

Panama Canal Treaty, 1978

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	HJ to JC, ZB (4 pp.) open 3/22/12 MR-00-131	n.d.	A
memo	Robert Byrd to JC open 1/24/90	n.d.	G
memo	To HJ (8 pp.) sanitized 6/7/03	4/13/78	A
memo	HJ to JC 927 pp.)	n.d.	A
memo	Bob Pastor to HJ, Rick Inderfurth	11/29/77	A

FILE LOCATION

Chief of Staff (Jordan)/Confidential File/Panama Canal Treaty (78)

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	Hamilton Jordan to President Carter, 26pp.	n.d.	C

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3/22/12

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PERSONAL AND ~~CONFIDENTIAL~~

TO: PRESIDENT CARTER AND DR. BRZEZINSKI
FROM: HAMILTON JORDAN *H.J.*
RE: CALL FROM AMBASSADOR GABRIEL LEWIS

I received a call today from Panama from Ambassador Gabriel Lewis who asked if he could come and see me as soon as possible. I replied that he could and thought nothing of it as we stay in touch constantly on matters related to ratification of the Treaty.

I asked him how he was doing and he responded that, "things are going badly here - that is why I must talk to you as soon as possible".

This was a curious remark so I inquired of Bob Pastor as to any recent information on the internal situation in Panama. He provided me with the following information and the attached memorandum. From all that I

DECLASSIFIED
per 2/6/02 NSC LTR
MR-NLJC-00-151
BY *CB* NARA, DATE 2/13/12

can learn, Torrijos has become personally despondent for several reasons.

First, the Panamanian economy is in poor shape. Unemployment and inflation are high and foreign investment is off. Torrijos thinks that potential foreign investors are holding off because of uncertainty about treaty ratification and/or rejection and the implications of either action.

Secondly, for the first time, Torrijos has permitted criticism of his leadership and the treaty and the groups of people opposed to him and the treaties are exercising their new rights freely. He has been booed at several rallies and was shaken by it.

Thirdly, and probably most importantly, they do not understand our system of government and are confused about the repeated delays in final consideration of the treaties by the Senate. We told them initially that we would work for an October vote on the treaties

and have postponed the likely date for a vote several times. All we can say now is that after the energy bill is passed, we will focus on the Panama Canal Treaties.

At any rate, I believe that Gabriel and General Torrijos need to be reassured that the treaty will be taken up early in the year, that we are working hard for ratification and that prospects for passage are improving. We get criticized on the Hill for "not doing enough on the Panama Canal Treaties" so I am sure that it must be difficult to see any interest or momentum from Panama.

We need to keep Torrijos in a positive frame of mind so that he will continue to make positive statements and gestures in Panama in addition to courting the Senators who visit. For that reason, I plan to do the following with Bob Pastor when we meet with Gabriel Wednesday:

- Review likely timetable for Congressional action
- Point out that we are delaying SALT II for Panama Canal Treaties
- Point out recent good signs (mail, polls, etc.)
- Review what we have been doing, including White House briefings, support of Citizens' Committee, endorsements received, work with individual Senators, Speakers' Bureau that has been set up, etc.

Generally, without misleading Gabriel on underestimating the difficulty of ratification, I would like to reassure him of the prospects and our own commitment to its passage.

If you and Zbig think it is appropriate, I might like to bring Gabriel in to see you just briefly so he can report back to General Torrijos that he got to see you and has your personal reassurance. You might just pick up the telephone and get Senator Byrd to spend five minutes with Gabriel outlining the likely Senate schedule for consideration of the treaty.

Torrijos has been very helpful and it is in our own interests to reassure him and keep him positive.

~~ADMINISTRATIVELY~~ CONFIDENTIAL
THE WHITE HOUSE
WASHINGTON

February 9, 1978

Hamilton Jordan
Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: PRESIDENTIAL TELEPHONE CALLS
TO SENATORS -- PANAMA
TREATIES

THE PRESIDENT HAS BEEN.

THE WHITE HOUSE
WASHINGTON

February 7, 1978

*all done
J*

MEMORANDUM TO HAMILTON JORDAN

FROM: BOB THOMSON *Bob Thomson*

SUBJECT: PRESIDENTIAL TELEPHONE CALLS TO SENATORS

The following are the talking points for the President to use in making his calls to the Senators discussed this morning.

