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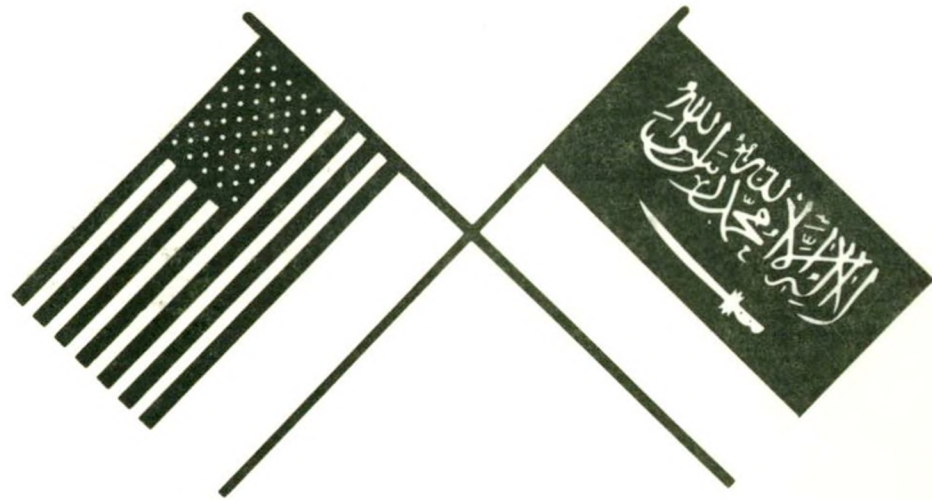


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Secretary Miller

United States - Saudi Arabian Joint Commission on Economic Cooperation



FIFTH SESSION

Washington, D.C. April 1-2, 1980

**UNITED STATES-SAUDI ARABIAN
JOINT COMMISSION
ON ECONOMIC COOPERATION**

ANNUAL REPORT

1980

INTRODUCTION

The United States-Saudi Arabian Joint Commission on Economic Cooperation was established on June 8, 1974, by a Joint Statement issued by Crown Prince and Deputy Prime Minister Fahd and U.S. Secretary of State Kissinger. It stated as the purpose of the Joint Commission "to promote programs of cooperation between the two countries in the fields of industrialization trade, manpower training, agriculture, and science and technology."

On February 13, 1975, the two governments signed a Technical Cooperation Agreement providing a framework for the Joint Commission to begin operations. Since that time, the Commission has become an active government-to-government mechanism by which the expertise present in various parts of the United States and Saudi Arabian Governments and their respective private sectors can be brought together to pursue the goals of the Commission.

The Joint Commission has a system of parallel command in which Secretary of the Treasury Miller and Minister of Finance and National Economy Abalkhail serve as Co-Chairmen. Assistant Secretary of Treasury for International Affairs Bergsten and Riyadh University President Dr. Al-Turki serve as Coordinators, and U.S. Project Team Leaders have counterparts from Saudi action agencies.

The Deputy for Saudi Arabian Affairs in the Treasury Department has primary responsibility for U.S. involvement in the Joint Commission. Both the Office of Saudi Arabian Affairs in the Treasury Department and the U.S. Representation Office in Riyadh report to the Deputy for Saudi Arabian Affairs. The Office of Saudi Arabian Affairs provides policy and operational guidance to U.S. action agencies, coordinates the development of projects, and monitors project progress.

The Saudi Arabian Coordinator and Deputy Coordinator oversee and coordinate the Saudi Arabian side of the Joint Commission's activities. The U.S. Representation Office supervises the Commission's U.S. operations in the field, provides administrative support to the project teams, and works with the Saudi Arabian Government to develop ideas for new projects.

U.S. action agencies, in conjunction with their counterpart Saudi Ministries are responsible for the implementation of Joint Commission projects. Besides Treasury, which is itself the action agency for certain projects, U.S. agencies with a major role in one or more Joint Commission projects include the Departments of Agriculture, Interior, Labor, Commerce, Transportation, and Energy; the General Services Administration, the National Science Foundation, and the Farm Credit Administration.

Ministerial-level Joint Commission meetings are held at approximately yearly intervals, alternating between Saudi Arabia and the United States. Delegations attending the meetings include senior officials of the two governments having an active role in the Joint Commissions programs.

Between the formal meetings, the work of the Commission is discussed during official visits of the Co-Chairmen and other senior officials. Shortly after his appointment on August 6, 1979, Secretary Miller visited Saudi Arabia November 23-26 for talks with Minister Abalkhail and several Ministers having responsibility for Joint Commission projects.

During this visit, Secretary Miller and Minister Abalkhail signed an extension of the original Technical Cooperation Agreement for an additional five years to February 13, 1985. This action reflected the satisfaction of the two governments with the work of the Commission and their confidence that its future activities will contribute both to the economic development of Saudi Arabia and to close relations between the two countries.

The Commission met for its Fifth Session on April 1-2, 1980 in Washington. At that meeting, progress was evaluated on the implementation of projects under Commission auspices, and future activities were discussed. It was agreed that two

project agreements would be amended later in the year to meet continuing or expanded needs for U.S. specialists. The Desalination Research and Training Project Agreement will be amended to provide an expanded scope of services. The Statistics and Data Processing Agreement, which expires on August 31, 1980, will be extended for a period to be agreed between the two governments.

Since the Joint Commission began operations in 1975, the two governments have signed 19 project agreements and two projects have been added by exchange of letters or extension of another agreement. Two projects in the electrical field have been completed.

The following sections give a brief description of the current status and future prospects of the Joint Commission projects, which are listed by date of signing the project agreements. The chart in Annex 1 provides summary information including the date and term of the agreements, the action agencies in both governments, and the number of U.S. project staff personnel in Saudi Arabia.

I. CURRENT PROJECTS

1. Statistics and Data Processing

Statistical and data processing advisers from the U.S. Bureau of the Census are working with the Central Department of Statistics (CDS) and its computer center on the overall development of the Department's statistical and data processing resources. Numerous short and long-term assignments have been carried out by Census Bureau staff and there are presently 23 resident advisers in Riyadh. This number is expected to increase to over 30 by the end of 1980.

Among the major accomplishments of the projects are:

- Development of a continuing multi-purpose household survey program designed to provide current demographic data as well as information on the labor force and on the health and nutrition of the population;
- Conduct of urban and rural expenditure surveys to be used for the revision and updating of the ongoing consumer price index program and for use in national accounts activities;
- Overall improvement of the foreign trade statistics program making data much more timely and reliable;
- Conduct of the 1976 census of establishments and a more detailed follow-on survey of establishments in 1977;
- Initiation of various economic surveys, including economic trend surveys and surveys on industry, construction activities and on wholesale and retail trade services;
- Overall improvement and upgrading of the National Computer Center to fully service the needs of the CDS and its parent agency, the Ministry of Finance and National Economy, as well as numerous other ministries and agencies of government;
- Improvement of the cartographic resources of the CDS to prepare maps for ongoing censuses and surveys programs;
- Establishment of a printing facility within the CDS to meet many of the recurring printing needs of the CDS and the Computer Center; and
- Training of Saudi staff members through 56 individual study programs of up to one year in length at the Bureau of the Census and related Government agencies in the United States.

Photo B

2. Agriculture and Water Development

Technical staff support, research and development, and training continue to flow from U.S. agencies and contractors working with the Ministry of Agriculture and Water.

Seven functional areas are being served within the Ministry's project activities as follows:

- Water Resources: Developing a data bank of general hydrology, water quality, ground and surface waters, mathematical modeling for analyses, and water re-use planning;

- Project Execution: Providing technical support in planning, design, preparation and contract evaluation and construction of water supply networks, small dams and reverse osmosis water treatment plants;
- Agricultural Affairs: Land record mapping, remote sensing and ports surveys.
- Agricultural Research and Development: Evaluating development programs of both private and public sectors, research on mechanization of date culture and processing, irrigation and re-use of waste water.
- Regional Agriculture and Water Research Center: Conducting research on animal production, disease and virology; analytical instrumentation; food processing and nutrition for human consumption; soils and irrigation; water and environmental chemistry; crop production and protection; and administration; and
- Coordination and Planning: Implementing new management, statistics and data processing systems.

Specialists in projects activities may be found working in remote regions collecting data, analyzing development opportunities, assisting and training agricultural producers and processors as well as developing a comprehensive research program at the Agriculture and Water Research Center near Riyadh or the date processing facility at Hofuf.

Photo C

3. National Park Development

Development of a national park in the mountainous Asir region of the southwest is being carried out by a private U.S. contractor, Wirth-Berger Associates, under the supervision of the U.S. National Park Service. Park facilities now under construction are scheduled for completion in November 1980. Officials of the National Park Service, working with Ministry of Agriculture and Water personnel, prepared the master plan and project proposal and are overseeing its implementation. The project, a new concept in the Kingdom, will help to preserve the natural beauty of this area and will make a variety of facilities available for public recreational and educational use.

4. Electrical Services

The 25-Year National Electrification Plan, this project's primary objective, was completed in 1979 and final financial and manpower sections were delivered to the Ministry of Industry and Electricity.

The Ministry then requested a follow-on contract with Chas. T. Main, International, Inc. for the continuation of a five-man advisory team. The team's major work will be to update and modify the 25-Year Plan as it moves into its implementation phase. In addition, the team will provide consulting services to the Ministry in technical, administrative, and economic areas.

5. Support for Science and Technology Center

The Saudi Arabian Government established in December 1977 a National Center for Science and Technology (SANCST) with the primary objectives of supporting and encouraging applied scientific research and coordinating activities of other scientific centers and agencies in a manner that best meets the development requirements of the Kingdom. The Joint Commission project provides administrative and other support to SANCST and seeks in general to enhance the Saudi Arabian scientific and technological capabilities necessary for its economic and social development.

A program office at the National Science Foundation is responsible for coordination of U.S. program activities and evaluation of progress under the agreement. The major ongoing program activities are as follows:

- Design, development, installation and operation of a Science and Technology Information System for the Kingdom;
- Development of a plan to conduct a Saudi Arabian Public Awareness of Science Program;
- Continued development and refinement of the SANCST Research Plan, including organization and functions of the operating Directorates of: Scientific Research; National Research Laboratories; Science and Technology Infrastructure; and Manpower Development and Science Education; and
- Applied Research Grants Program for Saudi Arabian institutions.

6. Manpower Training and Development

Saudi Arabia's Five-Year Development Plan has identified manpower development and training as one of the Kingdom's highest priority needs. The Manpower Training and Development Project is designed to increase both the number and skills of Saudi craftsmen through a systematic strengthening of vocational training curricula and construction of additional training facilities.

Activities to develop new vocational curricula will eventually cover most basic vocational subjects and are already underway in machine shop trades, automotive mechanics, welding, diesel mechanics, air conditioning and refrigeration, wood-working, electricity, and plumbing. Eight additional trades are under consideration for future development.

Saudi Arabian and United States project personnel are working toward the following objectives:

- Strengthen the administration of training programs;
- Establish a center for producing instructional materials;
- Improve the training of Saudis;
- Gather and analyze statistical information on the labor market to assist the Ministry of Labor and Social Affairs in planning and managing vocational training activities;
- Strengthen institutional training; and
- Build an effective on-the-job training program throughout the Kingdom, for which the first group of Saudi Arabian staff is now undergoing training in the United States.

To expand the capacity of the Ministry of Labor and Social Affairs vocational training system, the U.S. Department of Labor and the U.S. General Services Administration are cooperating with the Ministry in the design and supervision of construction of an Instructor Training Institute, nine Vocational and Pre-Vocational Training Centers, and expansion of fifteen existing centers. Private U.S. contractors have undertaken both (a) the master plan and design; and (b) the management aspects of this construction. The master plan and design contract was awarded to a joint venture of The Hope Consulting Group and VTN International, Inc. The original construction management contract was awarded to the CRS Group, Inc. Contracts for the construction of the new facilities are being awarded by international tender and may include U.S. participation.

Forty-one U.S. long-term project personnel are now working on the various aspects of the project and an additional sixteen positions are scheduled to be filled this year.

Photo D

7. Financial Information Services

Treasury is working with the Saudi Ministry of Finance and National Economy to provide the facilities, staff support, organization and systems to develop and operate a multi-media Financial Information Center. The Center's key function is to assemble and analyze economic information for presentation to senior Ministry and other government officials.

The U.S. specialists with the project are engaged in four integrated tasks:

- Information Services, housed in the newly completed Print Media Facility, are nearly fully operable. In addition to a large collection of books and periodicals, on-line computer capabilities provide rapid access to all major data, publications and abstracts electronically stored in the United States. It is planned that these services will be widely available to various Saudi Government agencies, largely through on-line remote terminals.

- Media Services are rapidly expanding in order to permit a variety of visual and audio-visual presentations. The new media facility now under construction as part of the Ministry complex is expected to be completed and operable in October 1980. It will house an auditorium, a media conference room, and the bulk of the audio-visual production services.
- Economic analysis and reporting, utilizing the information and media services, provides analytical and informational briefing materials tailored to the Ministry's needs.
- Administrative services include engineering and maintenance on the electronic equipment, computer software, and other equipment and facilities.

An active training program has sent 12 Ministry officials to the U.S. for advanced training. The Ministry has nominated a total of 47 officials to participate in the training program.

With increasing project staff and additional facilities being completed, many key information, media and economic services are now available, and the full range of services associated with the Financial Information Center should be underway before the end of 1980. These services can continue to expand to meet the growing requirements of the Ministry and the Saudi Arabian Government. Following the present transition period, the services by 1985 will be provided completely by Saudi personnel with advanced training in the U.S.

photo E

8. Desalination Research and Training

A major Saudi Government project in the implementation stage is seawater desalination—one of Saudi Arabia's key resource development areas. Support is being given this effort in two key areas:

- A. A research, development and training center is undergoing detail design. A site at the Jubail industrial and port complex in the Eastern Province has been selected for the center.
- B. Plans are being made to develop a new generation of larger, technically improved thermal desalination plants through the construction and operation of a test module. Three parallel conceptual design studies of large capacity multi-stage flash (MSF) plants have been completed and work is expected to begin soon on the detail design of a test plant which will investigate key technical features of large plants recommended in the three studies.

A joint team of experts from the U.S. Department of Interior and the Saline Water Conversion Corporation (SWCC), assisted by the appropriate contractors, is managing the projects from SWCC's headquarters in Riyadh.

In planning future work to be done under the project, the SWCC management and the Joint Team have determined that a broader scope of work and additional team members will be required. They also wish to have greater flexibility in selecting specialists for the expanded Joint Team and in stationing them at any location in the Kingdom where their services are needed. Steps are now underway to amend the project agreement to meet these new requirements of the project.

9. Consumer Protection

A major milestone in the development of the Saudi Arabian Government's consumer protection program was the opening in February 1980 of the Central Riyadh Laboratories. Eighteen specialists from the U.S. Midwest Research Institute are conducting operations at the laboratory alongside Saudi chemists and microbiologists.

Preparations are being made to expand the system to include regional laboratories in Jeddah, Dammam, Halat Ammar, Jizan and Jubail, with a corresponding increase in Midwest Research Institute staff members to 42 specialists.

The overall objective is to establish a system of food quality control for the Kingdom. The program will:

- Activate the Central Laboratories in Riyadh;
- Strengthen the Regional Laboratories;
- Introduce modern equipment and methodology;
- Introduce on-the-job training programs; and
- Arrange for education programs for chemists, microbiologists, and food scientists to study in the United States.

Training of Saudi staff is vital to the success of the project, and 14 Saudi students are now pursuing graduate studies in U.S. universities. They will eventually take over the activities of the U.S. contract team members. A total of 80 students is expected to pursue training in the United States.

In addition to installation of up-to-date equipment in the Laboratories, the

Weights and Measures Department is being equipped and new methodology is being introduced.

10. Highway Administration and Training

The U.S. Department of Transportation's Federal Highway Administration (FHWA) is working with the Saudi Ministry of Communications to upgrade its overall capabilities in the area of highway transportation. Ten of the approved 13-man FHWA team are currently in the Kingdom providing assistance in a variety of programs:

- A photogrammetry program has been initiated;
- Highway safety is being improved;
- Computer capability is being increased;
- Organization and staffing of the Ministry has been studied;
- The flow of paperwork is being analyzed;
- A pilot program for maintenance has been initiated;
- An inventory and appraisal of all bridges in the Kingdom has been completed;
- A bridge repair and replacement program is being implemented; and
- A program is underway to develop construction, materials, design and traffic manuals.

The program is also designed to establish a major educational and on-the-job training program for selected Ministry employees in the U.S., including appropriate training courses.

The FHWA staff in Washington is working with the State of California and with the International Road Federation to implement work-study opportunities for Saudi personnel in the U.S. The first participants are scheduled to arrive in the U.S. this year.

11. Solar Energy Research and Development

The Joint Commission's solar energy project began in 1977 after Crown Prince Fahd had discussed with President Carter the possibility of such a jointly funded program. The project is unique not only in its joint funding, but also in its operations in both countries and its administration by a joint Executive Board. The Board meets periodically in Saudi Arabia and in the United States to determine policies and supervise implementation of the program.

The Board has identified four broad program areas for project activities:

- Urban applications;
- Agricultural and other rural applications;
- Industrial applications; and
- Resource development activities.

The Operating Agent for the project is the Solar Energy Research Institute of Golden, Colorado, which also carries out an extensive program of solar energy research for the U.S. Department of Energy.

As the first major undertaking, a contract was signed in December 1979 with the Martin-Marietta Corporation to design, construct, and operate a 350 Kw photovoltaic or solar cell power system at a site about 40 km north of Riyadh. The

solar-powered system, which is expected to be operating by June 1981, will supply electricity to two villages and will be the largest installation of this type in the world.

Other major activities include the following:

- Contracts have been signed with four U.S. companies to undertake field tests in the United States of several solar cooling systems designed for use in commercial buildings.
- Efforts are underway to support the development of solar cooling laboratories in four universities in Saudi Arabia.
- A contract is expected to be signed in mid-1980 for the design, construction and operation of a solar-powered desalination system for use with seawater and brackish water.
- Planning is underway for a project dealing with solar-powered environment control for agricultural applications.
- A solar cooling workshop is scheduled for April 1980 at the University of Petroleum and Minerals in Dhahran, Saudi Arabia.

In the future, additional workshops and seminars are planned in other solar energy research fields. A program of educational exchange is also expected to be approved during 1980.

12. Audit Services

Auditors and accounting specialists, many formerly with the U.S. General Accounting Office, are engaged in a broad program of management and training at the Saudi General Auditing Bureau. The U.S. team has arranged for training of General Auditing Bureau staff in the United States and among a number of other efforts have prepared proposals for developing accounting principles and audit standards for Government operations.

The President of the General Auditing Bureau has asked that the staffing be increased to provide on-the-job training for his staff.

During the coming months, the team will be devoting much of its attention to developing specialized training programs for the General Auditing Bureau.

13. Customs Administration and Training

Special emphasis in this project is given to an extensive training program for officers in the United States. In addition, a U.S. Customs advisory team is stationed in Riyadh to work with the Saudi Customs Department at the Ministry of Finance and National Economy.

The training program began in April 1979 at Memphis State University with 15 Saudi Customs officers placed each year in a masters degree program and the training of 80 officers each year in a series of specialized, Customs-oriented, three-month training sessions. Nine officers are now enrolled in the masters degree program and 99 have or are now attending the specialized short-term sessions. In addition, 17 officers attended and completed a six-week narcotics control seminar.

