

firmed as Saudi territory, "particularly if the British Government insists that British companies be allowed to continue operations in the area or if Saudi Arabian Government requests Aramco so to do";

6. Failure stop all oil operations will render determinations more difficult;

7. Aramco strongly urges USG use influence bring about discontinuance oil operations and prompt boundary settlement all disputed areas;

8. USG attitude that British proposal will not embarrass Aramco is unrealistic and dangerous to USG as well as Aramco; "this point is beyond dispute because Aramco already has been greatly embarrassed by the proposal";

9. Aramco fears SAG may be on verge deciding deal with British on broad basis in oil matters failing positive USG support Aramco and early settlement; and

10. Nothing in Saudi reply inconsistent Aramco's strong conviction that all oil operations be discontinued.

WADSWORTH

No. 1554

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Memorandum of Conversation, by the Officer in Charge of Arabian Peninsula-Iraq Affairs (Fritzlan)

SECRET

[WASHINGTON,] March 23, 1954.

Subject: Buraimi Dispute: Aramco's Position

Participants: Mr. Davies, Chairman of Board of Aramco

Mr. Spurlock, of Aramco

Mr. Chapman, of Aramco

NEA—Mr. Byroade

NE—Mr. Fritzlan

Mr. Davies and his associates called in order to ascertain the Department's latest thinking on this subject.

Mr. Davies repeated his great concern over the situation in the light of Mr. Ohliger's talks with King Saud which revealed serious misgivings on the part of the King as regards United States leadership, etc. (Jidda's telegram 392 of March 15¹). Mr. Davies felt that it was important for the Department to back up Aramco fully and to take steps to test the good faith of the British in making their

¹ Not printed, but see footnote 2, Document 1551.