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POLICY REVIEW COMMITTEE MEETING

January 27, 1977

TIME AND PLACE: 10:50 am-11:25am, White House Situation Room

SUBJECT: Panama

Participants:

OSD REVIEW
COMPLETED

State:

Secretary of State Vance (Chairman)
Terrence Todman
Amb. Ellsworth Bunker
Amb. Sol Linowitz
Amb. Andrew Young
Amb. William Jordan

NSC Review Completed

Defense:

Secretary of Defense Harold Brown
Eugene McAuliffe

State Dept. review completed

JCS:

Gen. George S. Brown
Lt. Gen. Welborn G. Dolvin, U. S. Army (Ret.)

CIA:

Enno Knoche



NSC

Zbigniew Brzezinski
William G. Hyland
Robert Pastor
Jeanne W. Davis

SUMMARY OF ACTIONS AND CONCLUSIONS

It was agreed that:

- 1) it was essential to reaffirm the Tack-Kissinger principles;

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- 2) we would resume the negotiations on an exploratory basis without a formal position(option 2 of the State Department's paper); it was also agreed, however, that Dr. Brzezinski would get some guidance from the President as to his views so that we could be clearer as to our position when we enter into these exploratory discussions.
- 3) we should move quickly, hoping for completion of a treaty by June, submission to the President in July and to the Congress in August.
- 4) the President should make some reference to Panama in his fireside chat and/or in the State of the Union message; the NSC staff would work with the U.S. negotiators and the State Department on draft wording.
- 5) we should immediately begin a well-organized and coordinated effort, involving the Joint Chiefs of Staff and the Defense and State Departments, to obtain Congressional support, particularly among the new Senators; it was also suggested that a National Citizens Committee on the Panama Canal be set up to stimulate a national educational campaign, directed at defense-oriented and other groups.
- 6) we would agree to the year 2000 for Panamanian assumption of control of the Canal provided adequate arrangements could be made for neutrality and post-treaty events; all agreed, including the Chiefs of Staff, on a formula which would make the U.S. and Panama both guarantors of the neutrality of the Canal without specifying how this responsibility would be exercised.

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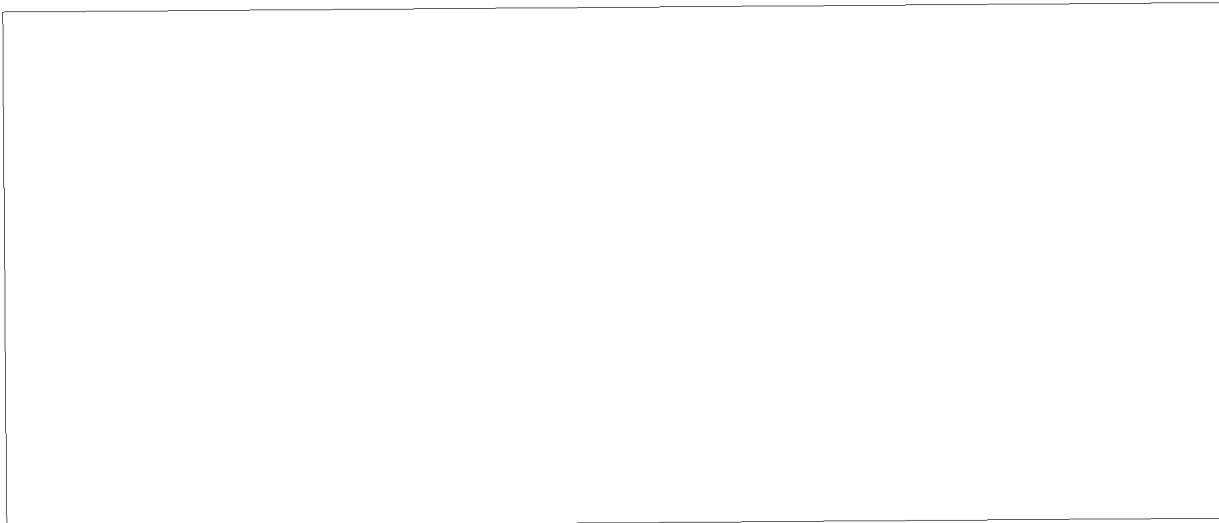
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Secretary Vance: I'm sorry the papers for this meeting were late. In the future, we will get them out on time. It was a big bundle and I hope you had time to get through them.

