

Edwin M. Martin Oral History Interview – JFK#1, 05/19/1964
Administrative Information

Creator: Edwin M. Martin

Interviewer: Leigh Miller

Date of Interview: May 19, 1964

Length: 13 pages

Biographical Note

Edwin M. Martin (1908-2002) was the Assistant Secretary of State for Economic Affairs from 1960 to 1962 and the Assistant Secretary for Inter-American Affairs from 1962-1964. This interview focuses on diplomatic visits from President Goulart of Brazil and President Chiari of Panama to the White House, among other topics.

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Edwin M. Martin, recorded interview by Leigh Miller, May 19, 1964, (page number),
John F. Kennedy Library Oral History Program.

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Oral History Interview

With

EDWIN M. MARTIN

By Leigh Miller

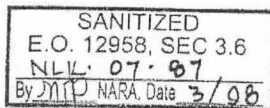
May 19, 1964

MILLER: This is a recording of an interview with Mr. Martin on Tuesday, May 19, 1964 in connection with the Kennedy Library's oral history project. We will begin then, Ambassador Martin, with the early part of 1962 at this recording session and will pick up earlier occasions on which you were with the President at a later date. As I understand it, in about the middle of March 1962 you had a meeting with the president at the White House, is that correct?

MARTIN: That is correct.

MILLER: And what was the substance of that particular meeting? Do you recall?

MARTIN: I might mention for background that I took over as Assistant Secretary for ARA [American Republic Affairs] on March 8. On March 14 I went over to the White House to meet with the President and with Ambassador Loeb [James I. Loeb], our ambassador in Peru. He had come back to Washington because of reports received, and confirmed by a letter sent him by the Admiral who was then Minister of the Navy in Peru, indicating that if APRA [American Popular Revolutionary Alliance] won the election, which was then scheduled for, I believe, June, the military forces would not permit Haya de la Torre [Victor R. Haya de la Torre], the APRA Alliance] won the election, which was then scheduled for, I believe, June, the military forces would not permit Haya de la Torre [Victor R. Haya de la Torre], the APRA



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candidate, to take office. They wanted to put us on notice to this effect. Loeb and I discussed with the President what he as ambassador could say informally to the Peruvian military about the U.S. position in the event the military chose to intervene and prevent the democratic processes from being carried out. It was agreed that he should convey to them the message that the United States looked with complete disfavor on any action of this sort. That while we have no preferences among the political parties that were campaigning, we saw no reason why whichever one was elected should not be permitted to take office. We would find it extremely difficult, if not impossible, to do business, including aid business, with a military government which intervened in the fashion which it had been reported the Peruvian military were considering doing.

MILLER: Did this seem to be a strong and fully developed opinion of the President about coups and military dictatorships, or was this in the process of development at that time? Could you say?

MARTIN: I would have said that, on the basis of the discussion, he was dealing with a particular situation in the light of the pragmatic pros and cons. There was not, as I recall it, any generalized or theoretical discussion but a feeling that the APRA in particular were a group which were sympathetic to the aims of the Alliance for Progress; were the only political party in Peru which had taken a firm stand against the Communists--both the others were permitting Communist support and had some people running for office whom we felt had Communist records--and that from the U.S. standpoint, the APRA was probably the most desirable party to have win the election. That made it particularly intolerable that the military should prevent them, if they won, from taking office. The President was cautious not to burn his bridges in the sense of making a flat out 'we will stop aid.' But the language which he approved made it quite clear that this was a likely prospect in case the military should, in fact, intervene.

MILLER: Was the matter of cutting off diplomatic relations discussed at that meeting at all?

MARTIN: I don't recall whether or not this was specifically discussed but I would think it implied in the general tenor of the discussion that it would be very difficult for us to continue either aid or to resume diplomatic relations with a military government. It would not however be a question of 'cutting off' relations but of not resuming them after a forceful change of regime.

