

LEASE OF DEFENSE SITES

Agreement and exchanges of notes signed at Panama May 18, 1942

Approved by Panama May 11, 1943

Entered into force May 11, 1943

*Terminated February 19, 1948, by exchange of notes at Panama
February 16 and 19, 1948¹*

57 Stat. 1232; Executive Agreement Series 359

AGREEMENT FOR THE LEASE OF DEFENSE SITES IN THE REPUBLIC OF PANAMA

The undersigned, Octavio Fábrega, Minister for Foreign Affairs of the Republic of Panamá, and Edwin C. Wilson, Ambassador of the United States of America, acting on behalf of our respective Governments, for which we are duly and legally authorized, have concluded the following Agreement:

The Governments of the Republic of Panamá and of the United States of America, conscious of their joint obligation, as expressed in the provisions of the General Treaty of Friendship and Cooperation, concluded March 2, 1936,² to take all measures required for the effective protection of the Panama Canal in which they are jointly and vitally interested, have consulted together and have agreed as follows:

ARTICLE I

The Republic of Panamá grants to the United States the temporary use for defense purposes of the lands referred to in the Memorandum¹ attached to this Agreement and forming an integral part thereof. These lands shall be evacuated and the use thereof by the United States of America shall terminate one year after the date on which the definitive treaty of peace which brings about the end of the present war shall have entered into effect. If within that period the two Governments believe that, in spite of the cessation of hostilities, a state of international insecurity continues to exist which makes vitally necessary the continuation of the use of any of the said defense bases or areas, the two Governments shall again enter into mutual consulta-

¹ Not printed.

² TS 945, *ante*, p. 742.

tion and shall conclude the new agreement which the circumstances require.

The national authorities of the Republic of Panamá shall have adequate facilities for access to the defense sites mentioned herein.

ARTICLE II

The grant mentioned in the foregoing article shall include the right to use the waters adjacent to the said areas of land and to improve and deepen the entrances thereto and the anchorage in such places as well as to perform in/on the said areas of land all the works that may be necessary in connection with the effective protection of the Canal. This gives no right to commercial exploitation or utilization of the soil or subsoil, or of adjacent beaches and streams.

ARTICLE III

Military and naval aircraft of Panamá shall be authorized to land at and take off from the airports established within the areas referred to in Article I. Similarly, military and naval aircraft of the United States shall be authorized to use military and naval airports established by the Republic of Panamá. The regulations covering such reciprocal use shall be embodied in an agreement to be negotiated by the appropriate authorities of the two countries.

ARTICLE IV

The Republic of Panamá retains its sovereignty over the areas of land and water mentioned in the Memorandum referred to in Article I and the air space thereover, as well as complete jurisdiction in civil matters, provided, however, that during the period of temporary occupation contemplated by this Agreement, the Government of the United States shall have complete use of such areas and exclusive jurisdiction in all respects over the civil and military personnel of the United States situated therein, and their families, and shall be empowered, moreover, to exclude such persons as it sees fit without regard to nationality, from these areas, without prejudice to the provisions of the second paragraph of Article I of this Agreement, and to arrest, try and punish all persons who, in such areas, maliciously commit any crime against the safety of the military installations therein; provided, however, that any Panamanian citizen arrested or detained on any charges shall be delivered to the authorities of the Republic of Panamá for trial and punishment.

ARTICLE V

The Republic of Panamá and the United States reiterate their understanding of the temporary character of the occupation of the defense sites covered by this Agreement. Consequently, the United States, recognizing the importance of the cooperation given by Panamá in making these temporary defense sites available and also recognizing the burden which the

occupation of these sites imposes upon the Republic of Panamá, expressly undertakes the obligation to evacuate the lands to which this contract refers and to terminate completely the use thereof, at the latest within one year after the date on which the definitive treaty of peace which brings about the cessation of the present war, shall have entered into effect. It is understood, as has been expressed in Article I, that if within this period the two Governments believe that in spite of the cessation of hostilities, a state of international insecurity continues to exist which makes vitally necessary the continuation of the use of any of the said defense bases or sites, the two Governments shall again enter into mutual consultation and shall conclude the new Agreement which the circumstances require.

ARTICLE VI

All buildings and structures which are erected by the United States in the said areas shall be the property of the United States, and may be removed by it before the expiration of this Agreement. Any other buildings or structures already existing in the areas at the time of occupation shall be available for the use of the United States. There shall be no obligation on the part of the United States herein or the Republic of Panamá to rebuild or repair any destruction or damage inflicted from any cause whatsoever on any of the said buildings or structures owned or used by the United States in the said areas. The United States is not obliged to turn over to Panamá the areas at the expiration of this lease in the condition in which they were at the time of their occupation, nor is the Republic of Panamá obliged to allow any compensation to the United States for the improvements made in the said areas or for the buildings or structures left thereon, all of which shall become the property of the Republic of Panamá upon the termination of the use by the United States of the areas where the structures have been built.

