

No. 8395

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**UNITED STATES OF AMERICA  
and  
COLOMBIA**

**Agricultural Commodities Agreement under Title I of the  
Agricultural Trade Development and Assistance Act, as  
amended (with exchange of notes dated 8 October 1964  
and 11 February 1965). Signed at Bogotá, on 8 October  
1964**

*Official texts: English and Spanish.*

*Registered by the United States of America on 21 November 1966.*

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

**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 en date du 8 octobre 1964 et du 11 fé-  
vrier 1965). Signé à Bogota, le 8 octobre 1964**

*Textes officiels anglais et espagnol.*

*Enregistré par les États-Unis d'Amérique le 21 novembre 1966.*

No. 8395. AGRICULTURAL COMMODITIES AGREEMENT<sup>1</sup>  
BETWEEN THE GOVERNMENT OF THE UNITED  
STATES OF AMERICA AND THE GOVERNMENT OF  
COLOMBIA UNDER TITLE I OF THE AGRICULTURAL  
TRADE DEVELOPMENT AND ASSISTANCE ACT, AS  
AMENDED. SIGNED AT BOGOTÁ, ON 8 OCTOBER 1964

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

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 or normal patterns of commercial trade with friendly countries;

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

Considering that the Colombian 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 agricultural commodities to Colombia 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 COLOMBIAN PESOS

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of Colombia of purchase authorizations and to the availability of the specified commodities under the Act at the time of exportation, the Government of the United States of America undertakes to finance the sales for Colombian pesos, to purchasers authorized by the Government of Colombia, of the following agricultural commodities in the amounts indicated :

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<sup>1</sup> Came into force on 8 October 1964, upon signature, in accordance with article VI.

<i>Commodity</i>	<i>Export Market Value (millions)</i>
Wheat/wheat flour . . . . .	\$15.30
Corn and/or grain sorghum . . . . .	1.60
Inedible tallow . . . . .	2.05
Tobacco and tobacco products . . . . .	.55
Ocean transportation (estimated) . . . . .	3.37
	TOTAL      \$22.87

2. Applications for purchase authorizations for \$5.1 million of wheat/wheat flour, \$1.6 million of corn and/or grain sorghum, \$560,000 worth of inedible tallow and \$230,000 worth of tobacco and tobacco products authorized for calendar year 1964, and certain ocean transportation costs, will be made within 30 days after the effective date of this agreement.

3. The amounts to be financed in calendar years 1965 and 1966 will be determined on the basis of annual reviews to be made by the two Governments prior to the beginning of each calendar year. The reviews shall take into account the United States stock position of each commodity, usual marketings, changes in Colombian production, consumption, stocks, imports and exports of these and related commodities, storage facilities, and other matters.

4. Purchase authorizations will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of Colombian pesos accruing from such sale, and other relevant matters.

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

## *Article II*

### USES OF COLOMBIAN PESOS

The Colombian pesos accruing to the Government of the United States of America as a consequence of 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 proportions shown.

A. For United States expenditures under subsections (a), (b), (d), (f) and (h) through (s) of Section 104 of the Act, or under any of such subsections 35 percent of the Colombian pesos accruing pursuant to this Agreement.

B. For loans to be made by the Agency for International Development of Washington (hereinafter referred to as AID) under Section 104 (e) of the Act and for administrative expenses of AID in Colombia incident thereto, 25 percent of the Colombian pesos accruing pursuant to this agreement.

It is understood that :

- (1) Such 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 Colombia for business development and trade expansion in Colombia and to United States firms and Colombian 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.
- (2) Loans will be mutually agreeable to AID and the Government of Colombia, acting through the Banco de la República (hereinafter referred to as the Banco de la República). The General Manager of the Banco de la República, or his designate, will act for the Government of Colombia, and the Administrator of AID, or his designate will act for AID.
- (3) Upon receipt of an application which AID is prepared to consider, AID will inform the Banco de la República of the identity of the applicant, the nature of the proposed business, the amount of the proposed loan, and the general purposes for which the loan proceeds would be expended.
- (4) When AID is prepared to act favorably upon an application, it will so notify the Banco de la República 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 that prevailing in Colombia on comparable loans, and the maturities will be consistent with the purposes of the financing.
- (5) Within sixty days after the receipt of the notice that AID is prepared to act favorably upon an application, the Banco de la República will indicate to AID whether or not it has any objection to the proposed loan. Unless within the sixty day period AID has received such a communication from the Banco de la República, it shall be understood that the Banco de la República has no objection to the proposed loan. When AID approves or declines the proposed loan it will notify the Banco de la República.
- (6) In the event the Colombian pesos set aside for loans under Section 104 (e) of the Act are not advanced within five years from the date of this agreement because AID has not approved loans or because proposed loans have not

been mutually agreeable to AID and the Banco de la República, the Government of the United States of America may use the Colombian pesos for any purpose authorized by Section 104 of the Act.

