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ECONOMIC AGREEMENT OF BOGOTÁ

*Signed at the Ninth International Conference
of American States*

WHEREAS:

It is the desire of the American States to maintain, strengthen and develop in the economic field and within the framework of the United Nations the special relations that unite them;

The economic welfare of each State depends in large measure upon the well-being of the others;

At the Inter-American Conference for the Maintenance of Continental Peace and Security, they considered that the economic security indispensable for the progress of all the American peoples is at all times the best guarantee of their political security and of the success of their joint effort in behalf of the maintenance of continental peace;

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In the Economic Charter of the Americas they have established the essential principles that should guide their economic and social policy;

They have adopted as their own the economic and social principles and aims of the Charter of the United Nations;

The American States Represented at the Ninth International Conference of American States

HAVE RESOLVED:

To authorize their respective representatives, whose Full Powers have been found to be in good and due form, to sign the following articles:

CHAPTER I

PRINCIPLES

ARTICLE 1. The American States, represented at the Ninth International Conference of American States and which hereinafter shall be called the States, declare that it is their duty to cooperate toward the solution of their economic problems, and to conduct their international economic relations in the American spirit of good neighborliness.

ARTICLE 2. The purposes of the cooperation to which this Agreement refers and the principles that inspire it are those set forth in the Charter of the United Nations, the Economic Charter of the Americas, and the Charter of the Organization of American States.

ARTICLE 3. The States declare their intention to cooperate individually and collectively and with other nations to carry out the principle of facilitating access, on equal terms, to the trade, products, and means of production, including scientific and technical advances, that are needed for their industrial and general economic development.

At the same time, they reaffirm their resolution that, as a general policy, there should be taken into account the need to compensate for the disparity that is frequently noted between the prices of raw materials and the prices of manufactured products, by establishing the necessary balance between them.

ARTICLE 4. The States agree that encouragement should be given to such bilateral or multilateral agreements as will contribute to their economic welfare and common security, as provided for in this Agreement.

ARTICLE 5. The States reiterate that the productive use of their human and material resources is of interest and benefit to all countries, and that

a) General economic development, including the exploitation of natural resources, the diversification of economies, and technological advancement, will improve employment possibilities, augment the productivity and income of labor, increase demand for goods and services,

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help balance economies, expand international trade, and raise the level of real income; and

b) Sound industrialization, particularly that of those States which have not succeeded in fully utilizing their natural resources, is indispensable for the achievement of the aims mentioned in the foregoing paragraph.

ARTICLE 6. The extent and character of economic cooperation shall, for each participating country, be determined by its resources, the provisions of its own laws and by its commitments made through international agreements.

ARTICLE 7. The States recognize their common interest in maintaining economic conditions favorable to the development of a balanced and expanding world economy and to a high level of international trade, in such a way as to contribute to the economic strengthening and progress of each State.

ARTICLE 8. No State may apply or encourage coercive measures of an economic and political character in order to force the sovereign will of another State and to obtain from the latter advantages of any nature.

CHAPTER II

TECHNICAL COOPERATION

ARTICLE 9. The States undertake through individual and joint action to continue and to expand technical cooperation for carrying out studies; preparing plans and projects directed toward intensifying their agriculture, cattle raising, and mining; developing their industry; increasing their trade; diversifying their production and generally strengthening their economic structure.

ARTICLE 10. In order to realize the objectives set forth in the preceding Article, the Inter-American Economic and Social Council which, in the text of this Agreement, is hereinafter called the Council, shall within the sphere of its competence be responsible for the development and coordination of the activities necessary to:

a) Make a study of the current economic situation and prepare an inventory of the economic potential of the States, consisting of studies of their natural and human resources and of the possibilities of agricultural, mineral and industrial development, with a view to the full utilization of these resources and the expansion of their economies;

b) Promote such laboratory research and experimental work as it considers necessary;

c) Promote the training of technical and administrative personnel in all economic activities through such means as teacher and student ex-

