

**The original documents are located in Box 9, folder “Panama Canal - Ellsworth Bunker Congressional Testimony” of the Richard B. Cheney Files at the Gerald R. Ford Presidential Library.**

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[April 1976]

TALKING POINTS

Subject: Congressman Snyder's Revelation of  
Executive-Session Testimony on the  
Panama Canal Issue

I.

The Facts of the Revelation

Ambassador-at-Large Ellsworth Bunker and his Deputies agreed to testify on the status of the treaty negotiations before the Panama Canal Subcommittee on April 8.

They asked, however, that their testimony be taken in Executive Session, so that they might be wholly candid with the Subcommittee.

By recorded vote, the Subcommittee agreed unanimously to proceed into Executive Session.

At the outset the presiding officer -- Mrs. Sullivan, in lieu of Mr. Metcalfe -- stated that the Subcommittee had never before violated the confidence of the Negotiators and would respect their confidence on this occasion. She concluded the closed hearing by reaffirming the Subcommittee's intention to respect this confidence.

On April 13 Mr. Snyder issued a press release (copy attached) on a portion of the Executive-Session testimony.

He argued that the Negotiators had agreed, during the Subcommittee session, that this particular testimony could be made public.

That is not the case. The facts are as follows.

(1) The Negotiators agreed with Mr. Snyder that one of his lines of questioning, and the Negotiators' replies, could be made public.

That line involved probing into the issue of whether the United States possesses legal sovereignty in the Canal Zone. Mr. ~~Snyder's~~<sup>Snyder's</sup> questions on this subject were constructed around a letter to him from one of the Deputy Negotiators.

(2) The Negotiators also agreed with Mr. Snyder's request that his questions and the Negotiators' replies could be made public if the Negotiators did not object.

(3) The portion of the testimony which Mr. Snyder released to the press does not relate to his line of questioning and replies on the issue of legal sovereignty. It relates, rather, to his line of questioning on an entirely different issue-- presidential negotiating instructions.

The Deputy Negotiator's letter does not address that other issue.

(4) The Negotiators were not afforded the opportunity to pass on whether the questions and answers on that other issue could be released to the press --, nor on whether any of the questions and their replies could be released.

They were not shown a copy of the transcript so that they could make that judgement.

They were not advised in advance that the press release was to be issued.

This revelation violates the Subcommittee's unanimously-voted commitment to respect the Negotiators' confidence.

It demonstrates discourtesy to the Ambassador-at-Large, who was trying to provide the Subcommittee with all the information it desired.

It should do nothing to encourage Executive Branch representatives to continue being candid with the Subcommittee.

It can be argued that the entire Subcommittee, having voted on the Executive Session, should have had an opportunity to address the particulars of any revelation of Executive-Session testimony.

It can also be argued that it would be in order for the Subcommittee to repudiate this revelation.

## II.

The Facts on the Executive-Branch Commitment to  
Reach for a Modernized Treaty Relationship  
with Panama

There is a lot of misinformation being put out about the treaty negotiation with Panama.

It needs to be corrected.

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Point One

-- The United States, under three successive administrations, has been engaged in negotiating a new, fixed-term canal treaty with Panama.

-- This is not a "giveaway."

-- Our objective is to develop a new treaty relationship that will safeguard -- indeed better protect -- our interest in a canal that is open, safe, efficient and neutral.

Point Two

-- The existing 1903 Treaty, which granted the United States rights "as if it were the sovereign" over a portion of Panamanian territory, has become a major source of friction in our relationship not only with Panama but with the rest of Latin America.

-- Since the violent riots of 1964, Panamanian consent to the existing treaty has declined even further and reached a point which endangers our interest in the canal.

-- It is the nature of our presence rather than our continued operation and defense of the canal which is at issue.

-- Failure to modernize our treaty relationship will almost certainly lead to an unnecessary and costly confrontation with an otherwise friendly country that would jeopardize the very interests we seek to protect.

Point Three

-- Opponents of a new treaty argue that the sovereign-like rights we possess under the present treaty must never be relinquished.

-- In essence, they insist that we ignore Panamanian feelings and attempt to maintain the present treaty forever.

-- The real issue is not abstract, legal sovereignty but how we can best protect our current and future interest for as long as the canal has any true utility for the United States.

Point Four

-- What we need is a new canal treaty which gives us the essential rights to operate and defend the canal for an extended period

while restoring the vital ingredient of Panamanian consent.

-- Such a treaty -- acceptable to both countries and based on the concept of Panamanian participation -- would provide the environment necessary to effective canal operation and defense.

-- It would give Panama a tangible stake in cooperating with us.

-- The hard fact of life is that, to operate and defend the Panama Canal for many more years, we had better change tools -- discard the tool of "sovereignty", which is now old and abrasive, and take up the tool of "partnership". Using the wrong tool on an object is the best way to deprive that object of utility to us.

#### Point Five

-- Active treaty talks have been underway for several years.

-- While important progress has been made, difficult issues remain and it is impossible to predict when agreement on a draft treaty might be possible.

-- I am convinced, however, that a new treaty based on the February 1974 Statement of Principles would amply protect our interests.

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-- I say this anticipating that any new treaty would, of course, be subject to full public debate and submitted for ratification as the Constitution provides.



[April 1976?]

PANAMA CANAL

- Q. Has the President given Ambassador Bunker instructions to give up the Panama Canal Zone as Ronald Reagan and Congressman Snyder charge?
- A. No.
- Q. Well, what do Bunker's instructions say?
- A. His instructions are based on the principles agreed to more than two years ago by the United States and Panama. These were published at the time and have been available ever since. I'm just wondering why this delicate issue is raised now in a political context. As President Ford has stated repeatedly, any new Treaty must guarantee continued American operation and defense of the Canal.
- Q. You didn't really answer the question. What are Bunker's instructions?
- A. You can get the principles issued in 1974 from the State Department, or I can get you a copy. Ambassador Bunker's instructions are based on those principles. To boil them down for you: Under any new Treaty, the United States will continue to have the right to operate and defend the Canal.

Q. You keep saying the President will never give up the defense or operation of the Canal. But Bunker's testimony indicates that he is negotiating to do just that.

A. I don't know what interpretation you place on a small, leaked portion of Bunker's testimony. But I can assure you that any new treaty with Panama will guarantee that the United States will maintain its rights to operate and defend the Canal.

Q. For how long?

A. For the length of the treaty, at least, whatever the treaty provides for.

Q. In other words, you are negotiating for U. S. operation and defense of the Canal to end at some time in the future?

A. You must be familiar with the background on this story since that issue has been a matter of public record since 1964. Again, because all this is so old, I have to wonder why it is being raised now.

