

No. 12110

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**UNITED STATES OF AMERICA  
and  
PANAMA**

**Exchange of notes constituting an agreement regarding deposits for  
military assistance under the Foreign Assistance Act of 1971.  
Panamá, 4 April and 9 May 1972**

*Authentic texts : English and Spanish.*

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

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

**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. Panamá, 4 avril et 9 mai 1972**

*Textes authentiques : anglais et espagnol.*

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

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup>  
BETWEEN THE UNITED STATES OF AMERICA AND  
PANAMA REGARDING DEPOSITS FOR MILITARY  
ASSISTANCE UNDER THE FOREIGN ASSISTANCE ACT  
OF 1971

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I

*The American Ambassador to the Panamanian Minister of Foreign Relations*

No. 75

Panamá, April 4, 1972

Excellency :

I have the honor to refer to the Agreement concerning the furnishing of defense articles and services to the Government of the Republic of Panama effected by an exchange of notes in March and May of 1962<sup>2</sup> and to the recently enacted United States Foreign Assistance Act of 1971 which includes a provision requiring payment to the Government of the United States of ten percent of the value of grant military assistance and excess defense articles to be provided by the United States to the Government of Panama. In accordance with that provision, it is proposed that the Government of Panama will deposit in an account to be specified by the Government of the United States the following amounts in dollars : (a) in the case of any excess defense article given to the Government of Panama, an amount equal to ten percent of the fair value of that article, as determined by the Government of the United States, and (b) in the case of a grant of military assistance to the Government of Panama, an amount equal to ten percent of each such grant. The Government of Panama will be notified quarterly of deliveries of defense articles and rendering of defense services and the value thereof. Deposits to the account of the USG will be due and payable upon receipt of the aforesaid notification of deliveries. No more than twenty million dollars 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 Government of the United States payable in dollars, 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 the Ministry's reply stating that the foregoing is acceptable to the Government of Panama shall, together with this note, con-

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<sup>1</sup> Came into force on 9 May 1972 by the exchange of the said notes, with retroactive effect from 7 February 1972, in accordance with their provisions.

<sup>2</sup> United Nations, *Treaty Series*, vol. 458, p. 225.

stitute 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 renewed assurances of my highest consideration.

ROBERT M. SAYRE

His Excellency Lic. Juan Antonio Tack  
Minister of Foreign Relations  
Panama

## II

[SPANISH TEXT — TEXTE ESPAGNOL]

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

REPÚBLICA DE PANAMÁ  
MINISTERIO DE RELACIONES EXTERIORES  
PANAMÁ 4, PANAMÁ

REPUBLIC OF PANAMA  
MINISTRY OF FOREIGN AFFAIRS

Panamá, 9 de mayo

Panamá, May 9, 1972

DREU-156/1230

de 1972

DREU-156/1230

Señor Embajador :

Mr. Ambassador :

Tengo el honor de avisar recibo de la nota de Vuestra Excelencia N° 75, de 4 de abril del año en curso, la cual se refiere al Acuerdo concerniente al suministro de artículos y servicios de defensa al Gobierno de la República de Panamá, celebrado por Canje de Notas de marzo de 1962, y a la reciente Ley de Asistencia Exterior de Estados Unidos de América promulgada en 1971, que incluye una estipulación por medio de la cual se requiere el pago al Gobierno de Estados Unidos del 10% del valor de la asistencia militar concedida y excesos de artículos de defensa que dicho Gobierno ha de proporcionarle a Panamá. Igualmente, se propone que el Gobierno de Panamá depositará en una cuenta las cantidades en dólares que serán especificadas por

I have the honor to acknowledge receipt of Your Excellency's note No. 75 of April 4, 1972, which refers to the Agreement concerning the furnishing of defense articles and services to the Government of the Republic of Panama, effected by an exchange of notes in March 1962, and to the recently enacted United States Foreign Assistance Act of 1971 which includes a provision requiring payment to the Government of the United States of ten percent of the value of grant military assistance and excess defense articles to be provided by the United States to Panama. It is also proposed that the Government of Panama deposit in an account the amount in

<sup>1</sup> Translation supplied by the Government of the United States of America.

<sup>2</sup> Traduction fournie par le Gouvernement des Etats-Unis d'Amérique.

el Gobierno de los Estados Unidos.

Después de la debida consideración y aprobación de las propuestas antes mencionadas por parte de la Comandancia de la Guardia Nacional, cúmpleme informar a Vuestra Excelencia que ellas son aceptadas por el Gobierno Nacional.

Aprovecho la oportunidad para reiterar a Vuestra Excelencia las seguridades de mi más alta y distinguida consideración.

[Signed — Signé]

JUAN ANTONIO TACK  
Ministro de Relaciones Exteriores

A Su Excelencia Robert M. Sayre  
Embajador de Estados Unidos de  
América, Panamá

dollars to be specified by the Government of the United States.

After due consideration and approval of the above-mentioned proposals by the National Guard Headquarters, I am to inform Your Excellency that they are accepted by the National Government.

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

[Signed]

JUAN ANTONIO TACK  
Minister of Foreign Affairs

His Excellency Robert M. Sayre  
Ambassador of the United States of  
America, Panamá

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