

No. 3411

**UNITED STATES OF AMERICA
and
ARGENTINA**

**Agreement regarding sale and purchase of surplus edible
oil. Signed at Buenos Aires, on 21 December 1955**

Official texts: English and Spanish.

Registered by the United States of America on 11 May 1956.

**ÉTATS-UNIS D'AMÉRIQUE
et
ARGENTINE**

**Accord relatif à la vente et à l'achat d'huiles comestibles
en surplus. Signé à Buenos-Aires, le 21 décembre 1955**

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 11 mai 1956.

No. 3411. AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND THE ARGENTINE REPUBLIC REGARDING SALE AND PURCHASE OF SURPLUS EDIBLE OIL. SIGNED AT BUENOS AIRES, ON 21 DECEMBER 1955

The Government of the United States of America and the Government of the Argentine 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 in these commodities or unduly disrupt world prices of agricultural commodities;

Considering that the purchase for Argentine pesos of surplus agricultural commodities produced in the United States will assist in achieving such an expansion of trade;

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

Desiring to set forth the understanding which will govern the sales of surplus agricultural commodities to the Argentine Republic pursuant to Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, 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 PESOS

1. As hereinafter used in the present Agreement, the term dollars shall be understood to refer to United States dollars, and the term pesos shall be understood to refer to Argentine pesos.

2. Subject to the issuance and acceptance of Purchase Authorization referred to in paragraph 3 of this Article, the United States Government undertakes to finance, on or before June 30, 1956, the sale for pesos to the Government of the Argentine Republic of edible oils and/or fat determined to be surplus pursuant to the Agricultural Trade Development and Assistance Act of 1954, as amended.

¹ Came into force on 21 December 1955, upon signature, in accordance with article VI.

3. The United States Government will issue, within the terms of the present Agreement, Purchase Authorizations which shall include provisions relating to the sale and delivery of edible oils and/or fat, the time and circumstances of deposit of the pesos accruing from such sale, and other relevant matters, and which shall be subject to acceptance by the Government of the Argentine Republic.

4. The United States Government undertakes to finance the sale to the Government of the Argentine Republic of approximately 80,000 metric tons of edible oils and/or fat, in the value of 25,300,000 dollars at United States export market prices, including an estimated 600,000 dollars for ocean transportation, during the fiscal year ending June 30, 1956, under the terms of Title I of the said Act and of the present Agreement.

Article II

USE OF PESOS

1. The two Governments agree that pesos accruing to the United States Government as a consequence of sales made pursuant to the present Agreement will be used by the United States Government for the following purposes, in the approximate amounts shown and in such manner and order of priority as the United States Government shall determine :

(i) For United States Government expenses in Argentina including activities to help develop new markets for United States agricultural commodities, financing the purchase of goods or services for other friendly countries, pay United States obligations and finance educational exchange activities in accordance with subsections (a), (d), (f), and (h) of Section 104 of the said Act : the equivalent in pesos of 7,600,000 dollars. (ii) For loans to public or private organizations in the Argentine Republic, guaranteed by the Government of the Argentine Republic, to promote the economic development of that country, in accordance with subsection (g) of Section 104 of the said Act : the equivalent in pesos of 17,700,000 dollars subject to a supplemental agreement between the two Governments providing for the repayment in dollars or pesos within thirty years. If this supplemental agreement is not signed within three years from the date of the present Agreement, the Government of the Argentine Republic agrees that the full amount set aside for loans guaranteed by the Government of the Argentine Republic will be made transferable immediately in dollars, if the United States Government shall so elect, or, alternatively, in strategic materials, if both Governments shall so mutually agree.

2. The equivalent in pesos of up to 2,750,000 dollars to be used in accordance with paragraph 1 (i) above may be used by the Government of the United States to pay dollar obligations of the United States Government under the Tungsten Contract of May 1, 1951, between the General Services Administration of the United States Government and *Minerales y Metales SRL*, as now or hereafter amended.¹ In the event that such tungsten shipments fail to provide the equivalent of 550,000 dollars during each six months' period following the date of this agreement (the first period ending June 30, 1956) until the equivalent of 2,750,000 dollars is transferred to the United States Government, the Government of the Argentine Republic agrees to transfer immediately in dollars the unfilled amount at the end of each period.

