

prepared by Panama on May 15 is unacceptable inasmuch as it does not contain guarantees of unilateral military authority and exercise of command functions for the U. S. Army. General Oritzenberger, however, feels that our position vis-a-vis the Panamanian Government is better than it was six weeks ago and considers that our alliance to their latest proposition has had a good effect. The General recommends making no further approaches to Panama ~~at this time~~ the War Department to adopt that view as its policy and so to inform the Department. By June 20, if Panama has not come around to our way of thinking, he would break off negotiations.

Mr. Newbegin pointed out that the procedure embodied in the Panamanian draft of May 15, while admittedly cumbersome, is in the opinion of the Department basically acceptable, provided certain changes necessary to safeguard our position are made in the document. He recommended that we inform Panama of our acceptance of her draft, with necessary alterations, making it clear that this is our last concession and that the alternative to her refusal to accept would be no agreement at all and a breaking-off of negotiations.

Mr. Briggs

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Activity: NWD 867200

244

6/6/50

acceptable. The Budget Bureau, for the purpose of permitting the Army to erect permanent installations on areas on which leases of less than 30 years duration are held. He stated, therefore, that 30 years would be the minimum period for which the Army could take Rio Hato. He mentioned that War Department plans envisage the expenditure of some 30 million dollars in the development of Rio Hato, with an additional 100 million to spend at other defense sites in the Republic of Panama.

Colonel Lates offered the opinion that Panama is showing an unreasonable attitude in the negotiations and reviewed the lack of assurances in the covering document from the point of view of the War Department. He said that the War Department really is at a loss as to how to proceed from here and is in fact groping for a position.

Mr. Briggs suggested that there might be a definite advantage in having details of the agreement included in annexes to be exchanged simultaneously with the master document. He pointed out that it will not be possible

to get

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CPA: [REDACTED] Bennett: hml 6/18/47

General was maintained much of an interested in this problem have maintained most Panamanian demands, many of which can be understood and which are politically advisable from the Panamanian viewpoint, although not particularly acceptable to us. However, the War Department has stated its willingness to override General Witttenberger, if necessary, and to make every effort to agree with us on one more proposal to Panama which we contemplate presenting on a "take it or leave it" basis. It is our intention, once agreement is reached with the War Department, to instruct Ambassador Hines to present this draft directly to the President of Panama by covering memorandum and to state either in writing or orally that if the Government of Panama cannot find the attached draft acceptable, it will be our opinion that no useful purpose will be served in attempting further negotiations for a new defense sites agreement at this time. In this event the War Department would

likely

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By *AW* NARA, Date *6/6/90*

be forwarded only after complete agreement is reached with the War Department. I attach also a proposed memorandum to accompany our counter-proposal when handed to President Jimenez.

Enclosures:

1. Revision of proposed defense site agreement.
2. Proposed instruction to Ambassador Hines
3. Memorandum to accompany counter-proposal.

OPAKMVIsethml 7/14/47

of considerable income and... conflict the Panamanian Government has been willing and prompt in complying with the wishes of the War Shipping Administration in all questions relating to the registry of vessels.

Early in 1942, in cooperation with our military authorities, Panama initiated courses in military instruction in four of its secondary schools. This training is not compulsory and is designed to form a nucleus of young men who can aid in the defense of the nation should the occasion arise. The plan of study provides for physical training, military discipline, infantry drill, scouting, and patrolling, elementary map reading, identification of aircraft, and collection and transmission of intelligence information.

Defense Sites Agreement - The attitude of the Panamanian Government in the present world conflict has been thoroughly cooperative. On March 6, 1941, the President of Panama issued a manifesto making available for use by the United States over eighty defense sites in the territory of that Republic. Pending the conclusions of final arrangements (reached on May 18, 1942) regarding the terms on which these sites were to be used, the Panamanian Government permitted our armed forces to occupy and develop them.

*Approved
Percy*

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Authority NND 867200
By PAJ Date 6/4/80

Practically all traffic by the Canal and have contiguity to the Republic divided by the waters and many others movement of all local traffic in these acts and many others the entrances to the Canal. All these acts between the two are tangible evidence that the relations between the two countries are now firmly based upon a recognition of mutual interest and a disposition to assume common responsibilities.

RA:DW:VAL

ON IT FROM EMBASSY RAHMAN, WFA AND ...
OVER THE POSSIBLE SERIOUS IMPLICATIONS OF THIS
MIGRATION. I AM, THEREFORE, ASKING THE EMBASSY
TO COMMENT ON THE REPORT AND AM SENDING IT TO YOU
AS OF POSSIBLE INTEREST AND DECISION AS TO WHAT
FURTHER STEPS SHOULD BE TAKEN.

