

No. 6502

**UNITED STATES OF AMERICA
and
URUGUAY**

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act,
as amended (with exchange of notes). Signed at Mon-
tevideo, on 27 April 1962**

Official texts: English and Spanish.

Registered by the United States of America on 24 January 1963.

**ÉTATS-UNIS D'AMÉRIQUE
et
URUGUAY**

**Accord relatif aux produits agricoles, conclu dans le cadre
du titre I de la loi tendant à développer et à favoriser
le commerce agricole, telle qu'elle a été modifiée (avec
échange de notes). Signé à Montevideo, le 27 avril 1962**

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 24 janvier 1963.

No. 6502. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED STATES
OF AMERICA AND THE GOVERNMENT OF URUGUAY
UNDER TITLE I OF THE AGRICULTURAL TRADE
DEVELOPMENT AND ASSISTANCE ACT AS AMENDED.
SIGNED AT MONTEVIDEO, ON 27 APRIL 1962

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

Recognizing the desirability of expanding trade in agricultural commodities between their two countries and with other friendly nations in a manner which would not displace usual marketings of the United States of America in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries ;

Considering that the purchase for Uruguayan pesos of agricultural commodities produced in the United States of America will assist in achieving such an expansion of trade ;

Considering that the Uruguayan pesos accruing from such purchase will be utilized in a manner beneficial to both countries ;

Desiring to set forth the understandings which will govern the sales, as specified below, of agricultural commodities to Uruguay pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended, (hereinafter referred to as the Act) and the measures which the two Governments will take individually and collectively in furthering the expansion of trade in such commodities ;

Have agreed as follows :

Article I

SALES FOR URUGUAYAN PESOS

1. Subject to the availability of commodities for programming under the Act and to issuance by the Government of the United States of America and acceptance by the Government of Uruguay of purchase authorizations, the Government of the United States of America undertakes to finance the sale for Uruguayan pesos to purchasers authorized by the Government of Uruguay of the following agricultural commodities in the amounts indicated :

¹ Came into force on 27 April 1962, upon signature, in accordance with article V.

<i>Commodity</i>	<i>Export Market Value (millions)</i>
Tobacco	\$1.9
Ocean transportation1
	\$2.0

2. Applications for purchase authorizations will be made within 90 calendar days of the effective date of this Agreement, except that applications for purchase authorizations for any additional commodities or amounts of commodities provided for in any amendment to this Agreement will be made within 90 days of the effective date of such amendment. Purchase authorizations will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of the Uruguayan pesos accruing from such sale, and other relevant matters.

3. Purchase and shipment of the commodities mentioned above will be made within 18 calendar months of the effective date of this Agreement.

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

Article II

USES OF URUGUAYAN PESOS

1. The Uruguayan pesos accruing to the Government of the United States of America as a consequence of sales made pursuant to this Agreement will be used by the Government of the United States of America, in such manner and order of priority as the Government of the United States of America shall determine, for the following purposes, in the amounts shown :

a. For United States expenditures under subsections (a), (b), (c), (d), (f) and (h) through (s) of Section 104 of the Act or under any of such subsections, 25 percent of the Uruguayan pesos accruing pursuant to this Agreement.

b. For loans to be made by the Agency for International Development under Section 104 (e) of the Act and for administrative expenses of the Agency for International Development in Montevideo incident thereto, 25 percent of the Uruguayan pesos accruing pursuant to this Agreement. It is understood that :

- (1) Such loans under Section 104 (e) of the Act will be made to United States business firms and branches, subsidiaries or affiliates of such firms in Uruguay for business development and trade expansion in Uruguay and to United States firms and Uruguayan firms for the establishment of facilities for aiding in the utilization, distribution or otherwise increasing the consumption of and markets for United States agricultural products.
- (2) Loans will be mutually agreeable to the Agency for International Development and the Government of Uruguay, acting through the Banco de la República. The President of the Banco de la República or his designate will act for the Government of Uruguay and the Administrator of the Agency for International Development or his designate will act for the Agency for International Development.
- (3) Upon receipt of an application which the Agency for International Development is prepared to consider, the Agency for International Development will inform the Banco de la República of the identity of the applicant, the nature of the proposed business, the amount of the proposed loan and the general purposes for which the loan proceeds would be expended.
- (4) When the Agency for International Development is prepared to act favorably upon an application, it will so notify the Banco de la República and will indicate the interest rate and the repayment period which would be used under the proposed loan. The interest rate will be similar to that prevailing in Uruguay on comparable loans and the maturities will be consistent with the purposes of the financing.
- (5) Within sixty days after the receipt of the notice that the Agency for International Development is prepared to act favorably upon an application, the Banco de la República will indicate to the Agency for International Development whether or not the Banco de la República has no objection to the proposed loan. When the Agency for International Development approves or declines the proposed loan, it will notify the Banco de la República.
- (6) In the event the Uruguayan pesos set aside for loans under Section 104 (e) of the Act are not advanced within three years from the date of this Agreement because the Agency for International Development has not approved loans or because proposed loans have not been mutually agreeable to the Agency for International Development and the Banco de la República, the Government of the United States of America may use the Uruguayan pesos for any purpose authorized by Section 104 of the Act.

c. For a loan to the Government of Uruguay under Section 104 (g) of the Act for financing such projects to promote economic development as may be mutually agreed, including projects not heretofore included in plans of the Government of

Uruguay, 50 percent of the Uruguayan pesos accruing pursuant to this Agreement. The terms and conditions of the loan and other provisions will be set forth in a separate loan agreement between the Agency for International Development and the Government of Uruguay.