This strong position was developed to deter action, but it was felt necessary to leave the doors a bit ajar because we were aware that if the position we took were not successful, we would have to live, in some fashion, with whatever government should be in charge in Peru. However we, in fact, went rather far in taking a strong line. This line having been taken and having been conveyed to the Peruvian military through various channels, not only by the ambassador but by military personnel who knew them well who were sent down for the purpose, undoubtedly affected the nature of the action which we subsequently took when the military did in fact, despite our warnings, intervene.

MILLER: Were there opposing points of view argued before the President at that time or opposing memoranda that gave the President a choice to make? Or was there considered recommendation of most departments?

MARTIN: No, this was considered a State Department recommendation and I don't know of any general discussion or any opposing views expressed at any point. At least I recall none, though the minutes of the LAPC [Land and Agricultural Policy Center] may reveal discussion there. ISA [International Security Affairs] in Defense [Department of Defense] certainly did not dispute the position and later sent U.S. officers to Peru to help convey it.

MILLER: After the meeting then, with the President and Ambassador Loeb on the Peruvian matter, I gather that the next important thing Ambassador Martin was the visit of President Goulart [Joao Goulart] early in April 1962. You had, I understand, a meeting in early April just before President Goulart arrived with the President at the White House, is that correct?

MARTIN: That's right. There was a rather large meeting designed to go over the position papers and brief the President on the matters which were expected to come up in the course of this conversation. There was, of course, a side negotiation with the Finance Minister [Selastino Parada Almed] concerning financial assistance to Brazil which was undertaking a program to stop inflation and correct imbalances in both domestic finance and in their balance of payments. But the principal subjects of discussion, as I recall them, for the talks with President Goulart, which were taken up in the briefing meeting, were two other matters. One was the problem of communism in the hemisphere and in Brazil and the necessity of dealing with the attempts of the Communists to infiltrate the Goulart government, an infiltration which we felt he either was not aware of or didn't care about, or was encouraging. It was hard to say which.

The second somewhat more specific problem was that of the recent expropriation of the facilities of the International Telephone & Telegraph Company and prepared sale of these properties by the American Foreign Power Company and our desire to secure adequate and prompt compensation for the companies. The most active discussion with respect to the communiqué, which is always the most important outcome of these meetings, had to do with what we would say about this latter point. And President Kennedy took a very careful stance in indicating that the current proposal of Goulart to purchase the companies properties, and he emphasized that it was to be a matter of purchase and not expropriation, was something that had been initiated by Goulart and that if the purchase was made on a basis which involved fair compensation to the companies, we had no objection to it. I don't want to suggest I'm quoting language, the language of the communiqué is publicly known and was very carefully worked out. I believe that President Kennedy wished to give Goulart the impression that we were not fighting something which he thought was in his national interest and that this would provide a basis for building a collaboration in the future in the Alliance for Progress, in dealing with communism and in correcting Brazil's financial problems, but he did want to say it

in a way which would not antagonize U.S. business interest by condoning or appearing to condone expropriation or action which would deprive U.S. investors of their legitimate rights and properties in Brazil. It was a rather difficult dilemma that the President tried to handle as carefully as he could.

MILLER: The IT & T expropriations were the expropriations, as I recall, in Rio Grande do Sul and had occurred several months before. Did the President indicate any awareness or place any emphasis upon congressional feelings in the expropriation matter when you talked to him on the second, I believe it was, of April?

MARTIN: I don't recall any particular emphasis on the congressional angles in this regard, but I don't recall the conversation in sufficient detail to be sure there wasn't an emphasis on this. I think we in the State Department, and the President, had our own feelings on the undesirability of the way the Rio Grande do Sul operation was conducted and wanted to get it on to a purchase basis if they were going ahead, to take over the properties.

MILLER: Did the President have fairly well defined views on expropriation? For example, if expropriation were for the national interest, so long as prompt, effective and adequate compensation were paid, it was understandable and we would not spend any real political capital against it. Or were his views in the process of formation at the time?

