

No. 3637

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**UNITED STATES OF AMERICA  
and  
BOLIVIA**

**Exchange of notes constituting an agreement relating to  
guaranties authorized by Section 413 (b) (4) of the  
Mutual Security Act of 1954, as amended. La Paz,  
23 September 1955**

*Official texts: English and Spanish.*

*Registered by the United States of America on 18 December 1956.*

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

**Échange de notes constituant un accord relatif à l'octroi  
des garanties prévues au paragraphe b, 4, de l'article  
413 de la loi de 1954 sur la sécurité mutuelle, sous sa  
forme modifiée. La Paz, 23 septembre 1955**

*Textes officiels anglais et espagnol.*

*Enregistré par les États-Unis d'Amérique le 18 décembre 1956.*

No. 3637. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND BOLIVIA RELATING TO GUARANTIES AUTHORIZED BY SECTION 413 (b) (4) OF THE MUTUAL SECURITY ACT OF 1954, AS AMENDED. LA PAZ, 23 SEPTEMBER 1955

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*The American Ambassador to the Bolivian Minister for Foreign Affairs  
and Worship*

AMERICAN EMBASSY

La Paz, September 23, 1955

Excellency :

I have the honor to refer to conversations which have recently taken place between representatives of our two Governments, relating to guaranties authorized by Section 413 (b) (4) of the Mutual Security Act of 1954, as amended, a copy of which is enclosed.<sup>2</sup> I also have the honor to confirm the following understandings reached as a result of these conversations :

1. The Governments of Bolivia and of the United States of America will, upon the request of either of them, consult respecting projects in Bolivia proposed by nationals of the United States of America with regard to which guaranties under Section 413 (b) (4) of the Mutual Security Act of 1954, as amended, have been made or are under consideration.
2. The Government of the United States agrees that it will issue no guaranty with regard to any project unless it is approved by the Government of Bolivia.
3. With respect to such guaranties extending to projects which are approved by the Government of Bolivia in accordance with the provisions of the aforesaid Section 413 (b) (4), the Government of Bolivia agrees :
  - a. That if the Government of the United States of America makes payment in United States dollars to any person under any such guaranty, the Government of Bolivia will recognize the transfer to the United States of America of any right, title or interest of such person in assets, currency, credits, or other property on account of which such payment was made and the subrogation of the United States of America to any claim or cause of action, or right of such person arising in connection therewith.

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<sup>1</sup> Came into force on 23 September 1955 by the exchange of the said notes.

<sup>2</sup> Not printed by the Department of State of the United States of America. See United Nations, *Treaty Series*, Vol. 252.

- b. The boliviano amounts acquired by the Government of the United States of America pursuant to such guaranties shall be accorded treatment not less favorable than that accorded to private funds arising from transactions of United States nationals which are comparable to the transactions covered by such guaranties, and that such boliviano amounts will be freely available to the Government of the United States of America for administrative expenditures;
- c. That any claim against the Government of Bolivia to which the Government of the United States of America may be subrogated as the result of any payment under such a guaranty, shall be the subject of direct negotiations between the two Governments. If within a reasonable period, they are unable to settle the claim by agreement, it shall be referred for final and binding determination to a sole arbitrator selected by mutual agreement. If the Governments are unable, within a period of three months, to agree upon such selection, the arbitrator shall be one who may be designated by the President of the International Court of Justice at the request of either Government.

Upon receipt of a note from Your Excellency indicating that the foregoing provisions are acceptable to the Government of Bolivia, the Government of the United States of America will consider that this note and your reply thereto constitute an agreement between the two Governments on this subject, the agreement to enter into force on the date of your note in reply.

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

Gerald A. DREW

Enclosure : <sup>1</sup>

Copy of Section 413 of the Mutual Security Act of 1954, as amended.

His Excellency Señor Doctor Walter Guevara Arze  
Minister for Foreign Affairs and Worship

<sup>1</sup> See footnote 2, p. 276 of this volume.

[TRANSLATION<sup>1</sup> — TRADUCTION<sup>2</sup>]

REPUBLIC OF BOLIVIA  
MINISTRY OF FOREIGN AFFAIRS AND WORSHIP

No. P. E.

La Paz, September 23, 1955

Mr. Ambassador :

I have the honor to refer to Your Excellency's note dated September 23, which textually reads :

[*See note I*]

In expressing to Your Excellency the concurrence of the Government of Bolivia in the terms of the transcribed note, I take pleasure in renewing to you the assurances of my highest and most distinguished consideration.

W. GUEVARA ARZE

His Excellency Gerald A. Drew  
Ambassador Extraordinary and Plenipotentiary  
of the United States of America  
City

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<sup>1</sup> Translation by the Government of the United States of America.

<sup>2</sup> Traduction du Gouvernement des États-Unis d'Amérique.