

The Inter-American Relationship



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Shortly after assuming office in September 1973, Secretary of State Henry A. Kissinger called for "a new dialogue with our friends in the Americas." This Bulletin Reprint contains a collection of the significant policy pronouncements made since the Secretary, in October 1973, hosted a luncheon honoring the chiefs of the Latin American delegations to the U.N. General Assembly.

A Western Hemisphere Relationship of Cooperation

Toast by Secretary Kissinger¹

President Benites [Leopoldo Benites, of Ecuador, President of the 28th U.N. General Assembly], Excellencies, ladies and gentlemen: There is a story of an Englishman who visited Sweden, and when he was going through passport control, he was confronted with two lines. One was marked for Swedes; the other one was marked for foreigners. After a while an official came by and found him sitting between these two lines. And the official said, "Sir, will you please go into one line or the other?" And he said, "That's just my problem. I am not a Swede, and I am obviously not a foreigner." [Laughter.]

I think that story is symbolic of our meeting today. We obviously do not belong all to one country, but we obviously are also not foreigners in this room.

I am grateful that you came and for this opportunity to tell you that we are serious about starting a new dialogue with our friends in the Americas.

As we look back at the history of the relationships of the United States to its neighbors to the south, it has been characterized by alternating periods of what some of you have considered intervention with periods of neglect.

We are proposing to you a friendship based on equality and on respect for mutual dignity.

And such a relationship is needed for all of us, and I believe it is needed also for the rest of the world.

In the United States in the last decade, we have experienced many dramatic changes. Throughout most of our history we could overpower most of our foreign policy problems, and we could also substitute resources for thought. Today, without understanding, we can do very little.

Throughout much of our history, indeed throughout much of this administration, we used to believe with respect to agriculture, for example, that our primary problem was how to get rid of seemingly inexhaustible surpluses. We have now learned that we share the world's problem: how to allocate scarce food resources in relation to world needs.

When I came to Washington, the discussions with respect to energy concerned means of restricting production and allocating it among various allies. Today the problem is to find energy sources around the world that can meet world needs.

So we in this country are going through a revolution of sorts, and the whole world is undergoing a revolution in its patterns. And the basic problem we face is whether we will choose the road of nationalism or the road of cooperation, whether we will approach it from the perspective of each party trying to get the maximum benefit for itself, or whether we can take a common view based on our common needs. And this is why our relations in this hemisphere are so crucial for all of us in this room and for all the rest of the world as well. We in this room, with all the ups and downs in our relationships, share a common history and similar values and many similar experiences. The value of human dignity is nowhere better understood than in the countries of our friends to the south of us.

So if the technically advanced nations can ever cooperate with the developing nations, if people with similar aspirations can ever achieve common goals, then it must start here in the Western Hemisphere.

We in the United States will approach this dialogue with an open mind. We do not believe that any institution or any treaty arrangement is beyond examination. We want to see whether free peoples, emphasizing and respecting their diversity but united by similar aspirations and values, can achieve great goals on the basis of equality.

¹ Given at a luncheon hosted by Secretary Kissinger at the Center for Inter-American Relations at New York on Oct. 5 honoring Latin American delegations to the U.N. General Assembly.

So we are starting an urgent examination of our Western Hemisphere policy within our government. But such a policy makes no sense if it is a U.S. prescription handed over to Latin Americans for your acceptance or rejection. It shouldn't be a policy designed in Washington for Latin America. It should be a policy designed by all of Latin America for the Americas.

And so as we examine our own policy, we must also ask for your help. We know that there isn't one Latin America, but many different countries. We know also that there are certain subregional groupings. But it isn't for us to say with whom to conduct the dialogue. That has to come from our guests here in this room.

And so as we form our policy, I would like to invite your suggestions, whatever form you think appropriate, as groups or subgroups or individual nations.

And when our final policy emerges, we will all have a sense that we all had a share in its making, and we will all have a stake in maintaining it.

So, President Benites and Excellencies, I would like to propose a toast to what can be an adventure of free peoples working together to establish a new relationship that can be an example to many other nations. I would like to propose a toast to Western Hemisphere relationships, to our distinguished guest of honor, President Benites.

U.S. and Panama Agree on Principles for Negotiation of New Panama Canal Treaty

On February 7 at Panamá, Secretary Kissinger and Juan Antonio Tack, Minister of Foreign Affairs of Panama, initialed a joint statement of principles for negotiation of a new Panama Canal treaty. Following is an address made by Secretary Kissinger at the ceremony, together with the text of the joint statement.

ADDRESS BY SECRETARY KISSINGER

Press release 42 dated February 7

We meet here today to embark upon a new adventure together. Our purpose is to begin replacing an old treaty and to move toward a new relationship. What we sign today, hopefully, marks as well the advent of a new era in the history of our hemisphere and thus makes a major contribution to the structure of world peace.

Meeting as we do on this isthmus which links North with South and Atlantic with Pacific, we cannot but be conscious of history

—a history which has profoundly changed the course of human affairs. Four centuries ago the conquistadors landed here bringing faith and taking booty. They were representatives of the traditional style and use of power. Seventy years ago, when the Panama Canal was begun, strength and influence remained the foundations of world order.

Today we live in a profoundly transformed environment. Among the many revolutions of our time none is more significant than the change in the nature of world order. Power has grown so monstrous that it defies calculation; the quest for justice has become universal. A stable world cannot be imposed by force; it must derive from consensus. Mankind can achieve community only on the basis of shared aspirations.

This is why the meeting today between representatives of the most powerful nation of the Western Hemisphere and one of the smallest holds great significance. In the past our negotiation would have been determined by relative strength. Today we have come

together in an act of conciliation. We recognize that no agreement can endure unless the parties to it want to maintain it. Participation in partnership is far preferable to reluctant acquiescence.

