

94th Congress }
2d Session }

COMMITTEE PRINT

THE PANAMA CANAL AND THE
PROBLEM OF SECURITY

REPORT

OF THE

SUBCOMMITTEE TO INVESTIGATE THE
ADMINISTRATION OF THE INTERNAL SECURITY
ACT AND OTHER INTERNAL SECURITY LAWS

OF THE

COMMITTEE ON THE JUDICIARY
UNITED STATES SENATE
NINETY-FOURTH CONGRESS

SECOND SESSION

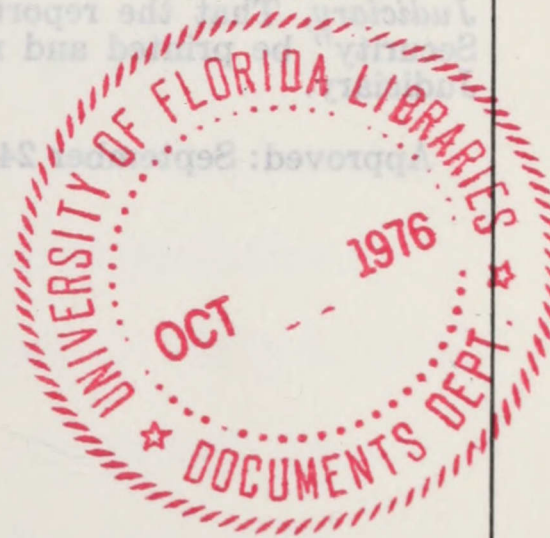


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RESOLUTION

Resolved, by the Internal Security Subcommittee of the Senate Committee on the Judiciary, That the report entitled, "The Panama Canal and the Problem of Security" be printed and made available for the use of the Committee on the Judiciary.

JAMES O. EASTLAND, *Chairman.*

Approved: September 24, 1976.

(II)



LETTER OF TRANSMITTAL

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
SUBCOMMITTEE ON INTERNAL SECURITY,
Washington, D.C., July 7, 1976.

JAMES O. EASTLAND,
Chairman, Senate Subcommittee on Internal Security, Judiciary Committee, Dirksen Senate Office Building, Room 2241, Washington, D.C.

DEAR MR. CHAIRMAN: Earlier this year you requested that I visit Panama for the purpose of making an appraisal for the Subcommittee of the internal security problems affecting the Zone and the Panama Canal itself.

I have the honor to submit herewith my report entitled, "The Panama Canal and the Problem of Security".

With every best wish,
Sincerely,

HAROLD E. HUGHES.

Enclosure.

(1)

LETTER OF TRANSMITTAL

TRANSMITTED BY THE JUDICIARY,
COMMITTEE ON THE JUDICIARY,
SUBCOMMITTEE ON INTERNAL SECURITY,

James O. Eastland, Chairman,
Senate Subcommittee on Internal Security,
Room 300, Senate Office Building,
Washington, D.C.

Dear Mr. Chairman: Further this year, you requested that I visit
Panama for the purpose of making an appraisal for the Subcommittee
of the internal security problems affecting the Canal and the Panama
Canal itself.

I have the honor to submit herewith my report entitled, "The
Panama Canal and the Problem of Security."
With every best wish,
Sincerely,

Harold E. Hughes

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NOTES

The following is a summary of the information received from the
Panama Canal Company, the Panama Canal Commission, and the
Panama Canal Zone authorities, during my visit to Panama.

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THE PANAMA CANAL

and the

PROBLEM OF SECURITY

Pursuant to the directive of Senator James O. Eastland, Chairman of the Senate Subcommittee on Internal Security, the Honorable Harold Hughes, Special Assistant to the Chairman, former member of the U. S.

A report submitted to

Honorable James O. Eastland,

Chairman

Senate Internal Security Subcommittee

by

Harold Hughes

Special Assistant to the Chairman

(3)

INTRODUCTION

Pursuant to the directive of Senator James O. Eastland, Chairman of the Senate Subcommittee on Internal Security, the Honorable Harold Hughes, Special Assistant to the Chairman, former member of the U. S. Senate and Alfonso L. Tarabochia, Chief Investigator for the Subcommittee, visited Panama in early March to conduct an investigation into certain related matters that might pose a threat to the security of the Panama Canal. In Panama, they had extensive conversations with the Governor of the Canal Zone, the Honorable Harold R. Parfitt, with the U.S. Ambassador to Panama, the Honorable William Jordan, with the Deputy Commander of the Southern Command, General J. Breedlove, with Mr. William Le Brun, the Internal Security Chief for the Canal Zone, and with other officials. This on-the-spot investi-

gation was the culmination of several years of research and fact-gathering by the Subcommittee staff, bearing on the problem of the security of the Canal.

