

No. 3775

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**UNITED STATES OF AMERICA  
and  
ITALY**

**Agricultural Commodities Agreement under Title I of the  
Agricultural Trade Development and Assistance Act  
(with exchange of letters). Signed at Rome, on  
30 October 1956**

*Official texts: English and Italian.*

*Registered by the United States of America on 26 March 1957.*

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

**Accord relatif aux produits agricoles, conclu dans le cadre  
du titre I de la loi tendant à développer et à favoriser  
le commerce agricole (avec échange de lettres). Signé  
à Rome, le 30 octobre 1956**

*Textes officiels anglais et italien.*

*Enregistré par les États-Unis d'Amérique le 26 mars 1957.*

No. 3775. AGRICULTURAL COMMODITIES AGREEMENT<sup>1</sup>  
BETWEEN THE UNITED STATES OF AMERICA AND  
ITALY UNDER TITLE I OF THE AGRICULTURAL  
TRADE DEVELOPMENT AND ASSISTANCE ACT.  
SIGNED AT ROME, ON 30 OCTOBER 1956

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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 for lire of surplus agricultural commodities produced in the United States 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 will govern the sales of surplus agricultural commodities to Italy pursuant to Title I of the Agricultural Trade Development and Assistance Act 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 LIRE

1. Subject to the issuance and acceptance of purchase authorizations referred to in paragraph 2 of this Article, the Government of the United States undertakes to finance on or before June 30, 1957, the sale for lire of certain agricultural commodities determined to be surplus pursuant to Title I of the Agricultural Trade Development and Assistance Act to purchasers authorized by the Government of Italy.

2. The Government of the United States 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 relevant matters, and which shall be subject to acceptance by the Govern-

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<sup>1</sup> Came into force on 30 October 1956, upon signature, in accordance with article VI.

ment 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 amounts indicated, during the period ending June 30, 1957, under the terms of Title I of the said Act and of this Agreement :

<i>Commodity</i>	<i>Amount</i> <i>(millions of dollars)</i>
Cotton . . . . .	29.4
Corn . . . . .	7.0
Tobacco . . . . .	2.0
Cottonseed and/or soybean oil . . . . .	20.0
Ocean transportation . . . . .	2.4
	TOTAL 60.8

## *Article II*

### USES OF LIRE

1. The two Governments agree that lire 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, and for other expenditures by the Government of the United States under subsections (a) and (f) of Section 104 of the Act, the lire equivalent of \$ 9.2 million;

(b) For financing the purchase of goods or services for other friendly countries, under Section 104 (d) of the Act, the lire equivalent of \$ 5.0 million;

(c) To provide assistance of the types provided for under Section 104 (j) of the Act, an amount not to exceed the lire equivalent of \$ 1.0 million;

(d) For loans to the Government of Italy to promote the economic development of Italy under Section 104 (g) of the Act, the lire equivalent of \$ 45.6 million, subject to supplemental agreement between the two Governments. It is understood that the loan will be denominated in U. S. dollars with payment of principal and interest to be made in dollars or, at the option of the Government of Italy, in lire, such payments in lire to be made at the applicable exchange rate, as defined in the loan agreement, in effect on the date of each payment. These and other provisions will be set forth in the loan agreement and any agreement supplemental thereto. Not less than the equivalent of \$ 18.6 million of this sum will be reserved for relending to private enterprise through established banking facilities under procedures already agreed upon by the two Govern-

ments. 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 two Governments to reach agreement on uses of the lire for loan purposes or for any other purpose, the Government of the United States may use the lire for any other purpose authorized by 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 AND RATE OF EXCHANGE

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 PL 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,<sup>1</sup> and the agreement contained in the subsequent exchange of letters between United States and Italian Governments dated April 15, 1948.<sup>1</sup> 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 1947 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 this Agreement.

2. The two Governments agree that they will take reasonable precautions to assure that all 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.

<sup>1</sup> Not printed by the Department of State of the United States of America.

4. The Government of Italy 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 or 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 in duplicate at Rome, in the English and Italian languages, this 30th day of October 1956.

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

For the Government  
of Italy :  
Gaetano MARTINO

[TRANSLATION — TRADUCTION]

MINISTRY OF FOREIGN AFFAIRS

47/01146

Rome, 30 October 1956

Excellency,

[*See note II*]

Accept, Excellency, etc.

