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REAGAN QUESTIONS ON PANAMA CANAL

Q. ARE YOU IN FAVOR OF THE UNITED STATES BREAKING OFF NEGOTIATIONS WITH PANAMA?

If Yes

- Q. Then how do you plan to protect U.S. interests in the Canal? With troops?
- Q. What will be the reaction of other Latin American countries to such a policy?
- Q. What is your overall policy towards Latin America? Is it essentially a return to "gunboat diplomacy"?
- Q. If troops are required to protect U.S. interest in the Canal, how many will be required?
- Q. Are you willing to reinstitute the draft to support your Panama Canal policy?

If No

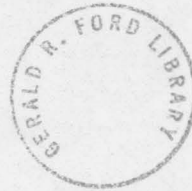
- Q. The President has said that he would use troops if negotiations failed, so what is the difference between your position and his?
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- Q. Senator Goldwater said you would support the President's policy if you understood the facts. Do you know the facts concerning the U.S. position on the Panama Canal?
- Q. In your opinion, what will happen if the current negotiations are not successful?
- Q. You state that we shouldn't give up our interests, but you refuse to be specific on how we should protect them. Just what is your plan?

Additional Qs

- Q. Why do you believe General Omar Torrijos is a "tin horn dictator"?
- Q. In your judgment, what other Latin American leaders fall into the "tin horn" category?
- Q. Are there any Latin American leaders who are not in the "tin horn" category?
- Q. How big of an army do you believe we need? Do you favor reinstituting the draft?
- Q. If you had been in the Senate, would you have voted to ratify SALT I (ABM treaty)?
- Q. When you announced your candidacy, you could not say how big the defense budget should be. Do you know now? If not, how can you criticize President Ford?



Daval / account of choney changes

5/3/76

REAGAN AND PANAMA CANAL



Q. ~~Would you use U.S. troops to keep the Panama Canal open?~~

A. The United States will not surrender its interests in the operation and defense of the Canal. On the contrary, we are seeking the best way to preserve them -- in an atmosphere of partnership rather than confrontation. Obviously, we would have to use military force as a last resort, but my approach is to use diplomatic means to protect United States interests.

then problem of negotiation we can avoid the use of troops and enhance our ability to defend our interests in the canal

Q. You said (in Fort Wayne) that Reagan's campaign rhetoric indicates he "might be very rash in how he uses his power if he were to become President." Since you said that the U.S. will protect the U.S. interests in the Panama Canal, what is the difference between your position and Reagan's?

A. If the campaign rhetoric being used by former Governor Reagan accurately reflects his substantive position on the Canal issue, there is obviously a major difference between his approach and mine.

~~His~~ <sup>John Reagan</sup> harsh rhetoric, <sup>his reference to lack of Reagan Govt</sup> and obvious <sup>no one has been elected</sup> misstatement of the facts could quickly lead to a breakdown in our diplomatic efforts which, in turn, could put the United States in the position of having to use military force in order to keep the Canal open.

Our interest in that area of the world involves maintaining 209 million dollars of Panamanian Canal. Operating, maintaining and defending the Canal. We are just proud of our negotiation.

<sup>+ 2 predecessors</sup> My position, on the other hand, is designed to avoid putting the United States in a position of having to choose between committing troops or losing access to the Canal. I have set a course of action for our country which deals with the complex facts of this situation in a realistic manner by undertaking sensible but tough negotiations to redefine the ~~United States and Panamanian~~ interests.

lack of knowledge of the facts

I agree with Senator Goldwater's observation that if former Governor Reagan understood the facts of the Panamanian situation, he ~~probably~~ <sup>probably</sup> would agree ~~with~~ the current United States position.

If our negotiations are successful we will act to enhance our ability to operate + defend the canal. This is the responsible course of action.

not be critical of

## REAGAN AND PANAMA CANAL

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Brent,  
Dick wants to add

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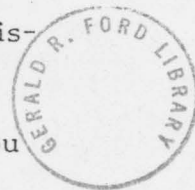
PANAMA CANAL NEGOTIATIONS

Q: In Dallas the President said that the United States would never give up its control of the defense or operation of the Panama Canal. But Ambassador Bunker has testified that the President instructed him to negotiate giving up both the Canal and the Canal Zone. Would you comment on this contradiction and what is the Administration's position on the negotiations?

A: This is an important issue and I would like to review for you what these negotiations with Panama are all about.

The original Panama Canal Treaty has been revised a number of times to accommodate to changing conditions. The United States interest has been, and remains, assuring safe passage of ships through the Canal. A series of developments, culminating in the deadly riots of 1964, convinced President Johnson that the present treaty was no longer adequate to preserve US interests in the Canal and in Latin America. He undertook negotiations in 1964 and they have been continuing with a few interruptions since then. The President's interest in negotiating a new treaty, then, is to provide a basis that will assure our interest in the operation and defense of the Canal.

The issue involves not just Panama. All of Latin America feels strongly and fully supports Panama on this issue. They consider these negotiations a test of American willingness to deal with Latin America on a basis of equality and respect.



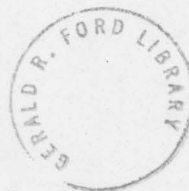
*Wes*

The United States will not surrender its interests in the operation and defense of the Canal--but rather is seeking the best way to preserve them--in an atmosphere of partnership rather than confrontation.

The outlines of the instructions to our negotiators are no secret--they are based on the Principles signed by Secretary Kissinger and Panamanian Foreign Minister Tack in February 1974 and have been public and available ever since. Any agreement negotiated will be submitted to the Congress for its approval and the Administration continues to consult closely with the Congress as negotiations proceed.

