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## DEPARTMENT OF STATE

Washington, D.C. 20520

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January 21, 1972

TO : SR/PAN - Ambassador Ward  
FROM : PAN - Sandy M. Pringle *SP*  
SUBJECT: Panamanian Allegations Against the US Concerning  
the Panama Canal

I. Alleged US Violations of 1903 Treaty

Panama has from the beginning contended that the rights of jurisdiction granted to the US in the Canal Zone were limited to the performance of the following functions in connection with the Canal: construction, maintenance, operation, sanitation and protection. According to Panama, all other activities unrelated to those specific functions should be under Panamanian control.

Some specific US actions which the Panamanians allege were not authorized under the treaty are listed below:

1. Panama argues that it never intended to relinquish sovereignty over part of its territory, but that the US, guided by its interpretation of the Treaty, has created a de facto territory removed from Panamanian sovereignty.
2. The US has established military bases in the Zone and conducts other activities (e.g., "School of the Americas") which serve as a part of the strategic defense of the US and the hemisphere. Panama contends that the treaty authorizes military bases solely for the defense of the Canal. In addition, Panamanian officials have charged that the bases violate the neutrality provisions of the Treaty (Article XVIII) and pose a threat of intervention to Panama's Latin American neighbors.
3. The US action taking possession of the harbors which adjoin Panama City and Colon, was considered illegal by the Panamanians because these cities with their adjacent harbors, although within the 10-mile strip

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of the Canal Zone, were excluded from the grant to the US stipulated in Article II of the Treaty.

4. Various other US actions, including the installation of a postal system, the application of US tariff regulations (this was remedied), and the operation of commissaries were activities which the Panamanians allege were not provided for by the treaty. The Canal Zone Government has been called "an affront" to Panama.
5. The US insistence upon interpreting the Treaty unilaterally. The Panamanians have argued that treaties are bilateral and that differences in interpretation should be discussed.

## II. Complaints Not Arising From the Treaty

The complaints listed above have arisen out of the different interpretations that the US and Panama have applied to the treaty. Some more basic complaints which probably would be used if Panama decided to take her case to the UN in the event that treaty negotiations break down follow:

1. Panama has charged that the Canal Treaty was originally imposed upon her, thus violating her rights as a nation.
2. A treaty in perpetuity is a violation of provisions of the United Nations Charter which establish the principle that nations have a right to permanent sovereignty over their natural wealth and resources (the canal being Panama's main national resource).
3. The Treaty has deprived Panama of its harbors. Under the aegis of the Treaty, the US has divided and separated the land area of the country, thus preventing the exercise by Panama of its sovereignty over all of its territory and depriving it of economic independence. The existence of an alien authority, Panama asserts, disrupts its integrity and impedes Panamanian efforts to achieve national development. The Panamanians use Article 103 of the UN Charter as a basis for part of their argument ("In the event of a conflict between the obligations of the members of the United Nations under the present Charter and their obligations under any other international agreement, their obligations under

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the present Charter shall prevail.") Panama also cites paragraph 6 of the General Assembly Resolution 1515 (XV), which declares:

"6. Any attempt aimed at the partial or total disruption of the national unity and the territorial integrity of a country is incompatible with the purposes and principles of the Charter of the United Nations."

Comment: We have not attempted to deal with the validity of the Panamanian allegations but rather to list those which we believe would be utilized by Panama in an effort to mobilize public and official opinion in other nations against the United States should the treaty negotiations break down.

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