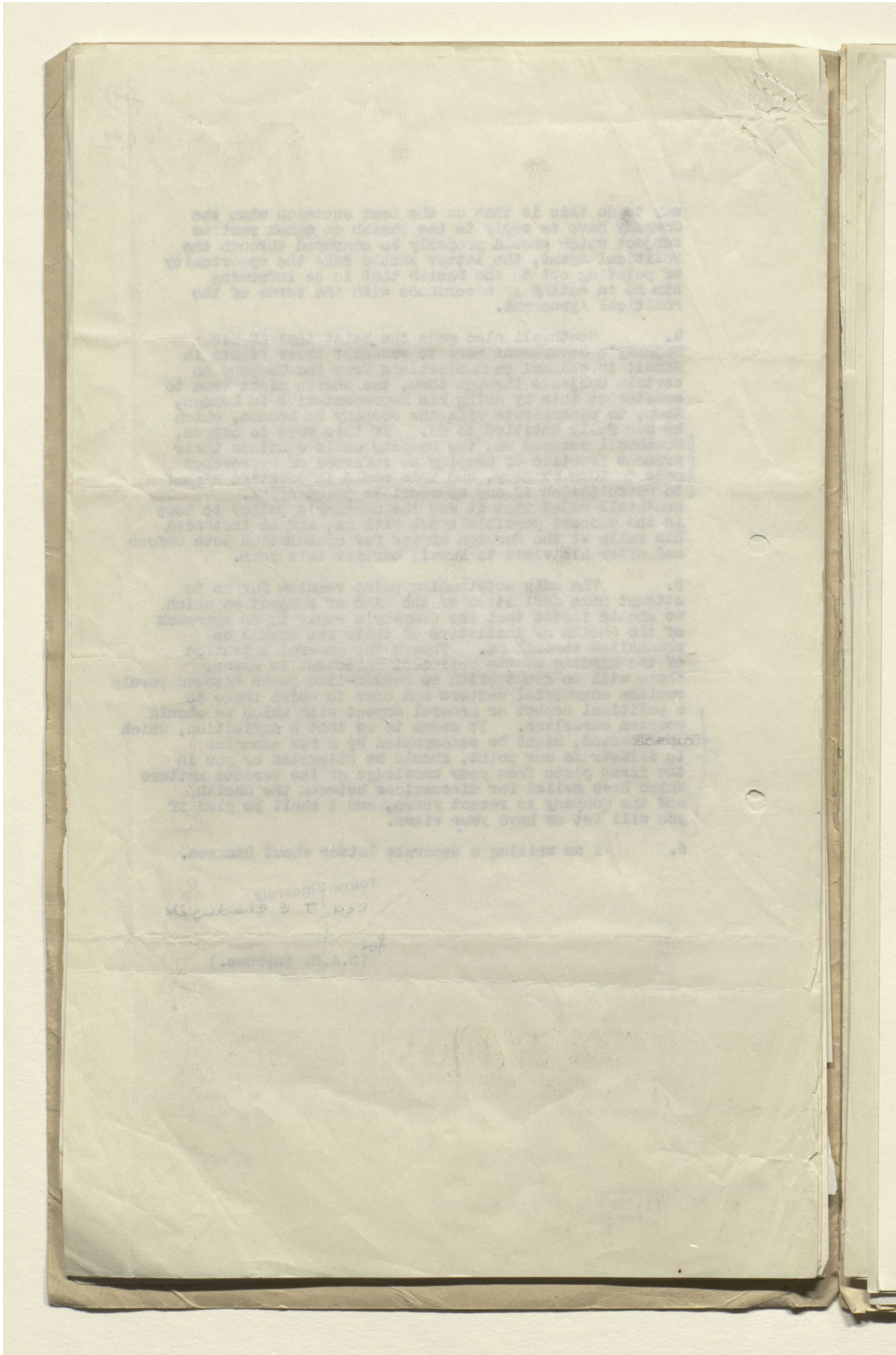
4. Southwell also made the point that if His Majesty's Government were to reassert their rights in Kuwait to channel communications from the Company on certain subjects through them, the Sheikh might tend to counteract this by using his Representative in London, Kemp, to communicate with the Company in London, which he was fully entitled to do. If this were to happen, Southwell assured me, the Company would continue their present practice of keeping us informed of approaches made to them by Kemp, and this would in practice amount to consultation if any appropriate point arose. Southwell added that it was the Company's policy to keep in the closest possible touch with us, and he instanced his calls at the Foreign Office for consultation both before and after his visit to Kuwait earlier this year.

5. The only outstanding point remains for us to attempt some definition of the kind of subject on which we should insist that the Company's reply to an approach of the Sheikh or initiative of their own should be channelled through us. Though the general intention of the wording of the Political Agreement is clear, there will no doubt often be border-line cases between purely routine commercial matters and ones in which there is a political aspect or general aspect with which we should concern ourselves. It seems to me that a definition, which Southwell asked, might be accompanied by a few examples to illustrate our point, should be attempted by you in the first place from your knowledge of the various matters which have called for discussions between the Sheikh and the Company in recent years, and I shall be glad if you will let us have your views.

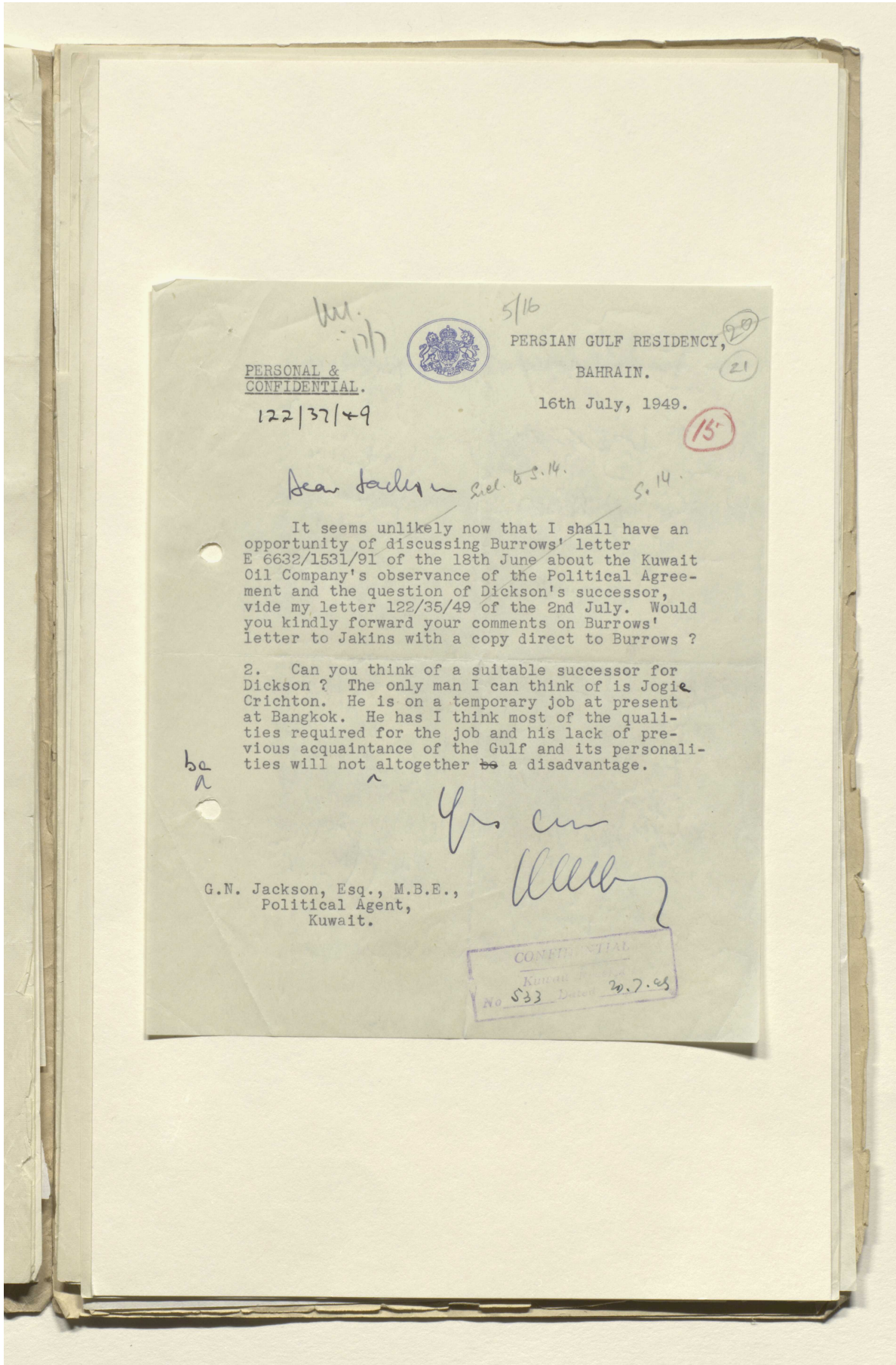
6. I am writing a separate letter about Dickson.

Yours Sincerely
Sgt. J. E. Chudwick
for
(B.A.B. Burrows.)

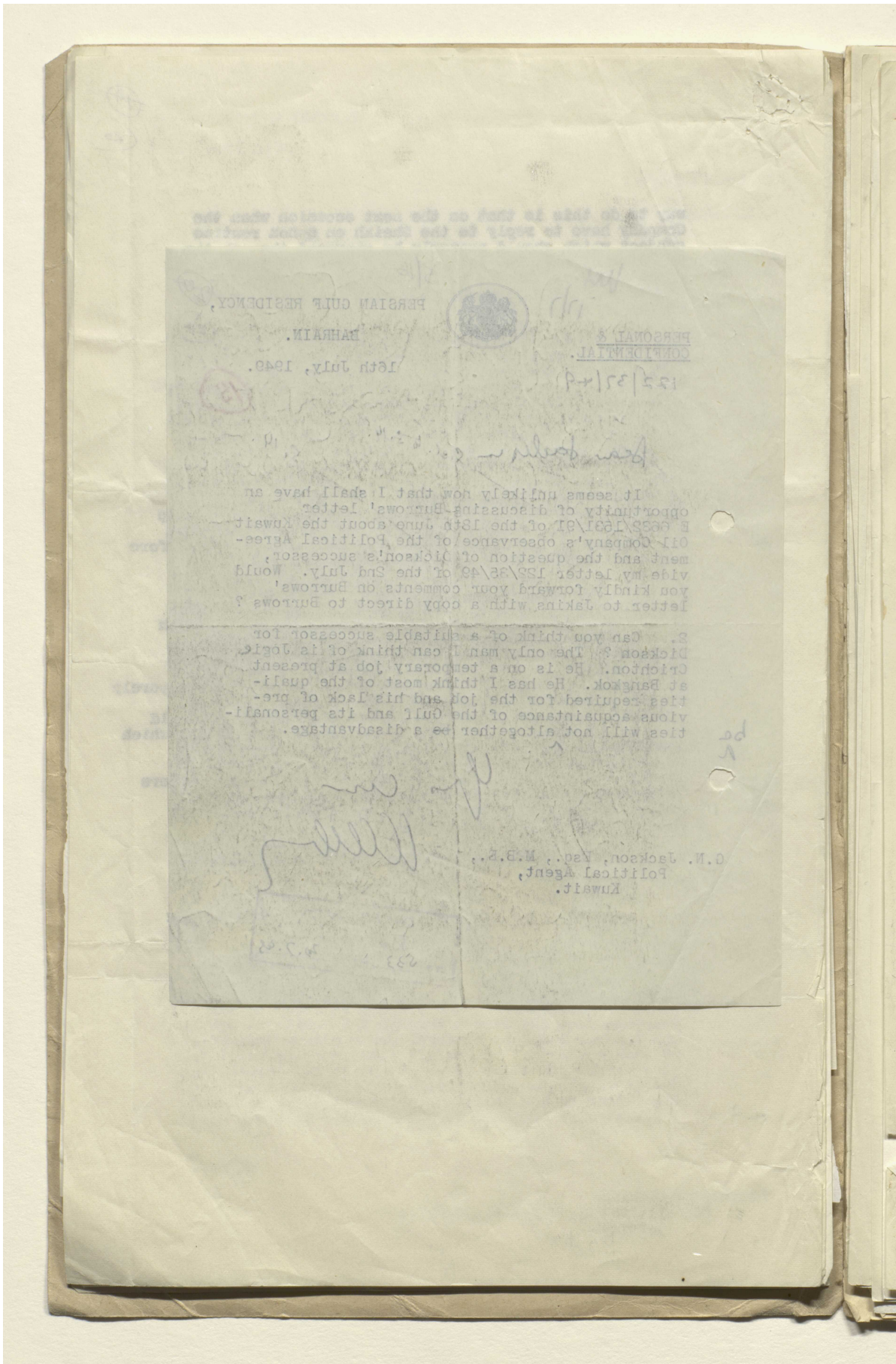
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [20v] (40/116)



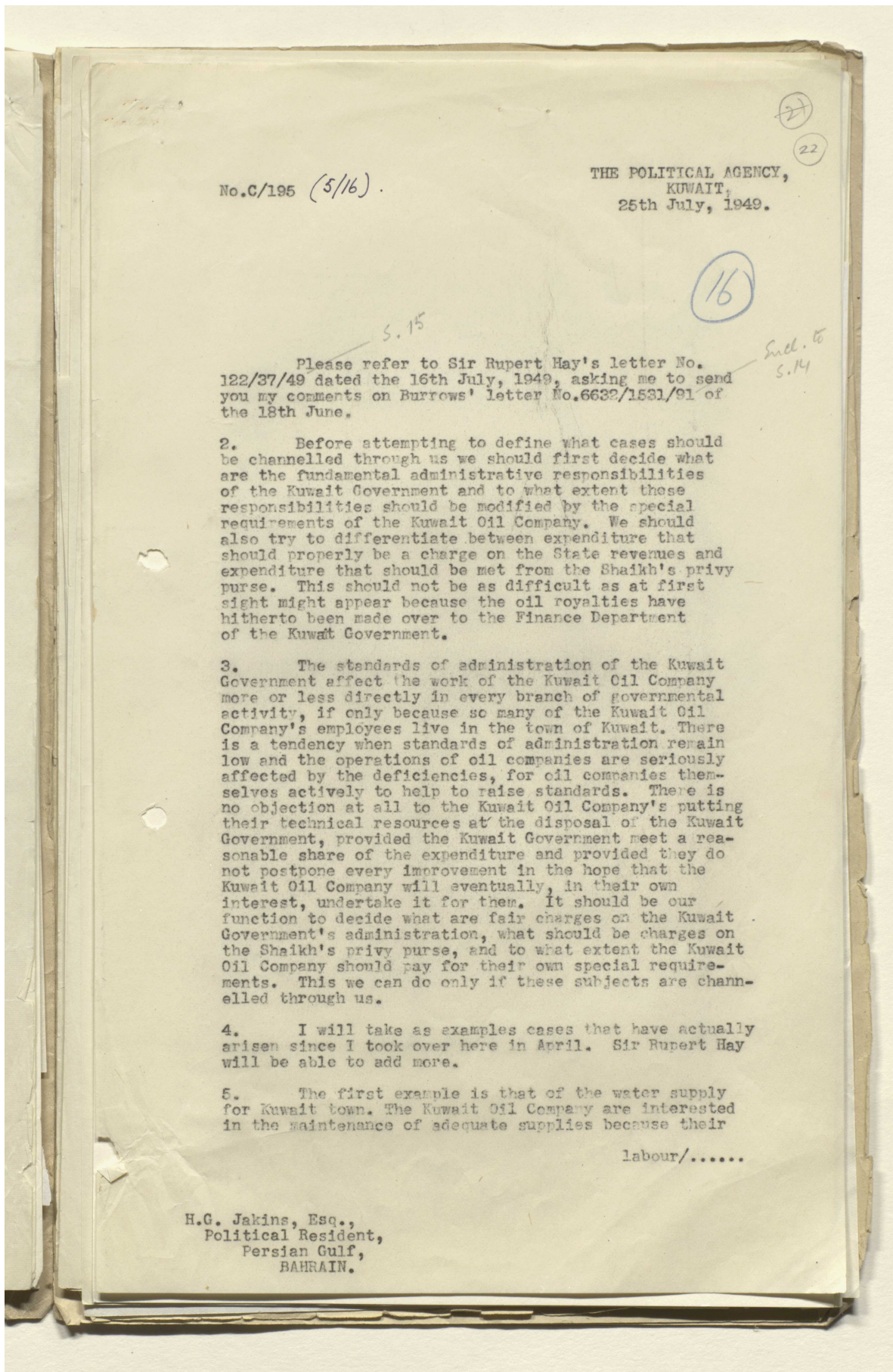
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [21r] (41/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [21v] (42/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [22r] (43/116)



No.C/195 (5/16) .

THE POLITICAL AGENCY,
KUWAIT,
25th July, 1949.

Please refer to Sir Rupert Hay's letter No. 122/37/49 dated the 16th July, 1949, asking me to send you my comments on Burrows' letter No.6632/1531/91 of the 18th June.

2. Before attempting to define what cases should be channelled through us we should first decide what are the fundamental administrative responsibilities of the Kuwait Government and to what extent these responsibilities should be modified by the special requirements of the Kuwait Oil Company. We should also try to differentiate between expenditure that should properly be a charge on the State revenues and expenditure that should be met from the Shaikh's privy purse. This should not be as difficult as at first sight might appear because the oil royalties have hitherto been made over to the Finance Department of the Kuwait Government.

3. The standards of administration of the Kuwait Government affect the work of the Kuwait Oil Company more or less directly in every branch of governmental activity, if only because so many of the Kuwait Oil Company's employees live in the town of Kuwait. There is a tendency when standards of administration remain low and the operations of oil companies are seriously affected by the deficiencies, for oil companies themselves actively to help to raise standards. There is no objection at all to the Kuwait Oil Company's putting their technical resources at the disposal of the Kuwait Government, provided the Kuwait Government meet a reasonable share of the expenditure and provided they do not postpone every improvement in the hope that the Kuwait Oil Company will eventually, in their own interest, undertake it for them. It should be our function to decide what are fair charges on the Kuwait Government's administration, what should be charges on the Shaikh's privy purse, and to what extent the Kuwait Oil Company should pay for their own special requirements. This we can do only if these subjects are channelled through us.

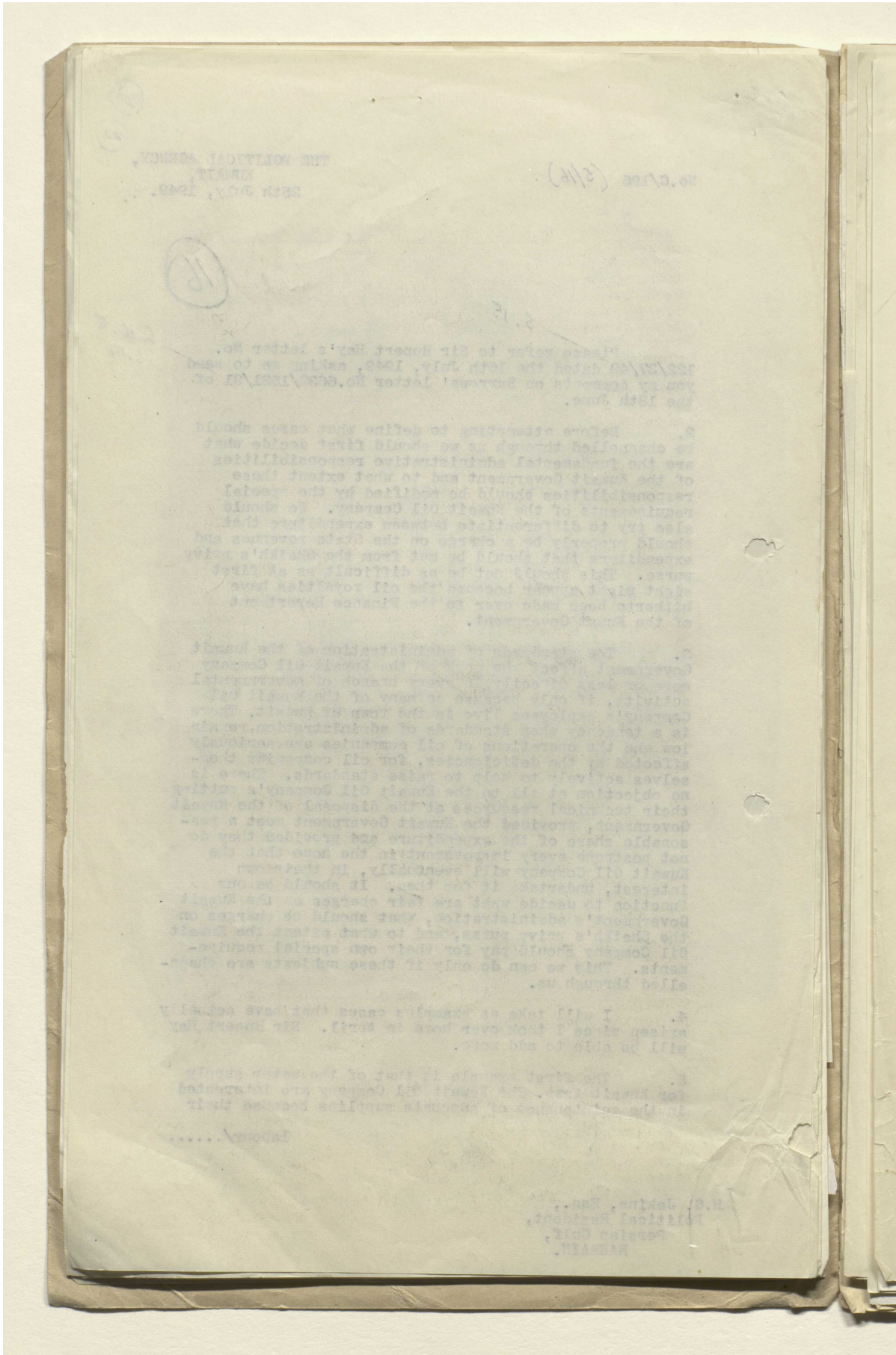
4. I will take as examples cases that have actually arisen since I took over here in April. Sir Rupert Hay will be able to add more.

5. The first example is that of the water supply for Kuwait town. The Kuwait Oil Company are interested in the maintenance of adequate supplies because their

labour/.....

H.G. Jakins, Esq.,
Political Resident,
Persian Gulf,
BAHRAIN.

'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [22v] (44/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [23r] (45/116)

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:2:

labour force cannot remain in the town without sufficient water. They also know that if the supply arrangements for the town were at any time to break down the Kuwait Government would immediately turn to them for help; and human and political considerations would make it impossible for them to refuse it. Knowing this they have, I understand, set aside oil storage capacity to keep a 10 days' reserve of water to meet just such an emergency. Such reserves should more properly be maintained by the Kuwait Government themselves, and if the Kuwait Oil Company are asked to build the tanks they should at least be built at the Kuwait Government's expense.

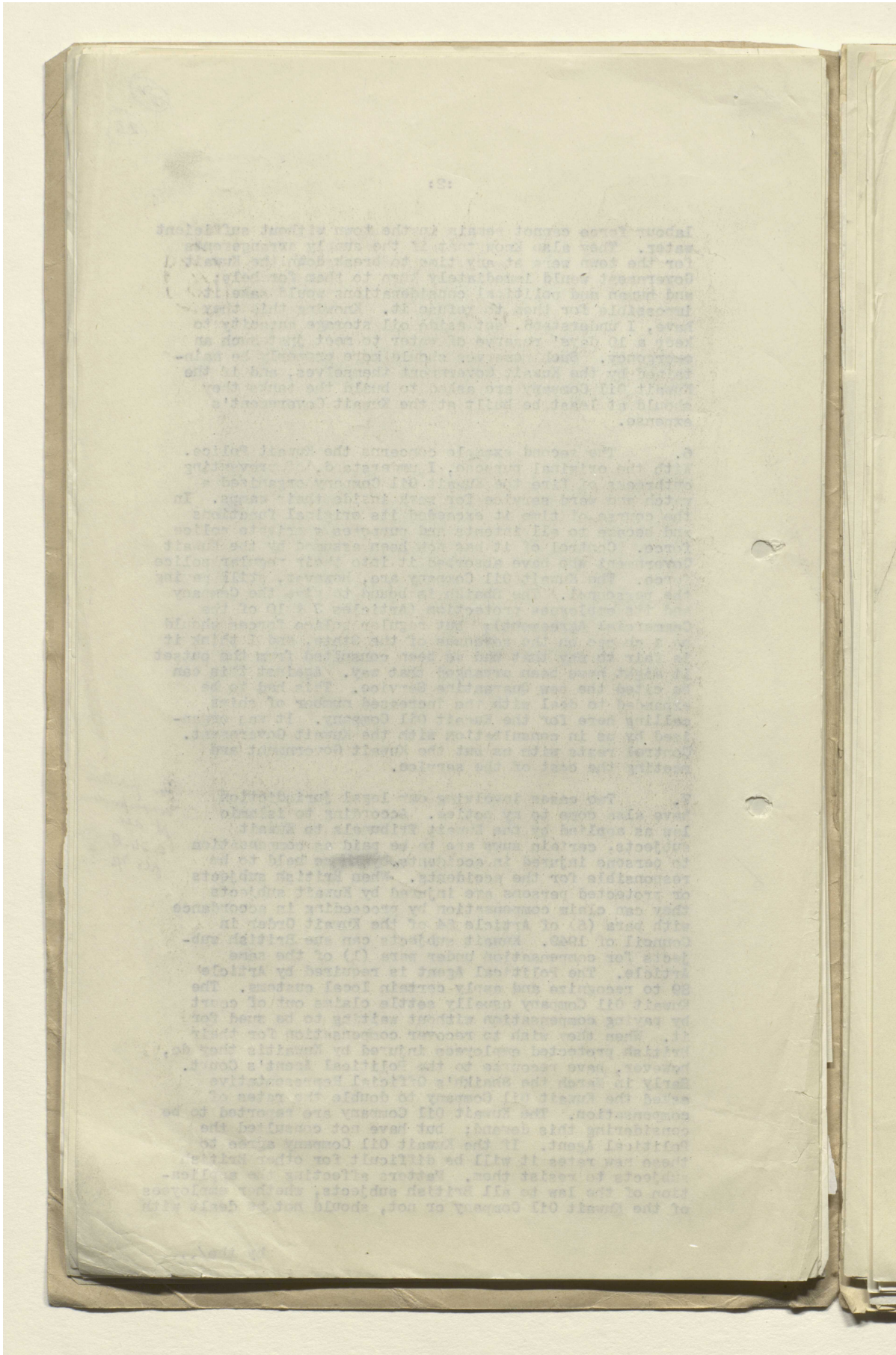
6. The second example concerns the Kuwait Police. With the original purpose, I understand, of preventing outbreaks of fire the Kuwait Oil Company organized a watch and ward service for work inside their camps. In the course of time it exceeded its original functions and became to all intents and purposes a private police force. Control of it has now been assumed by the Kuwait Government who have absorbed it into their regular police force. The Kuwait Oil Company are, however, still paying the personnel. The Shaikh is bound to give the Company and its employees protection (Articles 3 & 10 of the Commercial Agreement); but regular police forces should be a charge on the revenues of the State, and I think it is fair to say that had we been consulted from the outset it might have been arranged that way. Against this can be cited the new Quarantine Service. This had to be expanded to deal with the increased number of ships calling here for the Kuwait Oil Company. It was organized by us in consultation with the Kuwait Government. Control rests with us but the Kuwait Government are meeting the cost of the service.

7. Two cases involving our legal jurisdiction have also come to my notice. According to Islamic law as applied by the Kuwait Tribunals to Kuwait subjects, certain sums are to be paid as compensation to persons injured in accidents by those held to be responsible for the accidents. When British subjects or protected persons are injured by Kuwait subjects they can claim compensation by proceeding in accordance with para (5) of Article 54 of the Kuwait Order in Council of 1949. Kuwait subjects can sue British subjects for compensation under para (1) of the same Article. The Political Agent is required by Article 89 to recognize and apply certain local customs. The Kuwait Oil Company usually settle claims out of court by paying compensation without waiting to be sued for it. When they wish to recover compensation for their British protected employees injured by Kuwaitis they do, however, have recourse to the Political Agent's Court. Early in March the Shaikh's Official Representative asked the Kuwait Oil Company to double the rates of compensation. The Kuwait Oil Company are reported to be considering this demand; but have not consulted the Political Agent. If the Kuwait Oil Company agree to these new rates it will be difficult for other British subjects to resist them. Matters affecting the application of the law to all British subjects, whether employees of the Kuwait Oil Company or not, should not be dealt with

*For further correspondence
N all
S 24-B
file 72-1.*

by the/....

'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [23v] (46/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [24r] (47/116)

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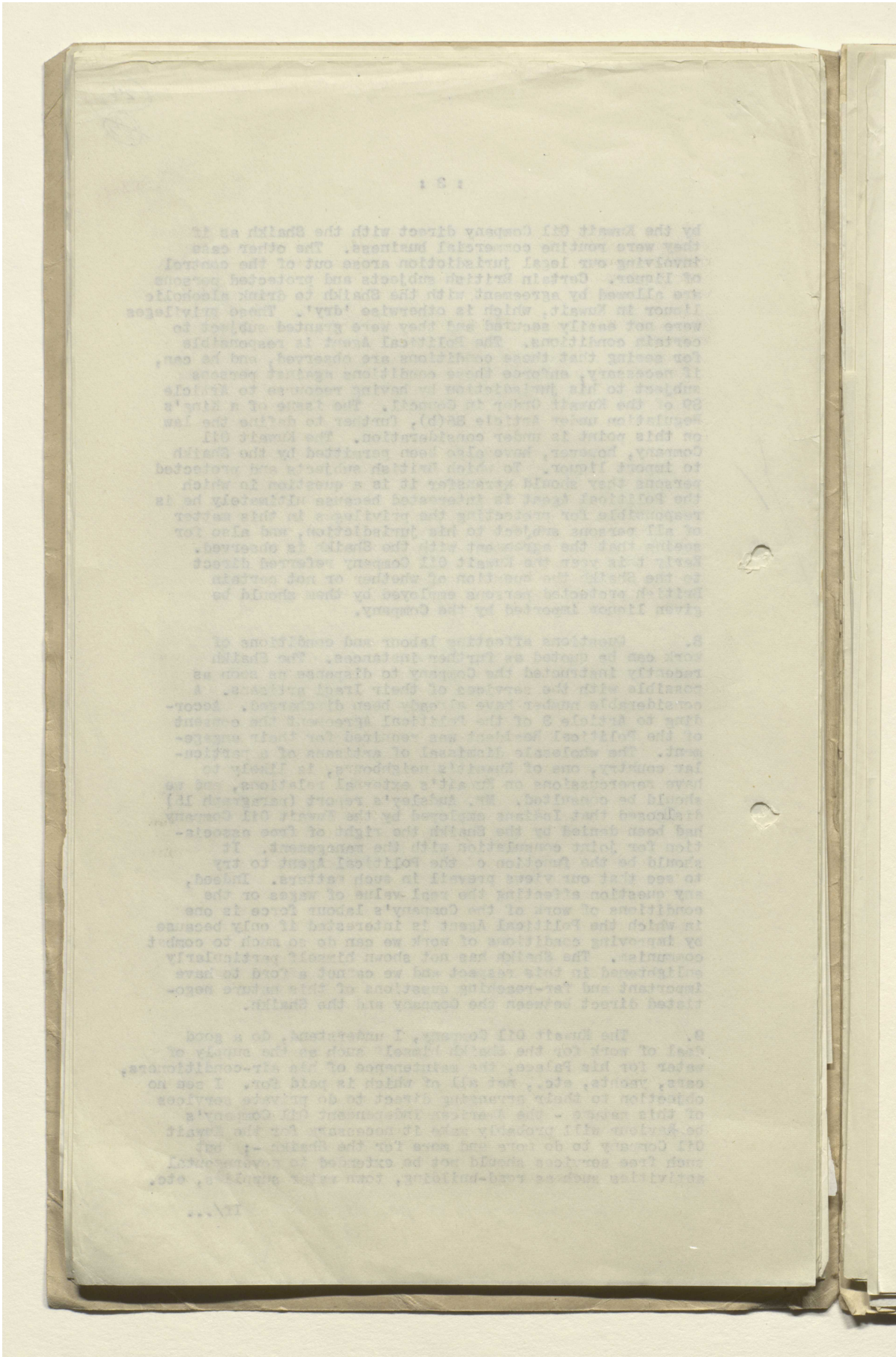
by the Kuwait Oil Company direct with the Shaikh as if they were routine commercial business. The other case involving our legal jurisdiction arose out of the control of liquor. Certain British subjects and protected persons are allowed by agreement with the Shaikh to drink alcoholic liquor in Kuwait, which is otherwise 'dry'. These privileges were not easily secured and they were granted subject to certain conditions. The Political Agent is responsible for seeing that these conditions are observed, and he can, if necessary, enforce these conditions against persons subject to his jurisdiction by having recourse to Article 89 of the Kuwait Order in Council. The issue of a King's Regulation under Article 85(b), further to define the law on this point is under consideration. The Kuwait Oil Company, however, have also been permitted by the Shaikh to import liquor. To which British subjects and protected persons they should transfer it is a question in which the Political Agent is interested because ultimately he is responsible for protecting the privileges in this matter of all persons subject to his jurisdiction, and also for seeing that the agreement with the Shaikh is observed. Early this year the Kuwait Oil Company referred direct to the Shaikh the question of whether or not certain British protected persons employed by them should be given liquor imported by the Company.

