

No. 6821

**UNITED STATES OF AMERICA
and
PARAGUAY**

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act,
as amended (with exchange of notes). Signed at
Asunción, on 24 November 1962**

Official texts: English and Spanish.

Registered by the United States of America on 16 July 1963.

**ÉTATS-UNIS D'AMÉRIQUE
et
PARAGUAY**

**Accord relatif aux produits agricoles, conclu dans le cadre
du titre I de la loi tendant à développer et à favoriser
le commerce agricole, telle qu'elle a été modifiée (avec
échange de notes). Signé à Asunción, le 24 novembre
1962**

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 16 juillet 1963.

No. 6821. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE GOVERNMENT OF
PARAGUAY UNDER TITLE I OF THE AGRICULTURAL
TRADE DEVELOPMENT AND ASSISTANCE ACT, AS
AMENDED. SIGNED AT ASUNCIÓN, ON 24 NOVEM-
BER 1962

The Government of the United States of America and the Government 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 unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries;

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

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

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

1. Subject to the availability of commodities for programing under the Act and to issuance by the Government of the United States of America and acceptance by the Government of Paraguay of purchase authorizations, the Government of the United States of America undertakes to finance the sales for guaraníes to purchasers authorized by the Government of Paraguay of the

¹ Came into force on 24 November 1962, upon signature, in accordance with article VI.

following agricultural commodities determined to be surplus pursuant to the Act in the amounts indicated :

<i>Commodity</i>	<i>Export Market Value</i>
Wheat, including flour	\$2, 900, 000
Ocean transportation	400, 000
	<hr/>
TOTAL	\$3, 300, 000

2. Applications for purchase authorizations will be made within 90 calendar days after the effective date of this Agreement except that application for purchase authorizations for any additional commodities or amounts of commodities provided for in any amendment to this Agreement will be made within 90 days after the effective date of such amendment. Purchase authorizations will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of the guaraníes accruing from such sale, and other relevant matters.

3. It is understood that the sale of wheat and/or flour under this Agreement is not intended to increase the availability of wheat or wheat products for export and is made on the condition that no exports of such commodities will be made from Paraguay during the period that the wheat and/or flour is being imported and utilized.

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

Article II

USE OF GUARANÍES

1. The two Governments agree that the guaraníes accruing to the Government of 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, in such manner and order of priority as the Government of the United States of America, shall determine, for the following purposes, in the amount's shown :

a. For United States expenditures under subsections (*a*), (*b*), (*c*), (*d*), (*f*), (*h*), (*i*), (*j*), (*k*), (*l*), (*m*), (*n*), (*o*), (*p*), (*q*), (*r*) and (*s*), of Section 104 of the Act or under any of such subsections, 25 percent of the guaraníes accruing under the Agreement.

b. For loans to be made by the Agency for International Development of Washington under Section 104 (*e*) of the Act and for administrative expenses

of the Agency for International Development of Washington in Paraguay incident thereto, twenty-five percent of the guaranties accruing under the Agreement. It is understood that :

- (1) Such loans under Sections 104 (e) of the Act will be made to United States business firms and branches, subsidiaries, or affiliates of such firms in Paraguay for business development and trade expansion in Paraguay and to United States firms and Paraguayan firms for the establishment of facilities for aiding the utilization, distribution, or otherwise increasing the consumption of and markets for United States agricultural products.
- (2) Loans will be mutually agreeable to the Agency for International Development of Washington and the Government of Paraguay. The President of the Central Bank of Paraguay, or his designate, will act for the Government of Paraguay, and the Administrator of the Agency for International Development of Washington, or his designate, will act for the Agency for International Development of Washington.
- (3) Upon receipt of an application which the Agency for International Development is prepared to consider, the Agency for International Development will inform the Central Bank of Paraguay of the identity of the applicant, the nature of the proposed business, the amount of the proposed loan, and the general purposes for which the loan proceeds would be expended.
- (4) When the Agency for International Development is prepared to act favorably upon an application, it will so notify the Central Bank of Paraguay and will indicate the interest rate and the repayment period which would be used under the proposed loan. The interest rate will be similar to that prevailing in Paraguay on comparable loans, and the maturities will be consistent with the purposes of the financing.
- (5) Within 60 days after the receipt of the notice that the Agency for International Development is prepared to act favorably upon an application, the Central Bank of Paraguay will indicate to the Agency for International Development whether or not the Central Bank of Paraguay has any objection to the proposed loan. Unless within the sixty day period the Agency for International Development has received such a communication from the Central Bank of Paraguay, it shall be understood that the Central Bank of Paraguay has no objection to the proposed loan. When the Agency for International Development approves or declines the proposed loan, it will notify the Central Bank of Paraguay.
- (6) In the event the guaranties set aside for loans under Section 104 (e) of the Act are not advanced within three years from the date of this Agreement because the Agency for International Development of Washington has

not approved loans or because proposed loans have not been mutually agreeable to the Agency for International Development of Washington and the Central Bank of Paraguay, the Government of the United States of America may use the guaraníes for any purpose authorized by Section 104 of the Act.

