

No. 13352

**UNITED STATES OF AMERICA
and
JORDAN**

Agreement for sales of agricultural commodities (with minutes of negotiation and related letters dated on 24 January and 28 March 1972 and 13 and 19 May 1973). Signed at Amman on 20 May 1973

Exchange of notes constituting an agreement amending the above-mentioned Agreement. Amman, 25 July 1973

Exchange of notes constituting an agreement amending the above-mentioned Agreement of 20 May 1973, as amended. Amman, 2 August 1973

Exchange of notes constituting an agreement amending the above-mentioned Agreement of 20 May 1973, as amended. Amman, 25 and 29 September 1973

Authentic texts of the Agreement, minutes of negotiation and related letters of 24 January, 28 March 1972 and 13 May 1973: English.

Authentic text of the related letter of 19 May 1973: Arabic.

Authentic texts of the Exchanges of notes: English.

Registered by the United States of America on 30 May 1974.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE HASHEMITE KINGDOM OF JORDAN FOR SALES OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of the Hashemite Kingdom of Jordan have agreed to the sales of agricultural commodities specified below. This Agreement shall consist of the preamble, parts I and III, and the Dollar Credit Annex of the Agreement signed on April 4, 1968,² and the following part II:

PART II PARTICULAR PROVISIONS

ITEM I. *Commodity table*

<i>Commodity</i>	<i>Supply period</i>	<i>Approximate maximum quantity</i>	<i>Maximum export market value (millions \$)</i>
Wheat/wheat flour	U.S. fiscal years 1973-74	35,000 metric tons	3.6
Feedgrains . .	U.S. fiscal years 1973-74	35,000 metric tons	<u>2.6</u>
TOTAL VALUE			6.2

ITEM II. *Payment terms*

Dollar Credit

1. Initial Payment—Five (5) percent.
2. Currency Use Payment—Five (5) percent of the dollar amount financed by the Government of the exporting country for agricultural commodities under this Agreement is payable upon demand by the Government of the exporting country in accordance with paragraph 6 of the Dollar Credit Annex applicable to this Agreement. No request for payments will be made by the Government of the exporting country prior to the first disbursement by the Commodity Credit Corporation under this Agreement.
3. Number of Installment Payments—19.
4. Amount of Each Installment Payment—Approximately equal annual amounts.
5. Due Date of First Installment Payment—Two years after date of last delivery of commodities in each calendar year.
6. Initial Interest Rate—Two (2) percent.
7. Continuing Interest Rate—Three (3) percent.

¹ Came into force on 20 May 1973 by signature, in accordance with part III (B).

² United Nations, *Treaty Series*, vol. 698, p. 177.

ITEM III. *Usual marketing table*

<i>Commodity</i>	<i>Import period</i>	<i>Usual marketing requirements</i>
Wheat/wheat flour (wheat equivalent)	U.S. fiscal years 1973-74	12,000 metric tons (wheat equivalent) each year
Feedgrains	U.S. fiscal years 1973-74	20,000 metric tons each year

ITEM IV. *Export limitations*

A. The export limitation period shall be the period beginning on the date of this Agreement and extending through the United States Fiscal Year 1973 or any subsequent Fiscal Year in which commodities financed under this Agreement are being imported or utilized.

B. For the purposes of part I, article III, A, 3 of the Agreement, the commodities considered to be the same as, or like, the commodities financed under this Agreement are: for wheat/wheat flour—wheat and wheat flour, rolled wheat, semolina, farina and bulgar (or same products under a different name); for feedgrains—corn, cornmeal, barley, grain sorghum, rye, oats, and mixed feeds containing predominately such grains.

C. *Permissible export(s)*

<i>Commodity</i>	<i>Quantity</i>	<i>Period during which such exports are permitted</i>
Wheat including durum wheat, or wheat products including semolina or pasta products.	Amounts traditionally supplied to northern portions of Saudi Arabia and adjacent areas.	United States fiscal year 1973 and any subsequent U.S. fiscal year during which above-mentioned commodities under this agreement are being imported and utilized.

