

No. 3160

**UNITED STATES OF AMERICA
and
CHILE**

**Agreement for a co-operative program of water utilization
and agricultural production. Signed at Santiago, on
27 June 1953**

Official texts : English and Spanish.

Registered by the United States of America on 21 February 1956.

**ÉTATS-UNIS D'AMÉRIQUE
et
CHILI**

**Accord relatif à un programme de coopération pour l'utili-
sation des ressources hydrauliques aux fins de la pro-
duction agricole. Signé à Santiago, le 27 juin 1953**

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 21 février 1956.

No. 3160. AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF CHILE FOR A CO-OPERATIVE PROGRAM OF WATER UTILIZATION AND AGRICULTURAL PRODUCTION. SIGNED AT SANTIAGO, ON 27 JUNE 1953

The Government of the Republic of Chile, represented by its Minister of Foreign Relations, His Excellency Oscar Fenner Marín, and the Government of the United States of America, represented by its Ambassador in the Republic of Chile, The Honorable Claude G. Bowers, have agreed as follows :

Article I

Pursuant to the Basic Agreement for Technical Cooperation, signed on behalf of the two Governments at Santiago, Chile, January 16, 1951², ratified by the Chilean Congress and Promulgated by Decree No. 392 of the Ministry of Foreign Affairs, dated June 26, 1951, a cooperative program as described below shall be initiated in Chile. The obligations assumed herein by the Government of the Republic of Chile, will be performed by it through the Corporación de Fomento de la Producción (hereinafter referred to as the "Corfo"). The obligations assumed herein by the Government of the United States of America will be performed by it through The Institute of Inter-American Affairs, a corporate agency of the Government of the United States of America (hereinafter referred to as the "Institute"). The Corfo, on behalf of the Government of the Republic of Chile, and the Institute, on behalf of the Government of the United States of America, shall participate jointly in all phases of the planning and administration of the cooperative program. The Institute will secure the assistance of other agencies of the Government of the United States of America and of other public and private agencies in discharging its obligations under this Agreement. This Agreement and all activities carried out pursuant to it shall be governed by the provisions of the said Basic Agreement for Technical Cooperation.

Article II

The objectives of this cooperative program will be :

1. To promote better water utilization for agricultural production by means of more efficient irrigation systems.

¹ Came into force on 27 June 1953, upon signature, in accordance with article XIII.

² United Nations, *Treaty Series*, Vol. 151, p. 147 ; Vol. 179, p. 265, and Vol. 184, p. 376.

2. To stimulate and increase the interchange between the two countries of knowledge, skills and techniques in this field.
3. To promote and strengthen understanding and good will between the peoples of the United States of America and the Republic of Chile and to strengthen the democratic ways of life.

Article III

It is agreed that this cooperative program may include activities of the following types :

1. Studies of the needs for improving the utilization of water for agricultural production in the provinces of Concepción, Ñuble and Maule and of the resources which are available for this purpose.
2. The formulation and continuous adaptation of a program to help meet such needs.
3. In accordance with preliminary studies of geology, hydrology, land classification and agricultural economics to be developed by other agencies within the "Concepción Area Development Plan", a water utilization program will be undertaken which may include pump irrigation from wells and streams, small canal construction and improvement, and the use of sprinkler irrigation.

Article IV

The Institute agrees to furnish the technicians and specialists to collaborate in carrying out the cooperative program.

Article V

There is hereby established a Joint Fund which will serve as an agency of the Government of the Republic of Chile and shall administer the cooperative program in accordance with the provisions of this Agreement. The Vice-President of the Corfo (hereinafter referred to as the "Vice-President"), or his representative, and the Director of Technical Cooperation of the Institute in Chile, or his representative, shall act as Directors of the Joint Fund. The moneys of the Joint Fund may be maintained in such bank or banks as the Directors shall select, and shall be available only for the purpose of this Agreement.

Article VI

The contracting parties shall contribute and make available, to the extent provided below, funds for use in carrying out the program during the period covered by this Agreement :

1. The Government of the United States of America, during the period from the date of signing of this Agreement through June 30, 1954, shall make available the

funds necessary to pay salaries and other expenses of the American Specialists and technicians, as well as such other expenses of an administrative nature as the Government of the United States of America may incur in connection with this cooperative program. These funds shall be administered by the Institute and shall not be deposited to the credit of the Joint Fund.

2. In addition, for the period from the effective date of this Agreement through June 30, 1954, the Government of the United States of America shall contribute and make available to the Joint Fund the sum of \$ 50,000.00 (fifty thousand dollars) in currency of the United States of America. The contracting parties agree that this sum shall be withheld in the United States of America to meet payments to be made outside of the Republic of Chile in U.S. Dollars; provided, however, that the Vice-President and the Director of Technical Cooperation of the Institute may agree to deposit any part of this sum to the Joint Fund when deemed necessary. The amounts used for payments in dollars, when expended as agreed upon by the Directors, shall be considered as if deposited to the credit of the Joint Fund.

3. The Government of the Republic of Chile, for the period from the effective date of this Agreement through June 30, 1954, shall deposit to the credit of the Joint Fund the sum of \$ 9,000,000.00 (nine million pesos), in currency of the Republic of Chile.

4. The contracting parties may later agree in writing upon the amount of funds that each will contribute and make available each year for use in carrying out the program during the period from June 30, 1954, through June 30, 1960.

5. Funds deposited by the Government of the United States of America to the credit of the Joint Fund shall be convertible into pesos at the highest exchange rate available at the time the conversion is made.

