

No. 3374

**UNITED STATES OF AMERICA
and
SPAIN**

Exchange of notes constituting an agreement relating to surplus agricultural commodities. Madrid, 20 April 1955

Agreement amending the above-mentioned Agreement, as amended. Signed at Madrid, on 21 January 1956

Official texts: English and Spanish.

Registered by the United States of America on 9 May 1956.

**ÉTATS-UNIS D'AMÉRIQUE
et
ESPAGNE**

Échange de notes constituant un accord relatif aux produits agricoles en surplus. Madrid, 20 avril 1955

Accord modifiant l'Accord susmentionné, déjà modifié. Signé à Madrid, le 21 janvier 1956

Textes officiels anglais et espagnol.

Enregistrés par les États-Unis d'Amérique le 9 mai 1956.

No. 3374. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND SPAIN RELATING TO SURPLUS AGRICULTURAL COMMODITIES. MADRID, 20 APRIL 1955

I

The Spanish Minister for Foreign Affairs to the American Ambassador

[SPANISH TEXT — TEXTE ESPAGNOL]

MINISTERIO DE ASUNTOS EXTERIORES

Núm. 292

Madrid, 20 de abril de 1955

Excm^o. Señor :

Muy Señor mío :

Reconociendo que es deseable la expansión del comercio agrícola entre ambos países y entre ellos y otras Naciones amigas de una manera que no desplace los mercados usuales de los Estados Unidos para los productos agrícolas ni perturbe indebidamente los precios mundiales de dichos productos;

considerando que la compra en pesetas de excedentes agrícolas producidos en los Estados Unidos ayudará a alcanzar dicha expansión;

considerando que las pesetas producidas por dichas compras se utilizarán de modo beneficioso para ambos países;

deseando exponer las bases que regulan las ventas de excedentes agrícolas por el Gobierno de los Estados Unidos de América, de conformidad con la Ley de Asistencia y Desarrollo del Comercio Agrícola de 1954, así como las medidas que ambos Gobiernos adoptarán individual y colectivamente para llevar a cabo la expansión del comercio de dichos productos;

Tengo la honra de manifestar que el Gobierno español está conforme en concertar un Acuerdo a los efectos expresados y acepta en consecuencia el texto anejo « Acuerdo sobre productos agrícolas excedentes entre Estados Unidos y España », que deberá considerarse, juntamente con la presente Nota, como constitutivo de un Acuerdo entre los dos Gobiernos.

Aprovecho esta oportunidad, señor Embajador, para expresar a V. E. las seguridades de mi alta consideración.

Alberto MARTÍN ARTAJO

Excm^o. señor John Davis Lodge

Embajador de los Estados Unidos de América

¹ Came into force on 20 April 1955 by the exchange of the said notes.

Desiring to set forth the bases which govern the sales of agricultural surpluses by the Government of the United States of America, pursuant to the Agricultural Trade Development and Assistance Act of 1954, and the measures which the two Governments will take individually and collectively in achieving the expansion of trade in these commodities;

I have the honor to state that the Spanish Government is prepared to conclude an agreement for the purposes set forth and consequently accepts the annexed text, " Surplus Agricultural Commodities Agreement between the United States and Spain », which, together with this note, shall be considered as constituting an agreement between our two Governments.

I avail myself of this opportunity, Mr. Ambassador, to express to Your Excellency the assurances of my high consideration.

Alberto MARTÍN ARTAJO

His Excellency John Davis Lodge
Ambassador of the United States of America

II

The American Ambassador to the Spanish Minister for Foreign Affairs

AMERICAN EMBASSY, MADRID

No. 407

April 20, 1955

Excellency :

I have the honor to acknowledge receipt of your Excellency's Note of April 20, 1955 expressing conformity of the Spanish Government with the provisions of the attached " Surplus Agricultural Commodities Agreement between the United States of America and the Government of Spain ".

I am pleased to inform your Excellency that the Government of the United States of America agrees that the attached " Surplus Agricultural Commodities Agreement Between the United States of America and the Government of Spain " together with your Excellency's Note of April 20, 1955 with attachment, and this Note of mine, shall be considered as constituting an Agreement between our two Governments which will enter into force as of April 20, 1955.

