

ISRAEL

Investment Guaranties

Agreement relating to the agreement of August 7 and 8, 1952, as amended.

Effected by exchange of notes

Signed at Tel Aviv and Jerusalem February 5 and 20, 1963;

Entered into force February 20, 1963.

The American Ambassador to the Israeli Minister for Foreign Affairs

EMBASSY OF THE
UNITED STATES OF AMERICA
Tel Aviv, February 5, 1963.

No. 62

EXCELLENCY :

I have the honor to refer to the agreement effected by the exchange of notes of August 7 and August 8, 1952,^[1] as amended by the exchange of notes of July 31 and August 11, 1957, ^[2] between our two Governments relating to investment guaranties which may be issued by the Government of the United States of America for investments in activities in Israel. After the conclusion of this agreement, legislation has been enacted in the United States of America modifying and augmenting the coverage to be provided investors by investment guaranties that may be issued by the Government of the United States of America.

In the interest of facilitating and increasing the participation of private enterprise in furthering the economic development of Israel, the Government of the United States of America is prepared to issue investment guaranties providing such coverage as may be authorized by the applicable United States legislation for appropriate investments in activities approved by your Government provided that your Government agrees that the undertakings between our respective Governments contained in the above-mentioned agreements will be applicable to such guaranties.

Upon receipt of a note from Your Excellency indicating that the foregoing is acceptable to the Government of Israel and that such

¹ TIAS 2686; 3 UST (pt. 4) 5045.

² TIAS 3892; 8 UST 1410.

undertakings shall apply, the Government of the United States of America will consider that this note and your reply thereto constitute an Agreement between our two Governments on this subject, the Agreement to enter into force on the date of your note in reply.

Accept, Excellency, the renewed assurances of my highest consideration.

WALWORTH BARBOUR

Her Excellency
 Mrs. GOLDA MEIR,
*Minister for Foreign Affairs
 of the State of Israel.*

The Israeli Minister for Foreign Affairs to the American Ambassador

MINISTER FOR FOREIGN AFFAIRS

עד החוץ

JERUSALEM, February 20, 1963

EXCELLENCY:

I have the honour to refer to Your Excellency's Note No. 62 dated February 5, 1963, relating to investment guaranties which may be issued by the Government of the United States of America for investments in activities in Israel, reading as follows:

"Excellency:

I have the honor to refer to the agreement effected by the Exchange of notes of August 7 and August 8, 1952, as amended by the exchange of notes of July 31 and August 11, 1957, between our two Governments relating to investment guaranties which may be issued by the Government of the United States of America for investments in activities in Israel. After the conclusion of this agreement, legislation has been enacted in the United States of America modifying and augmenting the coverage to be provided investors by investment guaranties that may be issued by the Government of the United States of America.

In the interest of facilitating and increasing the participation of private enterprise in furthering the economic development of Israel, the Government of the United States of America is prepared to issue investment guaranties providing such coverage as may be authorized by the applicable United States legislation for appropriate investments in activities approved by your Government provided that your Government agrees that the undertakings between our respective Governments contained in the above-mentioned agreements will be applicable to such guaranties.

Upon receipt of a note from Your Excellency indicating that the foregoing is acceptable to the Government of Israel and that such undertakings shall apply, the Government of the United States of America will consider that this note and your reply thereto constitute an Agreement between our two Governments on this subject, the Agreement to enter into force on the date of your note in reply.
Accept,”

I have the honour to convey my concurrence in the foregoing, and I confirm that Your Excellency's Note and my reply thereto constitute an Agreement between our two Governments, the Agreement to enter into force on the date of this Note.

Accept, Excellency, the renewed assurances of my highest consideration.