MARTIN: I had the impression that his view was fairly definite that we must accept diversity and that within a field like public utilities the action by a foreign government in deciding that it wanted to own its public utilities was one to which we could not object, provided that there was compensation for the owners and that the rights of property in the contract were recognized. I think he did realize that there were cases which all of us might agree to have been legally and morally, if you will, proper. There was a question of whether there was a wise use of scarce resources but basically I feel that his view was that each country had to decide these things for itself, though hopefully after considering carefully the economic aspects.

MILLER: Did the President seem to be looking forward to the meeting with Goulart or...?

MARTIN: Yes, I think he did very much. I think he looked upon Goulart as another young president who seemed to be trying to make changes but seemed to be somewhat inexperienced and doing some ill-advised things and he felt that he, as a young president who was trying to make changes, might well be able to establish a personal relationship with the man who was in charge, by an act of fortune, good or bad, of the destiny of much the biggest country in Latin America. A personal rapport would enable us to have an influence on that country's policies by enabling him to affect the choices that Goulart made between courses of action, some of which might be

damaging to Brazil, or us, and some of which could be helpful. I think he continued to feel for quite a long time the great necessity of not himself personally taking positions which would be interpreted by Goulart as a disowning, a repudiation or break, that the tie of personal friendship was something to be cultivated even with some sacrifice on individual situations. I must say this was the first of a, if I may digress more generally, number of cases in which I was impressed by the importance President Kennedy attached to maintaining or restoring good relations with a country and more especially good personal relations with its chief executive. He did not, as I saw it, enter easily into personal combat with another head of state.

MILLER: Did the President, in preparing for the meeting with Goulart, place great emphasis upon Brazilian relations with Cuba with more emphasis upon the Bay of Pigs episodes effect upon Cuban-Brazilian relations?

MARTIN: No, I think there was much more emphasis on the internal Communist problem than there was on the international at this particular time. The Cuban problem was not so much in the forefront of consideration at this time. There was reference to it and to the resolutions of Punta del Este, the need to carry them out, but this was not, as I recall it, a major feature of these discussions. We had no new programs we are trying to sell at this point.

MILLER: Did the President either before, during, or after this meeting indicate that he personally believed that there was a Communist infiltration in Brazil and that this was a very important problem as far as he was concerned?

MARTIN: I would gather from his conversation that he thought there were problems which deserved attention both in the government and in the labor movement. There was especially full discussion of its role in the labor movement in the course of this meeting.

MILLER: Moving on into the visit itself then, which occurred during the next several days, did a personal relationship between President Kennedy and President Goulart develop?

MARTIN: Yes, I think it did, and both from what happened during the meeting and from subsequent relationships I think Goulart felt that he had an understanding friend, and he valued this friendship. I think the President felt the same way and both were deeply disappointed that the occasion never arose for the visit to be returned. Several times a return visit was planned but developments, especially in one or other of the LA [Latin American] countries which would have had to be included in such a trip prevented it. In December 1962 the President sent his brother, the Attorney General [Robert F. Kennedy], to talk to Goulart to keep up a personal dialogue. And in the fall of 1963 a trip in early 1964 was again being planned.

MILLER: There were quite a number of meetings over the next several days both formal occasions and working sessions. Did the two main themes that you referred to earlier occur in these conversations?

MARTIN: Yes, I would say that they were the main themes of the discussions. I've not refreshed my memory with the minutes of the meeting.

MILLER: Did anything unusual occur during these meetings that you recall?

MARTIN: No, I recall nothing. Nothing special. I would like to digress at this point to recount a phone conversation that I had with the President about this time, perhaps, a little earlier, that may be of some interest. My deputy, Mr. Goodwin [Richard N. Goodwin], was scheduled to do a nationwide television broadcast in the U.S. with Carlos Fuentes, a Mexican writer of some hemisphere renown, to discuss the Alliance for Progress. The State Department learned that this had been arranged only three or four days before it was to take place and we learned of it because of a cable from an understanding friend, and he valued this friendship. Ambassador Mann [Thomas C. Mann] in Mexico City informing us of the necessity of waiving the normal visa rules to permit Fuentes to come to the U.S. to participate in the telecast. The Embassy in Mexico City had had an application from Fuentes to come for this purpose but Fuentes was known to them as a card-carrying member of the Communist party and they felt that from standpoint of relations with Mexico a waiver was undesirable.

