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## Central America

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# Panama's President Royo was ousted by the British

by Gretchen Small



Only the short-sighted, an unfortunately large contingent in Washington, D.C. these days, found satisfaction in the July 30 coup against President Aristides Royo by Panama's National Guard.

In Ibero-America, few missed the political message: "Royo's fall could well have been meant as a warning to other Latin American leaders who intend to hang tough in the fight for a new continent," stated the lead editorial in the Caracas daily *El Mundo* Aug. 3. Signed by publisher Angel Capriles, the editorial charged that Royo's ouster had been ordered by forces in the United States in reprisal for the former Panamanian President's role in support of Argentina over the Malvinas Islands. Panama's new president is Ricardo de la Espriella, a former employee of Rockefeller and Kissinger's Chase Manhattan Bank.

President Royo resigned from his post for "health reasons" and left Panama altogether less than a week later for an extended "visit" to Spain. Royo's brief press statement claimed that he had developed a sudden "throat ailment" which led his doctors to recommend he keep silent if his health was to remain intact!

Two days before, Royo's voice had been heard quite clearly in a call for the American countries to unify in defense of their economic integrity and sovereignty, whether or not the United States chose to join in. During the Malvinas War, Royo urged the United States to uphold the Monroe Doctrine against Britain.

In a joint communiqué with Venezuelan President Luis Herrera Campins released July 29, following two days of discussions in Caracas, Royo and Herrera Campins endorsed plans to hold a meeting of continental foreign ministers in Panama later this year. On the agenda was to be the development of a "strategy that will permit Latin America to overcome its problems of vulnerability and . . . strengthen the Latin American organizations that support that process of integral security," the communiqué read. "Eradication of colonialism" was emphasized. In Venezuela Royo noted that, in his opinion, the future foreign ministers' meeting should include Cuba, but not the United States.

Royo's subsequent ouster was meant as an object

lesson to others considering charting an independent policy for their nations. The actual lesson is, however, that Panama, and Royo, were left exposed by the failure of other countries in the continent to move more quickly.

The "fight for a new continent," in which Royo had played a prominent role, began when Ibero-American leaders recognized that the British-American alliance against Argentina in the Malvinas war had nothing to do with the territorial dispute, but was a precedent for future NATO-backed confrontations they would face themselves over debt collection and economic policies. With nearly a quarter trillion dollars in debt outstanding, and little means to pay in the midst of plummeting world trade, the more far-sighted of Ibero-America's leadership decided that defense measures had to be adopted.

Royo, like others, was studying the proposals by American economist and politician Lyndon H. LaRouche, *EIR's* founder, for the establishment of an Ibero-American Common Market and the use of the "debt weapon." LaRouche had pointed out that in the current financial crisis, even a few Ibero-American countries, if agreeing to jointly renegotiate their debt, could force governments and bankers alike to accept their terms for renegotiation. LaRouche proposed that these countries move now to demand a new international monetary system which assures credit for technology transfer and economic development as the conditions for renegotiating the debt.

The potential for Ibero-American countries to link up with the forces of LaRouche within the United States around that program, sent the oligarchy of the "old continent"—Britain, Venice, the remnants of the Hapsburg Empire—scrambling. Their strategy is simple: overthrow governments considering this action; assassinate other leaders; and trigger border wars which set off one nation against another.

### Prelude to Royo's fall

- July 27: as President Royo arrived at the Caracas airport for meetings with the Venezuelan President, a Venezuelan National Guard member assigned to Royo's security "shot himself." Many at the time

thought that an assassination attempt against Royo was occurring. The same day, the *Washington Post* ran an article "predicting" all of the major features of the coup against Royo, which took place four days later, and saying that the head of the National Guard, Ruben Darío Paredes, favors an "open economy."

- July 28: Peru's President, Fernando Belaunde, was almost killed by a bomb which exploded close to the site where he had just delivered an address. A striking increase in terrorist activity in Peru is ascribed to the drug-linked Maoist group, "Sendero Luminoso."

- July 29: Caracas daily *El Mundo* published LaRouche's call for Ibero-America's use of the debt weapon, next to the coverage of the Royo-Herrera Campins discussions.

