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PRESS RELEASE

FOR RELEASE TO SATURDAY MORNING NEWSPAPERS, AUGUST 10, 1946

Signing of Agreement on Credit of Ten Million Dollars to Saudi Arabia announced by Export-Import Bank

The signing of an agreement establishing the terms and conditions of a credit of Ten Million Dollars from the Export-Import Bank to the Kingdom of Saudi Arabia was announced today by Herbert E. Gaston, Vice-Chairman of the Board of Directors. The establishment of the credit is the result of negotiations which were begun by Saudi Arabia in February 1945. The credit is to be used for the purchase in the United States of essential supplies and rehabilitation equipment. As a consequence partly of reverses in crop and livestock production and partly due to lack of repair and upkeep of transportation and other facilities during the war, Saudi Arabia is required to import at this time large quantities of food and other commodities necessary for basic supply of the population and the maintenance of essential public services.

The specific materials and equipment which the Saudi Arabian Government intends to purchase under the credit as they become available include: cereals and grain, sugar, medicines, sanitary and hospital equipment and supplies, textiles, electrical equipment and supplies, automotive equipment, office equipment and supplies, and agricultural tools, machinery and supplies.

Although the Government of Saudi Arabia receives oil royalties from the Arabian-American Oil Company, they are not as yet sufficient to meet the immediate import needs of the country. However, the terms of the credit agreement provide that repayment of the credit is to be secured by an assignment of royalties due from the Arabian-American Oil Company to Saudi Arabia during the ten year period provided for repayment of the credit.

Advances under the credit may be made until June 15, 1948.