No. 8395

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.

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 février 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[1] 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

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 :

[1] Came into force on 8 October 1964, upon signature, in accordance with article VI.

Commodity	Export Market Value (millions)
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 pasos 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-