Members of the advisory team are currently working on the following:

- A means to improve the detection of any contraband articles smuggled into the

- Kingdom (it appears at this time that the application of mass spectrometry technology offers the highest potential for solving this problem);
- The use of computerization to improve management information and manpower utilization;
 - The introduction of micrographics as a means to cope with an ever-growing records storage problem;
 - A comprehensive survey to determine Saudi Customs training requirements; and
 - The continual collection and evaluation of information on Saudi Customs operations and procedures both to facilitate the smoothest possible introduction of computerization at the appropriate time and to identify possible areas of immediate, manual improvement.

14. Supply Management Development

Professional and technical staff from the U.S. General Services Administration are working with the Ministry of Finance and National Economy in developing a system for central supply management and procurement for the Saudi Government.

The initial objective is to develop a central supply cataloging and classification system which will be used in a Kingdom-wide uniform cataloging system introduced by the Ministry in November 1979. Advanced computer and electronic communications equipment is being utilized in connection with the National Computer Center. The first training seminar in the United States is scheduled for April-June 1980.

15. Nasseriah Power Station Equipment and Services

The original electrical procurement project helped modernize and expand the capacity of the Nasseriah Power Station which serves key governmental areas of Riyadh. The follow-on project provides for additional generating capacity and upgrading other facilities at the plant. Construction of a new administration building and several ancillary buildings and shops will also be undertaken, as well as a 20-unit apartment house for the staff at a separate site.

December 1980 is the target date for the operation of the electrical portions of the project which include two 16-MW turbine generators, modernized switchgear and design of a new distribution system. Close coordination is required for this complex project between the prime contractors, Overseas Advisory Associates, Inc., and the Nasseriah Power Station management, if the target is to be met.

Photo F

16. Agricultural Bank Management and Training

Specialists in the field of agricultural credit and administration are helping the management of the Saudi Arabian Agricultural Bank in the reorganization of the main office and branch offices in order to create greater efficiencies in serving the farmers of Saudi Arabia.

They will assist in the establishment of a training program, an improved accounting system, a computer system, and a refinement in the control system on loans and finances.

There are now twenty students in the United States attending the University of California at Davis. After completing their university studies, the students will be in U.S. Farm Credit Banks for four months' on-the-job training.

17. Transportation Services

The U.S. Department of Transportation is assisting the Ministry of Communications in planning and organizing to meet present and future transportation requirements in the Kingdom.

The Project Manager has been assisting the Ministry in defining its responsibilities and roles in transportation. Efforts to date have emphasized identifying specific areas where the U.S. Department of Transportation can provide substantive support in aiding the Ministry to carry out its transportation responsibilities. A series of proposals for both general and specific project personnel support have been presented to the Deputy Minister for review and consideration.

Simultaneously with this, the Project Manager has been providing technical services and other support to assist the Ministry in carrying out many of its ongoing activities.

18. Executive Management Development

Under this project, selected senior Saudi Government administrators will participate in management development programs in the United States. The programs are expected to include both study and observation of the work in counterpart U.S. Government agencies. They will provide an opportunity for American and Saudi public service administrators to meet and exchange views on professional issues of mutual interest.

19. Arid Lands, Meteorology, and Environment Education

In the first major project with a Saudi Arabian University, an organization of Southwest American Universities, the Consortium for International Development, is undertaking a cooperative program of instruction and research with the Institute of Meteorology and Arid Lands Studies at King Abdulaziz University in Jeddah.

The American group will provide faculty in the fields of meteorology, arid lands studies, and environmental protection. The experts will work with the Institute in developing curriculum, teaching courses and conducting research. The members of the consortium are Colorado State University, Texas Tech, New Mexico State, University of Arizona, University of California (Riverside), Cal. State Polytechnic University, Oregon State, Washington State, University of Idaho, Montana State and Utah State.

II. POTENTIAL PROJECTS

1. Municipal Water Systems

Preliminary discussions have been held with the Ministry of Municipalities and Rural Affairs on a technical cooperation project to develop the capability of the Central Region of the Ministry to manage and operate an adequate water supply surveillance and technical assistance program. The U.S. agencies concerned have expressed interest in such a cooperative program, and further discussions between the two governments are expected to work out the details of a project agreement.

2. King Faisal University

There have been extended discussions with the President and senior administrators of King Faisal University in Dammam on a cooperative project for development of its education and research capability and overall university administration. A project agreement has been negotiated and signature is anticipated in the near future following final approval by both governments.

III. SHORT- TERM PROJECTS

The Commission has conducted numerous short-term projects in response to Saudi Government requests. Many of these involve preliminary work and reports that eventually lead to long-term projects. For example, a team of officials from the U.S. Environmental Protection Agency conducted studies in 1979 which are being used as the basis for planning the Municipal Water Systems project.

Most recently there have been a series of surveys and studies which are expected to lead to cooperative programs between the Riyadh University Colleges of Dentistry, Medicine and Public Health, and Allied Medical Sciences and American institutions in these fields. Other recent short-term projects include a radio frequency propagation study done by the U.S. Department of Commerce's Institutes for Telecommunications Science for the Saudi Ministry of Information, and technical staff support for King Abdulaziz University in Jeddah in planning and monitoring construction of the new College of Medicine campus.

IV. COMPLETED PROJECTS

One of the Joint Commission's early projects—acquisition and installation of electrical equipment for three Saudi Arabian Government agencies—has been completed. Generating and related equipment and fuel oil tanks were provided to the Nasseriah Power Station and the Electricity Corporation's installation at Abha. The Ministry of Industry and Electricity's Riyadh Industrial Estate has been able to attract numerous investors thanks to the availability of power from the plant installed under this project. Finally, warehouses supplied and constructed under the project in Jeddah, Riyadh and Dammam are currently being used by the Electricity Corporation in its supply management operations.

A second project in the electric power field has been completed with the delivery of \$11 million worth of equipment to the Saudi Consolidated Electric Corporation in the Eastern Province. Like that of the earlier electrical procurement project, this equipment was procured through the U.S. General Services Administration with Overseas Advisory Services, Inc. as the contractor for the Treasury Department.

**UNITED STATES-SAUDI ARABIAN JOINT COMMISSION
ON ECONOMIC COOPERATION**

Summary of Projects

Project Title	Date Signed (term)	Project Objectives	U.S. and Saudi Action Agencies	U.S. Professional Staff in S.A. (March 1980)
1. Statistics and Data Processing	9-23-75 (5 years)	Upgrade statistics and National Computer Center operations	Dept. of Commerce (Census) Min. of Finance and Economy	23
2. Agriculture and Water Development	11-23-75 (Indef)	Advise regarding agricultural development, water resources and research.	Depts. of Agriculture and Interior Min. of Agriculture and Water	
3. National Park Development	2-16-77 (subproject)	Design and construct national park	Dept. of Interior Min. of Agriculture and Water	
4. Electrical Services	2-29-76 (Indef)	Planning and technical services in electricity	Dept. of Treasury and Chas. T. Main, Int'l Min. of Industry and Electricity	3
5. Support for Science and Technology Center	2-29-76 (Indef)	Institutional development of Saudi Arabian National Center for Science and Technology (SANCST)	National Science Foundation SANCST	0
6. Manpower Training and Development	6-12-76 (9 years)	Develop vocational training program; advise on training center constr'n	Dept. of Labor and General Services Admin. Min. of Labor and Social Affairs	41
7. Financial Information Services	5-3-77 (Indef)	Financial information and analysis; construct information center	Dept. of Treasury Min. of Finance and National Economy	14
8. Desalination Research and Training	5-3-77 (Indef)	Establish research and training center; large-capacity desalination unit	Dept. of Interior Saline Water Conversion Corp.	3
9. Consumer Protection	5-3-77 (5 yrs)	Develop food quality control system	Dept. of Treasury and Midwest Research Institute Min. of Commerce	13
10. Highway Administration and Training	8-26-77 (6 years)	Provide management, administration and technical services	Dept. of Transportation (FHWA) Min. of Communications	10
11. Solar Energy Research and Development	10-30-77 (5 years)	Applied research and development in solar energy (joint funding)	Dept. of Energy and Solar Energy Research Institute SANCST	1
12. Audit Services	5-15-78 (Indef)	Provide management assistance and audit services	Dept. of Treasury General Audit Bureau	4
13. Customs Administration and Training	6-22-78 (Indef)	Advise on customs operations and provide training	Dept. of Treasury (Customs) Min. of Finance and National Economy	4

14. Supply Management Development	7-13-78 (Indef)	Develop central supply management and procurement system	Gen. Services Administration Min of Finance and National Economy	4
15. Nasseriah Power Station Equipment and Services	11-9-78 (letter)	Expand generating capacity and develop plant facilities	Dept. of Treasury and Overseas Advisory Services, Inc. Min. of Finance and National Economy	4
16. Agricultural Bank Management and Training	11-18-78 (5 years)	Establish training programs and provide advisory services	Farm Credit Administration Saudi Arabian Agricultural Bank	7
17. Transportation Services	11-18-78 (4 years)	Provide technical, management, training and financial analysis services	Dept. of Transportation Min. of Communications	1
18. Executive Management Development	11-18-78 (Indef)	Develop executive and managerial effectiveness of selected govt. officials	Dept. of Treasury Min. of Finance and National Economy	0
19. Arid Lands, Meteorology and Environmental Education	11-25-79 (Indef)	Curriculum development and teaching assistance	Dept. of Treasury and Consortium for International Development (S.W. Univs.) King Abdulaziz University	0
	*	*	*	*
U.S. Representation Office		Coordination, management and support services	Dept. of Treasury Min. Finance and National Economy	13
TOTAL U.S. PROFESSIONAL STAFF				173

COMPLETED PROJECTS

Procurement and installation of power generation equipment and warehouses	Dept. of Treasury and Overseas Advisory Associates Min. of Industry and Electricity, Electricity Corporation, and Min. of Finance and National Economy
Procurement of electrical power equipment for the Eastern Province	Dept. of Treasury and Overseas Advisory Associates Saudi Consolidated Electric Company (SCECO)

FOR IMMEDIATE RELEASE
April 2, 1980

Contact: Robert E. Nipp
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MEMORANDUM TO CORRESPONDENTS

Attached for your information is the Joint Communique on the Fifth Session of the U.S.-Saudi Arabian Joint Commission on Economic Cooperation. The Joint Commission was co-chaired by Secretary of the Treasury G. William Miller and Saudi Arabian Minister of Finance and National Economy Muhammad Ali Abalkhail in Washington, D.C. on April 1-2, 1980.

JOINT COMMUNIQUE
ON THE FIFTH SESSION OF THE U.S.-SAUDI ARABIAN
JOINT COMMISSION ON ECONOMIC COOPERATION
WASHINGTON, D.C. APRIL 1-2, 1980

The United States-Saudi Arabian Joint Commission on Economic Cooperation met for its Fifth Formal Session in Washington, D.C., April 1-2, 1980. The Secretary of the Treasury of the United States, the Honorable G. William Miller, chaired the meeting. The Minister of Finance and National Economy of the Kingdom of Saudi Arabia, His Excellency Muhammad Al-Ali Abalkhail, Co-Chairman of the Joint Commission, led the Saudi Arabian delegation. Mr. Faisal Alhegelan, the Saudi Arabian Ambassador to the United States, and Mr. John C. West, the U.S. Ambassador to the Kingdom of Saudi Arabia, also participated in the meeting.

Also attending as delegates for Saudi Arabia were: Dr. Mansoor Al Turki, President of Riyadh University and Joint Commission Coordinator; Rida Obaid, Chairman and Director of the Saudi Arabian National Center for Science and Technology; Mohammad Al-Fayez, Deputy Minister, Ministry of Labor and Social Affairs; Yousef Al-Hamdan, Deputy Minister, Ministry of Commerce; Nasser Al-Salloum, Deputy Minister, Ministry of Communications; Abdul Aziz Mangoor, Director General, Saudi Arabian Agricultural Bank; Fouad Al-Farsy, Deputy Minister, Ministry of Industry and Electricity; Khalid Masaud, Deputy Director, Saudi Fund for Development and Deputy Coordinator of the Joint Commission; Mohammad Dhalaan, Assistant Deputy Minister, Ministry of Labor and Social Affairs; Ahmed M. Mounina, Minister Plenipotentiary, Ministry of Foreign Affairs; Ibrahim Darrab, Director General for Planning, Organization and Budget, Ministry of Agriculture and Water; Yousef Saleh Malaika, Director of Sectoral Coordination, Ministry of Planning; Mohammed Al-Darees, Director of the Office of International Economic Relations, Ministry of Finance and National Economy; Youssef H. Al-Hazmi, Senior Engineer, Saline Water Conversion Corporation.

The American delegation included Richard Cooper, Under Secretary of State for Economic Affairs, C. Fred Bergsten, Assistant Secretary of the Treasury for International Affairs and U.S. Coordinator of the Joint Commission; Leamon R. Hunt,

Treasury Deputy for Saudi Arabian Affairs; Wallace M. Riley, Director of the U.S. Representation to the Joint Commission in Riyadh; and Bonnie Pounds, Director of the Office of Saudi Arabian Affairs in Treasury.

Other members of the American delegation were: Laird D. Allshouse, Director, Office of Foreign Operations Staff, U.S. Customs Service; Quentin West, Special Assistant for International Scientific Technical Cooperation, Department of Agriculture; Gary Cobb, Director, Office of Water Research and Technology, Department of Interior; Dean K. Clowes, Deputy Under Secretary for International Affairs, Department of Labor; Herta Lande Seidman, Assistant Secretary for Trade Development, Department of Commerce; Meyer Zitter, Assistant Director for International Programs, Bureau of the Census; William Johnston, Assistant Secretary for Policy and International Affairs, Department of Transportation; John S. Hassell, Jr., Acting Administrator, Federal Highway Administration; Holsey G. Handyside, Deputy Assistant Secretary for International Affairs, Department of Energy; John H. Bryant, Deputy Assistant Secretary for International Health, Department of Health, Education and Welfare; Lawton Saunders, Acting Director, International Projects, General Services Administration; Harvey Averch, Assistant Director, Scientific, Technological and International Affairs Directorate, National Science Foundation; and, Larry Edwards, Acting Deputy Governor, Farm Credit Administration.

Meetings were also held outside the framework of the Joint Commission with Treasury, State Department, and White House officials, and calls were paid by the Saudi Finance Minister on Secretary of State Cyrus R. Vance, and Chairman of the Federal Reserve Board Paul Volcker. These meetings provided an opportunity to review the U.S. world economic situation, exchange market developments, and world payments patterns. These sessions also served to reinforce the feelings of friendship and cooperation which have long existed between the two countries.

The two delegations noted with satisfaction the extension of the Technical Cooperation Agreement which provides the framework for the operations of the Joint Commission. The extension was signed on November 25, 1979, by the Co-Chairmen during Secretary Miller's visit to Saudi Arabia, and will be the basis for continued Commission activity until February 13, 1985.

Pursuant to the terms of the Extension Agreement, the Commission reviewed the status and progress of cooperative projects carried out under the auspices of the Commission and discussed new areas of cooperation between the two countries. The discussions made clear the high priority both governments place on bilateral technical cooperation under the Joint Commission and the significant contribution the program makes to strengthening the ties between the two countries.

The Chairman and members of the Saudi delegation took the opportunity of their stay in Washington to hold meetings outside the Joint Commission framework with senior officials of the Department of State, Department of Treasury, and other U.S. agencies. These discussions enabled both sides to review the broad range of U.S.-Saudi relations, as well as to exchange views on the global financial and economic situation.

In addition to the plenary sessions, special bilateral working groups met to review in detail the cooperative projects in the various fields of Joint Commission activity, with particular emphasis on recently expanded and new projects in agriculture and water, desalination, agricultural credit, manpower training and development, science and technology research, highway administration, and consumer protection.

The working group on agriculture and water development met with senior officials of the Department of Agriculture and the Department of the Interior to review both the project agreement for the provision of specialists to the Saudi Ministry of Agriculture and Water and the project for development of the Asir National Park to be opened in November 1980. It was agreed that the U.S. specialists are making important contributions to a wide variety of Ministry programs and that planning would continue to permit their expanded participation in additional Ministry activities.

In the field of water development, a separate working group on desalination research and training met with senior Department of the Interior officials and with the Director and staff of the Office of Water Research and Technology. The two areas of project activity under the U.S.-Saudi Arabian desalination agreement were reviewed in detail and possibilities for expanding U.S. participation were explored.

A working group on agricultural bank management and training met with Farm Credit Administration officials to review the provisions of the bilateral agreement and to discuss the next phases of management support, as well as university and on-the-job training programs.

Discussions of the working group on manpower training and development centered on the adequacy of technical support for this project, including the urgency of recruiting to fill authorized positions, budget requirements, progress, and future projections. Careful review was given to plans underway for training Saudi vocational training staff in U.S. institutions. Significant problems were recognized and action plans agreed upon to achieve accelerated progress during the coming year.

In science and technology, a working group met to review present and future cooperation between the National Science Foundation (NSF) and the Saudi Arabian National Center for Science and Technology (SANCST). Discussions focused on the continued development of the SANCST Science and Technology Information System, assistance by NSF in the preparation of the SANCST Master Plan for development of institutional facilities, planning for the SANCST Science and Technology Information Center, and continued assistance for the SANCST Applied Research Grants Program.

Also in the scientific field, the Joint Commission took note of the activities of the U.S.-Saudi Arabian cooperation program in the field of solar energy. The major cooperative solar energy activities include the design and construction of a 350 kilowatt photovoltaic solar cell system for producing electricity for two remote villages outside of Riyadh. The solar powered system is expected to be operating by June, 1981.

The U.S.-Saudi Arabian solar energy program has also signed contracts with four U.S. companies to undertake field tests in the U.S. of five solar cooling systems designed for use in commercial buildings. A contract is expected to be signed in mid-1980 for the design, construction and operation of a solar powered desalination system to desalt brackish water and convert seawater to fresh water for human consumption and agricultural and industrial use. Efforts are also underway to support solar cooling research laboratories at four Saudi Arabian universities. Two short study course/tours for U.S. and Saudi Arabian graduate students were held in 1979, and a solar cooling workshop is scheduled for April 1980 at the University of Petroleum and Minerals in Dhahran, Saudi Arabia.

In the field of highway administration and training, discussions were held reviewing the basic work that has been accomplished between the Federal Highway Administration and the Saudi Ministry of Communications towards the improvement of the Ministry's overall capabilities in the area of highway

transportation. Ways and means to improve present effectiveness and long range planning were reviewed. Particular emphasis was placed on development of managerial and technical procedures which will lead to more effective operations of the Ministry.

Discussions were held with the Office of the Secretary of Transportation regarding mutual interest in the development of transportation in the Kingdom of Saudi Arabia, including national intermodal transport. The Office of the Secretary of Transportation will submit a specific proposal to the Minister of Communications regarding the implementation of the plans discussed.

The Joint Commission's consumer protection project was discussed in a group including management representatives of Midwest Research Institute, the U.S. firm carrying out this project under a contract with Treasury.

OVERALL ASSESSMENT

The Fifth Session of the Commission proved to be most valuable since it combined useful plenary sessions with a series of technical meetings of bilateral working groups. This new approach was welcomed by the two delegations since it permitted more detailed reviews of the Joint Commission programs, and fostered closer working relationships between the Saudi and U.S. Government officials.

