

091 SAUDI ARABIA - MISCELLANEOUS  
SWNCC

RESTRICTED

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British Patent No. 224,787

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LIST OF PAPERS

FILE UNDER NO. 091 SAUDI ARABIA (MISCELLANEOUS)

Serial No.	From	Date	To	Synopsis
1		Undated		Tentative Manning Table "U.S. Military Mission to Saudi Arabia"
2		Undated		Air Field at Dhahran (Ras Tamura)
3	Maj. Gen. Hull	10/24/44		Problems Concerning Saudi Arabia
4	USAFIME	12/16/44	AG., Washington	Military Mission to Saudi Arabia
5		1/1/45	Mr. McCloy	Meeting of the Committee of Three, Tuesday, 2 Jan. 1945.
6	Col. Whitson	1/9/45	Mr. McCloy	Financial Aid to Saudi Arabia (attachm't)
7		Undated	SWNCC	Report of War and Navy Depts in the matter of the financial situation of Saudi Arabia.
8	Col. McCarthy	1/16/45	Mr. McCloy	Memo re release of Col. Connor.
	<del>Col. McCarthy</del>	<del>1/16/44</del>	<del>Adj. Gen.</del>	<del>Mission to Saudi Arabia</del>
9	Col. McCarthy	1/17/45	Mr. McCloy	Assignment of Col. Connelly.
10	Col. Whitson, Comdr. Nutting, Mr. Mosely	1/18/45	Messrs Murray, Kane, Col. Brownell	Financial Aid to Saudi Arabia. Minutes-action taken at 7th meeting SWNCC.
11	J.C. Dunn	1/22/45	Mr. McCloy	Correspondence re financial assistance to Saudi Arabia.
12				Extract Minutes of 7th Meeting.
13	Mr. McCloy	1/28/45	Dep. Chf of Staff	Memo outlining certain matters to be considered re Saudi Arabia.
14	J.J. McCloy	1/31/45	Dep. Chf of Staff	Loan of Maj. Snyder to State Dept.
15	SWNCC Sec.	2/7/45	Committee Members	Memo designating additional member of ad hoc committee.
16				Minutes of 11th Meeting
17	Mr. Cox	2/26/45	Mr. Dunn	Memo re President's conversations with King Ibn Saud.



## LIST OF PAPERS

FILE UNDER NO. 091 SAUDI ARABIA (MISCELLANEOUS)

Serial No.	From	Date	To	Synopsis
18	J.C. Dunn	2/27/45	JCS	Memo re "The acquisition and construction of a U.S. Military Airfield at Dhahran"
19	Mr. Stimson	3/7/45	Sec State	Reply to State Dept. Letter of March 2, re military mission to Saudi Arabia.
20	Maj. Field	3/10/45	Mr. Acheson	Memo forwarding excerpt of minutes of meeting re financial assistance to Saudi Arabia.
21		3/24/45		Personal Letter to Col. McCarthy
22	Col. McCarthy	4/26/45	Col. Otto, OPD	Memo encl. letter to Sec Stimson from Mr. Grew re desire by War Dept to secure air route from Cairo to Dhahran.
23	Sec. Stimson	5/9/45	Mr. J.C. Grew	Letter re negotiations concerning construction of airfield at Dhahran and improvements to Jidda Field.
24		5/10/45		Draft letter fr. War and Navy Sec's to State Dept., re Lend-Lease to Saudi-Arabia/
25	Col. Tasker	5/23/45		Memo re: Financial Assistance to Saudi Arabia
26		6/2/45		Memorandum for Holders of SWNCC 19 Series
27				Extract Minutes of 19th Meeting
28	R.E.C.	6/22/45		Memo re Section 2 of 19th Meeting.
29		6/22/45		Copy of memo. of conversation with Judge Vinson re: Saudi Arabia Matters.
30		6/28/45		Message approval of Construction of Airfield at Dhahran.
31	Lt. Gen. Hull	7/10/45	Comm. Gen., Cairo, Egypt	Memo forwarding copy of SWNCC 19/14.
32	Maj. Gen. Craig	8/1/45	"	Memo forwarding copy of SWNCC 19/15
33	"	8/3/45	"	Memo forwarding copy of SWNCC 19/16



LIST OF PAPERS

FILE NO. 091 SAUDI ARABIA ( MISCELLANEOUS)

Serial No.	From	Date	To	Synopsis
34	Robert A. Lovett	10/5/45	Sec of State	Letter re: C-47 airplanes delivered to King of Egypt and King Abdul Aziz of Sudi Arabia.
35	Sec. of War	1/25/46	Sec. of Stat	Letter re: objection by the King of Arabia to assignment of Military Attaches to the Legation in Saudi Arabia.
36	Mr. Byrnes	1/31/36	Memo for Pres.	Memo re: Completion of Lend-Lease Internal Security Program for Saudi Arabia.

8908, 24/12-1240  
3/18/57



2/14/46

STATE-WAR-NAVY COORDINATING  
COMMITTEE

STATE

Cox Mr. Cox  
       Mr. Halsey  
       Mr. Gardiner

WAR

Reid Colonel Reid  
Schulgen Colonel Schulgen  
Field Lt. Col. Field  
Karbel Major Karbel  
Weiner Lt. Weiner

NAVY

Austin Commodore Austin  
Richardson Commander Richardson  
Whiteside Ensign Whiteside

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REMARKS:

In information  
and source files



SWCC

091 Saudi Arabia  
msc  
January 31, 1946~~SECRET~~

## MEMORANDUM FOR THE PRESIDENT

018.2  
Lend Lease  
msc  
Subject: Completion of Lend-Lease Internal Security Program for Saudi Arabia

In 1944 this Government agreed with the Government of Great Britain on a joint program of modest dimensions involving assistance to Saudi Arabia for the purpose of safeguarding the internal security of that country. The total value of this program was about \$3,000,000, to be divided equally between the United States and Great Britain. Our share of the program was to be delivered through the mechanism of military Lend-Lease.

The British have completed their share of this Saudi Arabian security program. We have provided all of our share except for certain items valued at \$97,000, most of which are already in Cairo.

This undelivered balance includes tools and parts for radio sets which are needed for the completion of supplies previously received from the United States.

You may recall that when, on August 17, 1945 you directed the immediate termination of Lend-Lease, you made it clear that your directive did not apply to certain country programs to which the United States was specifically committed. On August 29, 1945 you informed Mr. Snyder, Director of the Office of War Mobilization and Reconversion, that Lend-Lease aid to Saudi Arabia came under this heading.

The War Department, before delivering the various military supplies included in the program, desires assurance that your directive applies to military as well as to civilian Lend-Lease items. Although it is the understanding of the State Department that it was your decision that the program would be completed in full it is

submitting

(36)



-2-

submitting the matter to you before giving the War Department the assurance which it desires.

The British have asked if we intend to complete our share of this joint security program to Saudi Arabia and have indicated that if we are not going to deliver our share they desire to receive a cash payment from us to equalize the cost.

In the opinion of the Department of State the United States is under obligation to complete its share of this joint security program at the earliest possible date. According to a telegram dated December 17 from Mr. Eddy, the United States Minister to Saudi Arabia, these undelivered items were officially promised in writing to the Government of Saudi Arabia and are critically needed by that country. As Mr. Eddy points out, the vehicles which we have sent to Saudi Arabia will soon be useless in the desert unless the tools to maintain them are provided. The Government of Saudi Arabia was informed last year that by direction of the President of the United States the entire Lend-Lease program for 1945 would be completed. It continues to assume, therefore, that it will receive all categories of materials which were promised.

It would be appreciated, therefore, if you would inform the Department whether it is correct in assuming that your directive authorizing the completion of Lend-Lease aid for Saudi Arabia applies to this internal security program.

Approved 1-31-46;  
Proceed as suggested. JAMES F. BYRNES  
*Henry Stimson*



SECRET

25 JAN 1946

The Honorable  
Donald S. Russell  
Assistant Secretary of State  
Washington 25, D. C.

091 Saudi Arabia  
Miss

Dear Mr. Secretary:

Reference is made to your letter of 16 January 1946 (NE) concerning the possibility of the War Department assigning a Military Air Attache to Saudi Arabia.

In view of objection by the King of Arabia to the assignment of Military Attaches to the Legation in Saudi Arabia, the War Department does not consider it advisable to assign military personnel to the American Legation in Jidda until such time as the King is prepared to accept them as such.

The surreptitious assignment of a Military Air Attache and an army aircraft with the necessary crew members and their disguise as State Department personnel would be an exceedingly difficult secret to keep. If the identity of these persons were inadvertently disclosed, it would be embarrassing to the United States Government and possibly jeopardize our relations with the Arabian Government.

After considering all the factors in this case very carefully, it is reluctantly concluded that the disadvantage of the course of action recommended by the Department of State far outweigh any possible advantages that may accrue. Should you, after further consideration of this matter, desire to pursue this matter further in detail, I shall be very happy to see a State Department representative. It might be preferable for you, however, to have your representative meet with Brigadier General John Weckerling, the Deputy Assistant Chief of Staff, G-2, as this officer is completely familiar with all aspects of this problem.

Sincerely yours,

(S) d) KENNETH C. ROYALL  
Kenneth C. Royall  
Acting Secretary of War

SWNCC

JAN 27 11 37 AM '46

COL. MCCARTHY  
COMDR. RICHARDSON  
MR. R. E. COX  
LT. COL. PENNOYER  
LT. COL. WILFUSS  
MR. H. V. MOSELEY  
MR. J. BARDINER  
LT. COL. ROCKEFELLER  
LT. COL. V. F. FIELD  
MAJOR W. E. GUNTHER  
1ST LT. E. SPITALL  
STATE WAR DEPT. WHITE SIDING  
CORRECTION

SECRET

5-W-7100

35

1984



691 *Saudi Arabia*

**RESTRICTED**

**OCT 5 1945**

MR. CARNEY	.....
MR. RICHARDSON	.....
MR. E. COX	.....
LT. COL. PENNOYER	.....
LT. COL. J. EILFUSS	.....
MR. H. W. MOBELEY	.....
MR. J. P. GARDINER	.....
LT. COL. ROCKEFELLER	.....
LT. COL. V. F. FIELD	.....
MAJOR W. E. GUNTHER	.....
1ST LT. E. SPITTALL	.....
ENS. F. WHITESIDE	.....
FILE	.....

*copy*  
*copy*  
*top*

The Honorable  
The Secretary of State  
Dear Mr. Secretary:

I refer to letter signed by the Secretary of State dated 16 March 45 (NE); letter from the Secretary of War to the Secretary of State dated 22 March 45; and to letter from the Acting Secretary of State to the Secretary of War dated 24 April 45 (NE 890F.001 Abdul Aziz/4-1645), concerning C-47 airplanes which were delivered by direction of the President to the King of Egypt and to King Abdul Aziz of Saudi Arabia.

It is assumed that it was the intent of the President that the delivery of these aircraft was to have been in the nature of gifts in the national interest. However, the War Department is still carrying them on its inventory records. Is it the intention of the Department of State to reimburse the War Department for the aircraft, or does the Department of State concur that the presidential directive, as expressed in the 16 March letter (NE) from the Secretary of State to the Secretary of War, constitutes sufficient authority to drop them from all War Department property accounts?

With respect to the military personnel engaged in training, operation, and maintenance in connection with these aircraft, current War Department policies dictate that every effort be made to eliminate and curtail the activities of the War Department to the maximum extent and with greatest rapidity consistent with national commitments for occupational forces. Reasonable provision for fundamental postwar requirements must not interfere with demobilization and the elimination and curtailment of War Department activities. Pursuant to this policy, War Department is reducing as rapidly as possible its overseas commitments.

