

DATA ENTRY FORM II

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DOCUMENT TYPE (Circle one)

ADMINISTRATIVE (Office operations, space, personnel, equipment.)

CASE (Casework.)

INVITATION (For the Senator.)

ISSUE (Routine constituent correspondence on issues, legislation.)

OFFICIAL (Correspondence with Members of Congress, the Executive, or Judiciary, or any other governmental entity, EXCEPT, EXCEPT casework, assistance, administrative items.)

PUBLIC ACTIVITIES (Public relations, courtesies, assistance with speakers or employment, etc.)

REQUEST (Flags, documents, pictures, etc. No casework, assistance, or official letters.)

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PROFESSION CODE 1 PA PROFESSION CODE 2 _____ PROFESSION CODE 3 _____

COMMENTS _____

February 14, 1978

Mr. John Wayne
9570 Wilshire Boulevard, Suite 400
Beverly Hills, California 90212

Dear Mr. Wayne:

Thank you for your letter and the results of your personal investigation on the Panama Canal Treaties.

I agree with you that there has been too much emotionalism and hearsay and not enough facts in the discussion on the Panama Canal. It is especially unfortunate that proponents of the Treaties are represented as unpatriotic and uncaring as regards American security.

Two of my major concerns are that American rights to defend the neutrality of the Canal and our access to the Canal be guaranteed. Within this context, I believe that our strategic interests can be protected and a more equitable agreement with Panama achieved.

Once again, thank you for writing and sharing your views with me.

Sincerely,

Robert Morgan

RM/hij

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JOHN WAYNE

9570 Wilshire Blvd., Suite 400
Beverly Hills, California 90212
January 16, 1978

The Honorable Robert B. Morgan
United States Senate
Washington, D. C. 20501

Dear Senator:

Since there has been so much hearsay instead of fact put into news print, people have been without factual guidance in forming their opinions regarding the Panama Canal.

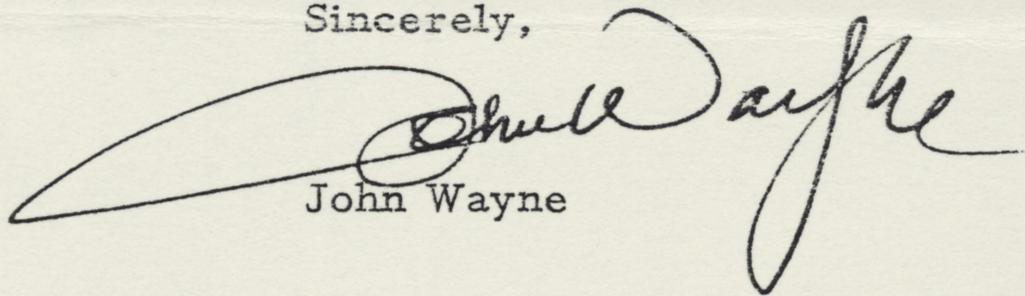
Because of this, I have been censored moderately by some and vociferously by others for my point of view. As a consequence, I have spent now over three months of intensive research on this subject without depending on the bias of either side in my guidance.

Some of those results are included in this letter to Mr. Lofton of "Battleline." These are facts that can be proven.

Also included is another page of pertinent information regarding the Canal.

I hope that you will find this information of value in your judgment concerning the Treaties in debate.

Sincerely,



John Wayne

JW/ps

Enclosures

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JOHN WAYNE'S ANSWER TO "BATTLELINE" OPEN LETTER

I received a copy of your Open Letter, Mr. Lofton, and read it. Mr. Lofton, I wonder if you will print this Open Letter back to you.

I am fed up with people writing me from hearsay. You are now assuming that the good Democratic Senator from Alabama and his views reflect the top authority on the United States/Panama negotiations. I prefer to look at the proposed Treaty itself, or the Treaties as there are two of them.

Since neither you nor the good Senator were a part of the negotiations, I think it is quite obvious that we should accept the written words of the Treaty as facts rather than rhetoric of either you or the good Senator.

We are not asked to surrender 10 out of 14 bases in the area. We have agreed to return those areas which we used during the war that are now inactive and have been inactive for a long time.

The four relative small enclaves, as you call them, are not hemmed in and do not affect either our oil lines, electrical, gas, or communication positions through the Canal.

We are keeping those areas which our military think are practical and necessary for us to maintain our interests and efforts and responsibilities in the Canal.

Your statement says our military would be severely limited by a Treaty requirement for the approval of operation by a joint military Board in which the two countries have equal authority-----UNTRUE.

