

AFB - Mr. Miller
 Mr. Mann
 MID - Ambassador Ruffer
 DRA
 AFB Board

MID - Mr. Sowash

1-1488

Murray Wise 'phoned me from Panama at 11:30 P.M. to report the following:

1. A large mass meeting before the Presidencia tonight (Monday, May 7) enthusiastically received Government announcement of the following:

- (a) Abolition of the 1946 Constitution and restoration of the 1941 Constitution.
- (b) Dissolving of National Assembly instituting de facto Government headed by Arias.
- (c) Promise of elections in due course.
- (d) Appointment of all public officers by the President. No change in the Supreme Court at this time, but some to occur later.
- (e) All of the above with full support Remijn and National Police.

This move has no doubt been planned for some time and it is known that Arias was desirous of assuming greater powers. It was precipitated by the Banking crisis of the "Caja de Ahorros" in the last two days, which was brought about by opposition elements to embarrass the Government.

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assured security and protection of all foreigners and property. He said the move was a protection against Communism, but Mr. Wise tends to discount this.

Up to the time of his cell ^{Appellate} disturbances had occurred. Mr. Wise felt that the situation would clarify throughout the night and today, and he will report additional facts and interpretation soonest.

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5/9/51**

of resources of the opposition parties. The opposition-run on the Caja afforded by the opposition-inspired run on the Caja de Ahorros and public disturbances that resulted therefrom. The key to the situation continues to rest with Remón and the National Police. Present reports are that he fully supports Arias and no doubt Arias had this assurance before he acted. However, it would seem that Remón, rather than Arias, has improved in strength. Arias is farther out on a limb than he was before and more indebted to Remón. Presumably Remón can increase his price, whatever it may be, for cooperation with Arias. Also, depending upon how he judges reaction to Arias' move, Remón could step in as a benefactor and remove Arias on the ground that he had violated the liberty of the Panamanian people and assumed dictatorial powers. It seems significant that Remón may have endeavored not to make himself with this move to retain such flexibility. The secret police, it is to be pointed out, and not the National Police, have been the only ones reported so far to have participated in the sporadic gun play and arrests.

We tend to discount Arias' statements that his move is really a counter to communist activities which threaten the security of Panama and the Canal Zone. It is true that the Supreme Court and the National Assembly denied him certain requested powers with respect to controlling communist activities. However, the basic issues appear to be predominantly local and the communist aspect comes in only in so far as they have exploited the views of the nationalist hotbeds and

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restored was tailor-made by him to fit his desires during his first incumbency and provides for a six-year Presidential term.

Our position vis-a-vis Panama would not seem to be affected except in so far as another Latin American Government has lost, at least temporarily, its semblance of democracy. No doubt communists will attack us and accuse us of inspiring it.

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COPIES TO:

ARA - Mr. Miller
MID - Mr. Butler
Mr. Sowash

American Embassy, Panama
(Informally)
DKA
ARA Board

Mr. also telephoned at 3:45 p.m. with the following
information on the Panama crisis:

Since last night the President has been entrenched
at the Presidencia and Renda at the Comandancia. A large
and most impressive anti-Arias manifestation was staged
before the Comandancia last night; purpose was to get
Renda to move against Arias. Renda refused, supposedly
to avoid strife and bloodshed, which it would produce.
At about 3:30 or 3:00 a.m. the crowd thinned out and
went home.

This morning a completely effective nation-wide
strike was called. There is no movement in the streets
and all traffic has stopped. The Trans-Isthmian Highway
has been closed by the National Police. Panamanian
stores and banks did not open this morning, although
U.S. banks and stores did. They were shortly forced
to close when their Panamanian employees walked out,
threatening violence if they did not close. Water
service has been off in most of the city and sporadic
in other parts, and most of the telephone system is
interrupted. There has been considerable violence

and

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rioting. Remón is reported to have advised that it would be effective, that his action might provoke bloodshed, or that he should wait and let the people determine the issue.

In case of very serious emergency, Remón has arranged for international flights to land at Albrook; up to now they are still using Tocumen. There are no reports of damage to U.S. property. U.S. citizens at Hotel El Panama reported to be much concerned. They have been visited by Embassy officers and police and promised full protection.

Last night the Guard was removed from the U.S. Embassy, but Remón has promised to restore the Guard.

The Foreign Minister spoke to Wise before lunch. He said there would be an immediate Cabinet meeting to determine upon the election of a new Assembly and a plebiscite to determine which Constitution the people wanted. Tentative schedule is for both in August. The President says he wants to do what the people desire and determine according to the plebiscite.

Mr. Wise said that the tempo of rioting is increasing and it is probable that at the proper time they will move against the Presidencia. If successful, the opposition will put up Arosemena to replace Arnulfo.

The Foreign Minister asked pointedly and specifically, as did a personal representative of the President a few minutes ago, if General Morris could appeal to Remón to restore order. Mr. Wise informed him that this would be improper, and that our position is completely neutral in this matter. He then asked if the Diplomatic Corps could intervene and appeal to Remón. Wise has not spoken to the Legation of the Corps, and states he will take no action unless he is so directed by the Department. I

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asked

a special train from Panama City to Balboa. The Government. The Governor replied in the negative. If the situation worsens, trains will not enter Panama City but will stop in Balboa. There have been threats already to pull up the rails and destroy locomotives if they come in.