8. Questions affecting labour and conditions of work can be quoted as further instances. The Shaikh recently instructed the Company to dispense as soon as possible with the services of their Iraqi artisans. A considerable number have already been discharged. According to Article 3 of the Political Agreement the consent of the Political Resident was required for their engagement. The wholesale dismissal of artisans of a particular country, one of Kuwait's neighbours, is likely to have repercussions on Kuwait's external relations, and we should be consulted. Mr. Audsley's report (paragraph 15) disclosed that Indians employed by the Kuwait Oil Company had been denied by the Shaikh the right of free association for joint consultation with the management. It should be the function of the Political Agent to try to see that our views prevail in such matters. Indeed, any question affecting the real value of wages or the conditions of work of the Company's labour force is one in which the Political Agent is interested if only because by improving conditions of work we can do so much to combat communism. The Shaikh has not shown himself particularly enlightened in this respect and we cannot afford to have important and far-reaching questions of this nature negotiated direct between the Company and the Shaikh.

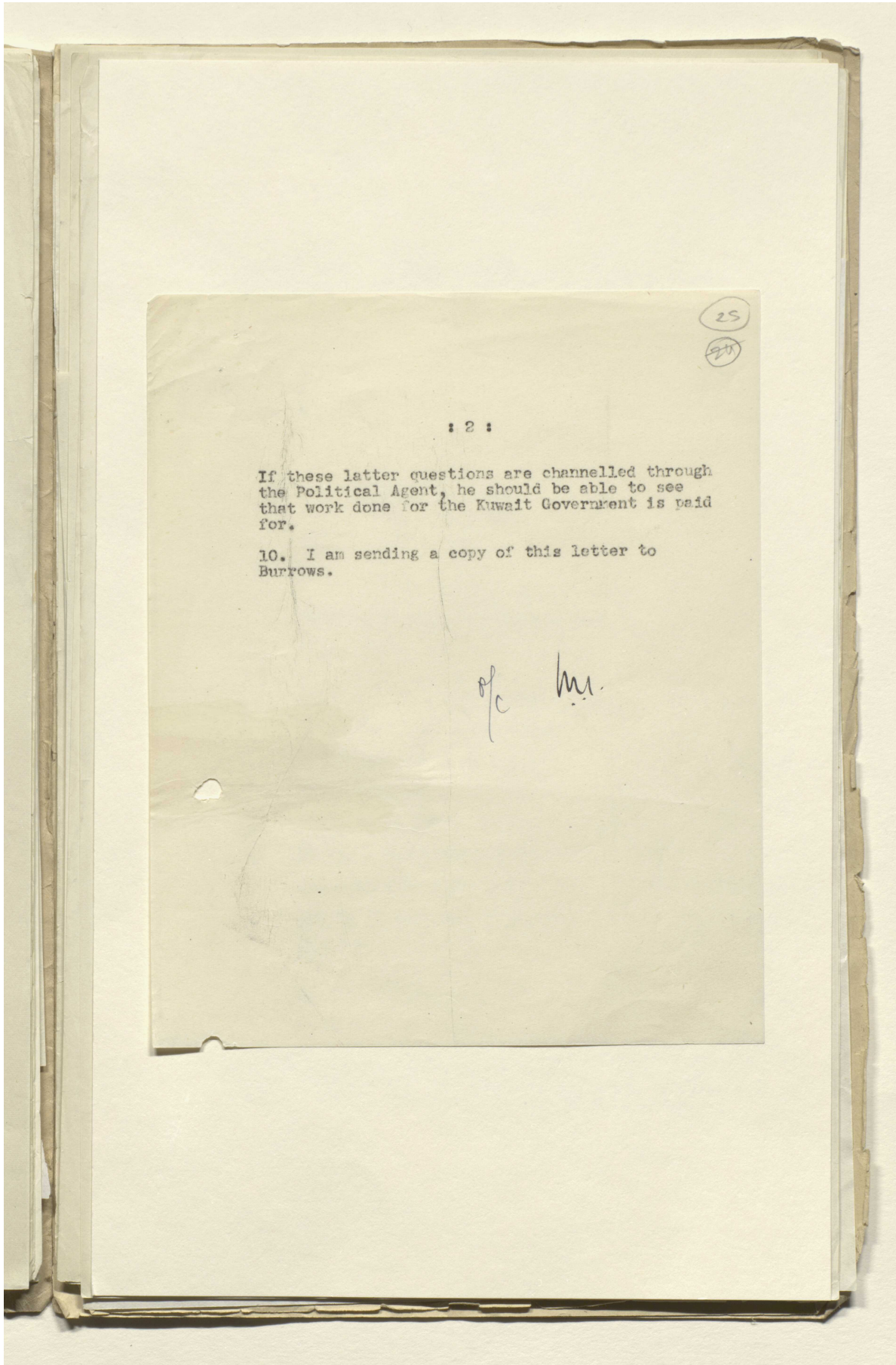
9. The Kuwait Oil Company, I understand, do a good deal of work for the Shaikh himself such as the supply of water for his Palace, the maintenance of his air-conditioners, cars, yachts, etc., not all of which is paid for. I see no objection to their arranging direct to do private services of this nature - the American Independent Oil Company's behaviour will probably make it necessary for the Kuwait Oil Company to do more and more for the Shaikh -; but such free services should not be extended to governmental activities such as road-building, town water supplies, etc.

IF/...

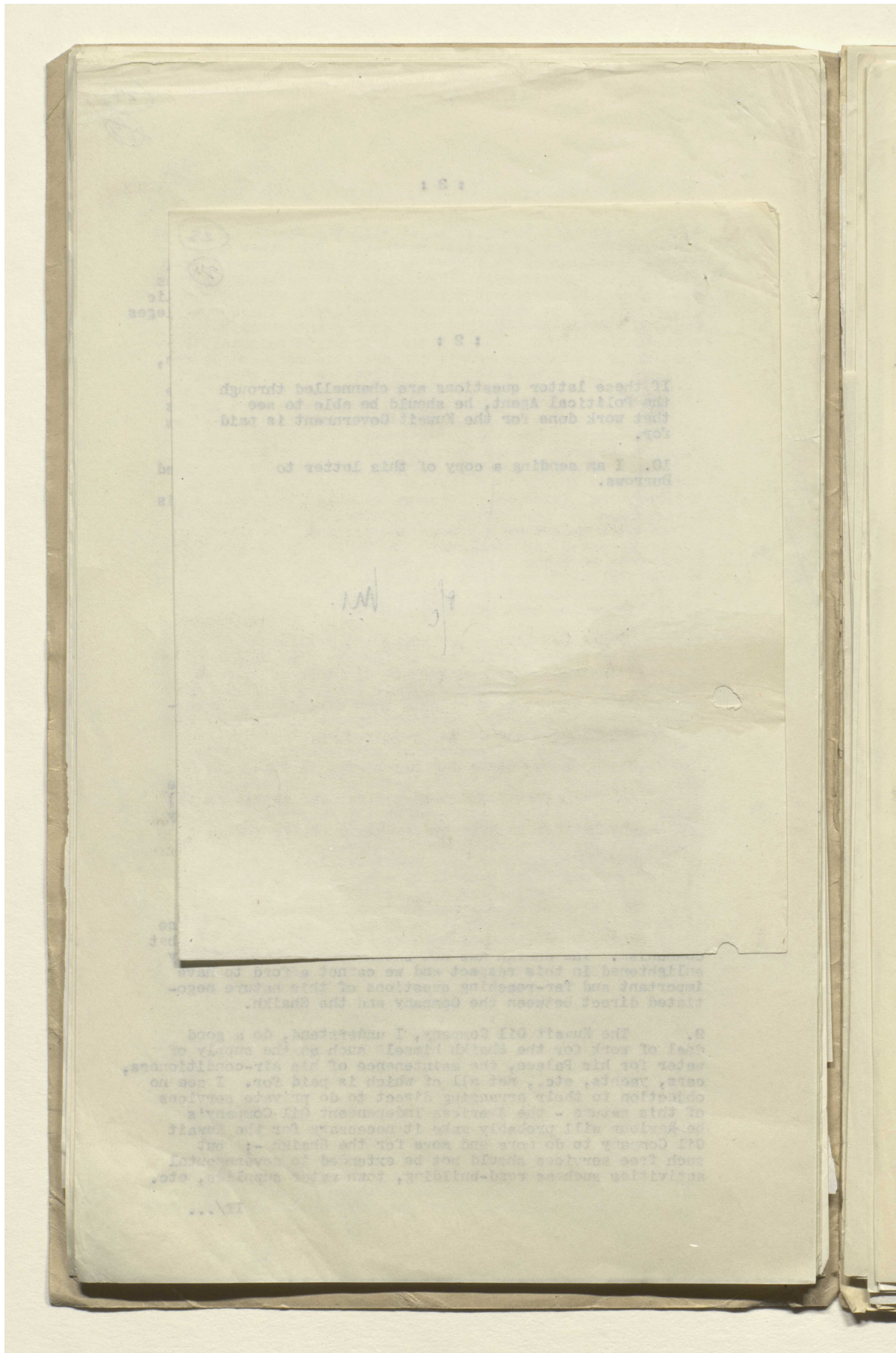
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [24v] (48/116)



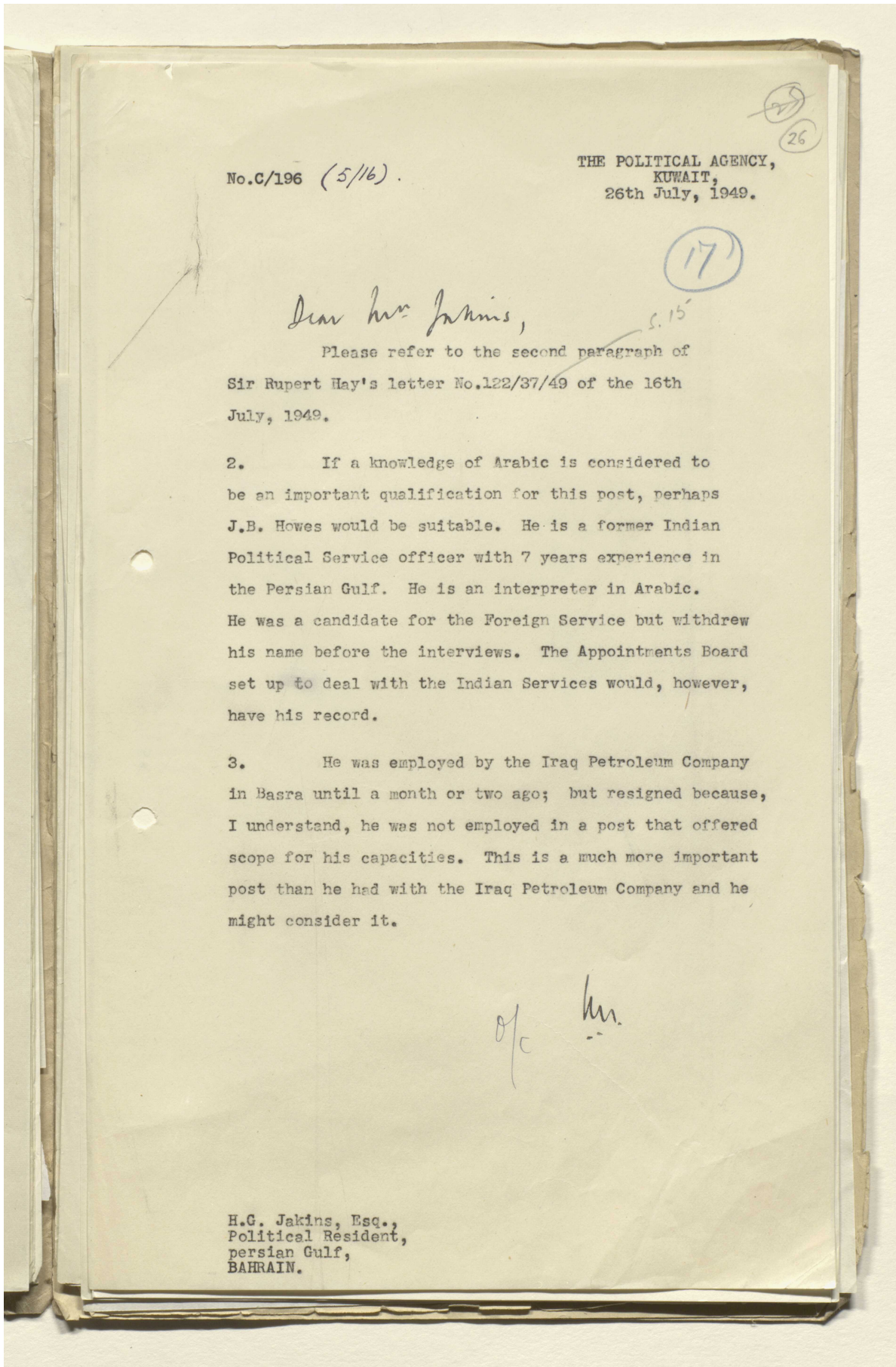
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [25r] (49/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [25v] (50/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [26r] (51/116)



No.C/196 (5/16) .

THE POLITICAL AGENCY,
KUWAIT,
26th July, 1949.

Dear Mr. Jakins,

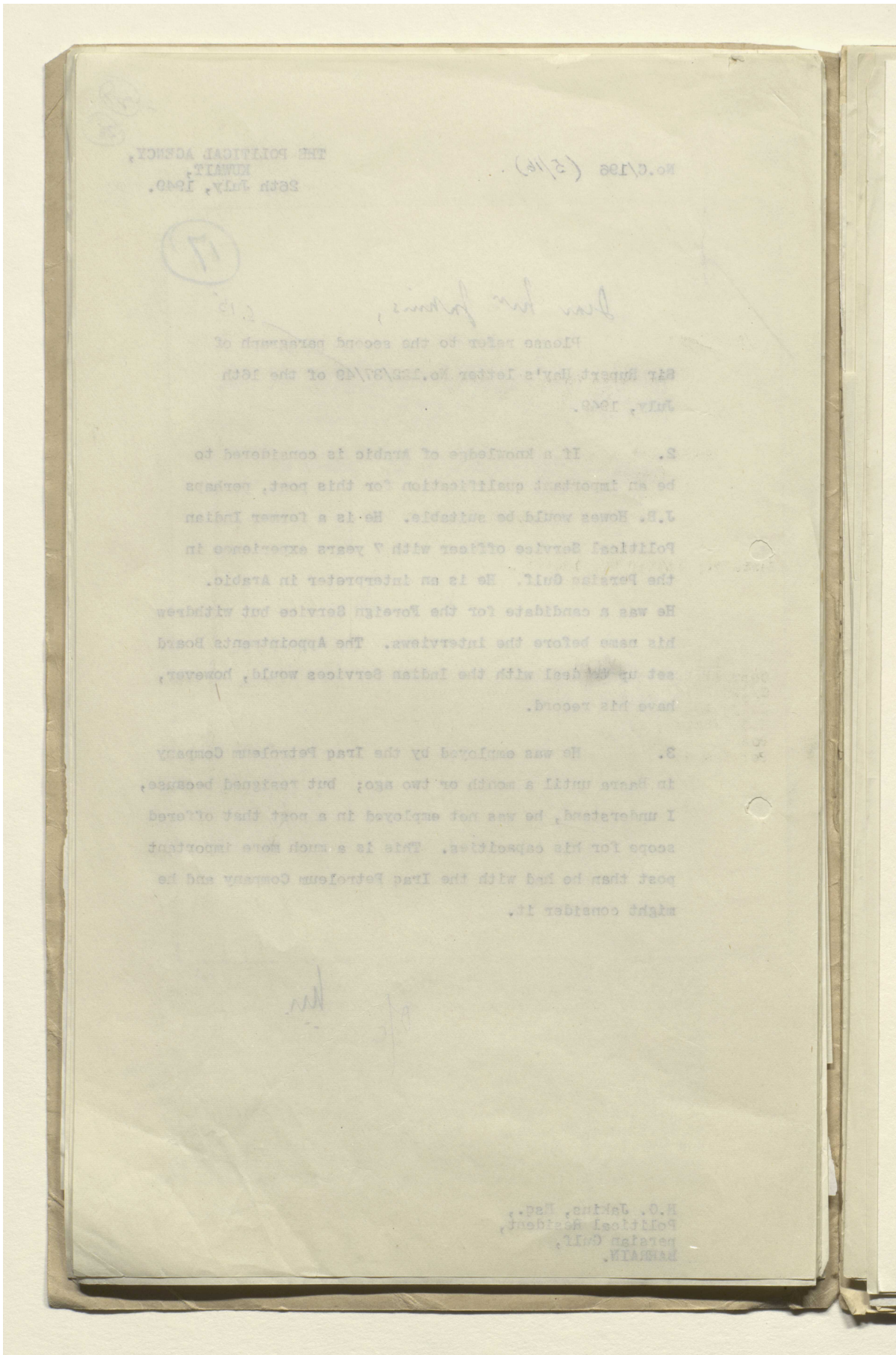
Please refer to the second paragraph of Sir Rupert Hay's letter No.122/37/49 of the 16th July, 1949.

2. If a knowledge of Arabic is considered to be an important qualification for this post, perhaps J.B. Howes would be suitable. He is a former Indian Political Service officer with 7 years experience in the Persian Gulf. He is an interpreter in Arabic. He was a candidate for the Foreign Service but withdrew his name before the interviews. The Appointments Board set up to deal with the Indian Services would, however, have his record.

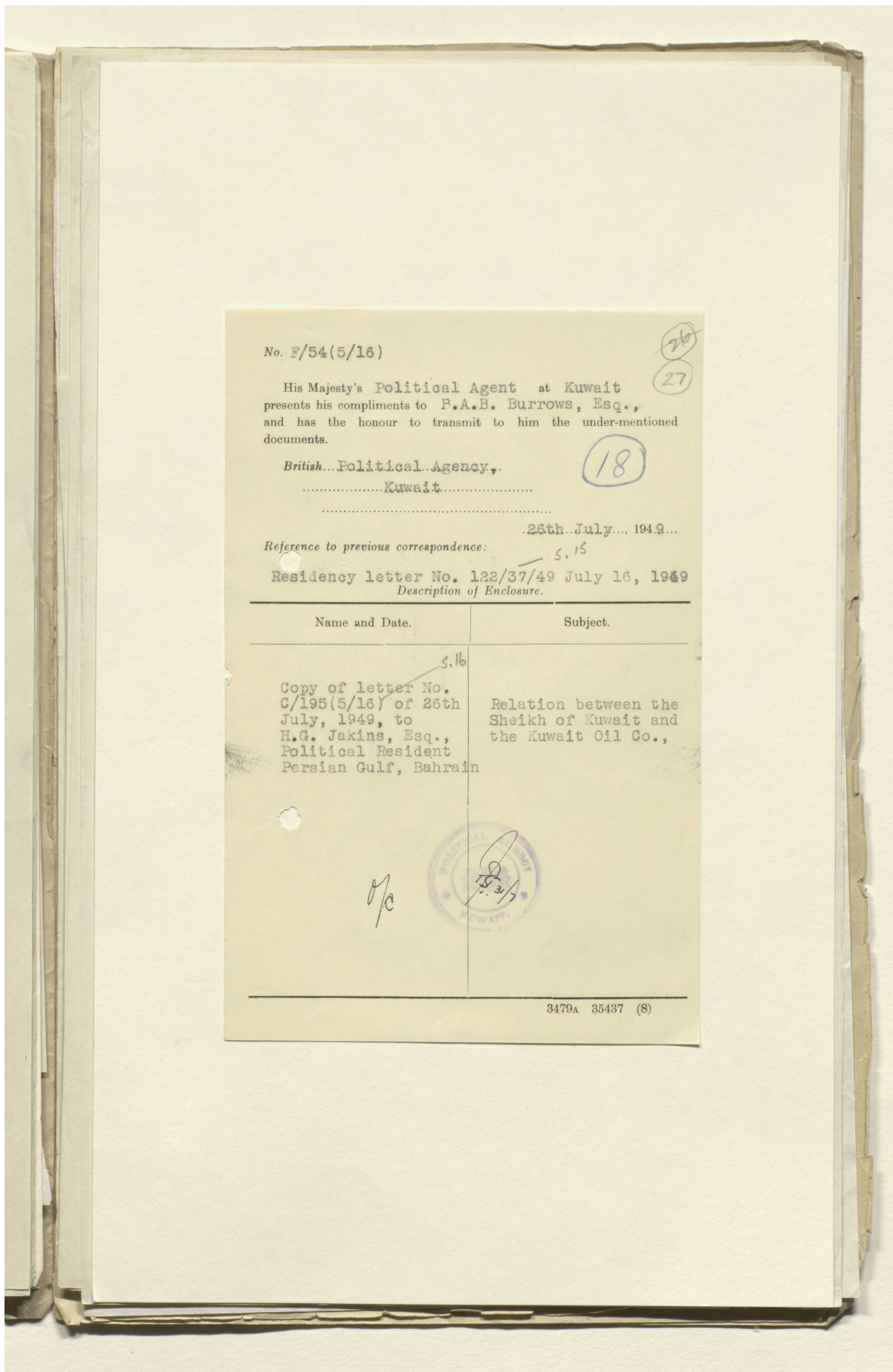
3. He was employed by the Iraq Petroleum Company in Basra until a month or two ago; but resigned because, I understand, he was not employed in a post that offered scope for his capacities. This is a much more important post than he had with the Iraq Petroleum Company and he might consider it.

H.G. Jakins, Esq.,
Political Resident,
persian Gulf,
BAHRAIN.

'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [26v] (52/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [27r] (53/116)



No. F/54(5/16)

His Majesty's Political Agent at Kuwait presents his compliments to R.A.B. Burrows, Esq., and has the honour to transmit to him the under-mentioned documents.

British...Political Agency,
.....Kuwait.....

26th July... 1949...

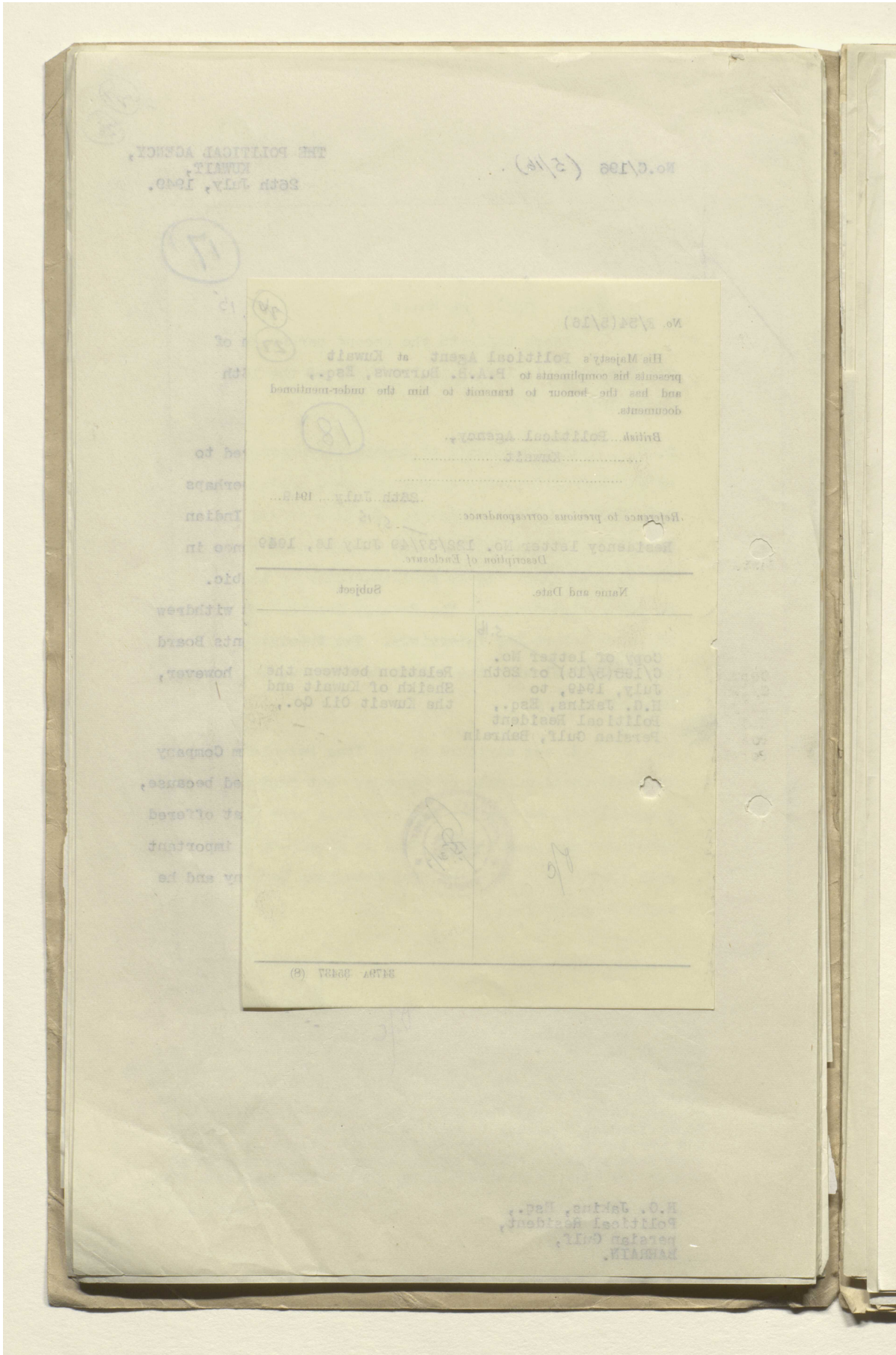
Reference to previous correspondence:

Residency letter No. 122/37/49 July 16, 1949
Description of Enclosure.

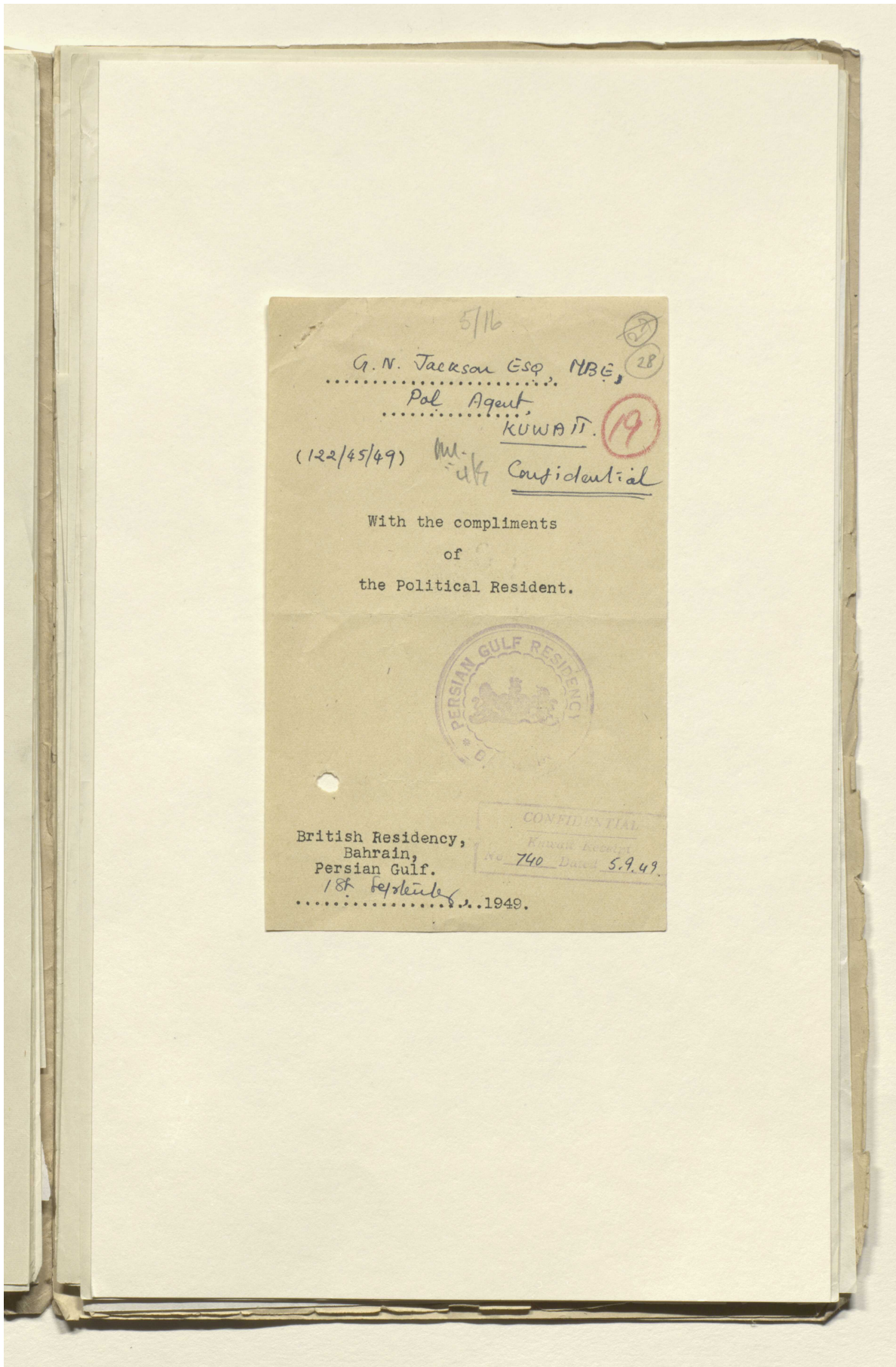
Name and Date.	Subject.
Copy of letter No. C/195(5/16) of 26th July, 1949, to H.G. Jakins, Esq., Political Resident Persian Gulf, Bahrain	Relation between the Sheikh of Kuwait and the Kuwait Oil Co.,

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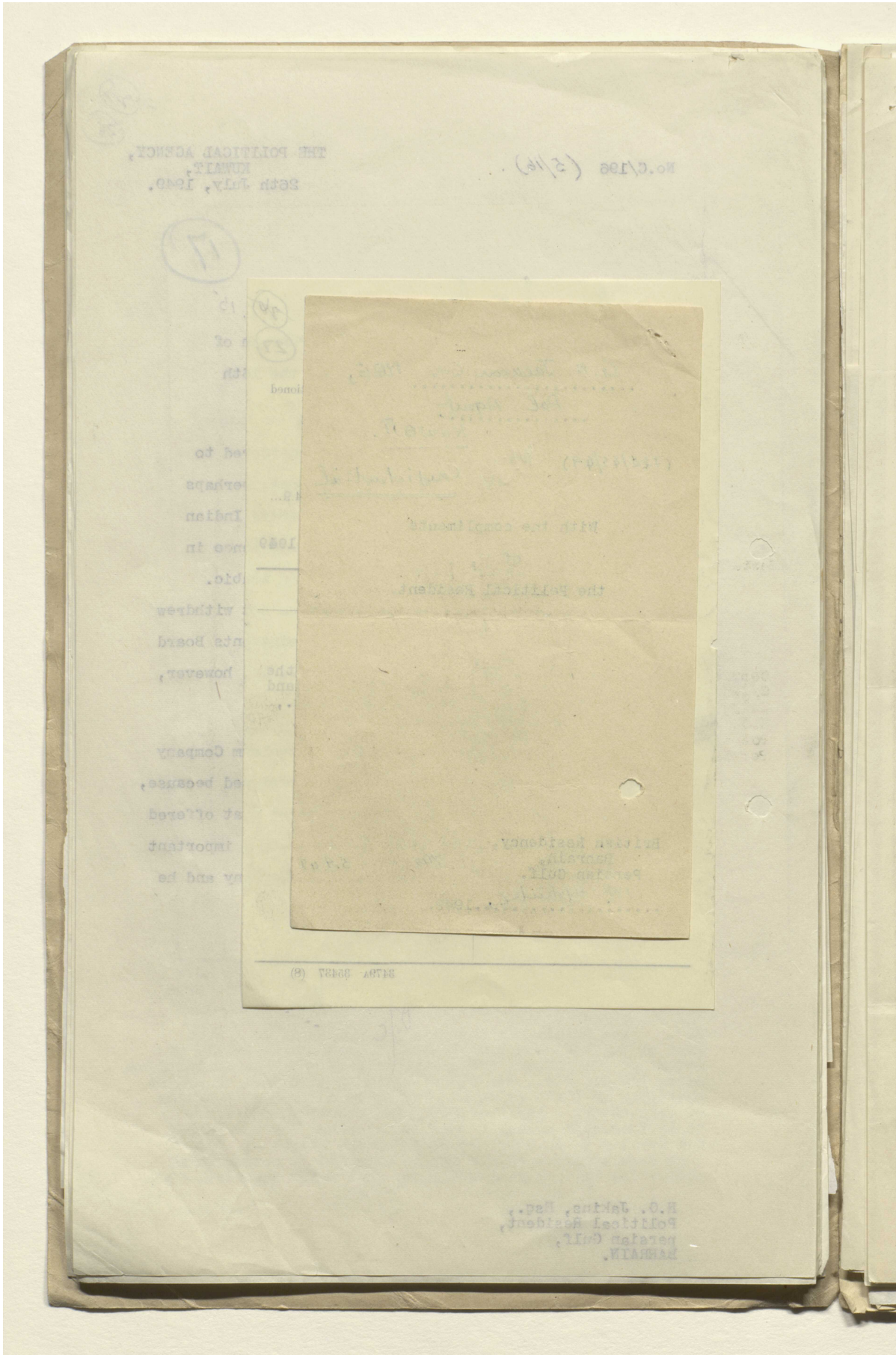
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [27v] (54/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [28r] (55/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [28v] (56/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [29r] (57/116)

CONFIDENTIAL.
(122/45/49)

PERSIAN GULF RESIDENCY,
BAHRAIN,
1st September, 1949.

29

Dear Burrows s. 16

Please refer to Jackson's semi-official letter No. C/195(5/16) of the 25th July about the extent to which the Kuwait Oil Company should be required to conduct their business with the Shaikh through the Chief Local Representative and the Political Agent.

2. I concur generally in Jackson's suggestions and have nothing to add to them except that I consider that all correspondence regarding the interpretation of the company's concession or any amendments it may be desired to make in it should be conducted by the company with the Shaikh through the prescribed channels. For instance, I understand that the company require a reply from the Shaikh to their claim that all the Kuwait islands including Qaru Kubbar and Umm al Maradin are covered by their concession, c.f. Foreign Office despatch No. 38(E.6434/1531/91) of the 27th May and its enclosures, ~~transmitted to him~~ and I would suggest that a request for such a reply should be made through Dickson and the Political Agent. The Political Agent might perhaps take the opportunity of explaining to the Shaikh either orally or in writing at his discretion that this is the correct procedure under the Political Agreement and that it is proposed to follow it in future in all matters which are not "routine commercial business".

