

No. 6788

**UNITED STATES OF AMERICA
and
BOLIVIA**

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act,
as amended (with exchange of notes). Signed at La
Paz, on 17 December 1962**

Official texts: English and Spanish.

Registered by the United States of America on 24 June 1963.

**ÉTATS-UNIS D'AMÉRIQUE
et
BOLIVIE**

**Accord relatif aux produits agricoles, conclu dans le cadre
du titre I de la loi tendant à développer et à favoriser le
commerce agricole, telle qu'elle a été modifiée (avec
échange de notes). Signé à La Paz, le 17 décembre 1962**

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 24 juin 1963.

No. 6788. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE GOVERNMENT OF
BOLIVIA UNDER TITLE I OF THE AGRICULTURAL
TRADE DEVELOPMENT AND ASSISTANCE ACT, AS
AMENDED. SIGNED AT LA PAZ, ON 17 DECEMBER
1962

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

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 of America in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries;

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

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

Desiring to set forth the understandings which will govern the sales, as specified below, of agricultural commodities to Bolivia pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended (hereinafter referred to as the Act), 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

SALES FOR BOLIVIANOS

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of Bolivia of purchase authorizations and to the availability of commodities under the Act at the time of exportation,

¹ Came into force on 17 December 1962, upon signature, in accordance with article VI.

the Government of the United States of America undertakes to finance the sales for bolivianos, to purchasers authorized by the Government of Bolivia, of the following agricultural commodities in the amounts indicated :

<i>Commodity</i>	<i>Export market value (millions)</i>
Wheat/wheat flour	\$8.0
Ocean transportation (estimated)	1.5
	TOTAL \$9.5

2. Applications for purchase authorizations will be made within ninety calendar days of the effective date of this Agreement, except that applications for purchase authorizations for any additional commodities or amounts of commodities provided for in any amendment to this Agreement will be made within ninety days after the effective date of such amendment. Purchase authorizations will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of the bolivianos accruing from such sale, and other relevant matters.

♦

3. Purchase and shipment of the commodities mentioned above will be made within eighteen calendar months of the effective date of this Agreement.

4. The financing, sale and delivery of commodities under this Agreement may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale or delivery is unnecessary or undesirable.

Article II

USES OF BOLIVIANOS

The bolivianos 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, in such manner and order of priority as the Government of the United States of America shall determine, for the following purposes, in the amounts shown :

A. For United States expenditures under subsections (a), (b), (c), (d), (f) and (h) through (s) of Section 104 of the Act, or under any of such subsections, fifteen percent of the bolivianos accruing pursuant to this Agreement.

B. For loans to be made by the Agency for International Development under Section 104 (e) of the Act and for administrative expenses of the Agency for International Development in Bolivia incident thereto, fifteen percent of the bolivianos accruing pursuant to this Agreement. It is understood that :

- (1) Such loans under Section 104 (e) of the Act will be made to United States business firms and branches, subsidiaries, or affiliates of such firms in Bolivia for business development and trade expansion in Bolivia and to United States firms and Bolivian firms for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of and markets for United States agricultural products.
- (2) Loans will be mutually agreeable to the Agency for International Development and the Government of Bolivia, acting through the Ministry of National Economy. The Minister or his designate will act for the Government of Bolivia and the Administrator of the Agency for International Development or his designate will act for the Agency for International Development.
- (3) Upon receipt of an application which the Agency for International Development is prepared to consider, the Agency for International Development will inform the Ministry of National Economy of the identity of the applicant, the nature of the proposed business, the amount of the proposed loan, and the general purposes for which the loan proceeds would be expended.
- (4) When the Agency for International Development is prepared to act favorably upon an application, it will so notify the Ministry of National Economy and will indicate the interest rate and the repayment period which would be used under the proposed loan. Maturities will be consistent with the purposes of the financing and the interest rate will be similar to that prevailing in Bolivia on comparable loans.
- (5) Within sixty days after the receipt of the notice that the Agency for International Development is prepared to act favorably upon an application, the Ministry of National Economy will indicate to the Agency for International Development whether or not the Ministry has any objection to the proposed loan. Unless within the sixty-day period the Agency for International Development has received such a communication from the Ministry of National Economy, it shall be understood that the Ministry has no objection to the proposed loan. When the Agency for International Development approves or declines the proposed loan, it will notify the Ministry of National Economy.
- (6) In the event the bolivianos set aside for loans under Section 104 (e) of the Act are not advanced within three years from the date of this Agreement

because the Agency for International Development has not approved loans or because proposed loans have not been mutually agreeable to the Agency for International Development and the Ministry of National Economy, the Government of the United States of America may use the bolivianos for any purpose authorized by Section 104 of the Act.

C. For a loan to the Government of Bolivia under Section 104 (g) of the Act for financing such projects to promote economic development, including projects not heretofore included in plans of the Government of Bolivia, as may be mutually agreed, seventy percent of the bolivianos accruing pursuant to this Agreement. The terms and conditions of the loan and other provisions will be set forth in a separate loan agreement. In the event that agreement is not reached on the use of the bolivianos for loan purposes within three years from the date of this Agreement, the Government of the United States of America may use the bolivianos for any purposes authorized by Section 104 of the Act.

