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February 7, 1964

MEMORANDUM FOR MR. McGEORGE BUNDY
THE WHITE HOUSE

Subject: NSAM's 152 and 164: Panama

On April 30 and on June 15, 1962 President Kennedy signed two National Security Action Memoranda (Nos. 152 and 164 respectively) with regard to relations with Panama, the Panama Canal Zone and items raised during the visit of President Chiari to the United States.

We have been carrying these items in the Monthly Follow-up Report and have requested the Bureau of Inter-American Affairs to prepare a progress report on these directives from time to time.

However, in light of recent developments, and the continuing high-level interest in a much changed situation reporting no longer seems meaningful. With your concurrence, I will discontinue these items in the Monthly Follow-up Report.

/s/ John A. McKesson
for
Benjamin H. Read
Executive Secretary

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WASHINGTON

April 30, 1962

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NATIONAL SECURITY ACTION MEMORANDUM NO. 152

TO: The Secretary of State
The Secretary of Defense
The Chairman, Atomic Energy Commission
The Director of Central Intelligence
The Director, Bureau of the Budget

SUBJECT: Panama Canal Policy and Relations with Panama

I have approved the following policy guidance governing the conduct of United States relations with Panama and future actions related to the present Panama Canal and a possible new sea-level canal.

1. The United States will undertake further basic economic and technical investigations to provide the basis for examining the question of the need for and the method of construction, location and cost of a sea-level, interoceanic canal in the Isthmian region. Such investigations will include research to determine within approximately the next five years the feasibility, costs and other factors involved in various methods of excavation.

2. Pending completion of such investigations, the United States is not now prepared to determine as a matter of policy, nor to accept a commitment expressed or implied, that it will at any particular time in the future actually construct a sea-level, interoceanic canal.

3. The United States will not accede at this time to a basic renegotiation of the existing treaties with Panama affecting the present Canal. The Government must recognize, however, that this question cannot be postponed indefinitely and may have to be faced before the studies discussed above are completed.

4. The United States will express a willingness and an earnest intent to consider with the Panamanians specific measures for adjusting our relationships through a liberal interpretation of the existing

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E.O. 12356, Sec. 3.4

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By inf, NARA, Date 10-15-87

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treaties in order to place U.S. -Panamanian relations on a more mutually satisfactory basis.

5. The United States will give serious consideration to accelerated assistance to Panama through the Alliance for Progress, particularly in support of projects which promise to develop new sources of livelihood for the Panamanian people and otherwise diversify the Panamanian economy.

6. In carrying out these policies:

a. The Secretary of State will:

(1) Consult, in coordination with the Department of Defense and the Atomic Energy Commission, with the appropriate committees of Congress to present and obtain concurrences in the policy guidance and the proposed implementing actions.

(2) Refine the draft set of guidelines for discussions with President Chiari based on the initial Panamanian reaction to my letter and the results of continuing normal diplomatic contacts up to the time of the visit.

(3) Following President Chiari's visit, obtain agreement of the Governments of Panama and Colombia for on-site surveys of potential sea-level canal routes in their respective countries.

(4) Based on the Panamanian reactions to the outcome of our conversations, develop in further detail the U.S. approach to considering with the Panamanians specific measures for adjusting our relationships through liberal interpretation of existing treaties and for accelerating assistance through the Alliance for Progress.

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(5) Assume leadership, with the participation of other agencies, as appropriate, in conducting in an appropriate time phase with other investigations related to the sea-level canal question: (a) broad economic studies to determine the U. S. interest in and requirement for a sea-level, interoceanic canal; (b) quiet preparations, including talks with Panama and other interested governments as appropriate, to clarify the terms and conditions of a new treaty, and (c) studies to clarify the costs and problems of abandonment of the existing Canal, or retention under a new treaty relationship.

b. The Chairman, Atomic Energy Commission, will establish within the PLOWSHARE Program a research goal to determine within approximately the next five years the feasibility, costs and other factors involved in nuclear methods of excavation. The necessary research program will be a joint responsibility of the Atomic Energy Commission and the Department of Defense in accordance with the mutual agreement between these two agencies.

c. The Secretary of Defense will:

(1) Review, with the Joint Chiefs of Staff, the U. S. requirements for military facilities in the Isthmian region, including the Canal Zone, in the light of the U. S. defense mission in the Western Hemisphere and the need for protection of the present or a new canal.

(2) Arrange, under civil functions, for the participation of the U. S. Army Corps of Engineers in the joint research program with the Atomic Energy Commission as directed above.

(3) Have the Secretary of the Army prepare, as Stockholder of the Panama Canal Company, for submission to the current session of Congress authorizing legislation for on-site surveys by the Panama Canal Company of a limited number of potential sea-level canal routes, including at least one in Panama and one in Colombia.

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Preparations will be made to fund through normal legislative process survey activities in Panama and Colombia in FY 1963.

(4) Review with the Panama Canal Company the present commercial activities being conducted in the Canal Zone, to determine which of these activities could be discontinued.

(5) Survey with the Panama Canal Company the present land areas and Canal Company facilities and determine which, if any, of them are not essential to the protection, operation and maintenance of the Canal.



Copy furnished:
The Secretary of Commerce

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