*Serial
No. 55.
69, 83 &
92 file 92
refer.*

3. With regard to the selection of a successor for Dickson, Jackson has suggested Major J.B. Howes, C.B.E., a former Indian Political Service Officer with 7 years experience in the Persian Gulf and an excellent knowledge of Arabic, though I am not quite sure myself that he is of the type required. I feel inclined myself to recommend Lt. Col. J. Crichton, C.I.E., who acted for a short time as Foreign Secretary to the Government of India and is at present employed temporarily by the Foreign Office at Bangkok. I have given his name to Southwell.

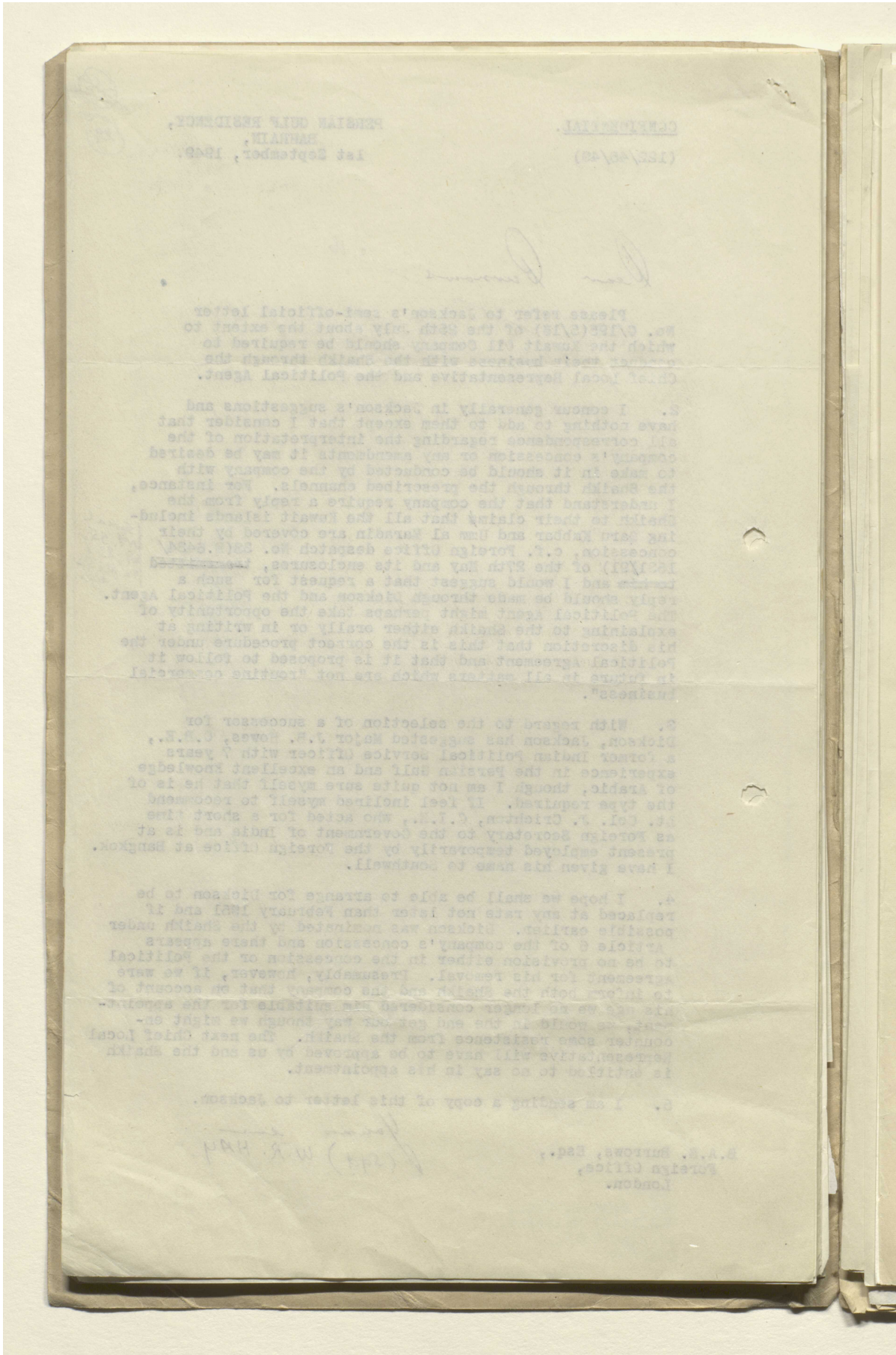
4. I hope we shall be able to arrange for Dickson to be replaced at any rate not later than February 1951 and if possible earlier. Dickson was nominated by the Shaikh under Article 6 of the company's concession and there appears to be no provision either in the concession or the Political Agreement for his removal. Presumably, however, if we were to inform both the Shaikh and the company that on account of his age we no longer considered him suitable for the appointment, we would in the end get our way though we might encounter some resistance from the Shaikh. The next Chief Local Representative will have to be approved by us and the Shaikh is entitled to no say in his appointment.

5. I am sending a copy of this letter to Jackson.

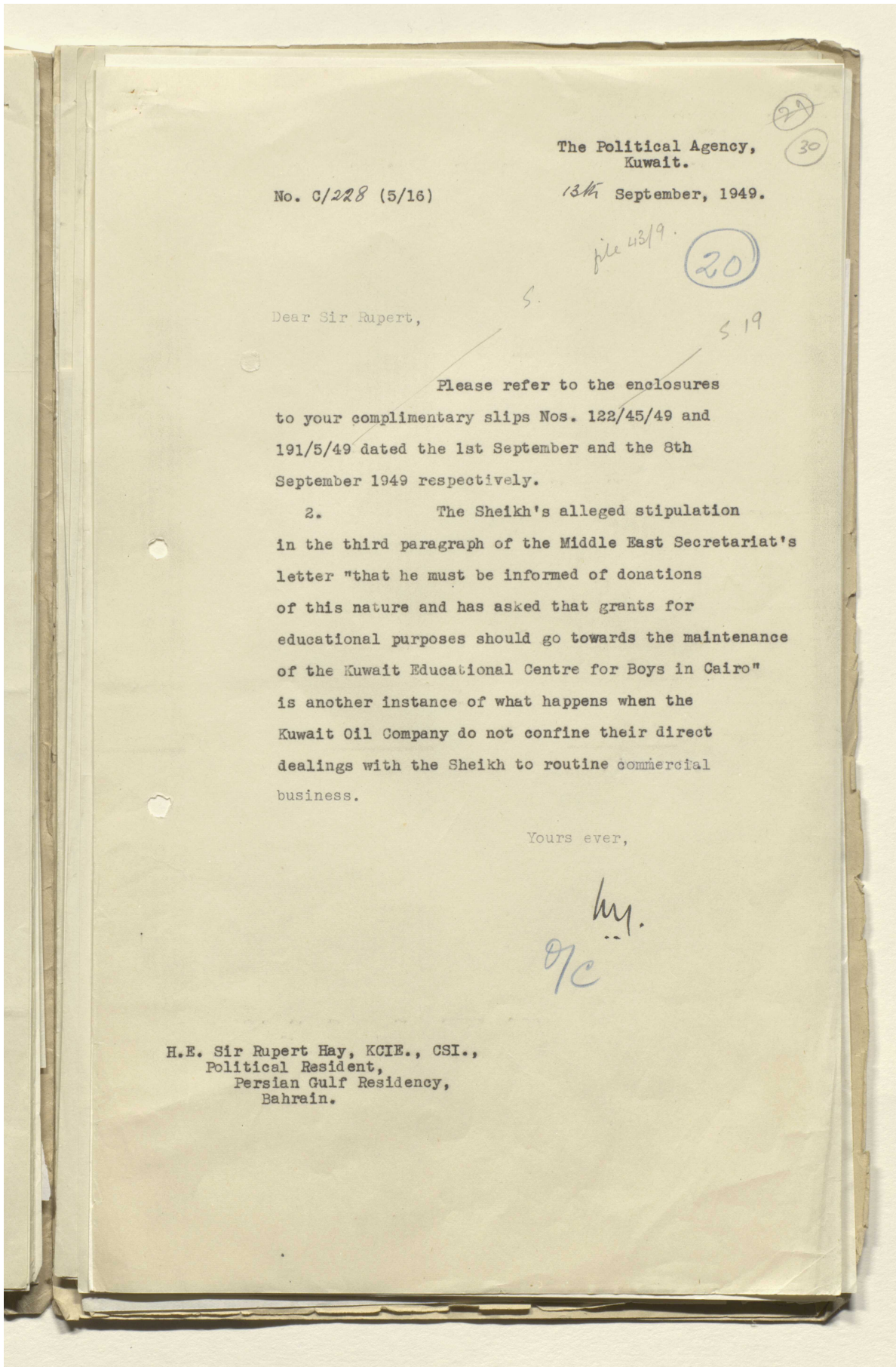
B.A.B. Burrows, Esq.,
Foreign Office,
London.

*Yours ever
(Sgd) W.R. HAY.*

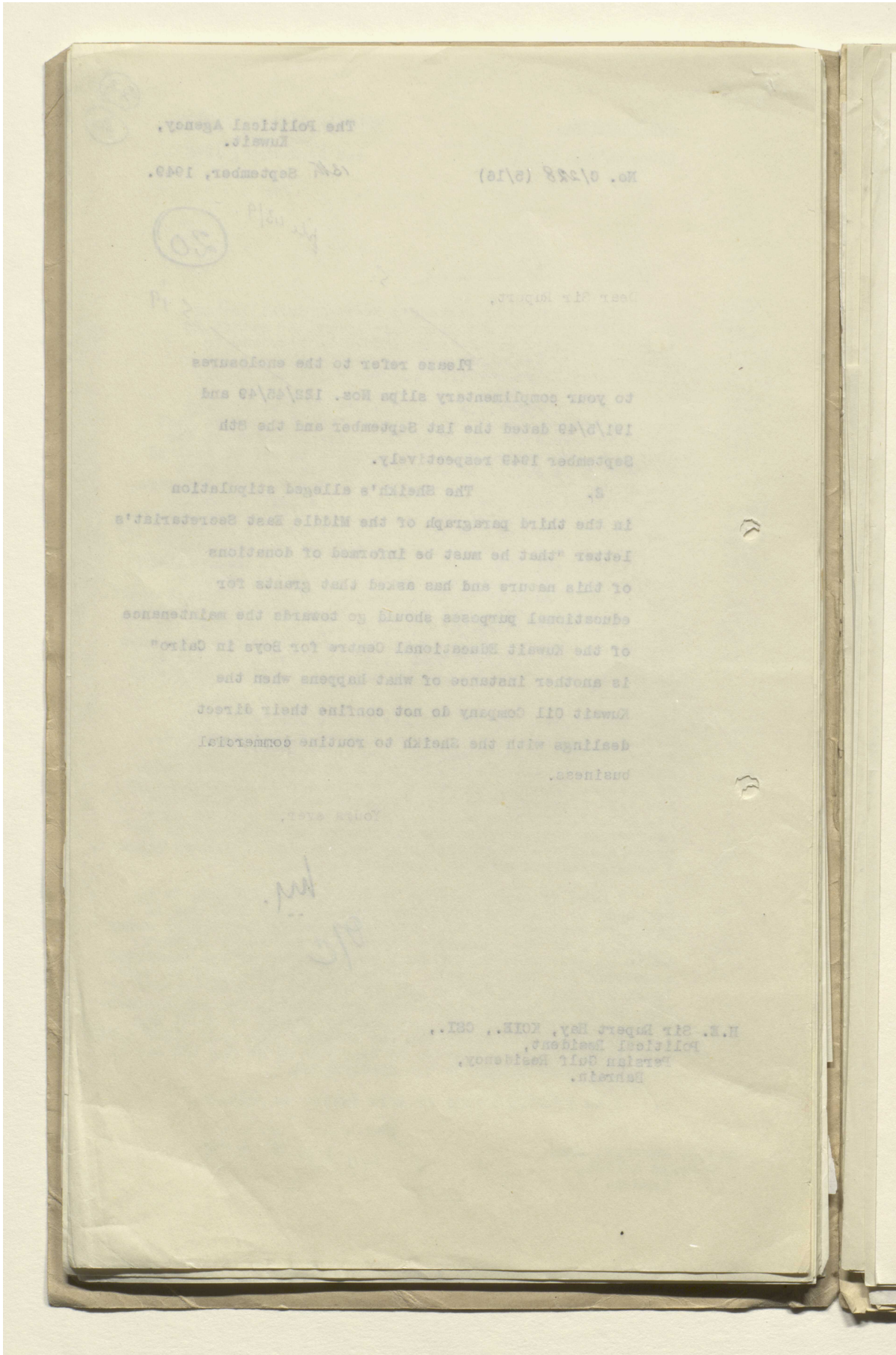
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [29v] (58/116)



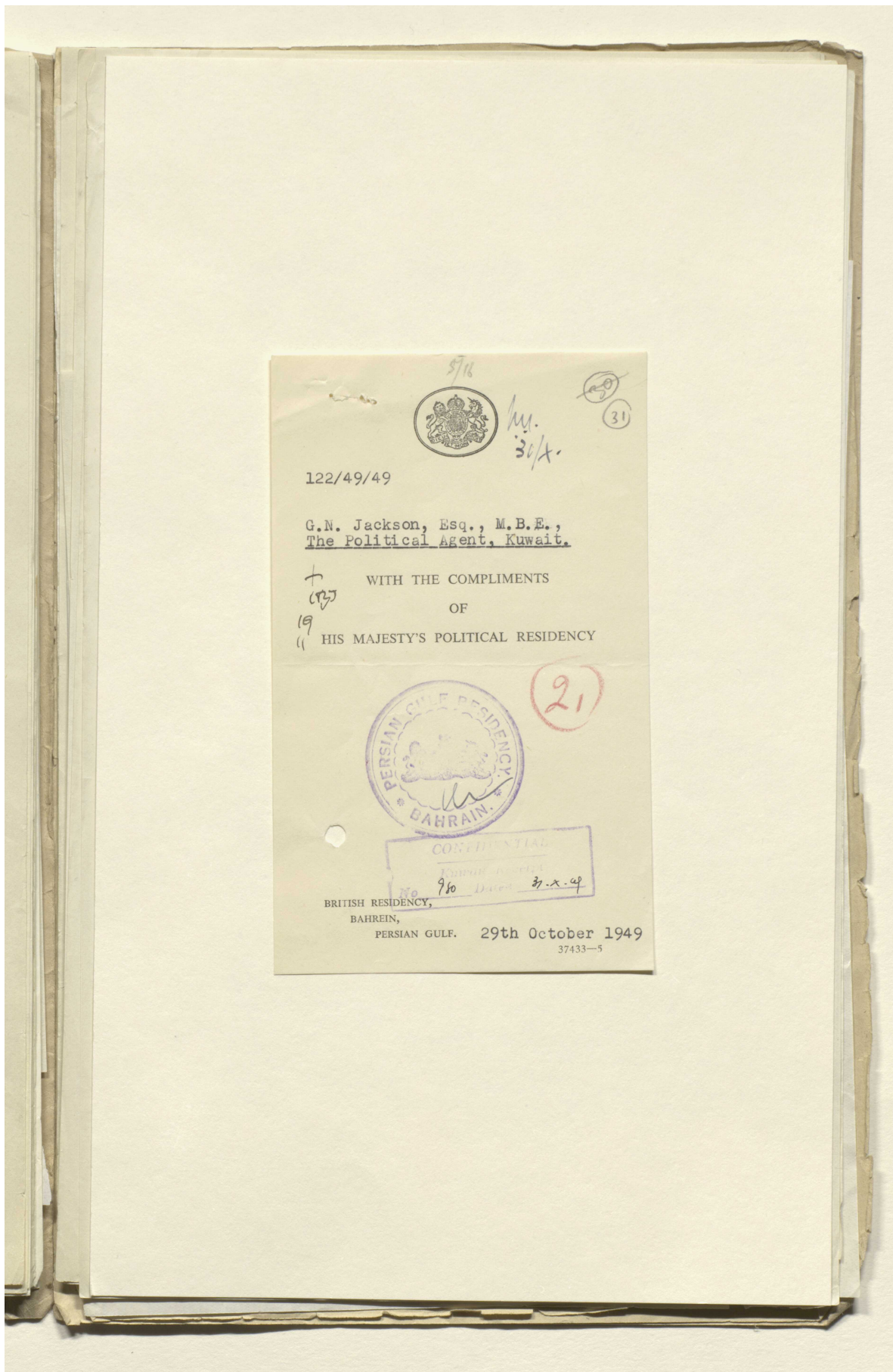
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [30r] (59/116)



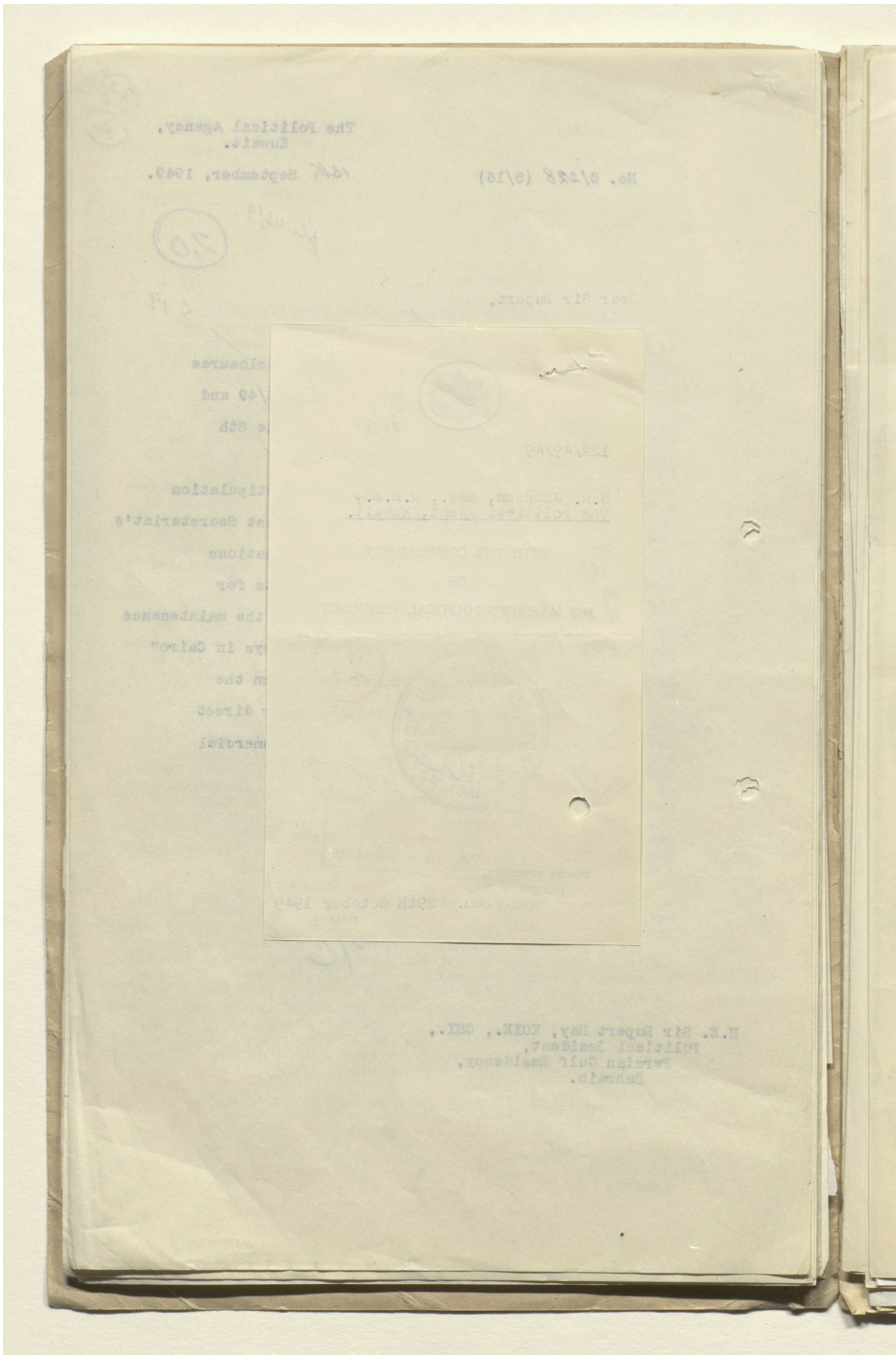
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [30v] (60/116)



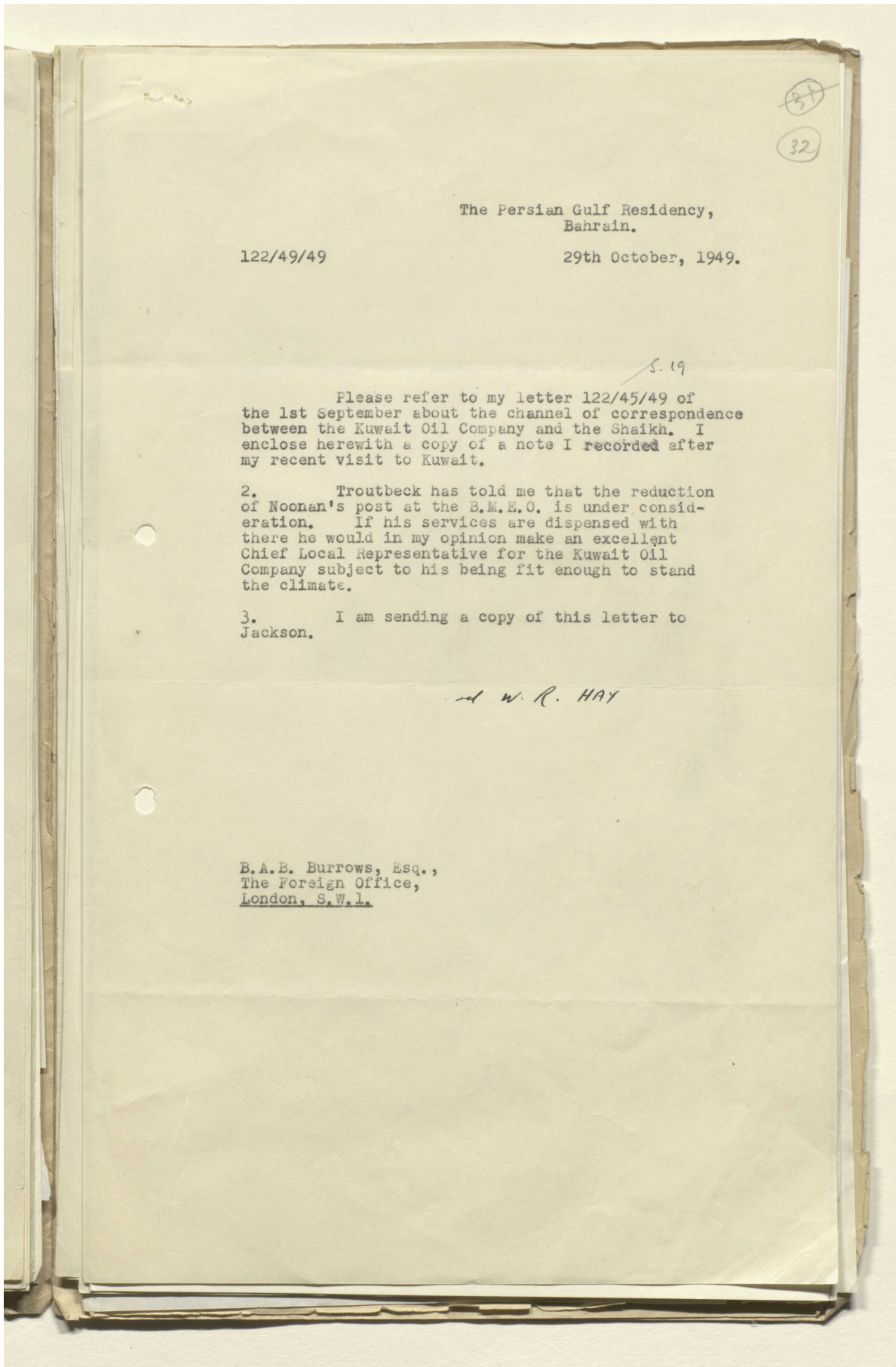
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [31r] (61/116)



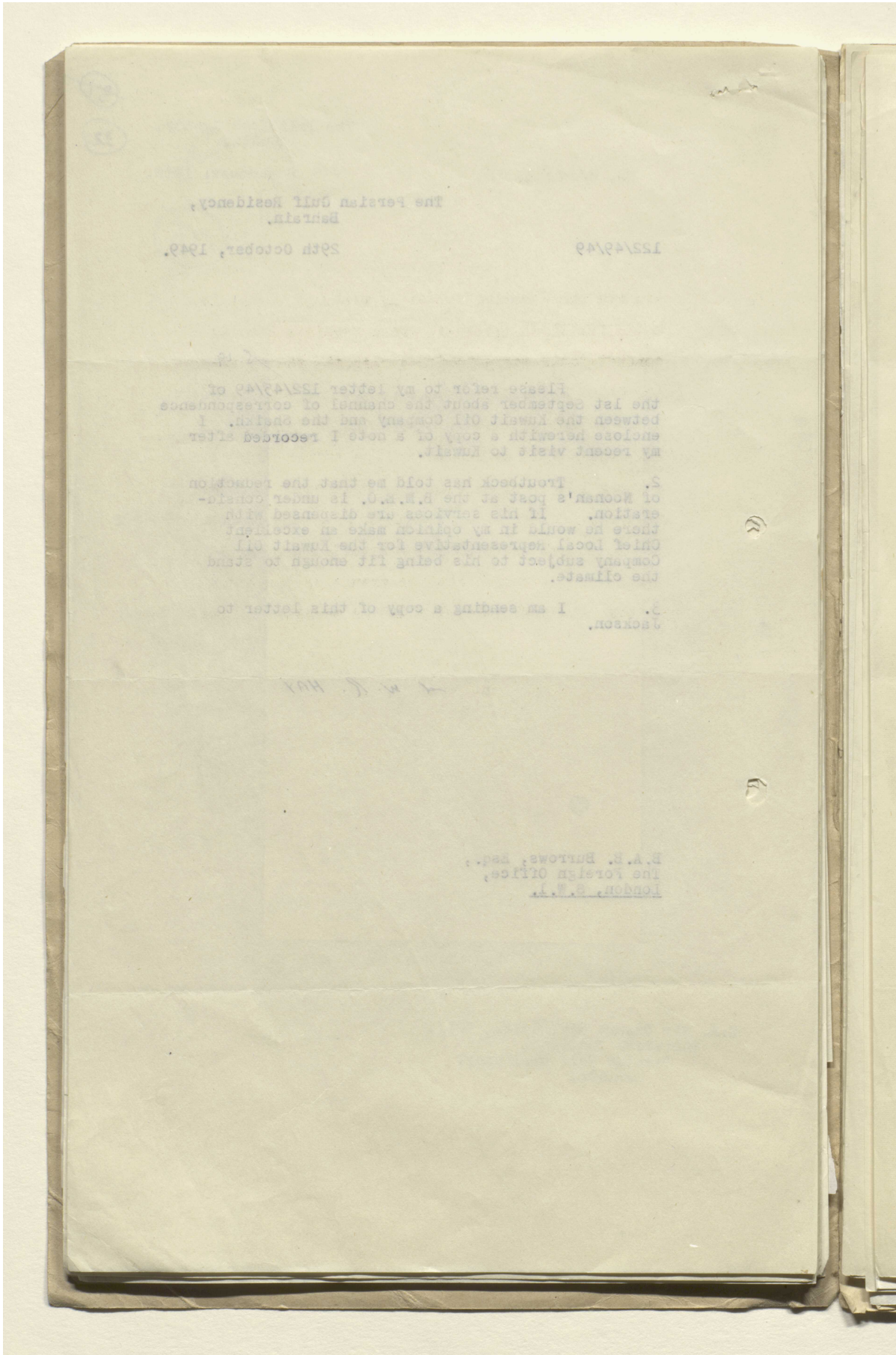
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [31v] (62/116)



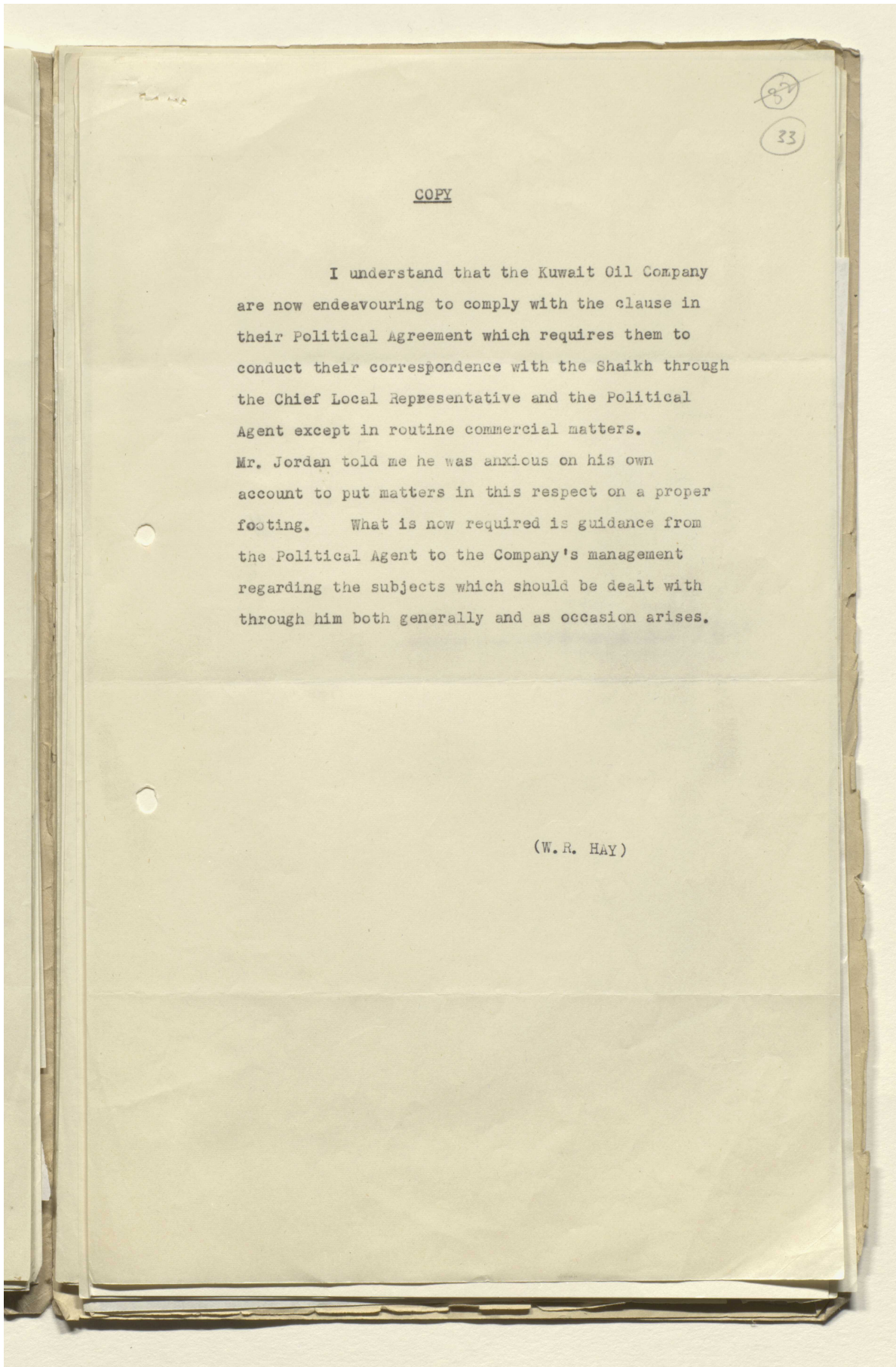
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [32r] (63/116)