It became therefore necessary for the Department of State to decide whether or not to recommend to the Department of Justice that they waive the normal rules because it would be in the U.S. public interest for him to enter the U.S. to conduct the television debate. I took the view, and the Secretary after discussing the matter separately with me and Goodwin agreed, that any Communist has a distinct advantage in such a debate and gets a windfall audience of great scope for his views, and that therefore we could not conclude that it was in the public interest to hold this debate. We also were impressed by Ambassador Mann's views of the impact on Mexican public and government opinion of such recognition for a CP [Communist Party] member.

Consequently just a couple of days before it was scheduled on one of the major Sunday shows, CBS [Columbia Broadcasting System] had to be informed that Mr. Fuentes would not be permitted to enter. There were some press stories about this matter, particularly in the *New York Times*, on, I believe, the Saturday before the debate advertised publicly for the Sunday. And on that Saturday, either from the press stories or from some other interventions, I received a phone call from President Kennedy asking about the situation and expressing a doubt as to whether it was a good idea to interfere with a free debate of this kind between this distinguished literary figure and Mr. Goodwin. I explained the necessity under the law for the department to verify this was in the interest--it wasn't just a matter of letting him come in but rather saying that it was in our national interest that he should come in--and that under these circumstances we had decided that we could not cooperate. I also told him of the about his party membership, which was unfortunately not widely known and we could not publicize. The President expressed surprise that plans for the debate had not been known and approved sometime

previously, thus avoiding this last-minute cancellation. I assured him that no one in the department knew of any aspect of the proposal until just a couple of days before our talk, when we got the known message, (except of course Mr. Goodwin). He seemed to accept this explanation as entirely justified but his questioning reflected an active interest on his part in allowing all voices to be heard wherever this was possible, and in particular the voices of the intellectual leaders of Latin America, even though they should be considerably to the left. I feel sure that he was not aware, until he was informed by me on the phone, that this was not just a case of a leftist figure of the type that many people would normally suspect, perhaps unduly, but of a card-carrying member of the Communist party.

MILLER: And Mr. Goodwin and Mr. Fuentes did not have the debate?

MARTIN: They did not have the debate. I perhaps should add that as the story was given to me by him, Mr. Goodwin agreed to debate someone to be selected by CBS and it wasn't until just a few days beforehand that he knew who his opponent was to be. This was why he hadn't talked to anyone in State about it or sought the usual clearances. There was some effort made by CBS, with Goodwin support; to have Mr. Goodwin flown to Mexico to record the debate, but this did not prove practical or, in the view of the Secretary and myself, desirable.

MILLER: You became Assistant Secretary of State for American Republic Affairs in early March '62, which was after the Goodwin-Moscoco [Teodoro Moscoso] trip to Chile, I gather. Is that correct?

MARTIN: Just after. Actually, I was asked to take over late on a Saturday, they left on Sunday night for Chile, and I actually took over Thursday morning. I had the impression that the decision for me to take over at this time arose out of some differences of view about the arrangements for the trip.

MILLER: Did this appointment reflect itself in any way in your relationships very early in your holding of office as Assistant Secretary for American Republics Affairs with the President? Did you have any discussions on this subject?

MARTIN: No, we did not. Under Secretary Ball [George W. Ball] did all the explaining of the background of moving me into the job and the President's desires that I got. Basically it was my impression that Ball and Fowler Hamilton [M. Fowler Hamilton] were unhappy at Goodwin's activities in preparing for the trip and persuaded the President that I should be moved in with full authority as Goodwin's boss.

