

No. 11270

**UNITED STATES OF AMERICA
and
BRAZIL**

**Exchange of notes constituting an agreement concerning the
question of Brazilian exports of soluble coffee to the
United States. Brasília, 2 April 1971**

Authentic texts: English and Portuguese.

Registered by the United States of America on 4 August 1971.

**ÉTATS-UNIS D'AMÉRIQUE
et
BRÉSIL**

**Échange de notes constituant un accord concernant la question
des exportations brésiliennes de café soluble aux États-
Unis. Brasília, 2 avril 1971**

Textes authentiques: anglais et portugais.

Enregistré par les États-Unis d'Amérique le 4 août 1971.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT ¹
BETWEEN THE UNITED STATES OF AMERICA AND
BRAZIL CONCERNING THE QUESTION OF BRAZILIAN
EXPORTS OF SOLUBLE COFFEE TO THE UNITED
STATES

I

*The American Ambassador to the Brazilian Minister
for Foreign Affairs*

EMBASSY OF THE UNITED STATES OF AMERICA

Brasília, April 2, 1971

No. B-32

Excellency:

1. I have the honor to refer to the exchange of notes of April 30, 1969 * and to recent discussions between representatives of the Governments of the United States and Brazil concerning the question of Brazilian exports of soluble coffee to the United States. It is my understanding that the two Governments, having regard to their common purpose in strengthening the operation of the International Coffee Agreement (ICA), ² have agreed as follows:

(a) So long as the International Coffee Agreement of 1968 remains in force, and is being implemented by the two Governments, the Brazilian Coffee Institute (IBC) will make available annually for purchase by the United States soluble coffee manufacturers a specific quantity of green coffee free of the contribution quota. The types of coffee made available under this agreement will exclude washed coffee and coffee shipped from the port of Santos.

(b) For the twelve month period beginning April 15, 1971, the annual quantity referred to in paragraph (a) (hereinafter referred to as the special allocation) will be 560,000 bags. The same figure will apply for each subsequent twelve month period, except as modified in accordance with paragraph (c) below. Should any period be less than 12 months, the figure shall be reduced proportionately.

* Not printed.

¹ Came into force on 2 April 1971 by the exchange of the said notes.

² United Nations, *Treaty Series*, vol. 647, p. 3.

(c) In the event that Brazilian exports of soluble coffee to the United States increase or decrease by more than 15 per cent in the initial twelve month period as compared with the level of the special allocation provided for in paragraph (b) (converted to pounds of soluble coffee at the ratio provided for in the ICA), either Government may propose to renegotiate the quantity fixed in the special allocation.

(d) The special allocation will be made available for the initial twelve month period and for each succeeding period by the IBC to United States soluble manufacturers on the basis of their average share of soluble coffee production in the United States for the two most recent years. The United States Government will solicit from such firms in the United States certified information about their domestic production of soluble coffee in the relevant years, and as quickly as possible during the first period and prior to the start of each succeeding period shall furnish such information to the Government of Brazil for use in distributing the special allocation.

(e) Green coffee will be made available under the special allocation only to firms which undertake to use such coffee for the manufacture of soluble coffee in the United States. In the event that the Government of Brazil has reason to believe that a firm is not carrying out this undertaking, it may request the Government of the United States to provide relevant information on the matter, and the Government of the United States shall furnish such information to the Government of Brazil. If, on the basis of this information, the Government of Brazil determines that the firm is not carrying out its undertaking, it may revoke the unused portion of that firm's share of the special allocation for the current and succeeding twelve month periods. The Government of Brazil shall distribute any share revoked pursuant to this paragraph to other firms entitled to participate in the special allocation in the same proportion as their shares under paragraph (d). Pending a determination which will be made within 30 days of receipt of information from the United States Government, the IBC may suspend the issuance of "avisos de garantia" referred to in paragraph (g) below.

(f) Each eligible firm may purchase not more than one fourth of its special allocation in each three month period. Such coffee shall be shipped promptly by the purchaser.

(g) The green coffee to be purchased at market prices by United States firms shall be shipped directly from Brazilian ports. Within a thirty-day period from the date of shipment, the IBC will compensate the buyer through "avisos de garantia" to the value of the contribution quota effective on the date of the registration of the transaction.

(h) Sales of coffee under the special allocation shall be accomplished through normal trade channels.