GOLDA MEIR

His Excellency Mr. W. BARBOUR,
*Ambassador of the
United States of America in Israel*

GUARANTY OF PRIVATE INVESTMENTS

**Agreement Between the
UNITED STATES OF AMERICA
and ISRAEL**

Amending Agreement of August 7 and 8, 1952

**Effected by Exchange of Notes
Signed at Tel Aviv and Jerusalem
July 31 and August 11, 1957**



ISRAEL

Guaranty of Private Investments

*Agreement amending the agreement of August 7 and 8, 1952.
Effected by exchange of notes
Signed at Tel Aviv and Jerusalem July 31 and August 11, 1957;
Entered into force August 11, 1957.*

*The American Chargé d'Affaires ad interim to the Israeli Minister
for Foreign Affairs*

No. 10

TEL AVIV, July 31, 1957

EXCELLENCY:

I have the honor to refer to the conversations which have recently taken place between representatives of our two Governments, relating to a further type of guaranty authorized by Section 413(b)(4) of the Mutual Security Act of 1954, as amended. I also have the honor to confirm the understandings reached as a result of these conversations as follows:

68 Stat. 847.
22 U. S. C. § 1933 (b)
(4).

a. All references to "Economic Cooperation Act of 1948" in the exchange of notes of August 7, 1952 and August 8, 1952 between our two Governments shall be changed to "the Mutual Security Act of 1954, as amended".

62 Stat. 137.
22 U. S. C. § 1501
note.
TIAS 2686.
3 UST, pt. 4, p. 5045.

b. The enclosed copy of Section 413(b)(4) of the Mutual Security Act of 1954, as amended, shall be substituted for the copy of Section III of the Economic Cooperation Act of 1948 heretofore enclosed with the aforementioned exchange of notes.

c. Subparagraph (c) of the unnumbered third paragraph of the aforementioned exchange of notes shall not be applicable to the type of guaranties provided for in the following subparagraph (d).

d. If the Government of the United States of America issues guaranties to cover losses by reason of war with respect to investments in Israel, the Government of Israel agrees that nationals of the United States of America to whom such guaranties have been issued will be accorded by the Government of Israel treatment no less favorable than that accorded, in like circumstances, to its nationals or nationals of third countries, with reference to any reimbursement, compensation, indemnification, or any other

payment, including the distribution of reparations received from enemy countries, that the Government of Israel may make or pay for losses incurred subsequent to the signing of this note by reason of war; if the Government of the United States of America makes payment in U.S. dollars to any national of the United States of America under a guaranty for losses by reason of war, the Government of Israel recognize the transfer to the United States of America of any right, privilege, or interest, or any part thereof, that such nationals may be granted or become entitled to as a result of the aforementioned treatment by the Government of Israel.

All other provisions of the exchange of notes of August 7, 1952, and August 8, 1952, between our two Governments shall remain in full force and effect.

Upon receipt of a note from Your Excellency indicating that the foregoing provisions are acceptable to the Government of Israel, the Government of the United States of America will consider that this note and your reply thereto constitute an agreement between the two Governments on this subject, the agreement to enter into force on the date of your note in reply.

Accept, Excellency, the renewed assurances of my highest consideration.

WILLIAM O. BAXTER

Enclosure: [1]
Section 413(b)(4) of the
Mutual Security Act of 1954,
as amended.

Her Excellency
GOLDA MEIR,
*Minister for Foreign Affairs
of the State of Israel.*

¹ Not printed.

*The Israeli Minister for Foreign Affairs to the American Chargé
d'Affaires ad interim*

MINISTER FOR FOREIGN AFFAIRS
USA 515.1

שר החוץ

JERUSALEM, 11 August 1957

MR. CHARGÉ D'AFFAIRES,

I have the honour to acknowledge receipt of your Note No. 10 dated 31 July 1957, relating to a further type of guaranty authorized by Section (b) (4) of the Mutual Security Act of 1954, as amended, and to confirm that the provisions set forth in that Note are acceptable to the Government of Israel, which considers your Note and this reply as constituting an agreement between the two Governments on this subject, entering into force on this date.

Accept, Mr. Chargé d'Affaires, the renewed assurances of my highest consideration.

