



CONFIDENTIAL

EMBASSY OF THE
UNITED STATES OF AMERICA

Beirut, Lebanon

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1972-4-25 Assad, US, Economy

April 25, 1972

OFFICIAL-INFORMAL

Andrew I. Killgore, Esquire
 Department of State - NEA/ARN
 Washington, D.C. 20520

Dear Andy:

In light of the Syrian views reported by Maiolini in Beirut 4199 regarding possible Syrian interest in moving closer to the West, I took advantage on April 18 of the visit on April 19 to Damascus by Irving Trust Vice President Pendas from New York and his Middle East representative Chehlaoui to brief them on the past history of Exim preliminary commitments, the Boustany claim, etc. I suggested during their call at the Syrian Central Bank that they might reiterate continuing U.S. Government interest in doing business with Syria. In answer to Pendas' query, I authorized him to quote the American Embassy in Beirut as the source of this statement.

For your information, Irving Trust has been extending to both the Syrian Central Bank and the Commercial Bank lines of credit running up to four million dollars during the past several years and consider they have long-standing close relations with Syrian bankers. Also, I have known Pendas for a number of years.

Chehlaoui has now reported that this visit did not produce much. They were told that the matter was under study, but it was difficult to do much about it at the present time. However, they told Pendas and Chehlaoui that they hoped eventually to establish equal economic relations with all countries without regard to political considerations.

In brief, nothing much new emerged.

I am sending Pat Malloy a copy of this letter for his information.

With best wishes,

Sincerely,

[Signature]
 Norman K. Pratt
 Counselor of Embassy for
 Economic Affairs

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The U. S. Government authorized PanAmerican to negotiate with the Syrian Government the resumption of overflight and landing rights.

The Export-Import Bank has authorized the following preliminary commitments covering transactions with Syria:

-- Assistance in financing the \$4 million cost of purchasing in the United States and exporting to Syria specialized oil well pumping equipment. Bids on the equipment have been submitted by Continental-Emoco Company, Mid-Continent and Lufkin Industries. The importer would be the General Petroleum Company, Damascus. The expiry date of this commitment is May 31, 1971, having been extended from February 28, 1971.

-- Assistance in financing an \$8 million sale of gas turbine generator sets to the General Petroleum Company. The exporter would be the Worthington Corporation.

As a condition precedent to authorization of the final commitments, Syria must pay its outstanding dollar indebtedness to the United States. This consists of two ExIm Bank guaranteed sales totalling some \$70, 000 and an outstanding AID loan of about \$78, 000 (the precise figures involved change, literally, every day, as interest accumulates).

With regard to CCC lines of credit, the United States Government would be willing to consider a Syrian request upon payment of the above-mentioned debts.

We would welcome a Syrian willingness to discuss outstanding obligations to the United States which also include the Syrian Pound equivalent of about \$1. 7 million.