

No. 5882

**UNITED STATES OF AMERICA
and
ECUADOR**

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act,
as amended (with exchange of notes). Signed at Quito,
on 3 April 1961**

Official texts : English and Spanish.

Registered by the United States of America on 29 September 1961.

**ÉTATS-UNIS D'AMÉRIQUE
et
ÉQUATEUR**

**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 Quito, le 3 avril 1961**

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 29 septembre 1961.

No. 5882. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF ECUADOR UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED.
SIGNED AT QUITO, ON 3 APRIL 1961

The Government of the United States of America and the Government of Ecuador 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 sucres of surplus agricultural commodities produced in the United States of America will assist in achieving such an expansion of trade ;

Considering that the Ecuadorean sucres 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 surplus agricultural commodities to Ecuador 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 ECUADOREAN SUCRES

Subject to the availability of commodities for programming under this Act and to issuance by the Government of the United States of America and acceptance by the Government of Ecuador of purchase authorizations, the Government of the United States of America undertakes to finance the sale to purchasers authorized by the Government of Ecuador for sucres of the following agricultural commodities determined to be surplus pursuant to the Act, in the amounts indicated :

¹ Came into force on 3 April 1961, upon signature, in accordance with article VI.

<i>Commodity</i>	<i>Export market value</i>
Cotton	\$700,000
Leaf Tobacco	500,000
Tobacco products	1,000,000
Ocean transportation (est.)	50,000
TOTAL	\$2,250,000

Application 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 or supplement to this Agreement will be made within 90 days after the effective date of such amendment or supplement. Purchase authorizations will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of the sucres accruing from such sale, and other relevant matters.

It is understood that the sale of cotton, leaf tobacco, and tobacco products under this Agreement is not intended to increase the availability of these or like commodities for export and is made on the condition that no exports of such commodities will be made from Ecuador during the period that the cotton, leaf tobacco, and tobacco products are being imported and utilized.

Article II

USE OF ECUADOREAN SUCRES

1. The two Governments agree that the Ecuadorean sucres 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 amounts shown :

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

(b) For loans to be made by the Export-Import Bank of Washington under subsection (e) of Section 104 of the Act and for administrative expenses of the Export-Import Bank of Washington in Ecuador incident thereto, 25 percent of the sucres accruing pursuant to this Agreement. It is understood that :

(1) Such loans under Section 104 (e) of the Act will be made to United States business firms and branches, subsidiaries, or affiliates of such firms in Ecuador for business development and trade expansion in Ecuador, and to United States firms and

Ecuadorean firms for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of and markets for United States agricultural products.

- (2) Loans will be mutually agreeable to the Export-Import Bank of Washington and the Government of Ecuador, acting through the Central Bank of Ecuador. The General Manager of the Central Bank of Ecuador, or his designates, will act for the Government of Ecuador, and the President of the Export-Import Bank of Washington, or his designate, will act for the Export-Import Bank of Washington.
- (3) Upon receipt of an application which the Export-Import Bank is prepared to consider, the Export-Import Bank will inform the Central Bank of Ecuador 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 Export-Import Bank is prepared to act favorably upon an application it will so notify the Central Bank of Ecuador 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 Ecuador on comparable loans, and the maturities will be consistent with the purposes of the financing.
- (5) Within sixty days after the receipt of the notice that Export-Import Bank is prepared to act favorably upon an application, the Central Bank of Ecuador will indicate to the Export-Import Bank whether or not the Central Bank of Ecuador has any objection to the proposed loan. Unless within the 60-day period the Export-Import Bank has received such a communication from the Central Bank of Ecuador, it shall be understood that the Central Bank of Ecuador has no objection to the proposed loan. When the Export-Import Bank approves or declines the proposed loan, it will notify the Central Bank of Ecuador.
- (6) In the event the sucres 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 Export-Import Bank has not approved loans or because proposed loans have not been mutually agreeable to the Export-Import Bank of Washington and the Central Bank of Ecuador, the Government of the United States of America may use the sucres for any purpose authorized by Section 104 of the Act.

(c) For a loan to the Government of Ecuador under subsection (g) of Section 104 of the Act, 50 percent of the sucres accruing pursuant to this Agreement for financing such projects to promote economic development, including projects not heretofore included in plans of the Government of Ecuador as may be mutually agreed. The terms and conditions of the loan and other provisions will be set forth in a separate loan agreement. In the event agreement is not reached on the use of Ecuadorean sucres