

No. 4571

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**UNITED STATES OF AMERICA  
and  
SAUDI ARABIA**

**Exchange of notes constituting an agreement relating  
to economic assistance for the expansion of the Port  
of Dammam. Jidda, 1 March 1958, and Riyadh, 1 May  
1958**

*Official texts: English and Arabic.*

*Registered by the United States of America on 25 November 1958.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
ARABIE SAOUDITE**

**Échange de notes constituant un accord relatif à l'aide  
économique pour l'agrandissement du port de Dam-  
mam. Djiddah, 1<sup>er</sup> mars 1958, et Riyadh, 1<sup>er</sup> mai 1958**

*Textes officiels anglais et arabe.*

*Enregistré par les États-Unis d'Amérique le 25 novembre 1958.*

No. 4571. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND SAUDI ARABIA RELATING TO ECONOMIC ASSISTANCE FOR THE EXPANSION OF THE PORT OF DAMMAM. JIDDA, 1 MARCH 1958, AND RIYADH, 1 MAY 1958

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I

*The American Ambassador to the Saudi Arabian Minister of Foreign Affairs*

AMERICAN EMBASSY

No. 311

Jidda, March 1, 1958

Your Royal Highness :

I have the honor to refer to the exchange of notes between our two Governments signed at Washington on April 2, 1957,<sup>2</sup> and to recent conversations between representatives of our two Governments. I now have the honor to advise you that the Government of the United States is prepared to furnish the Government of the Kingdom of Saudi Arabia economic assistance in accordance with the understandings set forth below :

1. The Government of the United States will furnish such economic assistance as has been requested by representatives of the Government of the Kingdom of Saudi Arabia and approved by representatives of the Government of the United States for the expansion of the Port of Dammam. Such assistance shall be furnished by the Government of the United States subject to applicable laws and regulations of the United States, and in accordance with project agreements to be entered into by representatives of the Government of the Kingdom of Saudi Arabia and the Government of the United States.

2. The Government of the Kingdom of Saudi Arabia will take appropriate steps to assure the effective use of assistance furnished hereunder. The two Governments will cooperate to assure that procurement will be at reasonable prices and on reasonable terms. The Government of the Kingdom of Saudi Arabia will keep the United States representatives informed of programs and operations hereunder, and provide the United States with full and complete information concerning such programs and operations and other relevant information which the Government of the United States may need to determine the nature and scope of operations and to evaluate the effectiveness of the assistance furnished or contemplated.

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<sup>1</sup> Came into force on 1 May 1958 by the exchange of the said notes.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 283, p. 97.

3. All personnel, except citizens and permanent residents of the Kingdom of Saudi Arabia, whether employees of the Government of the United States or individuals and employees of public or private organizations under contract with the Government of the Kingdom of Saudi Arabia or its agencies or the Government of the United States or its agencies, who are present in the Kingdom of Saudi Arabia to perform work in connection herewith and whose entrance into the country has been approved by the Government of the Kingdom of Saudi Arabia, shall be exempt from income and social security taxes levied under the laws of the Kingdom of Saudi Arabia with respect to income upon which they are obligated to pay income or social security taxes to the Government of the United States of America, from property taxes on personal property intended for their own use, and from the payment of any tariff or duty upon personal or household goods brought into the Kingdom of Saudi Arabia for the personal use of themselves and members of their families, provided that such exemption from any tariff or duty shall not apply to such personal or household goods as may be sold by any such personnel in the Kingdom of Saudi Arabia. It is further understood that whenever such personnel shall undertake work outside of the limits of the projects to be performed in accordance with this Agreement, they shall be subject to the regulations of the Saudi Arabian Government with respect to taxes and duties.

4. Any supplies, materials, equipment, or funds introduced into the Kingdom of Saudi Arabia by the Government of the United States, or any contractor financed by that Government for purposes of any project conducted hereunder shall, while used in connection with such a project, be exempt from any taxes on ownership or use of property, and any other taxes, customs duties, investment or deposit requirements and currency controls in the Kingdom of Saudi Arabia, and the import, export, purchase, use or disposition of any such supplies, materials, equipment, or funds in connection with such a project shall be exempt from any tariffs, customs duties, import and export taxes, taxes on purchase or disposition of property, and any other taxes or similar charges in the Kingdom of Saudi Arabia. In the event that, notwithstanding the preceding sentence, any such taxes, duties, levies, or other requirements are assessed or imposed, they shall be paid by the Government of the Kingdom of Saudi Arabia. No import or export restriction shall be imposed to limit any contractor financed by the United States under any project conducted hereunder, from importing or exporting, as may be determined by such contractor, supplies, equipment, materials, or funds into or from the Kingdom of Saudi Arabia to be necessary for the expeditious completion of the project.

5. Funds introduced into the Kingdom of Saudi Arabia for purposes of this Agreement shall be convertible into currency of the Kingdom of Saudi Arabia at rates to be mutually agreed upon.

I have the honor to propose that, if these understandings are acceptable to the Government of the Kingdom of Saudi Arabia, the present note and your reply note concurring therein shall constitute an Agreement between our two Governments which shall enter into force on the date of Your Royal Highness's reply note and which shall remain in force until three months after the receipt by either Government of written notification of the intention of the other to

terminate it, it being understood, however, that the provisions of this Agreement shall remain in full force and effect with respect to assistance furnished pursuant to requests made under paragraph 1 hereof.

Accept, Your Royal Highness, the renewed assurances of my highest consideration.

Donald R. HEATH

His Royal Highness Prince Faisal  
Royal Ministry of Foreign Affairs  
Jidda

[TRANSLATION<sup>1</sup> — TRADUCTION<sup>2</sup>]

In the Name of God the Compassionate and the Merciful

Excellency :

I have the honor to refer to note No. 311 dated March 1, 1958, received from Your Excellency, the text of which reads as follows :

[*See note I*]

The Government of the Kingdom of Saudi Arabia agrees to what was stated in Your Excellency's aforementioned note.

Accept, Excellency, the renewed assurance of my highest consideration.

FAISAL

Minister of Foreign Affairs

Riyadh, 12 Shawal 1377, Hegira,  
Corresponding to May 1, 1958

His Excellency the Ambassador of the United States  
Jidda

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<sup>1</sup> Translation by the Government of the United States of America.

<sup>2</sup> Traduction du Gouvernement des États-Unis d'Amérique.