Q: But the Principles state that Panama will assume operational responsibility for the Canal on the expiration of the Treaty. Aren't we negotiating to give it up?

A: The President's instructions are to negotiate a treaty which will preserve United States interests in the operation and defense of the Canal during the Treaty's lifetime--which will be a substantial period of time. Exactly what the arrangement will be after that is impossible to tell because that is one of the subjects still being worked out.



Q: How about the argument that the Canal is ours, we paid for it, built it, and it is no different from Alaska or Louisiana?

A: This is a complicated legal subject which simply cannot be dealt with on the basis of catch phrases or oversimplifications. To say it is the same as Alaska or Louisiana is simply not true. There are very real differences. The US was ceded those territories outright by the Russians and French. While we have a continuing relationship with Panama based on treaty. We continue to pay Panama for the rights we exercise there. Our laws and our courts recognize the special status of the Canal Zone. For example, children born in the Canal Zone are not American citizens unless they have American parents. But the ownership and sovereignty questions are complicated and should not be dealt with lightly. The central point is that we are involved in these negotiations because they are the best way to protect our national interest in this important Canal.

Q: In Houston the President said that we preserve the usability of the Panama Canal ad infinitum. What did he mean by that? Does that mean "in perpetuity"?

A: I believe the President said that what we were trying to do was maintain free passage through the Canal for the United States and all other parties. The President's interests



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Low

4/19/76

PANAMA CANAL NEGOTIATIONS

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A: Let me explain what the Panama negotiations are all about.

The original Panama Canal Treaty has been revised a number of times to accommodate to changing conditions. The United States interest has been, and remains, assuring safe passage of ships through the Canal. A series of developments, culminating in the deadly riots of 1964, convinced President Johnson that the present treaty was no longer adequate to preserve U.S. interests in the Canal and in Latin America. He undertook negotiations in 1964 and they have been continuing with a few interruptions ever since.

The issue involves not just Panama. All of Latin America feels strongly on this issue. They consider these negotiations a test of American willingness to deal with Latin America on a basis of equality and respect.

Our objectives are clear -- to achieve an agreement in which our interests in the defense of the Canal and in its operation are fully safe-guarded but which will avoid a situation in which all Latin America will be united against us on that narrow issue.

Such a treaty arrangement may not be possible. And we will defend our interests in the Panama Canal against all of Latin America if we must. But we owe it to ourselves and to our relations with our neighbors to the south to try to achieve our objectives in a cooperative manner. That is my policy and I intend to stick with it.

The United States will not surrender its interests in the operation and defense of the Canal. We are instead seeking the best way to preserve them -- in an atmosphere of partnership rather than confrontation. Any agreement negotiated will be submitted to the Congress for its approval and we continue to consult closely with the Congress as negotiations proceed.



## PANAMA CANAL NEGOTIATIONS

Q: How about Governor Reagan's claim that the Canal is ours, we paid for it, built it, and it's no different from Alaska or Louisiana?

A: This is a complicated legal subject which simply can't be dealt with on the basis of catch phrases or oversimplifications. To

say it is the same as Alaska or Louisiana is just not true.

We were ceded those territories outright by the Russians and

French which retained no further interest. We have a con-

tinuing relationship with Panama based on treaty. We continue

to pay it for the rights we exercise there. Our laws and our

courts recognize the special status of the Canal Zone. To take

an example, children born there aren't even Americans unless

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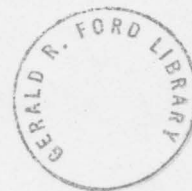
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in these negotiations because they are the best way to protect

our national interest in this very important Canal.





## THE SOVEREIGNTY ISSUE -- FACT SHEET

This is a complicated legal issue. US courts, including the Supreme Court, have determined that the Zone is US territory for some purposes and foreign territory for others. US law considers it US territory for some purposes and not for others. The US Government position has been to recognize the Zone as the territory of Panama and deny that the United States has full and complete sovereignty there. However, it is certainly clear that the US is not sovereign in the Zone in the same way it is in the Louisiana Purchase states and Alaska.

The arguments usually advanced in support of US sovereignty are the following:

### Arguments Supporting US Sovereignty

#### Argument

#### Response

1. Panama ceded us the Canal in perpetuity in the Treaty of 1903.

The word "cede" or "cession" does not appear in the treaty. We were granted the "rights, power, and authority" the US would have had "if it were the sovereign of the territory".

2. We bought the Canal and it is ours.

The treaty specifically states that the US was to pay ten million dollars and an annual fee for the rights it was granted "for the life of this convention". We continue to pay annually for those rights.

3. The Supreme Court decision of 1907 (Wilson vs. Shaw) confirms US sovereignty and ownership.

That case decided that for purposes of expenditure of funds the Canal could be considered US territory.

There are other cases in which the Supreme Court has found that the Zone or parts of it are foreign territory for certain purposes, like the case of Luckenbach S.S. Company vs. the US in 1930. (See 3 below.)



4. The grant of rights in perpetuity is the same thing as sovereignty. Any distinction is artificial and legalistic.

Nevertheless, the distinction was consciously made in the treaties and the US recognizes Panama's "titular sovereignty" in the Zone as did such legal authorities as Secretary of War William Howard Taft in a letter to President Roosevelt in 1905.

Arguments Demonstrating Absence of  
US Sovereignty in the Canal Zone

1. The Treaty of 1903 grants the US the rights it would have had "if it were sovereign", clearly implying it is not sovereign.
2. Examples of US law treating the Zone as foreign territory:
  - a. Children born in the Canal Zone are not US nationals unless one of their parents is American.
  - b. US statutes define the Canal Zone as foreign territory for the purposes of applying US customs duties.
3. The Supreme Court has found the Canal Zone foreign territory for some purposes and US territory for others. In the case of Luckenbach S.S. Company vs. the US, the ports of the Zone were considered to be foreign territory.
4. The 1936 Treaty with Panama limits the category of US citizen who may live in the Zone to employees of the government or businesses resident there and their families. Other Americans are not permitted to live there.
5. The acquisition of other areas by the US, like the Louisiana and Alaska purchases, involved outright cessions of territory with no rights retained by the former owner. Not only do we continue to pay Panama, but we have an elaborate treaty relationship with it governing the Zone.

