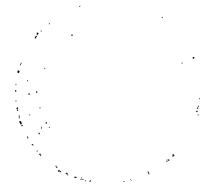


The original documents are located in Box 6, folder “Panama Canal Treaty Negotiations: 1959-1974” of the White House Special Files Unit Files at the Gerald R. Ford Presidential Library.

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PANAMA CANAL MATERIAL



On June 3, 1976 Jim Connor

said to hold here until further notice.

Trudy Fry

The President's News Conference
December 2, 1959

¶ 288

Public Papers of the Presidents

✓ Q. Marianne Means, Hearst Newspapers: Mr. President, in the interest of Latin American relations, is it possible that the United States will let Panama's flag fly beside the United States flag in the Canal Zone?

THE PRESIDENT. This is one of the points that's been talked about for many years, since for 50 years the United States has recognized the titular sovereignty of Panama. There have been numbers of problems over the years that have come about because, first, of what the Panamanians felt were injustices to them in the original treaties; and secondly, by the interpretations of treaties as revised in later years.

These last problems of the differences were under study for the last few months, and we had already agreed with the Panamanians for methods of taking another look at them and trying to see whether we couldn't meet their requirements in this matter. So there has been a very conciliatory attitude toward governments, as far as I have known, and the one question of the flag has never been specifically placed before me, no decision has ever been made about it; but I do in some form or other believe we should have visual evidence that Panama does have titular sovereignty over the region.

Merriman Smith, United Press International: Thank you, Mr. President.

NOTE: President Eisenhower's one hundred and seventy-sixth news conference was held in the Executive Office Building from 10:32 to 11:02 o'clock on Wednesday morning, December 2, 1959. In attendance: 261.

289 ¶ Statement by the President Concerning
Treaty Negotiations Between the United States and
Japan. December 2, 1959

DURING the past months, we have been negotiating a new treaty and other security arrangements with Japan. We attach the greatest importance to this new treaty with Japan which is being negotiated between equals for the mutual benefit and enlightened self-interest of both countries and is therefore in keeping with the new era in our relations with Japan enunciated following my talks with Prime Minister Kishi here in Washington in June 1957. The timing of this new treaty with Japan is particularly opportune since I feel it is most essential at the present juncture in international affairs for the free world to maintain its unity and strength.



between missiles, by which we normally mean weapons, and space and the rocketry that will be useful in exploring the space.

I cannot, for the life of me, see any reason why we should be using or misusing military talent to explore the moon. This is something that deals in the scientific field, and to give this to the Air Force or Army or Navy, it just seems to me is denying what really is a sort of a doctrine in America. You have given to the military only what is their problem and not anything else; the rest of it stays under civilian control. That is the reason for having this agency.

Q. Warren Rogers, New York Herald Tribune: Last week, Dr. von Braun and Roy W. Johnson said that the Saturn project should be developed on a crash basis to beat the Russians in space explorations. They said \$140 million for fiscal '61 was not enough; it should be \$100 million more. What do you think of that, sir?

THE PRESIDENT. Well, of course, I haven't had the studies placed before me yet as to what our people believe to be the proper thing, but I will say this: I have never seen any specialist of any kind that was bashful in asking for Federal money. [Laughter]

✓ Q. Stewart Hensley, United Press International: You were speaking a moment ago about Cuba, and yesterday we had an attack on our Embassy in Panama.

Now, so many of these nationalist eruptions that keep coming over the landscape down there take on an anti-American tinge. Do you have any idea of anything new the United States can do to try to rectify the situation?

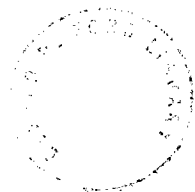
THE PRESIDENT. I think that no administration, supported by the Congress, I should say, has ever made more effort to develop better understanding between all of the countries below the Rio Grande than this one; and I think by and large there has been a very great measure of success achieved.

But there are in many of these countries an excitable group; people that are extremists and they start sometimes a mob action.

Now, as you know, or I think you know—I think the State Department gave you the statement, the protest, that our Ambassador made to the government of Panama—so you know exactly what our feelings are with respect to that, and that we confidently hope that every, not only in Panama, but every civilized government will make certain that law and order are preserved.

772

President's News Conference
November 4, 1959



In a way it's a little bit puzzling to me. We have had some problems with Panama, and the treaty by which the canal was first built has been modified and revised a couple of times, each time giving a greater liberty or a greater degree or level of rights to the Panamanians.

Right today, we have been for, oh, a good time, several months, working with the Panamanians about the interpretations of the latest treaty, so that many problems that have come up to which they think they have not quite acquired all of the rights and privileges that they feel they should have, they have been studied in the effort to ameliorate all of the causes of these difficulties.

I do not know why this fact has not been brought out more, so that the feeling that causes such extraordinary performances would not be so acute.

Q. Paul Martin, Gannett Newspapers: Mr. President, I think you talked with Governor Rockefeller of New York for an hour and ten minutes last week and I believe that is the longest time you have spent in conversation with anyone since Khrushchev. [Laughter]

The Governor said you talked about some politics. Could you tell us anything about it?

THE PRESIDENT. Well, I would say this: this was a personal conversation and this is the first time that I knew that anyone was keeping a stop watch on me whenever I had a visitor.

It happens that I like Mr. Rockefeller. He served in my administration for a considerable time. And I will say this: I believe that a good portion of the time, I don't know whether more or most of it, but a good portion was about civil defense. It is a subject in which he and I have both been interested for a long time; and he, as Chairman of the Governors' Conference in this particular problem, wanted to talk to me about it.

Now we talked politics all across the board. You couldn't expect any two people that have political office to avoid that subject completely, and I could not possibly now remember any kind of conclusion we reached. We just found it interesting, that's all.

Q. John Scali, Associated Press: Mr. President, in discussions about a date for an East-West summit conference, the point has sometimes been made about the need to preserve the momentum resulting from your talks with Mr. Khrushchev.

The Russians talk about the need to preserve the spirit of Camp David.

Cont

Nov 4, 1959

Cooler

Mostly cloudy and rather cool with high in the low 70s today. Northeast to East winds 10 to 15 mph.

HOURLY TEMPERATURES	
7 a.m.	67
8 a.m.	68
9 a.m.	69
10 a.m.	70
11 a.m.	71
12 p.m.	72
1 p.m.	73
2 p.m.	74
3 p.m.	75
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6 p.m.	78
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9 p.m.	81
10 p.m.	82
11 p.m.	83
Midnight	84
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9 p.m.	105
10 p.m.	106
11 p.m.	107
Midnight	108
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2 a.m.	110
3 a.m.	111
4 a.m.	112
5 a.m.	113
6 a.m.	114
7 a.m.	115
8 a.m.	116
9 a.m.	117
10 a.m.	118
11 a.m.	119
12 p.m.	120
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7 p.m.	295
8 p.m.	296
9 p.m.	297
10 p.m.	298
11 p.m.	299
Midnight	300

High 72; Low 64; Rainfall .20.

The Miami Herald
Saturday, January 11, 1964

No. 41 Florida's Most Complete Newspaper
A Latin American Edition is Published Daily

54th Year 58 Pages 10 Cents

Twin Double Nets \$53.220
... see story on Page 3
CITY EDITION

Panama Moves to Evict U.S. After Bloody Street-Fighting

U.N. Plea Plan OK'd By Panama Handling of Crisis By OAS Accepted

UNITED NATIONS, N.Y. — Panama early today accepted a Brazilian suggestion for a U.N. appeal for an end to the fighting in the Canal Zone in order to leave the crisis to the Organization of American States.
But Panamanian Ambassador Aquilino Boyd accused the United States of unprovoked, armed aggression and demanded that the Panama Canal be nationalized or internationalized.

U.S. Ambassador Adlai E. Stevenson categorically denied the aggression charge leveled by Boyd during an emergency night session of the Security Council.
Boyd later accepted a Brazilian suggestion that Council President Renan Castillo Jus-

3 GIs Among 27 Fatalities; Canal Open

Showing of the flag leads to death Who is sovereign in Canal Zone? Profile of President Roberto Chiari Rundown on facts on Panama

PANAMA CITY — Panama formally severed diplomatic relations with the United States Friday night opened a campaign to drive it out of the Panama Canal Zone after two days of bloody fighting between U.S. troops and Panamanian civilians.
President Roberto F. Chiari already had ordered Ambassador Augusto Guillermo Arango home from Washington in preparation for formal rupture. Arango reported standing by in Washington awaiting "the plane out."
The announcement of formal break was made by Panamanian radio.



Lyndon B. Johnson, 1963-1964

Sept. 28 [607] ¹⁹⁶⁴

THE WHITE HOUSE
WASHINGTON

...cher friends took
City to sell, and
stockyards said
waiting for the
tell me what is
a Sheriff and
a Texa.

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used to compel and to frighten all others
into following our command and our every
wish. Nor can it build the lasting frame-
work of an enduring peace, because peace
does not come from threats or intimidations,
or humiliations, or overpowering. The only
consequence of such a policy would be con-
stant conflict, rising hostility, and deepening
tension.

Force could not rebuild Europe. It took
the vision and the statesmanship of the Mar-
shall plan, and the patient molding of the
NATO Alliances.

Force will not bring democratic progress
to Latin America. It will take many years
of the Alliance for Progress to create free-
dom's answer to false Communist promises.
The ancient enemies of mankind thrive
in that area of this hemisphere—disease, il-
literacy, and ignorance.

Force will not bring an end to the arms
race. We cannot coerce others to negotiate.
We can't even compel them to be reasonable
and wise. It takes skill and it takes patience,

and it takes determination, and it takes a
search for areas of common interest.

In the 10 months since that fateful day
last November when tragedy cut our Presi-
dent down, and on a moment's notice, I had
to step in and pick up and try to carry on
for him, first, if you will remember, some of
our soldiers were fired upon and killed in
Panama, and there were those that shouted
"Move in with the paratroopers."

Well, we went over to the Peace Corps
and got one of our most skilled diplomats
who had lived in Panama for years. We said
to them, "We will not negotiate with a gun
at our temple. We will not sign a blank
check to a treaty, but we will treat you fairly
and justly. We are a big Nation and you are
a small one, and we are not going to take
advantage of you. But you are not going to
take advantage of us."

And we were criticized for weeks. But
ultimately we reached an agreement on
exactly the terms that I proposed the first day
by telephone to the President of Panama.

A few days later Mr. Castro decided to
cut our water off at our military base at
Guantanamo. We were paying him for that
water, and we were employing some 3,000
Cubans to do our work there. We were
spending about \$5 to \$6 million a year with
them. Suddenly and impetuously and im-
pulsively, and I think irrationally, he cut our
water off. The shout went up, "Send in the
Marines."

I don't want the newspapermen to think
I am quoting anybody now. But we let our
coffee cool a little bit and we decided, for
better or for worse, that it was wiser to send
in one admiral to cut the water off than it
was to send in a regiment of Marines to turn
it on.

So we told Mr. Castro that we will make
this base self-sufficient; we will make our
own water. We cut off about \$5 million

Remarks in Manchester 1163
Members of the New Hampshire
Weekly Newspaper Editors Association

I seek it all the time. I am very happy that the men on this platform with me tonight are the kind of men that I can counsel with and I can trust. I have had advice to load our planes with bombs and to drop them on certain areas that I think would enlarge the war and escalate the war, and result in our committing a good many American boys to fighting a war that I think ought to be fought by the boys of Asia to help protect their own land.

And for that reason, I haven't chosen to enlarge the war. Nor have I chosen to retreat and turn it over to the Communists. Those are two alternatives that we have to face up to. The third alternative is neutralization in Viet-Nam. We have said that if anyone was willing to come forward and guarantee neutralization, in other words guarantee the independence of these free people and guarantee them security from their neighbors who are trying to envelop them, we would be the first to stand up to the table and say to them, "Show us that you can guarantee their independence and we will salute you and we will be very proud of you."

But there is no country that is willing to do that, that we know of, so neutralization is not very practical at this stage of the game. There are three alternatives we considered.

The fourth alternative is to do what we are doing, to furnish advice, give counsel, express good judgment, give them trained counselors, and help them with equipment to help themselves. We are doing that. We have lost less than 200 men in the last several years, but to each one of those 200 men—and we lose about that many in Texas in accidents on the 4th of July—to each one of those 200 men who have given their life to preserve freedom, it is a war and a big war and we recognize it.

But we think that it is better to lose 200

than to lose 200,000. For that reason we have tried very carefully to restrain ourselves and not to enlarge the war. We have had a good many difficulties that could have sprung into major events. We had four of our soldiers killed in Panama, and some of our people thought I ought to send in paratroopers, and that we ought to launch a strong force against the small group of folks that live in Panama.

But we told them that they couldn't behave this way, and that they would have to sit down and reason with us across the table, that we could not make any precommitments and we wouldn't sign a blank check to a treaty that we didn't know what was in it, but that we would do what was fair, what was right, and what was just.

It took us 60 days to work out an agreement with them, but they finally came to us and said, "We think that is fair enough," and so we worked out an agreement. Now we have rather peaceful relations and we are on the way to making amendments and modifications in the arrangements between the two nations that will be satisfactory.

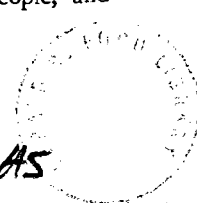
Mr. Castro sought to cut our water off at Guantanamo. He notified us in a hasty moment in his own impulsive way that he would not supply water to our base. I had some military experts, some generals here and there, that hollered at me right loudly and said, "Please send in the Marines immediately."

I didn't see any reason to send in the Marines to cut the water off. I just sent in one admiral to turn it off and kept the Marines at home. I didn't start any war, although I would like very much to see the free people of Cuba be able to govern themselves without the dictations of Mr. Castro.

We are going to do everything that we consistently can in our policies to see that the people of Cuba are free people, and

1022

Remarks:

Barbecue in
Stonewall, Texas

Remarks Louisville, Ky.

Breakfast for
Indiana and
Kentucky State Party
leaders

Lyndon B. Johnson, 1963-1964

Oct. 9 [643]
1964

President Eisenhower came along, and during the period he was President I was Democratic leader. I looked at the record the other day, the last year of our service. I supported the Republican President more than 90 percent of the time in the field of foreign policy, and that was about four times as much as the Republican leader supported him. He supported him about 25 percent of the time.

Then after President Eisenhower came President Kennedy, and we had the Cuban missile crisis, and men like Senator Hickenlooper and others stood up with a Democratic President and they presented a united front. Khrushchev had to take his missiles and load them on his boats and take them out of the country, very much to his humiliation.

I am very sorry and I am saddened at what has been said about that in recent days. I sat in every one of those meetings on the Cuban missile crisis, 37. I never left home in the morning that I was sure I would see my wife and babies when I got back that evening. It was as tense a situation as I have ever been in—I have been scared a lot of times, from the time they took me snipe hunting on down.

But through all that rather terrifying experience, the coolest man that sat at either end of that table was our late beloved President John Fitzgerald Kennedy. And now when he is not here to answer for himself, and he can't speak up as he did so effectively in every State of the Union when he was here, to have it said of him, your President and your leader, that he manufactured all this for political purposes, is sufficient indictment of the author of that statement to let everyone know who they ought to vote for for President.

I have been in office a little less than 11

months. We have had several test tubes run on us. They have put a thermometer in my mouth several times.

One of the first experiences was that they shot four of our men, our soldiers, in Panama, and they demanded we negotiate an agreement and sign a blank check. Well, we didn't do it. We said we would make no precommitments; we would sit down and do what was right and just. In a period of 2 months, they finally agreed to the terms we submitted the first day of the meeting.

We had a little flare-up at Guantanamo, at our base in Cuba. The bearded dictator went out one day and decided to cut the water off for that base. I got a lot of advice, free advice, from specialized quarters, and some of them said, "Rush in the Marines. Send in the Marines." It is mighty easy to start a fight, get into a war mighty quick.

We got the recommendation of the Marines, the Army, Navy, and the Air Force, the Secretary of Defense and the Secretary of State, and we unanimously concluded that instead of acting impulsively and sending in the Marines to turn the water on, it would be wiser to send in one little admiral to turn it off, and to tell them we were going to make that base self-sufficient where we wouldn't have to depend on them any more, that we would make our own water.

A lot of new nations have been born in this world. There are more than 120 of them now, and a lot of them are going through a perilous period. They are like children learning to walk.

Some of the nations, Khrushchev says, have grown up like children and now they are too big to spank. So he has a lot of problems with some of his satellites.

But we have a varying situation all over the world. During this period we have done our best to advance the cause of free-

At the end of the fiscal year, all the money that had been appropriated had been allocated. Red tape had been cut. Decisions were no longer being delayed. The watchword of the Administrator, Mr. Mann, who had the authority of the White House and the State Department and the Alliance for Progress all wrapped up under one hat, was such that he could make a decision, and did.

So we got out our allocations and made our decisions. We proceeded on the premise that we could not really have a successful relationship that we could take great pride in, unless we successfully attacked the ancient enemies of mankind in this hemisphere—poverty, disease, ignorance, illiteracy, ill health, and so forth; that we must have land reform; that we must have fiscal reform; we must have tax reform; we must have budget reform.

We have watched with great interest the improvement that has been made in these various fields. But I also concluded—and my view, I think, was shared by Secretary Rusk and Mr. Mann—that you could take all the gold in Fort Knox and it would just go down the drain in Latin America, unless the private investor, upon which our whole system is based, free enterprise, could have some confidence that he could make his investment and it would not be confiscated and that he would have an opportunity to make a fair and a reasonable return.

So we worked very closely with a number of leading businessmen and we worked very closely with some of the great thinkers, some of whom are represented here this morning, in trying to make it possible to make private investment increase and also make it safer. In 1963 we made investments of around \$60 million in other countries. In 1964, at the rate we are going, it will be over \$100 million, almost twice as much. So, progress is being made.

[We have had a good many momentary difficulties. We had our water cut off at Guantanamo, but we solved that without a major debacle. We had some difficulties in Panama, but with patience and judgment we solved that without a major catastrophe. We had problems in Brazil and now we are working very closely with them to give them major assists. We had an election in Chile and that has been decided. Nowhere, really, have the Communists taken over any governments, or have any governments gone communistic since Cuba in 1959.]

In retrospect, as we look over the 12 months of our relations with our neighbors in this hemisphere, we can look at them with confidence, with respect, and with pride. And now I am going to ask Mr. Mann to make a full and detailed report on these developments to me quickly, shortly.

I am going to ask Dr. Sanz here with CIAP to realize that we maintain an open door policy and that that door there to the President's office is always open to him and to his group for suggestions, for criticisms, for ideas. Because we do have a very genuine respect not only for the independence of our fellow men in this hemisphere but for their lofty and worthy desires to achieve for their people a better standard of living and a better way of life.

And because so many people helped us develop our economy and to become a strong and mighty nation politically and economically and educationally, we feel a debt of gratitude and we want to, in part, repay it by working with our other neighbors. Because the stronger they are, the stronger America is.

Thank you very much.

NOTE: The President spoke about 2:15 p.m. in the Rose Garden at the White House. During his remarks he referred to Thomas C. Mann, Assistant Secretary of State for Inter-American Affairs, United States Coordinator for the Alliance for Progress, and

Remarks : members of the Inter-American
Committee on the Alliance for
Progress, Oct 27, 1964

Now if I may have your attention, I am going to ask the very able junior Senator from Massachusetts to make a brief response.

NOTE: The signing ceremony was held in the Cabinet Room at the White House at 10 a.m. Senator Edward M. Kennedy, on behalf of Mrs. John F.

Kennedy and other members of the family, thanked the President and the Members of Congress for "making this day possible," adding that the Cultural Center was "something extremely close to the President's heart and to Jackie's heart as well."

The bill (S.J. Res. 136) as enacted is Public Law 88-260 (78 Stat. 4).

143 The President's News Conference of January 23, 1964

THE PRESIDENT. [I.] I want to take this opportunity to restate our position on Panama and the Canal Zone. No purpose is served by rehashing either recent or ancient events. There have been excesses and errors on the part of both Americans and Panamanians. Earlier this month, actions of imprudent students from both countries played into the hands of agitators seeking to divide us. What followed was a needless and tragic loss of life on both sides.¹

Our own forces were confronted with sniper fire and mob attack. Their role was one of resisting aggression and not committing it. At all times they remained inside the Canal Zone and they took only those defensive actions required to maintain law and order and to protect lives and property and the Canal itself. Our obligation to safeguard the Canal against riots and vandals and sabotage and other interference rests on the precepts of international law, the requirements of international commerce, and the needs of free world security.

These obligations cannot be abandoned. But the security of the Panama Canal is not inconsistent with the interests of the Republic of Panama.

¹ In defiance of an order of the Governor of Panama to eliminate the flying of flags at schools, American students on January 7 hoisted their own flag at Balboa High School. Two days later Panamanian students attempted to display their flag and disorder followed. On January 10 Panama broke diplomatic relations with the United States. (See also Items 95, 104, 114.

Both of these objectives can and should be assured by the actions and the agreement of Panama and the United States. This Government has long recognized that our operation of the Canal across Panama poses special problems for both countries. It is necessary, therefore, that our relations be given constant attention.

Over the past few years we have taken a number of actions to remove inequities and irritants. We recognize that there are things to be done and we are prepared to talk about the ways and means of doing them. But violence is never justified and is never a basis for talks. Consequently, the first item of business has been the restoration of public order. The Inter-American Peace Committee, which I met this morning, deserves the thanks of us all, not only for helping to restore order, but for its good offices.² For the future, we have stated our willingness to engage without limitation or delay in a full and frank review and reconsideration of all issues between our two countries.