~~SECRET~~

CPA:WTBennett:hlc

10/15/47

Authority NND 867200
P44
6/6/50

Mr. Dreyler and Mr. Hiss
stated that they would keep us informed of any developments
so that we might be in a position to discuss the matter
with the Panamanians should it become necessary to do so.

cc- IA - Mr. Dreyler
S.A. - Mr. Hiss
CPA - Mr. Wise

CPA:RNewbegin:en:raa

DECLASSIFIED
Authority NND 867200
By [Signature] NARA Date 6-6-90

President Johnson is very concerned over the publication of this magazine. He has stated that he is going to do everything in his power to check the advance of Communism in Russia, and that he proposes to make a statement about it in the near future.

The Embassy believes that A.S. 124 will not appear again in the immediate future, and certainly will not be printed by the National Printing Press again.

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CPA:JRS:Jawahj

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Authority 11WDD8E7200
By WJR NARA Date 6-6-70

EXPLANATION OF THE ABOVE...
Foreign Minister in the defense sites negotiations.

It is to be regretted that Dr. Alfaro appears to
channel his constructive ability, of which he is
possessed in great measure, to multilateral rather than
bilateral negotiations.

CPA:WFBennett:ee

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DECLASSIFIED
Authority AWD 66720
By WR NARA Date 4-6-90

U.S. Armed Forces from all defense sites in the Republic of Panama outside the Canal Zone, I called him again at the direction of Mr. Lovett to discuss the relation of the evacuation to the 1948 agreement.

I said to Colonel Patterson that the Department desired to stress the fact that this evacuation means for all practical purposes the abandonment of our rights under the 1948 Agreement and that, while we shall continue to sustain our legal position concerning its continued validity, once we are off the bases it would not be feasible to re-occupy them in three or six months from now in the event there should be desire to do so. I emphasized to him that the Department was anxious that the Air Force understand this position.

Colonel Patterson replied that both the Army and the Air Force are in full accord with the plan for evacuation and that both Departments realize that there will be no return under the 1948 agreement. Colonel Patterson further said that he was in constant touch with Colonel Preston of the Air Force Department on the situation in Panama and that it is well understood in the Pentagon that there will be no resumption of defense sites in the Republic of Panama in the absence of a completely new agreement to cover U.S. rights and responsibilities.

~~CONFIDENTIAL~~

OPAW:Bennett:hit 12/26/47

NND 847200

ADP

6/4/90

... was requested to inform me of his conversation with President Truman at 12:00 today. He reported that the President was very much disturbed with regard to the Panamanian National Assembly's action on the defense sites agreement. He said further that the President informed him that he would probably have to include some mention of this matter in his message to Congress and that he contemplated touching on the desirability of an immediate survey of another Canal route. Ambassador Hines stated that he had suggested to the President that he discuss this matter with the Department before making the statement and was assured that the President would do so/

~~SECRET~~

CPA/RHew/degjmhjt

18/13/47

Approved
Authority NLS 84 7200
By [Signature] 6/6/47

opposition to take over the Government.

Mr. Goodyear passed this information along as of possible interest to the Department but with no particular conviction that such would happen since President de la Guardia certainly would take the necessary precautions before leaving the city. Mr. Goodyear referred to President de la Guardia as completely colorless and of negative personality. He stated that the Panamanian National Assembly was not too sympathetic toward the President and that he is the subject of many bitter remarks on the part of several of the deputies. He stated that the President needed a lot of moral support and that he felt it would be disastrous for him should the legislation affecting Panama not be approved shortly.

RA:MMWISSE:MAL

By	Authority
MMW	MMW 867208
4/6/50	

Panama is solidly with the United Nations in the present international struggle. The attitude of the Panamanian Government during the crisis has been thoroughly cooperative. Panama declared war on the three major Axis powers and since has taken numerous protective steps to cooperate in the interest and security of the Panama Canal and the defense of the hemisphere.

RA:NNW:JLD

DECLASSIFIED

Authority

AMJ 867370

By

RAJ

NARA Date

1/4/16

and Panama. The former is to assist the sole purchaser of rubber in Panama and is recognized as factored products having a rubber content of 240 tons.

(3) Agreement of October 9, 1942, between the Coordinator of Inter-American Affairs and Panama to implement the production of foodstuffs needed by the quartermaster in increasing agricultural production. In order to aid farmers agreed to make available small loans, to provide fertilizers, seeds and insecticides as well as to distribute small tools on a loan basis.

(4) Agreement of March 10, 1942, between the Coordinator of Inter-American Affairs and Panama to assist in supply technical malaria fever. The Coordinator has agreed the extent of \$500,000. to assist financially to

(5) The Coordinator is contributing \$300,000 to a project for the prevention of the spread of venereal diseases in Panama under the direction of General Stayer, Chief Health Officer, The Panama Canal.

