

from Aramco. However Embassy asking Foreign Office if it objects our mentioning matter to Aramco should it become pertinent in discussions.

SMITH

No. 1558

780.022/4-1554: Telegram

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

CONFIDENTIAL

JIDDA, April 15, 1954—4 p. m.

432. Since receipt Deptel 282, April 7,² following items re eastern frontier dispute and related matters have come my attention:

1. Aramco Vice Presidents Duce and Ohliger were received by King Saud in private audience April 7 and 8 in Riyadh and again April 10 at Dhahran on eve His Majesty's departure on official visits Bahrain and Pakistan. Aramco Jidda representative Owen tells me:

At April 7 meeting King did most of talking. He liked film "The Arab Island" Duce had shown him but suggested it be brought up to date by including something regarding his own succession. Then with view bringing Duce up to date SAG thinking, King made *inter alia* following points:

At April 8 meeting Ohliger handed King letter (mytel 423, April 6³) formally asserting Aramco position re no suspended concessionary rights in eastern disputed areas. . . . Further discussion was reserved for April 10 meeting subject of which I have not yet learned.

Duce and Ohliger were also told King had fixed date (April 23) for resumption important discussion begun January 1952 regarding price Aramco receives from parent companies for crude oil off-take and related questions.

2. British Ambassador Pelham has told me of King's proposal March 21 through British political agent Pelley at Kuwait for settlement eastern frontier claims by reverting to direct negotiation. In reply Foreign Office's request for comment, Pelham urged strongly that while informal negotiations direct bilateral settle-

¹ Repeated to London and Dhahran.

² Not printed; the Department of State informed the Embassy it would discuss paragraph c with the British Embassy and then send pertinent information and instructions. (780.022/4-454)

³ Document 1556.