Article III

DEPOSIT OF BOLIVIANOS

1. The amount of bolivianos to be deposited to the account of the Government of the United States of America shall be the equivalent of the dollar sales value of the commodities and ocean transportation costs reimbursed or financed by the Government of the United States of America (except excess costs resulting from the requirement that United States flag vessels be used) converted into bolivianos, as follows :

- (a) at the rate for dollar exchange applicable to commercial import transactions on the dates of dollar disbursements by the United States, provided that a unitary exchange rate applying to all foreign exchange transactions is maintained by the Government of Bolivia, or
- (b) if more than one legal rate for foreign exchange transactions exists, at a rate of exchange to be mutually agreed upon from time to time between the Government of the United States of America and the Government of Bolivia.

2. In the event that a subsequent Agricultural Commodities Agreement or Agreements should be signed by the two Governments under the Act, any refunds of bolivianos which may be due or become due under this

Agreement more than two years from the effective date of this Agreement would be made by the Government of the United States of America from funds available from the most recent Agricultural Commodities Agreement in effect at the time of the refund.

Article IV

GENERAL UNDERTAKINGS

1. The Government of Bolivia will take all possible measures to prevent the resale or transshipment to other countries or the use for other than domestic purposes (except where such resale, transshipment or use is specifically approved by the Government of the United States of America) of the agricultural commodities purchased pursuant to the provisions of this Agreement and to assure that the purchase of such commodities does not result in increased availability of these or like commodities to nations unfriendly to the United States of America.

2. The two Governments will take reasonable precautions to assure that sales or purchases of agricultural commodities pursuant to this Agreement will not displace usual marketings of the United States of America in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries.

3. In carrying out this Agreement, the two Governments will seek to assure conditions of commerce permitting private traders to function effectively and will use their best endeavors to develop and expand continuous market demand for agricultural commodities.

4. The Government of Bolivia will furnish, upon request of the Government of the United States of America, information on the progress of the program, particularly with respect to arrival and condition of commodities, and information relating to exports of the same or like commodities.

Article V

CONSULTATION

The two Governments will, upon request of either of them, consult regarding any matter relating to the application of this Agreement, or to the operation of arrangements carried out pursuant to this Agreement.

Article VI

ENTRY INTO FORCE

The Agreement shall enter into force upon signature.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present Agreement.

DONE at La Paz in duplicate this seventeenth day of December 1962.

For the Government
of the United States of America :
Ben S. STEPHANSKY
[SEAL]

For the Government
of Bolivia :
José FELLMAN VELARDE
[SEAL]

EXCHANGE OF NOTES

I

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

No. 189

La Paz, December 17, 1962

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement signed today¹ between the Government of the United States of America and the Government of Bolivia and to state that, with regard to the conversion of bolivianos into other currencies and to certain other matters relating to the use by the Government of the United States of America of bolivianos accruing under the subject Agreement, it is the understanding of the Government of the United States of America that :

(a) Upon request of the Government of the United States of America, the Government of Bolivia will provide facilities for the conversion of two percent of the bolivianos accruing from sales under this Agreement into other currencies for purposes of Section 104 (a) of the Act. These currencies will be used to finance agricultural market development activities in other countries. Upon request of the Government of the United States of America, the Government of Bolivia will also provide facilities for the conversion of up to \$150,000 for educational exchange activities under Section 104 (h) of the Act. These currencies will also be used in the purchase of air transportation for Bolivian and American participants in the international educational exchange program.

(b) The Government of the United States may utilize bolivianos in Bolivia to pay for international travel originating in Bolivia, or originating outside Bolivia when the travel (including connecting travel) is to or through Bolivia, and for travel within the United States of America or other areas outside Bolivia when the travel is part of a trip in which the traveler travels from, to or through Bolivia. It is understood that these funds are intended to cover only travel by persons who are traveling on official business for the Government of the United States of America or in connection with activities financed by the Government of the United States of America. It is further understood that the travel for which bolivianos may be utilized shall not be limited to services provided by Bolivian transportation facilities.

(c) It is understood that imports of wheat and wheat flour under Title I of this Act shall be over and above commercial imports from free world sources during calendar year 1963 of not less than 40,000 MT of wheat and/or wheat flour in wheat equivalent.

¹ See p. 122 of this volume

I shall appreciate receiving Your Excellency's confirmation of the above understanding.

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

Ben S. STEPHANSKY

His Excellency José Fellman Velarde
Minister of Foreign Affairs and Worship
La Paz

II

The Bolivian Minister of Foreign Affairs and Worship to the American Ambassador

[SPANISH TEXT — TEXTE ESPAGNOL]

REPÚBLICA DE BOLIVIA
MINISTERIO DE RELACIONES EXTERIORES Y CULTO

Nº DGNA. 418/1193

La Paz, 17 de diciembre de 1962

Excelencia :

Tengo el honor de avisar recibo de la nota No. 189 de Su Excelencia, que textualmente dice :

“ Embajada de los Estados Unidos de América. — No. 189. — La Paz, 17 de diciembre de 1962.

Excelencia : — Tengo el honor de referirme al Convenio sobre productos agrícolas firmado el día de hoy entre el Gobierno de los Estados Unidos de América y el Gobierno de Bolivia y de manifestar que el entendimiento del Gobierno de los Estados Unidos de América con referencia a la conversión de moneda boliviana en otras, y materias relativas al uso por el Gobierno de los Estados Unidos de América de la moneda nacional proveniente del indicado Convenio, es el siguiente :

(a) A solicitud del Gobierno de los Estados Unidos de América, el Gobierno de Bolivia proveerá facilidades para la conversión en otras monedas del 2% de los fondos en moneda boliviana provenientes de las ventas bajo el Convenio, para los propósitos de la Sección 104 (a) de la Ley. Estas monedas serán utilizadas para