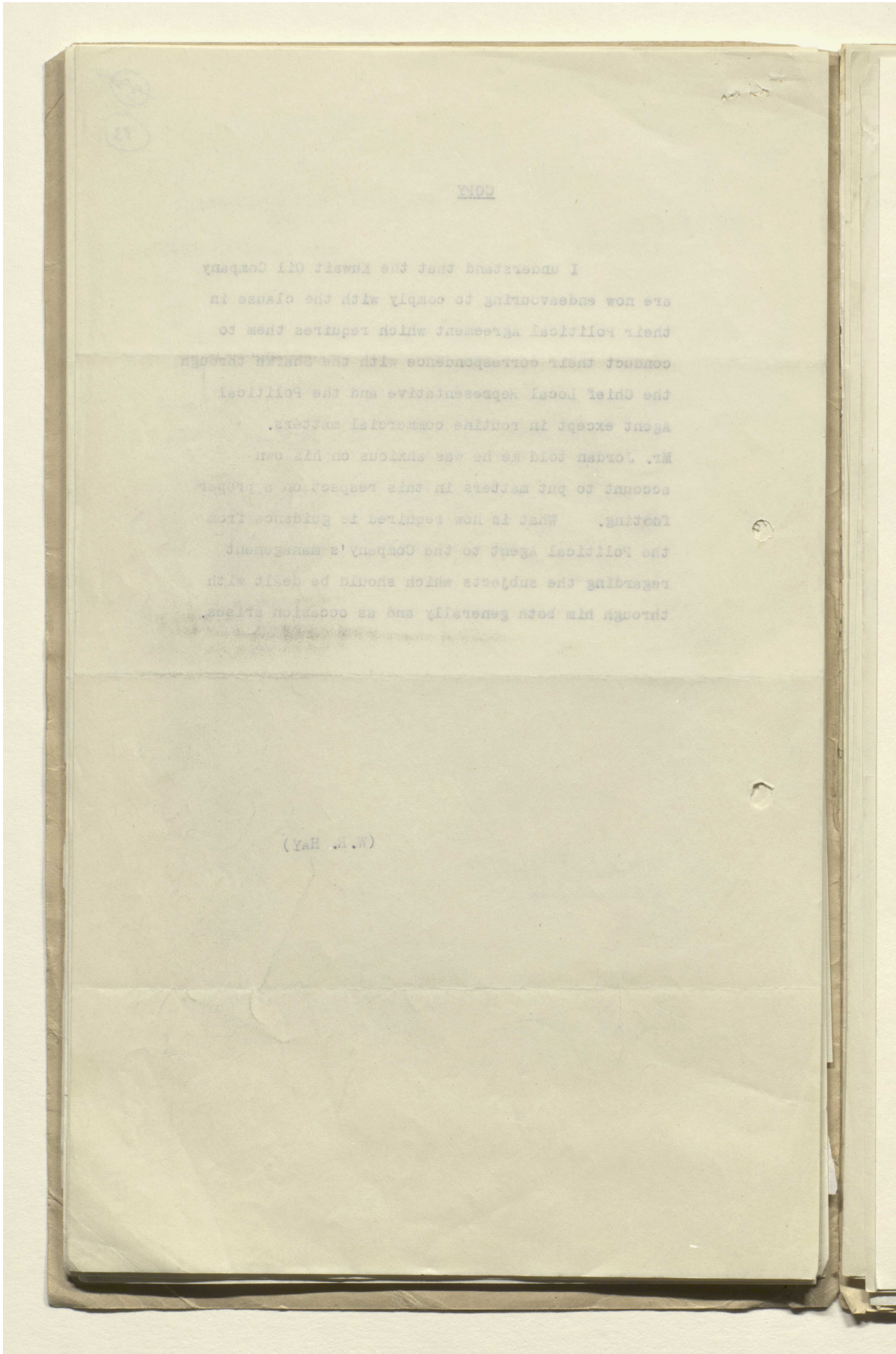
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [32v] (64/116)



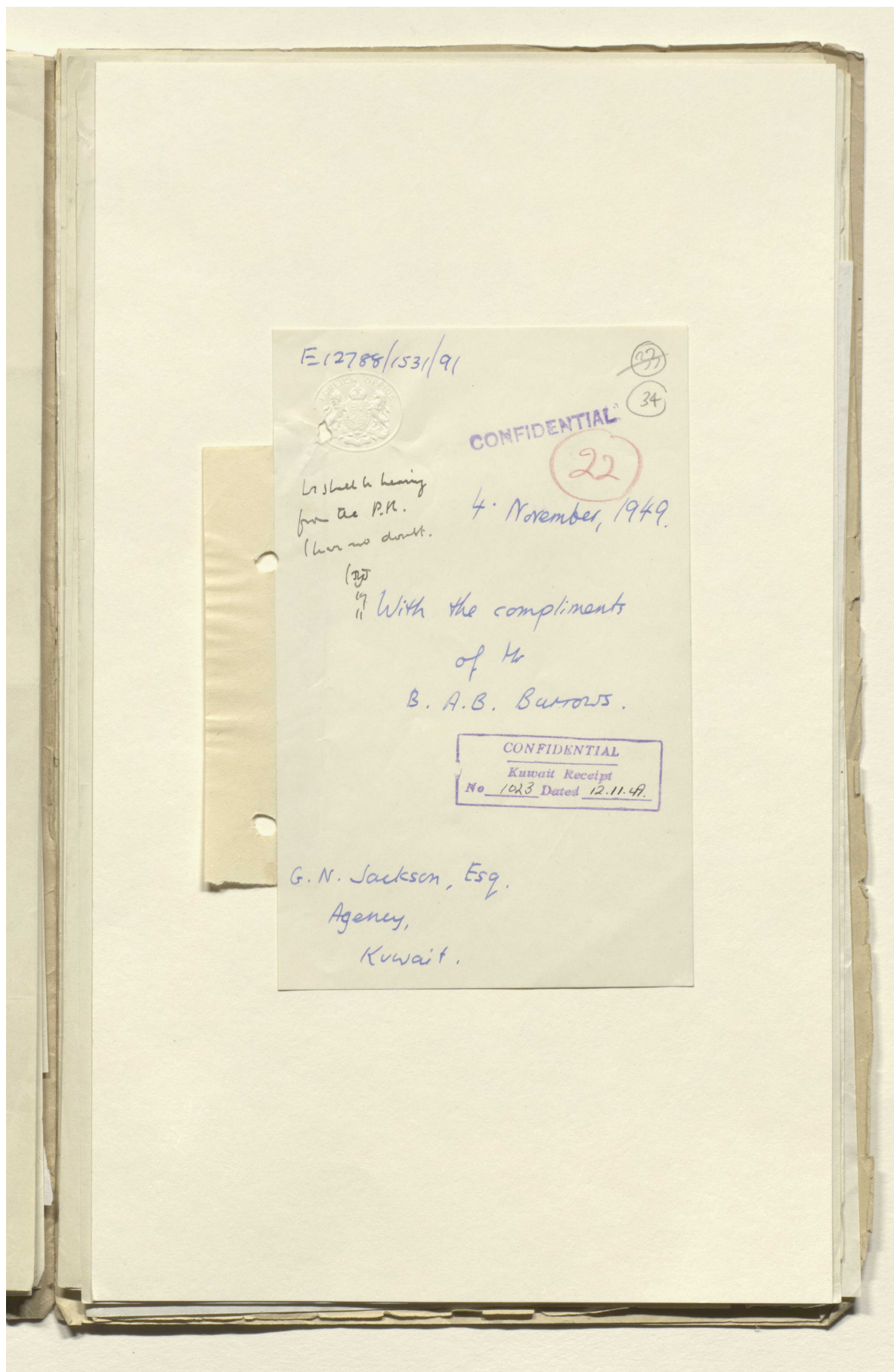
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [33r] (65/116)



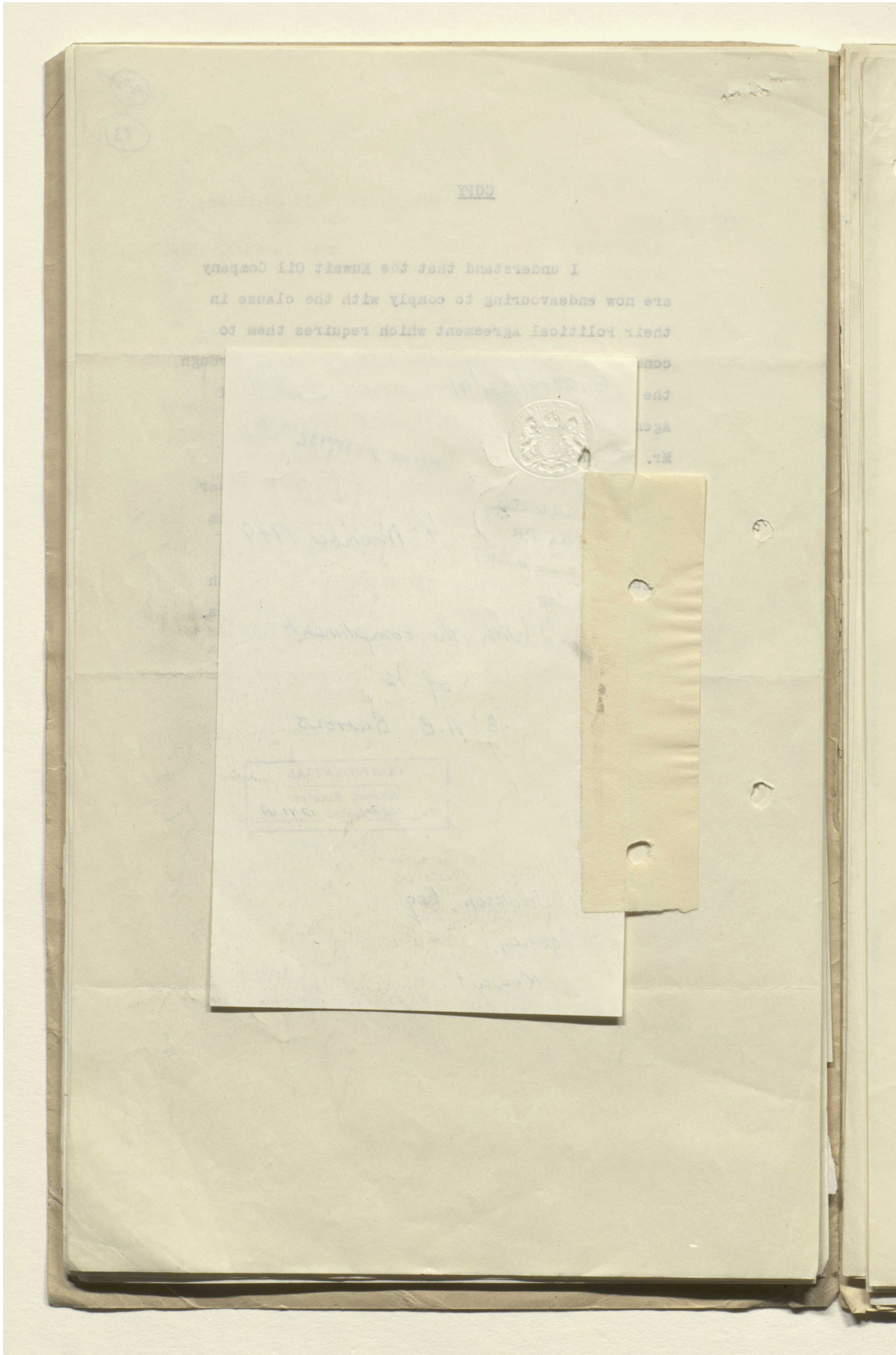
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [33v] (66/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [34r] (67/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [34v] (68/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [35r] (69/116)

FOREIGN OFFICE, S. W. 1.

(E 12788/1531/91)

4th November, 1949

CONFIDENTIAL

Dear Sir Rupert,

S. 19.

Your letter 122/45/49 of the 1st September about relations between the Sheikh of Kuwait and the Kuwait Oil Company. We have been discussing this question with Southwell. The delay has been mainly due to the difficulty of pinning him down to anything definite.

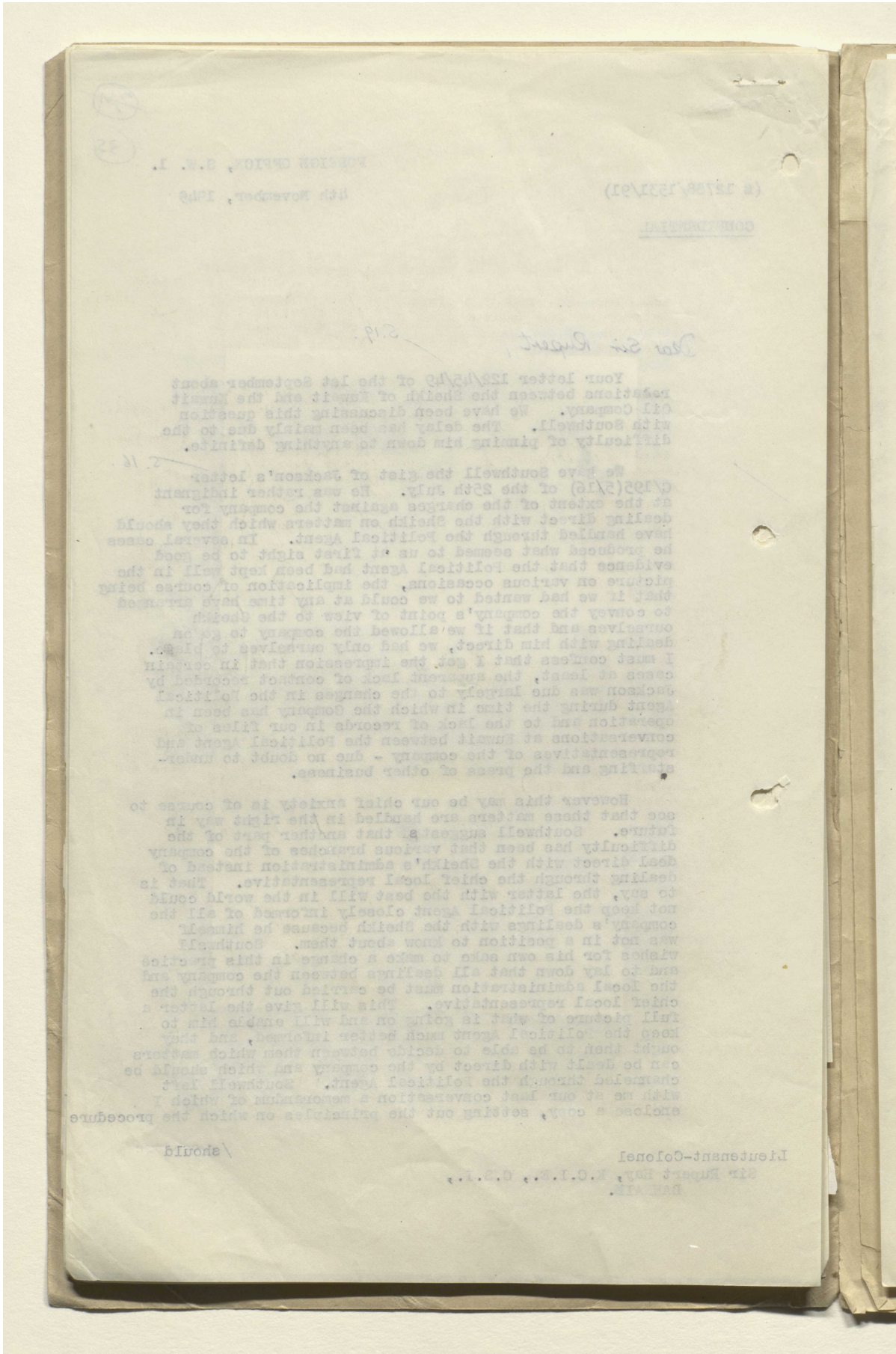
We gave Southwell the gist of Jackson's letter C/195(5/16) of the 25th July. He was rather indignant at the extent of the charges against the company for dealing direct with the Sheikh on matters which they should have handled through the Political Agent. In several cases he produced what seemed to us at first sight to be good evidence that the Political Agent had been kept well in the picture on various occasions, the implication of course being that if we had wanted to we could at any time have arranged to convey the company's point of view to the Sheikh ourselves and that if we allowed the company to go on dealing with him direct, we had only ourselves to blame. I must confess that I got the impression that in certain cases at least, the apparent lack of contact recorded by Jackson was due largely to the changes in the Political Agent during the time in which the Company has been in operation and to the lack of records in our files of conversations at Kuwait between the Political Agent and representatives of the company - due no doubt to understaffing and the press of other business.

However this may be our chief anxiety is of course to see that these matters are handled in the right way in future. Southwell suggests that another part of the difficulty has been that various branches of the company deal direct with the Sheikh's administration instead of dealing through the chief local representative. That is to say, the latter with the best will in the world could not keep the Political Agent closely informed of all the company's dealings with the Sheikh because he himself was not in a position to know about them. Southwell wishes for his own sake to make a change in this practice and to lay down that all dealings between the company and the local administration must be carried out through the chief local representative. This will give the latter a full picture of what is going on and will enable him to keep the Political Agent much better informed, and they ought then to be able to decide between them which matters can be dealt with direct by the company and which should be channeled through the Political Agent. Southwell left with me at our last conversation a memorandum of which I enclose a copy, setting out the principles on which the procedure

Lieutenant-Colonel
Sir Rupert Hay, K.C.I.E., C.S.I.,
BAHRAIN.

/should

'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [35v] (70/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [36r] (71/116)

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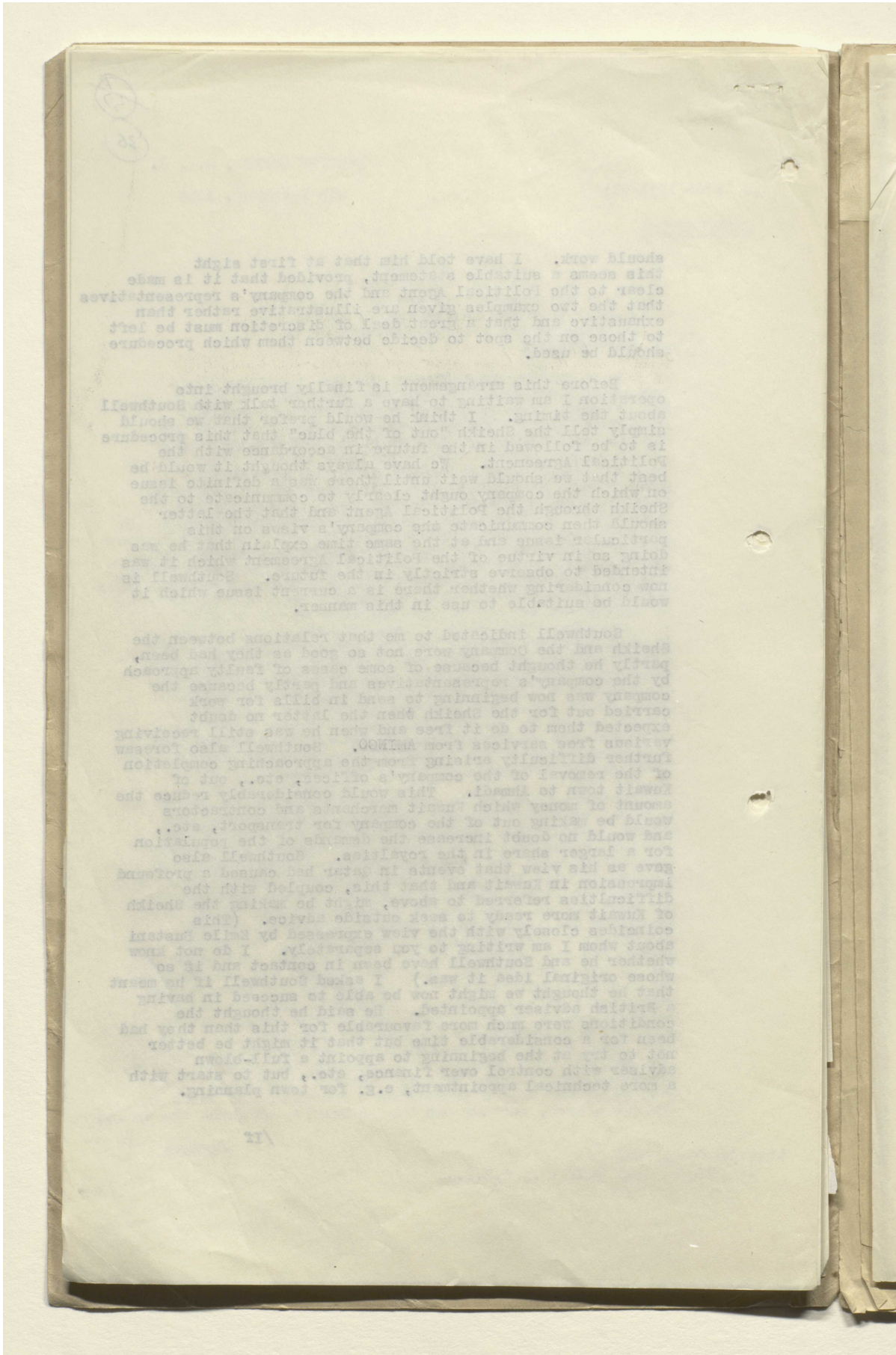
should work. I have told him that at first sight this seems a suitable statement, provided that it is made clear to the Political Agent and the company's representatives that the two examples given are illustrative rather than exhaustive and that a great deal of discretion must be left to those on the spot to decide between them which procedure should be used.

Before this arrangement is finally brought into operation I am waiting to have a further talk with Southwell about the timing. I think he would prefer that we should simply tell the Sheikh "out of the blue" that this procedure is to be followed in the future in accordance with the Political Agreement. We have always thought it would be best that we should wait until there was a definite issue on which the company ought clearly to communicate to the Sheikh through the Political Agent and that the latter should then communicate the company's views on this particular issue and at the same time explain that he was doing so in virtue of the Political Agreement which it was intended to observe strictly in the future. Southwell is now considering whether there is a current issue which it would be suitable to use in this manner.

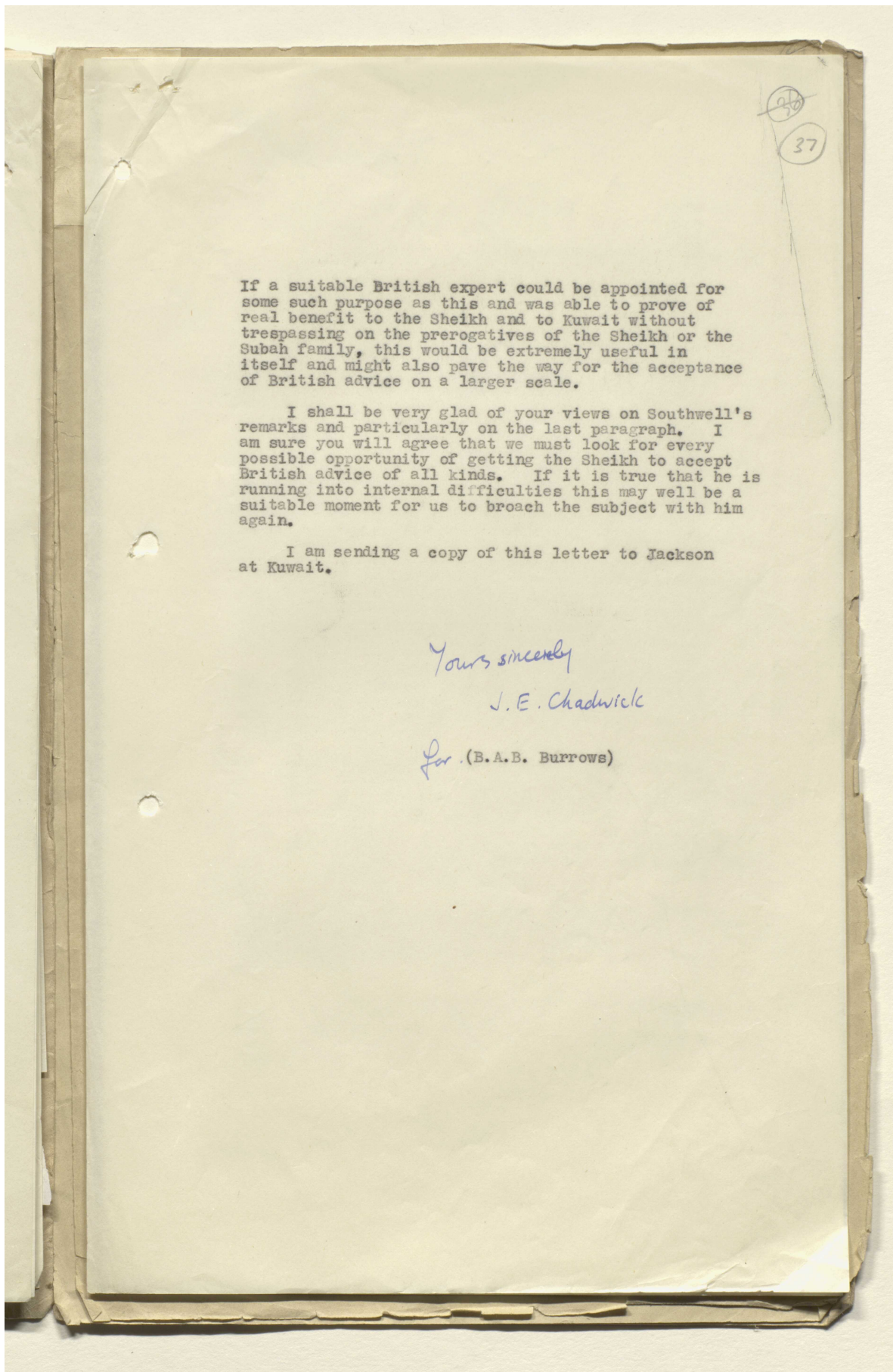
Southwell indicated to me that relations between the Sheikh and the Company were not so good as they had been, partly he thought because of some cases of faulty approach by the company's representatives and partly because the company was now beginning to send in bills for work carried out for the Sheikh when the latter no doubt expected them to do it free and when he was still receiving various free services from AMINCO. Southwell also foresaw further difficulty arising from the approaching completion of the removal of the company's offices, etc., out of Kuwait town to Ahmadi. This would considerably reduce the amount of money which Kuwait merchants and contractors would be making out of the company for transport, etc., and would no doubt increase the demands of the population for a larger share in the royalties. Southwell also gave as his view that events in Qatar had caused a profound impression in Kuwait and that this, coupled with the difficulties referred to above, might be making the Sheikh of Kuwait more ready to seek outside advice. (This coincides closely with the view expressed by Emile Bustani about whom I am writing to you separately. I do not know whether he and Southwell have been in contact and if so whose original idea it was.) I asked Southwell if he meant that he thought we might now be able to succeed in having a British adviser appointed. He said he thought the conditions were much more favourable for this than they had been for a considerable time but that it might be better not to try at the beginning to appoint a full-blown adviser with control over finance, etc., but to start with a more technical appointment, e.g. for town planning.

/if

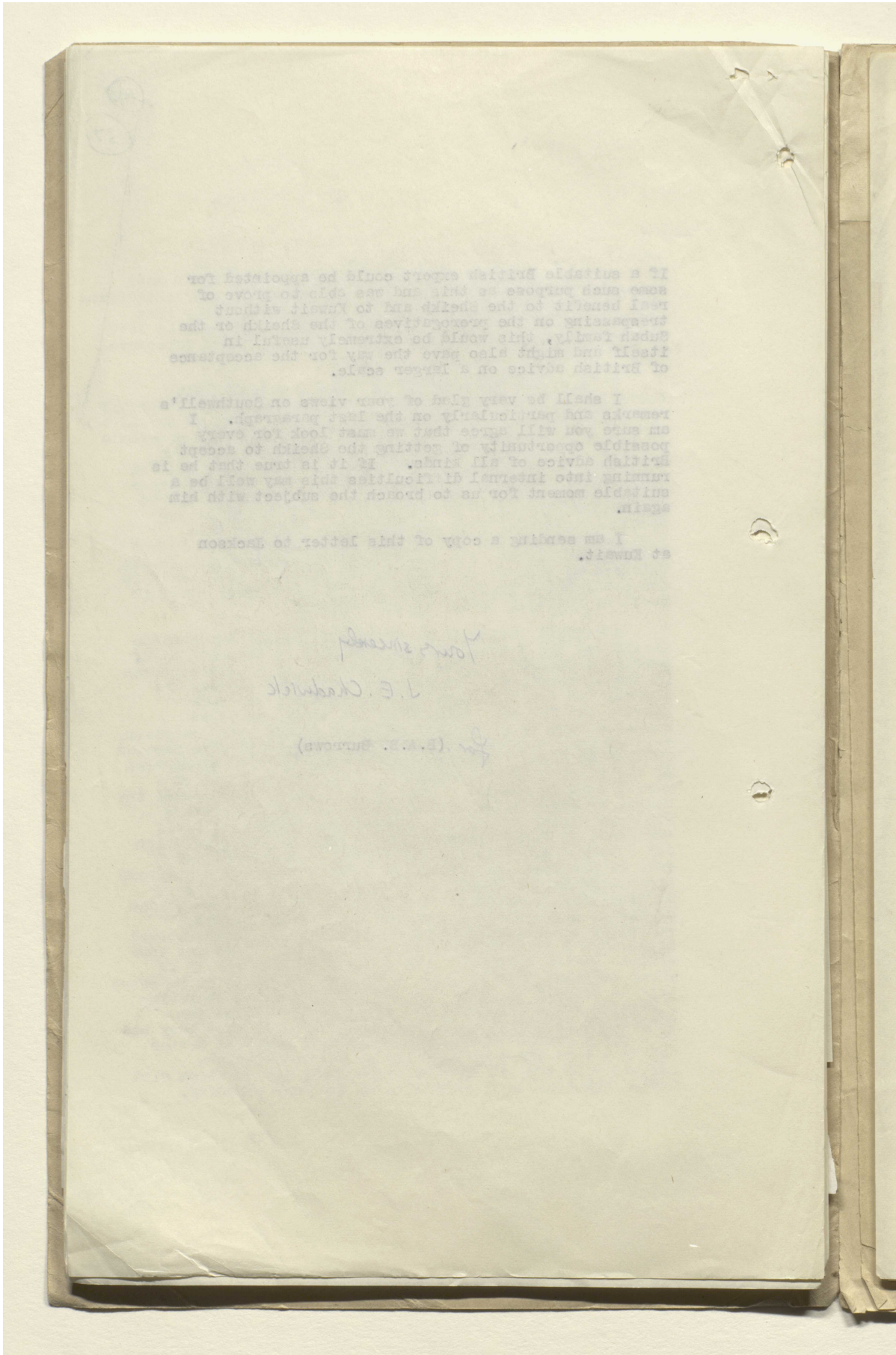
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [36v] (72/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [37r] (73/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [37v] (74/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [38r] (75/116)

COPY

(E 12788/1531/91)

MEMORANDUM

THE KUWAIT OIL COMPANY'S LOCAL RELATIONS AT
KUWAIT

The Company is most anxious to arrive at a modus operandi for the conduct of its local relations at Kuwait which will be entirely satisfactory to H.M. Government and yet protect the Company from any suggestion of discourtesy to the Ruler.

The Ruler has the right to address the Company direct on all matters affecting his relations with the Company irrespective of their importance or of the degree to which H.M. Government may be interested. The Company under its Agreement with H.M. Government dated 5th March 1934, is required to conduct its local relations through the Political Agent except as regards routine commercial business.

It will always be difficult to state any convenient hard and fast definition which clearly distinguishes between matters affecting local relations which should be conducted through the Political Agent, and matters which can be regarded as routine commercial business.

It is felt, however, that this distinction can be made clearer by recording the more important subjects of current interest whose nature requires that they be referred to the Kuwait authorities through the Political Agent.

These are:-

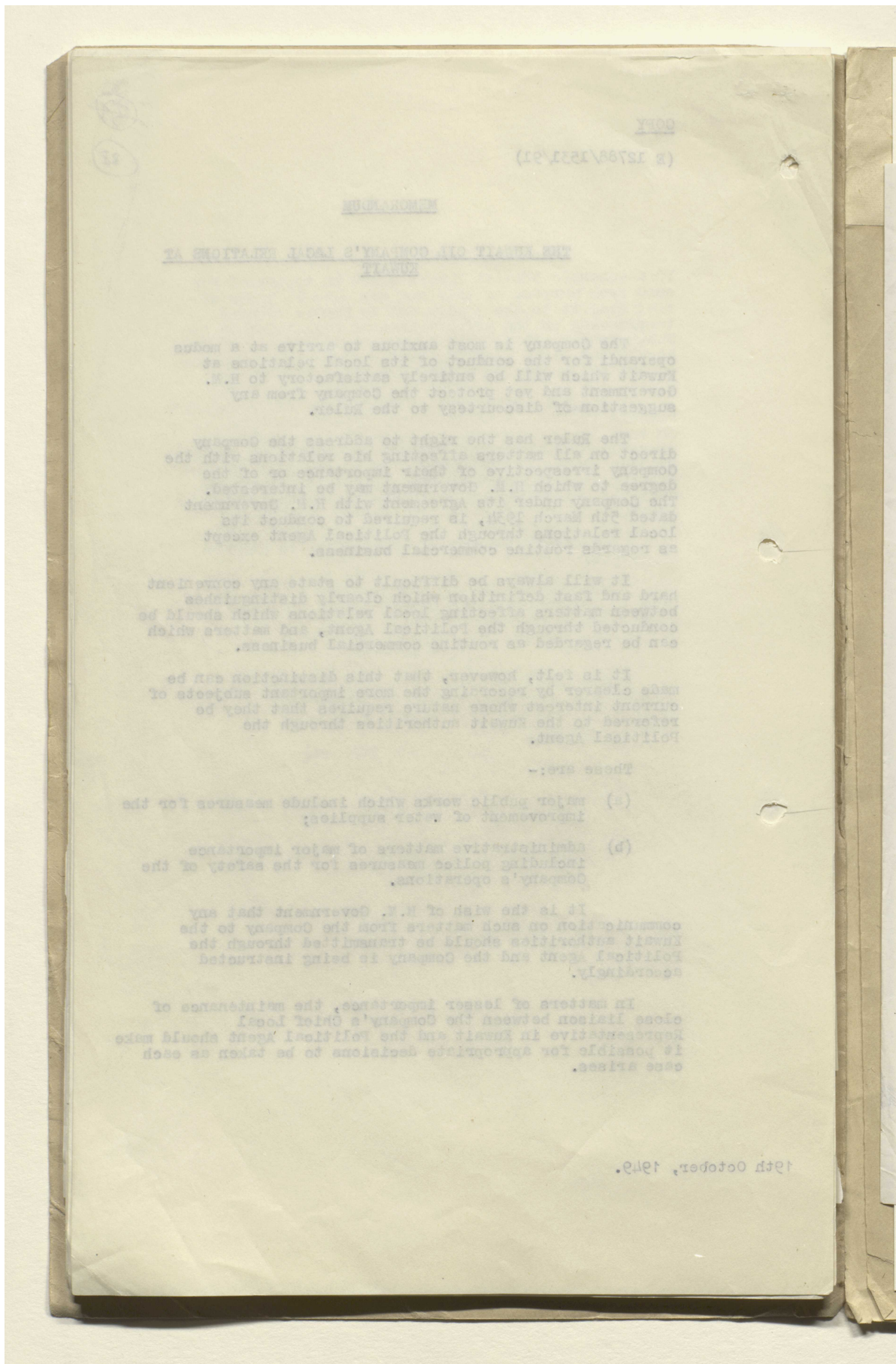
- (a) major public works which include measures for the improvement of water supplies;
- (b) administrative matters of major importance including police measures for the safety of the Company's operations.

