

Department approach the above loaning agencies and suggest to them that it would not displease the Department if they were to refuse to change their present registry requirements and that it would be preferable if they were to cancel their agreement with Onassis. Mr. Niarchos advanced this proposal on a confidential basis, but requested that the Department of Justice be informed.

Mr. Jernegan said that the Department recognized the dangers inherent in the agreement, but he believed it would be reluctant to use this method of influencing the outcome of these difficulties and that it would much prefer to have the Saudi Arabs themselves realize the unfortunate effects on Arabs as well as Americans, of such an infringement on the concession agreement. He thought it was up to the oil companies, in the final instance, to try to resolve the matter. He expressed his appreciation, however, for the information which had been tendered by Mr. McCormick.

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*United States Record of the First Session of the United States-
United Kingdom Talks on Middle East Oil*¹

CONFIDENTIAL

[WASHINGTON,] April 5, 1954.

Subject: US-UK Middle East Oil Talks Meeting, 3:00 P. M., April 5, 1954

Participants: Messrs. Beeley, MacGinnis, Brook and Druitt—
British Embassy
Mr. Armstrong—OMP
Mr. Dorsey—NE
Mr. Fritzlan—NE
Mr. Gay—NE
Mr. Metzger—L/E
Mr. Eakens—PED

At this meeting discussion was completed on the first three items of the agenda attached as Annex A.

I. Pipe Line Transit Agreements in the Middle East

The British representatives generally indicated the status of the views and plans of IPC in regard to pipe line transit negotiations. IPC does not expect to engage in negotiations with Syria until after

¹ No drafter was listed for any of the three talks with the British. Circular airgram 6556, May 13, transmitted the record of the three talks to Department of State representatives in the Middle East for information and any comment they might wish to make on them. (880.2553/5-1354)