Senator Cannon

The Senator will express serious concerns over the economic aspects of the Treaties. He was very critical during Armed Services Committee hearings. The President should reassure him that the Canal will be economically viable under the Treaty and tell him that the Arthur Anderson report proving that point will be released on Thursday or Friday. If Cannon needs a personal briefing on the report, we can provide it.

*8/77
Difficult in
State*

The President should also tell Cannon that defeat of the Treaties will cripple him as President and deal a major blow to our foreign policy. Now that Cannon is chairman of a major committee, he should be willing to play a leadership role on important issues such as this.

The President can also point to the February 1 Gallup Poll showing Americans favor the Treaties 45 percent to 42 percent.

Senator Randolph

Using every possible argument against

The President has talked to Randolph at least 3 times. This time, he should again impress on the Senator the importance of the Treaties to the Carter Presidency. The vote has become a test of the compatibility and competence of the Democratic Congress and Democratic Administration.

Same

*9/77. Sure vote
if needed*

The President should explain he will go all out to help the Senator in his reelection bid, including a visit to his state. Administration officials can brief veterans or other groups if the Senator wishes.

Senator Young

We have had very little contact with him. The President should emphasize the support of the Joint Chiefs for the Treaties and highlight their input to the negotiations.

The Senator may respond to a plan based on the necessity for a strong Presidency in matters of foreign policy. The President should point out that President Ford, Senator Baker and other Republican leaders and conservatives support the Treaties.

Senator Stevens

The Senator is a hard-bitten political realist who has told Baker he will not support the Treaties. Baker still believes he can get Stevens, however.

The President may want to dwell on the importance of a neutral and accessible Canal to shipment of Alaska oil. The Senator could also respond to a personal appeal based on the importance of the Treaties to Latin American relations.

Stevens may counter with some barbs about the "d-2 lands" issue.

Will go back & re-think -

Kissinger & Ford have called him this weekend

*I put all of these on basis of
profound national interest - bipartisanship -
& prestige of the Presidency*

*8/27 -
open
mind*

~~CONFIDENTIAL~~

"DETERMINED TO BE AN ADMINISTRATIVE MARKING
CANCELLED PER E.O. 12958, SEC. 1.3 AND
ARCHIVIST'S MEMO OF MARCH 16, 1983"

THE WHITE HOUSE
WASHINGTON

Mr. President;

I am very concerned
about the possibility
that we may lose
Metzenbaum on the
final treaty votes.

He appears to be
aligned with some
comments that may
have come out of the
White House (which
I cannot define). I
am told by Alan Cranston
that Metzenbaum has

THE WHITE HOUSE
WASHINGTON

spoken to Frank
Moore on the point
but that nothing
has changed. Clau
seems to think
Metzenbaum may vote
against the treaty
~~just~~ to show his
unbribe. It may
require some
special and direct
attention from you
personally.

Also, if some
retired military

THE WHITE HOUSE
WASHINGTON

can make speeches
in Georgia, Sam
Munn would be
appreciative.

And if Mansfield
can tape a statement
strongly supporting
the Treaty, Paul
Hatfield would
probably have the
pressures eased.
Such pressures
will be directed
at all uncommitted

THE WHITE HOUSE
WASHINGTON

Sumter during the
Easter holiday.

Respectfully
Forest Byrd

(I hope Connors
and the Council will
stay with us, and
I will stay in touch
with you as we go
along. The final vote
is not yet a
sure thing).

THE WHITE HOUSE
WASHINGTON

I liked
your Water
Forest speech!

THE WHITE HOUSE
WASHINGTON

2-7-78

To Cy, Harold, Zig, Ham, Frank

In my calls & meetings with Senators I've found that we are being hurt by varying answers to Canal maintenance and operations cost questions.

Please consult immediately & evolve a clear procedure for answering new questions and for giving to me & others existing & future information.