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change between technical educational institutions in the Americas; the exchange of specialized administrative officials; the exchange of specialists between governmental, technical and economic agencies; the apprenticing of skilled workers, foremen and auxiliary personnel in industrial plants and technical schools; and lectures and seminars;

d) Prepare studies on technical problems in public administration and finance, relating to trade and economic development;

e) Promote measures to increase trade among the States and between them and other countries of the world. Such measures should include the study and promotion of the adoption of sanitary standards with respect to plants and animals, for the purpose of reaching an international understanding to prevent the application of sanitary regulations as an indirect means of imposing barriers to international trade. The said study should be undertaken in cooperation with other appropriate organizations;

f) Place at the disposal of the interested country or countries the statistical data, information, and general plans that it is possible to develop in connection with the above-mentioned program;

g) Study, at the request of the Member States, specific proposals for development or for immigration with a view to giving advice in regard to their practicability and their utility in the sound economic development of the country concerned, and to assist in preparing for their later presentation to private capital, or to governmental or intergovernmental lending agencies for possible financing;

h) Place technical advice at the disposal of countries requesting it and make arrangements for the exchange of technical aid in all fields of economic activity, including social security and welfare.

ARTICLE 11. In order to perform the functions assigned to it in Article 10, the Council shall organize a permanent Technical Staff. This Staff shall be directed by a technical chief, who in matters within his competence shall participate and have a voice in the deliberations of the Council and shall execute the decisions of the latter.

The Council shall absorb existing inter-American organizations having similar functions and shall utilize the services of the Pan American Union.

ARTICLE 12. The Council shall maintain permanent contact with the Economic Commission for Latin America of the United Nations Economic and Social Council, in order to assure close collaboration and a practical division of functions so as to avoid duplication of work and expense.

In carrying out its activities, the Council shall maintain communication and exchange of information with the agencies in each country that are engaged in the study of economic problems or that serve as directing and planning agencies for the national economy, as well as with educational,

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technical, and scientific institutions, and with private national and international organizations of production and trade. The Council shall transmit to the governments concerned copies of its correspondence with such entities.

ARTICLE 13. In carrying out its functions the Council may request of the respective governments the facts which in its judgment it needs. The Governments may decline to give any information they consider to be confidential in character. The Council may perform its functions in the territory of a country only if authorized by that country.

ARTICLE 14. The Member States may request special studies by the Council, which shall determine whether the studies requested are within its competence and which may also indicate whether it would be more appropriate for the respective requests to be directed, in whole or in part, to other national or international institutions or to private entities.

ARTICLE 15. The States, in fixing the budget of the Pan American Union, shall take into account the amounts necessary to cover the increased expenditures of the Council and of its Technical Staff, in order that they may be able to perform the functions set forth in Article 10.

ARTICLE 16. Whenever one or more countries request the preparation of specific projects on economic development or immigration, such projects shall be drawn up by the Council with its own staff or with experts especially engaged for the account and at the cost of the country or countries requesting them, it being left to the Council, in the latter case, to determine the proportion of the costs to be borne by those countries.

Only in cases determined to be exceptional by the Council itself may the costs of specific studies on reconstruction or economic development be chargeable to the general budget.

ARTICLE 17. Nothing in this Chapter shall interfere with other arrangements entered into by the States for the reciprocal granting of technical cooperation in the economic field.

CHAPTER III

FINANCIAL COOPERATION

ARTICLE 18. The States, in accordance with Article 6 of this Agreement, undertake to grant reciprocal financial cooperation for accelerating their economic development.

Without prejudice to the obligation of each country to take the domestic measures within its power for such development, they may request financial cooperation of other States.

ARTICLE 19. The States reaffirm their purpose to bring about a high level of international trade among themselves and with the rest of the

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world and to promote general economic and social progress by providing stimulation for the local investment of national savings, and for private foreign capital, and they undertake to continue their efforts toward the realization of this purpose.

The States that are members of the International Monetary Fund reaffirm the aims of the Fund and in normal circumstances will utilize its services to achieve those aims that will facilitate the accomplishment of the objectives mentioned above.

All the States agree, in appropriate cases, to supplement financial cooperation for the aforesaid objectives:

- a) By means of non-discriminatory bilateral stabilization agreements on mutually advantageous bases; and
- b) By the utilization of whatever institutions it may be desirable to create in the future and of which they may be members.

ARTICLE 20. The States that are members of the International Bank for Reconstruction and Development reaffirm the objectives of the Bank and agree to coordinate their efforts to make it an increasingly effective instrument for the realization of such objectives, especially those concerned with promoting their mutual economic development.