It is the wish of H.M. Government that any communication on such matters from the Company to the Kuwait authorities should be transmitted through the Political Agent and the Company is being instructed accordingly.

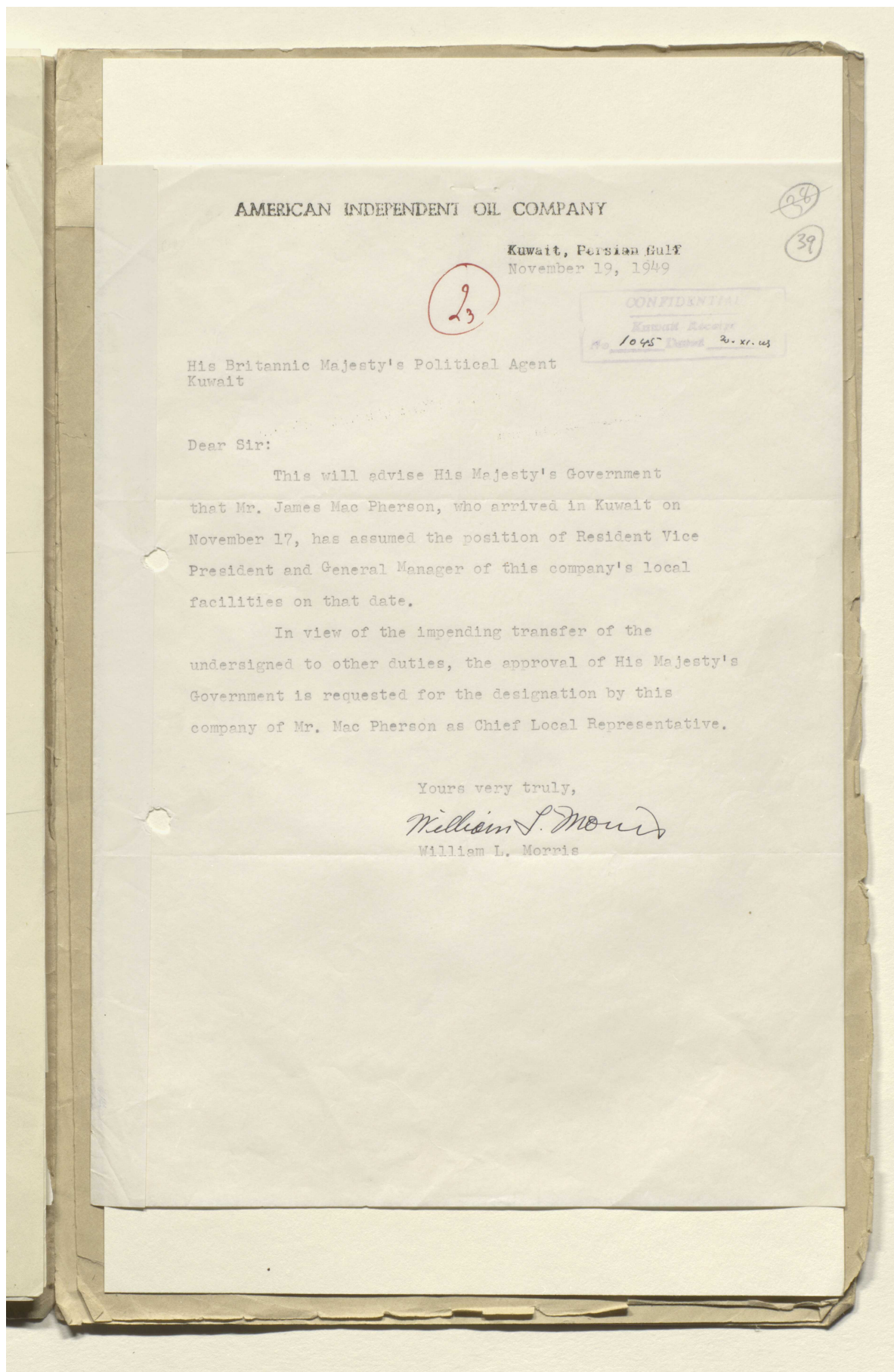
In matters of lesser importance, the maintenance of close liaison between the Company's Chief Local Representative in Kuwait and the Political Agent should make it possible for appropriate decisions to be taken as each case arises.

19th October, 1949.

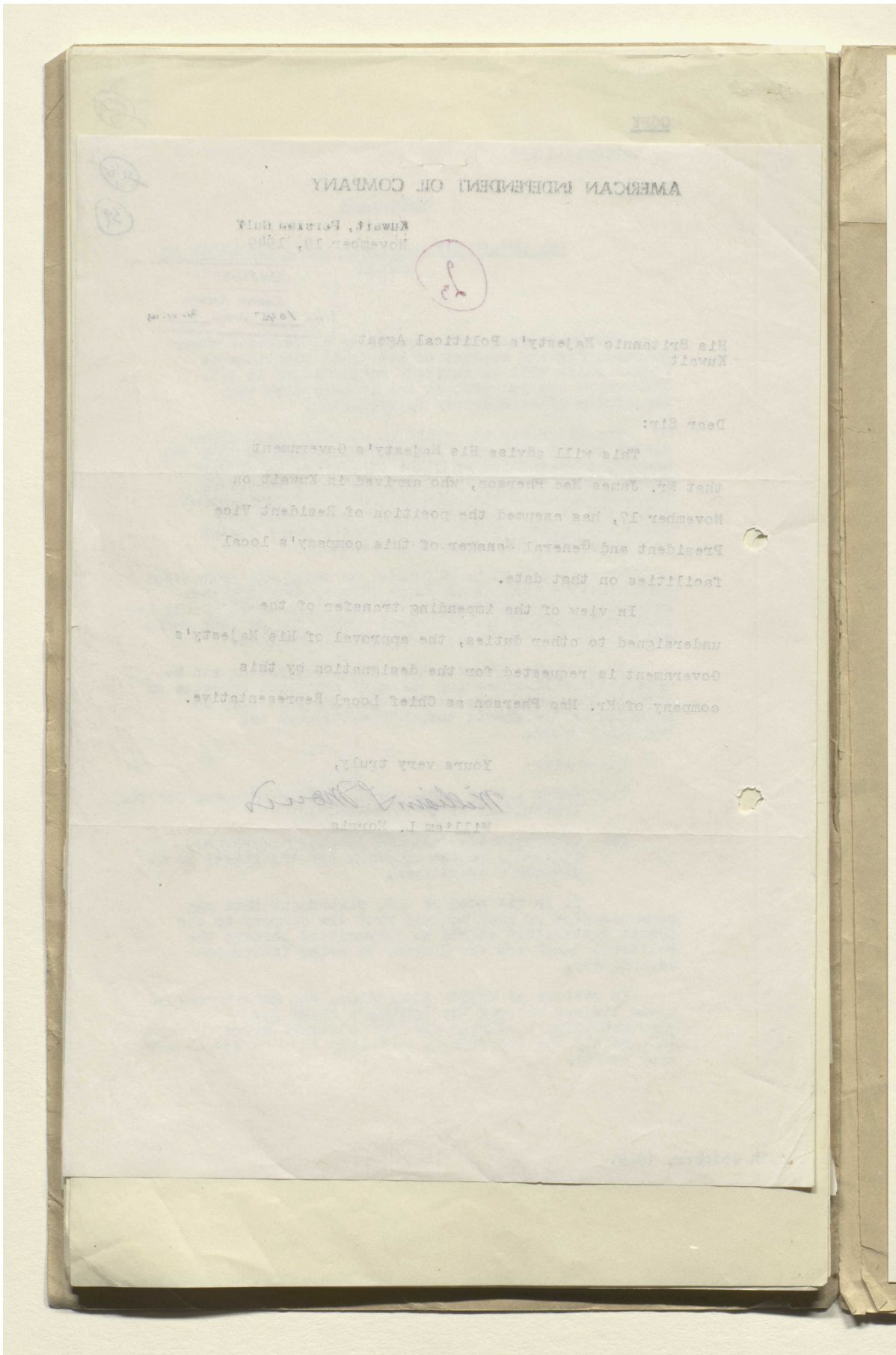
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [38v] (76/116)



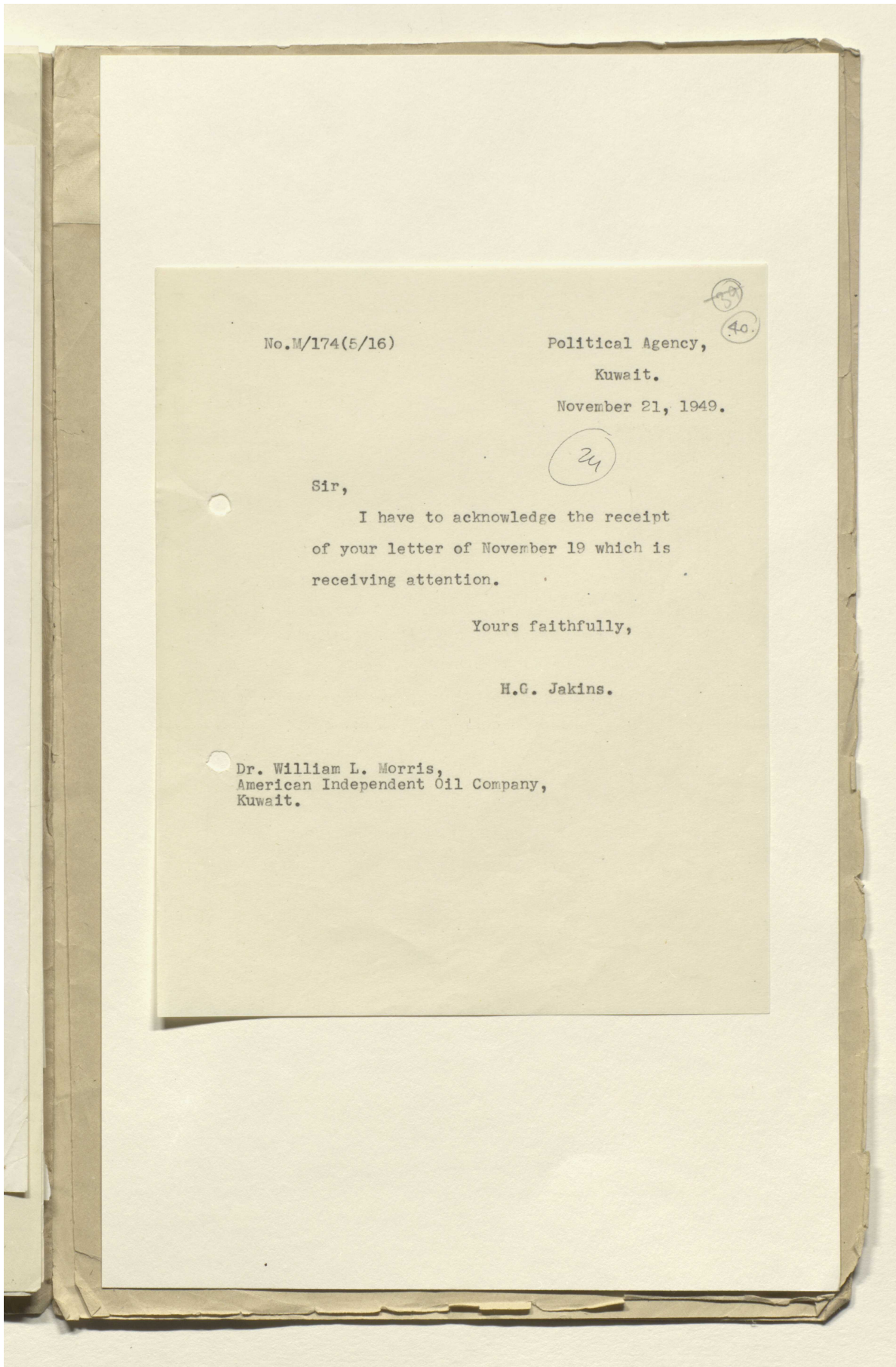
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [39r] (77/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [39v] (78/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [40r] (79/116)



No.M/174(5/16)

Political Agency,
Kuwait.

November 21, 1949.

Sir,

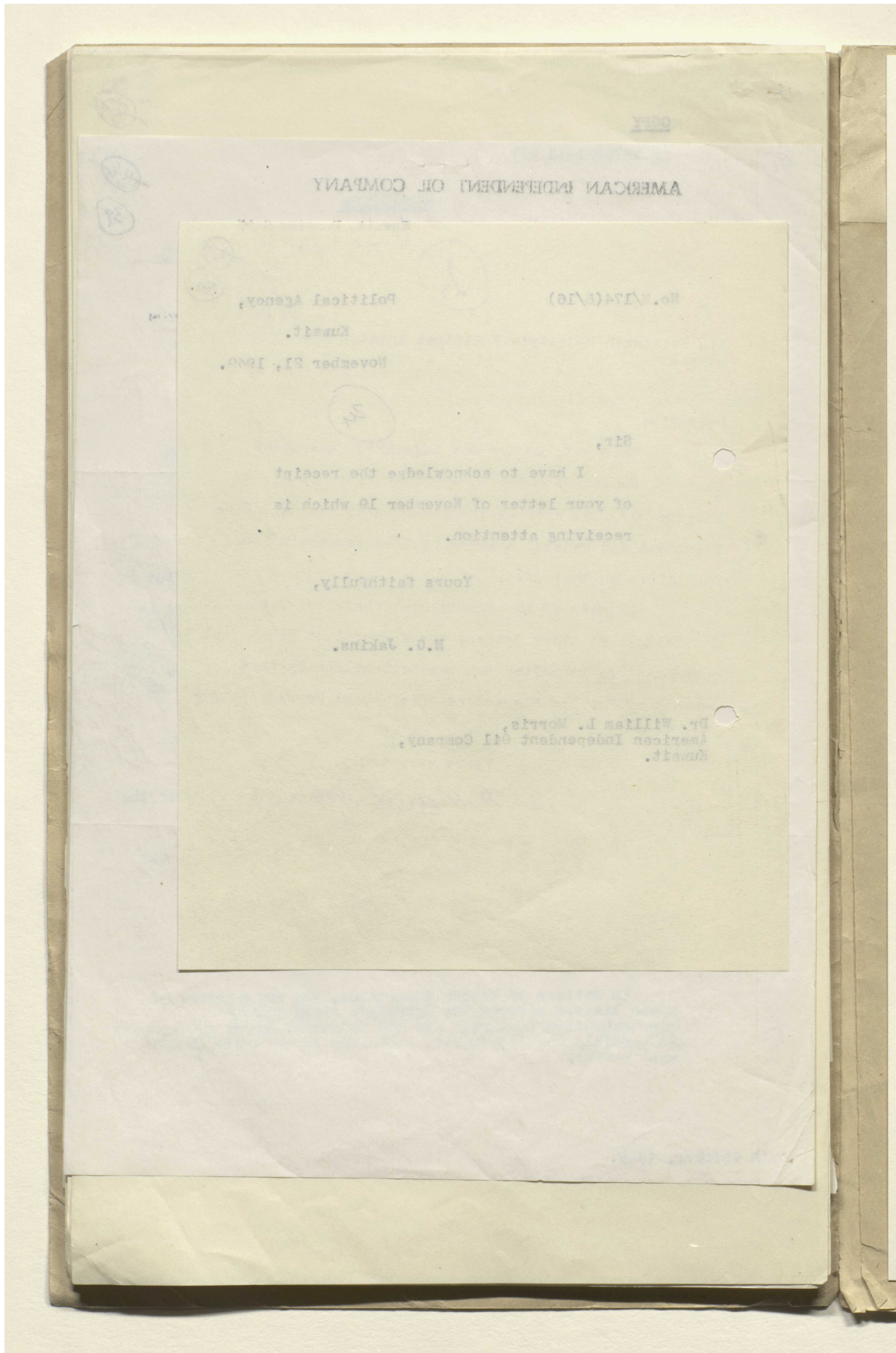
I have to acknowledge the receipt
of your letter of November 19 which is
receiving attention.

Yours faithfully,

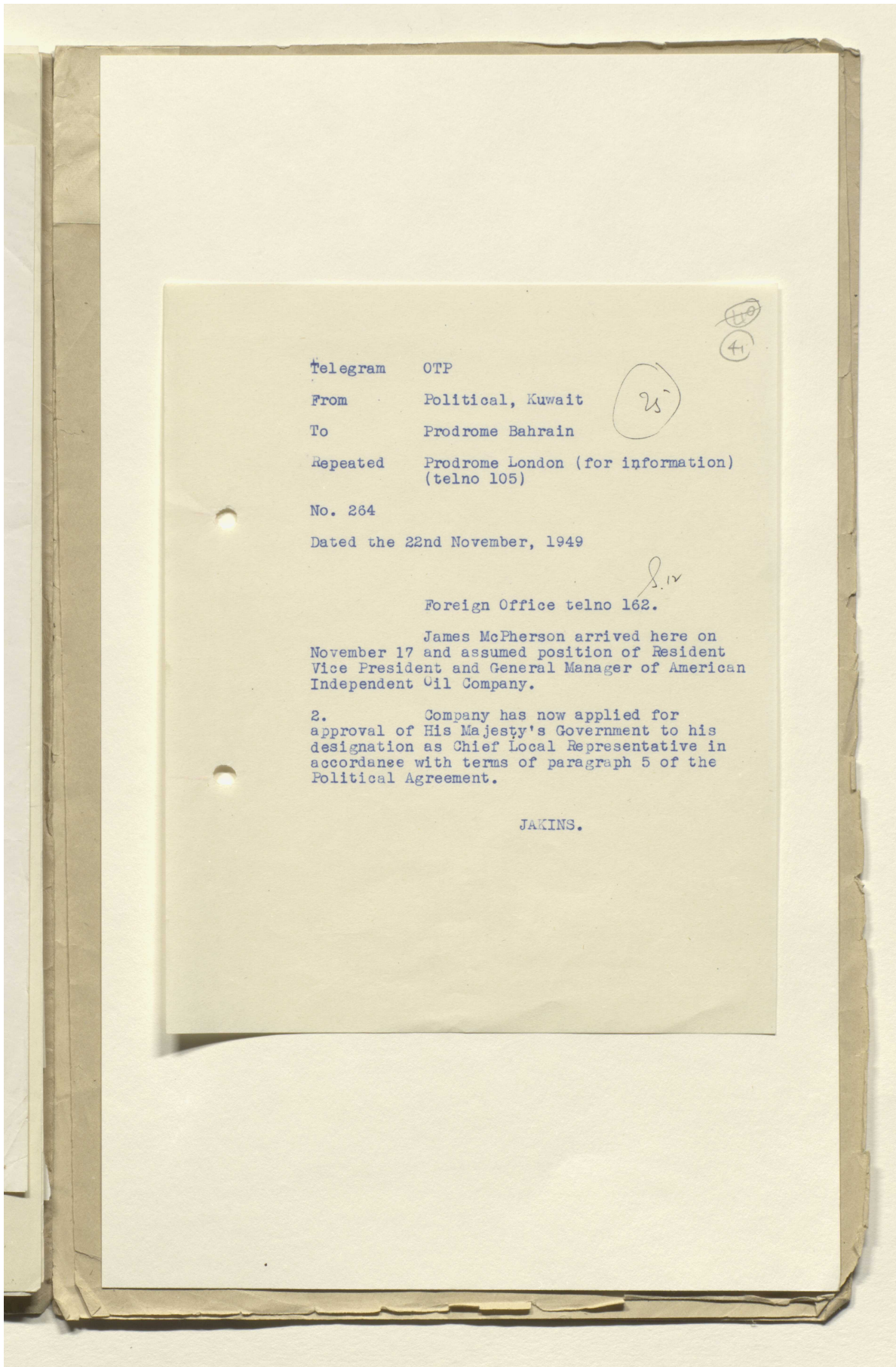
H.G. Jakins.

Dr. William L. Morris,
American Independent Oil Company,
Kuwait.

'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [40v] (80/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [41r] (81/116)



Telegram OTP
From Political, Kuwait
To Prodrome Bahrain
Repeated Prodrome London (for information)
(telno 105)

No. 264

Dated the 22nd November, 1949

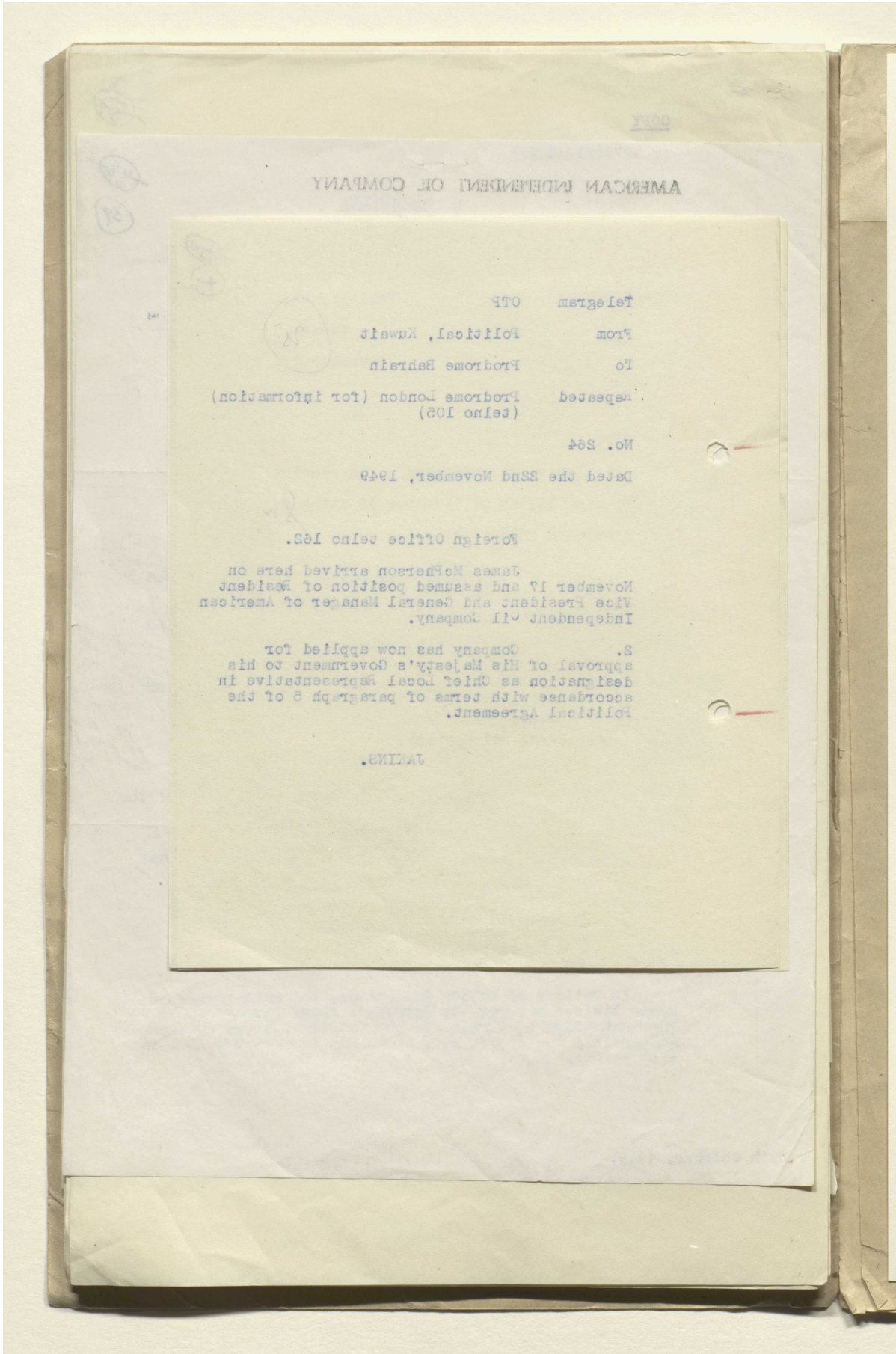
Foreign Office telno 162.

James McPherson arrived here on November 17 and assumed position of Resident Vice President and General Manager of American Independent Oil Company.

2. Company has now applied for approval of His Majesty's Government to his designation as Chief Local Representative in accordance with terms of paragraph 5 of the Political Agreement.

JAKINS.

'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [41v] (82/116)



AMERICAN INDEPENDENT OIL COMPANY

Telegram
From Political, Kuwait
To Programme Bahrain
Repeated Programme London (for information)
(Telex 105)
No. 284
Dated the 22nd November, 1949

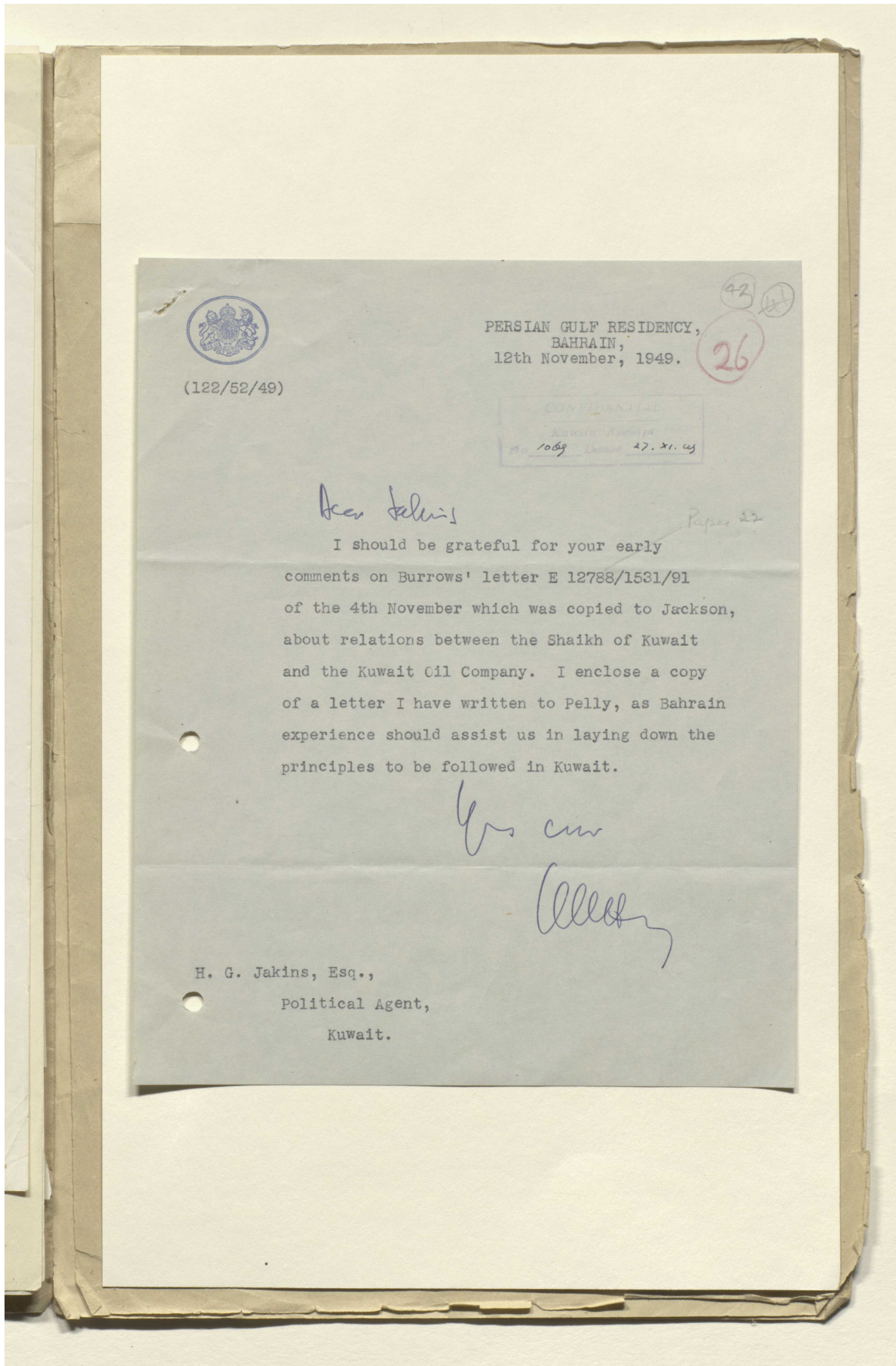
Foreign Office telex 183.

James McPherson arrived here on
November 17 and assumed position of Resident
Vice President and General Manager of American
Independent Oil Company.

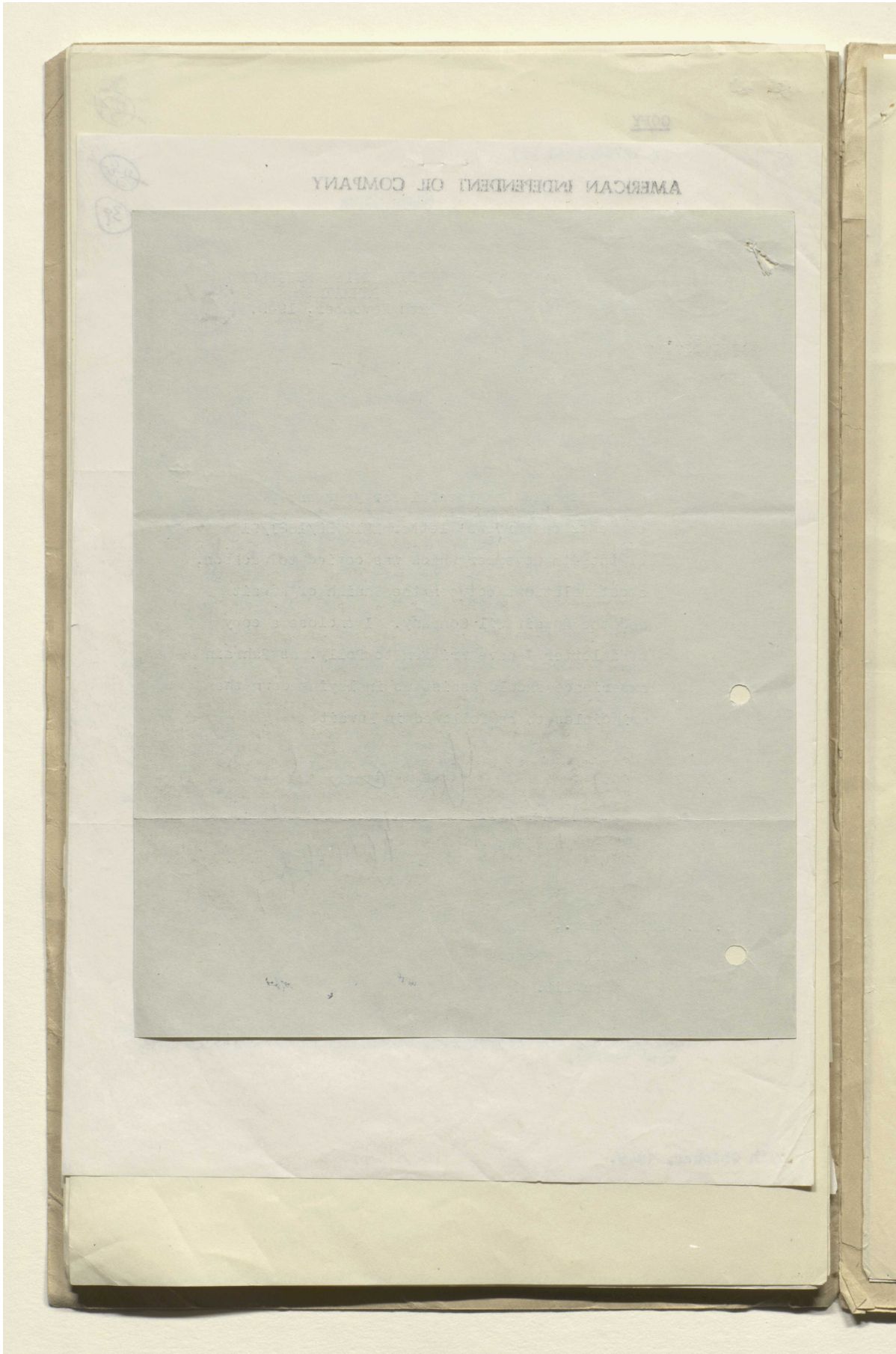
Company has now applied for
approval of His Majesty's Government for his
designation as Chief Local Representative in
accordance with terms of paragraph 8 of the
Political Agreement.

JAKING.

'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [42r] (83/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [42v] (84/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [43r] (85/116)

PERSIAN GULF RESIDENCY,
BAHRAIN,
12th November, 1949.

