

No. 3863

**UNITED STATES OF AMERICA
and
PARAGUAY**

**Agreement under Title I of the Agricultural Trade Development and Assistance Act of the United States of America.
Signed at Asunción, on 2 May 1956**

Official texts: English and Spanish.

Registered by the United States of America on 4 June 1957.

**ÉTATS-UNIS D'AMÉRIQUE
et
PARAGUAY**

Accord conclu dans le cadre du titre I de la loi des États-Unis d'Amérique tendant à développer et à favoriser le commerce agricole. Signé à Assomption, le 2 mai 1956

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 4 juin 1957.

No. 3863. AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF PARAGUAY UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF THE UNITED STATES OF AMERICA. SIGNED AT ASUNCION, ON 2 MAY 1956

The Government of the United States of America and the Government of the Republic of Paraguay :

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 disrupt world prices of agricultural commodities;

Considering that the purchase for Paraguayan guaranies of agricultural commodities produced in the United States of America will assist in achieving such an expansion of trade;

Considering that the guaranies accruing from such purchases will be utilized in a manner beneficial to both countries;

Desiring to set forth the understanding which will govern the sales to Paraguay of agricultural commodities originating in the United States of America pursuant to Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, Public Law 480, 83rd Congress of the United States of America, 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

SALE FOR GUARANIES

1. As hereinafter used in the present Agreement, the term dollars refers to United States of America dollars, and the term guaranies refers to Paraguayan guaranies.

¹ In accordance with article VI, the Agreement came into force on 18 May 1956, date of receipt by the Government of the United States of America of a notification from the Government of Paraguay that it had approved the Agreement in accordance with its constitutional procedure.

2. Subject to the issuance and acceptance of "Purchase Authorizations" referred to in paragraph 3 of this Article, the Government of the United States of America undertakes to finance, on or before June 30, 1956, the sale for guaranies to the Republic of Paraguay of certain agricultural commodities determined to be surplus pursuant to Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, to purchasers authorized by the Government of Paraguay.

3. The Government of the United States of America will issue, within the terms of this Agreement, "Purchase Authorizations" which shall include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of the guaranies accruing from such sales, and other relevant matters, and which shall be subject to acceptance by the Government of the Paraguayan Republic.

4. The Government of the United States of America undertakes to finance the sale to the Government of the Paraguayan Republic of the following commodities, in the export market values indicated, including an estimated four hundred thousand dollars \$400,000 for ocean transportation to River Plate Ports, during the United States of America fiscal year ending June 30, 1956, under the terms of Title I of the said Act and of this Agreement.

<i>Product</i>	<i>Value in Dollars</i>
Wheat	1,240,000
Wheat flour	430,000
Edible Oil	315,000
Lard	195,000
Milk products	420,000
Estimated cost of ocean transportation	400,000
TOTAL	3,000,000

(Three million dollars)

Article II

USE OF GUARANIES

1. The two Governments agree that guaranies accruing to 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 for the following purposes, in the approximate amounts shown :

- a) For the Government of the United States of America expenses in Paraguay, including activities to help develop new markets for United States of America agricultural commodities, pay obligations of the Government

of the United States of America in Paraguay, and finance educational exchange activities in accordance with subsections (a), (f), and (h) of Section 104 of the said Act : the equivalent in guaranies of seven hundred fifty thousand dollars, \$750,000.

- b) For loans to public or private organizations in the Paraguayan Republic, guaranteed by the Government of the Republic of Paraguay, to promote the economic development of that country, in accordance with subsection (g) of Section 104 of the said Act : the equivalent in guaranies of two million two hundred and fifty thousand dollars \$2,250,000 subject to a supplemental agreement between the two Governments providing for the repayment in dollars or guaranies within 25 years. In the event that guaranies set aside for loans to the Government of Paraguay are not advanced as a result of failure of the two Governments to reach agreement within three years on the use of the guaranies for loan purposes or for any other purpose, the Government of the United States of America may use the guaranies for any other purpose authorized by Section 104 of the Act.

2. The guaranies accruing under this Agreement shall be expended by the Government of the United States of America for purposes stated in paragraph I of this Article in such manner and order of priority as the Government of the United States of America shall determine.

Article III

DEPOSITS OF GUARANIES

1. The amount of guaranies to be deposited to the account of the United States of America in the Central Bank of Paraguay shall be equivalent of the dollar sales value of the commodities reimbursed or financed by the Government of the United States of America converted into guaranies at the rate for dollar exchange generally applicable to import transactions (excluding imports granted a preferential rate) on dates of dollar disbursement by the United States of America. Such dollar sales value shall include such ocean freight and handling as may be reimbursed or financed by the Government of the United States of America except that it shall not include any extra cost of ocean freight resulting from a United States of America requirement that the commodities be transported on United States of America flag vessels, nor shall such dollar sales values include any transshipment costs.

Article IV

GENERAL UNDERTAKINGS

1. The Government of Paraguay agrees that it will take all possible measures to prevent the resale or transshipment to other countries, or 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 surplus agricultural commodities purchased pursuant to the provisions of the Agricultural Trade Development and Assistance Act of 1954, as amended, 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 sales or purchases of surplus agricultural commodities pursuant to this Agreement will not unduly disrupt world prices of agricultural commodities, displace usual marketings of the United States of America in these commodities, or materially impair trade relations among the countries of the free world.
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 the Republic of Paraguay agrees to furnish, upon request of the Government of the United States of America, information on the progress of the provisions for the maintenance of usual marketings, and information relating to exports of the same and like commodities.

Article V

CONSULTATION

The two Governments will, upon the request of either of them, consult regarding any matter relating to the application of this Agreement or to the operation of arrangements carried out pursuant to this Agreement.

Article VI

ENTRY INTO FORCE

This Agreement shall enter into force on the date of the receipt by the Government of the United States of America of notification by the Government

of Paraguay that Paraguay has approved the agreement in accordance with its constitutional procedure.

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

DONE in the English and Spanish languages at Asunción, this second day of May, nineteen hundred fifty-six.

For the Government of the United States of America :

Arthur A. AGETON

Ambassador of the United States of America

For the Government of the Republic of Paraguay :

H. SÁNCHEZ QUELL

Minister of Foreign Affairs

[SEAL]