(6) Negotiations are now under way for the construction of the Panamanian section of the Inter-American Highway by the United States Public Roads Administration, in accordance with terms of the Inter-American Highway Act.

RA:MMV:JLD

to Panama of railroad company lots valuing \$11,500,000; (2) transfer to Panama of water works and sewerage systems and (3) liquidation of Panama's indebtedness of approximately \$2,500,000 to the Export-Import Bank, arising out of the construction of the Chorrera-Rio Hato Highway. Instruments designed to transfer the properties mentioned in (1) and (2) currently are being negotiated. A check liquidating the highway indebtedness has been delivered to Panama.

Of particular significance among the remaining nine of the Twelve Points are commitments to: (1) construct a bridge over or a tunnel under the Canal at Balboa and (2) the change in site of the terminal facilities of the Panama Railroad in Panama City.

Other pending matters involve: (1) Panama's economic interest in post-war commercial aviation and differences of opinion over treaty provisions concerning the use of air fields in the Canal Zone by international air transport companies and (2) the settlement of the El Encanto land claims amounting to approximately \$1,407,344.

RA:MMW:JLD

and Cooperation of 1936. By the former, Panama gave to the United States rights of unilateral action which later were found to be inconsistent with the fast changing concept of international relations. By the latter, a substantial modification of certain provisions of the first agreement, Panama became a partner in the defense of the Canal and the United States committed itself to enable Panama to take advantage of the commercial opportunities inherent in its geographical situation.

Many of the problems which arise in Panama are of a perennial character. Phases of them have appeared and reappeared since 1903. They require the constant interpretation and application of the provisions of the treaties of 1903 and 1936.

RA:MMV:JLD

on this by consulting the files, and after talking with the Secretary, would let him know the current of our thought.

Would you please let me know what there may have been on this in the past and also your comment as to the desirability of such a visit now?

Laurence Duggan

ARALD:DMZ

Authority	NND 867200
Date	2/1/64
By	MAWA Tote
	9/6/64

in such a visit from our point of view. He is unfortunate in absence now from Panama might be less fortunate than last fall because of the constant endeavors of his political opponents to cause him embarrassment before the Assembly convenes in January 1945. It is possibly for the purpose of building his prestige that de la Guardia might want to come before the Assembly meets.

I suppose it would be a good idea to ask the War Department informally if it has objections. I do not much like the way this matter is being broached at this present time. Would it not be a good thing to put the matter in Ambassador Warren's hands and let him handle it in his discretion when he gets down there?

CCA:ROCK:Gregor:DVH

DECLASSIFIED

Authority *NWD 817200*

By *AKY* NARA Date *4/14*

I. Defense Sites Negotiations
in Panama.

The report raises a major question of policy in our current relations with Panama. The recommendations of the Report bear immediately upon the idea which is under study by the State Department, War Department, Navy Department, Panama Canal and the

Republic

Unrecorded
Authenticity MND 847200
By Jay Mark Date 6/6/91

of that conversation prepared by our Embassy, General Brett pointed out to the Ambassador of Panama that if the future status of some of the Army's largest installations in the Republic of Panama could be defined at present, his Command would be much more ready to put in permanent buildings, permanent runways, etc., and that great benefit would accrue to the surrounding Panamanian business men, real estate owners, etc.

General Brett

to establish permanent installations and buildings in territory under the jurisdiction of Panama.

The Report of the Kead Committee, however, recommends on page 4 that although both the Army and the Navy contemplate immediate construction of permanent new facilities in the Caribbean Defense Command area, which includes the

Republico

this position, stating, among other things, that "no permanent new construction" should be authorized in the Caribbean area "until the adoption of a long range peacetime program"

II - Proposal for an Inter-Departmental Planning Board

The Report urges, on pages 17 and 18, that an Army-Navy-Panama Canal Board be set up immediately with clearly defined powers

and Navy functions and installations in the Canal Zone itself. In any case, however, a committee has recently been established to prepare for negotiations regarding defense sites in the Republic of Panama, and the Embassy is on this committee.

B. From the political point of view, there is much reason for disagreeing

with

IV. Conclusions

It is suggested that in so far as the Report involves problems in our relations with Panama, no favorable comment--if any at all--be made in the Department's reply to the Head Committee's letter of July 26.

CCA:RHM:lson:pf-fg

7/27/45

for 50 patrol cars, the equipment to outfit this force is not indicated. The air equipment recommendation for the token shipment of ground equipment which has been submitted to the Department, contains no recommendations for Panama.

(2) Panama also wishes to acquire a modest air force, to consist initially of 1 C-45 (Transport plane), 2 AT-6's (advanced bombing trainer), 2 AT-19's (advanced fighter trainer), and 2 PT-15's (primary trainer) when pilots have been trained to fly them. The air Department recommendation for the token shipment of aircraft includes 1 C-45, 1 AT-6, 2 PT's for Panama.