We have set no preconditions to the resumption of peaceful discussions. We are

² The Inter-American Peace Committee of the Organization of American States, composed of Argentina, Colombia, the Dominican Republic, the United States (in connection with this matter the OAS Council elected Chile to serve in place of the United States), and Venezuela, was called upon jointly by the two countries to study the U.S.-Panamanian dispute and to recommend measures for its settlement.

bound by no preconceptions of what they will produce. And we hope that Panama can take the same approach. In the meantime, we expect neither country to either foster or yield to any kind of pressure with respect to such discussions. We are prepared, 30 days after relations are restored, to sit in conference with Panamanian officials to seek concrete solutions to all problems dividing our countries. Each government will be free to raise any issue and to take any position. And our Government will consider all practical solutions to practical problems that are offered in good faith.

Certainly solutions can be found which are compatible with the dignity and the security of both countries, as well as the needs of world commerce. And certainly Panama and the United States can remain, as they should remain, good friends and good neighbors.

[2.] Q. Mr. President, before you go, I wonder if you could entertain another question or so. For example, how do you think things are going on the Hill?

THE PRESIDENT. Well, we signed the cultural bill this morning. We finished up the appropriation bill before we went home Christmas. We completed the education bills that were then in conference, and signed them.

We had two big items that are high on the agenda; the civil rights bill.

We have the feeling and the belief of the leadership that we will have that bill before the House early in the month and that we will have final action on it before they take a holiday for Lincoln's Birthday.

On the tax bill, Senator Byrd has called me within the hour and told me that they reversed the decision earlier made and today they took the language out, all repeal language, dealing with excises and restored \$450

million in the bill by a 9 to 8 vote and then reported the bill to the Senate by a vote of 12 to 5.

[3.] You are also writing some other stories, I think, about an insurance policy that was written on my life some 7 years ago, and I am still here.

The company in which Mrs. Johnson and my daughters have a majority interest, along with some other stockholders, were somewhat concerned when I had a heart attack in 1955, and in 1957 they purchased insurance on my life made payable to the company. And the insurance premiums were never included as a business expense, but they thought that was good business practice in case something happened to me, so Mrs. Johnson and the children wouldn't have to sell their stock on the open market and lose control of the company.

That insurance was purchased here in Washington, and on a portion of the premiums paid, Mr. Don Reynolds got a small commission. Mr. George Sampson, the general agent for the Manhattan Insurance Company, handled it and we have paid some \$78,000 in premiums up to date and there is another \$11,800 due next month which the company will probably pay to take care of that insurance.

[4.] There is a question also which has been raised about a gift of a stereo set that an employee of mine made to me and Mrs. Johnson. That happened some 2 years later, some 5 years ago. The Baker family gave us a stereo set. We used it for a period, and we had exchanged gifts before. He was an employee of the public and had no business pending before me and was asking for nothing, and so far as I knew expected nothing in return any more than I did when I had presented him with gifts.

I think that is about all I know that is

95 White House Statement on the Events in Panama.

January 10, 1964

THE President has this morning reviewed the situation in Panama with his senior advisers. He has ordered the Assistant Secretary of State, Mr. Mann, to proceed at once to the Canal Zone. The U.S. Government greatly regrets the tragic loss of life of Panamanians and Americans. The President has given most earnest instructions to General O'Meara, Commander in Chief, Southern Command (CINCSOUTH), to do all that is within his power to restore and to maintain peace and safety in the Canal Zone.

The President has noted President Chiari's appeal to the citizens of Panama to join in the restoration of peace, and the President is making a similar appeal to the residents of the Canal Zone. The path to a settlement can only be through peace and understanding and not through violence.

NOTE: This statement was read by the Press Secretary to the President, Pierre Salinger, at his news conference held at the White House on January 10, 1964.

See also Item 104.

96 Remarks at a Reception for Members of the Democratic National Committee. January 11, 1964

I KNOW that all of you have met her but I want Lady Bird to say a word before I get opened up on a long speech.

[At this point Mrs. Johnson spoke briefly, welcoming the Committee members to the White House. She expressed her pleasure at seeing among them old friends she had met as she traveled "across the many years and across the many States." The President then resumed speaking.]

We know how much you have sacrificed through the years in order that the convictions that you possessed could be carried into Government. We know how sorrowful the last 7 weeks have been for all of you. We meet tonight with heavy hearts because of the loss of a fallen leader, but he left us many good things to work for. We enumerated some of those things in our State of the Union Message a few days ago.

Above all, we are Americans before we are Democrats or Republicans. When I was talking to the Congress, I particularly appealed to the members of my own party to put the interests of the country ahead of the interests of the party, to debate

matters always on principles and never on personalities.

There are many things that divide our country, but we would do nothing to muffle dissent. That is one of the great and precious things about this land and the freedom that we enjoy; but we do think that we can disagree without being disagreeable.

I had the good fortune to serve as leader of the Senate for 8 years—the longest period of time any leader ever served under the President of another party. Although we frequently did not see eye to eye on matters of governmental policy, we found that it was not necessary to indulge in personalities. Not once that I recall did I ever make a caustic personal criticism of President Eisenhower, his wife, his children, or his dogs.

I think you will find that we will be able to get through this campaign and any others in which we may engage with the same thought in mind that basically there are so many more things that unite us than divide us. We have faith in this country and we

113 Memorandum on the Observance of Brotherhood Week.
January 16, 1964

Memorandum for the Heads of Executive Departments and Agencies:

I have accepted the Honorary Chairmanship of Brotherhood Week for 1964.

Dedicated to the principle of "to bigotry no sanction, to persecution no assistance," as expressed by our first President, Brotherhood Week is traditionally held during the week of George Washington's birthday. This year it will be February sixteenth through the twenty-third.

This is a time of deep appraisal for all Americans. In view of our recent national tragedy, no better time exists for the searching of our hearts and minds.

The Honorable Brooks Hays is on leave to serve as the National Brotherhood Week Chairman for 1964. He and the offices of the National Conference of Christians and Jews throughout the country will be glad to assist you and your employees in observing this important week of dedication.

I hope that in its own way, each Department and Agency throughout the country will find it possible during this week to commemorate and underscore the importance of *implementing* the principle of the Brotherhood of Man under the Fatherhood of God.

LYNDON B. JOHNSON

114 White House Statement Concerning U.S. Readiness To
Carry On Discussions With Panama. January 16, 1964

THE United States Government is ready and willing to discuss all problems affecting the relationship between the United States and Panama. It was our understanding that the Government of Panama was also willing to undertake these discussions. Our position is unchanged. We feel in this time of diffi-

culty between the two countries that it is time for the highest exercise of responsibility by all those involved.

NOTE: This statement was read by the Press Secretary to the President, Pierre Salinger, at his news conference held at the White House on January 16, 1964.

115 Statement by the President in Response to a Report
on Immigration. January 17, 1964

THE REPORT of the Immigration and Naturalization Service is an example of Government with a heart.

By applying existing immigration laws with humanity, we are demonstrating that compassion and efficient administration go hand in hand.

America's strength has risen from the di-

versity of its heritage. Its future has always rested on the hopes of our forebears as they came to seek freedom and abundance.

We can take renewed faith in the eagerness of people throughout the world to become citizens—to share with us in the building of an even stronger country. We can express that faith by passing and implement-

103 Telegram to Governor Sanford on His Attack on Poverty in North Carolina. *January 14, 1964*

I WANT to congratulate you on your initiative in mobilizing for an attack on poverty in North Carolina. Please convey to those at your conference today my heartfelt wishes for the success of your efforts. As you know, my State of the Union Message proposed an all-out war on poverty in America. I am confident that the Congress will respond to this challenge. The North Carolina Fund

promises to make an exciting and important contribution to this deep-seated problem. I want to assure you of the full cooperation of the Federal departments whose programs contribute to the war on poverty.

LYNDON B. JOHNSON

[The Honorable Terry Sanford, Governor of North Carolina, Raleigh, North Carolina]

104 White House Statement Following Receipt of a Report on Panama. *January 14, 1964*

THE President received a full report on the situation in Panama from Mr. Mann. Mr. Mann emphasized that U.S. forces have behaved admirably under extreme provocation by mobs and snipers attacking the Canal Zone. The President continues to believe that the first essential is the maintenance of peace. For this reason, the United States welcomes the establishment of the Joint Cooperation Committee through the Inter-American Peace Committee.

The United States tries to live by the policy of the good neighbor and expects others to do the same. The United States

cannot allow the security of the Panama Canal to be imperiled. We have a recognized obligation to operate the Canal efficiently and securely, and we intend to honor that obligation in the interests of all who depend on it. The United States continues to believe that when order is fully restored it should be possible to have direct and candid discussions between the two governments.

NOTE: This statement was read by Andrew T. Hatcher, Associate Press Secretary to the President, at the Press Secretary's news conference held at the White House on January 14, 1964.

105 Remarks to Leaders of Organizations Concerned With the Problems of Senior Citizens. *January 15, 1964*

Mr. Celebrezze, ladies and gentlemen:

I am sorry that I have been delayed a little bit in getting in here this morning, but I am happy that you are here and that you have a chance to come to this house that belongs to all of us.

There is one thing you can say about the

Presidency: You have a variety of matters and you never get bored with just handling one problem. But I don't know any problem that has ever faced all of our people that should concern us more than the one about which we meet this morning.

The 20th century, in which we live, has

Will you interpret for me?

This is a picture of the Acting Mayor of Washington welcoming your President to the Blair House. Now pick me another. This is a picture welcoming him at the White House. And this is for you.

Now will you pick me three of the girls. I believe I will give the Ambassador this one.

You have one of the finest Ambassadors and one of the loveliest ladies of any embassy here in Washington. And tell them I am going to send that one to the Ambassador's wife.

[At this point Mario Crespi Morbio, co-owner of the Corriere Della Sera, presented the President with a small bronze facsimile of the first page of the news-

paper, dated 1870, founded by Mr. Crespi's family. The President then resumed speaking.]

It is a great honor to me and I appreciate this beyond words, and I will always treasure it and have thoughts of a fine, aggressive group of friends from Italy who came here this morning.

Thank you very much.

NOTE: The President spoke at 10:45 a.m. in the Theater at the White House. In his opening remarks he referred to Sergio Fenoaltea, Italy's Ambassador to the United States. Later he referred to Jack Valenti, Special Consultant to the President, U.S. Senator John O. Pastore of Rhode Island, and U.S. Representative Peter W. Rodino, Jr., of New Jersey.

The group, under the leadership of Mr. Crespi, was sponsored by the Corriere Della Sera.

150 The President's News Conference of January 25, 1964

THE PRESIDENT. So you know about your weekend plans, I am not going to Camp David. I will be here and I will be working all day. I may go out a time or two on little personal matters, but basically I will be in the office.

[1.] I have been working with McNamara some this morning on his presentation to the committee.¹ We think we are making some real progress up there getting our authorization measures up in January so they can really get their teeth into these things. All this delay has not been solely attributable to Congress. I have said to these bureau people and agency and department people to get ready. That is why you are going to get your briefing on housing today. We have that scheduled for hearing early in February.

People like Senator Russell are really

¹ Secretary of Defense Robert S. McNamara's military posture briefing before the Senate and House Armed Services Committees.

leaning over backwards to hold the appropriation and authorization hearings together. The schedule that the chairman of the Appropriations Committee gave out was very good, very orderly, and very well planned.² We are going to meet it.

I have been talking to Mr. McNamara about that, as well as some other matters, this morning.

[2.] I have also been talking to Mr. Mann on the Panamanian situation, and we are working very hard on that along the lines of my statement the other day.³ That statement is basically United States policy. It is the same policy we enunciated to the President when we first talked to him, and it is the same policy that applies to all nations. That is the policy of being fair and just and discussing any problem that arises

² Schedule of the House Appropriations Committee, printed in the Congressional Record, January 21, 1964, page 688.

³ For the President's statement on Panama, see Item 143.

Remarks at the St. Louis
Bicentennial
Dinner

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houses each year, many new schools, libraries, streets, utility lines, transport systems, water and sewage facilities, and stores and churches.

If by the year 1970 we are to fulfill the ideals of our free society, we shall have to have ample housing for our low-income families, for our rural families, for our elderly families, and for the families of those who serve in our Armed Forces.

If by the year 1970 we are to save the vitality of our cities, we must make continued progress in eliminating slums, in rehabilitating historic neighborhoods, in providing for the humane relocation of people that are displaced by urban renewal, in restoring the economic base of our communities, and in revitalizing our central areas.

This is an agenda, but only a partial agenda and only a partial answer.

If we of this generation are to do what must be done to preserve the quality and the character and the meaning of American life, we must, at home and in the world, make a basic choice. We must choose progress or we must choose decay.

Three weeks ago I sent to the Congress a Message on Housing and Community Development,¹ proposing a number of specific ways in which the National Government can work with citizens in localities throughout the country to meet the crisis of the city. Working together, strong civic spirit, strong local and national leadership can meet these problems.

The Federal Government cannot act where local spirit and leadership are absent. But the Federal Government tonight stands ready to help every city that is determined to become a place where children can grow up in decent neighborhoods, where children can go to decent schools, where children can play in decent parks and playgrounds, where

¹ Item 152.

children can have the benefits of a wholesome and a vital environment.

But it is not enough to build healthier local communities. America's larger task tonight is to help build a healthier world. These objectives are very related: we cannot secure the success of freedom around the world if it is not secure for all citizens in our cities; and no city in America can be certain of its safety until all the world is made safe for diversity.

In the past 3 years that safety has steadily grown, thanks to the leadership of your own Senator Symington, and to Senator Long and other members of your congressional delegation. The vast and rapid increase in our nuclear and conventional military strength has enabled us to meet each new conflict and to face each new crisis—from West Berlin to Cuba—with both courage and calm. It has likewise enabled us to bargain for an end to arms from a position of strength and conviction.

The very progress we have made, to be sure, brings problems in its wake. Many nations that are no longer frightened for their future now feel more free to press their more narrow national interests. Disputes between our allies and our friends in Cyprus, in Malaysia, in Africa or Kashmir or the Middle East tend to weaken free world cooperation, and tend to invite Communist exploitation. So it is in our interest not only as a world power but as a partisan of peace, to work patiently with our friends on any of these disputes where we can be helpful to achieve a just resolution.

✓ I would remind you that we did not create these quarrels, but we can, and we must and we should, help to end them. In the Panama Canal Zone we ourselves are party to such a dispute and, too, here tonight we are working for a peaceful solution. It is a solution that is compatible with the inter-



ests of both nations and with the principles of a good neighbor.)

Elsewhere in the world, particularly in Southeast Asia, conflict continues between those that are seeking to impose the Communist system by direct or indirect aggression and those who are seeking to protect their freedom of choice and their freedom of action. The United States is determined to help those free and peaceful peoples who need and seek our help. It is their land and their war, but we will never weaken our support for their effort, or we will never betray their trust in us.

All of these tense and troubled problems require much of the American citizen—a steadiness of purpose, a sense of perspective and, above all, enduring and persevering patience. We cannot expect perfection in an imperfect world, nor can we expect complete agreement among the world's free men. Freedom prospers through the fair discussion of honest differences, both at home and abroad. We invite and we welcome such discussions.

But neither at home nor abroad is there any need for twisted arguments that would damage the good name of our country. The American people have little sympathy for those abroad who seek political gain from baseless denunciation of the United States because we have helped others and because we are a leader for peace. And they will equally reject such tactics if they are employed at home.

We are confident that our principles are sound and that our progress is good; that those who distort the truth to alarm the people, either at home or abroad, about either America's capacity or America's purpose, do not serve their children or serve their country, or serve freedom in the world.

This Nation, more respected than ever, more respected than ever respected before

by friend and foe, by the great and the small, will always do its full part to achieve in our time a world without war in a century of peace.

Thank you and good night.

[Following applause the President resumed speaking.]

Many years ago an inquiring friend asked a great member of the Congress why the delegation from his State was the ablest in the Congress. He gave him a very fine and frank answer. I think that I should like for all the people of not just St. Louis and St. Louis County, but all the people of Missouri, to hear that answer tonight, and to apply it to your own great delegation.

He said, "Why does your State have the greatest delegation in Congress?" The answer was, "Because we pick them young and we pick them honest. We send them there, and we keep them there."

And so to the people of Missouri, I must admit, with apologies to Congressman Curtis, that if I had been picking them in the original instance, I might have confined them all to one party. That would have perhaps been a most narrow viewpoint, because we are going to have two parties in this country for a long time.

All I say to you in Missouri is this, that every day I sit in the White House and I see the decisions that Harry Truman made and didn't make. I see the men that he hired and the men he fired. I see the strokes of genius that came from his pen during those few troublesome years. I saw the injection of new policy known as the Truman Doctrine in Europe, and the Marshall plan that saved the world from communism. I never cease to be grateful to the State of Missouri for giving us that good and wise man in that troublesome period.

Although some of my party people might not approve of this statement, I would say

Remarks

96th Charter Day Observance
of the Univ. of Calif.
at Los Angeles

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people of the United States, as Governor Brown has told you, are proud of their enduring friendship with our neighboring nation, Mexico.

In the winning of our independence, in the strengthening of our institutions, in the relentless quest of social justice and human rights, in the pursuit of a better way of life for all of our people, Mexico and the United States have walked a common road. Others walk that road today, and our experience, Mr. President, enables us to understand their hopes, for neither Mexico nor the United States leaped into the modern world full grown; we are both the products of inspired men who built new liberty out of old oppression and, Mr. President, neither of our revolutions is yet finished.

So long as there remains a man without a job, a family without a roof, a child without a school, we have much to do. No American can rest while any American is denied his rights because of the color of his skin. No American conscience can be at peace while any American is jobless, hungry, uneducated, and ignored.

Our "permanent revolution" is dedicated to broadening, for all Americans, the material and the spiritual benefits of the democratic heritage. But while we pursue these unfinished tasks at home, we must look also at the larger scene of world affairs. Our constant aim, our steadfast purpose, our undeviating policy, is to do all that strengthens the hope of peace, and nothing will ever make us weary in these tasks. In our foreign policy today there is room neither for complacency nor for alarm. The world has become small and turbulent. New challenges knock daily at the White House, America's front door.

In South Viet-Nam, terror and violence, directed and supplied by outside enemies, press against the lives and the liberties of a

people who seek only to be left in peace. For 10 years our country has been committed to the support of their freedom, and that commitment we will continue to honor. The contest in which South Viet-Nam is now engaged is first and foremost a contest to be won by the government and the people of that country for themselves. But those engaged in external direction and supply would do well to be reminded and to remember that this type of aggression is a deeply dangerous game.

For every American it is a source of sadness that the two communities in Cyprus are today set against each other. America's partnership with Europe began with President Truman's brave pledge of assistance to Greece and Turkey. Now the people of Cyprus, closely tied to these two friends and allies, our partners in NATO, stand at the edge of tragedy. Of course, the United States, though not a party to the issues, will do everything we possibly can to find a solution, a peaceful solution. So I appeal for an end to the bloodshed, before it is too late, to everyone in Cyprus and to all interested parties around the world. It is the task of statesmanship to prevent the danger in Cyprus from exploding into disaster.

Closer to home, we ourselves seek a settlement with our friends in Panama. We give assurance to the government and to the people of Panama that the United States of America is determined to be absolutely fair in all discussions on all our problems. We are prepared, calmly and without pressure, to consider all the problems which exist between us, and to try our dead-level best to find a solution to them promptly. What is needed now is a covenant of cooperation.

As we are patient in Panama, we are prepared at Guantanamo. We have dealt with the latest challenge and provocation from Havana, without sending the Marines to

great disservice, but we are keeping in close touch with it daily.

We have Ambassador Lodge, who heads our forces in that area. He is in constant communication with us. He makes recommendations from time to time. We act promptly on those recommendations. We feel that we are following the proper course and that our national interests are being fully protected.

Q. Mr. President, do you see any reason to fear that an extension of the fighting in South Viet-Nam might bring Communist China or even the Soviet Union into the fight?

THE PRESIDENT. I know of no good purpose that would be served by speculating on the military strategy of the forces of the South Vietnamese. I think that too much speculation has already taken place—I think that a good deal of it without justification. I sometimes wonder if General Eisenhower, before the battle of Normandy, had been confronted with all the—if the world had all the information concerning his plans that they seem to have concerning ours in Viet-Nam, what would have happened on that fateful day.

So, I would answer your question merely by saying that I do not care to speculate on what might happen. The plans that have been discussed in the papers are not plans that have come to my attention, or that I have approved.

Q. Mr. President, Henry Cabot Lodge, your Ambassador to South Viet-Nam, was your opponent for the Vice Presidency in 1960, and is a very strong potential Republican nominee this time. Doesn't that make conduct of your policy in South Viet-Nam awkward, if not difficult?

THE PRESIDENT. No, I don't think so. Mr. Lodge had a brilliant career in the Senate.

He served in the United States Army after resigning from the Senate. He had considerable military experience there. He served his country well at the United Nations under the administration of President Eisenhower. He was selected by President Kennedy upon the recommendation of Secretary Rusk. He has been given full authority to act as our top adviser in that area. He had a long conference with me before he returned to Viet-Nam in November.

I am unaware of any political inclinations he may have. I have seen nothing that he has done that has in any way interfered with his work out there. I think that he has properly assessed the situation himself by saying that since he is our Ambassador there he cannot personally get involved in the campaign plans that some of his friends may have for him.

[6.] Q. Mr. President, do you see any hope of reaching an agreement in Panama before that country's Presidential elections in May?

