

No. 18143

**UNITED STATES OF AMERICA
and
LEBANON**

Agreement for the sale of agricultural commodities (with minutes of negotiations of 20 March 1978). Signed at Beirut on 23 March 1978

Exchange of notes constituting an agreement amending the above-mentioned Agreement (with minutes of negotiations of 31 March 1978 and addendum). Beirut, 17 May and 23 June 1978

Exchange of notes constituting an agreement amending the above-mentioned Agreement of 23 March 1978, as amended. Beirut, 26 September and 6 October 1978

Exchange of notes constituting an agreement amending the above-mentioned Agreement of 23 March 1978, as amended. Beirut, 24 November 1978

Authentic texts: English.

Registered by the United States of America on 5 December 1979.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF LEBANON 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 Lebanon 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 April 25, 1977,² 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 of dollars)</i>
Wheat/wheat flour (grain equivalent basis)	1978	50,000	6.0

Item II. PAYMENT TERMS:

Dollar Credit

- A. Initial payment—5 percent.
- B. Currency use payment—15 percent for section 104(A) purposes.
- C. Number of installment payments—19.
- D. Amount of each installment payment—approximately equal annual amounts.
- E. Due date of first installment—2 years after date of last delivery of commodities in each calendar year.
- F. Initial interest rate—2 percent.
- G. Continuing interest rate—3 percent.

Item III. USUAL MARKETING TABLE:

<i>Commodity</i>	<i>Import Period (U.S. fiscal year)</i>	<i>Usual marketing (metric tons)</i>
Wheat/wheat flour (on a grain equivalent basis)	1978	125,000

Item IV. EXPORT LIMITATIONS:

A. The export limitation period shall begin on the date the Agreement is signed and continue through U.S. fiscal year 1978 or any subsequent U.S. fiscal

¹ Came into force on 1 March 1979, in accordance with its provisions.

² United Nations, *Treaty Series*, vol. 1087, p. 295.

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).

Item V. SELF-HELP MEASURES:

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

B. The Government of Lebanon agrees to:

1. Give high priority to rehabilitation/reconstruction of the agricultural sector by putting farmland back into production, by restoring rural farm housing, restoring damaged agricultural research farms, and by repairing and expanding water and irrigation systems.
2. Rebuild and develop grain-handling equipment, rebuild silos and other storage and preservation facilities; and rehabilitate the livestock and poultry sector.
3. Give emphasis to the agricultural education and training sectors in rural areas and re-equip them for normal functioning.
4. Emphasize internal agricultural marketing systems including cooperative marketing in order to achieve adequate supplies at fair market prices for consumers and producers.
5. Strengthen systems for collection, computation and analysis of agricultural statistics including import, export, and other related trade data for use in determining production and marketing policies.
6. Identify short- and medium-term agricultural credit needs for low income rural families and develop plans to meet such needs.

Item VI. ECONOMIC DEVELOPMENT, INCLUDING REHABILITATION AND RECONSTRUCTION, 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 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 recipient country's people and their capacity to participate in the development, including the reconstruction and rehabilitation of their country.

DONE at Beirut this 23rd day of March 1978.

For the Government
of the United States of America:

[Signed]

RICHARD B. PARKER
Ambassador

For the Government
of Lebanon:

[Signed]

SALIM AL HOSS
Prime Minister
Minister of Economy and Trade

MINUTES OF NEGOTIATIONS BETWEEN REPRESENTATIVES OF THE GOVERNMENT OF LEBANON AND THE UNITED STATES ON A PL-480 TITLE I AGREEMENT

On March 16, 1978, a negotiation meeting was held to discuss the wheat part under the proposed PL-480, Title I Agreement for U.S. Fiscal Year 1978. Mr. Mounir Berbari, Director General of the Cereals and Sugarbeets Office of the Ministry of Economy and Trade, represented the Government of Lebanon, and Dr. Thomas C. Irvin, the Agency for International Development Representative at the American Embassy, represented the Government of the United States of America.

On March 20, 1978, Mr. Berbari and Dr. Irvin approved the following minutes of the meeting held on March 16.