It is requested that the Department of State initiate early negotiations with the two monarchs concerned, for the purpose of relieving the War Department of the operation and maintenance of these aircraft, with a view to placing these activities on a civilian basis. The War Department is prepared to assist in any way possible in obtaining qualified civilian personnel. It is suggested that technical advice may be obtained from Colonel G. Grant Mason of the Civilian Aviation Branch, Assistant Chief of Air Staff-5, Army Air Forces.

Sincerely yours,  
(Signed) ROBERT A. LOVETT

ROBERT A. LOVETT  
Assistant Secretary of  
War for Air

**DISPATCHED**  
**OCT 5 1945**  
**ASSISTANT SECRETARY OF WAR**  
**FOR AIR**

34

**RESTRICTED**  
COPY FOR S. W. N. C. C.

1117



*691 Saudi Arabia*

**SECRET**

BY AUTHORITY OF A.C. OF S., OPD

.....  
Date Initials

OPD 580.82 NE (3 Aug 45)

3 August 1945

MEMORANDUM FOR THE COMMANDING GENERAL, U. S. ARMY FORCES, AFRICA MIDDLE EAST THEATER, CAIRO, EGYPT:

SUBJECT: Construction of a Military Airfield at Dhahran

The inclosure pertaining to the above subject is forwarded for your information.

H. A. CRAIG  
Major General, GSC  
Acting Assistant Chief of Staff, OPD

HUGH SAWYER  
Lt Colonel, GSC  
Assistant Exec. Officer  
Strategy & Policy Group

1 Incl  
SWNCC 19/16, Cy No. 28

Copies furnished:  
G-2, w/cy No. 29, SWNCC 19/16  
ASF, w/cy No. 30, SWNCC 19/16  
AAF, w/o incl  
Sec JCS, w/o incl  
Sec SWNCC, w/o incl

691

**SECRET**

33







STATE WAR-NAVY COORDINATING  
COMMITTEE

STATE

by Mr. Cox  
ms Mr. Moseley  
S Mr. Gardiner

WAR

Law Colonel McCarthy  
ms Lt. Colonel Pennoyer  
ms Lt. Colonel Field  
ms Major Gunther  
ms Lt. Spittall

NAVY

WFO Commander Richardson  
ms Lt. Comdr. Rockefeller  
ms Lt. Comdr. Geilfuss  
W Ensign Whiteside

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REMARKS:

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\_\_\_\_\_  
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**SECRET**  
BY AUTHORITY OF A.C. OF S., OPD

..... Date ..... Initials .....

*691  
Lundquist*

OPD 580.82 ME (10 July 45)

10 July 1945

MEMORANDUM FOR THE COMMANDING GENERAL, U. S. ARMY FORCES, AFRICA MIDDLE EAST THEATER, CAIRO, EGYPT:

SUBJECT: Construction of a Military Airfield at Dhahran

A copy of SWNCC 19/14 is forwarded for your information.

HAROLD P. TASKER  
Colonel, GSC  
Executive Officer  
Strategy & Policy Group

J. E. HULL  
Lieutenant General, GSC  
Assistant Chief of Staff, OPD

1 Incl  
SWNCC 19/14, Cy No. 34

Copies furnished:  
G-2, w/cy No. 43, SWNCC 19/14  
ASF, w/cy No. 44, SWNCC 19/14  
AAF, w/o incl  
~~Sec SWNCC, w/o incl~~  
Sec JCS, w/o incl

568

**SECRET**

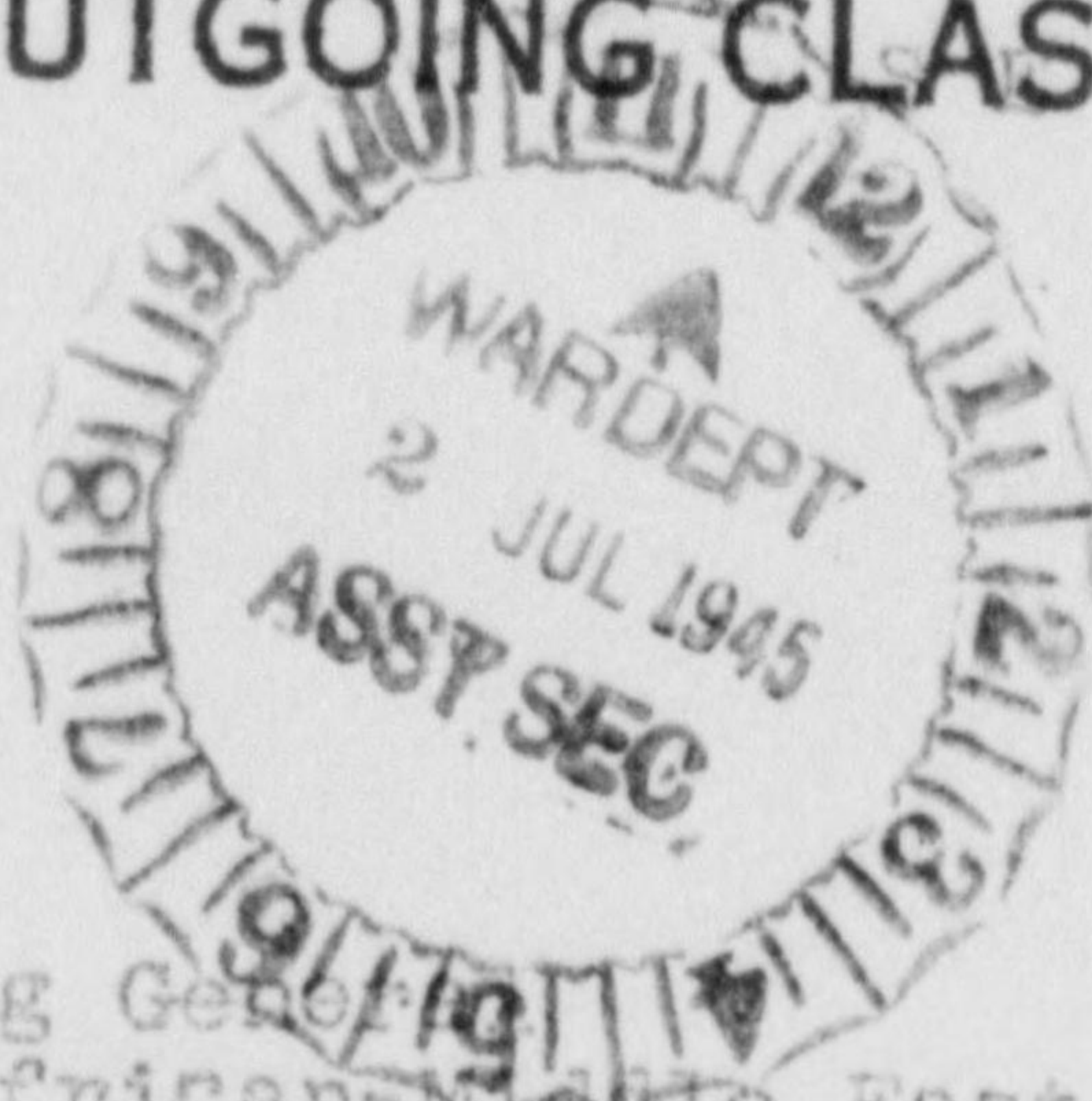
(31)



*091 Security Code*

WAR DEPARTMENT  
CLASSIFIED MESSAGE CENTER  
OUTGOING CLASSIFIED MESSAGE

*[Handwritten initials]*



Operations Division, WDGS  
European Section, WDOPD  
OPD 475.4 (25 Jun 45)  
Col Connolly/di 3343  
28 June 1945

*[Handwritten mark]*

Commanding General  
USAF in African-Middle East Theater  
Cairo, Egypt.

Number: WAR 24332

Signed WARCOS.

Further to our WAR 23437 dated 27 June. Construction  
Dhahran airfield has been approved. Mister Eddy on 30 June  
will request King set date when contract may be signed.  
Request you plan to make available to Eddy assistance in  
negotiating technical details of contract. Further instruc-  
tions as to details of contract forthcoming.

End

ORIGINATOR: ORD  
INFORMATION: ASF  
CG AAF  
G-2 (State)  
G-4  
ANLC  
CM-OUT-24332 (Jun 45) ITG 291908z jff

SECRET

*Col V. Field  
State W & N  
Comm.*

THE MAKING OF AN EXACT COPY OF THIS MESSAGE IS FORBIDDEN

COPY NO.

*(30) 49*



DEPARTMENT OF STATE

DIVISION OF NEAR EASTERN AFFAIRS

June 23, 1945

SWNCC - Mr. Cox:

There are attached three copies of a memorandum of conversation with Judge Vinson regarding Saudi Arabian matters. You may wish to send one copy to Mr. McCloy, another to Mr. Bard, and keep the third in your confidential files.

*GPM*  
Gordon P. Merriam

Attachments:

Three copies of a memorandum of conversation entitled "Extension of Financial Assistance to Saudi Arabia," June 22, 1945.

NE:WLParker:MW

*WLP*



## DEPARTMENT OF STATE

*Memorandum of Conversation***SECRET**

DATE: June 22, 1945

SUBJECT: Extension of Financial Assistance to Saudi Arabia.

PARTICIPANTS: Judge Fred M. Vinson, Director, Office of War Mobilization.  
 Mr. Ralph A. Bard, Under Secretary of the Navy.  
 Mr. John J. McCloy, Assistant Secretary of War.  
 Mr. Edward F. Prichard, Assistant to Judge Vinson.  
 Mr. Edward S. Mason, A-G; Mr. Merriam NE,  
 Mr. McGowan, Navy Department, Mr. Parker, NE.

COPIES TO:  
~~XXXXXXXX~~

Copies to: NEA, A-G, A-P.

GPO 1-1493

A meeting was called today by Judge Vinson to discuss the question of extending financial assistance to Saudi Arabia. As may be recalled, this question had been discussed with President Roosevelt and subsequently with President Truman, who suggested that the matter be taken up with Judge Vinson.

Mr. Bard began by outlining the problem and explaining what steps have been taken to date. He read an extract from King Ibn Saud's message of September 1944 to Minister Eddy in which the King indicated his desire to ascertain American intentions toward his country, stating that he is dependent upon another nation for the support which it has been giving. Mr. Bard continued by outlining the various ensuing discussions which have been held among representatives of the State, War and Navy Departments to consider the matter of financial assistance, together with the construction of a military airfield at Dhahran. He also described meetings with various Congressional leaders who in general had expressed approval in principle of the extension of financial assistance to Saudi Arabia. He pointed out, however, that these Congressional leaders are inclined to believe that this assistance should take the form of a secured loan or oil purchase. Mr. Bard explained that one of these alternatives would appear to be the most likely means of assuring repayment in dollars in view of the fact that substantial quantities of Saudi Arabian oil are likely to be sold in sterling areas.

The

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The suggestion was made that the British Government would be delighted to have the United States Government interested materially in Saudi Arabia, would welcome our cooperation, and that we have nothing to fear from the British. Mr. Merriam at this point suggested that we should not assume that this necessarily would continue to be the case indefinitely. He described briefly the activities inimical to our interests of Mr. Jordan, former British Minister at Jidda, and explained that Mr. Jordan had been removed after considerable pressure had been exerted by the United States Government upon the British Government.

Mr. Mason then informed Judge Vinson that two tentative plans in outline form had been drawn up for consideration. Judge Vinson said that he would like an opportunity to study these plans before arriving at any definite conclusions. He indicated, however, that he believes that careful consideration should be given to the questions of whether and by what means American interests in Saudi Arabia should be protected. He stated that after he had examined the two proposed plans, he would call another meeting for further discussion.