Mr. Wise said that he believes the situation will get more serious and that a decision will be forced this afternoon. The Foreign Minister, however, spoke with confidence about the plebiscite in August.

I then told Mr. Wise that the Foreign Minister had endeavored to contact Mr. Miller. Mr. Miller, I said, was unavailable. I asked Mr. Wise to call the Foreign Minister and tell him this, and say that the Department would be glad to receive any communications through Mr. Wise or through the Panamanian Embassy in Washington. I emphasized to Mr. Wise that this situation would prevail. He expressed full agreement and said he would comply.

Subsequently, President Arias endeavored to contact Mr. Miller and Ambassador Hufer by telephone. At Mr. Miller's suggestion, I called Mr. Wise and told him to inform the President that Mr. Miller and Mr. Hufer were unavailable, and that we would be pleased to receive any communications through our Embassy in Panama or the Panamanian Embassy here.

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Intercession of General ...
doubtedly, the only thing which either Arias or Pin could
wish to ask would be assistance which would have to be
denied them. This would not only be embarrassing to us,
but the fact that they had established contact with
high officials of this Government directly, could be
used as intimidation to opposition forces and thus
have the flavor of intervention on the part of the
United States.

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ARMY DEPARTMENT

the President of the Republic of Panama, Doctor Arnulfo Arias, he stated that the streets in Panama are being the scene of terrorists acts inspired by certain elements of well-known communist tendencies, who in their eagerness to disrupt Panama's solidarity with the United States of America, are opposed to the revolution of the 1946 Constitution, which protects the existence of the Communist Party in Panama.

The Panamanian communist problem is one of unequalled seriousness for it affects directly the security of the Panama Canal.



Washington, D. C.

May 9, 1951.

Mr. Wise said that disorder was dying down, or at least not increasing so fast. It appeared that he, Governor Newcomer, and General Morris were in close contact and had laid tentative precautionary plans for evacuation. He said, however, that their combined opinion was that evacuation would not be necessary. In the event it should be, provision had been made to enter the Zone through a route fairly remote from the center of activity. I communicated our ideas to him, and he was in full agreement. It also appears that he has made effective arrangements with U.S. authorities to avoid any possibility of a charge of intervention in this matter.

Our spot opinion on the present reports this morning is that Arias' position, if he remains in office, will be very weak. In fact, his prestige would seem to be so undermined that he might not be able to remain long. Agitation against him, even if public disorder dies down, will probably continue and increase. Fench, more than ever, will hold the whip-hand in Panama.

The reported Assembly vote to impeach Arias is apparently invalid assuming the 1946 Constitution is in effect. The Assembly can convene in Special Session only when called by the Executive. A call has not been issued.

Mr. Wise said the Supreme Court was issuing a manifesto calling upon Arias to step down.

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COPIES TO:

ARA - Mr. Miller
MID - Mr. Kufner
Mr. Somash

American Embassy, Panama
(Informally)
DRA
ARA Board

Mr. Wise called at 3:00 p.m. The decision was taken last night to return to the 1946 Constitution by the Assembly and the Police. The Assembly also elected Arosemena President to succeed Arias, but Román said he would support Arias in power under the 1946 Constitution and asked the public to support him in this. During the last hour (between 3:00 and 3:00 pm today) the three National Police Commandants changed their positions in favor of backing Arosemena. The report is that Vallarino and Flores persuaded Henón, almost by force, to go along with them. Apparently they threatened his arrest if he did not do so.

They forwarded a message to the President to leave, but he refused, saying he was well armed and would defend his position "until carried out". Forces are now gathering to move on the Presidencia and fighting there has broken out. Arias said it would cause an uprising and revolution throughout the country. Mr. Wise said he could hear the gunfire at the Embassy. Some of the palace guard are reported captured and wounded. The National Police are being supported by all opposition parties,

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MR. WISE said the Dean of the Diplomatic Corps has asked him to participate in a meeting of the Corps. The proposal is for the Corps, with police protection, to go to the Presidential and request Arias to step down to avoid further bloodshed. Mr. Wise was instructed to inform the Dean that he would not oppose whatever they decided to do but that he could not participate, in view of our special position in Panama, in any committee or action of the Corps.

During the course of our conversation Mr. Wise received a call from the Governor who told him that the Canal Zone police had been asked to send an ambulance to the Palace to bring out Arias who is reported wounded. He said the Governor had not complied. Mr. Wise was instructed that the Department was opposed to any such action on the part of the Canal Zone police. He expressed agreement with our views with respect to this matter and the Diplomatic Corps action.

I questioned him about safety of Americans and he said that last night's instructions had been carried out. A meeting was held in the Canal Zone and a committee formed of the Governor, General Morris, himself and prominent Americans. The committee was at that time in session. It was still their opinion that evacuation would not be necessary.

In closing Mr. Wise said that the above information about the line-up of forces had come to him from a very high source, although unconfirmed. He said that he had faith in its authenticity.

At 3:45 P.M. Mr. Wise to clarify our instructions on the Diplomatic Corps action. He was informed

that

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He had heard from several sources that it was the Chief of the Palace Guard, not Arias, who was wounded and for whom the ambulance had been requested.

