

No. 1740

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**GUATEMALA**  
**and**  
**EL SALVADOR**

**Treaty of free trade and economic integration (with annexes and exchange of letters). Signed at San Salvador, on 14 December 1951**

*Official text: Spanish.*

*Registered by Guatemala on 4 June 1952.*

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**GUATEMALA**  
**et**  
**SALVADOR**

**Traité relatif au libre échange et à l'intégration économique (avec annexes et échange de lettres). Signé à San-Salvador, le 14 décembre 1951**

*Texte officiel espagnol.*

*Enregistré par le Guatemala le 4 juin 1952.*

[TRANSLATION — TRADUCTION]

No. 1740. TREATY<sup>1</sup> OF FREE TRADE AND ECONOMIC INTEGRATION BETWEEN THE REPUBLICS OF GUATEMALA AND EL SALVADOR. SIGNED AT SAN SALVADOR, ON 14 DECEMBER 1951

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The Governments of the Republics of Guatemala and El Salvador, desirous of strengthening the ties of origin and friendship which happily unite the two countries as States descended from the same Central American nations; and with the purpose of progressively integrating their economies, ensuring the expansion of their markets, promoting the production and exchange of goods and services, raising the standards of living and employment of their respective peoples, and so contributing to the restoration of the economic unity of Central America, have decided to enter into this Treaty of Free Trade and Economic Integration, to be implemented progressively, and to that end have respectively appointed the following plenipotentiaries :

His Excellency, the President of the Republic of Guatemala : Don Manuel Galich, Minister of Foreign Affairs of Guatemala; and

His Excellency, the President of the Republic of El Salvador : Don Roberto Edmundo Canessa, Minister of Foreign Affairs of El Salvador,

who, having exchanged their respective full powers, found in good and due form, have agreed together as follows :

## CHAPTER I

### RULES GOVERNING TRADE

#### *Article I*

The Contracting States announce their intention as soon as conditions allow of constituting a customs union between their respective territories, for which purpose they agree forthwith to adopt measures likely to accomplish this object.

Accordingly, the Signatory States hereby agree to establish a system of free trade, to be extended progressively, eliminating the undermentioned customs duties, taxes and requirements between their territories, in respect of the products of both countries listed in the attached schedule, which forms Annex " A " of this Treaty.<sup>2</sup>

<sup>1</sup> Came into force on 17 May 1952 by the exchange of the instruments of ratification at Guatemala, in accordance with article XXII.

<sup>2</sup> See p. 151 of this volume.

As a consequence, the natural products of and the goods manufactured in the Contracting States, shall, if included in the attached schedule, be exempt from the payment of import and export duties and of all other taxes, surcharges and fees leviable on or payable by reason of import and export, whether such duties or charges are national, municipal or of any other description and whatever the purposes to which they are applied.

The exemptions mentioned in this article do not extend to lighterage, wharfage, storage and handling charges for merchandise, or to any other charges legally payable for harbour, storage or transport services.

If any of the products or articles referred to in the annexed schedule is subject to taxes, excise duties, or to any other domestic taxation whatsoever applicable to production, sale, distribution or consumption in either of the Signatory Countries, the said country may levy the same taxes on goods of the same nature imported from the other State.

### *Article II*

Goods originating in the territory of either of the Contracting States and referred to in the schedule annexed to this Treaty shall be exempt from all quantitative control measures in either State.

Nevertheless, until the final purposes of this Treaty are achieved, each Signatory State may continue or adopt, as a general measure without discrimination, quantitative control measures applicable to the goods marked with an asterisk, in the annexed schedule, the nature of such control being specified in a marginal note against the item in the schedule. Such measures may only be taken in respect of: (a) exports, to prevent or remedy a shortage of food or other products essential to the economy of the exporting country; and (b) imports, in order to avoid serious dislocations in the general economic stability of the importing country.

When either of the Signatory States proposes to take any of the measures referred to in the previous paragraph, it shall proceed in such a manner as to reduce to a minimum the adverse effects on the economy of the other State, and also to allow within reason the completion of transactions which are pending and have been duly substantiated.