The issue of who is sovereign or who owns the Canal Zone is not central to the basic US interest in the Panama Canal. We are engaged in negotiations for a new treaty because the present treaty has proven inadequate to protect our interests for long-term access to the Canal. It has become clear that negotiating a new treaty is the best means of assuring ourselves of such access. This would be true regardless of the facts on sovereignty.



4/18/76

PANAMA CANAL

Q: How about Governor Reagan's claim that the Canal is ours, we paid for it, built it and its no different from Alaska or Louisiana?

A: This is a complicated legal subject which simply can't be dealt with on the basis of catch phrases or oversimplifications. To say it is the same as Alaska or Louisiana is totally wrong. We were ceded those territories outright by the Russians and French, who retained no further interest. We have a continuing relationship with Panama based on treaty in which, for example, we continue to pay for the rights we exercise there. Our laws and our courts recognize the special status of the Canal Zone. To take an example, children born there are not Americans unless they have American parents. So it is certainly not the same as the states carved from the Louisiana Purchase or Alaska. But the ownership and sovereignty questions are complicated, there are decisions and laws on both sides. It shouldn't be dealt with lightly. The central point is that we are involved in these negotiations because they are the best way to protect our national interest in this very important Canal, not because of anything that was worked out 73 years ago.



4/18/76

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Q: In Dallas you said that the United States would never give up its control of the defense or operation of the Panama Canal. But Ambassador Bunker has testified that you instructed him to negotiate giving up both the Canal and the Canal Zone. Can you explain this contradiction?

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Our negotiations are not just with Panama about the Canal. All of Latin America feels strongly on this issue. They consider these negotiations a test of American willingness to deal with Latin America on a basis of equality and respect.

Our objectives are clear -- to achieve an agreement in which our interests in the defense of the Canal and in its operation are fully safe-guarded but which will avoid a situation in which all Latin America will be united against us on that narrow issue.



Such a treaty arrangement may not be possible. And we will defend our interests in the Panama Canal against all of Latin America if we must. But we owe it to ourselves and to our relations with our neighbors to the south to try to achieve our objectives in a cooperative manner. That is my policy and I intend to stick with it.

The United States will not surrender its interests in the operation and defense of the Canal. We are instead seeking the best way to preserve them -- in an atmosphere of partnership rather than confrontation. Any agreement negotiated will be submitted to the Congress for its approval and we continue to consult closely with the Congress as negotiations proceed.



# President Ford Committee

1828 L STREET, N.W., SUITE 250, WASHINGTON, D.C. 20036 (202) 457-6400

*file*

May 7, 1976

MEMORANDUM FOR:

PFC LEADERSHIP

FROM:

FRED SLIGHT *FWS*

SUBJECT:

Senator Goldwater's Remarks  
on the Panama Canal

Senator Barry Goldwater this week voiced his concern over Ronald Reagan's Panama Canal position. Because the Senator's remarks so succinctly point up the dangers of Reagan's warlike statements, I am attaching a transcript of his comments.

Reagan's dangerous rhetoric stands in sharp contrast to President Ford's position of negotiating from strength to assure American interests in the Canal Zone and elsewhere. Actually, the Panama Canal is only one example of Reagan's sabre rattling in recent years. Here are some others:

"It's time to straighten up and eyeball it with Russia, and the time to start is in Angola.... we should say, 'Hey fellas, out...let them fight it out among themselves. If not you will have us to face.'"

Los Angeles Times report  
of New Hampshire speech  
1/6/76

"The crew of the Pueblo was there in our behalf, and suddenly they were prisoners of the North Koreans, I say the only defensible action, the only moral action, was to move our Seventh Fleet into position outside the harbor and then say to the North Koreans: 'Send our ship and our men out of that harbor within six hours or we're coming in to get them, and we'll use planes, guns, torpedoes, whatever it takes.'"

Ronald Reagan's Call to Action  
p. 46, March, 1976

"If Congress fails to pass the extended limit, however, and the 12 mile limit continues to be the international standard, the U.S. government should send along a destroyer with the tuna boats to cruise, say, 13 miles off the shore of Ecuador in an updated version of



Teddy Roosevelt's dictum to 'talk softly, but carry a big stick,' Ecuadorian aggressiveness might rapidly melt under such circumstances."

Ronald Reagan Column  
Copley News Service  
3/3/75

Attachment



HONORABLE BARRY GOLDWATER

PRESS CONFERENCE

WASHINGTON, D.C.

May 4, 1976

I understand my old friend Ron Reagan says I am confused in connection with my comments on his Panama Canal position.

It happens that I do know the facts concerning the Panama Canal. Based on my understanding of this highly complex matter, I fully support the policies of the Ford Administration. I know that Ronald Reagan's public statement concerning the Panama Canal contained gross factual errors.

I also know his statements on the Panama issue could needlessly lead this country into open military conflict. My position, which is completely consistent with the announced policy of President Ford, is that we should utilize diplomatic means to avoid having to choose between access to the Canal or the use of troops to protect this interest. We are seeking to maintain good relations with our Latin-American allies while at the same time protecting our rights to operate, use and defend the Panama Canal. The United States will not surrender its interest in the Canal.