ITEM V. *Self-help measures*

The Government of the Hashemite Kingdom of Jordan is undertaking to: (1) Increase the human and financial resources available to local cooperatives including the training of cooperative staff. (2) Intensify efforts to increase wheat production in semi-arid areas. (3) Protect drainage areas, such as the Wadi Ziglab, through erosion control measures. (4) Take steps, when financial conditions permit, to conduct a coordinated national soil and water conservation program.

ITEM VI. *Economic development purposes for which proceeds accruing to importing country are to be used*

The proceeds accruing to the importing country from the sale of commodities financed under this Agreement will be used for financing the self-help measures set forth in item V of the Agreement and the Government of Jordan's development plan.

ITEM VII. *Ocean freight (differential)*

The Government of the exporting country shall bear the cost of ocean freight differential for commodities it requires to be carried in United States flag

vessels, but notwithstanding the provisions of paragraph I of the Dollar Credit Annex, it shall not finance the balance of the cost of ocean transportation of such commodities.

ITEM VIII. *Other provisions*

A. The currency use payment under item II, 2, of this part II shall be credited against.

- (a) the amount of each year's interest payment during the period prior to the due date of the installment payment starting with the first year payment, plus
- (b) the combined payments of principal and interest starting with the first installment, until the value of the currency use payment has been offset.

B. Substitute the following for paragraph 4 of the Dollar Credit Annex:

The total amount of the proceeds accruing to the importing country from the sale of commodities financed under this Agreement, to be applied to the economic development uses set forth in part II of this Agreement, shall be not less than the local currency equivalent of the dollar disbursement by the Government of the exporting country in connection with the financing of the commodities (other than the ocean freight differential), provided, however, that the sales proceeds to be so applied shall be reduced by the payment, if any, made by the Government of the importing country pursuant to the proviso in section 103 (B) of the Act such payment is herein called "The Currency Use Payment"). The exchange rate to be used in calculating this local currency equivalent shall be the rate at which the central monetary authority of the importing country, or its authorized agent, sells foreign exchange for local currency in connection with the commercial imports of the same commodities. Any such accrued proceeds that are loaned by the Government of the importing country to private or nongovernmental organizations shall be loaned at rates of interest approximately equivalent to those charged for comparable loans in the importing country. The Government of the importing country shall furnish, in accordance with its fiscal year budget reporting procedures, at such times as may be requested by the Government of the exporting country but not less often than annually, a report of the receipt and expenditure of the proceeds, certified by the appropriate audit authority of the Government of the importing country, and in the case of expenditures the budget sector in which they were used.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present Agreement.

DONE at Amman, in duplicate, this twentieth day of May 1973.

For the Government
of the United States of America:

[Signed]

LEWIS DEAN BROWN
Ambassador

For the Government
of the Hashemite Kingdom
of Jordan:

[Signed]

Dr. MOHAMMAD SA'ID NABULSI
Minister of National Economy

MINUTES OF NEGOTIATION FOR AGREEMENT FOR THE SALE OF AGRICULTURAL
COMMODITIES FY 1973

1. The Minutes of Negotiation of the February 17, 1972, Agreement¹ and the letter of March 28, 1972, from the Acting Director of USAID/Jordan to the Minister of National Economy will apply to this 1973 Agreement. In addition, the Ambassador's letter of May 13, 1973, and the reply dated May 19, 1973, of H.E. The Prime Minister will also be a part of this Agreement.

2. The wheat is being loaded on the west coast of the United States on the SS *Eagle Leader*. The shipment includes 17,930 metric tons of wheat at \$93.35 per metric ton and 18,000 metric tons at \$93.33 per metric ton. It also includes bags, needles and twine costing about \$245,000 for a total value of \$3,599,056.90.

3. Regarding paragraph 2 of the Ambassador's letter of May 13, costs incurred as a result of diversion from Afghanistan to Jordan include, but are not necessarily limited to, the banking and interest charges incurred by the Royal Government of Afghanistan in opening letters of credit.

4. The Government of Jordan will be responsible for opening a letter of credit for the total value of the ocean freight. The approved differential will be reimbursed to the Government of Jordan upon presentation to the United States Department of Agriculture of paid documentation. Ocean freight costs cannot be financed under the loan arrangement.

