

Claims Convention Between the United States and Panama

Signed January 26, 1950, entered into force October 11, 1950.

[T.I.A.S. 2129]

The United States of America and the Republic of Panama, animated by the desire to strengthen the bonds of friendship existing between them, and being desirous of adjusting certain pecuniary claims of each country against the other, have resolved to fix by means of a Convention the bases of settlement of such claims with a view to their prompt and just liquidation, and to this end have named as their Plenipotentiaries:

The President of the United States of America:

His Excellency Monnett B. Davis, Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Panama;

The President of the Republic of Panama:

His Excellency Doctor Carlos N. Brin, Minister of Foreign Relations of the Republic of Panama;

Who, after having communicated to each other their respective full powers, found to be in good and proper form, have agreed on the following articles:

Article I

The Government of the United States of America and the Government of the Republic of Panama recognize that it is most desirable for both countries to eliminate from their relations with each other any cause for difference and to dispose of, on an equitable basis and without reference to the legal aspect of the controversies, the following group of claims, which have been outstanding for some considerable time:

(a) The claims of the Republic of Panama against the United States of America, which were the subject of a recommendation of the Joint Land Commission, United States and Panama, with respect to damages caused by the fire which occurred in the Malambo section in the year 1906;

(b) The claims of the United States of America against the Republic of Panama for personal injuries sustained by six soldiers of the United States Army during disturbances which occurred in the city of Panama in the year 1915; and

(c) The claims of the United States of America against the Republic of Panama arising as a consequence of the judgment rendered by the Supreme Court of Justice of the Republic of Panama on October 20, 1931, through which there were declared as the property of the nation certain lands called El Encanto, which several nationals of the United States of America alleged that they acquired in good faith.

Article II

It is agreed that the claims mentioned in Article I of this Convention shall be settled as follows:

(a) The Government of the United States of America agrees to pay the Government of the Republic of Panama the sum of \$53,800.00 (fifty-three thousand eight hundred dollars), currency of the United States of America, with respect to property losses sustained by nationals of the Republic of Panama as a consequence of the fire occurring in the Malambo section in 1906;

(b) The Government of the Republic of Panama agrees to pay the Government of the United States of America the sum of \$3,156.00 (three thousand one hundred fifty-six dollars), currency of the United States of America, with respect to personal injuries sustained by six soldiers of the United States Army in the disturbances occurring in 1915; and

(c) The Government of the Republic of Panama agrees to pay the Government of the United States of America the sum of \$400,000.00 (four hundred thousand dollars), currency of the United States of America, with

respect to property losses suffered by several nationals of the United States of America in relation to the lands called El Encanto.

Article III

The Government of the Republic of Panama agrees to pay and the Government of the United States of America agrees to accept the amount of \$349,356.00 (three hundred forty-nine thousand three hundred fifty-six dollars), currency of the United States of America, as the net balance due the latter, in accordance with the provisions of Article II, as full and final adjustment and as full settlement of the claims mentioned in that Article. This amount will be remitted by the Government of the Republic of Panama to the Government of the United States of America, in Washington, D.C., in two payments of \$174,678.00 (one hundred seventy-four thousand six hundred seventy-eight dollars), currency of the United States of America, each, and the first payment is to be made in a period of six months after the exchange of the ratifications of this Convention, and the second payment one year after the first payment has been effected.

Article IV

The individual claims referred to in subparagraphs (b) and (c) of Article III of this Convention shall be finally adjudicated by an agency established or designated by the Government of the United States of America. If, upon such adjudication, such agency shall find that the sum of \$400,000.00 (four hundred thousand dollars) referred to in subparagraph (c) of Article II is in excess of the total sum of the claims encompassed by that subparagraph, and which may be determined to be valid, plus the cost of adjudication, if any, not borne by the claimants, the Government of the United States of America shall take the necessary steps to return such excess to the Government of the Republic of Panama.

Article V

With reference to the so-called El Encanto claims, the Government of the Republic of Panama expressly declares that, in agreeing to the settlement of those claims, it has not ignored or disregarded the decision rendered by the Supreme Court of the Republic of Panama in the litigation relating to the El Encanto lands, which judgment sets forth the legal aspect of the matter. In agreeing to the settlement of those claims, the Government of the Republic of Panama is prompted by reasons of strictest equity to make good the loss suffered by several nationals of the United States of America who acted in good faith in the acquisition of the lands to which reference is made.

With reference to the so-called Malambo fire claims, the Government of the United States of America declares that its agreement to effect settlement of those claims is prompted by similar considerations of equity and without reference to the question of liability.

Article VI

Upon the execution of the provisions of the present Convention, the Government of the United States of America and the Government of the Republic of Panama shall consider as reciprocally cancelled, renounced, and satisfied all claims referred to herein. Any other unsettled claims on behalf of nationals of either country against the government of the other country, whether arising under the provisions of agreements between the two countries or under general principles of international law, are not affected by the provisions of this Convention.

Article VII

For the purpose of assisting the Government of the United States of America in making a proper distribution to the respective nationals of the United States of America of the amount to be paid as provided for herein, the Government of the Republic of Panama will deliver to the Government of the United States of America any documents in its possession which may have a bearing upon the merits of the individual claims of such nationals.

Article VIII

This Convention shall be ratified and shall enter into force upon the exchange of ratifications which shall take place at Panama as soon as possible.

In witness whereof, the respective Plenipotentiaries have signed and affixed their seals to the present Convention.

Done in duplicate, in Spanish and English, at Panama, this twenty-sixth day of January, 1950.

FOR THE UNITED STATES OF AMERICA:

MONNETT B. DAVIS

FOR THE REPUBLIC OF PANAMA:

CARLOS N. BRIN