

THE DEPUTY SECRETARY OF STATE
WASHINGTON

cc: Vance
J #26

February 18, 1977

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MEMORANDUM FOR: THE PRESIDENT

FROM: Warren Christopher *WC*

1. Panama Canal Negotiations: Ambassador Bunker has informed us that the Panama talks are off to a rocky start. In the first two meetings Tuesday Ambassadors Bunker and Linowitz outlined our general approach and what they hoped to accomplish in these initial sessions.

On Wednesday, after keeping the US delegation waiting for 2-1/2 hours, Jaime Arias, a businessman and close friend of Torrijos, made a short but very tough and emotional speech, restating their old uncompromising position. Our negotiators replied that Arias' speech was unwarranted and reaffirmed that they were there in good faith seeking a mutually advantageous treaty. At that meeting, the US negotiators also presented our full package and urged the Panamanians to consider it carefully. The Panamanians said that they would inform our negotiators today when the next meeting would be held, but we have no word as yet.

As an expression of the tough Panamanian attitude, the Panamanian Foreign Minister canceled a scheduled meeting with visiting US Congressmen and the Panamanians did not attend the dinner for the Congressmen to which they had been invited. At a departure press conference, two of the nine Congressmen, Dornan (R. Calif.) and Smith (R. Iowa) made intemperate statements, calling Panama a one-man dictatorship and asserting that the Panamanians do not want a treaty.

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per 8/14/09 State Htr.
ALJSC-67-003
BY: BDR NARA, DATE 6/24/08

We can't let them
push us around - but
public relations is
important - here &
in Panama - Let's
stay on the correct
& proper side of the
issue. J

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- 2 -

2. South Korea: Ambassador Sneider delivered your letter to South Korean President Park Chung Hee on February 16. President Park expressed his appreciation for the letter and its straightforward manner. He reiterated that he would prefer no change in US force levels for a considerable period of time, but did not challenge your intention to withdraw ground troops gradually.

On human rights, President Park said he was aware of your strongly-held views on this matter and agreed with them. He said, however, that the threat from the North required "certain restrictions" on people's rights. Park's comments to our Ambassador do not constitute the formal reply you requested, and we think such a reply should be pursued in a quiet way. *do so*

3. Southern African Situation: You have received a warm letter from Julius Nyerere, the President of Tanzania, thanking you for Ambassador Young's visit and reiterating his intention to strengthen "friendly relations between our countries." Nyerere has little new to suggest on Rhodesia except to reiterate his view that the only way to move forward in Rhodesia is to convene a meeting between the British and the nationalists. The Nyerere recommendation will be difficult to implement, because the British are reluctant to negotiate a settlement with the nationalists alone since they would not be able to sell the outcome to Vorster and Smith.

4. UNCTAD: I gave a luncheon today for UNCTAD Secretary General Gamani Corea, who has spent the last two days seeing key officials in State, Treasury, and the World Bank. Congressmen Zablocki, Bingham, and Fisher attended. The primary objective of Corea's visit was to promote the proposed Common Fund to finance the purchase of buffer stocks to facilitate commodity agreements.

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- 3 -

We told Corea that the new Administration is reviewing positions on all major North/South issues, including the Common Fund, with an open mind; that we had a sympathetic interest in moderating volatile prices, harmful both to producers and consumers; but that we question whether negotiating a Common Fund makes sense before it is known how many commodity arrangements are likely to be agreed upon.

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