

No. 12103

UNITED STATES OF AMERICA
and
BOLIVIA

**Exchange of notes constituting an agreement regarding deposits for
military assistance under the Foreign Assistance Act of 1971.
La Paz, 27 March and 2 May 1972**

Authentic texts : English and Spanish.

Registered by the United States of America on 17 October 1972.

ÉTATS-UNIS D'AMÉRIQUE
et
BOLIVIE

**Échange de notes constituant un accord relatif aux dépôts effectués
au titre de l'assistance militaire en vertu de la loi de 1971 sur
l'aide à l'étranger. La Paz, 27 mars et 2 mai 1972**

Textes authentiques : anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 17 octobre 1972.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA
AND BOLIVIA REGARDING DEPOSITS FOR MILITARY
ASSISTANCE UNDER THE FOREIGN ASSISTANCE
ACT OF 1971

I

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

La Paz, March 27, 1972

No. 47

Excellency :

I have the honor to refer Your Excellency to recent discussions regarding the United States Foreign Assistance Act of 1971, which includes a provision requiring payment to the United States Government in pesos bolivianos of ten percent of the value of grant military assistance and excess defense articles provided by the United States to the Government of Bolivia.

In accordance with that provision, the United States Government proposes that the Government of Bolivia will deposit in an account to be specified by the United States Government, at a rate of exchange which is not less favorable to the United States Government than the best legal rate at which United States dollars are sold by authorized dealers in Bolivia for pesos bolivianos on the date deposits are made, the following amounts in pesos bolivianos :

- A. In the case of any excess defense article given to the Government of Bolivia, an amount equal to ten percent of the fair value of that article, as determined by the United States Government, and;
- B. In the case of a grant of military assistance to the Government of Bolivia, an amount equal to ten percent of each such grant. The Government of Bolivia will be notified quarterly of deliveries of defense articles and rendering of defense services and the values thereof. Deposits to the account of the United States Government will be due and payable upon request by the United States Government, which request shall be made, if at all, within one year following the aforesaid notification of deliveries. No more than \$20 million in pesos bolivianos will be required to be deposited for deliveries in any one United States fiscal year.

It is further proposed that the amounts to be deposited may be used to pay all official costs of the United States Government payable in pesos bolivianos,

¹ Came into force on 2 May 1972 by the exchange of the said notes, with retroactive effect from 7 February 1972, in accordance with their provisions.

including but not limited to all costs relating to the financing of international, educational and cultural exchange activities under programs authorized by the United States Mutual Education and Cultural Exchange Act of 1961.

It is finally proposed that your Excellency's reply stating that the foregoing is acceptable to the Government of Bolivia shall, together with this note, constitute an agreement between our Governments on this subject effective from and after February 7, 1972, and applicable to deliveries of defense articles and rendering of defense services funded or agreed to and delivered or rendered on or subsequent to that date.

Accept, Excellency, the assurances of my highest consideration.

ERNEST V. SIRACUSA

His Excellency Dr. Mario Gutiérrez Gutiérrez
Minister of Foreign Affairs and Worship
La Paz

II

[SPANISH TEXT — TEXTE ESPAGNOL]

REPÚBLICA DE BOLIVIA
MINISTERIO DE RELACIONES EXTERIORES Y CULTO

La Paz, 2 de mayo de 1972

No. D.G.P.E./A.N. 353/31

Señor Embajador :

Me es honroso referirme a la atenta nota de Vuestra Excelencia No. 47 de 27 de marzo último, en la que hace referencia a la Ley de 1971 de los Estados Unidos de América sobre ayuda al exterior, la que incluye una disposición requiriendo el pago por parte del Gobierno de Bolivia al Gobierno de los Estados Unidos en Pesos Bolivianos del diez por ciento del valor de la asistencia militar y artículos excedentes de defensa proporcionados por los Estados Unidos al Gobierno de Bolivia.

Igualmente, que de conformidad con dicha disposición, el Gobierno de los Estados Unidos de América propone que el Gobierno de Bolivia deposite en una Cuenta que especificará el Gobierno de Vuestra Excelencia, a un tipo de cambio que no sea menos favorable para el gobierno de los Estados Unidos que el mejor tipo legal de cambio al cual se venden dólares de los Estados Unidos por agentes de cambio autorizados en Bolivia por Pesos Bolivianos en la fecha en que se efectúan los depósitos, los montos siguientes en Pesos Bolivianos :

- A. En el caso de cualquier artículo excedente de defensa entregado al gobierno de Bolivia una cantidad igual al diez por ciento del valor justo de tal artículo, según lo determine el gobierno de los Estados Unidos, y;
- B. En el caso de una subvención de asistencia militar al gobierno de Bolivia, una cantidad igual al diez por ciento de cada una de tales subvenciones. El gobierno de Bolivia recibirá una notificación trimestralmente sobre las

[TRANSLATION¹ — TRADUCTION²]

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

REPUBLIC OF BOLIVIA

MINISTRY OF FOREIGN AFFAIRS AND WORSHIP

La Paz, May 2, 1972

No. D.G.P.E./A.N. 353/31

Mr. Ambassador :

I have the honor to refer to Your Excellency's note No. 47, dated March 27, 1972, regarding the United States Foreign Assistance Act of 1971, which includes a provision requiring payment by the Government of Bolivia to the United States Government in bolivian pesos of ten percent of the value of grant military assistance and excess defense articles provided by the United States to the Government of Bolivia.

Also, in accordance with that provision, the Government of the United States of America proposes that the Government of Bolivia will deposit in an account to be specified by Your Excellency's Government, at a rate of exchange which is not less favorable to the United States Government than the best legal rate at which United States dollars are sold by authorized dealers in Bolivia for Bolivian pesos on the date deposits are made, the following amounts in Bolivian pesos :

[See note I]

With respect to the foregoing, I am pleased to inform Your Excellency that the Government of Bolivia agrees to the form of payment proposed for grant military assistance and excess defense articles provided by the United States of America, to the proposed ten percent in Bolivian pesos, as well as to the other points covered in Your Excellency's note.

Therefore, Your Excellency's note No. 47, dated March 27, 1972, and this reply thereto shall constitute an agreement between our two Governments on this matter, effective from and after February 7, 1972.

I avail myself of this opportunity to renew to Your Excellency the assurances of my high and distinguished consideration.

MARIO R. GUTIÉRREZ

His Excellency Ernest V. Siracusa
Ambassador of the United States of America
La Paz

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

² Traduction fournie par le Gouvernement des Etats-Unis d'Amérique.