

No. 10273

**UNITED STATES OF AMERICA
and
CHILE**

Agreement for sales of agricultural commodities (with annex and exchange of notes). Signed at Santiago on 29 April 1969

Authentic texts: English and Spanish.

Registered by the United States of America on 3 February 1970.

**ÉTATS-UNIS D'AMÉRIQUE
et
CHILI**

Accord relatif à la vente de produits agricoles (avec annexe et échange de notes). Signé à Santiago le 29 avril 1969

Textes authentiques : anglais et espagnol.

Enregistré par les Etats-Unis d'Amérique le 3 février 1970.

AGREEMENT¹ FOR SALES OF AGRICULTURAL COMMODITIES

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The Government of the United States of America and the Empresa de Comercio Agrícola have agreed to the sales of the agricultural commodities specified below. This Agreement shall consist of the Preamble, Parts I and III, and the Dollar Credit Annex of the Agreement signed December 29, 1967,² together with the following Part II:

PART II PARTICULAR PROVISIONS

Item I. Commodity Table:

<i>Commodity</i>	<i>Supply Period (Calendar Year)</i>	<i>Approximate Maximum Quantity (Metric Tons)</i>	<i>Maximum Export Market Value (Thousands)</i>
Unmanufactured tobacco	1969	400	\$1,190
Soybean and/or cottonseed oil	1969	4,500	990
Wheat/wheat flour	1969	150,000	9,375
Rice	1969	29,000	5,568
Corn	1969	200,000	10,080
Ocean Transportation (estimated)			2,095
		TOTAL	\$29,298

Item II. Payment Terms:

Dollar Credit

1. Initial payment — 10 percent.
2. Currency use payment — 5% of the dollar amount of the financing by the government of the exporting country under this agreement is payable upon demand by the government of the exporting country, in

¹ Came into force on 29 April 1969 by signature, in accordance with part III (B).

² United Nations, *Treaty Series*, vol. 697, p. 63).

amounts as it may determine and in accordance with paragraph 6 of the dollar credit annex applicable to this agreement. No requests for payment will be made by the government of the exporting country prior to the first disbursement by the CCC under this agreement and final payment will be requested no later than 30 days after the end of the period during which deliveries are made under the agreement.

3. Number of Installment Payments — 19.
4. Amount of Each Installment Payment — Approximately equal annual amounts.
5. Due Date of First Installment Payment — Due one year from the date of last delivery of commodities in each calendar year.
6. Interest Rate — 3 percent.

Item III. Usual Marketing Table:

<i>Commodity</i>	<i>Import Period (calendar year)</i>	<i>Usual Marketing Requirement</i>
Unmanufactured tobacco	1969	1,000 metric tons (of which at least 600 metric tons shall be from the United States of America).
Soybean and/or cottonseed oil	1969	15,000 metric tons (of which at least 5,000 metric tons shall be from the United States of America).
Wheat/wheat flour	1969	225,000 metric tons (of which at least 75,000 metric tons shall be purchased on open tender).
Rice	1969	19,000 metric tons (of which at least 8,400 metric tons shall be from the United States of America).
Corn	1969	50,000 metric tons.

Item IV. Export Limitations:

A. With respect to each commodity financed under this agreement the export limitation period for the same or like commodity shall be the period

beginning on the date of this agreement and ending on the final date on which the relevant commodity financed under this agreement is being imported and utilized.

B. For the purpose of Part I, Article III A 3, of the agreement, the commodities considered to be the same as, or like, the commodities imported under this agreement are as follows: for wheat/wheat flour, corn and rice — food-grains, including wheat, wheat flour, corn, rice, barley and rye; for soybean and/or cottonseed oil — edible vegetable oilseeds and oils; for nondat dry milk — dairy products.

Item V. Other Provisions

A. The currency use payment under Item II 2 of this agreement shall be credited against (a) the amount of each year's interest payment due during the period prior to the due date of the first installment payment, starting with the first year payment, plus (b) the combined payments of principal and interest starting with the first installment payment, until the value of currency use payments has been offset.

B. Notwithstanding paragraph 4 of the Annex, the Government of the importing country may withhold from deposit in the special account referred to in such paragraph or may withdraw from amounts deposited therein so much of the proceeds accruing to it from the sale of commodities financed under this agreement as is equal to the amount of the currency use payments made by the government of the importing country.

C. The government of the importing country shall bear the costs of port charges at discharge port. Accordingly, the balance of ocean transportation costs to be financed on credit terms pursuant to paragraph 1 of dollar credit annex shall be reduced by 10 percent of the ocean transportation costs on packaged commodities carried as liner parcels where the freight rate includes cost of stevedoring at discharge port; and by 2 percent on all other shipments.

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

DONE at Santiago, in duplicate, in the English and Spanish languages, each text having equal authority, this 29th day of April, 1969.

For the Government
of the United States of America:

Edward M. KORRY
Ambassador
of the United States of America

For the Empresa
de Comercio Agrícola:

Hernán VERGARA DE LA SOTTA
Executive Vice President
Empresa de Comercio Agrícola

del préstamo al Sector Agrícola de 1967, iba ser la base de un plan para reducir los precios que los agricultores pagan por fertilizantes. Una vez terminado el estudio, el Gobierno de Chile lo pondrá a disposición de las agencias internacionales interesadas y de AID, y efectuará consultas con respecto a la puesta en marcha de un plan para la industria de fertilizantes.

