



Intelligence Information Circle

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DIST 24 JULY 1977

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COUNTRY: PANAMA

DOI : 21 JULY 1977

SUBJECT: OPTIMISM OF GENERAL OMAR TORRIJOS THAT COMPLETE AGREEMENT WITH THE UNITED STATES ON CANAL TREATY TALKS WILL SOON BE ACHIEVED

ACQ :

[Redacted]

(b)(1)
(b)(3)

SOURCE :

[Redacted]

(b)(1)
(b)(3)

TO STATE: NO DISTRIBUTION EXCEPT TO MR. HAROLD SAUNDERS

TREASURY: NO DISTRIBUTION EXCEPT TO MR. FOSTER COLLINS, SPECIAL ASSISTANT TO THE SECRETARY (NATIONAL SECURITY)

1. DURING MEETINGS WITH THE PANAMANIAN CANAL TREATY NEGOTIATING TEAM ON 21 JULY 1977, GENERAL OMAR TORRIJOS HERRERA, CHIEF OF GOVERNMENT, STATED THAT THE TREATY TALKS APPEARED TO BE IN THE FINAL PHASE AND THAT HE WAS OPTIMISTIC

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THAT COMPLETE AGREEMENT COULD BE REACHED WITH THE UNITED STATES ON ALL OUTSTANDING ISSUES BY THE END OF JULY 1977. TORRIJOS SAID THE UNITED STATES WAS PREPARING A NEW PROPOSAL ON THE COMPENSATION ISSUE THAT APPARENTLY WOULD COME CLOSER TO PANAMA'S POSITION ON THIS ISSUE. TORRIJOS COMMENTED THAT PANAMANIAN NEGOTIATORS ROMULO E S C O B A R BETHANCOURT AND ARISTIDES R O Y O WOULD RETURN TO WASHINGTON EARLY IN THE WEEK OF 25-31 JULY TO PURSUE THE COMPENSATION TALKS AND THAT THE REMIANDER OF THE TEAM WOULD STAY IN PANAMA TO CONTINUE WORK.

2. AT ONE POINT DURING THESE MEETINGS WITH TORRIJOS, FOREIGN MINISTER NICOLAS G O N Z A L E Z - R E V I L L A EXPRESSED STRONG DISAPPROVAL OF U.S. TACTICS WITH REGARD TO THE COMPENSATION TALKS. HOWEVER, RODRIGO "RORY" G O N Z A L E Z, TREATY NEGOTIATOR AND CONFIDANT OF TORRIJOS, ANSWERED THE FOREIGN MINISTER BY SAYING THAT PANAMA COULD NOT CONTINUE NEGOTIATING THIS ISSUE INDEFINITELY, THAT IT WAS NOW NECESSARY TO REACH A FINAL AGREEMENT. RORY GONZALEZ SAID THERE WOULD NOT BE ANOTHER OPPORTUNITY TO REACH A FINAL AGREEMENT BECAUSE PANAMA'S ECONOMY COULD NOT STAND TWO MORE YEARS OF UNCERTAINTY REGARDING A CANAL TREATY. (SOURCE COMMENT: SENIOR PANAMANIAN OFFICIALS

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INTERPRET RORY GONZALEZ' REMARKS TO MEAN THAT TORRIJOS HAS DECIDED TO ARRIVE AT THE BEST POSSIBLE FORMULA NOW, WITH NO FURTHER DELAY IN THE NEGOTIATING PROCESS.)

3. TORRIJOS AND THE PANAMANIAN NEGOTIATORS ALSO DISCUSSED PLANS FOR A POSSIBLE MEETING OF CHIEFS OF STATE OF PANAMA, COLOMBIA, VENEZUELA, AND COSTA RICA IN BOGOTA ON 30-31 JULY. TORRIJOS SAID GONZALEZ-REVILLA WAS WORKING ON PLANS FOR THE MEETING, WHICH WOULD TAKE PLACE IF FINAL CONCEPTUAL AGREEMENT WERE REACHED WITH THE UNITED STATES ON THE NEW TREATY. TORRIJOS COMMENTED THAT HE HOPED TO BE ABLE TO FIRST INFORM THESE HEADS OF STATE PRIVATELY THAT THE TREATY TALKS HAD CULMINATED IN AN AGREEMENT THAT WAS SATISFACTORY TO PANAMA, AND THEN AFTER THE MEETING TO MAKE A PUBLIC ANNOUNCEMENT. (SOURCE COMMENT: ALTHOUGH TORRIJOS WAS OPTIMISTIC WHILE DISCUSSING PLANS FOR A CHIEFS OF STATE MEETING, HE GAVE THE IMPRESSION THAT SUCH A MEETING WOULD NOT TAKE PLACE IF CONCEPTUAL AGREEMENT WERE NOT REACHED WITH THE UNITED STATES DURING THE FINAL WEEK OF JULY.)