The Commission expressed its thanks to all the participating Saudi Arabian ministries and American departments and agencies for their fine spirit of cooperation. It was agreed that both sides will continue to explore possible new areas of technical cooperation.

In concluding its 1980 session, the Joint Commission approved the issuance of an Annual Report which outlines the purpose of the Commission and its development during the past five years, and provides detailed information regarding the various projects.

The report will be issued shortly in printed form in English and Arabic. An advance copy of the English text as approved by the Commission is available.

The Co-Chairmen agreed to hold the next Joint Commission meeting in the Kingdom of Saudi Arabia in 1981.

U.S.-SAUDI ARABIAN JOINT COMMISSION
ON ECONOMIC COOPERATION

FIFTH SESSION April 1-2, 1980

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U.S.-SAUDI ARABIAN JOINT COMMISSION
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SCHEDULE FOR MINISTER ABALKHAIL

SUNDAY, MARCH 30

6:05 P.M. Arrival at Washington, Dulles Airport via
Air France Concorde 053

Welcoming party: Acting Secretary
Carswell, Assistant Secretary Bergsten,
Deputy for Saudi Affairs Hunt, and Office
of Saudi Arabian Affairs Director Pounds;

Ambassador Alhegelan and Dr. Al Turki

Proceed to Madison Hotel

MONDAY, MARCH 31

3:00 P.M. Congressman Reuss (D-WI), Chairman,
Committee on Banking, Finance and Urban
Affairs

3:30 P.M. Congressman Cavanaugh (D-NE)

4:00 P.M. Senator Stevenson (D-IL)

4:45 P.M. Secretary Miller will make brief courtesy call
on Minister Abalkhail at the Madison Hotel

5:00 P.M. Saudi Delegation meeting at Madison Hotel

7:30 P.M. Private Dinner hosted by Secretary Miller
in Secretary's Dining Room, Treasury
Department

TUESDAY, APRIL 1

9:30 A.M. Meeting with Secretary Miller at Treasury
Department

TUESDAY, APRIL 1 (cont'd)

- 11:30 A.M. Meeting with Ambassador at Large, Special Representative to the President for International Economic Summits Henry Owen, Under Secretary of State Richard Cooper, and Assistant Secretary Bergsten in Ambassador Owen's Office, Old Executive Office
- 12:30 P.M. Luncheon hosted by Secretary Miller at Treasury Department, Cash Room
- 2:30 P.M. First Plenary Session, Room 4121, Treasury
- 3:30 P.M. Plenary Session concludes
- 4:00 P.M. Meeting with Paul Volcker, Chairman, Federal Reserve Board
- 7:00-9:00 P.M. Reception hosted by Ambassador Alhegelan at Ambassador's residence

WEDNESDAY, APRIL 2

- 9:00-10:00 A.M. Meeting with World Bank Vice President Moeen Qureshi
- 10:30 A.M. Meeting with Senator Chiles (D-FL)
- 11:45 A.M. Meeting with Secretary of State Vance, State Department
- 3:30 P.M. Meeting with Secretary Miller at Treasury
- 3:50 P.M. Secretary Miller and Minister Abalkhail join delegations at Room 4121, Treasury
- 4:00 P.M. Final Plenary Session begins
- 4:25 P.M. Plenary Session concludes
- 4:30 P.M. Joint Press Conference in Cash Room
- 7:00 P.M. Dinner hosted by Secretary Miller at Blair House

3-27-80

U.S.-SAUDI ARABIAN JOINT COMMISSION
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FIFTH SESSION April 1-2, 1980

SCHEDULE FOR SAUDI ARABIAN DELEGATION

Sunday, March 30

Arrival at Washington. Welcomed by Action Agency
and Treasury Officials

6:05 p.m. Minister Abalkhail's arrival at Washington, Dulles
Airport, via Air France Concorde

Welcoming party: Deputy Secretary Carswell,
Assistant Secretary Bergsten, Deputy for Saudi
Affairs Hunt, and Office of Saudi Arabian Affairs
Director Pounds;

Ambassador Alhegelan and Dr. Al Turki

Monday, March 31

Morning Leave hotel for working sessions at Action Agencies
or bilateral meetings.

Action Agency representatives will meet Saudi delegates at
the Madison Hotel. See separate schedules for time and
name of escort officer.

1:00 p.m. Luncheons at Action Agencies

Afternoon Continued working sessions at Action Agencies or
bilateral meetings

4:30 p.m. Return to Madison Hotel

SAUDI DELEGATION SCHEDULE (cont'd)

Tuesday, April 1

Morning Final working sessions at Action Agencies.
Prepare conclusions and recommendations for presentation by Action Agency representatives at Wednesday morning and afternoon working plenary session

- 12:30 p.m. Treasury luncheon for Saudi Delegation at Cash Room
- 2:30 p.m. First Plenary Session, Room 4121, Treasury
- 3:30 p.m. Plenary Session concludes; rest of afternoon free
- 7:00 - Reception hosted by Ambassador Alhegelan
9:00 p.m. at Ambassador's Residence

Wednesday, April 2

- 10:30- Working plenary session co-chaired by U.S. and
11:30 a.m. Saudi Coordinators, Room 4121, Treasury

Summaries of Working Group discussions.

--With emphasis on problems and accomplishments, together with suggestions for improvement in operating relationships.

Luncheons (see separate schedules)

- 2:30 p.m. Working plenary session continues co-chaired by U.S. and Saudi Coordinators, Room 4121, Treasury
- 3:30 p.m. Break for refreshments
- 4:00 p.m. Plenary session, Chaired by Secretary Miller with Minister Abalkhail as Co-Chairman
- 4:25 p.m. Plenary session concludes
- 4:30 p.m. Joint press conference in Treasury Cash Room
Secretary Miller and Minister Abalkhail
- 7:00 p.m. Dinner for Saudi Delegation hosted by Secretary Miller

U.S.-SAUDI ARABIAN JOINT COMMISSION
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SCHEDULE FOR
DR. MANSOOR AL TURKI

COORDINATOR, JOINT COMMISSION ON ECONOMIC COOPERATION
RECTOR, UNIVERSITY OF RIYADH

MONDAY, MARCH 31

9:00 a.m. Mr. Hayes, Treasury, will pick up at hotel

9:30 a.m. General Review of the Joint Commission program with Mr. Hunt at Department of Treasury

12:30 p.m. Lunch with Mr. Bergsten, Assistant Secretary International Affairs, Mr. Hunt and Dr. Masaud (Jean Pierre Restaurant)

3:15 p.m. Depart Treasury

4:45 p.m. Return to Madison Hotel

5:00 p.m. Meeting, Saudi Arabian Delegation at Madison Hotel

EVENING OPEN

TUESDAY, APRIL 1

10:00 a.m. Review of Overall Joint Commission Managerial and Operational Issues with Mr. Hunt at Department of Treasury

Balance of Morning Free

12:30 p.m. Treasury Luncheon for Saudi Delegation in Cash Room

2:30 p.m. First Plenary Session, Room 4121, Treasury

3:30 p.m. Meeting with Mr. Reinhardt, Director, International Communications Agency (ICA), Mr. Curran, Assistant Director for Near East and other senior staff officials (Room 602, 1750 Pennsylvania Avenue, N.W.)

3:30 p.m. Plenary Session concludes - (Rest of Afternoon Free)

7:00 -

9:00 p.m. Reception Hosted by Ambassador Alhegelan at Ambassador's Residence

WEDNESDAY, APRIL 2

9:00 a.m. Mr. Hayes will pick up at hotel

9:30 a.m. Meeting with Mr. Hunt at Treasury

10:30 a.m. Working Plenary Session Co-Chaired by U.S. and Saudi Coordinators, Room 4121, Treasury

12:30 p.m. Luncheon (to be arranged)

2:30 p.m. Working Plenary Session continues, co-chaired by U.S. and Saudi Coordinators, Room 4121, Treasury

3:30 p.m. Break for Refreshments

4:00 p.m. Plenary Session resumes chaired by Secretary Miller with Minister Abalkhail as Co-Chairman

4:25 p.m. Plenary Session concludes

4:30 p.m. Joint Press Conference in Treasury Cash Room Secretary Miller and Minister Abalkhail

7:00 p.m. Dinner for Saudi Delegation hosted by Secretary Miller

U.S.-SAUDI ARABIAN JOINT COMMISSION
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FIFTH SESSION APRIL 1-2, 1980

U.S. DELEGATION

TREASURY DEPARTMENT

G. WILLIAM MILLER, Secretary of the Treasury

C. FRED BERGSTEN, Assistant Secretary for International
Affairs

LEAMON R. HUNT, Deputy for Saudi Arabian Affairs

WALLACE M. RILEY, Director, U.S. Representation, Riyadh

BONNIE POUNDS, Director, Office of Saudi Arabian Affairs

U.S. CUSTOMS SERVICE

LAIRD D. ALLSHOUSE, Director, Office of Foreign Operations
Staff

DEPARTMENT OF STATE

AMBASSADOR JOHN C. WEST

RICHARD N. COOPER, Under Secretary of State for Economic
Affairs

DEPARTMENT OF AGRICULTURE

QUENTIN WEST, Special Assistant for International Scientific
Technical Cooperation

DEPARTMENT OF THE INTERIOR

GARY COBB, Director, Office of Water Research and
Technology

DEPARTMENT OF LABOR

DEAN K. CLOWES, Deputy Under Secretary for International
Affairs

U.S. DELEGATION (cont'd)

DEPARTMENT OF COMMERCE

HERTA LANDE SEIDMAN, Assistant Secretary for Trade
Development

BUREAU OF THE CENSUS

MEYER ZITTER, Assistant Director for International
Programs

DEPARTMENT OF TRANSPORTATION

WILLIAM JOHNSTON, Assistant Secretary for Policy and
International Affairs

FEDERAL HIGHWAY ADMINISTRATION

JOHN S. HASSELL, JR., Acting Administrator

DEPARTMENT OF ENERGY

HOLSEY G. HANDYSIDE, Deputy Assistant Secretary for
International Affairs

DEPARTMENT OF HEALTH, EDUCATION AND WELFARE

JOHN H. BRYANT, Deputy Assistant Secretary for
International Health

GENERAL SERVICES ADMINISTRATION

LAWTON SAUNDERS, Acting Director, International Projects

NATIONAL SCIENCE FOUNDATION

HARVEY AVERCH, Assistant Director, Scientific, Technological
and International Affairs Directorate

FARM CREDIT ADMINISTRATION

LARRY EDWARDS, Acting Deputy Governor

3-31-80

U.S.-SAUDI ARABIAN JOINT COMMISSION
ON ECONOMIC COOPERATION

FIFTH SESSION April 1-2, 1980

SAUDI ARABIAN DELEGATION

MUHAMMAD AL-ALI ABALKHAIL, Minister of Finance and
National Economy and Co-Chairman of the Joint Economic
Commission

MANSOOR AL TURKI, President of Riyadh University and
Joint Commission Coordinator

RIDA OBAID, Chairman and Director of the Saudi Arabian
National Center for Science and Technology

MOHAMMAD AL-FAYEZ, Deputy Minister, Ministry of Labor
and Social Affairs

YOUSEF AL-HAMDAN, Deputy Minister, Ministry of Commerce

NASSER AL-SALLOUM, Deputy Minister, Ministry of
Communications

ABDUL AZIZ MANGOOR, Director General, Saudi Arabian
Agricultural Bank

FOUAD AL-FARSY, Deputy Minister, Ministry of Industry
and Electricity

KHALID MASAUD, Deputy Director, Saudi Fund for Development
and Deputy Coordinator of the Joint Commission

MOHAMMAD DHALAN, Assistant Deputy Minister, Ministry of
Labor and Social Affairs

IBRAHIM DARRAB, Director General for Planning, Organization
and Budget, Ministry of Agriculture and Water

YOUSEF SALEH MALAIKA, Director of Sectoral Coordination,
Ministry of Planning

MOHAMMED AL-DAREES, Director, of the Office of International
Economic Relations, Ministry of Finance and National
Economy

YOUSSEF H. AL-HAZMI, Senior Engineer, Saline Water Conversion
Corporation

SAUDI ARABIAN EMBASSY

AHMED M. MOUMINA, Minister Plenipotentiary

SAUDI ARABIAN DELEGATION (CONT'D)

ADDITIONAL SAUDI OFFICIALS

AHMAD QAHTANI, Secretary to Minister Ablakhail

SULEIMAN AL-WAYEL, Protocol Officer, Ministry of
Finance and National Economy

HASSAN SULTAN, Ministry of Communications

Contact:
Emerson Davis Jr.
566-2582

Worksheet

Dinner in Honor of His Excellency
Shaykh Muhammad Abalkhail
Minister of Finance and National Economy
Hosted by
Secretary of the Treasury
G. William Miller
Monday, March 31, 1980

Location: Secretary's Dining Room
Time: 7:30 p.m.
Attendees: 5 - 6 Officials
Arrangements: Guest to enter at Secretary's Entrance
and be escorted to Dining Room for
cocktails followed by dinner at rectangular
table with informal seating.
Funding: IA Representation Fund

Approved Menu

Avocado Filled with Sour Cream and Red Caviar
Fillet of Sole, Stuffed with Lemon Butter and Sauteed
till Golden Brown
Orange Saffron Rice
Tomato Stuffed with Green Asparagus Tips and
Brushed with Hollandaise Sauce
Salt Crescents and Butter
Raw Mushrooms and Herb Salad with Baby
Bibb Lettuce and Light Vinaigrette Dressing
Creme Caramel Filled with Strawberry
Cream Surrounded by Petite Cornets
and Garnished with Fresh Strawberries
Coffee, Tea or Sanka

Dinner Hosted by Secretary Miller
Secretary's Dining Room
Monday, March 31, 1980

Secretary Miller (Host)

Deputy Secretary Carswell

Assistant Secretary Bergsten

Minister Abalkhail

Ambassador Alhegelan

Contact:
Emerson Davis Jr.
566-2582

Worksheet

Luncheon in Honor of His Excellency
Shaykh Muhammad Abalkhail
Minister of Finance and National Economy
Hosted by
Secretary of the Treasury
G. William Miller
Tuesday, April 1, 1980

Location: The Cash Room

Time: 12:30 p.m.

Attendees: Eighty (80) Officials Approximately

Arrangements: Guest list to be coordinated with Secretary's Office by Saudi Affairs staff. Invitations to be provided by this office. Minister Abalkhail and Saudi delegation to be met on arrival at Secretary's Entrance by host office and be escorted to Cash Room. Arrangements for VIP admittance will be made at other entrances for remaining Non-Treasury guest. Place card seating assignments will be handled by S.A. Office and cards will be prepared by this office. Procedures to promptly seat guest at 8 - 10 round tables will be provided later.

Funding: IA Representation Fund

Approved Menu

French Onion Soup
Sliced London Broil Served with Mushroom Sauce
Tiny Oven Browned New Potatoes
Zucchini and Egg Plant Baked in Tomato Sauce
Caesar Salad
Hard Rolls and Butter
English Trifle
Coffee, Tea or Sanka

U.S.-SAUDI ARABIAN JOINT COMMISSION
ON ECONOMIC COOPERATION

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SAUDI ARABIAN DELEGATION

MUHAMMAD AL-ALI ABALKHAIL, Minister of Finance and
National Economy and Co-Chairman of the Joint Economic
Commission

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Joint Commission Coordinator

RIDA OBAID, Chairman and Director of the Saudi Arabian
National Center for Science and Technology

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and Social Affairs

YOUSEF AL-HAMDAN, Deputy Minister, Ministry of Commerce

NASSER AL-SALLOUM, Deputy Minister, Ministry of
Communications

FOUAD AL-FARSY, Deputy Minister, Ministry of Industry
and Electricity

ABDUL AZIZ MANGOOR, Director General, Saudi Arabian
Agricultural Bank

KHALID MASAUD, Deputy Director, Saudi Fund for Development
and Deputy Coordinator of the Joint Commission

MOHAMMAD DHALAAN, Assistant Deputy Minister, Ministry of
Labor and Social Affairs

IBRAHIM DARFAD, Director General for Planning, Organization
and Budget, Ministry of Agriculture and Water

YOUSEF SALEH MALAIKA, Director of Sectoral Coordination,
Ministry of Planning

MOHAMMED AL-DAREFS, Director, of the Office of International
Economic Relations, Ministry of Finance and National
Economy

YOUSSEF H. AL HAZMI, Senior Engineer, Saline Water
Conversion Corporation

SAUDI ARABIAN DELEGATION (CONT'D)

ADDITIONAL SAUDI OFFICIALS

AHMAD CAHIANI, Secretary to Minister Ablakhail

SULEIMAN AWAYEL, Protocol Officer, Ministry of
Finance and National Economy

HASSAN SULTAN, Ministry of Communications

SAUDI EMBASSY OFFICIALS

FAISAL ALHEGELAN, Ambassador of Saudi Arabia

AHMED MOUMINA, Minister

ABDALLAH AL-DABBAGH, Counselor

IMF

MAHSOUN JALAL, Executive Director, International
Monetary Fund

YUSUF NIMATALLAH, Alternative Executive Director

WORLD BANK

ROGER CHAUFURNIER, Vice President, West Africa
Region

AHMED SANI EL DARWISH, Assistant Director, Europe,
Middle East, North Africa Project Department

MOEEN A. QURESHI, Vice President, Finance

U.S.-SAUDI ARABIAN JOINT COMMISSION
ON ECONOMIC COOPERATION

FIFTH SESSION APRIL 1-2, 1980

U.S. DELEGATION

TREASURY DEPARTMENT

G. WILLIAM MILLER, Secretary of the Treasury

C. FRED BERGSTEN, Assistant Secretary for International
Affairs

LEAMON R. HUNT, Deputy for Saudi Arabian Affairs

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BONNIE POUNDS, Director, Office of Saudi Arabian Affairs

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Affairs

DEPARTMENT OF AGRICULTURE

QUENTIN WEST, Special Assistant for International Scientific
Technical Cooperation

DEPARTMENT OF THE INTERIOR

GARY COBB, Director, Office of Water Research and
Technology

DEPARTMENT OF LABOR

DEAN K. CLOWES, Deputy Under Secretary for International
Affairs

U.S. DELEGATION (cont'd)

DEPARTMENT OF COMMERCE

HERTA LANDE SEIDMAN, Assistant Secretary for Trade
and Development

BUREAU OF THE CENSUS

MEYER ZITTER, Assistant Director for International
Programs

DEPARTMENT OF TRANSPORTATION

WILLIAM JOHNSTON, Assistant Secretary for Policy and
International Affairs

FEDERAL HIGHWAY ADMINISTRATION

JOHN S. HASSELL, JR., Acting Administrator

DEPARTMENT OF ENERGY

HOLSEY G. HANDYSIDE, Deputy Assistant Secretary for
International Affairs

DEPARTMENT OF HEALTH, EDUCATION AND WELFARE

WILLIAM FOLLACK, International Affairs Specialist

GENERAL SERVICES ADMINISTRATION

LAWTON SAUNDERS, Acting Director, International Projects

NATIONAL SCIENCE FOUNDATION

HARVEY AVERCH, Assistant Director, Scientific, Technological
and International Affairs Directorate

