

No. 5519

**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 1 August 1960**

Official text: English.

Registered by the United States of America on 6 January 1961.

**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 1^{er} août 1960**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 6 janvier 1961.

No. 5519. AGRICULTURAL COMMODITIES AGREEMENT¹
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 AS-
SISTANCE ACT, AS AMENDED. SIGNED AT CAIRO,
ON 1 AUGUST 1960

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 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 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

1. Subject to the availability of commodities for programming under the Act and to 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 finance the sales for Egyptian pounds to purchasers authorized by the Government of the United Arab Republic of the following agricultural commodities determined to be surplus pursuant to the Act, in the amounts indicated :

¹ Came into force on 1 August 1960, upon signature, in accordance with article VI.

<i>Commodity</i>	<i>Export market value (million)</i>
Wheat and wheat flour	\$51.8
Ocean transportation (estimated)	6.4

TOTAL \$58.2

2. Applications for purchase authorizations will be made within 90 calendar days after the effective date of this Agreement. Purchase authorizations 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.

3. It is understood that the sale of wheat and wheat flour under this Agreement is not intended to increase the availability of these or like commodities for export and is made on the condition that no exports of such commodities will be made from the United Arab Republic during the period that the wheat and wheat flour are being imported and utilized.

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 subsections (a), (b), (f), (h), (i), (j), (k), (l), (m), (n), (o), (p), (q), and (r) of Section 104 of the Act, or under any of such subsections, the Egyptian pound equivalent of \$11.7 million.

(B) 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 \$8.7 million but not more than 25 percent of the currencies received under the Agreement. It is understood that :

(1) 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.

- (2) 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.
- (3) 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.
- (4) 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.
- (5) 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.
- (6) 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.

(C) For a loan to the Government of the United Arab Republic under Section 104 (g) of the Act, the Egyptian pound equivalent of not more than \$37.8 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. The terms and conditions of the loan and other provisions will be set forth in a separate loan agreement. 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