

CANADA

TREATY SERIES 1970 No. 12

**AGREEMENT BETWEEN THE GOVERNMENT OF CANADA AND THE GOVERNMENT
OF PERU RELATING TO TERMS OF FINANCING FOR THE SALE OF WHEAT
BY CANADA**

The Government of Canada and the Government of Peru

DESIRING to establish terms of financing for the sale of wheat by Canada to Peru,

Have agreed as follows:

ARTICLE I

The Government of Peru shall buy in Canada, through the Empresa Publica de Servicios Agropecuarios (EPSAP), and Canada shall supply, through the Canadian Wheat Board, up to 280 thousand tons of Canadian wheat, 5% more or less, but not less than 200 thousand tons, 5% more or less, for shipment from Canadian ports during the period July 1, 1970 to June 30, 1971.

ARTICLE II

Under this Agreement, Empresa Publica de Servicios Agropecuarios and the Canadian Wheat Board have concluded a general contract in respect of this transaction. The grades of wheat, delivery terms, prices and other commercial conditions were negotiated and agreed upon by Empresa Publica de Servicios Agropecuarios and the Canadian Wheat Board. Under the terms of this contract, purchases of wheat shall be made by Empresa Publica de Servicios Agropecuarios from an Agent or Agents of the Canadian Wheat Board.

ARTICLE III

The payment terms, which will apply to all shipments made in accordance with Article I, shall be as follows:

A cash payment of five percent of the gross invoice value of each cargo on date of each shipment, and the balance of ninety-five percent payable in equal installments, with the first payment due on the last day of the first year from the date of shipment. Subsequent payments will be due at intervals of six months thereafter, provided final payment will become due not more than three years after date of shipment. Any semi-annual payment may be made in advance. Interest will be payable semi-annually at 6½ percent per annum, on the principal balance outstanding calculated from date of each shipment.

ARTICLE IV

Notwithstanding current liabilities under policies of insurance issued by the Export Development Corporation, an agency of the Canadian Government, covering previous grain sales to Peru, the Corporation will be authorized to insure at a premium rate of 0.125 percent per annum, ninety-five percent of the gross invoice value, including interest, of each cargo for the first two years from