THE PRESIDENT. I would hope that we could reach an agreement as early as possible. As soon as I learned that the Panamanians had marched on our zone and we had a disturbance there, and some of our soldiers had been killed, some of the students had raised the flag and this disturbance had resulted, I immediately called the President of Panama on the telephone and said to him in that first exchange, "I want to do everything I can to work this problem out peacefully and quickly. Therefore our people will meet with your people any time, anywhere, to discuss anything that will result in bringing peace and stopping violence."

The President asked me how long it would be before those discussions could take place, and I said we would have a team in the air within 30 minutes.

I designated Assistant Secretary Mann³ to leave immediately. We have been pursuing those discussions ever since. We have reached no agreement. One day you see speculation that an agreement is imminent. The next day you see speculation that we are very pessimistic. I think both reports have been wrong.

There has been no meeting of the minds. We realize that treaties were written in 1903 and modified from time to time—that problems are involved that need to be dealt with and perhaps would require adjustment in the treaty in 1963 or 1964.

So we are not refusing to discuss and evolve a program that will be fair and just to all concerned. But we are not going to make any precommitments, before we sit down, on what we are going to do in the way of rewriting new treaties with a nation that we do not have diplomatic relations with. Once those relations are restored, we will be glad, as I said the first day, and as we have repeated every day since, to discuss anything, any time, anywhere, and do what is just and what is fair and what is right. Just because Panama happens to be a small nation, maybe no larger than the city of St. Louis, is no reason why we shouldn't try in every way to be equitable and fair and just. We are going to insist on that. But we are going to be equally insistent on no preconditions.

[7.] Q. Mr. President, returning to southeast Asia, the Pathet Lao in Laos has been stepping up its military activities in violation of the '62 Geneva agreement. Is the United States willing to concede that neutralization is not the answer to Laos today?

THE PRESIDENT. The United States has made the proper protestations and is doing everything we can to see that that agreement

³ Thomas C. Mann, Assistant Secretary of State for Inter-American Affairs.

reached is carried out. We have expressed our deep regret that it has not been. We are very hopeful that the interested governments will take the appropriate action to see that the agreement is carried out.

[8.] Q. Mr. President, you have said repeatedly that peace is the paramount issue on your mind. I wonder, sir, if during your first hundred days in the White House you have seen any encouraging signs along this road and, specifically, do you think a trend of the modern world is towards coexistence and conciliation rather than to strife.

THE PRESIDENT. We must be concerned not just with our foreign policy in the twentieth century but with the foreign policy of 110 or 120 other nations. We are today dealing with serious problems in many places in the world that seriously affect the peace. When we solve these problems I have no doubt but what there will be others that arise that have been in existence for centuries.

It is going to be the course of this Government to do everything that we can to resolve these differences peacefully, even though they are not of our own making. There are few of these situations which have been brought about by anything that we have done, but they are age-old differences that have existed for centuries.

I am an optimist. I spent 35 days in meetings with the Security Council in the Cuban missile crisis. I saw the alternatives presented there. I realized that we can, with the great power we have, perhaps destroy 100 million people in a matter of minutes, and our adversaries can do likewise.

I don't think that the people of the world want that to happen and I think we are going to do everything that we can to avoid its happening. Now there are going to be some very serious problems that we have to resolve before we achieve peace

no one was in here, they were all used, but when people got economy conscious and just started watching things like we used to on the REA line when we had a minimum bill of \$2.50 a month and we never wanted to go over the minimum. Things can be reduced.

It has not all been due to our efforts. Some of it came about for other reasons, but we hope that next month it will come down another \$500 a month. The people of the country, I think, will really appreciate when they realize you are saving \$2500 a month on electricity in the house in which you live. You go back home and see how much electricity you can save in the building in which you work. See how many lights you leave on when you go out at night. See how many people you have that are not living up to the most rigid standards.

I have always said and thought that if I could have a son I would like for him to be a preacher or a teacher or a public servant because I have observed that there comes to those professions a sense of satisfaction out of doing a job that you never get from a paycheck. Most of you men would in private life draw several times the salary that you draw now.

Here is Secretary Dillon who has everything in the world that a man could want. He has wealth, he has prestige and he has a lovely wife and a wonderful reputation, but his great satisfaction comes from working here in Washington and leading a group like you, and spending several times more per year than he earns in his salary, trying to help other people. You are very fortunate to be one of those men who is not a preacher or teacher but a public servant, because you serve the greatest government in the world. You serve the leader of the world, the 113 nations, and yours is out-

standing. There are only six of them that have a per capita income of as much as \$80 a month. Yours has over \$200 a month.

How long this Nation will endure and survive and meet the trials of leadership will depend largely on the quality of its public servants, their dedication, their honesty, their integrity, their enlightenment, their selflessness, their willingness to do unto others as you would have them do unto us.

We have problems in the world. We are living in a frustrating period, an exciting period, a developmental period. I have seen times when the skies were grayer. But we don't have on our hands this morning a missile crisis in Cuba. We don't have Laos; we don't have the conference in Vienna that we faced the first few months of President Kennedy's administration—the Bay of Pigs—all of those were major problems.

Relatively speaking, we don't have the problem that Mr. Khrushchev has with Communist China, 800 million people there and they are saying ugly things about each other. And 800 million is a sizable number. When they fall out among themselves it is something that must concern both of them.

✓ We are concerned about Panama—that we should have a dispute with any of our neighbors. Our school children made a mistake in raising the United States flag without raising the Panamanian flag, but that does not warrant or justify shooting our soldiers or invading the zone.]

Our plane was off course over Berlin and lost its communications system very likely, and was shot down. It should not have been in that territory. It would not have been if it had been able to follow our radar instructions but it lost its communications; but we don't think that they were justified in shooting it down.

Remarks : Key Officials of the Internal Revenue Service

Transcript of T.V. and Radio Interviews
Representatives of Major
Bromelinst
Services

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and arrest an American chargé d'affaires.

But that does happen, and we have to be prepared for those developments and try to understand them and try to provide leadership that will keep us from getting in deeper water or more trouble, and that is what we are doing. Sometimes our people become very impatient. They cut the water off on us in Cuba, and I got a good many recommendations from all over the country as to how to act very quickly. Some of them said—some of the men wanted me to run in the Marines, send them in immediately.

Well, upon reflection and evaluation and study, realizing not many people want more war, and none of them really want more appeasement, you have to find a course that you can chart that will preserve your dignity and self-respect, and still bring about the action that is necessary. So instead of sending in the Marines to turn the water on, we sent one admiral in to cut it off and arrange to make our own water, and we think things worked out as best they could under those circumstances.

But there are going to be these demands from time to time, from people who feel that all we need to do is mash a button and determine everybody's foreign policy. But we are not living in that kind of a world any more. They are going to determine it for themselves, and that is the way it should be. And we are going to have to come and reason with them and try to lead them instead of force them. And I think, I have no doubt but what for centuries to come that we will be a leading force in molding opinion of the world, and I think the better they know us the more they will like us.

✓ [30.] Mr. Lawrence: Is there any progress, Mr. President, in the deadlock over Panama and the absence of diplomatic relations with that country?

THE PRESIDENT. We have been very close to agreement several times. I have no doubt but what agreement will be reached that will, in effect, provide for sitting down with the Panamanian authorities and discussing the problems that exist between us and being guided only by what is fair and what is right and what is just, and trying to resolve those problems. Now, when that will come about, I don't know. We are anxious and willing and eager to do it any time it suits their convenience.

Mr. Lawrence: What is the hitch right now, Mr. President?

THE PRESIDENT. I think first, they have an election on, and I think translating our language into their language, that some of the agreements that we have to discuss these matters, they perhaps feel that they would want stronger language than we are willing to agree to, and we want a different expression from what they want. It is largely a matter of trying to agree on the kind of language that will meet their problems, and that we can honestly, sincerely agree to.

We are not going to agree to any preconditions to negotiate a new treaty without knowing what it is going to be in that treaty and without sitting down and working it out on the basis of equity. We think that that language can be resolved and will be resolved in due time.]

[31.] Mr. Brinkley: Mr. President, what is your assessment now of General de Gaulle's behavior in the last year or two? What do you think about it?

THE PRESIDENT. Well, it is not for me to pass judgment on—

Mr. Brinkley: In relation to us, sir?

THE PRESIDENT. —on General de Gaulle's conduct. My conversations with him have been very pleasant. I would like to see him more in agreement on matters with us than

Remarks

Third Anniversary of the Alliance for Progress

Lyndon B. Johnson, 1963-1964

Mar. 16 [220]

1964

self-help. Progress cannot be created by forming international organizations. Progress cannot be imposed by foreign countries. Progress cannot be purchased with large amounts of money or even with large amounts of good will.

Progress in each country depends upon the willingness of that country to mobilize its own resources, to inspire its own people, to create the conditions in which growth can and will flourish, for although help can come from without, success must come only from within. Those who are not willing to do that which is unpopular and that which is difficult will not achieve that which is needed or that which will be lasting. This is as true of my own country's fight against poverty and racial injustice as it is of the fight of others against hunger and disease and illiteracy—the ancient enemies of all mankind.

By broadening education we can liberate new talents and energies, freeing millions from the bonds of illiteracy. Through land reform aimed at increased production, taking different forms in each country, we can provide those who till the soil with self-respect and increased income, and each country with increased production to feed the hungry and to strengthen their economy.

Fair and progressive taxes, effectively collected, can provide the resources that are needed to improve education and public health conditions and the social structure that is needed for economic growth. Measures ranging from control of inflation and encouragement of exports to the elimination of deficits in public enterprises can help provide the basis of economic stability and growth on which our Alliance can flourish.

The third area of emphasis is the pursuit of social justice. Development and material progress are not ends in themselves. They are means to a better life and means to an

increased opportunity for us all. They are the means for each to contribute his best talents and each to contribute his best desires. They are the means to the full dignity of man, for the Alliance for Progress is a recognition that the claims of the poor and the oppressed are just claims. It is an effort to fulfill those claims while at the same time strengthening democratic society and maintaining the liberty of man.

So, no matter how great our progress, it will lack meaning unless every American from the Indian of the Andes to the impoverished farmer of Appalachia can share in the fruits of change and growth. Land reform, tax changes, educational expansion, the fight against disease—all contribute to this end. Everything else that we must do must be shaped by these guiding principles. In these areas—cooperation and self-help and social justice—new emphasis can bring us closer to success.

At the same time, we must protect the Alliance against the efforts of communism to tear down all that we are building. The recent proof of Cuban aggression in Venezuela is only the latest evidence of those intentions. We will soon discuss how best we can meet these threats to the independence of us all.

But I now, today, assure you that the full power of the United States is ready to assist any country whose freedom is threatened by forces dictated from beyond the shores of this continent.

Let me now depart for a moment from my main theme to speak of the differences that have developed between Panama and the United States. ✓

Our own position is clear, and it has been from the first hour that we learned of the disturbances. The United States will meet with Panama any time, anywhere, to discuss anything, to work together, to cooperate with

each other, to reason with one another, to review and to consider all of our problems together, to tell each other all our opinions, all our desires, and all our concerns, and to aim at solutions and answers that are fair and just and equitable without regard to the size or the strength or the wealth of either nation.

We don't ask Panama to make any precommitments before we meet, and we intend to make none. Of course, we cannot begin on this work until diplomatic relations are resumed, but the United States is ready today, if Panama is ready. As of this moment, I do not believe that there has been a genuine meeting of the minds between the two Presidents of the two countries involved.

Press reports indicate that the Government of Panama feels that the language which has been under consideration for many days commits the United States to a rewriting and to a revision of the 1903 treaty. We have made no such commitment and we would not think of doing so before diplomatic relations are resumed and unless a fair and satisfactory adjustment is agreed upon.

Those of us who have gathered here today must realize that we are the principal guardians of the Alliance for Progress. But the Alliance is not here, and it is not in office buildings and it is not in meeting rooms in Presidential mansions throughout the hemisphere. The Alliance is in the as-

pirations of millions of farmers and workers, of men without education, of men without hope, of poverty-stricken families whose homes are the villages and the cities of an entire continent.

They ask simply the opportunity to enter into the world of progress and to share in the growth of the land. From their leaders, from us, they demand concern and compassion and dedicated leadership and dedicated labor.

I am confident that in the days to come we will be able to meet those needs. It will not be an easy task. The barriers are huge. The enemies of our freedom seek to harass us at every turn. We are engaged in a struggle for the destiny of the American Republics, but it was a great poet, William Butler Yeats, who reminded us that there was doubt if any nation can become prosperous unless it has national faith. Our Alliance will prosper because I believe we do have that faith. It is not idle hope but the same faith that enabled us to nourish a new civilization in these spacious continents, and in that new world we will carry forward our Alliance for Progress in such a way that men in all lands will marvel at the power of freedom to achieve the betterment of man.

Thank you.)

NOTE: The President spoke at 11:50 p.m. at the Pan American Union. His opening words "Mr. Chairman" referred to Carlos Sanz de Santamaría, Chairman of the Inter-American Committee on the Alliance for Progress.

221 Remarks to the Labor Advisory Council to the President's Committee on Equal Employment Opportunity.

March 16, 1964

I AM glad to meet with you gentlemen and to express our pleasure over your agreement to serve on this newly created Labor Advisory Council. Most of you met with us 3

years ago, just after President Kennedy created the President's Committee which I chaired. I said then that there was no more important job in the world than the one we

Council for Science and Technology will continue to give this area the attention required to achieve and maintain effective interagency planning and coordination and an adequate effort in water resources research.

Sincerely,
LYNDON B. JOHNSON

NOTE: This is the text of identical letters addressed to the Honorable Carl Hayden, President pro tempore of the Senate, and to the Honorable John W. McCormack, Speaker of the House of Representatives.

The letter was made public as part of a White House release announcing the transmittal to the Congress of the first progress report of the Committee on Water Resources Research of the Federal Council for Science and Technology (Feb. 1964, 65 pp., Government Printing Office).

The report proposed an increase in expenditures for water research from \$71,473,000 in fiscal year 1964 to \$72,464,000 in 1965. It recommended studies ranging from highly theoretical research on the energy status of water molecules to such directly applicable matters as the amount of irrigation water

and best timing for efficient use in agriculture. It assigned high priorities to research in ground water, including an infiltration process and soil-plant-water relationships; to socio-economic research; and to research in water quality.

Dr. Donald F. Hornig served as Chairman of the Federal Council for Science and Technology, and William C. Ackermann as Chairman of the Committee on Water Resources.

On August 1 the White House announced a further step in the field of water resources research. A White House release of that date stated that the President met with his Science Adviser to discuss plans for U.S. participation in the International Hydrological Decade—a worldwide effort to advance knowledge of water. The program, beginning in 1965, would involve the establishment of stations and networks throughout the world to measure and track water in the hydrologic cycle from rain to the underground water table and eventually back to the atmosphere. The release stated that the President pledged support of the International Hydrological Decade studies by Government agencies and that he urged cooperation on the part of the universities and scientific societies.

232 The President's News Conference of March 21, 1964

THE PRESIDENT. Is it all right with you folks if I monitor your press conference? ¹

[I.] I am sending this afternoon a statement to the President of the OAS which may be of some interest to you. I will have copies made of it as soon as we can complete them. The statement reads:

"The present inability to resolve our differences with Panama is the source of deep regret.

[At this point the President presented background material. He then resumed reading the statement.]

"Our two countries are not linked by only a single agreement or a single interest. We are bound together in an Inter-American System whose objective is, in the words of the charter, 'through mutual understanding

and respect for the sovereignty of each, to provide for the betterment of all.'

"Under the many treaties and declarations which form the fabric of that system, we have long been allies in the struggle to strengthen democracy and enhance the welfare of our people.

"Our history is witness to this essential unity of interest and belief. Panama has unhesitatingly come to our side, twice in this century, when we were threatened by aggression. On December 7, 1941, Panama declared war on our attackers even before our own Congress had time to act. Since that war, Panama has wholeheartedly joined with us, and our sister republics, in shaping the agreements and goals of this continent.

"We have also had a special relationship with Panama, for they have shared with us the benefits, the burden, and trust of main-

¹The President appeared unexpectedly during a news conference held at the White House by his Press Secretary, George E. Reedy.

taining the Panama Canal as a lifeline of defense and a keystone of hemispheric prosperity. All free nations are grateful for the effort they have given to that task.

"As circumstances change, as history shapes new attitudes and expectations, we have reviewed periodically this special relationship.

"We are well aware that the claims of the Government of Panama, and of the majority of the Panamanian people, do not spring from malice or hatred of America. They are based on a deeply felt sense of the honest and fair needs of Panama. It is, therefore, our obligation as allies and partners to review these claims and to meet them, when meeting them is both just and possible.

"We are ready to do this.

"We are prepared to review every issue which now divides us, and every problem which the Panamanian Government wishes to raise.

"We are prepared to do this at any time and at any place.

"As soon as he is invited by the Government of Panama, our Ambassador will be on his way. We shall also designate a special representative. He will arrive with full authority to discuss every difficulty. He will be charged with the responsibility of seeking a solution which recognizes the fair claims of Panama and protects the interest of all the American nations in the Canal. We cannot determine, even before our meetings, what form that solution might best take. But his instructions will not prohibit any solution which is fair, and subject to the appropriate constitutional processes of both our governments.

"I hope that on this basis we can begin to resolve our problems and move ahead to confront the real enemies of this hemisphere—the enemies of hunger and ignorance, disease and injustice. I know President Chiari

shares this hope. For, despite today's disagreements, the common values and interests which unite us are far stronger and more enduring than the differences which now divide us."

A copy of that statement will be sent to His Excellency Juan Bautista de Lavalle, Chairman of the Council of the Organization of American States.

I will be glad to have any questions, if you have any.

Q. Mr. President, sir, do you feel that the American people outside the Washington area back up your stand on—

THE PRESIDENT. I am not going to make any evaluation of the American people outside the Washington area. I haven't conducted any polls on it, and I don't know what their opinion might be on any specific subject.

Q. Mr. President, when you say his instructions will not bar any solution which is fair, would that include, sir, a renegotiation of the 1903 treaty?

THE PRESIDENT. This would mean just what the statement says. We will discuss any problem that divides us in any way, and then we will come up with a solution that is fair.

Q. Has the Ambassador been chosen, Mr. President or would that be Ambassador Mann?

THE PRESIDENT. No, we would select a special representative.

Q. Mr. President, before you get around to issuing the statement, could we have that—to put it up on the bulletin board so we can dictate from it?

THE PRESIDENT. I may want to use it to answer any questions.

Q. I mean when the conference is over.

THE PRESIDENT. Surely.

Q. Mr. President, I understood you to say, sir, that our position now is just where it was

when you first talked to the President of Panama. This is no new position?

THE PRESIDENT. That is correct. Very shortly after the flag was not flown, and there was a march on the zone, and some of our soldiers were killed, I called the President of Panama and said that we have difficulties and problems, disagreements, obviously, and we are prepared to discuss those disagreements any time, anywhere, anyplace.

He said, "When would your people be prepared to meet with mine?"

I said, "They will leave here in 30 minutes."

He said, "Very well."

Since that time, although we have made very few public statements on it and we have tried and hoped that the OAS could work this out, and there have been a great many leaks back and forth, some of the stuff you call news interpretation, news analysis, and various things, some of which really took place and some of which was speculation, I think it is very important that the people of this hemisphere know that from the beginning, and now, just what this statement says: that we are willing and ready to discuss at any time, with any of their representatives, any problem, any difficulty, in a reasonable way, and to let only equity and justice determine what course we would take, subject to the constitutional processes.

Q. Mr. President, what is the reason for issuing the statement today?

THE PRESIDENT. No reason. I am sending it over there. I didn't think you would object to hearing it.

Q. No, I meant—I mean to the OAS. What is the reason for sending the statement to them now?

THE PRESIDENT. So that we may reiterate our viewpoint and in some detail.

Q. Mr. President, would you think that this statement might clear up any difference of interpretation they have—

THE PRESIDENT. I would not speculate on that. I am just making a statement and sending it over to the President of the OAS. What happens there, events will determine. I, of course, am hopeful that we can always reason out differences together, and that is one of the purposes of my expression.

Q. Mr. President, don't formal diplomatic relations have to precede a discussion like this?

THE PRESIDENT. Obviously.

[2.] Q. Mr. President, on another subject, can you give us your reaction to the release by the Russians today of one of the American fliers shot down over East Germany?

THE PRESIDENT. I don't think I have any comment on that. Talk to the Department about that.

[3.] Q. Mr. President, can you enlighten us on what did go on last weekend involving the Panamanian negotiations? There have been a lot of conflicting reports, as you mentioned earlier.

THE PRESIDENT. No, I am not sure that I know all that went on regarding it. So far as I know, our position at the beginning was what I just stated, and it still is. Up to this point there has been no meeting of the minds.

[4.] Q. Mr. President, were you at all disturbed, sir, that Mr. Salinger only gave you a few hours' notice of his resignation? Second, do you agree with some—

THE PRESIDENT. Let me answer one at a time.

Q. I am sorry.

THE PRESIDENT. No. The answer is no. That is, to the first question. What is the next one? I was not disturbed.

Q. Some of the newspapers have interpreted this as another sign that supporters of John Kennedy and Robert Kennedy are anxious to leave your administration. Do you agree with that, or have you seen any signs of that?

THE PRESIDENT. The answer is no to that question.

[5.] Q. Mr. President, can we have the Warren Commission open to the American public? Is there any reason why they cannot be?

THE PRESIDENT. That is a matter for the Commission to determine completely.

[6.] Q. Mr. President, a rather sticky situation seems to have developed in Cuba over the helicopter flight of the two defectors, and the slaying in the air. What is the U.S. position on that?

