

No. 1549

786A.022/3-1254: Telegram

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

SECRET

JIDDA, March 12, 1954—11 p. m.

388. Re my telegram 387, March 12.² Following is text paragraph 3, British Buraimi proposals:

"All the above is provided that the oil operations of the IPC and AIOC go on. The former company acquired its present interests before the Saudi Arabian Government advanced their 1949 claim and brought the area into dispute and Anglo-Iranian's marine concession is contiguous to the former company's land concession. It would not be to anyone's advantage to stop these oil operations in the area. Much time and money have already been spent on them and there is no reason why they should not continue. It is recognized, of course, that Aramco's concessions would, as things stand, extend to cover any which as a result of arbitration might pass to Saudi sovereignty. It is not desired to impair Aramco's concessionary rights. Nevertheless, if the Saudi Government and Aramco were agreeable, the two British oil companies would in due course be interested in the negotiations of concessionary rights in any disputed area which might pass to Saudi sovereignty, it being understood that they would be offered on terms no less favorable than Aramco's. On this basis there is clearly every advantage and no disadvantage in agreement to the present oil operation."

WADSWORTH

¹ Repeated to London and Dhahran.

² Not printed; it reported that the wording of paragraph c of the British proposals on Buraimi handed to the Saudi Arabians differed slightly from paragraph c of the British Foreign Office memorandum handed to the Embassy in the United Kingdom, Document 1543. The King's Councilors considered that paragraph to contain an implied commitment of Saudi willingness to grant a concession to a British company, and told the Ambassador they could make no commitment to the British regarding concession rights unless Aramco renounced its rights without qualification. (786A.00/3-1254)