c. For a grant to the Government of Paraguay under Section 104 (*e*) of the Act, 20 percent of the guaraníes accruing under the Agreement for financing such projects to promote balanced economic developments as may be mutually agreed.

d. For a loan to the Government of Paraguay under subsection (*g*) of Section 104 of the Act, 30 percent of the guaraníes accruing under the Agreement for financing such projects to promote balanced economic development, including projects not heretofore included in plans of the Government of Paraguay as may be mutually agreed. In the event that agreement is not reached on the use of the guaraníes for loan purposes within three years from the date of this Agreement, the Government of the United States of America may use the local currency for any purposes authorized by Section 104 of the Act.

Article III

DEPOSIT OF GUARANÍES

1. The amount of Paraguayan guaraníes to be deposited to the account of the United States shall be the equivalent of the dollar sales value of the commodities and ocean transportation costs reimbursed or financed by the Government of the United States (except excess costs resulting from the requirement that United States flag vessels be used) converted into Paraguayan guaraníes as follows :

a. at the rate for dollar exchange applicable to commercial import transactions on the dates of dollar disbursements by the United States provided that a unitary exchange rate applying to all foreign exchange transactions is maintained by the Government of Paraguay or

b. if more than one legal rate for foreign exchange transactions exists, the rate of exchange shall be mutually agreed upon from time to time between the Government of the United States and the Government of Paraguay.

2. In the event that a subsequent agricultural commodities agreement or agreements should be signed by the two Governments under the Act, any refunds of Paraguayan guaraníes which may be due or become due under this Agreement more than two years from the effective date of this Agreement will be made by the Government of the United States of America from funds

available from the most recent agricultural commodities agreement in effect at the time of the refund.

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 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 Governments agree that they will take reasonable precautions to assure that all sales or purchases of surplus agricultural commodities, pursuant to the Agreement will not displace usual marketings of the United States of America in these commodities, or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries.

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 Paraguay agrees to furnish, upon request of the United States of America, information on the progress of the program, particularly with respect to the arrival and condition 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

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 Asunción, Paraguay in duplicate this twenty-fourth day of November, 1962.

For the Government
of the United States of America :

William P. SNOW

Ambassador

[SEAL]

For the Government
of Paraguay :

Raúl SAPENA PASTOR

Minister of Foreign Affairs

[SEAL]

EXCHANGE OF NOTES

I

No. 337

Asunción, November 24, 1962

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 Paraguay signed today.¹

I wish to confirm my Government's understanding that Paraguay will import commercially a minimum of 40,000 MT of wheat from traditional suppliers during the period from November, 1962 to October, 1963 and will resume normal imports of wheat from traditional suppliers thereafter.

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

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

William P. SNOW

His Excellency Dr. Raúl Sapena Pastor
Minister of Foreign Affairs
Asunción

II

[SPANISH TEXT — TEXTE ESPAGNOL]

[TRANSLATION² — TRADUCTION³]

Asunción, 24 de noviembre de 1962
Excelencia :

Tengo el honor de hacer referencia al Convenio sobre Productos Agrícolas entre el Gobierno de los Estados Unidos de América y el Gobierno del Paraguay firmado hoy.

Deseo confirmar el entendimiento del Gobierno de mi país en el sentido que el Paraguay importará comercialmente un mínimo de 40 000 toneladas

Asunción, November 24, 1962
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 Paraguay, signed today.

I wish to confirm the understanding of my country's Government that Paraguay will import commercially a minimum of 40,000 metric tons of

¹ See p. 50 of this volume.

² Translation by the Government of the United States of America.

³ Traduction du Gouvernement des États-Unis d'Amérique.

métricas de trigo de los abastecedores tradicionales durante el período de noviembre 1962, hasta octubre 1963 y reanudará posteriormente las importaciones normales de trigo de los abastecedores tradicionales.

Acepte, Excelencia, las renovadas seguridades de mi más alta consideración.

Raúl SAPENA PASTOR

A Su Excelencia
el Señor Don William P. Snow
Embajador Extraordinario y Plenipotenciario de los Estados Unidos de América
Ciudad

wheat from traditional suppliers during the period from November 1962 to October 1963 and will resume normal imports of wheat from traditional suppliers thereafter.

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

Raúl SAPENA PASTOR

His Excellency
William P. Snow
Ambassador Extraordinary and Plenipotentiary of the United States of America
City

III

No. 338

Asunción, November 24, 1962

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 Paraguay signed today.