THE PRESIDENT. That is a matter you should talk to the Department about. We are now looking into it very carefully. I have talked to the Secretary of State and the Secretary of Defense about it this morning. I have no announcement that will be made at this time. Of course, when there is an announcement, it will probably come from the Secretary of Defense or the Secretary of State.

[7.] Q. Mr. President, you said a moment ago, sir, that there was no reason for the issuance of this statement.

THE PRESIDENT. No, I didn't say that.

Q. I am sorry.

THE PRESIDENT. I didn't intend to say there was no reason. I think I would not issue it, if there was no reason. There is a reason, but I thought his question was what was the reason for giving it to them. I just thought you ought to be kept informed of what was happening in this field.

Q. Are you trying to clear the air, sir?

THE PRESIDENT. No, I want everyone to know our position and I think this helps.

This is a statement to the President that he can use in his deliberations. I would hope that all of us realized from the beginning that the United States position was that we were willing to talk to anybody that they designated at any time, anyplace, and review all problems and all difficulties.

I don't say discuss, because that is a sticky word. Some of them do not quite understand what it means. But I say review. We are glad to do that. I made that clear that day, and I have reiterated it. But I think it is good that the President of the OAS can have the details carried in this statement.

[8.] Q. Mr. President, do you expect any major developments in the field of East-West relations in the field of disarmament?

THE PRESIDENT. Well, we always hope for the best.

[9.] Q. Mr. President, do you still feel that there are remaining misinterpretations about the statement last week on Panama?

THE PRESIDENT. I don't want to go into that, because—

[At this point the President spoke off the record.]

[10.] Q. Mr. President, your guidelines for holding the wage-price line have been criticized by both labor and management recently. Do you still think that these will work, in view of this criticism?

THE PRESIDENT. We hope very much that they will. We believe that both labor and management can best solve their problems through collective bargaining, and we hope that that is the way it will be done. We have outlined what course we believe is best for America, all the people, and generally the criteria of that course is indicated by the guidelines. But in the wage negotiations and the working conditions that must from time to time be examined, and new agreements reached, we hope that that will be

THE WHITEHOUSE

WASHINGTON

~~SECRET~~

June 5, 1970

National Security Decision Memorandum 64

TO: The Secretary of State
The Secretary of Defense
The Secretary of the Army

SUBJECT: Panama Canal

I have reviewed the paper prepared in response to NSSM 86 and agency comments on the issues contained therein, and I have decided the following:

1. We should be prepared to discuss with Panama our fundamental canal relationship and to negotiate new treaty arrangements if Panama asks us to do so and if there are reasonable prospects for achieving a satisfactory new treaty arrangement.
2. I authorize the Secretary of State to coordinate exploratory and preliminary talks with the Panamanian government designed to determine Panama's views in more detail and to reach a judgment as to whether mutually satisfactory new treaty arrangements can be expected. It should be made clear to the Panamanians that these talks are preliminary and exploratory and not themselves negotiations.
3. I authorize the Secretary of State and Ambassador Anderson to coordinate consultations with the US Congress at such time as they deem advisable on the question of our future canal relationship with Panama.
4. Inter-agency recommendations should be submitted to me, based on what is learned as a result of the steps authorized by 2 and 3 above as to a) whether and when to open formal negotiations on new treaties and b) what our specific negotiating objectives should be. These recommendations should be coordinated and submitted to me by the Under Secretaries Committee.
5. If formal negotiations appear desirable, I would prefer, in the absence of overriding reasons to the contrary, that these not begin

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DECLASSIFIED	
NSC 80086, 12/30/80	
By: WHM	DATE, Date 12/19/84



until early 1971 to permit receipt and evaluation of the Canal Study Commission report and soundings with the new Congress. These reasons may be used to explain to the Panamanian government why we suggest this time frame.

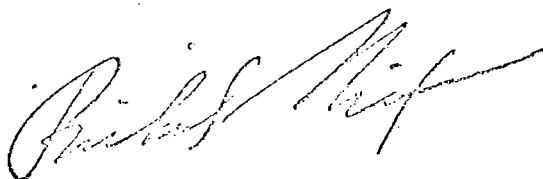
6. In any new negotiations three points are to be considered non-negotiable: a) effective US control of canal operations; b) effective US control of canal defense; and c) continuation of these controls for an extended period of time preferably open-ended.

7. In the exploratory talks our representatives should be guided by the following with respect to those issues raised by the NSSM-86 paper:

- a) On expanded canal capacity. Indicate in any new negotiations we would expect to negotiate definitive rights (but without obligation) to build a new sea-level canal and/or enlarge the present canal. However, our final position in this regard would be formed after we have evaluated the Canal Study Commission Report.
- b) On control of canal operations. Test first Panamanian receptivity to a continuation of exclusive USG control of canal operations and whether such a control pattern can be made palatable to Panama; if it is clear that Panama will not accept this, then agree to explore a pattern of joint US-Panamanian administration, with US majority control, along the lines of the 1967 draft treaties or some similar arrangement.
- c) On defense. Indicate that in any new negotiations we would seek rights for unilateral defense of the canal and canal areas. Defer for the time being discussion of the hemisphere defense issue in view of the pending Defense Department review of Southern Command status.
- d) On sovereignty and jurisdiction. Test first Panamanian receptivity to the idea of a markedly reduced Zone with continuance of USG control therein, but with negotiation for Panamanian jurisdiction over commercial and non-essential governmental functions (Option A of paper). If pursuing this course is clearly not fruitful, explore joint US-Panamanian jurisdiction along the 1967 draft treaty model (Option B).



- e) On duration. Our objective should be an open-ended arrangement; we should consider specific provision for periodic review.
- f) On economic benefits. Indicate the U.S. is prepared to seek ways to create substantial additional revenue for Panama.



cc: Chairman, Joint Chiefs of Staff
Director, Central Intelligence Agency
Ambassador Robert Anderson,
Special Representative for US/Panama Relations

THE WHITE HOUSE

WASHINGTON

~~SECRET/EXDIS~~

June 24, 1971

National Security Decision Memorandum 115

TO: The Secretary of State
The Secretary of Defense

SUBJECT: Panama Canal Treaty Negotiations



I have reviewed Ambassador Anderson's letter of April 12, 1971, and the report of the NSC Under Secretaries Committee dated June 10, 1971, concerning United States goals and objectives for negotiations with Panama on canal treaty relations. On the basis of that review, I have decided to authorize Ambassador Anderson to undertake formal negotiations with Panama with a view to obtaining agreement on the text of a draft treaty this year. The principles set forth in NSDM 64 will continue to provide the basis for the United States position in the forthcoming negotiations, except insofar as they are modified or expanded by the following specific decisions.

- Recommendations B-3 through 7 contained in the June 10, 1971 report of the NSC Under Secretaries Committee are approved.
- With respect to Recommendation B-1 of the NSC Under Secretaries Committee report, concerning the duration of the treaty, I have decided that the United States negotiating objective should continue to be control of canal operations and defense for an open-ended period. Provision for review of this arrangement at some specific future date may be included in the U.S. position. Should Ambassador Anderson conclude, in the course of negotiations, that achievement of our major negotiating objective will require agreement to a fixed-term treaty, I will be prepared to consider promptly a revision of this objective.
- With respect to Recommendation B-2 of the NSC Under Secretaries report, concerning jurisdiction over the Canal Zone, I have decided that the initial United States negotiating objective should be to permit U.S. jurisdiction to be phased out within a minimum of twenty years while protecting non-negotiable rights for U.S. control and

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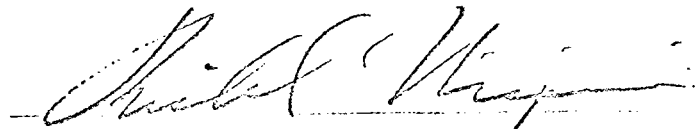
DECLASSIFIED
NSC 80086 12/30/80
By WHM NARS, Date 12/19/84

defense of the canal for the duration of the treaty. However, Ambassador Anderson is authorized to negotiate a shorter time period for the phase-out of jurisdiction if, after initial negotiations, he deems such action necessary to achieve our non-negotiable objectives. Such a fall-back position should be the maximum that can be successfully negotiated with the Government of Panama consistent with an orderly transfer of jurisdiction to Panama, effective U.S. control and defense of the canal after such jurisdiction is phased out, and Congressional acceptance.

-- Congressional consultations should be initiated as soon as possible to test support for a treaty along the lines outlined above.

The NSC Under Secretaries Committee should submit to me by July 15, 1971, recommendations and/or options for U.S. policy toward Panama in the event treaty negotiations reach an impasse or must be broken off.

Ambassador Anderson intends to remain in close consultation with the Secretaries of State and Defense during the period of negotiations and I have asked him to keep me closely and periodically informed as to the status of negotiations and Congressional consultations.



cc: The Chairman, NSC Under Secretaries Committee
The Secretary of the Army
The Chairman, Joint Chiefs of Staff
The Director of Central Intelligence
Special Representative for Interoceanic Canal
Negotiations

THE WHITE HOUSE
WASHINGTON

~~SECRET/EXDIS~~

September 13, 1971

National Security Decision Memorandum 131

TO: The Secretary of State
The Secretary of Defense

SUBJECT: Panama Canal Treaty Negotiations

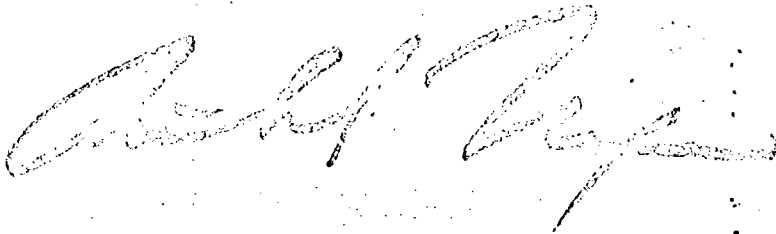
I have reviewed Ambassador Anderson's letter of August 20, 1971, as well as the views of the Departments of State and Defense concerning modification of Ambassador Anderson's negotiating instructions on duration of a new treaty as set forth in NSDM 115. On the basis of that review, I have made the following decisions:

- Ambassador Anderson is authorized at the time he feels most appropriate to inform Panama that the U. S., while strongly preferring an open-ended treaty, is willing to consider the possibility of a termination formula, provided that the duration negotiated is a long one and that other provisions of the treaty package are satisfactory to the U. S. If such a formula appears unobtainable, he is authorized to fall back to consideration of a treaty providing for a fixed date of termination. In either case, the U. S. negotiating objective should be a duration of at least fifty years, with provision for an additional 30-50 years if Canal capacity is expanded.
- In addition, he should seek to obtain, as part of any new treaty providing a formula or specific date for termination, a joint U. S. -Panamanian guarantee that upon termination of the treaty, the Canal would be open to all world shipping without discrimination at reasonable tolls and that Panama would take no action that would hamper the efficient operation of the waterway.

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NSC 80086	12/30/80
By WMM	NARS, Date 12/19/84

Congressional consultations should be continued to test support for a treaty along the lines outlined above.

A large, stylized handwritten signature in dark ink, possibly reading 'C. S. ...', is written across the middle of the page.

- cc: The Chairman, NSC Under Secretaries Committee
- The Secretary of the Army
- The Chairman, Joint Chiefs of Staff
- The Director of Central Intelligence
- Special Representative for Interoceanic Canal Negotiations

Congressional Digest



November, 1972

THE PRESIDENT HAS SEEN . . .



Controversy Over Proposed Revision Of The Panama Canal Treaty

Pro & Con

Washington, D. C.

The Congressional Digest

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Controversy Over Proposed Revision Of The Panama Canal Treaty

*He Who Decides a Case Without Hearing the Other Side . . .
Tho He Decide Justly, Cannot Be Considered Just—SENECA*

FOREWORD =

SINCE June 1971 representatives of the United States and the Republic of Panama have been engaged in negotiations seeking to reach agreement on one or more treaties to replace the present basic agreement under which the United States built and exercises jurisdiction over the Panama Canal.

Similar efforts during the mid-1960's resulted in 1967 in agreement by negotiators on three treaties (see pages 258, 265), but the instruments were never signed and have since been declared unsatisfactory by Panama. Involved in the controversy which has long existed over proposals to cede significant U.S. jurisdiction over the Canal and the Canal Zone to the Republic of Panama are a number of basic questions. These include that of basic sovereignty, the cession of certain U.S. properties to Panama, perpetuity provisions in the present treaty, the U.S. defense role, the level of U.S. payment to Panama (presently \$1.9 million annually), and the right to construct an alternate canal at sea level, among others.

United States negotiators, headed by former Secretary of the Treasury Robert B. Anderson, have found their negotiating task complicated by the fact that since the 1964-67 treaty sessions the elected Panamanian government has been ousted in a military coup and replaced by an administration headed by General Omar Torrijos, the nation's present leader. Recent statements by the latter have condemned the U.S. military presence in the Canal Zone, have claimed Panamanian sovereignty, and have intimated that outright Panamanian abrogation of the existing basic treaty (see page 258) may be his country's response to unresolved U.S.-Panamanian differences over the future status of the Canal.

Further dimension to the controversy has been lent by simultaneous efforts to negotiate an agreement for U.S. rights to construct a sea level canal through Panama (see

page 264), a development which some ecologists argue would cause irreparable harm to sea life because of the introduction of destructive marine predators from one ocean to the other.

Meanwhile, close observation of the growing discord with Panama and of the successive Johnson and Nixon Administration efforts to ameliorate it has been maintained by the U.S. Congress. As will be seen in the article on page 267, hearings before several subcommittees of the House of Representatives have been conducted in each of the past several Congresses on the subject of treaty negotiations and on other major questions at issue between the United States and Panama.

The position of the Nixon Administration—essentially the same as that earlier enunciated by the Johnson Administration—has been to accommodate Panamanian objections to the present "perpetuity" provision governing U.S. tenure in the Canal Zone, and to establish a joint Panamanian-U.S. administration of the Canal and the Zone. Additionally, plans for a sea level canal have been discussed in terms of a definite date by which the United States will turn the present canal completely over to Panama.

Opposing this position has been an active and influential bloc in the Congress which opposes what it terms a U.S. "giveaway" of the Canal. Members who oppose the Administration's approach have succeeded in focusing continuing attention on the progress of U.S.-Panamanian negotiations and on provisions being advanced by negotiators for both sides which they hold to be contrary to the long-range U.S. interest.

No predictions are presently being made as to when, if at all, agreement will be reached with Panama on the numerous sensitive subjects under negotiation. With talks continuing, however, and a new U.S. Congress—the 93rd—convening in January 1973, controversy over the question of continued U.S. sovereignty is expected to continue and to grow in intensity in the months ahead.

Events Leading To The Present Treaty Negotiations

AS EARLY as the beginning of the 16th century the world's major maritime nations were giving consideration to the possibility of joining the Atlantic and Pacific Oceans by canal across Central America. In 1523, Charles V of Spain initiated the first investigation into the subject, and in 1534 ordered the Governor of Panama to make a formal survey of the route following the Chagres and Rio Grande Rivers, the general course which the actual Panama Canal takes today.

Reaction to French Canal Building Efforts

In January 1880 the first actual effort to build an isthmian canal was begun in Panama under Count Ferdinand de Lesseps—who had successfully completed the Suez Canal eleven years earlier—for the French Canal Company. Reflecting American views toward foreign enterprises in the Western Hemisphere, shaped by the Monroe Doctrine, President Rutherford B. Hayes stated in 1880:

"The policy of this government is a canal under American control. The United States cannot consent to the surrender of this control to any European power or to any combination of European powers. . . . Our merely commercial interest [in the Canal] is greater than that of all other countries. . . ."

The French effort failed, however, and nine years later the company was dissolved. A new French Canal Company was formed in 1894, but little work was accomplished.

Initial U.S. Canal Moves

Notwithstanding intermittent expressions of U.S. interest in the idea of a canal during the closing years of the 19th century, no official action was taken to assert an actual U.S. role. This passivity was shaken, however, by events arising from the Spanish-American War—in particular, the two months required for the battleship Oregon to make the long voyage to Cuba from the Pacific by way of Cape Horn at a time of military need.

President William McKinley pointed out the necessity for a canal and, after Congress had passed enabling legislation, in 1899 appointed the first Isthmian Canal Commission. Initially, the Commission recommended con-

structing a canal in Nicaragua; when the French Canal Company accepted a U.S. offer of \$40 million for its rights and properties in Panama, however, the Commission presented a supplementary report favoring a Panamanian route. On June 28, 1902, the U.S. Congress passed the Spooner Amendment, setting into motion the purchase from the French Canal Company and the beginning of U.S. canal construction.

Colombian and Panamanian Negotiations

The territory in question was in 1902 a part of the Republic of Colombia, and the United States accordingly negotiated a treaty with that nation conveying the needed rights to construct an isthmian canal and setting forth guarantees pledged by each nation to the other relative to such a canal.

A fast-moving series of events followed. The Colombian Senate refused to ratify the Hay-Herran Treaty, as it was termed, whereupon separatist political forces in Panama—who favored the construction of a canal—revolted, assisted (it was later acknowledged) by the United States. On November 3, 1903, creation of the independent Republic of Panama was proclaimed. Three days later the United States recognized the new Republic, and within two weeks a basic treaty concerning the construction of a canal—the Hay-Bunau-Varilla Treaty—was signed with the new Panamanian Government.

Major Treaties Involved

Several years earlier the United States and Great Britain had negotiated the Hay-Pauncefote Treaty of 1901 which recognized the exclusive right of the United States to construct and deepen an isthmian canal.

The Hay-Bunau-Varilla Treaty with Panama, which despite amendment on several occasions over the years remains the basic instrument of agreement defining the U.S. and Panamanian roles, includes the following major provisions:

"Article I. The United States guarantees and will maintain the independence of the Republic of Panama. [This article has been superseded by the 1936 treaty—see below.]

"Article II. The Republic of Panama grants to the

United States in perpetuity the use, occupation and control of a zone of land and land under water for the construction, maintenance, operation, sanitation and protection of said Canal of the width of ten miles extending to the distance of five miles on each side of the center line of the route of the Canal to be constructed. . . . The Republic of Panama further grants to the United States in perpetuity the use, occupation and control of any other lands and waters outside of the zone above described which may be necessary and convenient for the construction, maintenance, operation, sanitation and protection of the said Canal or of any auxiliary canals or other works necessary and convenient for the construction, maintenance, operation, sanitation and protection of the said enterprise. . . .

"Article III. The Republic of Panama grants to the United States all the rights, power and authority within the zone mentioned and described in Article II of this agreement and within the limits of all auxiliary lands and waters mentioned and described in said Article II which the United States would possess and exercise if it were the sovereign of the territory within which said lands and waters are located to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority."

In 1914, the year in which the Canal was completed, the United States negotiated a treaty with Colombia—the Thomson-Urrutia Treaty—under which the U.S. offered Colombia \$25 million as compensation for this country's collusion in the Panamanian revolution. In return, Colombia recognized that title to the Panama Canal was "now vested entirely and absolutely in the United States of America." Former President Theodore Roosevelt denounced the treaty, however, and succeeded in blocking it in the U.S. Senate. It was not until 1922 that it finally received ratification.

Construction of the Canal

After the United States secured the rights and properties of the French Canal Company for \$40 million, construction of the Panama Canal began and extended over the ten-year period from 1904 to 1914. Initially it was essentially a civilian undertaking. In the face of immense problems—logistics, rampant disease, the sheer magnitude of the "ditch-digging" and lock-building tasks—and, particularly, of difficulties retaining key personnel, President Roosevelt turned the project over to the U.S. Army in 1907. Under the direction of Col. George W. Goethals, chief engineer, the Canal was finished and opened to traffic on August 15, 1914. Total construction costs were \$380 million.

Treaty Revisions of 1936 and 1955

In 1936 the Hull-Alfaro Treaty was signed; after protracted Congressional objection, its ratification was consented to by the Senate in 1939. At the request of Panama—which, after the ratification in 1922 of the U.S.-Colombia treaty felt that its independence was not endangered—Article I of the 1903 treaty, guaranteeing U.S. defense of Panamanian independence, was abolished. The U.S. ceded back certain rights to Panama in the 1936 treaty, including that of intercession in Panamanian internal affairs. The 1903 treaty had provided for a U.S. one-time payment of \$10 million in cash and for an annual payment for use of the Canal Zone of \$250,000. This amount was raised to \$430,000 by the 1936 treaty.

In the years following World War II the effects of the East-West cold war became manifest in Panama with "hate America" campaigns reportedly fomented by Panamanian communists. In 1951 further efforts to subvert the loyalty of Panamanians working in the Canal Zone, this time allegedly by President Juan Peron of Argentina, prompted Panamanian efforts to secure further revision of the basic canal treaty. The Eisenhower-Remon Treaty of 1955 which ensued transferred certain additional U.S. rights and properties to Panama and increased the canal annuity from \$430,000 to \$1.93 million.

Background of Latest Treaty Talks

Under the reported leadership of the Communist Party of Panama, a series of disorders and attempted disruptions took place, beginning in 1958 with "Operation Sovereignty," a student-executed attempt to fly the Panamanian flag over the U.S. Canal Zone. The program was successful in winning support of Panamanian President Ernesto de la Guardia. Destructive riots and other disruptions, particularly in 1958 and 1964, led to successful moves by Panama to make the U.S. role in that nation a subject of discussion before the Organization of American States, the United Nations, and other international forums.

In 1964, U.S. President Lyndon B. Johnson agreed to begin negotiations for a new treaty. These resulted in three draft treaties initialed in 1967 (see page 265). The President of Panama did not act to have these treaties ratified, however, and no action was taken on them by the United States.

