

No. 3865

**UNITED STATES OF AMERICA
and
PORTUGAL**

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act.
Signed at Lisbon, on 24 May 1956**

Official text: English.

Registered by the United States of America on 4 June 1957.

**ÉTATS-UNIS D'AMÉRIQUE
et
PORTUGAL**

**Accord relatif aux produits agricoles en surplus, conclu
dans le cadre du titre I de la loi tendant à développer
et à favoriser le commerce agricole. Signé à Lisbonne,
le 24 mai 1956**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 4 juin 1957.

No. 3865. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND
PORTUGAL UNDER TITLE I OF THE AGRICULTURAL
TRADE DEVELOPMENT AND ASSISTANCE ACT. SIGN-
ED AT LISBON, ON 24 MAY 1956

The Government of the United States of America and the Government of Portugal

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

Considering that the escudos 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 Portugal 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 ESCUDOS

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 June 30, 1956, the sale for escudos 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 Portugal.
2. The United States Government will issue purchase authorizations which shall include provisions relating to the sale and delivery of commodities, the

¹ Came into force on 24 May 1956, upon signature, in accordance with article VI.

time and circumstances of deposit of the escudos accruing from such sales, and other relevant matters, and which shall be subject to acceptance by the Government of Portugal. The commodity, 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 Portugal of the following commodity, in the value indicated, during the United States fiscal year 1956, under the terms of Title I of the said Act and of this Agreement :

<i>Commodity</i>	<i>Value (in United States dollars)</i>
Wheat	6,300,000
Ocean transportation	800,000
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	TOTAL 7,100,000

Article II

USES OF ESCUDOS

1. The two Governments agree that escudos 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 increase demand for agricultural products now in surplus supply in the United States; financing international cultural and educational exchange activities, and for other United States expenditures under subsections (a), (f) and (h) of Section 104 of the Act, the escudo equivalent of 3,700,000 dollars;
- (b) For loans to the Government of Portugal to promote the economic development of Portugal or its overseas territories under Section 104 (g) of the Act, the escudo equivalent of 3,400,000 dollars, subject to supplemental agreement between the two Governments. In the event that escudos set aside for loans to the Government of Portugal 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 escudos for loan purposes or for any other purpose, the Government of the United States may use the escudos for any other purpose authorized by Section 104 of the Act.

2. The escudos 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

DEPOSIT OF ESCUDOS

The amount of escudos 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 escudos at the rate of exchange generally applicable to import transactions (excluding imports granted a preferential rate) on the dates of dollar disbursements by the United States or U. S. banks on behalf of 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.

Article IV

GENERAL UNDERTAKINGS

1. The Government of Portugal 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 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 all 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, having signed the present Agreement.

DONE at Lisbon May 24, 1956

For the Government
of the United States
of America :

James BONBRIGHT

For the Government
of Portugal :

Paulo CUNHA

[SEAL]