5. Continuar la reorganización y la centralización en el Ministerio de Agricultura del control de las diversas agencias públicas agropecuarias, de acuerdo con la Ley de Reforma Agraria de Junio de 1967.

6. Continuar reforzando los sistemas de recolección, computación y análisis de estadísticas para poder apreciar mejor la disponibilidad de insumos agrícolas y el progreso alcanzado en el aumento de la producción agrícola.

El Gobierno de Chile tiene entendido que los ingresos en moneda nacional a los que se refiere el Párrafo 4 del anexo relativo al crédito en dólares de este acuerdo podrán ser utilizados en conformidad con los procedimientos que mutuamente sean acordados por los Gobiernos de Chile y de los Estados Unidos para apoyar la política agraria arriba expuesta o para otros propósitos de desarrollo económico que sean acordados por ambas Partes.

Ministro de Agricultura :

H. TRIVELLI

Ministro de Hacienda :

A. ZALDÍVAR

Excmo. Señor Edward M. Korry
Embajador de los Estados Unidos de Norteamérica
Presente

[TRANSLATION ¹ — TRADUCTION ²]

REPUBLIC OF CHILE
MINISTRY OF FINANCE
Office of the Minister

Santiago, April 29, 1969

Excellency:

We are happy to inform you that the Empresa de Comercio Agrícola (ECA), as the competent agency of the Government of Chile for this purpose,

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

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

is authorized to conclude with the Government of the United States of America the agreement for sales of agricultural commodities under Title I of the Agricultural Trade Development and Assistance Act. Since the Empresa de Comercio Agrícola is the agent of Chile for this purpose, the Government of Chile guarantees that all commitments contracted by the Empresa de Comercio Agrícola will be fully honored.

We also have the honor to inform you that with respect to the agricultural policy required by Section 109 (C) of the Act, the Government of Chile agrees that Chile shall:

1. Complete and announce its Five-Year Agricultural Development Plan and maintain the goal of a 5.8 percent annual increase in over-all agricultural production.

2. Continue to give high priority to agriculture in the allocation of public investment. Agriculture's share in total public investment increased from 8.9 percent in 1966 to 10.0 percent in 1967 and 12.9 percent in 1968.

During 1969 the Government of Chile will maintain at least the relative share attained in 1968.

3. Continue to announce the price policies for agricultural commodities at the appropriate times, so that farmers may decide what is most suitable for them to produce. For the farm years 1969 and 1970 wheat prices will be maintained in real terms at a level at least 20 percent above the level of 1964.

4. Complete the study now being made on the distribution of fertilizers. This study, which is being made pursuant to the terms of the 1967 loan to the Agricultural Sector, was going to form the basis for a plan to reduce the prices that farmers pay for fertilizers. After the study is completed, the Government of Chile will make it available to the interested international agencies and the Agency for International Development and will enter into consultations about the launching of a plan for the fertilizer industry.

5. Continue the reorganization and centralization in the Ministry of Agriculture of the control of the various public agricultural services in accordance with the Agrarian Reform Law of June 1967.

6. Continue to strengthen the systems of collecting, computing and analyzing statistics in order better to evaluate the availability of agricultural inputs and the progress attained in expanding farm production.

The Government of Chile understands that the proceeds in local currency referred to in Paragraph 4 of the annex relating to the credit in dollars under this agreement may be used in accordance with procedures to be mutually agreed upon by the Governments of Chile and of the United States to support

the agricultural policy set forth above or for other economic development purposes that may be agreed upon by both Parties.

Minister of Agriculture:

H. TRIVELLI

Minister of Finance:

A. ZALDÍVAR

His Excellency Edward M. Korry
Ambassador of the United States of America
Santiago

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Santiago, Chile, April 29, 1969

Excellencies:

I have the honor to acknowledge the receipt of your note of April 29, 1969 informing the Government of the United States of America that the Empresa de Comercio Agrícola, as the competent agency of the Government of Chile for the purpose, is authorized to conclude with the Government of the United States of America the "agreement for sales of agricultural commodities" under Title I of the Agricultural Trade Development and Assistance Act and declaring that, since the Empresa de Comercio Agrícola is the agency of the Government of Chile for that purpose, the Government of Chile guarantees that all commitments of the Empresa de Comercio Agrícola in the agreement will be fully honored and that all obligations assumed by the Empresa de Comercio Agrícola under the agreement will be fully performed.

I have the honor to inform you that the Government of the United States of America is concluding the agreement with the Empresa de Comercio Agrícola as the competent agency of the Government of Chile for that purpose pursuant to the above-mentioned authorization and guarantee.

Accept, Excellencies, the assurances of my highest consideration.

Edward M. KORRY
Ambassador of the United States of America

Señor Andrés Zaldívar
Minister of Finance
Santiago

Señor Hugo Trivelli
Minister of Agriculture
Santiago