

1-175/b

6 JAN 1960

Handwritten signature/initials

Honorable Daniel J. Flood
House of Representatives
Washington 25, D. C.

Dear Mr. Flood:

Upon my return to the office I found your letter of 8 December which had been acknowledged in my absence by Mr. Warner. I am glad you found my address of October 6, 1959 interesting and informative. Thank you for the press releases dealing with the Panama situation which were enclosed in your letter.

While I do not, at this time, have any situation report that could be mailed to you, I would be glad to meet with you to discuss the problems of this area at any time convenient for you. However, as you are aware, the Director of Central Intelligence will be making a detailed presentation before the Defense Subcommittee of House Appropriations on January 11 and 12 and you may believe that this would serve your purposes.

Please be assured that I would like to assist in any way possible.

Sincerely,

SIGNED

C. P. Cabell
General, USAF
Deputy Director

Distribution:

- Orig & 1 - Addressee
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- 1 - ER
- 1 - Legislative Counsel
- 1 - IG

OGC/LC:JSW:mks (4 January 1960)

Congressional

Handwritten signatures and stamps

11-9775/4-

Honorable Daniel J. Flood
House of Representatives
Washington 25, D. C.

Dear Mr. Flood:

During the absence of General Cabell from the city, your letter of December 8 was forwarded to me for acknowledgment. I know that General Cabell will be appreciative of your interest and your letter will be brought to his attention upon his return.

Thank you for the two recent press releases dealing with the situation in Panama which were enclosed in your letter.

Sincerely,

S/ John S. Warner

John S. Warner
Legislative Counsel

Distribution:

- Orig & 1 - Addressee
- ✓ 1 - DDCI w/basic
- 1 - Leg. C. Subject
- 1 - Leg. C. Chrono.

OGC/LC:JSW;mks (11 Dec. 59)

MEMORANDUM FOR: THE DEPUTY DIRECTOR

I have merely acknowledged Representative Flood's letter to you per the attached copy. I am not sure that you wish to write him anything further except possibly you might wish to extend a general invitation to discuss the situation with Mr. Flood if he so desires, thus throwing the initiative back to him.

JOHN S. WARNER
Legislative Counsel

STAT

CENTRAL INTELLIGENCE AGENCY

FORM 1 AUG

(47)

OFFICE OF THE DEPUTY DIRECTOR

*Mr. Warner -
I'd like not
to reply but don't
I owe him an
answer re Panama?
CP*

24 DEC 1959

DANIEL J. FLOOD
11TH DIST., PENNSYLVANIA

COMMITTEE:
APPROPRIATIONS

WASHINGTON OFFICE:
331 OLD HOUSE OFFICE BLDG.

HOME OFFICE
1015 MINERS NATIONAL BANK
WILKES BARRE, PENNSYLVANIA

Congress of the United States
House of Representatives
Washington, D. C.

December 8, 1959

11-9775

General C. P. Cabell, USAF
The Deputy Director
Central Intelligence Agency
Washington, D. C.

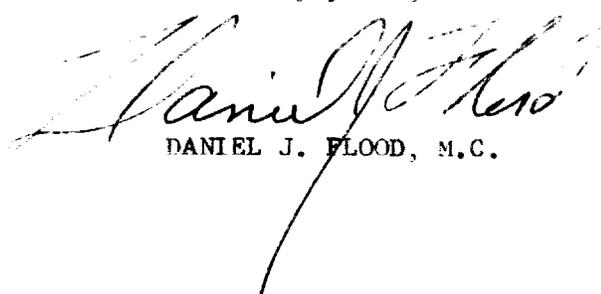
Dear General Cabell:

I have just read your "Situation Report" address of October 6, 1959. It is both interesting and informative.

Because of the crucial situation at Panama, I shall appreciate any similar report that you may have concerning it.

Two recent press releases dealing with it are enclosed.

Sincerely yours,



DANIEL J. FLOOD, M.C.

DJF/H/mt

Enclosure

FOR IMMEDIATE RELEASE:

THURSDAY, DECEMBER 3, 1959

Congressman Daniel J. Flood of Pennsylvania today released the following statement concerning further threats of invasion of Panama:

"Recently reported preparations in Cuba for launching another invasion of the Isthmus have caused Panama to make a formal protest to the Government of Cuba in an effort to ward off that danger.

"The present Cuban Government over a period of months, by both actions and words, has revealed itself as an agent of Moscow-directed international communism. Thus, any invasion of Panama by forces staged from Cuba would be an overt act in extension of the communistic system in this hemisphere and a matter of grave concern for the peace and safety of all the Americas.

"Moreover, it would not only violate the principle of non-intervention of the 1947 Rio Pact setting up the inter-American security system, but also the Monroe Doctrine.

