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MEMORANDUM FOR THE FILES

Subject: United States/Panama Relations

Participants: Ambassador Newbegin  
Ambassador Aleman

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In the course of the reception given by the Panamanian Ambassador to the United Nations, Aquilino Boyd, in honor of Foreign Minister Eleta, I had an informal conversation with Ambassador Aleman.

The Ambassador said that if we were to abandon the present Canal, we would have to provide assistance to Panama and that we could only abandon the Canal with Panamanian permission in accordance with the 1903 agreement. (A sort of perpetuity in reverse.) I replied that I knew of no such provision in the Treaty and that I thought the contention was completely incorrect. Were the matter referred to any international body, I was certain the decision would be in our favor. I said that, as he knew, we were disposed to do what we could to assist Panama in the event that the sea level canal were built at some other location than the present one, but that we had no obligations in this regard. I said further that I could not understand why an issue of this sort was brought up. Both of us were interested in reaching an agreement and finding a solution to our present problems. It could be assumed that there was goodwill and a genuine desire to cooperate on both sides. We could easily become side-tracked in a matter of this sort which was only an irritation to the United States and a waste of time. I thought it would be desirable if the Panamanians made an effort not to irritate us unnecessarily.

Ambassador Aleman then referred to the article which had appeared in the last issue of "Time" on United States/Panama relations and about which he had complained in the course of the meeting on February 9. I told him that this was, of course, unfortunate, but that it could not hold a candle to some of the comments which had been made in the Panamanian press about us. In connection with Panamanian sensitivity, I mentioned the fact that the Panamanians tend to excuse their press and various other anti-American gestures saying that we must understand their problems. I told him that we tried to do exactly this and as he knew we were willing to admit that in certain instances we had been in the wrong, but that I had noticed no reciprocity in this regard. I thought it would be a very refreshing thing indeed

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if the Panamanian negotiators from time to time would show some understanding of American problems; that they would recognize that we too had public opinion, the Congress and problems of our own. It did not mean that they necessarily had to agree with any line we were taking, but a certain amount of reciprocal understanding would certainly be helpful. Ambassador Aleman indicated that he realized that this was the case.

With reference to the "Temario" I told the Ambassador that, as I was sure he was aware, there was a good deal in this which would be unacceptable to us. I suggested that it would be very hard indeed to completely eliminate the Zone. Undoubtedly changes could be made in it and its extent cut down considerably. I illustrated one phase of the difficulty which we would encounter by pointing out the inability of the Panamanian Government to control squatters, pointing out that this was not a problem unique to Panama, but was common throughout Latin America. Squatters along the banks of the canal would make proper security almost impossible and hence for that reason alone, a Zone, even if reduced in extent, would still have to be maintained.

The Ambassador enquired as to my reaction to his comment on the suggestion made in the meeting of February 9 that the sea level canal agreement should be very general. (Ambassador Aleman had taken exception to the suggestion and said he felt that on the contrary, it should be specific and detailed.) I told him that I was in entire agreement with him. I thought his comments were excellent and most helpful. I trusted that the agreement would be as specific as we could make it in order that we could avoid further misunderstandings and possible misinterpretations and get away from the experience we have had during the last sixty years.

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