

No. 6015

**UNITED STATES OF AMERICA
and
EL SALVADOR**

**Agricultural Commodities Agreement under Title IV of the
Agricultural Trade Development and Assistance Act,
as amended (with exchange of notes). Signed at San
Salvador, on 21 August 1961**

Official texts: English and Spanish.

Registered by the United States of America on 20 December 1961.

**ÉTATS-UNIS D'AMÉRIQUE
et
SALVADOR**

**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 échange de notes). Signé à San Salvador, le
21 août 1961**

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 20 décembre 1961.

No. 6015. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE GOVERNMENT OF EL
SALVADOR UNDER TITLE IV OF THE AGRICULTURAL
TRADE DEVELOPMENT AND ASSISTANCE ACT, AS
AMENDED. SIGNED AT SAN SALVADOR, ON 21 AU-
GUST 1961

The Government of the United States of America and the Government of El Salvador :

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 El Salvador;

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 El Salvador under long-term supply and credit arrangements, the resources and manpower of El Salvador can be utilized more effectively for economic development without jeopardizing meanwhile adequate supplies of agricultural commodities for domestic use;

Desiring to set forth the understandings which will govern the sales, as specified below, of commodities to El Salvador 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 the availability of commodities for programming under the Act and to issuance by the Government of the United States of America and acceptance by the Government of El Salvador of credit purchase authorizations, the Government of the United States of America undertakes to finance the sales for United States dollars to purchasers authorized by the Government of El Salvador of the following commodities :

¹ Came into force on 21 August 1961, upon signature, in accordance with article V.

<i>Commodity</i>	<i>Supply Period</i>	<i>Unit</i>	<i>Approximate Maximum Quantity</i>	<i>Maximum Export Market Value To Be Financed</i>
Wheat & Wheat Flour	July 1, 1961-June 30, 1962	Metric Tons	25,000	\$1,800,000
Ocean Transportation (estimated)			200,000
			TOTAL	\$2,000,000

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

Article II

CREDIT PROVISIONS

1. The Government of El Salvador will pay or cause to be paid in United States dollars to the Government of the United States of America for the commodities specified in Article I and related ocean transportation (except excess ocean transportation costs resulting from the requirement that United States flag 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 five approximately equal annual payments. The first annual payment for commodities delivered in any calendar year shall become due on December 31, following the calendar year in which such deliveries were made. Subsequent annual payments shall become due at intervals of one year thereafter. 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 $3\frac{5}{8}$ per centum per annum and shall begin on the date of the last delivery of commodities in such calendar year. Interest on each such unpaid balance shall be paid annually not later than the date on which the annual payment of principal becomes due.

4. All payments shall be made in United States dollars and the Government of El Salvador shall 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 El Salvador will take all possible measures to prevent the resale or transshipment to other countries or the use for other than domestic consumption of the commodities purchased pursuant to the provisions of this Agreement.

2. The two Governments will take reasonable precautions to assure that all 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 commodities.

4. The Government of El Salvador 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 other 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.

Article V

ENTRY INTO FORCE

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 at San Salvador, El Salvador in duplicate in the English and Spanish languages this twenty-first day of August 1961

For the Government
of the United States
of America :

Murat W. WILLIAMS
Ambassador of the
United States of America

[SEAL]

For the Government
of El Salvador :

Eduardo MONTES UMAÑA
Minister of Agriculture of the
Republic of El Salvador

EXCHANGE OF NOTES

I

The American Ambassador to the Salvadoran Minister of Foreign Affairs

No. 104

San Salvador, August 21, 1961

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 El Salvador signed today.¹

I wish to confirm my Government's understanding of the agreement reached in conversations which have taken place between representatives of our two Governments with respect to the use by the Government of El Salvador of colones resulting from the sale of commodities financed under the Agreement. It is understood that these colones will be used for economic and social development projects or programs contemplated under the Act of Bogota² as agreed to by designated representatives of our two Governments.

It is my Government's further understanding that in agreeing that the delivery of commodities pursuant to the above cited agreement should not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries, the Government of El Salvador agrees that El Salvador will import commercially from its usual suppliers at least 8,000 metric tons of wheat and wheat flour in wheat equivalent during the year ending June 30, 1962.

I should appreciate Your Excellency's confirmation of the above understandings.

Accept, Excellency, the renewed assurances of my highest consideration.

Murat W. WILLIAMS

His Excellency Dr. Rafael Eguizabal Tobias
Minister of Foreign Affairs
San Salvador

¹ See p. 36 of this volume.

