No. 3735

UNITED STATES OF AMERICA
and
CHILE

Surplus Agricultural Commodities Agreement. Signed at Santiago, on 27 January 1955

Official texts: English and Spanish.

Registered by the United States of America on 19 March 1957.

ÉTATS-UNIS D'AMÉRIQUE
et
CHILI

Accord relatif aux produits agricoles en surplus. Signé à Santiago, le 27 janvier 1955

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 19 mars 1957.

No. 3735. SURPLUS AGRICULTURAL COMMODITIES AGREEMENT[1] BETWEEN THE UNITED STATES OF AMERICA AND CHILE. SIGNED AT SANTIAGO, ON 27 JANUARY 1955

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 in these commodities or unduly disrupt world prices of agricultural commodities;

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

Considering that the pesos accruing from such purchases will be utilized in a manner beneficial to both countries;

Desiring to set forth the understanding governing the sale of surplus agricultural commodities to Chile by the Government of the United States of America pursuant to Title I of the Agricultural Trade Development and Assistance Act of 1954, 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

SALE FOR LOCAL CURRENCY

1. Subject to the execution of purchase authorizations referred to in paragraph 2 of this Article, the Government of the United States of America undertakes to finance on or before June 30,1955,the sale for pesos of certain agricultural commodities determined to be surplus pursuant to Title I of the Agricultural Trade Development and Assistance Act of 1954 and specified in paragraph 3 of this Article to purchasers authorized by the Government of Chile.

2. The United States Government will issue, within the terms of this Agreement, purchase authorizations which shall include provisions relating to

[1] Came into force on 27 January 1955, upon signature, in accordance with article VIII.

the sale, transfer and delivery of commodities, the time and circumstances of deposit of pesos accruing from such sales, and other relevant matters, and which shall be subject to acceptance by the Government of Chile.

3. The United States Government undertakes to finance the sale to Chile of the following commodities, in value as indicated, during the United States fiscal year 1955, under the terms of Title I of United States Public Law 480, 83d Congress :

Commodity	*Market Value (Millions of dollars)*	*Approximate Quantity*
Wheat	2.2	34,000 M.T.
Cottonseed oil	2.4	9,000 M.T.
Transportation (estimated)	.4	
TOTAL	5.0	

Article II

USES OF PESOS

1. The two Governments agree that the 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 for the following purposes in the amounts shown :

(*a*) To pay United States obligations in Chile under Section 104 (*f*) of Title I, peso equivalent of $500,000;

(*b*) To develop new markets for United States agricultural commodities under Section 104 (*e*)[1] of Title I, peso equivalent of $200,000;

(*c*) For financing international education exchange activities under Section 104 (*h*) of Title I, peso equivalent of $300,000;

(*d*) For loans to the Government of Chile to promote the economic development of Chile under Section 104 (*g*) of Title I, peso equivalent of $4,000,000, subject to supplemental agreement between the two Governments. In accordance with Article 44, subparagraph 2, of the Chilean Constitution, such supplemental agreement shall be subject to legislative approval;

(*e*) In the event that pesos set aside for loans to the Government of Chile under (*d*) are not advanced within three years from the date of this Agreement

[1] The following information is given by the Department of State of the United States of America (*Treaties and Other International Acts Series 3234*, p. 2, footnote 1) : "Should read 'Section 104 (*a*)'."