"Our neighbors to the south recognize the dangers involved and look to the United States to lead in defense against current threats to the Western Hemisphere, with prompt announcement of the Monroe Doctrine as applying to any attempt from Cuba to invade Panama or other Latin-American countries, especially those of the Caribbean area."

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Congressman Daniel J. Flood (D-Pa.), in an open letter to President Eisenhower on the eve of the latter's departure on his world-wide "peace with justice" mission, vigorously assailed the Administration's "appeasement" policy in connection with anti-American violence in the Panama Canal Zone.

Flood coupled his detailed and historically-backed condemnation of the Administration's "soft" Panama policy with a personal appeal to President Eisenhower "to apply the full force of your position toward safeguarding the United States interests in Panama -- and, thereby, the entire world."

The Pennsylvania Congressman, who is widely recognized as an outstanding spokesman for the full protection of American rights in Panama, as guaranteed "in perpetuity" in a treaty between the two nations, made the "open letter" appeal to President Eisenhower, he stated, because of the views expressed by the Chief Executive at his press conference on last Thursday.

Because of the imminent departure of the President, Flood had his communication on the problem hand delivered to the White House Thursday evening. Flood wrote that all the circumstances warranted, he felt, embracing his views in an open letter to the Chief Executive.

Remarking that "the Panama Canal has long been a prime target for communist political attack, dating back to the 1917 Russian Revolution," Congressman Flood cited the "disturbing disorders" that have taken place in recent weeks in Panama.

"There has been a virtual blackout of important news from the Isthmus in the major press of the United States in line with the desire expressed by you soon after the event to minimize the significance of the incident 'as one episode in a long period of favorable relations.'"

"As to this, Mr. President," Flood wrote, "the Spanish language press of Panama has not missed the significance of these disorders. Neither have residents in the Canal Zone nor thoughtful non-political Panamanians who witnessed the assaults endured by our Canal Zone Police and Army units in protecting United States interests."

Flood was frankly critical of the Eisenhower Administration's handling of the violence-marked situation which developed in the wake of recent anti-American demonstrations in the Canal Zone.

"Instead of a prompt and courageous announcement backing-up Canal Zone authorities, civil and military, to the hilt and warning that further efforts to invade the Zone would be repelled by force if Panamanian authorities were unable or unwilling to hold radicals and their communist monitors in check," Flood wrote, "the Administration sent a diplomatic emissary to appease those stirring up the trouble. The result was inevitable: a second attempt to invade the Canal Zone on November 28th, with far greater numbers involved and renewed violence."

The Pennsylvania legislator, who is directly concerned with Panama affairs as a member of the Sub-Committee of the House Appropriations Committee with responsibility for supply purposes for Panama, then baldly charged the Eisenhower Administration with a serious error of omission, policy-wise.

"It is indeed regrettable that neither you nor any official in the State Department has publicly commended Canal Zone or U.S. Army authorities for doing their duty. They have, however, commended the National Guard of Panama and issued statements foretelling appeasement to mobsters whose ultimate aim is nationalization."

Continuing in this vein, Flood wrote:

"Not only have your statements, Mr. President, served to undermine important provisions of the 1903 Treaty acquiring the Canal Zone and providing for the construction of the Panama Canal and its operation, but also to negate the 1950 Act of Congress placing the Canal enterprise on a self-sustaining and business-like basis. These are matters in which Congress has a prime interest and responsibility."

Flood struck hard at the Administration's suggestion for admitting the display of the Panama Flag in the Canal Zone, asserting it would be a "psychological Pearl Harbor." Continuing, Flood claimed: "Furthermore, if the Panama Flag ever flies officially in the the Canal Zone, Approved For Release 2002/10/30 : CIA-RDP80B01676R000900030089-5

chaos. The extremists who have been inciting Panamanian mobs to violence and have thus been establishing the foreign policy of Panama have as their immediate aim a duality of control which the great leaders at the start of the century thought had been forever prevented. The ultimate aim is Panamanian Nationalization."

Earlier in the year, Flood charged the efforts of Panamanians to nationalize the Canal, if successful, would "Berlinize the Canal Zone and thus be a dagger thrust at the heart of America."

In his letter to the President, Flood further stated:

"The acquisition of the Canal Zone in 1904 and undertaking the Panama Canal enterprise are highlights in American History, always looked upon by President Theodore Roosevelt as comparable in importance to the Louisiana Purchase. The policies leading up to them flowed from the minds of such eminent leaders as Secretary of State Hay, Senator Spooner, John Bassett Moore, Elihu Root, Admiral John G. Walker, John F. Stevens, and William H. Taft, as well as Roosevelt; and fully confirmed by Secretary of State Hughes.

