

SAUDI ARABIA

INTEREST OF THE UNITED STATES IN THE PRESERVATION OF THE INTEGRITY AND SECURITY OF SAUDI ARABIA; THE QUESTION OF FINANCIAL AND OTHER AID¹

711.90F/1-1747

Memorandum of Conversation, by the Director of the Office of Near Eastern and African Affairs (Henderson)

TOP SECRET

[WASHINGTON,] January 17, 1947.

Participants: Secretary Byrnes
Mr. Acheson, Under Secretary
Mr. Henderson, Director, NEA
Crown Prince Saud, Saudi Arabia
Ambassador Sheikh Fuad Hamza
Sheikh Asad al-Faqih, Saudi Arabian Minister to the United States

[Here follows a discussion of political problems in the Near East, particularly in connection with the agitation by Transjordan for a Greater Syria; for the text of this part of the memorandum, see page 738.]

FINANCIAL ASSISTANCE

The Saudi Arabs stated that it was the desire of King Ibn Saud to modernize Saudi Arabia and to elevate the living standards of the population of the country as soon as possible. In order to carry out such a program, it was necessary for Saudi Arabia to obtain loans and technical assistance. Saudi Arabia desired to turn exclusively to the United States, in which it had confidence, for financial and technical assistance in the realization of its plans for economic development. Saudi Arabia had recently obtained a loan from the United States,² but the King had felt that the terms of the loan were not satisfactory. The loan, for instance, was of so short a term that the King had been compelled to curtail its size since he would not be in a position to pay back large sums of money within the short period of ten years. The

¹ Continued from *Foreign Relations*, 1946, vol. VII, pp. 738-750.

² For information about the \$25,000,000 line of credit to the Saudi Arabian Government approved by the Export-Import Bank on January 3, 1946, see telegram 2, January 4, 1946, to Jidda, *ibid.*, 1945, vol VIII, p. 999.

King would like to have from the United States a large loan repayable over a period of say fifty years,³ which would enable the Government to begin carrying out at once its program for improving the economy and raising the living standards of the country. The King had asked the Crown Prince to endeavor to obtain from the President and the Secretary of State assurances that the Government of the United States was in principle agreeable to such a loan.

The Saudi Arabians were informed that the Government of the United States viewed with favor the extension of long-term development loans in the Middle East of the very character outlined by Prince Saud. The International World Bank was in a better position, however, than the Import-Export Bank to extend loans of this kind. The Import-Export Bank was short of funds. Furthermore, Congress had not intended that it engage in the business of granting long-term development loans. The loan which the Import-Export Bank had already extended to Saudi Arabia was of a relatively short-term character because it was primarily a loan for budgetary assistance rather than for economic development.

The Saudi Arabians replied that the King did not wish Saudi Arabia to be "internationalized"; he did not want an international loan; he did not wish to be indebted to countries other than the United States. He trusted the United States and he preferred to do business with that country rather than with other foreign countries or with an international entity. Would it not be possible, they asked, for Prince Saud to be able to take back with him to the King a statement that in principle the Government of the United States was in favor of American long-term loans to Saudi Arabia for use on certain development projects such as, for instance, the railway from Dhahran to Riyadh?

It was pointed out to the Saudi Arabs that the Executive Branch of the American Government was not in a position to give any undertakings in principle on behalf of the Import-Export Bank. They were told, however, that if sufficient data could be made available, it might be possible for the Department of State to assure the Prince before his departure from the United States that the Department of State would in principle be willing to support the extension of long-term credits to the Government of Saudi Arabia for certain specific development purposes. Whether it would be preferable for such credits to be extended through the Import-Export Bank or through the International World Bank could be the subject of future discussions. It

³ According to a memorandum by Richard H. Sanger of the Division of Near Eastern Affairs, Ambassador Hamza, in a conversation with Department officers later the same day, stated that King Abdul Aziz Ibn Saud sought a loan of approximately \$50,000,000 for a period of about twenty-five years (890F.51/1-1747). For information concerning discussion of this subject at the White House on January 16, see footnote 1, p. 738.

was suggested that this matter might be discussed more in detail between Saudi Arabian representatives and members of the Department before the departure of the Prince.