Nothing has changed since the principles were announced publicly in 1974. Also, I want to remind you that the three Presidents who have conducted these negotiations have consulted with Congress right along, and, of course, President Ford is continuing those consultations.

When any treaty is agreed upon he would submit it to the Senate for ratification. But no treaty has been signed and no terms have been agreed on.

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AM-CANAL ADVISORY 4-8

EDITORS: PLEASE UPHOLD A270, AM-CANAL WASHINGTON. THE STORY  
CONTAINS INACCURACIES. A CORRECTIVE LEAD WILL MOVE SHORTLY.

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AM-CANAL SKED 4-8

BY NICHOLAS DANILOFF

WASHINGTON (UPI) -- AMBASSADOR ELLSWORTH BUNKER TRIED THURSDAY -- BUT APPARENTLY FAILED -- TO CONVINCING CONGRESSIONAL OPPONENTS THAT THE UNITED STATES SHOULD GIVE THE PANAMA CANAL TO PANAMA.

REP. LEONOR SULLIVAN, AN OPPONENT OF THE TRANSFER, TOLD NEWSMEN AFTER A CLOSED SESSION OF THE HOUSE PANAMA CANAL SUBCOMMITTEE THE 83-YEAR-OLD DIPLOMAT HAD NOT CONVINCED HER IT WOULD BE IN THE INTEREST OF THE UNITED STATES TO DO SO.

REP. SULLIVAN, D-MO., CHAIRWOMAN OF THE PARENT MERCHANT MARINE COMMITTEE, ADDED: "I'M DEFINITELY OF THE OPINION THAT I'VE HELD FOR ALL THESE YEARS -- WITH THE RESPONSIBILITY WE HAVE FOR THE TRANSITING OF WORLD COMMERCE, WE CAN'T LET GO OF OUR AUTHORITY."

REP. GENE SNYDER, R-KY., SAID HE REMAINED "VERY FIRM" IN OPPOSITION TO TRANSFERRING THE CANAL TO PANAMA. HE PREDICTED A MAJOR CONFRONTATION WITH CONGRESS AND SAID HE HOPED THE ADMINISTRATION LOST.

BUNKER DECLINED TO COMMENT. HE AND DEPUTY NEGOTIATOR MOREY BELL WERE RETURNING THURSDAY TO PRESENT MORE CLASSIFIED REPORTS ON THE SITUATION.

STATE AND DEFENSE DEPARTMENT OFFICIALS SAY THE CANAL IS VULNERABLE TO SABOTAGE AND GUERRILLA ACTIVITY, AND ITS SECURITY IS BEST PRESERVED WITH PANAMA'S COOPERATION.

WHILE THE COMMERCIAL IMPORTANCE OF THE WATERWAY TO THE UNITED STATES HAS DIMINISHED, ITS MILITARY SIGNIFICANCE HAS RISEN. THE NAVY NO LONGER HAS ENOUGH SHIPS TO OPERATE A "TWO-OCEAN NAVY" IN THE ATLANTIC AND PACIFIC OCEANS AND WOULD NEED THE WATERWAY IN AN EMERGENCY.

PANAMA VIEWS THE 1903 TREATY GRANTING SOVEREIGNTY TO THE UNITED STATES AS UNEQUAL. IT HAS SOUGHT CONTROL OF THE CANAL ZONE SINCE RIOTS THERE IN 1964.

OTHER LATIN AMERICAN GOVERNMENTS ARE WATCHING TO SEE IF THE UNITED STATES IS WILLING TO END A VESTIGE OF "IMPERIALISM."

REP. SULLIVAN WARNED THE ADMINISTRATION WAS NEGOTIATING WITH PANAMA WITHOUT CONGRESSIONAL APPROVAL.

"WE ARE RESOLVED," SHE SAID IN A STATEMENT, "THAT WHAT IT IS ILLEGAL TO DO VISIBLY AND EN BLOC, THAT IS, TRANSFER CONTROL OF THE CANAL ZONE WITHOUT CONGRESSIONAL AUTHORIZATION, IT IS JUST AS ILLEGAL TO DO IN ANY VEILED AND PIECEMEAL FASHION."

DUPLICATES 6-WIRE POINTS

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~~CONFIDENTIAL~~

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DEPARTMENT OF STATE  
AMBASSADOR AT LARGE  
WASHINGTON

*Dick F. [unclear] Porter*  
STATEMENT BY

AMBASSADOR ELLSWORTH BUNKER  
CHIEF UNITED STATES NEGOTIATOR  
DEPARTMENT OF STATE

ON

THE CURRENT STATUS OF THE PANAMA CANAL NEGOTIATIONS

FOR USE BEFORE

THE SUBCOMMITTEE ON THE PANAMA CANAL,  
COMMITTEE ON MERCHANT MARINE AND FISHERIES  
OF THE HOUSE OF REPRESENTATIVES

APRIL 8, 1976

~~CONFIDENTIAL~~

XGDS

DECLASSIFIED  
E.O. 12958, Sec. 3.5  
State Dept. Guidelines  
By *W. H. M.*, NARA, Date *8/7/00*



~~CONFIDENTIAL~~

OPENING STATEMENT BY AMBASSADOR BUNKER  
BEFORE PANAMA CANAL SUBCOMMITTEE  
OF HOUSE MERCHANT MARINE AND FISHERIES COMMITTEE  
APRIL 8, 1976

MR. CHAIRMAN, MEMBERS OF THE SUBCOMMITTEE, I APPRECIATE HAVING THE OPPORTUNITY TO APPEAR BEFORE YOU AGAIN TO DISCUSS THE CURRENT STATUS OF THE PANAMA CANAL NEGOTIATIONS.

I AM ACCOMPANIED ON THIS OCCASION BY MY TWO DEPUTY NEGOTIATORS, MINISTER S. MOREY BELL AND LT. GENERAL WELBORN G. DOLVIN AS WELL AS MY LEGAL ADVISOR, MR. MICHAEL G. KOZAK.

IN YOUR LETTER INVITING US TO TESTIFY YOU LISTED A SERIES OF RATHER SPECIFIC SUBJECTS WHICH YOU WOULD LIKE US TO ADDRESS.

AS WE WISH TO BE AS RESPONSIVE AS POSSIBLE TO YOUR REQUEST WE HAVE ATTEMPTED TO KEY OUR REMARKS TO THOSE SPECIFIC POINTS.

