

No. 6253

**UNITED STATES OF AMERICA
and
PORTUGAL**

**Agricultural Commodities Agreement under Title IV of the
Agricultural Trade Development and Assistance Act,
as amended (with exchange of notes). Signed at Lisbon,
on 28 November 1961**

Official text of the Agreement: English.

Official texts of the notes: English and Portuguese.

Registered by the United States of America on 16 July 1962.

**ÉTATS-UNIS D'AMÉRIQUE
et
PORTUGAL**

**Accord relatif aux produits agricoles, conclu dans le cadre
du titre IV de la loi tendant à développer et à favoriser
le commerce agricole, telle qu'elle a été modifiée (avec
échange de notes). Signé à Lisbonne, le 28 novem-
bre 1961**

Texte officiel de l'Accord: anglais.

Textes officiels des notes: anglais et portugais.

Enregistré par les États-Unis d'Amérique le 16 juillet 1962.

No. 6253. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF PORTUGAL UNDER TITLE IV OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED. SIGNED AT LISBON, ON 28 NOVEMBER 1961

The Government of the United States of America and the Government of Portugal :

Recognizing the desirability of expanding trade in agricultural commodities between their two countries in a manner which would utilize surplus agricultural commodities, including the products thereof, produced in the United States of America to assist economic development in Portugal ;

Recognizing that such expanded trade should be carried on in a manner which would not displace cash marketings of the United States of America in those commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries ;

Recognizing further that by providing such commodities to Portugal under long-term supply and credit arrangements, the resources and manpower of Portugal can be utilized more effectively for economic development without jeopardizing meanwhile adequate supplies of agricultural commodities for domestic use ;

Desiring to set forth the understandings which will govern the sales as specified below, of commodities to Portugal pursuant to Title IV of the Agricultural Trade Development and Assistance Act, as amended (hereinafter referred to as the Act) ;

Have agreed as follows :

Article I

COMMODITY SALES PROVISIONS

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of Portugal of credit purchase authorizations and to the availability of commodities under the Act at the time of exportation, the Government of the United States of America undertakes to finance during the period July 1, 1961—June 30, 1962 sales for United States dollars, to purchasers authorized by the Government of Portugal, of the following commodities :

¹ Came into force on 28 November 1961, upon signature, in accordance with article V.

<i>Commodity</i>	<i>Approximate Maximum Quantity</i>	<i>Maximum Export Market Value to be Financed</i>
Wheat and/or Wheat Flour	175,000MT	\$11,100,000
Barley	15,000MT	800,000
Ocean Transportation (estimated)		1,300,000
	TOTAL	\$13,200,000

The total amount of financing provided in the credit purchase authorizations shall not exceed the above-specified total maximum export market value to be financed. It is understood that the Government of the United States of America will, as price declines or other marketing factors may require, limit the amount of financing provided in the credit purchase authorizations so that the quantities of commodities financed will not substantially exceed the above specified approximate maximum quantities.

2. Credit purchase authorizations will include provisions relating to the sale and delivery of such commodities and other relevant matters.

3. The financing, sale and delivery of commodities hereunder may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale and delivery is unnecessary or undesirable.

Article II

CREDIT PROVISIONS

1. The Government of Portugal will pay or cause to be paid in United States dollars to the Government of the United States of America for the commodities specified in Article I and related ocean transportation (except excess ocean transportation costs resulting from the requirement that United States flag vessels be used) the amount financed by the Government of the United States of America together with interest thereon.

2. The principal amount due for commodities delivered in each calendar year under this Agreement, including the applicable ocean transportation costs related to such deliveries, shall be paid in ten approximately equal annual payments. The first annual payment for commodities delivered in any calendar year shall become due on December 30 following the calendar year in which such deliveries were made. Subsequent annual payments shall become due at intervals of one year thereafter. Any annual payment may be made prior to the due date thereof.

3. Interest on the unpaid balance of the principal amount due the Government of the United States of America for commodities delivered in each calendar year shall be computed at the rate of $3\frac{7}{8}$ per centum per annum and shall begin on the date of the last delivery of commodities in such calendar year. Interest on each such unpaid

balance shall be paid annually not later than the date on which the annual payment of principal becomes due.

4. All payments shall be made in United States dollars and the Government of Portugal shall deposit or cause to be deposited such payments in the United States Treasury unless another depository is agreed upon by the two Governments.

5. The two Governments will establish appropriate procedures to facilitate the reconciliation of their respective records of the amounts financed with respect to the commodities delivered during each calendar year.