The Board mentioned is not a joint military command. It has only consulting and planning functions for the cooperation of both countries and "shall not inhibit the identity or lines of authority---of the Armed Forces of the United States of America." These are facts that I am reading directly from the copy of the original Treaty which I have before me. Also in Article IV, Paragraph 2, Panama grants the United States "The primary responsibility to defend and protect the Canal." These facts should refute the reasoning or veracity of your Open Letter; but let's continue and answer it in full.

My pragmatic view in my Statement was evidently not understood by you. It was intended to remind you that Andrew Young our United Nations Ambassador hailed Castro as a hero and Cuba as "angels of order" for their guerilla warfare and atrocities in Angola, Africa. He suggested that we should disregard the white governments in Southern Africa who are now putting forth best efforts to turn over the governing of blacks to responsible blacks. He suggests that instead of that we should back Robert Mugabe, who two weeks before the Ambassador made this statement had murdered a dozen people of the Cloth---hardly enemies of humanity.

I suggested that Roosevelt had his Wallace and Hiss; that Carter has his Andrew Young; and therefore, the fact that Torrijos has his Bethancourt should not necessarily present the Panamanian government as a part of "Castro's Beard."

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You speak of the cost of the Panama Canal. Its original price for construction was 378 Million Dollars. We have spent more than that in several places around the world for just the right to spend billions to establish "Protective air bases for a very limited period of time." We have spent these billions in unfriendly as well as friendly areas. In those countries, we had no toll arrangements to keep it from costing the American taxpayer as we have had for 70 years in Panama.

The above figure and the following figures I am taking from the Annual Accounting Reports of the Panama Canal Company which is responsible for all costs, collected revenues and reimbursements for the Canal for over the last 50 years.

All the annuities paid to the government of Panama over the last 70 years amounted to 54 Million Dollars. They have returned that to the Canal Commission in loading, unloading, and warehousing services to their ships in the last five years. (Fees for these services to Panama in the Canal Zone are significantly higher than in any U.S. Port.)

The United Nations Economic Commission made a survey of the value of the Canal. Over the past 50 years, it has been a saving to the American consumer and producer---a direct savings of 12 Billion Dollars----a pretty fair return for 378 Million Dollars original investment, which included defense fortification at that time.

The Panama Canal Company is paying and has paid the United States taxpayer 16.6 Million Dollars every year for 50 years, which means the Company has paid the American taxpayers close to One Billion Dollars interest against a 378 Million Dollar loan which is still carried on the books at 319 Million Dollars.

The Secretary of the Navy in 1928 as recorded in the Annual Report states that the Canal represented a savings of 40 percent of his department's budget. His budget for that year was 500 Million Dollars. So just in the year of 1928, there was a savings of 200 Million Dollars to the American taxpayer just in Naval operations.

I guess those figures take care of the hearsay that the American taxpayer has 7 Billion Dollars invested in the Canal.

We are asking the Commission that is under and will be under American control for the next quarter of a century to pay out of its collected revenues 10 Million Dollars to the Panamanian government for taking over the responsibility for public utilities, their maintenance and the civilian government courts, policing, fire protection, etc., in the Panama Canal Zone.

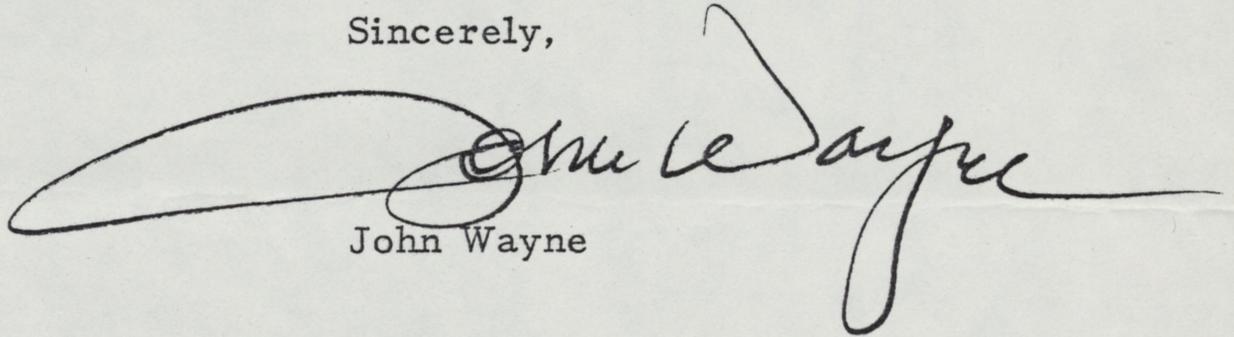
We have not been able to, and we know that Panama cannot take care of these obligations for that amount of money. It cost us over twice that amount last year. Our new Commission would have the authority to raise the toll charges to pay Panama an annuity for the National Resources that Panama dedicates to the operation and defense of the Canal----the authorized addition to be 30 cents a ton paid out of toll charges. This is the equivalent of 1/1000 of a cent and one half----per pound which cannot add a great deal to the cost of the cargo intended for United States consumption.

