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ARTHUR L. DENCHFIELD, JR.
3601 DURANGO STREET
CORAL GABLES, FLORIDA 33134

June 28, 1975

REGISTERED

Mr. Monroe Leigh,
Legal Counsel,
Department of State,
Washington, D.C. 20520.

file
*Attention
Counselor Hartmann
K Regard*
(2)

Dear Counselor Leigh:-

On May 20th I wrote to Mr. Richard Wyrrough a letter in answer to his of May 6th, which, in turn, was in reply to a letter I had addressed to Presidential Counselor Robert Hartmann. This correspondence concerns the timely and crucial matter of the future of the US Canal Zone at the Isthmus of Panama.

In my letter to Mr. Wyrrough I asked that gentleman to kindly consult with the State Department's Legal Counsel, sending his findings in a letter to the Honorable Dick Stone, USS., Senator for Florida, requesting a copy be sent to me.

I presume that you are the Legal Counsel of the State Department to whom Mr. Wyrrough would have referred my letter. I presume, further, that you are aware of this matter and that you have by now counseled Mr. Wyrrough as to his answer.

To date, Mr. Leigh, I have not had the pleasure of receiving any reply.

Without further delay I would ask that you kindly advise Mr. Wyrrough to produce an answer, either sending it to Florida's Senatorial representative in Washington, the Honorable Dick Stone, USS., or to the undersigned, as you prefer.

The question is simply this: without desiring to engage you or the State Department in any polemics or useless rhetoric I request as a citizen of the United States some answer on this very important matter which concerns not only myself but tens or thousands of other American citizens as well.

I look forward to the courtesy of hearing from either you or Mr. Wyrrough shortly.

Sincerely yours,

Arthur L. Denchfield, Jr.

cc: Mr. Robert Hartman, White House,
Mr. Richard Wyrrough, State Dept. D.C.
Hon. Richard Stone, USS., Washington, D.C.



RFA
n

ARTHUR L. DENCHFIELD, JR.
3601 DURANGO STREET
CORAL GABLES, FLORIDA 33134

N/A
file - Panama

President

April 15, 1975

Honorable
Robert A. Hartmann,
Presidential Counselor,
Presidential Staff,
The White House,
Washington, D. C.

Dear Counselor Hartmann:-

As a sadly-disappointed but loyal Republican I address you in the hope that thru your influence on the President you may apprise him of a real danger just around the corner.

You will recall the infamous Teapot Dome Scandal of Harding's administration when his Secretary of the Navy Denby transferred certain valuable US-owned oil lands at Elk Hills and Teapot Dome to the Secretary of the Interior Fall, who then leased these very valuable lands to Sinclair and Doherty in exchange for bribes in the approximate amount of \$400,000.00. These oil lands eventually returned to the jurisdiction of the Navy Department where they now are. President Ford visited part of the Elk Hills property recently.

As insignificantly as the Teapot Dome scandal appears to be when compared to present-day scandals, yet the term "Teapot Dome" can easily be found in any history or reference book in our country and abroad as an indelible blemish on the Republican administration of national government.

As the President's Chief Counselor it is my assumption that you would wish to keep him harmless from a scandal somewhat similar but far graver in its national and international consequences.

Our President is being insistently persuaded by Secretary Kissinger to authorize the sending to the Senate for possible ratification a proposed newly revised Treaty with the Republic of Panamá. The proposed treaty is based on the so-called "8 articles of agreement" already signed in Panamá on February 7, 1974, on behalf of the US whereby amongst other obnoxious clauses the US "promises to give to Panamá the US-owned Canal and Canal zone located in the Isthmus of Panamá (known confusingly enough as the Panamá Canal) based on the false premise that the land and water on which we built that greatest engineering feat of man, belongs to Panamá !

The possibility of scandal arises in the fact that NO US President in his right mind can possibly conceive of giving away US territory in which US taxpayers have spent to date over \$6 billion in acquisition, improvements, defense, and maintenance.

At Teapot Dome and Elk Hills US government lands were only leased and then only to US tenants/leasees within our country and these lands eventually returned to our Government. What Secretary Kiss-

April 15, 1975

issinger proposes is NOT to lease but to give away free to a foreign dictator, unconstitutionally in office, pro-Soviet, and anti-American and we refer to Brig. General Umar Torrijos.

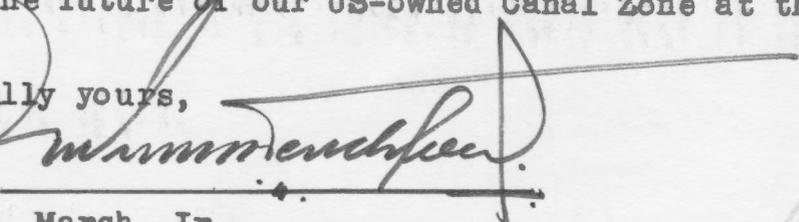
This, therefore, is the possible scandal which will be printed in history and reference books forever, if it ever happens, and what citizens were once to call "an honest, clean, decent man such as Ford is" will be but a smokescreen for one of the most dastardly conceived treachery ever to be perpetrated on the unsuspecting US public.

The solution, Counselor Hartmann, is very simple and I am sure you have already given it some serious thought. The President should immediately return to the jurisdiction of the Department of the Army, under the Secretary of Defense (where it was for many years) the Panamá Canal Company, the Canal territory, and all improvements and by executive order forbidding the State Department from any further interference in this matter of US-owned territory. A simultaneous solution to the same problem would, of course, be the relinquishing of his position as Chief National Security Advisor to the President since Secretary Kissinger, as time has already told us, is definitely not the man for such vital and enormous responsibilities at this time.

