

No. 2976

**ISRAEL
and
UNITED STATES OF AMERICA**

Exchange of notes constituting an agreement concerning special economic assistance to Israel within a program of special economic assistance of the United States of America to the Near East and Africa. Tel Aviv and Jerusalem, 25 November 1953

Official text: English.

Registered by Israel on 1 November 1955.

**ISRAËL
et
ÉTATS-UNIS D'AMÉRIQUE**

Échange de notes constituant un accord relatif à l'octroi d'une aide économique spéciale à Israël dans le cadre d'un programme d'aide économique spéciale des États-Unis d'Amérique au Proche-Orient et à l'Afrique. Tel-Aviv et Jérusalem, 25 novembre 1953

Texte officiel anglais.

Enregistré par Israël le 1^{er} novembre 1955.

No. 2976. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE GOVERNMENT OF ISRAEL AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA CONCERNING SPECIAL ECONOMIC ASSISTANCE TO ISRAEL WITHIN A PROGRAM OF SPECIAL ECONOMIC ASSISTANCE OF THE UNITED STATES OF AMERICA TO THE NEAR EAST AND AFRICA. TEL AVIV AND JERUSALEM, 25 NOVEMBER 1953

I

AMERICAN EMBASSY

No. 71

Tel Aviv, November 25, 1953

Excellency :

I have the honor to refer to conversations between representatives of our two governments concerning participation by the Government of the United States of America in a program of special economic assistance that is designed to promote the economic development of the Near East and Africa, for relief and rehabilitation of refugees in that area, and for other types of economic assistance to assist in maintaining economic and political stability in that area. It is contemplated that these objectives shall be accomplished by, among other things, furnishing special economic assistance to certain of the countries in the aforesaid area, including Israel. Accordingly it is proposed that such assistance to Israel as may from time to time be made available by the Government of the United States for the accomplishment of these objectives will be extended in accordance with the following principles and procedures :

(1) The furnishing of any such assistance by the Government of the United States for special economic assistance programs or projects, in furtherance of these purposes, will be based upon requests by the Government of Israel which may be approved by the Government of the United States, and will be subject to the terms and conditions of applicable United States legislative provisions. The Government of Israel will furnish to the Government of the United States of America, in support of each request, such supporting information and data as the Government of the United States of America may request in order to determine whether to give its approval to the request. The total funds so made available shall be expended in accordance with a procedure mutually agreed upon.

¹ Came into force on 25 November 1953 in accordance with the provisions of the said notes.

(2) The Government of Israel will establish, in its name or that of an authorized agency of the Government of Israel, a special account in a bank acceptable to both Governments, and will deposit therein the Israel currency equivalent to the dollar aid provided under the terms of this Agreement. The exchange rate to be used in computing the amounts of such Israel currency deposits shall be the par value for the Israel currency agreed with the International Monetary Fund in effect at the time of each deposit, provided that this par value is the single rate applicable to the purchase of dollars for commercial transactions in Israel. If there is no such agreed par value or if there are two or more effective rates that are not unlawful for the purchase of dollars, the rates used shall be the effective rates (including the amount of any exchange tax, surcharge, bonus, or value of any exchange certificate) which, at the time of deposit, are applicable to the purchase of dollars for the respective purposes for which dollars supplied hereunder are used. In no case, however, will the amount of Israel pounds deposited be less than the equivalent, at the official rate of exchange at the time of the deposit, of the United States dollar aid provided hereunder. Such deposits will be made from time to time by the Government of Israel upon notification to that Government that dollars have been made available by the Government of the United States of America for expenditure pursuant to this Agreement. The sums in this account shall be used in furtherance of such purposes as may be consistent with the objectives of the aid programs in Israel and as may be mutually agreed between the two Governments. The special account provided for herein may be consolidated with the account provided for under the exchange of notes between the two Governments dated February 27, 1952¹ and August 13, 1952,² it being understood that such accounts were consolidated pursuant to the authority contained in the aforementioned exchange of notes dated August 13, 1952.

