

No. 4103

**UNITED STATES OF AMERICA
and
AUSTRIA**

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act
(with related note). Signed at Vienna, on 10 May 1957**

Official texts of the Agreement: English and German.

Official text of the related note: English.

Registered by the United States of America on 18 December 1957.

**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 (avec note connexe). Signé à
Vienne, le 10 mai 1957**

Textes officiels de l'Accord: anglais et allemand.

Texte officiel de la note connexe: anglais.

Enregistré par les États-Unis d'Amérique le 18 Décembre 1957.

No. 4103. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE AUSTRIAN FEDERAL
GOVERNMENT UNDER TITLE I OF THE AGRICUL-
TURAL TRADE DEVELOPMENT AND ASSISTANCE
ACT. SIGNED AT VIENNA, ON 10 MAY 1957

The Government of the United States of America and the Austrian Federal Government

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 commodities 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 Agricultural Trade Development and Assistance Act 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 undertakes to finance on or before December 31, 1957 the sale for schillings of certain agricultural commodities determined to be surplus pursuant to Title I of the Agricultural Trade Development and Assistance Act to purchasers authorized by the Austrian Federal Government.

¹ Came into force on 10 May 1957, upon signature, in accordance with article VI.

2. The Government of the United States 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 sale, and other relevant matters, and which shall be subject to acceptance by the Austrian Federal Government. 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 Government of the United States undertakes to finance the sale to Austria of the following commodities, in the amounts indicated, during the period ending December 31, 1957 under the terms of Title I of the said Act and of this Agreement :

<i>Commodity</i>	<i>Amount (millions of dollars)</i>
Wheat	\$2. 5
Feedgrains	4. 1
Tobacco	0. 3
Lard	2. 0
Cotton	4. 5
Ocean transportation	1. 3
	TOTAL \$14. 7

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 and for other expenditures by the Government of the United States, under sub-sections (a), (d), (f), and (i) of Section 104 of the Act, the schilling equivalent of \$3.76 million;
- (b) To provide assistance of the types provided for under subsection 104 (j) of the Act, an amount not to exceed the schilling equivalent of \$640,000.
- (c) For loans to the Austrian Federal Government to promote the economic development of Austria under Section 104 (g) of the Act, the schilling equivalent of \$10.3 million, subject to supplemental agreement between the two Governments. It is understood that such loans will be denominated in dollars with payment of principal and interest to be made

in U. S. dollars or, at the option of the Austrian Federal Government, in schillings, such payments in schillings to be made at the applicable exchange rate, as defined in the loan agreement, in effect on the date of each payment. Other provisions will also be set forth in the loan agreement and any agreement supplemental thereto. In the event that schillings set aside for loans to the Austrian Federal Government 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 purposes stated in paragraph 1 of this Article, in such manner and order of priority as the Government of the United States shall determine. To the extent that the total of schillings accruing to the United States as a consequence of sales made pursuant to this agreement is less than the equivalent of \$14.7 million, the amount available for loans to Austria would be correspondingly reduced; to the extent that the total exceeds the equivalent of \$14.7 million, 30 percent of the excess would be available for U. S. uses and 70 percent for loans to Austria.

Article III

DEPOSIT OF SCHILLINGS AND RATE OF EXCHANGE

The deposit of schillings in payment for the commodities (and for ocean freight costs financed by the United States, except excess costs resulting from the requirement that United States flag vessels be used) shall be made at the rate of exchange for United States dollars generally applicable to import transactions (excluding imports granted a preferential rate) in effect on the dates of dollar disbursement by United States banks, or by the United States, as provided in the purchase authorizations.

Article IV

GENERAL UNDERTAKINGS

1. The Austrian Federal Government 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.
4. The Austrian Federal Government agrees to furnish, upon request of the Government of the United States, information on the progress of the program, particularly with respect to arrivals and condition of commodities and the provisions for the maintenance of usual marketings.

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 to be 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 duplicate at Vienna in the English and German languages, both equally authentic, this 10th day of May, 1957.

For the Government
of the United States of America :

Llewellyn E. THOMPSON

[SEAL]

For the Austrian
Federal Government :

Julius RAAB

[SEAL]

RELATED NOTE

The American Ambassador to the Federal Chancellor of Austria

THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

Vienna, May 10, 1957

Excellency :

I have the honor to refer to the negotiations just concluded concerning Austria's participation in the agricultural commodity program of the United States of America and to confirm as follows the understanding of the United States Government concerning the uses of the schilling proceeds accruing from Austrian purchases of agricultural commodities under this program.

As stated in Article II, paragraph 1 (a) of the Agricultural Commodities Agreement of 1957¹ (hereafter referred to as the Agreement), it is foreseen that the equivalent in Austrian schillings of \$3,760,000 will be used by the United States Government for the purposes outlined in Section 104, subsections (a), (d), (f) and (i) of the Agricultural Trade Development and Assistance Act of 1954 (hereafter referred to as the Act). It is the intention of the United States Government that this sum in the equivalent value of schillings be used in the following manner :

- (a) \$340,000 for the development of new markets for American agricultural products as provided in Section 104 (a) of the Act. It is understood that, of this amount, 50 percent will be convertible into other EPU currencies upon request of the United States Government.
- (b) \$860,000 for financing the purchase of goods or services for other friendly countries, as provided in Section 104 (d) of the Act; however, the United States Government does not consider itself committed to spend such funds for specific items or specific countries and furthermore takes the position that the funds reserved under this heading will revert to uses under Section 104 (f) if and to the extent that Section 104 (d) uses satisfactory to the United States can not be developed within a reasonable time.
- (c) \$2,485,000 for meeting obligations of the United States Government in Austria, as provided in Section 104 (f) of the Act; a substantial portion of this sum has been tentatively earmarked for the purchase of prefabricated houses in Austria on an f. o. b. basis, and/or for payment against contracts for construction of United States housing, using Austrian prefabricated housing, at points outside Austria.
- (d) \$75,000 for financing the translation, publication, and distribution of books and periodicals, as provided in Section 104 (i) of the Act.

Further, as provided in Article II, paragraph 1 (b) of the Agreement, it is envisaged that up to \$640,000 will be used to provide assistance of the types provided under sub-Section 104 (j) of the Act.

¹ See p. 16 of this volume.

Finally, as provided in Article II, paragraph 1 (c) of the Agreement and in a subsequent supplemental loan agreement, the equivalent value in Austrian schillings of \$10,300,000 will be lent to the Austrian Government for promoting the economic development of Austria.

Please accept, Excellency, the renewed assurances of my highest consideration.

Llewellyn E. THOMPSON

His Excellency Dipl. Ing. Julius Raab
Federal Chancellor
Vienna