Aware of the fact that the negotiations between Panama and the United States are at a very delicate stage, the Subcommittee established prior contact with the State Department, the Panama Canal Zone Administration, and the military authorities of the Southern Command, and it made it clear to them that the proposed investigation would be limited to areas falling within the mandate of the Subcommittee.

The report that follows has been submitted by the Chairman of the Subcommittee, Mr. Hughes.

William Jordan, with the Deputy Commander of the Southern Command, General J. Breedlove, with Mr. William Le Brun, the Internal Security Chief for the Canal Zone, and with other officials. This on-the-spot investi-

THE PROBLEM OF SECURITY

There are few issues of international policy that have produced sharper differences in Congress and among the American people than the issue of the Panama Canal.

There are many members of Congress who feel that it would be in our national interest to abandon the claim to sovereign powers "in perpetuity" which is written into the original Panama Canal Treaty. They argue that insistence on the status quo would constitute a dangerous irritant to our relations not only with Panama but with the whole of Latin America; and that our national security could best be served by agreeing to transfer sovereignty over the Canal Zone to the Panamanian government after a stated period of years, and full operational and military control over the Canal after a further period of years.

There are other members of Congress who believe just as strongly that we cannot afford

gation was the culmination of several years of research and fact-gathering by the Subcommittee staff, bearing on the problem of the security of the Canal. Aware of the fact that the negotiations between Panama and the United States are at a very delicate stage, the Subcommittee established prior contact with the State Department, the Panama Canal Zone Administration, and the military authorities of the Southern Command, and it made it clear to them that the proposed investigation would be limited to areas falling within the mandate of the Subcommittee. The report that follows has been submitted to the Chairman of the Subcommittee by Mr. Hughes.

to turn the control of the Canal over to the Panamanian government because they feel that so small a country could not guarantee the security of the Canal - that it might fall prey at any time to Soviet-Castro infiltration leaving the control of the Canal in hands completely hostile to the United States. They therefore argue that we must not retreat from the language of the original treaty, which, they say, ceded the Canal Zone to the United States "in perpetuity".

It is not the function of the Subcommittee to come up with findings designed to resolve this dispute in one direction or the other. In the final analysis, this will be the responsibility of the Administration and of Congress.

What is clear, however, is that, no matter what the course or the outcome of the current negotiations, the United States will retain responsibility for the operation and the defense of the Canal for a very long time. As long as it retains this control, it will have to confront an array of problems that have a

bearing on the security of the Canal Zone and the Canal.

The interest of the Subcommittee is justified by the fact that the foreseeable threats to the security of the Canal fall primarily under the heading of internal security. There is little or no danger that any nation will seek to seize the Canal through overt military action because such a challenge would almost certainly be regarded as a casus belli by any administration. Among the foreseeable threats to the security of the Canal are:

(1) The continuing danger that Castroite elements and other extremists could seize on some incident to incite anti-American riots in the Canal Zone, similar to the riots of 1964;

(2) The possibility of terrorist actions directed against the locks of the Canal, or against the retaining dams;

(3) The possibility - hopefully remote - that the Castro government would seek to take control of the Panamanian government by infiltration and subversion - or by means of a coup

on the style of the attempted subversive coup in the Dominican Republic in 1965.

Some General Observations:

Americans in the Canal Zone, with whom we discussed Panamanian Nationalism, from Governor Parfitt on down, told us that all Panamanians - conservative and middle-of-the-road as well as radical - are united in the desire to reassert Panamanian sovereignty over the Canal Zone sometime in the not-too-distant future, and that this is a simple fact of life with which we must reckon in our policy decisions.

The secrecy surrounding the current negotiations on the Panama Canal has - perhaps inevitably - generated speculation and apprehension. Convinced that this was having an impact on the morale of the employees under his jurisdiction, Governor Parfitt told us that he had sought the assistance of the U.S. Embassy in an effort to allay the anxiety of his employees. Apparently because secrecy is regarded as essential to the conduct of

the negotiations, Governor Parfitt said that he had been unable to obtain specific answers to many pressing questions - with the result that those who had expressed concern on one ground or another still continue to do so.

Economic and Social Problems and Their
Bearing on Security:

The security of the Canal Zone is clearly linked to the morale and loyalty of the work force, both American and Panamanian. This is an exceedingly delicate situation because the Panamanian employees, quite understandably, insist on complete equality of treatment with the American employees, and on the elimination of certain inequities that are a heritage from the past and smack of colonialism.

Governor Parfitt has approached this situation with courage, tact and understanding. He frankly concedes that Panamanians in the Canal Zone have had many legitimate grievances, and that there has been a tendency on the part of U.S. Canal employees to look down upon the Latin American employees and to seg-

regate them socially. He says that this mentality is now being overcome, despite the lingering suspicions of the Panamanians. He admits, however, that many American employees are strenuously opposed to any improvements in the living standards, educational or employment benefits for non-American employees, if these improvements are to be achieved, as they perceive the matter, at their own expense.

