

sites and for a modification of the arrangements of 1936 for emergency occupancy of sites after consultation.

10. Since the above requirements are considered by less than those specified in JCS 570/41 (SMRCC 38/42) and since negotiations are now in progress with the Republic of Panama, additional guidance to the Department of State is required.

RECOMMENDATION

11. That the Joint Chiefs of Staff forward the memorandum in Appendix "A" to the State-Naval-Navy Coordinating Committee.

*JCS to
State-Naval-Navy
Coordinating
Committee*

U. S. declared emergency our military forces will have the necessary freedom of action.

Essentially only those sites listed as major war objectives are required. The war objectives is program to address for all other sites now occupied in the absence of further after prior coordination with the Department of State.

War Dept prepared to
withdraw from
essential passes -

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Renewal

2. San Jose Island - in order of preference:

(a) Purchase of entire island if reasonable sale price can be obtained.

(b) 10 year lease with option of renewal at fixed, reasonable price of rates desired to be obtained by the Government representative for negotiations.

4. Tebequilla Island - short term rights for sites now occupied.

5. Pivo air warping stations - short term rights. Sites and facilities to be designated by the Government representative for negotiations.

6. Salud - short term training flights

7. San Skryos - short term training flights

8. Terens National Airport - the right of transit and technical

stop for U. S. military aircraft; the right of emergency operation in the event U. S. considers the Canal is threatened; occupancy in the latter case subject to consultation between the two governments after emergency occupancy is accomplished.

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- (a) Purchase of entire island if reasonable sale price can be obtained.
- (b) 10 year rights with option of renewal at sites. Boundaries of sites desired to be delineated by War Department representative for negotiations.
4. Taboxulla Island (defense site #18) - short term rights (10 years) with option of renewal.
 5. Salud - short term (10 years) training rights.
 6. San Carlos (old defense site #133) - short term (10 years) training rights.
 7. Rev Island (defense site #32) - AWS station, DF station and service air strip - short term right (10 years) with option of renewal.
 8. Jague (defense sites #20 and #21) - AWS station and service air strip - short term right (10 years) with option of renewal.
 9. Pogri (defense site #7) - DF station, service air strip and aerial gunnery range - short term rights (10 years) with option of renewal.

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any territory not now under the jurisdiction of the U.S. for defense purposes. In accordance with notes exchanged between Secretary of State Cordell Hull and Minister of Panama Don Augusto S. Boyd on 1 February 1939, the U.S. under the 1936 treaty has the following military rights:

"In the event of an emergency so sudden as to take action of a preventive character imperative to safeguard the neutrality or security of the Panama Canal, and if by reason of such emergency it would be impossible to consult with the Government of Panama as provided in Article X of said treaty, the Government of the United States of America need not delay action to meet this emergency pending consultation, although it will make every effort in the event that such consultation has not been effected prior to taking action to consult as soon as it may be possible with the Panamanian Government."

2. Under the provisions of the defense sites agreement of 1942, the U. S. is currently occupying thirty-six defense sites in the Republic of Panama. This agreement will terminate one year after the definitive treaty of peace which ends World War II becomes effective.

This information is classified as

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was requested for the air warning system and for certain training and
manpower areas.

4. On 10 April 1947, after approximately four months of informal
negotiations, the Republic of Panama transmitted a proposed draft agree-
ment, dated 9 April 1947, to Ambassador Hines. This draft emphasized the
temporary short-term aspect of the rights which Panama proposed to accord
and further provided for joint Panama-U.S. control of all sites.

*5
refuses
joint
control*

Ambassador Hines on 5 May transmitted to the Republic of Panama a draft
agreement based on that proposed by the Panamanian Foreign Minister, but
applying certain modifications essential for the protection of United
States interest. On 9 May and 14 May conferences were held to discuss
the United States and Panamanian drafts, at which the Minister of Foreign
Relations was the Panamanian spokesman. He made it abundantly clear that
Panama would not accept the basic principles which are essential from the
point of view of the United States, and as reported by the U.S. Embassy,
to have stated to Ambassador Hines that "the general Agreement itself
would not grant the Army any rights at all". His final position was re-
ported to have been even further from the United States' concept than was
the Panamanian draft of 5 May.

will require approximately ten years, if undertaken.