Gaetano MARTINO

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

II

*The American Ambassador to the Italian Minister of Foreign Affairs*

Excellency :

I have the honor to acknowledge receipt of your letter of October 30, 1956, which reads as follows :

“ I refer to the Agreement signed between the Government of the Republic of Italy and the Government of the United States of America on October 30, 1956,<sup>1</sup> covering the importation by Italy of United States agricultural commodities under the terms of the Agricultural Trade Development and Assistance Act (P.L. 480), and the use of the lira proceeds up to an amount of \$45.6 million accruing from such sales for the promotion of economic development programs within Italy.

“ With reference to the recent discussions on the subject between our two Governments, and in accordance with Article II, Paragraph 1, subparagraph (*d*) of the Agreement, the Italian Government proposes the following allocation of the loan portion of the lire which will accrue under the Agreement of October 30, 1956. The provisions relating thereto will be specifically set forth in a loan agreement to be concluded as soon as possible.

“ 1. To render support to the economic development and the expansion of employment in Southern and Insular Italy, funds up to an amount of 11,625,000,000 lire for the industrial loan program administered by the three regional institutes pursuant to existing arrangements between our two Governments.

“ 2. To further the development of Italian industry and to promote the manufacture for export of Italian products, funds up to an amount of 6,875,000,000 lire for the purpose of increasing existing medium and

<sup>1</sup> See p. 222 of this volume.

long-term industrial and export credit facilities, according to the terms and procedures in force in Italy for financing exports through L'Istituto Centrale del Mediocredito.

“ 3. To assist the Italian Government in its efforts to accelerate the absorption of the unemployed, up to 5 billion lire for the construction and equipment, including books and instructional aids, of vocational schools in the sectors of industry, commerce, services and agriculture. The lire funds lent by the United States Government to the Italian Government for this purpose are intended to supplement the amounts spent by the Italian Government from budgetary appropriations for the improvement and expansion of vocational training in Italy. It is the understanding of both Governments that these funds will be used to finance part of a program for which the Italian Government will request budgetary appropriation in Fiscal Year 1958 and beyond. It is agreed between the two Governments that the United States contribution to the financing of this program will be used for vocational training facilities in Southern and Insular Italy and that they will consult as to the most effective utilization of such contribution to the Italian program.

“ Our two Governments agree that drawings on this 5 billion lire allocation will be made in a first tranche of 2 billion lire, and successively in tranches of 2 billion and 1 billion as required.

“ The Italian Government agrees to supply the United States Government on a semi-annual basis with a report on the progress of the uses to which these funds have been put, including location and type of facilities affected, and the manner in which the expenditure of the funds ties into the overall program of the Italian Government of improving and expanding vocational training facilities in Italy.

“ 4. To assist the Government of Italy in undertaking a special agricultural loan program, up to 5 billion lire, for the following purposes: loans on favorable terms to small farmers, farm cooperatives and others to assist in the diversification of agriculture through increasing the production of meat animals, poultry, and poultry products as well as loans for the expansion and improvement of the processing and marketing of meat, poultry, and eggs. These loans may be used to finance the purchase of breeding stock, farm facilities and equipment, feed, and other requirements for the production of meat animals and poultry products as well as the construction and improvement of storage, processing, and market facilities. Priority will be given to loans to small producers. Details of this program and the terms and conditions of such loans will be included in a subsequent exchange of letters between our two Governments.

“ It is understood that the Italian Government will take all measures necessary to make effective the terms and procedures agreed upon between the two Governments to carry out the above loan program.

“In conformity with the mutually adopted principles governing other loans programs of our two Governments, it is agreed that in carrying out this program support and encouragement will be given to the free labor movement.

“I will appreciate receipt of confirmation that the United States Government is in agreement with the foregoing.”

I take pleasure in informing you that I am authorized to confirm the agreement of the Government of the United States with the foregoing.

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

Clare Boothe LUCE

October 30, 1956

The Honorable Gaetano Martino  
Minister of Foreign Affairs  
Palazzo Chigi  
Rome

### III

#### *The American Ambassador to the Italian Minister of Foreign Affairs*

Excellency :

With reference to the Agricultural Commodities Agreement 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. It is understood that Article IV, Paragraph 2, of the Agreement requires the Italian Government to undertake : (a) to import from the United States usual marketings of not less than 50,000 metric tons of corn and/or other feed grains, \$33.1 million of cotton, \$1 million of tobacco, and \$5 million of edible oil or oilseeds, in the year ending June 30, 1957, and (b) to maintain during the 1956/57 marketing season usual imports of the above commodities from friendly countries other than the United States.