With regard to the international and domestic setting, (Foreign Minister) Boyd arrives January 31 for meetings with Ambassadors Bunker and Linowitz and with me and other State Department people. This is not a formal meeting: there is no specific agenda.

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Secretary Vance: The Panamanians first envisaged this as a negotiating session, but I instructed (Ambassador) Bill Jordan to make it clear that this will not be a negotiating session. We will merely discuss the background of the negotiations.

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Amb. Jordan: I saw Boyd yesterday morning and he has backed off the idea of a formal negotiating session. He has a list of items on which he will express the Panamanian point of view. He will also raise the idea of some joint statement following the talks. He understands we have made no commitment to a statement. I have a copy of their proposed text which is rather bland. It basically reaffirms the Tack-Kissinger principles.

Secretary Vance: That is our first question. Do we want to reaffirm the Tack-Kissinger principles? I think we should and Ambassador Bunker agrees.

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Secretary Brown: I am in complete agreement.

Secretary Vance: Does anyone disagree? We could reaffirm the principles, then possibly later make a statement as to how we propose to proceed with the negotiations.

Amb. Linowitz: This is particularly important because of the President's statements during the campaign. Reaffirmation of the Tack-Kissinger principles is indispensable.

Secretary Vance: Did you see the ticker item reporting that the widow of Chilean Prime Minister Salvatore Allende was refused admission to Ft. Amador? Apparently Torrijos' sister jumped out of the car and demanded entrance. It was quite a scene. This has become public and is getting a big press play in Panama and elsewhere.

Gen. Brown: You must realize there was some poor PFC at the gate and he was just following instructions. We can always have an event such as this if someone wants to provoke one.

Amb. Jordan: There have been special security measures in the Zone since the bombings last November. The Papal Nuncio has been stopped as have several members of the diplomatic corps.

Dr. Brzezinski: Do you mean they were not allowed in at all or had to go through some sort of controls?

Amb. Jordan: They have to go through some control. We have succeeded in getting special passes for the diplomatic corps, but Mrs. Allende has not asked for a pass. These gates are manned by a lot of young people---some are not MPs, just soldiers pulled off other duty.

Gen. Brown: Mrs. Torrijos (Torrijos' sister) was lucky she wasn't handcuffed and marched off to the brig!

Secretary Vance: Oh, that makes me feel better!

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Secretary Vance: Could we have some consideration of the conduct of the negotiations. We have two basic options: 1) to start with a formal offer or 2) to commence with informal explorations. We should start promptly, particularly with the latter, since we would like to look toward completion of the treaty in June, submission to the President in July and to Congress in August. Let's go around the table on these two options. Ellsworth (Bunker)?

Amb. Bunker: I am strongly in favor of Option 2. Option 1 would be too time-consuming. Also, we don't know enough about the Panamanian attitude. We assume they will stick to the year 2000 but we should explore what we can get in return. We could talk on a "what-if" basis, ad referendum, of course. [REDACTED]

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[REDACTED] I told him that if we agreed to 2000 we would need the strongest kind of neutrality guarantee. I told him the US can't depend on anyone else for its security--that we had to assure this ourselves. Boyd said he understood this. I think we can make progress if we start exploring. They're more flexible now than at any time during my negotiations with them. They need a treaty; their economic situation is bad. If we want to get a treaty by June 1, Option 2 is the only way to go.

Secretary Vance: This is, of course, interrelated to the Congressional and public aspects which we will discuss later. Harold (Brown)?