In reply to a question by Mr. Mason, Judge Vinson stated that there would be no objection to sounding out the Arabian American Oil Company to ascertain to what extent the company would cooperate, provided the company would agree to observe carefully the confidential nature of these discussions.

Mr. Bard stated that he would discuss with other American oil companies the question of securing their cooperation in increasing markets for Arabian oil in order that production within Saudi Arabia might be brought to a point as quickly as possible where royalty payments would be large enough to amortize a proposed loan within a reasonable time.

NE:WLParker:MW



SECRET

2 June 1945

COPY NO. 40

STATE-WAR-NAVY COORDINATING COMMITTEE

MEMORANDUM FOR HOLDERS OF

SWNCC 19 SERIES

Note by the Secretaries

The following SWNCC papers are hereby downgraded from  
"TOP SECRET" to "SECRET."

SWNCC 19, dated 7 February 1945  
SWNCC 19/1, dated 22 February 1945  
SWNCC 19/2, dated 1 March 1945  
SWNCC 19/3, dated 2 March 1945  
SWNCC 19/4, dated 3 March 1945  
SWNCC 19/5, dated 19 March 1945  
SWNCC 19/6, dated 23 April 1945  
SWNCC 19/7, dated 26 April 1945  
SWNCC 19/8, dated 5 May 1945  
SWNCC 19/9, dated 8 May 1945  
SWNCC 19/10, dated 12 May 1945  
SWNCC 19/11, dated 15 May 1945

CHARLES W. McCARTHY

ALVIN F. RICHARDSON

RAYMOND E. COX

Secretariat



*09/10/45*  
*Sanctis Arab*

~~DRAFT~~

*Circulate to Secretariat.*

June 22, 1945

MEMORANDUM:

With reference to Section 2 of the minutes of the nineteenth meeting of the State-War-Navy Coordinating Committee held on Monday, June 18, dealing with the construction of a military air-field at Dhahran, Mr. Acheson has informed the Secretariat that Mr. McCloy <sup>*agrees with him*</sup> ~~had agreed~~ that there is no necessity for re-constituting the ad hoc committee on Saudi Arabia for the purpose of assisting in the further oil negotiations, that these negotiations should continue to be conducted by Assistant Secretary of State Clayton who, so far as the War and Navy Departments are concerned, will be assisted and advised by Major General Covell and Colonel Brownell (War Department) and Mr. Carl McGowan (Navy Department).

*R.E.C.*

COL. MCCARTHY	BWNCG	.....
COMDR. RICHARDSON		.....
MR. R. E. COX		.....
LT. COL. PENNOYER		.....
LT. COMDR. GILFILLIS		.....
MR. H. W. MOSELEY		.....
MR. J. P. GARDINER		.....
LT. COMDR. ROCKEFELLER		.....
LT. COL. V. F. FIELD		.....
MAJOR W. E. GUNTHER		.....
1ST LT. E. SPITTALL		.....
ENS. F. WHITESIDE		.....
FILE		.....

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091  
Saudi Arabia

2. CONSTRUCTION OF A MILITARY AIRFIELD AT DHAHRAN  
(Agenda Item No. 1--SWNCC 19/12 and 19/13)

GENERAL HILLDRING stated that the War Department, on the basis of the statements made by the State Department in SWNCC 19/13, is now willing to recommend approval of the recommendations contained in that paper if the airfield project is first approved by the President. He stated that the War Department is also prepared to withdraw its recommendation in SWNCC 19/12 that the report of Colonel Connor, Chief of the U.S. Military Mission to Saudi Arabia, be referred to the SWNCC ad hoc committee for study.

MR. HENDERSON presented and MR. MATTHEWS read a draft memorandum for the President concerning construction of the airfield. GENERAL HILLDRING and COLONEL BROWNELL suggested that the statements therein as to the War Department position be revised. They pointed out that the military necessity for construction of the field for use in redeployment to the Far East has been materially reduced and that, if there were no other considerations involved, the War Department probably would not feel justified in constructing the field as a strict military necessity in spite of the fact that it would have military value. It was pointed out, however, that it is possible that redeployment plans may be changed and also that the field might become of increased importance for other reasons in the conduct of the Pacific War.

MR. GATES asked what bearing the airfield project has on the success of the pending oil negotiations. MR. ACHESON stated that there was very little connection. He added that he had not understood that there was a plan to have a military airbase in Saudi Arabia after the war as suggested in the first reason given in the draft memorandum to support American national interest in the airfield. COLONEL BROWNELL agreed that there has never been a plan for post-war military occupation of an airbase at Dhahran. He pointed out, however, that future U.S. rights to use the field would probably have considerable value in the post-war period.



TOP SECRET

MR. MATTHEWS stated that in his opinion the third reason given for construction of the field--that failure to construct the field after obtaining permission would reduce Ibn Saud's confidence in the real interest of the United States in Saudi Arabia--is among the most important. MR. GATES pointed out, however, that the negotiations had taken place before VE-Day and before the change in our redeployment plans. COLONEL BROWNELL added that Ibn Saud's counter-proposal contemplated use of the field by United States forces for only three years after the war with Japan whereas the United States proposal called for the right to occupy and operate the base for sixty years after the war. He felt that this difference could be considered sufficient to justify the United States in refusing to continue with the airfield project.

MR. McCLOY emphasized that the airfield might well become a necessity in the present war and that the investment would be good insurance against this eventuality. GENERAL COVELL stated that the field would be very desirable for many purposes so long as our troops are in India and China.

COLONEL CONNOR stated that Ibn Saud's off-the-record attitude was much more favorable to the United States than the terms of his counter-proposal indicate. The King orally gave his word that the United States would be given rights in the field after the war, but was unwilling to make this part of the written agreement for fear that other powers might demand similar rights and that some of his own chiefs might claim that he was selling the sovereignty of Saudi Arabia.

MR. McCLOY asked about the progress of the oil project. MR. McGOWAN answered that the matter is now being handled by Assistant Secretary of State Clayton's office and that the alternative suggestions as to financing the aid to be given Saudi Arabia are being defined with a view to their clearance by the three Departments before discussing them again with Congressional leaders. He noted that Messrs. Bard and Acheson had discussed the problem informally with several members of Congress and that there had been no opposition at this preliminary stage. MR. ACHESON stated

*Minutes of 19<sup>th</sup> Meeting  
held June 18, 1944*



TOP SECRET

that Mr. Fred Vinson is going into the matter on behalf of the President and that a conference will probably be held with him shortly by Messrs. Bard and Clayton.

The reconstitution of the ad hoc Committee on Saudi Arabia to assist in the further oil negotiations was discussed. MR. McCLOY named General Covell and Colonel Brownell as the War Department representatives, with General Peckham as alternate to General Covell. MR. GATES and MR. MATTHEWS agreed to name representatives at a later date. (After the meeting, the Committee, at Mr. Acheson's request, agreed informally not to reconstitute the ad hoc Committee for the purpose stated.)

THE COMMITTEE:

- a. Noted SWNCC 19/12 and agreed that it is unnecessary to refer Colonel Connor's report to the SWNCC ad hoc Committee on Saudi Arabia.
- b. Approved the recommendations of SWNCC 19/13, subject to approval by the President of the construction of an airfield at Dhahran at War Department expense.
- c. Directed the Secretariat to redraft the proposed memorandum for the President on this subject in consultation with the War and Navy Departments.



TOP SECRET1. MINUTES OF THE PREVIOUS MEETING

Minutes of the seventeenth meeting were accepted without amendment.

2. FINANCIAL ASSISTANCE TO SAUDI ARABIA  
(Agenda Item No. 1--SWNCC 19/9)

MR. BARD suggested that the draft letter from the Secretaries of War and the Navy supporting the item of \$12,060,000 in the 1946 Foreign Economic Administration budget for continuance of Lend-Lease aid to Saudi Arabia be revised and offered a substitute letter. MR. DOWNEY explained that the reason for the redraft was that the Navy Department, while strongly favoring assistance to Saudi Arabia in any possible manner, did not wish to commit itself as to whether Lend Lease is the appropriate method.

MR. McCLOY agreed that there is considerable doubt as to the legality of Lend Lease to Saudi Arabia inasmuch as the aid cannot be justified by benefits to be obtained in the present war but only in connection with long-term military advantages. He stated that it is up to the State Department to interpret the Lend Lease Act. Any aid that can properly be given Saudi Arabia will be supported by the War Department.

MR. PARKER emphasized the necessity for continuity of aid to Saudi Arabia and stated that it would be very undesirable to permit the aid which we began to give via Lend Lease in 1943 to lapse pending approval of a long-term policy of aid. He pointed out that oil is presently being obtained in Saudi Arabia for military use, that we have just obtained permission to construct an air field at Dhahran and that in order that we may surely obtain the benefits of these projects, it is essential that there be a stable political and economic regime in Saudi Arabia. Financial assistance is, therefore, essential to prosecution of the present war and, hence, lend lease is justifiable for this purpose. Post-war benefits to the United States will be a result of, but not the basic reason for, aid. MR. HENDERSON added that it would have been preferable not to be compelled to extend assistance to Saudi Arabia through Lend Lease channels but that since it seems that in case the longer-term project cannot be acted upon soon enough

19th Meeting  
held June 18<sup>th</sup> 45



TOP SECRET

to meet the emergency, it looked as though it would be necessary to turn to Lend Lease.

MR. HENDERSON reported that Messrs. Acheson and Clayton had discussed the problem with certain Congressional leaders yesterday, 17 May, with satisfactory indications as to support. MR. ACHESON was fearful that if the proposed letter were signed by the Secretaries of War and the Navy and used in support of the Saudi Arabia item in the Lend Lease budget, confusion might result as to the relationship of the short-term program supported by Lend Lease and the long-term plans. MR. HENDERSON therefore offered a re-draft of the letter which he felt would be satisfactory for use in Congress and also would meet the War and Navy Departments' objections to the draft originally submitted. Both MR. BARD and MR. McCLOY preferred to take this draft up with their respective departments before approving it.

1954 Meeting  
THE COMMITTEE agreed that a letter supporting aid to Saudi Arabia would be submitted to the Secretaries of War and the Navy for signature, for use in the hearings on the Lend Lease appropriation and that the draft letter submitted by Mr. Henderson would be used provided informal clearance thereof can subsequently be given by the War and Navy members.