In an attempt to deal with this situation, Governor Parfitt has recently taken a number of initiatives dealing with Canal Zone schools, employment policies, housing policies, and security positions.

In the case of the school system, Governor Parfitt has recommended the termination of separate schools for Latin American students. While these schools were well-intentioned in the beginning, the Governor now says candidly that today this separate school system is unanimously rejected by the Panamanians. American employees of the Canal Zone strongly protest that the proposed integration of the school

system will drastically affect the quality of the schools. To this, the Governor has replied that it is his intention to fully protect the quality of the schools.

Under Governor Parfitt's proposed plan, the Latin American schools in the Canal Zone would be phased out in two stages. In phase one, the Latin American students entering grades K-4 in March 1976 would be given a choice of attending the U.S. schools in the Canal zones or in schools in Panama. If they elect to go to schools in Panama, the school costs, including transportation, would be taken care of by the Panama Canal Company and the Canal Zone government. However, if they elect instead to go to U.S. schools in the Canal Zone, they would be given four months of transitional training from April through July of 1976, and in August they would be assigned to a U.S. elementary school. In the second phase of the plan, terminating in December 1979 and December 1980, students in higher grades would also be given the option of attending Canal Zone U.S. schools, or going

to school in Panama, or, if they so desired, they could continue to attend Latin American high schools in the Canal Zone until the last of the current student body graduates in December 1979 or December 1980.

The proposal also stipulates that Latin American teachers qualified under the Canal Zone U.S. schools certification requirements will be transferred to the U.S. schools.

Governor Parfitt has also recommended greater job opportunities for Panamanians and enhanced opportunities for advancement. This has resulted in apprehension among the American work force that the new policy will result in fewer job opportunities and promotion opportunities for Americans in the Zone. Tension has been reduced somewhat on this score by assuring American employees that no individual will lose his job, and that changes will be effected only as jobs are vacated through retirements, promotions, and so on. The effect of the new employment policy on the mix of U.S. and non-U.S. employees will be

minimal for years to come.

Opportunities for advancement for Panamanians have in the past been seriously restricted by the stipulation that only Americans could fill the many so-called "security" positions, which have traditionally included a majority of all positions, as well as all senior positions in the police force, fire force, and Canal security force. It is Governor Parfitt's position that this requirement is an anachronism. He believes that the non-U.S. citizens are rightfully proud of the part they play in the Panama Canal team and that they are resentful of any challenges to their loyalty. They are, in consequence, disposed to regard the limitation on security positions as a stratagem for assuring that all the better paid positions go to U.S. citizens, in violation of treaty commitments calling for equality of employment opportunity. I would be inclined to agree.

In the revised security criteria he has proposed, Governor Parfitt has made certain recommendations designed "to achieve a balance

between providing upward mobility for Panamanian employees and maintaining an adequate level of security." In the case of the approximately 185 positions now designated as "security" because they involve access to classified information, the proposed new security criteria says that "an effort will be made to reduce the number of such security positions to the lowest number possible, commensurate with safeguarding national security information." The Governor's paper agrees that any individual having access to classified information must possess an appropriate security clearance. It points out that this is not the same thing as designating the position a "security position", which has had additional restrictive implications.

In the case of the Police Department, the Fire Department, and the Canal Protection Department, the proposed new security criteria, in the interest of upward mobility, establishes maximum percentages of security positions for the different grades. In the

case of the Fire Department, for example, only 25% of the class 4 positions - (class 4 positions are sergeants) - will be considered "security"; 75% of the class five positions - (lieutenants) - will be considered "security"; and 100% of the class 7 - (captains) - will be so classified. Roughly similar percentages are suggested for the Police Department and Canal Protection Department.

The new criteria would certainly help to improve the lot of Panamanian employees of the Canal Company and the Canal Zone government. However, they could be regarded by the Panamanian employees as a continuation, at a lower level, of the discrimination to which they have been subjected in the past. Regardless of this, the new criteria represent a major step in the right direction.

Acknowledging that some of his proposals are highly controversial, Governor Parfitt underscores the fact that they were the subject of prolonged and painstaking deliberations. He believes we must seek to avoid any lengthy

open confrontations between Americans residing in the Zone and Panamanians. He points out there is no possible way in which the relatively small number of American employees could independently operate the Canal efficiently for a prolonged period of time. "We must depend," he says, "on the earned loyalty and support of all of our employees during times of distress and disturbances."

