

No. 5825

**UNITED STATES OF AMERICA
and
CHILE**

Agricultural Commodities Agreement (with Memorandum of Understanding and exchange of notes) under Title I of the Agricultural Trade Development and Assistance Act, as amended. Signed at Santiago, on 8 November 1960

Official texts: English and Spanish.

Registered by the United States of America on 23 August 1961.

**ÉTATS-UNIS D'AMÉRIQUE
et
CHILI**

Accord (avec Mémorandum d'accord et échange de notes) 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. Signé à Santiago, le 8 novembre 1960

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 23 août 1961.

No. 5825. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE GOVERNMENT OF
CHILE UNDER TITLE I OF THE AGRICULTURAL TRADE
DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED.
SIGNED AT SANTIAGO, ON 8 NOVEMBER 1960

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 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 and taking into account the effect on the economy of Chile of the recent natural disasters :

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

Considering that the escudos 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 surplus agricultural commodities to Chile 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 ESCUDOS

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 Chile of purchase authorizations, the Government of the United

¹ Came into force on 8 November 1960, upon signature, in accordance with article VI.

States of America undertakes to finance the sales for escudos to purchasers authorized by the Government of Chile of the following agricultural commodities determined to be surplus pursuant to the Act, in the amounts indicated :

<i>Commodity</i>	<i>Export market value (Millions of U. S. dollars)</i>
Wheat	\$ 15.4
Feedgrains (corn and sorghum)	1.1
Cotton	4.3
Edible vegetable oil	3.6
Tobacco	1.5
Ocean transportation	3.0
	TOTAL \$ 28.9

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

3. It is understood that the sale of surplus agricultural commodities under this Agreement is not intended to increase the availability of these or like commodities for export and is made on the condition that no exports of such commodities will be made from Chile during the period that the commodities are being imported and utilized.

4. It is understood that the sale of surplus agricultural commodities under this Agreement is intended to assist in meeting Chilean requirements for agricultural commodities through December 31, 1961. It is further understood that, recognizing that the Government of Chile, particularly in view of that Government's current efforts to repair the devastation created by the recent earthquake disaster, may require additional quantities of surplus agricultural commodities during calendar year 1962, the Government of the United States will give sympathetic consideration to any request by the Government of Chile for a subsequent Agreement for the sale of surplus agricultural commodities intended to assist in meeting Chilean requirements for agricultural commodities during calendar year 1962, to the extent that the Act is

further extended after December 31, 1961, that surplus agricultural commodities are available for such sale, and that mutual agreement can be reached as to the terms of sale and the uses of local currencies thereunder.

Article II

USES OF ESCUDOS

1. The two Governments agree that the escudos 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), (h), (i), (j), (k), (l), (m), (n), (o), (p), (q), and (r) of Section 104 of the Act or under any of such subsections, the escudo equivalent of \$5.78 million.
- b. For a loan to the Government of Chile under subsection (g) of Section 104 of the Act, the escudo equivalent of not more than \$23.12 million for financing such projects to promote economic development, including projects not heretofore included in plans of the Government of Chile as may be mutually agreed. In the event that agreement is not reached on the use of the escudos for loan purposes within three years from the date of this agreement, the Government of the United States of America may use the local currency for any purposes authorized by Section 104 of the Act.

2. In the event the total of escudos accruing to the Government of the United States of America as a consequence of sales made pursuant to this agreement is less than the escudo equivalent of \$28.9 million, the amount available for a loan to the Government of Chile under Section 104 (g) may be reduced by the amount of such difference ; in the event the total escudo deposit exceeds the equivalent of \$28.9 million, 80 percent of the excess will be available for a loan under Section 104 (g) and 20 percent for any use or uses authorized by Section 104 as the Government of the United States of America may determine.

Article III

DEPOSIT OF ESCUDOS

The deposit of escudos to the account of the Government of the United States of America in payment for the commodities and for ocean transportation costs financed