The State which adopts any of the control measures referred to above, shall duly transmit to the other Signatory State all relevant information, in order that both States may co-ordinate their respective action.

Each of the Signatory States shall endeavour to rescind whatever quantitative control measures it has adopted, as soon as the circumstances which led to the adoption of these measures permit.

The adoption, modification or abolition of the quantitative control measures referred to in this article shall be notified to the other State by a note of the Ministry of Foreign Affairs.

It is further stipulated that the goods included in the annexed schedule shall not be exempt from controls lawfully applicable in the territories of the contracting States as health, security or police measures.

### *Article III*

The schedule annexed to this Treaty may be added to, reduced or modified by agreement between the two Governments, in accordance with their respective constitutional or legislative processes, subject to the advice of the Joint Commission referred to below.

### *Article IV*

The Signatory States, convinced of the desirability of unifying their customs tariffs, shall endeavour to ensure that, before further goods are added to the schedule annexed to this Treaty, the import duties and taxes levied by each of them on goods of the same type originating in countries other than those formerly members of the Central American Federation, shall be equalized.

### *Article V*

Goods exchanged under this Treaty shall be accompanied by a customs declaration form which shall contain the declaration of origin of the goods and bear the signature or fingerprint of the exporter. This form shall be checked and verified by the customs officers of both countries, as provided in Annex "B" to this Treaty.<sup>1</sup>

### *Article VI*

Goods originating in one of the Signatory States and not mentioned in the schedule hereto, shall receive unconditional and unlimited most-favoured-nation treatment in the other State.

This treatment shall not, however, be extended to the benefits which have been granted or may be granted by one of the Contracting States, under agreements similar to this Treaty, to any other State formerly a member of the Central American Federation.

If either of the Contracting States enters into or intends to enter into a treaty similar to this Treaty with one of the other States formerly members of the Central American Federation, it shall consult with the other signatory hereto for the purpose of considering the desirability of adjusting their mutual trade relations to the altered circumstances, or, if possible, establishing in Central America a wider zone of free trade.

<sup>1</sup> See p. 159 of this volume.

*Article VII*

The Contracting States, with the purpose of applying the principle of non-discrimination more extensively to their trade relations, agree that :

- (a) Any goods subject to quantitative control measures applied by either of the Contracting States, and imported from or exported to the territory of the other State, shall receive treatment not less favourable than that applied to similar merchandise of any other origin or destination;
- (b) Neither of the Signatory States shall introduce internal dues, taxes or other charges applicable to goods imported from the territory of the other State, nor shall it enact or impose regulations governing the distribution or retail sale of the said goods, if the effect of such taxes or regulations would be or in fact is to place the goods in a discriminatory or disadvantageous position with respect to similar goods which are produced domestically or imported from any other country; and
- (c) If either of the Signatory States establishes or maintains a body or department or grants special privileges to a particular undertaking, with the object that the said body, department or undertaking should exclusively or principally, permanently or temporarily, engage in the production, export, import, sale or 'distribution of some commodity, the said State shall extend to the traders of the other State a just and equitable treatment with respect to purchases or sales made abroad by that body, department or undertaking. The organization in question shall act as a private commercial firm, and shall within reason offer traders of the other country an opportunity to compete in such purchase or sales transactions.

## CHAPTER II

## INTERNATIONAL TRANSIT

*Article VIII*

Each of the Contracting States shall maintain full freedom of transit through its territory for merchandise consigned to or originating in the other State.

Such transit shall be effected without deductions, discrimination or quantitative restrictions. In the event of congestion of freight traffic or in case of *force majeure*, each of the Signatory States shall arrange impartially for the movement of goods intended for the supply of its own population and for that of goods in transit to the other State.

Transit traffic shall be carried over the lawful routes recognized for the purpose and in conformity with the laws and customs regulations in force in the territory of transit.

Goods in transit shall be exempt from all duties, taxes or fiscal, municipal or other charges, whatever the purpose for which these charges are levied, but shall be subject to the payment of the charges usually payable for services.

