

No. 6919

**UNITED STATES OF AMERICA
and
ECUADOR**

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

Official texts: English and Spanish.

Registered by the United States of America on 18 September 1963.

**ÉTATS-UNIS D'AMÉRIQUE
et
ÉQUATEUR**

**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 Quito, le 5 avril 1963**

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 18 septembre 1963.

No. 6919. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE GOVERNMENT OF
ECUADOR UNDER TITLE IV OF THE AGRICULTURAL
TRADE DEVELOPMENT AND ASSISTANCE ACT, AS
AMENDED. SIGNED AT QUITO, ON 5 APRIL 1963

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 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 Ecuador;

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 Ecuador under long-term supply and credit arrangements, the resources and manpower of Ecuador 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 Ecuador 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 Ecuador 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

¹ Came into force on 5 April 1963, upon signature, in accordance with article V.

the periods specified in the following table, or such longer period as may be authorized by the Government of the United States of America, sales for United States dollars, to purchasers authorized by the Government of Ecuador of the following commodities :

<i>Commodity</i>	<i>Supply period</i>	<i>Approx. max. quantity</i>	<i>Maximum export market value to be financed</i>
Wheat	Fiscal year 1963	15,000 MT	\$1,052,000
Soybean and/or Cottonseed oil	CY 1963	2,250 MT	600,000
Tobacco products . .	CY 1963	440 MT	1,000,000
Inedible tallow . . .	CY 1963	3,700 MT	600,000
Leaf Tobacco . . .	CY 1963	115 MT	200,000
Ocean transportation (est.)			328,000
		TOTAL	<u>\$3,780,000</u>

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 Ecuador 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.

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 19 approximately equal annual payments, the first of which shall become due two years after the date of last delivery of commodities in such calendar year. 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 $\frac{3}{4}$ of 1 per cent per annum and shall begin on the date of the last delivery of commodities in such calendar year. Interest on the amount due with respect to deliveries in each calendar year which accrues for the semiannual periods ending respectively 6 months, 12 months and 18 months after the date of the last delivery of commodities in such calendar year shall be paid not later than the ending dates of such respective semiannual periods. Interest for the 6-month period ending on the first annual principal payment date shall be paid not later than such principal payment date. Thereafter, the interest on the unpaid balance shall be paid annually not later than the date on which annual payment of principal becomes due.

4. All payments shall be made in United States dollars and the Government of Ecuador 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 Ecuador 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