FARM CREDIT ADMINISTRATION

LARRY EDWARDS, Acting Deputy Governor

TREASURY, USG WORKING GROUP MEMBERS AND
OTHER SENIOR AGENCY JEC PROGRAM OFFICIALS

TREASURY

Robert Carswell
Deputy Secretary

William A. Anawaty
Executive Assistant

Robert Mundheim
General Counsel

W.J. McDonald
Assistant Secretary for Administration

Joseph Laitin
Assistant Secretary for Public Affairs

Joseph Hunt
Deputy Director, Treasury Riyadh Office

WORKING GROUP MEMBERS

Agriculture and Water Development

James Slater
International Program Officer
Department of Interior

Kenneth Laurent
Leader, Middle East Programs
Department of Agriculture

Clifford Doke
AGWAT Team Leader, Riyadh

John T. Haldane
Program Development Officer
Department of Treasury

Desalination Research and Training

Gary Cobb
Director, Office of Water
Research and Technology
Department of Interior

Lee Kindley
Project Coordinator
Department of Interior

Desalination Research and Training (cont'd)

Ray Heizer
HYDROS Team Leader, Riyadh

Agricultural Bank Management and Training

Wayne Wright
AGRIBANK Team Leader, Riyadh
Farm Credit Administration

Manpower Development

Samuel Justice
Director, Office of Financial Programs
Department of Labor

David Barbee
VOTRAKON Project Team Leader, Riyadh
Department of Labor

Support for Science and Technology Center

Gilbert Devey
Head, Middle East Section
National Science Foundation

Bodo Bartocha
Director, International Programs
National Science Foundation

Lee G. Burchinal
Senior Program Assistant
National Science Foundation

Highway Administration and Training

Leon Litz
Deputy Chief for Development of
Foreign Programs

Randy Johnson
HIGHWAY Team Leader, Riyadh

Consumer Protection

John McKelvey
President
Midwest Research Institute

Spiros Constantinides
CONPROT Team Leader, Riyadh

Consumer Protection (cont'd)

Dr. Alfred D. Campbell
Research Coordinator
Food and Drug Administration

Ted Rosen
Program Development Officer
Department of Treasury

TREASURY PROJECTS

Stephen D. Hayes
Program Development Officer
Department of Treasury

Dr. David Pritchett
FININFO Project Supervisor, Riyadh
Riyadh

Tom O'Malley
Contracting Officer
Department of Treasury

Russell Munk
Assistant General Counsel for
International Affairs
Department of Treasury

Bruce Palmer
Office of General Counsel
Department of Treasury

NON-TREASURY SENIOR STAFF OFFICIALS FOR OTHER JEC PROJECTS

Thomas K. Carney
Director, Office of Supply Policy
General Services Administration
(CENPRO Agreement)

John T. Hummon
Office of the Secretary
Department of Transportation
(TRANSNET Agreement)

Thomas F. Jeschke
Senior Operations Officer
U.S. Customs
(CUSTOMAT Agreement)

Joseph Twinam
Deputy Assistant Secretary, Bureau of Near
Eastern and South Asian Affairs
Department of State

NON-TREASURY SENIOR STAFF OFFICIALS FOR OTHER JEC PROJECTS (Cont'd)

Roger Merrick
Country Officer for Saudi Arabia
Department of State
(State IAG Staff Member)

Jackson Hearn
Coordinator for Saudi Arabian
Joint Commission Affairs
Department of Commerce

Martin J. McMahon
Chief, Overseas Consultation and
Technical Services/ISPC
Bureau of Census

Contact:
Emerson Davis Jr.
566-2582

Worksheet

Dinner
Hosted by
Secretary G. William Miller
in honor of
His Excellency Shaykh Muhammad Abalkhail

Wednesday, April 2, 1980

Location: Blair House

Attendees: Forty (40) officials approximately

Cocktails: 7:00 p.m.

Dinner: 7:30 p.m.

Arrangements: Guest list and protocol seating arrangements to be coordinated thru Secretary's office by Office of Saudi Arabian Affairs. This office will arrange delivery of pre-printed invitations to the office of Saudi Affairs. A master seating diagram will be displayed outside dining room and assistance will be furnished by hostesses provided by this office. Cocktails and hors d'oeuvres will be served in Drawing Room followed by seated dinner at four round tables of ten each.

Funding: IA Representation Fund

Selected Menu

Cold Salmon Mousse Served with Sour Cream and Cucumber Sauce
Roast Leg of Veal
Rice Pilaf
French Beans Amandine
Green Salad with Vinaigrette Dressing and Assorted Cheeses
Rolls and Butter
Fresh Strawberries Romanoff with Vanilla Ice Cream Sauce
Coffee, Sanka or Tea
White Wine (Pinot Chandonnay)
White (Non-Alcoholic) Juices

GUEST LIST FOR
SECRETARY MILLER'S DINNER
AT BLAIR HOUSE
APRIL 2, 1980

SAUDI ARABIA

DELEGATION

MUHAMMAD AL-ALI ABALKHAIL, Minister of Finance and
National Economy and Co-Chairman of the Joint Economic
Commission

MANSOOR AL TURKI, President of Riyadh University and
Joint Commission Coordinator

RIDA OBAID, Chairman and Director of the Saudi Arabian
National Center for Science and Technology

MOHAMMAD AL-FAYEZ, Deputy Minister, Ministry of Labor
and Social Affairs

YOUSEF AL-HAMDAN, Deputy Minister, Ministry of Commerce

NASSER AL-SALLOUM, Deputy Minister, Ministry of
Communications

FOUAD AL-FARZY, Deputy Minister, Ministry of Industry
and Electricity

ABDUL AZIZ MANGOOR, Director General, Saudi Arabian
Agricultural Bank

KHALID MASAUD, Deputy Director, Saudi Fund for Development
and Deputy Coordinator of the Joint Commission

MOHAMMAD DHALAN, Assistant Deputy Minister, Ministry of
Labor and Social Affairs

IBRAHIM DARRAB, Director General for Planning, Organization
and Budget, Ministry of Agriculture and Water

YOUSEF SALEH MALAIKA, Director of Sectoral Coordination,
Ministry of Planning

MOHAMMED AL-DAREES, Director, of the Office of International
Economic Relations, Ministry of Finance and National
Economy

YOUSSEF H. AL-HAZMI, Senior Engineer, Saline Water Conversion
Corporation

SAUDI ARABIAN DELEGATION (CONT'D)

SAUDI ARABIAN EMBASSY

AMBASSADOR FAISAL ALHEGELAN

ADDITIONAL SAUDI OFFICIALS

AHMAD QAHTANI, Secretary to Minister Abalkhail

SULEIMAN AL-WAYEL, Protocol Officer, Ministry of
Finance and National Economy

HASSAN SULTAN, Ministry of Communications

EMBASSY:

AHMED MOUMINA, Minister

ABDALLAH AL-DABBAGH, Counselor

IMF

MAHSOUN JALAL, Executive Director

UNITED STATES

TREASURY:

G. WILLIAM MILLER, Host

ROBERT CARSWELL, Deputy Secretary

C. FRED BERGSTEN, Assistant Secretary for International
Affairs

GENE E. GODLEY, Assistant Secretary for Legislative Affairs

LEAMON R. HUNT, Deputy for Saudi Arabian Affairs

WALLACE M. RILEY, Director, U.S. Representation Office,
Riyadh

BONNIE POUNDS, Director, Office of Saudi Arabian Affairs

STATE:

AMBASSADOR JOHN C. WEST

RICHARD N. COOPER, Under Secretary of State for Economic Affairs .

WHITE HOUSE

HENRY OWEN, Ambassador at Large, Special Representative
to the President for International Economic Summits

ROBERT HUNTER, Staff Member, Middle East

MEMBERS OF CONGRESS (Awaiting confirmation from following
Members of Congress)

Senator Abraham A. Ribicoff (D-CT)

Senator Adlaie Stevenson (D-IL)

Representative Richard A. Gephardt (D-MO)

Representative John J. Cavanaugh (D-MO)

Representative Henry S. Reuss (D-WI)

Senator Jacob K. Javits (R-NY) (Confirmed)

Senator Lawton Chiles (D-FL)

U.S.-SAUDI ARABIAN JOINT COMMISSION
ON ECONOMIC COOPERATION

FIFTH SESSION APRIL 1-2, 1980

PRESS CONFERENCE SCENARIO

MR. LAITIN (ASSISTANT SECRETARY FOR PUBLIC AFFAIRS):

WILL MAKE INTRODUCTORY REMARKS
AND INTRODUCE THE PARTICIPANTS

SECRETARY MILLER:

WILL MAKE OPENING REMARKS (TEXT
ATTACHED) AND THEN ASK MINISTER
ABALKHAIL IF HE WOULD LIKE TO
MAKE ANY REMARKS

MINISTER ABALKHAIL:

REMARKS

FLOOR IS OPEN TO QUESTIONS FROM THE PRESS.

REMARKS BY SECRETARY MILLER
AT THE
PRESS CONFERENCE

DURING THE PAST TWO DAYS, THE FIFTH MEETING OF THE UNITED STATES-SAUDI ARABIAN JOINT COMMISSION ON ECONOMIC COOPERATION HAS BEEN HELD HERE IN WASHINGTON. WE ARE PLEASED THAT A LARGE DELEGATION OF SENIOR SAUDI OFFICIALS HAVE PARTICIPATED WITH THEIR U.S. COUNTERPARTS ON THESE VERY PRODUCTIVE SESSIONS.

THE ACTIVITIES OF THE JOINT COMMISSION ARE CARRIED OUT UNDER A TECHNICAL COOPERATION AGREEMENT, WHICH WE REFER TO AS THE TCA. THE TCA WAS SIGNED INITIALLY IN FEBRUARY 1975 AND COVERED A FIVE-YEAR PERIOD. WHEN I WAS IN RIYADH LAST NOVEMBER, MINISTER ABALKHAIL AND I SIGNED AN AGREEMENT EXTENDING THE TCA FOR THE NEXT FIVE YEARS.

AS YOU CAN SEE FROM THE ANNUAL REPORT AND OTHER INFORMATION WHICH HAS BEEN MADE AVAILABLE TO YOU, THE JOINT COMMISSION IS THRIVING. WE ARE NOW WELL INTO THE IMPLEMENTATION OF SOME TWENTY PROJECTS. THE LABOR DEPARTMENT AND THE MINISTRY OF LABOR AND SOCIAL AFFAIRS ARE WORKING ON A KINGDOM-WIDE VOCATIONAL TRAINING SYSTEM. BOTH GOVERNMENTS ARE ACTIVELY ENGAGED IN JOINT RESEARCH IN SOLAR ENERGY. THIS EFFORT WILL RESULT IN, AMONG OTHER THINGS, THE CONSTRUCTION IN SAUDI ARABIA OF THE LARGEST PHOTVOLTAIC SYSTEM IN THE WORLD. WE HAVE A WIDE VARIETY OF OTHER PROJECTS IN AREAS AS DIVERSE AS ELECTRIC POWER PLANNING AND CONSUMER PROTECTION.

BUT THE KEY POINT I WANT TO STRESS TODAY IS NOT A SPECIFIC ACCOUNTING OF JOINT COMMISSION ACTIVITIES, BUT RATHER THE SPIRIT AND ENTHUSIASM WITH WHICH THE WORK OF THE COMMISSION IS CARRIED OUT.

THE COMMISSION IS NOW IN ITS SIXTH YEAR. IT CONTINUES TO BE A DYNAMIC, VIBRANT INSTITUTION AND ONE THAT NOT ONLY SERVES TO FOSTER TECHNICAL COOPERATION BUT ALSO ONE THAT SERVES AS A FORUM FOR BILATERAL DISCUSSIONS BETWEEN THE TWO GOVERNMENTS.

THERE HAS BEEN A GREAT DEAL WRITTEN ABOUT THE "SPECIAL RELATIONSHIP" BETWEEN THE UNITED STATES AND SAUDI ARABIA. WELL, IT IS A SPECIAL RELATIONSHIP, A VERY SPECIAL RELATIONSHIP.

TOGETHER WE CAN DO MUCH TO STRENGTHEN NOT ONLY OUR OWN ECONOMIES BUT ALSO THE WORLD ECONOMIC SYSTEM. AND TOGETHER WE CAN WORK TOWARD PEACE AND STABILITY IN THE MIDDLE EAST REGION.

AND SO, I WOULD LIKE TO SAY TO YOU, MISTER MINISTER, THAT WE VALUE THE COOPERATIVE EFFORTS - AS EXEMPLIFIED HERE BY THE JOINT COMMISSION - AND WE ARE PARTICULARLY PLEASED WITH THIS VISIT BY YOU AND YOUR DELEGATION.

MR. MINISTER, WE WOULD WELCOME YOUR REMARKS BEFORE WE TURN TO THE QUESTIONS.

Question:

When the US-Saudi Joint Commission was first established it was portrayed as an important channel for recycling petrodollars and promoting US business. While the value of the Joint Commission programs runs into several hundred million dollars over the next few years, this is a fairly small amount of money compared to the Saudis' annual expenditure for foreign goods and services. The US market share has not increased, remaining constant at about 25% over the last five years. Does the Joint Commission really make any difference to us or the Saudis?

Answer:

Several of the Joint Commission technical assistance programs are aimed at upgrading government services essential to effective commercial relations both domestically and internationally. These program areas include statistics and data processing, financial information, and auditing, customs and procurement assistance. In the developing Saudi economy about 85% of the GNP is generated by the government itself. These Joint Commission programs are aimed at increasing the efficiency with which the Saudi Government does its business.

Rapidly over the last five years, the Saudis have become internationalists. Rather than limiting their trade to a handful of primary partners, the Saudis have diversified and greatly expanded the number of their trading partners. It is significant, we believe, that as the Saudi pie has been divided among more countries that the US portion has remained more or less constant.

The program costs of the US-Saudi Joint Commission are fully reimbursed by the Saudi Government. Presently there are 19 programs and new programs are under discussion. This high level of program activity seems to indicate that the Saudis are satisfied with the results of the Joint Commission programs.

Drafted by: ^{TBR} Theodore Rosen, ISW
376-0286

Reviewed by: LRHunt, IS
BPounds, ISW

Question: The US-Saudi Joint Commission provides an impressive array of technical assistance to the Saudis. What's in it for the United States?

Answer: The overall relationship between the United States and Saudi Arabia is of keen importance to both countries. We both want to make that relationship strong and vibrant. As a key element in that relationship, then, the Joint Commission clearly serves the interests of the U.S. as well as Saudi Arabia.

FYI

To a limited extent the United States benefits from the professional opportunities provided by the Joint Commission for about 150 technical personnel in Riyadh and several hundred support staff in the United States. The Saudi Arabian Government reimburses the USG for these services.

Much greater, longer term benefits are derived through the introduction of American management systems, specifications and technology in Saudi Arabia through the government to government framework of the Joint Commission. Saudi Arabians, in turn, have come to the United States for training which gives them first hand experience with US systems and products and broad contact with Americans. Over the long run we believe the Joint Commission programs will promote preferences for American products and services, as well as contribute to closer US-Saudi ties.

Drafted by: Theodore Rosen, ISW
376-0286

Reviewed by: LRHunt, IS
BPounds, ISW

Question: The US-Saudi Joint Commission is a unique, if not curious function for Treasury. What information or services does the Joint Commission provide which is not public knowledge?

Answer: All of the activities of the Joint Commission are public knowledge. A quarterly activities report describing all project activities underway or under discussion is distributed to more than 500 business firms and other organizations on our mailing list.

Drafted by: ^{TR}Theodore Rosen, ISW
376-0286

Reviewed by: LRHunt, IS
BPounds, ISW

Question: Why was the Saudi Arabian Deposit Account established?

Answer : It was established by the SAG in accordance with the Technical Cooperation Agreement (TCA) to receive funds to cover the costs of undertaking the preparation of technical or economic studies and specific development projects.

Drafted by: Malcolm Honadle, ISW
566- 6080

Reviewed by: LRHunt, IS
BPounds, ISW

Question: Under the Joint Commission, how much has been deposited and how much has been spent?

Answer: The first deposit was made on 4/1/75. Through March 31st of this year, the SAG has deposited \$371 million and spent \$280 million.

Drafted by: Malcolm Honadle, ISW
566-6080

Reviewed by: LRHunt, IS
BPounds, ISW

Question: What is done with the unexpended amount
in the deposit account?

Answer : Funds in excess of immediate needs are
invested by Treasury in "Market Based
Special Bills". The investment is in
book entry form only within the Bureau
of the Public Debt. There are no
actual securities issued. This pro-
cedure was developed to handle U.S.
Government agency investments.

Drafted by: Malcolm Honadle, ISW
566- 6080

Reviewed by: LRHunt, IS
BPounds, ISW

Question: How much interest has been earned and at what rate?

Answer: Through 3/31/80 the account has earned \$26.8 million.

4/1/75 - 3/31/76	\$ 1.8
4/1/76 - 3/31/77	3.5
4/1/77 - 3/31/78	5.0
4/1/78 - 3/31/79	5.9
4/1/79 - 2/29/80	<u>10.6</u>
TOTAL	\$26.8

The Market Based Special Bills are purchased and sold (if sold prior to maturity) at a discount. The purchase price is the mean of the bid and ask price, of the requested security, at noon on the date of purchase. The sale price is the noon bid price on the date of sale, if sold prior to maturity. If sold at maturity, the sale value is the face value. Therefore, the yield (interest earned) depends upon the interest rates prevailing on the day of sale and the period held.

Drafted by: Malcolm Honadle, ISW
566-6080

Reviewed by: LRHunt, IS
BPounds

Question: How often has the SAG asked to have these securities redeemed before maturity?

Answer : The SAG does not redeem the securities. Treasury redeems the securities when cash is needed to pay for project activities.

Drafted by: Malcolm Honadle, ISW
566-6080

Reviewed by: LRHunt, IS
BPounds, ISW

Question: Why aren't the holdings of the Saudi Arabian Trust Account with Treasury included in Treasury tables presenting data on the financial investments in the U.S. of oil exporting countries?

Answer : The holdings of the Saudi Arabian Trust Account with Treasury are excluded from these tables because the investments represent prepayments of Saudi purchases of U.S. goods and services through the U.S.-Saudi Arabian Joint Commission and not financial investments.

Drafted by: Gay Hoar, ISW
566-8423

Reviewed by: LRHunt, IS
BPounds, ISW

Question: To what degree is the U.S. private sector involved in projects funded from the Saudi Arabian Deposit Account?

Answer : Our experience as shown that more than 2/3rds of our program is spent on the private sector.

Drafted by: Malcolm Honadle, ISW
566-6080

Reviewed by: LRHunt, IS
BPounds, ISW

Question: When the USG contracts for goods or services under the Commission, how are contractors selected?

Answer : We generally follow US Government procurement procedures and to the maximum extent possible publish in the Commerce Business Daily. Contract clauses, payment provisions etc., are in accord with USG procurement practices.

Drafted by: K. Harbinson/ISW

Cleared by: B. Pounds/ISW
L. R. Hunt/IS

May 1979

Question:

Does Treasury require that Joint Commission contracts be with American firms?

Answer:

As a general proposition, yes. All the technical assistance contractors involved in the program are American. The large electrical procurement projects we have done, of course, have involved US procurement. For activities such as construction, ~~we will finance~~ the project from the Trust Fund if the work is done by either an American or Saudi contractor.

will be financed.