Secretary Brown: I think negotiating flexibility is necessary. It would be helpful for them to know where we want to come out, but a formal position at this time would leak and might not be an acceptable solution.

Gen. Brown: I agree.

Amb. Young: Fine with me.

Dr. Brzezinski: I support Option 2 but I feel that if we do not stake out a clearer position now we will have a problem with the Congress and with the Panamanians. I agree we should reaffirm the Tack-Kissinger principles, but I believe we should get some idea of the President's views. The faster we can move the better off we will be. I support Option 2 but with some clarification of the line we will take, taking into account the President's views.

Amb. Linowitz: I agree with Zbig.

Secretary Vance: Bill (Jordan)? You're the man on the ground.

Amb. Jordan: It is very important for us to move quickly. The mood in Panama now is optimal for settlement.

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Secretary Vance: Terry (Todman)?

Mr. Todman: Option 2.

Secretary Vance: Let's talk about Congressional attitudes. Senator Thurmond is about to introduce his anti-treaty resolution again. I don't know the vote count. I have tried to reach (Senator) Cranston to get a reading.

Amb. Linowitz: I have talked to Cranston and he tells me that 12 out of the 18 Democrats who signed on to Thurmond's proposal before will not do it again. He thinks that if Thurmond finds the Democrats are not supporting him, he may not proceed.

Secretary Vance: There were 37 last time. I think we can talk to some of the new Senators. I can talk to John Chaffee.

Amb. Linowitz: I've talked to him--he's okay.

Secretary Vance: Do we have a count on the Republican side? I'll ask Cranston.

Amb. Linowitz: Cranston would be very pleased to get a call from you.

Amb. Bunker: Jake Javits could be helpful on the Republican side.

Dr. Brzezinski: And Howard Baker.

Amb. Jordan: Javits has been very helpful.

Dr. Brzezinski: Would it be useful for the President to make some reference to Panama in his fireside chat or in the State of the Union message?

Secretary Vance: That is essential.

Amb. Young: In the broader political context, could we turn around some of this anti-American feeling by getting Torrijos up here on a state visit soon?

Secretary Vance: I just don't see how we could fit him in. The President is swamped.

Gen. Brown: Also, his image wouldn't turn these red-necks around. Its the first time I have ever been eyeball-to-eyeball with a revolutionary, at least knowingly. He's a soldier and a tough soldier. There's no

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humility there.

Secretary Vance: I'm sympathetic to the idea, and that's why we asked Boyd to come up so early, practically a week after Inauguration. That's about all we can do.

Amb. Young: Thurmond is up for reelection in 1978 and he is trying desperately to divide the black vote in South Carolina. I could call some of the black leaders down there and have them call him.

Amb. Linowitz: We should have an organized effort to approach the new Senators--at least get them to keep open minds. Some of them don't feel that they have been brought into things enough.

Secretary Vance: I agree. They feel lonely and that they really need more information than they are getting to do their jobs.

Could we look at Tab 10 a minute, on Congressional and public support. We need to plan our strategy, based on these ideas and ideas from others. The fireside chat idea is a good one.

Mr. Knoche: I don't want to get the CIA into this, but when I was meeting with the Senate Select Committee on Intelligence the other day, I got a long lecture from Thurmond on his views on Panama which he asked me to pass on to the Administration. He was citing the strength of the polls which support his position. In that light, a Presidential statement is essential.

Secretary Vance: There is a Roper poll. It shows large opposition but analysis indicates that this opposition is thin and can be turned around if people are made to understand the alternatives through a frank and full discussion of the issues.

Amb. Linowitz: Right after the President makes his comments it would be helpful to the President and to Cy (Vance) to launch a National Citizens' Committee on Panama. There are lots of people who are interested and who could be marshalled.

Dr. Brzezinski: We should also get the defense-oriented groups in the country to try to convince the Congress. Their doubts concern national security and they might be reassured. Are we agreed to recommend to the President that he insert a statement into his speech? Bob Pastor can work with Ambassadors Bunker and Linowitz on precise wording.