### CHAPTER III

#### EXPORT SUBSIDIES AND UNFAIR COMPETITION

##### *Article IX*

Neither of the Signatory States shall grant, whether directly or indirectly, export subsidies in respect of goods intended for the territory of the other State, nor shall it establish or maintain systems the result of which would be the sale of such goods for export to the other State at prices lower than those at which such goods are sold on the home market, allowance to be made for the differences in conditions and terms of sale and taxation, and for the other factors affecting price comparisons.

Any practice which is employed in one of the Signatory States for the purpose of fixing or discriminating between prices and which, in the other State, leads to selling prices for a particular commodity below those which would result from the normal operation of the market in the exporting country, shall be deemed to be an indirect export subsidy.

Any tax exemptions granted by either of the Signatory States for the purpose of developing the production of certain goods in its territory shall not, however, be deemed to be an export subsidy.

Similarly, exemption from domestic production, sales or consumption taxes chargeable in the exporting State on goods exported to the territory of the other State shall not be deemed to be an export subsidy.

##### *Article X*

The export of goods from either of the Signatory States to the territory of the other State at prices lower than their normal value, in a manner which causes or is likely to cause prejudice to an industry established in the territory of the other State, or which would defer the establishment of a national industry, is a practice which constitutes unfair competition (" dumping ") and is incompatible with the purposes of this Treaty, and hence shall be avoided by both States by all the legal means at their disposal.

Goods will be deemed to have been exported at prices lower than their normal value if the price of the said goods :

- (a) is less than the comparable price, under normal trade conditions, of similar goods intended for consumption in the home market of the exporting country; or,

- (b) in the absence of any such price in the home market is less than
1. the highest comparable price for similar goods exported to a third country under normal trade conditions; or
  2. the cost of production of those goods in the country of origin, plus a reasonable addition representing sales costs and profit.

In each case allowance shall be made for existing differences affecting conditions and terms of sale and taxation and for other differences influencing the comparison between prices.

#### *Article XI*

In order to eliminate the effects of the direct or indirect export subsidies which may result in either of the Signatory States from the application of general, non-discriminatory measures, and in order to counteract the effects of the aforesaid practices of unfair competition, the State concerned may establish compensatory customs duties to the amount required to cover the artificial difference in price occasioned by the said subsidies or practices, in which case the other Contracting State shall be notified in advance.

### CHAPTER IV

#### TRANSPORT

#### *Article XII*

The Signatory States shall endeavour to construct and maintain roads to facilitate and increase the traffic between their territories, and shall confer together concerning work relating to bridges and other connexions needed at the frontiers.

They shall also endeavour to standardize transport charges in their respective territories and the relevant statutory provisions and regulations.

#### *Article XIII*

Ships and aircraft, whether commercial or private, of either of the Contracting States shall receive the same treatment at ports and airports open to international traffic in the other State as that extended to the ships and aircraft of the latter. The same treatment shall be extended to passengers, crew and freight.

Road vehicles registered in either of the Signatory States shall, in the territory of the other State, receive the same treatment as that extended to vehicles registered in the latter.

The provisions of this article shall be interpreted as being without prejudice to compliance with the registration and control formalities applied by each country to the admission, stay or departure of ships, aircraft and vehicles in pursuance of health, security or police measures and for the protection of public and fiscal interests.

## CHAPTER V

### INVESTMENTS

#### *Article XIV*

Each of the Contracting States shall accord fair treatment to investments of capital by nationals of the other State and shall in consequence abstain from adopting discriminatory measures capable of prejudicing any rights lawfully acquired by such nationals.

Investments of capital by nationals of either of the Contracting States shall, in the territory of the other State, enjoy treatment no less favourable than that extended to the most favoured nations, as regards the right of organizing, or participating or sharing in agricultural, stock-breeding, industrial, commercial, mining or financial undertakings, and also as regards the administration or management of such undertakings.

In keeping with the purposes of economic integration contemplated by this Treaty, each of the Signatory States shall endeavour, subject to the provisions of its Constitution, to extend the same treatment to investments of capital by nationals of the other State as that given to investments of capital by its own nationals.