There are hundreds of concise articles written on the important Panamá Canal matter but since I have been an avid student of this matter for many years I am enclosing a copy of an excellent article written by one of the most highly respected authorities on the subject, General Thomas A. Lane. General Lane replies in depth to the false information circulated amongst the Catholic hierarchy in this country by the Catholic Archbishop of Panamá who recently travelled about our land, Marco McGrath, planting seeds of doubt and discord as to what the American position should be. I trust that, despite your many labours, you will have time to read this excellent article.

I know that as a close advisor of our President you will bring to his attention the concern that literally millions of Americans have in the future of our US-owned Canal Zone at the Isthmus of Panamá.

Respectfully yours,


cc John O. Marsh, Jr.,
Presidential Counselor,
Presidential Staff,
The White House, Washington, DC.

ENCL:1



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Ford Aides Reportedly Challenged Kissinger's Security-Adviser Role

By RICHARD GROWAL,
United Press International

WASHINGTON — Secretary of State Henry Kissinger has survived an attempt by some of President Ford's closest aides to strip him of his second post as the chief executive's national security

took part, according to the sources.

There has been no public statement on the affair by Kissinger or his foes. Presidential press secretary Ron Nessen loudly denied the anti-Kissinger move to a reporter in the semi-

confrontation with the secretary.

According to the sources, the aides wanted a new national security affairs adviser on whom Ford could lean and who could counter Kissinger's influence. The

General Thomas A. Lane, USA Retired: Graduate of West Point and MIT. He served in the Army Corps of Engineers in the U.S. and the Panama Canal Zone, taught civil engineering and military history at West Point, and also taught graduate school at the Air University. During WW II, General Lane served under General MacArthur in the Southwest Pacific. After the war he attended the National War College, served as one of the commissioners governing the District of Columbia, served as President of the Mississippi River Commission before retiring after a long and illustrious career in 1962 to begin a writing career. He writes a syndicated ^{THE WANDERER} column. His books include "The War For The World" April 12, 1975

"America On Trial", and "The War For Vietnam"

Bishops Misled On Panama Issue

By THOMAS A. LANE

On Feb. 24th, 1975, the Administrative Board of the U.S. Catholic Conference issued "A Resolution Regarding Panama," based on an assumption that the U.S. Canal Zone is Panamanian territory occupied by the United States under terms of a treaty made in 1903. The Board urged that the treaty be revised so the matter of

build at Nicaragua, the province of Panama seceded from Colombia and negotiated with the United States to build the canal at Panama.

The French builders had failed at Panama. There was no assurance that the Americans would succeed. It would be a

available to the world at less than the cost of producing and protecting it; but would give Panama untrammelled authority to exploit this U.S. project for whatever the traffic would bear.

The Marcos McGrath depiction of injury to Panama from U.S. construction

To Federal Abortion Research
Those who are starting I support
Mother Teresa
Very Important Article!



Personal.

Honorable
Robert A. Hartmann,
Presidential Counselor,
Presidential Staff,
The White House,
Washington, D. C.

3601 DURANGO STREET
CORAL GABLES, FLORIDA 33134

8-28

The President has no intention of approving any agreement that would not protect our vital defense interests, with Panama or with anybody else.

The President supports the view of these negotiations stated by Secretary Kissinger, in his speech in Houston in February 1974 when he addressed the question of our interest in the Panama Canal. "We will expect Panama to understand our perspective -- that the efficient, fair and secure operation of the Canal is a vital economic and security interest of the United States; that a new treaty must provide for the operation and defense of the Canal by the United States for an extended period of time; and that a new treaty must protect the legitimate interests of our citizens and property in Panama."

The President is concerned by the action of the House in voting to cut off further funds for negotiations with Panama on the Canal. Under the Constitution, the President is empowered to negotiate, through his representatives, and sign treaties

with foreign governments, and to submit them to the Senate for its advice and consent.

If and when negotiations are concluded to the President's satisfaction, the conclusions will be submitted to the Congress in accordance with Constitutional procedures. The President trusts that this House action will be remedied before final passage of the legislation.

The President has no intention of approving any agreement that would not protect our vital defense interests, with Panama or with anybody else.

The President supports the view of these negotiations stated by Secretary Kissinger, in his speech in Houston in February 1974 when he addressed the question of our interest in the Panama Canal. "We will expect Panama to understand our perspective -- that the efficient, fair and secure operation of the Canal is a vital economic and security interest of the United States; that a new treaty must provide for the operation and defense of the Canal by the United States for an extended period of time; and that a new treaty must protect the legitimate interests of our citizens and property in Panama."

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PANAMA CANAL

Q. In view of his Navy League speech emphasizing the need for an effective Navy, what is the President's position on U.S. interests in the Panama Canal and its eventual control?

view of these

A. The President supports the ~~negotiations now underway on the~~ Canal. ~~As you may recall,~~ *stated by* Secretary Kissinger, in his speech in Houston *on Feb 1974 when he* addressed the question of our interest in the *Panama* Canal.

2

Quote

"We will expect Panama to understand our perspective -- that the efficient, fair and secure operation of the Canal is a vital economic and security interest of the United States; that a new treaty must provide for the operation and defense of the Canal by the United States for an extended period of time; and that a new treaty must protect the legitimate interests of our citizens and property in Panama. "

A new treaty based on these principles will make the United States and Panama partners in the operation of the Canal, protect the essential national interests of both, and provide a secure arrangement for the long term."