C. For a loan to the Government of Colombia under Section 104 (g) of the Act for financing such projects to promote economic development, including projects not heretofore included in plans of the Government of Colombia, as may be mutually agreed, 40 percent of the Colombian pesos accruing pursuant to this agreement. The terms and conditions of the loan and other provisions will be set forth in a separate loan agreement. In the event that agreement is not reached on the use of the Colombian pesos for loan purposes under Section 104 (g) of the Act within five years from the date of this Agreement, the Government of the United States of America may use the Colombian pesos for any purpose authorized by Section 104 of the Act.

### *Article III*

#### DEPOSIT OF COLOMBIAN PESOS

1. The amount of Colombian pesos to be deposited to the account of the Government of the United States of America shall be the equivalent of the dollar value of the commodities and ocean transportation costs reimbursed or financed by the Government of the United States of America (except excess costs resulting from the requirement that United States flag vessels be used) converted into Colombian pesos as follows :

- (a) at the rate for dollar exchange applicable to commercial import transactions on the dates of dollar disbursement by the United States, provided that a unitary exchange rate applying to all foreign exchange transactions is maintained by the Government of Colombia, or
- (b) if more than one legal rate for foreign exchange transactions exist, at a rate of exchange to be mutually agreed upon from time to time between the Government of Colombia and the Government of the United States of America.

2. Any refunds of Colombian pesos which may become due under this Agreement will be made by the Government of the United States of America from funds available under this Agreement. Any refunds of Colombian pesos which may be due become due under any prior agreement under the Act for which undisbursed funds are no longer available in the accounts of the United States' disbursing officer in Colombia will be made by the Government of the United States of America from funds available under this Agreement. Any refunds of Colombian pesos which may be due or become due under this Agree-

ment more than five years from the effective date of this Agreement may, in the event that any subsequent agreement or agreements should be signed by the two Governments under the Act, be made by the Government of the United States of America from funds available from the most recent agreement in effect at the time of the refund.

#### *Article IV*

##### GENERAL UNDERTAKINGS

1. The Government of Colombia will take all possible measures to prevent the resale or transshipment to other countries or the use for other than domestic purposes of the agricultural commodities purchased pursuant to this Agreement (except where such resale, transshipment or use is specifically approved by the Government of the United States of America); to prevent the export of any commodity of either domestic or foreign origin which is the same as, or like, the commodities purchased pursuant to this Agreement during the period beginning on the date of this Agreement and ending with the final date on which such commodities are received and utilized, (except where such export is specifically approved by the Government of the United States of America); and to ensure that the purchase of commodities pursuant to this Agreement does not result in increased availability of the same or like commodities to nations unfriendly to the United States of America.

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

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 Colombia will furnish quarterly information on the progress of the program, particularly with respect to the arrival and condition of commodities; provisions for the maintenance of usual marketings; and information relating to imports and exports of the same or like commodities.

#### *Article V*

##### 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 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 at Bogotá in duplicate this 8 th day of October, 1964.

For the Government  
of the United States of America :

Covey T. OLIVER

Ambassador

of the United States of America

For the Government  
of Colombia :

Virgilio BARCO

Minister of Agriculture

## EXCHANGE OF NOTES

## I

*The American Ambassador to the Colombian Minister of Agriculture*

October 8, 1964

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement signed today by the representatives of our two Governments and to confirm my Government's understanding of the agreement reached with respect to the use of the pesos accruing under the subject agreement and with respect to usual marketings.

For the purposes of Section 104 (a) and 104 (h) of the Act, the Government of Colombia will provide, upon request of the Government of the United States of America, facilities for conversion into other non-dollar currencies of the following amounts of Colombian pesos : For 104 (a) purposes, \$457,400 or two percent of the Colombian pesos accruing under the agreement, whichever is the greater ; for 104 (h) purposes and for the purposes of the Mutual Exchange Act of 1961, up to \$450,000 worth of Colombian pesos. Currencies obtained through these provisions will be utilized in the case of Section 104 (a) to finance agricultural market development activities in other countries and in the case of 104 (h) to finance educational exchange programs and activities in other countries.