What we do here today contains a message, as well, for our colleagues in the Western Hemisphere who, in their recent meeting in Bogotá, gave impetus to this negotiation. The method of solution and the spirit of partnership between Panama and the United States as embodied in this agreement are an example of what we mean by the spirit of community in the Western Hemisphere; it can be the first step toward a new era which we believe will be given fresh hope and purpose when we meet again with the Foreign Ministers of all the hemisphere in two weeks' time.

The United States and Panama

The relationship between Panama and the United States is rooted in extraordinary human accomplishment—the Panama Canal, a monument to man's energy and creative genius. But as is so often the case, man's technological triumph outstripped his political imagination:

—For 60 years the safe, efficient, and equitable operation of the canal has given to Panama, to the United States, and to all nations benefits beyond calculation.

—Yet the canal still operates under the terms of a treaty signed in 1903, when the realities of international affairs were still shaped by traditional precepts of power.

—The tensions generated by these contradictions, the endless debates over the costs and benefits of the convention of 1903, have jeopardized the ability of our two countries not only to work together to meet future demands upon the canal but also to develop a constructive relationship as friends.

We must assess the document we have just signed against this background. Above all, we must judge it in the context of what it means for the peoples of the United States and Panama and what it can mean for the people of the Western Hemisphere.

The eight principles in this agreement constitute, as General Torrijos [Brig. Gen.

Omar Torrijos, Head of Government of Panama] has said, a "philosophy of understanding." Sacrificing neither interest nor self-respect, Panama and the United States have made a choice for partnership. Meeting in dignity and negotiating with fairness, we have acknowledged that cooperation is imposed on us by our mutual need and by our mutual recognition of the necessity for a cooperative world order. Foreign Minister Tack and Ambassador Bunker [Ambassador at Large Ellsworth Bunker, U.S. chief negotiator for the Panama Canal treaty] have shown that Panama's sovereignty and the vital interests of the United States in the Panama Canal can be made compatible. They have engaged in an act of statesmanship impelled by the conviction that we are part of a larger community in the Americas and in the world.

In that spirit of partnership the United States and Panama have met as equals and have determined that a just solution must recognize:

—First, that Panama and the United States have a mutual stake in the isthmus: Panama in its greatest natural resource, and the United States in the use and defense of the canal.

—Second, that the arrangement which may have been suitable 70 years ago to both the United States and Panama must be adjusted to meet the realities of the contemporary world.

—Third, that a new treaty is required which will strengthen the relationship between us while protecting what is essential to each. A new agreement must restore Panama's territorial sovereignty while preserving the interests of the United States and its participation in what is for us an indispensable international waterway.

While we have taken a great stride forward, we must still travel a difficult distance to our goal. There is opposition in both our countries to a reasonable resolution of our differences. Old slogans are often more comforting than changes that reflect new realities. It is the essence of revolutions that to their contemporaries they appear as irritat-

ing interruptions in the course of a comfortable normalcy. But it is equally true that those who fail to understand new currents are inevitably engulfed by them.

We are determined to shape our own destiny. Our negotiators will require wisdom, purposefulness, tenacity. They will meet obstacles and disagreements. Yet they will succeed—for our relations and our commitments to a new community among us and in this hemisphere demand it.

In the President's name, I hereby commit the United States to complete this negotiation successfully and as quickly as possible.

The Western Hemisphere Community

We are here today not just as two sovereign nations, but as representatives of our hemisphere. We meet at the place where Simón Bolívar enunciated the concept of an inter-American system. We meet at a point of time between meetings of Foreign Ministers in Bogotá and Mexico City which can mark a historic turning point in making Bolívar's vision come true.

I know that many of my country's southern neighbors believe they have been the subject of too many surveys and too few policies. The United States is accused of being better at finding slogans for its Latin American policy than at finding answers to the problems that face us all.

Some of these criticisms are justified. At times rhetoric has exceeded performance. But the United States has been torn by many problems; only from afar does it appear as if all choices are equally open to us. We have not been willfully neglectful. And in any case, we have recognized that the time for a new approach is overdue.

I have come here today to tell you on behalf of our President that we are fully committed to a major effort to build a vital Western Hemisphere community. We understand our own needs:

—To live in a hemisphere lifted by progress, not torn by hatreds;

—To insure that the millions of people south of us will lead lives of fulfillment not embittered by frustration and despair; and

—Above all, to recognize that in the great dialogue between the developed and the less developed nations, we cannot find answers anywhere if we do not find them here in the Western Hemisphere.

It is in this spirit that I shall meet my colleagues in Mexico City later this month to deal with the issues posed by them in their Bogotá meeting. We attach particular significance to the fact that the meeting in Mexico City—its substance and its impetus—is the product of Latin American initiative. It is a response to the necessities of the times such as the United States had hoped to achieve with partners elsewhere in the world.

The United States will not come to Mexico City with a program that presumes to have all the answers. Nor will we pretend that our lost opportunities can be remedied by yet another freshly packaged program labeled "Made in the U.S.A." But we shall come with an open mind and, perhaps more importantly, with an open heart. We are at a moment of truth, and we shall speak the truth.

We know that our neighbors are worried about the blackmail of the strong. We want them to know that we are sympathetic to this concern. At the same time, blackmail is no more acceptable from any other source. We need each other. So let us all seek solutions free of pressure and confrontation, based on reciprocity and mutual respect. In Mexico City we can but lay the foundations for the future. But building upon what we achieve in Mexico City we can, over the months and years ahead, erect an edifice of true partnership, real trust, and fruitful collaboration.

Thus we approach the meeting in Mexico with but one prejudice: a profound belief that the Americas, too, have arrived at a moment of basic choice, a time of decision between fulfillment together and frustration apart. Our choice will be found in the answers we give to these critical questions:

—Can we make our diversity a source of strength, drawing on the richness of our material and moral heritage?

—In short, can the countries of Latin America, the Caribbean, and the United States, each conscious of its own identity,

fashion a common vision of the world and of this hemisphere—not just as they are, but as they are becoming and as we feel they should be—so that we can move together toward the achievement of common goals?

