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Memorandum of Conversation, by the Deputy Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Jernegan)

CONFIDENTIAL

[WASHINGTON,] March 18, 1953.

Subject: Boundary Disputes Involving Persian Gulf Sheikhdoms

Participants: Mr. Harley Stevens, American Independent Oil Company

NEA: Mr. Jernegan

Mr. Stevens said that his Company had a considerable interest in the dispute between Saudi Arabia and the British over the boundaries between Saudi Arabia and the Sheikhdoms of the Persian Gulf. This interest arose out of the fact that the boundaries of the Kuwait neutral zone, in which American Independent has a concession, were not fully settled and any eventual changes would, of course, affect the area to which the Company's concession applied. He also mentioned that the concession included the territorial waters of the neutral zone and that here again boundary questions could arise as it had never been determined precisely how the land boundary lines should be projected out to sea.

With respect to the boundaries on land, Mr. Stevens observed that his Company would be pleased to see the northern frontier of the neutral zone moved to the North and would therefore welcome any attempt by King Ibn Saud in that direction. The reverse would be true, however, with regard to the Southern and Western boundaries. If they were moved in favor of Saudi Arabia, this would reduce the total area of the zone and hence the total area of the concession.

With respect to the sea boundaries, Mr. Stevens pointed out that a great deal would depend on whether they were considered to be perpendicular to the shore line at the points where the land boundaries touched the shore, whether they were considered to be projections of the land lines in the direction those lines took in approaching the shore, or whether some other basis was adopted. He recalled having seen a map prepared a few years ago in an attempt to make a fair division of the waters of the Persian Gulf among all the riparian states. This had given Kuwait and the neutral zone almost nothing and a vastly disproportionate area to Iraq despite Iraq's very short coast line on the Gulf. His Company would be very unhappy to see something of this sort adopted. For the present, he was not asking any assistance from the Department