

No. 7710

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 25 March 1964**

Official texts: English and Spanish.

Registered by the United States of America on 26 April 1965.

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 25 mars
1964**

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 26 avril 1965.

No. 7710. 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 25 MARCH 1964

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 Bolivian pesos of agricultural commodities produced in the United States of America will assist in achieving such an expansion of trade;

Considering that the Bolivian pesos 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 BOLIVIAN PESOS

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, the Government of the United States of America undertakes to finance the sales

¹ Came into force on 25 March 1964, upon signature, in accordance with article VI.

for pesos 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	\$6.35
cotton80
ocean transportation (estimated)	\$1.02
	TOTAL \$8.17

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 pesos accruing from such sale, and other relevant matters.

3. 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 BOLIVIAN PESOS

The pesos 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 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, 20 percent of the pesos 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, 10 percent of the pesos 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 developments 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 the increasing 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 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 pesos 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 Govern-

ment of the United States of America may use the pesos 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, 70 percent of the Bolivian pesos 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 Bolivian pesos for loan purposes under Section 104 (g) of the Act within three years from the date of this Agreement, the Government of the United States of America may use the Bolivian pesos for any purpose authorized by Section 104 of the Act.

Article III

DEPOSIT OF BOLIVIAN PESOS

1. The amount of pesos 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 Bolivian pesos 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 pesos 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.

3. Any refunds of pesos which may be due or become due under any prior agricultural commodities agreement under the Act for which undisbursed funds are no longer available in the accounts of the United States Disbursing Officer in Bolivia will be made by the Government of the United States of America from funds available under this Agreement.

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 of the agricultural commodities purchased pursuant to this Agreement (except where such resale, transshipment or use is specifically approved by the Government of the United States of America); to prevent the export of any commodity of either domestic or foreign origin which is the same as, or like, the commodities purchased pursuant to this Agreement during the period beginning on the date of this Agreement and ending with the final date on which such commodities are received and utilized, (except where such export is specifically approved by the Government of the United States of America); and to ensure that the purchase of commodities pursuant to this Agreement does not result in increased availability of the same or like commodities to nations unfriendly to the United States of America.

2. The two Governments will take reasonable precautions to assure that all 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 information quarterly on the progress of the program, particularly with respect to the arrival and condition of commodities, provisions for the maintenance of usual marketings, and information relating to imports and 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

This 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 25th day of March, 1964.

For the Government of the United States of America :
Douglas HENDERSON

For the Government of Bolivia :
Fernando ITURRALDE CHINEL
[SEAL]

EXCHANGE OF NOTES

I

The American Ambassador to the Bolivian Minister of Foreign Affairs

EMBASSY OF THE UNITED STATES OF AMERICA

No. 285

La Paz, March 25, 1964

Excellency :

I have the honor to refer to the Agricultural Commodities Sales Agreement signed today¹ by representatives of our two Governments, under which the United States of America undertakes to finance the delivery to the Government of Bolivia of \$8.17 million worth of agricultural commodities, and to inform you of my Government's understanding of the following :

1. In expressing its agreement with the Government of the United States of America that the above mentioned deliveries should not unduly disrupt world prices of agricultural commodities or impair trade relations among friendly nations, the Government of Bolivia agrees that it will procure and import with its own resources the following agricultural commodities in addition to those to be purchased under the terms of the cited Sales Agreement :

(a) From the United States and countries friendly to it at least 40,000 metric tons of wheat and/or wheat flour in grain equivalent during the calendar year 1964.

2. For purposes of Section 104 (a) of the Act, the Government of Bolivia will provide on request by the Government of the United States of America the facilities for conversion into other non-dollar currencies of \$163,400 worth of pesos or two percent (2%) of the pesos accruing under the agreement, whichever is greater. Currencies obtained through these provisions will be utilized 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 US\$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.

3. The Government of the United States of America may utilize pesos in Bolivia to pay for international travel originating in Bolivia, or originating outside of 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

¹ See p. 4 of this volume.

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 Bolivian pesos may be utilized shall not be limited to services provided by the Bolivian transportation facilities.

4. With regard to paragraph 4, Article IV of the agreement, the Government of Bolivia agrees to furnish quarterly the following information in connection with each shipment of commodities received under this Agricultural Commodities Agreement: The name of each vessel; the date of arrival; the port of arrival; the commodity and quantity received; the condition in which received; date unloading was completed; and the disposition of the cargo, i.e., stored, distributed locally or if shipped, where shipped. The foregoing should be submitted on vessels leaving the United States and discharging in ports in Chile and/or Peru and on overland shipments from such ports to arrival points in Bolivia. In addition, the Government of Bolivia agrees to furnish quarterly: (a) a statement of measures it has taken to prevent the resale or transshipment of commodities furnished, (b) assurances that the program will not result in increased availability of the same or like commodities to other nations, and (c) a statement by the Government of Bolivia showing progress made toward fulfilling commitments or usual marketings accompanied by data on imports and exports by country of origin or destination of commodities which are the same as or like those imported under this agreement.

It is proposed that this note and your reply concurring therein shall constitute an Agreement between our two Governments on this matter to enter into force on the date of your note in reply.

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

Douglas HENDERSON

His Excellency Fernando Iturralde Chinel
Minister of Foreign Affairs
La Paz

II

The Bolivian Minister of Foreign Affairs to the American Ambassador

[SPANISH TEXT — TEXTE ESPAGNOL]

REPÚBLICA DE BOLIVIA
MINISTERIO DE RELACIONES EXTERIORES Y CULTO

Nº DGNA-85/

La Paz, 25 de marzo de 1964

Señor Embajador:

Me es honroso avisar recibo de la apreciable nota de Vuestra Excelencia, Nº 285 de esta misma fecha que, textualmente, dice:

« Embajada de los Estados Unidos de América. — Nº 285.

[TRANSLATION¹ — TRADUCTION²]REPUBLIC OF BOLIVIA
MINISTRY OF FOREIGN AFFAIRS AND WORSHIP

No. DGNA-85/

La Paz, March 25, 1964

Mr. Ambassador :

I have the honor to acknowledge receipt of Your Excellency's note No. 285 of this date, which reads as follows :

[See note I]

In reply, I have the honor to confirm to Your Excellency that the Government of Bolivia accepts the terms specified in the note transcribed concerning the conversion and use of the funds in Bolivian currency accruing from the sales to be made under the terms of the Agreement signed today.

Accept, Excellency, the renewed assurances of my highest and most distinguished consideration.

Fernando ITURRALDE CHINEL
Minister of Foreign Affairs and Worship

His Excellency Douglas Henderson
Ambassador Extraordinary and Plenipotentiary
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.