All of the States declare, furthermore, that in appropriate cases they will continue to extend medium and long-term credits to one another through governmental or inter-governmental institutions for economic development and the expansion of international trade, for the purpose of complementing the flow of private investments. Sufficient economic reasons shall exist for the particular purposes to be served by such credits, and the projects to be undertaken shall be adapted to local conditions and be able to survive without the need of excessive permanent protection or subsidy.

Furthermore, the States agree that with respect to such loans a criterion shall be established whereby it will be possible to grant facilities to debtor countries with respect to conditions and/or currencies in which they should make payment, in cases where such countries suffer an acute shortage of foreign exchange, which prevents them from complying with the terms stipulated in the loan.

ARTICLE 21. The States recognize that the lack of domestic savings, or the ineffective use thereof, has contributed to inflationary practices in many countries of America, which may ultimately endanger the stability of their rates of exchange and the orderly development of their economies.

The States agree, therefore, to stimulate the development of local money markets to provide, from non-inflationary sources, the funds needed to cover investment expenditures in national currency. The States agree that, in general, international financing should not be sought for the purpose of covering expenditures in local currency. However, they recognize

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that as long as available national savings in local money markets or elsewhere are not sufficient, expenditures in local currency may, in justified circumstances, be considered for the financing referred to in Article 20.

CHAPTER IV

PRIVATE INVESTMENTS

ARTICLE 22. The States declare that the investment of private capital and the introduction of modern methods and administrative skills from other countries, for productive and economic and socially suitable purposes, are an important factor in their general economic development and the resulting social progress.

They recognize that the international flow of such capital will be stimulated to the extent that nationals of other countries are afforded opportunities for investment and security for existing and future investments.

Foreign capital shall receive equitable treatment. The States therefore agree not to take unjustified, unreasonable or discriminatory measures that would impair the legally acquired rights or interests of nationals of other countries in the enterprises, capital, skills, arts or technology they have supplied.

The States shall reciprocally grant appropriate facilities and incentives for the investment and reinvestment of foreign capital, and they shall impose no unjustifiable restrictions upon the transfer of such capital and the earnings thereon.

The States agree not to set up within their respective territories unreasonable or unjustifiable impediments that would prevent other States from obtaining on equitable terms the capital, skills, and technology needed for their economic development.

ARTICLE 23. The States declare that foreign investments should be made with due regard not only for the legitimate profit of the investors, but also with a view both to increasing the national income and accelerating the sound economic development of the country in which the investment is made and to promoting the economic and social welfare of the persons directly dependent upon the enterprise in question.

They further declare that, with respect to employment and the conditions thereof, just and equitable treatment should be accorded to all personnel, national and foreign, and that the development of the technical and administrative training of national personnel should be encouraged.

The States recognize that, for private capital to contribute as much as possible to their development and progress and to the training of their nationals, it is desirable to permit enterprises, without prejudice to the laws of each country, to employ and utilize the services of a reasonable

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number of technical experts and executive personnel, whatever their nationality may be.

ARTICLE 24. Foreign capital shall be subject to national laws, with the guarantees provided for in this chapter, especially Article 22, and without prejudice to existing or future obligations between States. The States reaffirm their right to establish, within a system of equity and of effective legal and judicial guarantees:

a) Measures to prevent foreign investments from being utilized directly or indirectly as an instrument for intervening in national politics or for prejudicing the security or fundamental interests of the receiving countries; and

b) Standards with respect to the extent, conditions, and terms upon which they will permit future foreign investments.

ARTICLE 25. The States shall take no discriminatory action against investments by virtue of which foreign enterprises or capital may be deprived of legally acquired property rights, for reasons or under conditions different from those that the Constitution or laws of each country provide for the expropriation of national property. Any expropriation shall be accompanied by payment of fair compensation in a prompt, adequate and effective manner.

ARTICLE 26. The States declare their intention to promote sound investment by developing, whenever possible and in accordance with the laws of each country, uniform principles of corporate accounting, as well as of standards for the reports that may or should be used by private investors.

ARTICLE 27. Each State, in order to stimulate private investment for the purpose of economic development, shall, within the framework of its own institutions, seek to liberalize its tax laws so as progressively to reduce or even eliminate double taxation as regards income from foreign sources and to avoid unduly burdensome and discriminatory taxation, without, however, creating international avenues for tax avoidance.

The States shall also seek to conclude as soon as possible agreements to prevent double taxation.