I SUGGEST IT MAY BE MOST PROFITABLE IF I CONCENTRATE MY TESTIMONY ON THE NEGOTIATIONS THEMSELVES, AND ASK MINISTER BELL, IN HIS CAPACITY AS COUNTRY DIRECTOR FOR PANAMA, TO ADDRESS THE POLITICAL SITUATION IN PANAMA AND ITS IMPLICATIONS FOR THE NEGOTIATIONS.

THOSE QUESTIONS

~~CONFIDENTIAL~~

THOSE QUESTIONS DEALING WITH CURRENT PROBLEMS WITHIN THE CANAL ZONE LIE PRIMARILY WITHIN THE PROVINCE OF THE SECRETARY OF THE ARMY AND I UNDERSTAND ASSISTANT SECRETARY VEYSEY AND GOVERNOR PARFITT WILL BE COMMENTING ON THEM LATER IN THE DAY.

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LET US BEGIN WITH THE STATUS OF THE NEGOTIATIONS.

IN THE YEAR SINCE MY LAST APPEARANCE BEFORE THIS COMMITTEE, WE HAVE MADE STEADY ALBEIT MODEST PROGRESS IN OUR NEGOTIATIONS.

IN VIEW OF THE COMPLEXITY OF THE ISSUES INVOLVED WE HAVE, OF NECESSITY, PROCEEDED CAUTIOUSLY.

WE ARE SATISFIED, HOWEVER, THAT WE ARE MOVING IN THE RIGHT DIRECTION AND REMAIN CONFIDENT THAT WE WILL BE ABLE TO REACH A NEW ARRANGEMENT WITH PANAMA WHICH WILL PROTECT OUR VITAL INTERESTS WHILE MEETING PANAMA'S LEGITIMATE ASPIRATIONS.

BUT IN FACT MUCH REMAINS TO BE DONE AND WE ARE YET A LONG WAY FROM AN AGREEMENT.

YOU MAY RECALL THAT IN MY TESTIMONY BEFORE THIS COMMITTEE LAST APRIL, I NOTED THAT WE HAD ACHIEVED CONCEPTUAL -- AND I WOULD LIKE TO STRESS THE WORD CONCEPTUAL -- AGREEMENT ON SEVERAL ISSUES WITH PANAMA.

SINCE THESE

SINCE THESE WERE ONLY INCOMPLETE SEGMENTS OF AN OVERALL CONCEPTUAL AGREEMENT, I DISCUSSED THOSE AGREEMENTS IN ONLY VERY GENERAL TERMS.

SUBSEQUENTLY, HOWEVER, SOME PANAMANIAN STUDENTS SECURED AND RELEASED WHAT THEY ALLEGED WERE THE TEXTS OF THE AGREEMENTS.

UNDER DOMESTIC PRESSURE THE GOVERNMENT OF PANAMA ISSUED A REPORT ON THE STATUS OF THE NEGOTIATIONS AND QUITE NATURALLY PORTRAYED THE SITUATION IN TERMS FAVORABLE TO PANAMA AND, IN SOME RESPECTS, INACCURATELY.

CONVINCED THAT SUCH DISCLOSURE COULD ONLY FURTHER COMPLICATE OUR NEGOTIATING TASK, WE AVOIDED AT THAT TIME PUBLIC CONFIRMATION OF THE AUTHENTICITY OF THE COMPROMISED AGREEMENTS.

WE EXPRESSED TO PANAMA OUR CONCERN THAT SUCH DISCLOSURES ONLY COMPLICATE THE OVERALL BALANCING OF INTERESTS WHICH IS ESSENTIAL IF ANY AGREEMENT SATISFACTORY TO BOTH COUNTRIES IS TO BE REACHED.

IN FACT, THE TEXTS OF THE COMPROMISED AGREEMENTS RELEASED BY THE STUDENTS, ALTHOUGH SOMEWHAT GARBLED IN TRANSLATION, WERE AUTHENTIC.

AS I HAVE STATED, HOWEVER, THEY ARE CONCEPTUAL IN NATURE AND SUBJECT TO MODIFICATION IF A MORE COMPLETE TREATY PACKAGE TAKES FORM.

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PERHAPS..IT



PERHAPS IT WOULD BE USEFUL IF I SUMMARIZED THE TERMS OF THOSE TENTATIVE AGREEMENTS:

-- FIRST, PANAMA HAS AGREED THAT THE UNITED STATES SHALL HAVE "PRIMARY RESPONSIBILITY" FOR THE OPERATION OF THE WATERWAY DURING THE TREATY'S LIFETIME.

-- WE SHALL POSSESS ALL THE OPERATING RIGHTS NECESSARY FOR CONTROL

-- OF ESSENTIAL INSTALLATIONS,

-- OF THE TRANSIT OF SHIPS,

-- OF THE SETTING OF TOLLS,

-- AND OF RELATIONS WITH OUR CANAL EMPLOYEES.

-- IN ADDITION, WE SHALL HAVE SUCH OTHER IMPORTANT OPERATING RIGHTS AS:

-- THE RIGHT TO USE CONTRACTORS, AND

-- FREE MOVEMENT BETWEEN INSTALLATIONS.

-- THERE WILL BE GROWING PARTICIPATION BY PANAMANIAN CITIZENS AT ALL LEVELS OF CANAL OPERATION IN PREPARATION FOR PANAMA'S ASSUMPTION OF RESPONSIBILITY AT TERMINATION OF ANY NEW TREATY.

-- SECOND, PANAMA HAS AGREED THAT THE UNITED STATES SHALL HAVE "PRIMARY RESPONSIBILITY" FOR THE DEFENSE OF THE WATERWAY DURING THE TREATY'S LIFETIME.

-- WE SHALL HAVE THE RIGHT TO ACT -- UNILATERALLY IF NEED BE -- TO DEFEND THE CANAL AGAINST ANY THREAT -- INTERNAL OR EXTERNAL.

-- WE SHALL HAVE

-- WE SHALL HAVE A SOFA, SIMILAR TO THOSE WE HAVE THROUGHOUT THE WORLD, PROVIDING US ALL NEEDED MILITARY OPERATING RIGHTS AND IMMUNITIES.

-- WE SHALL HAVE SOME PROVISION FOR NEGOTIATION BETWEEN THE UNITED STATES AND PANAMA BEFORE THE TREATY'S END TO DISCUSS CANAL DEFENSE BEYOND THE TREATY'S LIFETIME.

-- AS IN CANAL OPERATION, PANAMA WILL PARTICIPATE INCREASINGLY IN CANAL DEFENSE DURING THE TREATY'S LIFETIME.