## CHAPTER VI

### ECONOMIC CO-OPERATION

#### *Article XV*

The Signatory States hereby agree to set up a Joint Trade Commission, consisting of an equal number of representatives of each Party, which shall meet whenever it is considered desirable and in any case not less frequently than once every six months.

The Commission may travel freely in either of the Contracting States in order to study the matters within its competence on the spot, and the authorities of both States shall provide it with all the information and facilities required for the fulfilment of its functions.

#### *Article XVI*

The Joint Trade Commission shall have the following functions :

- (a) To analyse and collate statistics and other data relating to trade between the two States;



- (b) To study, at the request of either or both Governments, all matters relating to this Treaty and to propose measures to be adopted for settling problems arising from its application; and,
- (c) To study the production and the trade of both States, and to recommend additions to, removals from, and modifications of the annexed schedule and also procedures conducive to :
1. The unification of tariffs and customs regulations;
  2. The establishment of the same fiscal regime for articles subject to monopolies and for goods subject to production, sales or consumption taxes;
  3. The preparation of agreements for the purpose of avoiding double taxation in the matter of direct taxes;
  4. The use of the metric and decimal system in all matters relating to weights and measures; and
  5. The customs union between and the general economic integration of the two countries.

#### *Article XVII*

The competent authorities of both countries shall collect, compile and publish statistical data referring to import, export and transit operations carried on under this Treaty, in conformity with rules to be agreed upon between the Joint Trade Commission and the statistical organs of the Signatory States.

#### *Article XVIII*

The central banks of the Signatory States shall co-operate closely with a view to avoiding currency speculation which might affect exchange rates and to maintaining the convertibility of the currencies of both countries on a basis which, under normal circumstances, shall guarantee freedom, uniformity and stability in the matter of monetary exchange.

If one of the Signatory States should introduce restrictions on international monetary transfers, it shall take the necessary measures to ensure that such restrictions do not result in discrimination against the other State.

#### *Article XIX*

The competent authorities of both States shall co-ordinate their activities with a view to protecting forest reserves and water resources and preventing soil erosion in the frontier regions of their respective territories.

CHAPTER VII  
GENERAL PROVISIONS

*Article XX*

Since the present treaty is specifically Central American in character and is designed to lay the foundations for a customs union between the contracting countries and for the progressive integration of their economies, the Signatory States hereby agree that, before signing or ratifying multilateral agreements relating to trade or to customs concessions, and before deciding to join any international body established for such purposes or negotiating arrangements within the framework of such bodies, they will consult with each other with a view to adopting a common attitude.

Similarly, the Contracting States will endeavour to adopt identical attitudes at inter-American international conferences or meetings concerned with economic questions.

The Signatory States agree to retain the "Central American Exception Clause" in any commercial treaties which they may enter into on the basis of "most-favoured-nation" treatment with countries other than those formerly members of the Central American Federation.

*Article XXI*

The Signatory States agree to settle amicably, in the spirit of this Treaty, any disputes which may arise concerning the interpretation or application of any of its clauses. If they fail to reach agreement, they shall settle the controversy by arbitral procedure. In such cases, each party shall appoint an arbitrator and the two arbitrators shall then appoint a third. Any award of the arbitratative court shall require the concurring vote of at least two of its members.

*Article XXII*

The period of validity of this Treaty shall be four years from the date of the exchange of instruments of ratifications and it shall continue in force indefinitely unless denounced by one of the Signatory States subject to at least six months' notice in advance.

*Article XXIII*

This Treaty shall be ratified by both Contracting States in accordance with their constitutional processes, and the instruments of ratification shall be exchanged at Guatemala City or San Salvador.

IN WITNESS WHEREOF, the respective plenipotentiaries hereby sign and seal this Treaty, in two identical copies, in the city of San Salvador, on 14 December 1951.