The willingness of the American employees of the Panama Canal to accept an upgrading of Panamanian employees that may be partly at their expense has been adversely effected by certain planned economies in the operation of the Canal. The proposed economies have been justified on the ground that the Canal has been losing money for the past two years. According to the Canal Zone local of the American Federation of Government Employees, these economies include the elimination of the 15% tropical pay differential for Panama Canal employees, certain reductions in the generous leave system heretofore in force, and cuts in personnel and services in areas of community life, including

the schools and health services.

Instead of cutting back on operating costs in this manner, the local urges that serious consideration be given to increasing Panama Canal tolls. They point out that more than half the ships using the Canal are foreign flag vessels, that the cost of Canal tolls is a very small percentage of the total cost of carrying goods by sea, and that, despite a 20% toll increase in 1974, the overall increases, compared to a 1950 base, lag far behind price increases in other sectors. They say that, in effect, this puts the Panama Canal employees in the position of having to subsidize shipping.

In arguing in the favor of maintaining the privileged salary and leave systems of the past, the Union points out:

"The U.S. citizen employees of the Panama Canal Company are, in a sense, captive employees. The Personnel Director of the Company has stated that Company policy is to hire individuals for a career, not for a job, and that he

looks for someone who will stay with the Company throughout his working life. The multitude of specialized jobs required by the Canal take training and time to learn, and don't provide the kind of varied experience that would permit an employee to easily transfer back to the States. Making a career with the Panama Canal Company has traditionally required commitment, and the recruitment incentives of the tropical pay differential, the leave system, and a stable community life provide the necessary attraction for making that commitment."

The facts set forth above will help to illustrate how delicate and complicated the situation is. A policy designed to satisfy the essential aspirations of the non-American employees in the Canal Zone has produced concern and some resistance in the ranks of the American employees. But despite the resistance he has encountered, Governor Parfitt feels - quite rightly, in my opinion - that we have to move, with all deliberate speed,

towards a policy of equality. He believes this to be morally right and essential to the tranquility and security of the Canal Zone.

Security and the Need for Restraint:

The security of the Panama Canal Zone can be adversely effected by statements and actions on either side reflecting a lack of restraint.

Because of this, inflammatory rhetoric or inflammatory actions can be difficult to manage. The situation was not helped, for example, when General Omar Torrijos, Supreme Revolutionary Leader of Panama, exhorted his people, on the occasion of anti-Imperialist week, in these terms:

"The present North American negotiators have told us that now we have come up with the business of sovereignty that has never been reaffirmed before with so much vehemence and that they have never been told here was a people that was ready to make a sacrifice in order to have its flag flying over this territory of ours.

"Apparently this is a language to which they are not used. It appears that we have taken them by surprise, because our country is not talking to them about financial benefits but is telling them that the Canal problem is a sentimental problem and that we give much more importance to the flag than to any economic benefit.

"Undoubtedly the economic benefits have to come to us by force of gravity because the Canal is a necessary passageway that the world has used and a property through which the whole of humanity benefits. And if the whole of humanity benefits, it is also logical that the country that gave its entrails for the construction of this passageway has to receive economic benefits."

And then Torrijos made it clear what the intentions of his government were with the regard to the peaceful flow of communications between the government of Panama and the United States:

"Because if there is no satisfactory

treaty for our nation and for our people, there is something inevitable that is going to happen. It will come by internal combustion and it will be an explosion of the Panamanian people. The National Guard has two alternatives. There are two alternatives left to Omar Torrijos as a head of the National Guard - to suppress this patriotic rebellion of the people, or to lead it. And I will not suppress it."

The key phrase in this statement seems to be "if there is no satisfactory treaty for our nation"; but in view of past occurrences affecting the Panama Canal Zone, one must examine this statement and its implications carefully.

The Incidents Involving the Panamanian National Guard:

Certain actions taken by the Panamanian National Guard in late December 1975 and early January of this year also had a highly destabilizing effect. At the very least, President Torrijos must have had knowledge of

these actions. Before discussing these incidents, it might be useful to say a few words about the structure, role, and history of the Panamanian National Guard.

As a military organization, the Panamanian National Guard, which is also Panama's law enforcement agency, is not large numerically; nor is it well-equipped. It has a logistical system which is not capable of maintaining a line of supply and communications for more than a few days at a time. Translated into practical terms, it has a reserve of fuel and food supplies for approximately 76 hours for most of its posts.

The most important role of the Panamanian National Guard is riot control, a role for which it is very well-trained and has demonstrated its capabilities in the past. We have had good cooperation with them most of the time, but should there be a decision not to cooperate, the effect could be quite troublesome. This is a fact that cannot be overlooked when the internal security of the

Canal Zone is at stake.