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

II

The Salvadoran Minister of Foreign Affairs to the American Ambassador

[SPANISH TEXT — TEXTE ESPAGNOL]

[TRANSLATION¹ — TRADUCTION²]

MINISTERIO DE RELACIONES EXTERIORES
REPÚBLICA DE EL SALVADOR, C.A.

MINISTRY OF FOREIGN AFFAIRS
REPUBLIC OF EL SALVADOR

Departamento del Servicio Diplomático

Bureau of Diplomatic Service

A. 851 D. 3851

A. 851 D. 3851

San Salvador, 24 de agosto de 1961

San Salvador, August 24, 1961

Señor Embajador :

Mr. Ambassador :

Tengo el honor de acusar recibo de la atenta nota de Vuestra Excelencia No. 104, de 21 del corriente mes, en la cual expresa su deseo de obtener una confirmación sobre el entendimiento a que se llegó entre los Gobiernos de El Salvador y de los Estados Unidos de América para la firma del Acuerdo sobre productos agrícolas, suscrito en esta capital en la fecha arriba indicada.

I have the honor to acknowledge receipt of Your Excellency's courteous note No. 104 of the 21st of this month, in which you express your desire to obtain a confirmation of the understanding reached between the Governments of El Salvador and of the United States of America for the signing of the agreement on agricultural products concluded in this capital on the above-indicated date.

En respuesta me permito transcribir a Vuestra Excelencia la nota No. 4171, que con esta misma fecha he recibido, sobre el particular, del Señor Ministro de Agricultura y Ganadería, y que dice:

In reply I am taking the liberty of transcribing for Your Excellency Note No. 4171, concerning this matter, which I received on this same date from the Minister of Agriculture and Animal Husbandry, which reads as follows :

« Señor Ministro : Al propio tiempo de avisarle recibo de su apreciable nota No. 5341 del 23 de agosto en curso, por cuyo medio hace extensiva a este Despacho los conceptos de la comunicación dirigida a esa Cancillería por el Excelentísimo señor Embajador de los Estados Unidos de América en El Salvador, participando la aceptación de su Gobierno a los terminos del

“ Mr. Minister : While acknowledging receipt of your courteous note No. 5341 of August 23, in which you inform this Office of the contents of the communication addressed to your Foreign Office by His Excellency the Ambassador of the United States of America in El Salvador, communicating the acceptance by his Government of the terms of the treaty on agricultural

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

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

Tratado sobre productos Agrícolas, me permito solicitar a usted confirmar por el mismo medio al Ilustrado Gobierno de los Estados Unidos de América, la aceptación oficial de nuestro país a los términos y condiciones del tratado en referencia, cuyo desarrollo estará a cargo de este Despacho. — Quedo enterado asimismo del entendimiento adicional habido al respecto, en cuanto al uso de las divisas provenientes de las ventas que propicie el mencionado Acuerdo, así como de las obligaciones relativas al precio internacional de los productos y a las importaciones comerciales señaladas para el año que termina el 30 de Junio de 1962. — Ruego a usted aceptar en esta oportunidad mis reiteradas demostraciones de aprecio y consideración. — Dios, Union y Libertad, [f] Eduardo Montes Umaña, Ministro de Agricultura y Ganadería. »

Renuevo a Vuestra Excelencia las seguridades de mi más alta y distinguida consideración.

R. EGUIZABAL T

Ministro de Relaciones Exteriores

Excmo. Señor Doctor Don
Murat Willis Williams
Embajador Extraordinario
y Plenipotenciario de los
Estados Unidos de América
Presente

products, I am taking the liberty of requesting you to confirm by the same means to the Government of the United States of America the official acceptance by our country of the terms and conditions of the treaty in question, the implementation of which will be in charge of this Office. I am likewise informed of the additional understanding reached on the matter with regard to the use of the foreign exchange derived from the sales under the aforementioned agreement, as well as the obligations relating to the international price of the products and to the commercial imports specified for the year ending June 30, 1962. Accept on this occasion my renewed assurances of esteem and consideration. God, Union, and Freedom [Signed] "Eduardo Montes Umaña Minister of Agriculture and Animal Husbandry."

I renew to Your Excellency the assurances of my highest and most distinguished consideration.

R. EGUIZABAL T

Minister of Foreign Affairs

His Excellency
Murat Willis Williams
Ambassador Extraordinary
and Plenipotentiary of the
United States of America
City