

terminated by the arbitration award and each side would withdraw from the other side's territory.

There was some discussion of this point and various practical difficulties were mentioned. However, Mr. Davies made it clear that if the Saudi Arabian Government asked Aramco to enter the disputed area it would be obliged to do so. He also made clear his belief that a far better arrangement would be for the British to withdraw and for neither party to enter the disputed area until completion of arbitration. Mr. Davies and his associates expressed surprise that the British had taken the stand that continuation of their operations in the disputed area was an "absolute must" as far as their proposals were concerned.

Mr. Byroade stated we would study the matter further and hoped to be able to make certain suggestions to the Foreign Office through our Embassy in London. He assured Mr. Davies, who leaves tomorrow for Saudi Arabia, that the Department, in seeking to further the chances of settling this matter, will do everything it properly can to protect Aramco's interests.

No. 1555

780.022/3-3154

*Memorandum of Conversation, by the Officer in Charge of Arabian Peninsula-Iraq Affairs (Fritzlan)*¹

SECRET

WASHINGTON, March 31, 1954.

Subject: Buraimi Dispute

Participants:

Aramco

State

Mr. Spurlock

NEA—Mr. Jernegan

Mr. Noble

NE—Mr. Dorsey

¹ Filed with this memorandum of conversation was a memorandum by Dorsey to Jernegan, drafted by Fritzlan and cleared by NEA and BNA, dated Mar. 31, discussing the meeting that was to take place with Aramco representatives later that day. Although the Department of State had previously given general support to the British proposals of Feb. 15, the memorandum suggested that in view of the position of Aramco and the Saudi Arabian Government it might be in order to suggest suspension of IPC activities as a means to improve the atmosphere. It seemed unlikely, however, that the British would agree to suspend them and there seemed no way the United States could properly force them to comply. In that case, it seemed possible Saudi eagerness to settle the dispute would lead them to request the Department of State to persuade Aramco to agree to give up its concession rights in the area. The memorandum ended by stating that: "Should this happen we might conceivably consider it in the National interest for Aramco to comply with the Saudi request. Perhaps this point should be discussed with the Aramco representatives." (780.022/3-3154)