Jimmy

Confidential

THE WHITE HOUSE
WASHINGTON

February 23, 1978

*V.P.
Hamm
C.C.*

MEMORANDUM TO THE PRESIDENT

FROM: FRANK MOORE
BOB THOMSON *BT*
BOB BECKEL *BB*

RE: First Panama Vote - An Analysis

The first test vote on Panama, 67-30 in our favor, although generally hailed in the press as a major victory, is cause for some concern. Senator Baker feels it is serious; Senator Cranston feels it is encouraging. We come down between the two. To begin, all of our solid votes, 57 of 59 (two of our votes, Biden and Haskell, were absent), voted with us. All of the opposition's solid votes, 23 of 24 (opponent Hatch was absent) went against us. Of the 17 votes we now consider leaning or undecided, 10 supported our position, 7 sided with the opposition. It would be premature to assume that these votes are indicative of these Senators' positions on either amendments or final passage. Both sides clearly saw this as a symbolic vote. Senators Byrd and Baker appealed for leadership support. Additionally, your prestige was somewhat on the line. We think for these reasons Senators Nunn, Talmadge, Long, Hatfield, Randolph and Roth, who are by no means sure votes for the Treaties, voted with us. Other Senators from the undecided/leaning group (Bellmon, DeConcini, Heinz, McIntyre) we think, by voting with us, may be showing some signs of eventual support. In that same light, undecided/leaning Senators Burdick, Cannon, Melcher, Schweiker and Stevens, who voted against us could well be moving in that direction and should concern us. We believe that Senators Ford and Zorinsky voted against us to keep their options open and the opposition off their tails. If these two are to come with us, they will need time to find the best way to do so. A yes vote yesterday would only have caused them unnecessary grief.

"DETERMINED TO BE AN ADMINISTRATIVE MARKING
CANCELLED PER E.O. 12356, SEC. 1.3 AND
ARCHIVIST'S MEMO OF MARCH 16, 1983"

In sum, this vote is inconclusive. It was a relatively easy vote for those undecided Senators who wanted to show support for you and the leadership while leaving their options open. It provided a shelter for those who have been under strong political pressure to vote against us, and it may have been a vehicle for some Senators to show their inclinations for or against. We should also keep in mind that the substantive content of this motion, i.e., to place the Panama Treaty before the Neutrality Treaty, could well have swayed votes. Many Senators want to be assured that the October 14 leadership amendments are attached to the Neutrality Treaty before they can cast a vote in favor of the Panama Treaty.

One last note--Senator Brooke's strong statement yesterday caused alarm among Republicans, particularly Baker. Senator Baker talked to Brooke this morning and feels much better about his position. We must remember that Brooke is fearful of a primary this year and must be very cautious with this issue.

~~SECRET~~

CENTRAL INTELLIGENCE AGENCY
National Foreign Assessment Center
13 April 1978

INTELLIGENCE MEMORANDUM

TORRIJOS' TREATY GROUP

This memorandum examines, as best our information allows, the roles of Chief of Government Torrijos' treaty advisers, their relative influence, and current positions.

Introduction

Since the mid-March US Senate passage of the amended neutrality treaty and the almost explosive surge of anger by Chief of Government Torrijos and his advisers at several of the changes, there has been perceptible movement within the Panamanian inner circle toward moderation. The movement has been uneven--even temporary in some cases--and clouded by Torrijos' tactical gambits. Both Torrijos' personality and the makeup of his inner circle lend themselves to rapid policy shifts, but an examination of the positions of individual advisers and the treaty group as a whole clearly indicates that moderate advice is presently carrying the day.

This memorandum was prepared by the Office of Regional and Political Analysis and was coordinated by [REDACTED] Questions and comments may be addressed to [REDACTED]

[REDACTED]
RP M 78 10153C

SANITIZED

E.O.12958, Sec.1.5

PER 1/3/03 CIA RE NLC-00-132
BY W NARS DATE 6/7/03

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The Main Treaty Players

General Torrijos' circle of treaty advisers is a shifting, ill-defined group with no consistent leader. Four people, however, probably have the greatest influence on treaty matters: Torrijos' personal adviser, Rory Gonzalez; Ambassador to the US Gabriel Lewis; political adviser Romulo Escobar; and possibly, Minister of Education Aristedes Royo. Foreign Minister Gonzalez-Revilla has recently had a prominent role, but he generally belongs with a second echelon of advisers. Others may make important inputs and possibly have a significant cumulative impact but individually rate further down the list.

Torrijos remains very close to his unofficial adviser, friend, and business partner, Rory Gonzalez. Gonzalez appears to have initially taken a neutral role in the internal debate over acceptance of the DeConcini reservation. In more recent consultations, however, he has conveyed Torrijos' view of the need to accept the treaty reservations by working out some diplomatic accommodation. Further, by taking an active role in the planning to curb antitreaty material in the domestic media, he has effectively moved toward the more moderate position.