7. The purpose of military bases in the Panama area is defensive in character, specifically, defend one important target — the Panama Canal. It is not contemplated that the base rights in Panama would contribute to any offensive effort. Hence, base development and garrisons in the area should be kept to the minimum indicated by anticipated defensive requirements and training.

8. If war should eventuate during the next ten years, attacks against the Canal would take one of three forms in the following order of probability:

a. Sabotage, including the possible demolition of one or more ships in the Canal locks.

b. Small scale rocket and guided missile attacks launched

from submarines.

c. Air attacks by small numbers of aircraft against vital installations. (Vital installations are Gatun Locks, Gatun spillway,

Gatun Dam, Pedro Miguel Locks and Miraflores Locks).

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3 possible scenarios

Emergency operations could be conducted from the Panama National Airport. While retention of Rio Hato airfield would be desirable, therefore, it is not considered essential to the defense of the Canal during the next ten years.

c. The air warning system and the fighter airfields in the Republic of Panama (Chame, David, Jaque and Pilto) were established to intercept air attacks. Funds and adequate numbers of trained personnel are not available, however, to operate this system in toto in peacetime. Considering the remote possibility of air attack during the next ten years, a close fighter defense operating from bases in the Canal Zone in the initial stages of hostilities might be an acceptable calculated risk.

10. Apart from defending the Canal, the U. S. requires certain short-term rights at sites in the Republic of Panama. Extensive experiments in chemical warfare are being conducted at San Jose Island. An alternate site for this research is not readily available. In addition, sites are required on Taboga Island for air warning, undersea detection, sea coast artillery, etc. Five other air warning stations and four UP stations outside the Canal Zone are required for air-sea rescue work and training.

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only ten years or so; their main purpose is not achieved. Moreover, there is the strong probability that sites we injured and developed now would not have desired characteristics ten years from now in the light of new weapons extent or research at that time.

for filling of
New
Weapons

The point which should be mentioned is the relatively favorable position we would be in to obtain base rights ten years or more from now if a short-term arrangement were made now — as compared to a situation under which we withdrew completely. Balanced against this point is the cost to the U. S. over the ten-year period, some of it needless. There is also the chance that some shift in new weapons, or the international picture, or the engineering aspects of a new canal might, at some time during the next ten years, result in the U. S. obtaining the arrangements it needs. The U. S. has already expended in the sites in which it desires long-term rights in Panama, approximately \$18,000,000. Current rental for these sites totals about \$140,000. Under rates which the State Department contemplates for sites listed in JCS 570/71 total direct cost for rental and maintenance would approximate \$50,000 per

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\$5
costs

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5. Algodoti	14	Free (Public Land)
6. Pinogana	13	\$24E
7. Cane Mala	15	\$172
8. Burros Point	Unknown	Unknown
9. Los Margaritas	Unknown	\$500
10. Isla Grande	9	Free (Public Land)
11. Colbe Island	20	Free (Public Land)
12. Dolega	24	Unknown
13. Santa Maria	10	\$473
14. Jaque Point (Pinaw Bay)	14	Unknown
15. Cerro Campana	Undetermined	--
16. Piedras Mt. Area	Undetermined	--
17. Marlatto Pt. Area	Undetermined	--
18. Cerro Sene Area	Undetermined	--

* Present plans call for acquisition and development of these four sites during the next three to ten years, with the most modern equipment. When these stations become operational, it is probable that sites 9 through 14 can be released to the Republic of Venezuela. No attempt has been made to determine the relative importance of these stations; the successful operation of the entire system is dependent upon each individual station.