[Here follow a discussion of Palestine and the closing paragraph; for the texts of these parts of the memorandum, see pp. 1007 and 741, respectively.]

Editorial Note

Telegram 31, January 27, 2 p. m., from Jidda, reported that King Ibn Saud, at Dhahran on January 26, requested Minister Childs to transmit to President Truman his plea concerning the necessity for the United States to aid his country in constructing a railroad. Without such assistance, the King stated, he would be unable to adequately develop his country, which would continue to be a barren desert (890F.77/1-2747).

Acting Secretary of State Acheson, by memorandum of February 7, transmitted the text of the King's message to President Truman. The President, in a marginal notation, approved the Department's request for authority to acknowledge the message and to inform the King that careful consideration would be given to the project. The Department sent appropriate instructions to Minister Childs in telegram 43, February 13, to Jidda (890.F77/2-747).

890F.51/2-1947

Memorandum of Conversation, by Mr. Richard H. Sanger of the Division of Near Eastern Affairs

TOP SECRET

[WASHINGTON,] February 18, 1947.

Participants: Amir Saud, Crown Prince of Saudi Arabia
 Ambassador Fuad Bey Hamza
 The Saudi Arabian Minister to Washington
 His Excellency, Sheikh Sulaiman Al-Hamad
 The Secretary of State
 Mr. Loy Henderson—NEA
 Mr. Richard H. Sanger—NE

After an exchange of complimentary greetings between the Crown Prince and the Secretary of State, the Crown Prince said that he had discussed various topics with Mr. Truman and Mr. Byrnes when he was in Washington in January, and that if Mr. Marshall desired he would be glad to review the Saudi Arabian position with regard to them. The Secretary replied that he was familiar with the subject of those conversations, and that he wished to bring the Prince up to date

in regard to the American position on the proposed development loan. He then gave the following statement to Ambassador Hamza for translation to the Crown Prince:

"We have had a number of conversations with the various interested parties. The Oil Company¹ has informed us that it is planning to build a railroad from Dammam to Dhahran and thence to Abqaiq. It also says that it is considering the advisability of extending it to Hofuf. The officials of the Company now express their willingness to talk with the Government of Saudi Arabia about having the railroad extend from Hofuf to Riyadh so that there would be a continuous railway from Dammam through to Dhahran and Riyadh.

"The Export-Import Bank, we understand, in addition to the loan of \$10,000,000 already granted, has on its books a further line of credit for \$15,000,000 for Saudi Arabia. In case the Oil Company arranges with the Saudi Arabian Government for the construction of the railroad, financed directly or indirectly by it, the State Department is considering asking the Export-Import Bank eventually to increase somewhat this line of credit to perhaps \$20,000,000 or more."

The Crown Prince asked several questions about the loan. It was pointed out that of the Saudi Arabian request for \$50,000,000 the sum of \$10,000,000 had already been loaned by the Export-Import Bank. The idea was being considered of dividing the remaining \$40,000,000 into two parts: \$20,000,000 for the railroad² and \$20,000,000 for the development of other projects, such as public utilities, harbors, hospitals, etc. It was doubted that the Export-Import Bank, which was not responsible to the State Department but to Congress of the United States, would be willing to extend the whole \$40,000,000. Therefore the suggestion had been advanced that \$20,000,000 be obtained from private firms for the construction of the railroad, and \$20,000,000 be provided by the United States Government, through the Export-Import Bank, for utilities and other items. The Department of State had discussed the matter with the Arabian-American Oil Company and the suggestion had been put forward that that concern either advance the money needed for the railroad or that it assist the Saudi Arabian Government in obtaining funds from private sources. The Department was hopeful that the loan of \$15,000,000 now tentatively on the books of the Export-Import Bank could be raised to \$20,000,000 once an arrangement for the building of the railroad had been effected with private investors. Mr. Marshall pointed out that as Chief of Staff he could ask for funds and they could be granted, but that the Secretary

¹ The Arabian American Oil Company (Aramco).

² In despatch 123, January 17, from Jidda, Minister Childs reported the opinion of the Vice President of Bechtel Brothers-McCone International Corporation that the building of a railroad between Riyadh and Dhahran would cost approximately \$18,000,000 rather than the \$50,000,000 originally estimated (890F.77/1-1747).

of State did not control the policy of the Export-Import Bank in peace time.

