

No. 3924

**UNITED STATES OF AMERICA
and
SPAIN**

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act.
Signed at Madrid, on 5 March 1956**

**Agreement to supplement the above-mentioned Agreement.
Signed at Madrid, on 20 March 1956**

Official texts: English and Spanish.

Registered by the United States of America on 10 July 1957.

**ÉTATS-UNIS D'AMÉRIQUE
et
ESPAGNE**

**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 Madrid, le 5 mars
1956**

**Accord complétant l'Accord susmentionné. Signé à Madrid,
le 20 mars 1956**

Textes officiels anglais et espagnol.

Enregistrés par les États-Unis d'Amérique le 10 juillet 1957.

No. 3924. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND
SPAIN UNDER TITLE I OF THE AGRICULTURAL TRADE
DEVELOPMENT AND ASSISTANCE ACT. SIGNED AT
MADRID, ON 5 MARCH 1956

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 purchase for pesetas of surplus agricultural commodities produced in the United States 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 will govern the sales of surplus agricultural commodities to Spain 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 PESETAS

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 Spanish pesetas 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 Spain.

2. The United States Government will issue purchase authorizations which shall include provisions relating to the sale and delivery of commodities, the time

¹ Came into force on 5 March 1956, upon signature, in accordance with article VI.

and circumstances of deposit of the pesetas accruing from such sales, and other relevant matters, and which shall be subject to acceptance by the Government of Spain. 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 Spain of the following commodities, in the values 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 (Millions)</i>
Soybean oil and/or cottonseed oil	\$ 25.0
Cotton	24.5
Feedgrains	2.3
Tobacco	2.0
Linseed oil	0.1
Tallow and/or grease	1.0
Hams	2.0
Pork products	1.4
Cotton linters	0.3
Potatoes	1.4
Ocean transportation	4.8
	\$ 64.8

Article II

USES OF PESETAS

1. The two Governments agree that pesetas 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 in Spain, financing international educational exchange activities in Spain, and for other United States expenditures in Spain under subsections (a), (f) and (h) of Section 104 of the Act, the peseta equivalent of \$26.0 millions ;
- (b) For loans to the Government of Spain to promote the economic development of Spain under Section 104 (g) of the Act, the peseta equivalent of \$38.8 million, subject to supplemental agreement between the two Government. In the event that pesetas set aside for loans to the Government of Spain 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 pesetas for loan purposes or for any other purpose, the Government of the United

States may use the pesetas for any other purpose authorized by Section 104 of the Act.

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

Article III

DEPOSIT OF PESETAS

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 under the present Spanish exchange system into pesetas at the free market 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.

In case of a change in the Spanish exchange system, the rate will be determined by negotiation.

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 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 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, have signed the present Agreement.

DONE at Madrid on the 5th of March, 1956.

For the Government
of the United States of America :

John Davis LODGE

For the Government
of Spain :

Alberto MARTÍN ARTAJO

AGREEMENT¹ TO SUPPLEMENT THE SURPLUS AGRICULTURAL COMMODITIES AGREEMENT OF 5 MARCH 1956² BETWEEN THE UNITED STATES OF AMERICA AND SPAIN UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT. SIGNED AT MADRID, ON 20 MARCH 1956

1. To provide for financing by the Government of the United States, on or before December 31, 1956, of not more than \$5 million worth of wheat (including ocean transportation costs financed by the United States) for resale and delivery to Switzerland, and

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 :

- (a) For payment of United States obligations in Spain, including base 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.

The provisions of this agreement are supplemental to and not in replacement of the provisions of the agreement of March 5, 1956² and consequently all relevant provisions of the agreement of March 5, 1956 are equally applicable to this agreement.

This agreement 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 March 20, 1956.

For the Government
of the United States of America :

John LODGE

For the Government
of Spain :

Alberto MARTÍN ARTAJO

¹ Came into force on 20 March 1956, upon signature, in accordance with the provisions of the penultimate paragraph.

² See p. 330 of this volume.