2. To the extent that the total of lire accruing to the United States as a consequence of sales made pursuant to the agreement is less than the equivalent of \$60.8 million, the amount for loans to Italy would be correspondingly reduced ; to the extent that the total exceeds the equivalent of \$60.8 million, 25 percent of the excess would be available for United States use and 75 percent for loans to Italy. It is understood that the United States Government will give full consideration to all circumstances which may lead to underages or overages in the fulfillment of the agreement.



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

4. With respect to expenditures made in connection with Article II, Paragraph 1 (a) of the agreement, the Italian Government agrees to convert the lire equivalent of up to \$100,000 into other European currencies upon the request of the United States Government.

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

Accept, Excellency, the assurances of my highest consideration.

Clare Boothe LUCE

October 30, 1956

The Honorable Gaetano Martino  
Minister of Foreign Affairs  
Palazzo Chigi  
Rome

#### IV

#### *The Italian Minister of Foreign Affairs to the American Ambassador*

[ITALIAN TEXT — TEXTE ITALIEN]

MINISTERO DEGLI AFFARI ESTERI

47/01147

Roma, 30 ottobre 1956

Eccellenza,

con lettera in data odierna Ella ha voluto comunicarmi quanto segue :

« Con riferimento all'Accordo per le Derrate Agricole firmato in data odierna fra gli Stati Uniti d'America e l'Italia, ai sensi del Titolo I della U. S. Public Law 480, ho l'onore di proporre le seguenti ulteriori intese in relazione all'Accordo stesso :

1. Resta inteso che il comma 2 dell'Articolo IV dell'Accordo prevede che il Governo Italiano si impegna : (a) ad importare dagli Stati Uniti gli usuali approvvigionamenti di non meno di 50.000 tonn. metriche di granturco e/o altri grani per mangime, \$ 33,1 milioni di cotone, \$ 1 milione di tabacco, e \$ 5 milioni di oli commestibili o semi oleosi, nell'anno che termina il 30 giugno 1957, e (b) a mantenere durante la stagione commerciale 1956-57 le normali importazioni di tali merci da Paesi amici altri che gli Stati Uniti.

2. In quanto il totale delle lire ricavate dagli Stati Uniti in seguito alle vendite effettuate ai sensi dell'Accordo risulti inferiore all'equivalente di \$ 60,8 milioni, l'ammontare da utilizzare per prestiti all'Italia verrà ridotto in proporzione; ove il totale superi l'equivalente di \$ 60,8 milioni, il 25% del supero sarà disponibile per l'impiego da parte degli Stati Uniti, ed il 75% per prestiti all'Italia. Resta inteso che il Governo degli Stati Uniti prenderà in ogni considerazione tutte le circostanze che possano portare ad eccessi o difetti nella attuazione dell'Accordo.

3. Riguardo all'articolo II, paragrafo 2 dello Accordo, il Governo degli Stati Uniti si impegna a consultarsi col Governo Italiano per quanto concerne la determinazione delle precedenza ivi menzionate.

4. Per quanto riguarda le spese effettuate in attuazione del comma 1 (a), Articolo II dell'Accordo, il Governo Italiano si impegna a convertire l'equivalente in Lire di una somma non superiore a \$ 100.000 in altre valute Europee, su richiesta del Governo degli Stati Uniti.»

Ho l'onore di informarLa che il Governo Italiano é d'accordo su quanto precede.

Mi é grata l'occasione, Eccellenza, per rinnovarLe l'espressione della mia alta considerazione.

Gaetano MARTINO

S. E. Clare Boothe Luce  
Ambasciatore degli Stati Uniti d'America  
Roma

[TRANSLATION<sup>1</sup> — TRADUCTION<sup>2</sup>]

MINISTRY OF FOREIGN AFFAIRS

47/01147

Rome, October 30, 1956

Excellency :

In a letter of today's date you are good enough to inform me as follows :

[See letter III]

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

I am happy to have this occasion, Excellency, to renew to you the expression of my high consideration.

Gaetano MARTINO

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

<sup>1</sup> Translation by the Government of the United States of America.

<sup>2</sup> Traduction du Gouvernement des États-Unis d'Amérique.