

No. 4837

**UNITED STATES OF AMERICA
and
UNITED ARAB REPUBLIC**

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act,
as amended. Signed at Cairo, on 24 December 1958**

Official text: English.

Registered by the United States of America on 12 August 1959.

**ÉTATS-UNIS D'AMÉRIQUE
et
RÉPUBLIQUE ARABE UNIE**

**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 au Caire, le 24 décembre 1958**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 12 août 1959.

No. 4837. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE GOVERNMENT OF
THE UNITED ARAB REPUBLIC UNDER TITLE I OF THE
AGRICULTURAL TRADE DEVELOPMENT AND AS-
SISTANCE ACT, AS AMENDED. SIGNED AT CAIRO, ON
24 DECEMBER 1958

The Government of the United States of America and the Government of the United Arab 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 in these commodities, or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries;

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

Considering that the Egyptian pounds accruing from such purchase 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 the United Arab Republic pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended, (hereinafter referred to as the 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 EGYPTIAN POUNDS

Subject to the issuance by the Government of the United States of America and acceptance by the Government of the United Arab Republic of purchase authorizations, the Government of the United States of America undertakes

¹ Came into force on 24 December 1958 upon signature in accordance with article VI.

to finance the sale to purchasers authorized by the Government of the United Arab Republic, for Egyptian pounds, of the following agricultural commodities determined to be surplus pursuant to the Act, in the amounts indicated :

| <i>Commodity</i> | <i>Export Market Value (Million)</i> |
|--------------------------------|--|
| Wheat grain | \$12.2 |
| Wheat flour | 9.1 |
| Ocean transportation | 3.6 |
| | TOTAL \$24.9 |

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 Egyptian pounds accruing from such sale, and other relevant matters.

Article II

USES OF EGYPTIAN POUNDS

1. The two Governments agree that the Egyptian pounds 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) For United States expenditures under sub-sections (a), (b), (f), (h), (i), (j), (k), (l), (m), (n), and (o) of Section 104 of the Act, or under any of such sub-sections, the Egyptian pound equivalent of \$18.675 million, including the Egyptian pound equivalent of not more than \$500,000 to provide assistance of the types provided for under Section 104 (j). Uses under sub-sections (k), (l), (m), (n), and (o) are subject to legislative action by the Congress of the United States.

(B) 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 the United Arab Republic incident thereto, the Egyptian pound equivalent of \$6.225 million, but not more than 25 percent of the currencies received under the Agreement. It is understood that :

(a) Such loans under Section 104 (e) of the Act will be made to United States business firms and branches, subsidiaries, or affiliates of such firms in the United Arab Republic for business development and trade expansion in the

United Arab Republic and to United States firms and United Arab Republic 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.

- (b) Loans will be mutually agreeable to the Export-Import Bank of Washington and the Government of the United Arab Republic, acting through the National Bank of Egypt. The Governor of the National Bank of Egypt, or his designate will act for the Government of the United Arab Republic, and the President of the Export-Import Bank of Washington, or his designate, will act for the Export-Import Bank of Washington.
- (c) Upon receipt of an application which the Export-Import Bank is prepared to consider, the Export-Import Bank will inform the National Bank of Egypt of the identity of the applicant, the nature of the proposed business, the amount of the proposed loan, and the general purposes for which the loan proceeds would be expended.
- (d) When the Export-Import Bank is prepared to act favorably upon an application it will so notify the National Bank of Egypt and will indicate the interest rate and the repayment period which would be used under the proposed loan. The interest rate will be similar to those prevailing in the United Arab Republic on comparable loans, and the maturities will be consistent with the purposes of the financing.
- (e) Within sixty days after the receipt of the notice that the Export-Import Bank is prepared to act favorably upon an application, the National Bank of Egypt will indicate to the Export-Import Bank whether or not the National Bank of Egypt has any objection to the proposed loan. Unless within the sixty-day period the Export-Import Bank has received such a communication from the National Bank of Egypt, it shall be understood that the National Bank of Egypt has no objection to the proposed loan. When the Export-Import Bank approves or declines the proposed loan, it will notify the National Bank of Egypt.
- (f) In the event the Egyptian pounds 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 has not approved loans or because proposed loans have not been mutually agreeable to the Export-Import Bank and the National Bank of Egypt, the Government of the United States of America may use the Egyptian pounds for any purpose authorized by Section 104 of the Act.

Article III

DEPOSIT OF EGYPTIAN POUNDS

Egyptian pounds shall be deposited 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 United States flag vessels be used) 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 United Arab Republic agrees that it will take all possible measures to prevent the resale or transshipment to other countries, or the use for other than domestic purposes (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, and to assure that the purchase of such commodities does not result in increased availability of these or like commodities to nations unfriendly to the United States of America.

2. The two Governments agree that they will take reasonable precautions to assure that all sales or purchases of 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 disrupt normal patterns of commercial trade with friendly countries.

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 the United Arab 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 conditions of commodities, 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 at Cairo in duplicate this twenty-fourth day of December, 1958.

For the Government of the United States of America :
Raymond A. HARE

For the Government of the United Arab Republic :
KAISSOUNI