

No. 7145

**UNITED STATES OF AMERICA
and
COLOMBIA**

**Agricultural Commodities Agreement under Title IV of the
Agricultural Trade Development and Assistance Act, as
amended (with related letters of 29 March and 15 April
1963). Signed at Bogotá, on 27 March 1963**

Official text of the Agreement: English.

Official texts of the letters: English and Spanish.

Registered by the United States of America on 28 February 1964.

**ÉTATS-UNIS D'AMÉRIQUE
et
COLOMBIE**

**Accord relatif aux produits agricoles, conclu dans le cadre
du titre IV de la loi tendant à développer et à favoriser
le commerce agricole, telle qu'elle a été modifiée (avec
lettres connexes des 29 mars et 15 avril 1963). Signé à
Bogota, le 27 mars 1963**

Texte officiel de l'Accord: anglais.

Textes officiels des lettres: anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 28 février 1964.

No. 7145. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE GOVERNMENT OF
COLOMBIA UNDER TITLE IV OF THE AGRICULTURAL
TRADE DEVELOPMENT AND ASSISTANCE ACT, AS
AMENDED. SIGNED AT BOGOTÁ, ON 27 MARCH 1963

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

Recognizing the desirability of expanding trade in agricultural commodities between their two countries in a manner which would utilize surplus agricultural commodities, including the products thereof, produced in the United States of America to assist economic development in Colombia;

Recognizing that such expanded trade should be carried on in a manner which would not displace cash marketings of the United States of America in those commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries;

Recognizing further that by providing such commodities to Colombia under long-term supply and credit arrangements, the resources and manpower of Colombia can be utilized more effectively for economic development without jeopardizing meanwhile adequate supplies of agricultural commodities for the domestic use;

Desiring to set forth the understandings which will govern the sales, as specified below, of commodities to Colombia pursuant to Title IV of the Agricultural Trade Development and Assistance Act, as amended (hereinafter referred to as the Act);

Have agreed as follows :

Article I

COMMODITY SALES PROVISIONS

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of Colombia of credit purchase authorizations and to the availability of commodities under the Act at the time of exportation, the Government of the United States of America undertakes to finance during the period July 1, 1962 to June 30, 1963 inclusive, or such longer periods as may be authorized by the Government of the United States of America, sales for

¹ Came into force on 27 March 1963, upon signature, in accordance with article IV.

United States dollars, to purchasers authorized by the Government of Colombia, of the following :

<i>Commodity</i>	<i>Approximate maximum quantity (Metric tons)</i>	<i>Maximum export market value to be financed (Thousands)</i>
Wheat, wheat flour and/or bulgur wheat	30,000	\$2,130
Inedible tallow	2,000	330
Cottonseed and/or soybean oil	10,000	2,620
Tobacco/tobacco products	500	1,100
Ocean transportation (estimated)		635
	TOTAL	\$6,815

The total amount of financing provided in the credit purchase authorizations shall not exceed the above-specified total maximum export market value to be financed, except, that additional financing for ocean transportation will be provided if the estimated amount for financing shipments required to be made on United States flag vessels proves to be insufficient. It is understood that the Government of the United States of America will, as price declines or other marketing factors may require, limit the amount of financing provided in the credit purchase authorizations so that the quantities of commodities financed will not substantially exceed the above specified approximate maximum quantities.

2. With respect to the above commodities the two Governments will review annually supply and requirements factors and related matters, including normal patterns of trade with countries friendly to the United States of America, and agree upon any necessary adjustments of the composition and the approximate maximum quantities of the commodities, specified in paragraph 1 of this Article, to be supplied and export market value to be financed for any subsequent period.

3. Credit purchase authorization will include provisions relating to the sale and delivery of commodities and other relevant matters.

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

Article II

CREDIT PROVISIONS

1. The Government of Colombia will pay, or cause to be paid, in United States dollars to the Government of the United States of America for the com-

modities specified in Article I and related ocean transportation (except excess ocean transportation costs resulting from the requirement that United States vessels be used) the amount financed by the Government of the United States of America together with interest thereon.

2. The principal amount due for commodities delivered in each calendar year under this Agreement, including the applicable ocean transportation costs related to such deliveries, shall be paid in 19 approximately equal annual payments, the first of which shall become due two years after the date of the last delivery of commodities in such calendar year. Any annual payment may be made prior to the due date thereof.