(Signed) M. GALICH

(Signed) Roberto E. CANESSA

## ANNEX A

## SCHEDULE OF GOODS FOR FREE TRADE BETWEEN GUATEMALA AND EL SALVADOR

*General notes*

- (a) To qualify for the benefits of the Treaty, the goods mentioned in this schedule must originate in the Republic of Guatemala or in the Republic of El Salvador and must be natural products of, or must have been manufactured in, the said countries (article I of the Treaty).
- (b) Items marked with an asterisk may be subjected to quantitative control measures (article II of the Treaty).
- (c) Whenever this schedule refers to products or articles as "not specified" or "unspecified", this expression should be taken to mean goods not specifically mentioned in the schedule itself.

<i>Description of goods</i>	<i>Remarks</i>
Horses, donkeys and mules . . . . .	
* Cattle . . . . .	May be subjected to export control
Sheep . . . . .	
Goats . . . . .	
Pigs . . . . .	
Live poultry . . . . .	
Bees, whether in hives or not . . . . .	
Live animals, not specified . . . . .	
* Fresh meat . . . . .	May be subjected to export control
Sausages of all kinds . . . . .	
Bacon and ham . . . . .	
Meat, not specified, canned or otherwise preserved . . . . .	
Fish, shellfish and crustacea, live or fresh . . . . .	
Fish, shellfish and crustacea, canned or otherwise preserved . . . . .	
Fresh milk and cream of all kinds . . . . .	
Yogurt . . . . .	
Butter . . . . .	
Cheese of all kinds . . . . .	
* Hens' eggs . . . . .	May be subjected to export control
Birds' eggs (other than hens' eggs) . . . . .	
Eggs of turtles and other reptiles . . . . .	
Bees' honey . . . . .	
* Maize . . . . .	May be subjected to export and import control
* Millet . . . . .	May be subjected to export and import control
* Rice . . . . .	May be subjected to export and import control
* Barley . . . . .	May be subjected to export and import control
* Kidney beans . . . . .	May be subjected to export and import control
Chick peas . . . . .	
Lentils . . . . .	
Potatoes in their natural state . . . . .	

Description of goods	Remarks
Fresh garlic and onions . . . . .	
Fresh vegetables, not specified . . . . .	
Vegetables, not specified, canned or otherwise preserved . . . . .	
Fresh fruits . . . . .	
Fruits, canned or otherwise preserved . . . . .	
* Cocoa beans, in their natural state . . . . .	May be subjected to export control
Cocoa prepared in any form, including chocolate . . . . .	
Cocoa butter . . . . .	
Rice flour . . . . .	
Vegetable flour . . . . .	
Wheat flour pastes . . . . .	
Cakes and biscuits . . . . .	
* Cane syrups, including molasses . . . . .	May be subjected to export control
* Cane sugar . . . . .	May be subjected to export and import control
* Unrefined brown or pan sugar . . . . .	May be subjected to export control
Syrups of all types . . . . .	
Fruit jellies . . . . .	
Crystallized fruits . . . . .	
Comfits, bon-bons, sweets and caramels, with a sugar base . . . . .	
Chewing gum, sugar-coated or not . . . . .	
Spices and vegetable products for flavouring . . . . .	
Savoury sauces . . . . .	
* Vegetable oils, edible or not . . . . .	May be subjected to export control
* Common salt, refined or not . . . . .	May be subjected to export control
Fruit juices, not fermented . . . . .	
Vinegar of all kinds . . . . .	
Mineral waters and non-alcoholic aerated beverages . . . . .	
Wines and ciders . . . . .	
Beers and similar beverages . . . . .	
Horns, unprocessed . . . . .	
Ice . . . . .	
Tortoise shell, unprocessed . . . . .	
Organic fertilizers of all kinds . . . . .	
Bone meal and ground bones, unrefined . . . . .	
Feathers, untreated . . . . .	
Pig's bristles and horse hair in the natural state . . . . .	
Beeswax . . . . .	
* Undressed hides and skins . . . . .	May be subjected to export control
Gypsum . . . . .	
Calcined gypsum . . . . .	
Marble, in blocks, slabs or powder . . . . .	
Grindstones . . . . .	
Whetstones . . . . .	
Stones and rocks, not specified, in blocks, slabs or other forms . . . . .	
Quicklime or slaked lime (hydrated) . . . . .	
Colouring earth and mineral colours in powder . . . . .	
* Sulphur . . . . .	May be subjected to export control