On the contrary, through the process of negotiation, we have embarked on the best course of action to preserve them. Now, obviously, we would be prepared to use military force as a last resort. But, the whole point of President Ford's policy is to avoid such a last resort alternative.

I must assume that Ron's attacks are the result of a lack of understanding of the facts involving the Panama Canal. Either that or else they reflect a surprisingly dangerous state of mind which is that he will not seek alternatives to a military solution when dealing with complex foreign policy issues. I believe he has a solemn responsibility if he expects to be taken seriously as a candidate for the Republican nomination to state specifically what his position is concerning the Canal. Would he have the United States break off negotiations with Panama on the Canal issue, would he change the instructions we have given our negotiators, how would he defend the Canal militarily if he rejects meaningful negotiations? If he changes the United States' position, would that precipitate a break-off in the negotiations on the part of the Panamanians?

These and other specific questions should be directed at Governor Reagan. He has clearly represented himself in an irresponsible manner on an issue which could affect the nation's security. I must conclude that if, as Ron says, I am confused, though, knowing the clear, hard fact, that he's got to have a position based on ignorance.



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# President Ford Committee

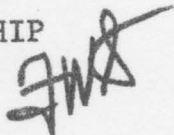
1828 L STREET, N.W., SUITE 250, WASHINGTON, D.C. 20036 (202) 457-6400

May 7, 1976

MEMORANDUM FOR:

PFC LEADERSHIP

FROM:

FRED SLIGHT 

Attached are several news articles which I thought would be of interest to you.

Let me call your particular attention to the Washington Post article on Californians who are supporting the President as well as the Chicago Tribune story on the most recent Harris Survey which shows President Ford running well-ahead of Ronald Reagan in the most recent trial heat against Jimmy Carter. The Harris figures show the following:

"Suppose for President in November, it were between Gerald Ford (Ronald Reagan) for the Republicans and Jimmy Carter for the Democrats. If you had to make up your mind right now, would you vote for Ford (Reagan), the Republican, or for Carter, the Democrat?"



	<u>Ford</u>	<u>Carter</u>	<u>Reagan</u>	<u>Carter</u>
TOTAL	43%	47%	34%	53%

Clearly, the President offers the Republican Party the best opportunity for retaining the White House.

Attachments

THE CHICAGO TRIBUNE

May 6, 1976

Harris Survey

# Carter runs ahead of Reagan

By Louis Harris

IF THE ELECTION had been held last month, former Georgia Gov. Jimmy Carter would have beaten former Gov. Ronald Reagan of California by a 52-34

● Among independents, who can be pivotal in any close election, Ford and Carter run a dead-heat of 45-45 per cent. In contrast, Carter wins over Reagan among those who are not affiliated with either major party by 52-34 per cent.

It is apparent that Reagan has lost ground among the more affluent, better educated, more independent, and less ideological groups. Thus, his strategy in appealing to conservative areas and groups has cut him off from the mainstream of the voting public, which he will need so badly in November if he should be nominated.

**IN THE MIDDLE** of last month, a cross-section of 1,072 registered and likely voters was asked:

"Suppose for President in November, it were between Ronald Reagan for the Republicans and Jimmy Carter for the

THE WASHINGTON POST

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Tuesday, April 20, 1976

# 60 Reagan Allies Back Ford

By Lou Cannon

Washington Post Staff Writer

SACRAMENTO, Calif.—

At least 60 former appointees or key political supporters of ex-California Gov. Ronald Reagan have turned against him and are backing President Ford against their onetime political hero.

They give varying reasons

"A lot of people have tried to say it is the staff around Reagan," says Norman (Skip) Watts, who served as statewide coordinator for the Reagan campaign in 1970. "It's not the staff. It's Reagan. I don't think that Reagan should be President because you can't have a 9-to-5 President. It would be dangerous to the country and dangerous to

Some of the big political givers in California Republican politics are resentful, though not for attribution, of the pre-eminence given by Reagan to Los Angeles automobile dealer Holmes Tuttle, the former governor's premier and loyal fund raiser.

These fund raisers say that Tuttle was the only major

Reagan is likely to carry in the June primary, now support the President.

Reagan's most politically minded former staffers, including Paul Haerle, the Reagan appointments secretary who became Mr. Ford's California campaign coordinator, long ago signed on

California Poll

**Ford Again  
Leads Reagan**

*By Mervin D. Field*

President Ford has regained the lead over former Governor Ronald Reagan in the contest for this state's 167 delegates to the Republican presidential nominating convention.

This latest measurement of public opinion by the California Poll was taken from March 20 to March 31. It shows yet another shift in the volatile contest for the Republican

*Gergen*

The larger issue that has been raised by recent statements on Panama concerns the use of American military forces around the world.

For most of our history -- and certainly since the development of nuclear weapons -- we have always thought that we should resort to military force only after diplomacy has failed. We must not be scared of using force when it is necessary, but our policy is to achieve our goals through diplomacy, not bloodshed.

Now, however, this long-standing tradition is being called into question by those who talk so freely of imposing a military solution in Panama, of going "eyeball-to-eyeball" with the Soviet Union in Africa, and in taking a more belligerent stand in hot spots around the world.

The American people know that today the United States is at peace because we are strong and because we are dedicated to preserving our freedoms. I don't think they are ready to wreck the foundations of peace by adopting more bellicose, warlike policies toward the rest of the world.



I understand that Ronald Reagan has described me as being "confused" in connection with my comments on his Panama Canal position.

I know the facts concerning the Panama Canal and, based on my understanding of this highly complex matter, I fully support the policies being followed by the Ford Administration.

I know that Ronald Reagan's public statement concerning the Panama Canal contained gross factual errors. I also know that his statements on the Panama issue could needlessly lead this country into open military conflict.