The Presidencia had again called him requesting United States intervention to end the disorders. Mr. Wise repeated his previous answer to the effect that our position was one of strict non-intervention in this matter which was fully domestic.

Vice Consul Whitaker reports shooting has started in Colón between the National Police and the Secret Police. Mr. Wise said that Whitaker seems in no danger and that he felt confident communications would be maintained with him. I asked him about safety of Americans there and he said he felt the physical layout was such that they would not be in extreme danger. He said, and this is a guess, that fighting is likely to break out in Santiago and David. The barracks in Colón where the fighting is taking place is three blocks from our Consulate.

The alpinas people have called the Embassy to state they are advising passengers not to stop over in Panama unless it is urgently necessary. They are continuing operations in Tocumen but may shift to Albrook since the few personnel remaining on the job there are worn out from continuous work transporting passengers.

Fighting is still in progress and is very heavy.

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ARA - Mr. Mann
MID - Mr. Borch
DEA
ARA Board

Ambassy, Panama (Informally)

Mr. Wise phoned me at 4:50 today. The call was ^{first} through the Navy Department, and Mr. Wise informed me that it was a new circuit available to him at no expense and with better security. He said that we could make arrangements at this end to call him on this same circuit and that he could take the calls at his desk.

The new Administration, he said, was encountering an initial difficulty, somewhat serious, regarding the appointment of Bermudes to the position of Minister of Education. A group, known as the "slaughter-house liberals", composed of the Commandant José Crespo, and Femi Stoel's Dias, is dissatisfied at getting no official positions in the cabinet. They have asked for four Governorships, control of the National Lottery and of the Farm Credit Bank. To suit their ends they are using what they think is an administration mistake, i.e., the appointment of Bermudes as Minister of Education. In their campaign they are pointing out the action of the U.S. in refusing a visa to Bermudes in 1949 as an issue. Mr. Wise said that the Embassy plans to follow a policy of complete neutrality in this issue which it regards as a domestic matter and will make no statement or take any position publicly regarding it.

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Mr. Wase assured the United Fruit carrier that he will assume full responsibility for any possible complications when he arrives in the U.S. Mr. Wase said that there was nothing he could do, since Mr. Herbruger had made all arrangements himself without coming to the Embassy for documentation.

He asked that I call Mr. Rodway of the Export-Import Bank and tell him that the President, the Foreign Minister, and the Board of Directors of the Hotel are anxious for him to come to Panama as soon as possible. One of the Ministers of the Treasury's first steps will be to straighten out the Hotel situation on a satisfactory basis, and he has the full support of the President.

Mr. Wase referred to our telegram on recognition and also to his telegram commenting upon the note received from the Foreign Minister regarding the changes in the Government. He said the Embassy proposes to answer this note by a brief acknowledgment couched in general terms. He said also that if a gathering of the Diplomatic Corps is called to meet the new Foreign Minister, the Embassy would participate and that, subject to his ability to make appointments, he would pay a courtesy call on the new Foreign Minister. He asked my concurrence with this action and I told him that it all appeared to be in accordance with the authority provided him. I said that I would discuss it, however, with Ambassador Ruffer and if there was any different view we would cable him before tomorrow. I took it up later with Ambassador Ruffer and we determined that no further comment would be necessary since Mr. Wase's proposed action seemed to be appropriate.

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a) Program Management - 3 U.S. technicians Cost \$59,500

The proposed budget provides for a Country Director, a Program Officer, and a Director of Administrative Services. KID believes that, with the assistance of the Embassy staff, the Country Director should be able to handle the duties of the Program Officer. KID, therefore, continues to question the need for this position. KID is not in a position to judge the need for a Director of Administrative Services, but recommends in the interest of efficiency and economy that an inspection be made to determine the need for this position when there are already business managers in each **Service.**

b) No comment on and agreement with the following activities:

**Agriculture and Natural Resources;
Education
Health, Welfare and Housing
Government Administration and Technical Services**

c) Training

The amount of funds set aside for training in all sections of the program seems inadequate. Nicaragua is woefully behind in the education of its citizens; probably the most useful phase of our Point Four activity will be the training of Nicaraguans. For example, the Minister of Public Works is anxious to have Nicaraguans trained in highway construction practices and there should be ample training opportunities in this field. Increased training assistance might also be offered in Natural Resources, Public Administration and Social Services.

COSTA RICA

KID agrees with the proposed program for Costa Rica with the exception of the amount set aside for training. The comments made with respect to the inadequacy of the training program in Nicaragua are equally applicable for the program in Costa Rica.

Survey Fuller and officially requested technical assistance for the survey of port warehouse facilities and cargo handling equipment at Port Limon, Costa Rica. He said that a celebration was planned on September 17, 1952 commemorating the visit of Christopher Columbus to that port in 1494, and he hoped that an announcement could be made then by President Ulate of the completion of arrangements for Point IV assistance for this survey.

Provision has not been made in the proposed budget for fiscal year 1953 for this survey nor has the Embassy in San Jose had any opportunity to comment. However in view of the survey nature of the proposal and Assistant Secretary Miller's great desire to facilitate technical assistance to Costa Rica in this particular project, MID strongly urges that provision be made in the budget for expenses for a technical survey to be made of the facilities at Port Limon in Costa Rica.