CHAPTER V

COOPERATION FOR INDUSTRIAL AND ECONOMIC DEVELOPMENT

ARTICLE 28. In accordance with Article 5 of this Agreement, the States:

a) Recognize that they are committed to cooperate with one another, by all appropriate means, so that their economic development shall not be retarded but rather accelerated as much as possible, and when suitable, to collaborate with inter-governmental agencies to facilitate and promote industrial and economic development in general, including the

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expansion of agriculture, mining, and the production of other raw materials with which to meet their needs;

b) Shall seek to utilize such industries and production in general as are of present or potential efficiency, so that they may be able to participate in joint economic plans of interest to the Americas; and

c) Also consider it desirable that progressive development of production be carried forward in accordance with the agricultural and industrial potentialities of each country, in order fully to meet the requirements of consumer nations at prices that are fair to them and that offer the producers reasonable returns.

ARTICLE 29. Progressive industrial and economic development requires, among other things, adequate supplies of capital, materials, raw materials, modern equipment, technology, and technical and administrative skill. Therefore, to promote and assist in supplying such facilities:

a) The States, in accordance with the objectives of economic cooperation of this Agreement, agree to do as much as possible, within the limits of their powers, to facilitate the acquisition and exportation, for their mutual benefit, of the capital, machinery, raw materials, services and other elements needed for their economic requirements.

b) The States undertake not to impose unreasonable or unjustifiable obstacles that impede the acquisition from one another, on fair and equitable terms, of the elements, materials and services mentioned in the preceding paragraph.

c) If exceptional circumstances make it necessary to apply restrictions on exports, priorities for purchases and exports, or both, the States shall apply such measures on a fair and equitable basis, taking into account their mutual needs and other appropriate and pertinent factors; and

d) In applying the restrictions mentioned in the preceding paragraph, the States shall seek to make the distribution of and the trade in the restricted products approximate as nearly as possible the amounts that the various countries could have obtained in the absence of such restrictions.

CHAPTER VI

ECONOMIC SECURITY

ARTICLE 30. The States agree to cooperate among themselves and with other producing and consumer nations, for the purpose of concluding inter-governmental agreements to prevent or correct dislocations in international trade in regard to raw materials that are basic and essential for the economies of the producing countries of the Hemisphere, such as tendencies and situations of persistent disequilibrium between production and consumption, of accumulation of substantial surpluses, or of sharp

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fluctuations in prices, without prejudice to the provisions of the second paragraph of Article 3.

ARTICLE 31. States with common boundaries or those belonging within the same economic region, may conclude preferential agreements for purposes of economic development, each State respecting the obligations that it has undertaken by virtue of existing international bilateral agreements or multilateral agreements that have been or may be concluded. The benefits granted in such agreements shall not be extended to other countries by application of the most-favored-nation clause, except in case of a special agreement in that respect.

The development of the principle contained in this Article is assigned to the Specialized Economic Conference to be held during the second half of the present year.

CHAPTER VII

SOCIAL GUARANTEES

ARTICLE 32. The States, within the economic objectives expressed in this Agreement, agree to cooperate in the most effective manner in the solution of their social problems, and to adopt measures appropriate to their political and social institutions in accordance with what is provided in the Inter-American Charter of Social Guarantees, and tending:

- a) To assure the effective reign of social justice and good relations between workers and employers;
- b) To foster opportunities for useful and regular employment, at fair wages, for all persons who want and are able to work;
- c) To reduce the disruptive effect of illness, old age, temporary unemployment and occupational hazards on the continuity of earnings;
- d) To safeguard the health, welfare, and education of the entire population, with special regard to maternal and child health;
- e) To provide in each country suitable administrative machinery and personnel to implement these programs;
- f) To ensure a legal system of paid annual vacations for all workers, taking into special account the suitable period in the case of minors; and
- g) To ensure permanence of tenure to all wage earners, and prevent the possibility of discharge without just cause.

CHAPTER VIII

MARITIME TRANSPORTATION

ARTICLE 33. The States agree to encourage and coordinate the most effective use of their transportation facilities, including ports and free ports,

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so as to satisfy their economic needs at the lowest possible cost compatible with reliable and adequate service.

ARTICLE 34. The States agree to encourage the reduction of transportation costs by all means possible, through the improvement of port conditions, regulations affecting the working of ports and vessels, customs requirements, and the lowering of fees and other charges and imposts that unduly restrict inter-American maritime trade.