During the 1964 riots, the Panamanian National Guard abstained from intervening at the initial stages of the riots, thus allowing the ringleaders to take over a situation that could have been otherwise managed by a joint effort of the Panama Canal Zone police and the Panamanian National Guard. When it finally intervened, the riots stopped almost instantly. This erratic performance on the part of the Panamanian National Guard has several times characterized its handling of demonstrations against the United States.

Because of the career and promotion system, the officer cadre supports General Torrijos and thus represents the support base for the government. Most of the high ranking officers of the Panamanian National Guard are the product of training in U.S. military schools in the Panama Canal Zone and are intimately familiar with methods used by the U.S. military.

The series of incidents involving activities of the Panamanian National Guard within the Canal Zone was described in a lengthy newsletter put out by the Police Union in early January 1976. For some reason, these events were not carried by the American press. According to this newsletter, Captain Ferrufino of the Panama National Guard, on December 23, 1975, presented a formal written request that the Republic of Panama be allowed to post Panama National Guards within the boundary areas of the Canal Zone. On the following morning, December 24th, while Governor Parfitt and other Canal Zone officials were meeting to discuss the request, the Panama National Guard, acting unilaterally, posted 10 to 14 of its traffic patrolmen along a border road which is in the Canal Zone. A short while later, the PNG patrolmen started issuing "courtesy" citations and parking tickets to passing motorists and to Canal Zone vehicles legally parked within the Zone. According to the Police Union newsletter, the PNG had

arranged to have photographers on hand to take pictures of the citations being issued.

When Major Gordon of the Canal Zone Police Division met later that morning with Major Garrido, Chief of the Panama Traffic Section, he strongly protested the intrusion of the members of the Panama National Guard and he asked Major Garrido to remove his men from the Canal Zone. Major Garrido, in reply, agreed that his men had overreacted, but he told Major Gordon that he could not comply with the request for removal - although he did remove some of his men. Major Garrido said that the Panama National Guard had information that leftist Panamanian students were planning demonstrations in the area, between Christmas and January 9, 1976, and that the National Guard would like to have "observers" on the Canal Zone side of the border during that period of time only.

The matter was taken up with Governor Parfitt, and the Governor agreed that, beginning December 24th through January 9th,

two National Guard patrolmen would be permitted to accompany Canal Zone policemen in their patrol cars as "observers".

According to the Police Union newsletter, the two Panama National Guardsmen assigned as observers engaged in several provocative actions. (For more details, the Police Union newsletter is attached as an appendix.) These incidents generated a good deal of tension at the time, but thanks to Governor Parfitt's firm but diplomatic handling of the situation, things never really got out of hand - and it is my understanding that there has been no repetition of such incidents since January.

The Canal Zone Police and the Question of Security:

The Canal Zone Police are the first line of defense against the possibility of violent demonstrations, originating in the Canal Zone or on the Panama side.

In conversation with the Internal Security Chief of the Panama Canal Zone, Mr.

William Le Brun, regarding the employment of the Panama Canal Zone police, the following information was obtained.

At present there are 262 policemen employed by the Panama Canal Company. A breakdown of the positions is attached, divided by U.S. and non-U.S. citizens and their location of employment. Because the new proposals for the integration of the Panama Canal Police force are discussed extensively in the proposals of Governor Parfitt, this section will cover only the operational activities of the Panama Canal police as it relates to riot control.

The police force is organized in ten-man riot squads, equipped with riot control equipment. The use of firearms is authorized only in extreme situations and by the Governor. It is obvious from the numbers available and the size of the territory that the Panama Canal Zone police could not secure the borders of the Zone in the event of a crisis. For this reason, there is a

special contingency plan to be implemented in time of emergency. Under Panama Canal Zone law it is the responsibility of the Governor to call for assistance from the military command, which would be placed on alert and the primary operational responsibility would be turned over to the military while the civil forces picked up support roles. In the Governor's absence, his duties would be taken over by the Lt. Governor.

According to the operational plans, the police are prepared to respond immediately, and a simultaneous alert can be implemented in 5 to 10 minutes when there is available intelligence regarding impending disorders. This reaction time is lengthened to 1½ to 2 hours when there is no intelligence. It should be pointed out that we consider our intelligence systems to be adequate.

Great emphasis is placed on training, and the military forces to be utilized have

had daily exercises to familiarize themselves with the locale and installations because the Governor can ask the military to supply guards for the Canal installations. Some military personnel are presently utilized as guards at locks and power stations.

The operational plan by both the Canal Zone police and the military is obviously sound, and is based on an excellent system of intelligence, supported by daily contact with the intelligence community. There is a Joint Intelligence Committee which includes the Ambassador, the Governor, and the planning officer of the Southern Command. It is chaired by the intelligence officer of the Zone.