<i>Description of goods</i>	<i>Remarks</i>
* Lead . . . . .	May be subjected to export control
* Portland cement and other hydraulic cements . . . . .	May be subjected to export control
Lemon grass plants, citronella and coffee bushes . . . . .	
Living plants, not specified . . . . .	
Natural flowers . . . . .	
* Seeds of cotton, sunflower, and castor oil, seed, linseed, sesame, coconuts and other oil-bearing seeds . . . . .	May be subjected to export control
* Coffee seed . . . . .	May be subjected to export control
Seeds of leguminous and other plants, for fertilizers and fodder	
Nuts, not edible. . . . .	
Copra, in pieces or in pulp . . . . .	
* Residual grain, copra, and oil-bearing seed products, for fodder	May be subjected to export control
* Fodder of all kinds, not specified . . . . .	May be subjected to export control
Raw rubber, in any form . . . . .	
Wood tar . . . . .	
Colophony or common pitch . . . . .	
* Oil or spirit of turpentine . . . . .	May be subjected to export control
Black balsam (Balsam of El Salvador) and balsam bark (storax) .	
Wood in blocks . . . . .	
Sawn, planed or dovetailed wood, in sheets, plywood or semi-manufactured in other forms . . . . .	
Wood for fuel (firewood) . . . . .	
* Wood barks for tanning or dyeing . . . . .	May be subjected to export control
Vegetable extracts for tanning . . . . .	
Bamboo, wild cane and other canes for wicker work or building	
Osiers, rushes, reeds, straw, palm and other coarse fibres, not specified, untreated. . . . .	
Loofah, unmanufactured . . . . .	
* Raw henequen. . . . .	May be subjected to export control
Henequen waste . . . . .	
* Raw or ginned cotton. . . . .	May be subjected to export and import control
Cotton waste . . . . .	
Medicinal plants, cuttings, leaves, flowers, seeds, bark and roots.	
Indigo . . . . .	
Potato or cassava starch . . . . .	
Glues . . . . .	
Carbonic acid gas . . . . .	
Oxygen . . . . .	
Glycerine . . . . .	
Matches . . . . .	
Aerated water . . . . .	
Medicines prepared from black balsam base . . . . .	
Patent medicines, not specified . . . . .	
Balsam, sulphur or ox-gall soaps . . . . .	
Candles, tapers etc., prepared with animal or vegetable wax . . . . .	

## Description of goods

## Remarks

Bone, horn or wood buttons . . . . .	
Cables, ropes, twine and string, of henequen, abacá, kenaf ( <i>rosella</i> ) or other similar native fibres . . . . .	
Articles manufactured from henequen, abacá, kenaf or other similar native fibres : textiles, hammocks, nets, purses, har- ness and other unspecified articles manufactured from these materials . . . . .	
Cotton mesh fishing nets . . . . .	
Cotton mesh or textile hammocks . . . . .	
Brooms and brushes of vegetable material . . . . .	
Articles made of loofah . . . . .	
* Bags or sacks of henequen, maguey, abacá, kenaf or other similar native fibres with or without paper lining . . . . .	May be subject to export control
* Cotton bags or sacks . . . . .	May be subjected to export and import control
Palm leaf hats of all types . . . . .	
Baskets, purses and unspecified articles of bamboo, rattan, osiers, straw, palmleaf or other similar material . . . . .	
* Tanned hides, including leather soles . . . . .	May be subjected to export control
Undressed sheep skins and fur pelts . . . . .	
Semi-manufactured fur and skin articles . . . . .	
Leather belts and packings for machinery . . . . .	
Saddles, pack saddles, side saddles, harness and accessories . . . . .	
Leather sandals and slippers . . . . .	
Hides and leather articles, unspecified, excepting shoes . . . . .	
Doors, windows, balconies and other wooden fixtures, not specified, for building . . . . .	
Wood furniture of all kinds . . . . .	
Wooden toys . . . . .	
Marimbas, pipes, flutes, drums, bass drums, guitars, mandolins and violins . . . . .	
Wooden articles, not specified . . . . .	
Ordinary packing paper . . . . .	
Cardboard . . . . .	
Lithograph plates and lithographs . . . . .	
Boxes and other articles of cardboard . . . . .	
Paper bags and envelopes . . . . .	
Tiles, bricks, pipes and paving blocks manufactured of clay . . . . .	
Terracotta articles, not specified . . . . .	
Sanitary articles in porcelain; tiles and other articles of the same material, for building or ornament . . . . .	
Household china and other china articles for domestic use or ornament . . . . .	
Bricks, blocks, pipes and other building material made of refractory material . . . . .	
Bricks, pipes, blocks and other articles of concrete for building or ornament, including those containing pumicestone, saw- dust or other local materials . . . . .	
Sanitary articles and others not specified, of asbestos cement . . . . .	
Plaster articles of all kinds . . . . .	
Printers' ink . . . . .	

