

No. 6384

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**UNITED STATES OF AMERICA  
and  
PANAMA**

**General Agreement for technical and economic cooperation.  
Signed at Panama, on 11 December 1961**

*Official texts: English and Spanish.*

*Registered by the United States of America on 28 November 1962.*

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

**Accord général de coopération technique et économique.  
Signé à Panama, le 11 décembre 1961**

*Textes officiels anglais et espagnol.*

*Enregistré par les États-Unis d'Amérique le 28 novembre 1962.*

No. 6384. GENERAL AGREEMENT<sup>1</sup> FOR TECHNICAL AND ECONOMIC COOPERATION BETWEEN THE GOVERNMENT OF THE REPUBLIC OF PANAMA AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA. SIGNED AT PANAMA, ON 11 DECEMBER 1961

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The Government of the United States of America and the Government of Panama, in order to provide the basis upon which the Government of the United States of America is prepared to extend assistance to Panama have agreed as follows :

*Article I*

The Government of the United States of America will furnish such economic, technical and related assistance hereunder as may be requested by representatives of the appropriate agency or agencies of the Government of Panama and approved by representatives of the agency designated by the Government of the United States of America to administer its responsibilities hereunder, or as may be requested and approved by other representatives designated by the Government of the United States of America and the Government of Panama. The furnishing of such assistance shall be subject to the applicable laws and regulations of the Government of the United States of America. It shall be made available in accordance with written arrangements agreed upon between the above-mentioned representatives.

*Article II*

The Government of Panama will make the full contribution permitted by its manpower, resources, facilities and general economic condition in furtherance of the purposes for which assistance is made available hereunder ; will take appropriate steps to insure the effective use of such assistance ; will cooperate with the Government of the United States of America to assure that procurement will be at reasonable prices and on reasonable terms ; will permit, without restriction, continuous observation and review of programs and operations hereunder and of records pertaining thereto by representatives of the Government of the United States of America ; will provide the Government of the United States of America with full and complete information concerning such programs and operations and other relevant information which it may need to determine the nature and scope of operations hereunder and to evaluate the effectiveness of the assistance furnished or contemplated hereunder ;

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<sup>1</sup> Came into force on 5 March 1962, the date of the communication by which the Government of Panama notified the Government of the United States of America that the Agreement had been ratified by the Government of Panama, in accordance with the provisions of article VI (1).

and will give to the people of Panama full publicity concerning programs and operations hereunder. With respect to technical assistance programs hereunder, the Government of Panama also will bear a fair share of the costs thereof; will, to the maximum extent possible, seek full coordination and integration of technical cooperation programs being carried on in Panama; and will cooperate with other nations participating in such programs in the mutual exchange of technical knowledge and skills.

### *Article III*

1. In any case where commodities or services are furnished on a grant basis under arrangements which will result in the accrual of proceeds to the Government of Panama from the import or sale of such commodities or services, the Government of Panama except as may otherwise be agreed upon by the representatives referred to in Article I hereof, will establish in its own name a Special Account in the Banco Nacional de Panamá, and will deposit promptly in such Special Account the amount of its currency equivalent to such proceeds.

2. Except as may otherwise be agreed upon by the representatives referred to in Article I hereof, the currency in the Special Account will be utilized as follows: When the Government of the United States of America gives written notice from time to time to the Government of Panama that it requires Panamanian currency, the Government of Panama will make available to the Government of the United States of America, in the manner requested by the latter, the amount specified in such written notice, out of any balances in the Special Account. The Government of Panama may draw upon any remaining balances in the Special Account for such purposes beneficial to Panama as may be agreed upon from time to time by the representatives referred to in Article I hereof. Whenever funds from such Special Account are used by the Government of Panama to make loans, all funds received in repayment of such loans prior to the termination of assistance hereunder shall be deposited in the Special Account. Any unencumbered balances of funds which remain in the Special Account upon termination of assistance hereunder to the Government of Panama shall be disposed of for such purposes as may be agreed upon by the representatives referred to in Article I hereof.