HOWARDS

a) Program Marketing - 4 U.S. technicians; Cost \$70,200

The proposed budget provides for a Director of Technical Cooperation, a Program Officer, a Director of Administrative Services and a Disbursing Officer. MID has questioned the need even for a Director of Administrative Services when there already exist Business Managers in each Servicio and has suggested that in the interest of economy and efficiency an investigation of this need be made. Likewise, it questions the need for a Disbursing Officer in Honduras, an additional position which has not been requested in other countries of Central America which have programs of comparable size, and suggests this might be included in an investigation before the position is filled.

b) No comment on and agreement with the following activities:

Agriculture and Natural Resources
Education
Health Welfare and Housing
Government Administration and Technical Services

c) With respect to the assignment of the Labor Adviser, MID has agreed to this project solely on the condition that he concern himself with

administrative

has in the past questioned the need for the assignment of a program officer to the program, believing that the Director of Technical Cooperation should be able to handle the job adequately with the assistance of the Embassy. It follows that MID does not believe that the assignment of an economic specialist or assistant program officer to the post is necessary or justified.

b) No comment on and agreement with the following activities:

Health Welfare and Housing
Agriculture and Natural Resources
Government Administration and Technical Services
Education

MAILED: 10/10/50

Dear Mr. Ambassador:

I just received an inquiry from the Munitions Division, which I approved without reference to the Embassy, for an export license to ship to Colonel José Antonio Rosón and Marcos Galabert one used twin-engine Beechcraft airplane valued at \$45,000, plus miscellaneous spare parts and two engines valued at an additional \$5,000, approximately. Indications were that this airplane was being imported as personal property of the consignees for use in personal transportation.

I recall an exchange of correspondence with the Embassy some months ago relative to Rosón's desire to have an airplane, and that our conclusion at the time was that there was no valid ground on which this could be opposed. Presumably, Rosón might use this in campaign operations.

Sincerely yours,

Ernest V. Strassner

The Honorable
John G. White,
American Ambassador,
Panama.

~~RESTRICTED~~ - Security Information

DD FORM 147

ARA - Mr. Russell
IA - Mr. Spencer
American Embassy, Panama (Informally)

Ambassador Vallarino called at his request to say that his Government would like to purchase for the use of the National Police four surplus property aircraft from the U.S. Government: two North American AT-6's and two Beechcraft C-45's. The purpose is for official use of the Government, including the police force. The Ambassador said that at Albrook Field there are ten surplus C-45's which could be sold to the Panamanian Government. I promised him that I would look into the matter immediately but I did not indicate what the Department's decision might be.

There occur to me the following considerations:

(1) During the time of lend-lease we never transferred arms to Panama on the ground that there was no need.

(2) The same doctrine held true with respect to the interim arms program of 1946-49.

(3) However, this might be considered analogous to police supplies, such as motorcycles, tear gas bombs, etc.

With respect to Panamanian Government purchase and operation of aircraft, I can foresee a number of administrative difficulties and jurisdictional issues that may come up in the future: frequent flights from one part of the

Republic

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to operate; are these operations; if there are accidents or expensive maintenance costs it will be necessary to show the eagerness of the Panamanian Government to make the purchase so as to avoid criticism that the United States fostered some expensive and dangerous airplanes upon them; if the craft are already declared surplus by the Army people in the Zone, does that not presume that in their judgment it would be uneconomic to repair, maintain and operate these particular craft; if the Panamanian Government owned these craft, would they seek maintenance and repair facilities in the Zone and would the Zone air force be willing to service them?

Without cataloguing all the kinds of flight and landing permissions, many a misunderstanding and dispute can be expected. It is not clear whether the operation of Panamanian Government airplanes would be affected by the civil aviation agreement.

Inquiry is being made as to the availability of surplus aircraft of the type the Panamanian Government desires and the opinion of the U.S. Embassy in Panamá regarding the points listed above is being requested.

Comment: Mr. Russell (ARA) advises that spare parts for AT-6's are hard to get and that the C-45 type is difficult to fly. Ambassador Vellarino will probably have to send in a written note before the aviation and arms people can pass on the request. Regarding jurisdictional problems, there are thought to be about 70 planes of Panamanian registry now in the area.

ARA:CPA:WPBarber:ee

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ferences on Tuesday and Friday of last week. As Mr. Miller also said, this Government does not have diplomatic relations with the regime of Arnulfo Arias. No change in this position is contemplated until views have been exchanged with the other American republics. Such exchanges will not be commenced until the political situation in Panama is fully clarified, which it is not at this time.

