

**UNITED STATES OF AMERICA
and
CHILE**

**Agricultural Commodities Agreement under Title IV of the
Agricultural Trade Development and Assistance Act,
as amended (with exchange of notes of 7 August and
3 and 4 October 1962). Signed at Santiago, on 7 August
1962**

**Exchange of notes constituting an agreement amending the
above-mentioned Agreement. Santiago, 29 August and
10 September 1962**

Official texts: English and Spanish.

Registered by the United States of America on 22 April 1963.

**ÉTATS-UNIS D'AMÉRIQUE
et
CHILI**

**Accord relatif aux produits agricoles, conclu dans le cadre
du titre IV de la loi tendant à développer et à favoriser
le commerce agricole, telle qu'elle a été modifiée (avec
échange de notes des 7 août et 3 et 4 octobre 1962).
Signé à Santiago, le 7 août 1962**

**Échange de notes constituant un accord modifiant l'Accord
susmentionné. Santiago, 29 août et 10 septembre 1962**

Textes officiels anglais et espagnol.

Enregistrés par les États-Unis d'Amérique le 22 avril 1963.

No. 6652. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED STATES
OF AMERICA AND THE GOVERNMENT OF CHILE UN-
DER TITLE IV OF THE AGRICULTURAL TRADE DEVEL-
OPMENT AND ASSISTANCE ACT, AS AMENDED. SIGN-
ED AT SANTIAGO, ON 7 AUGUST 1962

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

Recognizing the desirability of expanding trade in agricultural commodities between their two countries in a manner which would utilize surplus agricultural commodities, including the products thereof, produced in the United States of America to assist economic development in Chile ;

Recognizing that such expanded trade should be carried on in a manner which would not displace cash marketings of the United States of America in those commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries ;

Recognizing further that by providing such commodities to Chile under long-term supply and credit arrangements, the resources and manpower of Chile can be utilized more effectively for economic development without jeopardizing meanwhile adequate supplies of agricultural commodities for the domestic use ;

Desiring to set forth the understandings which will govern the sales, as specified below, of commodities to Chile pursuant to Title IV of the Agricultural Trade Development and Assistance Act, as amended, (hereinafter referred to as the Act) ;

Have agreed as follows :

Article I

COMMODITY SALES PROVISIONS

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of Chile of credit purchase authorizations and to the availability of commodities under the Act at the time of exportation, the Government of the United States of America undertakes to finance during United States fiscal year 1963, or such longer periods as may be authorized by the Government of the

¹ Came into force on 7 August 1962, upon signature, in accordance with article V.

United States of America, the sales for United States dollars to purchasers authorized by the Government of Chile of the following :

<i>Commodity</i>	<i>Approximate Maximum Quantity</i>	<i>Maximum Export Market Value to be Financed (in thousands)</i>
Wheat, wheat flour and/or bulgur wheat . . .	175,000 MT	\$10,900
Cottonseed and/or soybean oil	6,000 MT	1,660
Corn	10,000 MT	485
Tobacco	660 MT	1,500
Cotton	25,000 bales	3,500
Seeds	485 MT	535
Ocean Transportation (estimated)		995
		TOTAL \$19,575

The total amount of financing provided in the credit purchase authorizations shall not exceed the above-specified export market value to be financed, except that additional financing for ocean transportation will be provided if the estimated amount for financing shipments required to be made on United States flag vessels proves to be insufficient. It is understood that the Government of the United States will, as price declines or other marketing factors may require, limit the amount of financing provided in the credit purchase authorizations so that the quantities of commodities financed will not substantially exceed the above specified approximate maximum quantities.

2. Credit purchase authorizations will include provisions relating to the sale and delivery of commodities and other relevant matters.

3. The financing, sale and delivery of commodities hereunder may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale and delivery is unnecessary or undesirable.

Article II

CREDIT PROVISIONS

1. The Government of Chile will pay, or cause to be paid, in United States dollars to the Government of the United States of America for the commodities specified in Article I and related ocean transportation (except excess ocean transportation costs resulting from the requirement that United States flag vessels be used) the amount financed by the Government of the United States of America together with interest thereon.

