

No. 4901

**UNITED STATES OF AMERICA
and
FRANCE**

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act,
as amended (with Memorandum of Understanding and
exchange of notes). Signed at Paris, on 21 March 1959**

Official texts: English and French.

Registered by the United States of America on 3 October 1959.

**ÉTATS-UNIS D'AMÉRIQUE
et
FRANCE**

**Accord conforme aux dispositions du titre I de la loi des
États-Unis tendant à développer et à aider le commerce
agricole, telle qu'elle a été amendée (avec Mémoire
d'accord et échange de notes). Signé à Paris, le 21 mars
1959**

Textes officiels anglais et français.

Enregistré par les États-Unis d'Amérique le 3 octobre 1959.

No. 4901. 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 AS-
SISTANCE ACT, AS AMENDED. SIGNED AT PARIS,
ON 21 MARCH 1959

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, unduly disrupt world prices of agricultural commodities, or normal patterns of commercial trade with friendly countries;

Considering that the purchase 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, 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 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, as amended, in the amounts indicated :

¹ Came into force on 21 March 1959, upon signature, in accordance with article VI.

<i>Commodity</i>	<i>Amount (Thousand)</i>
Cotton	\$24,000
Tobacco	3,500
Ocean transportation	665
	TOTAL \$28,165

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 the United States agricultural commodities, and for other expenditures by the Government of the United States of America under Sub-sections (a), (b), (f), (h), (i), (j), (k), (l), (m), (n), and (o) of Section 104 of the Act, the franc equivalent of \$14,955,000, including the franc equivalent of not more than \$300,000 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 financing the procurement of goods and services for other friendly countries under Section 104 (d) of the Act, the franc equivalent of \$6,170,000.
- (c) For loans to be made by the Export-Import Bank of Washington under Section 104 (e) of the said Act and for administrative expenses of the Export-Import Bank of Washington in France incident thereto, the franc equivalent of \$7,040,000, 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 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 or France in these commodities, or disrupt normal patterns of commercial trade with friendly countries.

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 this 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.

DONE at Paris, in duplicate, in the English and French languages, this 21st day of March, 1959.

For the Government of the United States of America :
Amory HOUGHTON

For the Government of the French Republic :
Louis JOXE

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 consistent with the purposes of the financings.

DONE at Paris, in duplicate, in the English and French languages, this 21st day of March, 1959.

For the Government of the United States of America :
Amory HOUGHTON

For the Government of the French Republic :
Louis JOXE

EXCHANGE OF NOTES — ÉCHANGE DE NOTES

I

The American Ambassador to the Secretary General of the French Ministry of Foreign Affairs *L'Ambassadeur des États-Unis d'Amérique au Secrétaire général du Ministère des affaires étrangères de la République française*

Paris, March 21, 1959

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 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 \$14,955,000 referred to in paragraph (a) of Article II of the Agreement under the following conditions :

- (a) The equivalent of approximately \$50,000 under Section 104 (a) of the United States Agricultural Trade Development and Assistance Act, as amended, for the development of new markets for U.S. agricultural commodities.
- (b) The equivalent of approximately \$2,455,000 under Section 104 (a) for agricultural utilization research in France.
- (c) The equivalent of approximately \$400,000 under Section 104 (h) of the Act for international educational exchange purposes.
- (d) The equivalent of approximately \$1,000,000 under Section 104 (b), (h), (i), (k), (l), (m), (n), and (o) of the Act for the purposes provided by those Sections.
- (e) Not more than the franc equivalent of \$300,000 under Section 104 (j) of the Act to furnish either of the types of assistance provided for under that Sub-section.
- (f) The equivalent of approximately \$10,750,000 under Section 104 (f) of the Act for other expenditures in the franc area by the Government of the United States of America. Of this sum, the equivalent of about \$6,000,000 is for financing the expenditures in France for a program of housing for the families of members of the U.S. Armed Forces stationed in France, within the framework of the agreements between our two Governments relating to the presence and activities of those Forces in France.

¹ See p. 72 of this volume.

It is understood that the foregoing figures are preliminary estimates. Actual expenditures may vary somewhat, but any substantial modifications of the above-mentioned amounts of expenditures would be discussed in advance with the Government of the French Republic.