5. The sums deposited to the credit of the Joint Fund in banks, either in the United States of America or in Chile, shall be withdrawn only by checks or other documents bearing the joint signature of the Directors of the Joint Fund. The Directors shall include in the deposit agreement to be made with any bank a provision that the bank shall be obligated to repay to the Joint Fund any moneys which it shall pay out from the Joint Fund on the basis of any document other than a check or other withdrawal document that has been signed by both Directors.

Article VII

1. The projects undertaken under this Agreement may include cooperation with national or provincial local governmental agencies in Chile, as well as with organizations of a public or private character, and international organizations of which the United States of America and the Republic of Chile are members. By agreement between the Directors, contributions of funds or property, by either or both parties, or by any of such third parties may be accepted for the Joint Fund in addition to those mentioned in Article VI.

2. The Government of the Republic of Chile in addition to the cash contribution provided for in Paragraph 3 of Article VI hereof, may, at its own expense, pursuant to agreement between the Directors :

a) Appoint specialists and other necessary personnel to collaborate with the Joint Fund.

b) Make available such office space, office equipment and furnishings and such other facilities, materials, equipment, supplies and services, as it can conveniently provide.

c) Make available the general assistance of the other governmental agencies of the Government of the Republic of Chile for carrying out the cooperative program.

Article VIII

1. The cooperative program herein provided for shall consist of projects, to be jointly planned and administered by the Directors of the Joint Fund. Each project shall be embodied in a written operational agreement which shall be signed by the Directors, shall define the work to be done, shall make the necessary allocations of funds, and may contain such other matters as the parties may agree to include.

2. Upon completion of any projects, a completion memorandum shall be drawn up and signed by the Directors which shall provide a record of the work done, the objectives sought to be achieved, the expenditures made, the problems encountered and solved, and related basic data.

3. The selection of Chilean specialists, technicians and other personnel to be sent for training to the United States of America or elsewhere at the expense of the Joint Fund pursuant to this program, as well as the training activities in which they shall participate shall be determined jointly by the Directors.

4. The general policy and administrative procedures that are to govern the cooperative program, the carrying out of projects, and the operations of the Joint Fund, such as the disbursement of and accounting for funds, the incurrence of obligations of the Joint Fund, the purchase, use, inventory, control and disposition of property, the appointment and discharge of officers and other personnel of the Joint Fund and the terms and conditions of their employment, and all other administrative matters shall be determined jointly by the Directors.

5. All contracts and other instruments and documents relating to the execution of projects under this Agreement shall be executed in the name of the Joint Fund and shall be signed by the Directors. The books and records of the Joint Fund relating to the cooperative program shall be open at all times for examination by authorized representatives of the Government of the Republic of Chile and the Government of the United States of America. The Directors of the Joint Fund shall render a joint annual report of their activities to the two Governments and other reports at such intervals as may be appropriate.

6. Any power conferred by this Agreement upon either the Vice-President or the Director of Technical Cooperation of the Institute may be delegated by either of them to any of their respective assistants, provided each such delegation be satisfactory to the other. Such delegation will not limit the right of the Vice-President or of the Director of Technical Cooperation to refer any matter directly to one another for discussion and decision.

Article IX

1. All funds deposited to the credit of the Joint Fund pursuant to this Agreement shall continue to be available for the cooperative program during the existence of this Agreement without regard to annual periods or fiscal years of either of the two parties.

2. All materials, equipment and supplies acquired for the cooperative program shall become the property of the Joint Fund and shall be used only in the furtherance of this Agreement. Any such materials, equipment and supplies remaining at the termination of this cooperative program shall be at the disposition of the Government of Chile.

3. Interest received on funds of the Joint Fund and any other increment of assets of the Joint Fund, of whatever nature or source, shall be devoted to the carrying out of the program and shall not be credited against any contribution due from the Government.

4. Any funds of the Joint Fund which remain unexpended and unobligated on the termination of the cooperative program shall, unless otherwise agreed upon, in writing by the parties hereto at that time, be disposed of in the following manner :

a) Deposits in Chilean currency will be returned to the Government of Chile.

b) Deposits in United States currency will be returned to the Government of the United States of America.

Article X

The Government of the Republic of Chile agrees to extend to the Joint Fund, and to all personnel employed by the Joint Fund, all rights and privileges enjoyed by agencies of the Government of Chile or by its personnel.

Article XI

It is agreed by the contracting parties that the personnel of the Institute, shall be entitled to all the privileges accorded to employees of the Government of the United States of America under Article IV of the Basic Agreement for Technical Cooperation.

Article XII

The Government of the Republic of Chile will endeavor to obtain the enactment of such legislation and will take such executive action as may be required to carry out the terms of this Agreement.

Article XIII

This Agreement may be referred to as the "Chilean-American Agreement for a Program of Water Utilization in Agricultural Production in the Provinces of Concepción, Ñuble and Maule". It shall become effective on the date it is signed and shall remain in force through June 30, 1960, or until three months after either Government shall give notice in writing to the other of intention to terminate it. The duration of this Agreement through June 30, 1960, shall be subject to the availability of appropriations to both parties for the purpose of the program and to the further agreement of the parties pursuant to Article VI, paragraph 4 hereof.

DONE in quadruplicate, in the English and Spanish languages, at Santiago, Chile, this 27th day of June 1953.

For the Government of the Republic of Chile :

(Signed) OSCAR FENNER
Minister of Foreign Relations

For the Government of the United States of America :

(Signed) CLAUDE G. BOWERS
The Ambassador

For the Corporación de Fomento de la Producción :

(Signed) [illegible]
Vice-Presidente Ejecutivo

For the Institute of Inter-American Affairs :

(Signed) [illegible]
Director of Technical Cooperation in Chile