

No. 7229

**UNITED STATES OF AMERICA
and
PARAGUAY**

**Agricultural Commodities Agreement under Title IV of
the Agricultural Trade Development and Assistance
Act, as amended (with exchange of notes). Signed at
Asunción, on 16 September 1963**

Official texts : English and Spanish.

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

**ÉTATS-UNIS D'AMÉRIQUE
et
PARAGUAY**

**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 Asunción, le 16 septembre
1963**

Textes officiels anglais et espagnol.

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

No. 7229. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE GOVERNMENT OF
PARAGUAY UNDER TITLE IV OF THE AGRICULTURAL
TRADE DEVELOPMENT AND ASSISTANCE ACT, AS
AMENDED. SIGNED AT ASUNCIÓN, ON 16 SEPTEMBER
1963

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 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 Paraguay;

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 Paraguay under long-term supply and credit arrangements, the resources and manpower of Paraguay 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 Paraguay 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 Paraguay 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 fiscal years 1964, 1965 and 1966, or such longer period as may be authorized

¹ Came into force on 16 September 1963, upon signature, in accordance with article V.

by the Government of the United States of America, sales for United States dollars, to purchasers authorized by the Government of Paraguay of the following commodities :

<i>Commodity</i>	<i>Three-Year Approximate Maxi- mum Quantity</i>	<i>Three-Year Export Mar- ket Value to be Financed</i>
Mixed feed	750,000 Pounds	\$ 150,000
Ocean transportation (estimated)		1,500
		TOTAL \$ 151,500

<i>Commodity</i>	<i>Approximate Maxi- mum Quantity in Fiscal Year 1964</i>	<i>Export Mar- ket Value to be Financed in Fiscal Year 1964</i>
Mixed feed	250,000 Pounds	\$ 50,000
Ocean transportation(estimated)		500
		TOTAL \$ 50,500

The total amount of financing provided in the credit purchase authorizations shall not exceed the above-specified 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. Credit purchase authorizations will include provisions relating to the sale and delivery of such commodities and other relevant matters.

3. 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 Paraguay 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 flag vessels be used), the amount financed by the Government of the United States 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 ten approximately equal annual payments. The first annual payment for commodities delivered in any calendar year shall become due on December 31 of the following 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 three-quarters of one 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 Paraguay 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 Paraguay 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 being 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 this 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 Paraguay 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 or 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 in duplicate at Asunción, Paraguay this Sixteenth day of September, 1963.

For the Government
of the United States of America :
Julian L. NUGENT Jr.
Chargé d'Affaires a.i.

[SEAL]

For the Government
of Paraguay :
Raúl SAPENA PASTOR
Minister of Foreign Affairs

[SEAL]

EXCHANGE OF NOTES

I

The American Chargé d'Affaires ad interim to the Paraguayan Minister of Foreign Affairs

No. 134

Asunción, September 16, 1963

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 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 Paraguay of guaranies resulting from the sale of commodities financed under the Agreement. It is understood that these guaranies will be used 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 agreed to by the two Governments.

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

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

Julian L. NUGENT Jr.

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

II

The Paraguayan Minister of Foreign Affairs to the American Chargé d'Affaires ad interim

[SPANISH TEXT — TEXTE ESPAGNOL]

REPÚBLICA DEL PARAGUAY

Asunción, 16 de setiembre de 1963

Señor Encargado de Negocios :

Tengo el agrado de dirigirme a Vuestra Señoría con el objeto de acusar recibo de su nota N° 134, de fecha de hoy, cuyo texto es el siguiente :

¹ See p. 102 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.

and this one constitute an agreement between our two Governments on the matter.

I avail myself of the opportunity to renew to you the assurances of my most distinguished consideration.

Raúl SAPENA PASTOR

Mr. Julian L. Nugent
Chargé d'Affaires ad interim
of the United States of America
City