

contrary opinion expressed and, as far as he could see, there would be no objection to using grant aid to pay for some of the equipment already recommended by the JCS for purchase under MDAP. However, what the SAG really appeared to want help with, the Ambassador said, was construction of the military base at El Kharj; they did not want military equipment. Mr. Bryan replied that he was not sure the Mutual Security Act provided for the purchase of construction items. But he said that the Department, in arguing for grant aid for Saudi Arabia, might take the line that the US should free the Saudi Arabian foreign exchange for purchase of construction items by paying for small arms equipment. Mr. Daspit suggested that perhaps a solution to the whole grant aid problem would be the payment of a rental fee for DAF similar to the fee paid to Libya. Mr. Bryan thought this worthy of consideration and said that such a suggestion might serve as a vehicle to get Defense to give a stronger endorsement of grant aid for Saudi Arabia. Mr. Bryan thought, too, that the Department could go back to Defense and say that it would be a calculated risk to negotiate for the additional facilities without authority to offer grant aid, but that we would be willing to go ahead on this basis if Defense had nothing further to say on the matter. Mr. Bryan was emphatic in saying that NEA's current file, requesting a Presidential finding, would not be acceptable to the Director of Mutual Security. Not only would it be difficult to sell to DMS, he said, but also it would be difficult to sell to the White House.

---

No. 1442

*Editorial Note*

On August 19, Ambassador Hare met at the Pentagon with a group of Air Force officers concerned with additional rights the military desired in Saudi Arabia. Two copies of a long, presumably verbatim, transcript of the meeting, entitled "Meeting on Saudi Arabia," were transmitted to the Department of State by the Pentagon on August 27. (711.56386A/8-2752) A large part of the August 19 meeting consisted of an explanation by Ambassador Hare of the way negotiations had been carried on with the Saudi Arabian Government in the past, in particular when treaties had been signed establishing the United States position at Dhahran Airfield. There was also a general discussion on additional rights the military wanted in Saudi Arabia, but no conclusions were reached on that topic.