Drafted by: K. Harbinson/ISW

Cleared by:

B. Pounds/ISW
L.R. Hunt/IS

MAY 179

Question:

The March 1979 General Accounting Office (GAO) report concluded that the US-Joint Commission is performing well. Is the US-Saudi Joint Commission experience applicable to other Middle East countries?

Answer:

The US-Saudi Joint Commission is a pioneer effort in the concept of reimbursable technical assistance. Each program is defined and approved in close consultation with the Saudis to meet their specific needs. The Joint Commission has succeeded in establishing a broad range of mutually agreed upon and relevant programs.

The success of technical assistance and development programs relies heavily on the support and involvement of the recipient country. The US-Saudi Joint Commission has developed methods and operating techniques which are certainly applicable to other Middle East countries if the requisite recipient support is forthcoming.

Drafted by: ^{TAR}Theodore Rosen, ISW
376-0286

Reviewed by: LRHunt, IS
BPounds, ISW

US-Saudi Solar Energy Agreement

Question:

Why has the United States agreed to foot half the bill on a solar agreement with the Saudis? What benefit is it to the United States to pay for half of a solar village in Saudi Arabia?

Answer:

Clearly, the United States has a strong interest in developing solar energy as a new energy source. We feel that joint research in this field can benefit both countries.

Over the course of the five-year agreement the financial costs of the solar program will be roughly equally distributed between the US and Saudi Arabia. In the case of the solar village project, we estimate that about 60-70% of the cost of the project will be for American engineering and design services and for the purchase of solar photovoltaic cells and other high-technology hardware. The remaining costs will be for the purchase of construction services in Saudi Arabia.

The solar village project calls for the purchase of 350 KW of photovoltaic cells. This purchase alone represents about one-third of all solar cells produced in the US last year. We expect this purchase of such a large quantity of cells will encourage mass production of solar cells and will drive the price down by at least 20%. The solar village project is a real shot in the arm for the budding US photovoltaic industry.

Cleared by: BPounds, ISW
LRHunt, IS

Drafter: TARosen, ISW

DOE pays U.S. share.

Question:

The US-Saudi Joint Commission provides substantial amounts of goods and services to the Saudi Arabian Government. Is the Arab Boycott applied to Joint Commission transactions? Are American Jews permitted to work on Joint Commission projects?

Answer:

Since the establishment of the Joint Commission five years ago, the rules and regulations of the Arab Boycott have not been applied to the procurement of goods and services through the Joint Commission. Federal procurement regulations are followed for all competitive Joint Commission purchases. Through the relevant provisions of the Export Administration Act and the Tax Reform Act, US law prohibits cooperation with the Arab boycott.

Technicians are selected for Joint Commission projects solely on the basis of their professional qualifications and experience. American Jews have participated in Joint Commission activities.

FYI: If the Arab boycott were to be applied to Joint Commission projects, there would be a clear contradiction with US law. The Saudis are aware of this and it is, therefore, informally understood that any procurement done by the USG will not be - because it cannot be - the subject of Arab boycott guidelines.

Drafted by: Theodore Rosen, ISW
376-0286

Reviewed by: LRHunt, IS
BPounds, ISW
RMunk ,OS

Question: Relations between the US and Saudi Arabia have been strained since the Egypt-Israeli accords. Why do the Saudis oppose the peace process? Has there been any demonstrable cooling or slow down in the activities of the Joint Commission?

Answer: The Saudis do not oppose the peace process. While the US and Saudi Arabia might differ somewhat on the means to achieve peace in the Middle East, we both share the same objective.

The Joint Commission programs have been progressing at their usual pace over the last several months. Discussions have been initiated by the Saudis on possible new program areas. We hope to have several new project agreements signed by the end of the year.

Drafted by: ^{TAR} Theodore Rosen, ISW
376-0286

Reviewed by: LRHunt, IS
BPounds, ISW

Question:

The United States no longer seems to be able to count on the Saudis as an effective voice of moderation on the price of OPEC petroleum. Why should we provide technical assistance and transfer technology to the Saudis under the Joint Commission when they support spiraling OPEC price increases?

Answer:

Production

Saudi Arabia is one of 13 members of OPEC. While it has always played an important leadership role in OPEC councils, Saudi Arabia's voice of moderation carries the weight of persuasion, not fiat. Saudi Arabia is not an activist for higher oil prices. Despite the fact that current world demand for oil has pushed up the price of oil, Saudi Arabia has shown restraint over the last several months by not tacking on a surcharge or putting product onto the highly speculative spot market.

The Joint Commission program is not tied to oil production or pricing, rather it is part of our effort to develop long-term mutually beneficial ties with Saudi Arabia by responding to Saudi Arabia's development requirements. In a small way this contributes to Saudi Arabia's ability to absorb greater amounts of their oil income and productively recycle petrodollars.

Drafted by: ^{TBR} Theodore Rosen, ISW
376-0286

Reviewed by: LRHunt, IS
BPounds, ISW

U.S.-SAUDI ARABIAN JOINT COMMISSION
ON ECONOMIC COOPERATION

FIFTH SESSION APRIL 1-2, 1980

A G E N D A

OPENING PLENARY SESSION APRIL 1 2:30 - 3:30 PM

(OPEN TO THE PRESS)

1. OPENING STATEMENTS BY CO-CHAIRMEN
2. STATEMENTS BY COORDINATORS

WORKING PLENARY SESSION APRIL 2 10:30 AM

1. SUMMARIES OF WORKING GROUP DISCUSSIONS
--WITH EMPHASIS ON PROBLEMS AND ACCOMPLISHMENTS, TOGETHER
WITH SUGGESTIONS FOR IMPROVEMENT IN OPERATING RELATIONSHIP.

WORKING PLENARY SESSION (CONTINUED) APRIL 2 2:30 - 3:30 PM

1. SUMMARIES OF WORKING GROUP DISCUSSIONS (CONT'D)

CLOSING PLENARY SESSION APRIL 2 4:00 - 4:30 PM

1. SUMMARY REPORTS BY COORDINATORS
2. APPROVAL OF JOINT COMMUNIQUE AND ANNUAL REPORT
3. DATE OF NEXT MEETING
4. CLOSING STATEMENTS BY CO-CHAIRMEN

U.S.-SAUDI ARABIAN JOINT COMMISSION
ON ECONOMIC COOPERATION

FIFTH SESSION APRIL 1-2, 1980

SCENARIO

OPENING PLENARY SESSION

APRIL 1 2:30 - 3:30 PM

<u>TIME ALLOTTED</u>	<u>AGENDA ITEM</u>	(OPEN TO PRESS)
2:35- 2:55 PM	1	<p>OPENING STATEMENT</p> <p>SECRETARY MILLER</p> <p>STATEMENT BY SAUDI ARABIAN CO-CHAIRMAN: MINISTER ABALKHAIL</p>
2:55- 3:25 PM	2	<p>OVERVIEW OF JOINT ECONOMIC COOPERATION AND OUTLINE OF THE FIFTH SESSION:</p> <p>MR. BERGSTEN</p> <p>STATEMENT BY SAUDI ARABIAN COORDINATOR: DR. AL TURKI</p>
3:30 PM	3	<p>STATEMENT BY AMBASSADOR WEST</p> <p>CONCLUSION OF SESSION</p> <p>SECRETARY MILLER</p>

SCENARIO (CONT'D)

WORKING PLENARY SESSION APRIL 2 10:30 - 11:30 AM

CHAIRMAN: ASSISTANT SECRETARY BERGSTEN

CO-CHAIRMAN: DR. AL TURKI

(You are not present!)

<u>TIME ALLOTTED</u>	<u>AGENDA ITEM</u>		
10:35-11:30 AM	1	SUMMARIES OF WORKING GROUP DISCUSSIONS	
		--WITH EMPHASIS ON PROBLEMS AND ACCOMPLISHMENTS, TOGETHER WITH SUGGESTIONS FOR IMPROVEMENT IN OPERATING RELATIONSHIPS	
		AGRICULTURE AND WATER DEVELOPMENT	DR. WEST MR. DARRAB
		DESALINATION RESEARCH AND TRAINING	MR. MARTIN MR. AL-HAZMI
		AGRICULTURAL BANK MANAGEMENT AND TRAINING	MR. EDWARDS MR. MANGOOR
		MANPOWER TRAINING AND DEVELOPMENT	MR. CLOWES MR. AL-FAYEZ
		SUPPORT FOR SCIENCE AND TECHNOLOGY CENTER	DR. AVERCH DR. OBAID
		HIGHWAY ADMINISTRATION AND TRAINING	MR. HASSELL DR. AL-SALLOUM
		CONSUMER PROTECTION	MR. HUNT MR. AL-HAMDAN

WORKING PLENARY SESSION (CONT'D) APRIL 2 2:30 - 3:30 PM*(You are not present)*

2:35-3:30 PM	1	SUMMARIES OF WORKING GROUP DISCUSSIONS (CONT'D)
3:30 PM		WORKING PLENARY SESSION CONCLUDES
		BREAK FOR REFRESHMENTS

-3-

SCENARIO (CONT'D)

<u>TIME ALLOTTED</u>	<u>AGENDA ITEM</u>
	<p><u>CLOSING PLENARY SESSION</u> APRIL 2 <u>4:00 - 4:30 PM</u></p> <p>CHAIRMAN: SECRETARY MILLER</p> <p>CO-CHAIRMAN: MINISTER ABALKHAIL</p>
4:05- 4:18 PM	<p>1 SUMMARY REPORT BY U.S. COORDINATOR ASSISTANT SECRETARY BERGSTEN</p> <p>SUMMARY REPORT BY SAUDI COORDINATOR DR. AL TURKI</p>
4:18- 4:20 PM	<p>2 <u>APPROVAL OF JOINT COMMUNIQUE AND ANNUAL REPORT</u> SECRETARY MILLER</p>
	<p>3 <u>DATE OF NEXT MEETING</u> SECRETARY MILLER</p>
4:20- 4:25 PM	<p>4 <u>CLOSING STATEMENT BY U.S. CO-CHAIRMAN</u> SECRETARY MILLER</p> <p>CLOSING STATEMENT BY SAUDI CO-CHAIRMAN MINISTER ABALKHAIL</p> <p><u>ADJOURNMENT</u> SECRETARY MILLER</p>
4:30 PM	<p><u>PRESS CONFERENCE IN CASH ROOM</u> SECRETARY MILLER MINISTER ABALKHAIL</p>

SECRETARY MILLER'S OPENING REMARKS

Good Afternoon. Minister Abalkhail, it is a pleasure for me to welcome you and each of the members of your delegation to Washington and the Department of the Treasury. Mr. Minister, you and I share the co-chairmanship of the United States-Saudi Arabian Joint Commission on Economic Cooperation. Our meeting today opens the fifth formal convening of the U.S.-^{Saudi} Joint Commission. This June, the Joint Commission will mark the conclusion of its sixth year.

I am looking forward to participating in this session allowing us to conduct an in-depth review of this important cooperative program between our two nations.

Minister Abalkhail, I would like to take a moment to ~~individually~~ introduce ^{each of} the members of my delegation.

On my left is Ambassador West; Richard Cooper, Department of State; Dean Clowes, Department of Labor; John Hassell, Federal Highway Administration; Holsey Handyside, Department of Energy; Gary Cobb, Department of the Interior.

On my right is Fred Bergsten, Treasury Department; Ray Hunt, Treasury Department; Quentin West, Department of Agriculture; William Johnston, Department of Transportation; ~~Herta and Paul Amirian~~ (SIDE MAN), Department of Commerce; and Harvey Averch, National Science Foundation.

Behind me are Wallace Riley from Riyadh; Bonnie Pounds, Treasury Department; Lawton Saunders, General Services Administration; Meyer Zitter, Bureau of the Census; Laird Allshouse, U.S. Customs Service; Larry Edwards, Farm Credit Administration; and John Bryant, Department of Health, Education and Welfare.

It is good to see many familiar faces in your delegation as well. I again want to thank you for the warm welcome you gave me and my delegation last November in Riyadh. Although we met then to discuss economic issues, I did visit the Joint Commission facilities ~~briefly~~. I enjoyed ^{the opportunity then} ~~the~~ talk _{to} ~~and~~ with Americans and Saudi Arabians who are working together on Joint Commission projects. I came away with the strong impression that a great deal has been accomplished during the past six years. I look forward to hearing the reports of the working groups which met today and will report here to the plenary session tomorrow afternoon.

I was particularly pleased, Mr. Minister, to sign with you the extension of the Technical Cooperation Agreement during our meetings last November. This Agreement provides the framework for the operations of the Joint Commission and the basis for continued Commission activity until February 13, 1985. I emphasize that the United States Government places high priority on the technical cooperation undertaken by the Joint Commission. I know it has made a significant contribution to furthering the ties between our two countries which began a half a century ago.

While development of energy initiated our relationship, the United States and Saudi Arabia have realized a broader, more varied foundation of contact and understanding during this period. The expansion of that foundation has certainly been stimulated by cooperating with Saudi Arabia in realizing an ambitious course it has set for its economic development.

When the Joint Commission was established in June 1974, few would have been willing to suggest that its activities would comprehend the level of involvement that exists today. The working group meetings that were held the summer of 1974 created long, detailed lists for potential projects and explored areas of cooperation. There was no organization, no office in Treasury to respond to the initiatives. That office had to be created, practically custom-tailored, to fit the developing shape of the US-^{Saudi} Joint Commission.

Over the past six years, ^{the} Treasury Department has established an office providing a central point of focus in Washington for Joint Commission activities. Treasury and each of the other action agencies have recruited staffs with program expertise and a commitment to the establishing of high standards of cooperation and technical assistance. ~~We believe that~~ Cooperating with Saudi Arabia in its development initiative has been a rewarding experience for Treasury.

While I do not suggest that the creation and staffing of these offices is a particular accomplishment, the progression from wrestling with an unrealized concept to the everyday reality of operating and managing the Joint Commission activities has provided these staffs with a deserved sense of accomplishment. We will review during these sessions the products and results of a great many dedicated people. The Joint Commission, a model for other bilateral cooperation, has accomplished much and provides us with much to review over the past six years of this successful initiative. I am confident that the spirit of cooperation in both countries will continue to advance. We look forward to the continued effective development of the Joint Commission in the years ahead.

Let me expand the perspective to the process and progress that has occurred since the advent of the Joint Commission. That progress can be seen by taking note of the representation in this room today. Distinguished delegates from more than ten U.S. Government agencies represent what has become known as the [US-^{Saudi} Joint Commission "Interagency Action Group". Each of these agencies (with the exception of our foreign policy colleagues from the Department of State) are directly involved in at least one Joint Commission program. Their representation indicates the level of interest and momentum behind these agencies' programs. The Treasury Department is pleased to have

responsibility for several projects in the areas of customs, financial information, and audit. Treasury has also contracted for services in the areas of consumer protection and electrification.

Mr. Minister, your delegation certainly reflects a similar distribution of responsibility and high-level interest within the Saudi Arabian Government. The matching of your requirements and our resources has been a flexible and fluid process. Although not all of the requests from your government have resulted in project agreements, the Joint Commission has been able to provide study teams in a wide range of areas including, among others, commercial law and regulations, hotel standards, and public health. I think it is commendable that we have not been wedded to project agreements as the single standard of accomplishment and service.

The project teams now comprise a total of 160 technical experts working on 19 programs. Many of the team leaders are here with us today and will participate in the discussion and review sessions. I would like to add a special word of appreciation to these individuals and their teams for the dedication and resourcefulness with which they carry out their tasks. I was greatly impressed during my ^{visit} ~~brief chat~~ with them in Riyadh ^{WITH} ~~about~~ their high sense of professionalism and personal involvement in their work. In one way or another, the U.S.-Saudi Arabian Joint Commission touches

upon hundreds, probably over a thousand U.S. officials in Washington. Through these many direct and indirect contacts, the Joint Commission serves as mortar binding our two governments closer together.

While quantification is not necessarily the test of success or progress, JECOR has assumed the responsibility for a very wide range of projects, including vocational training, census, financial information, agriculture and water, desalination, and science and technology. The list of projects reflects the scope of work and attests to an ambitious pace of development activity, as well as a high degree of confidence by your government in our approach to project implementation. The annual report, which we will review during this meeting and release at the close of the final session tomorrow, will provide substantial detail about the projects and their accomplishments.

New and creative initiatives are not uncommon to the Joint Commission. I would like to especially note the US-Saudi Arabian Solar Energy Agreement. This unique and unprecedented agreement is a pioneering effort both in format and area of endeavor. The Solar Agreement is a jointly funded program under the auspices of the Joint

Commission. Over the next five years, both the United States and Saudi Arabia will each provide \$50 million to the \$100 million project agreement.

The first projects include the design and installation of the world's largest solar photovoltaic electrical system for two villages outside Riyadh. In time, this \$10 million solar village project could serve as the prototype for rural electric development in Saudi Arabia and other developing countries.

Other projects include the engineering tests of large sun-powered air conditioners mounted on commercial buildings in the United States and the design and eventual construction in the United States of a solar desalination apparatus. These and other projects - including educational exchanges and workshops - is an exciting and innovative area of cooperation for the Joint Commission.

The U.S.-Saudi Solar Agreement is a practical statement about the need to reach quickly into the future for clean, economic, renewable technologies to provide energy for subsequent generations. It is also one more manifestation of close cooperation between the United States and Saudi Arabia.

Aside from making a very real contribution to the advancement of solar technology, the Solar Energy Agreement testifies to the importance the United States and Saudi Arabia both place on the development of alternative energy

resources and on encouraging energy conservation in general. While it probably would be overly sanguine for us to expect major technological breakthroughs under the US-Saudi Solar Energy Program, we believe that this cooperative effort will contribute substantially to stimulating research and development and could result in long-term payoffs in developing renewable energy resources. The Executive Board of the Solar Agreement will meet on Thursday after the conclusion of the Joint Commission plenary session.

I would ^{also} like to ~~briefly~~ note the close commercial ties between the United States and Saudi Arabia. Total Saudi imports have grown from \$2 billion in 1973 to around \$24 billion in 1979. The United States has ^{represented} ~~won~~ the largest share of the Saudi market in recent years, usually over 20%. United States exports to Saudi Arabia have increased dramatically, from \$400 million in 1973 to \$4.9 billion in 1979. Saudi Arabia has become the United States' seventh largest export market. In terms of two-way trade, Saudi Arabia is also our seventh largest trading partner.

Over 400 U.S. firms currently have offices in the Kingdom. Over 30,000 Americans are living in Saudi Arabia, as testimony to U.S. industry's involvement. We want to encourage and expand U.S.-Saudi commercial ties, with mutual benefits for both the United States and Saudi Arabia. We hope the U.S. will maintain and, hopefully, expand its share of the Saudi Arabian market.

In closing, Mr. Minister, I would like to suggest that our delegations take a broad view of the programs in order to assess their progress and to plan future objectives. While none of the Joint Commission's activities can be viewed from an airplane as I did over Dhahran and Jubail, I think a similar perspective can be helpful. The Joint Commission began six years ago as an idea, a new and pioneering idea, for cooperation between two countries with similar interests and common experiences. We should examine our progress with realism looking at areas for improving performance but also taking note of the genuine accomplishments which we have come to accept as routinely old hat.