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

John Davis LODGE

His Excellency Alberto Martín Artajo,
Minister for Foreign Affairs
Madrid

SURPLUS AGRICULTURAL COMMODITIES AGREEMENT
BETWEEN THE UNITED STATES OF AMERICA AND SPAIN

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

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 in these commodities or unduly disrupt world prices of agricultural commodities;

Considering that the purchases of surplus agricultural commodities produced in the United States for Spanish pesetas will assist in achieving such an expansion of trade;

Considering that the pesetas accruing from such purchases will be utilized in a manner beneficial to both countries;

Desiring to set forth the understandings which govern the sales of surplus agricultural commodities by the Government of the United States of America pursuant to the Agricultural Trade Development and Assistance Act of 1954, 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

SALE FOR PESETAS

1. Subject to the negotiation and execution of supplemental commodity agreements referred to in paragraph 2 of this Article, the Government of the United States of America undertakes to finance the sale for Spanish pesetas of certain agricultural commodities determined to be surplus pursuant to the Agricultural Trade Development and Assistance Act of 1954 to purchasers authorized by the Government of Spain.

2. The two Governments will conclude supplemental agreements which, together with the terms of this Agreement, shall apply to the sale of commodities, and the uses of the currency accruing from such sales. The supplemental agreements shall include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of such currency, and other relevant matters. The provisions of such supplemental agreements will be incorporated in procurement authorizations issued by the Government of the United States and subject to acceptance by the Government of Spain. Certain commodities with respect to which agreement has been reached between the two governments are listed in the attached Annex A.¹

Article II

USES OF LOCAL CURRENCY

1. The two Governments agree that the pesetas 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 for the following purposes in the amounts shown :

(a) To help meet United States expenses in Spain including : the development of new markets for United States agricultural commodities; the financing of international

¹ See p. 125 of this volume.

educational exchange activities, and the payment of other United States obligations, the peseta equivalent of \$9.5 million.

- (b) To purchase or contract to purchase strategic and critical materials for a supplemental United States stockpile, the peseta equivalent of \$1.0 million.
- (c) For loans to promote multilateral trade and economic development, the peseta equivalent of \$10.5 million. The terms and conditions of such loans will be set forth in a supplemental loan agreement to be negotiated between the two governments.

Article III

DEPOSIT OF LOCAL CURRENCY AND RATE OF EXCHANGE

1. The amount of pesetas to be deposited to the account of the United States shall be the dollar sales value of the commodities reimbursed or financed by the Government of the United States converted into pesetas at the free market rate on the dates of dollar disbursements by the United States. Such dollar sales value shall include ocean freight and handling reimbursed or financed by the Government of the United States, 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.

2. The two Governments agree that the following procedures shall apply with respect to the pesetas deposited to the account of the United States under this Agreement :

- (a) On the date of deposit of such pesetas to the account of the United States, they shall, at the same rate of exchange at which they were deposited, be converted and transferred to a special dollar denominated account to the credit of the United States Government in the Bank of Spain.
- (b) Drawings on such special account by the United States for uses specified in paragraph 1 (a) of Article II of this Agreement shall be paid by the Bank of Spain in pesetas at the buying rate for dollar exchange available to any party in Spain on the date of payment which is most favorable to the United States, and which is not illegal.
- (c) Drawings on such special account for uses specified in paragraph 1 (b) of Article II of this Agreement shall be paid by the Bank of Spain in pesetas at a rate no less favorable to the United States than the effective rate of exchange applicable to exports of such materials against dollar exchange on the date of payment.
- (d) Drawings on such special account for the loan uses specified in paragraph 1 (g) of Article II of this Agreement shall be accomplished by transferring from such special account to the account of the Government of Spain the equivalent of the pesetas to be loaned.

Article IV

GENERAL UNDERTAKINGS

1. The Government of Spain agrees that it will take all possible measures to prevent the resale or transshipment to other countries, or use for other than domestic purposes, (except where such resale, transshipment or use is specifically approved by the Government of the United States) of surplus agricultural commodities purchased pursuant to

the provisions of the Agricultural Trade Development and Assistance Act of 1954, and to assure that its purchase of such commodities does not result in increased availability of those or like commodities to nations unfriendly to the United States.

2. The two Governments agree that they will take reasonable precautions to assure that all sales of surplus agricultural commodities pursuant to the Agricultural Trade Development and Assistance Act of 1954 will not unduly disrupt world prices of agricultural commodities, displace usual marketings of the United States in these commodities, or materially impair trade relations among the countries of the free world.