CONFIDENTIAL

(122/51/49)

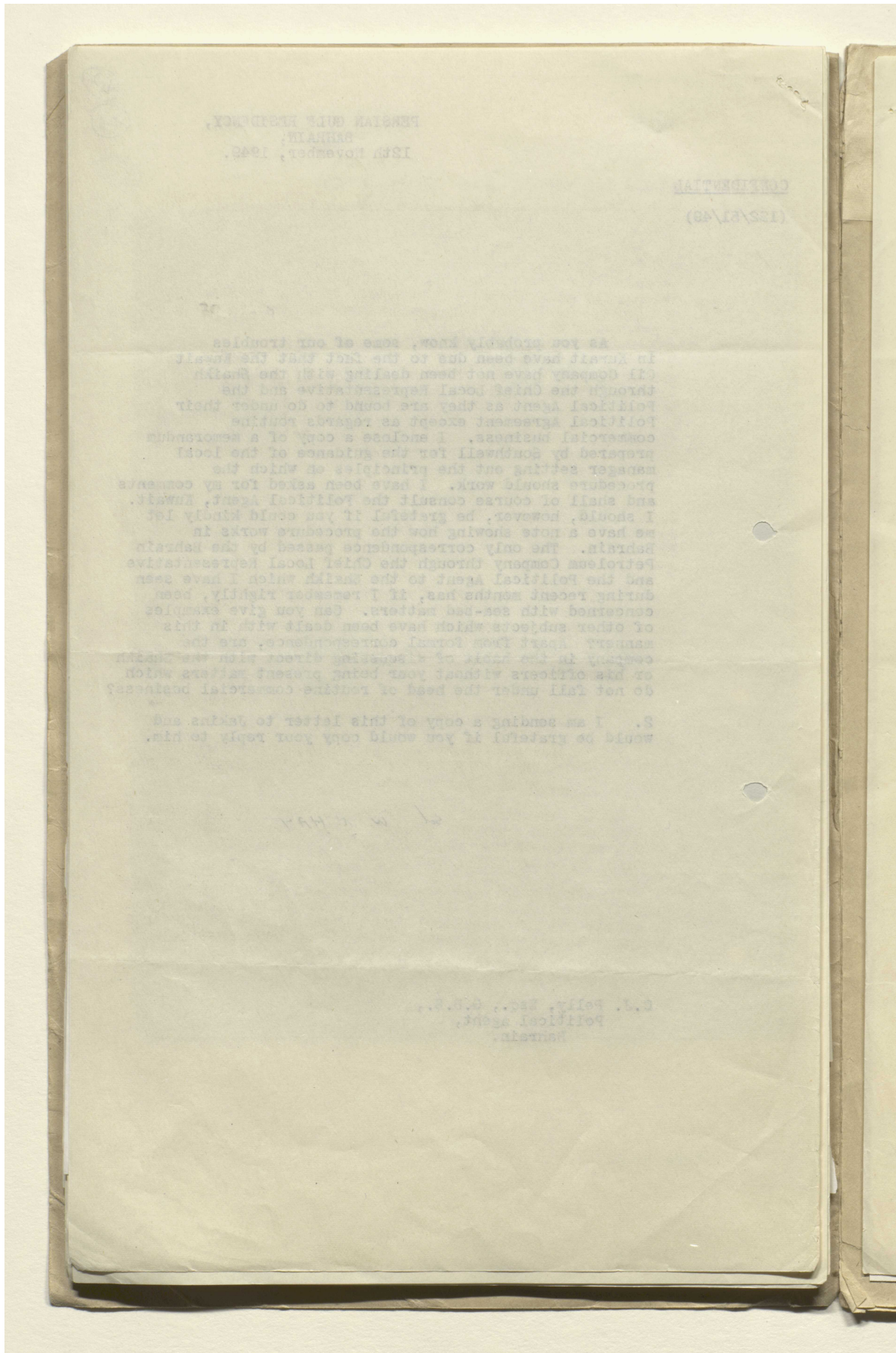
As you probably know, some of our troubles in Kuwait have been due to the fact that the Kuwait Oil Company have not been dealing with the Shaikh through the Chief Local Representative and the Political Agent as they are bound to do under their Political Agreement except as regards routine commercial business. I enclose a copy of a memorandum prepared by Southwell for the guidance of the local manager setting out the principles on which the procedure should work. I have been asked for my comments and shall of course consult the Political Agent, Kuwait. I should, however, be grateful if you could kindly let me have a note showing how the procedure works in Bahrain. The only correspondence passed by the Bahrain Petroleum Company through the Chief Local Representative and the Political Agent to the Shaikh which I have seen during recent months has, if I remember rightly, been concerned with sea-bed matters. Can you give examples of other subjects which have been dealt with in this manner? Apart from formal correspondence, are the company in the habit of discussing direct with the Shaikh or his officers without your being present matters which do not fall under the head of routine commercial business?

2. I am sending a copy of this letter to Jakins and would be grateful if you would copy your reply to him.

sd W. R. HAY

C. J. Pelly, Esq., O.B.E.,
Political Agent,
Bahrain.

'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [43v] (86/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [44r] (87/116)

COPY

M E M O R A N D U M.

THE KUWAIT OIL COMPANY'S LOCAL RELATIONS AT KUWAIT

The Company is most anxious to arrive at a modus operandi for the conduct of its local relations at Kuwait which will be entirely satisfactory to H.M. Government and yet protect the Company from any suggestion of discourtesy to the Ruler.

The Ruler has the right to address the Company direct on all matters affecting his relations with the Company irrespective of their importance or of the degree to which H.M. Government may be interested. The Company under its Agreement with H.M. Government dated 5th March 1934, is required to conduct its local relations through the Political Agent except as regards routine commercial business.

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These are:-

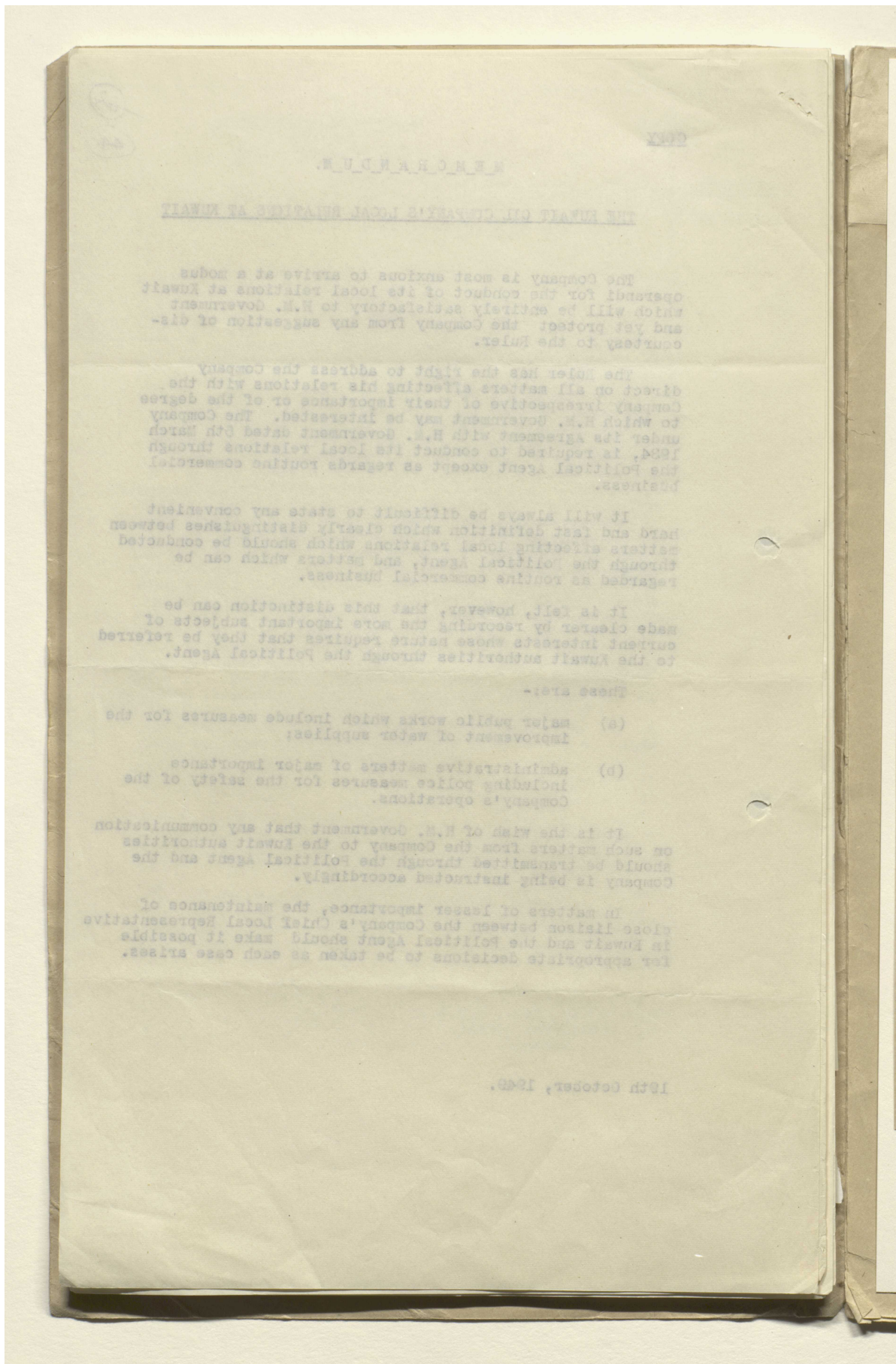
- (a) major public works which include measures for the improvement of water supplies;
- (b) administrative matters of major importance including police measures for the safety of the Company's operations.

It is the wish of H.M. Government that any communication on such matters from the Company to the Kuwait authorities should be transmitted through the Political Agent and the Company is being instructed accordingly.

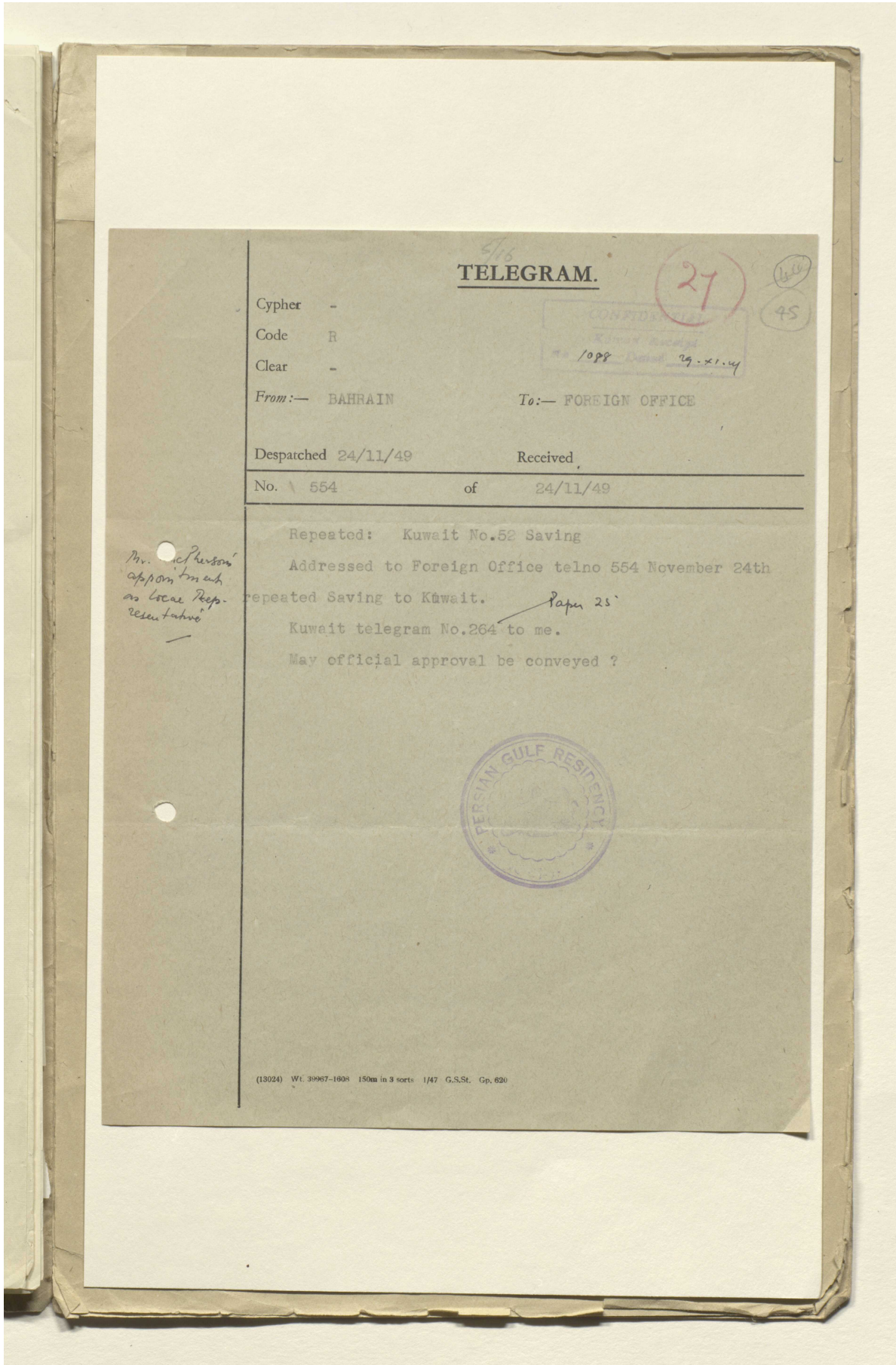
In matters of lesser importance, the maintenance of close liaison between the Company's Chief Local Representative in Kuwait and the Political Agent should make it possible for appropriate decisions to be taken as each case arises.

19th October, 1949.

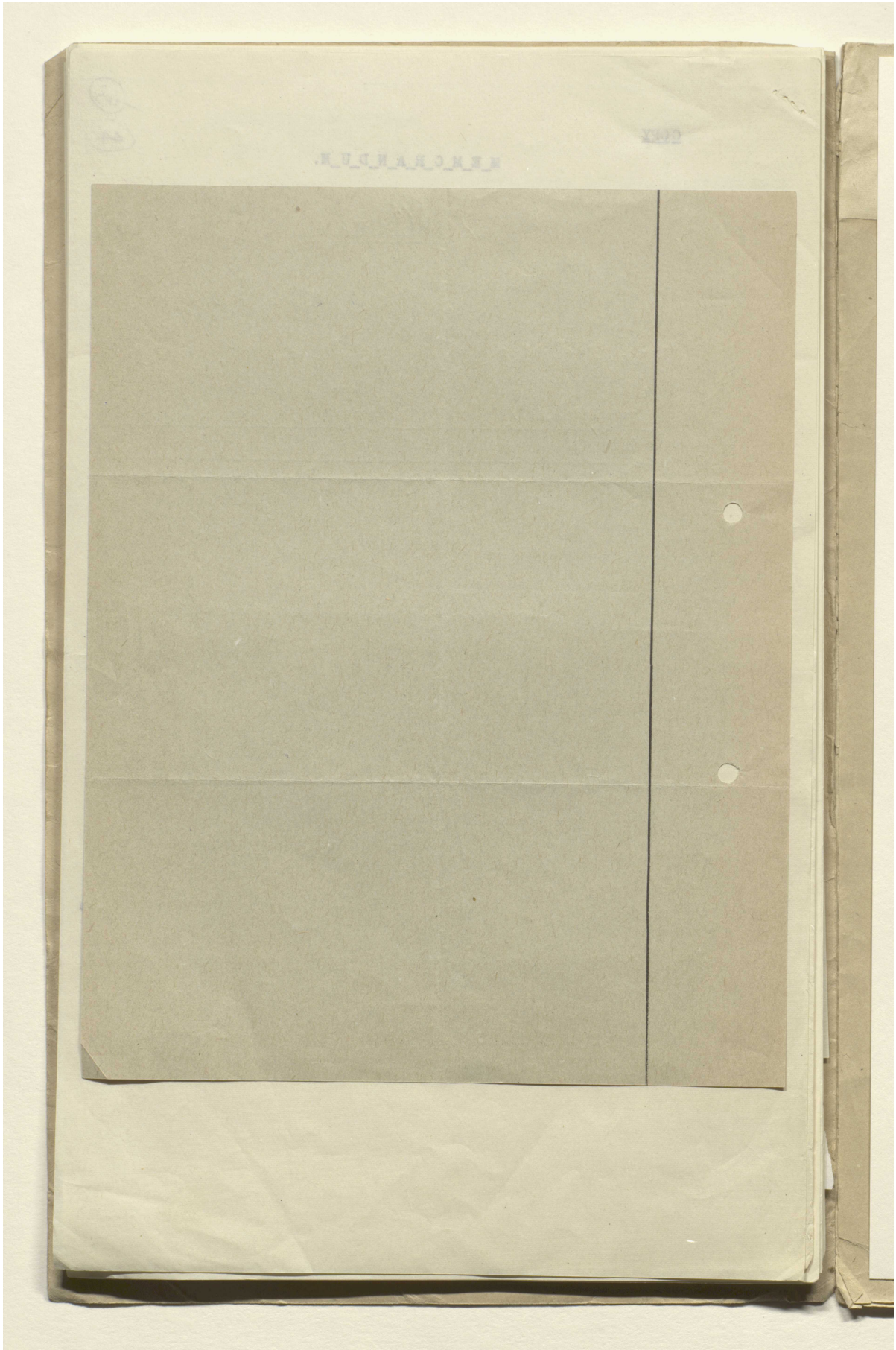
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [44v] (88/116)



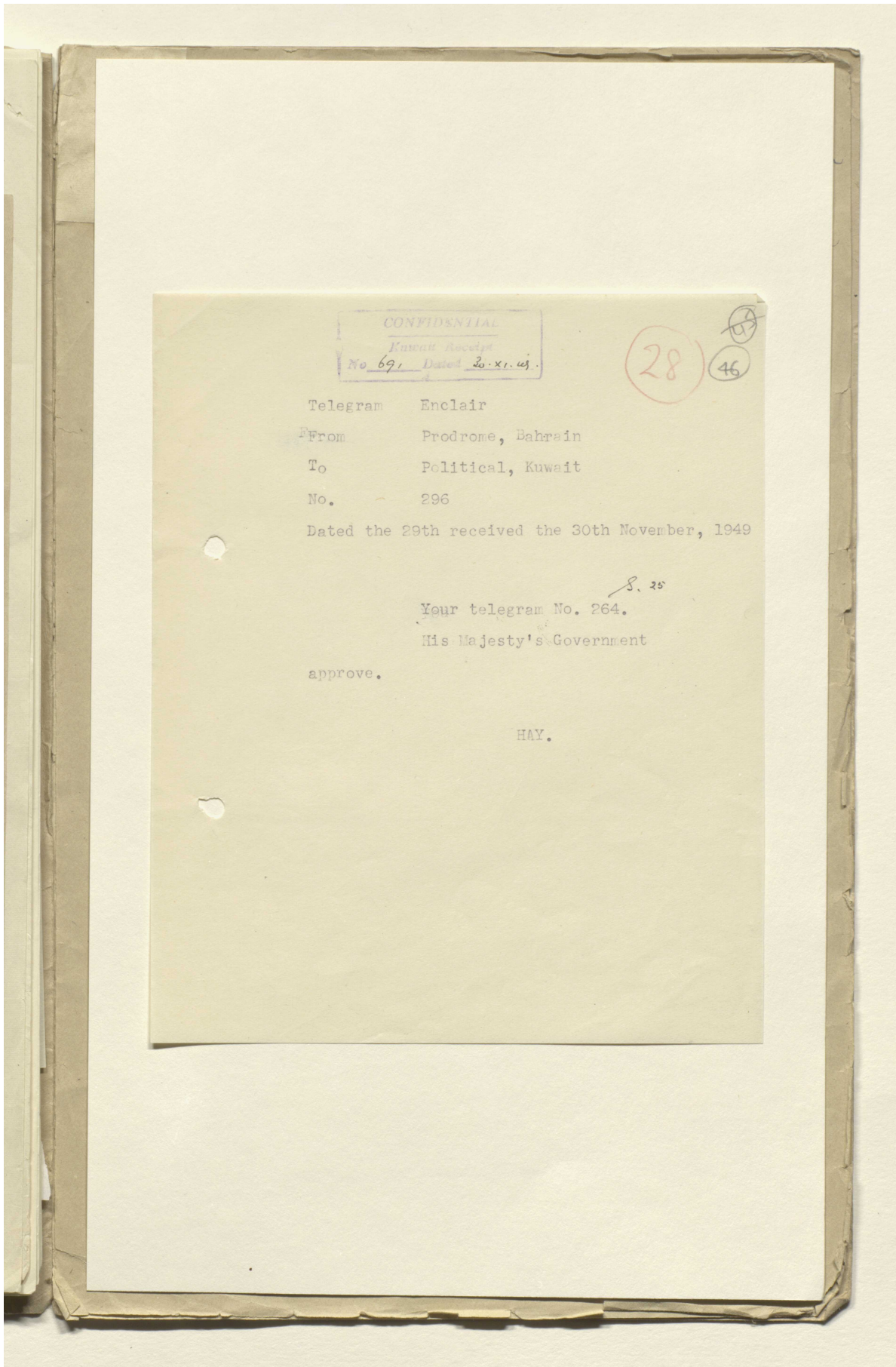
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [45r] (89/116)



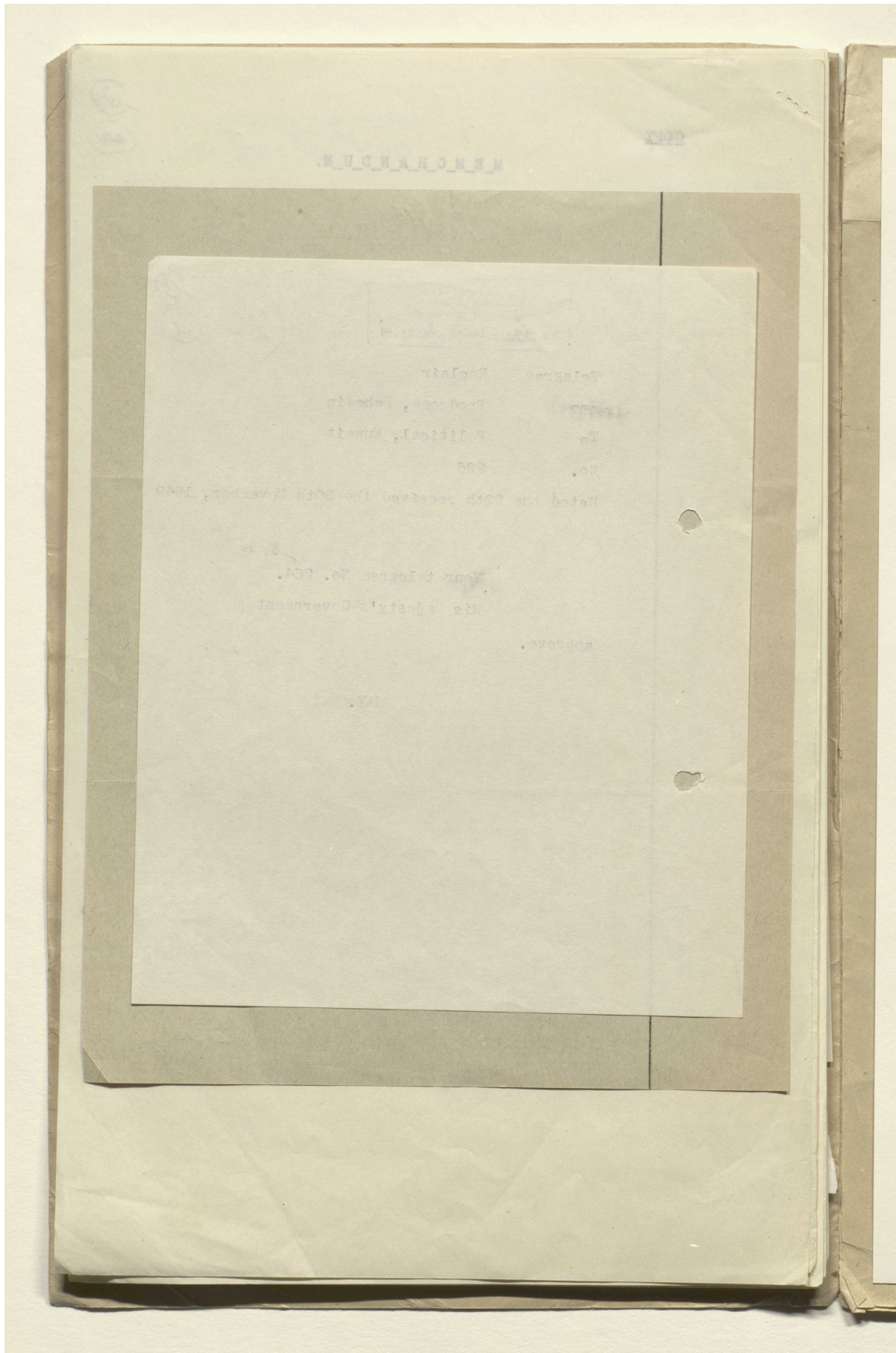
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [45v] (90/116)



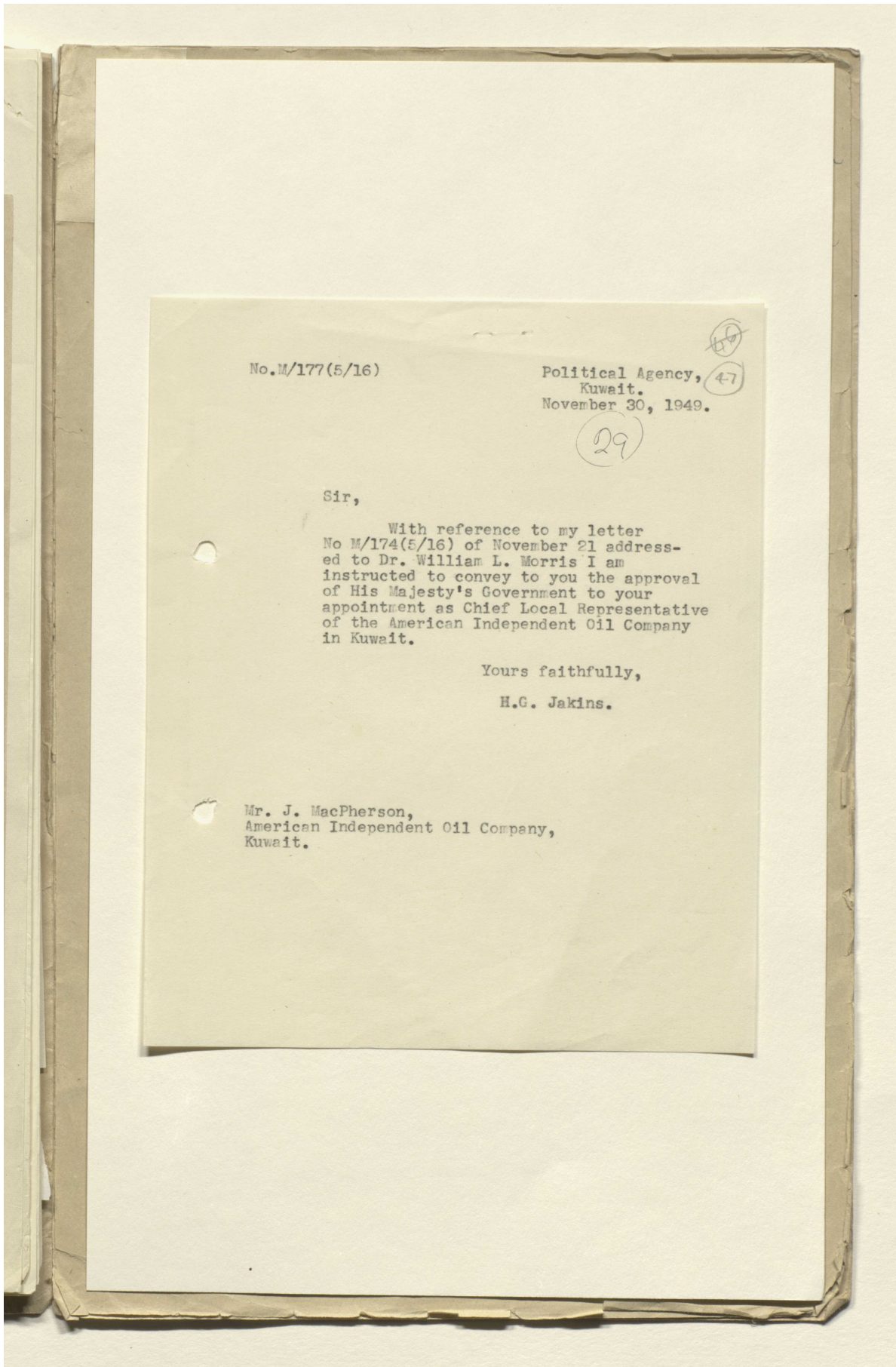
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [46r] (91/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [46v] (92/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [47r] (93/116)



No.M/177(5/16)

Political Agency, (47)
Kuwait.
November 30, 1949.
(29)

Sir,

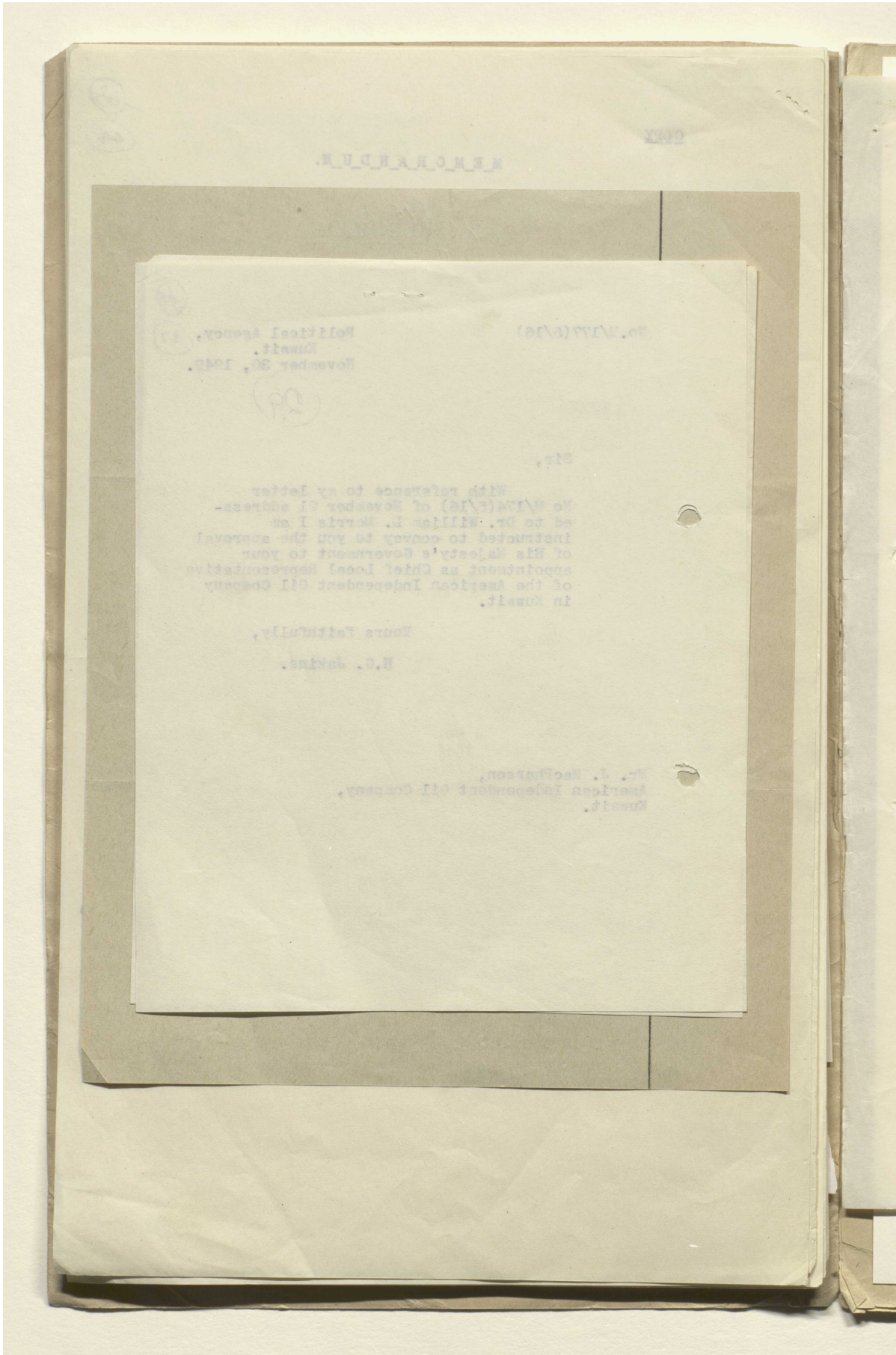
With reference to my letter
No M/174(5/16) of November 21 address-
ed to Dr. William L. Morris I am
instructed to convey to you the approval
of His Majesty's Government to your
appointment as Chief Local Representative
of the American Independent Oil Company
in Kuwait.

Yours faithfully,

H.C. Jakins.

Mr. J. MacPherson,
American Independent Oil Company,
Kuwait.

'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [47v] (94/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [48r] (95/116)

Confidential.

No. C/279(5/16)

Political Agency,
Kuwait.
December 1, 1949.

(30)

(47)

(48)

Dear Sir Rupert,

Paper 26.

Your letter No. 122/52/49 of November 12.

2. I feel it a little premature for me to express much in the way of views on Burrows' letter to you No. E 12788/1531/91 of November 4 except to agree that changes in the Political Agent in Kuwait and inadequate staffing of this post have contributed largely to past confusion. Geographical considerations have also played their part. Oil men, particularly in the opening of a new field, are always in a hurry to achieve their immediate aims - which are not necessarily ours - and the distance of thirty miles that separates us here is an undoubted obstacle.

