

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to report that political controversies have developed recently which are causing President Alfaro great embarrassment. The following is a brief summary of the events which brought about these controversies:

The Liberal Party, which has for several years been under the control of ex-President Chiari, has divided into two factions since the revolution of January 2. As a matter of convenience these factions may be

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heterogeneous groups which are nominally known as "Administration Liberals", conferences were held between representatives of the several groups, and it was decided to appoint a committee to have charge of the organization of a political party to oppose the Chiari organization. Guillermo Andreve, Panamanian Minister to Cuba, returned to Panama at the request of the President. After several conferences, in which Andreve and others participated, it was decided to hold a mass meeting for the purpose of electing the committee to organize the "Administration Liberals".

In the meantime, the conferees prepared a slate of nominees and it was thought that the mass meeting would confirm this slate. At the last moment, however, political leaders and political factions opposed to the political aspirations of Francisco Arias, Minister of Government in President Alfaro's Cabinet, apparently reached the conclusion that the proposed committee would be dominated by Arias.

The mass

tempted to advise as to the most convenient method for electing the proposed party's provisional Directorate, and disagreement started.

Galvez Berrocal, prominent member of Acci6n Comunal, declared that there were persistent rumors around the city that the group of eleven politicians who had been appointed to conduct the mass meeting were to be unanimously acclaimed as the provisional Directorate. "Such a move would be anti-democratic and anti-liberal" he said, "and elections by acclamation serve only to arouse doubts in the minds of the people". Speaking for Acci6n Comunal, he declared that there were several members in that group who overthrew the Arosemena Government on January 2 who had a right to be on the provisional Directorate of the proposed party.

Following the address of Galvez Berrocal, all attempts of other speakers to address the crowd proved futile. The crowd, apparently fully in accord with the sentiments expressed by the Acci6n Comunal leader, started to cry for election of the Directorate by ballot. The speakers were hissed and shouted down, and many started

Acci6n Comunal!

Later in the evening another meeting was held. It contained what was said to be the minutes of the meeting and gave the following results of the voting for members of the new party's provisional Directorate:

- Harmodio Arias, with 1967 votes; Alfredo Patiño, 1967; Enrique A. Jiménez, 1947; José Damaso A. Cervera, 1967; Manuel Quintero V., 1922; Domingo Díaz E. Brandaó, 1925; Manuel Quintero V., 1922; Guillermo Andrade, 1894; A., 1916; Jephtha B. Duroan, 1907; Guillermo Andrade, 1894; Sergio Gonzales R., 1886; Efraín Tejada U., 1815; Max. Rosemena, 1815; Alejandro Tapia E., 1768; Juan Navarro, 1761; Arnulfo Arias, 678; Francisco Arias, 98.

Twelve others received votes. However, it was decided before the elections that the fifteen persons receiving the highest number of votes should constitute the provisional Directorate.

Dr. Arnulfo Arias, a brother of Dr. Harmodio Arias, finished in fifteenth position, but gave his votes to Francisco Arias P., who had only received 98 votes, thus placing the latter on the provisional Directorate. This gesture

also Arias Paredes, Dr. J.J. Vallarino and Hector Valdes, of the original "group of eleven" mentioned by the Acci6n Comunal leader in his address at the meeting; subscribed to a circular telegram sent to partisans in the interior, reading as follows:

"We, the undersigned, inform that we do not accept the elections effected yesterday for the appointment of the Provisional Organization Board for the work necessary to stage a Liberal Convention, because of the incorrect and disloyal procedure. We, therefore, request that no pledges be made and detailed reports be awaited".

The only members of the original group of eleven who failed to sign this telegram are General Manuel Quintero V., who could not be located; and Domingo D'az A., who is understood to be standing with the opposite group of the administration faction.

The contention of the political leaders who resigned from the provisional directorate is that Domingo D'az A., violated an agreement he made with them at a preliminary meeting. The leaders had chosen their provisional directorate and had planned to call for voting by acclamation at the mass

Francisco Arias, Minister of Government, and Juan Antonio Jimenez, Governor of the Province of Panama.

It appears that Governor Jimenez, shortly before the mass meeting, called at the Police Station and instructed the police not to participate in the mass meeting in uniform. Governor Jimenez asserts that he informed the police that they could attend as civilians, not in uniform.

Francisco Arias, Minister of Government, resented the activities of Governor Jimenez, who is opposed to the political aspirations of Arias, and addressed a letter to him, reprimanding him for his activities, stating that the police are under the control of the Chief of Police and of the Minister of Government, and asserting that the Governor has no authority to issue instructions to the police force. Governor Jimenez addressed a letter to the President, stating that in case Francisco Arias does not withdraw his letter, he will present his resignation.