We will conduct the broader dialogue we have all set for ourselves in Mexico City with the same commitment to reciprocity, the same consideration of each other's interests, that marked the negotiations between the United States and Panama.

For centuries men everywhere have seen this hemisphere as offering mankind the chance to break with their eternal tragedies and to achieve their eternal hopes. That was what was new about the New World. It was the drama of men choosing their own destinies.

An American poet has written:

We shall not cease from exploration
And the end of all our exploring
Will be to arrive where we started
And know the place for the first time.

Panama and the United States have now begun this exploration. Our sister republics can make the same choice. Our creativity, our energy, and our sense of community will be on trial. But if we are equal to the opportunity, we will indeed arrive where we started—a hemisphere which again inspires the world with hope by its example. Then we shall indeed know the place for the first time, because for the first time we shall truly have fulfilled its promise.

TEXT OF JOINT STATEMENT

JOINT STATEMENT BY THE HONORABLE HENRY A. KISSINGER, SECRETARY OF STATE OF THE UNITED STATES OF AMERICA, AND HIS EXCELLENCY JUAN ANTONIO TACK, MINISTER OF FOREIGN AFFAIRS OF THE REPUBLIC OF PANAMA, ON FEBRUARY 7, 1974 AT PANAMA

The United States of America and the Republic of Panama have been engaged in negotiations to conclude an entirely new treaty respecting the Panama Canal, negotiations which were made possible by the Joint Declaration between the two countries of

April 3, 1964, agreed to under the auspices of the Permanent Council of the Organization of American States acting provisionally as the Organ of Consultation.¹ The new treaty would abrogate the treaty existing since 1903 and its subsequent amendments, establishing the necessary conditions for a modern relationship between the two countries based on the most profound mutual respect.

Since the end of last November, the authorized representatives of the two governments have been holding important conversations which have permitted agreement to be reached on a set of fundamental principles which will serve to guide the negotiators in the effort to conclude a just and equitable treaty eliminating, once and for all, the causes of conflict between the two countries.

The principles to which we have agreed, on behalf of our respective governments, are as follows:

1. The treaty of 1903 and its amendments will be abrogated by the conclusion of an entirely new interoceanic canal treaty.

2. The concept of perpetuity will be eliminated. The new treaty concerning the lock canal shall have a fixed termination date.

3. Termination of United States jurisdiction over Panamanian territory shall take place promptly in accordance with terms specified in the treaty.

4. The Panamanian territory in which the canal is situated shall be returned to the jurisdiction of the Republic of Panama. The Republic of Panama, in its capacity as territorial sovereign, shall grant to the United States of America, for the duration of the new interoceanic canal treaty and in accordance with what that treaty states, the right to use the lands, waters and airspace which may be necessary for the operation, maintenance, protection and defense of the canal and the transit of ships.

5. The Republic of Panama shall have a just and equitable share of the benefits derived from the operation of the canal in its territory. It is recognized that the geographic

¹ For text of the joint declaration, see BULLETIN of Apr. 27, 1964, p. 656.

position of its territory constitutes the principal resource of the Republic of Panama.

6. The Republic of Panama shall participate in the administration of the canal, in accordance with a procedure to be agreed upon in the treaty. The treaty shall also provide that Panama will assume total responsibility for the operation of the canal upon the termination of the treaty. The Republic of Panama shall grant to the United States of America the rights necessary to regulate the transit of ships through the canal and operate, maintain, protect and defend the canal, and to undertake any other specific activity related to those ends, as may be agreed upon in the treaty.

7. The Republic of Panama shall participate with the United States of America in the protection and defense of the canal in accordance with what is agreed upon in the new treaty.

8. The United States of America and the Republic of Panama, recognizing the important services rendered by the interoceanic Panama Canal to international maritime traffic, and bearing in mind the possibility that the present canal could become inadequate for said traffic, shall agree bilaterally on provisions for new projects which will enlarge canal capacity. Such provisions will be incorporated in the new treaty in accord with the concepts established in principle 2.

Countries of the Americas Endorse Continued Dialogue in Conference of Tlatelolco

Foreign Ministers of 25 Western Hemisphere countries participated in the Conference of Tlatelolco at Mexico City February 18-23. Following is a statement made before the conference by Secretary Kissinger on February 21, together with the text of the Declaration of Tlatelolco issued on February 24.

STATEMENT BY SECRETARY KISSINGER

Press release 62 dated February 21

We owe our host country and its leaders a profound debt of gratitude for sponsoring

this meeting. Personally, I have spent many happy days in this great country. And I have had the privilege of the advice, wisdom, and on occasion the tenacious opposition of your President and Foreign Minister. I look forward to an equally frank, friendly, intense, but constructive dialogue at this conference.

On a plaque in Mexico's imposing Museum of Anthropology are etched phrases which carry special meaning for this occasion:

Nations find courage and confidence to face the future looking to the greatness of their past. Mexican, seek yourself in the mirror of this greatness.

Stranger, confirm here the unity of human destiny. Civilizations pass; but we will always reflect the glory of the struggle to build them.

We assemble in the splendid shadows of history's monuments. They remind us of what can be achieved by inspiration and of what can be lost when peoples miss their opportunity. We in the Americas now have a great opportunity to vindicate our old dream of building a new world of justice and peace, to assure the well-being of our peoples, and to leave what we achieve as a monument to our striving.

Our common impulse in meeting here is to fulfill the promise of America as the continent which beckoned men to fulfill what was best in them. Our common reality is the recognition of our diversity. Our common determination is to derive strength from that diversity. Our common task is to forge our historical and geographical links into shared purpose and endeavor.

In this spirit the United States offered a new dialogue last October. In this spirit the countries of the Americas responded in Bogotá last November.

We meet here as equals—representatives of our individual modes of life, but united by one aspiration: to build a new community.

We have a historic foundation on which to build. We live in a world that gives our enterprise a special meaning and urgency.

