DEPARTMENT OF STATE
WASHINGTON

August 24, 1977

SECRET

MEMORANDUM FOR: THE PRESIDENT
FROM: Warren Christopher, Acting

Panama Treaty Signing. Following your conversation with President Torrijos this afternoon, we spoke to OAS Secretary General Orfila who has agreed to send a letter tomorrow inviting all Chiefs of State of participating OAS members to attend the signing ceremony on September 7. The letters will state that the invitation is being extended at the request of you and Torrijos. Orfila will invite Canada and Guyana as hemispheric observer members of the OAS. Orfila has agreed to respond to any public inquiries by stating only that each OAS State has been invited to send a high level representative. We are preparing letters from you to each of the heads of state offering bilateral discussions with you if they are in Washington for the signing.

Developments within the PLO.

The PLO now seeks "private" U.S. assurances that following a PLO statement on 242 which fits U.S. requirements, the U.S. would state publicly that it will talk to the PLO because the U.S. "believes":

- The PLO represents the Palestinian people;
- The Palestinian people should live independently in their homeland; and,
- The PLO should participate in negotiations of a settlement which involves their national fate and interests.

State Department review completed
While the moderated PLO position appears to move in the right direction, there are drawbacks in it that deserve careful analysis before we respond. Also, we will need to assess the results of tomorrow's meeting of the PLO Central Council before we make another move.

Lagos Conference. At today's session of the Lagos Conference, most activity centered around the preparation of the final Conference Declaration. While discussions took a moderate tone, there is a high probability that the Declaration will include a provision calling for mandatory sanctions against South Africa pursuant to Chapter VII of the UN Charter. Andy Young has received assurances, however, from various delegates that they are willing to work with the United States to produce an acceptable text.

The South African nuclear issue received relatively light attention at today's plenary session, with only passing reference being made in several speeches.

Soviet Concern over Rocket-Testing in Zaire. I promised a further report on the rocket launching site in Zaire being set up by the German corporation OTRAG, the subject raised with me last Monday by Dobrynin. OTRAG's chairman, Dr. Kurt Rebus, came to the United States as a member of the von Braun team, and he was director of the Kennedy Manned Spacecraft Center from 1962-75. OTRAG's avowed purpose is to develop a commercial system for delivery of payloads into space more economically than NASA can. OTRAG has leased 60,000 square miles in eastern Shaba province (about half the area of the Federal Republic of Germany) under terms which give the company almost sovereign rights. These include the right to provide its own security forces and to relocate the area's sparse population if necessary. Little more is known about the company. The Washington intelligence community has undertaken further research and our Embassy in Bonn has been asked to obtain additional information from the German Government.
Puerto Rico. The Governor of Puerto Rico, Carlos Romero Barcelo, called on Assistant Secretary Maynes to discuss UN consideration of Puerto Rico's status. Governor Romero agreed to send a letter to the UN Decolonization Committee reaffirming the view of his administration and the New Progressive Party that the question is not within the jurisdiction of the UN. Since members of his party have taken the opposite position during recent Committee hearings, his restatement of his position will be useful.

The Governor is a firm supporter of the Panama Canal treaties and has offered to help by testifying and speaking out in favor of ratification. We are arranging to brief him on the treaties.