2. The principal amount due for commodities delivered in each calendar year under this Agreement, including the applicable ocean transportation costs related to such deliveries, shall be paid in twenty approximately equal annual payments. The first annual payment for commodities delivered in any calendar year shall become due on December 31 following the calendar year in which such deliveries were made. Subsequent annual payments shall become due at intervals of one year thereafter. Any annual payment may be made prior to the due date thereof.

3. Interest on the unpaid balance of the principal amount due the Government of the United States of America for commodities delivered in each calendar year shall be computed at the rate of three-quarters of one per centum per annum and shall begin on the date of the last delivery of commodities in such calendar year. Interest on each such unpaid balance shall be paid annually not later than the date on which the annual payment of principal becomes due.

4. All payments shall be made in United States dollars, and the Government of Chile will deposit, or cause to be deposited, such payments in the United States Treasury unless another depository is agreed upon by the two Governments.

5. The two Governments will each establish appropriate procedures to facilitate the reconciliation of their respective records of the amounts financed with respect to the commodities delivered during each calendar year.

6. For the purpose of determining the date of the last delivery of commodities for each calendar year, delivery shall be deemed to have occurred as of the on-board date shown in the ocean bill of lading which has been signed or initialed on behalf of the carrier.

Article III

GENERAL PROVISIONS

1. The Government of Chile will take all possible measures to prevent the resale or transshipment to other countries or the use for other than domestic consumption of the agricultural commodities purchased pursuant to the provisions of this Agreement ; to prevent the export of these or similar types of commodities during the period that these commodities are being received and utilized ; and to ensure that the purchase of these commodities does not result in increased availability of these or similar types of commodities to nations unfriendly to the United States of America.

2. The two Governments will take reasonable precautions to assure that sales or purchases of commodities pursuant to the Agreement will not displace cash marketings of the United States of America in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade of countries friendly to the United States of America.

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

4. The Government of Chile will furnish, upon request of the Government of the United States of America, information on the progress of the program, including the arrival and condition of commodities, imports of commodities which may be required under this Agreement to be purchased from the United States of America or countries friendly to the United States of America in addition to commodities financed under this Agreement, and any exports of the same or like commodities.

Article IV

CONSULTATION

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

Article V

ENTRY INTO FORCE

The Agreement shall enter into force upon signature.

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

DONE in duplicate at Santiago this 7th day of August, 1962.

For the Government
of the United States of America :

Charles W. COLE

For the Government
of Chile :

S. DEL RIO

EXCHANGE OF NOTES

I

Santiago, August 7, 1962

No. 55

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement between the Government of the United States of America and the Government of Chile signed today.¹

I wish to confirm my Government's understanding of the agreement reached in conversations which have taken place between representatives of this Embassy and the Government of Chile :

In expressing its concurrence that the commodities delivered pursuant to the Agreement should not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries or displace cash marketings of the United States of America in these commodities, the Government of Chile agrees that, during United States fiscal year 1963, Chile will import with its own resources from free world sources, including the United States of America, at least 125,000 metric tons of wheat, wheat flour and/or bulgur wheat, 21,000 metric tons of edible fats and oils, 78,000 bales of cotton, and 500,000 pounds of unmanufactured tobacco, of which not less than 400,000 pounds shall be from the United States of America. The quantities of the above mentioned commodities are in addition to the commodities provided for in this Agreement. I shall appreciate receiving your confirmation of the above understanding.

Accept, Excellency, the renewed assurance of my highest consideration.

Charles W. COLE

His Excellency Dr. Sotero del Rio G.
Acting Minister of Foreign Affairs

II

[SPANISH TEXT — TEXTE ESPAGNOL]

REPÚBLICA DE CHILE
MINISTERIO DE RELACIONES EXTERIORES

Santiago, 7 de agosto de 1962

N° 10.143.-

Señor Embajador :

Tengo el honor de dirigirme a Vuestra Excelencia para acusar recibo de su Nota N° 55 de fecha de hoy, cuyo texto es el siguiente :

¹ See p. 62 of this volume.

