

## United States Policy Toward Panama

United States relations with Panama are dominated by our relationship over the Panama Canal. It is the policy of the United States to attempt to negotiate mutually satisfactory canal treaties with Panama which will recognize the legitimate interests of both countries and will continue to provide for the efficient operation and protection of the existing Panama Canal and any new canal which might be built in Panama. The United States has an obligation to continue to guarantee the availability to world commerce of an adequately operated and defended interoceanic canal open to all nations on a free and equal basis upon the payment of reasonable tolls.

On December 18, 1964 President Johnson announced that the United States is proceeding with plans for the construction of a sea level canal one at one four possible routes in Nicaragua, Costa Rica, Panama, and Colombia. President Johnson also stated that the United States was prepared to negotiate a new treaty with Panama for the Panama Canal to replace the Treaty of 1903.

On September 24, 1965, in a joint Presidential statement, Panama and the United States outlined general areas of agreement that have been reached in our negotiations for a new Panama Canal treaty, a base rights and status of forces agreement, and a treaty under which there might be built in Panama a new sea level canal. The statement declared that the two countries recognize that their primary interest is to ensure that arrangements are provided for the effective operation and defense of the Panama Canal and any new canal built in Panama. The two Presidents announced that the new Panama Canal treaty will ensure that Panama shares in the responsibility for the canal's administration and in the benefits accruing from the canal enterprise. General areas of agreement reached regarding the new treaty are that it will provide for 1) Panama's effective sovereignty over the canal area, 2) its own termination upon the opening of a sea level canal or after a specified number of years, and 3) an appropriate political, economic, and social integration of the canal area with the rest of Panama. Negotiations are continuing on the details of these areas of agreement.