

No. 6382

**UNITED STATES OF AMERICA
and
PANAMA**

**Exchange of notes constituting an agreement relating
to guaranties of private investments. Washington,
23 January 1961**

Official text: English.

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

**ÉTATS-UNIS D'AMÉRIQUE
et
PANAMA**

**Échange de notes constituant un accord relatif à la garantie
des investissements privés. Washington, 23 janvier 1961**

Texte officiel anglais.

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

No. 6382. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND PANAMA RELATING TO GUARANTIES OF PRIVATE INVESTMENTS. WASHINGTON, 23 JANUARY 1961.

I

The Secretary of State to the Panamanian Ambassador

DEPARTMENT OF STATE

Washington, January 23, 1961

Excellency :

I have the honor to refer to conversations which have recently taken place between representatives of our two Governments relating to guaranties authorized by Section 413 (b) (4) of the Mutual Security Act of 1954 as amended. I also have the honor to confirm the following understandings reached as a result of these conversations :

1. The Governments of the United States of America and of Panama will, upon the request of either of them, consult respecting projects in Panama proposed by nationals of the United States of America with respect to which guaranties under Section 413 (b) (4) of the Mutual Security Act of 1954, as amended, have been made or are under consideration.

2. The Government of the United States of America agrees that it will issue no guaranty with respect to any project unless it is approved by the Government of Panama.

3. With respect to such guaranties extending to projects which are approved by the Government of Panama in accordance with the provisions of the aforementioned Section 413 (b) (4), the Government of Panama 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 Panama will recognize the transfer to the Government of the United States of America of any currency, credits, assets, or investment on account of which such payment is made and the subrogation of the Government of the United States of America to any right, title, claim or cause of action existing in connection therewith ;

¹ Came into force on 8 March 1962, the date of the note from the Government of Panama notifying the Government of the United States of America that the Agreement had been ratified according to the constitutional procedures of the Government of Panama, in accordance with the terms of the said notes.