

No. 4381

**UNITED STATES OF AMERICA
and
ITALY**

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act, as
amended (with exchange of notes and Memorandum of
Understanding). Signed at Rome, on 7 March 1958**

Official texts: English and Italian.

Registered by the United States of America on 30 June 1958

**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, telle qu'elle a été modifiée (avec
échange de notes et Mémoire d'accord). Signé à
Rome, le 7 mars 1958**

Textes officiels anglais et italien.

Enregistré par les États-Unis d'Amérique le 30 juin 1958.

No. 4381. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND
ITALY UNDER TITLE I OF THE AGRICULTURAL TRADE
DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED.
SIGNED AT ROME, ON 7 MARCH 1958

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 of America 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, 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 LIRE

Subject to the issuance by the Government of the United States of America and acceptance by the Government of Italy of purchase authorizations, the Government of the United States of America undertakes to finance on or before June 30, 1958, the sale to purchasers authorized by the Government of Italy, for lire, of the following agricultural commodities determined to be surplus pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended, in the amounts indicated.

¹ Came into force on 7 March 1958, upon signature, in accordance with article VI.

<i>Commodity</i>	<i>Amount (Million)</i>
Cotton, upland	\$20.7
Tobacco	3.0
Poultry (chickens and turkeys)	0.5
Ocean transportation	0.8
TOTAL	\$25.0

Purchase authorizations issued pursuant to this Agreement will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of the lire accruing from such sale and other relevant matters.

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 :

(a) For expenditures by the Government of the United States of America in Italy under Sub-sections (a), (f), (h), and (i) of Section 104 of the Act, the lire equivalent of \$5.9 million.

(b) 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 \$12.5 million.

The terms and conditions of loans provided for above will be included in supplemental agreements between the two Governments. It is understood that loans will be denominated in dollars, with payment of principal and interest to be made in U.S. 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 the payment. It is further understood that loan funds shall be disbursed only after prior agreements as to the uses of such loan funds. In the event the 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 the use of the lire for loan purposes, the Government of the United States of America may use the lire for any other purpose authorized by Section 104 of the Act.

(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 \$350,000.

(d) For loans to be made by the Export-Import Bank of Washington under Section 104 (e) of the Act and for administrative expenses of the Export-Import Bank of Washington in Italy incident thereto, the lire equivalent of \$6.25 millions, but not more than 25 percent of the lire received under this agreement. Such

loans will be made to United States business firms and branches, subsidiaries, or affiliates of such firms in Italy for business development and trade expansion in Italy and to United States firms and to Italian firms for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of the markets for United States agricultural products. It is understood that such loans will be mutually agreeable to the Export-Import Bank of Washington and the Government of Italy. The Ministry of Treasury will act on behalf of the Government of Italy in this matter. In the event the lire set aside for loans under Section 104 (e) of the Act are not advanced within three years from the date of this agreement because the Export-Import Bank of Washington has not approved loans or because proposed loans have not been mutually agreeable to the Export-Import Bank of Washington and the Ministry of Treasury, the Government of the United States of America may use the lire for any 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 of America for the purposes stated in Paragraph 1 of this Agreement in such manner and order of priority as the Government of the United States of America may determine.

Article III

DEPOSIT OF LIRE

The deposit of lire to the account of the Government of the United States of America in payment for the commodities and for ocean transportation costs financed by the Government of the United States of America (except excess costs resulting from the requirement that the United States flag vessels be used) shall be made at the rate of exchange applicable to all United States Government transactions in Italy pursuant to the agreement concluded on January 25, 1947,¹ and the agreement contained in the subsequent exchange of letters between the United States and Italian Governments dated April 15, 1948.¹ Such deposits of lire to United States account shall 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 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 of America in these commodities, or materially impair trade relations among the countries of the free world.

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

2. 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.

3. The Government of Italy agrees to furnish, upon request of the Government of the United States of America, 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 7th day of March, 1958.

For the Government
of the United States of America :
J. D. ZELLERBACH

For the Government
of Italy :
PELLA

EXCHANGE OF NOTES

I

March 7th, 1958

Excellency,

I have the honor to refer to the Agricultural Commodities Agreement between the Government of the United States of America and the Government of Italy signed today.¹

I wish to confirm my Government's understanding of the agreement reached in conversations which have taken place between this Embassy and the Government of Italy with respect to the conversion of lire into other currencies and to certain other matters relating to the use of lire accruing under the subject agreement.

1. The Government of Italy will provide, upon request by the Government of the United States, facilities for the conversion of up to \$600,000 worth of lire into other European currencies. This facility is needed in part for the purpose of securing funds to finance agricultural market development activities of the Government of the United States in other countries.