The Crown Prince then raised the question as to whether this railroad would be owned by the Oil Company or Saudi Arabia, if it were built under these conditions. He was told that it was our preference that, although American private enterprise should put up the money, the actual owner should be the Government of Saudi Arabia. Amir Saud asked whether it could be said that the \$15,000,000 loan which was on the books of the Export-Import Bank was a definite commitment. He was informed that it was not a definite commitment but that the Department felt that there was a strong likelihood that at least such an amount could be placed at the disposal of the Government of Saudi Arabia. The Department's statement that it would try to get the amount raised should also not be considered as a commitment either.

The Crown Prince said that he was grateful for this information, and Minister Hamza implied that although they had hoped for a more specific commitment, this was nevertheless satisfactory.

The Prince thereupon told the Secretary that his visit to the United States had been a most successful one, and that he felt a great store of "goodwill" existed between Saudi Arabia and the United States. The Secretary assured him that this was the case.

Mr. Marshall was then presented with a golden ceremonial sword by the Crown Prince, after which various photographs were taken of the Amir and the Secretary, and the conversation closed on a most friendly note.

890F.77/4-1647

Memorandum by the Associate Chief of the Division of Financial Affairs (McGuire) to the Director of the Office of Financial and Development Policy (Ness)

[WASHINGTON,] April 16, 1947.

Recent cables from Jidda report that Fuad Bey Hamza, newly appointed "Director of Economic Development" for the Saudi Arabian Government, wants the Export-Import Bank to extend its present line of credit to provide \$52,190,000 over and above the \$10,000,000 already made available. \$32,190,000 would be utilized for the Riyadh-Dhahran railroad and harbor already considered and \$20,000,000 for a new project for a harbor at Jidda and a railroad from Jidda to Mecca and Medina. For "political reasons" the Saudi Arab Government prefers Eximbank financing to private financing. Hamza remarked that loans to Saudi Arabia had the same political justification as loans to Greece and Turkey in addition to repayment security. The

Saudi Government would finance from its own resources other development projects, such as municipal utilities, hospitals and schools, if Eximbank would take care of the railroads and harbors. Hamza requested guidance in the form of an "advisory opinion" from the Department as to whether the U.S. would be prepared to reconsider its position on the railroad loan if the Saudi Government were to submit a formal request.

[Here follow remaining two paragraphs of further discussion of the matter.]

890F.77/4-1447: Telegram

The Secretary of State to the Legation in Saudi Arabia

SECRET

WASHINGTON, May 2, 1947—7 p. m.

109. Please advise Hamza as follows reLegs 115 Apr 4, 118 Apr 5 and 132 Apr 14:¹

1. Section 2(b) of Public Law 173, 79th Congress, establishing Eximbank contains statement "It is the policy of the Congress that the Bank in the exercise of its functions should supplement and encourage and not compete with private capital."

2. In view this provision it is policy of Bank not to make loans unless it is clearly evident that borrower could not obtain required credits from private sources on reasonable terms.

3. It would appear current and prospective oil royalties may provide sound basis for private credits to SAG. Accordingly, Eximbank feels no application for railroad financing should be made pending clarification of extent to which private sources American capital might be willing finance such projects on reasonable terms.

4. If SAG desires expedite railroad projects, it should arrange to make known to private American banks or other sources of private capital its desire for credits. Dept understands Aramco has offered to assist SAG in making contacts, although SAG might desire to make contacts directly through its Legation in US.

5. It should also be understood that, although staff of Eximbank has given preliminary study to engineering report on Riyadh-Dammam railroad project, further consideration by Bank's staff and Directors would be necessary if it is requested to provide financing in lieu of private sources. Moreover, suggestion of possible Jidda-Mecca-Medina railroad is entirely new to Eximbank. Finally, Eximbank does not regard itself as committed in any way beyond existing authoriza-

¹ None printed; these are the "recent cables" referred to in Mr. McGuire's memorandum, *supra*.

tion of \$25,000,000, of which \$10,000,000 already embodied in loan agreement of last year.²

MARSHALL

²The Department notified the Legation at Jidda in telegram 82, March 28, that Aramco had made \$5,000,000 available for construction of the Dammam-Dhahran-Abqaiq railroad. These funds were in addition to those made available for construction of port facilities at Dammam (890F.77/3-2047).

