

SOL M. LINOWITZ

*File*

ONE FARRAGUT SQUARE SOUTH  
WASHINGTON, D. C. 20006

May 2, 1977

Dear Cy:

On Saturday, April 30th, I had lunch here with Ronald Reagan and Mrs. Reagan, and I thought I ought to send you this report about the substance of our conversation.

A few weeks ago Ronald Reagan wrote two columns about the Panama Canal negotiations which contained some innuendoes and misstatements, and I wrote to him setting forth the true facts and indicating my willingness to sit down and talk with him about the situation if he would like to do so. He responded by inviting me to have lunch with him and Mrs. Reagan during their visit to Washington on April 30th, and I accepted. We met for lunch in their suite at the Madison Hotel, and our session lasted about an hour and a half.

At the outset Governor Reagan asked me some questions about the state of the Panama Canal negotiations and I gave him a brief overview, stressing the urgent need to find a mutually agreeable solution which would take into account the proper aspirations of the Panamanian people and yet preserve the important interests of the United States. He listened politely and then made the following points:

He said that in his judgment our foreign policy has been in retreat over the past years and that this had concerned him deeply. For this reason he said that he thought "giving up Panama" would be another retreat which would lose the respect of the rest of the world. He said that he thought we were already without the support of our allies who questioned our willingness to stand up for principles in which we said we believed. He then went on to say that Panama's President Torrijos was a military dictator who did not have the support of

Document 4

(Note: Linowitz was former ambassador to the Organization of American States. He became President Carter's special representative in the treaty negotiations. Ronald Reagan was the governor of California at this time.)

his people in connection with his efforts regarding the Canal, and that under no circumstances did he think we should "surrender sovereignty". Finally, he said that he did not think that it was proper for the United States to be negotiating under a threat of possible violence as he thought we were now doing and that we ought to stand our ground firmly against this crude dictator.

I responded by pointing out to him first that the Panamanian position was now being supported by all the countries of Latin America and, indeed, by most of the Third World; that the Treaty itself was almost universally regarded as outmoded and its provisions anachronistic, which led to the charge that in the Canal we were maintaining a "colonial enclave"; and that our true vital interest was in assuring that the Canal remained open, free and neutral on a non-discriminatory basis, and that this was an essential condition in our negotiations. I traced the sovereignty issue pointing out that we had acquired rights to the Canal but not title to the land itself. The main question was, I suggested, what course of action would be in the best national interest of the United States; and that I was firmly convinced that seeking to adhere to the present Treaty would be adverse to our best interests and that persisting in our efforts to work out a mutually fair and acceptable new Treaty arrangement would advance our national objectives.

Reagan responded by saying that that position was simply not acceptable to the American people who were in such large measure opposed to a new Treaty. He then told me that he himself had never sought to raise the Panama Canal issue during the campaign but that it had been raised through audience questions at various times in the course of the primary in New Hampshire. He said that he was amazed to find that there was such intense interest in the Panama Canal and that in one community after another there was "utter disbelief" that we would be negotiating to "give it away". He said he found as the campaign proceeded that whenever he gave his answer insisting that we retain the Canal he would receive tumultuous applause.

Reagan then told me that he was sure that he had won the primary in Texas from President Ford solely on the Panama Canal issue. He said that Congressman Snyder had telephoned him after Ambassador Bunker had testified in secret before the Merchant Marine Committee respecting the course of the negotiations and had told Reagan that the Committee had voted to allow Snyder to pass on the substance of the secret testimony summarizing the American position in the negotiations. Reagan said that when President Ford came to Texas and denied that such negotiations were, in fact under way, Reagan felt compelled to disclose what he had been told by Congressman Snyder and this, in his judgment, destroyed Ford's credibility and led to Reagan's Texas victory.

Reagan also said that in his talk with Latin Americans he did not get the same impression I had conveyed to him about their support for the Panamanian position.

I told him that Ambassador Bunker and I had just visited with the Presidents of Colombia and Venezuela and that they had clearly indicated their support for the Panamanian position, and that I had discussed the Canal negotiations with many Latin American leaders and one after another had expressed his backing of Panama in the Canal negotiations. I asked him specifically which countries he knew were not disposed to favor the Panamanian position, and he mentioned Brazil. I pointed out that the Brazilians were, in fact, clearly committed to support of the Panama position and he did not challenge this.

Reagan then went into a discussion of the situation in Brazil and the problems which had arisen between Brazil and the United States. He said that in his judgement the situation had been handled badly by us in both the human rights and nuclear areas and that he was concerned that we had alienated a nation of such significance in the hemisphere.

I asked Reagan then whether he had ever been to Panama and he said that he had not. I urged him to visit the country and to see for himself why the Canal Zone was regarded by the Panamanians as such an unwelcome intrusion into their country and why it was a

festering problem which was bound to erupt if serious and conscientious efforts were not made to find a mutually satisfactory basis for a new Treaty. Mrs. Reagan was especially interested in this suggestion and asked if Governor Reagan would have "proper body guards" if he should make the trip. I assured her and him that he would, and indicated that we would be willing to arrange an opportunity for him to meet with various people in Panama to discuss the whole situation. He said he would like to think about it and then get in touch with me about it. He seemed genuinely interested and asked whether I would be willing to help him set up an itinerary for such a visit. I said I would be glad to and I was sure the State Department would be pleased to cooperate.

Our luncheon ended on a pleasant note.

My over-all impressions of Reagan's position based on this luncheon conversation are as follows:

1. Reagan has not carefully familiarized himself with all the significant facts about the Panama Canal negotiations and has been content to make great political capital out of sloganeering and playing on the "give away" theme invoking the national pride in the Canal.
2. He seemed interested and in some cases surprised by some of the facts I put before him. He was especially uneasy, I thought, when I kept impressing upon him the danger of the situation and its potentially explosive nature. He remained silent when I asked: "Would you feel comfortable if our unwillingness to negotiate led to bloodshed?"
3. He seemed to find significant the fact that we were trying to work out some formula whereby the United States would continue to participate in assuring the continued neutrality and openness of the Canal even after the new Treaty came to an end.
4. He is going to remain adamant on the sovereignty issue and seems disposed to make his major argument on the "we bought it, we paid for it" line. I pointed out Supreme Court decisions on this point, but he was

unimpressed and almost disinterested.

5. Surprisingly, he did not even mention either Castro or Communist nations generally in the entire course of our discussion.

6. If the Canal issue remains a politically profitable one, then he will continue to highlight it. If, on the other hand, there should be a shift in popular sentiment and a readiness on the part of the American people to accept the fact that a new Treaty is necessary, then I think he is pragmatic enough to adjust his own position accordingly. The important fact is that I did not detect that he had a sense of mission on this issue.

7. I do believe he is genuinely interested in the possibility of a trip to Panama before long. If he indicates an interest in doing so, I believe we should cooperate in every way so that he can have a look for himself and a full opportunity to discuss the situation on the spot with both Panamanians and Americans.

Sincerely,

Sol M. Linowitz

The Honorable  
Cyrus R. Vance  
Secretary of State  
Department of State  
Washington, D.C. 20520