TELEGRAM

OUTGOING Amembassy PANAMA

Foreign Service of the United States of America

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ACTION:

Secstate WASHDC

Date: 4/26/68

INFO :

Analysis Unit PanCanal Govt

USCINCSO

PANAMA 3187

SUBJECT: Samudio Speech on Canal and Treaties

1. On evening Apr 25, David Samudio devoted remarks at small banquet in his honor to Canal issue and future treaties. Samudio began by referring to Jan 9, 1964, when "Panamanians baptized a new era with fire" and "reopened Canal issue with US." Samudio asserted "this new era characterized by one fact: Panama has found itself." Among pro-Samudio notables attending banquet was FonMin Eleta.

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2. Samudio also said that as Pres he would take "active and worthy action to secure treaty with US on Panama Canal that will satisfy aspirations of Panamanian people."

He added that "no rpt no other problem is so important has for nation:" Samudio said that while "US/clearly defined its position as world power," Panama "intends to become economic-financial center of Latin American integration."

Drafted by:

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Samudio noted that US and Panama can "show world how democratic nations solve such complex problems." Samudio characterized Canal as having "military importance" for US; while for Panama, Canal means "bread and dignity" and has economic importance.

3. Samudio stated that Panama "must demand participation" in selection of new canal route and alleged seriously adverse economic effects to Panama City and Colon would be experienced if new canal is built too far from present canal. Samudio added he would "not rpt not sign treaty that does not rpt not guarantee all rights Panamanian workers have obtained in Canal Zone." Samudio ended by referring to need for electing "honorable and capable" deputies to National Assembly to help ratify new treaty. Samudio's remarks represent most extensive COMMENT: public statement he has made to date on treaty issue. Samudio forces undoubtedly felt need to make some response to recent criticisms of treaty agreements made by opposition spokesmen, including NU candidate Arnulfo Arias (Apr 8), and repeated challenges by NU media.

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