5. With regard to the freight rates to Aqaba, it will be necessary for the Government of Jordan, or its freight agent, to negotiate directly with the owners of the SS *Eagle Leader*.

6. Although the permissible export level for wheat and wheat products to traditional markets in the northern parts of Saudi Arabia and adjacent areas will be continued in FY 1974, the U.S. Government hopes that the Government of Jordan will, if possible, prevent exports of these commodities during this period of severe drought.

7. Representatives of both Governments have discussed and agreed on the above-mentioned points and they are expressing their concurrence by initialing this document.

For the Government
of the United States of America:

[Signed]

LEWIS DEAN BROWN
Ambassador

For the Government
of the Hashemite Kingdom
of Jordan:

[Signed]

Dr. MOHAMMAD SA'ID NABULSI
Minister of National Economy

MINUTES OF NEGOTIATION FOR AGREEMENT FOR THE SALE OF AGRICULTURAL
COMMODITIES 1972

1. The United States Government hopes that all of the commodities programmed can be shipped during the supply period indicated. However, because of the limitation on PL 480 expenditures, it may become necessary to withhold some shipments during the supply period or possibly carry over shipments into the next period. Such action if necessary will be taken pursuant to part I, article I, of the Agreement.

2. The export market value is based on current prices and is subject to change when authorization to sign the Agreement is requested.

¹ United Nations, *Treaty Series*, vol. 823, p. 187.

3. Title I authority, section 103 (o), requires the President to take steps to assure that the United States obtains a fair share of any increase in commercial purchases of agricultural commodities by the purchasing country. It is intended that, consistent with U.S. obligations under international agreements, the United States should benefit equitably from the development of new commercial markets in those countries now receiving U.S. food on concessional terms. This amendment is designed to assist the United States achieve a growing commercial market for agricultural products as the economies of the respective developing nations advance.

4. PL 480 commodities are to be used for meeting domestic requirements and not for purposes of enhancing exports of same or like commodities. The Government of Jordan should provide assurance that the traditional export to Saudi Arabia are not exceeded.

5. The self-help memo of understanding and termination clause of the April 4, 1968, Agreement, as amended in USAID/Jordan letter dated January 24, 1972, to the National Planning Council, will apply to this Agreement. An annual report on the progress of self-help is due December 1 from the Government of Jordan.

6. The deposit rate of this Agreement will, under the current Jordan exchange system, be the unitary rate for U.S. dollars. The rate for this sales Agreement will be the highest legally obtainable and not less favorable than the highest of exchange rates obtainable by any other nation.

7. The United States Government will pay only the "differential" between U.S. and foreign flag rates on the 50 percent required to be shipped in U.S. flag vessels.

8. Arrangements for identification and publicity agreed to during negotiations for the April 1968 Agreement are reaffirmed.

9. Reporting is an essential part of programming responsibilities. The Government of Jordan is responsible for submission of reports as required under the Agreement. The reports include information on the arrival and disposition of commodities and the use of sales proceeds. The Government of Jordan will make appropriate arrangements to furnish the U.S. Embassy a report by the fifteenth of January, April, July and October covering information referred to in subparagraphs 2, 3, and 4 of article III, D. The Government of Jordan will return the completed "arrival and shipping information" (ADP sheets) with appropriate notations certifying receipt of all commodities as soon as possible, but not later than 30 days from the date of unloading or 30 days from receipt of the ADP sheets, whichever is later.

10. Representatives of both Governments have discussed and agreed on the above-mentioned points and they are expressing their concurrence by initialing this document.

For the Government
of the United States of America:

[Initialed]

LEWIS DEAN BROWN
Ambassador

For the Government
of the Hashemite Kingdom
of Jordan:

[Initialed]

Dr. SA'ID NABULSI
Minister of National Economy

RELATED LETTERS

I

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
AMERICAN EMBASSY
AMMAN JORDAN

Office of the Director

March 28, 1972

Excellency:

Subject: PL 480 Title I Agreement signed on February 17, 1972
(Minutes of Negotiation for Agreement
for the Sale of Agricultural Commodities)

I wish to confirm that my letter of January 24, 1972 (copy attached), was intended to cancel two of the self-help measures included in August 20, 1970, Agreement¹ and was not intended to change the self-help memo of understanding and termination clause of the April 4, 1968, Agreement.