3. For purposes of this Agreement, currency of Panama shall be deemed to include both currency issued by the Government of Panama and United States dollars.

*Article IV*

The Government of Panama will receive a special mission and its personnel to discharge the responsibilities of the Government of the United States of America hereunder ; will consider this special mission and its personnel as part of the diplomatic mission of the United States of America in Panama for the purpose of enjoying the privileges and immunities accorded to that diplomatic mission and its personnel of comparable rank ; and will give full cooperation to the special mission and its personnel, including the furnishing of facilities necessary for the purpose of carrying out the provisions hereof.

*Article V*

In order to assure the maximum benefits to the people of Panama from the assistance to be furnished hereunder :

- (a) Any supplies, materials, equipment, commodities, or funds introduced into or acquired in Panama by the Government of the United States of America or any contractor financed by that Government, for purposes of this Agreement, shall, while such supplies, materials, equipment, commodities, or funds are used in connection with this Agreement, be exempt from any taxes on ownership or use of property, and any other taxes, investment or deposit requirements and currency controls in Panama, and the import, export, purchase, use, or disposition of any such supplies, materials, equipment, commodities, or funds in connection with this Agreement shall be exempt from any tariffs, customs duties, import and export taxes, taxes on purchase or disposition of property, and any other taxes or similar charges in Panama.
  
- (b) All personnel, except citizens and permanent residents of Panama, including employees of the Government of the United States of America or its agencies, or individuals under contract, or employees of public or private organizations under contract, with the Government of the United States of America, the Government of Panama, or any agencies of either the Government of the United States of America or the Government of Panama, who are present in Panama to perform work in connection herewith, shall be exempt from income and social security taxes levied under the laws of Panama, and from taxes on the purchase, ownership, use, or disposition of personal movable property (including automobiles) intended for their own use. Such personnel and members of their families shall receive the same treatment with respect to the payment of customs, import, export, and all other duties and fees on personal effects (including automobiles), equipment, and supplies imported into Panama for their own use as is accorded by the Government of Panama to diplomatic personnel of the Embassy of the United States of America in Panama.

*Article VI*

1. This Agreement shall enter into force on the date of the communication by which the Government of Panama notifies the Government of the United States of America that it has been ratified and shall remain in force until 90 days after receipt by either Government of written notification of the intention of the other to terminate it. In such event, the provisions of this Agreement shall remain in full force and effect with respect to assistance furnished pursuant to this Agreement before such termination.

2. All or any part of the program of assistance provided hereunder may, except as may otherwise be provided in arrangements agreed upon pursuant to Article I hereof, be terminated by either Government if that Government determines that because of changed conditions the continuation of such assistance is unnecessary or undesirable. The termination of such assistance under this provision may include the termination of deliveries of any commodities hereunder not yet delivered.

3. The two Governments or their designated representatives shall, upon request of either of them, consult regarding any matter on the application, operation or amendment of this Agreement.

4. Upon its entry into force, this Agreement will supersede the Point Four General Agreement for Technical Cooperation between the United States of America and the Republic of Panama signed at Panama on December 30, 1950,<sup>1</sup> as amended and extended by the Agreement effected by an exchange of notes signed at Panama on December 17, 1951 and January 7, 1952.<sup>2</sup> Arrangements or agreements implementing the above-mentioned Agreement, as amended and extended, concluded prior to the entry into force of this Agreement shall, from such date of entry into force, be subject to this Agreement.

DONE in duplicate, in the English and Spanish languages, at Panama City, this eleventh day of December, 1961.

For the Government of the United States of America :

Joseph S. FARLAND  
Ambassador of the United States

For the Government of the Republic of Panama :

Galileo SOLÍS  
Minister of Foreign Relations

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<sup>1</sup> United Nations, *Treaty Series*, Vol. 92, p. 167.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 180, p. 318.