P.S. to the NEWS
by PHYLLIS SCHLAFLY

Box 618, Alton, Illinois 62002
Phone: 618-462-5415

RELEASE: March 30, 1979

BAILING OUT THE BANKS

The chickens hatched in the Panama Canal Treaty are now coming home to roost in the pocketbooks of U.S. taxpayers. The Administration's promise that the Treaty wouldn't cost the American people is now exposed as the falsehood it always was.

One of the costs is a half billion dollars to pay for early retirement and double-decker annuity benefits for the thousands of U.S. employees working in the Canal Zone. They, understandably, do not want to work for corrupt, pro-Castro Panama.

The present plan is for the federal civil service retirement fund to pay out at least $12 million a year for the next 30 years to Canal employees, according to studies prepared for Rep. Gladys N. Spellman (D-Md). The benefits each Canal employee receives will be approximately double what other federal employees receive from the U.S. government workers' pension fund.

These extra retirement benefits will allow Canal employees to retire with as little as 20 years' service, even if offered a comparable job without loss of pay. Workers who take early retirement would get pensions for life and benefits would continue for their survivors.

These costly sweeteners were written into Article 8, Sections 3 and 4, of the U.S.-Panama Treaty in order to silence the Canal employees' objections to the Treaty and to forestall their coming back to the U.S. to tell the truth about why our operation of our Canal should not be surrendered.

The U.S.-Panama Treaty was ratified in April 1978 over the opposition of the overwhelming majority of Americans. Six of the Senators who voted for the Treaty were defeated in the November election, and seven others who voted for the Treaty did not seek reelection.

As the ratification of the Treaty fades into history, it becomes more and more

(more)

obvious that it was essentially a bailout of the big New York banks (such as David Rockefeller's Chase Manhattan) which had loaned a grand total of some $2 billion to Panama. Those loans were uncollectible until a way was devised to funnel U.S. taxpayers' money into Panama. That's what the Treaty does by allowing Panama to collect the tolls and raise the rates on ships going through the Canal.

The current bankruptcy of the Chase Manhattan Mortgage and Realty Trust is another example of how the slick managers of Chase Manhattan Bank shift their business losses onto the shoulders of other people. Chase Manhattan Bank is the manager of the property of Chase Manhattan Mortgage and Realty Trust.

This bankruptcy will saddle the loss onto the hundreds of individuals who hold the real estate investment trust's outstanding notes. However, in 1977 Chase Manhattan Bank made sure that Chase Manhattan Mortgage cleared out its debt to the bank.

Just over the horizon are other problems caused by Chase Manhattan Bank's huge loans to Soviet satellite countries in Eastern Europe and to the Soviet Union to finance modern industrial factories, plus loans of more than $200 million to Iran. David Rockefeller apparently believed that these unsecured loans, mostly to Communist countries,were preferable investments for his depositors' money than secured loans inside North America.

If the Rockefellers had made and encouraged loans to develop and transport oil and gas from the great North American sources of Alaska, Canada and Mexico, we would not now be hurt by the cut-off of Iranian oil or the price rise of oil from the OPEC countries.

Instead of the threatened gasoline shortage, gas-less Sundays, or $1-a-gallon prices, we would have plenty of gasoline at about 50¢ a gallon. And the Rockefeller bank wouldn't be looking for another bailout from the taxpayers or unsuspecting creditors for the business decision to favor loans to Communist countries over loans to North Americans.

(end)