Based on the foregoing, item 5 of the Minutes of Negotiation for Agreement for the Sale of Agricultural Commodities 1972 (copy attached) should be amended to read: "5. The Self-Help memo of understanding and termination clause of April 4, 1968, Agreement will apply to this Agreement. An annual report on the progress of self-help is due December 1, from the Government of Jordan".

I would appreciate your signing this letter where indicated and returning a signed copy to me as quickly as possible in order to advise Washington accordingly.

Sincerely,

[Signed]

WILLIAM D. WOLLE
Acting Director

His Excellency Dr. Sa'id Nabulsi
Minister of National Economy
Amman, Jordan

Agreed:

M. S. NABULSI
H.E. Minister of National Economy

¹ United Nations, *Treaty Series*, vol. 763, p. 95.

ENCLOSURE

January 24, 1972

Excellency:

Further to my letter of December 30, 1971, Washington has agreed to amend item V titled "Self-Help Measures", part XI, of the proposed Agreement to read as follows:

"The Government of the Hashemite Kingdom of Jordan is undertaking to:

"1. Increase the human and financial resources available to local cooperatives including the training of cooperative staff.

"2. Intensify efforts to increase wheat production in semi-arid areas.

"3. Protect drainage areas, such as the Wadi Ziglab, through erosion control measures.

"4. Take steps, when financial and security conditions permit, to conduct a coordinated national soil and water conservation program."

All of the above points were included in the previous agreements with the exception that to item 4 the words "when financial and security conditions permit" have been added. In addition the following two measures have been deleted:

1. Coordinate agricultural research and extension activities.

2. The Government will take steps to improve the storage and handling of grain.

If you agree to the above and desire to purchase wheat under PL 480 Title I please advise me:

1. The quantity desired.
2. The title and name of the Government of Jordan official empowered to sign the Agreement.
3. Your acceptance to the points shown in the Draft Minutes of Negotiation for Agreement for the Sale of Agricultural Commodities 1972, presented to you with the draft copies of the Agreement.
4. A date for signing the Agreement. You should take into consideration that we require three working days advance notice of the date.

Sincerely,

[Signed]

WILLIAM D. WOLLE
Acting Director

His Excellency Muhammed Nuri Shafiq
President
National Planning Council
Amman, Jordan

II

The American Ambassador to the Jordanian Prime Minister

Amman, Jordan May 13, 1973

Excellency:

Further to my letter of May 6 about grain under PL 480, Washington informed us May 11 of an unexpected opportunity for the Government of Jordan to obtain a shipload of 35,000 metric tons of wheat that is now loading in a U.S. west coast port. This wheat was purchased by the Royal Government of Afghanistan under PL 480 Title I, but Afghanistan is willing to release it for direct shipment to Jordan.

Washington needs immediate advice as to whether the Government of Jordan is willing to accept this wheat under PL 480 Title I, and with it to accept full responsibility and all payment of costs incurred as a result of its diversion to Jordan. Your Government's acceptance will, at a later date, necessitate direct negotiations between Jordan and Afghanistan to complete all arrangements for the transfer of wheat. These arrangements would be subject to approval by the U.S. Department of Agriculture.

If the Government of Jordan is willing to accept this wheat, I am authorized to amend the proposed PL 480 Agreement to increase the amount of wheat from 20,000 to 35,000 metric tons, and to change the market value of the wheat involved in the Agreement from \$1,900,000 to \$3,600,000. The total value of the Agreement for both wheat and corn would then become \$6,200,000. All other terms would remain the same.