On behalf of President Nixon, I commit the United States to undertake this venture with dedication and energy.

The U.S. Commitment

One concern has dominated all others as I have met privately with some of my colleagues in this room. Does the United States really care? Is this another exercise of high-sounding declarations followed by long periods of neglect? What is new in this dialogue?

These questions—not unrelated to historical experience—define our task. On behalf

of my colleagues and myself, let me stress that we are here to give effect to a new attitude and to help shape a new policy. The presence of so many distinguished leaders from the U.S. Congress underlines the depth of the U.S. concern for its neighbors and the determination of our government to implement our agreements through a partnership between the executive and legislative branches.

The time has come to infuse the Western Hemisphere relationships with a new spirit. In the 19th and early 20th centuries, the United States declared what those outside this hemisphere should not do within it. In the 1930's we stipulated what the United States would not do. Later we were prone to set standards for the political, economic, and social structures of our sister republics.

Today we meet on the basis of your agenda and our common needs. We agree with one of my distinguished colleagues who said on arrival that the time had come to meet as brothers, not as sons. Today, together, we can begin giving expression to our common aspirations and start shaping our common future.

In my view, our fundamental task at this meeting, more important even than the specifics of our agenda, is to set a common direction and infuse our efforts with new purpose. Let us therefore avoid both condescension and confrontation. If the United States is not to presume to supply all the answers, neither should it be asked to bear all the responsibilities. Let us together bring about a new commitment to the inter-American community. Let us use the specific issues we discuss here as a roadmap for the future.

Let us not be satisfied with proclamations but chart a program of work worthy of the challenge before us.

Let us create a new spirit in our relations—the spirit of Tlatelolco.

An Interdependent World

A century ago a U.S. President described to the Congress the difficulties facing the

country: "It is a condition which confronts us—not a theory." The condition we confront today is a world where interdependence is a fact, not a choice.

The products of man's technical genius—weapons of incalculable power, a global economic system, instantaneous communications, a technology that consumes finite resources at an ever-expanding rate—have compressed this planet and multiplied our mutual dependence. The problems of peace, of justice, of human dignity, of hunger and inflation and pollution, of the scarcity of physical materials and the surplus of spiritual despair, cannot be resolved on a national basis. All are now caught up in the tides of world events—consumers and producers, the affluent and the poor, the free and the oppressed, the mighty and the weak.

The world and this hemisphere can respond in one of two ways:

There is the path of autarky. Each nation can try to exploit its particular advantages in resources and skills and bargain bilaterally for what it needs. Each nation can try to look after itself and shrug its shoulders at the plight of those less well endowed. But history tells us that this leads to ever more vicious competition, the waste of resources, the stunting of technological advance, and most fundamentally, growing political tensions which unravel the fabric of global stability. If we take this route, we and our children will pay a terrible price.

Or we can take the path of collaboration. Nations can recognize that only in working with others can they most effectively work for themselves. A cooperative world reflects the imperatives of technical and economic necessity but, above all, the sweep of human aspirations.

The United States is pledged to this second course. We believe that we of the Americas should undertake it together.

This hemisphere is a reflection of mankind. Its diversity reflects the diversity of the

globe. It knows the afflictions and frustrations of the impoverished. At the same time many of its members are leaders among modernizing societies. Much has been done to overcome high mortality rates, widespread illiteracy, and grinding poverty. This hemisphere uniquely includes the perceptions of the postindustrial societies, of those who are only beginning to sample the benefits of modernization, and of those who are in mid-passage.

The Americas reach out to other constellations as well. The nations of Latin America and the Caribbean share much of the stirrings of the Third World. The United States is engaged in the maintenance of peace on a global basis. Pursuing our separate ways narrowly, we could drift apart toward different poles. Working together, we can reinforce our well-being and strengthen the prospects for global cooperation.

So let us begin here in this hemisphere. If we here in this room fail to grasp the consequences of interdependence, if we cannot make the multiplicity of our ties a source of unity and strength, then the prospects for success elsewhere are dim indeed. The world community which we seek to build should have a Western Hemisphere community as one of its central pillars.

President Echeverría foresaw the gathering force of interdependence in 1972 when he set forth his Charter of the Economic Rights and Duties of States as a guide for the conduct of relations among countries at different levels of economic development. Last September before the U.N. General Assembly I endorsed that concept. At first, some were concerned because they saw the charter as a set of unilateral demands; it has since become clear that it is a farsighted concept of mutual obligations. In the emerging world of interdependence, the weak as well as the strong have responsibilities, and the world's interest is each nation's interest.

We can start by making the concept of the charter a reality in the Western Hemisphere.

The U.S. View of the American Community

The United States will do its full part to see that our enterprise succeeds. We can make a major contribution, but it would be in nobody's interest if we raised impossible expectations, leaving our peoples frustrated and our community empty. We will promise only what we can deliver. We will make what we can deliver count.

I have carefully studied the agenda for this meeting you prepared in Bogotá. I will respond in detail to its specifics in our private sessions. But I will say here that I have come to a greater understanding of the deeply felt motivations behind the phrases. You are concerned:

—That the United States has put aside its special commitment to the hemisphere.

—That we will allow old issues to go unresolved while new ones are created.

—That we seek not community but dominance.

—That our relationship does not adequately contribute to human welfare in the hemisphere, that it is often irrelevant to your needs and an obstacle to their fulfillment.

In response let me outline the direction the United States proposes to its friends in rededicating itself to a new era of Western Hemisphere relationships. I look forward to hearing your own views so that together we can make the Western Hemisphere community a reality.

The United States will do its utmost to settle outstanding differences. During the past year, the United States and Mexico solved the longstanding Colorado River salinity dispute. Two weeks ago Panama and the United States, taking account of the advice of their partners at Bogotá, signed a document that foreshadows a new relationship. And just 48 hours ago, Peru and the United States settled a dispute over compensation for the exercise of Peru's sovereign right to nationalize property for public purposes.