Although

*Arnulfo -
President
of A.C.*

The members are irresponsible. It is, however, aggressive. It is actively opposed to the political aspirations of Francisco Arias. The President of Accion Comunal is Arnulfo Arias, a brother of Dr. Harmodio Arias, Panamanian Minister in Washington. It is asserted that Accion Comunal is opposed to Francisco Arias because Arnulfo Arias, its President, desires to promote the political interests of his brother. This assertion does not appear to be well founded, because it is apparent that Accion Comunal, under any leadership, would be practically unanimous in its opposition to Francisco Arias. The few members of Accion Comunal who were friendly to Francisco Arias have withdrawn from that organization. This small group was led by Victor Florencio Goytia. Goytia, knowing that Accion Comunal had never been legally incorporated, filed a petition of incorporation with the Minister of Government, who promptly granted legal status to Goytia's faction under the title of "Accion Comunal". This legal maneuver on the part of Goytia

tions that violent controversies have developed between factions of the "Administration Liberals". Many of these factions would rather see the old political group dominated by Chiari gain control than to see control pass to the hands of Francisco Arias. Arias has a pleasing personality and is something of an actor. He has some personal following and is being encouraged by certain elements of the old régime. These elements apparently have no special interest in Arias, but they are encouraging him in order to widen the breach among the "Administration Liberals". Arias has been most active in his support of President Alfaro and he is much more capable and much better prepared to assume leadership in the Government than the irresponsible members of Action Comunal. However, the opinion prevails that he is chiefly interested in promoting his own political aspirations and for this reason the splendid assistance he has given to President Alfaro in many matters has been discounted.

3. DOMINGO

asserts that he could not control the opposition and that it developed because some of the supporters of Francisco Arias had ballots printed in advance to be distributed at the mass meeting, which eliminated some of the members of the committee agreed upon and included other names which would have given absolute control of the committee to Arias.

Domingo Diaz has a considerable following among the middle class and lower class Panamanians. Juan Antonio Jimenez, the Governor of the Province of Panama, is related to Diaz and it is asserted that Francisco Arias, in reprimanding Jimenez and in attempting to force him out of his position, is striking at Diaz. Diaz is a potential candidate for the presidency; however, it appears that, because he is related to ex-President Arceena, there are constitutional prohibitions against his candidacy. At a farewell dinner given to Dr. Harmodio Arias shortly before he departed for Washington, Diaz intimated that he would support the candidacy of Harmodio Arias should he decide to enter the presidential campaign.

would support the candidacy of Harmodio Arias. He is making a splendid record as Secretary of the Treasury and will exercise considerable influence in political affairs.

5. HARMODIO ARIAS.

The Panamanian Minister to Washington, Dr. Harmodio Arias, is the outstanding figure among the so-called "administration Liberals". Under present conditions he is the only leader who could count on the support of a great majority of the factions opposed to the old régime. Although he is a potential candidate for the presidency he does not appear to be an active candidate.

If the situation does not improve President Alfaro may find it necessary to call upon Harmodio Arias for assistance in working out the problems which have developed. Such a course of action would no doubt be humiliating for the President, but unless he takes matters in his own hands, Harmodio Arias appears to be the only person who can bring any semblance of order out of the chaotic situation which has developed. Dr. Arias can, I believe,

ancien régime!

*"old order"
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Government. This group is supporting the President, not because of any personal sentiments of friendship, but because of their opposition to the old order of things. Many of these leaders are now wavering in their support of the President, because they feel that he is following a course of action which has permitted controversies to develop which may result in the return of the old regime to power.

There is no question as to the honesty and integrity of President Alfaro. He is losing prestige, however, because of the controversies which have developed over the political aspirations of those surrounding him. Instead of meeting these problems with strength and determination, he has temporized, and, as conditions go from bad to worse, he shows a tendency to isolate himself. It is asserted that he is assuming the attitude of a martyr who is giving everything for his country and that he is now complaining that his sacrifices are not appreciated.

Not only is he embarrassed by the political controversies which have developed among the factions which should be supporting him, but he is also embarrassed because of the fact that his Cabinet is divided into two factions,

gation is attempted by any means to discourage violence, and is using its influence discreetly to discourage violence. In case political disturbances should develop, I shall, unless instructed to the contrary, follow the course pursued in connection with the events of January 2, and I shall keep in mind especially the instructions contained in the Department's cablegram No. 1, dated January 2, 6 P.M.

Supplemental reports on the political situation in Panama will be forwarded to the Department from time to time.

Respectfully yours,


Roy T. Davis.

800-Panama.

RTD/eac.

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