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OFFICE OF THE SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

31 January 1977

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Chief, Records & Declass Div, WHS
Date: MAR 07 2016

MEMORANDUM FOR THE RECORD

Subject: Policy Review Committee Meeting - 27 January 1977

Participants:

Department of State

Cyrus R. Vance, Secretary of State, Chairman
Ambassador Ellsworth Bunker
Ambassador Sol M. Linowitz
Ambassador Terence A. Todman
Ambassador William Jorden
Ambassador Andrew Young

Department of Defense

Harold Brown, Secretary of Defense
General George S. Brown, Chairman, JCS
Eugene V. McAuliffe, ASD(ISA)
LTG W. G. Dolvin

National Security Council

Zbigniew Brzezinski
William Hyland
Robert A. Pastor
~~Gene Davis~~
Jeanne

Office of the Secretary of Defense 5 U.S.C. 552
Chief, RDD, ESD, WHS
Date: 07 MAR 2016 Authority: EO 13526
Declassify: _____ Deny in Full: _____
Declassify in Part: X
Reason: 3.3(b)(1)
MDS: 15-M-0421

Central Intelligence Agency

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Dr. Robert Hopkins

Others

Place: White House Situation Room

Vance 821

31 Jan 77

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SUBJECT TO GDS OF EO 11652
DECLASSIFIED ON 31 DECEMBER 1983~~



~~SECRET~~ (Jan-Feb) 1977

330-80-0017, box 25, Panama 381

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GSD 3.3(b)(1)

1. (S) Secretary Vance stated the purpose of the meeting was to review the Panama Canal treaty negotiations. He explained that there were pressures to make a decision now about resumption of the negotiations because Foreign Minister Boyd will be visiting with him next Monday; the current environment seemed to be especially favorable and there were numerous other pressures to proceed on this issue.

2. (S) [REDACTED] reported that Foreign Minister Boyd plans to press for treaty termination in the year 2000. In return he is prepared to accept a joint United States-Panama neutrality guarantee. This guarantee would include a United States unilateral right of intervention with prior consent from Panama. He said it was unclear whether or not General Torrijos approves of this idea. Vice President Gonzalez was of the opinion that General Torrijos would not agree to a US right to reintroduce troops into Panama. [REDACTED] assessment is that there seems to be a chance for a breakthrough on the neutrality issue.

3. (S) Secretary Vance discussed his scheduled meeting with Minister Boyd on Monday, 31 January. He stated that he had made it clear that this was not a negotiating session. Ambassador Jordan stated that he had passed this word to Minister Boyd who agreed. Ambassador Jordan indicated that Minister Boyd would push for a joint communique which, among other things, would reconfirm the Tack-Kissinger Principles.

4. (S) Mr. Vance said the first issue to be decided was whether we should reaffirm our acceptance of negotiation on the basis of the Tack-Kissinger "Principles." Mr. Vance expressed his strong support for such a reaffirmation. Ambassador Bunker and General Brown also expressed support. No disagreements with continuing the negotiations on the basis of the Tack-Kissinger accord were expressed. It was agreed, therefore, to recommend to the President that Secretary Vance would be authorized to tell Boyd that the negotiations would be within the framework of the Tack-Kissinger "Principles."

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5. (S) Secretary Vance next introduced the issue concerning the conduct of the negotiations. He referred to the two options in the paper: Option I requires a formal treatment of guidance before the negotiations were resumed; and Option II which visualized informal guidance followed by prompt resumption of negotiations. The goal under Option II would be to complete a treaty by June, send it to the President by July, and the Congress by August. Ambassador Bunker expressed his strong support for Option II. He elaborated that since there had been such a long gap in the negotiations, the Panamanian views on many of the issues had become clouded. Therefore, he thought it very advantageous to return to the negotiating table, explore the outstanding issues for the Panamanians, and come back with what he thinks it will take to get a treaty. He stated that in his discussions with Minister Boyd he made it clear that if we agreed to the year 2000, we must have a strong neutrality guarantee in the interest of our own security. Ambassador Bunker expressed the view that the time was right to make progress, that Panama-- due to its own economic situation--appeared to be more flexible since they needed a new treaty. Secretary Vance then asked for the views of the principals on this point. All of the principals agreed with Option II. However, Mr. Brzezinski said that he thought it important that the President's views be sought. Mr. Brzezinski requested that there be some clarifications on the broad guidelines. It was agreed such broad guidelines would be prepared by the NSC in accordance with the sense of the meeting.