<i>Description of goods</i>	<i>Remark</i>
Shoe polish : paste and liquids for cleaning and polishing shoes and leather articles . . . . .	
Toilet articles, perfume and cosmetics, with the exception of face powder . . . . .	
Native woollen or cotton textiles . . . . .	
Woollen sweaters, pullovers, etc. . . . .	
Woollen capes . . . . .	
Native blankets and sleeping bags of wool . . . . .	
Wool or cotton carpet . . . . .	
Garments or other articles for personal or domestic use, made from native cotton or wool cloth . . . . .	
Mattresses, pillows and cushions of wool, horsehair, feathers or rough fibres not specified, with cotton lining . . . . .	
Native tortoise shell articles . . . . .	
Articles for personal or domestic use, made of synthetic plastic material . . . . .	
Cinematographic films made in Central America . . . . .	
Photographs and photostat copies, including negatives . . . . .	
Heavy shoes, boots, overboots, rubber soles and heels . . . . .	
Wool or cotton footwear, with leather or rubber soles . . . . .	
Toys and other unspecified articles, principally made of rubber . . . . .	
Capes and ponchos of cotton, waterproofed with rubber . . . . .	
Alpargatas and similar footwear of cloth, with rough fibre soles	
Metal furniture . . . . .	
Doors, windows, railings, balconies, screens, lamps and other metal products, for building or ornament . . . . .	

## ANNEX B

### CUSTOMS PROCEDURE

#### *Article I*

The goods to be traded in freely under the Treaty of Free Trade and Economic Integration between Guatemala and El Salvador, shall be cleared by the customs authorities at the point of consignment and at the point of destination in both countries, subject to observance of the customs requirements and formalities of both countries and to the production of the customs declaration form mentioned in article V of the Treaty. This form shall serve both as an application for clearance and as a certificate of origin.

#### *Article II*

The declaration of origin contained in the said customs form shall be checked by the central customs office or by the customs authorities at the point of shipment in the exporting country and verified by the registering customs authorities of the importing country.

In any case where a customs officer is called upon to check or verify a declaration of origin and has doubts concerning its authenticity, he shall refer the case to the competent central customs office for a ruling.

*Article III*

The said customs form shall be prepared in triplicate, in conformity with the following model :

(a) For shipment in Guatemala :

*Customs form*

Required in pursuance of the Treaty of Free Trade between Guatemala and El Salvador.

Exporter.....  
(Name and address)

Vendor .....  
(Name and address)

Consignee .....

Customs office of destination .....

Place of shipment.....

Means of transport .....

.....

<i>Label No.</i>	<i>Number and type of packages</i>	<i>Weight in kilograms Gross Net</i>	<i>Trade name of goods</i>	<i>Value in quetzals f.o.b. (place)</i>
TOTALS				

The undersigned exporter hereby DECLARES : that the goods specified above originated in Guatemala and that the value and the other particulars stated in this form are correct.

.....  
(Signature or fingerprint of exporter)

The undersigned hereby CERTIFIES : that to the best of his knowledge the goods specified in this customs form originated in Guatemala.