1. The meeting was opened by a word of thanks from the Lebanese Government representative to the United States Government and the U.S. representative and other staff of the American Embassy for their help and cooperation towards the successful implementation of the preceding PL-480 Title I Agreement in Lebanon. On his turn, the U.S. representative thanked the Lebanese representative and his staff for their efforts and cooperation for the success of the past Agreement.

2. The U.S. representative called the Lebanese representative's attention to article I(E), part 1, of the proposed agreement which provides that the export market values specified in part II may not be exceeded. He also explained that if commodity prices dropped, 50,000 MT was the ceiling on the commodity quantity.

3. The U.S. representative pointed out that the Currency Use Payment (CUP) level in the proposed agreement was raised to 15 percent of the value of financing as opposed to 10 percent in the preceding agreement.

4. The U.S. representative mentioned that a Usual Marketing Requirement (UMR) of 125,000 metric tons of wheat for FY 1978 was included in the proposed agreement. The UMR requirement was waived by exception in the preceding agreement due to the prevailing conditions in Lebanon at that time.

5. The U.S. representative mentioned that the recent PL-480 regulations require specific emphasis on self-help measures that contribute to development progress in poor rural areas and to enable the poor to participate actively in increasing agricultural production through small-farm agriculture and the use of the proceeds towards the improvement of the poorest of the recipient country's people.

6. The U.S. representative pointed out the recent amendments to the PL-480 financing regulations which were provided to the Lebanese representative by Embassy letter dated November 3, 1977. Particular emphasis was made of the provisions of the Bellmon amendment and the requirement that all Invitations for Bids (IFB's) for food commodities and freight will be publicly advertised and opened in the United States and that these IFB's should be first approved by the Office of the General Sales Manager, USDA, prior to their issuance.

7. The U.S. representative mentioned that if the Government of Lebanon nominates a purchasing and/or shipping agent to procure commodities or arrange ocean transportation under the proposed agreement, it should notify the General Sales Manager, USDA, in writing of such nomination and provide a copy of the proposed agency agreement.

8. The U.S. representative mentioned that arrangements should be made by the appropriate Lebanese Government authorities to relay to its Washington Embassy all instructions, information, and authority necessary to enable timely implementation of the agreement.

9. The U.S. representative pointed out the importance of timely opening of acceptable letters of credit for the commodity and freight as well as timely settlement of the 10 percent

balance of freight to avoid costly claims by the suppliers and possible higher commodity and freight rates in the future.

10. The U.S. representative mentioned also 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 as mutually agreed upon.

11. The Lebanese representative mentioned that Lebanon had requested and obtained in the past waivers for the exporting of limited quantities of decorticated wheat, bulgur and semolina to some neighboring Arab countries that traditionally depend on Lebanon for their needs. The Lebanese representative asked that the minutes reflect a request for such a waiver to export a maximum of 5,000 metric tons of the above products in fiscal year 1978 as compared to 4,000 metric tons in fiscal year 1977. The requested level is to meet the increased demand caused by a larger number of Lebanese residents who moved to these countries following the 1975/76 events in Lebanon.

SIGNED on March 20, 1978.

For the Government
of the United States of America:

[Signed]

THOMAS C. IRVIN
AID Representative
U.S. Embassy, Beirut

For the Government
of Lebanon:

[Signed]

MOUNIR BERBARI
Director General
Cereals and Sugarbeets Office

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED STATES
OF AMERICA AND THE GOVERNMENT OF LEBANON
AMENDING THE AGREEMENT OF 23 MARCH 1978 FOR THE
SALE OF AGRICULTURAL COMMODITIES²

I

Beirut, May 17, 1978

Excellency,

I have the honor to refer to the P.L. 480 Title I Agricultural Commodities Sales Agreement signed by representatives of our two Governments on March 23, 1978,² and propose that the mentioned Agreement be amended as follows:

In part II, item I, Commodity Table, under the appropriate columns, insert: Tobacco, 1978, 500, 2.0 and insert new line 8.0.

In part II, item III, Usual Marketing Table, under the appropriate columns, insert: Tobacco, 1978, 200 (all of which shall be imported from the USA).

