

Watergate Impact on Panama Talks

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...the Canal Intelligence Agency had

Where there is smoke, there is generally some fire. Panamanians are fond of saying.

Yet the impact of Watergate on Panama is probably more important in terms of the negotiations for a new treaty on the Canal Zone.

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To the Panamanians, a new treaty seems to have been in a long series of in-

...Tack has said recently over the past few months that his government is prepared to resume the debate at any time — that the ball is now in Washington's court.

Sources close to the situation insist that Tack's readiness is questionable, that he speaks out with the knowledge that Washington has been hobbled by Watergate. Even if this is true, Tack has been able to turn the confused state of affairs to his advantage.

The negotiations, an outgrowth of the bloody rioting in January, 1964, have been under way since the following year. Three draft treaties were produced in 1967, but before they could be submitted for ratification in Panama, the govern-

ment decided to "perpetuity" and to abandon much of the real estate as well as civil and commercial activities in the zone.

But the U.S. position has been that operation, maintenance and defense of the canal must remain in U.S. hands for a fixed period of no less than 20 years and up to 50 years should the U.S. choose to expand the canal or construct a new waterway.

When the U.N. Security Council met here last March, discussion centered almost entirely on the canal issue, and Panama acquired overwhelming support for its position from the Soviet bloc and the so-called third world.

Since then the Panamanian government has twice communicated formally with Washington but has received no response. U.S. sources contend that these new contacts represent no retreat from Panama's earlier stand and provide no real basis for renewing the talks.

Still, Panamanians say in fact that its negotiators have taken the initiative and it is now up to Washington to respond.

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