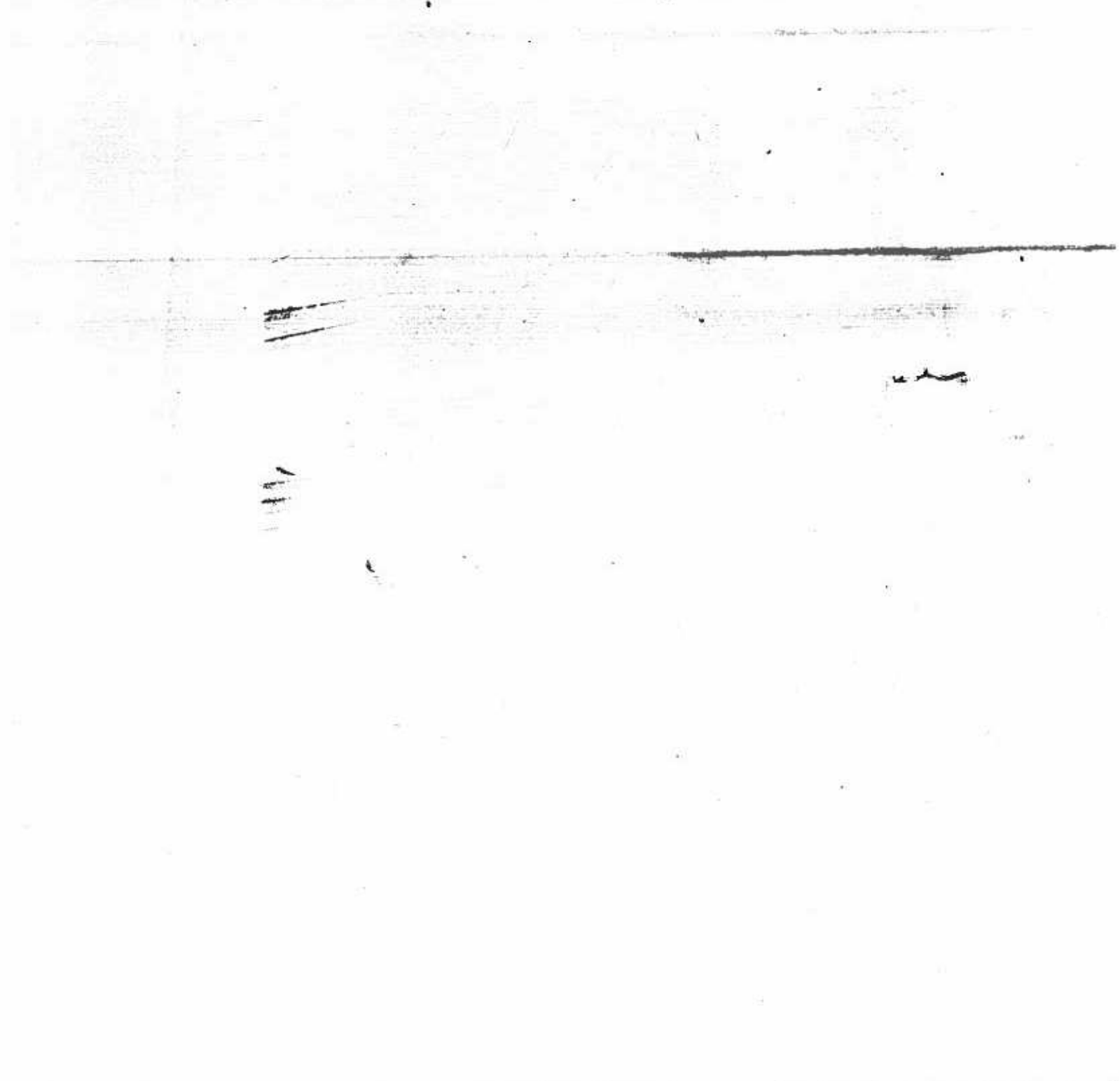
Background Information for the Secretary

The past ten days in Panama have witnessed the forcible ouster of President Chanis by the National Police, a five-day rule by Vice-President Chiari, and the ultimate delivery of the presidential office to Arnulfo Arias. This sequence of events resulted from an attempt by President Chanis, at the instigation of Harodio Arias, a prominent politician and cattle raiser, to break up an illegal slaughtering monopoly in which Colonel Remon, Chief of Police, is a principal figure.

Arnulfo's position appears to be increasingly secure. He has obtained a recount in his favor by the National Electoral Jury of the votes in the 1948 presidential election and on this ground bases the constitutionality of his claim to power. He has been sworn in before the National Assembly and has appointed a coalition cabinet. His popular appeal and extensive following are undeniable.

The major weakness in his present position is his continued association with Colonel Remon, Chief of Police. Public opinion in Panama, evidenced in a general strike, demands the removal of Remon as the principal author of last week's misdeeds. Arias, however, a bitter enemy of

Remon



1. The United States should bring about a broader and firmer community of purpose and common direction in world affairs between the United States and Latin American countries by means of:

a. Regular consultations^{offices} to explain U.S. policies, to obtain Latin American views, and then to win support for our policies modified by the adoption of such Latin American suggestions as are compatible with the attainment of our national objectives;

b. A consistent effort, including an appeal to Latin American pride and sense of responsibility, to persuade Latin American countries to contribute as well as to receive aid in the effort to build strength in the free world;

c. More positive and prompt response to Latin American requests for economic assistance, based on the principle that we will help them create conditions under which they could solve their problems largely by their own efforts;

d. More effective cooperation in military matters, not excluding the possibility of some

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AKA AND A SHOULD MAKE NECESSARY RECOMMENDATIONS FOR NSC CONSIDERATION.