(3) As part of this projected reorganization and expansion of its police force, Panama wishes to add to its present United States Military Mission which consists of one Veterinary officer, sundry other officers to train the reorganized Military unit.

In the belief that this Government should not aid in the creation of armies in Latin America where such armies do not exist, I recommend:

(1) That

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WHD 86 7200

By

Ray

NSA/PA Date

6/6/94

John C. Preter

FL: EBR: 1961: 81: 11: 11

Does NOT Agree with the American interpretation should be stated of the 1948 Agreement. Our interpretation should be stated.

2. Some symbolic turnover of the defense sites with a previous secret understanding that we will not actually evacuate them.

3. An agreement of joint control, merely symbolic on the part of the Panamanian Government, pending negotiations for a new agreement.

Embassy Panama's evaluation of the efficacy of the three plans is as follows:

1. View expressed that we would lay ourselves open to a unanimous attack on the part of the press; lose friendship of many supporters who are agreeable to granting us any and all sites that we need; an attack on the part of the Communists that may reach even into the upper brackets of the Soviet leaders; the placing of the friendly JIMENEZ Government in an embarrassing position before the masses; and lastly, the possibility of unfavorable reaction in other American republics.

2. We would

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Asian flag. This would permit the administration, he believes, to state that Panama was joining in conformity with existing treaty agreements complying with its obligations in the effective defense of the western Hemisphere.

CPA:JRSolana:hml 10/3/46

... and cooperation, we must have extensive planning, thinking, and discussion of the economic activities of the state.

He also delivered a lecture at the Inter-American University on the subject of interdependency. It is reported that he stressed the idea of a coordination of the Latin American states, five-quickly understanding the 20 Latin American republics rather than the 23 American republics. He expressed the belief that Latin America should get away from all outside influences, including the U.S., because if Latin America depended on the U.S. or any other country exclusively, they would never be able to reach a goal of economic independence. International settlement of all difficulties among Latin American states should be rolled upon. He referred to the U.S. as a state, stating that it was the outstanding power for democracy. He was very critical of Great Britain, especially as to her policy of economic pressure.

At the lunch given by Gen. Cribbenberger on October 5, he stated in conversation that every American republic was involved in the defense of the Western Hemisphere and that he was heartily in accord with the defense requirements of the Panama Canal.

and

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Authority NND 867200
By TAY RDS ms 4/6/90

... combination of capital, the state, and the people, ...
caused the necessity of educating the people.

CPA: JH01ama:vk

U.S. GOVERNMENT PRINTING OFFICE: 1964 O - 348-000

CPA:MMWLS:bnl 4/24/47

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Authority *NND 867200*
By *BAJ* NARA Date *6/6/80*

... Communist domination of the union's leadership became even more obvious. Regular dues-paying members are currently estimated at 15,000 to 17,000.

Enclosure

Secret Supplement
and Index.

CPA:WTBennett:mld

The Panama American and/or El Panama American
The Star & Herald and/or La Estrella de Panama

The Panama American is published by the Panama American Publishing Company, Incorporated. Dr. Harwood Arias, ex-President of the Republic (1932-1936) and brother of President Arnulfo Arias, is the principal stockholder having purchased controlling interest in 1938 from Nelson Rounsevell, American, who started the newspaper in 1925. Other reputed large stockholders are - C.O.Olive, American, and Nelson Rounsevell. It is understood, however, that Dr. Arias is gradually buying out all stockholders. The circulation of this newspaper averages about 12,000 daily, although circulation figures published claim approximately 14,000.

The newspaper has a modern printing plant located at Calle "A" and Calle Darien in Panama City. A branch office in the city of Colon is located at No. 8094 Avenida Bolivar.

United Press wire service is used by this paper as well as IFA features. Among regular features appearing are: Washington Merry Go Round (United Features Syndicate); Notebook Pegler; The National Millieu; Kerlock's Cartoons. The English section has no editorial column on local affairs. It prints "earned" editorials from IFA. A columnist, "Eduardo" (Edward William Scott), a native New Zealander, writes a daily column "Interesting If True" on topics of all kinds. (See Siegfried's sketch, Report No. 27). The English section publishes translations of editorials appearing in the Spanish section which are of interest to Americans and English-reading subscribers. The Editor of "El Panama America" is Octavio Padrega. (See Report No. 27)

The Panama American supported Dr. Arnulfo Arias in the past Presidential campaign. Since, under Rounsevell, it led the campaign which paved the way for the successful revolution of 1931, it has backed the winning candidate in 1932, 1936 and 1940, and its policy has been unwavering in its support of the administration in power. The newspaper has been very influential in national affairs and is at the present time pro-American, pro-British and anti-Nazi.

From G-2, Panama

Report No. 20

October 30, 1940

-1-

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