

Gulf Granted Oil License

From P. 1

The negative data thereby obtained is of positive value to any competitive country in the Island since the information gained by B.U.O.C. enables him to make plans for deep drilling without losing time and money on shallow wells.

B.U.O.C. placed at the disposal of the Government, free of charge, the services of Dr. Senn to make a very thorough survey of the underground water resources of the Island and his report has been and (it is believed) will continue to be of enormous value to this Colony.

In particular, B.U.O.C. located and drilled the first Well which proved the area that to-day provides the greater part of the Island's water supply. This was done without charge to Government.

B.U.O.C. has long established in Barbados and forms an integral part of the Island's economy. Both B.U.O.C. and its associates T.L.L. are fully cognisant of the economic standards and conditions in the West Indies and conform to the accepted standards of conducting relations with labour.

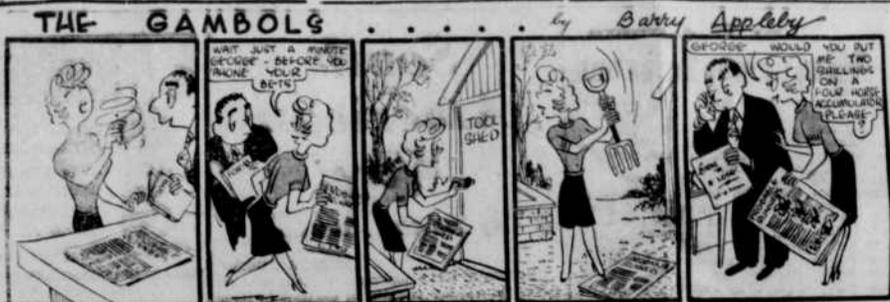
In the view of B.U.O.C., it would be quite impracticable to assess in terms of money the value of the leases which have been granted. It is determined, the exploration work which has already been done, the value of recoverable casing in the wells, the supply of a substantial quantity of gas to Barbados from Well No. 19 for domestic and industrial purposes, and the potential value of Well No. 20 as a similar source of gas.

In view of B.U.O.C., the most practical means of satisfying these claims is by the grant of an exclusive prospecting license over the whole Island for a period of four years so as to bring to a final conclusion the work and endeavour contributed by B.U.O.C. to the exploration for oil in Barbados.

Finally, it should be mentioned that the T.L.L. which will be associated with B.U.O.C. in deep drilling in Barbados, in order to help the war effort and obtain maximum production, were required by the Allied Governments unduly to over-produce their oil leases in Trinidad. T.L.L. also increased its refinery facilities to meet this increased production during the war years. The net result is that to-day T.L.L. with increased refinery capacity, has inadequate supplies of crude oil. By reason of the dollar situation it was forced to dispose of its assets in Venezuela, and for the same reason is unable for purposes of oil production to enter Canada and the U.S.A. It has recently drilled in the Bahamas and British Guiana without success. Apart from Trinidad, Barbados therefore offers the only possible outlet in T.L.L. to increase its crude output in the British Empire. On the other hand a competing U.S.A. Company is not fettered by dollar restrictions and is free to drill in the areas not open to T.L.L.

Offered 55 Per Cent

The Governor-in-Executive Committee, after a most careful consideration to the claim of the B.U.O.C. and the arguments adduced in support of it decided that B.U.O.C. and their associates, Trinidad Leaseholds, should be offered 55 per cent of the Island with the right to lease half this area for 21 years renewable for a further 21 years, if the lessee so wished, and further that they should be given first choice of the four subdivisions into which it was proposed to divide the Island for prospecting purposes. In addition, they should be granted 50 per cent of certain of the territorial waters with similar rights as regards leasing. The balance of the area, namely 45 per cent of the Island and 50 per cent of the territorial waters, with a right to lease half this area should be offered to the Gulf Oil Corporation. The above decision was communicated to the parties by the Attorney General and Mr. Tanner on the 24th of April. The Gulf Oil Corporation representative-



tives stated that the offer of 45 per cent of the Island was satisfactory to them but reserved certain points for further discussion pending the arrival of another representative of the Corporation from New York, who was expected the following day.

Walk Out

The representatives of B.U.O.C./Trinidad Leaseholds stated that the offer was quite unacceptable to them and after a brief reference by their spokesman to their competitors, they rose abruptly and immediately walked out of the room without further comment. The representatives of Trinidad Leaseholds who had come to the Island for negotiations returned by air to Trinidad the following day.

Faced with this walk-out by B.U.O.C./Trinidad Leaseholds, the Government had to decide on the next step and reached the conclusion that it would be in the interests of the people of Barbados to continue discussions with the Gulf Oil Corporation on the basis of a prospecting license over half the Island, leaving the remaining half as a Crown reserve pending further developments.

Nine Days Delay

Accordingly negotiations were continued with the Gulf Oil Corporation on this footing and on the 6th of May an agreement was reached on all outstanding points subject to approval of a clean draft of the license by the Gulf Corporation's Head Office. Mr. Tanner returned to Barbados the following day. A clean draft license was despatched by air mail to New York on the 7th of May but, owing to inordinate delays in the post, it was not received until the 15th of May, nine days later.

The Agreement

The main points of the agreement are as follows:-

- (1) A prospecting license for 4 years over approximately half the area of the Island (namely 45.3 square miles) such area to comprise the following parishes—St. Lucy, St. Peter, St. Andrew (excluding existing natural gas wells), St. Joseph, St. Thomas and Christ Church.
- (2) A prospecting license over the territorial waters contiguous to that part of the Leeward coast which lies between Harrison Point Lighthouse and the point where the boundary of St. Peter's parish meets the coast.
- (3) The right to lease 50% of the prospecting area in one or more lots for 21 years renewable for a further 21 years, and the option to acquire leases of the remainder at a competitive price.
- (4) The royalty to be 12% for 21 years and thereafter at a rate not exceeding 16.2% if the Governor-in-Executive Committee so prescribes. In addition the company will pay a rental of \$1 per year for every acre under lease.

