

No. 3390

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**UNITED STATES OF AMERICA**  
and  
**ISRAEL**

**Agricultural Commodities Agreement under Title I of the  
Agricultural Trade Development and Assistance Act,  
as amended. Signed at Washington, on 10 November  
1955**

**Exchange of notes constituting an agreement modifying the  
above-mentioned Agreement. Washington, 31 January  
1956**

*Official text: English.*

*Registered by the United States of America on 9 May 1956.*

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**ÉTATS-UNIS D'AMÉRIQUE**  
et  
**ISRAËL**

**Accord relatif aux produits agricoles, conclu dans le cadre  
du titre I de la loi tendant à développer et à favoriser  
le commerce agricole, telle qu'elle a été modifiée.  
Signé à Washington, le 10 novembre 1955**

**Échange de notes constituant un accord modifiant l'Accord  
susmentionné. Washington, 31 janvier 1956**

*Texte officiel anglais.*

*Enregistré par les États-Unis d'Amérique le 9 mai 1956.*

No. 3390. AGRICULTURAL COMMODITIES AGREEMENT<sup>1</sup>  
BETWEEN THE UNITED STATES OF AMERICA AND  
ISRAEL UNDER TITLE I OF THE AGRICULTURAL  
TRADE DEVELOPMENT AND ASSISTANCE ACT, AS  
AMENDED. SIGNED AT WASHINGTON, ON 10 NO-  
VEMBER 1955

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The Government of the United States of America and the Government of Israel,

Recognizing the desirability of expanding trade in agricultural commodities between their two countries and with other friendly nations in a manner which would not displace usual marketings of the United States in these commodities or unduly disrupt world prices of agricultural commodities;

Considering that the purchase for Israel pounds of agricultural commodities produced in the United States will assist in achieving such an expansion of trade;

Considering that the Israel pounds accruing from such purchases will be utilized in a manner beneficial to both countries;

Desiring to set forth the understanding which will govern the sales of agricultural commodities to Israel pursuant to Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, and the measures which the two Governments will take individually and collectively in furthering the expansion of trade in such commodities;

Have agreed as follows :

*Article I*

SALES FOR ISRAEL POUNDS

1. Subject to the issuance and acceptance of purchase authorization referred to in paragraph 2 of this Article, the Government of the United States of America undertakes to finance on or before June 30, 1956, the sale for Israel pounds of certain agricultural commodities determined to be surplus pursuant to Title I of the Agricultural Trade Development and Assistance Act of 1954 as amended, to purchasers authorized by the Government of Israel;

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<sup>1</sup> Came into force on 10 November 1955, upon signature, in accordance with article VI.

2. The United States Government will issue, within the terms of this Agreement, purchase authorizations which shall include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of the Israel pound accruing from such sales, and other relevant matters, and which shall be subject to acceptance by the Government of Israel. Certain commodities, and amounts, with respect to which tentative agreement has been reached by the two Governments, are listed in paragraph 3 of this Article.

3. The United States Government undertakes to finance the sale to Israel of the following commodities, in the export market values indicated, during the United States fiscal year 1956 under the terms of Title I of the said Act and of this Agreement :

<i>Commodity</i>	<i>Value (Million dollars)</i>
Wheat . . . . .	5.9
Feed Grain . . . . .	3.2
Edible Fats & Oil . . . . .	2.2
Cotton . . . . .	1.5
Butter . . . . .	.9
Cheese . . . . .	.3
Dried Milk . . . . .	.26
Beans (Navy pea or Great Northern) . . . . .	.28
Tobacco . . . . .	.2
Ocean Transportation . . . . .	2.3
	17.04

## *Article II*

### USES OF ISRAEL POUND

1. The two Governments agree that Israel pound accruing to the Government of the United States as a consequence of sales made pursuant to this Agreement will be used by the Government of the United States for the following purposes in the amounts shown :

- (a) To help develop new markets for United States agricultural commodities, for international educational exchange, for purchases of goods and services for other friendly countries and for other U.S. expenditures in Israel under subsections (a), (d), (f), and (h) of Section 104 of the Act, the Israel pound equivalent of \$5.3 million.
- (b) For loans to the Government of Israel to promote the economic development of Israel under Section 104 (g) of the Act, the Israel pound equivalent of

\$11.74 million, subject to supplemental agreement between the two Governments. In the event that Israel pounds set aside for loans to the Government of Israel are not advanced within three years from the date of this Supplemental Agreement as a result of failure of the two Governments to reach agreement on uses of the Israel pounds for loan purposes or any other purpose, the Government of the United States may use the Israel pounds for any other purpose authorized by Section 104 of the Act.

2. The Israel pounds accruing under this Agreement shall be expended by the Government of the United States for purposes stated in Paragraph 1 of this Article, in such manner and order of priority as the Government of the United States shall determine.

### *Article III*

#### DEPOSITS AND WITHDRAWALS OF ISRAEL POUNDS

1. The amount of Israel pounds to be paid by the Government of Israel to the United States and deposited in a "special" account with the Bank of Israel by the United States Disbursing Officer shall be the dollar sale value of the commodities reimbursed or financed by the Government of the United States converted into Israel pounds at the rate of exchange for U.S. dollars, on the dates of dollar disbursement by the United States generally applicable to imports (except imports granted a preferential rate). Such dollar sales value shall include ocean freight and handling, reimbursed or financed by the Government of the United States, except that it shall not include any extra cost of ocean freight resulting from a United States requirement that the commodities be transported on United States flag vessels.

