

No. 16288

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**UNITED STATES OF AMERICA  
and  
EGYPT**

**Agreement concerning claims of nationals of the United States (with related notes and agreed minute). Signed at Cairo on 1 May 1976**

*Authentic text: English.*

*Registered by the United States of America on 27 January 1978.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
ÉGYPTE**

**Accord concernant des réclamations de ressortissants des États-Unis (avec notes connexes et procès-verbal approuvé). Signé au Caire le 1<sup>er</sup> mai 1976**

*Texte authentique : anglais.*

*Enregistré par les États-Unis d'Amérique le 27 janvier 1978.*

## AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT CONCERNING CLAIMS OF NATIONALS OF THE UNITED STATES

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The Government of the United States of America and the Government of the Arab Republic of Egypt, being desirous of effecting a settlement of claims of nationals of the United States against the Arab Republic of Egypt, and desiring further to advance friendly cooperation and beneficial economic relations between the two countries, have agreed as follows:

*Article I.* 1. The Government of the Arab Republic of Egypt (hereinafter referred to as the Egyptian Government) agrees to pay, and the Government of the United States agrees to accept, the sum of \$10,000,000 (Ten Millions) in United States currency in full settlement and discharge of all the claims of nationals of the United States against the Egyptian Government which are described in this Agreement.

2. Payment of the sum of U.S. \$10,000,000 (Ten Millions) by the Egyptian Government shall be made to the United States Department of State in six semi-annual installments of \$1,666,666.66 in United States currency, with the first installment to be paid on the tenth day of January, and the second installment to be paid on the tenth day of July, and thereafter on the same dates, commencing on the tenth day of January, 1977.

*Article II.* 1. The claims which are referred to in Article I, and which are being settled and discharged by this Agreement, are claims of nationals of the United States for: property, rights and interests in Egypt affected by Egyptian measures of land reform, sequestration, nationalization, expropriation, confiscation and other restrictive measures against such property, rights and interests, as well as financial and fiscal matters decreed by the Arab Republic of Egypt, which occurred since January 1, 1952, and before the entry into force of this Agreement.

2. The Egyptian Government declares that, having regard for Egypt's established respect for its obligations under international law, and in view of provisions in similar agreements previously concluded by the Egyptian Government with other Governments, the lump sum referred to in Article I has been arrived at in accordance with applicable Egyptian laws including, but not limited to, those enumerated hereinafter:

- (a) Regarding Land Reform:
  - Law No. 127 of 1961 as amended.
  - Law No. 15 of 1963 as amended.
- (b) Regarding Sequestration:
  - Emergency Law No. 162 of 1958, as amended.

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<sup>1</sup> Came into force on 27 October 1976, upon an exchange of notes stating each Government's final approval, in accordance with article VIII.

Law No. 150 of 1964.

General Sequestration Laws and Decrees.

(c) Regarding Nationalization:

Laws Nos. 117, 118 and 119 of 1961 and similar complete or partial nationalization laws issued in the Arab Republic of Egypt.

(d) Regarding Expropriation for Public Utilities:

Law No. 577 of 1954.

(e) Regarding Financial and Fiscal Matters:

Applicable Laws, Decrees and Regulations.

*Article III.* For the purpose of this Agreement, the term “national of the United States” means (a) a natural person who is a citizen of the United States, or who owes permanent allegiance to the United States, and (b) a corporation or other legal entity which is organized under the laws of the United States, any State or Territory thereof or the District of Columbia, if natural persons who are nationals of the United States own, directly or indirectly, more than 50 per centum of the outstanding stock or other beneficial interest in such legal entity.

*Article IV.* The distribution of the lump sum referred to in Article I of this Agreement falls within the exclusive competence of the Government of the United States in accordance with such methods of distribution as it may choose to adopt, without any responsibility arising therefrom for the Egyptian Government.

*Article V.* 1. The Government of the United States declares that full payment of the lump sum referred to in Article I of this Agreement shall fully discharge the Egyptian Government from its obligations and liabilities to nationals of the United States in respect of all claims referred to in Article II of this Agreement whether or not they have been brought to the attention of the Egyptian Government.

2. Following upon the discharge of its obligations and liabilities to nationals of the United States referred to in paragraph 1 above of this Article, the Egyptian Government shall subrogate to all the legal rights and interests in properties involved in such claims in the place and stead of the claimants concerned.

3. After the entry into force of this Agreement, the Government of the United States will neither espouse nor present to the Egyptian Government the claims of nationals of the United States which have been referred to in, and settled by, this Agreement. In the event that such claims are presented by nationals of the United States directly against the Egyptian Government, the Egyptian Government will refer them to the Government of the United States.