Telegram 120 from Dhahran reported to the Department on October 4 that Aramco at 8 a. m. the same day gave the go-ahead signal to begin construction of the railroad (890F.77/10-447).

Editorial Note

In two separate notes of October 7, 1947, to the Department, the Saudi Arabian Minister requested that the United States Mint manufacture \$2,000,000 worth of gold discs and 5,000,000 riyal coins for the account of his Government. (890F.515/10-747). The Acting Secretary of State advised the Minister by note on December 19 that the Mint was prepared to undertake production of both the riyal coins and the gold discs (890F.515/12-1147).

In a note of December 24, the Minister requested that the minting of the gold slugs be suspended and that immediate steps be taken to supply as a substitute \$2,000,000 worth of British gold sovereigns. The Secretary of State transmitted the note to the Secretary of the Treasury on January 8, 1948, with a request that the Saudi Arabian Legation be notified when the sovereigns would be available for shipment. The shipment was actually made on January 17, 1948 (890F.515/12-2447).

890F.00/12-447: Telegram

The Minister in Saudi Arabia (Childs) to the Secretary of State

[Extracts]

TOP SECRET
US URGENT

JIDDA, December 4, 1947—11 p. m.

538. Audience with His Majesty, King Abdul Aziz, on second.

Present His Majesty, Fuad Bey Hamza, Minister of State, and Khalid Bey, Privy Councillor, and J. Rives Childs, American Minister.

As evidence importance attached by His Majesty to my audience with him, he broke all precedent by dismissing Mohammed Effendi, the Legation interpreter who as usual accompanied me to Riyadh, as well as the Palace interpreter, and instead requested Fuad Bey Hamza, Minister of State, to serve as the interpreter; moreover, while the first

audience with His Majesty after arriving in Riyadh is one limited exclusively to exchange courtesies, on this occasion His Majesty, soon after mutual inquiries re our respective health, at once broached at this initial audience the purpose for which he had requested me to come to Riyadh.

His Majesty began by stating that he knew I was a sincere friend of the Arabs. My Government had taken decision with respect to Palestine which was most distasteful for the Arab world. He did not intend to speak, however, of that. That was past and the Arabs would take such measures as they deemed necessary for the defense of their interests. What would come out of it would be the will of God. He added, "Although we differ enormously on the question of Palestine but still we have our own mutual interests and friendship to safeguard."

His Majesty stated that he was much concerned by two problems: one, the question of Russian influence and Communistic propaganda, and the second, the menace which might be offered by the Shereefian family.¹

[Here follow the views of the King on the two problems and on Anglo-Saudi relations.]

The King stated that he wished to speak in the frankest possible way with me. For that reason he would define the position of Saudi Arabia in relation to other Arab states with respect to the Palestine question as it presented itself now in consequence of the decision taken by the United Nations.

His Majesty stated "I occupy a position of preeminence in the Arab world. In the case of Palestine I have to make common cause with other Arab states. Although the other Arab states may bring pressure to bear on me I do not anticipate that a situation will arise whereby I shall be drawn into conflict with friendly western powers over this question."

His Majesty remarked that apart from Palestine his relations with the United States were of the closest. He considered that aside from Palestine there were no points of conflict between the two countries whose interests were complementary to one another.

For the above reasons His Majesty wished to inquire of me re three points on which he wished clear answers:

(1) Leaving aside wholly the question of Palestine, what was the attitude of the United States Government toward the Government of Saudi Arabia? To put the question in another form, His Majesty wished to know how and in what manner he might rely upon the United States.

¹For earlier expressions of concern by the Saudi Arabian Government in connection with the agitation by Transjordan for a Greater Syria, see pp. 738 ff.

(2) Concerning the second point, His Majesty prefaced his question by remarking that a close British friend, who had been in his confidence since the days when Sir Percy Cox was High Commissioner in Baghdad, had recently informed him that it made no difference what arrangements Saudi Arabia might make with the United States as there was a secret understanding between the United States and Great Britain according to which the United States acknowledged this area as being within a British zone of political influence. His Majesty wished to know whether such an understanding existed between the United States and British Governments by which the United States recognized Saudi Arabia as being within a British political zone of influence. . . .

