

No. 3547

**UNITED STATES OF AMERICA
and
ITALY**

**Surplus Agricultural Commodities Agreement under Title
I of the Agricultural Trade Development and Assistance
Act of 1954 (with exchange of notes). Signed at Rome,
on 23 May 1955**

Official texts: English and Italian.

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

**ÉTATS-UNIS D'AMÉRIQUE
et
ITALIE**

**Accord relatif aux produits agricoles en surplus, conclu
dans le cadre du titre I de la loi de 1954 tendant à déve-
lopper et à favoriser le commerce agricole (avec échange
de notes). Signé à Rome, le 23 mai 1955**

Textes officiels anglais et italien.

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

No. 3547. SURPLUS AGRICULTURAL COMMODITIES AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND ITALY UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954. SIGNED AT ROME, ON 23 MAY 1955

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

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 of surplus agricultural commodities produced in the United States for lire will assist in achieving such an expansion of trade;

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

Desiring to set forth the understandings which govern the sales of surplus agricultural commodities by the Government of the United States of America pursuant to the Agricultural Trade Development and Assistance Act of 1954, 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

SALE FOR LOCAL CURRENCY

1. Subject to the issuance and acceptance of purchase authorizations referred to in paragraph 2 of this Article, the Government of the United States of America undertakes to finance the sale for lire of certain agricultural commodities determined to be surplus pursuant to the Agricultural Trade Development and Assistance Act of 1954 to purchasers authorized by the Government of Italy.
2. The United States Government will issue purchase authorizations which shall include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of the lire accruing from such sales and other

¹ Came into force on 23 May 1955, upon signature, in accordance with article VI.

relevant matters, and which shall be subject to acceptance by the Government of Italy. 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 Italy of the following commodities, in the values indicated, during the United States fiscal year 1955, under the terms of Title I of the said Act and of this agreement :

<i>Commodity</i>	<i>Value</i> <i>(Millions of Dollars)</i>
Cotton (including costs of ocean transportation on the portion to be financed by the U.S.)	36.6
Wheat (hard wheat)	9.1
Tobacco	3.2
Ocean Transportation (estimated costs for wheat and tobacco on portion to be financed by the U.S.)	1.1

Article II

USES OF LIRE

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

- (i) For payment of United States expenses in Italy, including expenditures in accordance with subsections (a) and (f) of Section 104 of the Act; the lire equivalent of \$14.4 million.
- (ii) To purchase or contract to purchase strategic and critical materials for a supplemental United States stockpile in accordance with Section 104 (b) — the lire equivalent of \$1.0 million.
- (iii) For financing the purchase of goods or services for other friendly countries in accordance with Section 104 (d) — the lire equivalent of \$4.6 million.
- (iv) For loans to the Government of Italy to promote the economic development of Italy under Section 104 (g) of the Act, but subject to supplemental agreements between the two Governments — the lire equivalent of \$30 million. In the event that lire set-aside for loans to the Government of Italy are not advanced within three years from the date of this Agreement as a result of failure of the Governments to reach agreement on loan uses or for any other reason, the Government of the United States may use these lire for any of the other uses provided for in Section 104 of the Act.

2. The lire accruing under this Agreement shall be expended by the Government of the United States for the 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

DEPOSIT OF LIRE

The amount of lire to be deposited to the account of the United States would be the dollar sales value of the commodities reimbursed or financed by the United States Government under P.L. 480 (including transportation, if financed by the United States, and handling) converted into lire at the rate of exchange, applicable to all United States Government transactions in Italy pursuant to the agreement concluded on January 25, 1947, and the agreement contained in the subsequent exchange of letters between United States and Italian Governments dated April 15, 1948.¹ Such deposits of the lire to United States account would be governed by the provisions regarding United States lire accounts contained in Paragraph 6 (b) of the 1948 agreement.

Article IV

GENERAL UNDERTAKINGS

1. The Government of Italy 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 the Agricultural Trade Development and Assistance Act of 1954, 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 of surplus agricultural commodities pursuant to the Agricultural Trade Development and Assistance Act of 1954 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.

¹ Not printed by the Department of State of the United States of America.

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 in duplicate, in the English and Italian languages, both texts being authentic.

DONE at Rome, Italy this 23rd day of May, 1955.

For the Government
of the United States of America :
Clare Boothe LUCE

For the Government
of Italy :
SCELBA

EXCHANGE OF NOTES

I

The American Ambassador to the Italian Prime Minister

No. 3775

May 23, 1955

Excellency :

With reference to the Surplus Agricultural Commodities Agreement¹ signed today between the United States of America and Italy under Title I of United States Public Law 480, I have the honor to propose the following supplementary understandings in relation to this agreement :

1. With regard to Article II, Paragraph 2, the United States Government agrees to consult with the Italian Government regarding the establishment of the priorities thereto referred.

2. It is understood that Article IV, Paragraph 2, of this agreement requires the Italian Government to undertake : (a) to import from the United States usual marketings of not less than 67,000 metric tons of wheat, 900 metric tons of tobacco and 344,000 bales of raw cotton, in the year ending July 31, 1955 and (b) to maintain during the 1954/1955 marketing season usual imports of the above commodities from friendly countries other than the United States.

3. With regard to purchase authorizations issued under the terms of the agreement, the United States Government agrees to extend the contracting period beyond June 30, 1955 provided shipment from the United States takes place prior to September 30, 1955.

4. It is understood that representatives of our two Governments will effect an agreement in regard to the public information aspects of this program as soon as possible.

I shall be glad if Your Excellency will confirm the foregoing on behalf of the Government of the Italian Republic.

Accept Excellency, the renewed assurances of my highest consideration.

Clare Boothe LUCE

His Excellency Mario Scelba
Prime Minister of Italy
Palazzo Viminale
Rome

¹ See p. 303 of this volume.

[TRANSLATION¹ — TRADUCTION²]

ITALIAN REPUBLIC
THE PRESIDENT OF THE COUNCIL OF MINISTERS

No. 22/00708

Rome, May 23, 1955

Excellency,

In a letter dated today you were so good as to communicate to me the following :

[*See note I*]

I have the honor to inform you that the Italian Government concurs in the foregoing.

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

SCELBA

Her Excellency Clare Boothe Luce
Ambassador of the United States of America
Rome

¹ Translation by the Government of the United States of America.

² Traduction du Gouvernement des États-Unis d'Amérique.