Approving

In sum, the President has no intention of ~~supporting any~~

agreement that would not protect our vital defense interests, *with Panama or anybody else.*

1



Statement by the Press Spokesman

*Concerned
turbed*

3 The President is ~~disappointed~~ by the action of the House in voting to cut off further funds for negotiations with Panama on the Canal. Under the Constitution, the President is empowered to negotiate, through his representatives, and sign treaties with foreign governments, and to submit them to the Senate for its advice and consent. ~~The President does not believe that it is the proper role of the House to interfere in either of these Constitutional functions.~~

The United States has been committed to negotiating in good faith a new treaty with Panama through three Administrations. These negotiations were undertaken by Ambassador Robert Anderson at the request of President Johnson after he had consulted with former Presidents Eisenhower and Truman. Ambassador Anderson continued them under President Nixon until Ambassador Bunker assumed the position of Chief Negotiator in 1973.

4 ~~The House action damages our foreign policy interests in this Hemisphere and elsewhere in the world and prejudices the issue while negotiations are proceeding.~~ If and when negotiations are concluded, the conclusions will be submitted to the Congress in accordance with Constitutional procedures. The President trusts that this ^{House} ~~unwise~~ action will be remedied before final passage of the legislation.

The Presidents

to my satisfaction



PANAMA CANAL TREATY NEGOTIATIONS

Q: In view of the Snyder Amendment and approaching elections, do you continue to support negotiations and do you plan to present a treaty to the Senate soon?

A: As you know, we are engaged in an effort to modernize our relationship with Panama over the Canal. There are a number of questions which remain at issue between us and the Panamanians. The talks are continuing and we believe it will be possible to reach an agreement which would accommodate the interests of both nations. I believe it is possible to do this while protecting our basic interests in defense and operation of the Canal. Naturally, any such agreement we may reach will be submitted to the full constitutional process, including Senate approval, and we will be consulting closely with the Congress as the talks continue -- that I believe is the appropriate channel for congressional consideration of the negotiations.

If pressed: No decision has been taken with regard to the timing of submission of a treaty to the Senate and no such decision will be possible until we are closer to reaching an agreement. As I indicated, there are a number of difficult questions remaining to be resolved.

Revised

July 3, 1975

Margy called and dictated the following "Guidance"

In response to questions on the Panama Canal and the status of our treaty negotiations you may say the following:

With regard to the Panama Canal treaty negotiations, there are a number of questions which remain at issue between us and the Panamanians. The talks are continuing. No decision has been taken with regard to the timing of signature of an agreement and its submission to the Senate, and no such decision is possible until we are closer to reaching an agreement.

[The President continues to believe it will be possible to reach an agreement which would accommodate the interests of both nations, based on the Statement of Principles signed in February of 1974.]

#

Designed to answer charges that will appear in the story tomorrow.
per Margy



~~In Response to Q's~~

6/22/75
Part 1/2/4/5

The President has no intention of approving any agreement that would not protect our vital defense interests, with Panama or with anybody else.

The President supports the view of these negotiations stated by Secretary Kissinger, in his speech in Houston in February 1974 when he addressed the question of our interest in the Panama Canal. -- "We will expect Panama to understand our perspective -- that the efficient, fair and secure operation of the Canal is a vital economic and security interest of the United States; that a new treaty must provide for the operation and defense of the Canal by the United States for an extended period of time; and that a new treaty must protect the legitimate interests of our citizens and property in Panama."

The President is concerned by ^{this} ~~the~~ action of the House ^{and} ~~in~~ ^{would} ~~be concerned about any action~~ voting to cut off ~~the~~ funds for negotiations ~~with Panama~~ on any matter ^{within} the Constitutional authority of the ^{President} ~~on the Canal~~. Under the Constitution, the President is empowered to negotiate, through his representatives, and sign treaties



with foreign governments, and to submit them to the Senate for its advice and consent.

If and when negotiations are concluded to the President's satisfaction, the conclusions ^{would} ~~will~~ be submitted to the Congress in accordance with Constitutional procedures. The President trusts that this House action will be remedied before final passage of the legislation.

HAK, Rumsfeld, Holtmann,
Marsh approve.

RAN

GF approved



June 27, 1975

TO: RON NESSEN
FROM: KATHLEEN TROIA
SUBJECT: Panama Canal Guidance

The guidance on Panama Canal question as signed off on today has been scrubbed. State will issue the following answer in response to a question which they took at today's briefing:

Q: What is the reaction to the Snyder amendment cutting off funds for the Panama Canal?

A: We regret this action. The Senate will consider it after the Fourth of July recess. We are confident the Senate will carefully deliberate the far-reaching consequences of its move."

If you get asked the same question say that State had the question this morning and this is what they said (without attributing it to the White House).

PANAMA CANAL

Q. In view of his Navy League speech emphasizing the need for an effective Navy, what is the President's position on U.S. interests in the Panama Canal and its eventual control?

A. The President supports the negotiations now underway on the Canal. As you may recall, Secretary Kissinger, in his speech in Houston addressed the question of our interest in the Canal. "We will expect Panama to understand our perspective -- that the efficient, fair and secure operation of the Canal is a vital economic and security interest of the United States; that a new treaty must provide for the operation and defense of the Canal by the United States for an extended period of time; and that a new treaty must protect the legitimate interests of our citizens and property in Panama.

A new treaty based on these principles will make the United States and Panama partners in the operation of the Canal, protect the essential national interests of both, and provide a secure arrangement for the long term."

In sum, the President has no intention of supporting an agreement that would not protect our vital defense interests.



Panama Canal

Q: Can you tell us what is the status with our negotiations to turn over the Canal to Panama?

