

Panama denounces State Dept. plot; opposition's drug links exposed

by Valerie Rush

In an unprecedented show of unity, military and government leaders of Panama on April 24 went after the U.S. State Department as "merchants of hate" for seeking to destabilize Panama.

President Eric Delvalle held an extraordinary meeting on April 24 at the National Palace, with the General Staff of the Panamanian Defense Forces (PDF); 150 officers who had just attended graduation ceremonies for Defense Forces cadets; the entire civilian cabinet; and Defense Force Chief Gen. Manuel Noriega. The proceedings were nationally televised, including a statement by President Delvalle, in which he charged that "Our country is threatened . . . by enemies who are working from inside as well as from outside."

Delvalle stated that he has "proof" that foreign enemies are collaborating with "fascist-leaning oligarchs" inside the country. He went on: "I am gravely concerned and indignant at the campaign of lies, half-truths, and falsehoods of a minority of bad Panamanians who, protected by their economic means and unmentionable complicities, continue to encourage and fan national and international public opinion to create a climate of confusion and whirlpool of destabilization."

Delvalle urged Panamanians to "turn a deaf ear to these merchants of hate," and warned that if these destabilization plans proved successful, "it would have the most fatal consequences for our country."

The identity of the "merchants of hate" was no mystery in Panama. As two Panamanian papers reported, U.S. Assistant Secretary of State for Inter-American Affairs **Elliot Abrams** was the featured witness at two hearings held on Capitol Hill in Washington, one on April 21 at the Senate under the sponsorship of Sen. Jesse Helms (R-N.C.), and one on April 28 at the House of Representatives, under the joint, liberal sponsorship of Gus Yatron's Human Rights Subcommittee and Michael Barnes's Western Hemisphere Subcommittee.

At both hearings, Abrams attacked the PDF and its chief Gen. Manuel Noriega for allegedly damaging Panama's civilian institutions with their "continued influence on political and governmental affairs," and noted the U.S. government was "deeply troubled by persistent rumors of corrupt official involvement of Panamanians in drug-trafficking." A "dicta-

torship" of this stripe is simply intolerable, he said. "The systemic problem of Panama is the excess of military and police involvement in the government which makes it hard to call Panama a democracy."

Abrams, this apostle of "democracy," was the sponsor of the relocation to Ecuador of the heroin-trafficking Sikh terrorists of the so-called Khalistan Republic!

The inside dope

On April 23, Panama's opposition newspapers, *La Prensa* and *Extra*, gave front-page coverage to Abrams's testimony. It was precisely the interests represented by these dailies which President Delvalle had denounced as the "bad Panamanians . . . with unmentionable complicities" conspiring against their country. Recent coverage in the *Wall Street Journal*, sheds light on their real, illicit interests.

On April 17, the *Journal* reported, front page and in great detail, the case of **Steven Samos**, a nationalized Panamanian who admitted in U.S. courts that he knowingly set up and ran the money laundering operations for a major Colombian-U.S. marijuana ring. The ring, headed by one **José Antonio Fernández**, was charged with smuggling at least 1.5 million pounds of the drug into the U.S. between 1977 and 1981. What the *Journal* did not mention is that the former editor-in-chief and current contributing editor to Panama's *La Prensa* is **Winston Robles**, one of Steven Samos's top lawyers in his money laundering operations.

Samos's drug money schemes, in fact, seem to be a Robles family affair. Winston's sister Alma was married to Steven Samos, and Alma fronted for Fernández's crew, when business required they buy a Miami bank, the **Sunshine State Bank**, to handle their millions in marijuana profits. Like Samos, Alma, although divorced from Samos, has agreed to testify in court, in order to receive immunity from U.S. prosecution. A third Robles sibling, Ivan, "also figured in the money-laundering scheme," the *Wall Street Journal* reports.

Another Samos client was the reputed organized crime figure, **Lawrence Iorizzo**. Samos has admitted he set up a series of companies for Iorizzo, which were used to steal some \$40 million in federal and state gasoline taxes in Flor-

ida, according to the *Wall Street Journal*, which adds that federal and Florida prosecutors describe Iorizzo as "a captain in the Colombo crime family." Panama sources say Winston Robles was also lawyer for an associate of Iorizzo, Salvatore Carlino. Carlino, too, it is said, is close to the Colombo family.

For months, *La Prensa* has been in the forefront of the State Department's campaign to vilify Panama's military. **Roberto Eisenmann**, a banker and associate of Robles who succeeded him as editor in chief of *La Prensa*, called Panama's military a "mafia gang" on U.S. television in January 1986, citing as his source one of Qaddafi's former gun-runners, the Panamanian Hugo Spadafora.