2. In the event that agreement is not reached on the use of the Uruguayan pesos for loan purposes within three years from the date of this Agreement, the Government of the United States of America may use the Uruguayan pesos for any purpose authorized by Section 104 of the Act.

Article III

DEPOSIT OF URUGUAYAN PESOS

1. The amount of Uruguayan pesos to be deposited to the account of the United States shall be the equivalent of the dollar sales value of the commodities and ocean transportation costs reimbursed or financed by the Government of the United States (except excess costs resulting from the requirement that United States flag vessels be used) converted into Uruguayan pesos as follows :

a. at the rate for dollar exchange applicable to commercial import transactions on the dates of dollar disbursements by the United States provided that a unitary exchange rate applying to all foreign exchange transactions is maintained by the Government of Uruguay, or

b. if more than one legal rate for foreign exchange transactions exists, the rate of exchange shall be mutually agreed upon from time to time between the Government of the United States and the Government of Uruguay.

2. In the event that a subsequent agricultural commodities agreement or agreements should be signed by the two Governments under the Act, any refunds of Uruguayan pesos which may be due or become due under this Agreement more than two years from the effective date of this Agreement will be made by the Government of the United States of America from funds available from the most recent agricultural commodities agreement in effect at the time of the refund.

Article IV

GENERAL UNDERTAKINGS

1. The Government of Uruguay agrees that it will take all possible measures to prevent the resale or transshipment to other countries or the use for other than domestic purposes (except where such resale, transshipment or use is specifically approved by the Government of the United States of America) of the agricultural commodities purchased pursuant to the provisions of this Agreement and to assure

that the purchase of such commodities does not result in increased availability of these or like commodities to nations unfriendly to the United States of America.

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

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

4. The Government of Uruguay agrees to furnish, upon request of the Government of the United States of America, information on the progress of the program, particularly with respect to the arrival and condition of commodities and the provisions for the maintenance of usual marketings, and information relating to exports of the same or like commodities.

Article V

CONSULTATION

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

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 at Montevideo in duplicate this 27th day of April, 1962.

For the Government
of the United States of America :

Edward J. SPARKS
[SEAL]

For the Government
of Uruguay :

H. MARTÍNEZ MONTERO
[SEAL]

EXCHANGE OF NOTES

I

THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

Montevideo, April 27, 1962

No. 447

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 Uruguay signed today¹.

I wish to confirm my Government's understanding that imports of tobacco under Title I of the Agricultural Trade Development and Assistance Act, as amended, shall be over and above usual commercial imports from the United States of a minimum of 1.0 million pounds of tobacco during the period July 1, 1961 through June 30, 1962.

I shall appreciate receiving Your Excellency's confirmation of the above understanding.

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

Edward J. SPARKS

His Excellency Homero Martínez Montero
Minister for Foreign Affairs
Montevideo

II

[SPANISH TEXT — TEXTE ESPAGNOL]

MINISTERIO DE RELACIONES EXTERIORES

Montevideo, 27 de abril de 1962

Señor Embajador :

Tengo la honra de acusar recibo a Vuestra Excelencia de su atenta nota de fecha de hoy, cuyo texto, traducido al español, dice así :

« Tengo el honor de referirme al Convenio de Productos Agrícolas entre el Gobierno de los Estados Unidos de América y el Gobierno del Uruguay, firmado hoy.

¹ See p. 26 of this volume.

III

THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

Montevideo, April 27, 1962

No. 448

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 Uruguay signed today.

I wish to confirm my Government's understanding of the agreement reached in conversations which have taken place between representatives of my Government and the Government of Uruguay with respect to the use of Uruguayan pesos accruing under the subject Agreement :

1. Upon request of the Government of the United States of America, the Government of Uruguay will provide facilities for conversion into other non-dollar currencies of the following amounts of Uruguayan pesos : for purposes of Subsection 104 (a) of the Agricultural Trade Development and Assistance Act, as amended, two percent of the Uruguayan pesos accruing under the Agreement ; for purposes of Subsection 104 (h) of that Act, up to \$50,000 worth of Uruguayan pesos. Currencies obtained through these provisions will be utilized to finance agricultural market development activities in other countries, in the case of Subsection 104 (a), and to finance education exchange programs in other countries, in the case of Subsection 104 (h).

2. The Government of the United States of America may utilize Uruguayan pesos to procure in Uruguay goods and services needed in connection with agricultural market development projects and activities in other countries.

3. The Government of the United States of America may utilize Uruguayan pesos in Uruguay to pay for international travel originating either in Uruguay or the United States when involving travel to or from Uruguay and return including reasonable alternate routes. It is understood that this is intended to cover only travel by persons engaged in activities financed under Section 104 of the Agricultural Trade Development and Assistance Act, as amended.

I shall appreciate receiving Your Excellency's confirmation of the above understanding.

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

Edward J. SPARKS

His Excellency Homero Martínez Montero
Minister for Foreign Affairs
Montevideo

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

H. MARTÍNEZ MONTERO

Al Excelentísimo señor Edward J. Sparks
Embajador Extraordinario y Plenipotenciario
de los Estados Unidos de América

[TRANSLATION¹ — TRADUCTION²]

MINISTRY OF FOREIGN AFFAIRS

Montevideo, April 27, 1962

Mr. Ambassador :

I have the honor to acknowledge receipt of Your Excellency's note of this date, the text of which in Spanish translation reads as follows :

[See note III]

In reply I am happy to inform Your Excellency that the foregoing proposals are acceptable to the Uruguayan Government, which agrees that the above-mentioned note and this reply shall constitute an agreement between our two Governments to enter into force today.

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

H. MARTÍNEZ MONTERO

His Excellency Edward J. Sparks
Ambassador Extraordinary and Plenipotentiary
of the United States of America

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

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