2. It is also understood that the Government of the United States of America may utilize lire to procure in Italy goods and services needed in connection with agricultural market development projects and activities in other countries.

3. It is also understood that the Government of the United States of America may utilize lire in Italy to pay for international travel originating either in Italy or in the United States, including connecting travel.

I also wish to confirm the following supplementary understandings in relation to the Agreement :

1. With reference to Article II, Paragraph 1, sub-paragraph (b) of the Agreement, it is agreed that the lire equivalent of up to \$12.5 million, which may accrue under this section, are to be used to render support to the economic development and the expansion of employment in Southern and Insular Italy through the facilities of the industrial loan program administered by the three regional institutes pursuant to existing arrangements between our two Governments.

2. It is understood that Article IV, Paragraph I, of the Agreement requires :

(a) imports from the United States of usual marketings of not less than \$1.5 million worth of tobacco and \$54 million worth of cotton in the year ending June 30, 1958 ; and

(b) maintenance during the 1957-58 marketing season of usual imports of cotton, tobacco and poultry from friendly countries other than the United States.

3. It is understood that contracting and shipping dates for \$500,000 worth of poultry, as provided for in Article I of the Agreement, will be open until June 30, 1959.

¹ See p. 206 of this volume.

4. 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 \$25 million, the amount for loans to the Government of Italy would be correspondingly reduced. 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.

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

I shall be glad if your Excellency will confirm the foregoing on behalf of the Government of Italy.

Accept, Excellency, the assurances of my highest consideration.

J. D. ZELLERBACH

The Honorable Giuseppe Pella
Minister of Foreign Affairs
Rome

II

[ITALIAN TEXT — TEXTE ITALIEN]

Roma, 7 marzo 1958

Eccellenza,

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

« Ho l'onore di riferirmi all'Accordo per i Prodotti Agricoli firmato oggi tra il Governo degli Stati Uniti d'America ed il Governo italiano.

Desidero confermare l'intesa del mio Governo sull'Accordo raggiunto nelle conversazioni che hanno avuto luogo tra questa Ambasciata ed il Governo italiano in merito alla conversione di lire in altre valute ed a talune altre questioni relative all'utilizzo delle lire derivanti dall'Accordo in oggetto.

1. Il Governo italiano fornirà, su richiesta del Governo degli Stati Uniti, i mezzi per la conversione in altre valute europee di un ammontare in lire pari ad un massimo di dollari 600.000. Tale concessione occorre, in parte, allo scopo di assicurare i fondi necessari per finanziare iniziative del Governo degli Stati Uniti in altri Paesi per lo sviluppo del mercato agricolo.

2. Resta inoltre inteso che il Governo degli Stati Uniti d'America potrà utilizzare lire al fine di procurarsi in Italia beni e servizi necessari in relazione a progetti ed iniziative per lo sviluppo del mercato agricolo in altri Paesi.

3. Resta inoltre inteso che il Governo degli Stati Uniti d'America potrà utilizzare in Italia lire per pagare viaggi internazionali che abbiano inizio sia in Italia che negli Stati Uniti, inclusi percorsi intermedi.

Desidero inoltre confermare le seguenti intese supplementari in relazione all'Accordo :

1. Con riferimento all'Articolo II, paragrafo 1, lettera b) dell'Accordo, si conviene che l'equivalente in lire di un ammontare massimo di 12,5 milioni di dollari, che potrà essere ricavato in base alla predetta disposizione, dovrà essere utilizzato per potenziare lo sviluppo economico e l'incremento dell'occupazione nell'Italia Meridionale ed Insulare mediante le facilitazioni offerte dal programma di prestiti industriali amministrato dai tre Istituti regionali nel quadro dei vigenti Accordi tra i nostri due Governi.

2. Resta inteso che l'articolo IV, paragrafo 1, dell'Accordo prevede :

a) l'importazione dagli Stati Uniti degli approvvigionamenti usuali di non meno di \$ 1,5 milioni di tabacco, e di \$ 54 milioni di cotone, nell'anno che termina il 30 giugno 1958 ; e

b) il mantenimento durante la stagione commerciale 1957-58 delle usuali importazioni di cotone, tabacco e pollame da Paesi amici altri che gli Stati Uniti.

3. Resta inteso che i termini per la contrattazione e la spedizione del pollame per un valore di dollari 500.000, come previsto nell'Articolo I dell'Accordo, saranno aperti fino al 30 giugno 1959.