6. For the purpose of determining the date of the last delivery of commodities for each calendar year, delivery shall be deemed to have occurred as of the on-board date shown in the ocean bill of lading which has been signed or initialed on behalf of the carrier.

Article III

GENERAL PROVISIONS

1. The Government of Portugal will take all possible measures to prevent the resale or transshipment to other countries or the use for other than domestic consumption of the commodities purchased pursuant to the provisions of this Agreement.

2. The two Governments will take reasonable precautions to assure that all sales or purchases of commodities pursuant to the Agreement will not displace cash marketings of the United States of America in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade of countries friendly to the United States of America.

3. In carrying out the provisions of this Agreement, the two Governments will seek to assure, to the extent practicable, conditions of commerce permitting private traders to function effectively and will use their best endeavors to develop and extend continuous market demand for commodities.

4. The Government of Portugal will furnish, upon request of the Government of the United States of America, information on the progress of the program, including the arrival and condition of commodities, imports of commodities which may be required under this Agreement to be purchased from the United States of America or other countries friendly to the United States of America in addition to commodities financed under this Agreement, and any exports of the same or like commodities.

Article IV

CONSULTATION

The two Governments will, upon request of either of them, consult regarding any matter relating to the application of this Agreement or to the operation of arrangements entered into pursuant to this Agreement.

Article V

ENTRY INTO FORCE

The 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 Lisbon in duplicate this 28th day of November, 1961.

For the Government
of the United States of America :

Theo. A. XANTHAKY
Chargé d'Affaires ad interim
[SEAL]

For the Government
of Portugal :

Antonio M. PINTO BARBOSA
Minister of Finance
[SEAL]

EXCHANGE OF NOTES

I

The American Chargé d'Affaires ad interim to the Portuguese Minister of Foreign Affairs

Lisbon, November 28, 1961

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 Portugal signed today.¹

It is my Government's understanding that in agreeing that the delivery of commodities pursuant to the above cited Agreement should not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries, the Government of Portugal agrees that Portugal will import commercially from free world sources, including the United States of America, at least 125,000 metric tons of wheat and/or wheat flour in wheat equivalent during the year ending June 30, 1962.

I should appreciate Your Excellency's confirmation of the above understanding. Accept, Excellency, the renewed assurances of my highest consideration.

Theo. A. XANTHAKY
Chargé d'Affaires ad interim

His Excellency Dr. Alberto Franco Nogueira
Minister of Foreign Affairs
Lisbon

¹ See p. 32 of this volume.

II

The Portuguese Minister of Foreign Affairs to the American Chargé d'Affaires ad interim

[PORTUGUESE TEXT — TEXTE PORTUGAIS]

MINISTÉRIO DOS NEGÓCIOS ESTRANGEIROS
Gabinete do Ministro

Lisboa, 28 de Novembro de 1961

Senhor Encarregado de Negócios

Tenho a honra de acusar a recepção da carta de V.Ex^a., com a data de hoje, do teor seguinte :

[See English text, note I]

A este respeito aprez-me comunicar a V.Ex^a. a confirmação do Governo Português quanto à sua intenção de importar comercialmente de fontes do mundo livre, incluindo os Estados Unidos da América, pelo menos 125.000 toneladas métricas de trigo e, ou, o equivalente em farinha, durante o ano que finda em 30 de Junho de 1962.

Aproveito o ensejo para reiterar a V.Ex^a. os protestos da minha distinta consideração.

O Ministro
A FRANCO NOGUEIRA

Senhor Theodore A. Xanthaky
Encarregado de Negócios dos Estados Unidos da América

[TRANSLATION¹ — TRADUCTION²]

MINISTRY OF FOREIGN AFFAIRS
Office of the Minister

Lisbon, November 28, 1961

Mr. Chargé d'Affaires :

I have the honor to acknowledge the receipt of your letter, dated today, which reads as follows :

[See note I]

With respect to the foregoing I take pleasure in communicating to you the confirmation by the Portuguese Government of its intention to import commercially

¹ Translation by the Government of the United States of America.

² Traduction du Gouvernement des États-Unis d'Amérique.

from free world sources, including the United States of America, at least 125,000 metric tons of wheat and/or the equivalent in flour, during the year ending June 30, 1962.

I avail myself of this opportunity to renew to you the assurances of my high consideration.

A. FRANCO NOGUEIRA
Minister

Mr. Theodore A. Xanthaky
Chargé d'Affaires of the United States of America