The United States is prepared to work with the other nations of this hemisphere on methods to eliminate new disputes or to mitigate their effect.

Some of our most troublesome problems have arisen over differences concerning the respective rights and obligations of private U.S. firms operating in foreign countries and the countries which host them. These differences are based largely on differing conceptions of state sovereignty and state responsibility.

On the one hand, in keeping with the Calvo doctrine, most nations of this hemisphere affirm that a foreign investor has no right to invoke the protection of his home government. On the other hand, the United States has held that nations have the right to espouse the cause of their investors if they believe they have been unfairly treated. This conviction is reflected in the legislative provisions of the Gonzalez and Hickenlooper amendments.

Realistically, we must admit that these two elements cannot be easily or quickly reconciled. But the United States is prepared to begin a process to this end and to mitigate their effects. Even before a final resolution of the philosophical and legal issues, we are ready to explore means by which disputes can be removed from the forefront of our intergovernmental relations.

In our private meetings I shall make specific proposals to establish agreed machinery which might narrow the scope of disputes. For example, we might consider the establishment of a working group to examine various procedures for factfinding, conciliation, or the settlement of disputes. Other approaches are possible, and I shall welcome the views of my colleagues. Let me affirm here that a procedure acceptable to all the parties would remove these disputes as factors in U.S. Government decisions respecting assistance relationships with host countries. We would be prepared to discuss with our Congress appropriate modifications of our legislation.

But we cannot achieve our goals simply by remedying specific grievances or even by creating mechanisms that will eliminate the sources of disputes. A special community can only emerge if we infuse it with life and substance.

We must renew our political commitment to a Western Hemisphere system. Thomas Macaulay once observed, "It is not the machinery we employ but the spirit we are of that binds men together." We are here because we recognize the need for cooperation. Yet we can only cooperate if our people truly believe that we are united by common purposes and a sense of common destiny.

The United States will be guided by these principles:

—We will not impose our political preferences.

—We will not intervene in the domestic affairs of others.

—We will seek a free association of proud peoples.

In this way, the Western Hemisphere community can make its voice and interests felt in the world.

We realize that U.S. global interests sometimes lead to actions that have a major effect on our sister republics. We understand, too, that there is no wholly satisfactory solution to this problem.

However, to contribute to the sense of community we all seek, the United States commits itself to close and constant consultation with its hemispheric associates on political and economic issues of common interest, particularly when these issues vitally affect the interests of our partners in the Western Hemisphere.

In my view, the best way to coordinate policies is to make a systematic attempt to shape the future. I therefore recommend that today's meeting be considered the first of a series. The Foreign Ministers assembled here should meet periodically for an informal review of the international situation and of common hemispheric problems. In the interval between our meetings, the heads of our planning staffs or senior officials with similar responsibilities should meet on a regular basis to assess progress on a common agenda. The principle of consultation on matters affecting each other's interests should be applied to the fullest extent possible. Specifically:

—The United States is prepared to consult and adjust its positions on the basis of

reciprocity, in the multilateral trade negotiations.

—The United States also recognizes a fundamental congruity of interests among the countries of the hemisphere in global monetary matters. We favor a strong voice for Latin America in the management of a new monetary system, just as we favor its effective participation in the reform of this system.

—The United States is ready to undertake prior consultation in other international negotiations such as the Law of the Sea Conference, the World Food Conference, and the World Population Conference.

The Western Hemisphere community should promote a decent life for all its citizens. No community is worthy of its name that does not actively foster the dignity and prosperity of its peoples. The United States as the richest and most powerful country in the hemisphere recognizes a special obligation in this regard.

Let me sketch here the program which President Nixon has authorized and which I shall discuss in greater detail with my colleagues this afternoon:

—*First, in trade.* During the period of great economic uncertainty arising from the energy situation, it is essential that nations behave cooperatively and not take protective or restrictive action. I pledge to you today that the United States will do its utmost to avoid placing any new limitations on access by Latin America to its domestic market.

In the same spirit we renew our commitment to the system of generalized tariff preferences. We shall strongly support this legislation. Once it is enacted, we will consult closely with you on how it can be most beneficial to your needs.

—*Second, in science and technology.* We want to improve our private and governmental efforts to make available needed technology, suited to varying stages of development in such vital areas as education, housing, and agriculture. Private enterprise is the most effective carrier of technology across national borders. But government,

while not a substitute, can usefully appraise the overall needs and spur progress. The United States therefore recommends that we establish an inter-American commission on technology. It should be composed of leading scientists and experts from all the Americas and report to governments on the basis of regular meetings.

—*Third, in energy.* This hemisphere, linking oil-producing and oil-consuming countries, is uniquely situated for cooperative solutions of this problem. The United States is prepared to share research for the development of energy sources. We will encourage the Inter-American Development Bank to adapt its lending and fundraising activities to cushion the current strains. We are also prepared to explore ways of financing oil deficits, including the removal of remaining institutional impediments to your access to U.S. capital markets.

—*Fourth, in development assistance.* The U.S. Government in its executive branch is committed to maintain our aid levels, despite rising energy costs. On the other hand, the development problem can no longer be resolved simply by accelerating official assistance. We need a comprehensive review and recommendations on how all flows of capital and technology—whether from concessional assistance, world capital markets, or export credits—can contribute most effectively to hemispheric needs. I recommend charging the inter-American body with these tasks.

—*Fifth, in reshaping the inter-American system.* We must identify and preserve those aspects of the Rio Treaty and the Organization of American States which have shielded the hemisphere from outside conflict and helped preserve regional peace.

Some form of institutional structure for peace and cooperation is clearly necessary. However, we must reinforce the formal structure of the OAS by modernizing its institutions and agreeing on the principles of inter-American relations. The United States is prepared to cooperate in creative adjustments to meet new conditions.