ARTICLE 35. The States shall endeavor to remove discriminatory action and unnecessary restrictions by governments affecting shipping engaged in international trade, so as to promote the availability of shipping services to the commerce of the world without discrimination; assistance and encouragement given by a government for the development of its national shipping and for purposes of security does not in itself constitute discrimination, provided that such assistance and encouragement is not based on measures designed to restrict the freedom of shipping of all flags to take part in international trade.

CHAPTER IX FREEDOM OF TRANSIT

ARTICLE 36. The States consider that, to encourage international trade among them, there should be freedom of transit through their respective territories.

Regional and general agreements shall regulate the application of this principle among the States of the Continent.

CHAPTER X INTER-AMERICAN TRAVEL

ARTICLE 37. The States declare that the development of inter-American travel, including tourist travel, constitutes an important factor in their economic development which contributes to expanding trade, facilitating technical cooperation, and increasing economic harmony. They undertake therefore, to promote national and international action to reduce restrictions on non-immigrant travelers of the States, without discrimination among visitors because of the object of their visit, whether for pleasure, health, business or education.

The States consider that one of the most effective means to encourage inter-American travel is to reduce the cost of fares.

CHAPTER XI ADJUSTMENT OF ECONOMIC DISPUTES

ARTICLE 38. The States agree, individually and collectively, to resort only to orderly and amicable means in the settling of all economic differ-

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ences or disputes between them. They agree, when such controversies arise, to enter into consultations through diplomatic channels for the purpose of reaching a mutually satisfactory solution. If such consultations prove ineffective, any State that is a party to the controversy may request the Council to arrange for further discussions sponsored by the Council for the purpose of facilitating an amicable settlement of the controversy between the parties.

If necessary, the States shall submit the solution of economic disputes or controversies to the procedure set forth in the Inter-American Peace System or to other procedures set forth in agreements already in existence or which may be concluded in the future.

CHAPTER XII

COORDINATION WITH OTHER INTERNATIONAL AGENCIES

ARTICLE 39. The Council, in accordance with the provisions of the Charter of the Organization of American States, shall take all necessary measures to coordinate the activities within its jurisdiction with the activities of other international agencies, in order to eliminate duplication of effort and to establish a basis for effective cooperation in areas of common interest. To this end the Council shall maintain the fullest exchange of information necessary for such cooperation and coordination of efforts, and establish working arrangements with other international agencies regarding the preparation and execution of studies and programs.

CHAPTER XIII

RATIFICATION, ENTRY INTO FORCE AND AMENDMENTS

ARTICLE 40. The present Economic Agreement of Bogotá shall remain open to signature by the States, and shall be ratified in accordance with their respective constitutional procedures. The original instrument, whose texts in Spanish, English, Portuguese and French are equally authentic, shall be deposited with the Pan American Union, which shall transmit certified copies to the Governments for purposes of ratification. The instruments of ratification shall be deposited with the Pan American Union, which shall notify the signatory Governments of such deposit. Such notification shall be considered an exchange of ratifications.

ARTICLE 41. The present Agreement shall enter into effect among the ratifying States when two-thirds of the signatory States have deposited their ratifications. The present Agreement shall enter into effect with respect to the remaining States in the order in which they deposit their ratifications.

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ARTICLE 42. The present Agreement shall be registered in the Secretariat of the United Nations through the Pan American Union, upon the deposit of the ratifications of two-thirds of the signatory States.

ARTICLE 43. Amendments to the present Agreement shall be proposed, with the necessary advance notice through the Council, for consideration, together with the respective reports, if any, of the Council, by the Inter-American Conference or a Specialized Conference.

Such amendments shall enter into force as among the States accepting them when, in fulfillment of the provisions of Article 40, two-thirds of the Member States at that time parties to the Agreement, have deposited the document containing their acceptance with the General Secretariat of the Organization of American States, which shall send certified copies of such document to the Governments of all the signatory States.

RESERVATIONS MADE AT THE TIME OF SIGNING

RESERVATION OF THE DELEGATION OF ECUADOR TO THE ECONOMIC AGREEMENT OF BOGOTÁ

The Delegation of Ecuador, on signing this Agreement, makes the following reservations:

First: The principle established in the third article, of facilitating access to trade under equal conditions, must be understood in harmony with Article 31, according to which preferential agreements are permitted for the purposes of economic development.

Second: Article 24 must not be understood in the sense of limiting the principle according to which foreign capital is subject to the national laws.