Torrijos continues to listen to and value the counsel of Ambassador Gabriel Lewis, who has taken an aggressive line against accepting the DeConcini reservation in recent weeks. Although there is no hard evidence, [REDACTED] his hard line is less the result of political conviction than a combination of instruction from Torrijos and personal pique at his failure to ward off Senate modifications.

The role of former chief treaty negotiator Romulo Escobar, perhaps somewhat diminished of late due to a variety of personal and political factors, is nonetheless still important. Escobar has been out in front, both publicly and privately, in pushing the government's cautious "wait and see" line. Escobar, however, is a very hard bargainer who can play a tough tactical game. [REDACTED]

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Minister of Education Aristedes Royo--an ambitious, young (37), dedicated leftist--has frequently played a key role. He points up one of the difficulties in assessing the advisers' positions. [REDACTED] he has shifted his views nearly half a dozen times [REDACTED] on whether an accommodation with the US is possible, and he is not an isolated example.

A second echelon of advisers includes, among others, Vice President Gerardo Gonzalez, Minister of Labor Adolfo Ahumada, and Foreign Minister Gonzalez-Revilla. The Vice President, a former communist party member, may be more effective in carrying his ideas directly to Torrijos than in pressing his view within the treaty group itself.

[REDACTED] Labor Minister Ahumada, a former communist party activist does not appear to have played a major role in recent discussions. He is, however, trusted by Torrijos and has been involved in treaty related matters for several years. Probably a pragmatist, he--like the Vice President--may press his case with Torrijos directly.

[REDACTED] Foreign Minister Gonzalez-Revilla. He is generally a middleweight in Torrijos' inner circle, but he is a political animal with an eye peeled toward possible changes in the Chief of Government's temperament and as such is not a bad barometer. [REDACTED]

The Foreign Minister's comment that Ambassador Lewis, along with the OAS and UN representatives, misinterpreted instructions in pressing the US is partly sham and partly self-serving, with a smattering of truth. At that time, all government representatives were embarked on a campaign, ordered by Torrijos, to bring pressure on the US administration to modify the Senate's changes. Gonzalez-Revilla, an ambitious man and former ambassador to the US himself, was apparently undercutting Lewis, who replaced him in the US post last year.

Lewis may have slightly overstepped in apparently taking it upon himself to provide the Torrijos letter expressing concern over the DeConcini reservation to the US press and purposely allowing it to be misinterpreted to add to the pressure on the US government. He was, however, clearly following Torrijos' tactical, if not explicit, instructions and we doubt that his standing with the General has been affected.

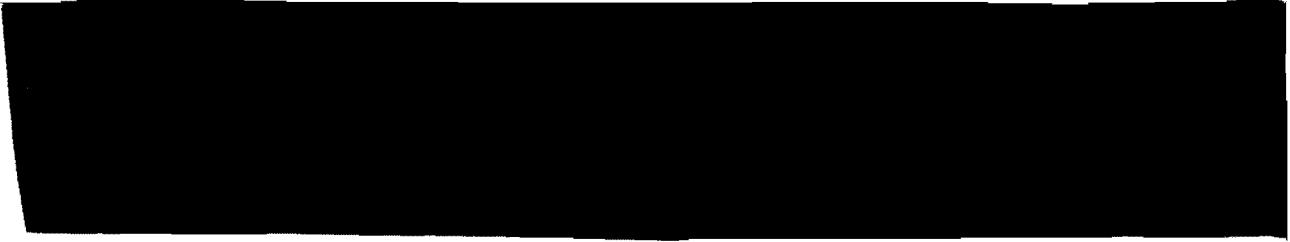
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SECRET

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In fact, Lewis' recall to Panama last week was not unlike actions by Torrijos at various junctures during the treaty negotiations when, despite his earlier instructions, he decided it was time to draw back for a cooling-off period. The Panamanian misinterpretation was a collective one, involving miscalculation of the effect of the campaign on the US Senate.

Lesser Players

An array of other officials and advisers--former Foreign Minister Lopez Guevara and former negotiator and Marxist intellectual De La Rosa are good examples--participate in the consultations at various times, but their fortunes rise and fall. An assessment of their individual and collective positions is further complicated by the possible influence of persons on the periphery of or even outside the circle of treaty advisers. Intelligence Chief Lt. Col. Noriega is Torrijos' right-hand man in several domestic and foreign policy areas. He probably has some impact, although neither he nor other military leaders appear to play primary roles in treaty matters.