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Pinto Airport	131	(Public Land)
San Jose Island	56,000	Free (Public Land)
(entire island)		
Panama National Airport	None	
Poehl Airport	157	388
Mendinga Airport	783	Free (Public Land)
Gueduloe Airport	692	10,854
Pacora	473	22,782
Taboga	41	1,996
Tobogilla Island	502	6,603
Chorrera	90	4,368
Salud	50	None

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End #2

State Building), attended by the following:

OFFICE OF THE SECRETARY OF DEFENSE, DEPARTMENT OF DEFENSE, WASHINGTON, D.C. 20301-6000
STATE BUILDING, ATTENDED BY THE FOLLOWING: (ROOM 328A)

Mr. Ellis O. Briggs
Mr. Murray Wise (State 2133) Caribbean Affairs Div.
Lt. Col. Brler, AAF-5 (6018) *Charles W. Winters*
Maj. Cole, Pacific Theater Sec., P&O
Lt. Col. Lutes, BPS (6454) - War Dept. Representative in the
absence of Colonel Warren

3. The purpose of the meeting was to discuss a first draft, attached
inclosure 1, of a proposed agreement with Panama.

4. Mr. Briggs discussed the political aspects of the situation and pointed
out that it was to their advantage to conclude an agreement with Panama prior
to the signing of a definitive peace treaty since under the terms of the current
agreement we must withdraw from wartime sites one year after conclusion of the
peace treaty. The question of agreements to be arrived at at the Rio de Janeiro
conference on Western Hemispheric defense was discussed. Mr. Briggs states
that this conference would have no direct effect on the agreement with Panama
other than to strengthen U. S. position. *RIO*

5. War Dept. representative pointed out that we were particularly concerned
with the annual rental and other commitments involving the expenditure of War
Department funds.

6. As a result of the conference WD agreed to review the text of the
draft agreement and to consider any nominal concessions such as the flying of
the Panamanian flag together with the American flag on sites outside of the
Canal Zone. D/F's to AAF, C/E, SS&P, and JAG request comments and recommendations.
A second meeting with S/D to review WD comments will be held on or about 2 Dec.

COORDINATION:

JAG- Col. J. W. Haysoon, 3614
OCE- Mr. Easterwood, 79431
WHS- Maj. Cole, 5737
AAF- Lt. Col. Brler, 6018
SS&P- Lt. Col. Wiltrakis, 73487

Incl. 1 - First Draft of Agreement.

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R. L.

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or 14 ft. of all-weather surface with 3 ft. shoulders, was completed in 1943 at a cost of \$54,000 per mile.

b. The estimated cost of a tunnel under the Canal in the La Boca area of Balboa, according to present cost indices, is \$24,332,000.

c. No estimate is available for the cost of a bridge over the Canal but comparative preliminary studies made in 1941 indicate that the cost would be considerably less than the cost of a tunnel. It is recommended that plans for either a bridge or tunnel be suspended until such time as specific recommendations, resulting from the Isthmian Canal Studies of 1947, are made.

FOR THE CHIEF OF ENGINEERS:

J. S. Braddon

J. S. BRADDON
Brigadier General, U.S.A.
Director of Military Construction



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sites in Panama was approved substantial changes have been made in plans for worldwide post occupation deployment. Current estimates indicate that further reductions in the peacetime establishment may be necessary.

Such studies as the War Department has been able to undertake concerning the trends of current negotiations in Panama indicate that we are approaching the point where we will be paying more for sites than is justified. Factors leading to this conclusion are:

- a. An agreement obtained from current negotiations will probably be on a short term basis.
 - b. Rentals which Panama will demand may be exorbitant and difficult for the War Department to justify to Congress.
 - c. The language of the agreement and the notes may be so vague as to be unsatisfactory to the War Department.
 - d. It seems probable that manpower and funds will not be available to maintain the operational status of all the sites listed in JCS 570/71.
- Concerning the above, the War Department is reviewing the military necessity for maintaining defense sites in the Republic of Panama.

Your comments on the foregoing are requested to assist in preparing the review mentioned above. The results of this study will determine the action,

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Pending receipt of your comments on above War Department proposes to defer action recommended in your C 42862B, dated 7 May 1947.

C 4, 2862B - 1s CM IN 1157, 7 May.

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R. Lutes, Jr., Lt. Colonel, GSC

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