4. TORRIJOS ALSO RAISED ONCE MORE THE IDEA OF MEETING WITH THE PRESIDENT OF THE UNITED STATES AT SOME POINT FOLLOWING THE BOGOTA MEETING. TORRIJOS SUGGESTED THAT SUCH A MEETING WOULD

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ALLOW THE TWO HEADS OF GOVERNMENT TO MAKE A JOINT PUBLIC APPEARANCE THAT WOULD FORMALLY INDICATE THEIR BACKING OF THE CONCEPTUAL AGREEMENT, AND THUS SET THE STAGE FOR DRAFTING THE NEW TREATY INSTRUMENT.

5. SENIOR PANAMANIAN GOVERNMENT OFFICIALS DO NOT BELIEVE THE CURRENT LANDS AND WATERS DISCUSSIONS, HEADED BY LIEUTENANT COLONEL ARMANDO CONTRERAS, G-3 OF THE NATIONAL GUARD (GN), REPRESENT A POSSIBLE STALEMATE IN THIS PHASE OF THE NEGOTIATING PROCESS. THE OUTSTANDING LANDS AND WATERS ISSUES ARE TECHNICAL RATHER THAN POLITICAL IN NATURE, ACCORDING TO THE PANAMANIAN TECHNICIANS INVOLVED IN THE TALKS. ALSO, ALTHOUGH CONTRERAS TAKES PART IN SESSIONS OTHER THAN THE TECHNICAL LANDS AND WATERS TALKS, MEMBERS OF THE PANAMANIAN NEGOTIATING TEAM CLAIM THAT HE HAS NOT INFLUENCED OTHER ASPECTS OF THE NEGOTIATIONS.

6. THE PANAMANIAN NEGOTIATORS WHO WILL REMAIN IN PANAMA WILL CONTINUE STUDYING THE DRAFT TREATY PRESENTED BY THE U.S. NEGOTIATORS DURING THE WEEK OF 18-23 JULY. THE PANAMANIAN NEGOTIATORS HAVE CRITICIZED CERTAIN ASPECTS OF THE U.S. DRAFT TREATY, BUT TO DATE NO SERIOUS SUBSTANTIVE DISCREPANCIES HAVE SURFACED. THE PANAMANIAN NEGOTIATORS ARE CURRENTLY PREPARING A

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SEPARATE DRAFT TREATY AS A COUNTER-PROPOSAL WHICH WILL BE PRESENTED TO THE U.S. FOR CONSIDERATION IN ARRIVING AT A FINAL DOCUMENT. MEMBERS OF THE TEAM ARE HOPEFUL THAT A PANAMANIAN DRAFT CAN BE COMPLETED BY EARLY AUGUST.

7. THE MEETINGS WITH TORRIJOS WERE HELD THROUGHOUT THE AFTERNOON AND EVENING OF 21 JULY. PERSONS ATTENDING THE MEETINGS IN ADDITION TO ESCOBAR, GONZALEZ-EREVILLA, ROYO, AND RORY GONZALEZ INCLUDED NICOLAS ARDITO BARLETTA, MINISTER OF PLANNING AND ECONOMIC POLICY; ADOLFO AHUMADA CORCHO, MINISTER OF LABOR; ELIGIOS ALAS DOMINGUEZ, RECTOR OF THE UNIVERSITY OF PANAMA; CARLOS LOPEZ / GUEVARRAL AND DIOGENES DE LA ROSA, TREATY ADVISORS; ABRAHAM SAIED, MINISTER OF PUBLIC HEALTH; ERNESTO PEREZ-BALLADARES, ECONOMIC ADVISOR TO TORRIJOS; CARLOS OZORES TYPALDOS, DEPUTY FOREIGN MINISTER; AND RUBEN DARIO HERRERA PERDOMO, MEMBER OF THE NATIONAL LEGISLATIVE COMMISSION. (SOURCE COMMENT: THERE WERE NO GN OFFICERS PRESENT DURING THESE MEETINGS.)

8. FIELD DISSEM:

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