No. 6015

UNITED STATES OF AMERICA
and
EL SALVADOR

Agricultural Commodities Agreement under Title IV of the Agricultural Trade Development and Assistance Act, as amended (with exchange of notes). Signed at San Salvador, on 21 August 1961

Official texts: English and Spanish.

Registered by the United States of America on 20 December 1961.

ÉTATS-UNIS D'AMÉRIQUE
et
SALVADOR

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 San Salvador, le 21 août 1961

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 20 décembre 1961.

No. 6015. AGRICULTURAL COMMODITIES AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF EL SALVADOR UNDER TITLE IV OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED. SIGNED AT SAN SALVADOR, ON 21 AUGUST 1961

The Government of the United States of America and the Government of El Salvador :

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 El Salvador;

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 El Salvador under long-term supply and credit arrangements, the resources and manpower of El Salvador 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 El Salvador 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 the availability of commodities for programming under the Act and to issuance by the Government of the United States of America and acceptance by the Government of El Salvador of credit purchase authorizations, the Government of the United States of America undertakes to finance the sales for United States dollars to purchasers authorized by the Government of El Salvador of the following commodities :

[1] Came into force on 21 August 1961, upon signature, in accordance with article V.

Commodity	Supply Period	Unit	Approximate Maximum Quantity	Maximum Export Market Value To Be Financed
Wheat & Wheat Flour	July 1, 1961–June 30, 1962	Metric Tons	25,000	$1,800,000
Ocean Transportation (estimated)	. . . .			200,000
			TOTAL	$2,000,000

The total amount of financing provided in the credit purchase authorizations shall not exceed the above-specified total maximum export market value to be financed. 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.

Article II

CREDIT PROVISIONS

1. The Government of El Salvador 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 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 five approximately equal annual payments. The first annual payment for commodities delivered in any calendar year shall become due on December 31, following the calendar 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 $3^5/_8$ 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 El Salvador 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 El Salvador will take all possible measures to prevent the resale or transshipment to other countries or the use for other than domestic consumption of the commodities purchased pursuant to the provisions of this Agreement.

2. The two Governments will take reasonable precautions to assure that all sales or purchases of commodities pursuant to the 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 El Salvador 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 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.