*Article VI.* 1. With a view to assisting the Government of the United States in its distribution to nationals of the United States who are claimants of the sum to be paid by the Egyptian Government, the Egyptian Government will, upon the written request of the Government of the United States, furnish and supply such information, evidence and records, including details as to the ownership and value of property and rights and interests in and with respect to such property, as may be necessary or appropriate for that purpose and, in the event that such information, evidence and records are deemed insufficient, permit examination by representatives

of the Government of the United States, to the extent allowed by Egyptian law, of such information, evidence and records in the possession of the Egyptian Government, regarding any property, rights and interests therein claimed to have been nationalized, sequestrated, expropriated, confiscated or otherwise to have been subjected to other restrictive measures by the Arab Republic of Egypt, as well as financial and fiscal matters.

2. With a view to protecting the Egyptian Government from further potential claims which may be asserted through third countries, or otherwise, with respect to the same claims settled by this Agreement, the Government of the United States will, upon the written request of the Egyptian Government, furnish and supply to the Egyptian Government copies of such formal statement of claims as might have been made by nationals of the United States who are claimants, and copies of decisions with respect to the validity and amounts of such claims.

3. With respect to particular claims found to be valid by the Government of the United States, the Government of the United States will, upon the written request of the Egyptian Government, furnish and supply to the Egyptian Government original documents or other muniments of title that may be in the possession of the Government of the United States pertaining to the property, rights and interests therein, which have been nationalized, sequestrated, expropriated, confiscated or otherwise have been subjected to other restrictive measures by the Arab Republic of Egypt upon which the claims were established, including securities of juridical persons owned by the claimants, if the property of such juridical persons shall have been nationalized, sequestrated, expropriated, confiscated or otherwise have been subjected to other restrictive measures by the Egyptian Government. In the event that a particular claim might not have been based on such documents, the Government of the United States will furnish and supply to the Egyptian Government other competent evidence or a release executed by the claimant.

4. The Egyptian Government will, upon the written request of the Government of the United States, furnish and supply copies of all Arab Republic of Egypt laws, decrees or other restrictive measures enumerated in Article II of this Agreement.

5. Either Government will furnish and supply to the other Government the necessary information and appropriate assistance referred to in paragraphs (1), (2), (3) and (4) above of this Article in accordance with any procedures that may be agreed upon by the two Governments.

*Article VII.* For the purposes of this Agreement, the value of the Egyptian pound is specified at U.S. \$2.55 (two dollars and fifty-five cents).

*Article VIII.* The present Agreement shall enter into force upon an exchange of Notes stating each Government's final approval of the Agreement.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto by their respective Governments, have signed the present Agreement.

DONE at Cairo, Egypt, this first day of May, 1976.

For the Government  
of the United States:  
[Signed]  
CHARLES W. ROBINSON  
Deputy Secretary  
U.S. Department of State

For the Government  
of the Arab Republic of Egypt:  
[Signed]  
Dr. MOHAMED ZAKI SHAFEI  
Minister of Economy  
of the Arab Republic of Egypt

## RELATED NOTES

### I

Cairo, Arab Republic of Egypt, May 1, 1976

Excellency:

I have the honor to refer to the Agreement signed today by the Government of the Arab Republic of Egypt and the Government of the United States concerning the settlement of claims of nationals of the United States against the Government of the Arab Republic of Egypt.

In connection with the claim of the American Mission in Egypt, which is covered by the Agreement referred to above, both our Governments agreed that a specific amount of the agreed lump sum of U.S. \$10,000,000 (Ten Millions) shall be earmarked for the settlement of this case, which shall be payable in Egypt in Egyptian pounds. This specific amount is compensation being paid by the Egyptian Government for the following properties as well as other considerations:

- (a) Assiut "L"-shape land of about 11,000 square meters on Gumhuriyya Street taken by Agrarian Reform Authority under Law No. 15 of 1963 and given to the Religious Institute for Young Azhar Girls on April 13, 1974;
- (b) Assiut Zone Playground of about 16,000 square meters on Tharra and Makhanna Streets taken by Agrarian Reform Authority, which is being used by the Ministry of Education;
- (c) Assiut Girls College, land on Girls College Street of about 4,600 square meters taken by the Agrarian Reform Authority; and
- (d) Property No. 72 in Courts Square on Gumhuriyya Street in Assiut of about 3,240 square meters taken under Law No. 577 of 1952 for Public Utility.

This amount is to be distributed by the Government of the United States within its exclusive competence in accordance with the terms and provisions of the said Agreement.

With regard to the New Faith General Hospital (ex-American Hospital) in Assiut, which is under lease for 3 years with the Ministry of Health until December 31, 1977, and the Military Hospital in Ure Hall in Boys Preparatory

School, Assiut, which is being used by the Egyptian Army as a military hospital, the responsible Egyptian authorities concerned will faithfully perform and execute the agreements in force pertaining to them. Upon the termination of the applicable agreements, the responsible Egyptian authorities concerned will make mutually satisfactory arrangements with the American Mission in Egypt concerning the future use and disposition of the said premises.