-- THIRD, PANAMA AND THE UNITED STATES HAVE AGREED IN PRINCIPLE THAT THE CANAL SHALL REMAIN PERMANENTLY NEUTRAL, ON A NON-DISCRIMINATORY BASIS.

-- THIS IMPORTANT PROVISION SHOULD PROTECT OUR COMMERCIAL AND SECURITY INTERESTS NOT ONLY DURING THE TREATY PERIOD, BUT AFTER ITS EXPIRATION.

-- FOURTH, PANAMA HAS AGREED THAT OUR EXERCISE OF GENERAL JURISDICTIONAL AUTHORITY OVER THE CANAL ZONE WILL NOT END ABRUPTLY, BUT BE PHASED OUT OVER A THREE-YEAR PERIOD.

-- HOWEVER, AS I SAID, SUBSEQUENT TO THAT PHASEOUT WE WILL RETAIN FOR THE LIFETIME OF THE TREATY ALL THE RIGHTS AND POWERS NEEDED FOR CANAL OPERATION AND DEFENSE, INCLUDING RIGHTS AND POWERS RELATING TO THE STATUS OF OUR CIVILIAN AND MILITARY PERSONNEL.

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Now I would

NOW I WOULD LIKE TO REPORT ON THE PROGRESS WE HAVE MADE SINCE OUR LAST APPEARANCE BEFORE THIS COMMITTEE AND ON THE ISSUES WHICH HAVE YET TO BE RESOLVED IN THE NEGOTIATION.

SINCE LAST APRIL WE HAVE HAD FOUR SEPARATE NEGOTIATING SESSIONS WITH OUR PANAMANIAN COUNTERPARTS -- THREE IN PANAMA AND ONE IN WASHINGTON.

IN ADDITION THERE HAVE BEEN A NUMBER OF LESS FORMAL SESSIONS BOTH HERE AND IN PANAMA.

THE NEGOTIATIONS ARE NOW CONCENTRATED ON THE FOLLOWING COMPLEX ISSUES:

- THE SPECIFIC DETAILS OF RIGHTS AND PRIVILEGES OF OUR CANAL EMPLOYEES;
- THE DURATION OF ANY NEW TREATY;
- THE LAND AND WATER AREAS WHICH ARE TO BE RESERVED FOR OUR USE TO OPERATE AND DEFEND THE CANAL;
- THE QUESTION OF THE RIGHTS TO EXPAND THE CANAL;
- THE RULES OF PERMANENT NEUTRALITY;
- THE ANNUAL PAYMENT TO PANAMA; AND
- THE NATURE OF THE ORGANIZATION WHICH IS TO OPERATE THE CANAL.

SO FAR WE HAVE HELD ESSENTIALLY EXPLORATORY SESSIONS ON THESE SUBJECTS.

WE HAVE NOT

WE HAVE NOT REACHED CONCEPTUAL AGREEMENT ON ANY OF THEM, BUT WE ARE SUBSTANTIALLY NARROWING DIFFERENCES IN OUR POSITIONS AND HAVE A BETTER UNDERSTANDING OF EACH OTHER'S NEEDS AND INTERESTS.

ON LAND AND WATER AREAS, FOR EXAMPLE, THE PANAMANIAN NOW HAVE A CLEARER IDEA OF THE SIZE OF THE AREAS NEEDED FOR OUR OPERATION AND DEFENSE OF THE CANAL.

WE, ON OUR PART, HAVE A BETTER GRASP OF THE CHARACTER AND QUALITY OF PANAMANIAN NEEDS IN THIS AREA.

WE ARE HOPEFUL THAT WE CAN REACH A MUTUALLY SATISFACTORY ARRANGEMENT ON THIS SUBJECT.

I WOULD ADD THAT IN ESTABLISHING OUR POSITIONS IN THIS AREA THE DEFENSE AND STATE DEPARTMENTS HAVE CONSULTED ACTIVELY WITH BOTH THE CANAL COMPANY AND THE SOUTHERN COMMAND.

ON NEUTRALITY, EXPANDING ON OUR EXISTING CONCEPTUAL AGREEMENT, WE ARE SEEKING A TREATY FORMULA WHICH WILL ASSURE THAT THE WATERWAY WILL ALWAYS REMAIN OPEN FOR WORLD SHIPPING ON A NON-DISCRIMINATORY BASIS AT REASONABLE TOLLS.

OUR DISCUSSIONS ON DURATION HAVE BEEN PARTICULARLY EXTENSIVE BUT INCONCLUSIVE.

PANAMA HAS MADE NO SECRET OF ITS DESIRE TO HAVE OUR CANAL OPERATING AND DEFENSE RIGHTS TERMINATE BY THE END OF THE CENTURY.

WE DESIRE A

WE DESIRE A LONGER PERIOD.

A NUMBER OF DIFFERENT FORMULAS ARE CONCEIVABLE.

FOR INSTANCE, WE MIGHT SEEK A LONGER PERIOD THAN PANAMA NOW APPEARS WILLING TO ACCEPT FOR BOTH OPERATION AND DEFENSE, OR ALTERNATIVELY;

WE MIGHT ATTEMPT TO NEGOTIATE DIFFERENT PERIODS FOR THE TWO FUNCTIONS.

THESE ARE, OF COURSE, ONLY EXAMPLES BUT THEY POINT TO POSSIBLE OPTIONS IN AN AREA OF UTMOST SENSITIVITY.

BASED ON OUR EXPERIENCE TO DATE THE DURATION ISSUE WILL CONTINUE TO BE A MAJOR ONE IN OUR NEGOTIATIONS.

I AM, IN FACT, INCLINED TO BELIEVE IT WILL BE ONE OF THE FINAL ISSUES TO BE RESOLVED.

WITH REGARD TO THE ANNUAL PAYMENT, PANAMA HAS LONG FELT THAT IT SHOULD RECEIVE A HIGHER RETURN ON THE VALUABLE RIGHTS IT HAS GRANTED US.

IT CONSIDERS THE \$2.3 MILLION WHICH IT NOW RECEIVES ANNUALLY A SMALL SUM BY TODAY'S STANDARDS, PARTICULARLY WHEN IN PANAMA'S VIEW GEOGRAPHY IS ITS MOST VALUABLE RESOURCE.

FOR OUR PART, WHILE WE RECOGNIZE THE COMPANY'S FINANCIAL DIFFICULTIES, OUR OBJECTIVE IS TO DEVELOP AN ANNUITY PACKAGE WHICH WILL PROVIDE PANAMA INCREASED

PAYMENTS WHILE

PAYMENTS WHILE KEYING THOSE PAYMENTS, AT LEAST IN SIGNIFICANT PART, TO THE CANAL'S NORMALLY EXPECTED USE.

