

AID 1140-1 (1-64)

**DEPARTMENT OF STATE**  
**AGENCY FOR INTERNATIONAL DEVELOPMENT**

Washington 25, D. C.

Section 202

AID No. 527-XXX-000-4634

Program Approval Dated:

February 27, 1964

Executive Vice President  
 Commodity Credit Corporation  
 U. S. Department of Agriculture

In accordance with the provisions of Title II, PL 480 (as amended), Section 2 of Executive Order 10900 and State Department Delegation Order No. 104 effective September 30, 1961, the Commodity Credit Corporation is hereby authorized to transfer and deliver items listed in Para 2 to Peru in an amount not to exceed \$80,000 pursuant to the following instructions:

## 1. Quantity - Metric tons not to exceed:

Previous Total	Increase 194	Decrease	Total to Date 194
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## 2. Commodities:

<u>Code</u>	<u>Commodity</u>	<u>Quantity</u> <u>M/T</u>	<u>CCC Value</u> <u>\$</u>	<u>Export</u> <u>Market Value</u> <u>\$</u>
0404	Bulgur	51	17,000	4,500
0102	Wheat Flour	102	15,000	8,200
0903	Non-fat-dry milk	25	11,000	5,000
0909	Butteroil	16	37,000	13,000
		194	80,000	\$30,700

3/13/64  
 Date

*Herbert J. Waters*  
 Signature for the Administrator

**REQUEST AND ACCEPTANCE:** The assistance described in this authorization is hereby requested and the terms and conditions set forth herein, including those set forth on the reverse side hereof, are hereby accepted.

3/13/64  
 Date

For the Government of Peru

*[Signature]*

### 3. Delivery Period, Specifications and Packaging

All commodities authorized hereunder must have been produced and processed in the United States.

#### Bulgur:

- a) Delivery - 17 metric tons as soon as possible - balance to be advised.
- b) Bulgur to be processed from cleaned hard wheat. Bagged 50 kg. net in osnaburg bags or export cotton sheeting. Moisture maximum 11%; protein minimum 8.0%; crude fiber maximum 1.5%; ash maximum 1.55%; foreign matter maximum 0.1%; scortched particles maximum 0.2%; whole kernels maximum 3.0%.

#### Wheat Flour:

- a) Delivery - 34 metric tons as soon as possible. Balance to be advised.
- b) Wheat flour to be 72% extraction, enriched, bleached, minimum protein 11%; maximum ash .48%; maximum moisture 13.5%; packed 50 kg. net in new export cotton bags.

#### Non-Fat-Dry-Milk:

- a) Delivery - 9 metric tons as soon as possible. Balance to be advised.
- b) Spray process nonfat dry milk packed in  $4\frac{1}{2}$  lb polyethylene-lined cartons packed 12 per rectangular case for export.

#### Butteroil:

- a) Delivery - 6 metric tons as soon as possible. Balance to be advised.
- b) Butteroil packed in Number 10 tins suitable for export.

### 4. Program Objectives and Use of Commodities

- A. The commodities authorized herein are contributed by the United States to the Government of Peru in support of a one-year road construction program, to be carried out through the Peruvian Ministry of Public Works and the 4th Battalion of the Peruvian Army Engineers in coordination with the Civic Action Program, including the U.S. Army Civic Action group. The road shall be constructed in the Department of Puno, beginning at Huancaaluque, about 9.5 kilometers north of the village of Sandia, and continuing towards the projected terminal point at San Juan del Oro.

- B. The program authorized herein is a part of the Sandia-Tampopata road project in the Department of Puno, initiated by the GOP in January 1962 with funds available from Export-Import Bank Loan 1221 (\$1,000,000). Annual expenditures by the GOP for the road program are estimated at 6,019,800 soles (\$222,732). In addition, maintenance costs per year to the GOP for the 4th Battalion of the Peruvian Army Engineers are estimated at 5,125,984 soles (\$189,661).
- C. The commodities supplied hereunder shall be used as partial payment in kind of wages to approximately 350 civilian workers employed in the program on the basis of days of work performed, estimated at 290 work days per worker for the one-year program approved herein. An estimated 250 military men will also be employed at the same time in the construction of the road but shall not receive any of the commodities authorized herein. Each worker shall receive a daily ration for himself and dependents for each day of work performed. Distribution of the commodities supplied hereunder shall average approximately as follows:

<u>Commodities</u>	<u>Number of Workers</u>	<u>Grams per Cap/Day</u>	<u>Food Earned per Work Day* (grams)</u>	<u>Number of Work Days</u>	<u>Total Requirements (M/T)</u>
Bulgur	350	100	500	290	51
W/Flour	350	200	1000	290	102
NFD Milk	350	48	240	290	25
Butteroil	350	30	150	290	16
Total					194

\*Based on an average of 5 members per family.

