

**UNITED STATES OF AMERICA
and
BRAZIL**

Exchange of notes constituting an agreement relating to the acquisition by the Government of the United States of America of monazite sand, rare earth compounds and thorium compounds. Rio de Janeiro, 20 August 1954

Exchange of notes constituting an agreement relating to the delivery by the Government of Brazil and acceptance by the Government of the United States of America of rare earth sodium sulphate and metallurgical manganese ore as payment of a debt arising out of the above-mentioned Agreement. Washington, 5 January 1961

Official texts: English and Portuguese.

Registered by the United States of America on 29 September 1961.

**ÉTATS-UNIS D'AMÉRIQUE
et
BRÉSIL**

Échange de notes constituant un accord relatif à l'acquisition par le Gouvernement des États-Unis d'Amérique de sables monazitiques, de composés de terres rares et de composés de thorium. Rio de Janeiro, 20 août 1954

Échange de notes constituant un accord relatif à la livraison par le Gouvernement du Brésil et à l'acceptation par le Gouvernement des États-Unis d'Amérique de sulfates de sodium et de terres rares et de minerai de manganèse métallurgique en paiement d'une dette résultant de l'Accord susmentionné. Washington, 5 janvier 1961

Textes officiels anglais et portugais.

Enregistrés par les États-Unis d'Amérique le 29 septembre 1961.

No. 5898. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND BRAZIL RELATING TO THE ACQUISITION BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA OF MONAZITE SAND, RARE EARTH COMPOUNDS AND THORIUM COMPOUNDS. RIO DE JANEIRO, 20 AUGUST 1954

I

The Brazilian Acting Minister for Foreign Affairs to the American Ambassador

[PORTUGUESE TEXT — TEXTE PORTUGAIS]

MINISTERIO DAS RELAÇÕES EXTERIORES
RIO DE JANEIRO

Em 20 de agosto de 1954

DE/CEME/CCT/DAI/355/842.11(42) (22)

Senhor Embaixador,

Tenho a honra de informar Vossa Excelência de que, em aditamento às conversações iniciadas no Rio de Janeiro sobre a série de notas trocadas entre nossos respectivos Governos e sobre contratos que ambos concluíram, documentação essa referente à aquisição, pelo Governo dos Estados Unidos da América ao Governo dos Estados Unidos do Brasil, de areia monazítica, sais de terras raras e sais de tório, representantes dos dois Governos se reuniram em Washington e concordaram no que se segue :

1) O Governo dos Estados Unidos do Brasil, por intermédio de sua repartição competente, adquirirá imediatamente, pelos canais de comércio normais, nos Estados Unidos da América, cerca de 100.000 toneladas longas de trigo americano, tipo « Hard Winter » nº 2, a serem embarcadas em portos do Golfo do México ;

2) O trigo procederá de estoques da « Commodity Credit Corporation », (CCC), e será vendido a exportadores norte-americanos, na base FOB navio em portos dos Estados Unidos, pelo preço do mercado menos o subsídio à exportação, vigente na data da venda ;

3) O preço de exportação faturado ao comprador brasileiro, na base FOB navio em portos dos Estados Unidos, será creditado pelo Banco do Brasil S.A. a uma conta em dólares, a ser aberta em nome da « Commodity Credit Corporation », (CCC), à sua ordem ou à ordem dos agentes que a Commodity Credit Corporation designar, nas datas

¹ Came into force on 20 August 1954 by the exchange of the said notes.

I avail, etc.

For the Minister of State :

V. DE CUNHA

His Excellency James Scott Kemper
Ambassador of the United States of America

II

The American Ambassador to the Brazilian Minister for Foreign Affairs

Rio de Janeiro, August 20, 1954

No. 46

Excellency :

I have the honor to acknowledge the receipt of Your Excellency's note, number 355 of August 20, reading as follows :

"I have the honor to inform Your Excellency that pursuant to conversations initiated in Rio de Janeiro with respect to the series of notes exchanged between our two governments, and contracts concluded, pertaining to the acquisition by the Government of the United States of America of monazite sand, rare earth compounds and thorium compounds from the Government of the United States of Brazil, representatives of our two governments have met in Washington, D. C. and have reached the following understandings :

"1. The Government of the United States of Brazil through its authorized agency will immediately acquire through United States private trade channels approximately one hundred thousand long tons of United States hard winter No. two wheat to be embarked from gulf ports.

