

No. 3392

**UNITED STATES OF AMERICA
and
EGYPT**

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act,
as amended. Signed at Washington, on 14 December
1955**

Official text: English.

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

**ÉTATS-UNIS D'AMÉRIQUE
et
ÉGYPTE**

**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 14 décembre 1955**

Texte officiel anglais.

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

No. 3392. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND
EGYPT UNDER TITLE I OF THE AGRICULTURAL
TRADE DEVELOPMENT AND ASSISTANCE ACT, AS
AMENDED. SIGNED AT WASHINGTON, ON 14 DE-
CEMBER 1955

The Government of the United States of America and the Government of Egypt :

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 Egyptian pounds of agricultural commodities produced in the United States will assist in achieving such an expansion of trade;

Considering that the Egyptian 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 Egypt 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 EGYPTIAN POUNDS

1. Subject to the issuance and acceptance of purchase authorizations referred to in paragraph 2 of this Article, and subject to the provisions of paragraph 3 of this Article, the Government of the United States of America undertakes to finance on or before June 30, 1956, the sale for Egyptian pounds of wheat (including wheat flour) 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 Egypt.

¹ Came into force on 14 December 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 wheat, the time and circumstances of deposit of the Egyptian pounds accruing from such sales, and other relevant matters, and which shall be subject to acceptance by the Government of Egypt. The amount of wheat, with respect to which tentative agreement has been reached by the two Governments, is listed in paragraph 3 of this Article.

3. The United States Government undertakes to finance the sale to Egypt of wheat, in the export market value 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	\$4.8
Ocean transportation (est. 50% of cost)	0.8
	<hr/>
TOTAL	\$5.6

Article II

USES OF EGYPTIAN POUNDS

1. The two Governments agree that Egyptian pounds 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, and for other U. S. expenditures in Egypt under subsections (a), (d), (f), and (h) of Section 104 of the Act, the Egyptian pounds equivalent of \$1.7 million.
- (b) For loans to the Government of Egypt to promote the economic development of Egypt under Section 104 (g) of the Act, the Egyptian pounds equivalent of \$3.9 million, subject to supplemental agreement between the two Governments. In the event that Egyptian pounds set aside for loans to the Government of Egypt are not advanced within three years from the date of this Agreement as a result of failure of the two Governments to reach agreement on uses of the Egyptian pounds for loan purposes or for any other purpose, the Government of the United States may use the Egyptian pounds for any other purpose authorized by Section 104 of the Act.

2. The Egyptian 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 EGYPTIAN POUNDS

1. The amount of pounds to be deposited to the account of the United States shall be the dollar sales value of the commodities reimbursed or financed by the Government of the United States converted into pounds at the rate of exchange for U. S. dollars generally applicable to import transactions (excluding imports granted a preferential rate) on the dates of dollar disbursements by the United States. 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 Egypt 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 Egypt 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 fourteenth day of December, 1955.

For the Government of the United States of America :
Geo. V. ALLEN

For the Government of Egypt :
A. KAISOUNI