ARTICLE VII

The areas of land referred to in Article I, the property of the United States situated therein, and the military and civilian personnel of the United States and families thereof who live in the said areas, shall be exempt from any tax, imposts or other charges of any kind by the Republic of Panamá or its political subdivisions during the term of this Agreement.

ARTICLE VIII

The United States shall complete the construction at its own expense of the highways described below, under the conditions and with the materials specified:

Highway A-3. (Shall extend from Piña on the Atlantic side of the Isthmus to the Canal Zone boundary at the Rio Providencia. It shall be at least ten feet in width and constructed of macadam.)

Extension of the Trans-Isthmian Highway following the line of the P-8 road. (Specifications shall be the same as for the Trans-Isthmian Highway. The extension shall start at Madrinal, by-passing Madden Dam by a bridge over the Chagres River below the Dam to connect with the P-8 road at Roque and shall extend the P-8 road from Pueblo Nuevo into Panamá City. It is understood that the pavement of the bridge over the Chagres River will be located above the elevation established as the Canal Zone boundary.)

Upon the completion of these highways the Government of the United States will assume the responsibility for any necessary post construction operations, that is, the performance of work necessary to protect the original construction until such time as the roads become stabilized.

The Government of Panamá guarantees that the roads under its jurisdiction used periodically or frequently by the armed forces of the United States will be well and properly maintained at all times. The Government of Panamá will ask for the cooperation of the Government of the United States in the performance of repair and maintenance work on the said roads whenever it deems necessary such cooperation in order to fulfill the aforesaid guarantee, such as for example in the case of emergencies or situations which require prompt action.

The Government of the United States will bear one third of the total annual maintenance cost of all Panamanian roads used periodically or frequently by the armed forces of the United States, such cost to cover the expense of any wear or damage to roads caused by movements related to defense activities. The amount payable by the United States will be based upon accounts presented annually by the Republic of Panamá giving in detail the total annual expenditures made by it on each highway used periodically or frequently by the armed forces of the United States, and upon accounts similarly presented by the Government of the United States giving in similar detail the expenditures made by that Government in response to requests from the Government of Panamá as set forth above. In the event that the Government of the United States has rendered cooperation in the maintenance of the said roads, the expenses incurred by that Government in so doing will be credited toward the share of the United States in the total maintenance of the roads under the jurisdiction of Panamá.

In consideration of the above obligations and responsibilities of the United States, the Government of the Republic of Panamá grants the right of transit for the routine movement of the members of the armed forces of the United States, the civilian members of such forces and their families, as well as animals, animal-drawn and motor vehicles employed by the armed forces or by contractors employed by them for construction work or others whose activities are in any way related to the defense program, on roads constructed by the United States in territory under the jurisdiction of the Republic of Panamá

and on the other national highways which place the Canal Zone in communication with the defense areas and of the latter with each other. It should be understood that the United States will take at all times the precautions necessary to avoid, if possible, interruptions of transit in the Republic of Panamá.

ARTICLE IX

All roads constructed by the United States in the territory under the jurisdiction of the Republic of Panamá shall be under the jurisdiction of Panamá. As to those secondary roads constructed by the United States for the purpose of giving access to any defense site, Panamá grants to the military authorities of the United States the right to restrict or prohibit public travel on such roads within a reasonable distance from such sites if such restriction or prohibition is necessary to the military protection of such sites. It is understood that such restriction or prohibition is without prejudice to the free access of the inhabitants established within the restricted areas to their respective properties. It is also understood that such restriction or prohibition is not to be exercised on any part of any main highway.

ARTICLE X

The Government of the United States of America, when constructing the air bases and airports on any of the sites referred to in Article I, shall take into consideration, in addition to the requirements of a technical order for the safety thereof, the regulations on the matter as have been or may be promulgated by the joint Aviation Board.

The Republic of Panamá shall not permit, without reaching an agreement with the United States, the erection or maintenance of any aerial lines or other obstructions which may constitute a danger for persons flying in the vicinity of the areas intended for air bases or airports. If, in constructing the said air bases and airports, it should be necessary to remove lines of wire already strung because of their constituting an obstacle thereto, the Government of the United States shall pay the costs of the removal and new installation elsewhere which may be occasioned.

ARTICLE XI

The Government of the United States agrees to take all appropriate measures to prevent articles imported for consumption within the areas referred to in Article I from passing to any other territory of the rest of the Republic except upon compliance with Panamanian fiscal laws. Whenever it is possible, the provisioning and equipping of the bases and their personnel will be done with products, articles and foodstuffs coming from the Republic of Panamá, provided they are available at reasonable prices.

ARTICLE XII

The sites referred to in Article I consist both of lands belonging to the Government of the Republic of Panamá and of privately owned lands.