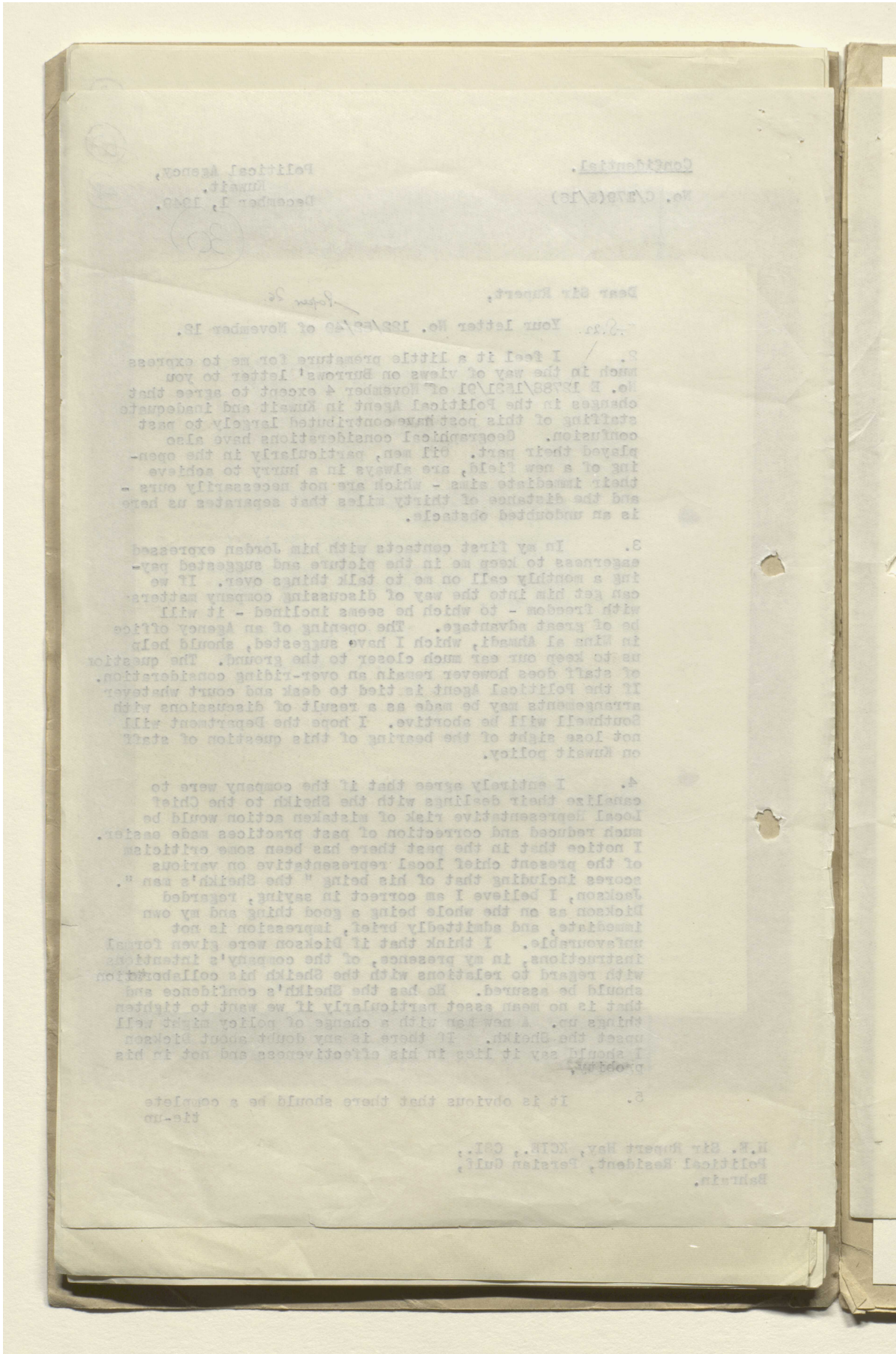
3. In my first contacts with him Jordan expressed eagerness to keep me in the picture and suggested paying a monthly call on me to talk things over. If we can get him into the way of discussing company matters with freedom - to which he seems inclined - it will be of great advantage. The opening of an Agency office in Mina al Ahmadi, which I have suggested, should help us to keep our ear much closer to the ground. The question of staff does however remain an over-riding consideration. If the Political Agent is tied to desk and court whatever arrangements may be made as a result of discussions with Southwell will be abortive. I hope the Department will not lose sight of the bearing of this question of staff on Kuwait policy.

4. I entirely agree that if the company were to canalize their dealings with the Sheikh to the Chief Local Representative risk of mistaken action would be much reduced and correction of past practices made easier. I notice that in the past there has been some criticism of the present chief local representative on various scores including that of his being "the Sheikh's man". Jackson, I believe I am correct in saying, regarded Dickson as on the whole being a good thing and my own immediate, and admittedly brief, impression is not unfavourable. I think that if Dickson were given formal instructions, in my presence, of the company's intentions with regard to relations with the Sheikh his collaboration should be assured. He has the Sheikh's confidence and that is no mean asset particularly if we want to tighten things up. A new man with a change of policy might well upset the Sheikh. If there is any doubt about Dickson I should say it lies in his effectiveness and not in his probity.

5. It is obvious that there should be a complete tie-up

H.E. Sir Rupert Hay, KCIE., CSI.,
Political Resident, Persian Gulf,
Bahrain.

'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [48v] (96/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [49r] (97/116)

- 2 -

tie-up between ourselves and the company before presenting a " definite issue " to the Sheikh. And having once agreed on future procedure the company must ensure that their various branches are ready to, and do, apply it.

6. I doubt whether the " population " will make demands for a larger share in the royalties. The company is now about to start consolidating its position but its policy as explained to me by Jordan is to see that reductions in staff fall on foreigners rather than on Kuwaitis. Individual contractors may feel the draught but they have done well and will doubtless launch out elsewhere. Aminco in the Neutral Zone claim that until they strike oil their out goings will be kept to the lowest possible level - they are for instance undertaking no housing programme at all, even their mess-rooms will be mobile.

7. I gather that the Sheikh himself - but no one else - was a little shaken over events in Qatar which were popularly interpreted as having arisen out of the Ruler's meanness and his reluctance to meet demands for a more equitable distribution of revenue. The Sheikh here is mean but the purse-strings are held by Abdulla Salim not the Sheikh and the minor Sheikhs are not badly treated as they were in Qatar.

8. With regard to the appointment of an Adviser I think we should hasten slowly. In the course of conversation with the Sheikh I referred to the impending arrival of our financial man. Although I was careful to use the expression " economic assistant " I thought the Sheikh looked at me very suspiciously and he said " I suppose he is to spend his time going up and down the gulf ". On the other hand I am told that feeling in the town is that the changes in and additions to the staff at the Agency portend changes in the state. It seems to me that this feeling should be encouraged so that the appointment of an Adviser imposes itself rather than is imposed. If, too, the minor sheikhs continue to overspend their allowances (I understand they are all very much in debt) the Treasury might welcome an Adviser to bear the brunt of their displeasure. So that altogether the next two or three months should put the question of the adviser into much clearer perspective and us in a much better position to decide when to press for the appointment.

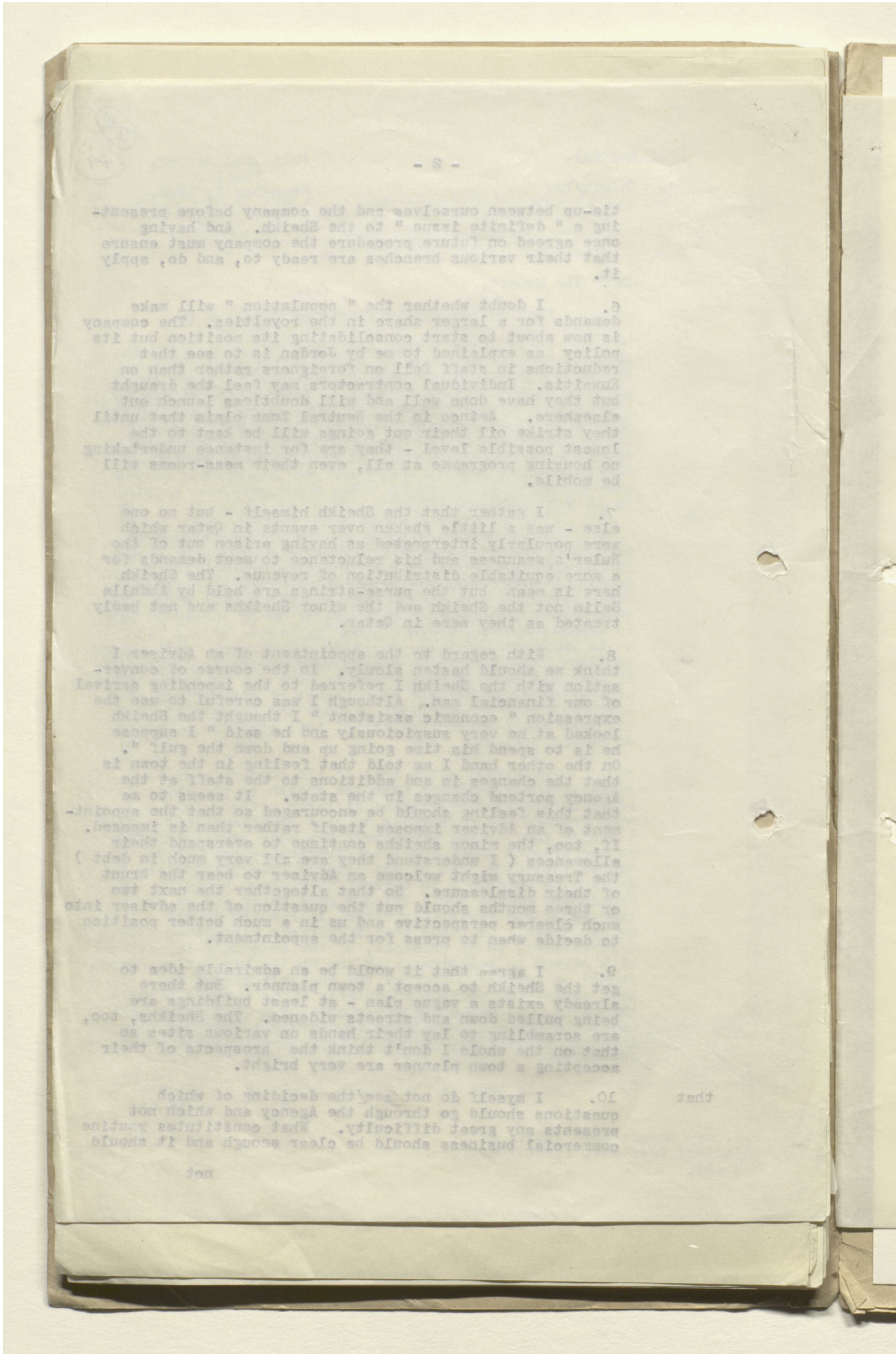
9. I agree that it would be an admirable idea to get the Sheikh to accept a town planner. But there already exists a vague plan - at least buildings are being pulled down and streets widened. The Sheikhs, too, are scrambling to lay their hands on various sites so that on the whole I don't think the prospects of their accepting a town planner are very bright.

that

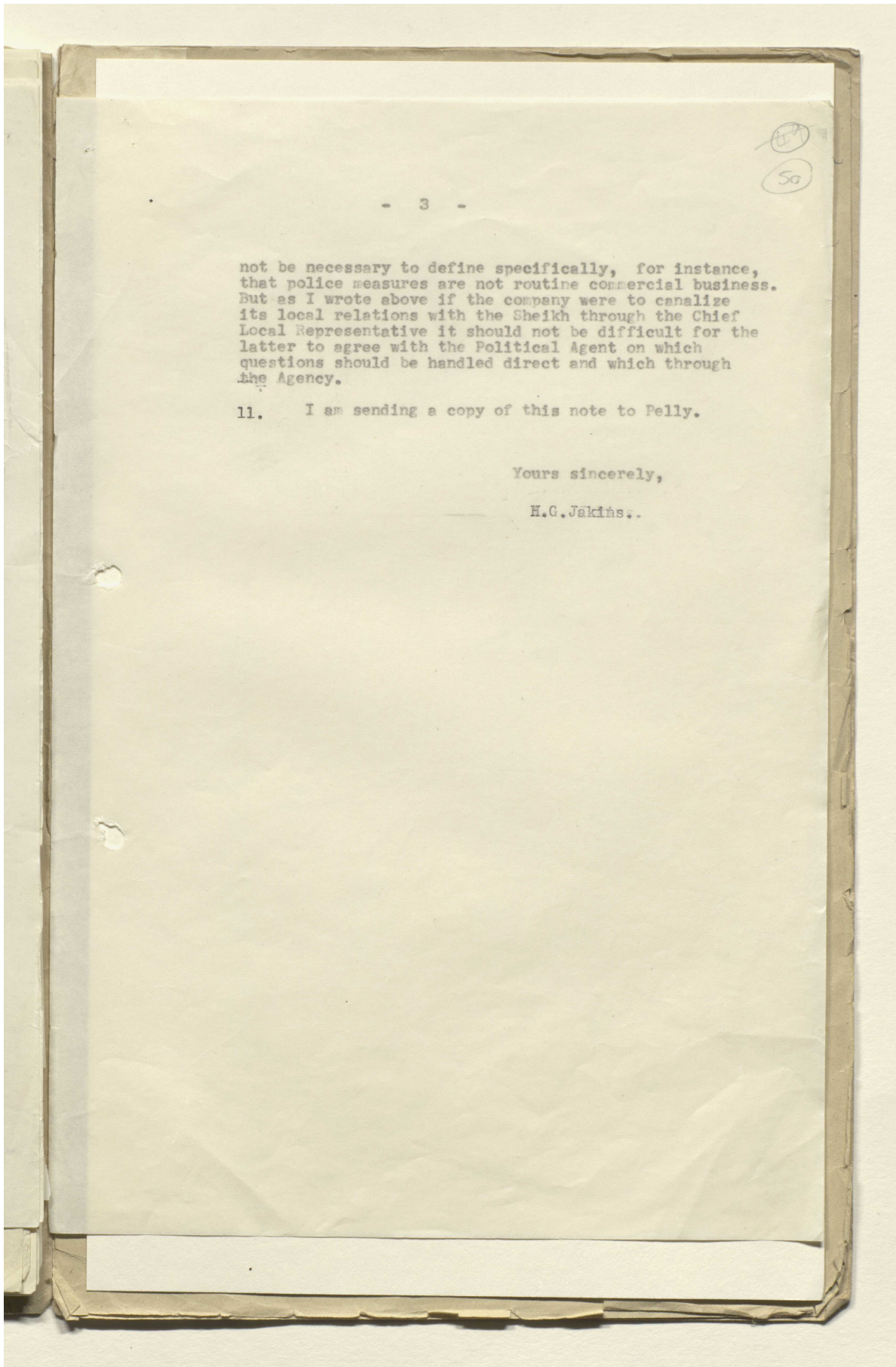
10. I myself do not see the deciding of which questions should go through the Agency and which not presents any great difficulty. What constitutes routine commercial business should be clear enough and it should

not

'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [49v] (98/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [50r] (99/116)



- 3 -

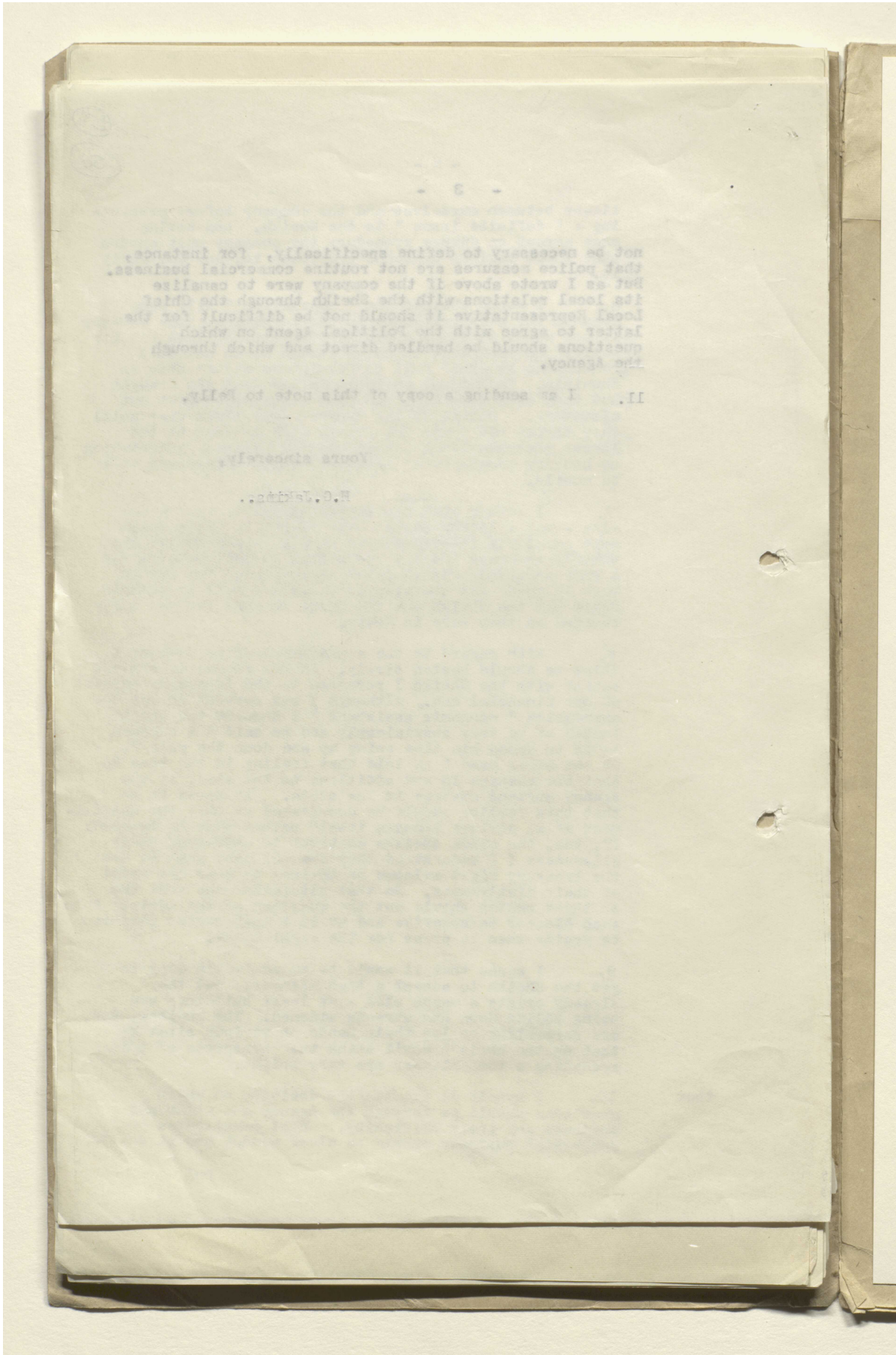
not be necessary to define specifically, for instance, that police measures are not routine commercial business. But as I wrote above if the company were to canalize its local relations with the Sheikh through the Chief Local Representative it should not be difficult for the latter to agree with the Political Agent on which questions should be handled direct and which through the Agency.

11. I am sending a copy of this note to Pelly.

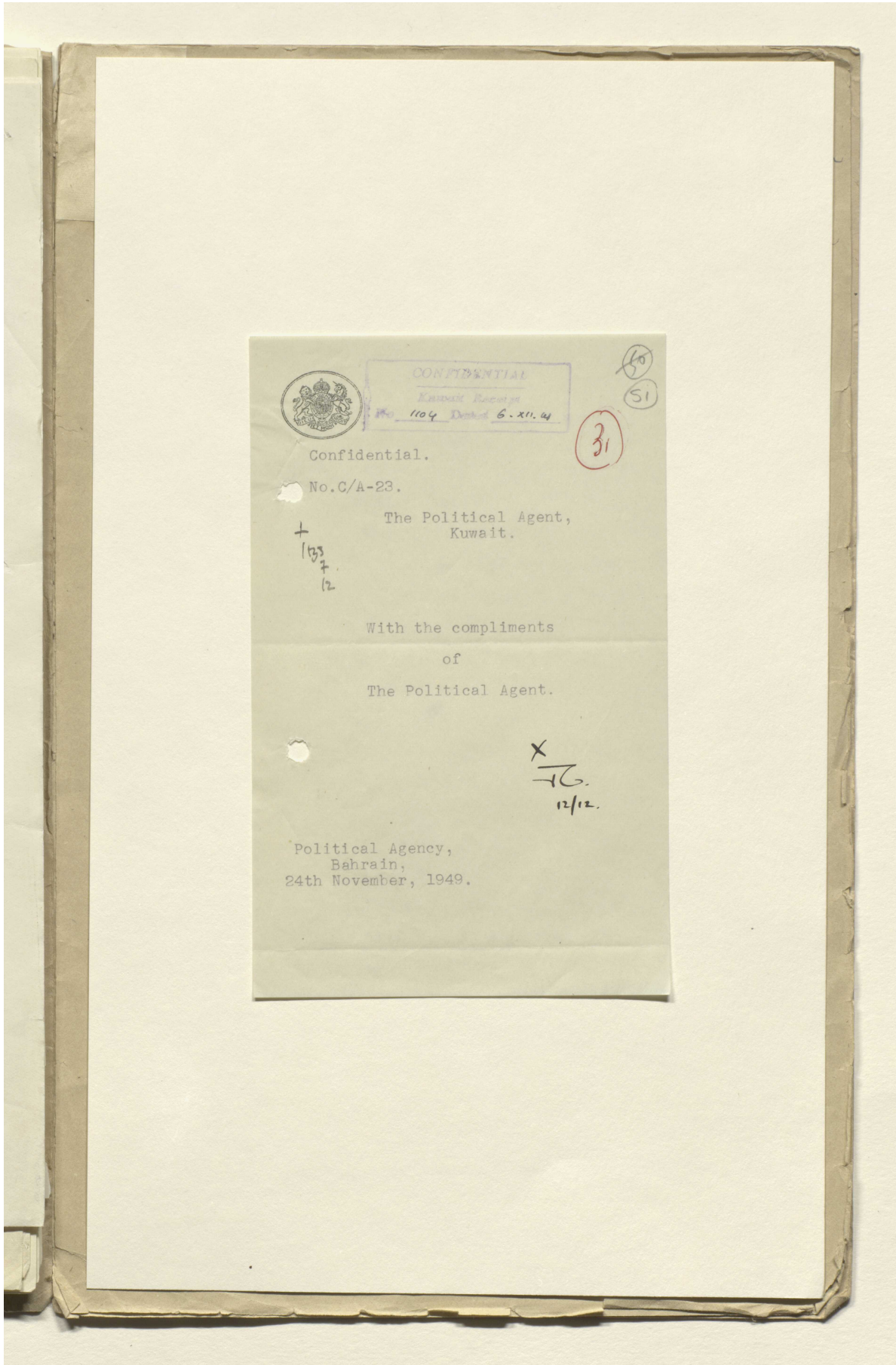
Yours sincerely,

H.G. Jakins..

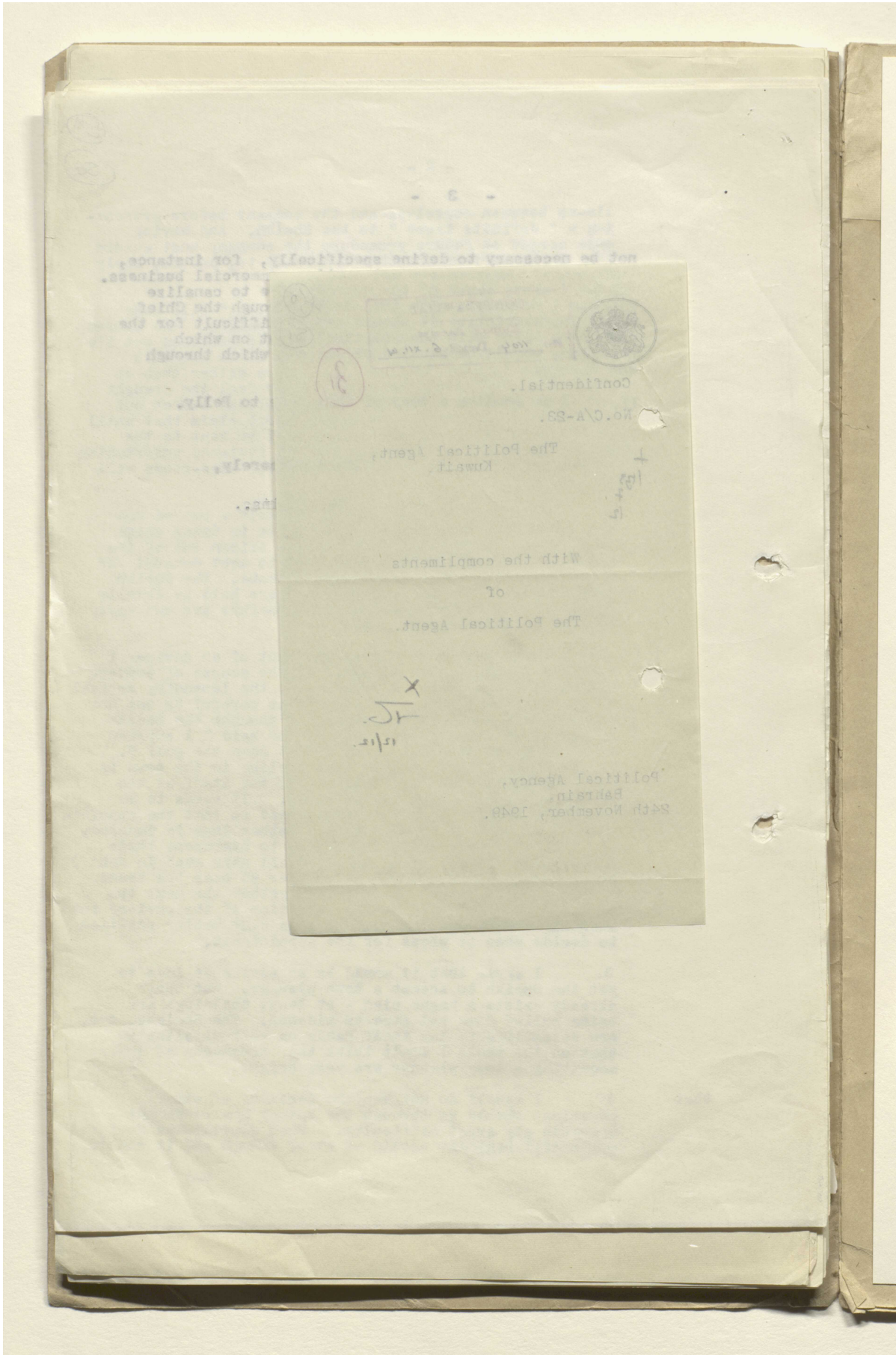
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [50v] (100/116)



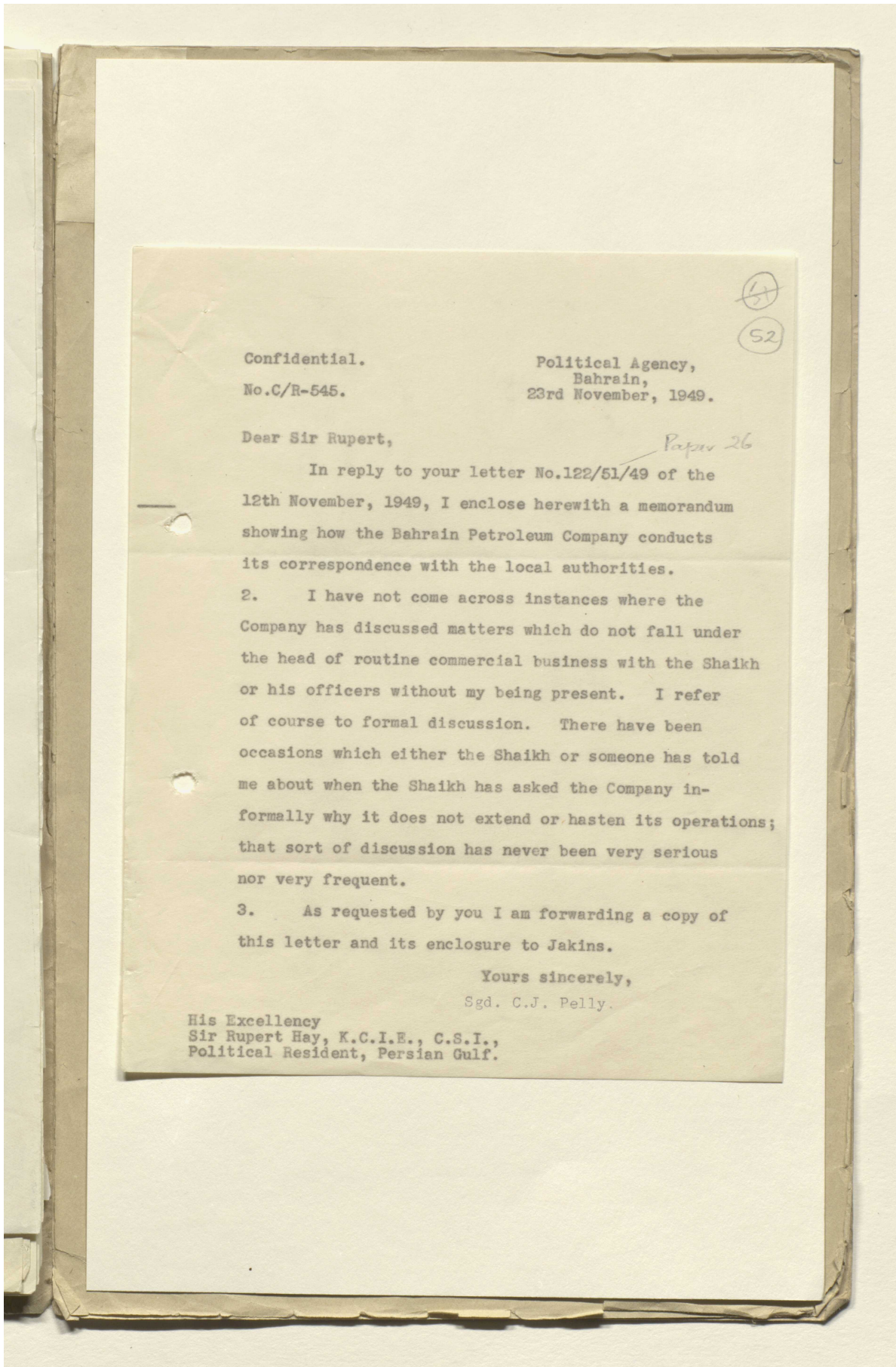
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [51r] (101/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [51v] (102/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [52r] (103/116)



Confidential.
No. C/R-545.

Political Agency,
Bahrain,
23rd November, 1949.

Dear Sir Rupert,

In reply to your letter No. 122/51/49 of the 12th November, 1949, I enclose herewith a memorandum showing how the Bahrain Petroleum Company conducts its correspondence with the local authorities.

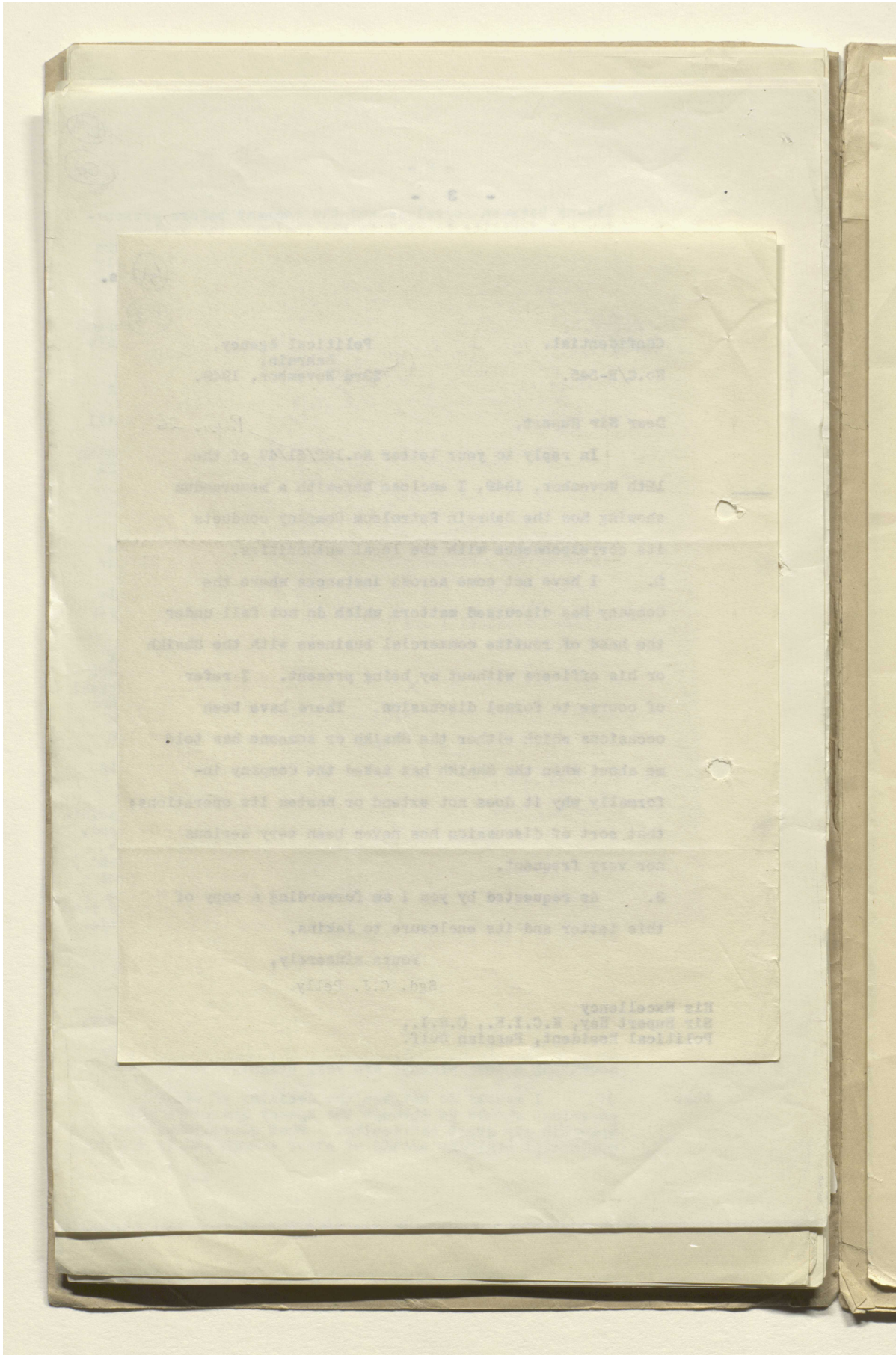
2. I have not come across instances where the Company has discussed matters which do not fall under the head of routine commercial business with the Shaikh or his officers without my being present. I refer of course to formal discussion. There have been occasions which either the Shaikh or someone has told me about when the Shaikh has asked the Company informally why it does not extend or hasten its operations; that sort of discussion has never been very serious nor very frequent.