AGAIN, THIS IS AN ISSUE WHICH REQUIRES IN-DEPTH STUDY AND CANNOT BE QUICKLY RESOLVED.

ANOTHER ISSUE PREOCCUPYING THE UNITED STATES NEGOTIATORS IS THE NATURE OF THE ORGANIZATION WHICH WILL ADMINISTER THE CANAL DURING THE TREATY'S LIFETIME.

OUR BASIC OBJECTIVE IS TO RETAIN MAXIMUM DISCRETIONARY AUTHORITY FOR THE UNITED STATES, BUT WE HAVE NOT YET REACHED ANY DEFINITE CONCLUSION.

THIS ISSUE, OF COURSE, TOUCHES ON A SUBJECT OF MUCH CONCERN FOR ALL OF US, NAMELY THE FUTURE WELL BEING OF THE EMPLOYEES OF THE PRESENT CANAL COMPANY AND CANAL ZONE GOVERNMENT.

WE ARE EXAMINING THIS QUESTION IN COORDINATION WITH OUR COLLEAGUES IN THE DEPARTMENT OF DEFENSE.

WE WANT TO ASSURE THAT UNITED STATES EMPLOYEES ENJOY RIGHTS AT LEAST COMPARABLE TO THOSE WHICH OTHER GROUPS OF US EMPLOYEES HAVE OVERSEAS.

OUR OBJECTIVE IS TO FIND A FORMULA WHICH WILL ENCOURAGE OUR EMPLOYEES TO REMAIN WITH THE CANAL ORGANIZATION.

IN THIS REGARD I NOTE THE MOST RECENT STATEMENT ON THE SUBJECT BY GENERAL TORRIJOS DURING LAST MONTH'S JOB

ACTIONS TO THE

ACTIONS TO THE EFFECT THAT, AND I QUOTE, "THE RIGHTS OF EMPLOYEES OF THE CANAL, INDEPENDENT OF THEIR NATIONALITY, WILL NOT BE DETRACTED FROM... (BY REASON OF A NEW TREATY)."

THE FINAL OUTSTANDING ISSUE IS THE QUESTION OF CANAL EXPANSION.

THE STATEMENT OF PRINCIPLES, WHICH SERVES AS THE GUIDELINES FOR OUR PRESENT NEGOTIATIONS, CONTEMPLATES AN EVENTUAL EXPANSION OF THE PRESENT CANAL OR THE CONSTRUCTION OF A NEW SEA-LEVEL CANAL.

WHILE PANAMA HAS NOW ACCEPTED THAT THE UNITED STATES SHALL HAVE THE RIGHT TO UNDERTAKE SUCH PROJECTS, WE HAVE NOT YET ADDRESSED THE DETAILS.

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YOU CAN SEE FROM THE FOREGOING WE STILL HAVE A LONG WAY TO GO BEFORE ANY NEW TREATY PACKAGE COULD TAKE SHAPE.

LET ME SAY THAT I AM IMPRESSED BY THE ABILITY, SERIOUSNESS, AND SENSE OF RESPONSIBILITY OF THE PANAMANIAN REPRESENTATIVES, ALL OF WHOM ARE PROMINENT LEADERS WITH ACCESS TO THE HIGHEST LEVELS OF THE PANAMANIAN GOVERNMENT.

AS YOU KNOW, MINISTER TACK HAS RECENTLY RESIGNED AS CHIEF PANAMANIAN NEGOTIATOR.

HE PRESUMABLY WILL BE SUCCEEDED BY ONE OF PANAMA'S MOST EXPERIENCED DIPLOMATS, AQUILINO BOYD, WHO SINCE 1962

HAS BEEN PANAMA'S

HAS BEEN PANAMA'S PERMANENT REPRESENTATIVE TO THE UNITED NATIONS AND WHO HAS NOW BEEN NAMED PANAMA'S FOREIGN MINISTER.

ON OUR SIDE TOO THERE HAS BEEN ONE PARTICULARLY IMPORTANT ORGANIZATIONAL DEVELOPMENT.

LAST NOVEMBER, GENERAL DOLVIN JOINED OUR NEGOTIATING TEAM FROM THE DEFENSE DEPARTMENT.

GENERAL DOLVIN SERVES AS ONE OF MY TWO DEPUTIES.

HE BRINGS BOTH EXPERIENCE AND EXPERTISE TO THE TASK AND HAS BEEN INSTRUMENTAL IN MOVING US FORWARD ON A NUMBER OF COMPLEX ISSUES, PARTICULARLY THOSE REQUIRING CAREFUL COORDINATION IN THE DEPARTMENT OF DEFENSE.

I MIGHT ADD THAT HIS APPOINTMENT REAFFIRMS THE COMMITMENT OF THE DEPARTMENT OF DEFENSE AND THE JOINT CHIEFS OF STAFF TO THE TREATY NEGOTIATIONS.

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NOW I WOULD LIKE TO ADDRESS AS BEST I CAN THE SHORT AND LONG RANGE IMPACT OF ANY NEW TREATY ON THE CANAL AND THE CANAL ZONE GOVERNMENT.

I RECOGNIZE THAT IT IS IMPOSSIBLE TO PREDICT EXACTLY WHAT THE EFFECT OF A NEW TREATY MIGHT BE ON THOSE ORGANIZATIONS.

MUCH, OF COURSE, WILL DEPEND ON THE FORM AND CONTENT OF ANY FINAL AGREEMENT.

I DO, HOWEVER,



I DO, HOWEVER, BELIEVE WE CAN MAKE SOME EDUCATED GUESSES.

NATURALLY OUR OBJECTIVE IS TO HAVE AS LITTLE PRACTICAL CHANGE IN THE DAY-TO-DAY OPERATIONS OF THE CANAL AS POSSIBLE.

BUT JUST AS CLEARLY A NEW TREATY WOULD ALTER SEVERAL THINGS.

FIRST, I SEE THE COMPANY BEING REPLACED BY A NEW ORGANIZATION WITH A DIFFERENT NAME AND POSSIBLY A SOMEWHAT DIFFERENT STRUCTURE.

WE ARE EXAMINING THE SUBJECT ON AN INFORMAL BASIS NOW AND WILL DISCUSS THE MATTER WITH PANAMA AT THE NEGOTIATING TABLE AT THE PROPER TIME.

IT IS A COMPLICATED MATTER AND WE MUST CAREFULLY EXAMINE THE CONSEQUENCES OF ANY PROPOSED CHANGE BEFORE AGREEING TO IT.