[TRANSLATION¹ — TRADUCTION²]

REPUBLIC OF CHILE
MINISTRY OF FOREIGN AFFAIRS

Santiago, August 7, 1962

No. 10.143.-

Mr. Ambassador :

I have the honor to acknowledge receipt of Your Excellency's note No. 55 of this date, the text of which reads as follows :

[See note I]

In this connection, I have the honor to inform Your Excellency that my Government agrees to the terms of the note transcribed above and that that note and this reply shall constitute an agreement between the two Parties.

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

S. DEL RIO

His Excellency Charles W. Cole
Ambassador of the United States of America
City

III

Santiago, August 7, 1962

No. 55-A

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement between the Government of the United States of America and the Government of Chile signed today.

I wish to confirm my Government's understanding of the agreement reached in conversations which have taken place between representatives of this Embassy and the Government of Chile :

The escudos resulting from the sale of commodities financed under the Agreement will be used by the Government of Chile for economic and social development programs consistent with the purposes and objectives of the Act

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

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

of Bogotá¹ and the charter of Punta del Este² as may be generally agreed upon by the two Governments.

I shall appreciate receiving your confirmation of the above understanding.

Accept, Excellency, the renewed assurance of my highest consideration.

Charles W. COLE

His Excellency Dr. Sotero del Rio G.
Acting Minister of Foreign Affairs

IV

[SPANISH TEXT — TEXTE ESPAGNOL]

REPÚBLICA DE CHILE
MINISTERIO DE RELACIONES EXTERIORES

Santiago, 7 de agosto de 1962

Nº 10.143 bis.-

Señor Embajador :

Tengo el honor de dirigirme a Vuestra Excelencia para acusar recibo de su Nota Nº 55-A de fecha de hoy, cuyo texto es el siguiente :

« Excelencia :

« Tengo el honor de referirme al Acuerdo sobre Productos Agrícolas entre el Gobierno de los Estados Unidos de América y el Gobierno de Chile firmado hoy.

« Deseo confirmar el entendimiento por parte de mi Gobierno del acuerdo a que se ha llegado en conversaciones que han tenido lugar entre representantes de esta Embajada y el Gobierno de Chile :

« Los escudos que resulten de la venta de los productos financiados bajo el Acuerdo serán utilizados por el Gobierno de Chile en programas de desarrollo económico y social consecuentes con los propósitos y objetivos del Acta de Bogotá y la Carta de Punta del Este según pueda acordarse en general por ambos Gobiernos.

« Agradeceré recibir su confirmación sobre el entendimiento expresado.

« Acepte, Excelencia, las seguridades de mi más alta consideración. »

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

¹ United States of America : Department of State Bulletin, 3 October 1960, p. 537.

² United States of America : Department of State Bulletin, 11 September 1961, p. 462.

Aprovecho esta oportunidad para reiterar a Vuestra Excelencia las seguridades de mi más alta consideración.

S. DEL RIO

Al Excelentísimo Señor Charles W. Cole
Embajador de los Estados Unidos de América
Presente

[TRANSLATION¹ — TRADUCTION²]

REPUBLIC OF CHILE
MINISTRY OF FOREIGN AFFAIRS

Santiago, August 7, 1962

No. 10.143 bis

Mr. Ambassador :

I have the honor to acknowledge receipt of Your Excellency's note No. 55—A of this date, the text of which reads as follows :

[See note III]

In this connection, I have the honor to inform Your Excellency that my Government agrees to the terms of the note transcribed above and that that note and this reply shall constitute an agreement between the two Parties.

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

S. DEL RIO

His Excellency Charles W. Cole
Ambassador of the United States of America
City

V

No. 159

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Relations of Chile and has the honor to refer to Note No. 10143 bis of August 7, 1962,³ concerning the uses of the escudos resulting from the sale of commodities financed under the Agricultural Commodities Agreement of August 7, 1962.⁴

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

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

³ See above.

⁴ See p. 62 of this volume.