3. Interest on the unpaid balance of the principal amount due the Government of the United States of America for commodities delivered in each calendar year shall be computed at the rate of three-quarters of one percentum per annum and shall begin on the date of the last delivery of commodities in such calendar year. Interest on the amount due with respect to deliveries in each calendar year which accrues for the semi-annual periods ending respectively 6 months, 12 months and 18 months after the date of the last delivery of commodities in such calendar year shall be paid not later than the ending dates of such respective semi-annual periods. Interest for the 6-month period ending on the first annual principal payment date shall be paid not later than such principal payment date. Thereafter, the interest on the unpaid balance shall be paid annually not later than the date on which annual payment of principal becomes due.

4. All payments shall be made in United States dollars, and the Government of Colombia will deposit, or cause to be deposited, such payments in the United States Treasury unless another depository is agreed upon by the two Governments.

5. The two Governments will each establish appropriate procedures to facilitate the reconciliation of their respective records of the amounts financed with respect to the commodities delivered during each calendar year.

6. For the purpose of determining the date of the last delivery of commodities for each calendar year, delivery shall be deemed to have occurred as of the on-board date shown in the ocean bill of lading which has been signed or initialed on behalf of the carrier.

Article III

GENERAL PROVISIONS

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 consumption of the agricultural commodities purchased pursuant to this Agreement; 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 on the final date on which said 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 these or like commodities to nations unfriendly to the United States of America.

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

3. In carrying out the provisions of this Agreement, the two Governments will seek to assure, to the extent practicable, conditions of commerce permitting private traders to function effectively and will use their best endeavors to develop and extend continuous market demand for agricultural commodities.

4. The Government of Colombia will furnish, upon request of the Government of the United States of America, information on the progress of the program, including the arrival and condition of commodities, imports of commodities which may be required under this Agreement to be purchased from the United States of America or countries friendly to the United States of America in addition to commodities financed under this Agreement, and any exports of the same or like commodities.

Article IV

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 entered into pursuant to this Agreement.

The Agreement shall enter into force upon signature.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present Agreement.

DONE in duplicate at Bogotá this 27th day of March, 1963.

For the Government
of the United States of America :

Fulton FREEMAN
Ambassador of the United States
of America

For the Government
of Colombia :

Cornelio REYES
Minister of Agriculture

RELATED LETTERS

I

The American Ambassador to the Colombian Minister of Agriculture

AMERICAN EMBASSY

Bogotá, March 29, 1963

Dear Mr. Minister :

I have the honor to refer to the Agricultural Commodities Agreement between the Government of the United States of America and the Government of Colombia signed March 27.¹

I wish to confirm my Government's understanding of the agreement reached in conversations which have taken place between representatives of this Embassy and the Government of Colombia on two aspects of the agreement as follows :

1. In expressing its concurrence that the commodities delivered pursuant to the Agreement should not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries or displace cash marketings of the United States of America in these commodities, the Government of Colombia agrees that, during the United States fiscal year 1963, Colombia will import with its own resources from free world sources, including the United States of America, at least 68,000 metric tons of wheat and/or wheat flour or bulgur wheat in wheat equivalent; 31,000 metric tons of edible oils or oilseed equivalents of which not less than 5,800 metric tons shall be from the United States of America; 11,000 metric tons of inedible tallow of which not less than 10,600 metric tons shall be from the United States of America; and 125 metric tons of tobacco or leaf equivalent of tobacco products of which not less than 120 metric tons shall be from the United States of America. The quantities of the above-mentioned commodities are in addition to the commodities provided for in this Agreement.

2. The pesos resulting from the sale of commodities financed under the Agreement will be used by the Government of Colombia for economic and social development programs consistent with the purposes and objectives of the Act of Bogota² and the charter of Punta del Este³ as may be generally agreed to by the two Governments.

I shall appreciate receiving your confirmation of the above understanding.

Sincerely yours,

Fulton FREEMAN
American Ambassador

His Excellency Cornelio Reyes
Minister of Agriculture
Bogotá

¹ See p. 290 of this volume.

² United States of America : *Department of State Bulletin*, 3 October 1960, p. 537.