2. It is understood that if the total amount of francs realized by the Government of the United States of America under the Agreement should fail to reach the equivalent of \$28,165,000, the difference between this figure and the amount actually realized would be distributed proportionately among the various franc uses as specified in Article II of the Agreement and paragraph 1 above. However, either Government would have the right to request exceptions to this general rule.

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

- (a) The program for the use of any funds that may be set aside for financing research will be established by the Government of the United States of America after consultation with the Government of the French Republic, which will furnish all information of a nature to facilitate carrying out of the said program.
- (b) If requested by the Government of the United States, the Government of the French Republic will provide facilities for the conversion of up to the equivalent of \$50,000 in francs into other non-dollar currencies for use under Section 104 (a) of the Act in other countries.

The procedure for giving effect to these provisions will be fixed by agreement between the Embassy and the interested French Government agencies.

4. Francs earmarked in paragraph 1 (c) above for international educational exchange activities under Section 104 (h) of the Act will be utilized for such activities in Thailand. Upon request by the Government of the United States, the Government of the French Republic will provide facilities for the conversion of the equivalent of \$400,000 in francs into baht for this purpose.

5. The Government of the United States of America will keep the Government of the French Republic informed about the programs financed under Sections 104 (b), (h), (i), (j), (k), (l), (m), (n), and (o) of the Act. Uses under Sub-sections (k), (l), (m), and (o) are subject to legislative action by the Congress of the United States.

6. If, by December 31, 1959, it has not been possible to agree on the implementation of programs within the framework of the Agreement and this exchange of letters for the utilization of the franc equivalents referred to in paragraphs (a) and (b) of Article II of the Agreement, the two Governments may agree upon other uses for such funds under the provisions of Section 104 of the Act. In any case, after December 31, 1960, the Government of the United

States of America shall have the right on its own responsibility to utilize the unexpended balance of such funds in France for the payment of its obligations in the franc area.

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

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

Amory HOUGHTON

His Excellency Louis Joxe
Secretary General
Ministry of Foreign Affairs
Paris

[TRADUCTION — TRANSLATION]

Paris, le 21 mars 1959

Monsieur,

[*Voir note II*]

Veillez agréer, etc.

Amory HOUGHTON

Son Excellence Monsieur Joxe
Secrétaire général
Ministère des affaires étrangères
Paris

II

*The Secretary General of the French
Ministry of Foreign Affairs to the
American Ambassador*

*Le Secrétaire général du Ministère des
affaires étrangères de la République
française à l'Ambassadeur des États-
Unis d'Amérique*

Paris, le 21 mars 1959

Monsieur l'Ambassadeur,

Je me réfère à votre lettre du 21 mars 1959 dont le texte traduit en français est le suivant :

« J'ai l'honneur de me référer à l'Accord sur les fournitures de produits agricoles qui a été signé ce jour¹ entre le Gouvernement des États-Unis d'Amérique et le Gouvernement de la République française.

¹ Voir p. 73 de ce volume.

« J'attacherais du prix à ce que vous vouliez bien me confirmer que les dispositions reprises dans cette lettre correspondent bien au sens donné par votre Gouvernement à l'accord intervenu entre nous sur les sujets dont il a été question dans la présente lettre. »

J'ai l'honneur de vous confirmer que les dispositions reprises dans la lettre mentionnée ci-dessus correspondent bien au sens donné par mon Gouvernement à l'accord intervenu entre nous sur les sujets dont il a été question dans ladite lettre.

Veillez agréer, Monsieur l'Ambassadeur, les assurances de ma très haute considération.

Louis JOXE

Son Excellence Monsieur Amory Houghton
Ambassadeur des États-Unis d'Amérique
Paris

[TRANSLATION¹ — TRADUCTION²]

Paris, March 21, 1959

Mr. Ambassador :

I refer to your note of March 21, 1959, the text of which, translated into French, reads as follows :

[See note I]

I have the honor to confirm to you that the provisions set forth in the above-mentioned note represent the understanding of my Government of the agreement reached between us on the matters dealt with therein.

Accept, Mr. Ambassador, the assurances of my very high consideration.

Louis JOXE

His Excellency Amory Houghton
Ambassador of the United States of America
Paris

¹ Traduction du Gouvernement des États-Unis d'Amérique.

² Translation by the Government of the United States of America.