P.S. to the NEWS
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COSTS OF THE PANAMA TREATY

The bills are starting to come in for the Panama Treaty ratified by the Senate a year ago this month. They show that the American custom of "buy now, pay later" has been converted into "give away now, pay later."

These bills indicate that it will cost every American family of four at least $472 to give away our $20 billion Canal and Canal Zone property. Congressman George Hansen (R.-Id.), who believes that charity begins at home, has compiled some comparative figures to show the scandalous expense of the Panama treaties.

The transfer costs alone could, for example, pay nearly all the federal gasoline taxes (4¢ per gallon) paid by Americans in an entire year. Or they could pay off all the outstanding loans of New York City. Or they could pay most of a year's hospital and medical care for American veterans.

Here is the Panama Treaty price tag: (1) for out-of-pocket Panama Canal transfer costs, $4 billion; (2) for Panama Treaty contingency costs, $2 billion; (3) for Panama Canal property to be transferred, $20 billion; (4) for Panama Treaty costs after the year 2000, $200 million per year.

Let's recall some of the many promises made a year ago by the President who said he would never tell a lie, and by his Administration. On October 22, 1977, President Carter said in Denver: "We are not taking any taxpayers' money to pay the Panamanians." On February 1, 1978, he repeated: "Are we paying Panama to take the Canal? We are not. Under the new treaty, any payments to Panama will come from tolls paid by ships which use the Canal."

Secretary of State Cyrus Vance promised the Senate Judiciary Committee: "The treaties require no new appropriations, nor do they add to the burden of the American taxpayer." Warren Christopher, Deputy Secretary of State, promised the same committee: "The treaties will not require any appropriations from the American taxpayer."

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Here is how the Administration is now asking the U.S. taxpayers to pay $4 billion in transfer costs. The cost of dismantling military bases and bonus pension benefits will be at least $399,000,000. The termination of the $20-million-a-year interest payments now being made by the Canal to the U.S. Treasury will cost the U.S. taxpayers $400,000,000 over 20 years. Both these figures come from General Accounting Office testimony.

The liability to the U.S. taxpayers over 20 years in payments guaranteed to Panama is estimated to be $724,000,000. The Canal toll increase is anticipated to be a (mostly U.S.) consumer expense; but since it is guaranteed for 20 years by the U.S. taxpayers, it could cost us an additional $744,000,000.

The expense to the U.S. taxpayers for replacing Navy equipment being given to Panama will be $150,000,000, according to House committee hearings. The transfer of U.S. tax-paid equipment to Panama last October has already cost $5,000,000.

The Canal construction costs which will remain unpaid to the U.S. Treasury amount to $319,000,000. The loss to the U.S. Treasury of untransferred surplus cash now in the Canal operating fund will be $70,000,000. Both these figures are from GAO testimony.

The estimated dollar cost to U.S. taxpayers for 20 years in annual military appropriations for services now provided by the Panama Canal Co. is estimated to be at least $65 million a year, making a 20-year cost of $1,300,000,000, according to House committee hearings.

The Panama Treaty contingency costs of an additional $2 billion include the $100 million in annual U.S. foreign aid to Panama, plus Panama's demands to tax 180 American businesses in the Canal Zone as far back as 1903 and that we restore Coco Solo Naval Base and France Field (unused for the last 20 years) to their original condition.

All these costs are in addition to the $20 billion estimated replacement value of the Canal and related property, and the estimated annual costs of renting military bases from Panama after the year 2000 in order to defend the Canal.