Drugs, and arms-trafficking too

The only other opposition newspaper, *Extra*, has also been implicated in the financial circles behind narco-terrorism. When U.S. Customs broke up the largest arms-trafficking ring in its history on April 22, it was learned that a principal in the network, Iranian financier **Cyrus Hashemi**, had as his associates and representative the law firm **Arias, Fabrega & Fabrega**, in which the director of *Extra*, **Mr. Gilberto Arias** is a principal partner, at the time Hashemi was known to be trafficking weapons for Khomeini's Iran.

Hashemi was the key inside informant on the arms-smuggling ring, U.S. news media have reported. According to sources close to the arresting agencies, Hashemi agreed to turn state's evidence, to protect himself from further prosecution. Hashemi fled to London in 1984 after a U.S. federal indictment was handed down against him for violating the U.S. arms embargo against Iran.

Hashemi was first exposed by *EIR* in 1980, for funding Iranian terrorist Bahram Nahidian for the 1980 assassination of anti-Khomeini leader Ali Akbar Tabatabai. Hashemi headed U.S. operations for Khomeini, as part of an international arms-procurement ring headed by Khomeini relative Sadegh Tabatabai, and involving Israeli businessmen expelled from Iran after the revolution (see *Feature*, this issue).

The Panamanian connection first surfaced when Hashemi was indicted in the summer of 1984. Two of his companies, **First Gulf Bank & Trust Co.**, and **York House Trading Co.**, were named in the indictment. According to court documents, **York House Trading** is owned by **Grosvenor Credit S.A.**, a corporation which is run by the Panama City law firm of Arias, Fabrega & Fabrega. Documents on file in federal court in New York show that Cyrus Hashemi approached Merrill Lynch Futures in 1982 seeking a line of credit for the Arias-run Grosvenor Credit. Hashemi gave Merrill Lynch a letter of reference from First Gulf Bank & Trust (later indicted) and stated that York House (also later indicted) was a wholly-owned subsidiary of Grosvenor. The officers of Grosvenor are all senior partners in the Arias law firm—an arrangement described as "very unusual" by a one Panamanian insider.

At the extraordinary meeting of Panama's leaders on April 24, PDF head General Noriega read a statement signed by all the PDF lieutenants. It denounced the "conspirators" for seeking to make Panama ungovernable, in order to prevent Panama from taking control in 1999 of "its principal natural resource," the Panama Canal. Those involved are "traitors to the fatherland," the statement charged.

On April 25, the executive committee of the Revolutionary Democratic Party (PRD), the largest party supporting the government, placed its members on "permanent alert" against "conspiracy and sedition. The political activity unleashed by a group of Panamanians," a PRD communiqué warned, "has the purpose of gaining the sympathy of ultra-reactionary groups in the United States, as a way of exerting pressure on Panama and destabilizing our democratic institutions." The destabilization is "part of a preconceived plan" which seeks to weaken "Panama's very independence," in order to make possible "non-compliance in 1999 with the Carter-Torrijos treaties."

It is no accident that Elliot Abrams linked his testimony on corruption in the Panamanian military to the transfer of the canal. During the April 29 hearings in the House of Representatives, Abrams insisted that the United States wants to see genuine "democracy" in Panama "as the best means of assuring our interests and those of the Panamanian people." He noted that the transfer of the Canal in 1999 "would not put an end to those shared interests."

The *Wall Street Journal* made Abrams's veiled threats of armed intervention explicit. In its April 29 international column, *Journal* writer Clifford Krauss chastised the State Department for being soft on Panama out of fear for a "leftist military coup" in that country, and demanded that Panama be given the Philippines treatment: "The Reagan administration's recent aggressive stance toward authoritarian regimes in Haiti, the Philippines, and to a lesser extent Chile, doesn't seem to apply to this longtime ally," Panama.

Krauss goes on to repeat the unsubstantiated charges of PDF involvement in "drug-trafficking, money laundering and arms-trafficking to terrorist groups." Further, the *Journal* columnist quotes from Abrams that Panama's financial system is "'virtually made to order for a criminal' with money to launder," but doesn't dare to mention that it was Nicolás Ardito Barletta, the man who resigned from the presidency of Panama in the fall of 1985, who authored that financial system.

Krauss quotes Sol Linowitz, the man who negotiated the Canal treaty, that "If we get into a confrontation with Panama, Panama is in the position to destroy the locks in the canal, hamper our shipping and interfere with our strategic plans." Perhaps Linowitz, whose Inter-American Dialogue has just proposed the "selective legalization" of drugs as an "alternative approach" to the war on drugs, fears that the Panamanian Defense Forces may interfere with his "strategic plans"!