A: We are engaged in an effort to modernize our relationship with Panama over the Canal. Although progress has been made, difficult issues remain. Both the United States and Panama have important interests in the Canal. We believe we can reach an agreement which takes into account the interests of both countries. In our view it is possible to do this while protecting our basic interests in defense and operation of the Canal. Of course, any agreement we may reach would be submitted to the full constitutional process including Senate approval.



*Non-helpful
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that Panama re
tives are a year
Mary*

U.S. and Panama Agree on Principles for Negotiation of New Panama Canal Treaty

On February 7 at Panamá, Secretary Kissinger and Juan Antonio Tack, Minister of Foreign Affairs of Panama, initialed a joint statement of principles for negotiation of a new Panama Canal treaty. Following is an address made by Secretary Kissinger at the ceremony, together with the text of the joint statement.

ADDRESS BY SECRETARY KISSINGER

Press release 42 dated February 7

We meet here today to embark upon a new adventure together. Our purpose is to begin replacing an old treaty and to move toward a new relationship. What we sign today, hopefully, marks as well the advent of a new era in the history of our hemisphere and thus makes a major contribution to the structure of world peace.

Meeting as we do on this isthmus which links North with South and Atlantic with Pacific, we cannot but be conscious of history—a history which has profoundly changed the course of human affairs. Four centuries ago the conquistadors landed here bringing faith and taking booty. They were representatives of the traditional style and use of power. Seventy years ago, when the Panama Canal was begun, strength and influence remained the foundations of world order.

Today we live in a profoundly transformed environment. Among the many revolutions of our time none is more significant than the change in the nature of world order. Power has grown so monstrous that it defies calculation; the quest for justice has become universal. A stable world cannot be imposed by

force; it must derive from consensus. Mankind can achieve community only on the basis of shared aspirations.

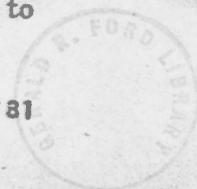
This is why the meeting today between representatives of the most powerful nation of the Western Hemisphere and one of the smallest holds great significance. In the past our negotiation would have been determined by relative strength. Today we have come together in an act of conciliation. We recognize that no agreement can endure unless the parties to it want to maintain it. Participation in partnership is far preferable to reluctant acquiescence.

What we do here today contains a message, as well, for our colleagues in the Western Hemisphere who, in their recent meeting in Bogotá, gave impetus to this negotiation. The method of solution and the spirit of partnership between Panama and the United States as embodied in this agreement are an example of what we mean by the spirit of community in the Western Hemisphere; it can be the first step toward a new era which we believe will be given fresh hope and purpose when we meet again with the Foreign Ministers of all the hemisphere in two weeks' time.

The United States and Panama

The relationship between Panama and the United States is rooted in extraordinary human accomplishment—the Panama Canal, a monument to man's energy and creative genius. But as is so often the case, man's technological triumph outstripped his political imagination:

—For 60 years the safe, efficient, and equitable operation of the canal has given to



Panama, to the United States, and to all nations benefits beyond calculation.

—Yet the canal still operates under the terms of a treaty signed in 1903, when the realities of international affairs were still shaped by traditional precepts of power.

—The tensions generated by these contradictions, the endless debates over the costs and benefits of the convention of 1903, have jeopardized the ability of our two countries not only to work together to meet future demands upon the canal but also to develop a constructive relationship as friends.

We must assess the document we have just signed against this background. Above all, we must judge it in the context of what it means for the peoples of the United States and Panama and what it can mean for the people of the Western Hemisphere.

The eight principles in this agreement constitute, as General Torrijos [Brig. Gen. Omar Torrijos, Head of Government of Panama] has said, a "philosophy of understanding." Sacrificing neither interest nor self-respect, Panama and the United States have made a choice for partnership. Meeting in dignity and negotiating with fairness, we have acknowledged that cooperation is imposed on us by our mutual need and by our mutual recognition of the necessity for a cooperative world order. Foreign Minister Tack and Ambassador Bunker [Ambassador at Large Ellsworth Bunker, U.S. chief negotiator for the Panama Canal treaty] have shown that Panama's sovereignty and the vital interests of the United States in the Panama Canal can be made compatible. They have engaged in an act of statesmanship impelled by the conviction that we are part of a larger community in the Americas and in the world.

In that spirit of partnership the United States and Panama have met as equals and have determined that a just solution must recognize:

—First, that Panama and the United States have a mutual stake in the isthmus: Panama in its greatest natural resource, and the United States in the use and defense of the canal.

—Second, that the arrangement which may have been suitable 70 years ago to both the United States and Panama must be adjusted to meet the realities of the contemporary world.

—Third, that a new treaty is required which will strengthen the relationship between us while protecting what is essential to each. A new agreement must restore Panama's territorial sovereignty while preserving the interests of the United States and its participation in what is for us an indispensable international waterway.

While we have taken a great stride forward, we must still travel a difficult distance to our goal. There is opposition in both our countries to a reasonable resolution of our differences. Old slogans are often more comforting than changes that reflect new realities. It is the essence of revolutions that to their contemporaries they appear as irritating interruptions in the course of a comfortable normalcy. But it is equally true that those who fail to understand new currents are inevitably engulfed by them.

We are determined to shape our own destiny. Our negotiators will require wisdom, purposefulness, tenacity. They will meet obstacles and disagreements. Yet they will succeed—for our relations and our commitments to a new community among us and in this hemisphere demand it.

In the President's name, I hereby commit the United States to complete this negotiation successfully and as quickly as possible.

