

No. 4990

**UNITED STATES OF AMERICA
and
ARGENTINA**

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act,
as amended (with exchange of notes). Signed at
Washington, on 12 June 1959**

Official text : English.

Registered by the United States of America on 28 December 1959.

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

**Accord relatif aux produits agricoles, conclu dans le cadre
du titre I de la loi tendant à développer et à favoriser
le commerce agricole, telle qu'elle a été modifiée (avec
échange de notes). Signé à Washington, le 12 juin 1959**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 28 décembre 1959.

No. 4990. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE GOVERNMENT OF
ARGENTINA UNDER TITLE I OF THE AGRICULTURAL
TRADE DEVELOPMENT AND ASSISTANCE ACT, AS
AMENDED. SIGNED AT WASHINGTON, ON 12 JUNE 1959

The Government of the United States of America and the Government of Argentina,

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, unduly disrupt world prices of agricultural commodities, or normal patterns of commercial trade with friendly countries ;

Considering that the purchase for Argentine pesos of surplus agricultural commodities produced in the United States of America will assist in achieving such an expansion of trade ;

Considering that the Argentine pesos 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, as specified below, of surplus agricultural commodities to Argentina pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended, (hereinafter referred to as the 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 LOCAL CURRENCY

Subject to the issuance of purchase authorizations, the Government of the United States of America undertakes to finance the sale to purchasers authorized

¹ Came into force on 12 June 1959, upon signature, in accordance with article VI.

by the Government of Argentina, for pesos, of the following agricultural commodities determined to be surplus pursuant to the Act, in the amounts indicated :

<i>Commodity</i>	<i>Export market value (millions)</i>
Cottonseed/soybean oil	\$25.6
Rice	4.6
Ocean transportation	2.8
	33.0

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 pesos accruing from such sale, and other relevant matters.

Article II

USES OF PESOS

The two Governments agree that the pesos 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, in the amounts shown :

1. For United States expenditures under subsections (a), (b), (c), (h), (i), (j), (k), (l), (m), (n), and (o) of Section 104 of the Act, the peso equivalent of 4.95 million dollars. Uses under subsections (k), (l), (m), (n), and (o) are subject to legislative action by the Congress of the United States.
2. To pay United States obligations abroad under subsection (f) of Section 104 of the Act, the peso equivalent of \$3.3 million.
3. For loans to be made by the Export-Import Bank of Washington under Section 104 (e) of the Act and for administrative expenses of the Export-Import Bank of Washington in Argentina incident thereto, the peso equivalent of \$8.25 million, but not more than 25 % of the currencies received under the agreement.
4. For a loan to the Government of Argentina under subsection (g) of Section 104 of the Act, the peso equivalent of not more than \$16.5 million, for financing such projects to promote economic development, including projects not heretofore included in plans of the Government of Argentina as may be mutually agreed. The terms and conditions of the loan and other provisions will be set forth in a supplemental loan agreement between the two Governments.

In the event the total of pesos accruing to the Government of the United States of America as a consequence of sales made pursuant to the Agreement is less than the peso equivalent of \$33 million, the amount available for a loan to the Government of Argentina under Section 104 (g) may be reduced by the amount of such difference ; in the event the total peso deposit exceeds the equivalent of \$33 million, 50 percent may be available for the loan under 104 (g) and 50 percent for any use or uses authorized under Section 104 of the Act as determined by the Government of the United States of America.

In the event that the pesos set aside for loans under subdivision No. 4 of the first paragraph of this Article 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 pesos for loan purposes, the Government of the United States of America may use the pesos for any other purposes authorized by Section 104 of the Act.

Article III

DEPOSIT OF PESOS

The deposit of pesos 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 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 of America, as provided in the purchase authorizations.

Article IV

GENERAL UNDERSTANDINGS

The Government of Argentina agrees that it will take all possible measures to prevent the resale or transshipment to other countries, or the use for other than domestic purpose (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 for export from Argentina of these or like commodities.

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 disrupt normal patterns of commercial trade with friendly countries.

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.

The Government of Argentina 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 conditions of commodities, 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 matters relating to the application of this Agreement or to the operation of arrangements carried out pursuant to this Agreement.

Article VI

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 Washington, this twelfth day of June, 1959.

For the Government
of the United States of America :

R. R. RUBOTTOM Jr.

For the Government
of Argentina :

C. BARROS HURTADO

EXCHANGE OF NOTES

I

The Argentine Ambassador to the Acting Secretary of State

EMBAJADA DE LA REPÚBLICA ARGENTINA¹

D.E. 230

Washington, June 12, 1959

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement between the Government of the Argentine Republic and the Government of the United States of America signed today.²

I wish to state the assurance of my Government that during the period April 1, 1959 through March 31, 1960, exports of edible vegetable oils from Argentina will not exceed 2,000 metric tons, and that such exports will be limited to traditional Argentine markets in the neighboring countries of Brazil, Chile, Bolivia, Uruguay and Paraguay. It is noted that this quantity exceeds the 1,000 metric tons of edible oils which, in connection with the Agricultural Commodities Agreement signed between our two Governments on April 25, 1955,³ my Government stated it expected to export to neighboring countries during the year beginning June 1, 1955.

