

I therefore recommend that you bring this matter to the attention of the Secretary of State, noting the concern with which the Department of Defense views any agreement which could interfere with the existing arrangements for transporting vitally needed Saudi Arabian oil products for the use of the U.S. Armed Services. It is my view that the Department of State should obtain the assurance of the Saudi Arabian government that any agreement it may make in the premises will not affect the transportation of oil by vessels operated by or under the control of the Military Sea Transportation Service.

Sincerely,

R. B. ANDERSON

No. 340

886A.2553/4-1654

*The Acting Secretary of State to the Secretary of Defense (Wilson)*¹

SECRET

WASHINGTON, April 24, 1954.

DEAR MR. SECRETARY: I refer to your letter of April 16, 1954,² regarding the reported agreement between the Saudi Arabian Government and the A. S. Onassis Company and the possible effects of implementation of the agreement upon the Navy's interest in transportation of Saudi Arabian oil.

I fully appreciate and share your concern, and that of the Secretary of the Navy and the Joint Chiefs of Staff, over implications of the reported agreement as they affect United States interests. The Department has therefore authorized our Ambassador at Jidda to represent our interest in this matter to the King of Saudi Arabia and to endeavor to obtain an assurance that the transportation of Saudi Arabian oil by vessels operated by or under the control of the Military Sea Transportation Service will remain unaffected by any agreement which the Saudi Arabian Government may make.³

Sincerely yours,

For the Acting Secretary of State:

ROBERT MURPHY

Deputy Under Secretary

¹ This letter was drafted by Jernegan on Apr. 23.

² *Supra.*

³ Telegram 303 to Jidda, repeated as 179 to Dhahran, Apr. 23, not printed. The concluding paragraph informed the Ambassador the Department of State did not want the King to gain the impression the United States would be willing to see damage to Aramco only if the Navy were protected and suggested the Ambassador might want to consult with Aramco officials and then report to the Department before approaching the King. (886A.2553/4-2354)