### *Article IV*

#### GENERAL UNDERTAKINGS

1. The Government of Israel agrees that it will take all possible measures to prevent the resale or transshipment to other countries, or use for other than domestic purposes (except where such resale, transshipment or use is specifically approved by the Government of the United States), of surplus agricultural commodities purchased pursuant to the provisions of this Agreement, and to assure that its purchase of such commodities does not result in increased availability of these or like commodities to nations unfriendly to the United States.
2. The two Governments agree that they will take reasonable precautions to assure that sales or purchases of surplus agricultural commodities pursuant to

this Agreement will not unduly disrupt world prices of agricultural commodities, displace usual marketings of the United States in these commodities, or materially impair trade relations among the countries of the free world.

3. In carrying out this Agreement the two Governments will seek to assure conditions of commerce permitting private traders to function effectively and will use their best endeavors to develop and expand continuous market demand for agricultural commodities.

4. The Government of Israel agrees to furnish, upon request of the Government of the United States, information on the progress of the program, particularly with respect to arrivals and condition of commodities and the provisions for the maintenance of usual marketings, and information relating to exports of the same and like commodities.

#### *Article V*

##### CONSULTATION

The two Governments will, upon the request of either of them, consult regarding any matter relating to the application of this Agreement or to the operation of arrangements carried out pursuant to this Agreement.

#### *Article VI*

##### ENTRY INTO FORCE

This Agreement shall enter into force upon signature.

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

DONE at Washington this tenth day of November, 1955.

For the Government of the United States of America :

Geo. V. ALLEN

For the Government of Israel :

Abba EBAN

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND ISRAEL MODIFYING THE AGRICULTURAL COMMODITIES AGREEMENT OF 10 NOVEMBER 1955<sup>2</sup> UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED. WASHINGTON, 31 JANUARY 1956

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I

*The Secretary of State to the Israeli Ambassador*

DEPARTMENT OF STATE  
WASHINGTON

January 31, 1956

Excellency :

I have the honor to refer to the letter of January 5, 1956<sup>3</sup> to Mr. Gywnn Garnett, Administrator, Foreign Agricultural Service, United States Department of Agriculture from Stanley Rand, Acting Director, Government of Israel Supply Mission, requesting a modification in the agreement under Title I, Public Law 480, entered into by our two Governments November 10, 1955<sup>2</sup> to permit sales for Israel pounds of an additional 1,000 metric tons of butter.

I have the honor also to confirm that the United States Government agrees to undertake financing the sales of an additional \$900,000 worth of butter in accordance with the provisions of paragraph 3 of Article I of the November 10, 1955 agreement, and further agrees that the Israel pounds accruing to the Government of the United States as a consequence of these additional sales of butter shall be used by the Government of the United States in accordance with Article II of the November 10, 1955 agreement, the Israel pound equivalent of \$250,000 to be used in accordance with paragraph 1 (a) of Article II and the Israel pound equivalent of \$650,000 to be used in accordance with paragraph 1 (b) of Article II. The remaining provisions of the agreement of November 10, 1955, shall apply equally with respect to the additional sales of butter.

If you concur in the foregoing, this note, and your Excellency's reply thereto, will constitute an agreement between our two Governments, effective

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<sup>1</sup> Came into force on 1 February 1956, in accordance with the terms of the said notes.

<sup>2</sup> See p. 4 of this volume.

<sup>3</sup> Not printed by the Department of State of the United States of America.

upon receipt of your Excellency's reply, modifying the agreement of November 10, 1955 in the manner provided for herein.

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

For the Secretary of State :

Geo. V. ALLEN

His Excellency Abba Eban  
Israel Ambassador

## II

### *The Israeli Ambassador to the Secretary of State*

EMBASSY OF ISRAEL  
WASHINGTON, D.C.

(EG-371)W/

January 31, 1956

Sir :

I have the honor to refer to your note dated January 31, 1956 relating to a modification in the agreement under Title I, Public Law 480, entered into by our two Governments November 10, 1955 to permit sales for Israel pounds of an additional 1,000 metric tons of butter.

In that Note it is confirmed that the United States Government agrees to undertake financing the sales of an additional \$900,000 worth of butter in accordance with the provisions of paragraph 3 of Article I of the November 10, 1955 agreement, and further agrees that the Israel pounds accruing to the Government of the United States as a consequence of these additional sales of butter shall be used by the Government of the United States in accordance with Article II of the November 10, 1955 agreement, the Israel pound equivalent of \$250,000 to be used in accordance with paragraph 1 (a) of Article II and the Israel pound equivalent of \$650,000 to be used in accordance with paragraph 1 (b) of Article II. It is also stated in your Note of January 31, 1956 that the remaining provisions of the agreement of November 10, 1955 shall apply equally with respect to the additional sales of butter.

I have the honor to convey my concurrence in the foregoing and I confirm that your Note of January 31, 1956 and my reply thereto will constitute an agreement between our two Governments, effective upon receipt of this reply, modifying the agreement of November 10, 1955 in the manner provided for in the above-mentioned Note.

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

Abba EBAN

The Honorable John Foster Dulles  
Secretary of State  
Washington, D. C.