

# Shultz, Helms prepare to hand Panama to Soviet-backed terrorists

by Gretchen Small

Working with a gang of private bankers, friends of Henry Kissinger, radical crazies, and conservative Sen. Jesse Helms (R-N.C.), the U.S. State Department has set out to overthrow the government of Panama. U.S. congressional hearings into Panama's "stability" have been called, U.S. and international credits to the country cut, and the international propaganda on "human rights violations" and "the military mafia" is rolling off the presses. It's Iran and the Philippines, all over again.

Economic development and a military-civilian alliance in Panama committed to that development, are the only means to assure the security of the Panama Canal. It was to assure that policy, in opposition to the dictates of the International Monetary Fund (IMF) and the World Bank, that Gen. Manuel Antonio Noriega ousted the former President of Panama in September 1985—to the fury of the State Department and the international bankers.

"The United States and Panama need each other," General Noriega, head of Panama's Defense Forces, said in an interview published in the *New York Times* on Feb. 17. "The U.S. cannot change its policy to suit the ego of certain officials. . . . The United States has certain strategic priorities in this region, and Panama is part of that."

Noriega did not specify whose "ego" he meant, but other Panamanians have: Secretary of State George Shultz. "George Shultz insists on giving the Kremlin the gift of the chaotic explosion of Panama," one of Panama's leading dailies, *La Estrella*, charged Feb. 16 (see *Documentation*).

General Noriega is the particular target of what *La Estrella* dubbed "George Shultz's Revenge." For three years, General Noriega has been a leading advocate of the doctrine that security and peace depend on the prosperity of the nation. When the austerity conditions demanded by the IMF created untenable instability in 1985, Noriega offered then President Nicolás Ardito Barletta, a former vice-president of the World Bank, a choice: Reverse policy or resign. On Sept. 28, Ardito Barletta resigned.

Shultz ordered revenge. Ardito Barletta, the man who designed Panama's "off-shore" drug-money laundering center, was a friend of Henry Kissinger, and was critical to preventing Ibero-American unity around the anti-IMF program which Peruvian President Alan García has adopted. As

for Noriega, he had visited Peru three weeks before the ouster of Ardito Barletta, and announced his support for President García's program. García is now scheduled to visit Panama in March, and Shultz fears that a Peru-Panama alliance may trigger a "chain-reaction" of debtor unity against the IMF.

## 'Controlled' instability

"The beginning of the end" for Panama's government is at hand, the leading newspaper of the opposition, *La Prensa*, editorialized on Feb. 16: Haiti's "Baby Doc" Duvalier fell, Philippines President Marcos is falling, and General Noriega is next. *La Prensa*, owned by one of Panama's top bankers, Roberto Eisenmann, called for mass mobilizations to begin, claiming that Panama's "moment of liberation" has arrived.

The opposition movement inside Panama, run by a small group of powerful financial groups like the Eisenmanns and the Arias Calderon family, has been waiting for the go-ahead from Washington, D.C. to move. The State Department's annual review of "human rights" around the world, released early in February, gave that green light. "The Panamanian military continues to dominate national politics," complained the State Department. "The civil and human rights climate in Panama has been marred by the removal of the elected president."

The State Department held up the *cause célèbre* of the opposition to Noriega, the still-unsolved murder of former terrorist leader Hugo Spadafora last September. Spadafora, a professional "revolutionary" who channeled Libyan money and arms into all sides of Central America's insurgencies, hated Noriega, and attempted to eliminate him as an obstacle to his underworld activities by charging the general with corruption, drug-trafficking, and abuse of power. Thus, when Spadafora was found dead, Noriega's opponents immediately accused him of the crime.

Spadafora's family promised bloodshed in revenge. "Those responsible for this act will have to shed tears of blood, because behind Hugo, there are many people who are prepared to revenge it. . . . Let them watch out," Spadafora's father promised. Terrorists from Hugo Spadafora's "international brigade" chanted at the burial, "Comandante, your troops are present. . . Your death will not go unanswered."

Now, the "conservative" Sen. Jesse Helms has taken up

the cause of Panama's former leading Libyan-backed terrorist. Increasingly under the control of the likes of Jon Speller, an agent of the Anglo-Soviet joint intelligence venture known as the "Trust," Helms has now taken to consorting with such Trust operatives as Israel's Ariel Sharon (see *EIR*, Jan. 24, 1986, "The Russian Connection of the Israeli Mossad").

