

UNITED STATES GOVERNMENT

Memorandum

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TO : THE FILES

DATE: March 26, 1971

FROM : ARA/PAN - Edwin G. Corr *egc*

SUBJECT: Treaty Negotiations

On Wednesday morning, March 24, I went to the Panamanian Embassy to discuss the current status of a Panamanian request to the DC Government to construct a residential addition to the Chancery. During the meeting Ambassador de la Ossa stated that Ambassador Robert B. Anderson, Special Representative for Treaty Negotiations, had told him that he would seek White House intervention to obtain the construction permit. With that as a springboard, the Ambassador, as he has been wont to do in the past, began to discuss canal treaty negotiations. Again I heard him out but made no substantive remarks concerning US views. Following are the major points made by the Ambassador:

1. Ambassador Anderson's Trip to Panama - Ambassador de la Ossa stated that he was returning to Panama tomorrow to be there for the visit of Ambassador Anderson. He detailed what he considered to have been a misunderstanding as to how the Anderson visit was to have been arranged; namely, he thought that Anderson may have been awaiting an invitation for President Lakas through Congressman Wright while Congressman Wright was waiting notification from Anderson that he was ready to travel to the Republic. De la Ossa said he was very pleased that Ambassador Anderson is visiting Panama at this time and that he understood Mr. Anderson's concern that the trip be made quietly and without publicity. The Ambassador added, however, that in spite of Ambassador Anderson's desire for quiet diplomacy there will have to be future talks in the Republic of Panama and that for domestic reasons the PJG would necessarily make them public.

De la Ossa said he is happy that Ambassador Anderson will talk directly with General Torrijos and President Lakas. He considers Torrijos and Lakas' sincerity, candid approach, and their truly revolutionary spirit to be an asset for Panama in treaty negotiations and believes that they will make a positive impression on Ambassador Anderson.

2. Jurisdiction - The Ambassador spoke at some length on his favorite topic related to Canal Treaty negotiations -- jurisdiction. He said he had told Ambassador Anderson during his

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2

recent visit to the Panamanian Embassy that Panama would insist on jurisdiction in the Zone. He said that with respect to privileges and immunities for American Panama Canal Company employees the Americans want too much. I said that I wasn't involved in negotiations but had heard mentioned the possibility of an arrangement for Canal Company employees similar to that which we have for AID personnel working in Panama. He said this would not be possible since in effect AID employees have diplomatic immunity, and that this is more than the PJG is willing to extend to the many American canal employees (e.g., a mechanic). He then moved to the content of a future treaty on jurisdiction, saying that Panama did not want complete jurisdiction overnight but wanted a treaty to provide specifically for a transition over time. For instance, the postal facilities could be scheduled to pass to Panama in three years, the courts in five years, etc. The Ambassador said that under no circumstances could there continue to be a Governor.

A major aspect of the transfer of jurisdiction for the PJG is a substantial increase in the number of Panamanian employees in high positions of the Canal Company with a concomitant reduction of American employees. As he has done in the past the Ambassador complained about "security positions" in the Canal Zone, citing as example medical positions in the hospital. He said there is no reason why Panamanians cannot successfully perform most jobs now so classified. Once Panamanians occupy all but "four or five positions" in the Canal Company, it will be easy enough for Panama to extend a diplomatic status to American employees.

3. Duration of Treaty - The Ambassador stated that the duration of the treaty agreed upon by Panama would be related directly to the schedule for transfer of jurisdiction. If the schedule is long in time the duration of the treaty must be shorter. If the total transition period is short, the duration of the treaty can be long. I asked if it might be possible to avoid a specific time period for the treaty. He stated that a periodic review every 20 or 25 years might take the place of a specific termination date for the treaty but that the review would have to be thorough with Panama able to make changes in the agreed upon treaty structure.

4. Tolls - The Ambassador said that tolls should also be set for fixed period of times and agreed upon by both governments. He mentioned the period of three years, saying tolls should be set for this period of time with both governments reviewing them for possible adjustment at the end of each three-year period.

5. Nature of Treaty - Panama, according to the Ambassador, is

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~~SECRET - LIMDIS~~

3

not looking for a treaty that will decide and change everything upon ratification by both governments. Instead, it envisions a document that will permit flexibility and require future decisions by both governments.

6. US Military Presence - The Ambassador asked about the current status of SOUTHCOM and if it is certain to be abolished. I replied that the final decision had not yet been made. De la Ossa went immediately to the subject of Torrijos. He explained that Torrijos is a military man and that he has great respect for General Mather, whose four stars impress him and whom he refers to as tio. He said that Torrijos wears many hats depending upon to whom he is talking and that in a way General Mather had "conned" Torrijos into saying he did not care whether SOUTHCOM was abolished or US military presence reduced. When Torrijos has on his revolutionary leader hat and is talking to his cabinet his view on SOUTHCOM is quite different. (At this point de la Ossa digressed to explain that Torrijos is a complex person who does not always mean yes when he says yes or no when he says no. He cited the case of Rio Hato and Torrijos' conversation with General Westmoreland, declaring that although Torrijos may have said yes to General Westmoreland he did not mean it.)

General Torrijos, de la Ossa said, would be interested in making an arrangement through which the Inter-American Defense Board would be transferred to Rio Hato and a school established there for senior Latin American military officers similar to our War College. It would not teach military subjects but rather such courses as economics, sociology, and public administration.

(Ambassador de la Ossa in connection with this delivered a lecture of several minutes on Latin American military rulers and said that they were products of the Alliance but that now that they are trying to carry out revolutionary reforms espoused by the United States in the Alliance it is scaring us to death. He said that revolutions cannot be turned back; they can only be replaced by other revolutions, violent or non-violent. He hopes that eventually the revolution in Panama will be replaced by civilians in a peaceful manner.)

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