In conversations between officials of the Ministry of Foreign Relations and this Mission, the following understandings have been arrived at :

1. That the proceeds generated from the sale of commodities covered under this agreement will be used only for direct investment in the public sector.

2. That the proceeds will be used for public investment projects in the following sectors :

- a. Housing
- b. Schools and other social assistance projects
- c. Rural development and agricultural marketing
- d. Transportation
- e. Development of cooperative movement
- f. Small and medium industry development

3. That specific projects in these sectors would not be subject to prior approval by the Economic Mission of the United States to Chile, but that the Government of Chile agrees to furnish periodically to the Economic Mission of the United States to Chile listings of projects being undertaken by sector, providing information on name, location and amount invested in each project.

4. That the Government of Chile agrees that any proceeds from this loan agreement used for projects in the field of agricultural production or marketing will be subject to prior approval by the Economic Mission of the United States to Chile.

The Embassy of the United States of America would appreciate receiving your confirmation of the above understandings.

The Embassy avails itself of this opportunity to renew to the Ministry the assurances of its highest and most distinguished consideration.

Charles W. COLE

Embassy of the United States of America
Santiago, October 3, 1962

VI

[SPANISH TEXT — TEXTE ESPAGNOL]

REPÚBLICA DE CHILE
MINISTERIO DE RELACIONES EXTERIORES

13567

El Ministerio de Relaciones Exteriores saluda muy atentamente a la Embajada de los Estados Unidos de América, y tiene el honor de acusarle recibo de su nota nº 159, de 3 de octubre en curso, el texto de la cual es el siguiente :

[TRANSLATION¹ — TRADUCTION²]

REPUBLIC OF CHILE
MINISTRY OF FOREIGN AFFAIRS

No. 13567

The Ministry of Foreign Affairs presents its compliments to the Embassy of the United States of America and has the honor to acknowledge receipt of its note No. 159 dated October 3 last, the text of which reads as follows :

[See note V]

In expressing its approval of the understandings set forth in the note transcribed above, the Ministry of Foreign Affairs avails itself of the opportunity to renew to the Embassy of the United States of America the assurances of its highest and most distinguished consideration.

(Initialed) [illegible]

Santiago, October 4, 1962

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

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

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND CHILE AMENDING THE AGRICULTURAL COMMODITIES AGREEMENT OF 7 AUGUST 1962.² SANTIAGO, 29 AUGUST AND 10 SEPTEMBER 1962

I

The American Ambassador to the Chilean Minister for Foreign Affairs

Santiago, August 29, 1962

No. 109

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement of August 7, 1962² between the Government of the United States of America and the Government of Chile and to propose that Article II of that Agreement be amended to substitute for the third sentence in numbered paragraph 2 the following :

“Subsequent annual payments shall become due at intervals of one year thereafter provided that the final payment for commodities delivered in any calendar year shall become due 20 years from the date of the last delivery of commodities in such calendar year.”

If the foregoing is acceptable to Your Excellency's Government, I have the honor to propose that this note and Your Excellency's affirmative reply thereto shall constitute an agreement between our two Governments, this matter to enter into force on the date of Your Excellency's reply.

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

Charles W. COLE

His Excellency Carlos Martinez Sotomayor
Minister for Foreign Affairs
Santiago

¹ Came into force on 10 September 1962 by the exchange of the said notes.

² See p. 62 of this volume.

[TRANSLATION¹ — TRADUCTION²]

REPUBLIC OF CHILE
MINISTRY OF FOREIGN AFFAIRS
Economic Division
Americas Section

Santiago, September 10, 1962

No. 12192

Excellency :

I have the honor to acknowledge receipt of Your Excellency's note No. 109 dated August 29 last, the text of which reads as follows :

[*See note I*]

In this connection, I have the honor to inform Your Excellency that my Government agrees to the terms of the note transcribed above and that that note and this reply shall constitute an agreement between the two Parties.

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

C. MARTINEZ S.

His Excellency Charles W. Cole
Ambassador Extraordinary and Plenipotentiary
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.