

since American Independent had recently agreed with the British authorities to be guided by the British in the location of any offshore wells it might undertake to make sure that drilling was not attempted in areas which might come under dispute. In any case the question was not of immediate importance to the Company because it did not intend to attempt offshore drilling unless and until it had found oil on land.

Incidentally, Mr. Stevens said that his Company had been trying to get British concurrence in the thesis that Kuwait and neutral territorial waters extended six miles rather than three miles offshore. It based its argument on the fact that Saudi Arabia claimed six miles and since Saudi Arabia had a half interest in the neutral zone, it was unreasonable to restrict American Independent to a three-mile limit merely because the British only claimed three miles for Kuwait. An agreement had recently been reached and would shortly be signed by the Sheikh of Kuwait which did not precisely state that the territorial waters extended six miles offshore but which contained a formula that did in fact permit American Independent to drill up to the six-mile limit.

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Memorandum of Conversation, by Richard Funkhouser and David Robertson of the Office of Near Eastern Affairs

CONFIDENTIAL

[WASHINGTON,] March 26, 1953.

Subject: Oil Discussions with British Embassy Representatives

Participants: Harold Beeley, Counselor, British Embassy
Angus Beckett, Petroleum Attaché, British Embassy
British Legal Representative
Mr. Byroade--NEA
Mr. Robertson--NE/E
Mr. Penniman--PED
Mr. Hart--NE
Mr. Funkhouser--NE

Mr. Beeley addressed himself to two principal points: (a) the status of 1952 U.K. note recommending close inter-governmental cooperation on Middle East oil problems and (b) the specific problem of pipeline transit agreements with Middle Eastern states. Counselor Beeley recalled that Assistant Secretary McGhee had suggested an Anglo-American statement in 1951 setting forth joint U.S.-U.K. oil policy for the Middle East. The joint declaration