Part II, item IV, Export Limitations, at the end of paragraph B, change the final period to a semicolon and insert . . . and for Tobacco—None.

All the other terms and conditions of the March 23, 1978, Agreement remain the same.

It is proposed that this note and your concurrence therein, or the concurrence of the authorized Government of Lebanon representative designated by you, constitute an agreement between our two Governments to be effective as of the date of your note [in] reply.

Please accept, Excellency, the renewed assurances of my highest consideration.

[Signed]

GEORGE M. LANE
Chargé d'Affaires

His Excellency Dr. Salim Al Hoss
Prime Minister
Republic of Lebanon

cc: His Excellency Dr. Farid Raphael, Minister of Finance
Mr. Jacques Dagher, Director General
Régie Libanaise des Tabacs et Tombacs

¹ Came into force on 23 June 1978, the date of the note in reply, with effect from 1 March 1979, in accordance with the provisions of the said notes.

² See p. 178 of this volume.

II

RÉPUBLIQUE LIBANAISE
PRÉSIDENTE DU CONSEIL DES MINISTRES¹

Beirut, June 23, 1978

Excellency,

I have the honor to refer to the P.L. 480 Title I Agricultural Commodities Sales Agreement signed by representatives of our two Governments on March 23, 1978, and Mr. George M. Lane's note of May 17, 1978, proposing that the Agreement be amended as follows:

[See note I]

I concur with the proposed amendment as stated above to become effective as of the date of this note.

Please accept, Excellency, the renewed assurances of my highest consideration.

[Signed]

SALIM HOSS
Prime Minister

His Excellency Mr. Richard B. Parker
Ambassador of the United States of America
American Embassy
Beirut, Lebanon

MINUTES OF NEGOTIATIONS BETWEEN REPRESENTATIVES OF THE GOVERNMENTS OF THE UNITED STATES AND LEBANON ON A PL-480 TITLE I AGREEMENT

On March 17, 1978, a negotiation meeting was held to discuss the tobacco part under the proposed PL-480, Title I Agreement for U.S. Fiscal Year 1978. Mr. Jacques Dagher, Director General of the Régie Libanaise des Tabacs et Tombacs, Ministry of Finance, represented the Government of Lebanon, and Dr. Thomas C. Irvin, the Agency for International Development Representative at the American Embassy, represented the Government of the United States of America.

On March 31, 1978, Mr. Dagher and Dr. Irvin approved the following minutes of the meeting held on March 17.

¹ Lebanese Republic, Presidency of the Council of Ministers.

1. The U.S. representative explained briefly the purpose and the operational aspects of the PL-480 Title I program and informed the Lebanese representative [of] the quantity and value of the tobacco provided under the proposed agreement. He also emphasized that the export market values and the quantities mentioned in part II of the agreement may not be exceeded.

2. The U.S. representative called to the attention of the Lebanese representative that the proposed agreement provides for the commercial purchase by the recipient country of at least 510 metric tons of leaf tobacco (of which at least 390 metric tons must be from the United States) during U.S. Fiscal Year 1978.

3. The U.S. representative called to the attention of the Lebanese representative that PL-480 regulations require specific emphasis on implementation of self-help measures so as to contribute directly to development progress in poor rural areas and to enable the poor to participate actively in increasing agricultural production through small-farm agriculture and that the proceeds of the sales of the subject commodities will be used for purposes which directly improve the lives of the poorest of the recipient country's people.

4. The U.S. representative pointed out that purchases of the commodities in question and the ocean freight should be made on the basis of invitations for bids (IFB)s to be approved by the General Sales Manager, USDA, prior to issuance.

5. The U.S. representative mentioned that if the Government of Lebanon decides to nominate a purchasing or shipping agent to procure the commodity or arrange ocean transportation under the agreement, the GOL must notify the General Sales Manager, USDA, in writing of such nomination and provide along with the notification, a copy of the proposed agency agreement.

6. The U.S. representative informed the Lebanese representative that arrangements should be made by the appropriate Lebanese authorities to relay to its Washington Embassy all instructions, information and authority necessary to enable timely implementation of the agreement.