TOP SECRET

## AIR FIELD AT DHAHRAN (RAS TANURA)

1. The acquisition and construction of a U. S. Military Air Field at Dhahran (Ras Tanura, Saudi Arabia) is considered an immediate military necessity for use in redeployment of U. S. forces to the Far East and to increase the efficiency of present and contemplated military air transport operations through the Middle East.
2. The distance from Cairo to Karachi requires that a main base be maintained near the mid-point to provide for the servicing of transport and ferried aircraft and to provide accommodations for transient personnel.
3. The base presently being used for this purpose is Abadan, which was developed for Air Service Command requirements of the Persian Gulf Command. The Air Service Command requirements for this base are now decreasing. Abadan was not located as an intermediate point on the air transport route from Cairo to Karachi, and is a considerable distance to the north of the Great Circle Course. In addition to the undesirable location, this base is constructed on an alluvial deposit of such character as to cause the maintenance of heavy runways, taxiways, and parking areas to be very expensive and unsatisfactory. Severe dust storms in the area are also a serious hindrance to air operations.
4. The air base at Bahrein, which is under control of the RAF Air Transport Command, is located on the Island of Muharrak, twenty-nine (29) miles to the east of Dhahran and is not suitable for expansion because of very unsatisfactory foundation characteristics. This airfield is located on a salt pan composed of sea sand and salt with a deposit of fossiliferous and sea shell lime. The ground water table stands 18 to 24 inches below the natural grade. The bearing qualities of this crust formation are unsatisfactory for the economic development of runway facilities to support the aircraft which are being used on this route.
5. Recent information received at the Headquarters, Air Transport Command, Army Air Forces, Washington, D. C., indicates that the air transport route is in danger of being seriously curtailed due to the failure of the landing areas at Bahrein, Sharjah and Jiwami. This recent breaking-up of the landing areas under heavy air traffic has caused restriction to be placed on the use of Bahrein by the RAF, as well as at Sharjah and Jiwami, causing the Air Transport Command to be seriously handicapped. Temporary and emergency measures have been taken to prevent the absolute failure of these areas without any great degree of success. With such failures at Bahrein (referred to in Paragraph 4, above) and at Sharjah, which are ever imminent, and the possible failure at Abadan and Habbaniya due to flood waters or other unforeseen conditions, the route between Cairo and Karachi would be practically inoperative. Further operations of the Air Transport Command are dependent upon the provision of an intermediate air base as proposed at Dhahran or a complete change in the air routes with a considerable waste of man power and material would be necessary.

TOP SECRET



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6. The proposed location at Dhahran is on course and is near the mid-point between Cairo and Karachi. From an operational standpoint, the establishment of a midway base at this location will provide facilities whereby the Great Circle Route can be followed between this point and Cairo instead of the circuitous route by way Abadan, Habbaniya and Lydda. The use of the Great Circle Course will effect a saving of approximately two hundred sixteen (216) miles on each flight between this point and Cairo, as compared with the route which is now being used. There is at present a small air field at Dhahran, built by the Arabian-American Oil Company. This site has a rock and conglomerate base and is well suited to development into a satisfactory air field.
7. On the assumption that all Air Transport Command traffic between Cairo and Karachi would use the Dhahran field, were it now available, it is estimated this traffic alone would average more than 2000 landings per month until July, 1945, and probably would increase after that time. The total air traffic at this base, including redeployment, special missions and air traffic other than that of the Air Transport Command would raise the number of landings to a far higher figure. Further, it is anticipated that Air Transport Command operations through this area will be required for a considerable length of time after the defeat of the Japanese. On the basis of 2000 landings per month alone there would be a saving of 432,000 air miles every thirty (30) days.
8. It is not contemplated at present that any U. S. military establishments will be maintained in the Middle East beyond the time required for returning our forces to this country following the end of the war with Japan. At the same time, permanent military rights in the Dhahran air base would be desirable, in that they would serve as a deterrent to other nations which might consider aggression toward Saudi Arabia and her vast oil reserves in which American interests now hold a predominant concession. Permanent military rights in Saudi Arabia, however, are not of such importance as to warrant obtaining them to the prejudice of other objectives.
9. It may be noted that at the present time the Dhahran air field has not been placed on the Civil Aeronautics Board's proposed post-war civil air route through the Middle East. This airdrome would, nevertheless, provide a valuable alternate field for the proposed Cairo-Abadan-Karachi route, and it is highly probable that future development of such route would take advantage of the Great Circle Course between Cairo and the Southern Coast of Persia on the Gulf of Oman, which passes over Dhahran. Furthermore, the development of the American owned Arabian-American Oil Company might be expected to create a need for considerable civil air traffic at Dhahran. A strong U. S. air transport system, international in scope and readily adapted to military use, is vital to our air power and future national security.
10. It is concluded, therefore, that a substantial military necessity exists for the acquisition and development of a U. S. military air field at

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Dhahran, Saudi Arabia and

a. That permission of the Saudi Arabian Government should be sought immediately for U. S. forces to construct, maintain and occupy such an air field, together with such appropriate housing, servicing, maintenance, weather and communications facilities as may be required for the duration of the war plus one year;

b. that, whether or not such right is exercised in the post-war period, it is desirable that the U. S. concession, specified in subparagraph a above, be obtained for a longer term, e.g., 99 years rather than for only the duration of the war plus one year; and that U. S. armed forces should have the right to enter, occupy and evacuate, and to construct, maintain and remove such U. S. installations, equipment, and facilities as may be desired in the interests of the United States;

c. that it is desirable from a military standpoint that U. S. civil airlines be permitted to operate into, on and from the air field at Dhahran, and to construct and maintain such installations or facilities as they might require, subject to controlling U. S. military authority if and whenever the air field should be occupied by U. S. military forces.

SECRET



STATE-WAR-NAVY COORDINATING COMMITTEE

STATE

       Mr. Cox  
       Mr. Moseley  
       Mr. Gardiner

WAR

       Colonel McCarthy  
       Lt. Colonel Pennoyer  
       Major Field  
       Major Gunther  
       Lt. Spittall

NAVY

       Commander Richardson  
       Lt. Comdr. Rockefeller  
       Lieutenant Geilfuss  
       Ensign Whiteside

       Note  
       Circulate  
       File

REMARKS:

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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



TOP SECRET

MAY 9 - 1945

Honorable Joseph C. Grew  
Acting Secretary of State

Dear Mr. Secretary:

I have your undated letter referring to negotiations concerning the construction of an airfield at Dhahran and improvements to the Jidda field.

The War Department cannot justify the use of military resources for improvement or construction of an airdrome at Jidda for which no military requirement exists.

It is recommended, therefore, that the Legation at Jidda not be given discretionary authority to agree that the Army will carry out the desired improvements at Jidda if, in the Legation's opinion, such agreement is necessary to secure the field at Dhahran together with transit rights.

Sincerely yours,

HENRY L. STIMSON

Secretary of War

COPY FOR SWNCC

TOP SECRET

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STATE-WAR-NAVY COORDINATING  
COMMITTEE

STATE

h Mr. Cox  
     Mr. Moseley  
     Mr. Gardiner

WAR

lwm Colonel McCarthy  
     Lt. Colonel Pennoyer  
     Major Field  
stg Major Gunther  
     Lt. Spittall

NAVY

AR Commander Richardson  
     Lt. Comdr. Rockefeller  
     Lieutenant Geilfuss  
     Ensign Whiteside

     Note  
     Circulate  
     File

REMARKS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



**TOP SECRET**

AUTHORITY OF A.O. OF S, OPD

23 MAY 1945

Date

Initials

**Financial Assistance to Saudi Arabia.**

OPD 580.82 TS (23 May 45)

CG, AAF

OPD, WDGS

23 May 45

Colonel Settle/2971

1

1. The following is submitted for your information and is in addition to information forwarded by Disposition Form on 25 April 1945, file OPD 580.82 TS (25 Apr 45).

2. On 5 May 1945 Secretary of State-War-Navy Coordinating Committee was advised by the State Department as follows:

"The State Department has been advised by the British Embassy that the Foreign Office has instructed the British Minister in Jidda to inform the Saudi authorities of British approval of the project."

3. There is attached a copy of SWNCC 19/9 of 8 May 1945, together with a decision amending the paper which was agreed upon by the State-War-Navy Coordinating Committee at their 18th Meeting.

4. Also attached are copies of SWNCC 19/10 and SWNCC 19/11. It should be noted that the paraphrase of the message contained in SWNCC 19/11 cancelled the action on SWNCC 19/10.

FOR THE ASSISTANT CHIEF OF STAFF, OPD:

3 Incls

1. SWNCC 19/9, Cy No. 28
2. SWNCC 19/10, Cy No. 28
3. SWNCC 19/11, Cy No. 28

HAROLD P. TASKER, Col, GSC  
Executive Officer, S & P Group

Distr:

- CG, ASF, w/SWNCC 19/9, /10, /11 (All Cys No. 29)
- G-2, WDGS, w/SWNCC 19/9, /10, /11 (All Cys No. 30)
- SPD, w/SWNCC 19/9, /10, /11 (All Cys No. 31)
- Cy D/F w/o incls to Secretariat, SWNCC ✓

**TOP SECRET**

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SECRET

Draft Letter from  
War and Navy Secretaries to  
State Department

Dear Mr. Secretary ~~X~~

We have your identical letters to us of May 5 advising that the Foreign Economic Administration has included in its 1946 budget the sum of \$12,060,000 for the continuance of Lend-Lease aid to Saudi Arabia and that it is the intention of your Department actively to support this item in the Congressional hearings. We note your request for similar support in the form of a written statement from our Departments.

As you state in your letter, the State, War and Navy Departments have for several months, with the prior approval of President Roosevelt, been engaged in an effort to solve the problem of financial assistance to Saudi Arabia on a long term basis. Many weeks ago agreement was reached that the State Department, with the support of the War and Navy Departments, would enter upon conversations with members of the Congress for the purpose of ascertaining the probable sentiment of Congress concerning various alternative solutions which had been discussed.

The basis of this active interest on the part of our Departments in the matter of easing the financial difficulties of Saudi Arabia was our strong opinion that the national and strategic interests of the U. S. in Saudi Arabia are such that the maintenance of economic, and hence political, stability in that country is of the highest importance. If Lend-Lease assistance as now proposed can be continued, at least until a more permanent solution can be formulated and put into effect, we are of the opinion that such continuance would be most desirable.

~~\*\*\*~~

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STATE-WAR-NAVY COORDINATING COMMITTEE

STATE

- Mr. Cox
- Mr. Moseley
- Mr. Gardiner

WAR

- Colonel McCarthy
- Lt. Colonel Pennoyer
- Major Field
- Major Gunther
- Lt. Spittall

NAVY

- Commander Richardson
- Lt. Comdr. Rockefeller
- Lieutenant Geilfuss
- Ensign Whiteside

- Note
- Circulate
- File

REMARKS:

Copies made for  
dist. submitted to  
SWNCC committee  
at 18 May meeting.

*Another draft reply has been prepared and will be transmitted upon receipt of necessary clearances*



May 10, 1946

641  
Draft Letter from  
War and Navy Secretaries to  
State Department

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- 2 -

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SECRET

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\* \* \* \* \*



**TOP SECRET**

26 April 1945

**MEMORANDUM FOR LT. COLONEL OTTO, OPD:**

I have, today, forwarded the original of this letter to the Administrative Assistant to the Secretary of War (John Martyn) suggesting that it be referred to OPD for necessary action.

You might be able to get something started before that time.

**CHARLES W. McCARTHY**  
Secretary

**Enclosure**

The Honorable  
Henry L. Stimson  
Secretary of War.

**TOP SECRET**

SWNCC FILE *(Handwritten initials)*



DEPARTMENT OF STATE  
WASHINGTON

TOP SECRET

In reply refer to  
NE

C-O-P-Y

TOP SECRET

My dear Mr. Secretary:

I refer to the desire of the War Department to secure rights in Saudi Arabia for the establishment of an air route directly from Cairo to Dhahran and thence to India, and for the installation of a flying field at Dhahran and other necessary facilities; and particular reference is made to Top Secret telegram no. 122, dated March 24, 1945, 11 a.m., from Jidda, a copy of which was forwarded to the War Department.

In preparing instructions for the guidance of the Legation in Jidda in its impending negotiations for air rights, it is believed that consideration should be given to a recent indication by the Saudi Government of its desire to improve the Jidda airport, including the installation of night-lighting, runways and maintenance and repair facilities.

When negotiations for the Dhahran field and route are begun, the Saudi authorities may be expected to bring up the subject of the desired installations at Jidda in that connection, and, with a view to expediting the negotiations, a decision on this point might be made by the War Department beforehand.

