

Message Text

LIMITED OFFICIAL USE

PAGE 01 LA PAZ 02611 251503Z

43

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 L-03 COME-00 TRSE-00 TAR-02

AID-20 IGA-02 AGR-20 XMB-07 OPIC-12 DRC-01 RSC-01

/096 W

----- 062379

R 242055Z APR 74

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 2924

INFO AMEMBASSY LIMA

LIMITED OFFICIAL USE LA PAZ 2611

FOR FULLMER

E.O. 11652: N/A

TAGS: ETRD, BL

SUBJ: FIAT CONCORD TRACTOR MONOPOLY; VIOLATION OF U.S.-
BOLIVIAN COMMERCIAL TREATY

REF: STATE 44074 (NOTAL)

1. TRADE SOURCES HANDLING U.S. MADE TRACTOR SALES TO BOLIVIA
ESTIMATE THAT IMPACT ON THEIR SALES OF THE FIAT MONOPOLY
WILL BE SAMLL. (IN TERMS OF TOTAL U.S. TRACTOR EXPORTS,
IMPACT WOULD BE NEGLIGIBLE.) THEY ARE NOT INCLINED TO
PROTEST TO GOB. MOST BELIEVE THAT GREATEST GAINS IN TRACTOR
SALES WILL BE ABOVE 112 H.P. MAXIMUM RESERVED FOR FIAT.
WE CONCUR LARGE FARMERS WITH GOOD CREDIT STANDING ARE NOW
LOOKING FOR BIGGER TRACTORS.

2. WE AGREE WITH REFTEL ASSESSMENT OF APPLICABILITY OF
TREATY PROVISIONS. WE ALSO BELIEVE THAT FIAT ARRANGEMENT
CAN SET PRECEDENT FOR FURTHER MONOPOLY ARRANGEMENTS.
U.S. FIRM, DRESSER, MAY BE NEXT FIRM TO RECEIVE SUCH
MONOPOLY. WE UNDERSTAND DRESSER INVESTMENT CONTRACT HAS
BEEN SIGNED BUT DECREE SIMILAR TO ONE ISSUED IN FIAT CASE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LA PAZ 02611 251503Z

HAS NOT BEEN ISSUED THUS FAR TO COVER DRESSER INVESTMENT.

3. SIMILAR CASES MAY HAVE ARISEN POSSIBLY ON BASIS OF
GATT OBLIGATION IF NOT FCN TREATIES IN OTHER ANDEAN PACT
OR STILL OTHER COUNTRIES ON DE FACTO BASIS IF NOT DE JURE.
DEPARTMENT IN BEST POSITION TO JUDGE IMPORTANCE OF THIS CASE
AS PRECEDENT.

4. WE BELIEVE APPROACH PROBABLY ADVISABLE ON GROUNDS
THIS CASE MAY SET SIGNIFICANT NEW PRECEDENT IN BOLIVIA AT
LEAST. FOLLOWING FACTORS, HOWEVER, SHOULD BE TAKEN INTO
CONSIDERATION: (A) IF SIMILAR CASES HAVE OCCURRED IN OTHER
COUNTRIES, MULTILATERAL APPROACH SHOULD BE CONSIDERED.
(B) MUST BE BORNE IN MIND THAT GOB MAY SIMPLY RESPOND THAT
U.S. FIRM, DRESSER, WILL BE FAVORED IN SAME DEGREE AS FIAT.
(C) GOB MAY REFER TO EXCEPTION USG REQUESTED IN 1946
TO RECIPROCAL MFN FOR U.S. - PHILIPPINE TRADE WHICH GOB
REASILY GRANTED. THUS, GOB COULD ASK FOR EXCHANGE OF NOTES
WAIVING MFN FOR SIX YEAR PERIOD PROVIDED FOR IN FIAT
ARRANGEMENT.

5. IF DEPARTMENT BELIEVES A APPROACH ADVISABLE, WE WOULD
PROPOSE AN INITIAL APPORACH TO SUBSECRETARY FOR INDUSTRY
PEREIRA WHO AT RIGHT LEVEL AND MOST KNOWLEDGEABLE GOB
OFFICIAL ON ANDEAN PACT RAMIFICATIONS.
FIAT INVESTMENT MADE IN HOPES OF OBTAINING ANDEAN PACT
PROGRAMMED INDUSTRIAL SECTOR ASSIGNMENT AND DRESSE
INVESTMENT BEING MADE IN SUBSECTOR ALREADY ASSIGNED TO
BOLIVIA UNDER ANDEAN PACT.
STEDMAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TREATY VIOLATION, FARM EQUIPMENT, TRADE AGREEMENTS, TRACTORS, IMPORT CONTROLS, MONOPOLIES
Control Number: n/a
Copy: SINGLE
Draft Date: 24 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LAPAZ02611
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740098-0154
From: LA PAZ
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740418/aaaaapul.tel
Line Count: 90
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: STATE 44074 (NOTAL)
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 09 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 SEP 2002 by boyleja>; APPROVED <06 FEB 2003 by GolinoFR>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FIAT CONCORD TRACTOR MONOPOLY; VIOLATION OF U.S.- BOLIVIAN COMMERCIAL TREATY
TAGS: ETRD, BL, US, FIAT CONCORD
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005