

No. 8391

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**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 27 April 1966**

*Official texts: English and Spanish.*

*Registered by the United States of America on 21 November 1966.*

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**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 27 avril 1966**

*Textes officiels anglais et espagnol.*

*Enregistré par les États-Unis d'Amérique le 21 novembre 1966.*

No. 8391. AGRICULTURAL COMMODITIES AGREEMENT<sup>1</sup>  
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 27 APRIL 1966.

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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;

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 periods specified below, or such longer periods as may be authorized by the

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<sup>1</sup> Came into force on 27 April 1966, upon signature, in accordance with article V.

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>Supply Period</i>	<i>Approximate Maximum Quantity (Metric tons)</i>	<i>Maximum Export Market Value to be Financed</i>
Wheat . . . . .	Calendar Year 1966	40,000	\$2,328,000
Ocean transportation (estimated) .			217,000
			<hr/> \$2,545,000

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 may limit the amount of financing provided in the credit purchase authorizations, as price declines or other marketing factors may require, so that the quantities of commodities financed will not substantially exceed the above-specified approximate maximum quantities.

2. Application for credit purchase authorizations will be made promptly after the effective date of this Agreement. Purchase authorizations will include provisions relating to the sale and delivery of the 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 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 amount of the principal due for commodities, ocean transportation and other costs in connection with commodities delivered in each calendar year under this Agreement will be made in 19 annual payments, the first of which will be due March 31 immediately following the calendar year of shipment. This payment will be for 15 percent of the amount financed in connection with shipments made in the preceding calendar year. Payment for the balance of amount financed in connection with shipments made in each calendar year will be made in 18 approximately equal annual installments due on anniversary date of the first payment. Any annual payment may be made prior to the due date thereof.

3. Interest on the unpaid balance of the principal due the Government of the United States of America for commodities delivered in each calendar year shall begin on the date of last delivery of commodities in such calendar year and be paid not later than the date on which the annual payment of principal becomes due. The interest shall be computed at the rate of  $2\frac{1}{2}$  percent per annum.

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 for credit to the Commodity Credit Corporation 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 last delivery of commodities for each calendar year, delivery shall be deemed to have occurred as of the onboard 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 (unless such resale, transshipment or use is specifically approved by the Government of the United States of America); 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 the same or like commodities to nations unfriendly to the United States of America.

2. The two Governments will take reasonable precautions to assure that sales and purchases of 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 of countries friendly to the United States of America.

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 will furnish information quarterly on the progress of the program, particularly with respect to the arrival and condition of the commodities and provisions for the maintenance of usual marketings, and information relating to imports and 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 carried out pursuant to this Agreement.

#### *Article V*

##### 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 Asunción in duplicate this 27th day of April, 1966.

For the Government  
of the United States of America :

William P. SNOW  
Ambassador Extraordinary and Plenipotentiary of the United States of America in Paraguay

[SEAL]

For the Government  
of Paraguay :

Raúl SAPENA PASTOR  
Minister of Foreign Relations

[SEAL]

## EXCHANGE OF NOTES

## I

*The American Ambassador to the Paraguayan Minister of Foreign Relations*

EMBASSY OF THE UNITED STATES OF AMERICA

No. 399

April 27, 1966

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement between our two Governments signed today and to inform you of my Government's understanding of the following :

1. With regard to paragraph 4 of Article III of the Agreement, the Government of Paraguay agrees to furnish the following information quarterly in connection with each shipment of commodities financed under the Agreement : the name of each vessel, the date of arrival, the port of arrival, the commodity and quantity received, the condition in which the commodity was received, the date unloading was completed and the disposition of the cargo, i.e., stored, distributed locally or if shipped, where shipped. In addition, the Government of Paraguay agrees to furnish quarterly : (a) statement of measures it has taken to prevent the reexport or transshipment of the commodities furnished, (b) assurances that the program has not resulted in the increased availability of the same or like commodities to other nations and (c) a statement showing progress made toward fulfilling commitments on usual marketings and offset purchases. The Government of Paraguay agrees that the above statement will be accompanied by statistical data on imports and exports by country of origin or destination of commodities which are the same as or like those imported under the Agreement.

2. As agreed in conversations which have taken place between representatives of our two Governments, the guaranies resulting from the sale of commodities financed under the Agreement will be deposited by the Government of Paraguay in a special account in the name of the Government of Paraguay and will be used by the Government of Paraguay for economic and social development programs according to the objectives of the Act of Bogota<sup>1</sup> and the Charter of Punta del Este<sup>2</sup> as hereinafter may be mutually agreed upon by our two Governments. It is understood that such agreements will be made in writing between the United States Government and the Government of Paraguay with Ministry of Finance and the Central Bank representing the Government of Paraguay.

3. Any guaranies resulting from the sale in Paraguay of the commodities financed under the Agreement which are loaned by the Government of Paraguay

<sup>1</sup> United States of America : *Department of State Bulletin*, Oct. 3, 1960.

<sup>2</sup> United States of America : *Department of State Bulletin*, Sept. 11, 1961.

to private or nongovernmental organizations shall be loaned at rates of interest approximately equivalent to those charged for comparable loans in Paraguay.

4. Upon request, the Government of Paraguay agrees to furnish the Government of the United States of America reports showing the total guaranties available to the Government of Paraguay from the sale of the commodities, a list of the projects being undertaken, and related information including the name, location, status of completion of each project and the amount invested in it.

5. In expressing its agreement with the Government of the United States of America that the delivery of commodities pursuant to the Agreement should not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly nations, the Government of Paraguay agrees that in addition to the commodities to be purchased under the terms of the Agreement, Paraguay will procure and import with its own resources from free world sources, including the United States of America, during Calendar Year 1966 at least 40,000 metric tons of wheat and/or wheat flour in terms of grain equivalent. If the delivery of commodities under the Agreement has not been completed by December 31, 1966, the level of additional usual marketing requirements, if any, to apply during such additional supply period as may be granted by the Government of the United States shall be determined at the time of the Government of Paraguay's request for an extension.

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 Relations of the Republic of Paraguay  
Asunción

## II

### *The Paraguayan Minister of Foreign Relations to the American Ambassador*

[SPANISH TEXT — TEXTE ESPAGNOL]

MINISTERIO DE RELACIONES EXTERIORES

Asunción, 27 de abril de 1966

Señor Embajador :

Tengo a honra dirigirma Vuestra Excelencia, con el objeto de acusar recibo a su nota de fecha de hoy, cuyo texto es el siguiente :

« Excelencia : Tengo el honor de hacer referencia al Convenio sobre Productos Agrícolas entre nuestros dos Gobiernos, suscrito en el día de la

[TRANSLATION<sup>1</sup> — TRADUCTION<sup>2</sup>]

MINISTRY OF FOREIGN RELATIONS

Asunción, April 27, 1966

Mr. Ambassador :

I have the honor to address Your Excellency in order to acknowledge receipt of your note of this date, which reads as follows :

[*See note I*]

In reply, I am happy to inform Your Excellency that the Government of my country agrees to the terms of your note transcribed above, and, consequently, that note and this note shall constitute an agreement between our two Governments on the matter.

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

Raúl SAPENA PASTOR

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

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

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