

## RETURN OF CHARTERED VESSELS

*Exchange of notes at Rio de Janeiro April 14, 1944*

*Entered into force April 14, 1944*

*Terminated November 24, 1946*<sup>1</sup>

Department of State files

*The American Ambassador to the Minister of Foreign Affairs*

No. 1955

RIO DE JANEIRO, April 14, 1944

EXCELLENCY:

I have the honor to give below the terms under which my Government proposes to return to Brazil the Brazilian flag vessels chartered to the United States of America by virtue of the agreement which your Excellency and I signed on September 30, 1942:<sup>2</sup>

1. The War Shipping Administration is agreeable to the return of the chartered vessels for use in the Brazilian Coastwise Trade in order to re-enforce shipping effort as between the United States and Brazil.

2. Brazil in the operation of her coastwise services will give to American military cargoes and those of Rubber Development Corporation and other United States Government Agencies the same preferential treatment given Brazilian Government cargoes of similar nature.

3. Brazil will exert the maximum effort within the availability of coastal services and warehouse facilities to transport from secondary ports to the main ports of Santos, Rio de Janeiro, Victoria, Bahia, Pernambuco and Pará cargoes destined for export to the United States.

4. Brazil will continue to maintain in the United States-Brazil Services twenty-one of her ships assuming thereby responsibility for the movement of not less than twenty-five thousand tons monthly each northbound and southbound. These vessels are to be named by the Brazilian Government in accordance with the United States Government. Replacement in said Services of any of such vessels lost or withdrawn shall be subject to the approval of both Governments and the replacement or insurance privileges hereinafter stated shall not be granted until such approval is obtained. Brazil may withdraw any vessel temporarily from the terms of this agreement for the purpose of allocating it to a service other than operation between the United States and Brazil, but only with prior concurrence of the United States and in

<sup>1</sup> Pursuant to notice of termination given by the United States Sept. 25, 1946.

<sup>2</sup> *Ante*, p. 936.

such event the privileges granted herein shall be withdrawn as to such vessel while it is detached from United States-Brazil service.

5. The United States Government will, after the war, replace any vessel totally lost as the result of a war casualty, as provided in the attached exhibit <sup>3</sup> which is incorporated into and forms a part of this agreement, occurring during the period of its service under this agreement. Partial losses from war risks and total or partial marine risk losses are expressly excluded, and insurance against such losses will not be provided by the United States Government. The replacements to be made after the war shall, in each case, be by a vessel of approximately similar dimensions, tonnage and characteristics and of comparable value to the lost vessel. The values of both replacement vessel and lost vessel shall be established by the Mixed Commission hereinafter referred to on the basis of United States market values current at or about the time of replacement. If for any reason the United States Government is unable or unauthorized to effect such replacement, it will pay to the Brazilian Government an amount required by the Brazilian Government to purchase such a replacement vessel. The sums required to be paid in accordance with this paragraph and the characteristics of the replacement vessel shall be determined by a Mixed Commission to be established by the two Governments within sixty days after the end of the hostilities in which the United States and Brazil are at present engaged.

6. Either the United States Government or the Brazilian Government may terminate these arrangements upon 60 days written notice to the other, such termination not to affect accrued responsibilities of the United States, however, as to vessels already lost by war risk.

7. Any obligations which may have been incurred on behalf of either Brazil or the United States under the agreements of September 30, 1942, and December 7, 1942,<sup>4</sup> will be settled in accordance with the terms of the Agreements and letters exchanged between the Governments of the United States and Brazil.

8. The letters and agreements of September 30, 1942, and December 7, 1942, herein above referred to are canceled as of today.

It would be appreciated if Your Excellency would confirm the agreement of the Government of Brazil to the foregoing terms.

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

JEFFERSON CAFFERY

His Excellency

Dr. OSWALDO ARANHA  
*Minister for Foreign Affairs*  
*Rio de Janeiro*

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<sup>3</sup> Not printed here.

<sup>4</sup> *Ante*, p. 949.

*The Minister of Foreign Affairs to the American Ambassador*

[TRANSLATION]

MINISTRY OF FOREIGN AFFAIRS

RIO DE JANEIRO

*April 14, 1944*

DAI/DEC/98/947(00)

EXCELLENCY:

I have the honor to acknowledge the receipt of note No. 1955 of today's date, in which Your Excellency sets forth the following clauses by which the Government of the United States of America proposes the return of the Brazilian vessels leased to it by the Agreement of September 30, 1942:

[For terms of agreement, see numbered paragraphs in U.S. note, above.]

2. In reply, I wish to inform Your Excellency that the Brazilian Government is in entire agreement with the conditions stipulated above.

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

OSWALDO ARANHA

His Excellency

JEFFERSON CAFFERY

*Ambassador of the United States of America*