"The Treaty provisions for exclusive sovereign control of the Canal Zone in perpetuity to the entire exclusion of the exercise of any sovereign control by the Republic of Panama were based on realistic considerations involved in the conduct of a great project in an area of endemic revolution, and political instability. The perpetuity requirement is based on 1902 recommendations of the Isthmian Canal Commission and The Spooner Act."

DANIEL J. FLOOD
11TH DIST., PENNSYLVANIA

COMMITTEE:
APPROPRIATIONS

Approved For Release 2002/10/30 : CIA-RDP80B01676R000900030089-5

COPY

WASHINGTON OFFICE:
331 OLD HOUSE OFFICE BLDG.

HOME OFFICE:
1015 MINERS NATIONAL BANK
WILKES-BARRE, PENNSYLVANIA

Congress of the United States
House of Representatives
Washington, D. C.

December 3, 1959

The President
The White House

Dear Mr. President:

This letter is motivated by the fact that I am a Representative in the Congress from the great State of Pennsylvania and a member of the Sub-Committee of the House Committee on Appropriations charged with the duty of formulating supply bills for Panama Canal purposes; and by the further fact that the discharge of the duties thus imposed has caused me to become a close student of Canal problems. These are the reasons for thus addressing you concerning your statements in the Presidential News Conference of December 2, 1959, relative to Panama Canal matters.

My feeling in the present situation is one of the deepest concern, and therefore, I speak frankly, but, I assure you, with the respect due your office and person. Also, because of the circumstances and your absence from the Country, I take the liberty of making this an open letter for the reason that thereby -- in some measure at least -- the American people and the Congress may be warned of the dangers involved in the current situation at Panama. I am in nowise an enemy of Panama or of any just Panamanian aspirations.

The acquisition of the Canal Zone in 1904 and undertaking the Panama Canal enterprise are highlights in American History, always looked upon by President Theodore Roosevelt as comparable in importance to the Louisiana Purchase. The policies leading to them flowed from the minds of such eminent leaders as Secretary of State Hay, Senator Spooner, John Bassett Moore, Elihu Root, Admiral John G. Walker, John F. Stevens, and William H. Taft, as well as Roosevelt; and fully confirmed by Secretary of State Hughes.

The Treaty provisions for exclusive sovereign control of the Canal Zone in perpetuity to the entire exclusion of the exercise of any sovereign control by the Republic of Panama were based on realistic considerations involved in the conduct of a great project in an area of endemic revolution, and political instability. The perpetuity requirement is based on 1902 recommendations of the Isthmian Canal Commission and The Spooner Act.

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C O P Y

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C O P Y

Mr. President:

December 3, 1959

The record of violence, revolution, political intrigue and instability in Panama since 1904, culminating in the attempted mob invasions of the Canal Zone on November 3 and 28, 1959, are ample proof of the wisdom and vision of those who framed our historic policy of exclusive sovereign control, both Americans and Panamanians. Nothing could be more fatal to the welfare of Panama than for the Canal Zone or Canal to become Panamanian political footballs.

While it is true that the preamble of the 1903 Treaty acquiring the grant of the Canal Zone in perpetuity describes "The sovereignty of such territory being actually vested in the Republic of Panama," this statement was obviously made to show the transfer of sovereignty over the area from Colombia to Panama as a result of the secession of Panama from Colombia. It was not for the purpose of establishing the sovereignty of Panama over the Canal Zone after ratification of the Treaty. Thus, for you as President, to state that the United States "has recognized the titular sovereignty of Panama" over the Canal Zone for more than 50 years is not only inaccurate but definitely misleading. In addition, for you also to suggest that there should be "visual evidence that Panama does have titular sovereignty over the region" is incredible. It plays directly into the hands of those whose ultimate aim is wresting control of the Panama Canal from the United States.

The only possible claim that Panama can justly make is one of reversionary character that can never be exercised so long as the United States meets its Treaty obligations with respect to the Canal. Therefore, the Canal Zone is constitutionally acquired domain of the United States subject only to treaty provisions.

What has been most disturbing since the disorders of November 3, 1959, has been the virtual blackout of important news from the Isthmus in the major press of the United States in line with the desire expressed by you soon after that event to minimize the significance of the incident as "one episode in a long period of favorable relations." As to this, Mr. President, the Spanish language press of Panama has not missed the significance of those disorders. Neither have residents in the Canal Zone nor thoughtful non-political Panamanians who witnessed the assaults endured by our Canal Zone Police and Army units in protecting United States interests.

Instead of a prompt and courageous announcement backing up Canal Zone authorities, civil and military, to the hilt and warning that further efforts to invade the Zone would also be repelled by force if Panamanian authorities were unable or unwilling to hold radicals and their communist monitors in check, the Administration sent a diplomatic emissary to appease those stirring up the trouble. The result was inevitable: a second attempt to invade the Canal Zone on November 28, with far greater numbers involved and renewed violence.