3. Procedures should be adopted within the Department and within the Executive branch to assure a maximum of balance and consistency between U.S. action in major areas of the world in order to progress more efficiently and rapidly with the build-up of strength in the free world. The Department and the Bureau of the Budget should make the necessary studies and recommendations.

ANALYSIS:

(The ANALYSIS should contain comment pertinent to the above recommendations. It would include material from Mr. Miller's memorandum of October 3, 1950 to Mr. Witzke and from the ARA draft of November 9, 1950 regarding U.S.-Latin American policy. After the approval of the foregoing or similar recommendations, implementation would be within the authority and responsibility of the Assistant Secretary for Inter-American Affairs.)

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on the [unclear] of [unclear]
be [unclear] the Dept. of Defense

TOP SECRET

rest of the world, so that our policy shall also be the active policy of the inter-American community as a whole and of all its individual members. We should do this by:

(a) Establishing in the minds of the Latin Americans, governments and peoples alike, the identity between our own basic objective of US security and the common objective of hemisphere security, interpreting our actions abroad in terms of hemisphere security;

(b) Taking the Latin American authorities into our confidence while we are in the process of developing our policies, by informing them of our thinking and, to the greatest practicable extent, by consulting their views;

(c) Persuading the Latin Americans that they share world responsibilities with us; that they are therefore called upon to participate in the contributions and sacrifices that must be made in order to build up the strength of the free world in general and, in particular, of those areas most immediately threatened by Soviet aggression;

(d) Encouraging the effective commitment of the Latin American countries, through active participation, to enterprises

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Nations obligations:

2. We should help secure the stability and economic viability of the other American states on the strongest possible basis, so that their association with us shall add to our strength rather than detract from it. We should do this by:

- (a) Expanding our present technical assistance and loans, and making grants for special strategic purposes, the various projects to be organized as integrated country programs for economic development;
- (b) Encouraging an attitude of self-reliance, so that the context of our assistance shall be a situation in which the recipients are already doing what they can to help themselves;
- (c) Insuring, in connection with our economic mobilization, that the Latin American countries receive an equitable share of products in short supply.
- (d) Taking precautions against severe economic dislocations consequent upon the eventual termination of emergency US programs for the purchase of strategic materials.

3. We should continue to promote the effectiveness of the

TOP SECRET

5. Procedures should be adopted to insure maximum consistency between what we do in Latin America and what we do in other parts of the world, on the basis of balancing requirements of policy in Latin America and any conflicting requirements of policy in other areas. (The Department and the Bureau of the Budget should make the necessary studies and recommendations.)

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1. It might be desirable to bring out more clearly the growth of nationalism not only in the other American Republics but throughout the world.

2. While it is evident, it seems desirable to emphasize the need to coordinate our domestic and our foreign policy.

3. The paper seems to me to over-emphasize "neglect" on our part with respect to Latin America. Actually, there wasn't real neglect so far as the Government and the people of the United States were concerned. We suddenly found ourselves confronted with the need to defend our civilization around the periphery of the Soviet Union. That job was so big that we had relatively little time for anything else. Even though our friends south of the border accuse us of "neglect" many of them know that such has not been the case. The paper might say that the Latin Americans consider we have neglected them but I dislike to see set forth officially that we did neglect them.

4. The paper looks forward to even more international organization than we have at the moment. It seems to me that we are fast approaching the point where we will be over-organized. In our international organizations, we cannot expect a final result better than the abilities of the component members of the OAS, IADB, or international organizations we may set up. Consequently, I do not expect to see these organizations improve any faster than the conditions in the respective countries. I wonder if we have not reached the point where we should insist on any new organization being the expression of forces already arisen in the several American republics. Such an organization ought to be an expression of something that already exists in the twenty one American republics rather than

the result

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emphasize our efforts to oppose the Soviet idea, ultimately, in our endeavor to reach the same political reality which the Soviets would impose on us by overcoming us. In other words, the paper might emphasize throughout the independent character of the member states of the coalition and the political implications of that fact.

6. It seems that the comparison of the relationship between the United States and the other American republics to that existing between Great Britain and the member states of the U.K. is unfortunate. Some day this paper might become public. The comparison of the other American republics to the members of the U.K. would be most damaging. I do not believe the comparison is a good one. Furthermore, I am convinced that the sending of more propaganda and information to the other American capitals is not the solution. The other capitals have more propaganda and information than they can now handle. The record should show that what we have done has been rather well explained to the other American capitals. There is little excuse today for any capital south of the Rio Grande not understanding what the United States is trying to do today when every news agency and radio is carrying the news to them day by day. I believe we are reaching the saturation point in the matter of publicity.

001 ARA - Mr. Miller
Mr. Mann

ARA:OSA:WARREN:VK:ed

TOP SECRET

- d) Attitude towards Communism
- e) Any other significance of International Interest.

The word "recent" is defined as meaning any change since July 1, 1947.