My position, which is completely consistent with the announced policy of President Ford, is that we should utilize diplomatic means to avoid having to choose between access to the Canal or the use of troops to protect this interest. We are seeking to maintain good relations with our Latin American allies while at the same time protecting our rights to operate, use and defend the Panama Canal.

The United States will not surrender its interest in the Canal; on the contrary, through the process of negotiation, we <sup>have</sup> embarked on the best course of action to preserve them. Obviously, we would be prepared to use military force as a last resort, but the whole point of President Ford's policy is to avoid such a last resort alternative.



Ronald Reagan's attacks ~~either~~ are the result of either an irresponsible lack of understanding concerning the facts and issues involving the Panama Canal, or it reflects an extraordinary dangerous state of mind, which is, that he <sup>is will not</sup> ~~appears willing to avoid seeking~~ alternatives to ~~through~~ a military solution when dealing with complex foreign policy issues.

I believe that ~~the~~ <sup>former</sup> Governor Reagan has a solemn responsibility if he expects to be taken seriously as a candidate for the Republican nomination for President, to state specifically what his position is concerning the Canal.

Would he have the United States break off negotiation with Panama on the Canal issue? Would he change the instructions we have given our negotiators? How would he defend the Canal militarily if he rejects meaningful negotiations? If he changes the United States position, would that precipitate a breakoff in the negotiations on the part of the Panamanians? These and other specific questions should be directed at Governor Reagan because he has clearly presented himself in an irresponsible manner on an issue which could affect the Nation's security.





*The Wall Street Journal, April 29, 76*

## The Big Flap Over the Canal

By ROBERT KEATLEY

WASHINGTON—When it comes to Panama, Ronald Reagan knows exactly where he stands.

He stands foursquare against diplomatic talks with the government of General Omar Torrijos to revise terms by which the United States controls the Panama Canal.

of a chunk of Panamanian territory "in perpetuity," and there has been no American violation of its clauses. Though many Panamanians ever since 1903 have thought they were swindled by that treaty, Washington could tough it out rather than agree to change.

But State Department officials and many others who have studied the problem contend that's not the objective. They see

a major waterway. The canal is declining in importance because many new commercial and military ships can't fit through its locks, and because trade patterns are changing.

Panamanians would be drawn during this period into management and military matters, and they would assume overall responsibility when the treaty expires. The two governments set forth general prin-

file

A254

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AM-REAGAN SKED 5-4

BY DANIEL P. ROSE

CHARLESTON, W. VA. (UPI) -- RONALD REAGAN COMPARED THE PANAMA CANAL TO ALASKA TUESDAY WHEN A WEST VIRGINIA WOMAN ASKED WHETHER HE WOULD "RISK GUERRILLA WARFARE" TO MAINTAIN U.S. CONTROL OVER THE STRATEGIC WATERWAY.

IN WASHINGTON, MEANTIME, SEN. BARRY GOLDWATER -- A CONSERVATIVE REPUBLICAN LIKE REAGAN BUT A SUPPORTER OF PRESIDENT FORD ON THIS ISSUE -- SAID THE REAGAN'S VIEWS ON PANAMA STEM FROM IGNORANCE OR "A DANGEROUS STATE OF MIND" AND COULD LEAD TO WAR.

REAGAN, ON THE CAMPAIGN TRAIL, WAS RESPONDING TO WHAT HE CALLED "A HYPOTHETICAL QUESTION" ON PANAMA ASKED BY A MIDDLE-AGED WOMAN AT A "CITIZENS' NEWS CONFERENCE" IN CHARLESTON. SHE WANTED TO KNOW WHETHER HIS POLICY OF KEEPING TOTAL U.S. CONTROL OVER THE CANAL WERE WORTH THE RISK OF GUERRILLA WARFARE FROM PANAMANIANIS.

"WE WOULD 'HAVE TO' (RISK IT) JUST AS WE WOULD 'HAVE TO' PROTECT ALASKA OR ANY OTHER SOVEREIGN TERRITORY OF THE UNITED STATES," REAGAN REPLIED.

"I THINK IT'S TIME WE STAND FIRM AND START TRYING TO MAKE PEOPLE RESPECT US INSTEAD OF LOVE US."

HE MADE THE STATEMENTS BEFORE LEAVING FOR A CAMPAIGN SWING THROUGH NEBRASKA. BOTH STATES HOLD PRIMARY ELECTIONS NEXT WEEK.

AT A WASHINGTON NEWS CONFERENCE, GOLDWATER SAID REAGAN'S PUBLIC STATEMENTS ON THE CANAL ISSUE "CONTAINED GROSS FACTUAL ERRORS.

"I ALSO KNOW THAT HIS STATEMENTS ON THE PANAMA ISSUE COULD NEEDLESSLY LEAD THIS COUNTRY INTO OPEN MILITARY CONFLICT," THE ARIZONA SENATOR SAID.

"I MUST ASSUME THAT RON'S ATTACKS (ON FORD'S POLICY OF NEGOTIATION WITH PANAMA) ARE THE RESULT OF A LACK OF UNDERSTANDING OF THE FACTS INVOLVING THE PANAMA CANAL.

"EITHER THAT, OR ELSE THEY REFLECT A SURPRISINGLY DANGEROUS STATE OF MIND, WHICH IS THAT HE WILL NOT SEEK ALTERNATIVES TO A MILITARY SOLUTION WHEN DEALING WITH COMPLEX FOREIGN POLICY ISSUES.

REAGAN WAS INTRODUCED TO THE CHARLESTON CROWD OF ABOUT 500 BY FORMER WEST VIRGINIA GOV. CECIL UNDERWOOD. HUNDREDS MORE WAITED IN THE HOTEL LOBBY, UNABLE TO SQUEEZE INSIDE TO HEAR REAGAN.

