

UNITED STATES OF AMERICA
and
SYRIAN ARAB REPUBLIC

Agreement for the sale of agricultural commodities under the Public Law 480 Title I Program (with minutes of negotiations of 4 May 1978). Signed at Damascus on 3 May 1978

Exchange of letters constituting an agreement amending the above-mentioned Agreement. Damascus, 25 July 1978

Authentic texts of the Agreement: English and Arabic.

Authentic text of the Exchange of letters: English.

Registered by the United States of America on 14 November 1979.

ÉTATS-UNIS D'AMÉRIQUE
et
RÉPUBLIQUE ARABE SYRIENNE

Accord relatif à la vente de produits agricoles, conclu en application du titre I de la *Public Law* 480 (avec procès-verbal de négociations du 4 mai 1978). Signé à Damas le 3 mai 1978

Échange de lettres constituant un accord modifiant l'Accord susmentionné. Damas, 25 juillet 1978

Textes authentiques de l'Accord : anglais et arabe.

Texte authentique de l'Échange de lettres : anglais.

Enregistrés par les États-Unis d'Amérique le 14 novembre 1979.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE SYRIAN ARAB REPUBLIC FOR THE SALE OF AGRICULTURAL COMMODITIES UNDER THE PUBLIC LAW 480 TITLE I PROGRAM

The Government of the United States of America and the Government of the Syrian Arab Republic agree to the sales of agricultural commodities specified below. This agreement shall consist of the preamble, Parts I and III of the Title I Agreement signed on November 20, 1974,² together with the following Part II:

PART II. PARTICULAR PROVISIONS

Item I. COMMODITY TABLE:

<i>Commodity</i>	<i>Supply Period (U.S. Fiscal Year)</i>	<i>Approximate Maximum Quantity (Metric Tons)</i>	<i>Maximum Export Market Value (Millions) (U.S. Dollars)</i>
Wheat/Wheat Flour (Flour Basis).....	1978	35,000	7.5
Rice	1978	15,000	6.5

Item II. PAYMENT TERMS:

Dollar Credit

- A. Initial payment—five percent.
- B. Currency Use Payment—five percent for Section 104 (A) purposes.
- C. Number of Installment Payments—19.
- D. Amount of Each Installment Payment—Approximately equal annual amount.
- E. Due Date of First Installment—Two years after date of last delivery of commodities in each calendar year.
- F. Initial Interest Rate—Two percent.
- G. Continuing Interest Rate—Three percent.

Item III. USUAL MARKETING TABLE:

<i>Commodity</i>	<i>Import Period (U.S. Fiscal Year)</i>	<i>Usual Marketing Requirements (Metric Tons)</i>
Wheat/Wheat Flour (Grain Equivalent)	1978	250,000
Rice	1978	34,000

Item IV. EXPORT LIMITATIONS:

A. The export limitation period shall be United States Fiscal Year 1978 or any subsequent U.S. Fiscal Year during which commodities financed under this agreement are being imported or utilized.

B. For the purposes of Part I, Article III A (4), of the agreement, the commodities which may not be exported are: for wheat/wheat flour—wheat, wheat flour, rolled wheat, semolina, farina or bulgur (or the same product under a different name); and for rice—rice in the form of paddy, brown or milled.

¹ Came into force on 3 May 1978 by signature, in accordance with part III (A).

² United Nations, *Treaty Series*, vol. 1006, p. 57.

Item V. SELF-HELP MEASURES:

A. In implementing these self-help measures, specific emphasis will be placed on contributing directly to development progress in poor rural areas and on enabling the poor to participate actively in increasing agricultural production through small farm agriculture.

