No. 6502

UNITED STATES OF AMERICA
and
URUGUAY

Agricultural Commodities Agreement under Title I of the Agricultural Trade Development and Assistance Act, as amended (with exchange of notes). Signed at Montevideo, on 27 April 1962

Official texts: English and Spanish.

Registered by the United States of America on 24 January 1963.

ÉTATS-UNIS D'AMÉRIQUE
et
URUGUAY

Accord 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 (avec échange de notes). Signé à Montevideo, le 27 avril 1962

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 24 janvier 1963.

No. 6502. AGRICULTURAL COMMODITIES AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF URUGUAY UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT AS AMENDED. SIGNED AT MONTEVIDEO, ON 27 APRIL 1962

The Government of the United States of America and the Government of Uruguay :

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 ;

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

Considering that the Uruguayan pesos 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 agricultural commodities to Uruguay 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 Uruguayan pesos

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 Uruguay of purchase authorizations, the Government of the United States of America undertakes to finance the sale for Uruguayan pesos to purchasers authorized by the Government of Uruguay of the following agricultural commodities in the amounts indicated :

[1] Came into force on 27 April 1962, upon signature, in accordance with article V.

Commodity	*Export Market Value (millions)*
Tobacco	$1.9
Ocean transportation	.1
	$2.0

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

3. Purchase and shipment of the commodities mentioned above will be made within 18 calendar months of the effective date of this Agreement.

4. The financing, sale and delivery of commodities under this Agreement may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale or delivery is unnecessary or undesirable.

Article II

USES OF URUGUAYAN PESOS

1. The Uruguayan pesos 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*) and (*h*) through (*s*) of Section 104 of the Act or under any of such subsections, 25 percent of the Uruguayan pesos accruing pursuant to this Agreement.

b. For loans to be made by the Agency for International Development under Section 104 (*e*) of the Act and for administrative expenses of the Agency for International Development in Montevideo incident thereto, 25 percent of the Uruguayan pesos accruing pursuant to this Agreement. It is understood that :

(1) Such loans under Section 104 (*e*) of the Act will be made to United States business firms and branches, subsidiaries or affiliates of such firms in Uruguay for business development and trade expansion in Uruguay and to United States firms and Uruguayan firms for the establishment of facilities for aiding in the utilization, distribution or otherwise increasing the consumption of and markets for United States agricultural products.

(2) Loans will be mutually agreeable to the Agency for International Development and the Government of Uruguay, acting through the Banco de la República. The President of the Banco de la República or his designate will act for the Government of Uruguay and the Administrator of the Agency for International Development or his designate will act for the Agency for International Development.

(3) Upon receipt of an application which the Agency for International Development is prepared to consider, the Agency for International Development will inform the Banco de la República of the identity of the applicant, the nature of the proposed business, the amount of the proposed loan and the general purposes for which the loan proceeds would be expended.

(4) When the Agency for International Development is prepared to act favorably upon an application, it will so notify the Banco de la República and will indicate the interest rate and the repayment period which would be used under the proposed loan. The interest rate will be similar to that prevailing in Uruguay on comparable loans and the maturities will be consistent with the purposes of the financing.

(5) Within sixty days after the receipt of the notice that the Agency for International Development is prepared to act favorably upon an application, the Banco de la República will indicate to the Agency for International Development whether or not the Banco de la República has no objection to the proposed loan. When the Agency for International Development approves or declines the proposed loan, it will notify the Banco de la República.

(6) In the event the Uruguayan pesos set aside for loans under Section 104 (*e*) of the Act are not advanced within three years from the date of this Agreement because the Agency for International Development has not approved loans or because proposed loans have not been mutually agreeable to the Agency for International Development and the Banco de la República, the Government of the United States of America may use the Uruguayan pesos for any purpose authorized by Section 104 of the Act.

c. For a loan to the Government of Uruguay under Section 104 (*g*) of the Act for financing such projects to promote economic development as may be mutually agreed, including projects not heretofore included in plans of the Government of