I also wish to confirm my Government's understanding that imports of agricultural commodities under the subject agreement shall be over and above usual commercial imports from the United States and other free world sources during the calendar year 1964 a minimum of 7,000 MT of corn and/or grain sorghum, a minimum of 85,000 MT of wheat and/or wheat flour in wheat equivalent, a minimum of 18,700 MT of inedible tallow of which a minimum of 12,200 shall be from the United States and a minimum of 145 MT of tobacco and/or tobacco products of which a minimum of \$630,000 worth shall be from the United States; during the calendar year 1965 a minimum of 95,000 MT of wheat and/or wheat flour in wheat equivalent, a minimum of 19,000 MT of inedible tallow of which a minimum of 11,000 tons shall be from the United States and a minimum of 135 MT of tobacco and/or tobacco products of which a minimum of \$585,000 worth shall be from the United States; and during the calendar year 1966 a minimum of 105,000 MT of wheat and/or wheat flour in wheat equivalent, a minimum of 21,000 tons of inedible tallow of which a minimum of 11,500 shall be from the United States, and a minimum of 145 MT of tobacco and/or tobacco products of which a minimum of \$630,000 worth shall be from the United States.

The Government of the United States may utilize Colombian pesos in Colombia to pay for travel which is part of a trip in which the traveler travels from, to or through Colombia. It is understood that these funds are intended



to cover only travel by persons who are traveling on official business for the Government of the United States of America or in connection with activities financed by the Government of the United States of America. It is further understood that the travel for which pesos may be utilized shall not be limited to services provided by Colombian transportation facilities.

I shall appreciate receiving your Excellency's confirmation of the above understandings.

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

Covey T. OLIVER

His Excellency Dr. Virgilio Barco  
Minister of Agriculture  
Bogotá

## II

October 8, 1964

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement between the Government of Colombia and the Government of the United States of America signed October 8, 1964 and in particular to Article III Paragraph (1) (b) concerning the rate of exchange applicable to deposits of Colombian pesos equivalent to the dollar sales value of the commodities and ocean transportation costs reimbursed or financed by the Government of the United States of America.

On the basis of understandings reached in conversations between representatives of our two Governments, deposits of Colombian pesos under Article III will be made at the selling side of the free market rate. It is further understood that the question of the appropriate deposit rate will be reviewed at the end of the first year of the agreement and that if at any time a change takes place in the exchange rate system of Colombia before the dollar disbursements referred to in Article III are completed, a new rate of exchange for deposits under Article III to be applicable from date of such change will be determined by mutual agreement.

Further, due to recent changes in the Law, the estimated ocean transportation and provisions of portions are subject to change.

We shall appreciate your Excellency's confirmation of the foregoing understanding.

Covey T. OLIVER

His Excellency Dr. Virgilio Barco  
Minister of Agriculture  
Bogotá

## III

*The Colombian Minister of Agriculture to the American Ambassador*

[SPANISH TEXT — TEXTE ESPAGNOL]

REPÚBLICA DE COLOMBIA  
MINISTERIO DE AGRICULTURA

01523

Bogotá, D.E., Febrero 11 de 1965

Excelencia :

Tengo el honor de referirme a sus dos cartas del 8 de octubre de 1964 que tratan sobre el Convenio de Excedentes Agrícolas entre el Gobierno de los Estados Unidos y el Gobierno de Colombia, firmado el 8 de octubre de 1964 y que fueron enviadas al doctor Virgilio Barco, en ese entonces Ministro de Agricultura.

A la vez tengo el gusto de informar a su Excelencia que mi Gobierno está de acuerdo con el contenido de las cartas a que me he referido.

Aprovecho la oportunidad para reiterar a su Excelencia los sentimientos de nuestra más alta consideración.

Gustavo BALCÁZAR MONZÓN  
Ministro de AgriculturaSu Excelencia Covey T. Oliver  
Embajador de los Estados Unidos de América  
Bogotá[TRANSLATION<sup>1</sup> — TRADUCTION<sup>2</sup>]REPÚBLICA DE COLOMBIA  
MINISTERIO DE AGRICULTURA

01524

Bogotá, D.E., February 11, 1965

Excellency :

I have the honor to refer to your two letters of October 8, 1964 to Dr. Virgilio Barco, then Minister of Agriculture, concerning the Agricultural Commodities Agreement between the Government of the United States of America and the Government of Colombia signed on October 8, 1964.

<sup>1</sup> Translation by the Government of the United States of America.<sup>2</sup> Traduction du Gouvernement des États-Unis d'Amérique.

I take pleasure in informing your Excellency that my Government concurs with the communications in reference.

I avail myself of the opportunity to renew to your Excellency the assurance of my highest consideration.

Gustavo BALCÁZAR MONZÓN  
Minister of Agriculture

His Excellency Covey T. Oliver  
Ambassador of the United States of America  
Bogotá