

No. 8400

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

**Agricultural Commodities Agreement under Title IV of the  
Agricultural Trade Development and Assistance Act, as  
amended (with exchange of notes). Signed at Cairo, on  
3 January 1966**

*Official text: English.*

*Registered by the United States of America on 21 November 1966.*

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

**Accord relatif aux produits agricoles, conclu dans le cadre  
du titre IV 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 3 janvier 1966**

*Texte officiel anglais.*

*Enregistré par les États-Unis d'Amérique le 21 novembre 1966.*

No. 8400. 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 IV OF  
THE AGRICULTURAL TRADE DEVELOPMENT AND  
ASSISTANCE ACT, AS AMENDED. SIGNED AT CAIRO,  
ON 3 JANUARY 1966

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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 in a manner which would utilize agricultural commodities including the products thereof, produced in the United States of America to assist economic development in the United Arab Republic;

Recognizing that such expanded trade should be carried on in a manner which would not displace cash marketings of the United States of America in those commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries;

Recognizing further that by providing such commodities to the United Arab Republic under long-term supply and credit arrangements, the resources and manpower of the United Arab Republic can be utilized more effectively for economic development without jeopardizing meanwhile adequate supplies of agricultural commodities for domestic use;

Desiring to set forth the understandings which will govern the sales, as specified below, of commodities to the United Arab Republic pursuant to Title IV of the Agricultural Trade Development and Assistance Act, as amended (hereinafter referred to as the " Act " );

Have agreed as follows :

*Article I*

COMMODITY SALES PROVISIONS

1. Subject to the issuance by the Government of the United States of America and acceptance by the Government of the United Arab Republic of

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<sup>1</sup> Came into force on 3 January 1966, upon signature, in accordance with article V.

credit purchase authorizations and to the availability of commodities under the act at the time of exportation, the Government of the United States of America undertakes to finance, during those periods specified in the table of commodities which appears below, or such longer periods as may be authorized by the Government of the United States of America, sales for United States dollars, to purchasers authorized by the Government of the United Arab Republic, of the following commodities :

<i>Commodity</i>	<i>Supply Period</i>	<i>Approximate Maximum Quantity (Metric Tons)</i>	<i>Maximum Export Market Value to be Financed (1,000)</i>
Wheat . . . . .	U.S. Fiscal Year 1966	236,100	\$13,750
Ocean transportation (estimated) . . .			889
		TOTAL	<u>\$14,639</u>

The total amount of financing provided in the credit purchase authorizations shall not exceed the above-specified export market value to be financed, except that additional financing for ocean transportation will be provided if the estimated amount for financing shipments required to be made on United States flag vessels proves to be insufficient. It is understood that the Government of the United States of America may limit the amount of financing provided in the credit purchase authorizations, as price declines or other marketing factors require, so that the quantities of commodities financed will not substantially exceed the approximate maximum quantities specified in the agreement.

2. Applications for credit purchase authorizations will be made promptly after the effective date of this Agreement. Purchase authorizations will include provisions relating to the sale and delivery of the commodities and other relevant matters.

3. The financing, sale, and delivery of commodities hereunder may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale, and delivery is unnecessary or undesirable.

## *Article II*

### CREDIT PROVISIONS

1. The Government of the United Arab Republic will pay, or cause to be paid, in United States dollars to the Government of the United States of America for the commodities specified in Article I and related ocean transportation (except

excess ocean transportation costs resulting from the requirement that United States flag vessel be used), the amount financed by the Government of the United States of America together with interest thereon.

2. Payments of amounts financed in connection with shipments made in each calendar year, including the applicable ocean transportation costs related to such deliveries, shall be made in 19 approximately equal annual installments. The first payment shall become due two years from the date of last delivery in any calendar year. Any annual payment may be made prior to the due date thereof.

3. Interest on the unpaid balance of the principal amount due the Government of the United States of America for commodities delivered in each calendar year will begin on the date of the last delivery of commodities in such calendar year and will be paid annually not later than the anniversary date of those deliveries. Interest shall be computed at the rate of  $2\frac{1}{2}$  percent per annum.

4. All payments shall be made in United States dollars and the Government of the United Arab Republic shall deposit, or cause to be deposited, such payments in the United States Treasury for credit to the Commodity Credit Corporation unless another depository is agreed upon by the two Governments.

5. The two Governments will each establish appropriate procedures to facilitate the reconciliation of their respective records of the amounts financed with respect to the commodities delivered during each calendar year.

6. For the purpose of determining the date of last delivery of commodities for each calendar year, delivery shall be deemed to have occurred as of the onboard date shown in the ocean bill of lading which has been signed or initialed on behalf of the carrier.