An Embassy officer discussed this matter in detail with the Minister of National Economy on May 11 and 12. The Minister stated that he believes the Government of Jordan will want to accept this cargo. As mentioned to the Minister, if Jordan decides to accept this 35,000 ton quantity, the Jordanian Embassy in Washington should be informed immediately of all aspects of the matter and given authority to sign the necessary documents to implement the diversion. Any additional costs incident to this diversion shall not be for the account of the U.S. Government but must be assumed by Jordan.

In any event, a PL 480 Title I Agreement must be signed before the U.S. Government can give authorization to divert this wheat. I would appreciate the earliest possible advice as to the Jordan Government's decision on the diversion, and the name and title of the Government official empowered to sign the Title I Agreement.

Sincerely,

[Signed]

L. DEAN BROWN

His Excellency Mr. Ahmad al-Louzi
Prime Minister
Amman

[TRANSLATION¹ — TRADUCTION²]

THE HASHEMITE KINGDOM OF JORDAN
OFFICE OF THE PRIME MINISTER
AMMAN

May 19, 1973

With reference to your letter of May 13, 1973, I would like to inform you that the Council of Ministers has taken cognizance of the offer of the Government of the United States of America to make available to Jordan 35,000 tons of American wheat, that in its meeting of May 16, 1973, the Council decided to approve the conclusion of the necessary agreement with the American Government concerning this amount in accordance with the provisions set forth in Your Excellency's note, and that it has commissioned His Excellency Dr. Mohammad Sa'id Nabulsi, Minister of National Economy, to sign the Agreement on behalf of the Government.

I avail myself of this opportunity to express to Your Excellency the assurances of my highest consideration.

For the Prime Minister:

ZUHAIR MUFTI

The Honorable Dean Brown
Ambassador of the United States of America
Amman

¹ Translation supplied by the Government of the United States of America.

² Traduction fournie par le Gouvernement des Etats-Unis d'Amérique.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND
JORDAN AMENDING THE AGREEMENT OF 20 MAY 1973²
FOR SALES OF AGRICULTURAL COMMODITIES

I

*The American Ambassador to the Jordanian Minister of State
for Foreign Affairs*

Amman, July 25, 1973

No. 192

Excellency:

I have the honor to refer to the Agricultural Commodities Agreement signed by representatives of our two Governments on May 20, 1973², and to propose to amend this Agreement as follows:

1. *Part II, Item I — Commodity Table*

Under appropriate columns for Wheat/wheat flour: under the headings Approximate Maximum Quantity and Maximum Export Market Value delete “35,000 Metric Tons and \$3.6 million” and insert “55,000 Metric Tons and \$5.7 million” respectively, and for Total Export Market Value delete “6.2 million” and insert “8.3 million”.

2. *Part II, Item IV — Export Limitations*

Under Section C, Permissible Export(s): under the column headed “Period During Which Such Exports are Permitted” delete “United States Fiscal Year 1973” and insert “In each of the United States Fiscal Years 1973 and 1974”.

Except as provided above, all other terms and conditions of the Agricultural Commodities Agreement of May 20, 1973, remain the same.

I have the honor to propose that this note and your Excellency’s note in reply concurring therein constitute an agreement between our two Governments, effective from the date of your note in reply.

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

L. DEAN BROWN

His Excellency Zuhair Mufti
Minister of State for Foreign Affairs
Amman

¹ Came into force on 25 July 1973, the date of the note in reply, in accordance with the provisions of the said notes.

² See p. 208 of this volume.

II

[THE HASHEMITE KINGDOM OF JORDAN
MINISTRY FOR FOREIGN AFFAIRS]

Amman, July 25, 1973

No. S22/100/2/3970

Excellency:

I acknowledge with thanks the receipt of your Excellency's note dated July 25, 1973, which reads as follows:

[*See note I*]

I have the honor to inform your Excellency that the foregoing is acceptable and reflects correctly the understanding of the Government of the Hashemite Kingdom of Jordan, and that your Excellency's note and this note in reply concurring therein constitute an agreement between our two Governments, effective as of this day, July 25, 1973.

Accept, Excellency, my highest consideration.

