

No. 4106

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**UNITED STATES OF AMERICA  
and  
PERU**

**Agricultural Commodities Agreement under Title I of the  
Agricultural Trade Development and Assistance Act  
(with exchange of notes). Signed at Lima, on 2 May  
1957**

*Official texts: English and Spanish.*

*Registered by the United States of America on 18 December 1957.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
PÉROU**

**Accord relatif aux produits agricoles, conclu dans le cadre  
du titre I de la loi tendant à développer et à favoriser  
le commerce agricole (avec échange de notes). Signé à  
Lima, le 2 mai 1957**

*Textes officiels anglais et espagnol.*

*Enregistré par les États-Unis d'Amérique le 18 décembre 1957.*

No. 4106. AGRICULTURAL COMMODITIES AGREEMENT<sup>1</sup>  
 BETWEEN THE GOVERNMENT OF THE UNITED  
 STATES OF AMERICA AND THE GOVERNMENT OF  
 PERU UNDER TITLE I OF THE AGRICULTURAL  
 TRADE DEVELOPMENT AND ASSISTANCE ACT.  
 SIGNED AT LIMA, ON 2 MAY 1957

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

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;

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

Considering that the soles 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 Government of Peru pursuant to Title I of the Agricultural Trade Development and Assistance Act as amended, 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 SOLES

Subject to the issuance by the Government of the United States of America and acceptance by the Government of Peru during the period ending June 30, 1957, of purchase authorizations, the Government of the United States of America undertakes to finance the sale to purchasers authorized by the Government of Peru, for soles, of the following agricultural commodities determined to be surplus pursuant to Title I of the Agricultural Trade Development and Assistance Act in the amount indicated :

<i>Commodity</i>	<i>Value</i> <i>(Million dollars)</i>
Wheat . . . . .	3.5
Ocean Transportation (est.) . . . . .	0.4
	<u>          </u>
	TOTAL \$3.9

<sup>1</sup> Came into force on 2 May 1957, upon signature, in accordance with article VI.

Purchase authorizations issued pursuant to the above will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of the soles accruing from such sale and other relevant matters.

## Article II

### USES OF SOLES

1.—The two Governments agree that the soles accruing to the Government of the United States of America as a consequence of the 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) To help develop new markets for United States agricultural commodities, for international educational exchange, for financing the translation, publication and distribution of books and periodicals, and for other expenditures by the Government of the United States of America under subsections 104 (a), (f), (h), and (i) of the Act, the sol equivalent of \$780,000;
- (b) To provide assistance of the types provided for under subsection 104 (j) of the Act, the sol equivalent of not to exceed \$320,000;
- (c) For a loan to the Government of Peru to promote the economic development of Peru under subsection 104 (g) of the Act, the sol equivalent of \$2.8 million, the terms and conditions of which will be included in a supplemental agreement between the two Governments. Not less than the sol deposit equivalent of \$1.4 million of this sum will be reserved for relending to private enterprise through established banking facilities under procedures to be agreed upon by the two Governments. It is understood that the loan will be denominated in dollars, with payment of principal and interest to be made in United States dollars or, at the option of the Government of Peru in soles, such payments in soles to be made at the applicable exchange rate as defined in the loan agreement, in effect on the date of each payment. It is further understood that loan funds shall be disbursed only after prior agreement as to the uses of such loan funds. These and other provisions will be set forth in the loan agreement and any agreement supplemental thereto. In the event the soles set aside for loans to the Government of Peru are not advanced within three years from the date of this Agreement as a result of failure of the two Governments to reach agreement on the use of the soles for loan purposes, the Government of the United States of America may use the soles for any other purpose authorized by Section 104 of the Act.

2.—In the event the total of soles accruing to the Government of the United States of America as a consequence of sales made pursuant to this Agreement is less than the sol equivalent of \$3.9 million the amount available for a loan to the Government of Peru under subsection 104 (g) would be reduced by the amount of such difference; in the event the total sol deposit exceeds the equivalent of \$3.9 million, 28 percent of the excess would be available for the use of the Government of the United States of America under subsection 104 (f) and 72 percent would be available for the loan.

### *Article III*

#### DEPOSIT OF SOLES

The deposit of soles for 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.

### *Article IV*

#### GENERAL UNDERTAKINGS

1.—The Government of Peru 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 surplus 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 Government agree that they will take reasonable precaution 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 Peru agrees to furnish, upon request of the Government of the United States of America, information on the progress of the program, particularly with respect to arrivals and conditions of commodities and the provisions for the maintenance of usual marketings and information relating to exports of the same or 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 upon signature.

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

DONE at Lima, in duplicate, in the English and Spanish languages, this second day of May, one thousand nine hundred and fifty seven.