"2. The wheat will come from CCC stocks and will be sold to United States exporters FOB vessel United States ports at the market price, less the United States export subsidy rate in effect on the date of sale.

"3. The United States exporters sale price to the Brazilian buyer FOB vessel United States ports will be credited by the Bank of Brazil to an open account in dollars in the name of the Commodity Credit Corporation, subject to its order or to the order of such agents as CCC may designate, on the dates each shipment is delivered to the exporter on board vessel in the United States port. This account will not be subject to any Brazilian taxes or other charges.

"4. The two governments will open negotiations immediately through their respective authorized agencies for the purpose of concluding, subject to agreement on prices, specifications and delivery schedules, contracts for the sale by Brazil and the purchase by the United States of equal tonnages of monazite sand and rare

earth sodium sulphates, not to exceed a combined total of ten thousand tons or a combined total CIF value of five million dollars, plus at least the amount of thorium salts which results from producing the rare earth sodium sulphates.

"5. The dollars credited to the open account will be applied to the purchase of the above mentioned materials. Any dollars remaining in the open account after purchase of the materials will be transferred by the Bank of Brazil upon request of the United States Government and the account will be closed.

"6. In the event that contracts for all three materials are not concluded within one year from the date of this agreement, all dollars in the open account will be transferred by the Bank of Brazil one year from the date of the first credit of dollars to the account. In this event, interest at a rate of three and one-half per cent per annum in dollars will be paid for the periods dollars have been on deposit.

"This note and Your Excellency's reply expressing the concurrence of the Government of the United States of America to the understandings above outlined will constitute an agreement between our two Governments, superseding the agreement of February 21, 1952¹ and all other subsequent notes pertaining to it."

I desire, in reply, to convey my Government's acceptance of the above mentioned terms of Your Excellency's note which shall, accordingly, constitute an agreement between the Governments of the United States of America and the United States of Brazil.

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

James Scott KEMPER

His Excellency Dr. Vicente Ráo
Minister for Foreign Affairs
Rio de Janeiro

¹ Not printed by the Department of State of the United States of America.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND
BRAZIL RELATING TO THE DELIVERY BY THE GOV-
ERNMENT OF BRAZIL AND ACCEPTANCE BY THE
GOVERNMENT OF THE UNITED STATES OF AMERICA
OF RARE EARTH SODIUM SULPHATE AND METALLUR-
GICAL MANGANESE ORE AS PAYMENT OF A DEBT
ARISING OUT OF THE AGREEMENT OF 20 AUGUST
1954.² WASHINGTON, 5 JANUARY 1961

I

The Secretary of State to the Brazilian Chargé d'Affaires ad interim

DEPARTMENT OF STATE
WASHINGTON

January 5, 1961

Sir :

I refer to the memorandum of November 22, 1960 from the Brazilian Embassy and earlier communications³ and conversations all of which concern a debt of approximately \$6.7 million plus interest claimed by the Government of the United States of America to be owing by the Government of the United States of Brazil arising out of the agreement of August 20, 1954.² As you are aware, the exact amount and manner of settlement of the debt have for some time been the subject of discussions between our two Governments. It being the desire of the Government of the United States of America to effect a mutually satisfactory settlement of this matter as expeditiously as possible, I propose that our two Governments agree as follows :

(1) The amount due and owing from the Government of the United States of Brazil to the Government of the United States of America arising out of the agreement dated August 20, 1954, between our two Governments shall be considered to be \$7,400,000.00.

(2) The Government of the United States of America shall accept and the Government of the United States of Brazil shall deliver as part payment of the aforesaid debt as herein established 4,535 metric tons of rare earth sodium sulphate at a value of \$3,100,000.00. said rare earths to be deliverable f.o.b. vessel, Brazilian ports, within one year from the date of this agreement, free of any taxes or other charges. The rare earth sodium sul-

¹ Came into force on 5 January 1961 by the exchange of the said notes.

² See p. 80 of this volume.

³ Not printed by the Department of State of the United States of America.