

No. 4444

**UNITED STATES OF AMERICA
and
FRANCE**

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act
(with Memorandum of Understanding and exchange of
letters). Signed at Paris, on 27 December 1957**

Official texts: English and French.

Registered by the United States of America on 24 July 1958.

**ÉTATS-UNIS D'AMÉRIQUE
et
FRANCE**

**Accord conformément aux dispositions du titre I de la loi
des États-Unis tendant à développer et à aider le com-
merce agricole (avec Mémorandum d'accord et échange
de lettres). Signé à Paris, le 27 décembre 1957**

Textes officiels anglais et français.

Enregistré par les États-Unis d'Amérique le 24 juillet 1958.

No. 4444. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED STATES
OF AMERICA AND THE GOVERNMENT OF THE FRENCH
REPUBLIC UNDER TITLE I OF THE AGRICULTURAL
TRADE DEVELOPMENT AND ASSISTANCE ACT. SIGN-
ED AT PARIS, ON 27 DECEMBER 1957

The Government of the United States of America and the Government of the French Republic :

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 and France in these commodities, or unduly disrupt world prices of agricultural commodities ;

Considering that the purchases for francs of surplus agricultural commodities produced in the United States of America will assist in achieving such an expansion of trade ;

Considering that the francs 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, as specified below, of surplus agricultural commodities to France 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 FRANCS

Subject to the issuance of purchase authorizations, the Government of the United States of America undertakes to finance the sale to purchasers authorized by the Government of the French Republic, for French francs, of the following agricultural commodities determined to be surplus pursuant to Title I of the Agricultural Trade Development and Assistance Act in the amount indicated :

¹ Came into force on 27 December 1957, upon signature, in accordance with article VI.

<i>Commodity</i>	<i>Amount (Thousands)</i>
Tobacco	\$2,500
Ocean Transportation	60
TOTAL	\$2,560

Purchase authorizations will be issued not later than 90 calendar days after the effective date of this Agreement. They will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of the francs accruing from such sale and other relevant matters.

Article II

USES OF FRANCS

The two Governments agree that the francs 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, in such manner and order of priority as the Government of the United States of America shall determine, 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 of America under Sub-sections (a), (d), (f), and (h) of Section 104 of the Act, the franc equivalent of \$1,920,000.
- (b) For loans to be made by the Export-Import Bank of Washington under Section 104 (e) of said Act and for administrative expenses of the Export-Import Bank of Washington in France incident thereto, the franc equivalent of \$640,000, but not more than 25% of the currencies received under the Agreement. Such loans will be made to United States business firms and branches, subsidiaries, or affiliates of such firms in France for business development and trade expansion in France and to United States firms and to French firms for the establishment of facilities for aiding in the utilization, distribution or otherwise increasing the consumption of and 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 the French Republic. The Ministry of Finance and Economic Affairs will act on behalf of the Government of the French Republic in this matter. In the event the francs 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 Finance and Economic Affairs, the Government of the United States of America may, after consultation with

the Government of the French Republic, use the francs for any purpose authorized by Section 104 of the Act.

Article III

DEPOSIT OF FRANCS

The deposit of francs to the account of the Government of the United States of America in payment for the commodities or ocean transportation costs financed by the Government of the United States of America (except excess costs resulting from the requirement that United States flag vessels be used) shall be made at the rate of exchange for United States dollars generally applicable to import transactions (excluding imports granted a preferential rate) in effect on the dates of dollar disbursement by United States banks, or by the Government of the United States of America, as provided in the purchase authorizations.

Article IV

GENERAL UNDERTAKINGS

1. The Government of the French Republic agrees that it will take all possible measures to prevent the resale or transshipment to other countries before processing, or the use for other than domestic purposes before processing (except where such resale, transshipment or use is specifically approved by the Government of the United States of America), of the surplus agricultural commodities purchased pursuant to the provisions of this Agreement.

2. The two Governments agree that they will take reasonable precaution 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 or France 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 use their best endeavors to develop and expand continuous market demand for agricultural commodities referred to in this Agreement.

4. The Government of the French Republic 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 statistical 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 at Paris in duplicate in the English and French languages this twenty-seventh day of December 1957.

For the Government
of the United States of America :
John W. TUTHILL

For the Government
of the French Republic :
P. NACIVET

MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENT
OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT
OF THE FRENCH REPUBLIC

In arriving at mutual agreement concerning loans eligible under Section 104 (e) the Minister of Finance and Economic Affairs or his designate, will act for the Government of the French Republic, 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 Finance and Economic Affairs 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 Finance and Economic Affairs will indicate to the Export-Import Bank whether or not the Ministry of Finance and Economic Affairs 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 Finance and Economic Affairs, it shall be understood that the Ministry of Finance and Economic Affairs has no objection to the proposed loan.

When the Export-Import Bank approves or declines the proposed loan, it will notify the Ministry of Finance and Economic Affairs.