Mr. Co-Chairman and Fellow Delegates, I want to express the hope that all of us will find these Plenary Sessions and the bilateral working groups to be useful and valuable. I am confident that these meetings will re-affirm the fine spirit of cooperation, now a hallmark of the US-Saudi Joint Commission. Our common interests have become more tangible and personal through the activities of the Joint Commission. We hope our Saudi Arabian counterparts share this view and find this cooperative effort beneficial to them.

Speaking for all of us in the U.S. delegation, **I** have been looking forward to these meetings. We hope these

will be frank and fruitful discussions which will maintain the Joint Commission as a responsive and effective instrument for assisting in the economic development of Saudi Arabia.

Let me again extend a warm welcome to you, Mr. Minister, and to your delegation.

Thank you very much.

DRAFT

3/28/80

REMARKS BY

ASSISTANT SECRETARY **BERGSTEN**

AT

OPENING PLENARY SESSION

OF THE

JOINT COMMISSION MEETING

GOOD AFTERNOON. I WOULD LIKE TO WELCOME OUR GUESTS FROM SAUDI ARABIA, AS WELL AS COLLEAGUES HERE ON THIS SIDE OF THE TABLE, TO THE TREASURY DEPARTMENT.

WE ARE DELIGHTED - AS SECRETARY MILLER INDICATED - TO BE HOSTING THIS, THE FIFTH FORMAL MEETING OF THE U.S.-SAUDI ARABIAN JOINT COMMISSION.

THE JOINT COMMISSION IS NOW INTO ITS SIXTH YEAR AND IT SEEMS TO ME THAT A PATTERN IS NOW APPARENT IN THE SENSE THAT SPECIFIC, CONCRETE MILESTONES ARE BEING ACHIEVED ON A NUMBER OF OUR LARGE PROJECTS. IN OTHER WORDS, WE ARE WELL INTO THE PHASE NOW WHERE WE ARE STARTING TO SEE THE PHYSICAL RESULTS OF SO MUCH OF THE PLANNING AND MEETING AND PROJECT DEVELOPMENT WORK WHICH HAS GONE ON IN THE PAST. TO CITE BUT A FEW EXAMPLES, CONSTRUCTION IS WELL UNDERWAY ON A NUMBER OF THE MINISTRY OF LABOR VOCATIONAL CENTERS. CONSTRUCTION OF THE NEW FINANCIAL INFORMATION CENTER WILL BE COMPLETED THIS SUMMER. A CONTRACT HAS BEEN SIGNED AND WORK IS UNDERWAY

TO BUILD WHAT WILL BECOME THE WORLD'S LARGEST PHOTOVOLTAIC SOLAR PROJECT IN THE WORLD. DETAILED DESIGN WORK FOR THE KINGDOM'S DESALINATION RESEARCH AND DEVELOPMENT CENTER IS NEARING COMPLETION. MINISTRY OF COMMERCE'S CENTRAL RIYADH LABORATORY OFFICIALLY OPENED IN FEBRUARY AND AMERICAN AND SAUDI CHEMISTS AND MICROBIOLOGISTS ARE HARD AT WORK THERE. CONSTRUCTION IS UNDERWAY FOR EXPANDED ELECTRICAL POWER GENERATING FACILITIES. THE KINGDOM-WIDE TWENTY-FIVE YEAR PLAN FOR ELECTRICAL POWER REQUIREMENTS IS NOW COMPLETED. I CITE ALL OF THIS ONLY AS EXAMPLES OF THE KINDS OF SPECIFIC MEASURABLE PROGRESS WHICH THE JOINT COMMISSION IS NOW MAKING.

AT THE SAME TIME, I WANT TO BE CAREFUL NOT TO LEAVE THE IMPRESSION THAT THE ONLY MEASURE OF THE JOINT COMMISSION IS IN SPECIFIC PROJECT MILESTONES.

THERE IS, AT LEAST ON THE AMERICAN SIDE, A TENDENCY TO SPEAK OF THE JOINT COMMISSION IN QUANTITATIVE TERMS: 20 PROJECTS, 170 TECHNICAL PERSONNEL, ACTIVELY VALUED AT SO MANY HUNDRED MILLION DOLLARS AND SO ON. GIVEN THE FACT THAT THE COMMISSION WAS ONLY A VAGUE CONCEPT FIVE YEARS AGO, THE QUANTITATIVE PICTURE OF THE COMMISSION IS IMPRESSIVE BY ANY STANDARDS.

BUT IT SEEMS TO ME THAT THE TRUE VALUE OF THE COMMISSION IS SOMETHING THAT CANNOT EASILY BE TRANSLATED INTO AN ARRAY OF NUMBERS OR EVEN A NARRATIVE DESCRIPTION OF PROJECT ACTIVITIES. THE REAL IMPORTANCE - IT SEEMS TO ME - IS THAT A BI-NATIONAL FRAMEWORK HAS BEEN PUT INTO PLACE WHICH ALLOWS A WIDE RANGE OF TECHNICAL COOPERATION TO TAKE PLACE AND WHICH ALSO PROVIDES FOR CONTINUING DIALOGUE ON A WHOLE HOST OF TOPICS. THIS MEETING IS ONLY ONE OF THE MORE VISIBLE EXAMPLES OF THAT DIALOGUE. WE HAVE OUR DIFFERENCES OF OPINION FROM TIME TO TIME - THIS IS INEVITABLE WHENEVER A GROUP OF PEOPLE GET TOGETHER TO WORK ON LARGE-SCALE, SIGNIFICANT PROJECTS. AND WE ALL EXPERIENCE - TOGETHER - CERTAIN FRUSTRATIONS IN THE COURSE OF PROJECT DEVELOPMENT AND IMPLEMENTATION. BUT THIS JOINT COMMISSION IS A SUCCESS STORY - SUCCESSFUL, I WOULD DARE SAY, BEYOND THE EXPECTATIONS THAT EITHER GOVERNMENT HAD FIVE YEARS AGO.

WE TALK ABOUT MUTUAL INTEREST AND COMMON PURPOSE SO MUCH THAT THEY TEND TO BECOME CLICHES. BUT AT THE HEART OF OUR ACTIVITY IS INDEED MUTUAL INTEREST. IN THE AREAS OF SOLAR ENERGY, DESALINATION, AGRICULTURE RESEARCH - AS WELL AS THE OTHER AREAS - IT IS CLEAR THAT BOTH OUR COUNTRIES ARE GOING TO BE BENEFITTING FROM OUR JOINT EFFORTS.

AS YOU CAN SEE FROM THE MEETING AGENDA, WE HAVE SUGGESTED A BIT OF A CHANGE IN FORMAT. RATHER THAN HAVING TWO FULL DAYS OF PLENARY SESSIONS - AS WAS DONE IN THE PAST - WE HAVE ALLOCATED TIME FOR A SERIES OF MORE FOCUSED MEETINGS BETWEEN THE OFFICIALS OF YOUR MINISTRIES AND THE APPROPRIATE COUNTERPART OFFICIALS IN THE VARIOUS DEPARTMENTS IN OUR GOVERNMENT.

THE FIRST OF THESE SESSIONS TOOK PLACE THIS MORNING. TOMORROW, THERE WILL BE A SERIES OF REPORTS AS A RESULT OF THESE BILATERAL WORKING SESSIONS, WHICH WILL COVER THE ACTIVITIES OF SPECIFIC PROJECTS. TOWARD THE END OF THE FINAL SESSION TOMORROW, DR. AL TURKI AND I WILL ENDEAVOR TO SUMMARIZE THE WORKING GROUP REPORTS.

THESE WORKING GROUP SESSIONS ARE CONCENTRATING ON THOSE PROJECTS WHERE BOTH THE SAUDI PRINCIPALS AND AMERICAN PRINCIPALS FROM THE APPROPRIATE ACTION AGENCIES ARE PRESENT. IN THE CASE OF AGRICULTURE, TECHNICAL STAFF SUPPORT, RESEARCH AND DEVELOPMENT AND TRAINING CONTINUE TO FLOW FROM THE COOPERATIVE EFFORTS OF SEVERAL U.S. AGENCIES AND THE MINISTRY OF AGRICULTURE AND WATER AND THE SAUDI ARABIAN AGRICULTURAL BANK.

IN THE AREA OF MANPOWER TRAINING AND DEVELOPMENT, ACTIVITIES ARE UNDERWAY, AS YOU WELL KNOW, TO EXPAND AND MODERNIZE THE KINGDOM'S VOCATIONAL TRAINING CAPABILITIES. AND IN THE MORE TECHNICAL ARENA, WE ARE WORKING TOGETHER ON A RANGE OF ACTIVITIES RELATED TO DESALINATION, SOLAR ENERGY AND COMPUTERIZATION.

THERE IS SOME IRONY INVOLVED HERE BECAUSE THE VERY FIRST MEETINGS OF THE JOINT COMMISSION IN THE SUMMER OF 1974 INVOLVED A SERIES OF WORKING GROUP SESSIONS. THIS WEEK - ALMOST SIX YEARS LATER - WE ARE HAVING A SERIES OF WORKING GROUP SESSIONS. THE KEY DIFFERENCE, OF COURSE - AND IT IS A SIGN OF SOLID PROGRESS - IS THE FACT THAT THOSE EARLY SESSIONS INVOLVED ONLY THE MOST TENTATIVE STEPS TOWARD PROJECT CONCEPTUALIZATION. TODAY, WE ARE DEALING WITH MAJOR PROJECT IMPLEMENTATION - AND IN SOME CASES - EXPANSION. THE RETURN TO THE WORKING GROUP FRAMEWORK IS ALSO INDICATIVE OF THE FACT THAT THE RELATIONSHIPS BETWEEN THE INDIVIDUAL MINISTRIES AND THE DEPARTMENTS HAVE BECOME VERY IMPORTANT AND - WITH SO MANY PROJECTS NOW BEING IMPLEMENTED - THERE IS A GREAT DEAL TO DISCUSS.

LATER THIS YEAR, WE WILL BE SIGNING A FORMAL AMENDMENT TO THE DESALINATION PROJECT AGREEMENT, ENLARGING THE SCOPE OF THAT PROJECT AND EXPANDING THE STAFF. AND WE EXPECT TO FORMALLY RENEW THE STATISTICAL PROJECT AGREEMENT.

BUT THIS IS THE FIRST FORMAL MEETING WHERE NO NEW PROJECT AGREEMENTS ARE GOING TO BE SIGNED - AND I THINK THAT IS ALSO SIGNIFICANT. IT SAYS - TO ME AT LEAST - THAT THE JOINT COMMISSION HAS A FAIRLY FULL PLATE RIGHT NOW. IT IS IMPORTANT TO RECOGNIZE THAT EVEN IF NO NEW PROJECT AGREEMENTS ARE SIGNED THIS YEAR, THE SIZE OF THE JOINT COMMISSION OPERATION IS GOING TO GROW. WITH MANY PROJECTS ENTERING HEAVY IMPLEMENTATION PHASES AND OTHER PROJECTS INCREASING THEIR SCOPES OF ACTIVITY, THE WORK OF THE COMMISSION - GETTING BACK FOR A MOMENT TO QUANTITATIVE MEASURES OF MONEY, MEN AND MATERIALS - IS GOING TO BE ON THE INCREASE. THE PRIMARY FOCUS OF OUR WORK IN THE IMMEDIATE FUTURE SHOULD BE IN ENSURING THAT IMPLEMENTATION OF THE PROJECTS NOW UNDER WAY GOES SMOOTHLY AND THAT THE QUALITY OF WORK REMAINS HIGH.

AGAIN, WE ARE DELIGHTED YOU ARE HERE AND WE LOOK FORWARD TO A VERY PRODUCTIVE SERIES OF MEETINGS OVER THE NEXT TWO DAYS.

I WOULD NOW LIKE TO ASK DR. AL TURKI IF HE WOULD
LIKE TO SAY A FEW WORDS.

FINAL PLENARY SESSION, APRIL 2, 1980

We will now close what I consider to have been a most productive meeting of the Joint Commission. Our organization has grown from a mere concept that was enunciated six years ago into an effective instrument for technical cooperation between our two countries. It has shown itself to be flexible and responsive to changing needs and circumstances.

The key to success of the Commission, as its name indicates, is cooperation. I think we have found at this meeting, and especially in the detailed discussions in the working groups, ways to strengthen that cooperation. There have been few guideposts in the organization and development of the Commission and its operations. Now as we conclude the Fifth Session of the Commission, a wide range of project activity and administrative support is being undertaken. This has taken much innovative and creative work on both sides.

We can now go forward with greater resolve to work together to explore new areas for project activity, discuss problems openly as friends, and seek constructive solutions to meet the needs and challenges of the future.

I want to thank the two delegations and the staff members on both sides who have contributed greatly to making this meeting a success.

DRAFT

LUNCHEON TOAST

(April 1)

MINISTER ABALKHAIL AND MEMBERS OF THE SAUDI ARABIAN DELEGATION,
IT IS A PLEASURE TO HAVE YOU HERE IN WASHINGTON FOR THE FIFTH
Anniversary ANNIVERSARY SESSION OF THE JOINT COMMISSION.

SINCE MY TRIP TO SAUDI ARABIA LAST FALL, I HAVE BEEN
LOOKING FORWARD TO THIS OPPORTUNITY TO RECIPROCATE THE HOSPITALITY
YOU SHOWED ME AND THE MEMBERS OF MY PARTY.

Mr. Minister,
YOU HAVE BEEN THE SAUDI CO-CHAIRMAN OF THE COMMISSION SINCE
ITS INCEPTION. I AM THE THIRD U.S. CO-CHAIRMAN, BUT I SHARE WITH
MY PREDECESSORS A CONVICTION THAT OUR ECONOMIC RELATIONSHIP IS OF
VITAL IMPORTANCE TO BOTH COUNTRIES AND THAT THE JOINT COMMISSION
MAKES A HIGHLY SIGNIFICANT CONTRIBUTION TO THAT RELATIONSHIP.

NOT ONLY OFFICIAL RELATIONSHIPS BUT PERSONAL FRIENDSHIPS HAVE
DEVELOPED UNDER THE JOINT COMMISSION. THIS LUNCHEON AND OUR
MEETINGS WILL GIVE US AN OPPORTUNITY TO RENEW AND STRENGTHEN
THESE RELATIONSHIPS.

WE EXTEND A WARM WELCOME AND LOOK FORWARD TO A PRODUCTIVE
SESSION.

ROLE OF THE SECRETARY OF THE TREASURY AND
THE TREASURY DEPARTMENT IN THE U.S.-SAUDI ARABIAN
JOINT COMMISSION ON ECONOMIC COOPERATION

*Pres
Riyadh
Univ.*

The U.S. Secretary of the Treasury and the Saudi Arabian Minister of Finance and National Economy, Muhammed Abalkhail, serve as co-chairmen of the U.S.-Saudi Arabian Joint Commission on Economic Cooperation (the Commission). The Commission is coordinated on the U.S. side by the Treasury Assistant Secretary for International Affairs (Mr. Bergsten) and on the Saudi side by the Deputy Minister of Finance, Dr. Mansoor Al Turki. Earlier this year, Dr. Al Turki resigned his position in the Ministry to accept an appointment as President of Riyadh University. A successor has not yet been named.

In order to support the Secretary and the Assistant Secretary in their roles, the Department of Treasury established the Office of the Deputy for Saudi Arabian Affairs and two offices subordinate to him; the Office of Saudi Arabian Affairs in Washington and the Office of U.S. Representation to the Joint Commission (USREP/JECOR) in Riyadh.

The central role of the Commission is to serve as a mechanism for the transfer of management expertise and technology to Saudi Arabia. The Commission also plays a key secondary role as a vehicle through which senior officials of both nations can discuss a wide range of economic and financial issues.

Formal Joint Commission meetings are held at approximately yearly intervals, alternately in Saudi Arabia and in Washington. The 1980 meeting will be held in Washington April 1-2. The previous meeting was held in Jeddah, Saudi Arabia in November 1978.

The Joint Commission is entering its sixth year and continues to thrive as a dynamic and expanding international cooperative organization. There are currently 19 ongoing technical cooperation projects under the auspices of the Commission with a total ultimate value of \$700 to \$800 million. Thus far the Saudi Government has made available nearly \$400 million (including interest earnings) to the Trust Fund administered by Treasury to finance the Joint Commission's operations.

BASIC AUTHORITY

The Joint Commission was established in accordance with the provisions of a Joint Statement which was issued on June 8, 1974 by U.S. Secretary of State Kissinger and Prince Fahd, now Saudi Arabia's Crown Prince. All technical cooperation carried out under the Joint Commission is funded by the Saudi Arabian Government and is carried out in accordance with a Technical

Cooperation Agreement signed February 12, 1975 between the U.S. and Saudi Arabian Governments and extended on November 25, 1979 to February 12, 1985.

The statutory basis for U.S. Government involvement in Joint Economic Commission activities is Section 607 of the Foreign Assistance Act (FAA). Section 607 of the FAA provides in part that:

Whenever the President determines it to be consistent with and in furtherance of the purposes of (the legislation) any agency of the United States Government is authorized to furnish services and commodities on advance of funds or reimbursement basis to friendly countries...

In June 1975, the Agency for International Development granted Treasury a broad Section 607 determination to permit Treasury to carry out its responsibilities under the Joint Commission. In this determination, AID approved the transfer of a portion of its 607 authority concerning activities of other U.S. agencies in foreign countries to the Department of the Treasury. The determination to Treasury, therefore, provides derivative authority to various Federal "action agencies" to carry out reimbursable activities under the Joint Commission. The present determination, as amended, covers all major project activities now being conducted by U.S. agencies in Saudi Arabia.

FUNCTIONS AND ORGANIZATION

The functions of Treasury fall into two basic categories. First it serves as the overall managing and coordinating body for all of the activities of the Joint Commission. This function includes the ongoing management and review of 19 technical cooperation projects and the planning and convening of the Joint Commission meetings.

The primary components of this function are:

- (1) to formulate and disseminate both policy and operational guidelines to other agencies within the Federal Government which are involved in technical assistance projects under the Joint Commission;
- (2) to coordinate with the Saudi Arabian Government and other agencies with the Federal Government on the conceptualization and development of technical assistance projects to be implemented under the Joint Commission;

- (3) to monitor the expenditure of funds dispersed from the Saudi Arabian Trust Account, to various agencies within the Federal Government and private sector for project implementation; and
- (4) to monitor project progress.

In addition to these policy, coordination, and monitoring functions, Treasury serves as an "action agency" for several key projects. One of these, the Financial Information Services project with the Saudi Ministry of Finance and National Economy, is closely related to Treasury's own traditional economic and financial role. It is staffed by Treasury personnel who are resident in Saudi Arabia but who report to the Director of the Office of Saudi Arabian Affairs.

JOINT COMMISSION TRUST ACCOUNT

Since all of the project activities carried out under the Joint Commission are funded by the Saudi Arabian Government, a Trust Account has been established in the Bureau of Government Financial Operations for this purpose. To date, over \$370 million has been deposited, over \$280 million has been obligated toward the implementation of projects and approximately \$27 million has been accrued in interest.

SUMMARY OF JOINT COMMISSION ACHIEVEMENTS

During the four years since its establishment, the Joint Commission has acted to achieve the objectives set forth in the Joint Communique by:

- dispatching U.S. specialists and technical teams to Saudi Arabia to analyze current conditions in specific areas and to make recommendations for action;
- developing and implementing proposals for major technical cooperation projects using these recommendations as a base;
- coordinating U.S. Government and U.S. private sector activity in implementing projects approved by the two governments;
- developing the institutional framework necessary for carrying out government-to-government technical cooperation projects;

--stimulating U.S. private sector involvement in general Saudi development.