GOLDA MEIR

MR. WILLIAM O. BAXTER,

*Chargé d'Affaires,
Embassy of the United States of America
in Israel.*

ECONOMIC COOPERATION

**Guaranties Under Public Law 472, 80th Congress,
as Amended**

**Agreement between the
UNITED STATES OF AMERICA
and ISRAEL**

- **Effected by Exchange of Notes
Signed at Tel Aviv August 7 and 8, 1952**
- **Entered into force August 8, 1952**



The American Ambassador to the Israeli Minister for Foreign Affairs

AMERICAN EMBASSY,
Tel Aviv, August 7, 1952.

No. 21

EXCELLENCY:

I have the honor to refer to conversations which have recently taken place between representatives of our two Governments relating to the industrial investment guaranty program pursuant to the terms of section 111 of the Economic Cooperation Act of 1948, as amended, [1] and to confirm the understandings reached as a result of these conversations as follows:

The Governments of Israel and of the United States of America will, upon request of either of them, consult respecting investments in Israel made or proposed by nationals of the United States of America who have applied for guaranties under Section 111 (b) (3) of the Economic Co-operation Act of 1948, as amended, and whose investments have been approved by the Government of Israel for the purpose of such guaranties. With respect to such guaranties the Government of Israel agrees:

A. That if the Government of the United States of America makes payment in United States dollars to any person under any such guaranty the Government of Israel will recognize transfer to the United States of any right, title or interest of such persons in assets, currency, credits, or other property on account of which such payment was made and subrogation of the United States to any claim or cause of action of such person arising in connection therewith. The Government of Israel shall also recognize any transfer to the Government of the United States of America pursuant to such guaranty of any compensation for loss covered by such guaranties received from any source other than the Government of the United States of America;

B. That Israel pounds acquired by the Government of the United States of America pursuant to such guaranties shall be accorded treatment not less favorable than that accorded, at time of such acquisition, to private funds arising from transactions of United

¹ 62 Stat. 144; 22 U. S. C. § 1509 (b) (3).

States nationals which are comparable to the transactions covered by such guaranties, and that such Israel pounds will be freely available to the Government of the United States of America for administrative expenditures;

C. That any claim against the Government of Israel, to which the Government of the United States of America may be subrogated as result of any payment under such a guaranty, shall be the subject of direct negotiations between the two Governments. If, within a reasonable period, they are unable to settle the claim by agreement, it shall be referred for final and binding determination to a sole arbitrator selected by mutual agreement. If the Governments are unable, within a period of three months, to agree upon such selection, the arbitrator shall be one who may be designated by the President of The International Court of Justice at the request of either Government.

Upon receipt of a note from Your Excellency indicating that the foregoing provisions are acceptable to the Government of Israel, the Government of the United States of America will consider that this note and your Excellency's reply thereto constitute an agreement between the two Governments on this subject which shall enter into force on the date of Your Excellency's note in reply.

Please accept, Excellency, the renewed assurances of my highest consideration.

MONNETT B. DAVIS

His Excellency
 MOSHE SHARETT,
*Minister for Foreign Affairs
 of the State of Israel.*

The Israeli Minister for Foreign Affairs to the American Ambassador

מ ש ר ד ה ח ו ן
 הקריה, ישראל

MINISTRY FOR FOREIGN AFFAIRS
 HAKIRYA, ISRAEL

HAKIRYA, 8 August, 1952.

EXCELLENCY,

I have the honour to acknowledge receipt of Your Excellency's Note No. 21, dated 7 August, 1952, relating to the industrial investment guaranty program pursuant to the terms of Section 111 of the

Economic Co-operation Act of 1948, as amended, and to confirm that the provisions set forth in that Note are acceptable to the Government of Israel, which considers Your Excellency's Note and this reply as constituting an agreement between the two Governments on this subject, entering into force on this date.

Accept, Excellency, the renewed assurances of my most distinguished consideration.

M. SHARETT

Minister for Foreign Affairs

His Excellency

MR. MONNETT B. DAVIS,
*United States Ambassador,
Tel Aviv.*