COSTA RICA:

Provisional Junta headed by Jose Figueres took office on May 8, 1948 for 18 months (extendible for 6 months additional) following the Provisional Presidency of Third Designate, Santos Leon HERRERA who took office on April 20, 1948 following the overthrow of President Teodoro PICADO. (Presidential elections had been held on February 8, 1948 and the President was to have been inaugurated on May 8, 1948 but election results were disputed; elections for a Constituent Assembly are now scheduled for December 8, 1948.)

a) Relations with the United States do not appear to have been affected by the change in Government.

b) The present Government appears to be opposed to Communism and it is at least much less sympathetic to Communism than the Picado Government which had accepted the support and collaboration of the Communist Party.

c) The greatest immediate international significance of the change in Government in Costa Rica is the possibility that the new Government may be committed to assisting the "Caribbean Revolutionary Committee" in plans to overthrow other dictatorships in the Caribbean area which would of course create international tension and contentions.

Prime Minister and Minister of Education in the Government, has led the administration in the trend away from accepting Communist collaboration. PRIO has been much more outspoken on this score than GRAU has ever been.

e) There does not appear to be much prospect of any significant change of international interest, in the Cuban Government under PRIO, although there is a possibility that he may be somewhat more practical and be more inclined to curb the activities of representatives such as Ambassador Belt.

ECUADOR:

Former Ambassador Gale PLAZA Iaso appears to be winning the presidential election which was held on June 6, 1949; the winner will take office on September 1, 1949 for a four-year term. The present President, Carlos Julio AROSMENDE was elected by the Congress on September 15, 1947 and took office the same day, following the resignation of Provisional President Mariano SUAREZ Veintimilla, Vice President who took office on September 2 following the overthrow of Colonel MANCHEÑO who had overthrown President VELASCO Ibarra on August 24, 1947.

a) Relations with the United States would probably be even more cordial than at present, if PLAZA becomes President, although there is of course the possibility that he may feel it politically desirable to "lean over backwards" in not appearing to be influenced by the United States because of his long association with this country during his school-days and later as Ambassador at Washington.

AND TOOK OFFICE SUCCEEDING PRESIDENT MANUEL AVILA CAMACHO.

NICARAGUA:

President Victor ROMAN Y REYES was elected by a Constituent Assembly on August 14, 1947 and took office the same day to complete the six-year term which had begun on May 4, 1947 when President Mariano ARGUELLO had taken office. ARGUELLO, elected on February 2, 1947, was overthrown by General Anastasio SOMOZA on May 26, 1947 following which Provisional President Benjamin LACAYO Sacasa was installed and held office until August 14.

PANAMA:

It appears that Arnulfo ARIAS may have been elected in the presidential elections of May 9, 1948; the new president will take office on October 1, 1948 for a four-year term. President Enrique JIMINEZ was elected on May 8, 1944 and took office on October 1, 1944.

PARAGUAY:

Provisional President Juan Manuel FRUTOS took office on June 5, 1948 after the overthrow of President Higinio MORRIGO pending the inauguration of President-elect J. Habelero GONZALEZ on August 15, 1948 for a five-year term. GONZALEZ was elected on February 15, 1948.

PERU:

President José Luis BUSTAMANTE Y RIVERO was elected on June 10, 1945 and took office on July 28, 1945 for a six-year term succeeding President Manuel PRADO.

ECUADOR:

Former Ambassador Gale PLAZA Iaso appears to be winning the presidential election which was held on June 6, 1949; the winner will take office on September 1, 1949 for a four-year term. The present President, Carlos Julio AROSEMERA was elected by the Congress on September 15, 1947 and took office the same day, following the resignation of Provisional President Mariano SUAREZ Velintimilla, Vice President who took office on September 8 following the overthrow of Colonel MARCHENO who had overthrown President VELASCO Ibarra on August 24, 1947.

EL SALVADOR:

President Salvador CASTANEDA Castro was elected on January 30, 1945 and took office on March 1, 1945 for a four-year term, following the Provisional Presidency of OSMIN Aguirre which resulted on the overthrow of Provisional President ANDRES Y MENEZDEZ on October 22, 1944.

GUATEMALA:

President Juan José AREVALO was elected on December 8, 1944 and took office on March 15, 1945 for a six-year term, following a Revolutionary Directorate of TORRIELLO, ARAKA and ARBERIZ resulting from the overthrow on October 20, 1944 of Provisional President PORCE who had succeeded President UBICO in a coup of July 5, 1944.

HAITI:

President Dumarsais ESTIME was elected on August 16, 1946 by a Constituent Assembly and took office the same day for a five-year term, following the Military Executive

MORINIGO pending the inauguration of President-elect J. Natalicio GONZALEZ on August 15, 1948 for a five-year term. GONZALEZ was elected on February 15, 1948.

a) Relations with the United States may be somewhat less favorable after the inauguration of President-elect GONZALEZ because he appears to be somewhat more nationalistic than MORINIGO and somewhat more inclined to favor national ownership of industry.

b) The attitude towards Communism of the prospective Paraguayan Government will probably not change as compared with the Morinigo Government; that attitude was one of opposition to Communism.

c) There will probably not be any other significant change in the Paraguayan Government.

For convenient reference, there is attached a complete alphabetical summary of the same kind of factual information without comment concerning the significance of changes in Government.

Robert F. Woodward

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BRAZIL:

President Eurico Gaspar Dutra was elected on December 8, 1945 and took office on January 31, 1946 for a five-year term after the long administration of Getulio Vargas.

CHILE:

President Gabriel Gonzalez Videla was elected on September 4, 1946 and took office on November 5, 1946 for a six-year term, following the Provisional Presidency of Alfredo Duhalde who had assumed office upon the death of President Juan Antonio Rios.