It is therefore suggested that in addition to offering the assistance described in the telegram mentioned above, the Legation at Jidda be given discretionary authority to agree that the Army will

carry

The Honorable  
Henry L. Stimson  
Secretary of War.

TOP SECRET



TOP SECRET

-2-

carry out the desired improvements at Jidda if, in the Legation's opinion, such agreement is necessary to secure the field at Dhahran and the required transit rights.

Sincerely yours,

/s/ Joseph C. Grew

Acting Secretary

TOP SECRET



SecretSaudi Arabian  
FileJeddah, Arabia  
March 24, 1945Colonel C.W. McCarthy,  
SWAN Committee,  
Washington, D.C.

My dear Mac:-

This is an informal letter to you personally to give you the Arabian picture as I see it at the moment. [I am going to show you certain sidelights that have to do with personalities and individual outlook, and while I am certain of the accuracy and impartiality of my observations, I trust you not to pass on anything to superior officers or officials such as Gen. Hull or Mr. McCloy which would put me in the position of making reports which might be harmful to any individual. With that limitation anything that I say may be used as your judgement dictates.] In evaluating the matters which are certain to come up before the Committee you would be handicapped if all you had were the official reports inasmuch as these obviously cannot contain matter referring to local bias, personal ambitions and emotional susceptibilities which are nevertheless rather important in all human activities.

We arrived in Cairo on Sunday March 18 and reported to the CG AMET. On Monday I had a conference with General Ritter, Deputy Theater Commander and Chief of Staff. General Ritter was cordial and courteous [to me personally but is completely out of sympathy with any activities of the Army in Arabia.] His position is approximately as follows:-

(a) He opposes any Army support of political aims, feeling that the function of the armed forces is simply to win wars. He does not care to be involved personally in political or semi-political operations.

(b) He feels that we have not played fair with the British in sending the present mission to Saudi Arabia nor in retaining it there beyond the term originally designated.

At General Ritter's suggestion I then went to talk with the G-3. It was obvious that he was highly irritated by my presence, he remarked that they could not understand the sending of anyone from Washington as they were thoroughly conversant with Arabia, had been handling Arabian matters alright and could continue to do so. He ended up on the note of supposing that it was not for them to reason why, the old Balakleva Charge idea. I was very courteous and reticent and made

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Secret

no attempt to justify either my presence or existence.

Later I saw General Giles, first alone and then with the Minister, Mr. Eddy who had come up to Cairo to meet us. The General was much more congenial in attitude than his staff. I explained the political background and the purpose of our trip and we agreed that discussions as to details of the mission should be left until I had visited Saudi Arabia. He provided us with a plane on which the minister, Snyder and I came down to Jeddah on Tuesday.

General Giles and the Minister seem to be on excellent terms but there is considerable friction between the latter and General Ritter, a friction evident from the remarks to me by each relative to the other. It is not due to personal reasons but to difference in political outlook, their personal contacts are amicable.

As a little sidelight on the reasons for the friction between the King, and Eddy as a consequence, on the one hand and the Theater on the other, the story told me by the G-3 relative to the aerial surveys is of some importance. He said they had outfoxed Ibn Saud by yielding reluctantly to his requests for surveys of the routes for proposed roads and then had "surveyed the whole country".

So much for Cairo.

On Thursday Snyder and I were presented at the palace at Jeddah to the Viceroy of the Hejaz, Emir Feisal. The meeting was innocuous, revolving around coffee, lemonade and polite compliments. I gather that America and Arabia both are very exceptional countries, particularly as applies to the character of their peoples. We have been to a couple of parties of the legations here and I have been particularly touched by the deep interest shown in me by the British group, even the women being solicitous to see that I had plenty to drink and to inquire as to my future itinerary. One of the secretaries is particularly interested in oil development in the Middle East and was disappointed to find that I know practically nothing about petroleum or the Red Line. Jiddah is not nearly so bad as depicted, the weather has been cool and the city is extremely clean for an Oriental town. The Minister has quite a palace outside of the walls and there are a considerable number of rather nice places here, not to mention the palace of the King, now occupied by the Viceray. We have been out sailing on the Red Sea and moonlight partying on the desert. The main shortage here seems to be female.



Secret

The Minister is of the same opinion as I was and still am, that no negotiations should be opened with the King until the matter of British concurrence in the concession and construction of the ATC airfield has been cleared up. Pursuant to this agreement between us we have yesterday dispatched a message to both State and War outlining our plan. An information copy was sent to General Giles. This message you will have seen by the time you get this letter.

If our plan is approved by you back in Washington I will remain here until the receipt of advice from you that the Dhahran field is clear after which the Minister and I will go at once to Riyadh to open negotiations with the King.

The message is clear, I believe, as to the basis of the plan agreed upon between the Minister and me. I will expand a little on certain points.

- (a) Relationship between Saudi Arabian Government and subjects thereof on the one hand, and the Minister, Chief of Military Mission, and the Theater Commander, AMET, on the other.

Even after my short sojourn here it is apparent, not only from discussions with the Minister, but also from conversations with other Americans and Europeans, that the situation here is delicate politically. The people are suspicious of innovations and foreign penetration not only by reason of religious convictions of a puritanical or fanatical nature, but also because of fear of the effect on the pilgrimage which constitutes one of the chief supports of the economy of the nation. The King has already experienced considerable difficulties in introducing the innovations that he has made such as the land and oil concessions, the presence of foreigners, the lifting of the ban on photography, etc.

The Minister has therefore had a tendency to desire a complete control by the Chief of Mission here over all military activities. Such a control would amount practically to the establishment of a theater with all the concomitant implications of a large headquarters, service troops for port and transport service, and for auxiliary personnel of all kinds. This would obviously be uneconomical in view of the proximity of two other theaters already established.

My observations here and in Cairo do however confirm me



Secret

in the belief that I had before coming out that the Chief of Mission must be independent of the Theater in many matters. He must control all relationships between troops entering the country for the execution of projects or operations and the Saudi Arabians. This control or supervision to be concerned with all matters which in any way affect relations with the government of people of Arabia. This is not a colony, a protectorate, or a puppet but a sovereign state, at least in form and in the minds of the natives, I realize, of course, that the construction of airfields and of other facilities and the internal operation of ATC are outside of my province so long as they do not impinge upon relations with the natives or the native government.

As a necessary corollary, that part of the military mission directly concerned with training or advising the native personnel or agencies, such as the air school, medical and service forces instructors and advisers, must be under direct control of the Chief of Mission.

I am advised by both General Ritter and the Minister that some friction has already arisen between the Saudis and the mission now here and I know that the personnel of the mission has in part been rotated thus bringing in new officers unacquainted with the situation. The Minister is certain that the interpreter of the military mission was planted by the British (he is a Palestine Arab) and is suspicious that he has created some friction by inept translation. Such a situation as to personnel would be intolerable to a chief of mission, most certainly to me.

As a slight and amusing example of native touchiness I noted that the Emir Feisal could not refrain from relating to us the anecdote of the wife of an American admiral, who, on Feisals visit to Annapolis said she hoped someday to visit the Arabs in their tents. To which the Emir replied that he would be delighted to entertain, Inshallah, the lady either in the tents or the palaces of Arabia.

And now, my Lord, having rambled through several pages, I trust that there may be some value to your group in what I have said. Anything which I have related as to people as individuals has been said solely to show the difficulties and delicacies existing, and as mentioned before, please do not allow such remarks beyond yourself whom I trust.



Secret

If you will I would appreciate it very much if You can call Wisconsin 5384 and tell my wife that I am in Jeddah, in good health and comfortable, boating on the Red Sea and mixing socially with the cosmopolitan society of the Holy Land of Islam.. Also that I am drinking whiskey very sparingly, partly for reasons of security, but mainly because of her concern for my health and dignity.

With very best regards to all honest people we know, I am

Sincerely yours

Bois Connor

I will keep you advised of any future developments.

Rumors are out here as to American attempts to obtain preferred status in Arabia. Maybe of no consequence.

e



SECRET

Jeddah, Arabia  
March 24, 1945Colonel C. W. McCarthy,  
SWAN Committee,  
Washington, D. C.*As purged.**As sent to Col Bowen**Col Bonstedt  
Maj Summers  
Gen Hodges  
Mr. Carba  
Col Richardson**Also 2  
copies given  
to Col  
Richardson  
p5f*

My dear Mac:-

This is an informal letter to you personally to give you the Arabian picture as I see it at the moment. In evaluating the matters which are certain to come up before the Committee you would be handicapped if all you had were the official reports inasmuch as these obviously cannot contain matter referring to local bias, personal ambitions and emotional susceptibilities which are nevertheless rather important in all human activities.

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My observations here and in Cairo do however confirm me in the belief that I had before coming out that the Chief of Mission must be independent of the Theater in many matters. He must control all relationships between troops entering the country for the execution of projects or operations and the Saudi Arabians. This control or supervision to be concerned with all matters which in any way affect relations with the government of people of Arabia. This is not a colony, a protectorate, or a puppet but a sovereign state, at least in form and in the minds of the natives. I realize, of course, that the construction of airfields and of other facilities and the internal operation of ATC are outside of my province so long as they do not impinge upon relations with the natives or the native government.

As a necessary corollary, that part of the military mission directly concerned with training or advising the native personnel or agencies, such as the air school, medical and service forces instructors and advisers, must be under direct control of the Chief of Mission.

I am advised by both General Ritter and the Minister that some friction has already arisen between the Saudis and the mission now here and I know that the personnel of the mission has in part been rotated thus bringing in new officers unacquainted with the situation. The Minister is certain that the interpreter of the military mission was planted by the British (he is a Palestine Arab) and is suspicious that he has created some friction by inept translation. Such a situation as to personnel would be intolerable to a chief of mission, most certainly to me.

As a slight and amusing example of native touchiness I noted that the Emir Feisal could not refrain from relating to us the anecdote of the wife of an American admiral, who, on Feisal's visit to Annapolis said she hoped someday to visit the Arabs in their tents. To which the Emir replied that he would be delighted to entertain, Inshallah, the lady either in the tents or the palaces of Arabia.

And now, my Lord, having rambled through several pages, I trust that there may be some value to your group in what I have said.

I am in Jeddah, in good health and comfortable, boating on the Red Sea and mixing socially with the cosmopolitan society of the Holy Land of Islam.

With very best regards to all honest people we know, I am

Sincerely yours,

/s/ Voris Connor

I will keep you advised of any future developments.

Rumors are out here as to American attempts to obtain preferred status in Arabia. Maybe of no consequence.

(N.R.: Certain comments intended for Col. McCarthy personally omitted in above copy)

SECRET



TOP SECRET

10 March 1945

MEMORANDUM FOR MR. ACHESON, Assistant Secretary  
of State

Subject: Financial Assistance to Saudi Arabia

The attached extract of minutes of the  
Twelfth Meeting of the State-War-Navy Coordinat-  
ing Committee are furnished you for information.

For the Secretariat, SWNCC:

V. F. Field  
Executive Secretary

Encl.

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TOP SECRET

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Executive Secretary

Encl.



STATE-WAR-NAVY COORDINATING  
COMMITTEE

STATE

- Mr. Cox
- Mr. Moseley
- Mr. Gardiner

WAR

- Colonel McCarthy
- Major Field
- Lt. Massa

NAVY

- Commander Richardson
- Lt. Comdr. Rockefeller
- Lieutenant Geilfuss
- Ensign Whiteside

- Note
- Circulate
- File

REMARKS:

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TOP SECRET

MAR 7 1945

The Honorable  
The Secretary of State  
Dear Mr. Secretary:

I have received your letter of March 2, 1945 which refers to the State-War-Navy Coordinating Committee document, SWNCC 19, February 7, 1945, entitled: "Financial Assistance to Saudi Arabia", and in which you recommend the dispatch of a United States Military Mission to Saudi Arabia.