MILLER: Moving on then. After the Goulart visit and his departure, do you recall your next meeting with the President? On the President's appointment calendar for April 9, 1962, an appointment appears...

MARTIN: I do not recall or have records which indicate the subject of that meeting.

MILLER: I couldn't find it here in the *Times* file.

MARTIN: There is a mistake on the 11th. It was the farewell visit, I believe, according to my records of Mayobre [Dr. Jose Antonio Mayobre], the Ambassador of Venezuela, rather than the Ambassador of Argentina.

MILLER: Did anything other than the usual farewell amenities occur at that meeting?

MARTIN: No.

MILLER: Did the President's personal feeling of rapport with Betancourt [Romulo Betancourt] show in this meeting in any way that would be significant?

MARTIN: Yes, definitely. He asked Mayobre to carry his best wishes and he asked a good many well-informed questions about the economic and political situations of Venezuela and showed a very active interest in its development.

MILLER: The next meeting that shows on my listing of the President's calendar was early in May 1962, and began, I believe, a consideration of the Dominican sugar problem, as nearly as I can discern.

MARTIN: This meeting, according to my records, was with Ambassador Martin [John B. Martin], the Ambassador to the Dominican Republic, and we discussed the general Dominican situation as well as the problem of Dominican sugar. The Dominicans were considerably upset by new sugar legislation which was being discussed and acted upon in our Congress. This was one of the matters which was discussed at this time although we also talked about some anti-American demonstrations which had taken place in the Dominican Republic--I believe the Ambassador's car was overturned and burned--and the plans that were being made for possible elections in the Dominican Republic, all these came under discussion. I don't recall any expressions by the President of a specific kind. We had felt that the Dominicans had somewhat misunderstood the legislation and the situation and we subsequently got up here a half a dozen leading Dominican governmental figures and had a long round table session with them on the sugar problem and how it would be handled and how they would be affected, which seemed to help considerably.

MILLER: There was a certain amount of public and congressional discussion of the sugar legislation. Did the President reflect this in any way in your discussions about sugar legislation?

MARTIN: Not that I can recall.

MILLER: In the meeting on the Dominican Republic, did the President mention the OAS [Organization of American States] supervision of the possible election or anything else about the elections that you recall?

MARTIN: I don't recall. I think it was discussed once or twice with the President, but whether at this meeting or not, I'm not sure.

MILLER: Did the President have any views on Juan Bosch [Juan Bosch Gavino] at this time, as you recall?

MARTIN: Juan Bosch, I think, was an unknown name to most of us at this time. He had not been nominated. He was not active.

MILLER: Moving on then through May you had several meetings with the President. Consideration of the Alliance for Progress must have been quite large. Was there anything of note at that, that occurred? That off the record meeting with respect to the Alliance for Progress on the 31st of May, which...

MARTIN: My recollection is that it was primarily a meeting to go over aid procedures, how the money was going, the general progress of the Alliance, rather than any specific topic. The President was, as always, anxious to speed things up.

MILLER: As nearly as I can recall and guess, that must have been what it was. There, after the Florida Delegation, and then in early June a meeting which was, of course, off the record, in Mr. O'Donnell's appointment book. Do you recall...?

MARTIN: This was in preparation for the Chiari visit. I think this visit, perhaps, could best be covered en bloc. This was a situation around which there developed quite a lot of tension. We had a very difficult situation in Panama. The Panamanian president was a representative of the ruling oligarchical group, running what we thought to be a fairly inefficient, moderately corrupt and not very representative government, using the Canal issue for political pressure purposes. Especially, they seemed to want to get money that they could spend freely by bringing pressure on us for modification of the treaty, hoping we would buy them off with additional unrestricted funds. We had been conducting rather serious studies of the future of the canal. There had been a special task force that had worked for a number of months. The Stanford Research Institute had done studies about the future traffic load on a long term basis. Our position at the time of the Chiari visit was that it would take us about five years, perhaps a little less, to determine, first, whether or not the traffic load would require us to build sometime in the next ten years, a new canal or expand the existing one. Secondly, it would take us about the same length of time to know whether it would prove feasible to build a new canal as a sea level canal using nuclear means. Therefore, our position was that we were not in a position--it wasn't logical--to modify existing treaty arrangements

