Canal Zone Is in an Identity Crisis as

By RICHARD SEVERO Special to The New York Times

CRISTOBAL, C.Z.—At first glance the 70-year-old Panama has been much used in speech Canal Zone—from its country es by Panamanian leaders, who clubs to its shopping cenhave pointed to them from a interest and orderly flow of City, which is separated from traffic - resembles just about the American city of Cristobal any community in the United by only a roadway.

States. "Well, as a matter of fact,

But since it cuts the Republic of Panama in two, it is criticized from without and is beset by morale and identity problems within. To the visi-

lution against Colombia that both Panamanian and United States leaders wanted — the Panamanians, for reasons of self-determination, the Americans so they could build a 53-mile canal that President Theo-dore Roosevelt called "one of the great works of the world."

Now neither Panama nor the United States wants to continue the treaty that created the Zone, but they have not been able to agree on a new one. The Canal Zone, meanwhile, The Canal Zone, meanwhile, remains on the brink of tur-

Canal Company, a United States Government agency.

The term "manicured lawns" ters to its points of historical slum neighborhood in Panama

beset by morale and identity problems within. To the visitor who spends some time here, it presents a striking mixture of pride and shame, order and confusion.

The 533-square-mile Zone was born in 1903, when Panama was, as a result of a revolution of the confusion of the confu

Barracks Architecture

A tour carries a visitor past attractive houses but also past many of considerably vintage, apparently inspired by barapparently inspired by bar-racks architecture. There are two-story walk-ups of ply-wood with exposed wooden studs, saved from an unre-lenting institutional look only by the determination of the occupants.

Mrs. Sandra Brady, relaxing behind a coffee table consisting



the improvement hasn't really been given the credit it is due."

of the 3,000 United States en ployes speak the language.

"Panamanians are happy to mix with Americans and vice versa," she said. "Today the ugly American is gone."

remains on the brink of turmoil.

Issue Cuts to Quick
Incredibly, amid the large and vexing differences that have impeded agreement, lawnmowing has become a sensitive issue.

"Whatever you write, please don't say we have manicured lawns," admonished a public-relations man for the Panama for the Panama of the place in they several integer of they could.

The ugly American may not exist for the Bradys, but he large of the Bradys, but he large of the Bradys, but he large of the Brady and her father American, and she is married to Joseph Brady, a hydrologist employed by the Canal Company.

"Whatever you write, please dawns," admonished a public-relations man for the Panama for the Panama of their playing for all it braltar is an outpost of inter-stand white, and for any stands their playing for all it braltar is an outpost of inter-stands.

"The ugly American may not exist for the Bradys, but he large of the Bradys, but he large of

national colonialism. Panama and Spain are freed of the Anglo-Yankee colonialism, I will come again to visit the Rock and to salute the Spanish flag on it."

In the Zone a growing number of United States citizens are trying to overcome the old image of colonialist. There appears to be a new social consciousness, a predisposition to self-criticism.

John McTaggart, who works is worth," she continued. "But relations have improved tremendously in recent years and the improvement heavy to the impr of the 3,000 United States em-

Some Marry Panamanians

About 13 per cent have Panamanian spouses—Mr. McTagugly American is gone."

Old Isolation Waning
Mrs. Brady and her husband spend a great deal of time ent in Spanish; he has a working knowledge and struggles to make it better.

Mr. Brady appears the said About 13 per cent have Panamanian spouses—Mr. McTagart is one—and nearly 24 per cent of the Americans living in the Zone are second- or third-generation Zonians—descended from people who regarded a job with the Panama Canal Company as one of the most secure things on earth.

Mr. McTaggart would prefer About 13 per cent have Pan-

Mr. Brady appears typical to live in Panama City, but of younger Americans being he would get no living allow-hired by the Canal Company, ance for such a venture. Rents many of them critical of an older generation that refused to they are in the Zone for company to learn Spanish and avoid marshle, bousing the Brades. of a large piece of glass over try to learn Spanish and avoid-parable housing—the Bradys several dozen neatly stacked ed trips into Panama City if estimate that their \$80 apart-

and Panama Haggle

work for the Canal Company. Ten years ago 3,500 Panamani-

There remain two wage scales, one based on skills dropped to 1,300. available locally and one designed to attract professionals

Discussing relations between Zonians and Panamanians, other nations. Panamanians can can with an insurance agency qualify for both.

qualify for both.

In 1959 only 144 of them were on the preferred wage scale; by 1972 the number had risen to nearly 2,000. Moreover, the thrust of hiring now clearly favors the Panamanians, who constitute about three-quarters of the 20,000 employes of the Canal Company and the United States military forces.

The Zone's school system remains a sore spot.

Small groups of Panamanians, most of them black and descended from the West Indian workers who built the canal, live in four communities in the Zone, towns that are holdovers from construction days. Their children are educated in Panama City whose wife works for the Canal Company, said he believed there could be more amity if the Zonians really tried to understand the culture of the country across than taking Panamanian kids out to see the locks," he said.

Ernesto Cordovez, a Panamanians who is in charge of the Zone's ground maintenance, acknowledges that he disliked the Zone before he started working for the Canal Company, said he believed there could be more amity if the Zonians really tried to understand the culture of the country across than taking Panamanian kids out to see the locks," he said.

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nal, live in four communities in the Zone, towns that are holdovers from construction days. Their children are educated by a special school system.

Samuel H. Blenman, a black who has served the Canal Company 42 years, regards the system as inferior and would prefer to see the Panamanian youngsters in the Zone's American schools. But Dr. Charles L. Latimer, deputy superintendent of schools, says the Panamanian Government does not want the two systems integrated, arguing that it would tend to Americanize the Panamanians and make life that much more difficult.

The Panamanian communities in the Zone are shrinking, and children are not permitted to take over the housing occupied working there.

"I am very nationalistic," he said. "I owe allegiance to Panama, but I also owe allegiance to the company, and I've formulated my own concept, which is to be professional in my work."

Some Americans like Mr. Mc-Taggart, the personnel man, think the development of a larger Panamanian middle class will help improve relations.

A Canal Company economist, Donald Schmidt, disagrees: "There is an affinity between Panamanians and Americans—both are very materialistic—but the bigger the middle class gets in Panama, the more aware it will be, and it will tend to compete with the American middle class, not complement it."

American blacks who might school population reflects this. The system was abandoned in an residents of the Zone attended the middle nineteen-fifties. ed the so-called "Latin"

from the United States and Davis Stephenson, an Ameriin Panama City whose wife