REAGAN ALSO SAID "THE POTENTIAL FOR BLOODSHED (IN RHODESIA) IS VERY GREAT INDEED," UNDER THE POLICY BEING PURSUED BY SECRETARY OF STATE HENRY KISSINGER.

THE WEST VIRGINIANS ALSO QUESTIONED HIM ON SUCH DOMESTIC ISSUES AS BIG FEDERAL GOVERNMENT, EDUCATION, UNEMPLOYMENT, INFLATION, WELFARE, SOCIAL SECURITY, ENERGY, AND LAND USE PLANNING.

ONE WOMAN ASKED HIM TO DESCRIBE HIS VIEWS ON "GOD AND COUNTRY."

"I THINK PRAYER SHOULD BE BACK IN THE SCHOOLS," REAGAN ANSWERED.

"IF EDUCATION WERE RETURNED TO THE LOCAL LEVEL, IT WOULD GO BACK."

THE GOP CONTENDER SAID HE HAS "A VERY DEEP-SEATED RELIGIOUS BELIEF," AND WOULD FEEL "VERY LONELY" SEEKING THE PRESIDENCY WITHOUT IT.

1ST LD AND INCLUDES PREVIOUS TO 8-WIRE POINTS

UPI 05-04 05:31 PED

May 26

THE WHITE HOUSE  
WASHINGTON

TO: MIKE DUVAL  
FROM: JOHN O. MARSH JR. *John*

For Direct Reply  
 For Draft Response  
 For Your Information  
 Please Advise

*Helena - Same for my  
tel. call to  
Dan Hofgren  
(wed)  
M*

THE WHITE HOUSE  
WASHINGTON

May 25, 1976

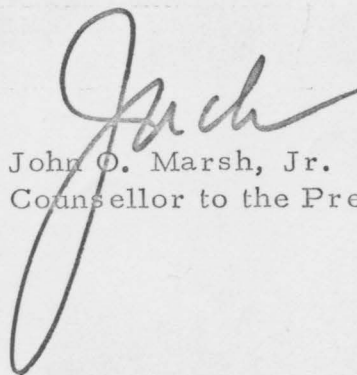
Tell  
Dan  
Hofgren

Dear Jeff:

Thank you very much for your letter of May 5 offering to assist in developing themes to be used in connection with the Panama Canal negotiations. I appreciate the spirit in which it was made and can assure you that the President welcomes your support on this issue.

With kindest personal regards, I am

Sincerely,



John O. Marsh, Jr.  
Counsellor to the President

Mr. Godfrey Harris  
Harris/Ragan Management  
Corporation  
9200 Sunset Boulevard  
Los Angeles, California 90069



## NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

May 21, 1976

MEMORANDUM FOR: JACK MARSH

FROM: JEANNE W. DAVIS *WJD*

SUBJECT: *for* Reply to Godfrey Harris Concerning  
Panama Canal

Attached at Tab A is a suggested draft reply from you to Godfrey Harris, who has written you about the Panama Canal (Tab B). The reply thanks him for his support but does not accept his offer of advice on how the Panama Canal discussion could be used to the President's advantage. It would seem inappropriate for the White House to encourage profering of such advice from a registered consultant to the Panamanian Government, well-intentioned though it may be.

Attachments

~~CONFIDENTIAL~~

DECLASSIFIED

E.O. 12356, Sec. 3.4 (b)

White House Guide Lines, Feb. 24, 1983

By DAD NARS, Date 2/3/84

MAY 10 1976

HARRIS/RAGAN  
MANAGEMENT  
CORPORATION



May 5, 1976

*Staff w/ky up -  
dme*

Hon. John Marsh  
Counselor to the President  
The White House  
Washington, D.C.

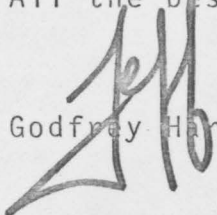
Dear Jack:

I am presuming on our previous relationship with the American Revolution Bicentennial Commission to offer my assistance to the President on the issues surrounding the Panama Canal and Panama Canal Zone. As you may know, I have been a principal consultant to the Embassy of Panama since 1972. I have also written extensively, testified before the House, and spoken often on various aspects of the subject of the Zone and the Canal.

There is no doubt in my mind that the Canal will be a major theme again before the California electorate. There is also no doubt that it can be used *positively* by the President to advance his candidacy. Explained properly, American policy toward the Canal and Canal Zone can make good sense politically, governmentally, and internationally. So much that has been said on Panama is historically, legally, and economically inaccurate; so much that *could* be said has not yet been even raised. In short, it is not enough to respond to Phil Harmon's prejudices as expressed by Governor Reagan; there is much about the socialist economy and self-serving Zonian bureaucracy which Mr. Reagan might find difficult to justify.

If you, or other advisors of the President, would like to explore which of these matters could be used to the President's advantage and how they might be developed into politically popular issues, please be in touch. I stand ready to help.

All the best, -

  
Godfrey Harris

P.S.