now. In three to five years we would probably have to sit down and have completely new treaty arrangements because then we would know whether or not we would need to build a new canal, by nuclear or other means, and where it should be built, or we would want to expand the present one, or possibly no change was needed. And while it was not made explicit, at least in writing, the assumption in this position was that even if we decided not to build a new canal, we would still be willing to renegotiate pretty extensively the present treaty arrangements on the grounds that they couldn't be expected to last indefinitely. However, until we had made this decision good, for a long period of time into the future, we could not deal with fundamental changes in the present treaty. We would be quite happy to seek practical solutions to practical problems, and these might involve in some cases minor changes in the treaty like ceding some land back to the Panamanians that we didn't need any longer. But no changes could be made dealing with sovereignty and perpetuity, which were the two symbolic issues which they were particularly concerned about. The other issue was the annuity, which involved U.S. legislation. The Panamanians were very anxious to get a higher figure for this and felt that the Canal tolls, which had hardly been changed since 1914, were ridiculously low and that as a result they received a wholly inadequate rental for a very valuable piece of property.

MILLER: Did the President concur wholeheartedly in these positions or did he have any reservations?

MARTIN: I think the President concurred in this general tactical position but there were certain differences of approach between the State Department and the White House. I suspect the White House representatives were reflecting in general the President's views. Our feeling, as I have said, was that the Chiari government was a weak and corrupt government; that it was going out of office in another year or two; that what we should do was to make small concessions, dragged out over a period of time--hopefully not more than 2-3 years--by slow, careful negotiations; enough to keep the pot from boiling over, in terms of anti-US violence in Panama, but not big concessions to a government which we thought was a weak government and had no future.

Furthermore, we felt we had to buy time by this means until those decisions were made which would permit a really new treaty arrangement. Then we would need all the bargaining strength we could muster. We also felt the political situation in the Congress would make any major concessions extremely difficult.

I think that the President was equally clear on the political difficulties in the Congress, and he said to Chiari [Roberto Chiari] a couple of times that, "I cannot get Senate approval for major changes in the treaty at this time. You must accept that. I am willing to try to solve your specific, practical problems but major changes of principle are not something that I can do at this time." He also pointed out the setback to U.S.-Panamanian relations which a defeat of treaty amendments in the U.S. Senate would represent.

On the other hand the President very clearly had what I would call a guilt complex about the whole Panama arrangement, going back to 1903. He felt very strongly

this was a black mark on the U.S. record in international affairs; he felt that the rental being paid for the Canal was far below what we would have to pay today in the current market, and that the Treaty was out of date and obsolescent. He also was extremely anxious to send Chiari home pleased and happy, apparently reflecting this feeling. White House representatives were disposed, both in the discussions of substance and the discussion of communiqué language about the kinds of changes we would consider, to make very substantially greater concessions than we thought were necessary or desirable in all the circumstances. This was a subject that I discussed very briefly a couple of times with the President without getting a specific response, certainly not a favorable one. He was not directly involved in the negotiations on the communiqué or the papers that developed out of the meetings. There were handled by one of his staff assistants who had not participated fully in the preparatory work in a way which resulted in considerable confusion in the negotiations of the U.S. delegation.

MILLER: Which one of the staff assistants in the White House were you working with at that time?

MARTIN: The name slips me for the moment--Bundy's [McGeorge Bundy] deputy from Harvard, an economist....

MILLER: Carl Kaysen.