WHATEVER CHANGES WE MIGHT FIND NECESSARY TO MAKE IN THE STRUCTURE OF THE COMPANY WE SUSPECT WILL LIKELY COME INTO EFFECT RATHER SOON AFTER THE TREATY IS IN FORCE.

OUR INTENT IS THAT THIS NEW ORGANIZATION WOULD THEN REMAIN INTACT FOR THE DURATION OF THE TREATY.

I WANT YOU TO KNOW THAT I WILL BE CONSULTING WITH MEMBERS OF THIS SUBCOMMITTEE ON THE NATURE OF THE ORGANIZATION AT THE PROPER TIME.

SUCH CONSULTATION

SUCH CONSULTATION WOULD BE PREMATURE NOW.

WITH REGARD TO CANAL EMPLOYEES, PANAMANIAN WILL ASSUME INCREASINGLY GREATER RESPONSIBILITIES AT ALL LEVELS OF CANAL OPERATIONS DURING THE LIFETIME OF THE TREATY.

THE UNITED STATES, HOWEVER, WILL REMAIN IN CONTROL OF BOTH OPERATION AND DEFENSE DURING THIS PERIOD.

THE CANAL ZONE GOVERNMENT IS A SOMEWHAT DIFFERENT MATTER.

UNDER THE EXISTING CONCEPTUAL AGREEMENT, THE CANAL ZONE GOVERNMENT WILL CEASE TO EXIST SIX MONTHS FOLLOWING RATIFICATION OF THE TREATY.

BUT AS MOST OF THE FUNCTIONS NOW CARRIED OUT BY THE CANAL ZONE GOVERNMENT WILL CONTINUE FOR A THREE-YEAR PERIOD, AND A NUMBER FOR THE DURATION OF THE TREATY, THOSE FUNCTIONS WILL HAVE TO BE CARRIED OUT BY THE NEW CANAL ORGANIZATION OR OTHER UNITED STATES AGENCIES.

ALTHOUGH THE CANAL ZONE GOVERNMENT AS SUCH WILL NO LONGER EXIST, MANY OF THE EMPLOYEES ASSOCIATED WITH IT WILL SIMPLY PERFORM THEIR DUTIES UNDER A DIFFERENT UMBRELLA.

I WOULD ONLY ADD THAT WE ARE FULLY CONSCIOUS OF THE PROBLEMS INVOLVED AND WILL ATTEMPT TO DEAL WITH THEM REALISTICALLY, PRACTICALLY, AND ABOVE ALL HUMANELY, AS THE SHAPE OF ANY NEW TREATY BECOMES CLEARER.

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NOW, AS YOU

Now, as you have requested, I will comment on the basis, rationale, and impact of those actions which the United States might take to foster good relations with Panama prior to, or even irrespective of, a new treaty arrangement.

First, I would stress that with the exception of Panama's long-standing complaint regarding the nature of our presence in the Canal Zone, our relations with Panama have been and in most respects continue to be remarkably good.

As you know, literally thousands of Americans live, work, and visit in Panama without unusual difficulties.

Over the recent past, major United States investors have actively entered the market in Panama in various sectors, particularly banking.

Earlier this year, a United States firm joined the Government of Panama in an \$800 million cooperative venture to exploit recently discovered copper deposits.

Clearly, important segments of the American business community consider the investment climate in Panama congenial.

With reference to the negotiations themselves, we have carefully studied what actions we may take to improve both our bilateral relations and the negotiating climate.

BUT THE FACTS

BUT THE FACTS OF THE MATTER ARE THAT THERE ARE PROBABLY FEW MEANINGFUL ACTIONS THAT WE CAN, LEGALLY OR ECONOMICALLY, TAKE OUTSIDE OF THE FRAMEWORK OF CONTINUED PROGRESS IN THE NEGOTIATIONS AND THE EVENTUAL RATIFICATION OF ANY NEW TREATY.

CERTAINLY WE WILL CONTINUE TO EXPLORE POSSIBILITIES IN THIS REGARD.

WE HAVE HAD SEVERAL EXCHANGES OF VIEWS WITH THE PANAMANIAN AS TO WHAT WE MAY DO TOGETHER TO ASSIST THEM IN THEIR EFFORTS TO DEVELOP THEIR RESOURCES MORE EFFECTIVELY AND TO ALLEVIATE THEIR UNEMPLOYMENT PROBLEMS.

ONE SPECIFIC ACTION WE HAVE EXAMINED IS THE USE BY PANAMA OF A PRESENTLY IDLE NAVY PIPELINE TO TRANSPORT OIL FROM A REFINERY FOR USE BY PANAMA.

ANOTHER IS THE JOINT USE OF A WATER LINE IN THE CANAL ZONE TO IMPROVE WATER DISTRIBUTION THROUGHOUT THE COUNTRY.

WE ARE CONSIDERING OTHER ACTIONS ALONG THIS LINE, BUT WE ARE NOT CERTAIN ANY OF THEM ARE FEASIBLE AT THIS POINT.

IF WE SHOULD CONCLUDE THAT FURTHER ACTIONS ARE ADVISABLE, WE WOULD FIRST LIKE TO DISCUSS THEIR RATIONALE AND JUSTIFICATION WITH INTERESTED MEMBERS OF THE CONGRESS BEFORE MAKING ANY COMMITMENT TO PANAMA.

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AT THIS POINT.

AT THIS POINT, IT WOULD ALSO SEEM PROPER TO COMMENT ON ANOTHER POINT YOU RAISED IN YOUR LETTER -- NAMELY THE ROLE WHICH CONGRESS WILL HAVE IN THE APPROVAL OF ANY NEW TREATY.

THERE IS NO QUESTION WHATEVER BUT THAT ANY NEW RELATIONSHIP WITH PANAMA WILL BE INCORPORATED IN A TREATY.

NOR IS THERE ANY QUESTION BUT THAT ANY TREATY WILL BE SUBMITTED FOR THE FULL RATIFICATION PROCESS AS PROVIDED BY THE CONSTITUTION.

PRECISELY WHAT LEGISLATIVE ACTION WILL BE REQUIRED, ALONG WITH THE RATIFICATION PROCESS, IS A QUESTION I CANNOT ANSWER AT THIS TIME SINCE WE DO NOT YET KNOW THE CONTENT OF THE FINAL AGREEMENT.