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I am not asking you for an apology for your irresponsible remarks saying that my statements and position are based on "bum dope." I just remind you that they are based on facts taken from the pages of the two Treaties, plus a modicum of reasoning to dispel hysterical outcries of the uninformed and a pragmatic viewing of the Canal's cost against the billions spent on so-called protective air bases that we have and have had around the world.

I would certainly appreciate having this Open Letter printed in full text with the same type face as your Open Letter to me.

Sincerely,

A handwritten signature in black ink, appearing to read "John Wayne", with a large, sweeping flourish that extends to the right and loops back under the name.

John Wayne

JW/ps

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Concerning the argument that the New York banks are pressing for these Treaties because Panama owes them billions of dollars is simply not true. The entire debt of the Panamanian government to United States banks is 355 Million Dollars.

To charge that the Government of the United States negotiated these Treaties because our banks had a 355 Million Dollar interest in Panama's debt is to ascribe to our Federal policy makers a tight fisted sense of economy for which Washington has never been known.

The charge that the United States has been barred from negotiating with any other country for a sea-level canal is of our own creation.

Senator Hollings explained it pretty well. The truth is that----Section 2 of Article XII of the Panama Treaty was added at the insistence of the United States and with good reason. During the 1960's, Doctor Milton Eisenhower and the Secretary of the Navy Robert Anderson and others were appointed to a "Blue Ribbon" Committee to study the possibility of a sea-level canal in Central America---Nicaragua, Colombia, Panama or anywhere else that might be feasible. That voluminous report filed in the 1970's concludes that the choice of such a feasible sea-level canal is limited to Routes 10 and 14. Both are in the Republic of Panama. In short, Panama is the only realistic place in which to build a sea-level canal. Therefore, naturally we wanted included in the Treaty the exclusive right to build same and the assurance that Panama would not either negotiate or allow another country to consider such a project. In return for this, we agreed not to negotiate for what we did not want in the first place.

Back in 1914, we were thinking about building a Canal through Nicaragua. We entered into a Treaty then giving us an option "in perpetuity" to build a canal through Nicaragua. However, this became something of an irritant in United States diplomatic relations with that country. Nicaragua requested that the agreement be abrogated. Since the Inter-Oceanic Study Commission reported in 1970 that a canal there would displace some 370,000 people at a cost at that time of over 11 Billion Dollars and the country was subject to earthquakes, we accommodated them.

The Senate by a vote of 66 to 5 approved terminating the 1914 accord. Some of those now crying that we are giving up the Nicaraguan route are the same Senators who voted to give up that route seven years ago.

It was said a couple of weeks ago in national debate that a resort area in Panama, "Contadora," was a complete failure. Untrue.

I had occasion to visit Contadora last week. It was booked to capacity and there are no rooms available until after April at the end of the season. I can't understand why one of our politicians made this false remark.

I checked out the next statement that was made in that debate---that their hydroelectric system was a complete failure. Untrue.

They have completed one of three units that is saving them 11 Million Dollars a year and are putting in two more units that will cut their costs a total of over 40 Million Dollars annually which is 40 percent of their electric energy bill. In addition to these savings, the projects will provide 5,500 jobs directly and indirectly.

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In the same debate, it was stated that Panama's new airport is a complete failure. Untrue.

I visited it a week ago. It appears to be a beautiful, well thought out facility. It is expected to handle 70,000 tons of freight annually by 1980. Its estimated cost is 65 Million Dollars. The Minister of Economics Nicolas Ardito Barletta reports that the current investment is 49.7 Million Dollars. Its date of completion is projected for April, 1978. How can men in a prominent position politically in our country be so misguided that they can make the judgment that it is a failure, particularly with the millions that we spend on investigative committee reports.

It took me eight hours by plane, an hour by car, and a 15-minute interview with the Minister of Economics Nicolas Ardito Barletta to get these facts.

The fourth failure that was mentioned in the debate had to do with their sugar mills. It is true that when the price of sugar was up Panama overestimated their factory and milling needs----a sad mistake that I suppose was never made any place else in the world.

I am embarrassed by the political rhetoric and abuse to our neighboring country, which regardless of internal political turmoil, at all times has been our most friendly ally. It is certainly not deserving of the inconsiderate and fallacious comments made by our prominent politicians.

I have never checked the exact debt of New York City, but I have a feeling it is worthy of more attention than Panama's minor administrative mistakes.

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