MARTIN: Yes. Carl Kaysen, for reasons related to both his interest in nuclear matters and his interest in Okinawa, which was considered to present some parallels to Panama issues, was assigned to work on the Panama problem rather than Ralph Dungan [Ralph A. Dungan], who was the normal Latin America expert. Carl came with very little background in the Latin American scene as a whole to help him to deal comprehensively with the Panama problem on behalf of the President. I may say Ambassador Farland [Joseph S. Farland], on the whole, sided with Mr. Kaysen in wanting to be sure that Chiari went home as happy as possible.

MILLER: But was it your impression that the President wished to make Panama as a country happy, or Chiari as a person happy?

MARTIN: I wouldn't say this distinction arose really. The object was for Chiari to go home happy and make a good speech when he got back. This would also, presumably, quiet the anti-U.S. agitators, at least for a while. Actually, of course, one of the things that resulted from this was that after Chiari left here and went to New York before taking off for Panama, he with some advisers he had brought with him from the opposite party, who had negotiated on the '55 treaty and were bitterly anti-American on the Canal issue, developed a very negative view about the talk and drafted a speech which would have been, apparently, a sharp speech, criticizing the results of the talks. An SOS was sent by Ambassador Farland, I believe, from New York and a piece of paper was drafted--it had a rather informal status--in the White House and sent up to New York to provide a better basis for the speech, especially with regard to our

willingness to renegotiate the treaty. In the subsequent Panama crisis of 1964 this piece of paper was cited by the Panamanians on their behalf, a citation which was the cause of considerable embarrassment to the U.S. Government and a certain amount of interagency criticism. There is in the record a memorandum from myself to Under Secretary Ball, written just after the Chiari talks, recounting specifically the difficulties which we had had in maintaining what had been the State Department position vis-a-vis Mr. Kaysen, and taking specific exception to this paper.

I don't know whether you want to get into this but I...

MILLER: I think it's very useful for the Library's purposes. Was it your impression that the piece of paper which was drafted in the White House as a result of the SOS had the President's imprimatur upon it?

MARTIN: I had no knowledge that it did. It was always a little difficult to tell to what extent Dr. Kaysen was speaking for himself and when for the President. He clearly shared the guilt feelings rather deeply, but did not have quite the understanding that I think some of us felt we had of the possible Latin American reactions to our positions and the Latin American use of free money like the Canal rent. I suspect that he did not see it but I can't be sure of this. I may say on the financial point, our general disposition, and we carried this out, was to give money through AID which would go to specific projects, rather than to offer money as an increase in the annuity which would just be a dollar check turned over to the Panamanian Treasury to be spent as the ruling party decided to spend it.

MILLER: At this meeting, as I recall, a \$10 million commitment was made through AID which was, in due course, presented as an AID commitment and did cause some criticism on Capitol Hill. Was it the intent of the President, as far as you can tell, to make a specific amount available to the Panamanians, or was this something that was negotiated by the negotiators without the President being present at the....

MARTIN: I am sure this was part of the briefing material that was supplied to him, and the idea of making this offer was approved by him....

MILLER: As far as you recall, was there any change in the amount of commitment that was made?

MARTIN: I don't recall any discussion of the amount. The question of how many strings should be attached to it was discussed subsequently at some length I believe.

MILLER: Is there anything else about that particular deal with Chiari that would throw any light on the President's view toward Chiari? Did he personally develop any rapport with Chiari?

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MARTIN: I think only to a modest degree. Chiari is not a particularly outgoing individual, but rather reserved, and I had the feeling that they were not particularly congenial, but there was no evidence of difficulties of any kind really, and as a matter of fact the luncheon which the President attended at the Blair House was one of the gayest I've ever attended. It was quite small, only about a dozen or fifteen people, and comments were made particularly about the press and radio in politics which were quite amusing since in Panama nobody runs for President unless they own a newspaper or radio station, or both. And the value of the press and radio in politics occasioned quite a lot of comment by both the President and some of the members of the Chiari delegation, not so much Chiari himself.

MILLER: Thank you very much, Ambassador Martin.

[END OF INTERVIEW #1]

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