

No. 4384

**UNITED STATES OF AMERICA
and
SPAIN**

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act.
Signed at Madrid, on 27 January 1958**

Official texts: English and Spanish.

Registered by the United States of America on 30 June 1958.

**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 27 janvier 1958**

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 30 juin 1958.

No. 4384. 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 27 JANUARY 1958

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 of America 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 of America 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, as amended, 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

Subject to the issuance by the Government of the United States of America and acceptance by the Government of Spain of purchase authorizations, the Government of the United States of America undertakes to finance the sale to purchasers authorized by the Government of Spain, for pesetas, of the following agricultural commodities determined to be surplus pursuant to Title I of the Agricultural Trade Development and Assistance Act in the amounts indicated.

¹ Came into force on 27 January 1958, upon signature, in accordance with article VI.

<i>Commodity</i>	<i>Amount (Million)</i>
Feedgrains	\$5.0
Cotton, upland	11.8
Cottonseed /soybean oil	41.8
Tobacco	5.3
Cheese /nonfat dry milk /anhydrous milk fat	1.0
Ocean transportation (estimated)	4.2
TOTAL	\$69.1

Purchase authorizations will be issued not later than 90 calendar days after the effective date of this agreement. They will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of the pesetas accruing from such sale and other relevant matters.

Article II

USES OF PESETAS

1. The two Governments agree that the pesetas accruing to the Government of the United States of America as a consequence of the sales made pursuant to this Agreement will be used by the Government of the United States of America, in such manner and order of priority as the Government of the United States of America shall determine, for the following purposes, 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 of America in Spain under Sub-sections (a), (f), (h) and (i) of Section 104 of the Act, the peseta equivalent of \$38.0 million.

(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 \$31.1 million.

The terms and conditions of loans provided for in (b) above will be included in supplemental agreements between the two Governments. It is understood that 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 Government of Spain, in pesetas, such payments in pesetas to be made at the applicable exchange rate as defined in the loan agreement, in effect on the date of the payment. It is further understood that loan funds shall be disbursed only after prior agreement as to the uses of such loan funds. In the event the 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 the use of the pesetas for loan purposes, the Government of the United States of America may use the pesetas for any other purpose authorized by Section 104 of the Act.

2. To the extent that the total of pesetas accruing to the Government of the United States of America as a consequence of sales made pursuant to this Agreement is less than the equivalent of \$69.1 million, the amount available for loans to the Government of Spain will be reduced by an equivalent amount ; to the extent that the total exceeds the peseta equivalent of \$69.1 million, 55 percent of the excess will be available for the use of the Government of the United States of America under Section 104 (f) and 45 percent for loans to Spain under Section 104 (g).

Article III

DEPOSIT OF PESETAS

The deposit of pesetas to the account of the Government of the United States of America in payment for the commodities and for ocean transportation costs financed by the Government of the United States of America (except excess costs resulting from the requirement that the 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 Government of the United States of America, as provided in the purchase authorizations.

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 the use for other than domestic purposes (except where such resale, transshipment or use is specifically approved by the Government of the United States of America), of the surplus agricultural commodities purchased pursuant to the provisions of this Agreement, and to assure that the purchase of such commodities does not result in increased availability of these or like commodities to nations unfriendly to the United States of America.

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 of America 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.

4. The Government of Spain agrees to furnish, upon request of the Government of the United States of America, 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 and information relating to exports of the same or like 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 duplicate at Madrid in the English and Spanish languages, this 27th day of January, nineteen hundred and fifty-eight.

For the Government
of the United States of America :
John Davis LODGE

For the Government
of Spain :
Fernando María CASTIELLA