No. 4810

UNITED STATES OF AMERICA
and
ISRAEL

Agricultural Commodities Agreement under Title I of the Agricultural Trade Development and Assistance Act, as amended (with agreed minute). Signed at Washington, on 6 November 1958

Official text: English.

Registered by the United States of America on 26 June 1959.

ÉTATS-UNIS D'AMÉRIQUE
et
ISRAËL

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 procès-verbal approuvé). Signé à Washington, le 6 novembre 1958

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 26 juin 1959.

No. 4810. AGRICULTURAL COMMODITIES AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF ISRAEL UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED. SIGNED AT WASHINGTON, ON 6 NOVEMBER 1958

The Government of the United States of America and the Government of Israel :

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 of America 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 Israel pounds of surplus agricultural commodities produced in the United States of America will assist in achieving such an expansion of trade;

Considering that the Israel 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 Israel 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 Israel pounds

Subject to the issuance of purchase authorizations by the Government of the United States of America and acceptance by the Government of Israel, the Government of the United States of America undertakes to finance the sale to purchasers authorized by the Government of Israel, for Israel pounds, of the following agricultural commodities determined to be surplus pursuant to the Act in the amounts indicated :

[1] Came into force on 6 November 1958, upon signature, in accordance with article VI.

Commodity	*Amount (thousands)*
Feed grains	$15,355
Wheat	11,256
Nonfat dried milk	1,528
Vegetable oils	2,381
Beans	331
Cotton	990
Tobacco	198
Ocean transportation	5,703
TOTAL	$37,742

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 Israel pounds accruing from such sale and other relevant matters.

Article II

USES OF ISRAEL POUNDS

The two Governments agree that the Israel 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 :

1. For the United States expenditures under sub-sections (*a*), (*b*), (*d*), (*f*), (*h*), (*i*), (*k*), (*l*), (*m*), (*n*), and (*o*) of Section 104 of the Act, or under any of such sub-sections, the Israel pound equivalent of $9.435 million. Uses under sub-sections (*k*), (*l*), (*m*), (*n*), and (*o*) are subject to legislative action by the Congress of the United States.

2. 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 Israel incident thereto, the Israel pound equivalent of $9.435 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 Israel for business development and trade expansion in Israel and to United States firms and Israel 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 Israel, acting through the Ministry of Finance. The Minister of Finance or his designate, will act for the Government of Israel, 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 Ministry of Finance of the identity of the applicant, the nature of the proposed business, the amount 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 Ministry of Finance 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 Israel on comparable loans and the maturities will be consistent with the purposes of the financing.

(*e*) Within sixty days after the receipt of notice that the Export-Import Bank is prepared to act favorably upon an application the Ministry of Finance will indicate to the Export-Import Bank whether or not the Ministry of Finance has any objection to the proposed loan. Unless within the sixty-day period the Export-Import Bank has received such a communication from the Ministry of Finance it shall be understood that the Ministry of Finance 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.

(*f*) In the event the Israel 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 proposed loans have not been mutually agreeable to the Export-Import Bank of Washington and the Ministry of Finance, the Government of the United States of America may use the Israel pounds for any purpose authorized by Section 104 of the Act.

3. For loan to the Government of Israel under sub-section (*g*) of Section 104 of the Act, the Israel pound equivalent of not more than $18.872 million, for financing such projects to promote economic development, including projects not heretofore included in plans of the Government of Israel as may be mutually agreed. It is understood that the loan will be denominated in dollars, with payment of principal and interest to be made in Israel pounds, such payments to be made at the applicable exchange rate as defined in the loan agreement. The terms and conditions of the loan and other provisions will be set forth in a supplemental loan agreement between the two Governments.