

No. 8391

**UNITED STATES OF AMERICA
and
PARAGUAY**

**Agricultural Commodities Agreement under Title IV of the
Agricultural Trade Development and Assistance Act, as
amended (with exchange of notes). Signed at Asunción,
on 27 April 1966**

Official texts: English and Spanish.

Registered by the United States of America on 21 November 1966.

**ÉTATS-UNIS D'AMÉRIQUE
et
PARAGUAY**

**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 Asunción, le 27 avril 1966**

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 21 novembre 1966.

No. 8391. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF PARAGUAY UNDER TITLE IV OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED. SIGNED AT ASUNCIÓN, ON 27 APRIL 1966.

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

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 Paraguay;

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;

Recognizing further that by providing such commodities to Paraguay under long-term supply and credit arrangements, the resources and manpower of Paraguay 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 Paraguay 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 Paraguay 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 the periods specified below, or such longer periods as may be authorized by the

¹ Came into force on 27 April 1966, upon signature, in accordance with article V.

Government of the United States of America, sales for United States dollars, to purchasers authorized by the Government of Paraguay, of the following commodities :

<i>Commodity</i>	<i>Supply Period</i>	<i>Approximate Maximum Quantity (Metric tons)</i>	<i>Maximum Export Market Value to be Financed</i>
Wheat	Calendar Year 1966	40,000	\$2,328,000
Ocean transportation (estimated) .			217,000
			\$2,545,000

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 may limit the amount of financing provided in the credit purchase authorizations, as price declines or other marketing factors may require, so that the quantities of commodities financed will not substantially exceed the above-specified approximate maximum quantities.

2. Application for credit purchase authorizations will be made promptly after the effective date of this Agreement. Purchase authorizations will include provisions relating to the sale and delivery of the 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 Paraguay 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 amount of the principal due for commodities, ocean transportation and other costs in connection with commodities delivered in each calendar year under this Agreement will be made in 19 annual payments, the first of which will be due March 31 immediately following the calendar year of shipment. This payment will be for 15 percent of the amount financed in connection with shipments made in the preceding calendar year. Payment for the balance of amount financed in connection with shipments made in each calendar year will be made in 18 approximately equal annual installments due on anniversary date of the first payment. Any annual payment may be made prior to the due date thereof.

3. Interest on the unpaid balance of the principal due the Government of the United States of America for commodities delivered in each calendar year shall begin on the date of last delivery of commodities in such calendar year and be paid not later than the date on which the annual payment of principal becomes due. The interest shall be computed at the rate of $2\frac{1}{2}$ percent per annum.

4. All payments shall be made in United States dollars and the Government of Paraguay shall deposit, or cause to be deposited, such payments in the United States Treasury for credit to the Commodity Credit Corporation 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 last delivery of commodities for each calendar year, delivery shall be deemed to have occurred as of the onboard 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 Paraguay 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 (unless such resale, transshipment or use is specifically approved by the Government of the United States of America); 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 (except where such export is specifically approved by the Government of the United States of America); and to ensure that the purchase of commodities pursuant to this Agreement does not result in increased availability of the same or like commodities to nations unfriendly to the United States of America.