I am taking action to establish and dispatch this Mission as you have recommended.

Sincerely yours,

HENRY L. SIMMONS

Secretary of War

Copy for SWNCC

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**TOP SECRET**

OPD 336 TS (2 March 45)

WDOPD  
Lt Col Totten / 3851 / dm

MAR 7 1945

The Honorable

The Secretary of State

Dear Mr. Secretary:

I have received your letter of March 2, 1945 which refers to State-War-Navy Coordinating Committee document, SWNCC 19, February 7, 1945, entitled: "Financial Assistance to Saudi Arabia", which sets forth a project for the improvement of roads in Saudi Arabia by the United States Army.

I am making the administrative arrangements to implement this project as you have recommended.

Sincerely yours,

HENRY L. STIMSON  
Secretary of War

**TOP SECRET**

Copy for SWNCC



**TOP SECRET**TOP SECRET

27 February 1945

## MEMORANDUM FOR THE JOINT CHIEFS OF STAFF:

The War Department has informed the State-War Navy Coordinating Committee that "the acquisition and construction of a U. S. Military Airfield at Dhahran (Ras Tanura), Saudi Arabia, is considered an urgent necessity for use in redeployment of United States forces to the Far East and to increase the efficiency of present and contemplated military air transport operations through the Middle East". In view of the following circumstances, it is considered that the matter should be taken up as a matter of urgency with the Combined Chiefs of Staff.

It is reliably reported to the State Department that, in the spring of 1944, in the course of a joint visit by the British General Officer Commanding Middle East Forces and the British Minister at Jidda, King Ibn Saud was informed that shortly the United States Government would request permission to construct a military airfield at Dhahran but that such a field is not necessary for the prosecution of the war. Subsequently, when such a request was made by the American Legation, the Saudi Arabian Government did not respond favorably, and later King Ibn Saud informed the American Minister that questions like the construction of the Dhahran airfield must have British concurrence before he would grant the necessary permission.

The State Department then took the matter up with British Embassy officials in Washington, who suggested that the question be laid before

the

(18)



- 2 -

the Combined Chiefs of Staff. It is recommended, therefore, that this suggestion be adopted and that the Combined Chiefs of Staff be asked to declare that the Dhahran airfield and related facilities are essential to the prosecution of the war. Following such a declaration by the Combined Chiefs, it is contemplated that the State Department will request the British Government to instruct the British diplomatic representatives at Jidda to inform the Saudi Arabian Government that there is no British objection to the construction of the Dhahran airfield and the acquisition of related facilities by the United States military forces.

This Government intends to seek from the Saudi Arabian Government not only the right to construct the airfield and related facilities in question, but also to secure post-war military and commercial air rights in connection therewith on as satisfactory a basis as possible. The State-War-Navy Coordinating Committee is of the opinion that no discussion should be had with the British Chiefs of Staff with reference to post-war rights if it can be avoided and our intentions in this regard should not be disclosed unless the British Chiefs of Staff initiate such discussions.

For the State-War-Navy Coordinating Committee.

James Clement Dunn  
Chairman



TOP SECRET

27 February 1945

TOP SECRET

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Chairman



TOP SECRET

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For the State-War-Navy Coordinating Committee.

James Clement Dunn  
Chairman



February 26, 1945

A-D  
Mr. Dunn,

With reference to SWNCC 19/1, "Financial Assistance to Saudi Arabia", I asked Alling whether any reports had arrived concerning possible conversations between the President and King Ibn Saud. He didn't know of any to date but is going to get in touch with Bohlen. I asked him, following his talk with Bohlen, to send you a memo on the President's discussions if any were known to have taken place. Will you let me know when Alling's memorandum reaches you as the War and Navy Departments are anxious (Appendix to SWNCC 19/1 - pages 28-29 inclusive) to get a letter to the Joint Chiefs of Staff as soon as possible?

With regard to paragraph 4 of the proposed letter to the Joint Chiefs of Staff, it was agreed at the last SWNCC meeting that paragraph 4 should be deleted in its present form (Kane wishing the contents of paragraph 4 to be conveyed orally to the Joint Chiefs of Staff and McCloy wishing it to be rewritten, pointing out the United States' desires but stating that the matter was not to be discussed with the British Chiefs of Staff). McCloy said he did not wish to approve that action without further War Department consultation.

We can probably get informal agreements between the three members as to what is to be done with paragraph 4, either eliminating it or re-writing it.

Navy has given approval to the whole of 19/1, subject to the

following

(17)



qualifications:

1. No action is to be taken by way of transmitting to the Joint Chiefs of Staff a letter in the form of the Appendix until after the State Department has ascertained whether the President's recent talks with King Ibn Saud alter in any fashion the necessity for the action prompting the Appendix.
2. The form of the Appendix, when and as sent, should be changed by the deletion or revision of paragraph 4. If revised the Appendix should make it clear that the State, War and Navy Departments request that, if possible, discussion with the British of U. S. post-war air rights in Saudi Arabia should be avoided. The Joint Chiefs of Staff should be requested not to initiate any such discussions with the British Chiefs of Staff. If this paragraph is to be deleted pains should be taken to explain the matter orally to the representatives of the Joint Chiefs of Staff who discuss the air field matters with the British.

R.E.C.



TOP SECRET

10. Financial Assistance to Saudi Arabia (SWNCC 19/1)

Mr. DUNN explained that the report of the Ad Hoc Committee on Saudi Arabia contained in the enclosure to SWNCC 19/1 was before the Committee in order that immediate action could be taken on the recommendation therein that a letter be sent by SWNCC to JCS requesting the latter to take up with the Combined Chiefs of Staff as a matter of urgency the question of British approval of the proposed air field at Dhahran. He stated, however, that the forwarding of the proposed letter should be deferred until information is available concerning the nature of the conversations recently held by the President and King Ibn Saud.

Mr. KANE summarized the contents of the report and suggested that the Committee approve the forwarding of the proposed letter to the Joint Chiefs of Staff if information as to the President's conversations with Ibn Saud indicates this to be appropriate, but recommended that the last paragraph of the proposed letter be eliminated and the contents thereof conveyed orally to the Joint Chiefs of Staff. Mr. McCLOY suggested that it might be more desirable to rewrite this paragraph so as to say that the United States is desirous of securing post-war military and commercial air rights in connection with the air field but that this matter is not to be discussed with the British Chiefs of Staff. He also stated that he did not wish to approve this action without further consultation within the War Department.

Mr. KANE outlined the other portions of the Subcommittee report with respect to the dispatch of a military mission to Saudi Arabia, the improvement of roads in Saudi Arabia, and the handling of the problem of government finance and oil resources in Saudi Arabia. He stated that prompt

11<sup>th</sup> Meeting 145  
23 February 45  
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action by this Committee is desired in order to obtain general approval of the recommendations with respect to the military mission and roads, and of the proposed procedure with respect to bringing the question of the financial problem and oil resources before Congress.

THE COMMITTEE agreed:

- a. To expedite informal clearance of the proposed action to submit the Dhahran air field question to the Joint Chiefs of Staff as recommended, and
- b. To clear the balance of the paper informally as soon as practicable.



TOP SECRET1. Minutes of the Eleventh Meeting

The minutes of the 11th meeting were accepted without amendment.

2. Financial Assistance to Saudi Arabia (Agenda Item #1)a. The Budgetary requirements of the Saudi Arabian Government 1945-1949 (Enclosure #1 to SWNCC 19/2)

Mr. McCLOY raised a question as to the soundness of the estimate of the total deficit for this period at \$50,000,000. Mr. ALLING explained that there is no statistical data from Saudi Arabia on the subject, that a gradual return to pre-war revenues and expenditures was assumed and that, apart from data on oil royalties furnished by the companies concerned, the best available information was used to obtain the present estimate. Mr. KANE pointed out that the estimate of oil royalties assumed the end of the Pacific War by the end of 1946. Mr. RAYNER stated that the general trend of revenues and expenditures was based upon studies made by government agencies, including OSS and FEA, concerning the recovery of European markets in general.

Mr. MASON pointed out that this statement does not include other probable sources of revenue to Saudi Arabia such as Lend Lease, fees paid for the grant of military rights and Export-Import Bank loans. Mr. DUNN suggested that the possibility of reduction in the deficit through these and other means should be noted in any statement presented to Congress. Mr. ALLING noted that the \$50,000,000 estimate is liberal and Mr. BARD agreed that it is desirable to have the amount sought adequate so that it will not be necessary to approach Congress more than once for funds. He emphasized that it must be understood that the full appropriation obtained would be used only to the extent necessary to make up the deficits which actually arise.



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Mr. McCLOY stated that the present estimate should be rechecked fully before any definite legislation is proposed but that it could serve as a preliminary basis on which to approach Congress.

THE COMMITTEE agreed:

(1) That the estimate of financial assistance required should be supplemented by footnotes as to other possible sources of additional revenue before being used in approaching Congress.

(2) That this estimate be fully reviewed prior to its use in support of definite legislation after the method of procedure has been finally agreed upon.

b. Alternative Methods of Direct Financial Assistance to Saudi Arabia (Enclosure #2 to SWNCC 19/2 and enclosure to SWNCC 19/4)

Mr. BARD explained that the Navy's interest is that the concessions of the Arabian American Oil Company be strengthened so that the oil fields are developed and oil, through the company, is kept available to the United States Government. He suggested that these objectives can best be accomplished by having the Army and Navy purchase from the Arabian American Oil Company a call upon one billion barrels of oil in the ground for \$50,000,000 or other appropriate sum. This sum would then be placed in escrow and would be utilized by the company to pay oil royalties in advance in amounts sufficient to defray the deficits of the Saudi Arabian Government, pursuant to the advice of an American financial adviser to that government. It would be agreed that the Army and Navy would not permit the oil subject to their call to be diverted to other than Army and Navy use. With drawals therefrom for this purpose might be limited to 30 million



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barrels per year in peace-time with the limit removed in the case of war or other national emergency. Oil withdrawn by the United States, by exercise of its call right, could be bought from the company at 25 per cent below market price at the time taken, this discount being treated as restitution to the United States Government of the money previously advanced to purchase the call. He estimated this would amount to \$7,500,000 per year, figuring oil at a price of \$1 per barrel, if 30 million barrels were withdrawn and would result in repayment of \$50,000,000 in less than ten years. He felt that this arrangement would be acceptable to the oil company because it would make its concessions as nearly impregnable as possible with respect to the balance of the oil, one billion barrels being well under 25 per cent of the total estimated to be in the ground and this greater certainty would materially assist it in financing exploration and development. It would also answer the objections of American oil companies by holding this oil out of commercial competition and would give the United States Government substantial additional oil reserves. It would also be much less objectionable than a grant or a loan since there would be a definite quid pro quo and it could not be considered a precedent for the United States financing the deficits of other foreign countries.

Mr. BARD explained further that 30 million barrels is in excess of probable annual Army and Navy peace-time needs, but that the excess would be used, at least in part, for strategic stockpiling. He noted that independent oil companies normally have furnished the military peace-time needs and that objection to the proposal from this source might result.



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Mr. GATES suggested that it might be preferable to use the oil in Arabia in peace-time and save the reserves in this country. Mr. BARD and Mr. McCLOY pointed out that this suggestion would be unacceptable to American oil companies. Mr. ACHESON inquired whether Saudi Arabia would be a good place for a war-time oil reserve.

