

Watergate Impact On Canal Talks

Panama City

The international shock waves generated by the Watergate scandal have had a grave impact on the Panama Canal treaty negotiations.

The U.S. image here, already tarnished, has been further discolored by the report that the White House "dirty tricks" squad had seriously considered the assassination of General Omar Torrijos, Panama's strongman chief of state.

This report has been denied and discredited, but a large number of Panamanians, whether friends or enemies of the General, continue to believe that the Central Intelligence Agency had been ordered to eliminate Torrijos.

"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 Panama Canal and the Canal Zone.

Not that these discussions were surging ahead when the scandal erupted in Washington. They had been virtually deadlocked for months. Now, though, there is no activity at all on the negotiating front and no hint that any is under consideration.

In fact, the U.S. negotiating team is without a leader, and President Nixon appears

to be too preoccupied with other matters to nominate a successor.

To the Panamanians, a new treaty seems to have taken on a new sense of urgency. Foreign Minister Juan Antonio Tack has said repeatedly 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 either capital, the government here was overthrown and General Torrijos scrapped the proposals.

What Panama wants, in essence, is absolute sovereignty over the Canal Zone.

U.S. officials have expressed willingness to eliminate the treaty provision that extends virtually sovereign rights to the U.S. "in

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 50 years and up to 85 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 early stand and provide no real basis for renewing the talks.

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

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