

No. 3424

**UNITED STATES OF AMERICA
and
PERU**

**Agreement regarding surplus agricultural commodities.
Signed at Lima, on 7 February 1955**

Official texts: English and Spanish.

Registered by the United States of America on 15 May 1956.

**ÉTATS-UNIS D'AMÉRIQUE
et
PÉROU**

**Accord relatif aux produits agricoles en surplus. Signé à
Lima, le 7 février 1955**

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 15 mai 1956.

No. 3424. AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND PERU REGARDING SURPLUS AGRICULTURAL COMMODITIES. SIGNED AT LIMA, ON 7 FEBRUARY 1955

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

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 in these commodities or unduly disrupt world prices of agricultural commodities;

Considering that the purchase for soles of surplus agricultural commodities produced in the United States will assist in achieving such an expansion of trade;

Considering that the soles accruing from such purchases will be utilized in a manner beneficial to both countries;

Desiring to set forth the understandings which will govern the sales of surplus agricultural commodities to Peru pursuant to Title I of the Agricultural Trade Development and Assistance Act of 1954, 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 SOLES

1. Subject to the issuance and acceptance of purchase authorizations referred in paragraph 2 of this Article, the Government of the United States of America undertakes to finance on or before June 30, 1955, the sale for soles of certain agricultural commodities determined to be surplus pursuant to the Agricultural Trade Development and Assistance Act of 1954 to the Government of Peru.

2. The United States Government will issue, within the terms of this Agreement, purchase authorizations which shall include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of

¹ Came into force on 7 February 1955, upon signature, in accordance with article VI.

the soles accruing from such sales and other relevant matters, and which shall be subject to acceptance by the Government of Peru. Certain commodities, and amounts, with respect to which tentative agreement has been reached by the two Governments are listed in paragraph 3 of this Article.

3. The United States Government undertakes to finance the sale to Peru of the following commodities, in the values indicated, during the United States fiscal year 1955, under the terms of Title I of the said Act and of this Agreement :

<i>Commodity</i>	<i>Value (millions of dollars)</i>
Wheat	3.02
Butter	0.23
Transportation (estimated)	0.38

Article II

USES OF SOLES

1. The two Governments agree that the soles 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 for the following purposes in the amounts shown :

(a) For purposes pursuant to section 104 (a), (f), and (h) of the Act : the sol equivalent of \$1,000,000.

(b) For loans to the Government of Peru to promote the economic development of Peru under section 104 (g) of the Act : the sol equivalent of \$2,630,000, subject to supplemental agreement between the two Governments.

2. The soles accruing under this Agreement shall be expended by the Government of the United States for the purposes stated in paragraph 1 of this article, in such manner and order of priority as the Government of the United States shall determine.

Article III

DEPOSITS OF SOLES

1. The amount of soles to be deposited to the account of the United States shall be the dollar sales value of the commodities reimbursed or financed by the Government of the United States converted into soles at the certificate rate of exchange. Such dollar sales value shall include ocean freight and handling, reimbursed or financed by the Government of the United States, except that it shall not include any extra cost of ocean freight resulting from a United States requirement that the commodities be transported on United States flag vessels.

2. The two Governments agree that the following procedures shall apply with respect to the soles deposited to the account of the United States under this Agreement :

(a) On the date of deposit of such soles to the account of the United States, they shall, at the same rate of exchange at which they were deposited, be converted and transferred to a special dollar denominated account to the credit of the U. S. Government in the Central Reserve Bank of Peru.

(b) Drawings on such special account by the United States for the uses specified in paragraph 1 (a) of Article II of this Agreement shall be paid by the Central Reserve Bank of Peru in soles at the rate for dollar exchange available to any party in Peru on the date of drawing which is most favorable to the U. S. and which is not illegal.

(c) Drawings on such special account for the loan uses specified in paragraph 1 (b) of Article II of this Agreement shall be accomplished by transferring from such special account to the account of the Government of Peru the equivalent of the soles to be loaned.

Article IV

GENERAL UNDERTAKINGS

1. The Government of Peru agrees that it will take all possible measures to prevent the resale or transshipment to other countries, or use for other than domestic purposes, (except where such resale, transshipment or use is specifically approved by the Government of the United States) of surplus agricultural commodities purchased pursuant to the provisions of the Agricultural Trade Development and Assistance Act of 1954, and to assure that its purchase of such commodities does not result in increased availability of these or like commodities to nations unfriendly to the United States.

2. The two Governments agree that they will take reasonable precautions to assure that all sales of surplus agricultural commodities pursuant to the Agricultural Trade Development and Assistance Act of 1954 will not unduly disrupt world prices of agricultural commodities, displace usual marketings of the United States in these commodities, or materially impair trade relations among the countries of the free world.

3. In carrying out this agreement the two Governments will seek to assure conditions of commerce permitting private traders to function effectively and will use their best endeavors to develop and expand continuous market demand for agricultural commodities.

Article V

CONSULTATION

The two Governments will, upon the request of either of them, consult regarding any matter relating to the application of this Agreement or to the operation of arrangements carried out pursuant to this Agreement.

Article VI

ENTRY INTO FORCE

This Agreement shall enter into force upon signature.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present Agreement.

DONE at Lima, Peru, this seventh day of February, nineteen hundred fifty-five.

For the Government of the United States of America :

Harold H. TITTMANN

Ambassador of the United States of America

[SEAL]

For the Government of the Republic of Peru :

D. F. AGUILAR

Minister of Foreign Affairs

[SEAL]
