

No. 3933

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**UNITED STATES OF AMERICA**  
and  
**AUSTRIA**

**Agricultural Commodities Agreement under Title I of the  
Agricultural Trade Development and Assistance Act.  
Signed at Vienna, on 7 February 1956**

**Exchange of notes constituting an agreement implementing  
article II, paragraph 1 (b), of the above-mentioned  
Agreement. Vienna, 5 and 6 March 1956**

*Official texts: English and German.*

*Registered by the United States of America on 12 July 1957.*

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

**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 Vienne, le 7 février 1956**

**Échange de notes constituant un accord mettant en œuvre  
l'alinéa b du paragraphe 1 de l'article II de l'Accord  
susmentionné. Vienne, 5 et 6 mars 1956**

*Textes officiels anglais et allemand.*

*Enregistrés par les États-Unis d'Amérique le 12 juillet 1957.*

No. 3933. AGRICULTURAL COMMODITIES AGREEMENT<sup>1</sup>  
BETWEEN THE UNITED STATES OF AMERICA AND  
THE REPUBLIC OF AUSTRIA UNDER TITLE I OF THE  
AGRICULTURAL TRADE DEVELOPMENT AND AS-  
SISTANCE ACT. SIGNED AT VIENNA, ON 7 FEBRUARY  
1956

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The Government of the United States of America and the Federal Govern-  
ment of Austria :

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 schillings of surplus agricultural com-  
modities produced in the United States will assist in achieving such an expansion  
of trade;

Considering that the schillings 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 Austria pursuant to Title I of the Agricul-  
tural 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 SCHILLINGS

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 schillings 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 Federal Government of Austria.

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<sup>1</sup> Came into force on 7 February 1956, upon signature, in accordance with article VI.

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 schillings accruing from such sales, and other relevant matters, and which shall be subject to acceptance by the Federal Government of Austria. 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 Austria 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</i> <i>(Millions of Dollars)</i>
Wheat . . . . .	3.4
Feedgrains . . . . .	6.1
Cotton . . . . .	5.6
Tobacco . . . . .	3.0
Lard . . . . .	2.4
Canned and dried fruit . . . . .	.3
Ocean transportation . . . . .	1.5
	TOTAL 22.3

## *Article II*

### USES OF SCHILLINGS

1. The two Governments agree that schillings 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 Austria, and for other United States expenditures in Austria under subsection (a) and (f) of Section 104 of the Act, the schilling equivalent of \$5.8 million;
- (b) To purchase or contract to purchase in Austria materials under subsection (d) of Section 104 of the Act, the schilling equivalent of \$2,000,000;
- (c) For loans to the Federal Government of Austria to promote the economic development of Austria under Section 104 (g) of the Act, the schilling equivalent of \$14.5 million, subject to supplemental agreement between the two Governments. In the event that schillings set aside for loans to the Federal Government of Austria 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 schillings for loan purposes or for any other purpose, the Government of the United States may use the schillings for any other purpose authorized by Section 104 of the Act.

2. The schillings accruing under this Agreement shall be expended by the Government of the United States for the purpose 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 SCHILLINGS

The amount of schillings 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 schillings 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. 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 Federal Government of Austria 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.

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 nations.

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 in the English and the German languages, both texts being authentic.

DONE at Vienna February 7, 1956.

For the Government  
of the United States of America :  
James K. PENFIELD  
[SEAL]

For the Federal Government  
of Austria :  
Julius RAAB  
[SEAL]

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup>  
BETWEEN THE UNITED STATES OF AMERICA AND  
AUSTRIA IMPLEMENTING ARTICLE II, PARAGRAPH 1  
(b), OF THE AGRICULTURAL COMMODITIES AGREE-  
MENT OF 7 FEBRUARY 1956<sup>2</sup> UNDER TITLE I OF THE  
AGRICULTURAL TRADE DEVELOPMENT AND ASSIST-  
ANCE ACT. VIENNA, 5 AND 6 MARCH 1956

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I

*The American Ambassador to the Austrian Federal Chancellor*

His Excellency Dipl. Ing. Julius Raab  
Federal Chancellor  
Federal Chancellery  
Vienna

March 5, 1956

Dear Mr. Chancellor :

I have the honor to refer to the conclusion of the Agricultural Commodity Agreement between our two governments on February 7, 1956,<sup>2</sup> and to Article II, para 1 b, concerning the proposed purchase of goods by the United States in Austria, in the amount of up to \$2 million. I have the honor to propose that the following procedure should be used to implement the provision made for such purchase.