ZUHAIR MUFTI
Minister for Foreign Affairs

His Excellency
Ambassador of the United States of America
Amman

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND
JORDAN AMENDING THE AGREEMENT OF 20 MAY 1973,
AS AMENDED² FOR SALES OF AGRICULTURAL COM-
MODITIES

I

*The American Ambassador to the Jordanian Minister of State
for Foreign Affairs*

Amman, August 2, 1973

No. 195

Excellency:

I have the honor to refer to the Agricultural Commodities Agreement signed by representatives of our two Governments on May 20, 1973, as amended,² and to propose further amendment of the Commodity Table, part II, item I, as follows:

Under the column entitled "Maximum Export Value" in the line entitled "Wheat/Wheat Flour" change "5.7" to "6.7". Under the column entitled "Maximum Export Market Value" in the line entitled "Total Value" change "8.3" to "9.3".

All other terms and conditions of the May 20, 1973, Agreement, as amended, remain the same.

I propose that this note and your Excellency's reply concurring therein constitute an agreement between our two Governments, effective from the date of your note in reply.

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

LEWIS DEAN BROWN

His Excellency Zuhair Mufti
Minister of State for Foreign Affairs
Amman

¹ Came into force on 2 August 1973, the date of the note in reply, in accordance with the provisions of the said notes.

² See pp. 208 and 218 of this volume.

II

[THE HASHEMITE KINGDOM OF JORDAN
MINISTRY FOR FOREIGN AFFAIRS]

Amman, August 2, 1973

No. S22/100/2/4173

Excellency:

I acknowledge with thanks the receipt of your Excellency's note dated August 2, 1973, which reads as follows:

[*See note I*]

I have the honor to inform your Excellency that the foregoing is acceptable and reflects correctly the understanding of the Government of the Hashemite Kingdom of Jordan, and that your Excellency's note and this note in reply concurring therein constitute an agreement between our two Governments, effective as of this day, August 2, 1973.

Accept, Excellency, my highest consideration.

ZUHAIR MUFTI
Minister of State for Foreign Affairs

His Excellency
Ambassador of the United States of America
Amman

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND
JORDAN AMENDING THE AGREEMENT OF 20 MAY 1973,
AS AMENDED² FOR SALES OF AGRICULTURAL COM-
MODITIES

I

The American Ambassador to the Jordanian Minister of National Economy

Amman, September 25, 1973

No. 256

Excellency:

I have the honor to refer to the Agricultural Commodities Agreement signed by representatives of our two Governments on May 20, 1973, as amended on July 25 and August 2, 1973,² and to propose the Agreement be further amended as follows:

Part II—Item I—Commodity table

Under column entitled Maximum Export Value for Wheat/Wheat Flour delete "6.7" and insert "7.9"; and for Total Export Market Value delete "9.3" and insert "10.5".

Part II—Item V—Self-help measures

Add new measure (5) Take steps to improve existing and construct additional grain storage facilities.

Except as provided above, all other terms and conditions of the May 20, 1973, Agreement, as amended, remain the same.

I have the honour to propose that this note and your Excellency's note in reply concurring therein constitute an agreement between our two Governments, effective from the date of your note in reply.

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

L. DEAN BROWN

His Excellency Dr. Kamel Abu Jaber
Minister of National Economy
Amman

¹ Came into force on 29 September 1973, the date of the note in reply, in accordance with the provisions of the said notes.

² See pp. 208, 218 and 220 of this volume.

II

THE HASHEMITE KINGDOM OF JORDAN
MINISTRY OF NATIONAL ECONOMY
AMMAN

September 29, 1973

No.: 10/9/2/A/11142

Dear Mr. L. D. Brown,

I acknowledge with thanks the receipt of your Excellency's note No. 256 dated September 25, 1973, which reads as follows:

[See note I]

I have the honor to inform your Excellency that the foregoing is acceptable and reflects correctly the understanding of the Government of the Hashemite Kingdom of Jordan, and that your Excellency's note and this note in reply concurring therein constitute an agreement between our two Governments effective as of this day, September 29, 1973.

Accept, Excellency, my highest considerations.

Yours sincerely,

KAMEL S. ABU JABER
Minister of National Economy

His Excellency
Ambassador of the United States of America
Amman