³ United States of America : *Department of State Bulletin*, 11 September 1961, p. 462.

II

The Colombian Minister of Agriculture to the American Ambassador

[SPANISH TEXT — TEXTE ESPAGNOL]

[TRANSLATION¹ — TRADUCTION²]

REPÚBLICA DE COLOMBIA
MINISTERIO DE AGRICULTURA

Gabinete
Sección Despacho

Número 08680

Bogotá, D.E., Abril 15 de 1963

Señor Embajador :

Tengo a honra referirme a su muy atenta nota del 29 de marzo último, relacionada con el acuerdo sobre Excedentes Agrícolas firmado entre los Gobiernos de Colombia y los Estados Unidos de América, el 27 de marzo de 1963, y en la cual confirma Ud. el pensamiento de su Gobierno acerca de los aspectos principales que pueden resumirse así :

1o.) Colombia importará con sus propios recursos, de mercados libres de países amigos, incluyendo los de los Estados Unidos de América, por lo menos 68.000 toneladas métricas de trigo y/o de harina de trigo o derivados del trigo como equivalencia de trigo; 31.000 toneladas métricas de aceites comestibles, o su equivalente en semillas productoras de aceite, de las cuales no menos de 5.800 toneladas métricas procederán de los Estados Unidos de América; 11.000 toneladas métricas de sebo, de las cuales no menos de 10.600 toneladas métricas procederán de los Estados Unidos de América; y 125 toneladas métricas de hoja de tabaco, o su equivalente en productos de tabaco, de las cuales no menos de 120 toneladas métricas procederán de los Estados Unidos de América.

REPUBLIC OF COLOMBIA
MINISTRY OF AGRICULTURE

Office
Despatch Section

No. 08680

Bogotá, D.E., April 15, 1963

Mr. Ambassador :

I have the honor to refer to your note of March 29 last, concerning the Surplus Agricultural Commodities Agreement between the Government of Colombia and the United States of America, signed on March 27, 1963, in which you confirm your Government's understanding of the main aspects, which may be summarized as follows :

1. Colombia will import with its own resources from free markets of friendly countries, including those of the United States of America, at least 68,000 metric tons of wheat and/or wheat flour or wheat byproducts in wheat equivalent; 31,000 metric tons of edible oils or oilseed equivalents, of which not less than 5,800 metric tons shall be from the United States of America; 11,000 metric tons of tallow, of which not less than 10,600 metric tons shall be from the United States of America, and 125 metric tons of leaf tobacco, or the equivalent thereof in tobacco products, of which not less than 120 metric tons shall be from the United States of America.

¹ Translation by the Government of the United States of America.

² Traduction du Gouvernement des États-Unis d'Amérique.

2o. Los pesos en moneda colombiana que resulten de la venta de los artículos financiados por el Acuerdo los usará el Gobierno de Colombia en sus programas de desarrollo económico y social, teniendo en cuenta los propósitos y objetivos de la Carta de Bogotá, y el carácter de lo establecido en la reunión de Punta del Este, como pueda ser generalmente acordado por ambos Gobiernos.

Este Ministerio de Agricultura encuentra completamente equitativas y razonables las aclaraciones anteriores, y en tal virtud, otorga a este Convenio en nombre del Gobierno de Colombia, la confirmación que le solicita el Sr. Embajador de los Estados Unidos de América.

Con mi más distinguida consideración, quedo de Ud., muy atentamente,

Cornelio REYES
Ministro de Agricultura

[SELLO]

A Su Excelencia
Fulton Freeman
Embajador de los Estados Unidos
Bogotá

2. The pesos in Colombian currency resulting from the sale of the commodities financed by the Agreement will be used by the Government of Colombia in its economic and social development programs, with due regard for the purposes and objectives of the Charter of Bogotá and the character of the provisions adopted at the conference held in Punta del Este, as may be generally agreed to by the two Governments.

The Ministry of Agriculture considers the foregoing clarifications entirely fair and reasonable and, consequently, confirms this Agreement in the name of the Government of Colombia, as requested by Your Excellency.

Very truly yours,

Cornelio REYES
Minister of Agriculture

[SEAL]

His Excellency
Fulton Freeman
Ambassador of the United States
Bogotá