In the case of the private lands, which the Government of Panamá shall acquire from the owners and the temporary use of which shall be granted by it to the Government of the United States, it is agreed that the Government of the United States will pay to the Government of Panamá an annual rental of fifty balboas or dollars per hectare for all such lands covered by this Agreement, the Government of Panamá assuming all costs of expropriation as well as indemnities and reimbursements for buildings, cultivations, installations or improvements which may exist within the sites chosen.

In the case of the public lands the Government of the United States will pay to the Government of Panamá an annual rental of one balboa or dollar for all such lands covered by this Agreement.

There are expressly excepted the lands situated in the Corregimiento of Rio Hato, designated by No. 12 in the attached Memorandum, it being understood that for this entire tract the United States Government will pay to the Government of Panamá an annual rental of ten thousand balboas or dollars.

The rentals set out in this Article shall be paid in balboas as defined by the Agreement embodied in the exchange of notes dated March 2, 1936, referred to in Article VII of the Treaty of that date between the United States of America and Panamá, or the equivalent thereof in dollars, and shall be payable from the date on which the use of the lands by the United States actually began, with the exception of the lands situated in the Corregimiento of Rio Hato designated by No. 12 in the attached memorandum, rental for which shall commence January 1, 1943.

ARTICLE XIII

The provisions of this Agreement may be terminated upon the mutual consent of the signatory parties even prior to the expiration thereof in conformity with Articles I and V above, it being understood also that any of the areas to which this Agreement refers may be evacuated by the United States and the use thereof by the United States terminated prior to that date.

ARTICLE XIV

This Agreement will enter into effect when approved by the National Executive Power of Panamá and by the National Assembly of Panamá.

Signed in Panamá in duplicate in both English and Spanish this 18th day of May, 1942.

On behalf of the Government of the United States of America :

EDWIN C. WILSON

On behalf of the Government of the Republic of Panamá :

OCTAVIO FÁBREGA

EXCHANGES OF NOTES

*The American Ambassador to the Minister of Foreign Affairs*EMBASSY OF THE
UNITED STATES OF AMERICA*Panamá, May 18, 1942*

No. 313

EXCELLENCY:

With reference to the Agreement for the use of the defense sites signed today, I have the honor to confirm the understanding we have reached during the negotiations to the effect that in the event further defense sites should become necessary for the effective protection of the Canal, such sites, if agreed upon by both Governments, will be added to the Memorandum annexed to the Agreement signed today and will be subject to the same conditions and terms as the sites originally listed in the Memorandum.

Accept, Excellency, the renewed assurances of my highest consideration.

EDWIN C. WILSON

His Excellency

Señor Doctor Don OCTAVIO FÁBREGA,
Minister for Foreign Affairs.

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

[TRANSLATION]

MINISTRY OF FOREIGN AFFAIRS
Diplomatic Division

No. 3590

PANAMÁ, *May 18, 1942*

EXCELLENCY:

I have the pleasure of acknowledging receipt of your note of this date reading as follows:

[For text, see above.]

In reply, I have the honor to confirm the agreement we have reached, as set forth in the note quoted above.

It gives me pleasure to renew to Your Excellency the assurances of my highest and most distinguished consideration.

OCTAVIO FÁBREGA

Minister of Foreign Affairs

His Excellency

EDWIN C. WILSON,

*Ambassador Extraordinary and Plenipotentiary
of the United States of America.
City.*

The American Ambassador to the Minister of Foreign Affairs

EMBASSY OF THE
UNITED STATES OF AMERICA

Panamá, May 18, 1942

No. 314

EXCELLENCY:

With reference to the Agreement for the lease of the defense sites signed today, I have the honor to confirm the understanding reached during the negotiations to the effect that the two areas under temporary use for purposes of maneuvers by the Combat Teams near Chorrera (approximately 530 hectares) and near Pacora (approximately 1,010 hectares), may continue to be so used for the period of one year from this date, but that if after May 18, 1943, such use should still be considered essential by both Governments for the protection of the Panama Canal, then the two areas in question will be regarded as defense sites and will be added to the Memorandum annexed to the defense sites Agreement, becoming subject as from that date to all the terms and conditions of said Agreement.

Accept, Excellency, the renewed assurances of my highest consideration.

EDWIN C. WILSON

His Excellency

Señor Doctor Don OCTAVIO FÁBREGA,
Minister for Foreign Affairs.

The Minister of Foreign Affairs to the American Ambassador

[TRANSLATION]

MINISTRY OF FOREIGN AFFAIRS
Diplomatic Division

No. 3589

PANAMÁ, May 18, 1942

EXCELLENCY:

I have the pleasure of acknowledging receipt of your note of this date reading as follows:

[For text, see above.]

In reply, I have the honor to confirm the agreement we have reached, as set forth in the note quoted above.

It gives me pleasure to renew to Your Excellency the assurances of my highest and most distinguished consideration.

OCTAVIO FÁBREGA
Minister of Foreign Affairs

His Excellency

EDWIN C. WILSON,
*Ambassador Extraordinary and Plenipotentiary
of the United States of America.
City.*