COLOMBIA:

President Mariano Ospina Perez was elected on May 5, 1946 and took office on August 7, 1946 for a four-year term, following the Provisional Presidency of Alberto Lleras Camargo who took office on August 7, 1945 after the resignation of President Alfonso Lopez.

COSTA RICA:

Provisional Junta headed by Jose Figueres took office on May 8, 1948 for 18 months (extendable for 6 months additional) following the Provisional Presidency of Third Designate, Santos Leon Herrera who took office on April 20, 1948 following the overthrow of President Teodoro Picado. (Presidential elections had been held on February 8, 1948 and the President was to have been inaugurated on May 8, 1948 but election results were disputed; elections for a Constituent Assembly are now scheduled for December 8, 1948.)

constitutional presidential term of five years. President GALLEGOS succeeds the Revolutionary Junta Government headed by Ramulo BEZANCOURT which resulted from a revolution of October 18, 1945 that overthrew President MEDINA.

ASST. DIR. RECORDS & COMM.

course for the purpose of initiating negotiations on matters concerning the entire range of relations between the two Governments arising out of the construction and operation of the Panama Canal.

The Minister of Foreign Relations addressed a note to the Secretary under date of April 7, 1953, a translation of which is enclosed. A copy of the Department's reply dated April 21, 1953 is also enclosed.

As a result of the Foreign Minister's visit and further discussions with the Panamanian Government, President Heward has signified that he now prefers to postpone his visit to Washington indefinitely and, meanwhile, to name negotiators who would explore with our Government the possibilities of General agreement on Panamanian requests. This Department has suggested that these negotiations tentatively be scheduled to commence in Washington in the latter part of June, 1953.

Inasmuch as the subjects on which the Panamanian Government wishes to negotiate may affect broad strategic and political interests of the United States, it is essential that the participation and collaboration of the several interested Federal agencies be obtained in preparation for these negotiations. In view of the interest of the Department of the Navy in relations between the Canal and

the

The Honorable
Robert B. Anderson,
Secretary of the Navy.

CONFIDENTIAL SECURITY INFORMATION

Sincerely yours,

Walter Bede Smith

Under Secretary

Enclosures:

1. Translation of note from Minister of Foreign Relations of Panama, April 7, 1953.
2. Copy of Department's note in reply, April 21, 1953.

CONFIDENTIAL SECURITY INFORMATION

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4/27/53

to His Excellency the Secretary of State of the United States and has the honor to confirm to him the information that he gave His Excellency during the cordial interview held on the third of the current month in this city concerning the visit which the President of Panama, Colonel José Antonio Remón Cantera, desires to make to the President of the United States, General Dwight D. Eisenhower, to discuss matters of great importance to the Republic of Panama and to the United States of America.

The main purpose of President Remón's visit to President Eisenhower is to make clear the necessity and advisability of reviewing the whole field of relations between the Republic of Panama and the United States of America resulting from the construction and operation of the Panama Canal. Those relations are as close as they are delicate, since they involve, on the one hand, problems which may be termed life-and-death problems for the existence of the Republic of Panama and affect its economic development and which on the other hand, relate to the defense of the Republic and of the Canal, which forms a vital part of the national defense of the United States.

It would not be possible for the Minister of Foreign Relations of Panama, in the short period of his present visit in Washington, nor in these few lines, to go deeply into the various and complex problems existing in the relations above-mentioned; however, if it is of some advantage for His Excellency the Secretary of State to know what matters are of concern to the Government of Panama and most urgently demand a mutually

satisfactory

portion to which as possible;

2. The annual payment that the Republic of Panama receives from the United States as compensation, in accordance with the treaties in force;

3. The full and effective application, already agreed upon in principle between the United States and Panama, of the stipulations of the Treaty of 1903 which have in view the use, occupancy, and control of the Canal Zone for purposes of the efficient maintenance, operation, and protection of the Canal, and not for other purposes, especially those the accomplishment of which may adversely affect the interests of the Republic of Panama;

4. The effective application of the principle of equality of opportunity and treatment, agreed upon between Panama and the United States, with respect to the citizens of both countries who render service in the Canal Zone.

The Minister of Foreign Relations of Panama does not pretend that this enumeration is complete, much less restrictive. It is merely an indication of certain aspects of matters of a general nature, each of which involves concrete points, facts to be examined, proposals to be considered, and agreements to be concluded, all of them matters which it would not be possible to broach in this short document, but which should be discussed later in a spirit of equality, frankness, understanding, and conciliation; in a word, in a spirit of true friendship.

In

the United States has not been essentially affected; it is President
Rosa'n's particular wish that that friendship shall continue unchanged and
even greater; this is what prompts him to leave the national territory
and the direct exercise of his Presidential functions to come in person
to discuss with President Eisenhower a basic agreement that will open the
way to a sound, effective, and continuing improvement in the relations
between Panama and the United States of America.

The Minister of Foreign Relations of Panama is happy to avail him-
self of this occasion to express to His Excellency the Secretary of State
the assurances of his highest and most distinguished consideration.

(Initialed) J.R.G.

(Seal of the Embassy of Panama)

Washington, D.C.

April 7, 1953