The Internal Debate

The group of advisers frequently uses a consensus approach to try to resolve differences, taking tentative positions to Torrijos for approval or modification. In this way, the group adopted its plan of action  to seek some sort of diplomatic accommodation with the US. The General himself does not work through a single intermediary. On a day-to-day basis, Torrijos sets a domestic line individually with adviser Escobar, Minister of Education Royo, and Minister of Labor Ahumada--the latter two his primary go-betweens with leftist groups. Foreign policy consultations are held with both the Foreign Minister and Ambassador Lewis--who clearly has been running the show in the US--with inputs from Rory Gonzalez as well.

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Despite crossed lines of communication and shifting positions, certain blocs have emerged in the current debate. Some of the argument breaks down along ideological lines, although political leanings are not a decisive barometer. Leftists on the National Legislative Council--such as Balbino Moreno and Ruben Dario Herrera, along with Vice Minister of Health Espadafora--took a very hard line initially and urged immediate rejection of the treaty changes. Similarly, university rector Salas, a former communist party member, and Juan Materno Vasquez, the authoritarian nationalist chief of the Supreme Court and another of Torrijos' political advisers, lined up with those urging rejection.

Others urging rejection, however, included Minister of the Presidency Manfredo, a former businessman, along with Ambassador Lewis and moderate Minister of National Planning Barletta. Barletta, like Lewis, played a prominent role in treaty ratification efforts in the US, and he may have been partly venting his personal frustration at the failure to avoid distasteful Senate changes. Barletta has subsequently appeared to be moderating his stand.

Those arguing that a wait-and-see attitude was the wisest course included Escobar--who was the first to point out that the government had few real alternatives, Education Minister Royo, Labor Minister Ahumada, and treaty adviser Lopez Guevara. Lopez Guevara was one of those who reportedly helped dissuade an angry Torrijos from public rejection of the treaties immediately following the Senate vote.

Minister of Health Saied, who has not had much of a political role, economic adviser and former Finance Minister Perez Balladares, Rory Gonzalez, and Carlos Perez Herrera, Torrijos' cousin and a member of the Legislative Council, took a more neutral stand in the first discussions.

Saied, along with Rory Gonzalez, increasingly hewed to a moderate line.

Lopez Guevara and another treaty adviser, De La Rosa, who were originally scheduled to accompany Ambassador Lewis back to the US this week, can best be termed pragmatists who would seek a workable solution. The two were to be substitutes for Panama's UN and OAS ambassadors, more ardent nationalists who take a harder line. Both

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Lopez Guevara and De La Rosa, along with Escobar, have suggested that even without an amelioration of the De-Concini reservation, Panama should not reject everything that has been accomplished. On Monday, a variation of this line was surfaced publicly by a government-sponsored organization.



Subsequently, the trend has been toward more moderate options. [REDACTED] there has been an indication of resignation. In the present atmosphere, a modest Senate clarification and/or formal reiteration of nonintervention by the US administration could prove acceptable to the Panamanians. For the moment, they are seeking a diplomatic excuse to accept the present treaties.

The Treaty Advisers--Plus Torrijos

All of the advisers together, however, still add up to only half the equation--Torrijos remains the critical factor. Several of the advisers, such as the Foreign Minister, cue their positions from perceptions of Torrijos' mood. The General's anger can still override the advice of even his most influential advisers.

Torrijos, after recovering from his initial outrage over the DeConcini reservation, set in motion a calculated effort to gain some softening of its impact. He still expects some diplomatic fig leaf to cover the humiliation of the reservation's interventionist implications. While

-6-
SECRET

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some of his advisers feel that the General, if pressed, would have to accept the reservation as it stands, they, like their leader, have alternated between anger and resignation.

We do not believe Torrijos has yet made any irrevocable decision. Indeed, should Torrijos decide to shift tactics, the National Guard sabotage team this week remained ready to move against already-designated civilian targets in the Canal Zone. Even with the moderating trend and the desperate search for a diplomatic fix, Torrijos remains dangerously prone to a misstep if there are further unpleasant bumps on the treaty road.

-7-
~~SECRET~~