

No. 19247

**UNITED STATES OF AMERICA
and
SYRIAN ARAB REPUBLIC**

Agreement for sales of agricultural commodities (with minutes of negotiations). Signed at Damascus on 2 May 1979

Exchange of letters constituting an agreement amending the above-mentioned Agreement. Damascus, 23 June 1979

Authentic texts of the Agreement and minutes of negotiations: English and Arabic.

Authentic text of the Exchange of letters: English.

Registered by the United States of America on 7 November 1980.

**ÉTATS-UNIS D'AMÉRIQUE
et
RÉPUBLIQUE ARABE SYRIENNE**

Accord relatif à la vente de produits agricoles (avec procès-verbal de négociations). Signé à Damas le 2 mai 1979

Échange de lettres constituant un accord modifiant l'Accord susmentionné. Damas, 23 juin 1979

Textes authentiques de l'Accord et du procès-verbal de négociations : anglais et arabe.

Texte authentique de l'Échange de lettres : anglais.

Enregistrés par les États-Unis d'Amérique le 7 novembre 1980.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE SYRIAN ARAB REPUBLIC FOR THE SALES 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 have agreed to the sales of agricultural commodities specified below. This agreement shall consist of the preamble, parts I and III of the PL 480 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 Flour	1979	34,000	6.9
Rice	1979	15,000	5.2

Item II. PAYMENT TERMS

Dollar Credit

1. Initial payment—Five percent.
2. Currency Use Payment—Ten percent for section 104 (a) Purposes.
3. Number of Installment Payments—19.
4. Amount of Each Installment Payment—Approximately equal annual installments.
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 percent.
7. 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 Flour	1979	241,000
Rice	1979	35,000

Item IV. EXPORT LIMITATIONS

A. The export limitation period shall be United States Fiscal Year 1979 or any subsequent U.S. Fiscal Year during which commodities financed under this agreement are being imported or utilized.

B. For the purpose of part 1, Article III A(4) of the agreement, the commodities which may not be exported are: for 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.

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

¹ Came into force on 2 May 1979 by signature.

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

poor to participate actively in increasing agricultural production through small farm agriculture.

B. The Government of the Syrian Arab Republic agrees to give high priority to the agricultural development section of the annual budget with emphasis placed on those sectors that will expand the production, marketing and distribution of agricultural commodities as follows:

1. Continue to expand the areas of irrigated agriculture, emphasizing those crops most needed by the Syrians, and land reclamation and construction of irrigation works in the Aleppo region and the Euphrates River projects.
2. 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) to expand egg production.
3. Expand and strengthen agricultural education and training institutions, including the re-establishment of an agricultural extension service to assist farmers and rural people.
4. Expand applied research on food crops and livestock by
 - (a) Placing emphasis on increasing production from arid lands and dry land farming, while at the same time, improving pasture and range management.
 - (b) Disseminating research data and information for improving crop, livestock and soil management practices.
5. 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.
6. Expand and improve its system of grain storage facilities in order to provide for orderly marketing and to maintain stable prices to farmers.
7. Improve internal agricultural marketing and distribution systems to assure adequate supplies of food commodities in all parts of the country and for the export market. This calls for identifying the type of facilities and requirements needed in various parts of the country and developing plans for its early implementation.

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 and for the following economic development sector: agriculture.

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 second day of May 1979.

For the Government
of the United States of America:

[Signed]

DAVID G. NEWTON
Chargé d'Affaires *ad interim*
Embassy of United States of America

For the Government
of the Syrian Arab Republic:

[Signed]

DR. MOHAMMAD IMADY
Minister of Economy
and Foreign Trade

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

On April 28, 1979, a negotiation session was held to discuss the proposed P.L. 480 Title I Agreement for U.S. Fiscal Year 1979 (October 1, 1978, to September 30, 1979). Shackford Pitcher, Agricultural Attaché, American Embassy, represented the Government of the United States of America, and Salem Haddad, General Director, Foreign Trade Organization for Chemicals and Foodstuffs; Nadim Ibrahim, General Director, General Establishment for Cereal Processing and Trade; and Husni Diab, Director of Monetary and Banking Affairs, Ministry of Economy and Foreign Trade, represented the Government of the Syrian Arab Republic.

The American representative began the negotiations by stating that the American Government was unable to meet the Syrian Government's total request due to severe budget limitations. He pointed out that under the proposed agreement both the export value and/or the quantities are limited to the amounts specified. In addition, that the usual marketing requirement (UMR) eligible countries do not include the People's Republic of China, North Korea and other Communist Bloc Countries and that the American exporters look forward to sharing in increased Syrian commercial purchases of wheat flour and rice.