The Western Hemisphere Community

We are here today not just as two sovereign nations, but as representatives of our hemisphere. We meet at the place where Simón Bolívar enunciated the concept of an inter-American system. We meet at a point of time between meetings of Foreign Ministers in Bogotá and Mexico City which can mark a historic turning point in making Bolívar's vision come true.

I know that many of my country's southern neighbors believe they have been the subject of too many surveys and too few policies.

The United States is accused of being better at finding slogans for its Latin American policy than at finding answers to the problems that face us all.

Some of these criticisms are justified. At times rhetoric has exceeded performance. But the United States has been torn by many problems; only from afar does it appear as if all choices are equally open to us. We have not been willfully neglectful. And in any case, we have recognized that the time for a new approach is overdue.

I have come here today to tell you on behalf of our President that we are fully committed to a major effort to build a vital Western Hemisphere community. We understand our own needs:

—To live in a hemisphere lifted by progress, not torn by hatreds;

—To insure that the millions of people south of us will lead lives of fulfillment not embittered by frustration and despair; and

—Above all, to recognize that in the great dialogue between the developed and the less developed nations, we cannot find answers anywhere if we do not find them here in the Western Hemisphere.

It is in this spirit that I shall meet my colleagues in Mexico City later this month to deal with the issues posed by them in their Bogotá meeting. We attach particular significance to the fact that the meeting in Mexico City—its substance and its impetus—is the product of Latin American initiative. It is a response to the necessities of the times such as the United States had hoped to achieve with partners elsewhere in the world.

The United States will not come to Mexico City with a program that presumes to have all the answers. Nor will we pretend that our lost opportunities can be remedied by yet another freshly packaged program labeled "Made in the U.S.A." But we shall come with an open mind and, perhaps more importantly, with an open heart. We are at a moment of truth, and we shall speak the truth.

We know that our neighbors are worried about the blackmail of the strong. We want them to know that we are sympathetic to this concern. At the same time, blackmail is no

more acceptable from any other source. We need each other. So let us all seek solutions free of pressure and confrontation, based on reciprocity and mutual respect. In Mexico City we can but lay the foundations for the future. But building upon what we achieve in Mexico City we can, over the months and years ahead, erect an edifice of true partnership, real trust, and fruitful collaboration.

Thus we approach the meeting in Mexico with but one prejudice: a profound belief that the Americas, too, have arrived at a moment of basic choice, a time of decision between fulfillment together and frustration apart. Our choice will be found in the answers we give to these critical questions:

—Can we make our diversity a source of strength, drawing on the richness of our material and moral heritage?

—In short, can the countries of Latin America, the Caribbean, and the United States, each conscious of its own identity, fashion a common vision of the world and of this hemisphere—not just as they are, but as they are becoming and as we feel they should be—so that we can move together toward the achievement of common goals?

We will conduct the broader dialogue we have all set for ourselves in Mexico City with the same commitment to reciprocity, the same consideration of each other's interests, that marked the negotiations between the United States and Panama.

For centuries men everywhere have seen this hemisphere as offering mankind the chance to break with their eternal tragedies and to achieve their eternal hopes. That was what was new about the New World. It was the drama of men choosing their own destinies.

An American poet has written:

We shall not cease from exploration
And the end of all our exploring
Will be to arrive where we started.
And know the place for the first time.

Panama and the United States have now begun this exploration. Our sister republics can make the same choice. Our creativity, our energy, and our sense of community will be on trial. But if we are equal to the oppor-

tunity, we will indeed arrive where we started—a hemisphere which again inspires the world with hope by its example. Then we shall indeed know the place for the first time, because for the first time we shall truly have fulfilled its promise.

TEXT OF JOINT STATEMENT

JOINT STATEMENT BY THE HONORABLE HENRY A. KISSINGER, SECRETARY OF STATE OF THE UNITED STATES OF AMERICA, AND HIS EXCELLENCY JUAN ANTONIO TACK, MINISTER OF FOREIGN AFFAIRS OF THE REPUBLIC OF PANAMA, ON FEBRUARY 7, 1974 AT PANAMA

The United States of America and the Republic of Panama have been engaged in negotiations to conclude an entirely new treaty respecting the Panama Canal, negotiations which were made possible by the Joint Declaration between the two countries of April 3, 1964, agreed to under the auspices of the Permanent Council of the Organization of American States acting provisionally as the Organ of Consultation.¹ The new treaty would abrogate the treaty existing since 1903 and its subsequent amendments, establishing the necessary conditions for a modern relationship between the two countries based on the most profound mutual respect.

Since the end of last November, the authorized representatives of the two governments have been holding important conversations which have permitted agreement to be reached on a set of fundamental principles which will serve to guide the negotiators in the effort to conclude a just and equitable treaty eliminating, once and for all, the causes of conflict between the two countries.

The principles to which we have agreed, on behalf of our respective governments, are as follows:

1. The treaty of 1903 and its amendments will be abrogated by the conclusion of an entirely new interoceanic canal treaty.

¹ For text of the joint declaration, see BULLETIN of Apr. 27, 1964, p. 656.

2. The concept of perpetuity will be eliminated. The new treaty concerning the lock canal shall have a fixed termination date.

3. Termination of United States jurisdiction over Panamanian territory shall take place promptly in accordance with terms specified in the treaty.

4. The Panamanian territory in which the canal is situated shall be returned to the jurisdiction of the Republic of Panama. The Republic of Panama, in its capacity as territorial sovereign, shall grant to the United States of America, for the duration of the new interoceanic canal treaty and in accordance with what that treaty states, the right to use the lands, waters and airspace which may be necessary for the operation, maintenance, protection and defense of the canal and the transit of ships.