I wish to confirm my Government's understanding of the agreement reached in conversations which have taken place between representatives of my Government and the Government of Paraguay with respect to the use of Paraguayan guaraníes accruing under the subject Agreement :

1. Upon request of the Government of the United States of America, the Government of Paraguay will provide facilities for conversion into other non-dollar currencies of the following amounts of Paraguayan guaraníes : for purposes of Subsection 104 (a) of the Agricultural Trade Development and Assistance Act, as amended, two percent of the Paraguayan guaraníes accruing under the Agreement ; for purposes of Subsection 104 (h) of that Act, up to \$50,000 worth of Paraguayan guaraníes. Currencies obtained through these provisions will be utilized to finance agricultural market development activities in other countries, in the case of Sub-

section 104 (a) and education exchange programs in other countries, in the case of Subsection 104 (h).

2. The Government of the United States of America may utilize Paraguayan guaraníes to procure in Paraguay goods and services needed in connection with agricultural market development projects and activities in other countries.

3. The Government of the United States may utilize guaraníes in Paraguay to pay for international travel originating in Paraguay, or originating outside Paraguay when the travel (including connecting travel) is to or through Paraguay, and for travel within the United States of America or other areas outside Paraguay when the travel is part of a trip in which the traveler travels from, to or through Paraguay. It is understood that these funds are intended to cover only travel by persons who are traveling on official business for the Government of the United States of America or in connection with activities financed by the Government of the United States of America. It is further understood that the travel for which guaraníes may be utilized shall not be limited to services provided by Paraguayan transportation facilities.

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

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

William P. SNOW

His Excellency Dr. Raúl Sapena Pastor
Minister of Foreign Affairs
Asunción

IV

[SPANISH TEXT — TEXTE ESPAGNOL]

Asunción, 24 de noviembre de 1962

Excelencia :

Tengo el honor de referirme al Convenio sobre Productos Agrícolas entre el Gobierno de los Estados Unidos de América y el Gobierno del Paraguay firmado hoy.

Deseo confirmar el entendimiento del Gobierno de mi país sobre el Convenio negociado en conversaciones que se han llevado a cabo entre representantes del Gobierno de los Estados Unidos de América y el Gobierno del Paraguay con respecto al empleo de guaraníes resultantes según dicho Convenio :

1. A pedido del Gobierno de los Estados Unidos de América, el Gobierno del Paraguay proveerá facilidades para la conversión en otras monedas de las siguientes

cantidades de guaraníes paraguayos : para propósitos de la Subsección 104 (a) del Convenio de Asistencia y Desarrollo Comercial Agrícola, y sus enmiendas, dos por ciento de los guaraníes paraguayos resultantes del Convenio; para propósitos de la Subsección 104 (h) de ese Convenio, hasta la suma equivalente de US\$50.000 en guaraníes paraguayos. Las monedas obtenidas a través de estas condiciones serán utilizadas para financiar actividades de desarrollo de colocación agrícola en otros países, en el caso de la Subsección 104 (a) y programas de intercambio de educación en otros países, en el caso de la Subsección 104 (h).

2. El Gobierno de los Estados Unidos de América puede utilizar guaraníes paraguayos para conseguir en el Paraguay bienes y servicios necesarios en conexión con proyectos de actividades de desarrollo de colocación agrícola en otros países.

3. El Gobierno de los Estados Unidos puede utilizar guaraníes en el Paraguay para pagar pasajes de viajes internacionales originados en el Paraguay, ú originados fuera del Paraguay cuando el viaje (incluyendo viajes conexos) es al o a través del Paraguay, y para viajes dentro de los Estados Unidos ú otras áreas fuera del Paraguay cuando el viaje es parte de una gira en la cual el viajante viaja desde, hacia o a través del Paraguay. Se entiende que estos fondos tratarán de cubrir viajes por personas que están viajando en misión oficial para el Gobierno de los Estados Unidos de América o en conexión con actividades financiadas por el Gobierno de los Estados Unidos de América. Además, se entiende que el viaje por el cual se pudiera utilizar guaraníes no será limitado a servicios prestados por medios de transportes paraguayos.

Acepte, Excelencia, las renovadas seguridades de mi más alta consideración.

Raúl SAPENA PASTOR

[SEAL]

A Su Excelencia El Señor Don William P. Snow
Embajador Extraordinario y Plenipotenciario
de los Estados Unidos de América
Ciudad

[TRANSLATION¹ — TRADUCTION²]

Asunción, November 24, 1962

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 Paraguay, signed today.

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

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

I wish to confirm the understanding of my country's Government concerning the Agreement negotiated in conversations which have taken place between representatives of the Government of the United States of America and the Government of Paraguay with respect to the use of guaraníes accruing under the subject Agreement :

[See note III]

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

Raúl SAPENA PASTOR

[SEAL]

His Excellency William P. Snow
Ambassador Extraordinary and Plenipotentiary
of the United States of America
City