



## DEPARTMENT OF STATE

Washington, D.C. 20520

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~~CONFIDENTIAL~~MEMORANDUMJanuary 11, 1973 ~~FOIA-2-T~~

TO: ARA - Mr. Charles A. Meyer

THROUGH: ARA - Mr. Robert A. Hurwitch

FROM: ARA/PAN - S. Morey Bell

General

Sayre Conversation with Rush

The Ambassador called on the Deputy Secretary-designate to pay respects and tell him a little of our problems in Panama.

Mr. Rush volunteered these views:

1. SOUTHCOM, the principal utility of which seems to be to provide a number of billets, should probably be disestablished, or at least moved. He was interested in Ambassador Sayre's confirmation that this Command is a source of great annoyance to the Panamanians and took note that it raises a serious question of compliance with the neutrality provision of the 1903 Convention.
2. Extraterritoriality (U.S. jurisdiction over Panamanians) is unfashionable these days, and we should get out of it. (He inquired, in a devil's advocate way, whether our jurisdiction over "sabotage" offenses might not be the reason there have been no such offenses, and wondered whether giving up that jurisdiction might not permit, perhaps even provoke, acts of sabotage. The Ambassador said he did not

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2

believe either to be the case, and that Panamanians are not about to sabotage the golden-egged goose.) The Ambassador also noted historic cooperation on U.S. military personnel although Panama has no obligation to return military offenders.

3. He listed but did not comment on demilitarization of the Canal Zone Government and on putting the Canal Company in the appropriate Department of government. He thought we were subject to criticism on the annuity issue and mentioned other cases where we were paying far more for much less. He thought all the suggestions for adjustment reflected imaginative thinking on a difficult problem.

Mr. Rush was also briefed on the Johnny and Layla Express problem and the narcotics problem in Panama.

4. Latin America needs much more attention than it has been getting from the U.S., and "we are going to move on that front -- culturally, politically, militarily and economically (including trade)." "There has been too much rhetoric," insufficiently accompanied by solid actions, and "we are going to change that," he added.

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