(3) His Majesty remarked that one of the most sensitive parts of his Kingdom was the northern part (referring to the Saudi Arabian border with Iraq and Transjordan, Shereefian states) through which there would pass the trans-Arabian pipeline which was of equal importance to the Saudi and United States Governments. His Majesty wished to give that portion of his Kingdom the greatest possible protection. He had the troops but he was lacking arms.

There was the possibility of trouble being caused on that border through Communist propoganda or through the instigation of the Shereefian family. His Majesty cited a recent incident in Transjordan in which the offices and autos of Tapline had been attacked,² and mentioned also proclamations and speeches made by prominent Iraqiian leaders. It appeared to His Majesty that Saudi troops should be sufficiently supplied and trained to cope with such a situation. He desired to ascertain therefore whether the United States would supply the Saudi Arabian Government and army with the necessary materials for that purpose and precisely to what extent might the Saudi Arabian Government count upon assistance from the United States Government in this respect since the threat was one not only involving Saudi Arabia but also vital American interests.³

His Majesty observed that he had originally instructed his son, Prince Faisal, to proceed from New York to Washington upon the conclusion of the session of the General Assembly of the United Nations in order to see the President and Secretary of State on His Majesty's behalf to obtain clear and direct answers to these three questions. However, tension had become so great in the Middle East owing to the Palestine decision that His Majesty felt it might arouse undue suspicion in the Arab world should Prince Faisal proceed to Wash-

² See footnote 2, p. 668.

³ According to telegram 542, December 8, noon, from Jidda, Fuad Hamza stated to Minister Childs at Riyadh on December 7 that the King had in mind the equipment by the United States of two motorized divisions and the furnishing of fifty military planes. He asserted that "His Majesty would, of course, give the most binding assurances that these would not be used under any circumstances against US but would be employed only for the defense of Saudi Arabia." (890F.00/12-847) Telegram 548, December 8, 10 p. m., from Jidda, reported that the following day Crown Prince Saud reiterated these assurances to Minister Childs at Jidda (890F.00/12-487).

ington for the purpose of conferring with President Truman and Secretary Marshall.

His Majesty said he had, therefore, instructed Prince Faisal not to go to Washington. His Majesty added that he had the fullest confidence in me and that he had asked me to come to Riyadh to present these very important questions to me instead. He wished to ask me to communicate with my Government and to request that I be summoned to Washington to deliver his extremely important questions in person to the President and Secretary of State, to acquaint them personally with His Majesty's attitude and to bring back to him the answers. It was too important a subject to commit to writing.

Finally, His Majesty stated that he did not expect me to attempt on my part to supply any answers to the questions he had raised. He would only ask that I conform with his requests.

I replied to His Majesty that I would not fail to discharge faithfully the great confidence he had reposed in me which I greatly appreciated. In view of the importance of the subject, I asked His Majesty if he had any objections to my dictating an account of our conversation to my confidential secretary, Mr. Gleaton, who had accompanied me from Jidda. It was my thought that Khalid Bey and Fuad Bey Hamza could then review the memorandum which I might dictate and make any corrections they might consider necessary and if His Majesty so desired, the corrected memorandum might be submitted to His Majesty tomorrow. His Majesty said he was entirely in accord and that he left the matter entirely to the discretion of Khalid Bey and Fuad Bey Hamza and me. He would receive us both the following day.

Audience of third to follow.⁴

CHILDS

⁴ Minister Childs had a second audience with King Ibn Saud on December 3, reported in telegram 539, December 4, midnight, from Jidda. The King reiterated that the crucial question for him was whether and to what extent he might count on United States aid in resisting incursions from Iraq and Transjordan (890F.00/12-447).

890F.00/12-847: Telegram

The Acting Secretary of State to the Legation in Saudi Arabia

TOP SECRET

WASHINGTON, December 12, 1947—6 p. m.

US URGENT

391. In reply questions raised by King, Hamza and Prince Saud (re Legtels 538 Dec 4, 539 Dec 4, 542 Dec 8,¹ etc) you may inform SAG as follows:

¹ Nos. 539 and 542 not printed, but see footnotes 3 and 4, pp. 1337, 1338.