The American representative advised that purchase authorizations will be issued under the agreement, only after the Secretary of Agriculture has determined that (a) adequate storage facilities are available, and (b) the distribution of the commodity will not be a substantial disincentive to Syrian domestic production of wheat and rice.

The American representative stated that purchase must be made on responsive bid offerings to invitations for bids (IFB), publicly advertised in the United States. Bid offering must be received and publicly opened in the United States, and all awards must be consistent with open, competitive and responsive bid procedures. The terms of all IFB's must be approved by the Office of the General Sales Manager prior to issuance.

The American representative notifies the Syrian representative that commissions, fees or other payments to any selling agent are prohibited in any purchase of food commodities under the agreement. If a purchasing agent and/or shipping agent is nominated, the Office of the General Sales Manager must be notified in writing and be provided with a copy of the proposed agency agreement. All such agents must be approved by the Office of the General Sales Manager.

The Syrian representatives gave assurances that instructions, information and the appropriate authority to enable timely implementation of the agreement will be relayed to the Syrian Embassy in Washington, D.C., including the following:

- a. Commodity specifications;
- b. Contracting and delivery periods;
- c. Names and addresses of U.S. and foreign banks handling transactions letters of credit for commodity and freight;
- d. Authority to request and sign purchase authorization and other necessary documents;
- e. Complete instructions, information, and authority regarding arrangements for purchasing commodities and contracting for freight (including the appointment of a purchasing and/or shipping agent if applicable); and
- f. Instructions to contact the Program Operations Division, Office of the General Sales Manager, U.S. Department of Agriculture regarding the foregoing.

The Syrian representatives gave assurances that operable letters of credit for both commodity and freight will be opened, and confirmed by the designated U.S. banks immediately after contracting under each purchase authorization (PA) is concluded, and before vessels arrive at the loading ports.

The representatives of the Syrian Arab Government pointed out that the quantity of rice offered under the proposed agreement and the condition that half of it be shipped on United States flag

vessels makes it very costly and therefore requested that flexibility be provided whereby additional quantities of rice can be substituted for wheat flour. It was also pointed out that should the Government of the Syrian Arab Republic be required to import wheat during the supply period, that wheat be considered for substitution for wheat flour at such time.

SALEM HADDAD
General Director
Foreign Trade Organization
for Chemicals and Foodstuffs
[Signed]

[Signed]
SHACKFORD PITCHER
Agricultural Attaché

NADIM IBRAHIM
General Director
General Establishment for Cereal
Processing and Trade
[Signed]

HUSNI DIAB
Director of Monetary
and Banking Affairs
Ministry of Economy
and Foreign Trade
[Signed]

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE SYRIAN ARAB REPUBLIC AMENDING THE AGREEMENT OF 2 MAY 1979 FOR THE SALES OF AGRICULTURAL COMMODITIES UNDER THE PUBLIC LAW 480 TITLE I PROGRAM²

I

EMBASSY OF THE UNITED STATES OF AMERICA
DAMASCUS

June 23, 1979

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 2, 1979,² and to propose that the agreement be amended as follows:

In part II, item I, Commodity Table, under the appropriate columns, delete: "wheat flour" "1979" "34,000" "Dols 6.9" and insert:

- | | | | | |
|-----|---------------|--------|----------|------------|
| (1) | "Wheat" | "1979" | "30,000" | "Dols 4.5" |
| (2) | "Wheat flour" | "1979" | "10,000" | "Dols 2.4" |

All the other terms and conditions of the May 2, 1979, Title I Agreement will 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.

Accept, Mr. Minister, the renewed assurances of my highest consideration.

Sincerely,

[Signed]
DAVID G. NEWTON
Chargé d'Affaires, a.i.

His Excellency Dr. Mohammad al-Imadi
Minister of Economy and Foreign Trade
Damascus

¹ Came into force on 23 June 1979, the date of the letter in reply, in accordance with the provisions of the said letters.

² See p. 280 of this volume.

II

RÉPUBLIQUE ARABE SYRIENNE
MINISTÈRE DE L'ÉCONOMIE ET DU COMMERCE EXTÉRIEUR¹

23 June 1979

Dear Mr. Newton:

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 2, 1979, and agree to the amendment of that agreement proposed in your letter dated June 23, 1979, which is as follows:

[See letter I]

It is my pleasure to confirm that this reply constitutes an agreement between our two governments, to be effective on the date of this 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. David G. Newton
Chargé d'Affaires *ad interim*
Embassy of the United States of America
Damascus, S.A.R.

¹ Syrian Arab Republic, Ministry of Economy and Foreign Trade.