The Question of Cuba and the Security of the Panama Canal:

Castro Cuba has the capability of posing the principal threat to the security of the Panama Canal. This is so because of Castro's continuing hostility to the United States, because of his continuing commitment to rev-

olution throughout Latin America, because of his training programs for Latin American guerrillas and terrorists, and because of his recently demonstrated willingness to project Cuban revolutionary power thousands of miles across the ocean for the purpose of installing a pro-Communist regime in Angola.

The Senate Subcommittee on Internal Security has received information since the early 60's on Castro infiltration in Panama. The Subcommittee's files contain numerous reports and items of information on this subject which are available to the Chairman.

The inordinate interest displayed by the Cuban government in the Panamanian situation finds another expression in the fantastically inflated size of the Cuban Embassy in that country, which is now reported to be operating with a personnel of approximately 60 staff members. It must be assumed that many of these are members of the DGI and that their real activities

have little to do with their diplomatic status. There is also a continuing flow of travelers from Cuba to Panama and vice versa.

President Torrijos is certainly not a Castroite; he has even expelled from Panama certain leftist radical elements he considered too extreme. The relationship between President Torrijos and the Communist left is probably aptly summarized in the following paragraphs from the U.S. Communist Party organ, "Peoples World", of January 17, 1976:

"Torrijos' government is regarded by Panama's Marxist-Leninist party, the Peoples Party of Panama (PPP) as 'petty bourgeois in composition and nationalist in essence.'"

"The new government took on an anti-Imperialist stand under the pressure of democratic forces,' Galdomero Gonzales, a leading member of the PPP, wrote in the June 'World Marxist Review'."

The Subcommittee has evidence that a significant number of men holding important positions in the government have, over the

years, either been involved with the political left in Panama, or have been involved in the disturbances of 1959, 1964 and 1965, or have openly professed their sympathies for Castro Cuba.

The Subcommittee has evidence that at least three officers of the Cuban General Directorate of Intelligence were invited by Colonel Manuel Noriega Moreno, Assistant Chief of Staff for Intelligence, to act as advisors to the Panamanian National Guard for a period of two months in 1973.

With Panamanian nationalism as such, an accommodation acceptable to both sides seems possible. It seems highly questionable, however, that the Castroite elements in Panama would be prepared to settle for any solution that the United States would find acceptable.

Most responsible Panamanians - and these are by far the majority - seek to achieve their objectives primarily through peaceful methods and negotiations - but it would be

prudent to anticipate that the Castroite elements, many of whom may have been trained in the Cuban schools for guerrillas and terrorists, may be committed to the course of violence.

I believe most Panamanian nationalists desire a continued American presence to be worked out through peaceful negotiations. Any Castro influence, on the other hand, in Panama will be committed to the total eviction of the American presence - economic, political and military - from Panama.

American policy should therefore strive to help the moderate Panamanian nationalists extricate themselves from the embrace of the Castroites who masquerade under the guise of nationalism. There is reason to believe that this can be done.

SUMMARY OF FINDINGS:

1. I believe that Governor Parfitt has made excellent judgements in recommending changes in the areas of schools, housing, and job opportunities for our Panamanian employees in the Zone. Though this creates tensions within the American community, it should relieve tensions between nationalist Panamanians and the Zone authorities.
2. Our intelligence community there has an excellent grasp of what is taking place overall, and we can have confidence in their capacities.
3. Overall, there is an attitude of cooperation in controlling any Zone border disturbances. In the case the cooperation is lacking, the U.S. has more than adequate capacity to respond to any need ultimately.
4. Our military capacity is such we need not be concerned with any military action from the outside. Terrorist action on a local basis against locks or dams would be

more difficult to control, but I believe we have the best possible contingency plans to cover any problem. I have confidence in our military, political, and intelligence groups there.

5. There will be constant attempts by Castro elements and other leftist groups to bring pressure against the U.S. presence in Panama. Overall, I believe the Panamanians do not want this. The negotiations underway should work to our advantage in this situation. However, constant alertness and awareness to what they are doing is essential for the future.

APPENDIX

THE CANAL ZONE POLICE LODGE

LODGE NO. 1798, AFGE

Box No. 1994

BALBOA, CANAL ZONE



NOV 1975

OFFICE OF THE PRESIDENT

William R. Drummond

TO; All Union members and Presidents and delegates of the CLU-MTC

Dear Brothers and Sisters:

I wish to present to you my views on a motion, made by myself that has been tabled. It is an opposite motion to a previous one which was voted down.

As you know, the CLU President has been contacted with the proposition of trading the treaty annex for our support of this proposed treaty or at least our non-opposition of that treaty.

My motion is, in effect, not to engage in that contact nor to make that commitment. To add validity to this contact, General Torrijos indicated in his October 11, 1975 address that he wanted dialogue with the people in the Canal Zone. Further, the State Department has indicated that they will protect the interests of the Canal Zone Employees. It has been indicated that this contact is not in labor nor is this an official contact. However, on its face it appears to be a valid contact.