- D. The commodities authorized herein shall be:

- 1) utilized in daily meals, prepared by cooks of the 4th Battalion, Peruvian Army Engineers, at separate camp kitchens installed along the project area, for serving only to civilian workers employed on the project;
- 2) distributed to workers' dependents through designated central warehouses of the 4th Battalion, Peruvian Army Engineers, on the basis of work ration cards ("chits") issued weekly to each worker and on which shall be certified by the appropriate GOP official the number of days of work performed during the week and the quantities of each commodity earned by the worker for family use; such chits shall not be sold or otherwise transferred by the worker and/or his dependents.

- E. The quantity of each commodity consumed by the worker at the project site and the quantity distributed to his dependents as provided in Paragraph D above, shall not exceed, in total, the amount of food earned per work day as specified in paragraph C above, times the number of days worked in that pay period.
- F. The GOP shall be responsible for paying each civilian worker employed in the program approved herein a daily cash wage of 15 soles (\$0.55) for each day of work performed and for providing materials, supplies, tools and road construction equipment essential to the program.
- G. Quantities issued to the authorized end-users at time of each distribution shall not exceed the amount the recipient and his dependents will consume during the period for which the donation is made.
- H. The commodity authorized herein shall not replace aid which would have been otherwise provided for such purpose and shall not be sold or bartered except as authorized below.
- I. Each commodity authorized herein may be used to replace locally available same or similar commodities which have been borrowed for use in this program, provided 1) the borrowing takes place before arrival of the first shipment of said commodity authorized herein; and 2) the borrowed commodities were distributed in accordance with the provisions of this authorization and after Febr. 27, 1964, the date of program approval. Replacement shall be based on equivalent value of the commodity as established by independent appraisers and agreed between representatives of the governments of Peru and the United States.

In the event of replacing local commodities by commodities authorized in this transfer authorization and which have markings contrary to use in local or commercial channels, U.S. identification markings must be deleted from package or packages before replacement in commercial stocks.

5. Shipping Instructions:

A. Consignee: Cuarta Region Militar  
Batallon de Ingenieria No. 4  
Juliaca

Port of Discharge: Matarani, Peru

- B. Ocean transportation to be arranged by USDA the cost of which will be paid by the United States and will be covered by a separate authorization.
- C. In conformity with Section 103, PL 480, all of the costs incurred in making these commodities available for export, FOB or FAS vessel including processing, packaging, transportation and handling costs shall be borne by the Commodity Credit Corporation. Title to the commodities shall pass to the consignee at time of delivery FOB or FAS vessel at U.S. port. However, the United States shall be responsible for general average contributions and shall be entitled to prosecute and retain the proceeds of all loss and damage claims against carriers. In order that claims against carriers may be filed promptly the consignee shall be responsible for providing US AID an outturn report immediately after each vessel is discharged. Such report shall show (1) satisfactory delivery as to quantity and condition or (2) the amount of shortage or damage. Reports showing either short outturn or damage must be certified by an independent surveyor, must be fully documented, and shall be forwarded promptly to MR/RTD, AID/W.
- D. Ocean shipment of the commodities authorized herein is subject to Public Law 664, 83rd Congress.

6. Standard Provisions:

- A. Marking Instructions: All containers shall be marked with the TA number, contract numbers or other identification, the A.I.D. emblem, and the following statement(s) in English and Spanish
- (1) Name of commodity, \_\_\_\_\_
- (2) "Donated by the People of the United States of America".
- B. Publicity: Suitable publicity shall be given at time of ship's arrival and time of distribution that the commodity provided herein has been donated by the people of the United States through the Alliance for Progress Program. In addition, adequate coverage by press, radio or other appropriate means of mass communication shall be utilized.

- C. No Displacement of Sales: The commodity furnished hereunder shall not result in increased availability for export of this or like commodities and shall not interfere with or displace sales which might otherwise have taken place.
- D. No Discrimination: The commodity furnished hereunder shall not be utilized for the advancement or support of any religious faith or teaching, nor shall such commodities be used in any manner which is discriminatory as to race, creed, color or national origin.
- E. Port Charges and Inland Transportation: The consignee shall be responsible for all costs after arrival of ship at port of discharge incident to discharging and distributing the commodity authorized herein to end-users including but not limited to, demurrage, detention, lighterage, lightening, port charges, warehousing and inland transportation. Cargo shall be admitted duty free. Consular invoices, if required, shall be issued without cost to the Government of the United States.
- F. Information and Observation: The Government of the United States shall be provided with complete information on the progress of this program. Adequate facilities shall be made available to United States personnel in the recipient country for conducting end-use checks and audits and for observing and reviewing the disposition of all commodities authorized herein.

7. Termination of Program:

- A. All or any part of the assistance provided herein, including the delivery of commodities not yet delivered, may be terminated by the U.S. Government if it is determined that because of changed conditions the continuation of such assistance is unnecessary or undesirable.
- B. If the Secretary of Agriculture shall determine that any commodity to be supplied under this authorization ceases to be in excess of domestic requirements in the United States, this authorization shall terminate with respect to any commodities which, as of the date of the Secretary's determination, have not been delivered FOB or FAS vessel.

8. Documentation and Reports: (For USDA)

Documentation and reports will be furnished pursuant to existing AID-USDA procedures.