### *Article III*

#### GENERAL PROVISIONS

1. The Government of the United Arab Republic will take all possible measures to prevent the resale or transshipment to other countries, or the use for other than domestic consumption of the agricultural commodities purchased pursuant to this agreement (unless such resale, transshipment or use is specifically approved by the Government of the United States of America); to prevent the export of any commodity of either domestic or foreign origin which is the same as or like the commodities purchased pursuant to this agreement during the period beginning on the date of this agreement and ending on the final date on which said commodities are being received and utilized (except where such export is specifically approved by the Government of the United States of America); and to ensure that the purchase of commodities pursuant to this agreement does not result in increased availability of the same or like commodities to nations unfriendly to the United States of America.

2. The two Governments will take reasonable precautions to assure that sale and purchases of commodities pursuant to the agreement will not displace usual marketings of the United States of America in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade of countries friendly to the United States of America.

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 will furnish quarterly information on the progress of the programs, particularly with respect to the arrival and conditions of the commodities; provisions for the maintenance of usual marketings; and information relating to imports and exports of the same or like commodities.

#### *Article IV*

##### CONSULTATION

The two Governments will, upon request of either of them, consult regarding any matter relating to the application of this agreement or to the operation of arrangements entered into pursuant to this agreement.

#### *Article V*

##### ENTRY INTO FORCE

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 third day of January, 1966.

For the Government  
of the United States of America :

LUCIUS D. BATTLE

For the Government  
of the United Arab Republic :

A. KAISSOUNI

## EXCHANGE OF NOTES

## I

*The American Ambassador to the Deputy Prime Minister of the  
United Arab Republic*

January 3, 1966

Excellency :

I have the honor to refer to the Title IV Agricultural Commodities Agreement between our two governments signed today and to confirm my Government's understanding of the following :

1. With regard to paragraph 4 of Article III of the agreement, the Government of the United Arab Republic agrees to furnish quarterly the following information in connection with each shipment of commodities received under the agreement : the name of each vessel; the date of arrival; the port of arrival; the commodity and quantity received; the condition in which received; the date unloading was completed; and the disposition of the cargo, i.e., stored, distributed locally, or if shipped, where shipped. In addition, the Government of the United Arab Republic agrees to furnish quarterly : (a) a statement of measures it has taken to prevent the resale or transshipment of commodities furnished, (b) assurances that the program has not resulted in increased availability of the same or like commodities to other nations, and (c) a statement by the Government of the United Arab Republic showing progress made toward fulfilling commitments on usual marketings, accompanied by statistical data on imports and exports by country of origin or destination of commodities which are the same as or like those imported under the agreement.

2. It is also understood that any Egyptian pounds resulting from the sale within the United Arab Republic of the commodities purchased pursuant to the agreement which are loaned by the Government of the United Arab Republic to private or non-governmental organizations shall be loaned at rates of interest approximately equivalent to those charged for comparable loans in the United Arab Republic.

3. In view of the world rice situation, no limitation is being placed on total rice exports by the United Arab Republic during the period November 1, 1965 through October 31, 1966, provided that the agreement does not result in increased availability of rice to nations unfriendly to the United States of America.

4. As agreed in conversations which have taken place between representatives of our two Governments, the Government of the United Arab Republic

will use the Egyptian pounds resulting from the sale of commodities financed under the agreement for economic and social development programs as may be mutually agreed upon by our two Governments.

5. The Government of the United Arab Republic further agrees to furnish the Government of the United States of America semi-annual reports showing the total Egyptian pounds available to the Government of the United Arab Republic from the sale of the commodities and reports listing the projects being undertaken including information on the name and location of the amount invested in each project.

6. The Government of the United Arab Republic agrees that the total acreage planted to cotton during the coming year in the United Arab Republic will not increase above the present acreage.

7. In agreeing that the delivery of commodities pursuant to the agreement should not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries, the Government of the United Arab Republic agrees that it will, in addition to the commodities to be programmed under agricultural commodities agreements between our two Governments, import with its own resources from free world sources, including the United States of America during the United States Fiscal Year 1966, 450,000 metric tons of wheat and/or wheat flour on a grain equivalent basis.

I shall appreciate receiving your confirmation that the foregoing also represents the understanding of the Government of the United Arab Republic.

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

Lucius D. BATTLE  
Ambassador

Dr. Abdel Moneim el Kaissouni  
Deputy Prime Minister  
Ministry of Economy  
Cairo, U.A.R.

## II

*The Deputy Prime Minister of the United Arab Republic  
to the American Ambassador*

Cairo, January 3, 1966

Sir :

I have the honor to acknowledge the receipt of your note of January 3, 1966, which reads as follows :

[See note I]

I have the honor to inform you, Sir, that the terms of the foregoing note are acceptable to the Government of the United Arab Republic and that the Government of the United Arab Republic considers your note and the present reply as constituting an agreement between our two Governments on this subject, the Agreement to enter into force on today's date.

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

A. KAISSOUNI  
Deputy Prime Minister  
Ministry of Economy

Lucius D. Battle  
American Ambassador  
American Embassy  
Cairo, U.A.R.