(i) The coffee sold under the conditions of this agreement is excluded from the price guarantee system of the IBC to foreign buyers.

(j) Effective on April 15, 1971, the Government of Brazil will remove the 13 cents per pound tax imposed upon Brazilian soluble coffee exports to the United States.

(k) The two Governments will enter into consultations concerning the operation and implementation of this agreement at the request of either Government. In the event that either Government believes that the operation of this understanding is impairing or is likely to impair the stability of the coffee market or the orderly marketing of coffee, the Governments shall enter immediately into consultations with a view to taking appropriate corrective measures.

2. If the foregoing is acceptable to the Government of Brazil, I have the honor to propose that Your Excellency's reply to that effect, together with my note, shall constitute an agreement between our two Governments regarding this matter which shall enter into force on the date of Your Excellency's reply.

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

WILLIAM M. ROUNTREE
Ambassador of the United States of America

His Excellency Mario Gibson Barboza
Minister for Foreign Affairs
Brasília

II

[PORTUGUESE TEXT — TEXTE PORTUGAIS]

Brasília, em 2 de abril de 1971

AAE/DPB/DAI/40/661.333(00)

Senhor Embaixador,

Tenho a honra de acusar recebimento da nota de Vossa Excelência, datada de 2 de abril, do seguinte teor:

« Tenho a honra de referir-me à troca de notas de 30 de abril de 1969 e às recentes conversações entre representantes dos Governos do Brasil e dos Estados Unidos da América sobre a questão das exportações brasileiras de café solúvel para os Estados Unidos da América. É meu entendimento que os dois Governos, tendo em conta o propósito comum de fortalecimento do Convênio Internacional do Café, concordam no seguinte:

« (a) Enquanto permanecer em vigor o Convênio Internacional do Café de 1968, e enquanto estiver o mesmo sendo executado pelos dois Governos, o Instituto Brasileiro do Café (IBC) porá à disposição, anualmente, para compra pelas indústrias norte-americanas de café solúvel, uma quantidade determinada de café verde isenta da quota de contribuição. Os tipos de café liberados nos

trinta dias da data do embarque, o IBC compensará o comprador através de Avisos de Garantia, no valor da quota de contribuição em vigor na data do registro da transação.

« (h) As vendas de café da distribuição especial serão realizadas através dos canais comerciais normais.

« (i) O café vendido nos termos da presente nota está excluído do sistema de garantia de preço do IBC para compradores estrangeiros.

« (j) Com vigência em 15 de abril de 1971, o Governo brasileiro cancelará o imposto de treze (13) centavos de dólar por librapêso indicente sobre as exportações de café solúvel para os Estados Unidos da América.

« (k) Os dois Governos se consultarão quanto à operação e execução das disposições acima enunciadas por solicitação de qualquer dêles. No caso de qualquer dos Governos considerar que a execução dêste entendimento esteja prejudicando ou possa prejudicar a estabilidade do mercado de café ou a comercialização ordenada do produto, os dois Governos promoverão imediatamente consultas para a adoção de medidas corretivas apropriadas.

« 2. Se o Governo brasileiro concordar com as propostas acima transcritas, tenho a honra de propor que a resposta de Vossa Excelência, juntamente com a presente nota, constituam um acôrdo entre nossos dois Governos sobre a matéria, o qual entrará em vigor na data da resposta de Vossa Excelência. »

2. Em resposta, comunico a Vossa Excelência a concordância do Governo brasileiro com os termos da nota acima.

Aproveito a oportunidade para renovar a Vossa Excelência os protestos da minha mais alta consideração.

MARIO GIBSON BARBOZA

A Sua Excelência o Senhor William Manning Rountree
Embaixador dos Estados Unidos da América

[TRANSLATION ¹ — TRADUCTION ²]

The Brazilian Minister for Foreign Affairs to the American Ambassador

Brasília, April 2, 1971

AAE/DPB/DAI/40/661.333(00)

Mr. Ambassador:

I have the honor to acknowledge receipt of Your Excellency's note dated

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

² Traduction fournie par le Gouvernement des États-Unis d'Amérique.

April 2, 1971, which reads as follows:

[*See note I*]

2. In reply, I inform Your Excellency that the Brazilian Government concurs in the terms of the note transcribed above.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

MARIO GIBSON BARBOZA

His Excellency William Manning Rountree
Ambassador of the United States of America