.....  
(Signature and seal of the Director-General  
of Customs or Chief Customs Officer at the  
point of shipment)

NOTE : The original is to be delivered to the person concerned for production to the customs authority at the point of destination; one copy will be retained by the person concerned, and the other copy will be retained by the customs authority of the country of origin which authorizes the export of the goods.



(b) For despatch from El Salvador :

*Customs form*

Required in pursuance of the Treaty of Free Trade between El Salvador and Guatemala.

Exporter.....  
(Name and address)

Vendor .....  
(Name and address)

Consignee .....

Customs office of destination .....

Place of shipment.....

Means of transport .....

Label No.	Number and type of packages	Weight in kilograms		Trade name of goods	Value in colons—f.o.b. (place)
		Gross	Net		
TOTALS					

The undersigned exporter hereby DECLARES : that the goods specified above originated in El Salvador and that the value and the other particulars stated in this form are correct.

.....  
(Signature or fingerprint of exporter)

The undersigned hereby CERTIFIES : that to the best of his knowledge the goods specified in this customs form originated in El Salvador.

.....  
(Signature and seal of the Director-General of Customs or Chief Customs Officer at the point of shipment)

NOTE : The original is to be delivered to the person concerned for production to the customs authority at the point of destination; one copy will be retained by the person concerned, and the other copy will be retained by the customs authority of the country of origin which authorizes the export of the goods.

This model may be modified by agreement between the competent authorities of both countries, subject to consultation with the Joint Trade Commission referred to in article XV of the Treaty or at the suggestion of the said Commission.

*Article IV*

The Signatory States agree to adopt the necessary measures to simplify and shorten customs formalities affecting trade between their territories and to facilitate compliance with these formalities by the public.

## EXCHANGE OF LETTERS

## I

MINISTRY OF FOREIGN AFFAIRS  
REPUBLIC OF GUATEMALA

Guatemala, 17 May 1952

350. C.

Your Excellency :

As a result of the conversations recently held in the city of San Salvador between officials of both Governments with reference to the immediate effects of the entry into force of the Treaty of Free Trade and Economic Integration between Guatemala and El Salvador, I have the honour to inform you of the full agreement of the Government of Guatemala to the following points :

1. The Governments of Guatemala and El Salvador will, immediately on the entry into force of the Treaty, apply all the export and import controls authorized by the said Treaty in respect of the goods identified by asterisks in the schedule contained in Annex " A " to the Treaty.

2. The Joint Commission referred to in article XV of the Treaty will be established immediately and give priority to the consideration of procedures likely to lead to the removal of any controls which can be dispensed with, or to the regulation of controls which cannot for the time being be removed.

3. Each Government, when applying export controls to articles the import of which is not subject to control in the other State, will bear that other State's economic interests in mind, for which purpose the two Governments will consult together by the most expeditious means whenever they consider it desirable.

I have pleasure in assuring you that the Government of Guatemala hopes that the operation of the Treaty and the work of the Joint Commission will make it possible at a very early date to abolish all the aforesaid controls entirely so that the high purposes contemplated by the two Governments in concluding the Treaty may be accomplished.

This communication and your communication of today's date constitute the exchange of notes referred to in article II of the Treaty of Free Trade and Economic Integration signed on 14 December 1951.

I have the honour to be, etc.

(Signed) M. GALICH  
Minister of Foreign Affairs

His Excellency Dr. Roberto E. Canessa  
Minister of Foreign Affairs of the  
Republic of El Salvador  
San Salvador

## II

MINISTRY OF FOREIGN AFFAIRS  
REPUBLIC OF EL SALVADOR, C.A.

Department of International Organizations

Palacio Nacional  
San Salvador, 17 May 1952

A-590-D-1249

Your Excellency :

As a result of the conversations recently held in the city of San Salvador between officials of both Governments with reference to the immediate effects of the entry into force of the Treaty of Free Trade and Economic Integration between El Salvador and Guatemala, I have the honour to inform you of the full agreement of the Government of El Salvador to the following points :

[*See letter I*]

(*Signed*) Roberto E. CANESSA  
Minister of Foreign Affairs

His Excellency Don Manuel Galich  
Minister of Foreign Affairs  
Guatemala