After almost four years during which the proposed treaties were in limbo, and in which period the elected Government of Panama was overthrown by a military coup, the United States and Panama resumed negotiations in June 1971 for a new treaty regarding the Panama Canal. These continue at the present time.

The Panama Canal Zone: Facts & Figures

THE Panama Canal Zone is a strip of land extending across the Isthmus of Panama from the Atlantic to the Pacific Ocean, ten miles in width (five miles on each side of the axis of the Panama Canal), and under jurisdiction of the United States by treaty with the Republic of Panama. Its area is 553 square miles, of which 371 are land.

Population

The population of the Canal Zone is approximately 47,500. About 39,400 of these are U.S. citizens, and most of the rest are Panamanians. Of the total population, about 26,500 are military or civilian personnel of the U.S. armed forces and their families, and about 10,400 are employees of the Panama Canal Company and the Canal Zone Government and their families. Of the 11,000 non-U.S. citizens employed by the Company and the Government, less than 2,000 (plus their families) live in the Zone; the remainder live in the Republic of Panama.

Administration of the Zone

Construction of the Canal was performed by the Isthmian Canal Commission (see page 258) under the provisions of the Spooner Act of June 28, 1902. As construction approached completion, the President issued an Executive Order providing a permanent organization for the completion, maintenance, operation, government and sanitation of the Panama Canal and its adjuncts and the government of the Canal Zone pursuant to authority provided by the Panama Canal Act of August 24, 1912. The effect of the Panama Canal Act and the Executive Order was to establish The Panama Canal as an independent government agency for operation and maintenance of the waterway and civil government of the Canal Zone.

The Panama Railroad Company

During the existence of The Panama Canal agency, many of the quasi-business enterprises relating to the Canal operation (railroad, steamship line, commissaries, etc.) were conducted by the Panama Railroad Company. The Company was originally created in 1849 under the laws of New York as a private corporation for the purpose of constructing and maintaining a railroad across the Isthmus of Panama. Most of the shares of the Company's

capital stock were acquired in 1881 by the French in conjunction with their attempt to construct a canal. The Isthmian Canal Commission acquired the shares owned by the French Canal Company for the United States as part of the French assets purchased in 1904, and in 1905 purchased the remaining outstanding shares from private owners. Thus, since 1905 the Company has been wholly owned by the United States Government.

In 1945 Congress enacted the Government Corporation Control Act which prohibited the continued existence of any wholly owned Federal Government corporation created by or under the laws of any State. Accordingly, in 1948 the Panama Railroad Company was reincorporated under a Federal charter with authority to continue its operations as before.

The 1950 Reorganization

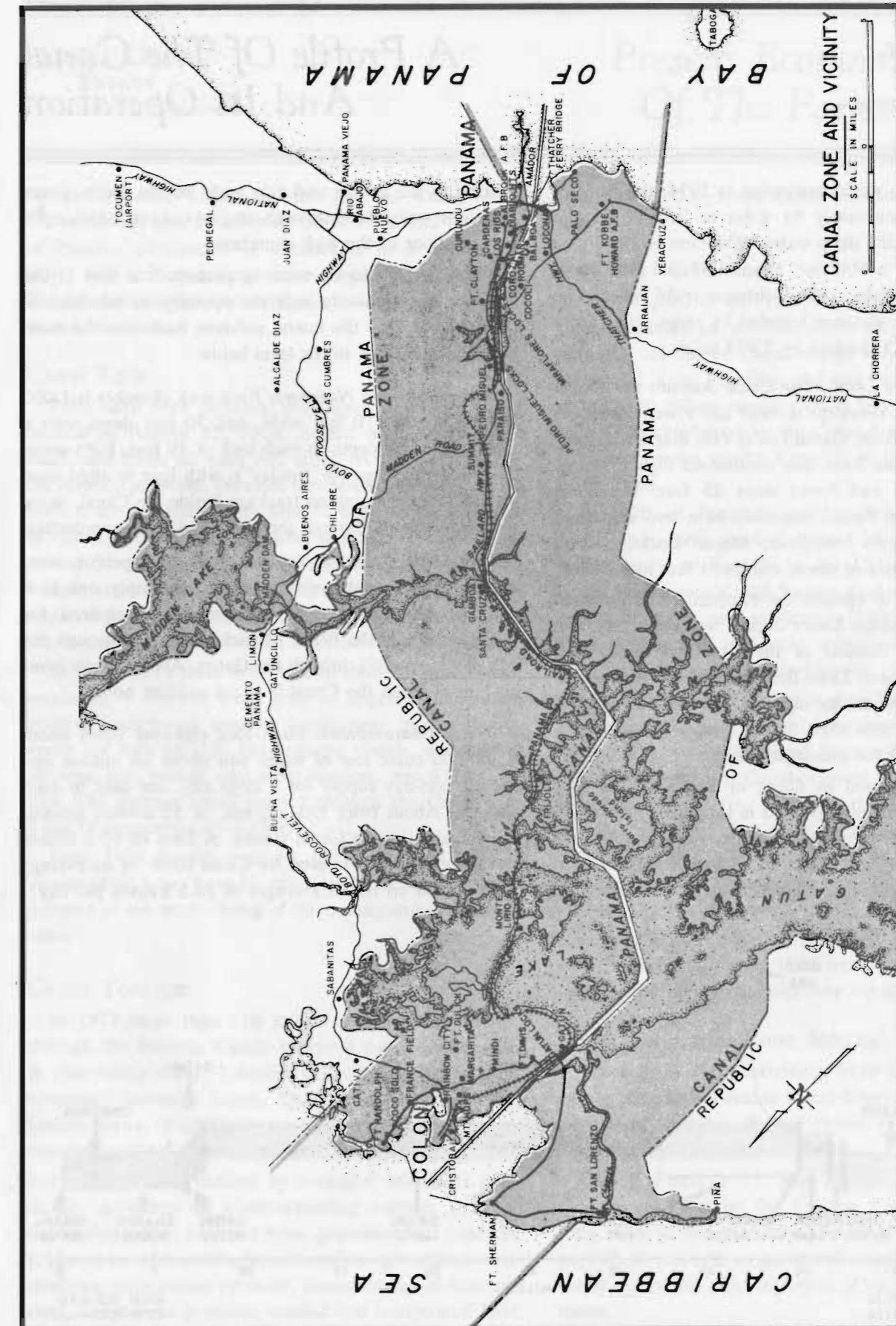
Under legislation enacted in 1950, a basic change in the organizational structure of the canal enterprise became effective on July 1, 1951. One purpose of the reorganization was to separate the business operations of the canal enterprise, including operation of the waterway, from those functions normally associated with civil government. Thus, all the functions of the agency previously known as The Panama Canal except those relating to civil government, health, and sanitation were transferred to the Panama Railroad Company which was renamed the Panama Canal Company. The Panama Canal agency retained its governmental functions and was renamed the Canal Zone Government. These two instrumentalities comprise today the basic agencies operative in the Canal Zone, functioning as an integrated enterprise, but each an independent agency of the United States.

The Panama Canal Company

The Panama Canal Company is "a body corporate and an agency of the United States for the purpose of maintaining and operating the Panama Canal and conducting business enterprises incident thereto and incident to the civil government of the Canal Zone."

The United States, in its capacity as owner of the corporation, is represented by the President or such officer as he designates, called the "stockholder." The President

(Continued on page 288)



The Panama Canal and Canal Zone, administered by the U.S. under terms of the 1903 treaty with Panama (as amended in 1936 and 1955). Map courtesy of The Panama Canal Company. For a profile view of the Canal showing locations and comparative elevations of its systems of locks, see diagram at bottom of page 262.

A Profile Of The Canal And Its Operation

FIRST opened to world navigation in 1914, the Panama Canal is approximately 51 miles in length, Atlantic deep water to Pacific deep water. Minimum width of the navigable channel is 500 feet. From Cristobal to Balboa, the two terminal cities, airline distance is 36 miles. The Canal reduces the distance traveled by ships going from New York to San Francisco by 7,873 miles.

Operation of the Locks: The Canal contains six double locks which act as stairsteps to raise and lower ships over the Continental Divide. Gatun Locks (see diagram below) on the Atlantic side form one continuous flight in three steps which raise and lower ships 85 feet. Miraflores Locks, nearest the Pacific entrance, have two steps and lift or lower ships 54 feet. Pedro Miguel Locks, also on the Pacific side, raise or lower vessels 31 feet in one step.

Water required to operate the Panama Canal is stored in Gatun and Madden Lakes during the long rainy seasons. (The main channel of the Canal passes through Gatun Lake; Madden Lake lies to the northeast, and is connected to the Canal by separate channel.) These two water sources are also used for the generation of hydroelectric power and for municipal uses.

No pumps are used in filling or emptying the lock chambers. The principle involved is simply that of letting water run downhill in either direction, since Gatun Lake is 85 feet above sea level. The water flows from one level to another through large tunnels, 18 feet in diameter,

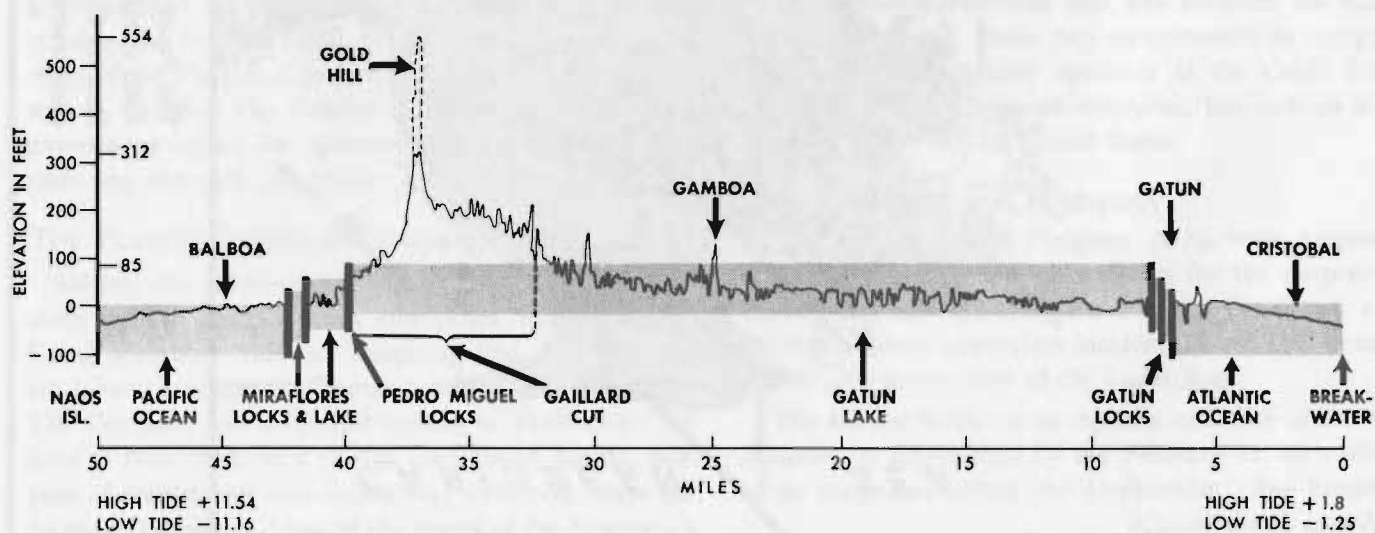
located in the center and side walls of the locks. From these, the water flows through smaller culverts which open into the floor of the lock chambers.

To empty the locks, water is permitted to flow in the opposite direction—through the openings in the floor of the chamber, into the lateral culverts, back into the main culverts, and down to the level below.

Dimensions and Numbers: Each lock chamber is 1,000 feet in length, 110 feet wide, and 70 feet deep, with a minimum water depth in each lock of 40 feet. Fifty-seven 55-ton locomotives (or “mules”), with four to eight used on each ship, running on trackage beside the Canal, move transiting vessels through the locks and their approaches.

Gates of the locks require two minutes to open or close, and it requires eight minutes to fill or empty one lock chamber. Approximately 30 minutes are required for passage through the Pedro Miguel Locks, 45 through the Miraflores, and 60 through the Gatun. Average total transit time through the Canal is seven to eight hours.

Water Consumption: Each lock chamber holds about 8,800,000 cubic feet of water and about 26 million gallons, a one-day supply for a large city, are used in each lockage. About twice this amount, or 52 million gallons, is expended in one Canal transit. A total of 90.8 billion cubic feet of water is used for Canal traffic in an average year (based on recent averages of 38.5 transits per day).



Present Economic Impact Of The Panama Canal

THE economic impact of the Panama Canal—both worldwide and in terms of Canal Zone and Republic of Panama economies—is measurable in a number of ways: tolls collected, cargo tonnage passing through the Canal, effect on the Panamanian gross national product, as well as others.

Canal Tolls

Tolls have been virtually unchanged since the Canal opened on August 15, 1914. Levied on a net tonnage basis, and based on each 100 cubic feet of space usable for revenue purposes, the rates for merchant vessels are 90 cents a ton for laden ships and 72 cents a ton for ships in ballast. Ships of war and other floating craft pay at the rate of 50 cents a displacement ton. These tolls cover all normal transit charges, including pilot service, which is required for all but small craft. U.S. Government ships are assessed tolls on the same basis as other vessels.

In Fiscal 1971 there were 15,348 transits of the Canal, producing a revenue from tolls of approximately \$100 million. Total transit revenues for the year, including tolls, credit for tolls of U.S. Government vessels, and harbor pilotage, tug, launch, and other services, was \$114,421,519. The average vessel passing through the Canal pays a toll of approximately \$6,500.

From 1914 through June 30, 1971, a total of 449,428 vessels of all types have transited, with 362,280—or 80.6 per cent of the total—being of the oceangoing commercial class.

Cargo Tonnage

In 1972 more than 116 million tons of cargo passed through the Panama Canal. Principal user nations were, in descending order: Liberia (a maritime “flag of convenience” nation), Japan, United Kingdom, Norway, United States, West Germany, Panama (also a “flag of convenience” nation), and Greece.

For fiscal 1971, ranked by tonnages, the major commodity groupings of Canal-transiting cargoes were, in descending order: coal and coke, petroleum and products, grains, ores and metals, miscellaneous agricultural commodities, nitrogenous products, manufactures of iron and steel, lumber and products, canned and refrigerated food,

machinery and equipment, and chemicals and petrochemicals.

Republic of Panama

With 11,000 of the 15,000 persons employed by the Canal organization citizens of the Republic of Panama, with the volume of Canal-related services and products purchased in the Republic, and with the purchasing power of the \$120 million annual payroll (not including the U.S. military establishment in the Canal Zone), the impact of the Canal on the nearby Republic of Panama is of major proportions.

In 1970, of Panama's gross national product of approximately \$992 million, nearly one-third was directly or indirectly attributable to the Canal and its military bases. Of Panama's total foreign exchange earnings from export of goods and services in 1970 of \$367 million, \$162 million (45 per cent) comprised direct payments from the Canal and its military bases.

Of Panama's employment nationwide, nearly one-third is directly or indirectly due to the presence of the Canal. Within 30 miles of the Canal Zone, more than two-thirds of the employment is Canal-oriented. Panama's per capita income of \$693 (in 1970) is the highest in Central America and more than twice the average. It is the fourth highest in Latin America as a whole, exceeded only by that of Argentina, Venezuela, and Uruguay.

Additionally, Panama is paid an annual sum of approximately \$2 million for the canal—a form of compensation established by the 1903 treaty (see page 258) and increased to its present level over the intervening years.

Impact of Canal Zone Internal Operations

The payroll of approximately \$120 million annually for employees of the Panama Canal Company and the Canal Zone Government is divided almost evenly between U.S. and Panamanian personnel.

During Fiscal 1971, the various consumer-oriented facilities operated by the Panama Canal Company had total sales of \$31.4 million. Included on the Company payroll, in addition to personnel concerned directly with Canal operations, are employees of such service establishments.

Recommendations Concerning A New Sea Level Canal

AT THE time the Panama Canal was built there was intense controversy over the questions of whether to build a sea level or a lock canal and whether it should be located in Panama or Nicaragua. A sea level canal had been recommended by the original Isthmian Canal Commission, but—as will be seen in the article on page 258—the Congress ultimately enacted legislation expressly providing for the construction of a lock canal in Panama.

Nonetheless, the United States and Nicaragua in 1914 concluded a treaty in which Nicaragua granted the U.S. exclusive rights to construct a canal across its territory. The rights were granted in perpetuity, but were finally renounced by the United States in a convention signed in July 1970 which became effective early in 1971.

Canal Enlargement Studies

Over the years, deliberations on whether to expand the capacity of the present canal by constructing a third set of locks have regularly revived the controversy over whether a second canal should be built. Among earlier studies of the feasibility of either of the above courses of action have been those authorized by the Congress in 1929, 1936, and 1945.

In a 1947 report, the Governor of the Panama Canal concluded that construction of additional locks to the existing Panama Canal would meet anticipated requirements of commercial traffic, but recommended construction of a sea level canal because of security considerations. Some 30 possible canal routes were identified, but it was concluded that the most practicable solution was conversion of the existing canal to sea level.

Studies during the 1950's, after the reorganization of the Canal's administrative structure, resulted in 1960 in a report recommending improvements to the existing canal and calling for planning leading to construction of a sea level canal using nuclear excavation methods. A board of independent consultants employed by the Congress subsequently recommended against undertaking a sea level canal project in the near future, called for early completion of pending canal improvement projects, and advised further studies concerning both nuclear and conventional excavation methods.

In the early 1960's, legislation adopted by the Congress authorized a new study of means for increasing the capacity of the Panama Canal or construction of a new canal, and provided specifically for a study of the feasibility of a sea level canal to be conducted by an Interoceanic Canal Study Commission.

Findings of the ICSC Study

On December 1, 1970, the Atlantic-Pacific Interoceanic Canal Study Commission submitted its final report, which included the following conclusions and recommendations:

"The United States should retain an absolute right to defend the present canal and any new Isthmian canal system for the foreseeable future. . . .

"Constructing a third lane of locks for the present canal . . . would be a temporary solution without significant military advantages, and it would not relieve the problems in United States-Panamanian relations that derive from personnel and defense requirements of the lock canal . . .

"A sea-level canal would provide a significant improvement in the ability of an Isthmian waterway to support military operations both in its lessened vulnerability to interruption by hostile action and in its ability to transit large aircraft carriers that cannot now pass through the Panama Canal. These military advantages of a sea-level canal, together with its capacity to meet the potential demand for transits over a much longer period, and its lesser operating costs, would more than counter-balance the lower construction cost of augmenting the existing canal with larger locks.

"The technical feasibility of the use of nuclear explosives for sea-level canal excavation has not been established. Whether the technology can be perfected and the international treaty obstacles to its use removed are not now predictable . . .

"A sea-level canal in Panama constructed by conventional excavation is technically feasible. Route 10 is the most advantageous sea-level canal route. [Route 10, one of a number considered, runs approximately parallel to the present canal, almost entirely out of the present Canal Zone, lying about ten miles to the west of the present Panama Canal toward the Republic of Costa Rica.]"

Highlights Of The Proposed 1967 Treaties With Panama

THREE proposed and interrelated treaties between the United States and the Republic of Panama were the subject of negotiations between the two nations over the period of 1964-67. Copies of the draft treaties were not officially released by the Executive Branch of the U.S. Government, but when ultimately made public in the press and through publication by a committee of the Congress they provoked major controversy.

In October 1968 the Panama National Guard staged a military coup to oust President Arnulfo Arias who had been inaugurated on October 1 following his election to the Presidency. A military junta took over the Government of Panama and has remained in control since that time. None of the treaties has been signed to date by either nation, and the present Panamanian Government has indicated that it does not consider the negotiated draft treaties acceptable.

Sea Level Canal

In a 17-article draft treaty with three annexes (explanatory addenda) the Government of Panama would provide the United States with the right to build a further canal, as follows:

Article II. "The Republic of Panama grants to the United States of America the right to construct in the territory of the Republic of Panama a sea level canal connecting the Atlantic and Pacific Oceans. In the event that the United States of America notifies the Republic of Panama within twenty years of the entry into force of the Treaty, of its intention to construct such a canal, the financing, construction, operation, maintenance and improvement of the sea level canal shall be carried out in accordance with the provisions of this Treaty."

Further provisions of the draft treaty treat with details of construction, financing, location, conditions under which such a canal would be operated, U.S.-Panamanian cooperation in its construction and operation, tolls and compensation, defense, neutrality of the canal, and establishment of a U.S.-Panamanian "Panama Interoceanic Canal Commission" to oversee operation of the canal.

The proposed treaty would continue in force for a period of 60 years from the date the sea level canal is opened to traffic, provided that such period shall not extend beyond December 31, 2067.

Defense and Status of Forces

A second draft treaty, consisting of 20 articles and two annexes, treats with the defense, security, continuity of operation, and neutrality of the Panama Canal; with the status of U.S. armed forces and dependents; and with their use of designated facilities and areas utilized in Canal defense. The treaty would, among other provisions, end the exclusive defense role of the U.S. in the Canal Zone and would establish a joint Panamanian-U.S. security and defense force, although the U.S. would continue to act to ensure the defense of the Canal itself. Article II of the draft treaty states:

"(1) The Republic of Panama and the United States of America shall provide jointly for the defense, security and continuity of operation of the Panama Canal and its appurtenant and supporting facilities and services and of the Canal Area. . . . To this end and for its part, the Republic of Panama hereby makes available to the United States of America the use of Defense Areas . . . for Canal Defense and related security purposes. Pursuant to this Treaty, the United States of America shall have the right to act to ensure Canal Defense. . . ."

