

No. 12106

UNITED STATES OF AMERICA
and
PERU

**Exchange of notes constituting an agreement regarding deposits for
military assistance under the Foreign Assistance Act of 1971.
Lima, 3 May 1972**

Authentic texts : English and Spanish.

Registered by the United States of America on 17 October 1972.

ÉTATS-UNIS D'AMÉRIQUE
et
PÉROU

**Échange de notes constituant un accord relatif aux dépôts effectués
au titre de l'assistance militaire en vertu de la loi de 1971 sur
l'aide à l'étranger. Lima, 3 mai 1972**

Textes authentiques : anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 17 octobre 1972.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND
PERU REGARDING DEPOSITS FOR MILITARY ASSIST-
ANCE UNDER THE FOREIGN ASSISTANCE ACT OF 1971

I

No. 264

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Relations of the Government of Peru and has the honor to refer to recent discussions regarding the United States Foreign Assistance Act of 1971, which includes a provision requiring payment to the United States Government in soles of ten percent of the value of grant military assistance provided by the United States to the Government of Peru.

In accordance with that provision, it is proposed that the Government of Peru will deposit in an account to be specified by the United States Government, at a rate of exchange which is not less favorable to the United States Government than the best legal rate at which United States dollars are sold by authorized dealers in the Country of Peru for soles on the date deposits are made, an amount equal to ten percent of each grant of military assistance to the Government of Peru. The Government of Peru will be notified quarterly of the rendering of defense services and the values thereof. Deposits to the account of the United States Government will be due and payable upon request by the United States Government, which request shall be made, if at all, within one year following the aforesaid notifications.

It is further proposed that the amounts to be deposited may be used to pay all official costs of the United States Government payable in soles, including but not limited to all costs relating to the financing of international educational and cultural exchange activities under programs authorized by the United States Mutual Education and Cultural Exchange Act of 1961.

It is finally proposed that the Ministry's reply stating that the foregoing is acceptable to the Government of Peru shall, together with this note, constitute an agreement between our Governments on this subject effective from and after February 7, 1972, and applicable to the rendering of defense services funded or agreed to and rendered on or subsequent to that date.

The Embassy avails itself of this opportunity to express to the Ministry the renewed assurances of its highest consideration and esteem.

Lima, May 3, 1972.

Embassy of the United States of America

¹ Came into force on 3 May 1972 by the exchange of the said notes, with retroactive effect from 7 February 1972, in accordance with their provisions.

El Ministerio de Relaciones Exteriores del Perú aprovecha la oportunidad para reiterar a la Embajada de los Estados Unidos de América las seguridades de su más alta y distinguida consideración.

Lima, 3 de mayo de 1972.

A la Honorable Embajada de los Estados Unidos de América
Ciudad

[TRANSLATION¹ — TRADUCTION²]

The Peruvian Ministry of Foreign Relations to the American Embassy

No. (Da) 6-3/33

The Ministry of Foreign Relations presents its compliments to the Embassy of the United States of America, and has the pleasure to acknowledge receipt of Embassy note No. 264 of this date, concerning a provision of the United States Foreign Assistance Act of 1971 requiring payment to the United States Government, in soles, of ten percent of the value of grant military assistance provided to the Government of Peru.

In accordance with that provision, it is proposed that the Government of Peru will deposit in an account to be specified by the United States Government, at a rate of exchange which is not less favorable to the United States than the best legal rate at which dollars are sold by authorized dealers in Peru on the date deposits are made, an amount in soles equal to ten percent of the assistance and military aid granted to the Government of Peru, and that the Government of Peru will be notified quarterly of the rendering of defense services and the values thereof. Deposits to the account of the United States Government will be due and payable upon request by the United States Government, within a year following the aforesaid notifications.

The Embassy of the United States further proposes that the amounts to be deposited may be used to pay all official costs of the United States Government payable in soles, including but not limited to all costs relating to the financing of international educational and cultural exchange activities under programs authorized by the United States Mutual Education and Cultural Exchange Act of 1961.

The Government of Peru is of the opinion that the deposit in an account of part of the value of the tendering of services signifies a new form of cooperation between the two countries, inasmuch as the "donation" which the United States was making to Peru prior to the entrance into force of the new provisions of the Foreign Assistance Act of 1971 is now transformed into assistance and the rendering of services for which the Peruvian Government is to pay to the United States ten percent of its value.

The Ministry of Foreign Relations is pleased to inform the Embassy of the

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

² Traduction fournie par le Gouvernement des Etats-Unis d'Amérique.

United States of America that the Government of Peru approves the contents of the communication to which this note is the reply, and, consequently, considers that that note and this present note constitute an agreement between the Government of the United States of America and the Government of Peru which will enter into force on and from February 7, 1972, and will be applicable to the rendering of defense services funded or agreed to and rendered on or subsequent to that date.

The Ministry of Foreign Relations of Peru avails itself of this opportunity to renew to the Embassy of the United States of America the assurances of its highest and most distinguished consideration.

Lima, May 3, 1972.

Embassy of the United States of America
Lima
