

No. 3343

**UNITED STATES OF AMERICA
and
GUATEMALA**

**Development Assistance Agreement. Signed at Washington,
on 13 December 1954**

Official texts: English and Spanish.

Registered by the United States of America on 3 May 1956.

**ÉTATS-UNIS D'AMÉRIQUE
et
GUATEMALA**

**Accord relatif à l'assistance en vue du développement.
Signé à Washington, le 13 décembre 1954**

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 3 mai 1956.

No. 3343. DEVELOPMENT ASSISTANCE AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED STATES
OF AMERICA AND THE GOVERNMENT OF GUATEMALA.
SIGNED AT WASHINGTON, ON 13 DECEMBER 1954

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

Recognizing that the Government of Guatemala at present has urgent need for extraordinary economic assistance ;

Considering that, under legislation enacted by the Congress of the United States, the United States is enabled to furnish such assistance to the Government of Guatemala ; and

Desiring to set forth the understandings which govern the furnishing of such assistance by the Government of the United States, the receipt of such assistance by the Government of Guatemala, and the measures which the two Governments will take individually and together in furtherance of the above objectives ;

Have agreed as follows :

Article I

The Government of the United States, subject to the terms and conditions specified in applicable United States laws and regulations and the provisions set forth in this Agreement, will furnish such development assistance or authorized related assistance to the Government of Guatemala as may be requested by the Government of Guatemala and approved by the Government of the United States. Such assistance will be furnished in such form, on such terms, and pursuant to such additional arrangements as may be agreed upon between appropriate representatives of the United States Foreign Operations Administration (or any successor agency or other agency designated for the purpose by the Government of the United States) and any agency or agencies designated by the Government of Guatemala. Commodities or services furnished hereunder may be distributed within Guatemala on terms and conditions mutually agreed upon by such representatives. To the extent that commodities to be provided pursuant to this Agreement may be obtained other than by United States Government procurement, the Government of Guatemala will cooperate with the Government of the United States to assure that procurement will be at reasonable prices and on reasonable

¹ Came into force on 13 December 1954, the date of signature, in accordance with article VII.

terms. Assistance provided hereunder shall be in addition to that provided under the technical cooperation program conducted pursuant to the General Agreement for Technical Cooperation between the Government of the United States and the Government of Guatemala signed at Guatemala City September 1, 1954.¹

Article II

It is understood that, in order to assure the maximum benefits to the people of Guatemala from the assistance to be furnished hereunder by the Government of the United States, the Government of Guatemala intends to continue to pursue all appropriate measures to promote economic development, to meet urgent relief requirements and to restore or maintain stable economic conditions in Guatemala and to reduce its need for extraordinary assistance for the achievement of those objectives. For these purposes the Government of Guatemala will make effective use of the assistance provided hereunder, and will coordinate and integrate any operations carried on pursuant to this Agreement with other technical cooperation and development programs in Guatemala.

Article III

Recognizing that the effectiveness of this assistance program will be enhanced by the two Governments' sharing reasonably the financing of cooperative operations hereunder and by the expenditure of local currency which may derive from the assistance provided hereunder by the Government of the United States, the Government of Guatemala agrees :

(a) to bear a fair share (consistent with its ability to contribute and with the balanced achievement of the objectives of this Agreement) of the costs of cooperative projects or operations carried out pursuant to this Agreement.

(b) with respect to commodities furnished hereunder on a grant basis, to establish (as necessary) in its own name a special account in the Banco de Guatemala (hereinafter referred to as the "Special Account") and, except as may otherwise be specifically agreed by the Government of the United States, to deposit promptly in this account the amounts of local currency equivalent to the sums accruing to the Government of Guatemala from the sale or the import into Guatemala of such commodities. The Government of the United States will from time to time notify the Government of Guatemala of its local currency requirements for expenditures incident to the furnishing of assistance under this Agreement or under the above-mentioned General Agreement for Technical Cooperation and the Government of Guatemala will thereupon make such sums available out of any balances in the Special Account in the manner requested by the Government of the United States in its notification. The Government of Guatemala may draw upon any remaining balance in the Special Account for purposes of economic development

¹ United Nations, *Treaty Series*, Vol. 199, p. 51.

in Guatemala and for other purposes beneficial to Guatemala as may be agreed upon from time to time by the representatives referred to in Article I. Any unencumbered balances of funds which remain in the Special Account upon termination of assistance to Guatemala under this Agreement shall be disposed of for such purposes as may, subject to approval by Act or joint resolution of the United States Congress, be agreed to between the Government of the United States and the Government of Guatemala.

Article IV

(a) The Governments will, upon the request of either of them, consult regarding any matter relating to the application of this Agreement and operations thereunder. The Government of Guatemala will provide such information as may be necessary to carry out the provisions of this Agreement, including statements on the use of the assistance received hereunder and other relevant information which the Government of the United States may need to determine the nature and scope of operations under this Agreement and to evaluate the effectiveness of the assistance furnished or contemplated.

(b) The Government of Guatemala will give full and continuous publicity in Guatemala to the objectives and progress of the program under this Agreement, including information to the people of Guatemala that this program is evidence of the friendship of the people of the United States for them, and will make public, upon termination of this program and at such other times during the course of the program as the Government of the United States may request, full statements of operations hereunder, including information as to the use of the assistance received and the use of the local currency deposited in the Special Account.

(c) Funds introduced into Guatemala for purposes of furnishing assistance to be provided by the Government of the United States under this Agreement shall be convertible into currency of Guatemala at the highest rate which, at the time the conversion is made, is not unlawful in Guatemala.

Article V

The Government of Guatemala agrees to receive persons designated by the Government of the United States to discharge the responsibilities of the Government of the United States under this Agreement and to permit such persons to observe without restriction the distribution in Guatemala of commodities and services which may be made available hereunder, including the provision of the facilities necessary for the observation and review of the carrying out of this Agreement and use of the assistance furnished under it. The Government of Guatemala will grant such persons and members of their families the rights, exemptions, privileges and immunities accorded to, and such persons may be assigned under arrangements similar to those applicable to, personnel of the Government

of the United States assigned to duties in Guatemala in connection with the technical cooperation program referred to in Article I above.

Article VI

All or any part of the assistance provided hereunder may be terminated by the Government of the United States if it is determined that because of changed conditions the continuation of the assistance is unnecessary or undesirable. The termination of the assistance under this provision may include the termination of deliveries of any commodities scheduled hereunder and not yet delivered.

Article VII

This Agreement shall enter into force on the date on which it is signed.

DONE at Washington in the English and the Spanish languages this 13th day of December 1954.

For the Government of the United States of America :
Henry F. HOLLAND

For the Government of Guatemala :
Luis CRUZ S.