7. The U.S. representative informed the Lebanese representative that acceptable letters of credit for both commodity and freight for 100 percent of value should be opened on time to avoid delays in shipment and costly claims by the suppliers resulting thereof. The same is true for the settlement of the initial and final payments on the freight.

8. The U.S. representative called to the attention of the Lebanese representative that appropriate measures for identification and publicity for the commodities should be undertaken by the government of the recipient country, as mutually agreed upon by both parties.

9. The U.S. representative emphasized the importance of timely submission of the reports required by the proposed agreement.

10. The Lebanese representative called to the attention of the U.S. representative that in view of the state of reorganization and reequipment of the Lebanese Tobacco Monopoly (*Régie Libanaise des Tabacs et Tombacs*), facilities which were heavily damaged during the 1975/76 hostilities in Lebanon, the Régie will not be able to purchase during U.S. Fiscal Year 1978 the quantities of tobacco required under the UMR section of the proposed agreement.

The Lebanese representative mentioned that the Régie will start its importing operations for the first time since 1975 by purchasing commercially 200 metric tons of U.S. burley tobacco for which invitations for bids were already issued this month for immediate delivery. The Lebanese representative stated that the quantity of tobacco to be provided for under the proposed agreement together with the above quantity to be purchased commercially and about 350 metric tons of flue-cured tobacco in stocks will suffice the needs for this calendar year. He also expressed the wish that the above-proposed program not be affected by this matter taking into consideration the tight financial situation of the Régie

and the fact that manufacturing will resume newly after a disruption of about two years by *force majeure* reasons.

SIGNED on March 31, 1978.

For the Government
of the United States of America:

[Signed]

THOMAS C. IRVIN
AID Representative
U.S. Embassy, Beirut

For the Government
of Lebanon:

[Signed]

JACQUES DAGHER
Director General
Régie Libanaise des Tabacs et Tombacs

ADDENDUM TO MINUTES OF NEGOTIATIONS BETWEEN REPRESENTATIVES
OF THE GOVERNMENTS OF THE UNITED STATES AND LEBANON ON A
PL 480 TITLE I AGREEMENT (TOBACCO)

On May 9, 1978, Dr. Thomas C. Irvin of the American Embassy informed Mr. Jacques Dagher, Director General of the Régie Libanaise des Tabacs et Tombacs, that the Usual Marketing Requirement (UMR) for tobacco, for U.S. Fiscal Year 1978 under the subject PL 480 Title I Agreement, was reduced to 200 metric tons, all of which shall be imported from the United States.

The Government of Lebanon understands and accepts the above UMR levels.

For the Government
of the United States of America:

[Signed]

THOMAS C. IRVIN
AID Representative
U.S. Embassy, Beirut

For the Government
of Lebanon:

[Signed]

JACQUES DAGHER
Director General
Régie Libanaise des Tabacs et Tombacs

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED STATES
OF AMERICA AND THE GOVERNMENT OF LEBANON
AMENDING THE AGREEMENT OF 23 MARCH 1978, AS
AMENDED, FOR THE SALE OF AGRICULTURAL COM-
MODITIES²

I

Beirut, September 26, 1978

Excellency,

I have the honor to refer to the P.L. 480 Title I Agricultural Sales Agreement signed by representatives of our two Governments on March 23, 1978, as amended June 23, 1978,² and propose that the Agreement be further amended as follows:

In part II, item I, Commodity Table, under column entitled "Supply". For tobacco delete "1978" and insert "1978 plus October and November 1978".

In part II, item III, Usual Marketing Requirement, under column entitled "Import period". For tobacco delete "1978" and insert "1978 plus October and November 1978".

In part II, item IV, Export Limitations, delete the entire paragraph A and insert the following: "The export limitation period shall begin on the date the Agreement is signed and continue through U.S. fiscal year 1978, except that the period for tobacco will cover U.S. fiscal year 1978 plus October and November 1978, or any subsequent U.S. fiscal year during which commodities financed under this Agreement are being imported or utilized".

All other terms and conditions of the March 23, Title I Agreement, as amended June 23, 1978, would remain the same.

