

No. 5111

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

**Agricultural Commodities Agreement under Title I of the  
Agricultural Trade Development and Assistance Act,  
as amended (with exchange of notes). Signed at Cairo,  
on 29 July 1959**

*Official text: English.*

*Registered by the United States of America on 29 April 1960.*

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**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 (avec  
échange de notes). Signé au Caire, le 29 juillet 1959**

*Texte officiel anglais.*

*Enregistré par les États-Unis d'Amérique le 29 avril 1960.*

No. 5111. AGRICULTURAL COMMODITIES AGREEMENT<sup>1</sup>  
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 ASSIST-  
ANCE ACT, AS AMENDED. SIGNED AT CAIRO, ON  
29 JULY 1959

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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 (Southern Region) 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 to

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<sup>1</sup> Came into force on 29 July 1959, upon signature, in accordance with article VI.

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 and wheat flour . . . . .	\$52.5
Ocean transportation (estimated) . . . . .	5.2
	<hr/> \$57.7

Purchase authorizations will be issued not later than December 31, 1959. 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-section (f) of Section 104, the Egyptian pound equivalent of not more than \$5.770 million.

(B) For United States expenditures under sub-sections (a), (b), (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 \$8.655 million. Uses under sub-sections (k), (l), (m), (n), and (o) are subject to legislative action by the Congress of the United States.

(C) 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 \$14.425 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 that 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 of Washington has not approved loans or because proposed loans have not been mutually agreeable to the Export-Import Bank of Washington 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.

(D) For a loan to the Government of the United Arab Republic under subsection (g) of Section 104 of the Act, the Egyptian pound equivalent of not more than \$28.850 million, for financing such projects to promote economic development, including projects not heretofore included in plans of the Government of the United Arab Republic, as may be mutually agreed. In the event that agreement is not reached on the use of the Egyptian pounds for loan purposes within

three years from the date of this agreement, the Government of the United States of America may use the Egyptian pounds for any purposes authorized by Section 104 of the Act.

2. In the event the total of Egyptian pounds accruing to the Government of the United States of America as a consequence of sales made pursuant to this agreement is less than the pound equivalent of \$57.7 million, the amount available for a loan to the Government of the United Arab Republic under 104 (g) will be reduced by the amount of such difference; in the event the total Egyptian pound deposit exceeds the equivalent of \$57.7 million, 50 percent of the excess will be available for a loan under Section 104 (g), 25 percent for loans under Section 104 (e), and 25 percent for any use or uses authorized by Section 104 as the Government of the United States of America may determine.

### *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 surplus agricultural commodities, pursuant to the Agreement, will not unduly disrupt world prices of agricultural commo-

ties, 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*

The 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-ninth day of July 1959.

For the Government of the United States of America :  
Norbert L. ANSCHUETZ

For the Government of the United Arab Republic :  
KAISSOUNI

## EXCHANGE OF NOTES

## I

*The Minister of Economy of the United Arab Republic to the American Chargé d'Affaires ad interim*

CENTRAL GOVERNMENT  
MINISTRY OF ECONOMY  
Office of the Minister

July 29, 1959

Excellency :

I have the honour to refer to the Agricultural Commodities Agreement signed today<sup>1</sup> between representatives of our two Governments under which the Government of the United States of America undertakes to finance the delivery to the United Arab Republic of \$57.7 million of wheat and wheat flour, and to inform you of the following :

In expressing its agreement with the Government of the United States of America that the above-mentioned delivery of wheat and wheat flour should not unduly disrupt world prices of agricultural commodities, displace usual marketings of the United States in these commodities, or impair trade relations among friendly nations, my Government agrees that between July 1, 1959 and June 30, 1960 it will import additionally from free world sources at least 450,000 MT of wheat and wheat flour in wheat equivalent.

My Government further understands that the wheat and wheat flour included under this Agreement is provided by the Government of the United States of America on the basis of assurances that my Government will not be deterred from its announced intention not to increase the total area devoted to cotton production but to decrease it further.

I shall appreciate receiving your Excellency's confirmation of the above understandings.

KAISSOUNI

His Excellency Norbert L. Anschuetz  
Chargé d'Affaires ad interim of the United States of America  
Cairo

<sup>1</sup> See p. 122 of this volume.

## II

*The American Chargé d'Affaires ad interim to the Minister of Economy of the  
United Arab Republic*

EMBASSY OF THE UNITED STATES OF AMERICA

Cairo, July 29, 1959

Excellency :

I have the honor to acknowledge the receipt of Your Excellency's note of July 29, 1959 reading :

[*See note I*]

I have the honor to confirm on behalf of the Government of the United States of America the understandings set forth in the foregoing note.

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

Norbert L. ANSCHUETZ  
Chargé d'Affaires ad interim

His Excellency Dr. Abdel Moneim el-Kaissouni  
Minister of Economy  
Cairo

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