The senator has scheduled hearings of the Senate Subcommittee on Hemispheric Affairs for the end of February, on "human rights abuses" in Panama, which are to feature the Spadafora case. After a meeting with Spadafora's brother Winston in December, Helms attached a rider to a bill, denying funds to Panama until the administration can certify that: 1) an independent commission to investigate Spadafora's slaying has been established by the Panamanian government; 2) progress has been made to bring the guilty to trial; and 3) civilian control has been imposed on Panama's Defense Forces.

A Helms aide said outright that the senator's intent was to bring down the Panamanian government, "an issue around which liberals and conservatives can come together. . . . The idea is to get across the message to Noriega that he has no support in the United States. Noriega has to go." The aide specified that the government of President Eric Delvalle "would also have to be replaced, either by new elections or by a recount of the votes from the presidential elections" last year. Former President Ardito Barletta was declared the winner in those elections over Arnulfo Arias, a result which Helms and the State Department claim was due to fraud.

Success for the destabilization, however, depends on a worsening economic crisis, to break labor's support for the Delvalle government, which had lifted Ardito Barletta's austerity measures. Here, Shultz expects the cut-off of U.S. funds to trigger an economic blow-out.

Forbidden by its constitution to print a national currency, Panama depends on a fixed supply of U.S. dollars for liquidity. With reserves dropping, Panama's Central Bank was reportedly forced to delay interest payments on its debts Jan. 1. Now rumors are circulating that the government will soon not have enough money to meet its payroll, unless foreign monies are received. The World Bank has promised a \$60 million loan—provided Panama agree to fire 5,000-6,000 public employees, and modify the Labor Code to remove worker protection.

Shultz hopes that Barletta's boys in the labor movement can turn rising discontent into a battering ram against the government. Suddenly labor leaders associated with the American Institute for Free Labor Development (AIFLD) have become the country's "radicals," opposed to any measure proposed by "the dictatorship."

In January, the government daily *Critica* charged that the government faced "vast financial and economic terrorism, which seeks to undermine the stability" of Panama. Cited was the statement by Eisenmann, "I am willing to bankrupt this country in order to reach power."

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## Documentation

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*Following are excerpts from "The Revenge of George Shultz," by Luis Manuel Martinez, published in La Estrella de Panama, on Feb. 16, 1986.*

The Reagan administration's policy toward Latin America is based on two erroneous premises. The first is that U.S. democracy is exportable, and that when Presidents are elected by popular vote, the battle against Cuban-Soviet penetration will be won. The second premise is that the military are villains, fathers of utter disaster, and that, therefore, their eradication is a panacea which will overcome all the social, political, and economic obstacles which arise along the journey toward stability and collective well-being for our peoples.

Secretary of State George Shultz, who has demonstrated a capacity for backroom maneuver as notable as his intellectual and ideological deficiency, has been the implementor of both policies. . . .

The President [Reagan—ed.] taining the expansion of Marxism on our continent, but, on the contrary, has stimulated it, with the conditions which the International Monetary Fund imposes on debtor nations. . . .

Mortified by the failure of his University of Chicago disciple, Nicolás Ardito Barletta, since September Shultz has implemented a campaign of journalistic slander and economic pressure against the government of Panama. . . .

Shultz's economic pressures are progressively increasing. . . . This is the signal to U.S. lackeys and disciples to conspire, agitate, and further weaken the social structures of Panama, for the sake of an absurd and destructive anti-militarism. . . . Because Shultz was irritated by the fall of his disciple, his arrogant reaction has been to undermine Panamanian stability, assaulting the country, government, and Panama's traditional friendship with the United States. . . .

Suddenly they want to put Panama on the list of dictatorships in America. That is, President Delvalle, arm in arm with Jean Claude Duvalier, Alfredo Stroessner, Fidel Castro, Daniel Ortega, and Augusto Pinochet. If we had not seen 40 years of whopping absurdities, from the Yalta agreement to the present day, if we had not witnessed, stunned, the decision to support Great Britain in its colonial domination of the Malvinas, against the legitimate right of the Argentine people to recover the islands, it would be impossible for us to believe this is happening.

But it's true, Secretary of State Shultz is extending, step by step, Central American violence to the Panama Canal. . . . Shultz's revenge will fan the flames, and bring revolutionary violence to the Darien border. . . . Communism continues its offensive in Latin America, and to our great misfortune, Secretary of State Shultz persists in giving the Kremlin the chaotic explosion of Panama.