

No. 3781

**UNITED STATES OF AMERICA
and
COLOMBIA**

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act.
Signed at Bogotá, on 23 June 1955**

Official texts: English and Spanish.

Registered by the United States of America on 27 March 1957.

**ÉTATS-UNIS D'AMÉRIQUE
et
COLOMBIE**

**Accord relatif aux produits agricoles, conclu dans le cadre
du titre I de la loi tendant à développer et à favoriser
le commerce agricole. Signé à Bogota, le 23 juin 1955**

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 27 mars 1957.

No. 3781. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND
COLOMBIA UNDER TITLE I OF THE AGRICULTURAL
TRADE DEVELOPMENT AND ASSISTANCE ACT. SIGN-
ED AT BOGOTÁ, ON 23 JUNE 1955

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

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 Colombian pesos of agricultural commodities produced in the United States will assist in achieving such an expansion of trade ;

Considering that the 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 agricultural commodities to Colombia 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. Subject to the issuance and acceptance of purchase authorizations referred to in paragraph 2 of this Article, the Government of the United States of America undertakes to finance on or before July 31, 1955, the sale for pesos 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 Government of Colombia.
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 the pesos accruing from such sales, and other relevant matters, and which shall be subject to acceptance by the Govern-

¹ Came into force on 23 June 1955, upon signature, in accordance with article VI.

ment of Colombia. Certain commodities, and amounts, with respect to which tentative agreement has been reached by the two Governments, are listed in paragraph 3 of this Article.

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

<i>Commodity</i>	<i>Value (millions of dollars)</i>
Wheat	1.6
Cotton	1.6
Cottonseed oil	1.0
Nonfat dry milk and butter	0.7
Ocean transportation (estimated)	0.4
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	TOTAL 5.3

Article II

USES OF PESOS

1. The two Governments agree that pesos accruing to the Government of the United States as a consequence of sales made pursuant to this Agreement will be used by the Government of the United States for the following purposes in the amounts shown :

(a) To help develop new markets for United States agricultural commodities, to finance international educational exchange activities in Colombia, to purchase platinum for the United States national stockpile, and for other U.S. expenditures in Colombia under sub-sections (a), (b), (f) and (h) of Section 104 of the Act, the peso equivalent of \$2.3 million;

(b) For loans to the Government of Colombia to promote the economic development of Colombia under section 104 (g) of the Act, the peso equivalent of \$3.0 million subject to supplemental agreement between the two Governments. In the event that pesos set aside for loans to the Government of Colombia are not advanced within three years from the date of this Agreement as a result of failure of the two Governments to reach agreement on uses of the pesos for loan purposes or for any other purposes, the Government of the United States may use the pesos for any other purpose authorized by Section 104 of the Act.

2. The pesos accruing under this Agreement shall be expended by the Government of the United States for the purposes stated in paragraph 1 of this Article, in such manner and order of priority as the Government of the United States shall determine.

Article III

DEPOSITS OF PESOS

1. The amount of pesos to be deposited to the account of the United States in the Bank of the Republic of Colombia shall be the equivalent of the dollar sales value of the commodities reimbursed or financed by the Government of the United States converted into pesos at the rate for dollar exchange generally applicable to import transactions (excluding imports granted a preferential rate) on dates of dollar disbursement 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 pesos deposited to the account of the United States under this Agreement :

(a) On the date of deposit of such pesos 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 the Republic of Colombia.

(b) Drawings on such special account by the United States for the uses specified in paragraph 1 (a) of Article II of this agreement shall be paid by the Bank of the Republic of Colombia in pesos at the rate for dollar exchange generally applicable to import transactions (excluding imports granted a preferential rate) on the date of payment.

(c) Drawings on such special account for the loan uses specified in paragraph 1 (b) of Article II of this Agreement shall be accomplished by transferring from such special account to the account of the Government of the Republic of Colombia the equivalent of the pesos to be loaned.

Article IV

GENERAL UNDERTAKINGS

1. The Government of Colombia 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 this Agreement, and to assure that the importation of such commodities does not result in increased availability of these or like commodities to nations unfriendly to the United States.

2. The two Governments agree that they will take reasonable precautions to assure that 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 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 of arrangements carried out pursuant to this Agreement.

Article VI

ENTRY INTO FORCE

This Agreement shall enter into force upon signature.

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

DONE in the English and Spanish languages at Bogotá this twenty-third day of June 1955.

For the Government
of Colombia :

Evaristo SOURDIS
Minister of Foreign Affairs

For the Government
of the United States of America :

Philip W. BONSAI
Ambassador of the United
States of America