Mr. RAYNER urged that in presenting the problem to Congress care be taken to meet the arguments presented by the Petroleum Industry War Council and the Independent Petroleum Association of America against the construction of the Arabian pipeline and the entry of government into the oil business.

Mr. McCLOY felt that a proposal for government purchase of oil in the ground as a reserve would meet with public support but suggested that it might be more desirable to have a direct arrangement with the Saudi Arabian Government by the United States Government without the oil company as an intermediary. Mr. DUNN agreed that Mr. McCloy's suggestion would be preferable.

There followed discussion of other alternative proposals. Colonel BROWNELL pointed out that there are four basic methods of solving the Saudi Arabian financial problem: (1) a grant; (2) an unsecured loan; (3) a secured loan; (4) purchase of oil in the ground. Mr. ACHESON felt that a grant or purchase would be preferable to a loan. Mr. ALLING suggested that a review of the British program of outright grants to Saudi Arabia might help in gaining Congressional support for like action by this Government and that the \$500,000,000 Chinese loan might be a precedent for an unsecured loan. Mr. BARD and Mr. DUNN felt, however, that the presence of a quid pro quo is definitely preferable.



TOP SECRET

Methods of approaching Congress were considered. Mr. BARD suggested that the first approach be made in the House rather than the Senate and that the support of the Naval and Military Affairs Committees be obtained. This would also be logical since an appropriation is involved. Mr. McCLOY agreed. Mr. ACHESON also felt that this would be preferable to proceeding directly with the Senate Foreign Relations Committee without first obtaining other Congressional support.

Mr. DUNN and Mr. ALLING noted that the President has approved the principle of financial aid to Saudi Arabia and has been informed that the amount involved would be 28 to 57 millions.

Mr. McCLOY suggested that the Department of the Interior be brought into the discussion before Congress is approached. Mr. KANE agreed that this would be necessary at some stage since the charter of Petroleum Reserves Corporation, and possibly the executive order establishing the Petroleum Administration for War, include provisions relating to overseas purchase of oil by the government. Mr. DUNN stated that he has spoken with Secretary Ickes on the general subject of aid to Saudi Arabia and that Mr. Ickes did not indicate any objections. Mr. BARD felt that it would be preferable to defer such consultation with Interior until after the preliminary discussions are held with Congress. Mr. DUNN agreed that this would be proper since no definite proposal to acquire oil reserves will be made in the first instance.

THE COMMITTEE agreed:

(1) That Mr. Acheson, consulting with Mr. Bard and Mr. McCloy, should approach Congress on the question of financial aid to Saudi Arabia, discussing the budgetary requirements and various alternative methods informally with such members of Congress as deemed appropriate.



TOP SECRET

(2) That after preliminary discussions are had with members of Congress, the problem be discussed with the Department of the Interior before legislation is introduced.



TOP SECRET

7 February 1945

MEMORANDUM TO: Mr. Wallace Murray, Department of State  
Mr. R. Keith Kane, Navy Department  
Colonel George A. Brownell, Office of the  
Assistant Secretary of War for Air.

Subject: Financial Aid to Saudi Arabia.

Lieutenant Colonel Samuel E. Otto, Operations Division,  
W.D.G.S., is designated as an additional member of the ad hoc  
Committee formed at the direction of the State-War-Navy  
Coordinating Committee, to consider financial aid to Saudi  
Arabia, vice Lieutenant Colonel Henry G. Simonite, Oper-  
ations Division, W.D.G.S., relieved.

WALLACE E. WHITSON

ALVIN F. RICHARDSON

RAYMOND E. COX

CC: AC of S, OPD.  
Lt. Col. Simonite  
Lt. Col. Otto

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DEPARTMENT OF STATE

OFFICE OF NEAR EASTERN AND AFRICAN AFFAIRS

January 11, 1945  
31 January 1945

MEMORANDUM FOR THE DEPUTY CHIEF OF STAFF:

Subject: Loan of Major Harry R. Snyder  
to the State Department.

The Assistant Secretary of State, Mr. Dunn, has requested me to inquire as to the possibility of making Major Harry R. Snyder, now on duty in the Military Intelligence Section of G-2, available to the State Department to assist in the work on Saudi Arabia.

State Department requests that Major Snyder be loaned for this work and not relieved from his present assignment. In view of our current interests in Saudi Arabia, I am of the opinion that any reasonable assistance we may give the State Department would be a furtherance of our own interests.

I would appreciate receiving an expression from you as to the practicability of the loan of Major Snyder.

John J. McCloy

Incl.  
Memo fr W. Murray  
to Mr. Dunn 11 Jan 45.

SWNCC FILE

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DEPARTMENT OF STATE  
OFFICE OF NEAR EASTERN AND AFRICAN AFFAIRS

C-O-P-Y

January 11, 1945

A-D - Mr. Dunn:

I refer to the attached copy of a memorandum which the Secretary addressed to you on the subject of Major Harry R. Snyder.

As you will recall from our telephone conversation this morning we do not have in mind requesting the transfer of Major Snyder to this Department but rather his loan to us in uniform to assist us in our work on Saudi Arabia.

As I mentioned to you, Major Snyder, who at present has charge of Saudi Arabia and Iran in M.I.S., G-2, War Department, plans eventually to transfer to the Department of State in civilian capacity and I may say that we would be very fortunate indeed to obtain his services.

For the time being, however, it is only a question of his being loaned to us in uniform to facilitate the close cooperation which we are developing with the War Department on all matters pertaining both to Saudi Arabia and to Iran.

A word from you to Mr. McCloy would, I feel sure, accomplish the purpose we had in mind.

/s/

Wallace Murray

The original of the Secretary's memorandum has just reached me and I am attaching it.

NEA:WSM:SRW



STATE-WAR-NAVY COORDINATING  
COMMITTEE

STATE

Mr. Cox  
 Mr. Moseley  
 Mr. Gardiner

WAR

②  Col. Whitson *WFW*  
①  Col. McCarthy *WFW*  
 Major Field  
 Lt. Massa

NAVY

Comdr. Nutting  
 Comdr. Richardson *WFW*  
 Lt. Comdr. Rockefeller *WFW*  
 Lt. Geilfuss *JCS*  
 Ens. \_\_\_\_\_

Note  
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REMARKS:



**TOP SECRET**

January 28, 1945

MEMORANDUM FOR THE DEPUTY CHIEF OF STAFF:

1. The State War and Navy Coordinating Committee has, at the request of the State Department, taken under consideration certain matters pertaining to Saudi Arabia.
2. On December 19, 1944 the Secretary of War advised the Secretary of State that the War Department approved a memorandum suggesting the extension of assistance to Saudi Arabia as a method of protecting the national interests of the United States in that country, which memorandum had been submitted to the War Department by the State Department. The memorandum has also been approved by the Secretary of the Navy.
3. A copy of the memorandum, which was addressed to the President, is attached hereto as Tab A.
4. Under date of January 22, 1945 Assistant Secretary of State Dunn advised me that the President has expressed his approval in principle of the recommendations contained in the memorandum, and that it was proposed at an early date to take up with Congress the possibility of appropriating funds for use in meeting the urgent financial requirements of Saudi Arabia.
5. Mr. Dunn has suggested to me that the War Department give immediate consideration, in consultation with the Department of State, to such projects as it may be advisable for the military authorities to undertake promptly in Saudi Arabia in order to provide interim assistance of the character described in the above memorandum. Mr. Dunn presumably refers to the matters set forth in the paragraph numbered 3 at the end of the memorandum.
6. It is accordingly requested that there be prepared, in consultation with the appropriate members of the Air Staff on matters pertaining to the Army Air Forces, a memorandum that can be submitted to the Department of State for approval outlining the projects in Saudi Arabia which the War Department is at present ready to undertake. It is understood that these projects will include the following:
  - a. The establishment of a Military Mission. The memorandum should state in reasonable detail the number of personnel

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COPY FOR SECRETARY, SWNCC

**TOP SECRET**

1cc to Secretary, SWNCC 31 Jan 45

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which it is desired to include in this Mission, their qualifications, and the approximate date when the Mission can be despatched. It is noted that Colonel Voris H. Connor, formerly of OPD, has been made available as Chief of the Mission, as suggested in my memorandum to you of 16 January.

b. The construction of roads in Saudi Arabia. On this point the memorandum should indicate in a general way the location of the proposed roads and their approximate estimated cost, together with such other details as may seem appropriate. If because of the lack of a survey it is not possible to indicate the approximate cost this fact should be stated, with an estimate as to the minimum and maximum.

c. The construction of airfields and related facilities. The memorandum should not only indicate the location and nature of the airfields and facilities to be constructed and improved, but should include a statement of the flying rights over Saudi Arabia which the War Department wishes if it is to do the construction work. There should be included an estimate of the costs along the lines outlined above.

7. In connection with the last item, the memorandum should indicate clearly to the State Department the aviation rights in Saudi Arabia that the United States is to receive if it goes forward with the airfield construction. The work should not be done if the airfields and facilities will not be fully available for use by our armed forces during the full course of both the German and Japanese wars, and for a reasonable period thereafter. Consideration should also be given to the desirability of asking the King of Saudi Arabia, as a condition to our construction of the airfields and facilities, for post-war military air rights in Saudi Arabia, such as, for example, the right of free transit and technical stop for our military aircraft. In addition, it should be pointed out to the State Department that the War Department would be interested in having the United States secure as broad post-war commercial rights in Saudi Arabia as possible, because of the War Department's general interest in developing our international commercial aviation. However, the question of the nature of the commercial air rights for which we should ask, and the importance to be placed on such a request, are matters for decision by the State Department.

8. Upon receipt of the memorandum, the War Department will advise the State Department that if that Department considers it advisable, the War Department will proceed promptly to carry out the projects referred to in subparagraphs a and b of paragraph 6 above. The War Department will also advise the State Department that it is prepared to go forward with the construction of the airfields and related facilities as soon as the State Department informs it that

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appropriate arrangements have been made with the Saudi Arabian Government.

9. It will be appreciated if the above memorandum can be prepared at the earliest practical date.

(SIGNED) JOHN J. McCLOY

JOHN J. McCLOY  
ASSISTANT SECRETARY OF WAR

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MEMORANDUM FOR THE PRESIDENT

Subject: Proposals for the Extension  
of Long-Range Financial  
Assistance to Saudi Arabia.

In a memorandum from the Secretary of State dated April 3, 1944, which you approved, it was recommended that lend-lease funds be used for the extension of increased economic assistance to Saudi Arabia and that subsequently Congressional approval be sought for the provision of direct financial aid.

Largely because of wartime conditions, Saudi Arabia is experiencing budgetary deficits. These may be expected to continue for the next few years until oil royalties and a revival of normal trade provide sufficient sources of revenue to meet essential governmental expenditures. Meanwhile Saudi Arabia is dependent for survival upon help from abroad. If such help is not provided by this Government, undoubtedly it will be supplied by some other nation which might thus acquire a dominant position in that country inimical to the welfare of Saudi Arabia and to the national interest of the United States.

An American national interest, basically strategic in character, exists in Saudi Arabia for the following reasons:

1. A strong and independent Saudi Arabian Government in the Near East, where two great world powers come in contact, is less likely to fall victim to war-breeding aggression than a weak and disintegrating state vulnerable to economic and political penetration.

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2. The vast oil resources of Saudi Arabia, now in American hands under a concession held by American nationals, should be safeguarded and developed in order to supplement Western Hemisphere oil reserves as a source of world supply.

3. The military authorities urgently desire certain facilities in Saudi Arabia for the prosecution of the war, such as the right to construct military airfields and flight privileges for military aircraft en route to the Pacific war theater.