Gen. Brown: A while ago we had a group of about 60 from the American Legion, VFW, etc. We didn't put our case well and we didn't do very well with them. I was invited into the exercise late and by the time I

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there the earlier speakers had put them up in arms. They were really fired up. I tried to calm them down a little. We should do this again.

Secretary Vance: (to Gen. Brown) Your support is the key.

Gen. Brown: It can be done if it's done right. The American Legion is dead set against us. They have mounted an active campaign.

Secretary Brown: They are motivated by patriotism but they are misguided.

Dr. Brzezinski: They think they are countering weak civilians.

Secretary Brown: That's why we have to depend on the military. Sometime when George (Brown) and I are on the Hill we will have a question planted. Then we can speak out.

Gen. Brown: I'm worried about the backlash on Panama. I used to give a speech saying that our involvement in Vietnam was not in our national interest, it was thousands of miles away, but the situation in Panama was in our national interest. They would stand up and cheer. I would tell them they were misinterpreting me, they were wrong, but they would still cheer. I finally stopped giving the speech. (Showing an American Legion pamphlet) They send me these all the time. Here we're accused of selling arms to Panama, paid for in cash, by a country that is broke.

Secretary Vance: So we have decided to develop more fleshed-out programs for Congress and the public. We will count on Gen. Brown's help.

Gen. Brown: I'm a believer. I'll do whatever I can.

Secretary Vance: And Zbig will get a statement for the President to issue and some guidance from him.

Dr. Brzezinski: Right.

Secretary Vance: It is important for us to give Boyd a date on which we are ready to resume negotiations. What about the 2nd week of February?

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Amb. Linowitz: Will we have something public from the President before that date?

Dr. Brzezinski: If it is the fireside chat. The State of the Union is tentatively scheduled for February 12.

Secretary Vance: The 12th is okay for the Presidential statement.

Dr. Brzezinski: Could we go over Tab 9 and get a sense of where we are headed on the issues.

Secretary Vance: I think the year 2000 is a given. I don't think they will budge on that.

Dr. Brzezinski: So that's Option 1.

Secretary Vance: Right. On duration, we will have to feel them out. The rest of the issues are intertwined. We can't decide definitely on them today. I have my own ideas and I imagine there are differing views around the table. We won't press on that today.

Gen. Brown: We will need to know the results of the Boyd meeting. There's no point in our going in with something that is entirely unrealistic.

Secretary Vance: Post-treaty arrangements and neutrality are clearly intertwined. The remaining issues are not that important, are they?

Amb. Bunker: Right. We have made a lot of progress on some of the minor issues.

Secretary Vance: So we are agreed on 2000 with an adequate way to work on neutrality and post-treaty events.

Gen. Brown: The Chiefs are now with us. I went back to them last night after my talk with Harold (Brown). The Navy would like to be a little harder but can accept the position that both nations will guarantee the neutrality of the Canal after the tenure is up, but we won't say how.

Secretary Brown: The Panamanians may interpret that as being with their specific approval, but if we don't, that's okay.

Dr. Brzezinski: Defense had wanted residual rights in perpetuity?

Gen. Brown: At first. Then Harold (Brown) suggested something simpler and the Chiefs went along.

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Secretary Brown: Each country will guarantee neutrality in the Canal.

Dr. Brzezinski: And we would interpret that to mean that if there were a violation we would move in?

Gen. Brown: We would decide that at the time.

Secretary Vance: That's real progress; that's very good.

Amb. Linowitz: To whom is this guarantee made?

Gen. Brown: It is stated in the treaty, then it is seen on the Hill. We would have to decide what action we would take at the particular point in time. We can't decide now what we would do 50 years from now.

Secretary Vance: The US and Panama are guarantors of the neutrality of the Canal. Excellent.

Secretary Brown: Of course it may not work when we get into words.

Gen. Brown: But it points the direction.

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