US appreciates spirit of friendship shown by King and his Govt at this difficult time, agrees that our relations are of closest and that, apart from Palestine, there are no points of difference between two countries whose interests are complementary. Furthermore US is reassured that King does not anticipate situation will develop whereby he will be drawn into conflict with friendly Western Powers over Palestine question.

US has in past and will continue in future assist nations of Near East in resisting Communist influence. This Govt is not unmindful of the possible new aspect in this regard presented by developments relating to Palestine and is watching matter closely.

This Govt feels now as in the past that apprehensions regarding Middle East peace and position of Saudi family arising from feared intrigues of Hashemite family are primarily a matter for intra-Arab consideration, which is capable of solution by direct arrangement, by Arab League, or in last resort by UN. As King Ibn Saud has seen from events of the last nine months the US has been in communication with Govt of Great Britain more than once on this subject and is convinced that British are not supporting Hashemite claims to Greater Syria and that they have actually used restraining influence on Hashemite circles desirous of expanding their control.

You may assure King Ibn Saud there exists no understanding of any kind between US and Great Britain acknowledging all or any part of Saudi Arabia or any other Arab country as being a British zone of political or economic influence. Saudi Arabia is a sovereign kingdom and does not come within sphere influence any Power. It is true US seeks to maintain friendly relations with Great Britain which like the United States is interested in the preservation of peace and tranquility in the Near East. The two Governments, therefore, exchange views from time to time regarding various Middle Eastern problems of common interest. Such exchanges, however, do not include views and statements given in confidence to either Govt by Saudi Arabia or any other country.

This Govt has noted with appreciation and satisfaction that there have been no disturbances within borders of Saudi Arabia, despite state of public feeling re Palestine question. Note has been taken of request of King Ibn Saud for arms and munitions of war, including equipment for motorized divisions and military airplanes to be used solely for defensive purposes of Saudi Arabia and never to be used either against US or so as to conflict with any of our interests. In particular, consideration has been given to statement of King regarding "great pressure" being brought upon him by Hashemite states, and his feeling that his failure to come into open economic

conflict with US by cancellation of the oil concession may lead to incursion from Iraq or Transjordan into his domain.

Govt of US cannot conceive of situation arising under which Hashemite states would attack Saudi Arabia merely because King Ibn Saud continued to be friendly to United States and to private American companies doing business within borders of his country. This Govt, after careful consideration, recently decided that broad interests of peace can best be served if in existing circumstances US should for time being refrain from exporting arms and munitions to Palestine and neighboring countries.²

King Ibn Saud should be reminded that as previously indicated to him and to Prince Saud the inability on the part of US to provide him with military aid requested should not in any way be taken as an indication of any lessening of friendship on part of US towards Saudi Arabia. It should rather be considered as indication of US view that so long as Palestine situation remains acute, shipment of arms and munitions from US to Middle Eastern area should cease pending UN consideration of security aspects of that situation.

As was pointed out by Secretary Byrnes to Crown Prince Saud when he was in Washington last January, one of the basic policies of United States in Near East is unqualifiedly to support territorial integrity and political independence of Saudi Arabia. If Saudi Arabia should therefore be attacked by another Power or be under threat of attack the US through medium of UN would take energetic measures to ward off such aggression.

For Childs. You are commended for able way in which you conducted these difficult conversations with King.

Sent Jidda as 391; repeated London as 5234.

LOVETT

890F.00/12-1547: Telegram

The Minister in Saudi Arabia (Childs) to the Secretary of State

TOP SECRET

JIDDA, December 15, 1947—10 p. m.

563. Having communicated with Prince Saud, Mecca, immediately upon receipt Deptel 391, 12th he came to Jidda personally and received me this morning, when I handed him note to HM embodying replies. I stated to Prince Saud I was personally extremely gratified by rapidity with which my Govt had answered and thought this could be interpreted as evidence very friendly disposition US toward Saudi Arabia and importance attached to any request HM. Translation of note was then read by Legation interpreter.

² See telegram Telmar 42, December 6, p. 1300.

Prince Saud followed translation note with obvious gratification. He remarked :

(1) SAG fully appreciated explanation given by US re shipment arms Middle East at this time. He hoped however policy would not continue indefinitely.