- July 29: Colombian President Julio Cesar Turbay, who took Britain's side in the Malvinas War, held a quick summit meeting with Venezuela's President to deliver a single message: Venezuela and Colombia must unite to combat communism and Cuban influence in the region as their only priority. Venezuelan government officials understood the message: Venezuela's negotiations to reestablish relations with Cuba, its decision to join the Non-Aligned Movement as a full member and organizing with countries like Panama for inter-American unity are unacceptable to Turbay's U.S. State Department controllers; Venezuelan participation in the coming war in Central America must come first.

The same day, the New York *Journal of Commerce* ran an article, "Venezuelans Fear Devaluation," which admitted that there is no technical reason for the bolivar to be devalued, but persistent "rumors" to that effect are seriously harming the country's credit rating.

- July 30: *El Mundo* ran another statement by Lyndon LaRouche, this one calling for dumping the inflationary Eurodollar market on the British and smashing the pound sterling. Again, the article was placed next to the paper's coverage of the Royo-Herrera Campins communiqué calling for continental unity.

- July 31: Reports reached New York from Venezuela that during a recent visit to Washington, the Secretary of Foreign Relations of the ruling Christian Democratic Party, Juan José Monsant, had been raked over the coals by the chiefs of American diplomacy, including Assistant Secretary for Latin America Thomas Enders, George Landau, a Kissinger crony appointed ambassador to Venezuela, and Viron Vaky, a private citizen. Vaky's ties to Henry Kissinger date from his old State Department days. He headed the Aspen Institute's committee on "Governance of the Western Hemisphere" whose recent report outlined how border conflicts can destroy Ibero-American unity.

After Royo's ouster, Vaky privately stated that while the Venezuelans have been the "most hysterical" after the Malvinas war, "they will now go back to where they

were before." Reports from Colombia indicate that incoming President Belisario Betancur, to be inaugurated Aug. 7, is under great pressure to fulfill outgoing President Turbay's promise to make Colombia the policeman of the region. Belisario's personal security is lax, an AP wire announced internationally on Aug. 3, making him an easy target for terrorist attack.

And for Argentina? Schroeders Bank sources commented at the end of July, "It's only a matter of days or weeks" before the country "falls apart . . . this could mean a radical change in policies or government." A top executive at Lazard Frères suggests Aug. 16 is the date for a bankers' coup.

In Washington Royo's ouster is termed a blow for "stability" in the region. National Guard Commander Paredes, the power behind the coup, is "pro-American" while Royo was "flirting with Cuba."

The overthrow of Royo was the third step in a year-long project to remove the last vestiges of the Torrijos machinery from power in Panama. For whatever reasons, Torrijos, despite his unsavory side, had decided to try to help end the continuous depopulation war in Central America. When Torrijos died in a mysterious plane accident on July 31, 1981, Aristedes Royo stepped in, holding power with a more aggressive touch than anyone had expected.

But three months ago, Colonel Paredes took over as head of the National Guard. When Royo began his aggressive organizing against British plans, Paredes was told to make his final move.

But with the structure of command within the Guard weakened in the series of power struggles, Paredes is not likely to last long, nor is a peaceful transition to civilian elections likely. Next in line in the power struggle is the head of Panamanian National Guard Intelligence, Col. Manuel Noriega, the widely acknowledged kingpin of drugs and prostitution in the Guard. Colonel Noriega "has as close contacts with CIA director William Casey as with Fidel Castro," as Jeremiah O'Leary put it in a recent *Washington Times* analysis, placing Noriega as an asset of the networks of Anglo-American intelligence who have long-established cooperation with the worst elements in Soviet intelligence.

The strategic significance of Noriega's rise is the following. During the Malvinas battles in the South Atlantic, British policymakers began putting out the word that the strategic significance of the Malvinas Islands lay in their position guarding the trade routes through the Magellan Straits, the only trade route that could replace the Panama Canal *should that canal be taken over in a process of internal chaos in Panama*.

Colonel Noriega is just the kind of operative who could carry out such a destabilization of the Canal. Ironically, with the ouster of Royo with American aid, Noriega is now all the better situated for such a task.