I wish also to state the assurance of my Government that, during the period April 1, 1959 through March 31, 1960, there will be no exports of rice from Argentina.

My Government interposes no objection to the possible conversion by the United States Government, into currencies other than United States dollars, of the equivalent of not more than U\$S 100,000 in Argentine pesos accruing under the Agricultural Commodities Agreement signed today, for use in accordance with the purposes set forth in Section 104 (a) of Public Law 480, as amended.

Accept, Excellency, the renewed assurances of my highest consideration.

[SEAL] César BARROS HURTADO
Ambassador

His Excellency the Acting Secretary of State
Mr. Douglas C. Dillon
Washington, D. C.

¹ Embassy of the Republic of Argentina.

² See p. 60 of this volume.

³ United Nations, *Treaty Series*, Vol. 251, p. 283, and Vol. 316, p. 380.

II

The Acting Secretary of State to the Argentine Ambassador

DEPARTMENT OF STATE
WASHINGTON

June 12, 1959

Excellency :

I have the honor to acknowledge receipt of your note No. 230 of June 12, 1959, in which you stated certain assurances of your Government regarding the exportation from Argentina of edible oils and rice in connection with the Agricultural Commodities Agreement between our two Governments signed on the same date, and also referred to your Government's concurrence in the particular utilization of a small portion of the proceeds of the transaction covered by this Agreement.

I am pleased to state the satisfaction of the Government of the United States with these undertakings.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Acting Secretary of State :

R. R. RUBOTTOM Jr.

His Excellency Dr. César Barros Hurtado
Ambassador of the Argentine Republic

III

The Acting Secretary of State to the Argentine Ambassador

DEPARTMENT OF STATE
WASHINGTON

June 12, 1959

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement between the Government of the United States of America and the Government of the Argentine Republic signed today and to set forth the understanding of our two Governments with respect to Article II, subdivision 3, thereof, as follows :

- (a) Loans under Section 104 (e) of the Act will be made to United States business firms and branches, subsidiaries, or affiliates of such firms in Argentina for business development and trade expansion in Argentina and to United States firms and Argentine firms for the establishment of facilities for aiding in the

utilization, distribution, or otherwise increasing the consumption of and markets for United States agricultural products. In the event the pesos set aside for loans under Section 104 (e) of the Act are not advanced within three years from the date of this Agreement because the Export-Import Bank of Washington has not approved loans or because proposed loans have not been mutually agreeable to the Export-Import Bank of Washington and the Industrial Bank of Argentina, the Government of the United States of America may use the pesos for any purpose authorized by Section 104 of the Act.

- (b) Loans will be mutually agreeable to the Export-Import Bank of Washington and the Government of Argentina acting through the Industrial Bank of Argentina. The President of the Industrial Bank of Argentina, or his designate, will act for the Export-Import Bank of Washington.
- (c) Upon receipt of an application which the Export-Import Bank is prepared to consider, the Export-Import Bank will inform the Industrial Bank of Argentina of the identity of the applicant, the nature of proposed business, the amount of the proposed loan, and the general purposes for which the loan proceeds would be expended.
- (d) When the Export-Import Bank is prepared to act favorably upon an application, it will so notify the Industrial Bank of Argentina and will indicate the interest rate and the repayment period which would be used under the proposed loan. The interest rate will be similar to those prevailing in Argentina on comparable loans and the maturities will be consistent with the purposes of the financing.
- (e) Within sixty days after the receipt of notice that the Export-Import Bank is prepared to act favorably upon an application, the Industrial Bank of Argentina will indicate to the Export-Import Bank whether or not the Industrial Bank of Argentina has any objection to the proposed loan. Unless within the sixty-day period the Export-Import Bank has received such a communication from the Industrial Bank of Argentina, it shall be understood that the Industrial Bank of Argentina has no objection to the proposed loan. When the Export-Import Bank approves or declines the proposed loan, it will notify the Industrial Bank of Argentina.

I would appreciate receiving confirmation that the foregoing is also the understanding of the Government of the Argentine Republic.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Acting Secretary of State :

R. R. RUBOTTOM Jr.

His Excellency Dr. César Barros Hurtado
Ambassador of Argentina

IV

*The Argentine Ambassador to the Acting Secretary of State*EMBAJADA DE LA REPÚBLICA ARGENTINA¹

D.E. 231

Washington, June 12, 1959

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement between the Government of the Argentine Republic and the Government of the United States of America signed today and to your note of June 12, 1959 relating thereto.

I have the honor to confirm, on behalf of my Government, the understanding set forth in the note with respect to Article II, subdivision 3, of the Agreement.

Accept, Excellency, the renewed assurances of my highest consideration.

[SEAL] César BARROS HURTADO
Ambassador

His Excellency the Acting Secretary of State
Mr. Douglas C. Dillon
Washington, D. C.

¹ Embassy of the Republic of Argentina.