5. The Republic of Panama shall have a just and equitable share of the benefits derived from the operation of the canal in its territory. It is recognized that the geographic position of its territory constitutes the principal resource of the Republic of Panama.

6. The Republic of Panama shall participate in the administration of the canal, in accordance with a procedure to be agreed upon in the treaty. The treaty shall also provide that Panama will assume total responsibility for the operation of the canal upon the termination of the treaty. The Republic of Panama shall grant to the United States of America the rights necessary to regulate the transit of ships through the canal and operate, maintain, protect and defend the canal, and to undertake any other specific activity related to those ends, as may be agreed upon in the treaty.

7. The Republic of Panama shall participate with the United States of America in the protection and defense of the canal in accordance with what is agreed upon in the new treaty.

8. The United States of America and the Republic of Panama, recognizing the important services rendered by the interoceanic Panama Canal to international maritime traffic, and bearing in mind the possibility that the present canal could become inadequate for said traffic, shall agree bilaterally

on provisions for new projects which will enlarge canal capacity. Such provisions will be incorporated in the new treaty in accord with the concepts established in principle 2.

Soviet Foreign Minister Gromyko Visits Washington

Following is the text of a communique issued on February 5 at the conclusion of a visit to Washington by Andrei A. Gromyko, Minister of Foreign Affairs of the U.S.S.R.

White House press release dated February 5

At the invitation of the United States Government, Andrei A. Gromyko, member of the Politburo of the CPSU [Communist Party of the Soviet Union] Central Committee and Minister of Foreign Affairs of the USSR, visited Washington, D.C., from February 3 to February 5, 1974. During his visit he held talks with President Nixon and Secretary of State Henry Kissinger.

Also taking part in the talks were:

On the American side:

Under Secretary-designate for Political Affairs Joseph Sisco; Counselor of the Department of State Helmut Sonnenfeldt; Assistant Secretary for European Affairs Arthur Hartman; Ambassador-designate to the USSR Walter Stoessel.

On the Soviet side:

Ambassador to the United States, A. F. Dobrynin; Member of the Collegium of the Foreign Ministry of the USSR G. M. Korniyenko; Assistant to the Foreign Minister of the USSR V. G. Makarov; and Y. M. Vorontsov, Minister-Counsellor of the Soviet Embassy.

In accordance with the understandings

reached in May 1972 and June 1973 that the practice of consultations between the two countries should continue, an exchange of views took place on a number of subjects of mutual interest.

Both sides reaffirmed their determination to continue developing their relations along the lines established during President Nixon's visit to the Soviet Union in 1972 and General Secretary Brezhnev's visit to the United States in 1973 and reflected in the agreements concluded on those occasions.

In reviewing their bilateral relations, the two Sides discussed questions relating to the further limitation of strategic arms and prospects for the development of trade and economic relations between the two countries, as well as other pertinent matters. They expressed their agreement on the desirability of achieving progress in these and other areas.

The two Sides also held discussions on a number of current international topics.

Special attention was devoted to the Middle East. Both Sides attached particular importance to their special role at the Geneva conference, the need for a peaceful Middle East settlement and for progress toward that end within the framework of the Geneva Peace Conference.

In exchanging views on the Conference on Security and Cooperation in Europe, both Sides agreed that the Conference should reach a successful conclusion as soon as possible. The question of mutual force reduction in Central Europe was touched on.

The exchange of views was conducted in a businesslike and constructive manner and was considered useful by both Sides.

It was agreed that Secretary Kissinger will visit Moscow in the second half of March 1974 in connection with preparations for the visit to the Soviet Union of President Nixon, which will take place this year in accordance with the agreement reached in June 1973.



U.S. and Panama Agree on Principles for Negotiation of New Panama Canal Treaty

*Ron-helpful
background show
that Panama initia-
tives are a year old
Marge*

On February 7 at Panamá, Secretary Kissinger and Juan Antonio Tack, Minister of Foreign Affairs of Panama, initialed a joint statement of principles for negotiation of a new Panama Canal treaty. Following is an address made by Secretary Kissinger at the ceremony, together with the text of the joint statement.

ADDRESS BY SECRETARY KISSINGER

Press release 42 dated February 7

We meet here today to embark upon a new adventure together. Our purpose is to begin replacing an old treaty and to move toward a new relationship. What we sign today, hopefully, marks as well the advent of a new era in the history of our hemisphere and thus makes a major contribution to the structure of world peace.

Meeting as we do on this isthmus which links North with South and Atlantic with Pacific, we cannot but be conscious of history—a history which has profoundly changed the course of human affairs. Four centuries ago the conquistadors landed here bringing faith and taking booty. They were representatives of the traditional style and use of power. Seventy years ago, when the Panama Canal was begun, strength and influence remained the foundations of world order.

Today we live in a profoundly transformed environment. Among the many revolutions of our time none is more significant than the change in the nature of world order. Power has grown so monstrous that it defies calculation; the quest for justice has become universal. A stable world cannot be imposed by

force; it must derive from consensus. Mankind can achieve community only on the basis of shared aspirations.

This is why the meeting today between representatives of the most powerful nation of the Western Hemisphere and one of the smallest holds great significance. In the past our negotiation would have been determined by relative strength. Today we have come together in an act of conciliation. We recognize that no agreement can endure unless the parties to it want to maintain it. Participation in partnership is far preferable to reluctant acquiescence.

What we do here today contains a message, as well, for our colleagues in the Western Hemisphere who, in their recent meeting in Bogotá, gave impetus to this negotiation. The method of solution and the spirit of partnership between Panama and the United States as embodied in this agreement are an example of what we mean by the spirit of community in the Western Hemisphere; it can be the first step toward a new era which we believe will be given fresh hope and purpose when we meet again with the Foreign Ministers of all the hemisphere in two weeks' time.