Basic Canal Treaty

By far the most controversial of the three proposed treaties is that which would abrogate and replace the treaties of 1903, 1936, and 1955 (see page 258) with a revised treaty setting forth a greatly modified basis for U.S.-Panamanian relationship with regard to the Canal and the Canal Zone. The proposed treaty would transfer from exclusive U.S. jurisdiction to joint or Panamanian control a number of functions and activities performed within the Canal Zone, and would remove significant elements of the Panama Canal organization and operations from the purview of the U.S. Congress.

Consisting of 41 articles, the draft treaty includes the following provisions:

Article II. "1. The Republic of Panama and the United States of America hereby establish an international juridical entity to be known as the joint administration of the Panama canal [hereinafter referred to as the "administration"] to operate the Panama canal and its appurtenant and supporting facilities and services, maintain

the Panama canal and such facilities and services, make improvements and additions thereto, and administer the canal area . . . for the purposes of this treaty.

"3. The Republic of Panama as sovereign over the canal area, guarantees to the administration the peaceful use and enjoyment of the canal area, consistent with this treaty and the continuity of operation of the Panama canal.

Article III. "1. The Republic of Panama and the United States of America, each to the extent of its interests, grant to the administration, effective upon the date the administration assumes its full responsibilities and functions under this treaty, the use of the Panama canal and its appurtenant and supporting facilities and services and the use of the areas of land and water . . . which shall be known as the 'canal area.'

"2. The administration shall have and enjoy, subject to the terms of this treaty, the use of the Panama canal, of the canal area and of all of the property which, on the date the administration assumes its full responsibilities and functions under this treaty, is being administered or used by the United States of America thru its agencies, the Panama Canal company or the Canal Zone government.

"3. The administration shall assume, as of the date it assumes its full responsibilities and functions under this treaty, all of the assets, liabilities and commitments of the Panama Canal company and Canal Zone government as reflected in the final financial statements for the Panama Canal company and Canal Zone government. The unrecovered investment of the United States of America in the Panama Canal shall not be included in the liabilities assumed by the administration under this paragraph.

Article IV. "1. The governing body of the administration shall be a board consisting of nine members; four of whom shall be appointed by the president of the Republic of Panama and five by the President of the United States. The members of the board shall be appointed for terms of six years, subject to removal for cause by the President of the country by whom appointed . . .

"3. The board shall elect a chairman, from among its members, who shall serve for one year. . . . The chairmanship shall alternate annually between a member appointed by the president of the Republic of Panama and a member appointed by the President of the United States of America.

"5. There shall be a director general and a deputy director general of the administration, one of whom shall be a national of the United States of America and the other a national of the Republic of Panama.

"7. The director general shall be the chief executive officer of the administration . . .

Article V. "For the purposes of this treaty, the administration shall have the right and power to:

"1. Operate and maintain the Panama canal and its appurtenant and supporting facilities and services and make improvements and additions thereto, and control navigation in canal area waters . . .

Article XV. "1. . . . the administration shall, within five years following its assumption of its full responsibilities and functions under this treaty, discontinue its operation of food stores; department stores; milk product plants; bakeries; pastry shops; cafeterias or luncheonettes; theaters; bowling alleys and other recreational facilities for the use of which a charge is payable; optical shops; such hotels, laundries, dry cleaning plants, printing plants, automobile repair services, tire recapping services and gasoline stations as are operated for the public; and . . . any other similar facilities or services.

Article XVIII. "1. . . . the administration shall have the right and power to authorize the establishment of private business enterprises of all kinds in the canal area and adopt, issue, and enforce regulations relating to their establishment, conduct and discontinuance.

Article XX. "1. The Republic of Panama grants to the administration the right and power to provide for the protection of persons and property in the canal area . . .

"2. The administration shall provide for the protection of the Panama Canal, the shipping therein, and its appurtenant and supporting facilities and services.

"3. The administration may, if necessary, call upon the armed forces of the Republic of Panama or of the United States of America for military assistance whenever it deems such military assistance to be necessary in carrying out its responsibilities under paragraphs 1 and 2 of this article.

Article XXIII. "The Republic of Panama grants to the administration the right and power to establish and maintain a police force, which shall have exclusive police authority in the canal area. Consistent therewith, officials of the Republic of Panama shall have the right to exercise in the canal area functions authorized by laws of the Republic of Panama applicable in the canal area . . .

Article XXIV. "1. The laws of the Republic of Panama shall . . . be applicable in the canal area except with respect to those subject matters enumerated or referred to . . . [and] otherwise provided in this treaty.

"2.(a) The Republic of Panama grants to the admin-

(Continued on page 288)

PANAMA CANAL
TREATY
REVISION—

Action Re Treaty Negotiations
In The 91ST & 92ND Congresses

UNDER normal circumstances negotiation involved in the U.S. treaty-making process with another nation is carried out exclusively by the Executive Branch. While the Legislative Branch, specifically the U.S. Senate which must consent to ratification before a treaty enters into force, is frequently briefed on treaty provisions while negotiations are in progress, legislative hearings on the merits of such a treaty are generally restricted to those conducted after a signed convention is presented for ratification.

The three proposed treaties with Panama negotiated over the period of 1964-67, revising U.S.-Panamanian relationships concerning the Panama Canal (see pages 258, 265), have given rise in the 91st and 92nd Congresses to significant departure from this customary procedure.

Role of the Senate

In the U.S. Senate, matters affecting the Panama Canal fall principally within the jurisdiction of two committees. Those relating to maintenance and operation of the Canal and defense of the Canal Zone come under purview of the Committee on Armed Services. Those relating to broader questions of U.S.-Panamanian relations and treaty matters are the concern of the Committee on Foreign Relations, and of its Subcommittee on Western Hemisphere Affairs, chaired by Sen. Frank Church, Idaho, D.

While the 1967 initialing of the three treaties has received discussion on the Senate floor over the past several Congresses, no formal hearings have taken place in the Senate on the substantive questions which the recently-renewed treaty negotiations have raised.

House of Representatives Moves

In the House of Representatives the situation has been quite different, with proceedings undertaken by both of the subcommittees principally concerned with Panama Canal matters.

The Subcommittee on the Panama Canal of the Committee on Merchant Marine and Fisheries is the body with oversight responsibility for the operation and administration of the Canal and Canal Zone. In the 91st Congress it received briefings in 1969 from State Department officials on problems arising from the treaty negotiations and

also with regard to findings of the Interocean Canal Commission (see page 264) concerning possible routes for a new canal. Under the chairmanship of Rep. Leonor K. Sullivan, Mo., D., the Subcommittee additionally held hearings in 1970 on questions of Canal traffic projections, capacity, tolls, feasibility of a sea level canal, and issues arising from the 1964-67 treaty negotiations.

In the 92nd Congress, with the Subcommittee under chairmanship of Rep. John Murphy, N.Y., D., hearings have been held intermittently since November 29, 1971, on the treaty negotiations and general U.S.-Panamanian relations.

A second House panel, the Subcommittee on Inter-American Affairs (chaired by Rep. Dante Fascell, Fla., D.) of the Committee on Foreign Affairs, has cognizance over treaties and other matters affecting relations between the two nations. In the First Session of the 92nd Congress, on September 22 and 23, 1971, the Subcommittee held hearings on several pending resolutions calling for retention of full U.S. sovereignty over the Panama Canal and the Canal Zone. Advisory rather than legislative in nature because of the exclusive treaty responsibility assigned by the Constitution to the U.S. Senate, the resolutions have received no action to date by the full House of Representatives.

Among those resolutions under consideration, perhaps most representative was H. Res. 154, introduced early in 1971 by Rep. Daniel Flood, Pa., D., who for many years has been an active champion of continued U.S. sovereignty in the Canal Zone. The operative portion of the Flood resolution reads as follows:

"Resolved by the House of Representatives, That it is the sense of the House of Representatives that the Government of the United States should maintain and protect its sovereign rights and jurisdiction over said Canal Zone and Panama Canal and that the United States Government should in no way forfeit, cede, negotiate, or transfer any of these sovereign rights, jurisdiction, territory or property to any other sovereign nation or to any international organization which rights, sovereignty and jurisdiction are indispensably necessary for the protection and security of the entire Western Hemisphere including the canal and Panama."

As an artery of marine transportation, the Panama Canal enterprise became, and still is, a part of the coastline of the United States. As such its exclusive control by the United States is just as necessary for national defense as the control of the Chesapeake Bay or New York Harbor.

In 1967, after three years of diplomatic discussion, the Presidents of the United States and Panama announced the completion of negotiation of three new Canal treaties. As the negotiations drew to a close, I was alarmed by reports of the forthcoming treaties and applied myself to a close study of the situation and the Canal problem. It was at this time that I became convinced that continued U.S. control depended upon maintaining our sovereignty in the Canal Zone and modernizing the present works.

Frankly, I was amazed when I actually obtained copies of the treaties. Those treaties would have surrendered U.S. sovereignty, control, and ownership of the Canal Zone and the Panama Canal, as well as any new canal built by our taxpayers. The treaties provided for a nationalization by Panama of the Zone territory and for internationalization of the Canal itself under a bi-national canal authority. In the background, but not in the public discussions, was the objective of ultimate control of the Panama Canal through a multi-national agency, perhaps under the authority of the U.N.

Such treaties were totally unacceptable according to the thinking of scores of U.S. Representatives and U.S. Senators. The reaction, both in the U.S. and Panama, was so hostile that those treaties were never signed and never submitted to the Senate.

It is discouraging, therefore, to see that negotiations are once again underway with Panama, even though the present Government is a revolutionary regime with little prospect of stability and with no procedures for ratifying a new treaty. More discouraging still is the fact that the State Department openly acknowledges that the basis for negotiation is the surrender of U.S. sovereignty and the giving up of our jurisdiction throughout most of the Zone.

In my judgment, it is a semantic trick to maintain that the U.S. can keep control of the Canal and the capability to defend it if ever we give up our sovereign rights. The duration of a treaty is not the key issue when the treaty itself gives up our basic rights. Such a surrender document would last too long if it lasted only one day. I believe that if a new treaty is necessary—and I am not yet convinced of that—then at a minimum we must maintain our sovereignty in the Zone, with the physical control which that implies; and we must maintain U.S. citizens in the policy-making and strategic areas of the Canal operation. It is a fallacy to believe that we can control the Canal or keep our obligation to keep the Canal running if we allow foreign nationals to be in substantial control of the decision-making and highly technical posts connected with the operation of the Canal.

It is possible that certain disagreements and irritations can be solved through negotiations with the Republic of Panama, but we can never agree to a treaty which does not allow us to have the physical and actual capability of keeping the Canal secure. It is for this reason that the sovereignty of the Canal Zone is the key issue which must never be compromised.

(PROS, continued on page 272)

Canal in 1903, that justification hardly remains in 1971. There is no question as to the legality of our presence in Panama. It was fully agreed to by the Panamanian government. For ten million dollars and \$250,000 a year the United States was leased the Canal Zone in perpetuity. It was a contract that fit perfectly well into our quest for territorial expansion and influence at the turn of the century. But one wonders if Panama, in its zeal for independence, struck a bargain with the United States which it probably never would have agreed to under quieter times.

Secretary of State John Hay wrote, in a letter to a leading Senator of the time: "As it stands now, as soon as the Senate votes we shall have a treaty in the main very satisfactory to the United States, and we must confess . . . not so advantageous to Panama. . . . You and I know too well how many points there are in this treaty to which a Panamanian patriot could object."

In the years since John Hay wrote that letter, the United States has built what has become a colony of mostly white Americans who reside in the Canal Zone year after year, and some, generation after generation. Most of the Americans who live in the Canal Zone do not have any occupational association with the Canal itself. In fact, of the 15,000 workers employed in the Canal Zone, only 4,000 are Americans, and of that figure, only 1,289 work on the Canal. The other Americans are employed in support services which perpetuate community life such as schools, movie theatres, bowling alleys, commissaries, golf courses and a zoo.

The Zone has nicely paved roads, lovely suburban homes, and 15 per cent differential on top of an inflated pay scale to entice people to come down from the States. The Canal Zone is a far cry from the jungle swampland that Walter Reed and his associates found in attempting to clear the land in the early part of this century. It is a haven of segregated little communities, with whites pretty much having exclusive domicile of the towns of Balboa and Diablo Heights, and non-US Panamanians and Jamaicans living in the Latin communities of Pedro Miguel and Paraiso. It is nonsense for this Nation to perpetuate such an obvious affront to the host country on the excuse that we are thereby better protecting the canal.

The fact is that the Canal Zone has little to do with protecting the canal from invasion. According to Major General Donnelly P. Bolton of the Office of the Deputy Chief of Staff for Military Operations, Department of the Army, "no significant Navy or Air Force high performance combat units are based in the Zone. Most Air Force activity is oriented toward supporting such activities as disaster relief or military assistance. Navy elements are engaged primarily in administrative and strategic support activities." The Army forces in the Canal Zone consist of one infantry battalion on the Atlantic end of Zone, and one mechanized infantry battalion on the Pacific side. General Bolton continues, "Army units located in the Zone can be broken down to 46 per cent in combat and combat support, and 54 per cent in combat service support, headquarters, or military assistance activities."

It is important to note that in case of an attack on the Canal Zone, General

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"... I became convinced that continued U.S. control depended upon maintaining our sovereignty in the Canal Zone . . ."

"... the State Department openly acknowledges that the basis for negotiation is the surrender of U.S. sovereignty . . ."

"... one wonders if Panama . . . struck a bargain . . . which it probably never would have agreed to under quieter times."

"... the Canal Zone has little to do with protecting the canal from invasion."

by HON. DANIEL J. FLOOD
United States Representative, Pennsylvania, Democrat

From testimony given on September 22, 1971, before the Subcommittee on Inter-American Affairs of the House Committee on Foreign Affairs in the course of hearings on resolutions concerning Panama Canal sovereignty and jurisdiction. A ranking authority on matters affecting the Panama Canal, Rep. Flood has long been a spokesman for the retention of full U.S. Canal Zone sovereignty.

THE Panama Canal enterprise consists of two inseparable parts: (1) the Canal itself, and (2) its absolutely necessary protective frame of the Canal Zone territory. The two great canal issues now before the Nation are: (1) the transcendent key issue of retaining United States undiluted sovereignty over the Canal Zone and (2) the important project of modernizing the existing Panama Canal by the construction of a third set of larger locks.

Unfortunately, the handling of the two principal issues has been greatly complicated by radical Panamanian attacks on U.S. sovereignty over the Canal Zone and the exhumation of the corpse of the old controversy over types of canal high level lake-lock versus sea level tidal lock.

In the convention of November 18, 1903, Panama granted to the United States in perpetuity the "use, occupation and control" of the Canal Zone territory for the "construction, maintenance, operation, sanitation, and protection" of the Panama Canal with full "sovereign rights, power and authority" within the Zone to the "entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority." This was the indispensable agreement under which the United States undertook the great task of completing the construction of the Panama Canal and its subsequent operation and defense, which is binding on the United States as fully as on Panama.

The terms of this treaty were not accidental. Our leaders at that time had studied the history of the Isthmus and understood the problems that would be involved in such undertaking in a land of frightful disease and endemic revolution. They realized that the United States could not accept responsibility without complete authority.

In addition to the grant of full sovereign rights, power and authority over the Canal Zone, the United States obtained title by purchase of all privately owned land and property in the territory from individual property owners, making the Canal Zone the most costly territorial acquisition in the history of the United States.

Because of the economic support of the Panama Canal, the full effects of the Great Depression of 1929 were not felt in Panama until 1932 when they stimulated agitations for a new treaty. With the change of administrations in the United States in 1933 our Government weakened as to the earlier official positions taken by President Theodore Roosevelt, Secretaries Hay and Hughes, and negotiated the Hull-Alfaro Treaty of 1936 with Panama.

Because of a strong opposition in the Senate it was not ratified until 1939

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Bolton says, "Reinforcement for the Zone would come from the pool of Army and Air Force units assigned to the U.S. Strike Command, MacDill AFB, Florida, and Marine and Naval elements assigned to the CINC, Atlantic Command in Norfolk, Virginia."

Clearly, the Canal Zone, and the forces residing there, do not provide significant protection for the Canal. The real muscle comes from forces based within the continental United States. The Canal Zone-based forces provide little more than police protection in case of an invasion from within the Republic of Panama.

How then can we justify our grand presence in Panama? How does the presence of a colony of civilians help contribute to the stabilization of this area of the world? Very little. On the contrary, it is my firm belief that the continuing existence of the Canal Zone provides much fuel to the militant factions in Panama and elsewhere in Latin America who point to the Canal Zone as a colonialistic outrage, fenced apart from the horrible slums which neighbor alongside.

I believe the United States should now relinquish its jurisdiction over the Zone. The State Department and the President of the United States have recognized that a new arrangement must be effected between our two governments—an arrangement which is fair and equitable, and which does not jeopardize our security or commercial interests. I support these efforts for a new treaty, but I feel that the negotiating team is not seeking to go as far as is necessary to eliminate the wrongful situation which continues to fester like an uncared-for wound. The U.S. negotiating team now believes that the Canal Zone should be vastly reduced in size, with commercial interests in the Zone assigned to Panama. It does not propose, as has been alleged, to turn over the entire Canal Zone, including the Panama Canal, to Panama—nor do I propose such a step. The team has also called for a gradual phase-out of American legal jurisdiction over cases involving Americans in the area.

The idea seems to be that more and more Americans will leave as Panamanians assume more jurisdictional control. I question the need for any continued American control over the affairs of civilian Americans in the Republic of Panama. Does the United States exercise control of this nature in any other area of the world where Americans choose to work and reside? The answer—except in diplomatic missions and on military bases—is no, not even within the Republic of Panama. Why should Americans living in the Canal Zone and working on the Panama Canal be treated any differently? If an American chooses to work abroad elsewhere, he does so knowing that he must abide by the laws and live according to the rules of the host country.

The United States does not need the Canal Zone in order to operate the Panama Canal. Because we permit unrestricted passage to countries of all political allegiances, including North Korea and Communist China, it cannot be said of us, as has been said of Egypt in the case of Suez, that we exclude our enemies.

We should make clear to Panama that in giving up jurisdiction over the Zone we are not giving up our military bases, nor the right to defend the Canal from alien aggressors or from aggressors within the Republic of Panama, even if our forces must cross over Panamanian soil to do so. Those rights should be an

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"... now before the Nation is the key issue of retaining United States undiluted sovereignty over the Canal Zone..."

"... the United States could not accept responsibility without complete authority."

"... the continuing existence of the Canal Zone provides much fuel to the militant factions in Panama and elsewhere in Latin America..."

"The United States does not need the Canal Zone in order to operate the Panama Canal."

just before the start of World War II. In this treaty, the United States made important concessions to Panama, which included the construction of a Trans-Isthmian highway in Panama extending through the Canal Zone to Colón, giving Panama jurisdiction over that highway in the Zone, renunciation of the right of eminent domain in the Republic of Panama for Canal purposes, and surrender of U.S. authority to maintain public order in the cities of Panama and Colón and adjacent areas. In a realistic sense this treaty was the start of our great giveaway programs, causing serious difficulties in obtaining military bases in Panama for defending the Panama Canal in World War II and creating dangerous precedents.

"... the Treaty of 1936... was the start of our great giveaway programs..."

By 1953 agitations were well underway in Panama for the Chapin-Fábrega Treaty, which without adequate understanding or debate, was ratified in 1955. The 1955 Treaty completed the withdrawal of the United States from Panama to the boundaries of the Canal Zone but did not alter the basic sovereignty and perpetuity provisions of the 1903 Treaty as regards United States exclusive sovereign control in perpetuity of the Canal enterprise, which includes the Zone.

On May 2, 1958, there was an organized mob invasion into the Canal Zone called Operation Sovereignty. Red-led Panamanian University students planted 72 Panama flags at various spots in the Zone, including some squarely in front of the Canal Administration Building. Instead of acting promptly to arrest and punish the trespassers, our responsible authorities naively ignored the incidents as youthful pranks. Instead of pranks they were probes of our Government's will power to stand up for the just and indispensable rights of the United States at Panama.

On September 17, 1960, soon after adjournment of the Congress, President Eisenhower, without Congressional sanction and using emergency funds from the Department of State, in a mistaken gesture of friendship, naively authorized the formal display of the Panama flag in one place in the Canal Zone at Shaler's Triangle as "visual evidence" of Panama's titular sovereignty over the Zone but did not define the term, which is of purely reversionary character. Also as predicted, Panamanians took this display not as evidence of titular sovereignty, but as an official admission by the United States of its recognition of Panama's full sovereignty over the Zone Territory.

"... a massive Red-led mob invasion of the Canal Zone in 1964... required the use of our armed forces..."

The Panama flag display was extended by President Eisenhower's successors, Presidents Kennedy and Johnson. They culminated in a massive Red led mob invasion of the Canal Zone during January 9-12, 1964, again requiring the use of our armed forces to protect the lives of our citizens and the Canal itself. In retaliation, Panama broke diplomatic relations with the United States and brought charges against the United States of "aggression" against Panama.

Here I would like to stress that not one United States soldier left the Canal Zone but simply defended the lives of our citizens and the Canal with the result that there was no interruption of transit despite the magnitude of the disorders. This was the highest tribute to the wisdom of our policy of having United States citizens in security positions, and having a protective strip framing the Canal.

After President Johnson had an opportunity to get the necessary facts about

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inherent part of the new treaty, and it is a small price for Panama to pay. It will also assuage the fears of those who feel the United States will lose the Panama Canal by making such concessions.

