

favour of accepting it. Dr. Chanis then came to the Assembly and announced that he still regarded himself as President as his resignation had been obtained under duress, and he now withdrew it. The Assembly accepted his statement and invited him to accompany them to the Presidential Palace, which he did, followed by a large crowd. The Police opened fire and dispersed the crowd before it reached the Palace.

3. When both Drs. Chanis and Chiari issued statements to the effect that they regarded themselves as President of the Republic, the question was referred to the Supreme Court. However, on November 24, when the Court was deciding the matter, Col. Remon announced that, if it should favour Dr. Chanis, he would put Dr. Arnulfo Arias in power. This was generally regarded as a bluff, but when the Court, by four votes to one, decided that Dr. Chanis was the legal President, Col. Remon carried out his threat and, at a special meeting of the National Assembly the same day, Dr. Arias was unanimously confirmed in office.

4. One of Dr. Arias' first acts was to review the result of the 1948 elections in which he had been a candidate, and then announced that the recount of the ballots showed that he had been elected by a large majority. Dr. Arias is a former President of Panama, having held that office in the years 1940 and 1941. At that time he was considered pro-Axis in his sympathies and was deposed by the same Chief of Police who now has placed him in power. He is also known to be anti-American, a reactionary nationalist and a rabble-rouser.

5. On November 25, Mr. Edward Miller, United States Assistant Secretary of State for Inter-American Affairs, announced that Dr. Arias' accession to the Presidency came as a "profound shock" to his Government and that the United States did not recognize him as President. The United Kingdom Government informed us that they were reserving their position with regard to recognition until the situation had become somewhat clarified. We ourselves have to date taken no action which would constitute recognition of Dr. Arias' Government.

6. We have now been informed that the United States has completed its consultations with most of the Latin-American republics and has reached the conclusion that the Arias regime seems fairly well established, is in effective control of the administrative machinery of the state, and has promised to live up to its international obligations and agreements. Accordingly it will recognize Dr. Arias as President as of today and the United Kingdom has taken similar action.

7. In view of the foregoing, I would therefore recommend that we agree to recognize the Arias Government and that, in the absence of direct diplomatic relations between our two countries, this recognition be in the form of implied recognition by acknowledgment of a telegram from the Panamian Foreign Minister and certain correspondence with the Panamian Consul General in Montreal.⁴

A.D.P. H[EENEY]

⁴ Note marginale/Marginal note:

I agree. L.B. P[earson]