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

For the Government
of the United States of America :

John W. TUTHILL

For the Government
of the French Republic :

P. NACIVET

Paris, December 27, 1957

EXCHANGE OF LETTERS — ÉCHANGE DE LETTRES

I

The American Minister for Economic Affairs to the French Deputy Secretary General of the Interministerial Committee for Questions of European Economic Cooperation

Le Ministre des États-Unis d'Amérique, chargé des affaires économiques, au Secrétaire général adjoint du Comité interministériel français pour les questions de coopération économique européenne

Paris, France, December 27, 1957

Dear Mr. Nacivet :

I have the honor to refer to the Agricultural Commodities Agreement between the Government of the United States of America and the Government of the French Republic 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 the French Republic with respect to certain matters relating to the use of francs accruing under the subject Agreement.

1. The present plan of the Government of the United States of America is to use the franc equivalent of \$1,920,000 referred to in paragraph 1 (a) of Article II of the Agreement as follows :

- (a) Approximately \$500,000 under Section 104 (a) of the Agricultural Trade Development and Assistance Act for the development of new markets for U.S. agricultural commodities ;
- (b) Approximately \$160,000 for expenditures of the Government of the United States of America under Section 104 (d) of the Act for the procurement of goods and services for other friendly countries ;
- (c) Approximately \$260,000 under Section 104 (f) of the Act for other expenditures in the franc area by the Government of the United States of America ;
- (d) Approximately \$1,000,000 under Section 104 (h) of the Act for international educational exchange purposes.

It is understood that the foregoing figures are preliminary estimates. Actual expenditures may vary somewhat, but any substantial modifications of the above expenditure pattern will be discussed in advance with the Government of the French Republic. If, by December 31, 1958, it has not been possible to develop an agreed program within the framework of paragraphs 1 (a), (b) and (d) above

¹ See p. 80 of this volume.

for the utilization of the francs which will become available pursuant to the Agreement, the two Governments may agree upon other uses for such funds consistent with the provisions of Section 104 of the Act. In any case, after December 31, 1958, the Government of the United States of America shall have the right on its own responsibility to utilize any unexpended balances in such francs for the payment of any of its obligations in the franc area.

2. With respect to francs utilized for agricultural market development purposes under Section 104 (a) of the Act, the following understandings have been reached :

- (a) Part of these francs may be utilized for the development of new markets for tobacco in France in agreement with the Service Français d'Exploitation Industrielle des Tabacs et des Allumettes. The Government of the United States of America will consult with the Government of the French Republic prior to the initiation of market development projects involving commodities other than tobacco and will not undertake any projects to which the Government of the French Republic objects.
- (b) The Government of the United States of America may utilize these francs to procure in France goods and services needed in connection with agricultural market development projects and activities in other countries.
- (c) The Government of the United States of America may also utilize these francs in France to pay for the following types of international travel, when performed by persons of either American, French or other nationality who are engaged in agricultural market development activities by, or on behalf of, the U.S. Department of Agriculture :
 - (1) Travel (including round trips) originating in France, or originating outside of France but the destination of which is France ; and
 - (2) Air and rail travel within the United States or other areas outside of France in cases where the traveler begins or terminates his journey within France.

The procedures for giving effect to this provision will be worked out by agreement between the Embassy and the interested French Government agency.

3. Francs earmarked for international educational exchange activities under Section 104 (h) of the Act will be utilized in accordance with the provisions of the Franco-American Agreement of October 22, 1948¹ for Financing Certain Educational Exchange Programs.

¹ United Nations, *Treaty Series*, Vol. 84, p. 173 ; Vol. 234, p. 312, and Vol. 262, p. 462.

I should appreciate your confirming to me that the contents of this letter also represent the understanding of your Government of the agreement reached between us on the matters dealt with herein.

Sincerely yours,

John W. TUTHILL
Minister for Economic Affairs

Monsieur Pierre Nacivet
Secrétaire Général Adjoint du Comité Interministériel
pour les Questions de Coopération Économique Européenne
Présidence du Conseil
Paris¹

[TRADUCTION — TRANSLATION]

Paris (France), le 27 décembre 1957

Cher Monsieur Nacivet,

[Voir lettre II]

Veillez agréer, etc.

John W. TUTHILL
Ministre chargé des affaires économiques

II

The French Deputy Secretary General of the Interministerial Committee for Questions of European Economic Cooperation to the American Minister for Economic Affairs

Le Secrétaire général adjoint du Comité interministériel français pour les questions de coopération économique européenne au Ministre des États-Unis d'Amérique, chargé des affaires économiques

PRÉSIDENTE DU CONSEIL

COMITÉ INTERMINISTÉRIEL POUR LES QUESTIONS DE COOPÉRATION ÉCONOMIQUE EUROPÉENNE

SECRETARIAT GÉNÉRAL

Paris, le 27 décembre 1957

Cher Monsieur Tuthill,

Je me réfère à votre lettre du 27 décembre 1957, dont le texte traduit en français est le suivant.

¹ Mr. Pierre Nacivet, Deputy Secretary General of the Interministerial Committee for Questions of European Economic Cooperation, Office of the President of the Council, Paris.