In order to best explain my position, I think you should understand why I am against giving our hopes to this Labor Annex.

To begin with, there is nothing in this Annex that I object to. On the contrary, I believe it to be the best position possible for the employees in the Canal Zone.

However, as you know, I have been to Washington five times in the last nine months. During that time I have discussed this annex with all that would take the time to listen. I have given these people copies of the annex to study. I have re-contacted many of the same people, labor representatives and Congressmen, so that I could get a feel as to what their position was on this subject.

Officially; most labor representatives indicate support for this annex. Un-officially they have indicated that this annex doesn't stand a chance of getting the necessary legislation for its enactment into law.

Officially; most Congressional Representatives who will have to vote on the legislation for its enactment have politely indicated that it is rather "broad" and "extensive". Unofficially, most Congressional Representatives have indicated that little if any of it stands a chance of being enacted into law - even given that it was annexed to the treaty.

Like you, prior to making these trips, I was convinced that if a treaty came we would be protected because the AFL supported the annex and it was included in the 1967 treaty. After my first two trips, and I had received the information as set out above, I was content that the AFL-CIO was well aware that the demands in this annex would not be accepted by the State Department and in turn they - the AFL - would come out against the treaty.

I am now convinced that we have maneuvered ourselves into a most dangerous position if a treaty comes, not because we support the annex, but because we have made it our primary and total position.

I am convinced of this for the following reasons:

1. This annex can be included in the treaty and still not get the legislation for its enactment. To prove this point I refer to the "Memorandum of Understandings" enacted into law pursuant to the 1955 Treaty. I remind you that the treaty was approved by both Houses of Congress, while this part of the treaty was enacted by separate legislation. (P.L. 85-550). I invite you to read the Congressional debate on the '55 Treaty as well as the hearing record on P.L. 85-550 which will further substantiate my assertion that this annex hasn't got a chance of enactment.

2. To add to this, the last time out, I checked out the '67 treaty which is still classified as "secret" although published in the papers. I admit that my check was a very cursory one, therefore I do not assert that the following is fact but rather something that should be investigated. I found in that treaty a very ambiguous reference to employee benefits contained in Article twenty or twenty-one. I did not find the labor annex that we have been led to believe is contained in that treaty. Again, I am not asserting that it is not there - but only that I could not find it at the time.

I was disturbed but not overly alarmed about this course of events since, as I have stated, even if it were included in the treaty, I have been led to believe that it has no chance of being enacted into law.

3. In order for us to get this annex enacted into law we would need the full force of the AFL-CIO, the State Department, the Civil Service Commission, and most of these Conservative and Liberal Congressmen that are against this treaty, as well as those that are pro-treaty.

Honestly ask yourself if these groups are prepared to exert the effort necessary to do this. I remind you that it would take the cooperation of all of these groups to get this annex enacted into law.

My distrust for the promises of the State Department and Panama should be the same as yours out of experience. I am convinced that their promises mean nothing.

The Civil Service Commission, on the other hand has a great deal to lose if this law was enacted. It would disrupt the whole system for the benefit of some three thousand employees even if you exclude the non-U.S. employees. It would set a formidable legal precedent for every other government employee in the Service bent on equal rights, notwithstanding all we have heard of what took place in Guam or Okinawa. The enactment of this annex would entail multi-millions over a protracted period.

Further, if we accept this proposition, we will have undercut our only allies in this problem in the Congress. Logic tells you that you do not insult a Congressman and then ask him to support you on an issue that may have weakened his position to begin with. We may get some liberal pro-treaty Congressmen to support the annex legislation, but I remind you that this is a non-partisan issue. There are many conservative pro-treaty Congressmen that base their whole position on the fact that they believe the Canal Zone employees to be selfish colonialists. Our acceptance of this proposition can only entrench them in their belief. Many liberals also have this belief. It is foolish to suggest that they need not know.

We would be left with the support of the AFL-CIO. They in turn would have to exert all of their lobbying effort to convince an already hostile Congress that we deserve these benefits. They would be faced with strong opposition from the Civil Service Commission at least.

On the other hand, what can be lose by taking opposition to this treaty? What can we gain?

At its worst we can lose the treaty annex which, as I have stated, is a false premise as a primary position anyway. Theoretically, if the annex is not included, we would have the support of the AFL-CIO to add to our allies when ratification time comes around. Even if this effort failed and the treaty was ratified, we would still have an even stronger base in which to get some sort of legislation to protect ourselves. I am convinced that we would be in a much stronger position without the annex than with the annex left up to the State Department for support in its enactment.