The United States and Panama

The relationship between Panama and the United States is rooted in extraordinary human accomplishment—the Panama Canal, a monument to man's energy and creative genius. But as is so often the case, man's technological triumph outstripped his political imagination:

—For 60 years the safe, efficient, and equitable operation of the canal has given to



Panama, to the United States, and to all nations benefits beyond calculation.

—Yet the canal still operates under the terms of a treaty signed in 1903, when the realities of international affairs were still shaped by traditional precepts of power.

—The tensions generated by these contradictions, the endless debates over the costs and benefits of the convention of 1903, have jeopardized the ability of our two countries not only to work together to meet future demands upon the canal but also to develop a constructive relationship as friends.

We must assess the document we have just signed against this background. Above all, we must judge it in the context of what it means for the peoples of the United States and Panama and what it can mean for the people of the Western Hemisphere.

The eight principles in this agreement constitute, as General Torrijos [Brig. Gen. Omar Torrijos, Head of Government of Panama] has said, a "philosophy of understanding." Sacrificing neither interest nor self-respect, Panama and the United States have made a choice for partnership. Meeting in dignity and negotiating with fairness, we have acknowledged that cooperation is imposed on us by our mutual need and by our mutual recognition of the necessity for a cooperative world order. Foreign Minister Tack and Ambassador Bunker [Ambassador at Large Ellsworth Bunker, U.S. chief negotiator for the Panama Canal treaty] have shown that Panama's sovereignty and the vital interests of the United States in the Panama Canal can be made compatible. They have engaged in an act of statesmanship impelled by the conviction that we are part of a larger community in the Americas and in the world.

In that spirit of partnership the United States and Panama have met as equals and have determined that a just solution must recognize:

—First, that Panama and the United States have a mutual stake in the isthmus: Panama in its greatest natural resource, and the United States in the use and defense of the canal.

—Second, that the arrangement which may have been suitable 70 years ago to both the United States and Panama must be adjusted to meet the realities of the contemporary world.

—Third, that a new treaty is required which will strengthen the relationship between us while protecting what is essential to each. A new agreement must restore Panama's territorial sovereignty while preserving the interests of the United States and its participation in what is for us an indispensable international waterway.

While we have taken a great stride forward, we must still travel a difficult distance to our goal. There is opposition in both our countries to a reasonable resolution of our differences. Old slogans are often more comforting than changes that reflect new realities. It is the essence of revolutions that to their contemporaries they appear as irritating interruptions in the course of a comfortable normalcy. But it is equally true that those who fail to understand new currents are inevitably engulfed by them.

We are determined to shape our own destiny. Our negotiators will require wisdom, purposefulness, tenacity. They will meet obstacles and disagreements. Yet they will succeed—for our relations and our commitments to a new community among us and in this hemisphere demand it.

In the President's name, I hereby commit the United States to complete this negotiation successfully and as quickly as possible.

The Western Hemisphere Community

We are here today not just as two sovereign nations, but as representatives of our hemisphere. We meet at the place where Simón Bolívar enunciated the concept of an inter-American system. We meet at a point of time between meetings of Foreign Ministers in Bogotá and Mexico City which can mark a historic turning point in making Bolívar's vision come true.

I know that many of my country's southern neighbors believe they have been the subject of too many surveys and too few policies.



The United States is accused of being better at finding slogans for its Latin American policy than at finding answers to the problems that face us all.

Some of these criticisms are justified. At times rhetoric has exceeded performance. But the United States has been torn by many problems; only from afar does it appear as if all choices are equally open to us. We have not been willfully neglectful. And in any case, we have recognized that the time for a new approach is overdue.

I have come here today to tell you on behalf of our President that we are fully committed to a major effort to build a vital Western Hemisphere community. We understand our own needs:

—To live in a hemisphere lifted by progress, not torn by hatreds;

—To insure that the millions of people south of us will lead lives of fulfillment not embittered by frustration and despair; and

—Above all, to recognize that in the great dialogue between the developed and the less developed nations, we cannot find answers anywhere if we do not find them here in the Western Hemisphere.

It is in this spirit that I shall meet my colleagues in Mexico City later this month to deal with the issues posed by them in their Bogotá meeting. We attach particular significance to the fact that the meeting in Mexico City—its substance and its impetus—is the product of Latin American initiative. It is a response to the necessities of the times such as the United States had hoped to achieve with partners elsewhere in the world.

The United States will not come to Mexico City with a program that presumes to have all the answers. Nor will we pretend that our lost opportunities can be remedied by yet another freshly packaged program labeled "Made in the U.S.A." But we shall come with an open mind and, perhaps more importantly, with an open heart. We are at a moment of truth, and we shall speak the truth.

We know that our neighbors are worried about the blackmail of the strong. We want them to know that we are sympathetic to this concern. At the same time, blackmail is no

more acceptable from any other source. We need each other. So let us all seek solutions free of pressure and confrontation, based on reciprocity and mutual respect. In Mexico City we can but lay the foundations for the future. But building upon what we achieve in Mexico City we can, over the months and years ahead, erect an edifice of true partnership, real trust, and fruitful collaboration.

Thus we approach the meeting in Mexico with but one prejudice: a profound belief that the Americas, too, have arrived at a moment of basic choice, a time of decision between fulfillment together and frustration apart. Our choice will be found in the answers we give to these critical questions:

—Can we make our diversity a source of strength, drawing on the richness of our material and moral heritage?