3. As requested by you I am forwarding a copy of this letter and its enclosure to Jakins.

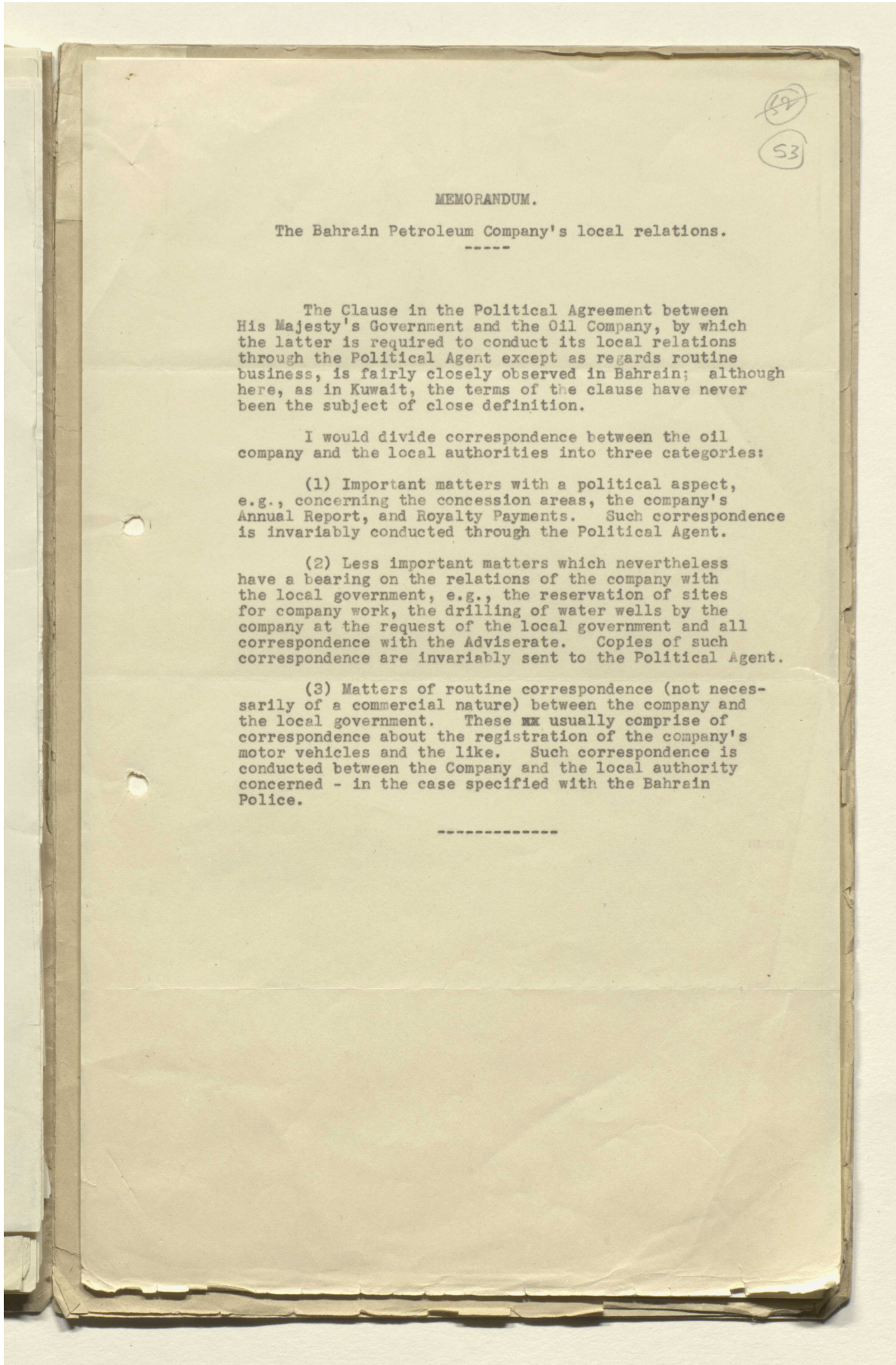
Yours sincerely,
Sgd. C.J. Pelly.

His Excellency
Sir Rupert Hay, K.C.I.E., C.S.I.,
Political Resident, Persian Gulf.

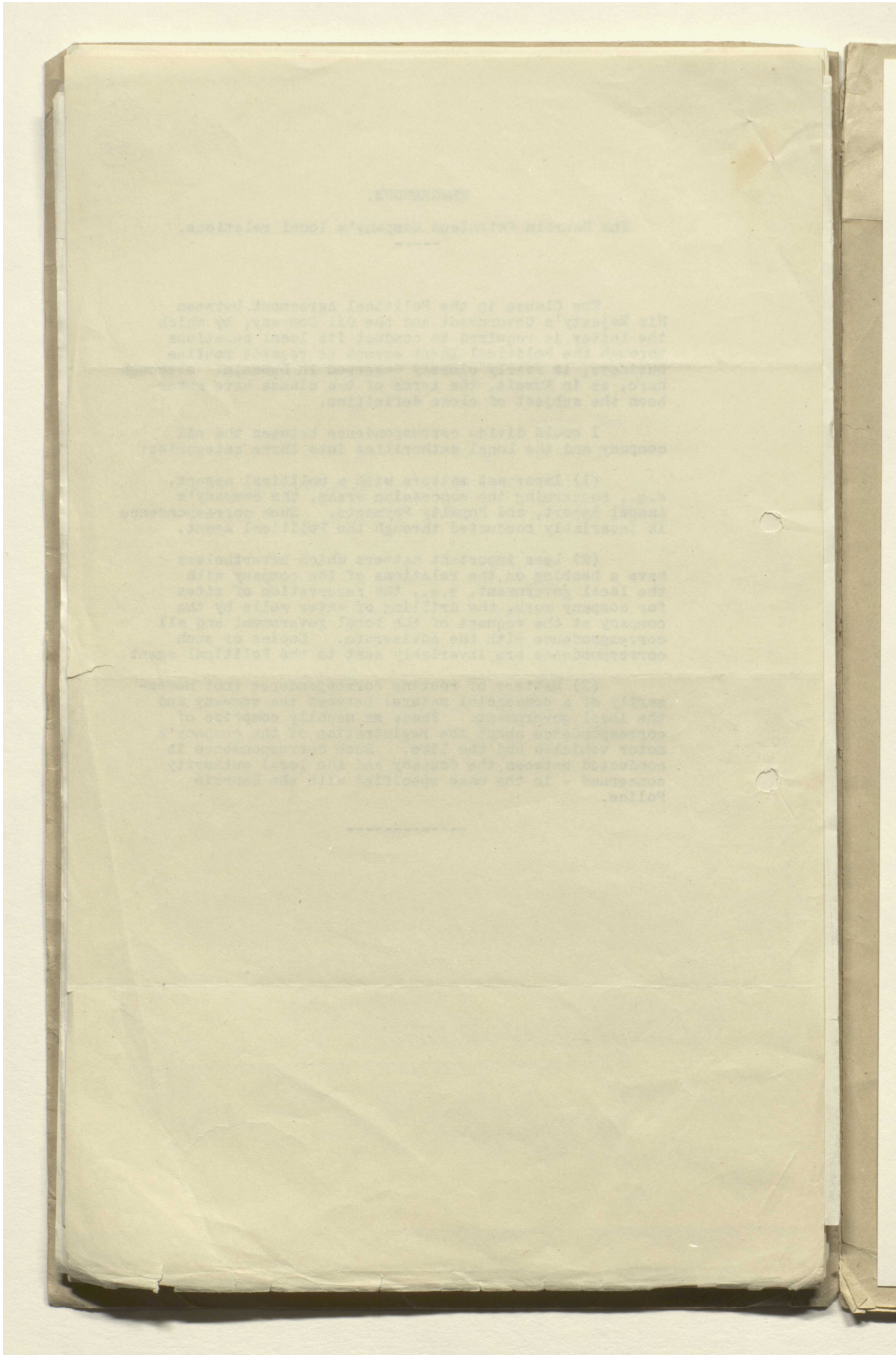
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [52v] (104/116)



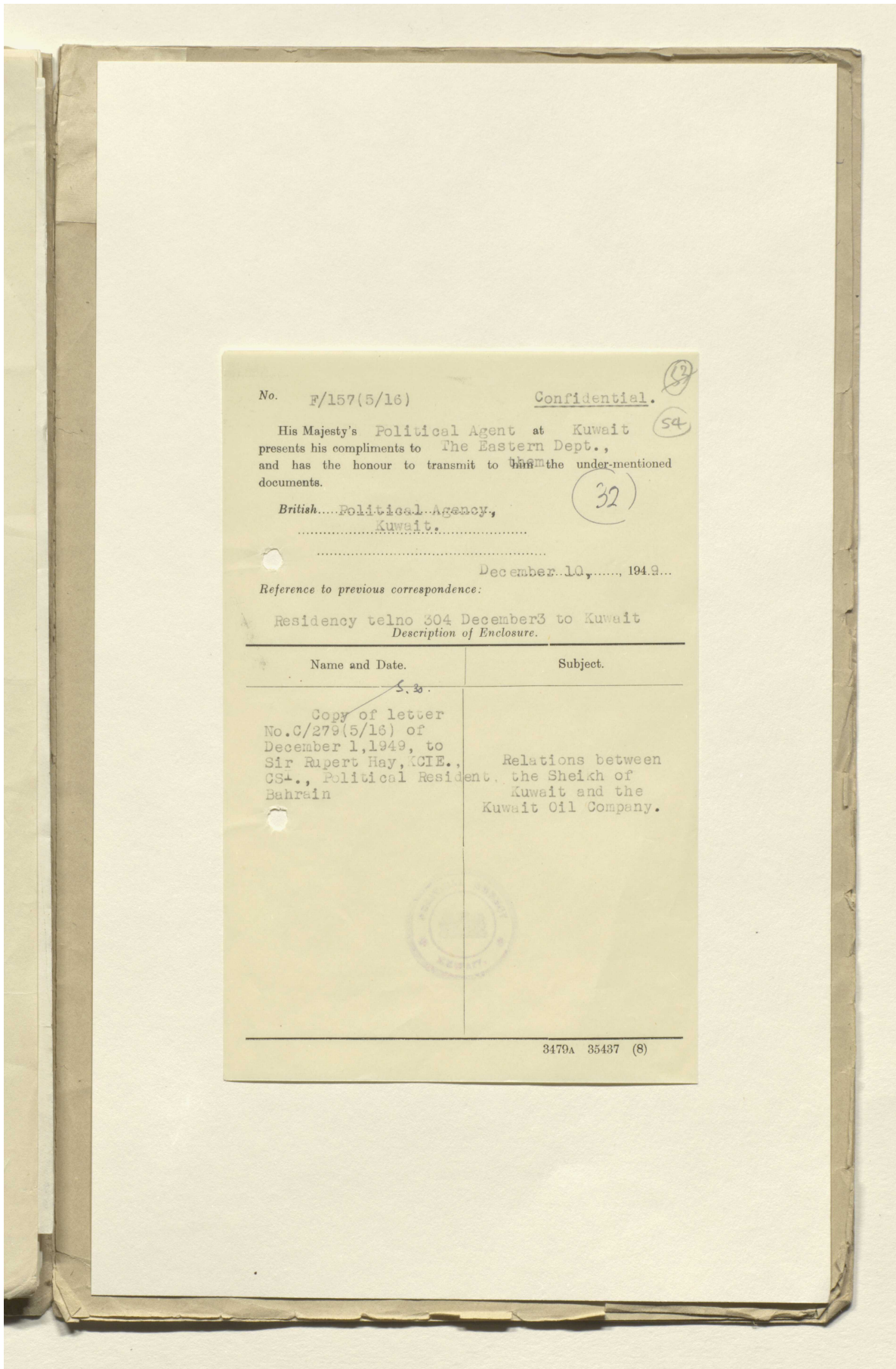
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [53r] (105/116)



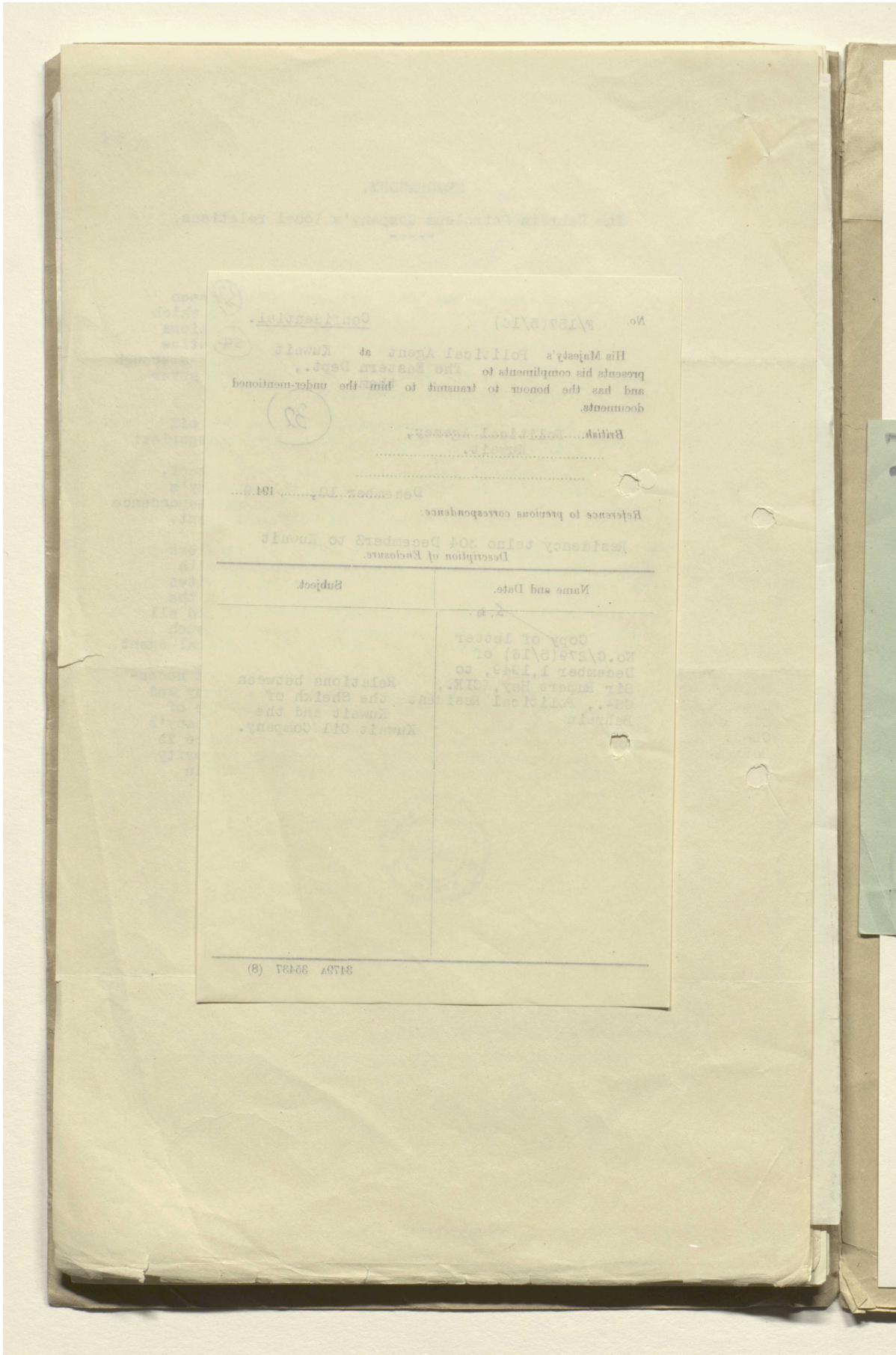
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [53v] (106/116)



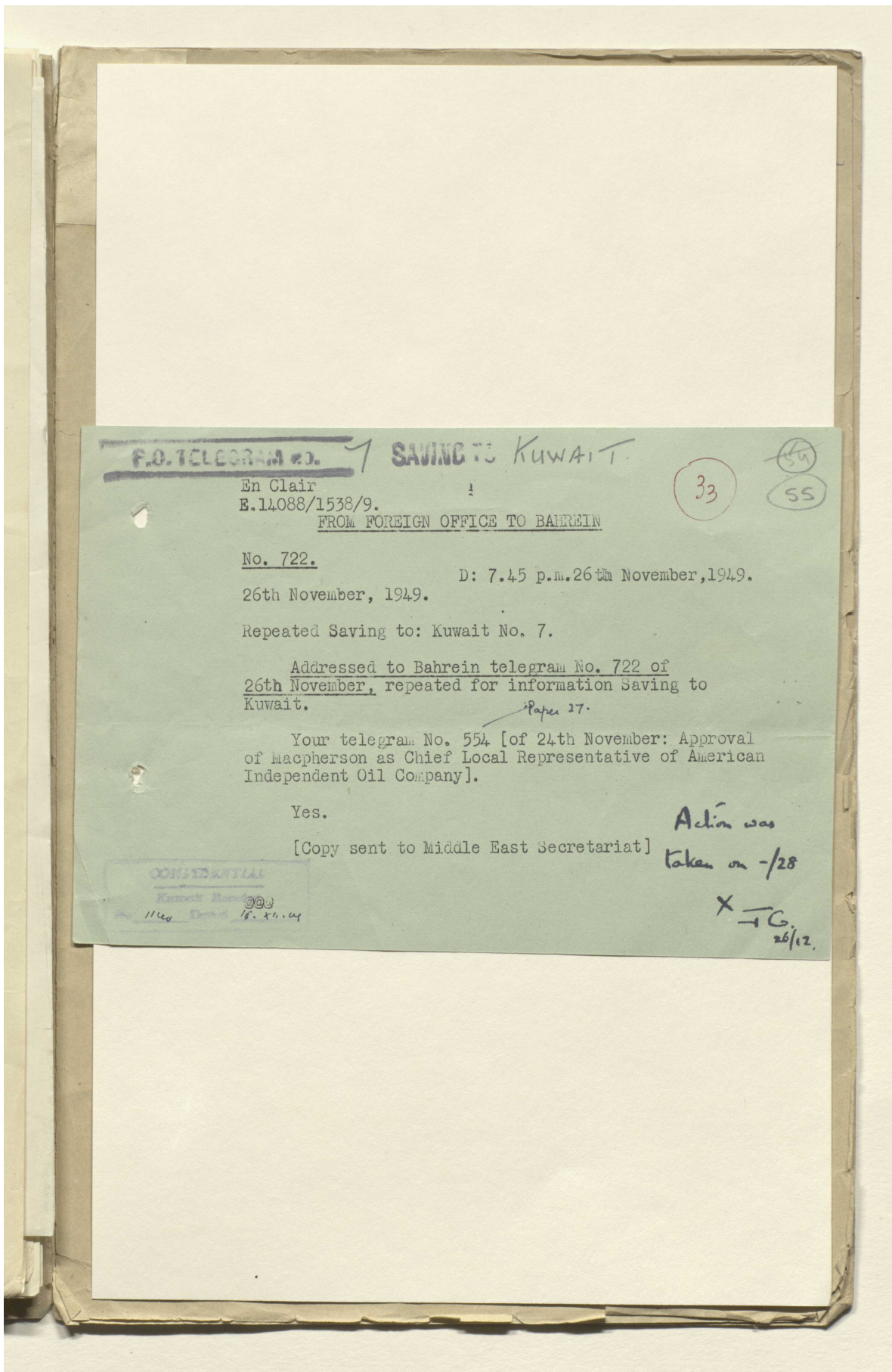
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [54r] (107/116)



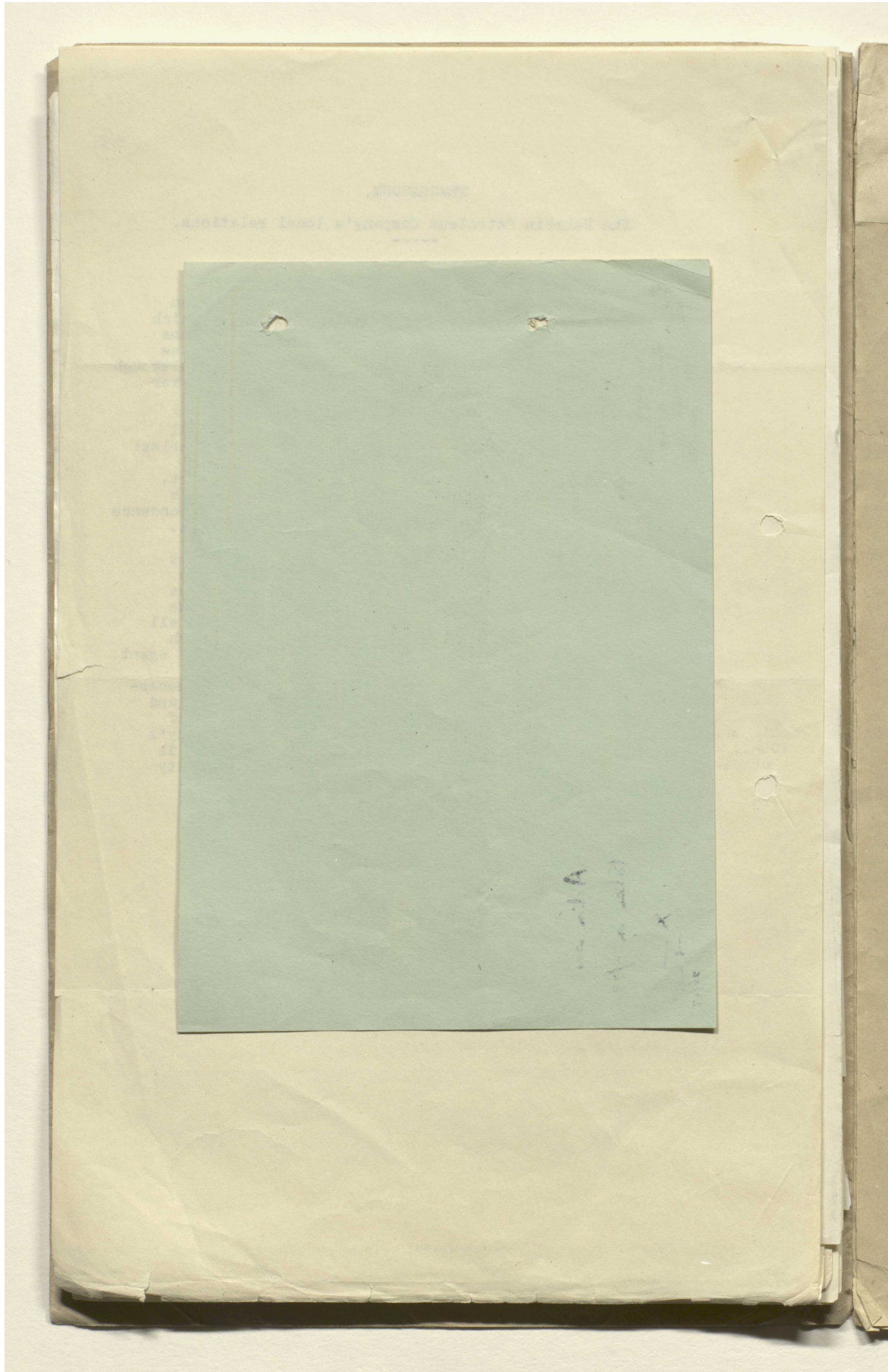
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [54v] (108/116)



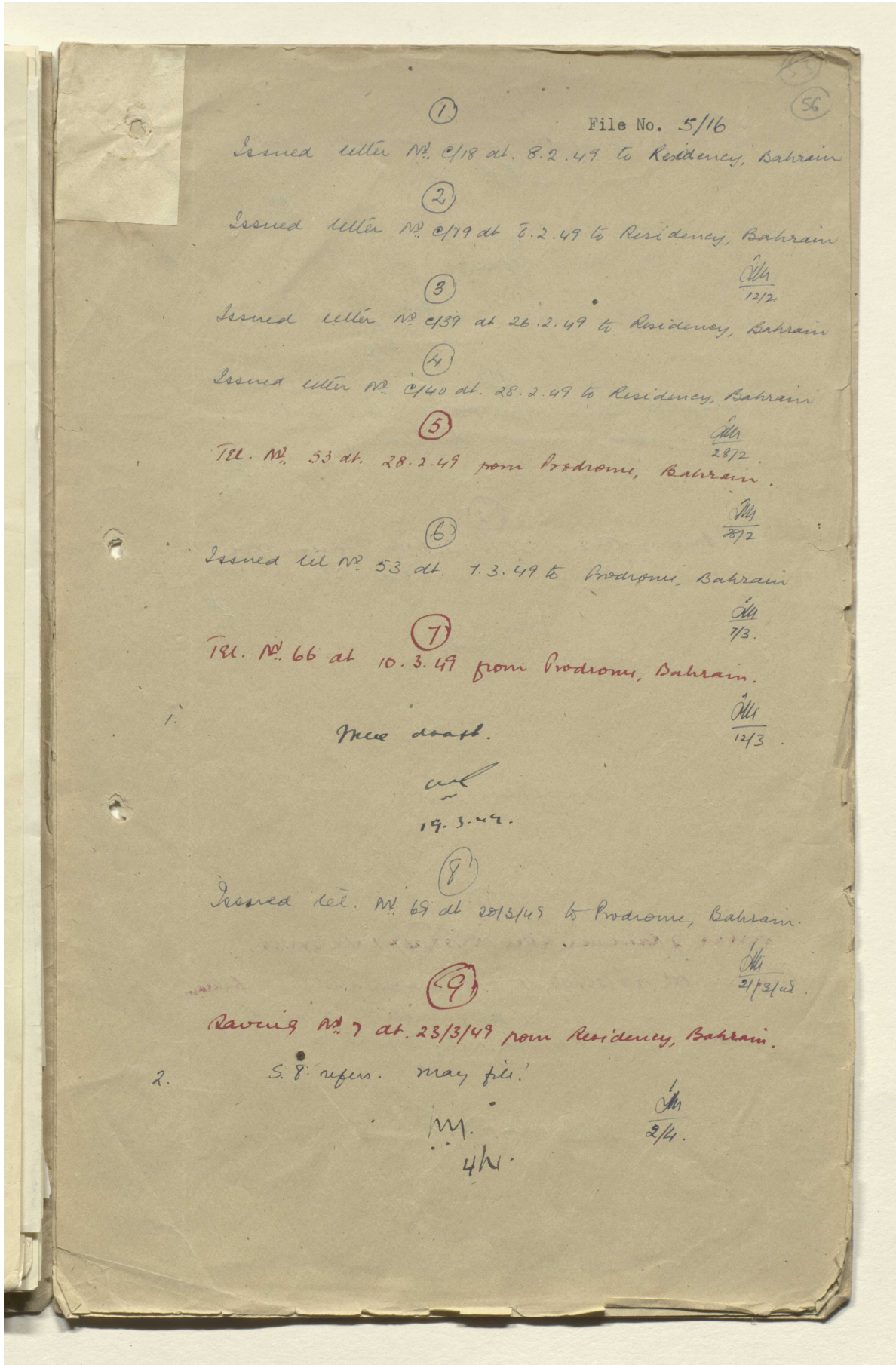
'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [55r] (109/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [55v] (110/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [56r] (111/116)



'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [56v] (112/116)

(10)
Iss. No. 93 dt. 4.4.49 from Residency, Bahrain.
A.F.A. JMS
5/4

JMS
JMS
JMS

(11)
Issued letter M/38 dated 5/4/49 to Mr. William
L. Morris, Aminco, Kuwait. JMS
6/5

(12)
Routing No. 2 dt. 26.3.49 from Foreign Office, London.
Letter has issued. File! 5
JMS
13/4

S.9. Submitted 6

Thanks file. 7
JMS
26/4

JMS
JMS

(13)
Instead of Residency letter No. 122/26/49 dt. 2.5.49.
P. Letter No. 122/26/49 dt. 2.5.49 from Residency, Bahrain. 8
For action in so far as relates to the Chief
Local Representative, KOC. Original on
file 31/13. JMS
11/5

Manuscript file problem. 9

JMS
18/5

'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [57r] (113/116)

(14)
Letter 122/35/49 dt. 2.7.49 from Residency, Bahrain. (57)
M/1
11/7

(15)
Letter No. 122/37/49 dt. 16.7.49 from Residency, Bahrain.
M/1
20/7.

10. S. 15 & 15. Some hrs draft/pl.
M/1
25/7.

(16)
Issued letter C/195 dt. 25.7.49 to Residency, Bahrain

(17)
Issued letter C/196 dt. 26.7.49 to Residency, Bahrain.

(18)
Issued P.L. No. F/54 dt. 26.7.49 to B. A. B. Burrows, L.O.
M/1
21/7.

(19)
P.L. No. 122/45/49 dt. 1/7/49 from Residency, Bahrain
File?
M/1
7/3.

12. S. 15 Para 2. The Gov & the Shaikh
have both been routing corr. about
the disputed islands thro' the PA.
So 55, 59, + 83²¹² in file 52 refer. file.
M/1

13. Some draft.
M/1
13/9

'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [57v] (114/116)

(20)
Issued letter C/228 dt. 12/9/49 to Residency, Bahrain
12/9/49

(21)
C.S. No. 122/49/49 dt. 25. x. 49 from Resident Bahrain

(22)
C.S. No. E 12788/1531/49 dt. 4. xi. 49 from P.O. London
13/4

(23)
letter dt. 19. xi. 49 from AMINCO, Kuwait.

(24)
Issued letter No. 14/174 dt. 21. xi. 49 to Dr. Zavis, Aminco

(25)
Issued letter No. 264 dt. 22. xi. 49 to Bahrain rep.
P.O.

(26)
So. No. 122/51/49 dt. 12. xi. 49 from P.R. Blair.

(27)
Saving No. 52 dt. 24/xi/49 from P.R. Blair

(28)
Tel. No. 296 dt. 25. xi. 49 from P.R. Blair.

(29)
Issued letter No. 14/177 dt. 20. xi. 49 to Mr. MacDermott.
Aminco.

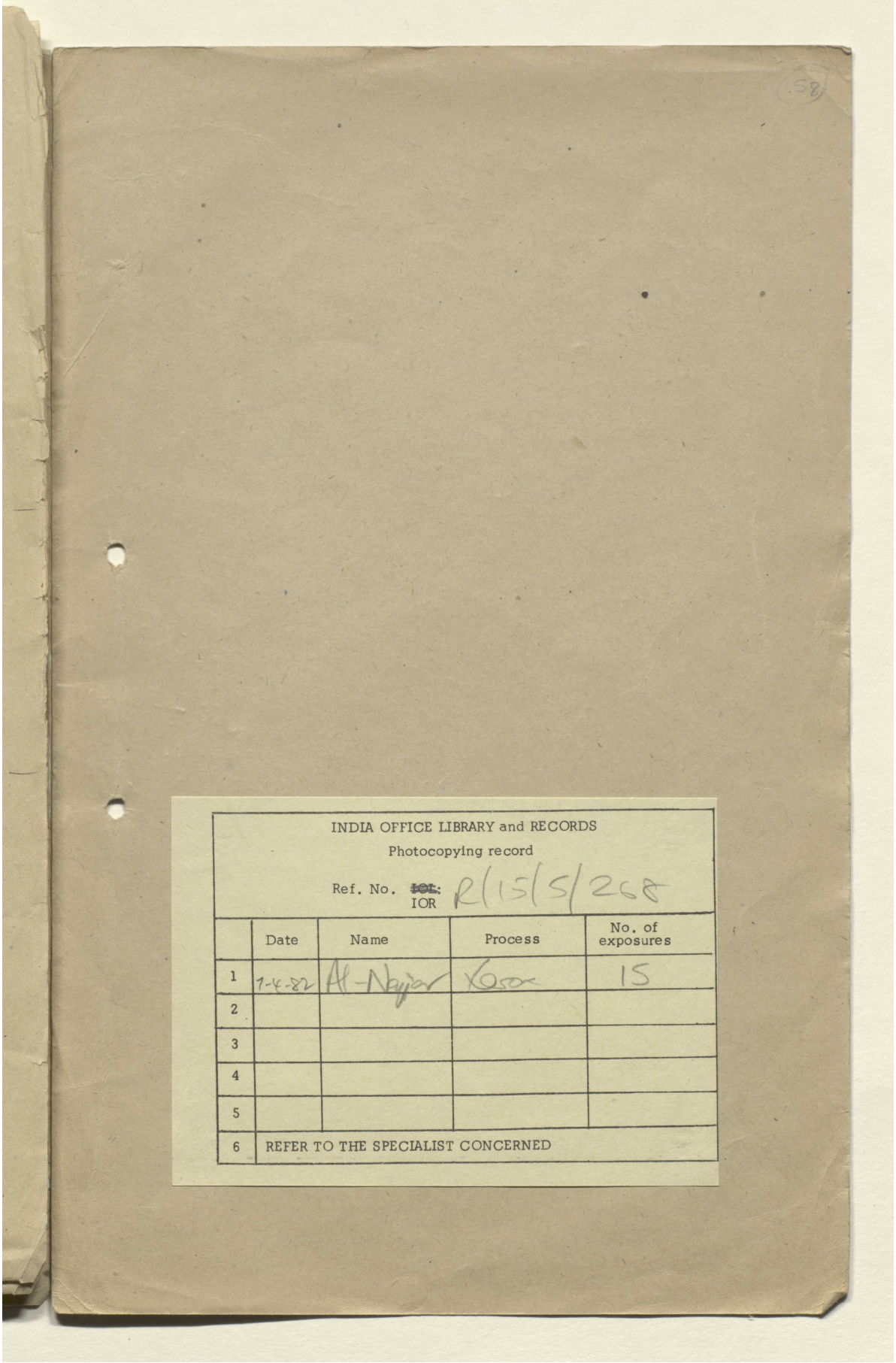
(30)
Issued letter No. C/279 dt. 1. xii. 49 to P.R. Blair.

(31)
Letter No. C/A-23 dt. 24. xi. 49 from P.A. Blair.

(32)
Issued P.L. No. P/187 dt. 10. xii. 49 to F.O. London.

(33)
Saving No. 7 dt. 26. xi. 49 from P.O., London

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'File 5/16 Chief Local Representative for KOC and Aminco; relations between companies and Shaikh' [back] (116/116)