In summary, I believe the United States should return all aspects of sovereignty in the Canal Zone back to the Republic of Panama, and that the United States should continue to own and operate the Canal as a world utility, retaining all rights to defend the Canal, even to the point of moving our armed forces into the Republic of Panama to do so.

"I believe the United States should return all aspects of sovereignty in the Canal Zone back to the Republic of Panama..."

We in the United States might look toward our own country to seek an analogy to the Panama Canal Zone situation. What if the British had built the Erie Canal in the early 1800's and set up a Zone of their own to run it? How then would the Americans of today feel toward a British Colony living alongside of Buffalo, New York, and Cleveland? Is the only difference really the fact that we Americans are a vast world power, capable of removing such unwanted colonies, while the Panamanians are helpless to do anything about their own situation except make noises which are faint on the world scene?

If we are to behave as the greatest nation in the world—and we must—then we must set a proper example for nations large and small, rich and poor, around the world. We must solve such frictions before they become major confrontations. We must in effect initiate solutions before the guns are fired, and blood is drawn. Too often, we have been a Nation of reactors. Let us act in a preventive way, and gain friends who will know that it was the United States that took the first step forward—not a step backward in retreat.

by HON. ROBERT A. HURWITCH
U.S. Deputy Assistant Secretary of State for Inter-American Affairs

From testimony given on November 29, 1971, before the Subcommittee on the Panama Canal of the House Committee on Merchant Marine and Fisheries in the course of hearings on the subject of Panama Canal treaty negotiations.

THE 1903 Convention and the agreements associated with it have formed the central core of our unique relationship with Panama ever since its founding and have constituted a built-in source of friction. The Canal Zone cuts through the center of Panama. On the Pacific side, Panama City, the capital, adjoins the Zone, while the major city on the Caribbean is surrounded by the Zone. One cannot cross from the eastern to the western half of the country without transiting the 10-mile-wide strip under U.S. jurisdiction.

"One cannot cross from the eastern to the western half of Panama without transiting the 10-mile-wide strip under U.S. jurisdiction."

A host of specific issues relating to the Panama Canal and the Canal Zone have troubled U.S. relations through the years. In 1936 and 1955 we entered into supplementary treaties designed to resolve some of them, but many continued to rankle. Chief among these have been the U.S. treaty right to act as if sovereign in perpetuity, the amount (now \$1.93 million) of annual direct compensation, and our possession of certain areas of land which Panama urgently desires for economic expansion and does not consider essential to the operation and defense

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the Panamanian mob attack, on January 14, 1964, he took a strong initial stand for exercising United States sovereignty over the Canal Zone stating that our country had a "recognized treaty obligation to operate the Canal efficiently and securely, and (that) we intend to honor that obligation in the interest of all who depend upon it."

Unfortunately, after this initial policy statement he apparently fell into the clutches of Department of State miners and sappers and reversed his original position. Consequently, on December 18, 1964, after restoration of normal relations with Panama, President Johnson announced that the U.S. Government had completed an intensive policy review with respect to the present and future of the Panama Canal and that he had reached two decisions:

First, to press forward with Panama and other interested governments for a sea level canal; and second, to negotiate an entirely new canal treaty for the existing Panama Canal.

In June 1967, President Johnson and President Marco A. Robles of Panama jointly announced that agreement had been reached on three proposed new canal treaties as follows:

The first, covering the operation of the present canal, would have (1) abrogated the Treaty of 1903, (2) recognized Panamanian sovereignty over the Canal Zone, (3) made Panama an active partner in the management and defense of the Canal, (4) increased toll royalties to Panama, and (5) eventually given to Panama exclusive possession in 1999 if no new canal were constructed at U.S. expense or soon after opening of a sea level canal but not later than 2009 if a new canal were built.

The second treaty for a canal of sea level design would have given the United States an option for 20 years after ratification to start construction, 15 more years for construction and a majority membership in the canal authority for 60 years after opening or until 2067, whichever was earlier. Additional agreements to fix the specific conditions for its combinations would have to be negotiated when the United States should decide to execute its option.

The third treaty for defense would have provided for the continued use of military bases by U.S. Forces in Panama for 5 years beyond the termination date of the proposed treaty for the operation of the existing canal. If a new canal in Panama were constructed the military base rights treaty would have to be extended for the duration of the treaty for the new canal.

Although President Johnson did make a press release outlining the general aims of the treaties, the governments of both the United States and Panama withheld publication of the proposed treaties apparently with the hope that they would be ratified by our Senate without adequate debate.

Ferreted out through journalistic initiative, published, and later quoted in addresses to the U.S. Senate by Senator Strom Thurmond of South Carolina, they aroused a storm of protests in both Panama and the United States as well as in Great Britain and Japan, which are large users of the Panama Canal. So strong were these protests that the proposed 1967 treaties were never signed.

One of the great purposes of United States policy of exclusive sovereign con-

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"President Johnson announced that the U.S. had completed an intensive policy review . . . with respect to the Canal . . ."

"... the proposed treaties . . . aroused a storm of protests . . ."

of the canal. During 1962-63, representatives of Presidents Kennedy and Chiari discussed points of dissatisfaction, but growing frustration and emotional nationalism among Panamanians erupted in January 1964 in a four-day riot on the Canal Zone borders in which 18 Panamanians and 4 American soldiers were killed, hundreds injured, and millions of dollars worth of property destroyed. Panama broke off diplomatic relations with the United States, charging us with acts of aggression, and took her case to the United Nations and the Organization of American States. In April 1964, the OAS announced that an agreement had been reached between the United States and Panama to re-establish diplomatic relations and to designate special Ambassadors with sufficient powers to seek the prompt elimination of points of dissatisfaction, without limitations or preconditions of any kind. President Johnson appointed the distinguished former Secretary of the Treasury and Secretary of the Navy, Mr. Robert B. Anderson, as the Special U.S. Representative, and three draft treaties resulted from the 1964-67 negotiations.

During the years 1965-1970, Ambassador Anderson also headed the Atlantic-Pacific Interoceanic Canal Study Commission. After more than five years of study and investigation, the Commission concluded, *inter alia*, that current U.S. canal policy should not be made in the expectation that nuclear excavation technology would be available for canal construction; that the construction of a sea-level canal by conventional means is physically feasible; that the most suitable site for such a canal is on Route 10 in Panama a few miles west of the present canal; that its construction cost would be about \$2.8 billion in 1970 prices; and that amortization might or might not be possible from tolls, depending on a number of future factors.

The President of Panama did not act to have the 1967 draft treaties ratified, and no action was taken on them by our Government. Panamanian attention was largely concentrated on domestic developments for a few years. After a long and bitter political campaign, Dr. Arnulfo Arias was elected President in May 1968 and inaugurated on October 1st. On October 11, Dr. Arias was ousted by a coup—a fate he had also suffered during his two previous presidential terms—and a military junta took over the Government of Panama. Following a period of some initial instability, the Provisional Junta Government established itself firmly in power under the leadership of Brigadier General Omar Torrijos, Commandant of the National Guard. After a study of the 1967 drafts, the Provisional Junta Government rejected them and asked us to renew discussions for a new canal treaty.

The United States had no realistic choice but to agree to the renewal of negotiations. The canal issue in Panama is just as emotional and nationalistic an issue now as it ever was. In all fairness, it must be admitted that Panama has some reasonable grievances in connection with the present situation. This Administration firmly believes that differences should be settled at the negotiating table if mutually satisfactory agreements can be reached. We fully recognize that the conditions which existed in 1903—and Panamanians were dissatisfied with some aspects of the treaty even then—no longer exist in 1971, and that treaty provisions appropriate then may no longer be appropriate now. Treaties after all must bear a

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"... growing frustration and emotional nationalism among Panamanians erupted in 1964 in a four-day riot on the Canal Zone borders . . ."

"... Panama has some reasonable grievances in connection with the present situation."

trol over the Canal Zone was the avoidance of the never ending conflicts and recriminations that always accompany extra-territorial rights. To speak so bluntly as the gravity of the situation at Panama demands, the State Department in recent years has been dominated by those who timidly accept as valid every major claim of Panamanian radicals for the surrender by the United States of its sovereignty over the canal enterprise and its transfer to Panama. Such action would undoubtedly result in the immediate dominance of the Isthmus including the Canal Zone by Soviet powers against which Panama could not cope.

"... the State Department view is that it is in U.S. interest to demonstrate... our 'willingness to make adjustments'..."

Though averring that the United States has "no intention of yielding control and defense of the Canal to the threat of violence," the State Department view is that it is in United States interest to demonstrate again as in 1967 our "willingness to make adjustments" which do not significantly weaken our rights to control and defend the canal and that it would be difficult for the United States to "justify itself in world forums" in the event it is again forced to "commit" its armed forces against "Panamanian incursion into the Canal Zone." Could there be any more obvious double talk? The United States did not commit its Armed Forces against anybody.

Such statements of policy are an expression of willingness to surrender in advance. What could be more pusillanimous or unrealistic than this State Department pronouncement! No wonder the eyes of the world are watching us at Panama, for upon what we do there could well depend the freedom or the slavery of the world. Shabby sentimentality has no place in the consideration of the problems of the Canal Zone and Panama Canal.

As foreseen by the formulators of our major Isthmian Canal policies of site, type and control, the Panama Canal is a part of the coastline of the United States. Its protection is just as vital to national defense as the protection of Delaware Bay or San Francisco Harbor.

"... protection of the Panama Canal is just as vital as the protection of Delaware Bay or San Francisco Harbor."

General plans for the major increase of capacity and operational improvements of the existing canal have been developed and are covered in pending legislation but cannot proceed until the sovereignty issue is clarified and our undiluted control and ownership of the canal and the Canal Zone fully understood and recognized, for the Canal can no more be separated from the Zone than boilers from a steam power plant.

The present task before the House of Representatives is the transcendent one of clarification and reaffirmation of our sovereign control of the Panama Canal enterprise. The resolutions now pending reflect the views of our best informed Congressional leaders and specially qualified citizens from various parts of the Nation. Their adoption will serve notice in the world, especially to Soviet rulers, that the United States has the will to meet its treaty obligations at Panama and that it will continue to do so and thus serve to regain the public image that our great country has lost through weak and timid policies in recent years. It will open the way for the next great step by the Congress in the evolution of our Isthmian Canal policy—the major modernization of the existing Panama Canal. These two steps together, sovereignty reaffirmation and modernization, should meet the canal situation for many years into the future.

(PROS, continued on page 280)

reasonable relationship to the environment in which they exist. It is our firm intention to secure essential U.S. objectives with respect to the right to operate and defend the present canal and to provide additional capacity when needed either by a third set of locks or by building a sea-level canal. At the same time, it is our earnest desire to meet certain reasonable Panamanian aspirations with the objective of contributing to a more enduring relationship between Panama and the United States and a more secure environment for the canal. In the modern world, we can no longer look upon a sovereign enclave in the territory of another country in perpetuity as a secure environment in which to operate a canal, a canal which is of incalculable value to our own security and commerce and a tremendous service to world trade.

"... we can no longer look upon a sovereign enclave in the territory of another country in perpetuity as a secure environment in which to operate a canal..."

In this connection, it should be noted that the Panama Canal is of great economic importance to many Latin American countries. More than 50 per cent of the total ocean-borne trade of three of them transits the canal, as does more than 30 per cent of another five and over 20 per cent of one more. Those nations obviously have high stakes in the continuance of an efficient canal charging reasonable tolls. At the same time, we believe they would like to see those conditions prevail under the aegis of a modern treaty mutually considered by the U.S. and Panama to be just and fair. We believe that such a treaty would be a contribution to the peace of the hemisphere and would also enhance our position within the hemisphere.

by HON. DAVID H. WARD
U.S. Deputy Under Secretary of the Army for International Affairs

From testimony given on December 1, 1971, before the Subcommittee on the Panama Canal of the House Committee on Merchant Marine and Fisheries in the course of hearings on the subject of Panama Canal treaty negotiations.

FUNDAMENTALLY, the United States is in Panama because of the Panama Canal. The prime interest of the Department of Defense, and indeed of the United States, is that the Panama Canal remain open to shipping bound to and from United States ports and to United States and allied naval shipping. In order to preserve this interest we must be concerned with the following means to that end:

First, the Canal organization—this means the American and Panamanian people who do the job of running the Canal, and the machinery and facilities which they employ in this task.

Second, our defense forces which defend the Canal, and the bases and military rights of these forces.

Third, our relationship with Panama whose territory is traversed by the Canal, many of whose citizens are employed in its operations and whose two principal cities border on ours at the two ends of the Canal.

As is well known, Panama is discontented with our treaty relationship. An adjustment of this relationship is desirable, provided that it can be done without weakening the organization by which we operate the Canal and without jeopardiz-

"Panama is discontented with our treaty relationship. An adjustment of this relationship is desirable..."

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by HON. LEONOR K. SULLIVAN
United States Representative, Missouri, Democrat

From a statement issued on July 15, 1971. For fourteen years Rep. Sullivan served as chairman of the Panama Canal Subcommittee of the House Committee on Merchant Marine and Fisheries.

"I am gravely concerned over . . . reopening of treaty negotiations with the Republic of Panama."

I AM gravely concerned over reports to the effect that the Administration is taking active steps which may result in the reopening of treaty negotiations with the Republic of Panama.

I have been associated with affairs in the Republic of Panama, and more particularly in the Canal Zone, since the mid-1930's and officially since 1953. As past Chairman of the Subcommittee on Panama Canal, I have worked closely with the Panama Canal Company, the people of Panama, and the people of the Canal Zone. In light of this long association with the affairs of Panama and the Canal Zone, I was amazed and dismayed to learn that the Administration has sent Ambassador Robert B. Anderson to discuss the reopening of negotiations for new treaties with the Provisional Government of General Torrijos. Ambassador Anderson, of course, was the Special Representative who headed the team which negotiated the three treaties with the Republic of Panama between 1964 and 1967.

"... these proposed treaties evoked loud protest . . . from the Congress."

It is a fact that the abortive 1967 treaties never came to fruition and ended on a very negative note. For example, copies of these draft treaties were never made available to the Congress of the United States but apparently were being circulated on the streets of Panama back in 1967. In addition, these proposed treaties evoked loud protest from the people of the United States and, more particularly, from the Congress. Indeed, the House of Representatives in the Ninety-first Congress expressed itself as to the 1967 treaties blunder through the introduction of some 105 resolutions declaring it to be the policy of the House of Representatives and the desire of the people that the United States should maintain its sovereignty and jurisdiction over the Panama Canal Zone. In fact, since 1967, the Provisional Government of Panama itself has made known its objections to the 1967 draft treaties in unmistakable terms.

From the standpoint of the U.S., there were a number of disabilities inherent in those treaties. They would have, for example, resulted in the United States relinquishing its powers of sovereignty over the Canal and would have operated in such a way that the United States would not be able to control effectively the Panama Canal or provide for its defense in a satisfactory manner. In addition, those treaties contemplated an unrealistic and unreasonable increase in tolls, rates and revenues and did not take into account the constitutional authority of Congress over the disposal of United States property. Also, those treaties would have removed the Canal from the authority of the United States Congress. In this connection, it should be noted that under the 1967 draft treaty relating to the present locks canal, control of the Canal would have passed from the Congress to the nine-man governing authority and the five American members would be appointed by the President subject to confirmation by the Senate and responsible

(Continued on page 282)

ing our defense interests in the Canal Zone. It is also important that the United States gain the right to build a sea-level canal so that that option will be available to us in the future. We are hopeful that an adjustment can be made which meets the most important concerns of both nations and it is to that end that negotiations are being conducted.

Over a period of years Panama will assume responsibility for some of the governmental functions now carried out by the Canal Zone Government but it is our particular care that this gradual evolution occur in a way consistent with the just expectations and concerns of our employees. We will negotiate ample treaty rights to cover our employees, facilities and operational prerogatives.

"Over a period of years Panama will assume responsibility for some of the governmental functions now carried out by the Canal Zone Government . . ."

Defense interests are of course of vital importance to us in these negotiations. As you will recognize, the Canal itself is a valuable defense asset and the bases located in the Canal Zone play a significant role in our defense posture. At present we have approximately 12,000 military personnel in the Canal Zone. We also have an extensive base structure.

For the foreseeable future the United States must have unilateral rights to take whatever action is necessary to defend the Canal and not be obliged to depend upon the consent of any other nation to keep it in operation. This is fundamental. But this is not to say that Panama and its forces will not play an important role in keeping the Canal open. Since the Canal and our employees are not isolated from Panamanian population centers we rely upon Panama to deal with civil disturbances in its own territory that may spill over into the Zone and in the unlikely event of an attack by a third party, Panama would undoubtedly become involved in common cause with us.

Although the negotiations will result in some land concessions to Panama we fully intend that bases necessary for our vital defense interests be retained. This is one of the non-negotiable parts of our position.

In addition to the Canal defense mission, there are certain collateral military activities carried on in the Canal Zone which will continue. These benefit not only the United States but also Panama and its other Rio Pact allies. One example is the military schools in the Zone which give extensive training to officers from Latin American military establishments. Over 1,300 members of the Panamanian military have received training at these schools. Another example of activities unrelated to Canal defense is that of humanitarian assistance. Our military forces in Panama have on many occasions assisted Latin American nations, and Panama in particular, in times of natural disaster.

It will be necessary for us to negotiate a Status of Forces Agreement for our forces in Panama. There is very substantial precedent for agreements of this type and our experience throughout the world is useful in developing the provisions that must be included. Such an agreement would of course have to include appropriate provisions regarding our Canal defense rights, freedom of access and movement for our forces, and protection for the rights of individual members of the service in Panama. In our view it will be possible for us to fulfill our mission in Panama while operating under a Status of Forces Agreement, as we do in other parts of the world.

"It will be necessary for us to negotiate a Status of Forces Agreement for our forces in Panama."

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to the Executive, not to the Congress. This arrangement alone would tend to cast the treaties in an unfavorable light with respect to the Congress.

Aside from the disabilities inherent in these treaties, they are based on a number of erroneous premises. For example, at the time the 1967 treaties were drafted and negotiated, it was thought that a sea-level canal was economically feasible and could be built by nuclear excavation. It is clear from the Atlantic-Pacific Interoceanic Canal Study Commission Report that nuclear excavation has been eliminated for the foreseeable future. Absent nuclear excavation, it would cost approximately \$2.5 to \$3 billion (at 1970 estimate cost figures) to construct a new sea-level canal on Route 10, as recommended by the Interoceanic Canal Study Commission. Testimony before our Committee has shown that based on traffic forecasts and the Canal Improvement program, the existing Canal should be able to handle the traffic to the end of the century. At the present time, it seems clear that the Republic of Panama, or anyone else for that matter, cannot premise treaty negotiations on the assumption that Congress will authorize the construction of a new sea-level canal or enact legislation to transfer the existing Canal to any other country.

If the 1967 proposals were unacceptable to the American people and to the Congress, how much more unacceptable will new treaties be which go even further than the last round of treaties in ceding American jurisdiction and sovereignty in the Canal Zone? For the Government of Panama expressed its dissatisfaction with the 1967 treaties in an August 5, 1970 letter to our Secretary of State and simultaneously released a 32-page document explaining the reasons for rejecting the 1967 draft treaties. In general, this document took an extreme position which, in effect, rejected U.S. control of the Canal, the right of the U.S. to maintain military forces on the Isthmus, and rejected the management of the Canal for the benefit of shipping rather than the enrichment of Panama.

It seems to me that it is entirely improper and incorrect when so many priority problems are facing the country at this time, that we should be pressured into opening up negotiations on new treaties that will once again engender enormous controversy and opposition. Undoubtedly, reopening negotiations on the type of treaties anticipated will result in protest by the American people when they learn the facts.

The possibility of new treaty negotiations raises several basic questions in my mind:

1. Why must we enter into treaty negotiations which give every indication of being contrary to the best interests of the United States?
2. Must we enter into treaty negotiations at this time which can only cause further unrest in both the United States and Panama?
3. Where has the United States failed in living up to its duties, obligations and commitments as set out in the basic 1903 treaty and its revisions of 1936 and 1955?

I would be at least a little less apprehensive if someone in the Administration could answer these questions for me.

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The question of expansion of Canal capacity is a major one in the treaty negotiations. The logistical importance of the Canal is well known to this Committee, as is its usefulness for the transit of combat ships. The day can be expected to come when this same interest in the lock canal will dictate an expansion of Canal capacity. The Interoceanic Canal Study Commission set up a National Defense Study Group of which I was the Chairman at the time of issuance of its report. The study group concluded, and the Department of Defense and the Joint Chiefs of Staff agreed, that a new sea-level canal would represent a major defense asset for the United States. Our conclusion was heavily based upon the fact that a sea-level canal is less vulnerable to attack than a lock canal and that such a canal would be wide enough to permit the passage of our aircraft carriers, some of which are too wide for the present canal. Although the decision as to the construction of a sea-level canal or a third set of locks will probably not be made for some time, the Department of Defense strongly supports the objective of gaining definitive options to expand Canal capacity.

In conclusion, the Department of Defense is interested in an adjustment of our treaty relationship with Panama which will remove at least some of the major causes of friction that might threaten the peaceful operation of the lock canal and foreclose to us the option of building a sea-level canal. Our mission of defending the lock canal, with its locks and dams and 52 miles of bank largely covered with jungle, will be facilitated by good relations with the people of Panama. But we must ensure that a new treaty fully protects our vital defense interests. It must also fully protect our interest in operating the Canal. And, finally, it is important that Canal expansion be clearly permitted by a new treaty.

by AMBASSADOR JOHN C. MUNDT
Special Representative of the United States for Panama Treaty Negotiations

From testimony given on November 29, 1971, before the Subcommittee on the Panama Canal of the House Committee on Merchant Marine and Fisheries in the course of hearings on the subject of Panama Canal treaty negotiations.

