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1973-6-18, Faical, oil, Production

FROM : Amembassy JIDDA

DATE: June 18, 1973

SUBJECT : Governor of Saudi Monetary Agency Comments
On SAG's Investment and Financial Policies

REF :

Governor Anwar Ali, of the Saudi Arabian Monetary Agency, told Ambassador Thacher on June 16 that the rate at which Saudi reserves were increasing (between 150 to 200 million dollars per month) made it increasingly important that Saudi Arabia move quickly to institutionalize its approach to investment spending. The Governor did not seem optimistic, however, that the organizational atmosphere of the Saudi Arabian Government and the intense conservatism of the Ministry of Finance would facilitate such decision-making. The Governor was seeking to assemble a panel of three experts (U.S., British and Swiss, to include John Meyer, formerly Chairman of Morgan Guaranty Trust) to assist SAMA in devising an investment policy. His own views on investments were still highly flexible; the Governor believed, however, that it was of utmost importance that the Saudi Arabian Government, in such matters, act in a responsible and reassuring manner and cooperate as closely as possible with the U. S.

Governor Ali's views are described more fully in the enclosed Memorandum of Conversation. He spoke with considerable frankness and should, of course, be carefully protected as the source of the information and opinion herewith transmitted.

att vdc

Enclosure:

MemCon

Thacher

THACHER

Drafting Date: 6/18/73

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