

No. 3669

**UNITED STATES OF AMERICA
and
HONDURAS**

Exchange of notes constituting an agreement relating to the guaranty of private investments pursuant to Section 413 (b) (4) of the Mutual Security Act of 1954. Tegucigalpa, 22 April and 10 June 1955

Official texts: English and Spanish.

Registered by the United States of America on 22 January 1957.

**ÉTATS-UNIS D'AMÉRIQUE
et
HONDURAS**

Échange de notes constituant un accord relatif à la garantie des investissements privés conformément au paragraphe b, 4, de l'article 413 de la loi de 1954 sur la sécurité mutuelle. Tegucigalpa, 22 avril et 10 juin 1955

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 22 janvier 1957.

No. 3669. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND HONDURAS RELATING TO THE GUARANTY OF PRIVATE INVESTMENTS PURSUANT TO SECTION 413 (b) (4) OF THE MUTUAL SECURITY ACT OF 1954. TEGUCIGALPA, 22 APRIL AND 10 JUNE 1955

I

The American Chargé d'Affaires ad interim to the Honduran Minister for Foreign Affairs

No. 130

Tegucigalpa, D.C., April 22, 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, a copy of which is enclosed.² I also have the honor to confirm the understandings reached as a result of these conversations as follows :

The Governments of Honduras and of the United States of America will, upon the request of either of them, consult respecting projects in Honduras 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 have been made or are under consideration. With respect to such guaranties extending to projects which are approved by the Government of Honduras in accordance with the provisions of the aforesaid Section, the Government of Honduras 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 Honduras will recognize the transfer to the Government of 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 Government of the United States of America to any claim or cause of action of such person arising in connection therewith. The Government of Honduras shall also recognize any transfer to the Government of the United States of America pursuant to such guaranty of any compensation for loss covered by such guaranties received from any source other than the Government of the United States of America ;
- b. That lempira 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, at the time of such acquisition, to private funds arising from transactions

¹ Came into force on 10 June 1955 by the exchange of the said notes.

² Not printed by the Department of State of the United States of America.

- of United States nationals which are comparable to the transactions covered by such guaranties, and that such lempira 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 Honduras 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, the two Governments 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 Honduras, 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 Excellency's note in reply.

Please accept, Excellency, the assurances of my highest and most distinguished consideration.

Wymerley DE R. COERR
Chargé d'Affaires ad interim

Enclosure : ¹

Copy of Section 413 of the Mutual Security Act of 1954.

His Excellency Dr. Esteban Mendoza
Minister for Foreign Affairs
Tegucigalpa, D.C.

II

*The Honduran Minister for Foreign Affairs to the American Chargé d'Affaires
ad interim*

[SPANISH TEXT — TEXTE ESPAÑOL]

SECRETARÍA DE RELACIONES EXTERIORES DE LA REPÚBLICA DE HONDURAS
SECCIÓN DIPLOMÁTICA

Nº 654 A.L.

Tegucigalpa, D. C., 10 de junio de 1955

Honorable Señor :

Tengo el honor de referirme a su apreciable nota No. 130 del 22 de abril del presente año, en la cual Vuestra Señoría se sirvió recordar las conversaciones

¹ Not printed by the Department of State of the United States of America.

[TRANSLATION¹ — TRADUCTION²]

DEPARTMENT OF FOREIGN AFFAIRS OF THE REPUBLIC OF HONDURAS
DIPLOMATIC SECTION

No. 654. A. L.

Tegucigalpa, D.C., June 10, 1955

Sir :

I have the honor to refer to your note No. 130 of April 22 of this year, in which you were good enough to refer to the conversations held between representatives of our two Governments relating to guaranties authorized under Section 413 (b) (4) of the Mutual Security Act of 1954. In the said note the arrangements reached as a result of those conversations were confirmed as follows :

[See note I]

In reply, and on specific instructions from the Chief of State, I have the honor to communicate to you that the Government of Honduras accepts the text of the foregoing agreement in all its parts and consequently the agreement is concluded with this note in reply.

I avail myself of this occasion to renew to you the assurances of my highest consideration.

Esteban MENDOZA

The Honorable Wymberley de R. Coerr
Chargé d'Affaires ad interim
of the United States of America
City

¹ Translation by the Government of the United States of America.

² Traduction du Gouvernement des États-Unis d'Amérique.