

No. 5891

**UNITED STATES OF AMERICA
and
SPAIN**

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act,
as amended (with exchange of notes). Signed at Madrid,
on 22 May 1961**

Official texts : English and Spanish.

Registered by the United States of America on 29 September 1961.

**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, telle qu'elle a été modifiée (avec
échange de notes). Signé à Madrid, le 22 mai 1961**

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 29 septembre 1961.

No. 5891. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE GOVERNMENT OF
SPAIN UNDER TITLE I OF THE AGRICULTURAL TRADE
DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED.
SIGNED AT MADRID, ON 22 MAY 1961

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 or normal patterns of commercial trade with friendly countries ;

Considering that the purchase for pesetas of 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 purchase 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 Spain 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 PESETAS

1. Subject to the availability of commodities for programming under the Act and to 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 sales for pesetas to purchasers authorized by the Government of Spain of the following agricultural commodities determined to be surplus pursuant to the Act, in the amounts indicated :

¹ Came into force on 22 May 1961, upon signature, in accordance with article VI.

<i>Commodity</i>	<i>Export market value (millions)</i>
Wheat	\$14.4
Barley	4.4
Corn	4.2
Cotton	22.5
Ocean transportation (estimated)	4.0
	TOTAL \$49.5

2. Applications for purchase authorizations will be made within 90 calendar days of the effective date of this agreement, except that applications for purchase authorizations for any additional commodities or amounts of commodities provided for in any amendment or supplement to this agreement will be made within 90 days of the effective date of each amendment or supplement. Purchase authorizations 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.

3. Purchase and shipment of the commodities mentioned above will be made within 18 calendar months of the effective date of this agreement.

Article II

USES OF PESETAS

The pesetas 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 amounts shown :

(a) For United States expenditures under subsections (a), (b), (f), (h), (i), (j), (k), (l), (m), (n), (o), (p), (q) and (r) of Section 104 of the Act or under any of such subsections, fifty percent of the pesetas accruing pursuant to this agreement.

(b) For a loan to the Government of Spain under Section 104 (g) of the Act for financing such projects to promote economic development as may be mutually agreed, including projects not heretofore included in plans of the Government of Spain, fifty percent of the pesetas accruing pursuant to this agreement. The terms and conditions of the loan and other provisions will be set forth in a separate loan agreement between the Export-Import Bank of Washington and the Government of Spain. In the event that agreement is not reached on the use of the pesetas for loan purposes within three years from the date of this agreement, the Government of the United States of America may use the pesetas for any purpose authorized by Section 104 of the Act.

Article III

DEPOSIT OF PESETAS

1. 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 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.

2. In the event that a subsequent agricultural commodities agreement or agreements should be signed by the two Governments under the Act, any refunds of pesetas which may be due or become due under this agreement more than two years from the effective date of this agreement will be made by the Government of the United States of America from funds available from the most recent agricultural commodities agreement in effect at the time of the refund.

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 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 all sales or purchases of agricultural commodities, pursuant to the 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 Spain agrees to furnish, upon request of the United States of America, information on the progress of the program, particularly with re-