WE ARE VERY CONSCIOUS, HOWEVER, OF THE NEED FOR INCREASINGLY CLOSE COOPERATION AND COORDINATION WITH THE CONGRESS, PARTICULARLY AS THE NEGOTIATIONS APPROACH THEIR FINAL PHASE, AND WE WILL BE SEEKING YOUR ADVICE AND ASSISTANCE AS WE PROCEED.

I AM CERTAIN THAT YOU WILL WANT TO EXPLORE SOME OF THE THEMES I HAVE TOUCHED UPON HERE AT GREATER LENGTH.

I HOPE I HAVE, HOWEVER, ESTABLISHED A USEFUL FRAMEWORK FOR CONSTRUCTIVE DISCUSSION.

NOW I WOULD LIKE TO ASK MINISTER BELL TO ADDRESS SOME OF THE OTHER SUBJECTS IN WHICH YOU HAVE EXPRESSED AN INTEREST.

AS I AM SURE

~~CONFIDENTIAL~~

17

AS I AM SURE YOU WILL APPRECIATE, IN OUR DESIRE TO BE CANDID, BOTH HE AND I ARE ADDRESSING HERE A NUMBER OF ISSUES OF EXTREME POLITICAL SENSITIVITY.

I WOULD BE GRATEFUL IF YOU WOULD TREAT OUR TESTIMONY WITH UTMOST DISCRETION.

THANK YOU FOR YOUR KIND ATTENTION.

~~CONFIDENTIAL~~

CONGRESSMAN GENE SNYDER  
2330 Rayburn House Office Building  
Washington D.C. 20515  
Contact: Nicholas Nonnenmacher  
(202) 225-2099

April 13, 1976  
FOR IMMEDIATE RELEASE

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The soft underbelly of the United States from Texas to Florida, the East Coast, and, in fact, the whole country east of the Mississippi, is threatened by nuclear armed Soviet U-boats that berth in Cuban submarine pens less than 100 miles from our border. Some 12,000 to 15,000 Cuban troops have received actual combat training under fire in Angola."

STATEMENT OF THE HONORABLE GENE SNYDER, MEMBER OF CONGRESS  
FOURTH DISTRICT OF KENTUCKY, APRIL 13, 1976 on  
THE FUTURE OF THE CANAL ZONE AND THE PANAMA CANAL

It is incumbent upon President Ford to immediately try to explain to the American people the validity of whatever reasons he has for directing the Department of State to surrender the Canal Zone and the Panama Canal to a foreign power in the relatively near future.

I make this statement on the basis of State Department testimony before the Panama Canal Subcommittee of the House Merchant Marine and Fisheries Committee last Thursday, April 8th. The bulk of that testimony was in closed session, with Mrs. Leonor K. Sullivan, the full Committee Chairman, presiding. The Subcommittee, however, agreed unanimously that my line of questions and the answers to them would be on the record unless the Department witnesses specifically wanted them off. No such request was forthcoming from those witnesses regarding what I state here or any other question of mine.

Those of us in Congress opposed to this giveaway which has absolutely no Congressional mandate, long have been critical of the State Department for its intention. We have, however, not been at all clear as to the President's ultimate thinking or decision when a treaty would be drawn.

As of last Thursday, there is no more question. Ambassador Ellsworth Bunker, Chief U.S. Negotiator with the Republic of Panama, in answer to my direct questions, flatly declared that President Ford has directed the Secretary of State and the negotiators to come up with a treaty with the Republic of Panama by which we will give up the Canal Zone entirely after a period of time, and the Canal over a longer period of time. My further questions disclosed that the directions are in writing, over President Ford's signature. Later, the Subcommittee requested that it be supplied the documents.

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surrender of the Zone than did the 1967 draft.

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I am shocked that Mr. Ford as President, now is not only going along with, but is actually directing an even more shocking settlement than the one he opposed as House Minority Leader. In that same 1967 news story, Mr. Ford was further quoted in these words:

With Cuba under control of the Soviet Union via Castro and increased communist subversion in Latin America, a communist threat to the canal is a real danger. . . Any action on our part to meet a threat involving the national security of the United States should not be ham-strung by the need for time-consuming consultation with a government that might be reluctant to cooperate in the defense, or possibly be in opposition to our best interests.

The situation in the Caribbean is far worse today than when Mr. Ford made those remarks in 1967. The soft underbelly of the United States from Texas to Florida, the East Coast, and, in fact, the whole country east of the Mississippi, is threatened by nuclear armed Soviet U-boats that berth in Cuban submarine pens less than 100 miles from our border.

Some 12,000 to 15,000 Cuban troops have received actual combat training under fire in Angola.

Cuban schools of subversion have trained thousands of students from every Latin American country and our own, in guerrilla and sabotage techniques, as well as in all aspects of Marxist-Leninist philosophy, agitation and propaganda.

Panamanian dictator, General Omar Torrijos, who recently exiled nearly a dozen top Panamanian business leaders whose opposition he feared, has been playing footsie with Castro for several years. Castro promised Torrijos when he visited Havana in January, to give him every help to gain control of the Canal Zone. Torrijos himself has boasted repeatedly he would lead an assault on the Zone, if necessary, to gain that control, if we did not surrender it.

In my opinion, the President has the immediate responsibility to make a clean breast of his intentions regarding the Canal Zone. The Nation has the right to know the full truth.

Our citizen-taxpayers to date have invested some \$7 billion in the outright purchase of this unincorporated territory of the United States; in the excavation of the canal linking the Caribbean and the Pacific; and in the civil and military installations vital for its continued operation, maintenance and defense. And all of this has benefited, not only ourselves, but Panama and the entire world for some 62 years.

There is nothing to prevent Torrijos, should he gain control of the Canal Zone, from inviting the Soviet Union in to protect it.

There is no way in the world he could defend it -- or his own country, for that matter -- against a Cuban conquest, even without Moscow supporting Castro in such an attack.

In either event, Soviet submarines, missiles and bombers would soon be in place, capable of striking at our heartland from another outpost, which, unless the American people force Mr. Ford to reverse his position, will soon

be within our enemy's grasp instead of remaining our own.

Neither Ambassador Bunker nor his aides were able to substantiate in the slightest degree the claim they have been making around the country in public speeches that a phrase in Article III of the 1936 treaty of friendship with Panama refers to the Canal Zone as "territory of the Republic of Panama under the jurisdiction of the United States." They have cited this to support their argument that we do not have sovereignty over the Zone. Deputy Negotiator Morey Bell did so in a letter to me last December.

Under my insistent questioning seeking substantiation, the claim -- which the American Law Division of the Library of Congress had already reported to me was refuted by Article XI of the same treaty -- was merely repeated.