Third: Article 25 must be understood in the sense that the rule therein established must be subordinated to the constitutional provisions in force at the time of its application, and that it is exclusively within the jurisdiction of the courts of the country within which the expropriation takes place to determine, in accordance with the laws in force, everything relating to the circumstances under which such expropriation must be carried out, the sum to be paid, and the means of executing such payment.

Fourth: Article 31 must be understood in the sense that preferences between Spanish-American States are permitted, either for economic reasons—due to the need for the development of their economies and because they belong to the same region—or because such preferences concern States united among themselves by special ties based on a community of language, origin, and culture.

Fifth: Article 35 must be understood in the sense that the discriminatory measures mentioned therein do not refer to the preferences that may well be granted by Spanish-American States for the development of their merchant marines, preferences the establishment of which Ecuador does not renounce. Ecuador especially reserves to itself the right to consider as national vessels those of the Flota Mercante Grancolombiana, S. A., regardless of whether they fly the flags of Venezuela, Colombia, or Panama.

CHAPTER I

RESERVATION OF THE DELEGATION OF THE UNITED STATES OF AMERICA

The Delegation of the United States of America finds it necessary to enter a formal reservation to the second paragraph of Article 3 of the Economic Agreement of Bogotá

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referring to the relationship between the prices of primary products and manufactured products.

CHAPTER IV

RESERVATION OF THE DELEGATION OF MEXICO TO ARTICLES 22, 24 AND 25 OF THE ECONOMIC AGREEMENT OF BOGOTÁ

1. The Delegation of Mexico makes an express reservation to the last part of Article 25, to the effect that the principle established there should be subordinated to the constitutional laws of each country.

2. Although in agreement with the spirit of equity that inspires Article 22, paragraph 3, and the first paragraph of Article 24, the Delegation of Mexico at the same time makes an express reservation on the texts thereof, since, in their present wording, they could be interpreted as a limitation to the principle that aliens, as well as nationals, are subject to the laws and courts of the country.

RESERVATION OF THE DELEGATION OF THE ARGENTINE REPUBLIC

Argentina wishes to record in the Minutes that—as it stated in making known its vote on Article 25 of the Economic Agreement of Bogotá on the amendment proposed thereto by the Delegation of Mexico—it confirms the fact that it gave its approval to the above-mentioned text primarily with the understanding that that text does not in any way indicate that international treaties or agreements shall prevail over the constitutional texts of the American countries, nor that foreign capital investments shall be subject to any jurisdiction other than that of their own courts. It further understands that the concepts expressed with regard to the above-mentioned article apply to all pertinent provisions of the Agreement.

DECLARATION OF THE DELEGATION OF URUGUAY

The Delegation of Uruguay understands that Chapter IV grants foreign capital entering its country no guarantee not already afforded it by constitutional provisions. And, with regard to Article 25, it considers that the express reference to the constitution, in matters relative to the system of expropriation and payment therefor, is unnecessary, because constitutional provisions always govern the settlement of all situations, since all inhabitants are subject to the jurisdiction of the national courts.

RESERVATION OF THE DELEGATION OF GUATEMALA

The Delegation of Guatemala makes an express reservation to the last part of Article 25 in the sense that the principle established there should be subject to the constitutional rules in force in each country.

It also makes an express reservation regarding the third paragraph of Article 22, and the first paragraph of Article 24, insofar as they restrict the principle that aliens, as well as nationals, are subject to the laws and courts of the country.

DECLARATION OF THE DELEGATION OF CUBA

The Delegation of Cuba has voted affirmatively on Article 25 with the understanding that the last paragraph thereof, interpreted dogmatically, contains provisions in accordance with the Constitution of Cuba.

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RESERVATION OF THE DELEGATION OF VENEZUELA

Venezuela makes an express reservation to Article 25 for the reasons set forth during the debate. Regarding the rest of Chapter IV, it states that in no case will it admit the preeminence of international treaties or agreements over the text of its constitution, nor will it accept any jurisdiction for foreign investments other than that of its own courts.

RESERVATION OF THE DELEGATION OF HONDURAS

The Delegation of Honduras declares that it has voted affirmatively on Article 25 of the Economic Agreement of Bogotá, with the interpretation that the application of the last part of that article—like the application of the other parts thereof—remains subject to the primacy of the National Political Constitution.

