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the great challenges of cooperation for development. As contacts at the ministerial level intensify, the need for an elaborate structure of councils will disappear. Our encounters at the General Assembly will offer sufficient opportunities to set organizational policy.

This is all of the organizational superstructure we really need. A leaner, more responsive organization would be serviced by a smaller expert Secretariat responsive to the guidelines established by the General Assembly and the functional committees the General Assembly may create.

4. We should improve the OAS mechanisms for promoting respect for human rights in the Americas.

B. As to membership,

To insure that the OAS represents all of the peoples of our region, we should open up the organization to the newly independent states and those which may become independent, both on the continent and in the Caribbean. Although these questions of membership require further study, we believe article 8 of the present charter, which automatically excludes certain states, is an anachronism and should be removed.

C. As to financing,

A serious effort to reform the Organization of American States should include a review of present provisions for its financing.

You are all aware of the critical attention the Congress of the United States has focused on the proportion of the organization's cost the United States is now bearing. Obviously, this has been a factor in recent U.S. budget cuts affecting the OAS. We do not claim that the United States is paying too much or more than its fair share of the cost in terms of our relative ability to pay. It is only that it is wrong and damaging for an organization of two dozen—soon to be 25—sovereign states, whose purpose is to advance the interests of each, to be so heavily dependent on the contributions of a

single member. It places the organization in a vulnerable position and projects a false image of the OAS.

It is important to find some basis for OAS financing that will, over time, reduce the U.S. share of the assessed costs while insuring that the activities of the OAS in the vital development assistance field are not weakened.

The United States is committed to the Organization of American States. We know that it provides an institutional base which will continue to be vital to our common progress. In these years of great change, the nations of the world have seen fresh proof of an old truth—that the most durable and responsive institutions are those which bear a lighter burden of bureaucratic machinery and whose procedures permit the flexibility required for swift and imaginative action.

We believe our proposals can help bring the drawn-out reform debate to a successful conclusion over the course of the next year. And we believe this is the kind of organization we can and must have if we in the Americas are to fulfill our promise and our responsibility to advance international cooperation in an era of interdependence.

JOINT U.S.-PANAMA REPORT <sup>2</sup>

For the past twelve years, with the support of the OAS, Panama and the United States have maintained an active negotiating process with respect to the new regime for the Panama Canal. By virtue of the Joint Declaration of April 3, 1964,<sup>3</sup> both countries pledged their word to work out a new treaty—a treaty new not only in its date of entry into force, but also in the mentality which it will reflect; that is, it will be in accord with the evolution experienced by the international community.

We are negotiating because both countries feel the need to build a new relationship which gives full regard to the aspirations of the Panamanian people,

<sup>2</sup> Presented to the General Assembly on June 9 by the Governments of the Republic of Panama and the United States (text from press release 295).

<sup>3</sup> For text, see BULLETIN of Apr. 27, 1964, p. 656.

the interests of both nations and the principles and objectives of the Charter of the UN. And we are negotiating in deference to the unanimous views of our sister republics in the Western Hemisphere.

We are working on the basis that every negotiation concerning an old problem is a transaction towards new formulas of justice; and that progress can only be achieved when a spirit of compromise between the parties exists as a result of their understanding of new realities and, above all, when they seek a balancing of interests within a reasonable period of time.

The negotiating process has confirmed the dedication of both parties to the eight principles agreed on by their authorized representatives on February 7, 1974.<sup>4</sup> The two countries reported to this Assembly last year that significant progress had been made in this process of balancing the interests of both parties in accordance with the eight principles. We are pleased to report that during the past year the parties have made further significant progress on the highly complex issues before them.

Differences remain between the two parties on important issues—the period of duration of the new treaty and arrangements in the land and water areas comprising the Panama Canal Zone.

The Republic of Panama and the United States are anxious to complete these negotiations as soon as possible and recognize that the other nations represented in this Assembly share that desire. But we have recognized that the complexity of the issues remaining before us requires the most careful and painstaking negotiating efforts if we are to achieve a treaty which is truly just and equitable—a treaty which will balance the respective interests of both countries and those of the other nations of the Hemisphere and the world in such a way as to definitely eliminate the potential for causes of conflict in the future. It is in this sense that both Governments are in agreement with the concept expressed by General Torrijos [Brig. Gen. Omar Torrijos, Head of Government of Panama] that we are not simply seeking any new treaty—we are seeking a treaty that will fully meet our common goals in the future and be seen by our sister republics as reflecting a new era of cooperation in the Americas. The United States and the Republic of Panama re-

<sup>4</sup> For text of a joint statement initialed at Panama on Feb. 7, 1974, by Secretary Kissinger and Panamanian Foreign Minister Juan Antonio Tack, see BULLETIN of Feb. 25, 1974, p. 184.

iterate their commitment to continue their most serious efforts to achieve such a treaty as promptly as possible.

The negotiation offers both peoples a peaceful alternative for the solution of a prolonged disagreement between them, and both Governments are convinced that it is their responsibility to explore to the utmost this path which offers such real possibilities for a satisfactory agreement which will cement on solid foundations the friendship and cooperation between our two countries.

If we continue the serious work presently being carried out and if we maintain the reciprocal good will of both missions towards reaching a solution to the pending problems, we cherish the hope that soon we will be able to advise you that a treaty has been agreed upon, a treaty which not only all America, but the entire world, awaits as an effective contribution to consolidate peace and friendship amongst all peoples.

## Letters of Credence

### *Bolivia*

The newly appointed Ambassador of the Republic of Bolivia, Alberto Crespo Gutierrez, presented his credentials to President Ford on May 21.<sup>1</sup>

### *Czechoslovakia*

The newly appointed Ambassador of the Czechoslovak Socialist Republic, Jaromir Johanes, presented his credentials to President Ford on May 21.<sup>1</sup>

### *Yemen Arab Republic*

The newly appointed Ambassador of the Yemen Arab Republic, Yahya M. al-Mutawakkil, presented his credentials to President Ford on May 21.<sup>1</sup>

<sup>1</sup> For texts of the Ambassador's remarks and the President's reply, see Department of State press release dated May 21.

July 5, 1976

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