(3) The sums made available pursuant to paragraph (1) and paragraph (2) of this Agreement shall be expended under the general direction and supervision of designated representatives of each Government, subject to the terms and conditions of this Agreement and the documents containing the requests of the Government of Israel and the approval of the Government of the United States of America. The Government of Israel will repay to the Government of the United States of America any sums of dollars and to the special account any sums of Israel pounds which are found to have been used for purposes other than those for which they were made available, or under terms and conditions other than those prescribed for their use.

(4) The Government of Israel will make available to the Government of the United States of America full opportunity to ascertain the uses made of the funds made available pursuant to paragraphs (1) and (2) of this Agreement, including access to pertinent documents and records.

¹ United Nations, *Treaty Series*, Vol. 177, p. 123.

² United Nations, *Treaty Series*, Vol. 179, p. 362.

(5) The Government of Israel will so deposit, segregate, or assure title to all funds made available pursuant to this Agreement that such funds shall not become subject to garnishment, attachment, seizure, or other legal process by any person, firm, agency, corporation, organization, or government, when, in the opinion of the Government of the United States of America, such legal process would interfere with the attainment of the objectives of the program of assistance.

(6) The Government of Israel will communicate to the Government of the United States in a form and at intervals to be mutually agreed upon :

- (a) Information concerning projects, programs, measures and operations carried on under this Agreement, including a statement of the use of funds, materials, equipment, and services provided thereunder;
- (b) Information regarding technical and economic assistance which has been or is being requested of other countries or of international organizations and which bears upon any project carried on or under consideration pursuant to this Agreement.

Not less frequently than once a year, the Governments of Israel and of the United States of America will make public in their respective countries periodic reports on the technical and economic cooperation programs carried on pursuant to this Agreement. Such reports shall include information as to the use of funds, materials, equipment, and services.

The Governments of Israel and of the United States of America will endeavor to give full publicity to the objectives and progress of the technical and economic cooperation programs carried on under this Agreement.

(7) All employees of the Government of the United States of America assigned to duties in Israel in connection with cooperative technical and economic assistance programs and projects and accompanying members of their families shall be exempt from all Israel income taxes and social security taxes with respect to income upon which they are obligated to pay income or social security taxes to the Government of the United States of America, and from property taxes on personal property intended for their own use. Such employees and accompanying members of their families shall receive the same treatment with respect to the payment of customs and import duties on personal effects, equipment and supplies imported into Israel for their own use, as is accorded by the Government of Israel to diplomatic personnel of the United States Embassy in Israel.

Upon receipt of a note from Your Excellency indicating that the provisions set forth in this note are acceptable to the Government of Israel, the Government of the United States of America will consider that this note and Your Excellency's reply thereto constitute an agreement between the two Governments. Such agreement shall enter into force on the date of Your Excellency's note in reply and shall remain in force until three months after the receipt by either Government of notice in writing by the other of intention to terminate the agreement.

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

(Signed) Francis H. RUSSELL

His Excellency Moshe Sharett
Minister of Foreign Affairs for the State of Israel

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MINISTRY FOR FOREIGN AFFAIRS
JERUSALEM, ISRAEL

FA/812/53

Jerusalem, 25 November 1953

Sir,

I have the honour to acknowledge receipt of your Note No. 71, dated 25 November 1953, concerning special economic assistance to Israel within a program of special economic assistance of the United States of America to the Near East and Africa, under the terms and conditions of applicable United States legislative provisions, and to confirm that the provisions set forth in that Note are acceptable to the Government of Israel, which considers your Note and this reply as constituting an agreement between the two Governments on this subject, entering into force on this date.

Please accept the assurances of my highest consideration.

(Signed) Moshe SHARETT
Minister of Foreign Affairs

Mr. Francis H. Russell
Chargé d'Affaires
United States Embassy in Israel