PANAMA has been discontented with the Treaty of 1903 since its inception and has pressed for more favorable terms with increasing intensity in recent years. The United States acknowledged as early as 1905 that under the 1903 Treaty Panama retained titular sovereignty over the Canal Zone. Treaty revisions were made in 1936 and 1955. However, the most objectionable feature from Panama's viewpoint—United States exercise of rights as if sovereign in the Canal Zone in perpetuity—remained unchanged. Neither did the increases in payments and other economic benefits for Panama in the two revisions provide what Panama considered a fair sharing of the benefits of the canal. Panama's discontent led to destructive riots along the Canal Zone border in 1958 and 1964.

Following discussion of the Panama situation in the OAS, the UN, and in other international forums, President Johnson agreed in 1964 to begin negotiations for a new treaty relationship. In reaching this decision, President Johnson had con-

(Continued on page 285)

"... these treaties ... are based on a number of erroneous premises."

"... reopening negotiations on the type of treaties anticipated will result in protest by the American people when they learn the facts."

"Department of Defense is interested in an adjustment of our treaty relationship with Panama which will remove at least some of the major causes of friction ..."

"The United States acknowledged as early as 1905 that under the 1903 Treaty Panama retained titular sovereignty over the Canal Zone."

by COMMITTEE FOR CONTINUED U.S. CONTROL OF PANAMA CANAL

From a memorial addressed to the 92nd Congress late in 1971. The Committee was organized by Prof. Richard B. O'Keefe of George Mason College, the University of Virginia, research consultant on the Panama Canal.

"The construction . . . of the Panama Canal was the greatest industrial enterprise in history."

THE construction by the United States of the Panama Canal (1904-1914) was the greatest industrial enterprise in history. Undertaken as a long-range commitment by the United States, in fulfillment of solemn treaty obligations (Hay-Pauncefote Treaty of 1901) as a "mandate for civilization" in an area notorious as the pest hole of the world and as a land of endemic revolution, endless intrigue and governmental instability, the task was accomplished in spite of physical and health conditions that seemed insuperable. Its subsequent management and operation on terms of "entire equality" with tolls that are "just and equitable" have won the praise of the world, particularly countries that use the Canal.

Full sovereign rights, power and authority of the United States over the Canal Zone territory and Canal were acquired by treaty grant in perpetuity from Panama (Hay-Bunau-Varilla Treaty of 1903). In addition to the indemnity paid by the United States to Panama for the necessary sovereignty and jurisdiction, all privately owned land and property in the Zone were purchased by the United States from individual owners; and Colombia, the sovereign of the Isthmus before Panama's independence, has recognized the title to the Panama Canal and Railroad as vested "entirely and absolutely" in the United States (Thomson-Urrutia Treaty of 1914-22). The cost of acquiring the Canal Zone, as of March 31, 1964, totaled \$144,568,571, making it the most expensive territorial extension in the history of the United States. Because of the vast protective obligations of the United States, the perpetuity provisions in the 1903 treaty assure that Panama will remain a free and independent country in perpetuity, for these provisions bind the United States as well as Panama.

"The cost of acquiring the Canal Zone . . . made it the most expensive territorial extension in the history of the United States."

Starting with the 1936-39 Treaty with Panama, there has been a sustained erosion of United States rights, powers and authority on the Isthmus, culminating in the completion, in 1967, of negotiations for three proposed canal treaties that would:

1. Surrender United States sovereignty over the Canal Zone to Panama;
2. Make that weak, technologically primitive and unstable country a senior partner in the management and defense of the Canal;
3. Ultimately give to Panama not only the existing Canal, but also any new one constructed in Panama to replace it, all without any compensation whatever and all in derogation of Article IV, Section 3, Clause 2 of the U.S. Constitution. This Clause vests the power to dispose of territory and other property of the United States in the entire Congress (House and Senate) and not in the treaty-making power of our Government (President and Senate)—a Constitutional provision observed in the 1955 Treaty with Panama.

It is clear from the conduct of our Panama Canal policy over many years that policy-making elements within the Department of State, in direct violation of

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sulted with and obtained the support of Presidents Hoover, Truman and Eisenhower.

Three draft treaties were negotiated by the United States and Panama between 1964 and 1967. The President of Panama did not act to have these treaties ratified. Consequently, no action was taken on them by the United States.

The Government of Panama has changed twice since 1967, and the Government now in power is entering upon its fourth year. It is recognized by the United States. President Nixon agreed more than one year ago to renew treaty negotiations and has established negotiating objectives similar to those set by President Johnson in 1964, modified by developments since that time. United States objectives and positions thus reflect a bipartisan approach toward treaty negotiations with Panama.

"President Nixon . . . has established negotiating objectives similar to those set by President Johnson in 1964 . . ."

The United States has three essential objectives:

1. That the U.S. control canal operations for a very long period to ensure that the canal remains available to our and the world's vessels on a non-discriminatory basis at reasonable tolls.
2. That the United States have unimpaired rights to defend the canal from any threat, and to maintain its uninterrupted operation in peace or war.
3. That the United States have the right to expand canal capacity, either by adding an additional lane of locks or by building a sea-level canal.

The Government of Panama has indicated that it is willing to grant these rights to the United States in a new treaty, but wishes to eliminate the causes of conflict with the U.S. in Panama.

There are many things that I could cite that are irritants to our relations with Panama—U.S. occupation of land needed by Panama (that we do not need), the presence of a U.S. Canal Zone Government in Panama, and the contrast in living standards between the Zone and nearby Panamanian communities. Suffice it to say that Panamanian resentments are sufficient that they have boiled over in destructive and bloody riots twice in recent years. It is in our interest to develop in place of this a relationship that is based upon mutual needs and benefits and that is adhered to willingly on both sides.

"It is in our interest to develop . . . a relationship that is based on mutual needs and benefits . . ."

As I have already mentioned, a primary United States objective is the right to administer, operate and defend the canal for an extended period of time. We are confident this can be negotiated.

The United States seeks clear provisions which would permit the expansion of canal capacity to meet world shipping needs by the construction of either a sea-level canal or third locks for the present canal. The Atlantic-Pacific Inter-oceanic Canal Study Commission reported that greater canal capacity will probably be needed before the end of the century. A new treaty is needed to permit the construction of a sea-level canal and to ensure Panamanian acceptance of a United States decision to expand the existing lock canal by addition of a third set of locks. No decision has yet been made as to which alternative will be adopted, and a decision is not likely until well after a new treaty has been ratified. It is estimated that a sea-level canal, which would be less vulnerable to attack or

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the indicated Constitutional provision, have been, and are yet, engaged in efforts which will have the effect of diluting or even repudiating entirely the sovereign rights, power and authority of the United States with respect to the Canal and of dissipating the vast investment of the United States in the Panama Canal project. Such actions would eventually and inevitably permit the domination of this strategic waterway by a potentially hostile power that now indirectly controls the Suez Canal. That canal, under such domination, ceased to operate in 1967 with vast consequences of evil to world trade.

Extensive debates in the Congress over the past decade have clarified and narrowed the key canal issues to the following:

• 1. Retention by the United States of its undiluted and indispensable sovereign rights, power and authority over the Canal Zone territory and Canal as provided by existing treaties;

2. The major modernization of the existing Panama Canal as provided for in the Terminal Lake Proposal.

Unfortunately, these efforts have been complicated by the agitation of Panamanian extremists, aided and abetted by irresponsible elements in the United States, aimed at ceding to Panama complete sovereignty over the Canal Zone and, eventually, the ownership of the existing Canal and any future canal in the Zone or in Panama that might be built by the United States to replace it.

In the 1st Session of the 92d Congress identical bills were introduced in both House and Senate to provide for the major increase of capacity and operational improvement of the existing Panama Canal by modifying the authorized Third Locks Project to embody the principles of the previously mentioned Terminal Lake solution, which competent authorities consider would supply the best operational canal practicable of achievement, and at least cost without treaty involvement.

Starting on January 26, 1971, many Members of Congress have sponsored resolutions expressing the sense of the House of Representatives that the United States should maintain and protect its sovereign rights and jurisdiction over the Panama Canal enterprise, including the Canal Zone, and not surrender any of its powers to any other nation or to any international organization in derogation of present treaty provisions.

The Panama Canal is a priceless asset of the United States, essential for interoceanic commerce and hemispheric security. The recent efforts to wrest its control from the United States trace back to the 1917 Communist Revolution and conform to long-range Soviet policy of gaining domination over key water routes as in Cuba, which flanks the Atlantic approach to the Panama Canal, and as was accomplished in the case of the Suez Canal, which the Soviet Union now wishes opened in connection with its naval buildup in the Eastern Mediterranean and Indian Ocean. Thus, the real issue at Panama, dramatized by the Communist takeover of strategically located Cuba and Chile, is not United States control versus Panamanian but United States control versus Soviet control. This is the issue that should be debated in the Congress.

"[These] efforts . . . will have the effect of diluting or repudiating the sovereign rights of the United States with respect to the Canal . . ."

" . . . the real issue at Panama . . . is United States control versus Soviet control."

sabotage, would cost about \$2.8 billion to build and that a third set of locks would cost about \$1.5 billion.

Panama seeks the application of its laws to various activities in the present Canal Zone. Certain jurisdictional rights and activities, including commercial operations, not necessary for the administration, operation and defense of the canal, can be transferred to Panama without adversely affecting the United States interests. Panama today can provide nearly all the commercial services essential to the health and welfare of the personnel who operate the Canal. Right now some 5,000 U.S. citizens live in the Republic of Panama. Some are engaged in a wide variety of private business activities and others commute daily to jobs in the Canal Zone. They are fully subject to Panamanian law and police jurisdiction and have experienced no significant difficulties. Throughout the world tens of thousands of U.S. Government employees live and work satisfactorily under the legal jurisdiction of foreign governments. The United States will continue to have adequate protection of the rights of its canal employees under a new treaty, and I assure you that we will not negotiate away legal rights essential to the operation and protection of the canal. Our military personnel will be protected by a Status of Forces Agreement comparable with other such agreements elsewhere in the world.

Commercial activities currently conducted by the Panama Canal Company will gradually be phased into private operation as arrangements can be worked out for their satisfactory conduct under Panamanian law. The U.S. will reserve the right to continue to conduct essential commercial services where satisfactory private operation cannot be arranged. Military commissaries and post exchanges will not be affected by the proposed changes. Some piers we plan to turn over to Panama outright as proposed in 1967, inasmuch as the U.S. now controls all deep-water port capacity in the Republic of Panama, and the U.S. needs for such capacity will be greatly reduced with the termination of Canal Company commercial activities. Pier capacity for military and Canal Administration requirements will be retained under U.S. control.

The economies of many Central and South American countries are closely tied to the uninterrupted operation of the Panama Canal at reasonable tolls. There is considerable fear among canal users in Latin America and worldwide that, without continued U.S. control, the Canal might be operated to produce maximum revenues rather than as a utility serving world trade at reasonable tolls. On the other hand, there is widespread support in Latin America for Panama's efforts to obtain greater practical exercise of its sovereignty and to terminate the objectionable aspects of the U.S. presence in the Canal Zone, which is exactly one of the U.S. objectives in the current negotiations.

U.S. control and defense of a canal in Panama well into the next century is not at stake in the current negotiations. We are seeking a treaty arrangement with Panama that will ensure the continuation of the U.S. presence in tranquillity. This means that this presence must not be imposed on an unwilling partner. It must be established on a mutually acceptable basis. We can afford to make adjustments in our treaty relations with Panama.

"Certain jurisdictional rights and activities . . . can be transferred to Panama without adversely affecting the United States interests."

"We can afford to make adjustments in our treaty relations with Panama."

THE PANAMA CANAL ZONE
From page 260

has designated the Secretary of the Army to act as stockholder, specifying that in so doing he shall act as the direct representative of the President and not in his capacity as head of the Department of the Army.

Management of the Company is vested in a board of directors, consisting of not less than nine nor more than thirteen members, including the Governor of the Canal Zone and the stockholder, if he elects to serve. The other members of the board are appointed by and serve at the pleasure of the stockholder. The directors receive no salary but are paid a per diem allowance and transportation expenses for travel in connection with their services to the Company.

The powers of the Company, enumerated in its charter, in general extend to operations directly involved in the movement of ships through the Canal and supporting services. The latter include vessel repairs, harbor terminals, a railroad across the Isthmus, a supply ship operating between the United States and the Canal Zone, motor transportation facilities, storehouses, an electric power system, a communications system, a water system, and service activities essential to meeting the needs of employees, such as living quarters, retail stores, etc.

Under its charter the Company is required to be self-sustaining, although appropriations are authorized to cover any operating losses or for capital improvements. Appropriations for operating losses are required to be repaid. Since the 1950 reorganization, all operating expenses and capital costs have been met from revenues.

Tolls for the use of the Canal are established by the Company, subject to approval by the President of the United States. The law requires that tolls be maintained at rates calculated to recover all costs of maintenance and operation of the Canal, including interest, depreciation, and an appropriate share of the net cost of the Canal Zone Government. The remaining financial obligations of the Company are met through revenues derived from operation of the supporting activities.

Canal Zone Government

The Canal Zone Government is an independent agency of the United States charged with the performance of the various duties connected with the civil government of the Canal Zone. It is administered by a Governor of the Canal Zone, who serves also in a dual role as President of the Panama Canal Company. He is appointed by the President for a term of four years.

HIGHLIGHTS OF PROPOSED TREATIES
From page 266

istration the right and power to adopt, by an absolute majority vote of the board, statutes with respect to [specified] subject matters, which shall comprise the statute for the canal area and shall be the applicable law . . . in the canal area, to the exclusion of any other statutory law.

Article XXXIII. "1. The administration shall operate the Panama canal both to provide the Republic of Panama and the United States of America a fair return in the light of their contributions to the creation and maintenance of this interoceanic waterway and in the interest of world commerce.

"2. The administration may establish and apply new rates of tolls and related charges for the transit of the canal by vessels and cargoes, in conformity with [specified] provisions . . .

Article XXXIV. "1. The Republic of Panama declares the Panama canal to be neutral.

"2. The Republic of Panama and the United States of America agree that the neutrality of the canal, the entrances thereto, and the territorial seas adjacent thereto, shall be maintained in accordance with the principles which have governed since the canal was opened.

Article XXXVIII. "1. Upon the entry into force of this treaty, all rights of the United States of America to real property in the territory which constituted the Canal Zone but which is not included in the canal area and in the areas described [in the proposed Panama Canal defense treaty] . . . shall become the exclusive rights of the Republic of Panama, without cost.

"3. Any rights of the United States of America and of the administration to real property within the canal area shall, upon the termination of this treaty, become the exclusive rights of the Republic of Panama, free of cost . . .

Article XXXIX. "1. Upon termination of this treaty: (a) The Panama Canal shall come under the exclusive operational control of the Republic of Panama and all its appurtenant facilities and services and all property of the administration shall be the property of the Republic of Panama; and (b) all rights to property granted to the administration pursuant to the provisions of this treaty shall be enjoyed exclusively by the Republic of Panama. No compensation shall be owed by the Republic of Panama because of the provisions of this paragraph.

Article XLI. "1. This treaty shall enter into force upon the exchange of instruments of ratification and shall remain in force until December 31, 1999."

Organization of the Current, the 92nd Congress

Duration: January 3, 1971—January 3, 1973. First Session convened Jan. 21, 1971; adjourned Dec. 17, 1971. Second Session convened Jan. 18, 1972; adjourned Oct. 18, 1972.

THE U. S. SENATE

Total Membership, 100: 54 Dem., 44 Rep., 1 Cons., 1 Ind.

PRESIDING OFFICER: The Vice President of the U. S.
PRESIDENT OF THE SENATE: Spiro T. Agnew, Maryland, R.
PRESIDENT PRO TEMPORE: James O. Eastland, Miss., D.

FLOOR LEADERS: Majority Leader—Mike Mansfield, Montana, D.; Minority Leader—Hugh Scott, Pennsylvania, R.

PARTY WHIPS: Majority Whip—Robert C. Byrd, W. Va., D.; Minority Whip—Robert P. Griffin, Michigan, R.

THE U. S. HOUSE OF REPRESENTATIVES

Total Membership, 435: 255 Dem., 177 Rep., 3 Vacancies

PRESIDING OFFICER: The Speaker of the House
SPEAKER OF THE HOUSE: Carl B. Albert, Oklahoma, D.

FLOOR LEADERS: Majority Leader—Hale Boggs, Louisiana, D.; Minority Leader—Gerald R. Ford, Michigan, R.

PARTY WHIPS: Majority Whip—Thomas P. O'Neill, Jr., Mass., D.; Minority Whip—Leslie C. Arends, Illinois, R.

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this kind of dispute enjoys any real benefit. Indeed, both suffer because of the resulting exacerbation of political, economic, and security relations.

The real point is not fishing rights or retaliation. Rather it is: what rules shall govern the use of the oceans? If countries make unilateral claims over ocean space without international agreement, conflict over uses of the area and its resources are inevitable. We believe that the Law of the Sea Conference provides the appropriate forum for resolving outstanding law of the sea problems. We intend to work with the Latin Americans and all other nations toward achieving a timely and successful conference.

[Another important unresolved problem concerns the *Panama Canal* and the surrounding Zone. U.S. operation of the Canal and our presence in Panama are governed by the terms of a treaty drafted in 1903. The world has changed radically during the 70 years this treaty has been in effect. Latin America has changed. Panama has changed. And the terms of our relationship should reflect those changes in a reasonable way.

For the past nine years, efforts to work out a new treaty acceptable to both parties have failed. That failure has put considerable strain on our relations with Panama. It is time for both parties to take a fresh look at this problem and to develop a new relationship between us—one that will guarantee continued effective operation of the Canal while meeting Panama's legitimate aspirations.]

LOOKING TO THE FUTURE

I intend to underscore our deep interest in Latin America through expanded personal involvement. Last year, I em-

phasized my concern by sending two personal representatives, former Secretary of the Treasury Connally and Federal Reserve Chairman Burns, to a number of countries in Latin America. The detailed and perceptive reports I received from these special envoys helped to keep me abreast of current problems and developments. This year, I will be consulting with my fellow presidents in the hemisphere and with other knowledgeable Latin Americans on our future course. I have asked Secretary of State Rogers to visit Latin America to convey our intention to continue to work closely with our neighbors. And I plan to make at least one visit to Latin America this year.

At the same time, I hope Members of the Congress will travel to the area and see what is happening in this part of the world. Such visits could produce new insights into the complex problems we and our neighbors confront. They would provide an awareness of what able and dedicated Americans are doing in those countries. And it would create a base of knowledge from which understanding legislative action might come.

I urge the Congress to take a new and thorough look at existing legislation that affects our relations with Latin America. We need to study, for example, whether various legislative restrictions serve the purposes for which they were designed. Do they deter other governments from various actions, such as seizing fishing boats? Or do they merely make the solution of such problems more difficult? I believe some current restrictions are entirely too rigid and deprive us of the flexibility we need to work out mutually beneficial solutions.

Similarly, we should inquire whether current limitations on military equipment

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generates into hostile confrontation, which would be an obstacle to achievement, and thus self-defeating.

COMMUNITY, DIVERSITY, AND
NATIONALISM

The hemisphere community took shape historically as an association of free republics joining together against domination and interference from tyrannies across the ocean. This sense of unity was reinforced by the Second World War and was embodied in the new institutions and instruments of the inter-American system.

Our cohesion has served many other common purposes since then. It has provided forums for multilateral consideration of issues facing us all. It has afforded mechanisms for peaceful settlement of disputes within the hemisphere. It has enabled Latin Americans to express a collective voice in discussions with the United States and the rest of the world.

In the 1970's, this cohesion is being tested by rapid and turbulent change—more intense nationalism, accelerating expectations, new ideologies and political movements, a new diversity of political systems and expanding ties between Latin American countries and the rest of the world. These new conditions are bound to transform our political relationships.

Our task is to respond constructively with a realistic set of objectives and principles for United States policy. We have done so.

There are hemispheric questions on which our judgments differ from those of some of our partners. As I said in October 1969: "partnership—mutuality—these do not flow naturally. We have to work at them." I do not believe that frank

discussion and fair settlements between sovereign nations are inconsistent with national dignity.

Our especially close relationship with Mexico provides striking examples of problems resolved systematically by self-respecting states who feel a preeminent interest in good relations. The closeness reflected in my several meetings in 1969 and 1970 with Presidents Diaz Ordaz and Echeverria resulted in specific agreements on such matters as narcotics control, boundaries, civil air routes, agricultural imports, Colorado River salinity, joint flood control projects, and the return of archaeological treasures.

In addition, in 1971 the United States and Nicaragua abrogated the Bryan-Chamorro Treaty, relinquishing canal-construction rights in Nicaragua which we no longer require. Presidential Counsellor Finch, visiting six Latin American nations on my behalf in November 1971, signed an agreement recognizing Honduran sovereignty over the Swan Islands. We have entered new negotiations with Panama to achieve a mutually acceptable basis for the continuing efficient operation and defense of the Panama Canal.

Our mutual interest also requires that we and our neighbors address in this same cooperative spirit the two significant disputes which flared up last year in our relations with Latin America—the fisheries dispute and the problem of expropriation. Let me state frankly the United States view on these unsettled questions.

In 1971, Ecuador seized and fined a great number of U.S.-owned tuna boats fishing within its claimed 200-mile territorial sea. United States law required me to suspend new military sales and credits to Ecuador as a result; seizures have con-



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