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

CONFIDENTIAL

[WASHINGTON,] April 8, 1954.

Subject: US-UK Middle East Oil Talks Meeting, 4:00 p.m., April 8,
1954

Participants: Messrs. Beeley, MacGiannis, Brook and Druitt—

British Embassy

Mr. Armstrong—OMP

Mr. Dorsey—NE

Mr. Fritzlan—NE

Mr. Gay—NE

Mr. Metzger—L/E

Mr. Eakens—PED

Mr. Dorsey reported on the royal decree in Saudi Arabia about which the British had inquired at the first session. Under the decree Aramco is required to build six or seven new schools but only for the children of employees. Aramco also is required to expand hospital facilities, but these also are limited in principle to Aramco employees. In regard to hospital facilities, however, it is Aramco's policy not to turn anyone away, and hence treatment is provided to the general public to the extent that treatment is requested.

*VIII. General Economic and Political Trends (e.g., Nationalism) in
the Middle East and Their Significance for Petroleum Oper-
ations in the Area*

Mr. Dorsey also opened the discussion on this question. He did not think there had been any significant new trends which had developed since the previous talks. The increase in activity on the Jordan-Israel border has been of considerable concern to Aramco and Tapline, particularly in regard to the effect which it might have on their employees and on the possibility of forcing a closing of the line. Mr. Dorsey felt that the situation generally has deteriorated markedly in the past six months in this area.

Mr. Gay, who had recently visited the Middle East, observed that the question of the status of the West in the Middle East currently is very much in the minds of the people of the area, perhaps influenced by a recent prediction of a visiting Arabist that Western interests would be expelled from the region within a decade. On the other hand he noted legislative developments which might be regarded as favorable to Western investors.