6. (S) The third major issue was the need to develop Congressional and public understanding and support for a new treaty. Secretary Vance brought up the question of the Thurmond resolution in the Senate which he understood would be introduced on Monday. Mr. Linowitz reported that Senator Cranston had told him that 12 of the 18 Democrats who had previously signed the anti-treaty resolution were expected not to sign at this time. (This would reduce the total of 37 previous signers to 25.) Mr. Vance undertook to check on who was polling the Republican members of the Senate with regard to the amendment which Senator Thurmond is expected to table on Monday. There was general agreement that special attention should be paid to the freshmen

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Senators to try to encourage them to at least withhold judgment on the issue. Ambassador Young raised the possibility of a state visit to the US by General Torrijos. General Brown commented that he thought this would not be a very good idea. He was supported in this view by Ambassador Jordan. Mr. Vance stated that he thought the Boyd visit coming so quickly after the new administration took off would fulfill this requirement. Secretary Vance called the attention of the principals to Tab 10 of the Policy Review Memorandum which addresses the subject of Congressional and public relations. ██████████ remarked on a conversation he had with Senator Thurmond. He indicated that Thurmond's opposition to the treaty was based upon the strength of the opposition as indicated by the polls. Secretary Vance confirmed that a poll indicated a majority of the people against the negotiations, but he felt this opposition was thin and could be turned around. Ambassador Linowitz suggested the creation of a "Citizens for Panama Canal" group and thought that it would help if former members of the Defense establishment could be included. Mr. Brzezinski suggested that Defense could be of great help in building support for a new treaty since many of the opponents believed that a new treaty would be harmful to our defense posture. Secretary Brown and General Brown both agreed that they would do whatever seemed feasible to try to build support. Secretary Brown suggested he and General Brown might arrange to be asked during some appearance in Congress about their views on the Panama Canal and to take that occasion to come out strongly in support of a new Panama Canal treaty. General Brown then referred to a briefing he attended which was given by Mr. Clements to a group of veterans organizations. He stated that the opposition of these groups was very strong. In fact, they were almost up in arms about it and, even though we somewhat soothed their feelings, these groups are strong in their opposition. However, he emphasized that something can be done to get the legion turned around. Secretary Brown commented that they were motivated by patriotism but perhaps were not quite current on the situation. It was agreed: (1) that a program would be developed, to include Defense, to reach Congressional and public opinion; (2) to recommend to the

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President that he make a statement concerning the Panama Canal in his "fireside chat" or the State of the Union message which would be given about 12 February. Bob Pastor of the NSC staff would be in touch with the appropriate people to develop a draft statement. Secretary Vance summarized this discussion by stating that we need to develop a more complete program to get Congressional and public support and that Defense would support this effort.

7. (S) Secretary Vance then raised the question of the proper date to resume the negotiations. He said he thought this should be done by about the second week in February. It was agreed that the negotiations would be resumed in mid-February.

8. (S) Mr. Brzezinski then called the attention of the principals to the issues found at Tab 9. Secretary Vance raised the question of the duration of the treaty. He stated that he was in favor of terminating everything by the year 2000. General Brown opined, "What would we really have if we got operations extended to the year 2008?" It was agreed by all concerned that our position would be that the duration of the treaty would terminate at the year 2000.

9. (S) Secretary Vance then raised the residual defense/ neutrality issue. He initially stated that he thought perhaps this need not be addressed at this meeting—that having decided on the defense duration date, this might be handled later. General Brown stated that he thought it was important to get some feedback from Panama in order to be realistic on this issue. He then stated that he had addressed these issues with the Joint Chiefs. While they preferred strong residual defense/neutrality guarantees, they were willing to go with the formulation suggested by Secretary Brown which would state that "both the United States and Panama agree that the neutrality of the Canal will continue beyond the termination of US operations and each country commits itself to guaranteeing the neutrality of the Canal after the termination of US operations." With this formulation, each country could interpret this provision of the treaty its own way. Additionally, there would then be no requirement for residual defense and while admittedly an ambiguous statement, it would achieve our objective.

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10. (U) Secretary Vance stated that we used up our time, and he thought the other issues could remain until Ambassador Bunker had a chance to develop them further with the Panamanians.

Welborn G. Dolvin

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