

No. 3563

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**UNITED STATES OF AMERICA  
and  
GUATEMALA**

**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. Washington, 23 March 1955**

*Official texts: English and Spanish.*

*Registered by the United States of America on 11 October 1956.*

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

**Échange de notes constituant un accord relatif à la garantie des investissements privés en application du paragraphe b, 4, de l'article 413 de la loi de 1954 sur la sécurité mutuelle. Washington, 23 mars 1955**

*Textes officiels anglais et espagnol.*

*Enregistré par les États-Unis d'Amérique le 11 octobre 1956.*

No. 3563. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND GUATEMALA RELATING TO THE GUARANTY OF PRIVATE INVESTMENTS PURSUANT TO SECTION 413 (b) (4) OF THE MUTUAL SECURITY ACT OF 1954. WASHINGTON, 23 MARCH 1955

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I

*The Secretary of State to the Guatemalan Ambassador*

DEPARTMENT OF STATE  
WASHINGTON

March 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 of the nature authorized by Section 413 (b) (4) of the Mutual Security Act of 1954. I also have the honor to confirm the following understandings reached as a result of these conversations :

1. The Governments of Guatemala and of the United States of America will, upon request of either of them, consult respecting projects in Guatemala proposed by nationals of the United States of America with regard to which guaranties of the nature authorized by Section 413 (b) (4) of the Mutual Security Act of 1954 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 the project is approved by the Government of Guatemala.

3. With respect to such guaranties extending to projects which are approved by the Government of Guatemala in accordance with the provisions of the aforesaid Section 413 (b) (4), the Government of Guatemala 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 Guatemala 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.
- b. That quetzal amounts acquired by the Government of the United States of America pursuant to such guaranties shall be accorded treatment not less favorable than that

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

accorded to private funds arising from transactions of United States nationals which are comparable to the transactions covered by such guaranties, and that such quetzal 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 Guatemala 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 Guatemala, 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.

For the Secretary of State :

Henry F. HOLLAND

His Excellency Lieutenant Colonel José Luis Cruz-Salazar  
Ambassador of Guatemala

## II

### *The Guatemalan Ambassador to the Secretary of State*

[SPANISH TEXT — TEXTE ESPAGNOL]

EMBAJADA DE GUATEMALA

No. 601.

Washington, D.C., Marzo 23, 1955

Excelencia :

Tengo el honor de dirigirme a Vuestra Excelencia para acusarle recibo de su atenta nota, fechada el 23 del mes en curso, en la que Vuestra Excelencia se refiere a recientes conversaciones entre representantes de mi Gobierno y del Ilustrado Gobierno de Vuestra Excelencia con respecto a garantías de la naturaleza autorizada por la Sección 413 (b) (4) de la Ley de Seguridad Mutua de 1954.

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

EMBASSY OF GUATEMALA

No. 601

Washington, D.C., March 23, 1955

Excellency :

I have the honor to acknowledge receipt of Your Excellency's courteous note dated the 23rd of this month, referring to recent conversations between representatives of my Government and your Government with respect to guaranties of the nature authorized by Section 413 (b) (4) of the Mutual Security Act of 1954.

I have the honor to inform Your Excellency that I have taken due note of the following understandings reached by the representatives of the two Governments as a result of these conversations :

[*See note I*]

I have the honor to inform Your Excellency that the foregoing provisions are acceptable to my Government, and therefore request you to be good enough to consider that this exchange of notes constitutes an agreement between our two Governments on this subject, which will enter into force on the date of the exchange of notes.

I avail myself of the opportunity to renew to Your Excellency the assurances of my most distinguished consideration.

Luis CRUZ S.

His Excellency John Foster Dulles  
Secretary of State  
Department of State  
Washington, D.C.

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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.