

No. 3546

**UNITED STATES OF AMERICA
and
ARGENTINA**

**Agreement (with related note) regarding sale and purchase
of surplus cottonseed oil. Signed at Washington, on
25 April 1955**

Official texts: English and Spanish.

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

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

**Accord (avec note y relative) concernant la vente et l'achat
d'huile de coton en surplus. Signé à Washington, le
25 avril 1955**

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 9 octobre 1956.

No. 3546. AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND THE ARGENTINE REPUBLIC REGARDING SALE AND PURCHASE OF SURPLUS COTTONSEED OIL. SIGNED AT WASHINGTON, ON 25 APRIL 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 understandings 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, 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 Authorizations referred to in paragraph 3 of this Article, the United States Government undertakes to finance, on or before June 30, 1955, the sale for pesos to the Government of the Argentine Republic of cottonseed oil determined to be surplus pursuant to the Agricultural Trade Development and Assistance Act of 1954.

¹ Came into force on 25 April 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 cottonseed oil, 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 20,000 metric tons of cottonseed oil, in the value of an estimated 5,800,000 dollars at United States export market prices, including an estimated 350,000 dollars for ocean transportation, during the fiscal year ending June 30, 1955, 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, in accordance with subsections (a), (b), (d), (f), and (h) of Section 104 of the said Act : the equivalent in pesos of 3,500,000 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 2,300,000 dollars, subject to a supplemental agreement between the two Governments providing for the repayment in dollars within ten 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 3,000,000 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,¹ as now or hereafter amended. In the event that such tungsten shipments fail to provide the equivalent of 500,000 dollars during each six months' period following the date of the present Agreement until the equivalent of 3,000,000 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 cottonseed oil 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 cottonseed oil 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 cottonseed oil.
3. The equivalent in pesos of the dollar sales value of the cottonseed oil to be deposited as specified in paragraphs 1 and 2 above shall be computed at the rate of 13.9525 pesos per dollar.
4. When an exchange rate for transfers of funds into and/or out of the United States Government peso account specified in paragraph 1 above is required, it shall be 13.9525 pesos per dollar.
5. 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 4 above. Pesos so withdrawn shall be paid to the Instituto Argentino

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

de Promoción del Intercambio in exchange for a dollar instrument drawn to the order of the General Services Administration, computed at the exchange rate set forth in paragraph 4 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 Instituto Argentino de Promoción del Intercambio 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.

6. 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 4 above.

7. 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 4 above.

8. Withdrawals from the United States Government peso account specified in paragraph 1 above for the purposes provided in subsections (a), (b), (d), (f), and (h) of Section 104 of PL 480 shall be effected as follows: Pesos withdrawn from the account shall be paid to the Central Bank of the Argentine Republic, which shall determine the dollar equivalent of the pesos at the exchange rate set forth in paragraph 4 above. The Central Bank will then immediately deliver to the United States Government pesos equivalent to this dollar amount at the buying rate for dollars available to any party in the Argentine Republic, for the purpose for which the pesos are to be used, which is most favorable to the United States Government on the date of the operation.

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 cottonseed oil purchased pursuant to the provisions of the Agricultural Trade Development and Assistance Act of 1954, and to assure that its purchase of cottonseed oil 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 cottonseed oil 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 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.

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 Washington, D. C., this 25th day of April, 1955.

For the United States of America :
Samuel C. WAUGH

For the Argentine Republic :
Gabriel GÁLVEZ

NOTE FROM THE ARGENTINE CHARGÉ D'AFFAIRES
AD INTERIM TO THE SECRETARY OF STATE

[SPANISH TEXT — TEXTE ESPAGNOL]

EMBAJADA DE LA REPÚBLICA
ARGENTINA¹

Washington, D.C., April 25, 1955

D. E. No. 155

Excellency :

I have the honor to refer to the Agreement signed today² between the United States Government and the Government of the Argentine Republic regarding cottonseed oil.

Due to crop conditions the Argentine Republic has not been able to export any substantial quantity of sunflowerseed oil during the current marketing year. Since the oilseed crop now being harvested, together with the quantities provided for in this Agreement, is substantially less than our domestic needs, you may be assured that all of the edible oils which are now available and which will become available during the marketing year which will begin June 1, 1955, will be used for domestic purposes. We will, however, expect to export small quantities of edible oils—not to exceed a total of 1,000 metric tons during the year—to neighboring countries with whom we have long-standing arrangements.

EMBAJADA DE LA REPÚBLICA
ARGENTINA

Washington, D.C., Abril 25 de 1955

D. E. No. 155

Señor Secretario :

Tengo el honor de referirme al Convenio suscrito hoy entre el Gobierno de la República Argentina y al Gobierno de los Estados Unidos de América en relación con el aceite de semilla de algodón.

Debido a las condiciones de cosecha, la República Argentina no ha podido exportar una cantidad apreciable de aceite de semilla de girasol en este año comercial. En razón de que la cantidad de semillas oleaginosas que actualmente se están cosechando, junto con las cantidades estipuladas en este Convenio, son substancialmente menores que las requeridas para nuestro consumo interno, puede V.E. tener la seguridad de que todos los aceites comestibles actualmente disponibles y los que estén disponibles durante el año comercial que comenzará el día 1º de junio de 1955, serán utilizados para el consumo interno. No obstante, esperamos exportar pequeñas cantidades de aceites comestibles, las cuales no excederán de 1.000 toneladas métricas durante el año, a países vecinos que tienen con nosotros arreglos tradicionales sobre el particular.

¹ Embassy of the Argentine Republic.

² See p. 283 of this volume.

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

[SEAL] Gabriel GÁLVEZ
Chargé d'Affaires a.i.

His Excellency the Secretary of State
Mr. John Foster Dulles
Washington, D.C.

Aprovecho la oportunidad para reiterar a V.E. las seguridades de mi más alta y distinguida consideración.

[SELLO] Gabriel GÁLVEZ
Encargado de Negocios a.i.

A S. E. el señor Secretario de Estado
Don John Foster Dulles
Washington, D. C.