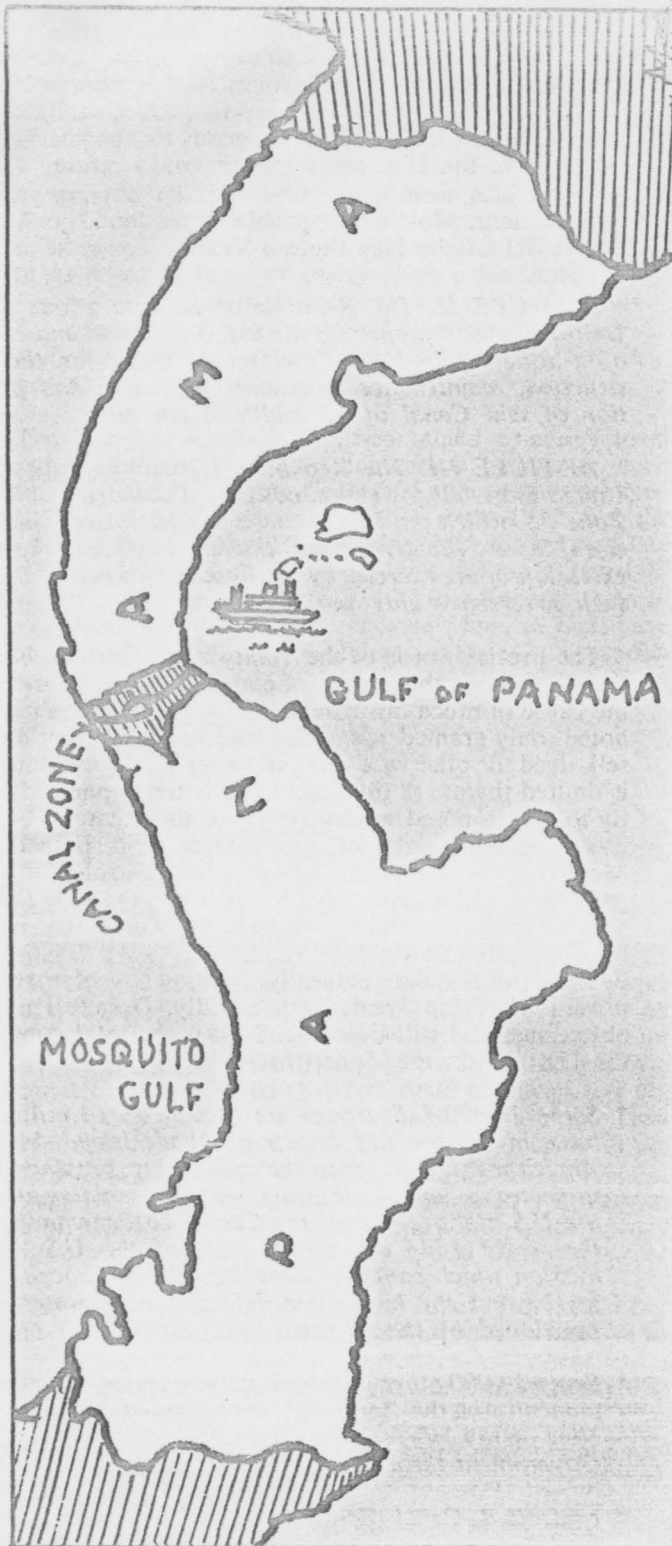
I have enclosed one of my brief articles for your review which only touches on some of the data I have available.



# Vital Issues

(REG. U.S. PAT. OFF.)

A service of the  
CENTER FOR INFORMATION ON AMERICA  
WASHINGTON, CONNECTICUT 06793  
Volume XXV, Number 5



Drawings by C. P. Meier

## THE PANAMA CANAL PROBLEM

What Is The Situation Concerning The Canal?  
What Are The Basic Issues?  
What Compromises Needed?

by Godfrey Harris

*(Mr. Harris is an international relations consultant and President of the firm of Harris/Ragan Management Corporation. He has been advising the Embassy of Panama in Washington since 1972 in its negotiations with the Department of State. As such, Harris is a Registered Foreign Agent with the Department of Justice. The opinions and conclusions herein expressed are the author's, and do not necessarily represent the views of the Trustees and Advisory Committee members of the Center.)*

The future of the Panama Canal has again become more a matter of domestic politics than international policy; more an item to be negotiated with members of Congress than with representatives of Panama; more mired in an era gone by than a beacon of an era yet to come. It is an issue, in short, of historical complexity and considerable danger.

About a year ago, US/Panamanian agreement on a new treaty — to govern jurisdiction of the 500 square mile Canal Zone and the operation of the interoceanic waterway which bisects it — seemed imminent. Both governments were at last well into grappling with the details of the key points of contention: How the United States would relinquish sole control of the facility and how Panama would share in its single most important economic asset. Now, however, a new treaty may not be initialed by the two governments until well after the United States has elected and inaugurated its next President.

What went wrong after three years of intensive bargaining? How could both sides apparently come so close to a new accommodation to resolve this dispute only to see the fruits of negotiation virtually collapse? Not surprisingly, the answer seems to be linked more to the long history of U.S. involvement with the Canal than to any specific disagreement.

While the desire to change the current jurisdiction of the Zone and operation of the Canal has long been clearly established in Panama, it has been virtually ignored in the United States. Put another way, what appear to nearly all

**EDITORIAL ADVISORY COMMITTEE:** Henry S. Commager, Professor of History, Amherst College; Richard W. Cortright, Division of Instruction and Professional Development, National Education Association; Sister Sarah Fasenmyer, Dean, School of Education, Catholic University of America; James W. Fesler, Professor of Government, Yale University; Eric F. Goldman, Professor of History, Princeton University; Philip Handler, President of the National Academy of Sciences; Richard I. Miller, Associate Director of Programs, Illinois Board of Higher Education; Robert Spiller, Professor Emeritus of English, University of Pennsylvania, and Past-President of the American Studies Association.

**EDITOR:** Townsend Scudder, President of the Center

MICHAEL RAOUL-DUVAL

The White House  
Washington

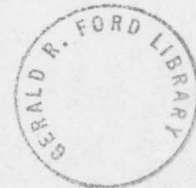
May 12, 1976

Dear Mr. Garner:

I thought the cartoon you did in the evening Star on Saturday, May 8, was outstanding. I'd very much appreciate a copy of your original drawing, if that is at all possible.

