

No. 7720

**UNITED STATES OF AMERICA
and
ISRAEL**

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act,
as amended (with exchange of notes). Signed at Wash-
ington, on 22 December 1964**

Official text: English.

Registered by the United States of America on 27 April 1965.

**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 échange de notes). Signé à Washington, le 22 dé-
cembre 1964**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 27 avril 1965.

No. 7720. AGRICULTURAL COMMODITIES AGREEMENT¹
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 22 DE-
CEMBER 1964

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 those 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 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 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

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of Israel of purchase authorizations and to the availability of the specified commodities under the Act at the time of exportation, the Government of the United States of America undertakes to finance during Calendar Year 1965 the sales for Israel pounds, to purchasers authorized by the Government of Israel, of the following agricultural commodities in the amounts indicated :

¹ Came into force on 22 December 1964, upon signature, in accordance with article VI.

<i>Commodity</i>	<i>Export Market Value (Millions)</i>
Feedgrains	\$12.2
Rice	.4
Beef (excluding canned)	3.0
Tobacco	.2
Ocean transportation (estimated)	1.6
TOTAL	\$17.4

2. Applications for purchase authorizations will be made within 90 days after the effective date of this agreement, except that applications for purchase authorizations for any additional commodities or amounts of commodities provided for in any amendment to this agreement will be made within 90 days after the effective date of such amendment. Purchase authorizations will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of Israel pounds accruing from such sale, and other relevant matters.

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

Article II

USES OF ISRAEL POUNDS

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 proportions shown.

A. For United States expenditures under subsections (a), (b), (d), (f) and (h) through (t) of Section 104 of the Act, or under any of such subsections, 20 percent of the Israel pounds accruing pursuant to this agreement.

B. For loans to be made by the Agency for International Development of Washington (hereinafter referred to as AID) under Section 104 (e) of the Act and for administrative expenses of AID in Israel incident thereto, 15 percent of the Israel pounds accruing pursuant to this 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 Israel for business development and trade expansion in Israel and to United States and Israel firms for the establishment of facilities for aiding in the utilization

and distribution of United States agricultural products or for otherwise increasing the consumption of and markets for such products.

- (2) Loans will be mutually agreeable to AID 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 Administrator of AID, or his designate, will act for AID.
- (3) Upon receipt of an application which AID is prepared to consider, AID will inform the Ministry of Finance 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 AID 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 that prevailing in Israel on comparable loans, provided such rates are not lower than the cost of funds to the United States Treasury on comparable maturities, and the maturities will be consistent with the purposes of the financing.
- (5) Within sixty days after the receipt of the notice that AID is prepared to act favorably upon an application, the Ministry of Finance will indicate to AID whether or not the Ministry of Finance has any objection to the proposed loan. Unless within the sixty-day period AID 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 AID approves or declines the proposed loan it will notify the Ministry of Finance.
- (6) 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 AID has not approved loans or because proposed loans have not been mutually agreeable to AID 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.

C. For a loan to the Government of Israel under Section 104 (g) of the Act 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, 65 percent of the Israel pounds accruing pursuant to this agreement. 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 Israel pounds for loan purposes under Section 104 (g) of the Act within three years from the date of this agreement, the Government of the United States of America may use the Israel pounds for any purpose authorized by Section 104 of the Act.