—In short, can the countries of Latin America, the Caribbean, and the United States, each conscious of its own identity, fashion a common vision of the world and of this hemisphere—not just as they are, but as they are becoming and as we feel they should be—so that we can move together toward the achievement of common goals?

We will conduct the broader dialogue we have all set for ourselves in Mexico City with the same commitment to reciprocity, the same consideration of each other's interests, that marked the negotiations between the United States and Panama.

For centuries men everywhere have seen this hemisphere as offering mankind the chance to break with their eternal tragedies and to achieve their eternal hopes. That was what was new about the New World. It was the drama of men choosing their own destinies.

An American poet has written:

We shall not cease from exploration
And the end of all our exploring
Will be to arrive where we started
And know the place for the first time.

Panama and the United States have now begun this exploration. Our sister republics can make the same choice. Our creativity, our energy, and our sense of community will be on trial. But if we are equal to the oppor-

tunity, we will indeed arrive where we started—a hemisphere which again inspires the world with hope by its example. Then we shall indeed know the place for the first time, because for the first time we shall truly have fulfilled its promise.

TEXT OF JOINT STATEMENT

JOINT STATEMENT BY THE HONORABLE HENRY A. KISSINGER, SECRETARY OF STATE OF THE UNITED STATES OF AMERICA, AND HIS EXCELLENCY JUAN ANTONIO TACK, MINISTER OF FOREIGN AFFAIRS OF THE REPUBLIC OF PANAMA, ON FEBRUARY 7, 1974 AT PANAMA

The United States of America and the Republic of Panama have been engaged in negotiations to conclude an entirely new treaty respecting the Panama Canal, negotiations which were made possible by the Joint Declaration between the two countries of April 3, 1964, agreed to under the auspices of the Permanent Council of the Organization of American States acting provisionally as the Organ of Consultation.¹ The new treaty would abrogate the treaty existing since 1903 and its subsequent amendments, establishing the necessary conditions for a modern relationship between the two countries based on the most profound mutual respect.

Since the end of last November, the authorized representatives of the two governments have been holding important conversations which have permitted agreement to be reached on a set of fundamental principles which will serve to guide the negotiators in the effort to conclude a just and equitable treaty eliminating, once and for all, the causes of conflict between the two countries.

The principles to which we have agreed, on behalf of our respective governments, are as follows:

1. The treaty of 1903 and its amendments will be abrogated by the conclusion of an entirely new interoceanic canal treaty.

¹ For text of the joint declaration, see BULLETIN of Apr. 27, 1964, p. 656.

2. The concept of perpetuity will be eliminated. The new treaty concerning the lock canal shall have a fixed termination date.

3. Termination of United States jurisdiction over Panamanian territory shall take place promptly in accordance with terms specified in the treaty.

4. The Panamanian territory in which the canal is situated shall be returned to the jurisdiction of the Republic of Panama. The Republic of Panama, in its capacity as territorial sovereign, shall grant to the United States of America, for the duration of the new interoceanic canal treaty and in accordance with what that treaty states, the right to use the lands, waters and airspace which may be necessary for the operation, maintenance, protection and defense of the canal and the transit of ships.

5. The Republic of Panama shall have a just and equitable share of the benefits derived from the operation of the canal in its territory. It is recognized that the geographic position of its territory constitutes the principal resource of the Republic of Panama.

6. The Republic of Panama shall participate in the administration of the canal, in accordance with a procedure to be agreed upon in the treaty. The treaty shall also provide that Panama will assume total responsibility for the operation of the canal upon the termination of the treaty. The Republic of Panama shall grant to the United States of America the rights necessary to regulate the transit of ships through the canal and operate, maintain, protect and defend the canal, and to undertake any other specific activity related to those ends, as may be agreed upon in the treaty.

7. The Republic of Panama shall participate with the United States of America in the protection and defense of the canal in accordance with what is agreed upon in the new treaty.

8. The United States of America and the Republic of Panama, recognizing the important services rendered by the interoceanic Panama Canal to international maritime traffic, and bearing in mind the possibility that the present canal could become inadequate for said traffic, shall agree bilaterally

on provisions for new projects which will enlarge canal capacity. Such provisions will be incorporated in the new treaty in accord with the concepts established in principle 2.

Soviet Foreign Minister Gromyko Visits Washington

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White House press release dated February 5

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Panama Canal

Q: Can you tell us what is the status with our negotiations to turn over the Canal to Panama?

A: We are engaged in an effort to modernize our relationship with Panama over the Canal. Although progress has been made, difficult issues remain. Both the United States and Panama have important interests in the Canal. We believe we can reach an agreement which takes into account the interests of both countries. In our view it is possible to do this while protecting our basic interests in defense and operation of the Canal. Of course, any agreement we may reach would be submitted to the full constitutional process including Senate approval.



PANAMA CANAL

Q. In view of his Navy League speech emphasizing the need for an effective Navy, what is the President's position on U.S. interests in the Panama Canal and its eventual control?

A. The President supports the negotiations now underway on the Canal. As you may recall, Secretary Kissinger, in his speech in Houston addressed the question of our interest in the Canal. "We will expect Panama to understand our perspective -- that the efficient, fair and secure operation of the Canal is a vital economic and security interest of the United States; that a new treaty must provide for the operation and defense of the Canal by the United States for an extended period of time; and that a new treaty must protect the legitimate interests of our citizens and property in Panama.

A new treaty based on these principles will make the United States and Panama partners in the operation of the Canal, protect the essential national interests of both, and provide a secure arrangement for the long term."

In sum, the President has no intention of supporting an agreement that would not protect our vital defense interests.