3. In carrying out this agreement the two Governments will seek to assure conditions of commerce permitting private traders to function effectively and will use their best endeavors to develop and expand continuous market demand for agricultural commodities.

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 or arrangements carried out pursuant to this Agreement.

J. L.

ANNEX A

The United States Government undertakes to finance the sale to the Government of Spain of the following commodities in the amounts indicated, during the United States fiscal year 1955 under the terms of Title I of said Act and of this Agreement :

<i>Commodity</i>	<i>Value</i>
	<i>(Millions of Dollars)</i>
Cotton	7.75
Cottonseed oil	5.00
Tobacco	4.50
Corn	1.75
Ocean Transportation	2.00
	21.00

AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND SPAIN AMENDING THE AGREEMENT OF 20 APRIL 1955² RELATING TO SURPLUS AGRICULTURAL COMMODITIES, AS AMENDED. SIGNED AT MADRID, ON 21 JANUARY 1956

[SPANISH TEXT — TEXTE ESPAGNOL]

SURPLUS AGRICULTURAL COMMODITIES AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND SPAIN UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT AGREED TO AT MADRID, SPAIN, ON APRIL 20, 1955,² AS AMENDED ON OCTOBER 20, 1955 IS HEREBY FURTHER AMENDED

EL ACUERDO SOBRE PRODUCTOS AGRÍCOLAS EXCEDENTES ENTRE LOS ESTADOS UNIDOS DE AMÉRICA Y ESPAÑA BAJO EL TÍTULO I DE LA LEY DE ASISTENCIA Y DESARROLLO DEL COMERCIO AGRÍCOLA, CONCERTADO EN MADRID, ESPAÑA, EL 20 DE ABRIL DE 1955, MODIFICADO EL 20 DE OCTUBRE DE 1955, QUEDA NUEVAMENTE MODIFICADO POR LA PRESENTE :

(1) To provide for additional financing by the Government of the United States on or before June 30, 1956 of \$15.0 million worth of soybean oil and/or cottonseed oil plus \$1.1 million for certain ocean transportation costs to be financed by the United States and

(1) Para estipular la financiación adicional por parte del Gobierno de los Estados Unidos hasta el día 30 de Junio de 1956, de un importe de 15 millones de dólares de aceite de soja y/o aceite de semilla de algodón más 1.1 millones de dólares por concepto de ciertos costes del transporte marítimo financiados por los Estados Unidos, y

(2) To provide that the pesetas accruing to the Government of the United States as a consequence of sales of commodities made pursuant to this amendment will be used by the Government of the United States as follows :

(2) Para estipular que las pesetas producidas a favor del Gobierno de los Estados Unidos de América como consecuencia de las ventas realizadas de conformidad con la presente enmienda sean utilizadas por el Gobierno de los Estados Unidos de la manera siguiente :

(A) For payment of United States obligations in Spain including base

(a) Para el pago de obligaciones de los Estados Unidos en España, in-

¹ Came into force on 21 January 1956, upon signature, in accordance with the provisions thereof.

² See p. 118 of this volume.

construction and other military expenses 40%.

- (B) For loans to promote multilateral trade and economic development 60%. The terms and conditions of such loans will be set forth in a supplemental loan agreement to be negotiated between the two governments.

This amendment shall enter into force upon signature.

IN WITNESS WHEREOF the respective representatives duly authorized for the purpose have signed the present amendment.

DONE at Madrid, Spain, this 21st day of January 1956.

The Ambassador of the
United States of America :

John Davis LODGE

The Minister of Foreign Affairs :

Alberto MARTÍN ARTAJO

cluyendo la construcción de bases y otros gastos militares, el 40 por ciento.

- (b) Para préstamos destinados a favorecer el comercio multilateral y el desarrollo económico, el 60 por ciento. Los términos y condiciones de dichos préstamos figurarán en un Acuerdo de préstamo suplementario que será negociado entre ambos Gobiernos.

Esta enmienda entrará en vigor tan pronto como haya sido firmada.

EN FE DE LO CUAL, los respectivos representantes debidamente autorizados para este fin firman la presente enmienda.

HECHO en Madrid, hoy 21 de Enero de 1956.

El Ministro de asuntos exteriores :

Alberto MARTÍN ARTAJO

El Embajador de los Estados Unidos
de América :

John Davis LODGE