

No. 5829

**UNITED STATES OF AMERICA
and
CHILE**

**Exchange of notes constituting an agreement relating to
investment guaranties. Santiago, 29 July 1960**

Official texts: English and Spanish.

Registered by the United States of America on 23 August 1961.

**ÉTATS-UNIS D'AMÉRIQUE
et
CHILI**

**Échange de notes constituant un accord relatif à la garantie
des investissements. Santiago, 29 juillet 1960**

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 23 août 1961.

No. 5829. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND CHILE RELATING TO INVESTMENT GUARANTIES. SANTIAGO, 29 JULY 1960

I

The American Chargé d'Affaires ad interim to the Chilean Minister of Foreign Affairs

EMBASSY OF THE UNITED STATES OF AMERICA
SANTIAGO, CHILE

July 29, 1960

No. 37

Excellency :

I have the honor to refer to conversations which have been held between representatives of our two governments to conclude the negotiations relative to guarantying United States investors against the risk of inconvertibility, in accordance with the terms of Section 413 (b) (4) (B) (i) of the Mutual Security Act of 1954, of the United States of America, as amended. In this regard, I have the honor to confirm the following understanding reached as a result of these conversations :

1. The Government of the United States of America and the Government of Chile shall, upon the request of either of them, consult respecting investment projects to be carried out in Chile proposed by citizens of the United States of America with respect to which guaranties under Section 413 (b) (4) (B) (i) of the Mutual Security Act of 1954 of the United States of America, as emended, have been made or are under consideration.

2. The Government of the United States of America agrees that it will issue no guaranty with respect to any project unless it is approved by the Government of Chile.

3. With respect to the guaranties against inconvertibility covering projects approved by the Government of Chile for purposes of guaranty, the Government of Chile agrees :

a) That if the Government of the United States of America makes payment in United States dollars to any person under such guaranty, the Government of Chile will recognize the transfer to the Government of the United States of America of any right, title, or interest of such persons in currency or credits in currency on account of which such payment was made, and the subrogation of the Government of the United States of America to any claim or cause of action, or right of such person arising in connection therewith.

¹ In accordance with the provisions of the said notes, the Agreement came into force on 15 February 1961, the date on which the Government of Chile notified the Government of the United States of America that the said Agreement had been approved pursuant to the constitutional procedures of Chile.

Nothing in this agreement shall grant to the Government of the United States of America other rights than those available to such person with respect to any petition or claim or right to which the Government of the United States of America may be subrogated ;

b) That amounts in Chilean escudos and credits in Chilean escudos acquired by the Government of the United States of America pursuant to such guaranties shall be accorded treatment not less favorable than accorded to private funds arising from transactions of United States nationals which are comparable to the transactions covered by such guaranties, and that such amounts and credits in Chilean escudos shall be freely available to the Government of the United States of America for administrative expenditures ;

c) That the subrogation of the Government of the United States of America referred to in the aforementioned subparagraph (a), shall pertain only to the aforementioned amounts in Chilean escudos and credits in Chilean escudos and shall not be applicable to the physical or real property comprising an investment for which guaranties have been issued by the Government of the United States of America pursuant to this Agreement.

This note and Your Excellency's favorable reply in similar terms shall be considered an agreement between the parties concerned, and this Agreement shall enter into force on the date on which the Government of Chile notifies the Government of the United States of America that this exchange of notes has been approved pursuant to its constitutional procedures.

Accept, Excellency, the renewed assurances of my distinguished consideration.

William L. KRIEG
Chargé d'Affaires, a. i.

His Excellency Enrique Ortúzar Escobar
Minister of Foreign Affairs
Santiago

II

The Chilean Minister of Foreign Affairs to the American Chargé d'Affaires ad interim

[SPANISH TEXT — TEXTE ESPAGNOL]

REPÚBLICA DE CHILE
MINISTERIO DE RELACIONES EXTERIORES

Santiago, 29 de julio de 1960

Nº 9985

Señor Encargado de Negocios :

Tengo el agrado de acusar recibo de la Nota de Vuestra Señoría Nº 37, de fecha de hoy, cuyo texto dice como sigue :

« Tengo el honor de referirme a las conversaciones que se han venido sosteniendo entre representantes de nuestros dos Gobiernos, para llegar a formalizar

Unidos de América que el presente cambio de notas ha sido aprobado de conformidad a sus procedimientos constitucionales.

« Aprovecho la oportunidad para reiterar a Vuestra Excelencia las seguridades de mi más alta y distinguida consideración. »

Al respecto, tengo el agrado de comunicar a Vuestra Señoría la conformidad de mi Gobierno con los términos de la Nota transcrita, constituyendo tanto ella como la presente respuesta un acuerdo entre ambas Partes.

Me valgo de la oportunidad para reiterar a Vuestra Señoría las seguridades de mi distinguida consideración.

E. ORTÚZAR E.

Al Honorable Señor William L. Krieg
Encargado de Negocios de los Estados Unidos de América
Presente

[TRANSLATION¹ — TRADUCTION²]

REPUBLIC OF CHILE
MINISTRY OF FOREIGN RELATIONS

Santiago, July 29, 1960

No. 9985

Mr. Chargé d'Affaires :

I take pleasure in acknowledging receipt of your note No. 37 of this date, the text of which reads as follows :

[See note I]

In this connection, I am happy to inform you of my Government's approval of the terms of the note reproduced above, that note together with this reply constituting an agreement between the two Parties.

I avail myself of the opportunity to renew to you the assurances of my distinguished consideration.

E. ORTÚZAR E.

The Honorable William L. Krieg,
Chargé d'Affaires of the United States of America
City

¹ Translation by the Government of the United States of America.

² Traduction du Gouvernement des États-Unis d'Amérique.