4. In quanto il totale delle lire ricavate dagli Stati Uniti in seguito alle vendite effettuate ai sensi dell'Accordo risulti inferiore all'equivalente di \$ 25 milioni, l'ammontare destinato a prestiti al Governo italiano verrà ridotto in proporzione. Resta inteso che il Governo degli Stati Uniti prenderà in ogni considerazione tutte le circostanze che possano portare ad eccessi o difetti nell'attuazione dell'Accordo.

5. Riguardo all'Articolo II, paragrafo 2, dell'Accordo, il Governo degli Stati Uniti si impegna a consultarsi con il Governo italiano per quanto concerne la determinazione delle precedenza ivi menzionate *.

Ho l'onore di informarLa che il Governo italiano è d'accordo su quanto precede.

Mi è gradita l'occasione, Eccellenza, per rinnovarLe l'espressione della mia alta considerazione.

PELLA

S. E. James D. Zellerbach
Ambasciatore degli Stati Uniti d'America
Roma

[TRANSLATION¹ — TRADUCTION²]

Rome, March 7, 1958

Excellency :

In a note dated today you have been good enough to inform me as follows :

[See note I]

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

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

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

I avail myself of this opportunity, Excellency, to renew to you the assurances of my high consideration.

PELLA

His Excellency James D. Zellerbach
Ambassador of the United States of America
Rome

MEMORANDUM OF UNDERSTANDING

In arriving at mutual agreement concerning loans eligible under Section 104 (e) the Minister of Treasury, or his designate, will act for the Government of Italy, and the President of the Export-Import Bank of Washington, or his designate, will act for the Export-Import Bank of Washington.

Upon receipt of an application which the Export-Import Bank is prepared to consider, the Export-Import Bank will notify the Ministry of Treasury of the identity of the applicant, the nature of the proposed business, the amount of the proposed loan, the general purposes for which the loan proceeds would be expended, and the probable range of (1) the interest rate and (2) the repayment period.

Within sixty days after the receipt of such notice, the Ministry of Treasury will indicate to the Export-Import Bank whether or not the Ministry of Treasury is receptive to the proposed loan. Unless within the sixty-day period the Export-Import Bank has received such a communication from the Ministry of

MEMORANDUM D'INTESA

Al fine di pervenire ad un mutuo accordo circa i prestiti da concedersi ai sensi della Sezione 104 e) il Ministro del Tesoro, o un suo delegato, agirà in rappresentanza del Governo italiano ed il Presidente della Export-Import Bank di Washington, o un suo delegato, agirà in rappresentanza della Export-Import Bank di Washington.

A ricezione di una domanda che la Export-Import Bank ritenga di poter prendere in considerazione, la Export-Import Bank darà notizia al Ministero del Tesoro del nominativo del richiedente, della natura dell'operazione proposta, dell'ammontare del prestito proposto, degli scopi generali per i quali il prestito verrebbe utilizzato, nonchè dei probabili limiti entro cui potrebbero variare (1) il tasso di interesse e (2) il periodo di rimborso.

Entro 60 giorni dalla data di ricezione di tali notizie, il Ministero del Tesoro comunicherà alla Export-Import Bank se lo stesso Ministero del Tesoro, sia, o meno, d'accordo sulla proposta di prestito. Qualora entro 60 giorni la Export-Import Bank non abbia ricevuto tale comunicazione dal Ministero del Tesoro,

Treasury, it shall be understood that the Ministry of Treasury has no objection to the proposed loan.

When the Export-Import Bank approves or declines the proposed loan, it will notify the Ministry of Treasury.

In approving a loan, the Export-Import Bank will (1) fix an interest rate similar to that prevailing in Italy on comparable loans; and (2) establish maturities similar to those of Export-Import Bank dollar loans to private enterprises.

Rome, March 7, 1958

For the Government
of the United States of America:

J. D. ZELLERBACH

For the Government
of Italy:

PELLA

sarà inteso che il Ministero del Tesoro non ha alcuna obiezione da muovere circa il prestito proposto.

Nel momento in cui la Export-Import Bank approverà o respingerà il prestito proposto, ne darà notizia al Ministero del Tesoro.

Nell'approvare un prestito, la Export-Import Bank (1) fisserà un tasso d'interesse simile a quello prevalente in Italia per prestiti similari; e (2) stabilirà scadenze simili a quelle previste per i prestiti in dollari che la Export-Import Bank concede ad imprese private.

Roma, 7 marzo 1958

Per il Governo Italiano:

PELLA

Per il Governo
degli Stati Uniti d'America:

J. D. ZELLERBACH