(2) SAG was very grateful to US for assurances contained in note. Relying implicitly on those assurances SAG would formulate its policy in light of them, secure in belief in their strength and their fulfillment.

(3) SAG did not credit Hashemites with any substantial intrinsic strength. SAG's concern was with the power standing behind the Hashemites and the use which might be made of Hashemites by that power. (Reference being obviously to British.)

Prince Saud stated he would communicate to me certain information on a top secret basis for my personal information alone. Yesterday in Arab League meeting told me Ministers Iraq and Transjordan had requested Saudi Arabia break relations with US and cancel oil concession. SAG representative had replied it saw no reason to take such a measure. Iraq and Transjordan opposed to action of US in bringing about partition of Palestine. SAG representative replied Saudi Arabia was at one with other Arab states in opposition establishment Jewish state but saw no reason run counter to Saudi Arabia's own interests by severing relations with US. It [*He*] added if Iraq and Transjordan insisted Saudi Arabia would break relations not with US but with these two states.

In concluding audience, Crown Prince said US Government reply could not have been more timely. It would be forwarded by special plane to HM and if King had any special observations to make HRH would communicate them to me subsequently. He asked very great thanks SAG be conveyed my Government its prompt and clear reply.

Sent Department 563 ; repeated London as 61.

CHILDS

Editorial Note

Crown Prince Saud handed the reply from King Ibn Saud to Minister Childs at Jidda on the morning of December 16, 1947, to the note which Mr. Childs had given to the Crown Prince as described in telegram 563, *supra*. The lengthy reply from King Ibn Saud was sent in translation by Mr. Childs in telegram 568 from Jidda on December 16, not printed. (890F.00/12-1647)

To begin with, King Ibn Saud declared his thanks for the explanations given by the United States Government to the first two of the three principal questions discussed in the audience of Mr. Childs with the King on December 2 (see telegram 538 from Jidda on December 4,

ante, page 1335), and chiefly for the reiterated assurances of friendship for the Arabs, support of their independence, and the intention to maintain the *status quo*.

On the other hand, the King could not conceal his disappointment concerning the response to the third question, namely, the request for American aid to enable Saudi Arabia to take the necessary measures to assure the protection of mutual interests in the event of any emergencies. In the remainder of his long message the King took pains to make detailed observations which he hoped would remove any wrong impression concerning his purposes. He feared that there had been misinterpretation of Saudi Arabian attitudes, particularly in respect of the decision of the United States Government in preventing the export of arms to the Middle East, including Saudi Arabia.¹ He declared that any military assistance would never be used against the United States, or for aggressive attack against others. There was an extremely large difference between the position of Saudi Arabia and that of other countries, because there were vital mutual economic and strategic interests there, such as the protection of the oil field and pipe line, which did not exist elsewhere.

King Ibn Saud reconfirmed his guarantee that any military aid would not be used for other than defensive purposes. He pleaded that his real purpose was to establish a modern, mechanized military force to be used only as a means of defence around the airfield at Dhahran and in the area of the pipe line. The King asserted that he intended to ask the United States for the assistance of a training mission to supervise the training of this force and the preparation of such bases as would be required.² In the light of these assurances and explanations which he had frankly reiterated, King Ibn Saud hoped that the United States would review its position, and inspired by the existing situation could work out a practical way which would lead to the realization and attainment of the King's purposes.

¹ Minister Childs reported in telegram 569, December 16, 7 p.m., from Jidda, that he had emphasized to Crown Prince Saud that afternoon that the attitude of the United States toward shipment of arms to the Middle East was not based on any doubt or reservation regarding the friendly intentions and disposition of the King and his Government. The decision to embargo arms shipments had been adopted in the light of general considerations involving the peace and security of the area. (890F.00/12-1647)

² On December 22, Minister Childs suggested in telegram 581, from Jidda, that the sending of a military mission to Saudi Arabia would materially enhance the possibility of extending American occupancy of the Dhahran airfield beyond March 1949. (890F.00/12-2247) He was advised in telegram 18, January 23, 1948, to Jidda, that the Departments of State, Army, and Air Force were giving careful consideration to the sending of such a mission. (890F.00/12-1647)