B. The Government of the Syrian Arab Republic agrees to:

1. Strengthen the Ministry of Agriculture and Agrarian Reform's capabilities and to undertake a land classification and soil survey, and to maintain a current inventory of Syria's soil resources in order to maximize the use of land for increased agricultural production.
2. Expand and improve its system of grain storage facilities in order to provide for orderly marketing and to prevent losses and maintain stable prices to farmers.
3. Continue to expand the area of irrigated agriculture, emphasizing those crops most needed for internal use, and land reclamation and construction of irrigation works in the Euphrates Basin.
4. Emphasize increased production of livestock and poultry by giving budgetary priority (A) to establishing pricing and marketing policies, (B) for a specialized extension service to assist poultry and livestock farmers, and (C) expand egg production.
5. Expand and strengthen agricultural education and training institutions, including the re-establishment of an agricultural extension service to assist farmers and rural people.
6. Expand applied and basic research on food crops and livestock. In the case of livestock, emphasis should be given to increasing production from arid lands while at the same time improving pasture and range management.

Item VI. ECONOMIC DEVELOPMENT PURPOSES FOR WHICH PROCEEDS ACCRUING TO IMPORTING COUNTRY ARE TO BE USED:

A. 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 for the agricultural sector.

B. In the use of proceeds for these purposes, emphasis will be placed on directly improving the lives of the poorest of the recipient country's people and their capacity to participate in the development of their country.

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

DONE at Damascus, in duplicate in the English and Arabic languages, each being equally authentic, this 3rd day of May 1978.

For the Government
of the United States of America:

[Signed]

ROBERT H. PELLETREAU
Chargé d'affaires *ad interim*
Embassy of the United States
of America

For the Government
of the Syrian Arab Republic:

[Signed]

Dr. MOHAMMAD AL-IMADI
Minister of Economy and Foreign Trade

MINUTES OF NEGOTIATIONS BETWEEN REPRESENTATIVES OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND OF THE GOVERNMENT OF THE SYRIAN ARAB REPUBLIC

On April 18, 1978, a negotiation session was held to discuss the proposed P.L. 480 Title I Agreement for U.S. Fiscal Year 1978 (October 1, 1977, to September 30, 1978). Shackford Pitcher, Agricultural Attaché, American Embassy, represented the Government of the United States of America, and Nadim Ibrahim, Director General, General Establishment for Cereal Processing and Trade, Salem Haddad, Director General of TAFCO, and Husni Diab of the Ministry of Economy and Foreign Trade represented the Government of the Syrian Arab Republic.

The U.S. representative pointed out that the proposed agreement provides for 35,000 MT of wheat flour and 15,000 MT of rice valued at \$7.5 million and \$6.5 million respectively and that neither the quantity nor the export value can be exceeded.

The U.S. representative pointed out that purchase authorizations will be issued only after a determination is made that (A) adequate storage facilities are available for the commodities at the time of shipment to prevent spoilage or waste, and (B) the distribution of the commodity will not result in a substantial disincentive to Syrian rice or wheat production.

The U.S. representative pointed out that purchases under the proposed agreement must be made on the basis of invitations for bids publicly advertised in the United States and on the basis of bid offerings which must conform to the invitation. Bid offerings must be received and publicly opened in the United States. All awards must be consistent with open, competitive, and responsive bid procedures. The representatives of the Syrian Arab Republic, after indicating their preference of purchasing in Syria, acknowledged the requirement for purchasing the commodities in the United States and indicated that the arrangements for freight will also be handled in the United States.

The question of sending a delegation to the United States or having the Embassy of the Syrian Arab Republic in Washington to handle the contracting was discussed. The representative of the Syrian Arab Republic will advise promptly which procedure will be used. The U.S. representative pointed out that the terms of all invitations for bids (including invitations for ocean freight) must be approved by the General Sales Manager, U.S. Department of Agriculture, prior to issuance.

The U.S. representative pointed out that commissions, fees or other payments to any selling agent are prohibited in any purchase of food commodities under the agreement.

The U.S. representative pointed out that if the Government of the Syrian Arab Republic nominates a purchasing agent and/or shipping agent to procure commodities or arrange ocean transportation under the agreement, the General Sales Manager must be notified in writing of such nomination and be provided along with the nomination a copy of the proposed agency agreement. All purchasing and shipping agents must be approved by the Office of the General Sales Manager in accordance with new regulatory standards designed to eliminate certain potential conflicts of interest.

