

No. 6562

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**UNITED STATES OF AMERICA  
and  
VENEZUELA**

**Agricultural Commodities Agreement under Title IV of  
the Agricultural Trade Development and Assistance  
Act, as amended (with exchange of notes). Signed at  
Washington, on 17 May 1962**

*Official texts : English and Spanish.*

*Registered by the United States of America on 14 March 1963.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
VENEZUELA**

**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). Signé à Washington, le 17 mai 1962**

*Textes officiels anglais et espagnol.*

*Enregistré par les États-Unis d'Amérique le 14 mars 1963.*

No. 6562. AGRICULTURAL COMMODITIES AGREEMENT<sup>1</sup>  
BETWEEN THE GOVERNMENT OF THE UNITED STATES  
OF AMERICA AND THE GOVERNMENT OF VENEZUELA  
UNDER TITLE IV OF THE AGRICULTURAL TRADE  
DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED.  
SIGNED AT WASHINGTON, ON 17 MAY 1962

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The Government of the United States of America and the Government of Venezuela,

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

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

Considering that such expanded trade should be carried on in a manner which would not adversely affect Venezuelan domestic production, distribution and prices of such agricultural commodities or activities intended to increase production of such commodities in Venezuela ;

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

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

Have agreed as follows :

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<sup>1</sup> Came into force on 17 May 1962, upon signature, in accordance with article V.

*Article I*

## COMMODITY SALES PROVISIONS

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 Venezuela of credit purchase authorizations, the Government of the United States of America undertakes to finance during the periods specified in the commodity table below, or such longer periods as may be authorized by the Government of the United States of America, the sales for United States dollars to purchasers authorized by the Government of Venezuela of the following commodities, determined to be surplus pursuant to the Act, in the amounts indicated :

<i>Commodity</i>	<i>Approximate Maximum Quantity</i>	<i>Supply Period</i>	<i>Maximum Export Value to be Financed</i>
Cotton . . . . .	18,000 bales	US Fiscal Year 1962	\$2,700,000
Corn . . . . .	120,000 MT	Calendar Year 1962	5,835,000
Ocean Transportation (Est.)			405,000
		TOTAL	<u>\$8,940,000</u>

The total amount of financing provided in the credit purchase authorizations shall not exceed the above-specified total maximum export market value to be financed. It is understood that the Government of the United States of America 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 quantity.

2. Credit purchase authorizations will include provisions covering specific commodities relating to the sale and delivery of such 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 Venezuela 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 transpor-

tation 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 under this agreement, including the applicable ocean transportation costs related to such deliveries, shall be paid not later than 12 months after the date of issue of the letter of credit issued for the benefit of the United States supplier in payment for the commodities involved in the particular shipment.

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 3 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 made annually not later than the date on which the annual payment of principal becomes due.

4. The Government of Venezuela shall deposit or cause to be deposited 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 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 Venezuela will take all possible measures to prevent the resale or transshipment to other countries or the use for other than domestic consumption of the commodities purchased pursuant to the provisions of this Agreement.

2. The two Governments will take reasonable precautions to assure that all 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 or commercial trade of countries friendly to the United States of America, or hinder development of production of such commodities in Venezuela.

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 commodities.

4. The Government of Venezuela 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 other 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 at Washington, in duplicate, in the English and Spanish languages this 17 day of May, 1962.

For the Government of the United States of America :

G. Griffith JOHNSON

For the Government of Venezuela :

Carlos PÉREZ DE LA COVA

## EXCHANGE OF NOTES

## I

DEPARTMENT OF STATE  
WASHINGTON

May 17 1962

Sir :

I refer to the Agricultural Commodities Agreement between the Government of the United States of America and the Government of Venezuela signed today.<sup>1</sup>

I wish to confirm my Government's understanding of the agreement reached in conversations which have taken place between representatives of our two Governments with reference to the maintenance of normal commercial trade in agricultural commodities and the use by the Government of Venezuela of bolivares resulting from the sale of commodities financed under the Agreement.

In expressing its agreement with the Government of the United States of America 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 Venezuela agrees that, during the period July 1, 1961 to June 30, 1962, Venezuela will import commercially from free world suppliers, including the United States of America, at least 18,000 bales of cotton.

With reference to the use by the Government of Venezuela of bolivares resulting from the sale of commodities financed under the Agreement, it is understood that these bolivares will be used for economic and social development projects or programs contemplated under the Act of Bogota<sup>2</sup> particularly in the development of new and improved agricultural credit and marketing organizations, especially cooperatives.

I shall appreciate receiving your confirmation of the above understanding.

Accept, Sir, the renewed assurances of my high consideration.

For the Secretary of State :

G. Griffith JOHNSON

The Honorable Dr. Carlos Pérez de la Cova  
Chargé d'Affaires ad interim of Venezuela

<sup>1</sup> See p. 276 of this volume.

<sup>2</sup> United States of America : *Department of State Bulletin*, 3 October 1960, p. 537.

Me valgo de la oportunidad para renovar a Vuestra Excelencia las seguridades de mi más alta y distinguida consideración.

Carlos PÉREZ DE LA COVA  
Encargado de Negocios a.i.

Al Excelentísimo Señor Dean Rusk  
Secretario de Estado  
Washington 25, D.C.

[TRANSLATION<sup>1</sup> — TRADUCTION<sup>2</sup>]

EMBASSY OF VENEZUELA  
WASHINGTON, D.C.

May 17, 1962

No. 1222

Excellency :

I have the honor to acknowledge the receipt of your note of this date, the tenor of which is 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.

Accept, Excellency, the renewed assurances of my highest and most distinguished consideration.

Carlos PÉREZ DE LA COVA  
Chargé d'Affaires ad interim

His Excellency Dean Rusk  
Secretary of State  
Washington 25, D.C.

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<sup>1</sup> Translation by the Government of the United States of America.

<sup>2</sup> Traduction du Gouvernement des États-Unis d'Amérique.