A Spanish poet once wrote: "Traveler, there is no path; paths are made by walk-

ing." This is our most immediate need. We are not here to write a communique, but to chart a course. Our success will be measured by whether we in fact start a journey. I suggest we move ahead in three ways:

—First, let us make clear to our peoples that we do have a common destiny and a modern framework for effective cooperation.

—Second, let us agree on an agenda for the Americas, a course of actions that will give substance to our consensus and inspiration to our peoples.

—Third, let us define a program to bring that agenda to life.

Mr. President, my distinguished colleagues, four centuries ago totally alien cultures met for the first time near here. We are moving toward a world whose demands upon us are nearly as alien to our experience as were the Spaniards and the Aztecs to each other.

Today, if we are to meet the unprecedented challenge of an interdependent world, we will also have to summon courage, faith, and dedication. The United States believes we can build a world worthy of the best in us in concert with our friends and neighbors. We want future generations to say that in 1974, in Mexico, the nations of the Western Hemisphere took a new road and proclaimed that in the Americas and the world they have a common destiny.

TEXT OF DECLARATION OF TLATELOLCO

Press release 67 dated February 24

I

At the request of President Nixon, Secretary of State Kissinger invited the Foreign Ministers and other representatives of Latin America and the Caribbean attending the 28th Session of the United Nations General Assembly to meet with him on October 5, 1973. At that time the Secretary of State suggested the initiation of a new dialogue to deal with matters of concern to the Americas.

Mindful of this important initiative, the Government of Colombia extended an invitation to Dr. Kissinger to participate actively and personally in such a dialogue at an opportune time. Dr. Kissinger immediately accepted this invitation. Thereafter, the Government of Colombia convoked the "Confer-

ence of Foreign Ministers of Latin America for Continental Cooperation," held in Bogotá from November 14-16, 1973. On that occasion the Foreign Ministers of Latin America and the Caribbean agreed it would be advantageous to initiate a dialogue on the following topics:

- Cooperation for Development
- Coercive Measures of an Economic Nature
- Restructuring of the Inter-American System
- Solution of the Panama Canal Question
- Structure of International Trade and the Monetary System
- Transnational Enterprises
- Transfer of Technology
- General Panorama of the Relations between Latin America and the United States of America

In accordance with the agreement reached at the "Conference of Foreign Ministers of Latin America for Continental Cooperation," and with the concurrence of the Government of the United States of America, the Government of the United Mexican States convoked the Conference of Tlatelolco. This Conference took place in Mexico City from February 18-23, 1974.

The agenda of the Conference of Tlatelolco comprised the eight items listed above, with the addition of two others suggested by the Secretary of State in accordance with the agreement reached in Bogotá regarding "the willingness of the participating countries to discuss any other matters the United States of America wishes to propose." The topics suggested by the Government of the United States were "Review of the International Situation" and "The Energy Crisis."

Attending the Conference of Tlatelolco were the Foreign Ministers of Argentina, Bahamas, Barbados, Bolivia, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Trinidad and Tobago, the United States of America, Uruguay and Venezuela.

The Conference was held in two parts, one with exclusively Latin American and Caribbean participation from February 18-20 and the other from February 21-23, with the participation of Secretary of State Kissinger. In the first phase of the Conference of Tlatelolco, the Latin American and Caribbean Foreign Ministers agreed on procedures for the initiation of the new dialogue, which Secretary Kissinger had proposed be founded on "friendship based on equality and respect for the dignity of all," and upon methods for delineating the "bases for a new dialogue between Latin America and the United States." The Secretary of State agreed to these procedures.

II

The Conference took place in an atmosphere of cordiality, free from the old rigidities which have

so often obstructed our dialogues in more traditional forums. The participants met as equals, conscious that the policy initiated here may be of deep historical significance. But for it to be so we must recognize that we are at a turning point and be prepared to dedicate ourselves to new horizons of understanding and cooperation.

The Foreign Ministers agreed that the Americas have arrived at an historic moment—a time of unprecedented opportunity for achieving the goals of justice, peace and human dignity which have for so long been the essential promise of the new world.

They recognized that in the modern age the demands of technology and the drive of human aspirations make impossible the narrow pursuit of purely national interests.

They agreed, as well, that interdependence has become a physical and moral imperative, and that a new, vigorous spirit of inter-American solidarity is therefore essential.

Relations between the countries of the Americas must be placed in the context of today's world; a world characterized by interdependence, the emergence onto the world stage of the developing countries, and the need to overcome inequalities. The existence of a modern inter-American system, the affirmation of the reality of Latin American unity, and the similarity of the problems of Latin America and those of other developing countries are the foundation for a dialogue and a frank and realistic relationship with the United States.

Inter-American relations should be based on an effective equality between states, on non-intervention, on the renunciation of the use of force and coercion, and on the respect for the right of countries to choose their own political, economic and social systems. Inter-American relationships, thus redefined by an authentic political will, would create the necessary conditions for living together in harmony and working cooperatively for expanded and self-sustaining economic development.

The Foreign Ministers reaffirmed the principle that every State has the right to choose its own political, economic and social system without foreign interference and that it is the duty of every State to refrain from intervening in the affairs of another.

The new opportunities for cooperative development call for a revision of the concept of regional security, which cannot, and should not, be based solely on political-military criteria, but must also encompass a practical commitment to peaceful relations, cooperation and solidarity among states.

To this end, inter-American cooperation should be supplemented by the establishment of a system of collective economic security that protects the essential requirements of integral development; that is to say, parallel progress in the social, economic and cultural fields.

By mandate of the United Nations General Assembly, a group of countries representing diverse eco-

conomic systems is engaged in examining the possibilities of restructuring international economic relations, through the preparation of a draft charter on the economic rights and duties of states. This charter can create the general framework for facing specific problems through practical and fair regulations and mechanisms.

The Conference of Tlatelolco agreed that a just application of the principles of the charter can foster the internal and external conditions necessary for the American nations to satisfy their own needs and ensure their full development on an equitable basis. The Conference also recognized that peace and progress, in order to be solid and enduring, must always be based on respect for the rights of others, and the recognition of reciprocal responsibilities and obligations among developed and developing countries.