Further, the Government of the Arab Republic of Egypt will take appropriate steps to settle amicably all tax claims of whatever nature which may be pending against the American Mission in Egypt, including but not limited to the claim of the Egyptian Tax Authorities for back income taxes in the amount of LE 118,542.894 for the period 1939-1967. In the event that no satisfactory arrangements have been made within a reasonable period to settle this matter, the American Mission in Egypt will have the right to raise it for the further consideration of the two Governments.

I would be grateful if Your Excellency would confirm that the Government of the United States is in accord with the foregoing.

Accept, Excellency, the assurances of my highest consideration.

[Signed]

MOHAMED ZAKI SHAFEI  
Minister of Economy

His Excellency Charles W. Robinson  
Deputy Secretary  
U.S. Department of State  
Washington, D.C.

## II

Cairo, Arab Republic of Egypt, May 1, 1976

Excellency:

I have the honor to acknowledge the receipt of your letter of today's date which in the English translation<sup>1</sup> reads as follows:

[See note I]

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<sup>1</sup> The Department of State has no record of an Arabic text of the letter. [Information provided by the Government of the United States of America.]

I have the honor to inform you that the Government of the United States agrees that your letter contains the correct understanding of both our Governments concerning the case in question.

Accept, Excellency, the assurances of my highest consideration.

[Signed]

CHARLES W. ROBINSON

Deputy Secretary

His Excellency Dr. Mohamed Zaki Shafei  
Minister of Economy  
Cairo, Arab Republic of Egypt

#### AGREED MINUTE

1. In the course of the negotiations in the joint United States/Egyptian Committee on Claims on the Agreement between the Government of the United States of America and the Government of the Arab Republic of Egypt concerning claims of nationals of the United States, which was signed today, the United States Delegation, in behalf of the Government of the United States, stated that, notwithstanding any provision or language to the contrary appearing in the referenced Agreement, and without prejudice to the validity of such claims, or of the positions of either Government thereon, the following enumerated official claims of the Government of the United States and certain specific private claims of nationals of the United States have been excluded from the referenced Agreement.

#### (A) *Official Claims of the Government of the United States*

All official claims of the Government of the United States, its departments and agencies including but not limited to:

- (i) Department of Agriculture, Food for Peace claims of the Catholic Relief Services and CARE;
- (ii) claims of the Government of the United States for damages arising out of attacks in 1967 on (a) the USIS Library in Alexandria, (b) the American Consulate General building in Alexandria, and (c) the American Consulate Building in Port Said,
- (iii) claims for demolition by Egyptian Ministry of Reconstruction of building on the so-called Ghalli property in Giza, and incidental expenses;
- (iv) claim of the Government of the United States (U.S. Navy) in respect of the detention of the *SS African Glen* in the Suez Canal in the period 1967-1970;
- (v) blocked accounts in Egyptian banks in the name of the Government of the United States, its departments and agencies.

(B) *Private Claims of Nationals of the United States*

- (i) claim of Farrell Lines, Inc., in respect of the detention of the *SS African Glen* in the Suez Canal in the period 1967-1970; and
- (ii) claim of Mr. Arthur Liman, Trustee in Bankruptcy of eight shipping companies formerly controlled by Manuel Kulukundis in proceedings in the United States District Court of New York (Matter Sea Trade Corporation, *et al.* 63-B-216) to funds in the National Bank of Egypt in the name of the Treasury of the Port Said High Court (Commercial) in proceedings in respect of the former *SS Bridgehampton*, an ex-U.S. vessel. Both of these cases are not covered by Egyptian land reform, nationalization, sequestration and confiscation measures;
- (iii) claims of U.S. nationals for contractual and debt obligations against the Egyptian Government which are not covered by Egyptian land reform, nationalization, sequestration and confiscation measures.

2. The Egyptian Delegation stated that the aforementioned claims were not within the competence of the Joint United States/Egyptian Committee on Claims whose jurisdiction was limited to consideration of claims of United States nationals for property, rights and interests affected by Egyptian measures of land reform, sequestration, expropriation, confiscation and other restrictive measures as set forth in Article II of the referenced Agreement.

3. The United States Delegation further stated that it was the intention of the Government of the United States to raise the aforementioned claims for negotiations through diplomatic channels between the two Governments.

4. With regard to Article III of the referenced Agreement on the definition of "national of the United States," the Government of the United States recognizes and applies the principle of international law concerning the dominant and effective nationality of dual nationals.

DONE at Cairo, Egypt, this first day of May, 1976.

For the Government  
of the United States:

[Signed]

CHARLES W. ROBINSON  
Deputy Secretary of State

For the Government  
of the Arab Republic of Egypt:

[Signed]

MOHAMED RIAD  
Minister of State  
for Foreign Affairs