No. 5132

UNITED STATES OF AMERICA
and
COLOMBIA

Exchange of notes (with Memorandum of Understanding) constituting an agreement relating to surplus agricultural commodities. Bogotá, 6 October 1959

Official texts: English and Spanish.

Registered by the United States of America on 12 May 1960.

ÉTATS-UNIS D'AMÉRIQUE
et
COLOMBIE

Échange de notes (avec Mémorandum d'accord) constituant un accord relatif aux produits agricoles en surplus. Bogota, 6 octobre 1959

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 12 mai 1960.

No. 5132. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT[1] BETWEEN THE UNITED STATES OF AMERICA AND COLOMBIA RELATING TO SURPLUS AGRICULTURAL COMMODITIES. BOGOTÁ, 6 OCTOBER 1959

I

The American Ambassador to the Colombian Minister of Foreign Relations

No. 65

Excellency :

I have the honor to refer to conversations between representatives of our two Governments looking toward the conclusion of an Agreement involving the purchase by the Government of Colombia of certain agricultural products and the utilization of the proceeds from such purchases. Our representatives have reached an understanding on the language for such an Agreement and one Memorandum of Understanding[2] that would form part of that Agreement.

Article I

SALES FOR PESOS

Subject to the issuance of purchase authorizations, the Government of the United States of America undertakes to finance the sale to purchasers authorized by the Government of Colombia, for pesos, of the following agricultural commodities determined to be surplus pursuant to the Act, in the amounts indicated :

Commodity	*Export market value (Millions)*
Wheat	$18.2
Wheat products	5.0
Tobacco	1.1
Soybean and/or cottonseed oils	3.4
Ocean transportation	3.9
TOTAL	$31.6

Purchase authorizations will be issued not later than 90 calendar days after the effective date of this agreement for the soybean and/or cottonseed oils and tobacco. Purchase authorizations for wheat and wheat products will be issued until June 30, 1962. 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.

[1] Came into force on 6 October 1959 by the exchange of the said notes.
[2] See p. 150 of this volume.

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 sub-sections (*a*), (*b*), (*c*), (*d*), (*h*), (*i*), (*j*), (*k*), (*l*), (*m*), (*n*), and (*o*) of Section 104 of the Act, or under any of such sub-sections, the Colombian peso equivalent of $4,700,000. Uses under sub-sections (*k*), (*l*), (*m*), (*n*), (*o*) are subject to legislative action by the Congress of the United States.

2. To pay United States obligations in Colombia under sub-section (*f*) of Section 104 of the Act, the peso equivalent of $3,200,000.

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 Colombia incident thereto, the peso equivalent of $7.9 million, but not more than 25% of the currencies received under the agreement. It is understood that :

(*a*) 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. 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 Banco de la República, 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 Colombia acting through 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 President of the Export-Import Bank of Washington, 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 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.

(*d*) When the Export-Import Bank 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 those prevailing in Colombia 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 Banco de la República will indicate to the