I feel obligated by my office to further demand that President Ford publicly substantiate this State Department claim -- which I consider to be absolutely without legal grounds, and totally false -- or order the Department publicly to immediately retract the claim and to desist from using it.

To my knowledge, President Ford has not made the claim of which I speak. He may not even realize the State Department is making it in order to promote the Canal Zone giveaway among the American people.

He is now on notice, however, and has the duty to thoroughly explore the matter. The Supreme Court has declared the Canal Zone belongs to the United States, specifically stating it had been ceded to us by Panama in a duly ratified treaty.

The President and the State Department have a right to argue their case on its merits.

To lie to the American people is nothing less than malfeasance in office.

The President cannot allow this serious business of the Canal Zone's future to be decided without the support of the American people whose very security is involved.

Neither can he allow falsehoods to play a role in trying to secure that support in spite of their better judgment.

I hope Mr. Ford will publicly come to grips with this entire question in the very near future.

D W

PM-CANAL 4-14

BY NICHOLAS DANILOFF

WASHINGTON (UPI) -- AMBASSADOR ELLSWORTH BUNKER SAYS IT HAS BEEN "PERFECTLY CLEAR" SINCE 1974 THAT PANAMA EVENTUALLY WILL GAIN FULL CONTROL OF THE PANAMA CANAL.

BUNKER MADE THE COMMENT IN A TELEPHONE INTERVIEW IN REACTION TO A PROTEST BY REP. GENE SNYDER, R-KY., AGAINST RELINQUISHING JURISDICTION AND RIGHTS WHICH THE UNITED STATES HAS HELD IN THE CANAL ZONE SINCE 1903.

SNYDER RELEASED PORTIONS OF BUNKER'S SECRET TESTIMONY BEFORE THE HOUSE PANAMA CANAL SUBCOMMITTEE APRIL 8.

ACCORDING TO THE PARTIAL TRANSCRIPT, SNYDER ASKED BUNKER WHETHER THE OBJECT OF THE NEGOTIATIONS WAS TO GIVE UP THE CANAL ZONE TO PANAMA.

BUNKER REPLIED: "TO GIVE UP THE CANAL ZONE AFTER A PERIOD OF TIME, THAT IS CORRECT."

SNYDER: "AND THE CANAL OVER A LONGER PERIOD OF TIME?"

BUNKER: "OVER A LONGER PERIOD OF TIME."

THE KENTUCKY REPUBLICAN SAID UNTIL BUNKER'S SECRET TESTIMONY PRESIDENT FORD'S ULTIMATE INTENTIONS ON THE FUTURE OF THE CANAL "HAD NOT BEEN AT ALL CLEAR."

"AS OF LAST THURSDAY, THERE IS NO MORE QUESTION. AMBASSADOR ELLSWORTH BUNKER, CHIEF U.S. NEGOTIATOR WITH THE REPUBLIC OF PANAMA ... FLATLY DECLARED THAT PRESIDENT FORD HAS DIRECTED THE SECRETARY OF STATE AND THE NEGOTIATORS TO COME UP WITH A TREATY ... BY WHICH WE WILL GIVE UP THE CANAL ZONE ENTIRELY AFTER A PERIOD OF TIME, AND THE CANAL OVER A LONGER PERIOD OF TIME."

SNYDER SAID ON CONCLUSION OF A NEW U.S.-PANAMA TREATY THE UNITED STATES WOULD ABOLISH THE CURRENT CANAL ZONE GOVERNMENT IN SIX MONTHS, AND RELINQUISH JURISDICTION IN THE ZONE WITHIN THREE YEARS. THE CANAL WOULD BE TURNED OVER IN 25-50 YEARS, SNYDER SAID.

BUNKER DECLINED TO COMMENT ON SUCH SPECIFICS AND WOULD NOT SAY WHEN THE PANAMA CANAL MIGHT BE TURNED OVER TO PANAMA.

HE SAID, "THE NEGOTIATIONS ARE PROCEEDING STEADILY." HE SAID NO DATE HAS BEEN SET FOR THE NEXT NEGOTIATING SESSION.

UPI 04-14 06:54 AES

UP-124

SCOWCROFT, HYLAND, LL

(CANAL)

WASHINGTON (UPI) -- AMBASSADOR ELLSWORTH BUNKER SAID TUESDAY IT HAS BEEN "PERFECTLY CLEAR" SINCE 1974 PANAMA WOULD GAIN FULL CONTROL OF THE PANAMA CANAL WHEN A NEW U.S.-PANAMA TREATY, STILL UNDER NEGOTIATION, EXPIRES.

BUNKER COMMENTED IN A TELEPHONE INTERVIEW AFTER REP. GENE SNYDER, R-KY., RELEASED A PARTIAL TRANSCRIPT OF SECRET TESTIMONY BUNKER GAVE LAST THURSDAY TO THE HOUSE SUBCOMMITTEE ON THE PANAMA CANAL.

SNYDER, DETERMINED OPPONENT OF RELINQUISHING U.S. SOVEREIGNTY OVER THE PANAMA CANAL ZONE SAID HE WAS "SHOCKED" BY BUNKER'S STATEMENT PRESIDENT FORD HAD DIRECTED THE EVENTUAL RETURN OF THE 63-YEAR-OLD WATERWAY ITSELF AS WELL AS THE CANAL ZONE TO PANAMA.

"IT IS INCUMBENT UPON PRESIDENT FORD TO IMMEDIATELY TRY TO EXPLAIN TO THE AMERICAN PEOPLE THE VALIDITY OF WHATEVER REASONS HE HAS FOR DIRECTING THE DEPARTMENT OF STATE TO SURRENDER THE CANAL ZONE AND THE PANAMA CANAL TO A FOREIGN POWER IN THE RELATIVELY NEAR FUTURE...

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BUNKER TOLD UPI "THE PRINCIPLES REACHED BY SECRETARY OF STATE HENRY KISSINGER AND PANAMANIAN FOREIGN MINISTER JUAN ANTONIO IACK IN 1974 MADE PERFECTLY CLEAR PANAMA WOULD GAIN CONTROL OF THE CANAL AT THE EXPIRATION OF THE TREATY."

THE 63-YEAR-OLD AMBASSADOR IS CURRENTLY NEGOTIATING A TREATY UNDER WHICH THE UNITED STATES WILL FIRST RELINQUISH JURISDICTION OVER THE CANAL ZONE TO PANAMA, BUT CONTINUE TO OPERATE AND DEFEND THE CANAL UNTIL PANAMANIANS ARE READY TO TAKE OVER RESPONSIBILITY FOR IT.

UPI 34-13 06:40 PES



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