

No. 1546

786A.00/3-954: Telegram

*The Ambassador in Saudi Arabia (Wadsworth) to the Department of State*¹

SECRET PRIORITY

JIDDA, March 9, 1954—8 p. m.

384. 1. Ohliger, Aramco Vice President, came from Dhahran yesterday to discuss company's position re paragraph c, British proposals for frontier arbitration.²

Rentz of Aramco and Saudi legal consultant, Young (see last paragraph my telegram 358 February 20³) had been given text British proposals March 3; Ohliger had been summoned Riyadh by King March 5.

He was first asked would Aramco be willing undertake exploration in disputed area if as result Saudi-British discussion that seemed best thing to do. He answered: Yes, but not immediately because some advance planning needed.

He was then asked if Aramco was willing surrender concessionary rights in disputed area (i.e., such, if any, part of it as arbitral commission might allocate to Saudi Arabia) in favor British companies. He answered no

2. Ohliger wished us know also that Rentz who had returned Riyadh March 7 as Young's interpreter reported:

(a) That Saudis had apparently understood Department's favorable reaction to British proposal (Deptel 246 February 16⁴ and mytel 131 February 19 from Dhahran⁵) as including support of British effort obtain concession disputed area; and

(b) That on this substantive issue Saudis' eventual position would depend in large measure on position taken by Aramco and attitude US Government.

3. In reply, I outlined my Riyadh discussion February 19 (Embtel 358 February 20) and assured him as I now categorically assure Department that while in fact I stated I considered proposals went far

¹ Repeated to Dhahran.

² This reference is to the memorandum by the British Foreign Office to the Embassy in the United Kingdom, Document 1543.

³ Not printed; the Ambassador reported he had met on Feb. 19 with the Saudi Arabian Deputy Foreign Minister, Ambassador to London, and Councilor Gargoni, to receive their preliminary and informal views on the British proposals. The Saudi Arabians said they could not give an official reply to the British until they consulted their legal advisers, and they had requested Young's immediate return. (786A.00/2-2054)

⁴ *Supra*.

⁵ Not printed; the Ambassador reported he would support the British proposals at a meeting with the Acting Foreign Minister that evening. (786A.00/2-1954)