More than 50 separate groups of U.S. specialists have been sent to Saudi Arabia during the last four years. These teams have conducted short-term studies in a large number of areas and their recommendations have led to the development of various proposals for technical cooperation.

A list of current and completed Joint Commission projects is attached showing the U.S. and Saudi Action Agencies and the number of U.S. professional personnel in Saudi Arabia.

Drafted by: Stephen D. Hayes/ISW
Bonnie Pounds/ISW

Reviewed by: Leamon R. Hunt/IS

UNITED STATES--SAUDI ARABIAN JOINT COMMISSION
ON ECONOMIC COOPERATION

SUMMARY OF PROJECTS

<u>Project Title</u>	<u>Date Signed</u> (term)	<u>Project Objectives</u>	<u>U.S. and Saudi Action Agencies</u>	<u>U.S. Professional Staff in S.A.</u> (March 1980)
1. Statistics and Data Processing	9-23-75 (5 years)	Upgrade statistics and National Computer Center operations	Dept. of Commerce (Census) Min. Finance and N. Economy	23
2. Agriculture and Water Development	11-23-75 (Indef)	Advise regarding agricultural development, water resources and research.	Depts. of Agriculture Interior Min. Agriculture	27
3. National Park Development	2-16-77 (subproject)	Design and construct national park	Dept. of Interior Min. Agriculture and Water	1
4. Electrical Services	2-29-76 (Indef)	Planning and technical services in electricity	Dept. of Treasury and Chas. T. Main, Int'l Min. Industry & Electricity	3
5. Support for Science and Technology Center	2-29-76 (Indef)	Institutional development of Saudi Arabian National Center for Science and Technology (SANCST)	National Science Foundation SANCST	0
6. Manpower Training and Development	6-12-76 (9 years)	Develop vocational training program; advise on training center constr'n	Dept. of Labor and General Services Admin. Min. Labor and Social Affairs	41
7. Financial Information Services	5-3-77 (Indef)	Financial information and analysis; construct information center	Dept. of Treasury Min. Finance and N. Economy	14
8. Desalination Research and Training	5-3-77 (Indef)	Establish research and training center; large-capacity desalination unit	Dept. of Interior Saline Water Conversion Corp.	3
9. Consumer Protection	5-3-77 (5 yrs)	Develop food quality control system	Dept. of Treasury and Midwest Research Institute Min. of Commerce	13
10. Highway Administration and Training	8-26-77 (6 years)	Provide management, administration and technical services	Dept. of Transportation (FHWA) Min. of Communications	10
11. Solar Energy Research and Development	10-30-77 (5 years)	Applied research and development in solar energy (joint funding)	Dept. of Energy and Solar Energy Research Institute SANCST	1
12. Audit Services	5-15-78 (Indef)	Provide management assistance and audit services	Dept. of Treasury General Audit Bureau	4

Customs Administration and Training	6-22-78 (Indef)	Advise on customs operations and provide training	Dept. of Treasury (Customs) Min. Finance and N. Economy	4
14. Supply Management Development	7-13-78 (indef)	Develop central supply management and procurement system	Gen. Services Administration Min. Finance and N. Economy	4
15. Nasseriah Power Station Equipment and Services	11-9-78 (letter)	Expand generating capacity and develop plant facilities	Dept. of Treasury and Overseas Advisory Services	4
16. Agricultural Bank Management and Training	11-18-78 (5 years)	Establish training programs and provide advisory services	Farm Credit Administration Saudi Arabian Agricultural Bank	7
17. Transportation Services	11-18-78 (4 years)	Provide technical, management, training and financial analysis services	Dept. of Transportation Min. of Communications	1
18. Executive Management Development	11-18-78 (Indef)	Develop executive and managerial effectiveness of selected govt. officials	Dept. of Treasury Min. Finance and N. Economy	0
19. Arid Lands, Meteorology and Environmental Education	11-25-79 (Indef)	Curriculum development and teaching assistance	Dept. of Treasury and Consortium for International Development (S.W. Univs.) King Abdulaziz University	0
	* * * * *		*	
U.S. Representation Office		Coordination, management and support services	Dept. of Treasury Min. Finance and N. Economy	13
			TOTAL U.S. PROFESSIONAL STAFF	173
	* * * * *		*	

COMPLETED PROJECTS

Procurement and installation of power generation equipment and warehouses			Dept. of Treasury and Overseas Advisory Associates Min. Industry and Electricity and Min. Finance and N. Economy	
Procurement of electrical power equipment for the Eastern Province			Dept. of Treasury and Overseas Advisory Associates Saudi Consolidated Electric Company (SCECO)	

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Report	Government Reports (1 page)	3/18/80	A
Report	Government Reports (1 page)	3/25/80	A
Report	Government Reports (1 page)	3/25/80	A
Report	Government Reports (1 page)	3/24/80	A
Report	Government Reports (1 page)	3/25/80	A
Report	Government Reports (1 page)	3/25/80	A
Report	Government Reports (1 page)	3/24/80	A
Report	Government Reports (1 page)	3/25/80	A
Report	Government Reports (1 page)	3/24/80	A
Report	Government Reports (1 page)	3/24/80	A
Report	Government Reports (1 page)	3/25/80	A

FILE LOCATION

Collection: G. William Miller Papers; Series: G. William Miller's Subject Files; Folder: Briefing Book - US-Saudi Arabia Joint Commission on Economic Cooperation, Fifth Edition, 4/1-2/80; Container: 6



RESTRICTION CODES

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JOINT COMMUNIQUE

ON THE FIFTH SESSION OF THE U.S.-SAUDI ARABIAN
JOINT COMMISSION ON ECONOMIC COOPERATION
WASHINGTON, D.C. APRIL 1-2, 1980

DRAFT

The United States-Saudi Arabian Joint Commission on Economic Cooperation met for its Fifth Formal Session in Washington, D.C., April 1-2, 1980. The Secretary of the Treasury of the United States, the Honorable G. William Miller, chaired the meeting. The Minister of Finance and National Economy of the Kingdom of Saudi Arabia, His Excellency Muhammad Al-Ali Abalkhail, Co-Chairman of the Joint Commission, led the Saudi Arabian delegation. A list of the two delegations is attached as Annex 1.

The two delegations noted with satisfaction the extension of the Technical Cooperation Agreement which provides the framework for the operations of the Joint Commission. The extension was signed on November 25, 1979, by the Co-Chairmen during Secretary Miller's visit to Saudi Arabia, and will be the basis for continued Commission activity until February 13, 1985. A copy of the Extension Agreement is attached as Annex 2.

Pursuant to the terms of the Extension Agreement, the Commission reviewed the status and progress of cooperative projects carried out under the auspices of the Commission and discussed new areas of cooperation between the two countries. The discussions made clear the high priority both governments place on the bilateral technical cooperation under the Joint Commission and the significant contribution the program makes to strengthening the ties between the two countries.

In considering the future work of the Commission, the Saudi delegation drew attention to the contribution the Commission's programs make to meeting the goals of Saudi Arabia's third Five-Year Development Plan to begin in mid-1980.

The Chairman and members of the Saudi delegation took the opportunity of their stay in Washington to hold meetings outside the Joint Commission framework with senior officials of the Department of State, Department of Treasury, and other U.S. agencies. These discussions enabled both sides to review the broad range of U.S.-Saudi relations, as well as to exchange views on the global financial and economic situation.

In addition to the plenary sessions, special bilateral working groups met to review in detail the cooperative projects in the various fields of Joint Commission activity, with particular emphasis on recently expanded and new projects in agriculture and water, desalination, agricultural credit, manpower training and development, science and technology research, highway administration, and consumer protection.

The working group on agriculture and water development met with senior officials of the Department of Agriculture and the Department of the Interior to review both the project agreement for the provision of specialists to the Saudi Ministry of Agriculture and Water and the project for development of the Asir National Park to be opened in November 1980. It was agreed that the U.S. specialists are making important

contributions to a wide variety of Ministry programs and that planning would continue to permit their expanded participation in additional Ministry activities.

In the field of water development, a separate working group on desalination research and training met with senior Department of the Interior officials and with the Director and staff of the Office of Water Research and Technology. The two areas of project activity under the U.S.-Saudi Arabian desalination agreement were reviewed in detail and plans were made to expand U.S. participation.

A working group on agricultural bank management and training met with Farm Credit Administration officials to review the provisions of the bilateral agreement and to discuss the next phases of management support, as well as university and on-the-job training programs.

Discussions of the working group on manpower training and development centered on the adequacy of technical support for this project, including the urgency of recruiting to fill authorized positions, budget requirements, progress, and future projections. Careful review was given to plans underway for training Saudi vocational training staff in U.S. institutions. Significant problems were recognized and action plans agreed upon to achieve accelerated progress during the coming year.

In science and technology, a working group met to discuss continued technical and institutional support by the National

Science Foundation to the Saudi Arabian National Center for Science and Technology (SANCST). Discussions centered on the further development of the SANCST National Information System, support of SANCST applied research programs, and new activities to encourage academic research by Saudi students in the United States relevant to the needs of the Kingdom and to facilitate cooperative research programs among US and Saudi scientists.

Also in the scientific field, the Joint Commission took note that the Executive Board for the Solar Energy Research and Development project would be meeting April 3-4 in Washington to discuss future project activities.

In the field of highway administration and training, discussions were held reviewing the basic work that has been accomplished between the Federal Highway Administration and the Saudi Ministry of Communications towards the improvement of the Ministry's overall capabilities in the area of highway transportation. Ways and means to improve present effectiveness and long range planning were reviewed. Particular emphasis was placed on development of managerial and technical procedures which will lead to more effective operations of the Ministry. Also, there were useful discussions with Department of Transportation officials regarding the program of support to the Ministry of Communications in modes of transportation other than highways.

The Joint Commission's consumer protection project was discussed in a group including management representatives of

Midwest Research Institute, the U.S. firm carrying out this project under a contract with Treasury.

OVERALL ASSESSMENT

The Fifth Session of the Commission proved to be most valuable since it combined useful plenary sessions with a series of technical meetings of bilateral working groups. This new approach was welcomed by the two delegations since it permitted more detailed reviews of the Joint Commission programs, and fostered closer working relationships between the Saudi and U.S. Government officials.

The Commission expressed its thanks to all the participating Saudi Arabian ministries and American departments and agencies for their fine spirit of cooperation. It was agreed that both sides will continue to explore possible new areas of technical cooperation.

In concluding its 1980 session, the Joint Commission approved the issuance of an Annual Report which outlines the purpose of the Commission and its development during the past five years, and provides detailed information regarding the various projects.

The report will be issued shortly in printed form in English and Arabic. An advance copy of the English text as approved by the Commission is attached as Annex 3.

The Co-Chairmen agreed to hold the next Joint Commission meeting in the Kingdom of Saudi Arabia in 1981.

DRAFT

**UNITED STATES-SAUDI ARABIAN
JOINT COMMISSION
ON ECONOMIC COOPERATION**



ANNUAL REPORT

1980

INTRODUCTION

The United States-Saudi Arabian Joint Commission on Economic Cooperation was established on June 8, 1974, by a Joint Statement issued by Crown Prince and Deputy Prime Minister Fahd and U.S. Secretary of State Kissinger. It stated as the purpose of the Joint Commission "to promote programs of cooperation between the two countries in the fields of industrialization trade, manpower training, agriculture, and science and technology."

On February 13, 1975, the two governments signed a Technical Cooperation Agreement providing a framework for the Joint Commission to begin operations. Since that time, the Commission has become an active government-to-government mechanism by which the expertise present in various parts of the United States and Saudi Arabian Governments and their respective private sectors can be brought together to pursue the goals of the Commission.

The Joint Commission has a system of parallel command in which Secretary of the Treasury Miller and Minister of Finance and National Economy Abalkhail serve as Co-Chairmen. Assistant Secretary of Treasury for International Affairs Bergsten and Riyadh University President Dr. Al-Turki serve as Coordinators, and U.S. Project Team Leaders have counterparts from Saudi action agencies.

The Deputy for Saudi Arabian Affairs in the Treasury Department has primary responsibility for U.S. involvement in the Joint Commission. Both the Office of Saudi Arabian Affairs in the Treasury Department and the U.S. Representation Office in Riyadh report to the Deputy for Saudi Arabian Affairs. The Office of Saudi Arabian Affairs provides policy and operational guidance to U.S. action agencies, coordinates the development of projects, and monitors project progress.

The Saudi Arabian Coordinator and Deputy Coordinator oversee and coordinate the Saudi Arabian side of the Joint Commission's activities. The U.S. Representation Office supervises the Commission's U.S. operations in the field, provides administrative support to the project teams, and works with the Saudi Arabian Government to develop ideas for new projects.

U.S. action agencies, in conjunction with their counterpart Saudi Ministries are responsible for the implementation of Joint Commission projects. Besides Treasury, which is itself the action agency for certain projects, U.S. agencies with a major role in one or more Joint Commission projects include the Departments of Agriculture, Interior, Labor, Commerce, Transportation, and Energy; the General Services Administration, the National Science Foundation, and the Farm Credit Administration.

Ministerial-level Joint Commission meetings are held at approximately yearly intervals, alternating between Saudi Arabia and the United States. Delegations attending the meetings include senior officials of the two governments having an active role in the Joint Commissions programs.

Between the formal meetings, the work of the Commission is discussed during official visits of the Co-Chairmen and other senior officials. Shortly after his appointment on August 6, 1979, Secretary Miller visited Saudi Arabia November 23-26 for talks with Minister Abalkhail and several Ministers having responsibility for Joint Commission projects.

During this visit, Secretary Miller and Minister Abalkhail signed an extension of the original Technical Cooperation Agreement for an additional five years to February 13, 1985. This action reflected the satisfaction of the two governments with the work of the Commission and their confidence that its future activities will contribute both to the economic development of Saudi Arabia and to close relations between the two countries.



The Commission met for its Fifth Session on April 1-2, 1980 in Washington. At that meeting, progress was evaluated on the implementation of projects under Commission auspices, and future activities were discussed. It was agreed that two

project agreements would be amended later in the year to meet continuing or expanded needs for U.S. specialists. The Desalination Research and Training Project Agreement will be amended to provide an expanded scope of services. The Statistics and Data Processing Agreement, which expires on August 31, 1980, will be extended for a period to be agreed between the two governments.

Since the Joint Commission began operations in 1975, the two governments have signed 19 project agreements and two projects have been added by exchange of letters or extension of another agreement. Two projects in the electrical field have been completed.

The following sections give a brief description of the current status and future prospects of the Joint Commission projects, which are listed by date of signing the project agreements. The chart in Annex 1 provides summary information including the date and term of the agreements, the action agencies in both governments, and the number of U.S. project staff personnel in Saudi Arabia.

I. CURRENT PROJECTS

1. Statistics and Data Processing

Statistical and data processing advisers from the U.S. Bureau of the Census are working with the Central Department of Statistics (CDS) and its computer center on the overall development of the Department's statistical and data processing resources. Numerous short and long-term assignments have been carried out by the U.S. team of 23 resident advisers which is expected to increase to over 30 by the end of 1980.

Among the major accomplishments of the projects are:

- Development of a continuing multi-purpose household survey program designed to provide current demographic data as well as information on the labor force and on the health and nutrition of the population;
- Conduct of urban and rural expenditure surveys to be used for the revision and updating of the ongoing consumer price index program and use in national accounts activities;
- Overall improvement of the foreign trade statistics program making data much more timely and reliable;
- Conduct of the 1976 census of establishments and a more detailed follow-on survey of establishments in 1977;
- Initiation of various economic surveys, including economic trend surveys and surveys on industry, construction activities and on wholesale and retail trade services;
- Overall improvement and upgrading of the National Computer Center to fully service the needs of the CDS and its parent agency, the Ministry of Finance and National Economy, as well as numerous other ministries and agencies of government;
- Improvement of the cartographic resources of the CDS to prepare maps for ongoing censuses and surveys programs;
- Establishment of a printing facility within the CDS to meet many of the recurring printing needs of the CDS and the Computer Center; and
- Training of Saudi staff members through 56 individual study programs of up to one year in length at the Bureau of the Census and related Government agencies in the United States.

Photo B

2. Agriculture and Water Development

Technical staff support, research and development, and training continue to flow from U.S. agencies and contractors working with the Ministry of Agriculture and Water.

Seven functional areas are being served within the Ministry's project activities as follows:

- Water Resources: Developing a data bank of general hydrology, water quality, ground and surface waters, mathematical modeling for analyses, and water re-use planning;

- Project Execution: Providing technical support in planning, design, preparation and contract evaluation and construction of water supply networks, small dams and reverse osmosis water treatment plants;
- Agricultural Affairs: Land record mapping, remote sensing and ports surveys.
- Agricultural Research and Development: Evaluating development programs of both private and public sectors, research on mechanization of date culture and processing, irrigation and re-use of waste water.
- Regional Agriculture and Water Research Center: Conducting research on animal production, disease and virology; analytical instrumentation; food processing and nutrition for human consumption; soils and irrigation; water and environmental chemistry; crop production and protection; and administration; and
- Coordination and Planning: Implementing new management, statistics and data processing systems.

Specialists in projects activities may be found working in remote regions collecting data, analyzing development opportunities, assisting and training agricultural producers and processors as well as developing a comprehensive research program at the Agriculture and Water Research Center near Riyadh or the date processing facility at Hofuf.

Photo C

3. National Park Development

Development of a national park in the mountainous Asir region of the southwest is being carried out by a private U.S. contractor, Wirth-Berger Associates, under the supervision of the U.S. National Park Service. Park facilities now under construction are scheduled for completion in November 1980. Officials of the National Park Service, working with Ministry of Agriculture and Water personnel, prepared the master plan and project proposal and are overseeing its implementation. The project, a new concept in the Kingdom, will help to preserve the natural beauty of this area and will make a variety of facilities available for public recreational and educational use.

4. Electrical Services

The 25-Year National Electrification Plan, this project's primary objective, was completed in 1979 and final financial and manpower sections were delivered to the Ministry of Industry and Electricity.

The Ministry then requested a follow-on contract with Chas. T. Main, International, Inc. for the continuation of a five-man advisory team. The team's major work will be to update and modify the 25-Year Plan as it moves into its implementation phase. In addition, the team will provide consulting services to the Ministry in technical, administrative, and economic areas.

5. Support for Science and Technology Center

The Saudi Arabian Government established in December 1977 a National Center for Science and Technology (SANCST) with the primary objectives of supporting and encouraging applied scientific research and coordinating activities of other scientific centers and agencies in a manner that best meets the development requirements of the Kingdom. The Joint Commission project provides administrative and other support to SANCST and seeks in general to enhance the Saudi Arabian scientific and technological capabilities necessary for its economic and social development.

A program office at the National Science Foundation is responsible for coordination of U.S. program activities and evaluation of progress under the agreement. The major ongoing program activities are as follows:

- Design, development, installation and operation of a Science and Technology Information System for the Kingdom;
- Development of a plan to conduct a Saudi Arabian Public Awareness of Science Program;
- Continued development and refinement of the SANCST Research Plan, including organization and functions of the operating Directorates of: Scientific Research; National Research Laboratories; Science and Technology Infrastructure; and Manpower Development and Science Education; and
- Applied Research Grants Program for Saudi Arabian institutions.