Thank you very much for considering this request.

Sincerely,



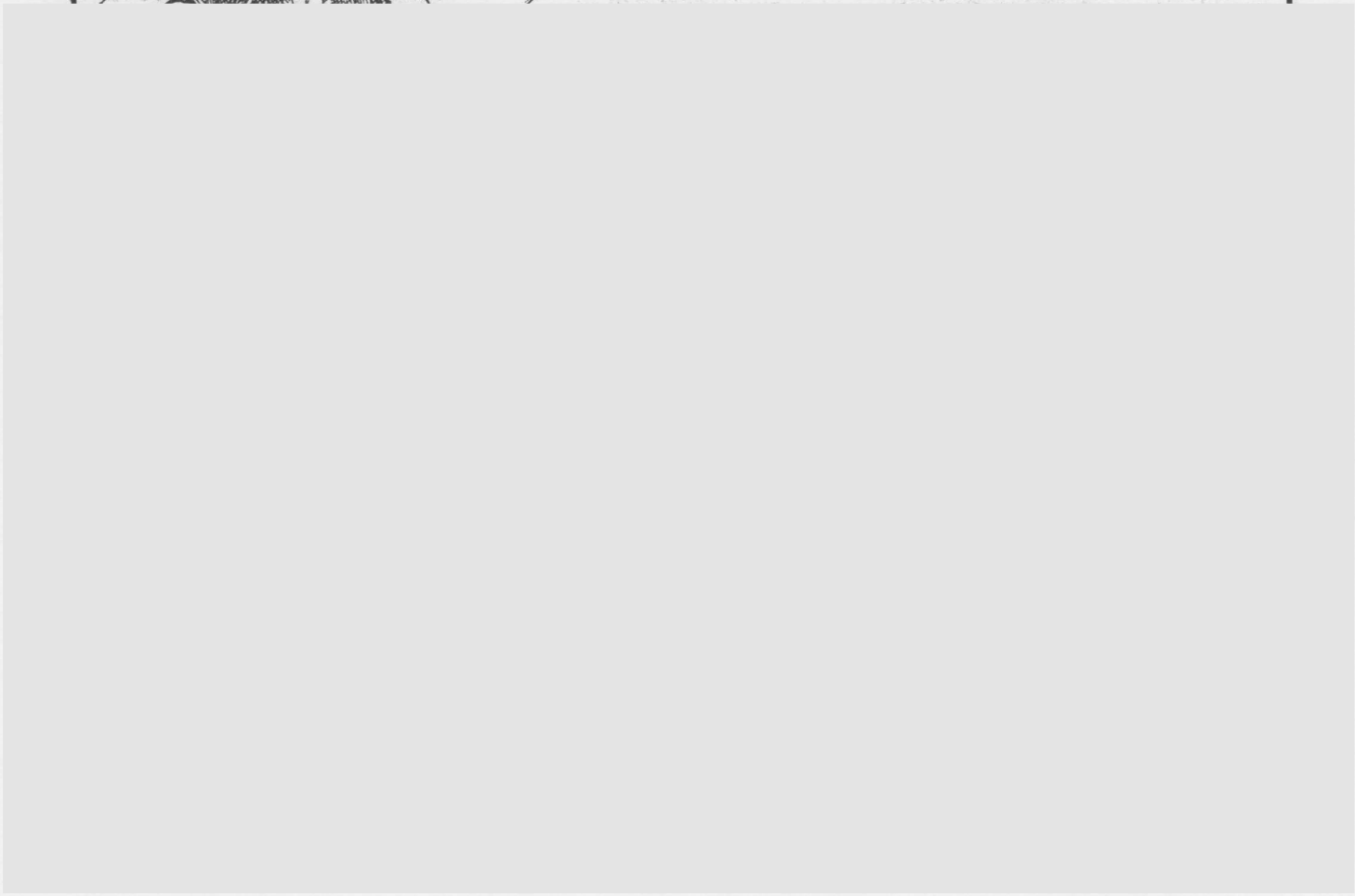
Mr. William Garner  
The Washington Star  
223 Virginia Avenue, SE.  
Washington, D.C. 20061



5/8/76



GARNER  
© THE WASHINGTON STAR



# HELP SAVE THE PANAMA CANAL

## GET

### 1. "SAVE THE PANAMA CANAL" BUMPER STICKERS

- Put one on your car.
- Put one on your neighbor's car.
- Give some to your club or group.

## PLUS

### 2. Protest Letter to Washington

**FACT:** Negotiations are underway to give away the Panama Canal.

## YOU CAN STOP IT

### • MAKE YOUR OBJECTIONS KNOWN.

- The canal is vital to the U.S. Security & Economy.
- Many Americans gave their lives in the building of it.

### • WRITE YOUR WASHINGTON REPRESENTATIVES.

- No Giveaways • No Secret Deals
- No more Yalta

### • INSIST THAT ALL CANDIDATES FOR THE SENATE, HOUSE, AND PRESIDENCY

—DEMOCRAT & REPUBLICAN—

Openly, unequivocally, and without deviousness Support Full Retention of the canal Now and in the future.

### • MAKE THIS YOUR BICENTENNIAL PATRIOTIC ACT.

**TO:** SPEAK OUT—SAVE THE CANAL P.O. Box 3251, Alexandria, Va. 22302

- SEND ME:**
- ONE DECAL PLUS LETTER (\$2.00 Enclosed).
  - Three Decals Plus Letters (\$5.00 Enclosed).
  - Ten Decals Plus Letters (\$10.00 Enclosed).

NAME: .....

STREET: .....

CITY: .....

STATE: ..... ZIP: .....