C O P Y

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C O P Y

Mr. President:

December 3, 1959

It is indeed regrettable that neither yourself nor any official in the State Department has publicly commended Canal Zone or U.S. Army authorities for doing their duty. They have, however, commended the National Guard of Panama and issued statements foretelling appeasement to mobsters whose ultimate aim is nationalization.

Not only have your statements, Mr. President, served to undermine important provisions of the 1903 Treaty acquiring the Canal Zone and providing for construction of the Panama Canal and its perpetual operation, but also to negate the 1950 Act of Congress placing the Canal enterprise on a self-sustaining and business-like basis. These are matters in which the Congress has prime interest and responsibility.

In this connection, please do not overlook that the Panama Canal has long been a prime target for communist political attack, dating back to the 1917 Russian Revolution.

As to the State Department's reputed statement that the "admission of the Panamanian Flag into the Zone" would be of "immense psychological importance," that is true. It would certainly be a psychological "Pearl Harbor" for the United States. Furthermore, if the Panama Flag ever flies officially in the Canal Zone, this will open up a veritable Pandora's box of controversy, conflict and chaos. The extremists who have been inciting Panamanian mobs to violence and have thus been establishing the foreign policy of Panama have as their immediate aim a duality of control which the great leaders at the start of the century thought had been forever prevented. The ultimate aim is Panamanian Nationalization.

Concession after concession in the nature of important benefits has been made to Panama by way of appeasement and the most solemn and paramount rights of the United States surrendered without any balancing considerations while your recent statements on these matters have been made in a further effort to appease -- and doubtless from recommendations of underlings in the State Department or others not grounded in the Panama situation -- no action has been required of Panama to make any withdrawal of its recent enactment seeking to extend its territorial waters around the Canal Zone, thus making the Canal another Berlin. In fact, all these concessions have produced an adverse effect so far as the United States is concerned.

The succession of surrenders over many years of vastly important and indispensable American rights to operate the Panama Canal for the benefit of the world at large is a matter of the gravest concern. We must stand by our treaty obligations and not permit this great interoceanic link to become the victim of Panamanian or any other political maneuvering.

C O P Y

-4-

C O P Y

Mr. President:

December 3, 1959

The flying in the Canal Zone of the Panamanian Flag would symbolize another striking instance of the liquidation of the just authority of our Nation, while communist aggression so largely responsible for the liquidation has been permitted to flourish in a manner far beyond any precedent of history.

The tragic muddle at Panama, Mr. President, is conclusive evidence that you cannot safely rely on those who since 1953 have been advising you on Panama Canal sovereignty and treaty questions. The whole policy has been one of sheer appeasement, and evidently, against the views and recommendations of those in immediate charge of the operation, maintenance, and protection of the Canal. However, over generous some of the recent concessions might have been they are far better than any action which would impair or subtract from the full authority of the United States over the Canal Zone. Without such authority this Nation could not discharge its obligations in operating the Canal.

The official display of the Panamanian Flag in the Canal Zone as evidence of Panamanian jurisdiction is not an insignificant gesture of good will. Instead, it will pave the way for ever-increasing and impossible demands in behalf of Panama led by extremist radicals who under no circumstances will ever be friends of the United States regardless of what we may do.

Finally, I can think of nothing that would have a stronger appeal to the people of our country than for you to apply the full force of your prestige toward safeguarding United States interests in Panama -- and, thereby, the entire world. If you should thus act, our people will support you in the best tradition.

With best for yourself and the cause of peace on the forthcoming trip to the Old World, I remain,

Sincerely yours,

Daniel J. Flood /s/

DANIEL J. FLOOD, M.C.

DJF:hmt

UNCLASSIFIED		CONFIDENTIAL		SECRET	
CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP					
TO	NAME AND ADDRESS		INITIALS	DATE	
1	Legislative Counsel				
2					
3					
4					
5					
6					
ACTION		DIRECT REPLY		PREPARE REPLY	
APPROVAL		DISPATCH		RECOMMENDATION	
COMMENT		FILE		RETURN	
CONCURRENCE		INFORMATION		SIGNATURE	
Remarks: John: You may wish to acknowledge the attached letter from Congressman Flood "in General Cabell's absence out of the country." I assume you will bring this to his attention upon his return with any further reply you deem appropriate -- note underlined portion of paragraph 2. JSE Att: Letter, dtd 8 Dec 59, re General Cabell's "Situation Report" address of 6 Oct 59.					
FOLD HERE TO RETURN TO SENDER					
FROM: NAME, ADDRESS AND PHONE NO.				DATE	
EO/DCI [redacted] :blp [redacted]				9 Dec 59	
UNCLASSIFIED		CONFIDENTIAL		SECRET	

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