

THE SECRETARY OF STATE  
WASHINGTON

~~SECRET~~

MEMORANDUM FOR: THE PRESIDENT  
FROM: Cyrus R. Vance  
Subject: Your Meeting with Panamanian Representatives, July 29 at 9:30 a.m.

PARTICIPANTS:

US

Secretary Vance  
Ambassador Bunker  
Ambassador Linowitz  
Dr. Brzezinski  
Robert Pastor  
*Alfonso Herrera (Delegated)*

Panama

Ambassador Lewis  
Minister Royo  
Ambassador Escobar

I. PURPOSE AND BACKGROUND

In response to my memorandum to you of July 25, you agreed to receive the Panamanian representatives in order to request them to deliver a letter to General Torrijos outlining the approach which the United States will be taking in the negotiations on the issues of economic arrangements and lands and waters. You will want to use this meeting to impress on the Panamanians the seriousness with which the United States side has studied these issues and to emphasize that the offers which our negotiators will table represent the limits of United States flexibility.

The Panamanian representatives expect that you will have a message for them to deliver to General Torrijos. They all enjoy the personal confidence of the General, and are tough negotiators.

~~SECRET~~  
XGDS-I

RECORDED  
EG 15 JUL 30 1982  
PER 8/5/91 G. H. H. MR-NLC-90-21  
BY Jay NASS DATE 8/6/92

~~SECRET~~

-2-

## II. ISSUES/TALKING POINTS

### Courtesy Points

Ambassador Lewis presented his credentials to you May 16. Your conversation with him then was friendly and put the Panamanians in a receptive frame of mind for the negotiations which ensued.

### YOUR TALKING POINTS

- Note your pleasure at being able again to meet with Ambassador Lewis.
- Extend best wishes to his son (a Georgetown University student) who will be married later today (July 29) in Panama.
- Welcome Minister Royo and Ambassador Escobar, noting that you have heard about them from Ambassadors Bunker and Linowitz.

### Progress of the Negotiations

Despite some difficulties, the negotiations have made considerable progress during the past two months. Only two major issues, economic arrangements and lands and waters, remain unresolved in principle. Treaty drafting has not yet commenced.

### YOUR TALKING POINTS

- Express your satisfaction with the major progress that has been achieved.
- Note your strong advocacy of a new and fair treaty and your hope that such a treaty and the sense of partnership which will follow could set an example for the world.
- Express your intention to give the treaty your strongest personal support and to mobilize Congressional and public opinion behind it.

~~SECRET~~

~~SECRET~~

-3-

Letter to Torrijos

In handing over your letter to General Torrijos, you will want to emphasize what the motivating factors have been on the United States side as we have developed our position on the major outstanding issues.

YOUR TALKING POINTS

- State that the United States has made every reasonable effort to deal with the important matter of economic payments generously.
- Mention that there are very powerful restraints under which the whole treaty problem has to be approached in the United States.
- Emphasize that in dealing with both economic arrangements and lands and waters the United States has had to keep in mind that a ratifiable treaty must allow the United States to assure that the Canal will remain open, efficient secure and neutral.

Attachments:

1. Draft letter for Torrijos
2. Biographic sketches

Draft of a suggested message from President Carter to  
Panama's Chief of Government General Omar Torrijos Herrera

Dear General Torrijos:

I know you must be as pleased as I am that the negotiations for a new treaty between our countries regarding the Panama Canal have made so much progress over past months and are now moving to the threshold of a conclusion. This treaty will truly be a landmark in history and will serve as an example to the world of the way in which nations can work together for mutual advantage and for the benefit of the world.

If we can complete our task it will represent a new and important page in the history of our time. You will be able to take great satisfaction in knowing that through your personal leadership this new treaty has been achieved. For my part I want you to know that I am dedicated to assuring that a fair and just treaty is agreed upon.

I am aware that the two most important remaining issues in these negotiations are lands and waters and economic arrangements.

With regard to the lands and waters issue, the United States has made a number of major concessions in this

Brigadier General Omar Torrijos Herrera,  
Chief of the Government and  
Commander of the National Guard,  
Panama.

~~SECRET~~

DECLASSIFIED

E.O. 13526, SEC. 1.4

DATE 9/5/91 BY SP-11/MS-MR-744-90-21  
BY Gray NARS, DATE 1/6/92

important area during the past several months. Any significant further adjustments in the United States position would adversely affect to an unacceptable degree the United States' capability to carry out its primary canal operation and defense responsibility.

In connection with economic arrangements, we are giving this issue a great deal of thought and are taking into account your goals and aspirations. Our Negotiators soon will be discussing with your representatives our very carefully considered proposal on annual payments to Panama under the new treaty. We will arrive at it after intensive analysis and in a determined effort to present a solution which we truly believe to be fair and just. In addition your representatives will be receiving from the Departments of State and Treasury responses to your request for economic help. These will also be the result of very careful and thoughtful analysis.

I can well understand that these proposals will be less than you had expected or wished. I want you to know that they will be in my best judgment generous, fair, and appropriate and, based on our consultation with the Congress, they will represent the most that we could undertake to do.

I also want you to know however that once a treaty has been negotiated we will be looking forward to cooperating with Panama in every way we appropriately can to help in the

improvement of Panama's economic health and economic development. With our two countries working closely together in operating, maintaining, and protecting the canal there will be many ways in which we can cooperate effectively and we fully intend to do so.

I am confident that you understand the problems I face and the difficulties that lie ahead. By the same token be assured that I am fully sensitive to the problems and difficulties that confront you.

With understanding and patience, I believe we can move quickly forward and achieve the goal that has eluded past governments and leaders in both our countries. I welcome the opening of a new era in our relations in which we and our people are working together and cooperating fully, in civilian endeavors and in military affairs.

I look forward with great anticipation to signing with you a great historic document that will make our countries and our peoples real partners in the adventurous years ahead.

With warm personal regards.

Most sincerely,

/Jimmy Carter/