\$20,000 Monthly

It is expected that the Gulf Oil Corporation will arrange for a geophysical crew to commence work in the Island within the next month or so, and drilling operations will start as soon as possible after this preliminary work is completed. It is estimated that geophysical operations alone will involve an expenditure of \$20,000 per month and that by the time the first hole is drilled to 10,000 feet the total expenditure incurred by the Corporation will be in the region of \$2,000,000. The Gulf Oil Corporation is the third largest oil company in the world, having a

International Federation Admits German And Austrian Publishers

ROME, May 17. THE International Federation of Newspaper Publishers, meeting in Congress here, today decided unanimously to admit German and Austrian publishers to the Federation, without demanding from them a special anti-Nazi declaration.

Dignity Of Press To Be Preserved

PARIS, May 17. The French Council of Ministers today approved a draft Bill for the setting up of a High Press Council charged with preserving the dignity and independence of the French Press and a High Council of Journalists with similar aims. The draft Bill was outlined by M. Pierre Henri Tietgen, Minister of Information. According to the draft the High Press Council would comprise directors of newspapers, press agencies and magazines elected by their colleagues for two year periods. They would be assisted by a legal adviser and a deputy. The High Council of Journalists would comprise 14 professional journalists elected for three years by journalists. It would be presided over by a senior magistrate. The Press Council would be charged with drawing up professional regulations, penalties to be inflicted in cases of infringement, and forming a "Court of Honour" to settle disputes affecting the honour of the Press. —Reuter.

CREDIT TO ARGENTINA MAY MATERIALISE

LONDON, May 16. London financial experts believe to-day that the question of a British credit to Argentina is still a possibility. This was their reaction to last night's announcement in Buenos Aires that the Financial Committee of the Anglo-Argentine Trade Negotiations would meet again this week, after the negotiations had been in abeyance for some time. They expressed dissent in recent Press reports that the British Government had decided against a credit, saying that the decision would depend on the negotiations as a whole. In their opinion the British negotiators would hardly take a rigid line one way or the other on one item in the negotiation divorced from all the others. Among British officials, those concerned with the wider aspects of an Anglo-Argentine Agreement were most friendly to the idea of a credit which is warranted by the agreement as a whole. It was thought that the amount rather than the principle of a credit might be the stumbling block. —Reuter.

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capital of over a billion dollars. The Gulf carried out drilling operations in England before and during the war at the request of the British Government and is at present working in partnership on a 50-50 basis with the Anglo-Iranian Oil Company (a company controlled by the British Government) in the rich oil field of Kuwait. Their past and present record gives ground for the belief that their relations with the Government of Barbados will be harmonious and beneficial to the people of the Island.

Fresh Fighting In Macassar

DJAKARTA, May 16. Reports of a fresh outbreak of fighting in Macassar, scene of the recent revolt against the Government by Captain Abdul Aziz were today confirmed by an Indonesian Defence Ministry spokesman.

He said seven soldiers of the Netherlands-Indonesian army, three Indonesian Government troops and 15 civilians had been wounded. Fighting flared up at dawn on Monday with mortar and rifle fire, and lasted two hours, said the spokesman. He was unable to give any information about the cause of hostilities or the forces opposed. The spokesman also confirmed that Ambon, capital of Ambon Island, was being blockaded.

He said, "We will not disclose the number of ships carrying out the blockade. We will take further military action, but we will not yet disclose what form of action this will be." In Ambon, rebel Ambonese soldiers of the Netherlands East Indies army have been backing the breakaway "Republic of Moluccas" movement.

There were now 1,500 former Dutch-controlled troops on Ambon island, according to the spokesman. He said the Dutch authorities regarded them all as mutineers. —Reuter.

A Fantastic Story

WASHINGTON, May 16. A State Department official said today that Russia's claim that Persia was using United States experts to take aerial photographs along the Persia-Soviet frontier was "just another fantastic Soviet story with no basis in fact." Moscow Radio reported yesterday that Russia had warned Persia that reported plans for surveys by foreign oil companies in areas of northeast Persia bordering the Soviet Union "are incompatible with good neighbourly relations" laid down in the cointerim mutual treaty signed in 1921. —Reuter.

Refuse To Form Government

ISTANBUL, May 16. Former Premier Cela Bayar whose opposition party gained a landslide victory in Sunday's Turkish elections, today refused a presidential invitation immediately to form a Government. Bayar, a 63-year-old banker, told President Ismet Inonu that he had not sufficient time to form a temporary Government before the meeting of the new National Assembly on May 22. He therefore preferred Premier Semsettin Gunalay to remain in office meanwhile. —Reuter.

Russia Reduces Reparations

MOSCOW, May 16. Russia has halved East-German reparations and extended the time for their payment. This was announced in an exchange of letters between Premier Stalin and East German Prime Minister Otto Grotewohl.

The new figure will be \$3,171 million and payment will be made in the next 15 years. Stalin said that his Government had consulted Poland and had taken into account the prompt way in which East Germany has so far fulfilled her reparations obligations to Russia.

The cut sprang from "the desire to ease the efforts of the German people to reduce their economy, the letter said. A Washington State Department official described Marshal Stalin's agreement to reduce Germany's reparations payments by half as a "sort of empty gesture." It was "just being done for political propaganda effects," the official said last night. —Reuter.

NEW COMMAND

NEW YORK, May 16. Mr. John Foster Dulles, special United States State Department adviser tonight called for establishment of a high-level American planning military command to counter Soviet moves in the "cold war". —Reuter.

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