CHAPTER VI

RESERVATION OF THE DELEGATION OF THE DOMINICAN REPUBLIC

The Delegation of the Dominican Republic makes express reservation to Article 31 on the ground that the procedures set forth in the Charter of Habana for preferential agreements did not serve as essential guide in its formulation, and since it may give rise to a policy of privileges at variance with the desire of the American people to offer one another mutual advantages.

RESERVATION OF THE DELEGATION OF THE UNITED STATES OF AMERICA

The Delegation of the United States of America finds it necessary to enter its formal reservations to Articles 30 and 31 of the Economic Agreement of Bogotá.

CHAPTER VII

RESERVATION OF THE DELEGATION OF COLOMBIA

The Delegation of Colombia makes a reservation regarding clauses f) and g) of Article 32 of the Economic Agreement of Bogotá, as these concern points that were submitted for the consideration of the respective committee at the last moment, without time for study or consultation on the part of the Delegation.

RESERVATION OF THE DELEGATION OF THE UNITED STATES OF AMERICA

The Delegation of the United States of America finds it necessary, for the same reasons as those set forth in its reservation to the Charter of Social Guarantees approved at this Conference, to enter a formal reservation to subparagraphs f) and g) of Article 32 of the Economic Agreement of Bogotá.

CHAPTER VIII

RESERVATION OF THE DELEGATION OF VENEZUELA

The Delegation of Venezuela wishes to have it recorded in the Minutes that, in approving Chapter VIII of this Economic Agreement of Bogotá, and the annexed declaration, it did so with the assurance that the phrase "questions having to do

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with maritime transport" includes the problem relating to discriminatory practices and similar problems that appear in the maritime transport contracts that the conferences or associations of ship owners have in use, as was expressly approved in the work group to which the study of this chapter was assigned.

It also understands that the foregoing sentence includes the study of the freight rates at present in effect and the means for ensuring that such rates be fair and equitable.

RESERVATION OF THE DELEGATION OF CUBA

The Delegation of Cuba states that measures adopted as defense against discriminatory measures taken by other States are not themselves to be considered as discriminatory.

STATEMENT OF THE DELEGATIONS OF ECUADOR, VENEZUELA, AND COLOMBIA

For the purposes of the provisions of Chapter VIII—Maritime Transport—of the Economic Agreement of Bogotá, the Delegations of Ecuador, Venezuela, and Colombia state that they consider the Flota Mercante Grancolombiana, S. A., as their national merchant marine because of the participation of capital of Ecuador, Venezuela, and Colombia in that enterprise, regardless of whether the vessels of the company fly the flag of Ecuador, Colombia, or Venezuela.

RESERVATION OF THE DELEGATION OF CHILE

The Delegation of Chile, in view of the declaration made by the Delegation of Ecuador at the meeting of Subcommittee IV C held during the current month of April, on the application of certain discriminatory measures as a means of giving support to their national merchant marine,

DECLARES:

That it wishes to record in the Minutes its opinion that certain governmental discriminations and restrictions exist in inter-American maritime commerce and that in its desire to bring about the elimination thereof, it reserves the right to make proposals and to participate in any other debates on this topic at future meetings of the American States.

CHAPTER IX

RESERVATION OF THE DELEGATION OF HONDURAS

The Delegation of Honduras, in voting affirmatively on the article contained in Chapter IX—Freedom of Transit—does so with the reservation that freedom of transit cannot be established at present or in the very near future for merchandise that arrives at any of its Atlantic ports for transshipment across Honduran territory to another country, whether or not utilizing the Pacific ports of Honduras.

CHAPTER X

RESERVATION OF THE DELEGATION OF ARGENTINA

Argentina explains that its reservation to Article 37 refers exclusively to the latter part thereof, to the effect that there shall be no discriminations for reasons of health.

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Argentina understands that this matter must obviously be subject to sanitary provisions in force in each country.

IN WITNESS WHEREOF, the respective Plenipotentiaries sign and affix their seals to the present Economic Agreement of Bogotá, at the City of Bogotá, on the second day of May of 1948, in texts in the English and Spanish languages, which shall be deposited in the archives of the Pan American Union, to which they shall be transmitted through the Secretary General of the Conference, in order that certified copies may be sent to the Governments of the American Republics.

RESERVATIONS MADE AT THE TIME OF RATIFYING

HONDURAS

With the reservations made at the time of signing the Agreement.