

No. 3530

**UNITED STATES OF AMERICA
and
FRANCE**

Agreement under Title I of the Agricultural Trade Development and Assistance Act of 1954. Signed at Paris, on 11 August 1955

Exchange of letters constituting an agreement amending the above-mentioned Agreement. Paris, 18 November 1955

Official texts: English and French.

Registered by the United States of America on 26 September 1956.

**ÉTATS-UNIS D'AMÉRIQUE
et
FRANCE**

Accord conformément aux dispositions du titre I de la loi de 1954 tendant à développer et à favoriser le commerce agricole. Signé à Paris, le 11 août 1955

Échange de lettres constituant un accord modifiant l'Accord susmentionné. Paris, 18 novembre 1955

Textes officiels anglais et français.

Enregistrés par les États-Unis d'Amérique le 26 septembre 1956.

No. 3530. AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND FRANCE UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954. SIGNED AT PARIS, ON 11 AUGUST 1955

The Government of the United States of America and the Government of the French Republic :

Recognizing the mutual benefit of developing the market for agricultural commodities in a manner which would not displace usual markets of the United States and of France for these commodities, and also of utilizing the local currency in francs resulting from operations carried out under the present Agreement for economic and social purposes;

Desiring to set forth the understandings which will govern the sales, described below, of surplus agricultural commodities to France pursuant to Title I of the Agricultural Trade Development and Assistance Act of 1954;

Have agreed as follows :

Article I

SALES FOR FRANCS

1. Subject to the issuance and acceptance of purchase authorizations referred to in paragraph 2 of this Article, the United States Government undertakes to finance, up to September 30, 1955, the sale for francs of certain agricultural commodities determined to be surplus pursuant to Title I of the Agricultural Trade Development and Assistance Act of 1954 to purchasers authorized by the French Government.

2. The United States Government will issue purchase authorizations which shall include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of francs accruing from such sales, and other relevant matters, and which shall be subject to acceptance by the French Government. The commodity, and amount thereof, with respect to which tentative agreement has been reached by the two Governments, is listed in paragraph 3 of this Article.

3. The United States Government undertakes to finance the sale to France of the following commodity, in the value indicated (on an F. O. B. basis),

¹ Came into force on 11 August 1955, upon signature, in accordance with article VII.

up to September 30, 1955, under the terms of Title I of the said Act and of this Agreement.

	<i>Value in Dollars (F.O.B. Basis)</i>	<i>Terminal Date for Conclusion of Contracts</i>	<i>Terminal Date for Delivery</i>
Tobacco	650,000	December 31, 1955	March 31, 1956

Article II

USES OF FRANCS

1. The two Governments agree that francs accruing to the United States Government as a consequence of sales made pursuant to this Agreement will be used by the United States Government, in agreement with the French Government, to develop and facilitate, by the establishment of new markets in France or other countries, the utilization and consumption of agricultural commodities of interest to the two countries, in particular cotton and tobacco, as provided under sub-section (a) of Section 104 of the Act. It has been agreed that of the total amount of franc sales proceeds that will be become available pursuant to this Agreement, not more than one-tenth will be utilized for market development for tobacco, and not more than two-sevenths for the expenses in France of the National Cotton Council.

2. The two Governments agree that 10 percent of the total amount of the franc sales proceeds referred to in paragraph 1 of this Article will be reserved for use by the United States Government for payment of its obligations in the franc area as is provided for in sub-section (f) of Section 104 of the Act.

3. If by December 31, 1956, it has not been possible to develop an agreed program within the framework of paragraph 1 above for the utilization of all or any part of the francs which will become available pursuant to this Agreement, the two Governments may agree upon another use for such funds consistent with the provisions of Section 104 of the Act. In any case, after December 31, 1956, the United States Government shall have the right on its own responsibility to utilize any unexpended balances in such francs for the payment of any of its obligations in the franc area.

Article III

DEPOSIT OF FRANCS

The French Government will take the necessary steps to provide, in accordance with the terms of the purchase authorizations referred to in paragraph 2 of

Article I above, for the deposit in a special account in the name of the United States Government of an amount of francs equivalent to the dollar sales value of the commodities reimbursed or financed by the United States Government under this Agreement. Such dollar sales value shall include ocean freight and handling reimbursed or financed by the United States Government, except that it shall not include any extra cost of ocean freight resulting from a United States requirement that the commodities be transported on United States flag vessels. The conversion rate to be used in determining the amount of francs equivalent to the dollar sales value shall be the highest selling rate for dollars quoted on the free foreign exchange market at Paris on the date or dates of the dollar disbursements by the United States bank or banks handling the transaction or transactions in question (or, if there are no quotations for the dollar on that market on the date in question, the highest rate quoted for the dollar on the nearest preceding date on which there were such quotations); provided that, if the present French foreign exchange system should be changed, the two Governments will consult regarding the conversion rate to be applied, it being understood that such determination will be made in the light of the foreign exchange system generally applicable in France at that time to import transactions in the commodities of the type reimbursed or financed by the United States Government under this Agreement.

Article IV

GENERAL PROVISIONS

1. The French Government agrees that it will take all possible measures to prevent the resale or transshipment to other countries before processing (except where such resale or transshipment is specifically approved by the United States Government), of surplus agricultural commodities purchased pursuant to the provisions of this Agreement.

2. The two Governments agree that they will take reasonable precautions to assure that all sales or purchases of surplus agricultural commodities pursuant to this Agreement will not unduly disrupt world prices of agricultural commodities, displace usual marketings of the United States and France in these commodities, or materially impair trade relations among the countries of the free world.

Article V

CONSULTATION

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