No. 7366

UNITED STATES OF AMERICA
and
PARAGUAY

Agricultural Commodities Agreement under Title I of the Agricultural Trade Development and Assistance Act, as amended (with exchange of notes). Signed at Asunción, on 14 November 1963

Official texts: English and Spanish.

Registered by the United States of America on 10 August 1964

ÉTATS-UNIS D'AMÉRIQUE
et
PARAGUAY

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 Asunción, le 14 novembre 1963

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 10 août 1964.

No. 7366. AGRICULTURAL COMMODITIES AGREEMENT[1] BETWEEN THE GOVERNMENT OF PARAGUAY AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED. SIGNED AT ASUNCIÓN, ON 14 NOVEMBER 1963

The Government of Paraguay and the Government of the United States of America :

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 Paraguayan guaranies of agricultural commodities produced in the United States of America will assist in achieving such an expansion of trade ;

Considering that the Paraguayan guaranies 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 agricultural commodities to Paraguay 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 Paraguayan guaranies

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of Paraguay of 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 the sales for Paraguayan guaranies, to purchasers authorized by the Government of Paraguay, of the following agricultural commodities in the amounts indicated :

[1] Came into force on 14 November 1963, upon signature, in accordance with article VI.

Commodity	*Export Market Value*
Wheat, including flour	$1,500,000
Ocean transportation	200,000
TOTAL	$1,700,000

2. Applications for purchase authorizations will be made within 90 days after the effective date of this Agreement, except that applications for purchase authorizations for any additional commodities or amounts of commodities provided for in any amendment to this Agreement will be made within 90 days after the effective date of such amendment. Purchase authorizations will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of Paraguayan guaranies accruing from such sales, and other relevant matters.

3. The financing, sale and delivery of commodities under this Agreement may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale or delivery is unnecessary or undesirable.

Article II

USES OF PARAGUAYAN GUARANIES

The Paraguayan guaranies 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*) and (*h*) through (*s*) of Section 104 of the Act, or under any of such subsections, 35 percent of the Paraguayan guaranies accruing pursuant to this Agreement.

B. For loans to be made by the Agency for International Development of Washington (hereinafter referred to as A.I.D.) under Section 104 (*e*) of the Act and for administrative expenses of A.I.D. in Paraguay incident thereto, 15 percent of the Paraguayan guaranies 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 Paraguay for business development and trade expansion in Paraguay and to United States firms and Paraguayan 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 A.I.D. and the Government of Paraguay. The President of the Central Bank of Paraguay, or his designate, will act for the Government of Paraguay, and the Administrator of A.I.D., or his designate, will act for A.I.D.

(3) Upon receipt of an application which A.I.D. is prepared to consider, A.I.D. will inform the Central Bank of Paraguay 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 A.I.D. is prepared to act favorably upon an application, it will so notify the Central Bank of Paraguay 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 Paraguay 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 A.I.D. is prepared to act favorably upon an application, the Central Bank of Paraguay will indicate to A.I.D. whether or not the Central Bank of Paraguay has any objection to the proposed loan. Unless within the sixty-day period A.I.D. has received such a communication from the Central Bank of Paraguay, it shall be understood that the Central Bank of Paraguay has no objection to the proposed loan. When A.I.D. approves or declines the proposed loan it will notify the Central Bank of Paraguay.

(6) In the event Paraguayan guaranies set aside for loans under Section 104 (*e*) of the Act are not advanced within three years from the date of this Agreement because A.I.D. has not approved loans or because proposed loans have not been mutually agreeable to A.I.D. and the Central Bank of Paraguay, the Government of the United States of America may use the Paraguayan guaranies for any purpose authorized by Section 104 of the Act.

C. For a grant to the Government of Paraguay under Section 104 (*e*) of the Act, twenty percent of the guaranies accruing under the Agreement for financing such projects to promote balanced economic development as may be mutually agreed.

D. For a loan to the Government of Paraguay under Section 104 (*g*) of the Act for financing such projects to promote economic development, including projects not heretofore included in plans of the Government of Paraguay, as may be mutually agreed, thirty percent of the Paraguayan guaranies accruing pursuant to this Agreement. The terms and conditions of the loan and other provisions will be set forth in a separate loan agreement. In the event that agreement is not reached on the use of the Paraguayan guaranies for loan purposes within three years from the date of this