Subject to the conditions below, the equivalent of not less than \$1 million nor more than \$2 million in schillings deposited hereunder for use by the United States under Section 104 d of the Agricultural Trade Development and Assistance Act will be returned to the Federal Government of Austria in exchange for the equivalent dollar value of Spanish pesetas usable by the Government of the United States for any purpose under the aforesaid Section 104 which may be agreed to by the governments of the United States and Spain. In the event of such exchange, the dollar value of schillings to be exchanged shall be computed at the average rate for schilling deposits under Article III of the afore-mentioned agreement through the date of tender of the pesetas to the United States. (Should there be any change in the exchange rate used for the schilling deposits, the exchange for pesetas would be calculated on the basis of a weighted average of the rates at which the individual schilling deposits are made.) The dollar value for such pesetas shall, under the present Spanish currency system, be computed at the free-market rate in Spain on the date of tender of the pesetas.

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<sup>1</sup> Came into force on 6 March 1956 by the exchange of the said notes.

<sup>2</sup> See p. 118 of this volume.

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

There will be no obligation to exchange schillings for pesetas as provided for above and the Government of the United States may use the schillings for the purposes specified in Article II, paragraph 1, of such agreement, if

- 1) The Government of the United States is unable to conclude an agreement with the Government of Spain satisfactory to it regarding the use of the pesetas and has notified the Federal Government of Austria to that effect, or
- 2) The Federal Government of Austria is unable to arrange for a sale of fertilizer to Spain for pesetas in the amount required and to deposit such pesetas within fifteen months from the date of notification by the Government of the United States that an agreement with Spain has been concluded.<sup>1</sup>

It is understood that tender of the pesetas will be made for half of the amount due within three months after delivery of the individual shipments of fertilizer and half not later than six months after delivery. In no case, however, shall payment extend beyond fifteen months.

Please, accept the renewed assurance of my highest esteem,  
Very sincerely yours,

Llewellyn THOMPSON

## II

### *The Austrian Federal Chancellor to the American Ambassador*

[GERMAN TEXT — TEXTE ALLEMAND]

[TRANSLATION<sup>2</sup> — TRADUCTION<sup>3</sup>]

REPUBLIK ÖSTERREICH  
DER BUNDESKANZLER

REPUBLIC OF AUSTRIA  
THE FEDERAL CHANCELLOR

Zl. 164.460-10/56

Zl. 164.460-10/56

Wien, am 6. März 1956

Vienna, March 6, 1956

Sehr geehrter Herr Botschafter!

My dear Mr. Ambassador:

Ich habe die Ehre, den Empfang Ihres Schreibens vom 5.3.1956 zu bestätigen, in welchem Sie Einzelheiten des Verfahrens bekanntgeben, die bei der Finanzierung von Lieferungen von Stickstoffdünger aus Österreich nach Spanien im Rahmen

I have the honor to acknowledge the receipt of your letter of March 5, 1956, in which you give details of the procedure to be followed in financing deliveries of nitrogenous fertilizer from Austria to Spain under the Agreement concerning Agri-

<sup>1</sup> United States of America: *Treaties and Other International Acts Series 3540*.

<sup>2</sup> Translation by the Government of the United States of America.

<sup>3</sup> Traduction du Gouvernement des États-Unis d'Amérique.

des Abkommens über landwirtschaftliche Güter vom 7.2.1956 zu beachten sind.

Ich bestätige, dass das darin beschriebene Verfahren für die österreichischen Behörden annehmbar ist.

Empfangen Sie die Versicherung meiner vorzüglichsten Hochachtung

Julius RAAB

Seine Exzellenz  
Herrn Llewellyn Thompson  
ausserordentlicher und bevollmächtigter Botschafter  
Wien

cultural Commodities, of February 7, 1956.

I confirm that the procedure described therein is acceptable to the Austrian authorities.

Accept, Sir, the assurances of my highest consideration.

Julius RAAB

His Excellency  
Llewellyn Thompson  
Ambassador Extraordinary  
and Plenipotentiary  
Vienna

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