Article III

DEPOSITS OF PESOS

1. The equivalent in pesos of the dollar sales value of the edible oils and/or fat, reimbursed or financed by the United States Government shall be deposited in a peso account in the name of the United States Government, or one of its agencies, in the bank or banks (including the branch in the Argentine Republic of any foreign bank) established in the Argentine Republic, which may be designated by the United States Government. Such dollar sales value shall include ocean freight or handling, or both, 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 edible oils and/or fat be transported on United States flag vessels.

2. The deposit of the equivalent in pesos specified in paragraph 1 above shall be made upon receipt by the Argentine bank, if direct financing is involved, or by the Government of the Argentine Republic, or the representative designated by it, if reimbursement is involved, of documentation showing dollar disbursement by the United States Government representing the dollar sales value of the edible oils and/or fat.

3. The equivalent in pesos of the dollar sales value of the edible oils and/or fat to be deposited as specified in paragraphs 1 and 2 above shall be computed at the rate of exchange most generally applicable to import transactions (excluding imports granted a preferential rate) on the date of United States dollar disbursements shown in the documentation referred to in paragraph 2 above; except that if such import rate differs from the exchange rate generally applicable to

¹ Not printed by the Department of State of the United States of America.

ocean freight charges, the latter exchange rate will be used to compute the equivalent in pesos to be deposited for that portion of the dollar sales value which consists of ocean freight charges.

4. Withdrawals from the account specified in paragraph 1 above will be made by the United States Government for purposes specified in Article II.

5. When an exchange rate for transfers of funds out of the United States Government peso account specified in paragraph 1 above is required under paragraphs 6, 7, and 8 below, it shall be the weighted average of the exchange rates at which the pesos were deposited to that account.

6. Withdrawals from the account specified in paragraph 1 above in connection with the purchase of tungsten by the General Services Administration for the United States Government shall take place at the exchange rate set forth in paragraph 5 above. Pesos so withdrawn shall be paid to the Argentine Government (or such agency as it may designate) in exchange for a dollar instrument drawn to the order of the General Services Administration, computed at the exchange rate set forth in paragraph 5 above. The General Services Administration will deposit this dollar check and will then give a United States Treasury Dollar check, including the amount of the Argentine Government (or such agency as it may designate) dollar check, to Minerales y Metales SRL in payment of amounts due Minerales y Metales SRL under its contract with the General Services Administration for the sale of tungsten.

7. Should it become necessary to transfer pesos in the account specified in paragraph 1 above into dollars, in accordance with the provisions of paragraph 2 of Article II, the equivalent in pesos of the transfer to be debited to that account shall be computed at the exchange rate set forth in paragraph 5 above.

8. Withdrawals from the United States Government peso account specified in paragraph 1 above for the uses specified in paragraph 1 (ii) of Article II shall be the peso equivalent of the dollar obligation computed at the exchange rate set forth in paragraph 5 above.

Article IV

GENERAL UNDERTAKINGS

1. The Government of the Argentine Republic 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 United States Government) of the edible oils and/or fat purchased pursuant to the provisions of the Agricultural Trade Development and Assistance Act of 1954, as amended, and to assure that its purchase of edible oils and/or fat does not result in increased availability of this commodity or like commodities to nations unfriendly to the United States.

2. The two Governments agree that they will take reasonable precautions to assure that the sale of edible oils and/or fat pursuant to the Agricultural Trade Development and Assistance Act of 1954, as amended, 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 the present 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.

4. The Government of Argentina agrees to furnish, upon request of the Government of the United States, information on the progress of the program, particularly with respect to arrivals and condition of commodities and the provisions for the maintenance of usual marketings, and information relating to exports of the same and like commodities.

Article V

CONSULTATION

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

Article VI

ENTRY INTO FORCE

The present Agreement shall enter into force upon signature.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present Agreement, in duplicate, in the English and Spanish languages.

DONE at Buenos Aires, Argentina, this 21 day of December, 1955.

For the Government
of the Argentine Republic :

Luis A. PODESTA COSTA
Minister of Foreign
Affairs and Worship
Julio ALIZÓN GARCÍA
Minister of Finances
Juan LLAMAZARES
Minister of Commerce

[SEAL]

For the Government
of the United States of America :

Albert F. NUFER
Ambassador Extraordinary
and Plenipotentiary

[SEAL]