III

In the course of permanent dialogue that has been successfully initiated at the Conference of Tlatelolco, a continuing effort should be made to reach, as soon as possible, joint solutions to the pending questions included in the Bogotá document, which served as the basis for this Conference.

IV

The Conference goes on record as follows:

(1) The Foreign Ministers recognized that the success of the Conference of Tlatelolco emphasizes the value of the new dialogue of the Americas. Mindful of the growing interaction between themselves and the rest of the world and that their countries have different needs and different approaches on foreign policy, the Foreign Ministers were nevertheless agreed that the relations between their countries, which history, geography and sentiment have produced and continued to sustain, call for an expansion of the processes of consultation between their governments.

As an initial step in this continuing process of consultation, they agreed to continue on April 17, 1974, at Atlanta, Georgia, in the United States of America, the dialogue initiated in Mexico. In the same spirit they agreed to consult with the view to seeking, as far as possible, common positions in appropriate international consultations, including multilateral trade negotiations.

(2) The Conference welcomes the agreement reached in Panama City on February 7, 1974, by the Governments of Panama and the United States of America, by which they established the guiding principles for their current negotiations leading to a new Canal treaty. The Conference holds that this agreement is a significant step forward on the road to a definitive solution of that question.

(3) The Foreign Ministers agreed that, if progress toward a new inter-American solidarity is to be made, solutions must be found not only to existing differences, but means must also be provided for the solution of problems that may arise.

(4) In this spirit, the Foreign Ministers of Latin America have taken due note and will continue to examine the suggestion advanced by the Secretary of State of the United States of America with respect to the controversies that may arise from matters involving private foreign investment.

The Secretary of State of the United States proposed the establishment of a fact-finding or conciliation procedure that would limit the scope of such controversies by separating the issues of fact from those of law. This could provide an objective basis for the solution of disputes without detriment to sovereignty.

He further proposed the creation of an inter-American working group to study the appropriate procedures that might be adopted.

(5) With regard to the problems of transnational corporations, the Foreign Ministers discussed the different aspects of their operation in Latin America and have agreed to continue the examination of the matter at a later meeting.

(6) The Foreign Ministers agreed on the need for intensifying work on the restructuring of the inter-American system.

(7) The Foreign Ministers agreed that one of the principal objectives is the accelerated development of the countries of the Americas and the promotion of the welfare of all their peoples. In this regard, the United States accepts a special responsibility; and the more developed countries of the Americas recognize that special attention should be paid to the needs of the lesser developed.

They further agreed that development should be integral, covering the economic, social and cultural life of their nations.

(8) The United States offered to promote the integral development of the region in the following fields:

Trade

(A) Make maximum efforts to secure passage of the legislation on the system of generalized preferences during the present session of Congress, and then work with the other countries of the hemisphere to apply these preferences in the most beneficial manner.

(B) Avoid, as far as possible, the implementation of any new measures that would restrict access to the United States market.

Loans for Development

(A) Maintain, as a minimum, present aid levels despite growing costs.

(B) Cooperate throughout the region and in international institutions to facilitate the flow of new concessional and conventional resources toward those countries most affected by growing energy costs.

(C) Examine with others in the Committee of Twenty and the Inter-American Development Bank all restrictions on the entry of hemispheric countries

to capital markets in the United States and other industrialized countries.

(9) The Foreign Ministers further declare:

(A) They reaffirm the need of Latin American and Caribbean countries for an effective participation of their countries in an international monetary reform.

It was acknowledged that the net transfer of real resources is basic, and that ways to institutionalize transfers through adequate mechanisms should be considered.

It was reaffirmed that external financial cooperation should preferably be channeled through multilateral agencies and respect the priorities established for each country, without political ties or conditions.

(B) With respect to "transfers of technology," the Foreign Ministers agreed to promote policies facilitating transfers of both patented and unpatented technical knowledge among the respective countries in the fields of industry as well as education, housing and agriculture, taking into account conditions prevailing in each country and in particular the needs of the Latin American and Caribbean countries for introduction of new manufactures for greater utilization of the human and material resources available in each country, for increased local technical development and for creation of products for export. It was further agreed that transfers of technology should be on fair and equitable terms without restraint upon the

recipient country. Particular emphasis is to be placed upon sharing knowledge and technology for development of new sources of energy and possible alternatives.

(10) The Foreign Ministers agreed that it would be desirable to establish an inter-American Commission of Science and Technology. They left over for later decision whether this Commission should be adapted from existing institutions or whether a new body should be formed.

V

In adopting this document, the Foreign Ministers expressed their confidence that the spirit of Tlatelolco will inspire a new creative effort in their relations. They recognized that they are at the beginning of a road that will acquire greater significance through regular meetings and constant attention to the matters under study.

The Conference expresses its satisfaction over the fact that the mutual understanding which has prevailed throughout encourages the hope that future conferences of a similar nature, within a permanent framework devoid of all rigid formality, will produce fruitful results for the benefit of the peoples of the Americas.

TLATELOLCO DF, February 24, 1974.

Panama and the United States: A Design for Partnership

*Address by Ambassador at Large Ellsworth Bunker
Chief U.S. Negotiator for the Panama Canal Treaty¹*

The reason that I am particularly pleased to be with you is that I could hardly hope for a better audience before which to venture my first public thoughts on the matter of a new treaty relationship between the United States of America and the Republic of Panama. This audience will understand that because the new relationship is a matter of transcendence for the two countries—and, in some measure, for the whole hemisphere and the world community—it is one

which demands the constant application by both governments of:

- Reason rather than emotion;
- New ideas rather than old memories; and
- The will to accommodate rather than the wish to confront.

All that makes it quite a difficult matter, possibly the most difficult I have yet addressed as a negotiator.

I should like you to have the background of it, then the foreground as I can perceive it.