I propose that this note and your reply concurring therein constitute an agreement between our two Governments to be effective as of the date of your note in reply.

Please accept, Excellency, the renewed assurances of my highest consideration.

[Signed]

LUCIEN L. KINSOLVING
Minister Counselor

His Excellency Dr. Salim Al Hoss
Prime Minister
Republic of Lebanon

cc: His Excellency Dr. Farid Raphael, Minister of Finance
Mr. Jacques Dagher, Director General
Régie Libanaise des Tabacs et Tombacs

¹ Came into force on 6 October 1978, the date of the note in reply, with effect from 1 March 1979, in accordance with the provisions of the said notes.

² See pp. 178 and 182 of this volume.

II

RÉPUBLIQUE LIBANAISE
PRÉSIDENTE DU CONSEIL DES MINISTRES¹

Beirut, 6th October 1978

Excellency,

I have the honor to refer to the P.L. 480 Title I Agricultural Sales Agreement signed by representatives of our two Governments on March 23, 1978, as amended June 23, 1978, and Mr. Lucien L. Kinsolving's note of September 26, 1978, proposing that the Agreement be further amended as follows:

[See note I]

I concur with the proposed amendment as stated above, to be effective as of the date of this note.

Please accept, Excellency, the renewed assurances of my highest consideration.

[Signed]

SALIM HOSS
Prime Minister

His Excellency the Ambassador of the United States
of America
American Embassy
Beirut, Lebanon

¹ Lebanese Republic, Presidency of the Council of Ministers.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED STATES
OF AMERICA AND THE GOVERNMENT OF LEBANON
AMENDING THE AGREEMENT OF 23 MARCH 1978, AS
AMENDED, FOR THE SALE OF AGRICULTURAL COM-
MODITIES²

I

Beirut, November 24, 1978

Excellency,

I have the honor to refer to the P.L. 480 Title I Agricultural Sales Agreement signed by representatives of our two Governments on March 23, 1978, as amended June 23, and October 6, 1978,² and propose that the Agreement be further amended as follows:

In part II, item I, Commodity Table, under column entitled "Supply period". For tobacco delete "1978 plus October and November 1978" and insert "1978 plus October 1, 1978 through February 28, 1979".

In part II, item III, Usual Marketing Requirements, under column entitled "Import period". For tobacco delete "1978, plus October and November 1978", and insert "1978 plus October 1, 1978 through February 28, 1979".

In part II, item IV, Export Limitations, in paragraph A delete the words "1978 plus October and November 1978" and insert "1978 plus October 1, 1978 through February 28, 1979".

All other terms and conditions of the March 23, Title I Agreement, as amended June 23, and October 6, 1978, would remain the same.

I propose that this note and your reply concurring therein constitute an agreement between our two Governments to be effective as of the date of your note in reply.

Please accept, Excellency, the renewed assurances of my highest consideration.

[Signed]

JOHN GUNTHER DEAN
American Ambassador

His Excellency Dr. Salim Al Hoss
Prime Minister
Republic of Lebanon

cc: His Excellency Dr. Farid Raphael, Minister of Finance
Mr. Jacques Dagher, Director General
Régie Libanaise des Tabacs et Tombacs

¹ Came into force on 24 November 1978, the date of the note in reply, with effect from 1 March 1979, in accordance with the provisions of the said notes.

² See pp. 178, 182 and 186 of this volume.

II

RÉPUBLIQUE LIBANAISE
MINISTÈRE DE L'INFORMATIONLe Ministre¹

Beirut, November 24, 1978

No. 395

Excellency,

I have the honor to refer to the P.L. 480 Title I Agricultural Sales Agreement signed by representatives of our two Governments on March 23, 1978, as amended June 23, and October 6, 1978, and your note of November 24, 1978, proposing that the Agreement be further amended as follows:

[See note I]

I concur with the proposed amendment as stated above, to be effective as of the date of this note.

Please accept, Excellency, the renewed assurances of my highest consideration.

[Signed]

SALIM HOSS
Prime Minister

His Excellency the Ambassador of the United States
of America
American Embassy
Beirut, Lebanon

¹ Lebanese Republic, Ministry of Information, The Minister.