Do we have a viable position? I believe that we do but our weakest point is that we have gained the reputation, true or false, of selfish colonialists. Without this stigma, we would not be in the position that we are in today. Natural as it may be to want to protect your job within the United States, it is looked upon as gross selfishness two thousand miles away. We are put at a great disadvantage.

I have enclosed a statement that puts all the arguments of the State Department to rest. I believe it to be a true, logical, reasonable, and just solution which will be to the benefit of all parties concerned for many years to come.

It is not based on self interest, and if this idea is adopted, the only interests that will lose are the communist interests and the corrupt.

Let me warn you that if this body does not take a firm position one way or the other, we are going to lose by default. The State Department and the Government of Panama are making every effort here and in the United States to sell this proposed treaty. We, as well as the people of Panama are fast becoming the victims. We have the tools at our disposal with which to counteract.

We are using one tool, a mailing campaign, but that is not nearly enough. Another tool at your disposal is the now revised Snyder amendment. I marvel at how little significance this body seems to attach to that amendment, say as compared to the Senate and House treaty Resolutions. This amendment is the sense of the whole House and the Senate. It must be signed by the President. It goes a long way further than these resolutions; locally as can be seen by the fact of the Torrijos' accommodation on October 11, 1975, and this proposition to solicit our support. This amendment does not just say the Canal, it says the Canal Zone as well. This was one of the major issues fought over between the Department of State and the Congress.

As it was, this amendment could have gone either way; which indicates to me, and I am sure the State Department feels the same way, that the House is not retreating from their position.

If that amendment could be described as being lost at all, I personally blame this body for that loss.

I want you to stop and think that there were at least 150 groups working to pass this revised amendment. The original amendment was passed by the House twice without revision. On the third time, a twice revised amendment passed by 11 votes. This issue could have been decided the other way by only six swing votes. Knowing how the House votes, I am sure that this is exactly how the revised amendment was decided. Had we had a man in the States who could convince just six Representatives, I doubt that we would be getting the covert contacts from our own State Department.

No amount of mail can affect this. You must be able to personally make eyeball contact to change situations such as the above.

To make matters worse, you tell me one National Representative that was even aware or made any effort to swing those votes in the right direction. I tell you that there was not one. Issues as vitally important to us as this one are lost to us by default.

To give you an example of what we can do, I was in the States when this issue was brought up the two previous times. I certainly do not lay claim to winning those times, but I know damned well, had I been there I could have convinced six men to vote our way. No one is going to fight our battles if we don't help fight them ourselves. It takes money even if you lose. But if you don't even make the effort to try we are certainly going to lose.

We are not as weak as our opponents would have us believe. But we must use the tools we have available to us. It is utter stupidity to think that our problems can be put off until tomorrow.

I have suggested, on a number of occasions, of sending a permanent legislative representative to the States. You have answered that by excuses ranging from it is not the right time to it costs too much money. You have all benefited from the several trips that this Union has made to Washington. I had hoped that you would finally realize through those examples just how important it is to have a man up there; not only to counter the enormous lobbying effort now being conducted, but also to work on current labor problems.

I have started a public information corporation so that we could combat the depressing apathy and propaganda put out by the State Department and Panama both here and in the States. You have refused to support this organization. You take the position that by supporting this corporation you may alienate your chances in respect to the labor annex.

Look around you. The State Department and those pushing this proposed treaty have inundated the States with propaganda, they have intensely lobbied the Congress and National Labor for support on their position. They have gone into the Department of the Army and the Company/Government to sell that position. They have solicited the Civic Councils and are now coming to us indirectly.

We all know what results they have or have not achieved in these areas mentioned. The very fact that we are being approached, and especially in the manner that we are being approached should indicate a weakness in their position as well as an inherent weakness in any promises made to us should we accept this proposition.

The last tool we have, and the most formidable, is the truth.

In all honesty, I sometimes wonder why I even attend these meetings. Time and time again, I have been told that you won't do anything for yourself or the people you represent, and you refuse to allow anyone else to take the action for you. The only counter I have for this is the assertion that you are being misled and misinformed.

I do not expect you to take at face value what I have stated herein. I urge you to seek out for yourself, before it is too late, the truth of the matter.

This Union can no longer be burdened by hesitation, inactivity, and suspicion. I am not a week-end representative. Nor do I have time to sit down with each and every one of you and explain each detail and every action and the legal

basis for a certain position, which I might add, has always been for the benefit of this body. I think history will bear me out. I wish to emphasize that there is just not enough time for all of this.

I have outlined what I believe to be the right and the wrong thing to do in this matter based on experience. I leave it up to you to make your decisions. I urge you not to act irresponsibly, but rather to make a sound, logical decision or two.

The Bible says the "meek" will inherit the earth, but history says that the forceful, and decisive will inherit the fruits of the meek.

Sincerely yours,

William R. Drummond

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