¹ Made before the Center for Inter-American Relations at New York, N.Y., on Mar. 19.

We start from a treaty that is 70 years old. In 1903 the newly independent Republic of Panama granted to the United States—in perpetuity—the use of a strip of land 10 miles wide and 50 miles long for the construction, maintenance, operation, and protection of a canal between the Atlantic and the Pacific.

Panama also granted to the United States all the rights, power, and authority to act within that strip of land as “if it were the sovereign.”

That the treaty favored the United States was acknowledged promptly. John Hay, then Secretary of State, told the Senate, in submitting it for ratification: “. . . we shall have a treaty very satisfactory, vastly advantageous to the United States and, we must confess . . . not so advantageous to Panama.”

To be sure, had the United States not been offered so advantageous a treaty by Panama, it might well have built the canal elsewhere.

Unmistakably, the construction of that waterway was an astounding achievement. Consider the triumph over tropical diseases, the gigantic engineering effort, the participation of people of many races and lands—these are sources of extraordinary pride to our people.

Incalculable Benefits of the Panama Canal

We are no less proud of what the canal has represented since it opened. It has spurred the creation of major new international markets. It has caused the creation of entirely new sea routes. It has saved seafaring nations countless sums in terms of time, energy, and money. These—together with the safe, efficient, and inexpensive operation of the waterway—have provided Panama, the United States, and the entire world with benefits which obviously have been of incalculable value.

Let me illustrate some of the benefits to Panama:

—One-fourth of that country's gross national product in recent years has been directly or indirectly attributable to the op-

eration of the canal and the military bases within the Canal Zone.

—More than one-third of Panama's total foreign exchange earnings in recent years has derived from U.S. payments for Panamanian goods and services used in the zone.

—Perhaps as much as one-fifth of Panama's employment nationwide is directly or indirectly attributable to the presence of the canal.

—Panama has become a crossroads of the hemisphere and a center for banking, shipping, transport, and communications; and it has prospects for accelerated development in the years to come.

Today that country's per capita income is the highest in Central America, the fourth highest in Latin America as a whole, exceeded only by that of Argentina, Uruguay, and Venezuela.

For the United States, the benefits have been military as well as economic. It was the 7,000-mile, 66-day voyage of the U.S. battleship *Oregon* around Cape Horn during the Spanish-American War that led us to build a trans-isthmian waterway. And its military value to the United States has not diminished, although it has changed.

Its strategic importance was demonstrated:

—When the Japanese attack on Pearl Harbor left the United States without significant naval strength in the Pacific. Redeployment of elements of the Atlantic Fleet through the canal saved more than two weeks' steaming time around the cape.

—When during the Cuban missile crisis of 1962 mobilization orders found nearly all landing craft concentrated on the west coast. More than 60 military vessels were redeployed to gulf and east coast ports in less than 10 days.

Even today, when major elements of our defense system are intercontinental bombers and missiles, the canal remains a vital line of communication. Despite limitations on the size of vessels which can pass through it, it permits the majority of U.S. Navy ships to move expeditiously between oceans. Per-

haps more important, it shortens supply lines from the United States to potential trouble spots around the world.

The Viet-Nam conflict, necessitating a rapid buildup of men and material in Southeast Asia during the midsixties, is the most recent example of the logistical role the canal plays for the United States. Because our production capacity is located mostly east of the Mississippi River and our internal transportation was insufficient, we were forced to depend heavily on the canal to transport equipment and supplies to our forces.

As for economic benefits to this country, they have unquestionably been great in the past. But how great they are today is relative. For example, it is true that 16 percent of the U.S. oceanborne trade passes through the canal. It is also true, however, that our total foreign trade accounts for something less than 10 percent of this country's gross national product.

Indeed, there are those who argue that the value of the United States to the Panama Canal far exceeds the value of the Panama Canal to the United States. The argument derives from the fact that some 70 percent of the traffic through the canal is either bound for, or coming from, this country. Whatever the statistics, however, we know intuitively that the waterway contributes importantly to the economic well-being of our people.

U.S. Presence in the Canal Zone

Where do the critical interests of our country now lie, and how may they best be served? I suggest that they lie in the continued operation and defense of the canal by the United States for a further and reasonably extended period of time.

May I also suggest, however, that we can serve those interests adequately only if we move to change—to modernize—the nature of the presence of the United States in the Canal Zone. It is a quite uncommon presence. Some 40,000 American citizens live and work in a 500-square-mile area very much as they might live and work in any

area of 500 square miles in the continental United States.

When all is said and done, however, that presence rests upon the consent of the Panamanian people. That is so because, were the level of consent to decline to zero but our presence remain, we would find ourselves in the position of engaging in hostilities with the people of an otherwise friendly American state, on its soil. If I do not misread the temper of the American people and the times, that position would be unacceptable.

So long as the consent of Panama to our presence remains at a high level, the United States can devote all its energies there to the functions required for the efficient operation of the waterway. But in proportion as the consent level declines, in that proportion we must divert some of our energies to functions not related directly to the waterway's operation. And in that proportion the efficiency of the operation declines—to the detriment of our critical interests.

For many years the level of Panama's consent has persistently declined. And by Panama, I mean the Panamanian people of all strata, not simply their government. Governments in Panama may change. But I am persuaded that governmental change will never again divert the Panamanian people from the course of legitimate nationalism they are now pursuing.

Unfortunately, I must say that I consider the current level of consent to be unacceptably low. It began to be so 10 years ago, when events in the Canal Zone led to rioting that occasioned 24 American and Panamanian fatalities.

Why has it declined? The Panamanians cite the following:

—The United States occupies a 10-mile-wide strip across the heartland of Panama's territory, cutting the nation in two, curbing the natural growth of its urban areas.

—The United States rules as sovereign over this piece of Panama's territory. It maintains a police force, courts, and jails to enforce U.S. laws, not only upon American but also upon Panamanian citizens.



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