King Ibn Saud has indicated that he prefers to rely upon the United States for the assistance his country needs and that he would adopt a much more independent attitude toward third countries if he were assured that this Government will extend adequate aid on a long-range basis. This cannot be done through lend-lease (a) because the Foreign Economic Administration is unwilling to continue it beyond the present fiscal year; and (b) because there is no assurance in any case that lend-lease would be available on a long-range basis.

Your approval is requested of the following steps to be taken in order to enable this government to extend adequate long-range assistance to Saudi Arabia for the purpose of affording protection to the American national interest in that country and of obtaining wartime facilities urgently needed there:

1. That the Congress be requested to appropriate funds for use in meeting the urgent financial requirements of Saudi Arabia to the extent deemed necessary by the Secretary of State;

2. That the Secretary of State inform the President of the Export-Import bank that you desire the Bank to make a commitment in principle of its intention to extend, after the necessary study, development loans to finance long-range

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projects



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projects for the improvement of economic conditions and living standards in Saudi Arabia;

3. That the military authorities, after consultation with the Department of State, give immediate consideration to such projects as it may be advisable for them to undertake promptly in Saudi Arabia in order to provide interim assistance by means of such measures as the construction of airfields and related installations, the dispatch of training missions and equipment, and the construction of strategic roads, together with other facilities.

The Secretaries of War and the Navy concur in the foregoing proposals.

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before formally requesting the Soviet Government to issue transit visas. It was agreed that the State Department would take action to this end without further formal request.

6. ENTRY OF GERMAN SUPPLIES INTO ITALY FROM SWITZERLAND  
(Agenda Item #5)

Mr. Kane stated that no action was called for on this item inasmuch as a letter on this subject signed jointly by the Secretaries of War and Navy was sent to the Secretary of State on 25 January 1945. This letter was revised somewhat from the draft proposed by the Joint Chiefs of Staff (SWNCC 10) but merely adds comments made by the Secretary of War on 23 January, in which the Secretaries of State and the Navy had concurred. The Secretariat was directed to send a copy of this letter to the Joint Chiefs of Staff for information.

It was noted that this matter is to be taken up by the Currie Mission which is presently departing for Switzerland. It was noted that Mr. Currie also proposes to make representations to the Swiss Government with respect to the fulfillment by Switzerland of her functions as a protecting power. At Mr. McCloy's suggestion, it was agreed that no protest would be made in this regard until further interviews with repatriates are had.

7. FINANCIAL AID TO SAUDI ARABIA

Mr. McCloy raised a question as to the State Department's proposal to take up with Congress the possibility of appropriating funds for use in meeting the urgent financial requirements of Saudi Arabia, and it was agreed that the question should be

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referred to the Ad Hoc Committee on Saudi Arabia. After discussion it was further determined that the Ad Hoc Committee should review various political, economic and strategic considerations and agree on tactics before the State Department has its preliminary discussion with members of Congress. Mr. Kane remarked that Secretary Forrestal had expressed a desire to talk with Messrs. Acheson and Clayton on the subject, and Mr. Kane was requested to ask Mr. Acheson if he wanted such a meeting at this stage or later. Mr. Kane also said that Mr. Bard was very much interested in the matter. If such a meeting is held with Secretaries Forrestal, Acheson, Bard, and Clayton, the War Department should be invited to have its representatives present if desired. Colonel Brownell will be asked to call Mr. Kane in this regard.

8. PACIFIC MILITARY GOVERNMENT DIRECTIVES

Mr. Kane stated that proposed directives for military government in the Japanese outlying islands (JCS 1231 series) have been submitted to the Joint Chiefs of Staff by Admiral King after agreement thereto by the State Department and other appropriate departments and agencies of the Government. Admiral Willson stated that he understood that these directives had already been approved by the Joint Chiefs of Staff with minor changes and that a joint letter had been sent by the Joint Chiefs of Staff to the Secretary of War and the Navy to this effect.

Mr. Kane raised the question as to the proper procedure for clearance of such changes when made by the Joint Chiefs of Staff and, after discussion, it was agreed that it is appropriate for



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DEPARTMENT OF STATE

Washington, D.C.

In reply refer to  
NE 890.51/12-1944

January 22, 1945

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My dear Mr. McCloy:

I refer to Mr. Stimson's letter of December 19, 1944 expressing concurrence in the view that the memorandum containing proposals for the extension of long-range financial assistance to Saudi Arabia be transmitted to the President at the earliest possible date. As you know, the President has expressed his approval in principle of the recommendations contained in this memorandum, and it is proposed at an early date to take up with Congress the possibility of appropriating funds for use in meeting the urgent financial requirements of Saudi Arabia.

Meanwhile, it is suggested that the appropriate authorities in the War Department be authorized to give immediate consideration, in consultation with the Department of State, to such projects as it may be advisable for the military authorities to undertake promptly in Saudi Arabia in order to provide interim assistance of the character described in the memorandum approved by the President.

Sincerely yours,

For the Secretary of State:

(signed)

James C. Dunn  
Assistant Secretary

The Honorable  
John J. McCloy  
Assistant Secretary of War.

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STATE-WAR-NAVY COORDINATING COMMITTEE  
STATE DEPARTMENT  
Washington 25, D. C.

18 January 1945

MEMORANDUM TO: Mr. Wallace Murray, Department of State  
Mr. R. Keith Kane, Navy Department  
Colonel George A. Brownell, Office of the Assistant  
Secretary of War for Air.

Subject: Financial Aid to Saudi Arabia.

Lieutenant Colonel Henry G. Simmonite, Operations Division,  
W.D.G.S., is designated as an additional member of the ad hoc  
committee, formed at the direction of the State-War-Navy Coordinating  
Committee, to consider financial aid to Saudi Arabia.

WALLACE E. WHITSON

KELVIN L. NUTTING

HAROLD W. MOSELEY

Secretariat

CC: AC of S, OPD.  
Lt. Col. Simmonite



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Lt. Col. Simmonite



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WALLACE E. WHITSON  
KELVIN L. BUTTING  
HAROLD W. ROSELEY  
Secretariat

CC: AC of S, GPD.  
Lt. Col. Simmonite



TOP SECRET1. MINUTES OF THE THIRD MEETING.

The minutes were approved after discussion. It was noted, in connection with item 4 thereof, that the State Department has not yet finally prepared the letter submitting the matter of military considerations involved in the scheduled conference of American Republics to the Joint Chiefs of Staff. Consequently, the matter is not yet before the Joint Chiefs of Staff officially but they have been informally alerted.

2. FINANCIAL AID TO SAUDI ARABIA. (Agenda Item #1)

Mr. Dunn read from a report to the State-War-Navy Coordinating Committee which stated in effect that, the War and Navy Departments had no funds immediately available for this project and that the limited possibilities in air fields and oil reserves were insufficient to interest these two departments in an expenditure sufficient to provide for the five-year program. It appeared, therefore, a question for the State Department to decide whether or not it should proceed in this matter in view of the Presidential approval to explore the possibilities through legislation. Mr. McCloy stated that he would submit the report at the next meeting of the Committee of Three as the approved finding of this committee. It was agreed, however, that the subcommittee previously appointed should continue its study of the problem and report further to this committee.

3. A REVIEW OF OUR POSITION VIS-A-VIS THE FRENCH GOVERNMENT (Agenda Item #2) AND PROPOSALS REGARDING FRENCH PARTICIPATION IN CERTAIN TRIPARTITE PLANS FOR THE OCCUPATION OF GERMANY (Agenda Item #5).

These items were discussed together. Mr. McCloy suggested that our entire position with respect to the French Government be reviewed.

4th mtg

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EXTRACTS FROM MINUTES OF THE THIRD MEETING OF SWNCC7. FINANCIAL ASSISTANCE TO SAUDI ARABIA

Mr. McCloy stated that the Secretary of State had requested the War and Navy Departments to assist, if possible, in securing financial aid for Saudi Arabia, in view of their interest in the air fields and oil reserves in that country. It was agreed that the possibility of such assistance be investigated by a committee composed of Mr. Kane, of the Navy Department, Colonel Brownell of the Office of the Assistant Secretary of War for Air and Mr. Wallace Murray of the State Department.

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17 January 1945

MEMORANDUM FOR MR. McCLOY.

I brought to the attention of Operations Division, Department of State's suggestion with reference to assigning Lieutenant Colonel Connelly to the section in OPD which handles Saudi Arabian matters.

McCARTHY



17 January 1945

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McCARTHY



16 January 1945

MEMORANDUM FOR MR. McCLOY:

You will recall that at the conclusion of the last meeting of the SWNCC, Mr. Dunn handed you the draft of a letter for the signature of the Secretary of State. (Blue sheet attached.) You suggested that instead of a formal request for an individual it could better be handled informally.

I have spoken with Colonel Hodes, Assistant Deputy Chief of Staff and he can foresee no objection to Colonel Connor's release, unless the theater commander feels his assignment there cannot be terminated. Upon receipt of your memorandum the War Department no doubt will query the theater commander.

With reference to Colonel Connelly's assignment, it might appear as interference to suggest to the head of a division what personnel he should employ on particular jobs.

McCARTHY





WDOAS:WMC:ml

16 January 1945

MEMORANDUM FOR THE DEPUTY CHIEF OF STAFF:

The Assistant Secretary of State, Mr. Dunn, has informally requested that the War Department consider Colonel Veris H. Connor, now on duty with Allied Force Headquarters in Italy, for assignment in charge of the Military Mission to Saudi Arabia.

Officers of the Department of State who worked with Colonel Connor, while he was in Washington, were impressed with his knowledge of Arabia and his ability to speak the language of the country.

I appreciate that military considerations must be given due weight in the selection of an officer for this post. However, if Colonel Connor meets the War Department requirements and can be released from his present assignment, I think it an excellent idea to select a man with his background and with his knowledge of our interests in Saudi Arabia.

(SIGNED) JOHN J. McCLOY

John J. McCloy

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**SECRET****REPORT TO THE STATE-WAR-NAVY COORDINATING COMMITTEE**

In the matter of the Saudi Arabian financial situation the possibility of the War or Navy Departments having any funds immediately available at this time has been explored and it has been found that there are no funds which could be used for financing the Saudi Arabian Government which would fulfill the objectives of the program the State Department has in mind. The aviation projects or any other possibilities the War and Navy Departments might have would not cover the requirements of the five-year program which the State Department considers should be undertaken if we are to retain our position in Saudi Arabia.

The question arises therefore as to whether the State Department should not proceed in view of the President's approval of the plan to explore the possibilities of obtaining financial assistance for Saudi Arabia over a five-year period by legislation.

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STATE-WAR-NAVY COORDINATING COMMITTEE  
STATE, WAR AND NAVY DEPARTMENTS  
Washington, D. C.

9 January 1945

MEMORANDUM FOR MR. McCLOY:

Subject: Financial Aid to Saudi Arabia.

Investigation in OPD discloses that the Secretary of War has concurred in the paper submitted by the Secretary of State to the President recommending financial aid to Saudi Arabia. The President has approved this memorandum. The minutes of the last meeting of the SWNCC do not indicate that both the Army and Navy Departments are willing to support the effort of any other governmental agency in securing financial aid for Saudi Arabia. I believe this point should be stressed. Furthermore, I think a resurvey of War Department interests, not confined to Air Forces alone, should be made with a view to ascertaining just how much of the proposed thirty million dollar loan we might be willing to underwrite.

The matter is still an open case in OPD. I am attaching a copy of a letter from the Secretary of War to the Department of State on the subject and a letter from the Air Staff to OPD indicating pertinent Air Force interests in the field at Dhahran.

WALLACE E. WHITSON  
Secretary

Enc.

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