6. Manpower Training and Development

Saudi Arabia's Five-Year Development Plan has identified manpower development and training as one of the Kingdom's highest priority needs. The Manpower Training and Development Project is designed to increase both the number and skills of Saudi craftsmen through a systematic strengthening of vocational training curricula and construction of additional training facilities.

Activities to develop new vocational curricula will eventually cover most basic vocational subjects and are already underway in machine shop trades, automotive mechanics, welding, diesel mechanics, air conditioning and refrigeration, wood-working, electricity, and plumbing. Eight additional trades are under consideration for future development.

Saudi Arabian and United States project personnel are working toward the following objectives:

- Strengthen the administration of training programs;
- Establish a center for producing instructional materials;
- Improve the training of Saudis;
- Gather and analyze statistical information on the labor market to assist the Ministry of Labor and Social Affairs in planning and managing vocational training activities;
- Strengthen institutional training; and
- Build an effective on-the-job training program throughout the Kingdom, for which the first group of Saudi Arabian staff is now undergoing training in the United States.

To expand the capacity of the Ministry of Labor and Social Affairs vocational training system, the U.S. Department of Labor and the U.S. General Services Administration are cooperating with the Ministry in the design and supervision of construction of an Instructor Training Institute, nine Vocational and Pre-Vocational Training Centers, and expansion of fifteen existing centers. Private U.S. contractors have undertaken both (a) the master plan and design; and (b) the management aspects of this construction. The master plan and design contract was awarded to a joint venture of The Hope Consulting Group and VTN International, Inc. The original construction management contract was awarded to the CRS Group, Inc. Contracts for the construction of the new facilities are being awarded by international tender and may include U.S. participation.

Forty-one U.S. long-term project personnel are now working on the various aspects of the project and an additional sixteen positions are scheduled to be filled this year.

Photo D

7. Financial Information Services

Treasury is working with the Saudi Ministry of Finance and National Economy to provide the facilities, staff support, organization and systems to develop and operate a multi-media Financial Information Center. The Center's key function is to assemble and analyze economic information for presentation to senior Ministry and other government officials.

The U.S. specialists with the project are engaged in four integrated tasks:

- Information Services, housed in the newly completed Print Media Facility, are nearly fully operable. In addition to a large collection of books and periodicals, on-line computer capabilities provide rapid access to all major data, publications and abstracts electronically stored in the United States. It is planned that these services will be widely available to various Saudi Government agencies, largely through on-line remote terminals.

- Media Services are rapidly expanding in order to permit a variety of visual and audio-visual presentations. The new media facility now under construction as part of the Ministry complex is expected to be completed and operable in October 1980. It will house an auditorium, a media conference room, and the bulk of the audio-visual production services.
- Economic analysis and reporting, utilizing the information and media services, provides analytical and informational briefing materials tailored to the Ministry's needs.
- Administrative services include engineering and maintenance on the electronic equipment, computer software, and other equipment and facilities.

An active training program has sent 12 Ministry officials to the U.S. for advanced training. The Ministry has nominated a total of 47 officials to participate in the training program.

With increasing project staff and additional facilities being completed, many key information, media and economic services are now available, and the full range of services associated with the Financial Information Center should be underway before the end of 1980. These services can continue to expand to meet the growing requirements of the Ministry and the Saudi Arabian Government. Following the present transition period, the services by 1985 will be provided completely by Saudi personnel with advanced training in the U.S.

Photo E

8. Desalination Research and Training

A major Saudi Government project in the implementation stage is seawater desalination—one of Saudi Arabia's key resource development areas. Support is being given this effort in two key areas:

- A. A research, development and training center is undergoing detail design. A site at the Jubail industrial and port complex in the Eastern Province has been selected for the center.
- B. Plans are being made to develop a new generation of larger, technically improved thermal desalination plants through the construction and operation of a test module. Three parallel conceptual design studies of large capacity multi-stage flash (MSF) plants have been completed and work is expected to begin soon on the detail design of a test plant which will investigate key technical features of large plants recommended in the three studies.

A joint team of experts from the U.S. Department of Interior and the Saline Water Conversion Corporation (SWCC), assisted by the appropriate contractors, is managing the projects from SWCC's headquarters in Riyadh.

In planning future work to be done under the project, the SWCC management and the Joint Team have determined that a broader scope of work and additional team members will be required. They also wish to have greater flexibility in selecting specialists for the expanded Joint Team and in stationing them at any location in the Kingdom where their services are needed. Steps are now underway to amend the project agreement to meet these new requirements of the project.

9. Consumer Protection

A major milestone in the development of the Saudi Arabian Government's consumer protection program was the opening in February 1980 of the Central Riyadh Laboratories. Eighteen specialists from the U.S. Midwest Research Institute are conducting operations at the laboratory alongside Saudi chemists and microbiologists.

Preparations are being made to expand the system to include regional laboratories in Jeddah, Dammam, Halat Ammar, Jizan and Jubail, with a corresponding increase in Midwest Research Institute staff members to 42 specialists.

The overall objective is to establish a system of food quality control for the Kingdom. The program will:

- Activate the Central Laboratories in Riyadh;
- Strengthen the Regional Laboratories;
- Introduce modern equipment and methodology;
- Introduce on-the-job training programs; and
- Arrange for education programs for chemists, microbiologists, and food scientists to study in the United States.

Training of Saudi staff is vital to the success of the project, and 14 Saudi students are now pursuing graduate studies in U.S. universities. They will eventually take over the activities of the U.S. contract team members. A total of 80 students is expected to pursue training in the United States.

In addition to installation of up-to-date equipment in the Laboratories, the

Weights and Measures Department is being equipped and new methodology is being introduced.

10. Highway Administration and Training

The U.S. Department of Transportation's Federal Highway Administration (FHWA) is working with the Saudi Ministry of Communications to upgrade its overall capabilities in the area of highway transportation. Ten of the approved 13-man FHWA team are currently in the Kingdom providing assistance in a variety of programs:

- A photogrammetry program has been initiated;
- Highway safety is being improved;
- Computer capability is being increased;
- Organization and staffing of the Ministry has been studied;
- The flow of paperwork is being analyzed;
- A pilot program for maintenance has been initiated;
- An inventory and appraisal of all bridges in the Kingdom has been completed;
- A bridge repair and replacement program is being implemented; and
- A program is underway to develop construction, materials, design and traffic manuals.

The program is also designed to establish a major educational and on-the-job training program for selected Ministry employees in the U.S., including appropriate training courses.

The FHWA staff in Washington is working with the State of California and with the International Road Federation to implement work-study opportunities for Saudi personnel in the U.S. The first participants are scheduled to arrive in the U.S. this year.

11. Solar Energy Research and Development

The Joint Commission's solar energy project began in 1977 after Crown Prince Fahd had discussed with President Carter the possibility of such a jointly funded program. The project is unique not only in its joint funding, but also in its operations in both countries and its administration by a joint Executive Board. The Board meets periodically in Saudi Arabia and in the United States to determine policies and supervise implementation of the program.

The Board has identified four broad program areas for project activities:

- Urban applications;
- Agricultural and other rural applications;
- Industrial applications; and
- Resource development activities.

The Operating Agent for the project is the Solar Energy Research Institute of Golden, Colorado, which also carries out an extensive program of solar energy research for the U.S. Department of Energy.

As the first major undertaking, a contract was signed in December 1979 with the Martin-Marietta Corporation to design, construct, and operate a 350 Kw photovoltaic or solar cell power system at a site about 40 km north of Riyadh. The

solar-powered system, which is expected to be operating by June 1981, will supply electricity to two villages and will be the largest installation of this type in the world.

Other major activities include the following:

- Contracts have been signed with four U.S. companies to undertake field tests in the United States of several solar cooling systems designed for use in commercial buildings.
- Efforts are underway to support the development of solar cooling laboratories in four universities in Saudi Arabia.
- A contract is expected to be signed in mid-1980 for the design, construction and operation of a solar-powered desalination system for use with seawater and brackish water.
- Planning is underway for a project dealing with solar-powered environment control for agricultural applications.
- A solar cooling workshop is scheduled for April 1980 at the University of Petroleum and Minerals in Dhahran, Saudi Arabia.

In the future, additional workshops and seminars are planned in other solar energy research fields. A program of educational exchange is also expected to be approved during 1980.

12. Audit Services

Auditors and accounting specialists, many formerly with the U.S. General Accounting Office, are engaged in a broad program of management and training at the Saudi General Auditing Bureau. The U.S. team has arranged for training of General Auditing Bureau staff in the United States and among a number of other efforts have prepared proposals for developing accounting principles and audit standards for Government operations.

The President of the General Auditing Bureau has asked that the staffing be increased to provide on-the-job training for his staff.

During the coming months, the team will be devoting much of its attention to developing specialized training programs for the General Auditing Bureau.

13. Customs Administration and Training

Special emphasis in this project is given to an extensive training program for officers in the United States. In addition, a U.S. Customs advisory team is stationed in Riyadh to work with the Saudi Customs Department at the Ministry of Finance and National Economy.

The training program began in April 1979 at Memphis State University with 15 Saudi Customs officers placed each year in a masters degree program and the training of 80 officers each year in a series of specialized, Customs-oriented, three-month training sessions. Nine officers are now enrolled in the masters degree program and 99 have or are now attending the specialized short-term sessions. In addition, 17 officers attended and completed a six-week narcotics control seminar.

Members of the advisory team are currently working on the following:

- A means to improve the detection of any contraband articles smuggled into the

- Kingdom (it appears at this time that the application of mass spectrometry technology offers the highest potential for solving this problem);
- The use of computerization to improve management information and manpower utilization;
 - The introduction of micrographics as a means to cope with an ever-growing records storage problem;
 - A comprehensive survey to determine Saudi Customs training requirements; and
 - The continual collection and evaluation of information on Saudi Customs operations and procedures both to facilitate the smoothest possible introduction of computerization at the appropriate time and to identify possible areas of immediate, manual improvement.

14. Supply Management Development

Professional and technical staff from the U.S. General Services Administration are working with the Ministry of Finance and National Economy in developing a system for central supply management and procurement for the Saudi Government.

The initial objective is to develop a central supply cataloging and classification system which will be used in a Kingdom-wide uniform cataloging system introduced by the Ministry in November 1979. Advanced computer and electronic communications equipment is being utilized in connection with the National Computer Center. The first training seminar in the United States is scheduled for April-June 1980.

15. Nasseriah Power Station Equipment and Services

The original electrical procurement project helped modernize and expand the capacity of the Nasseriah Power Station which serves key governmental areas of Riyadh. The follow-on project provides for additional generating capacity and upgrading other facilities at the plant. Construction of a new administration building and several ancillary buildings and shops will also be undertaken, as well as a 20-unit apartment house for the staff at a separate site.

December 1980 is the target date for the operation of the electrical portions of the project which include two 16-MW turbine generators, modernized switchgear and design of a new distribution system. Close coordination is required for this complex project between the prime contractors, Overseas Advisory Associates, Inc., and the Nasseriah Power Station management, if the target is to be met.

Photo F

16. Agricultural Bank Management and Training

Specialists in the field of agricultural credit and administration are helping the management of the Saudi Arabian Agricultural Bank in the reorganization of the main office and branch offices in order to create greater efficiencies in serving the farmers of Saudi Arabia.

They will assist in the establishment of a training program, an improved accounting system, a computer system, and a refinement in the control system on loans and finances.

There are now twenty students in the United States attending the University of California at Davis. After completing their university studies, the students will be in U.S. Farm Credit Banks for four months' on-the-job training.

17. Transportation Services

The U.S. Department of Transportation is assisting the Ministry of Communications in planning and organizing to meet present and future transportation requirements in the Kingdom.

The Project Manager has been assisting the Ministry in defining its responsibilities and roles in transportation. Efforts to date have emphasized identifying specific areas where the U.S. Department of Transportation can provide substantive support in aiding the Ministry to carry out its transportation responsibilities. A series of proposals for both general and specific project personnel support have been presented to the Deputy Minister for review and consideration.

Simultaneously with this, the Project Manager has been providing technical services and other support to assist the Ministry in carrying out many of its ongoing activities.

18. Executive Management Development

Under this project, selected senior Saudi Government administrators will participate in management development programs in the United States. The programs are expected to include both study and observation of the work in counterpart U.S. Government agencies. They will provide an opportunity for American and Saudi public service administrators to meet and exchange views on professional issues of mutual interest.

19. Arid Lands, Meteorology, and Environment Education

In the first major project with a Saudi Arabian University, an organization of Southwest American Universities, the Consortium for International Development, is undertaking a cooperative program of instruction and research with the Institute of Meteorology and Arid Lands Studies at King Abdulaziz University in Jeddah.

The American group will provide faculty in the fields of meteorology, arid lands studies, and environmental protection. The experts will work with the Institute in developing curriculum, teaching courses and conducting research. The members of the consortium are Colorado State University, Texas Tech, New Mexico State, University of Arizona, University of California (Riverside), Cal. State Polytechnic University, Oregon State, Washington State, University of Idaho, Montana State and Utah State.

II. POTENTIAL PROJECTS

1. Municipal Water Systems

Preliminary discussions have been held with the Ministry of Municipalities and Rural Affairs on a technical cooperation project to develop the capability of the Central Region of the Ministry to manage and operate an adequate water supply surveillance and technical assistance program. The U.S. agencies concerned have expressed interest in such a cooperative program, and further discussions between the two governments are expected to work out the details of a project agreement.

2. King Faisal University

There have been extended discussions with the President and senior administrators of King Faisal University in Dammam on a cooperative project for development of its education and research capability and overall university administration. A project agreement has been negotiated and signature is anticipated in the near future following final approval by both governments.

III. SHORT- TERM PROJECTS

The Commission has conducted numerous short-term projects in response to Saudi Government requests. Many of these involve preliminary work and reports that eventually lead to long-term projects. For example, a team of officials from the U.S. Environmental Protection Agency conducted studies in 1979 which are being used as the basis for planning the Municipal Water Systems project.

Most recently there have been a series of surveys and studies which are expected to lead to cooperative programs between the Riyadh University Colleges of Dentistry, Medicine and Public Health, and Allied Medical Sciences and American institutions in these fields. Other recent short-term projects include a radio frequency propagation study done by the U.S. Department of Commerce's Institutes for Telecommunications Science for the Saudi Ministry of Information, and technical staff support for King Abdulaziz University in Jeddah in planning and monitoring construction of the new College of Medicine campus.

IV. COMPLETED PROJECTS

One of the Joint Commission's early projects—acquisition and installation of electrical equipment for three Saudi Arabian Government agencies—has been completed. Generating and related equipment and fuel oil tanks were provided to the Nasseriah Power Station and the Electricity Corporation's installation at Abha. The Ministry of Industry and Electricity's Riyadh Industrial Estate has been able to attract numerous investors thanks to the availability of power from the plant installed under this project. Finally, warehouses supplied and constructed under the project in Jeddah, Riyadh and Dammam are currently being used by the Electricity Corporation in its supply management operations.

A second project in the electric power field has been completed with the delivery of \$11 million worth of equipment to the Saudi Consolidated Electric Corporation in the Eastern Province. Like that of the earlier electrical procurement project, this equipment was procured through the U.S. General Services Administration with Overseas Advisory Services, Inc. as the contractor for the Treasury Department.

**UNITED STATES-SAUDI ARABIAN JOINT COMMISSION
ON ECONOMIC COOPERATION**

Summary of Projects

Project Title	Date Signed (term)	Project Objectives	U.S. and Saudi Action Agencies	U.S. Professional Staff in S.A. (March 1980)
1. Statistics and Data Processing	9-23-75 (5 years)	Upgrade statistics and National Computer Center operations	Dept. of Commerce (Census) Min. of Finance and Economy	23
2. Agriculture and Water Development	11-23-75 (Indef)	Advise regarding agricultural development, water resources and research.	Depts. of Agriculture and Interior Min. of Agriculture and Water	
3. National Park Development	2-16-77 (subproject)	Design and construct national park	Dept. of Interior Min. of Agriculture and Water	
4. Electrical Services	2-29-76 (Indef)	Planning and technical services in electricity	Dept. of Treasury and Chas. T. Main, Int'l Min. of Industry and Electricity	3
5. Support for Science and Technology Center	2-29-76 (Indef)	Institutional development of Saudi Arabian National Center for Science and Technology (SANCST)	National Science Foundation SANCST	0
6. Manpower Training and Development	6-12-76 (9 years)	Develop vocational training program; advise on training center constr'n	Dept. of Labor and General Services Admin. Min. of Labor and Social Affairs	41
7. Financial Information Services	5-3-77 (Indef)	Financial information and analysis; construct information center	Dept. of Treasury Min. of Finance and National Economy	14
8. Desalination Research and Training	5-3-77 (Indef)	Establish research and training center; large-capacity desalination unit	Dept. of Interior Saline Water Conversion Corp.	3
9. Consumer Protection	5-3-77 (5 yrs)	Develop food quality control system	Dept. of Treasury and Midwest Research Institute Min. of Commerce	13
10. Highway Administration and Training	8-26-77 (6 years)	Provide management, administration and technical services	Dept. of Transportation (FHWA) Min. of Communications	10
11. Solar Energy Research and Development	10-30-77 (5 years)	Applied research and development in solar energy (joint funding)	Dept. of Energy and Solar Energy Research Institute SANCST	1
12. Audit Services	5-15-78 (Indef)	Provide management assistance and audit services	Dept. of Treasury General Audit Bureau	4
13. Customs Administration and Training	6-22-78 (Indef)	Advise on customs operations and provide training	Dept. of Treasury (Customs) Min. of Finance and National Economy	4

14. Supply Management Development	7-13-78 (Indef)	Develop central supply management and procurement system	Gen. Services Administration Min of Finance and National Economy	4
15. Nasseriah Power Station Equipment and Services	11-9-78 (letter)	Expand generating capacity and develop plant facilities	Dept. of Treasury and Overseas Advisory Services, Inc. Min. of Finance and National Economy	4
16. Agricultural Bank Management and Training	11-18-78 (5 years)	Establish training programs and provide advisory services	Farm Credit Administration Saudi Arabian Agricultural Bank	7
17. Transportation Services	11-18-78 (4 years)	Provide technical, management, training and financial analysis services	Dept. of Transportation Min. of Communications	1
18. Executive Management Development	11-18-78 (Indef)	Develop executive and managerial effectiveness of selected govt. officials	Dept. of Treasury Min. of Finance and National Economy	0
19. Arid Lands, Meteorology and Environmental Education	11-25-79 (Indef)	Curriculum development and teaching assistance	Dept. of Treasury and Consortium for International Development (S.W. Univs.) King Abdulaziz University	0
* * * * *				
U.S. Representation Office		Coordination, management and support services	Dept. of Treasury Min. Finance and National Economy	13
TOTAL U.S. PROFESSIONAL STAFF				173

COMPLETED PROJECTS

Procurement and installation of power generation equipment and warehouses	Dept. of Treasury and Overseas Advisory Associates Min. of Industry and Electricity, Electricity Corporation, and Min. of Finance and National Economy
Procurement of electrical power equipment for the Eastern Province	Dept. of Treasury and Overseas Advisory Associates Saudi Consolidated Electric Company (SCECO)