For the Government of the United States of America :  
Theodore C. ACHILLES

[SEAL]

For the Government of Peru :  
Manuel CISNEROS S.

[SEAL]

## EXCHANGE OF NOTES

## I

*The American Ambassador to the Peruvian Minister of Foreign Affairs*

EMBASSY OF THE UNITED STATES OF AMERICA  
LIMA, PERU

No. 276

May 2, 1957

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement between the Government of the United States of America and the Government of Peru signed today<sup>1</sup> and in particular to Article II, Paragraph 1 (a), concerning the development of new markets for United States agricultural commodities.

I wish to confirm my Government's understanding of the agreement reached in conversations which have taken place between this Embassy and the Ministry of Foreign Affairs with reference to the conversion of an amount not to exceed the sole equivalent of \$100,000 into other currencies upon request by the Government of the United States of America. This facility is requested for the purpose of having funds to pay for international transportation of United States and other personnel engaged in agricultural marketing development activities and supplies and equipment for such purposes. Such conversion as would be made for these purposes would be at the free rate of exchange.

I shall appreciate receiving Your Excellency's confirmation of the above understanding.

Accept, Excellency, the renewed assurances of my highest consideration

Theodore C. ACHILLES

His Excellency Doctor Manuel Cisneros Sánchez  
Minister of Foreign Affairs of Peru

<sup>1</sup> See p. 56 of this volume.

## II

*The Peruvian Minister of Foreign Affairs to the American Ambassador*

[SPANISH TEXT — TEXTE ESPAGNOL]

[TRANSLATION<sup>1</sup> — TRADUCTION<sup>2</sup>]MINISTERIO DE RELACIONES  
EXTERIORES

MINISTRY FOR FOREIGN AFFAIRS

Número (D):-6-3/41

Number (D):-6-3/41

Lima, 2 de mayo de 1957

Lima, May 2, 1957

Señor Embajador :

Mr. Ambassador :

Tengo a honra avisar recibo a Vuestra Excelencia de su atenta nota número 276, de fecha de hoy, relativa al Acuerdo sobre Productos Agrícolas suscrito en la fecha por los Gobiernos del Perú y de los Estados Unidos de América y, en particular, a la interpretación del Artículo II, parágrafo I (a), concerniente al desarrollo de nuevos mercados para productos agrícolas de los Estados Unidos.

I have the honor to acknowledge the receipt of Your Excellency's courteous note No. 276, of today's date, regarding the Agricultural Commodities Agreement signed today by the Governments of Peru and the United States of America and, in particular, the interpretation of Article II, paragraph I (a), concerning the development of new markets for agricultural commodities of the United States.

A ese respecto, Vuestra Excelencia desea obtener confirmación de lo convenido entre las autoridades nacionales y la Embajada a su cargo, con respecto a la conversión, al tipo de cambio del mercado libre, de una suma que no exceda el equivalente en soles de \$100,000 a otras monedas a pedido del Gobierno de los Estados Unidos. Agrega Vuestra Excelencia que dicha facilidad obedece al propósito de disponer de fondos para pagar el transporte internacional de personal de los Estados Unidos y otro personal dedicado al desarrollo de mercados de productos agrícolas, así como al transporte de suministros y equipo para dichos fines.

In this connection, Your Excellency desires to obtain confirmation of the agreement between the national authorities and the Embassy in your charge concerning the conversion, at the free rate of exchange, of an amount not to exceed the sole equivalent of \$100,000 into other currencies at the request of the Government of the United States. Your Excellency adds that this facility is requested for the purpose of having funds to pay for the international transportation of United States and other personnel engaged in the development of agricultural commodity markets and in the transportation of supplies and equipment for such purposes.

<sup>1</sup> Translation by the Government of the United States of America.

<sup>2</sup> Traduction du Gouvernement des États-Unis d'Amérique.

En respuesta, me es grato confirmar a Vuestra Excelencia que el Gobierno del Perú no tiene ningún inconveniente en aprobar la anterior interpretación.

Aprovecho la oportunidad para reiterarle, señor Embajador, las seguridades de mi más alta y distinguida consideración.

Manuel CISNEROS S.

Al Excelentísimo  
señor Theodore C. Achilles  
Embajador Extraordinario  
y Plenipotenciario  
de los Estados Unidos  
de América  
Ciudad

In reply, I take pleasure in confirming to Your Excellency that the Government of Peru approves the foregoing interpretation.

I avail myself of the opportunity to renew to you, Mr. Ambassador, the assurances of my highest and most distinguished consideration.

Manuel CISNEROS S.

His Excellency  
Theodore C. Achilles  
Ambassador Extraordinary  
and Plenipotentiary  
of the United States  
of America  
City