The U.S. representative notified the representatives of the Syrian Arab Republic that commodity suppliers are refusing to load vessels when acceptable letters of credit for both commodity and freight suppliers are not available at time of loading. Delays in opening letters of credit and settlement of final 10 percent of freight will also result in higher commodity prices and freight rates.

The U.S. representative received assurances that the Embassy of the Syrian Arab Republic in Washington, D.C. will be notified of and receive all instructions, information, and authority necessary to enable the timely implementation of the agreement.

The U.S. representative mentioned the importance of timely submission of the reports required under the provisions of the agreement as well as the importance of the measures concerning identification and publicity of the commodities.

For the Government
of the United States of America:

[Signed]

SHACKFORD PITCHER
Agricultural Attaché

For the Government
of the Syrian Arab Republic:

[Signed]

NADIM IBRAHIM
General Director
General Establishment
for Cereal Processing and Trade

SALEM HADDAD
Director General, TAFCO

[Signed]

HUSNI DIAB
Head of Department of Monetary and Banking
Ministry of Economy and Foreign Trade
[Signed]

Damascus, May 4, 1978

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT¹ BETWEEN
THE UNITED STATES OF AMERICA AND THE SYRIAN ARAB RE-
PUBLIC AMENDING THE AGREEMENT OF 3 MAY 1978 FOR THE
SALE OF AGRICULTURAL COMMODITIES UNDER THE PUBLIC
LAW 480 TITLE I PROGRAM²

I

EMBASSY OF THE UNITED STATES OF AMERICA
DAMASCUS

July 25, 1978

Dear Mr. Minister:

I have the honor to refer to the Public Law 480 Title I Agricultural Sales Agreement signed by representatives of our two governments on May 3, 1978,² and to propose that the agreement be amended as follows:

- (A) In Part II, Item I, Commodity Table, under the appropriate columns (I) for wheat/wheat flour delete quote 35,000 metric tons and million U.S. dollars 7.5. unquote and insert 7,400 metric tons and U.S. dollars 1.3 million unquote, and
- (B) For rice delete quote 15,000 metric tons and U.S. dollars 6.5 million unquote and insert quote 35,000 metric tons and U.S. dollars 12.7 million unquote, and
- (C) Under Maximum export market value the line designated as total remains unchanged at quote U.S. dollars 14.0 million unquote.

All other terms and conditions of the May 3, 1978, Title I Agreement remain the same. I propose that this letter and your reply concurring therein constitute an agreement between our two governments to be effective on the date of your letter in reply.

Sincerely,

[Signed]
ROBERT H. PELLETREAU
Chargé d'affaires a.i.

His Excellency Dr. Mohammad al-Imadi
Minister of Economy and Foreign Trade
Damascus, S.A.R.

¹ Came into force on 25 July 1978, the date of the letter in reply, in accordance with the provisions of the said letters.

² See p. 48 of this volume.

II

*The Syrian Minister of Economy and Foreign Trade to the American
Chargé d'affaires ad interim*

25/7/1978

7/4/6413

Dear Mr. Pelletreau,

I have the honor to refer to the Public Law 480 Title I Agricultural Sales Agreement signed by representatives of our two governments on May 3, 1978, and agree to the amendment of that agreement proposed in your letter dated July 25, 1978, which is as follows:

[See letter I]

All other terms and conditions of the agreement of May 3, 1978, remain unchanged.

It is my pleasure to confirm that this reply constitutes an agreement between our two governments, to be effective on the date of my letter in reply to your letter.

Accept, Mr. Chargé d'affaires a.i., the renewed assurances of my highest consideration.

Sincerely,

MOHAMMAD AL-IMADY
[Signed]
Minister of Economy
and Foreign Trade

Mr. Robert H. Pelletreau
Chargé d'affaires *ad interim*
Embassy of the United States of America
Damascus, S.A.R.
