No. 3546

UNITED STATES OF AMERICA
and
ARGENTINA

Agreement (with related note) regarding sale and purchase of surplus cottonseed oil. Signed at Washington, on 25 April 1955

Official texts: English and Spanish.

Registered by the United States of America on 9 October 1956.

ÉTATS-UNIS D'AMÉRIQUE
et
ARGENTINE

Accord (avec note y relative) concernant la vente et l'achat d'huile de coton en surplus. Signé à Washington, le 25 avril 1955

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 9 octobre 1956.

No. 3546. AGREEMENT[1] BETWEEN THE UNITED STATES OF AMERICA AND THE ARGENTINE REPUBLIC REGARDING SALE AND PURCHASE OF SURPLUS COTTONSEED OIL. SIGNED AT WASHINGTON, ON 25 APRIL 1955

The Government of the United States of America and the Government of the Argentine Republic;

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 in these commodities or unduly disrupt world prices of agricultural commodities;

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

Considering that the Argentine 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 of surplus agricultural commodities to the Argentine Republic pursuant to Title I of the Agricultural Trade Development and Assistance Act of 1954, 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 pesos

1. As hereinafter used in the present Agreement, the term dollars shall be understood to refer to United States dollars, and the term pesos shall be understood to refer to Argentine pesos.

2. Subject to the issuance and acceptance of Purchase Authorizations referred to in paragraph 3 of this Article, the United States Government undertakes to finance, on or before June 30, 1955, the sale for pesos to the Government of the Argentine Republic of cottonseed oil determined to be surplus pursuant to the Agricultural Trade Development and Assistance Act of 1954.

[1] Came into force on 25 April 1955, upon signature, in accordance with article VI.

3. The United States Government will issue, within the terms of the present Agreement, Purchase Authorizations which shall include provisions relating to the sale and delivery of cottonseed oil, the time and circumstances of deposit of the pesos accruing from such sale, and other relevant matters, and which shall be subject to acceptance by the Government of the Argentine Republic.

4. The United States Government undertakes to finance the sale to the Government of the Argentine Republic of approximately 20,000 metric tons of cottonseed oil, in the value of an estimated 5,800,000 dollars at United States export market prices, including an estimated 350,000 dollars for ocean transportation, during the fiscal year ending June 30, 1955, under the terms of Title I of the said Act and of the present Agreement.

Article II

USE OF PESOS

1. The two Governments agree that pesos accruing to the United States Government as a consequence of sales made pursuant to the present Agreement will be used by the United States Government for the following purposes, in the approximate amounts shown and in such manner and order of priority as the United States Government shall determine :

(i) For United States Government expenses in Argentina, including activities to help develop new markets for United States agricultural commodities, in accordance with subsections (*a*), (*b*), (*d*), (*f*), and (*h*) of Section 104 of the said Act : the equivalent in pesos of 3,500,000 dollars.

(ii) For loans to public or private organizations in the Argentine Republic, guaranteed by the Government of the Argentine Republic, to promote the economic development of that country, in accordance with subsection (*g*) of Section 104 of the said Act : the equivalent in pesos of 2,300,000 dollars, subject to a supplemental agreement between the two Governments providing for the repayment in dollars within ten years. If this supplemental agreement is not signed within three years from the date of the present Agreement, the Government of the Argentine Republic agrees that the full amount set aside for loans guaranteed by the Government of the Argentine Republic will be made transferable immediately in dollars, if the United States Government shall so elect, or, alternatively, in strategic materials, if both Governments shall so mutually agree.

2. The equivalent in pesos of up to 3,000,000 dollars to be used in accordance with paragraph 1 (i) above may be used by the Government of the United States to pay dollar obligations of the United States Government under the

Tungsten Contract of May 1, 1951, between the General Services Administration of the United States Government and Minerales y Metales SRL,[1] as now or hereafter amended. In the event that such tungsten shipments fail to provide the equivalent of 500,000 dollars during each six months' period following the date of the present Agreement until the equivalent of 3,000,000 dollars is transferred to the United States Government, the Government of the Argentine Republic agrees to transfer immediately in dollars the unfilled amount at the end of each period.

Article III

Deposits of pesos

1. The equivalent in pesos of the dollar sales value of the cottonseed oil reimbursed or financed by the United States Government shall be deposited in a peso account in the name of the United States Government, or one of its agencies, in the bank or banks (including the branch in the Argentine Republic of any foreign bank) established in the Argentine Republic, which may be designated by the United States Government. Such dollar sales value shall include ocean freight or handling, or both, reimbursed or financed by the United States Government, except that it shall not include any extra cost of ocean freight resulting from a United States requirement that the cottonseed oil be transported on United States flag vessels.

2. The deposit of the equivalent in pesos specified in paragraph 1 above shall be made upon receipt by the Argentine bank, if direct financing is involved, or by the Government of the Argentine Republic, or the representative designated by it, if reimbursement is involved, of documentation showing dollar disbursement by the United States Government representing the dollar sales value of the cottonseed oil.

3. The equivalent in pesos of the dollar sales value of the cottonseed oil to be deposited as specified in paragraphs 1 and 2 above shall be computed at the rate of 13.9525 pesos per dollar.

4. When an exchange rate for transfers of funds into and/or out of the United States Government peso account specified in paragraph 1 above is required, it shall be 13.9525 pesos per dollar.

5. Withdrawals from the account specified in paragraph 1 above in connection with the purchase of tungsten by the General Services Administration for the United States Government shall take place at the exchange rate set forth in paragraph 4 above. Pesos so withdrawn shall be paid to the Instituto Argentino

[1] Not printed by the Department of State of the United States of America.