

EIR Investigation

Noriega's accusations reopen Iran-Contragate

by Gretchen Small

Panama's problems with the Reagan administration began on Dec. 17, 1985, when Defense Force Commander Gen. Manuel Noriega and two other Panamanian military officers told National Security Adviser John Poindexter that Panama would not leave the Contadora Group, nor join the United States in training the Contras and invading Nicaragua, Noriega told CBS's Mike Wallace on Feb. 4.

The interview began on the subject of the U.S. Federal Grand Jury indictments against General Noriega. By its end, the broader strategic issues underlying the "get Noriega" campaign had been placed on the agenda: the Iran-Contra scandal, and U.S. policy in Central America.

The interview, and the wide coverage Noriega's charges against Poindexter were given, blew apart the operation to paint Noriega as a member of the cocaine-trafficking Medellín Cartel. Instead, on Feb. 8, as Senate hearings on Noriega opened, the news had broken that the indictment of Noriega was run by the same "parallel government" which had been caught selling weapons to Khomeini, and buying arms with the profits—even from the East bloc—to ship to Nicaraguan contras.

General Noriega charged that the indictments against him stem from his refusal to play along with the NSC's absurd Contra games. For several years, Noriega has organized throughout the region for the Central American militaries to take a larger hand in ending the crisis in the region. This role should include the formation of a Central American military body to advise the Contadora Group, and military action to assure economic policies which increase the well-being of the population, he has specified.

George Bush is evidently not happy with this turn of events. In a Portsmouth, New Hampshire speech on Feb. 11, "Bush vowed that he would not be 'threatened' by Noriega," the *Washington Post* reports.

Noriega hadn't mentioned Bush. Perhaps Bush, one of four standing members of the National Security Council,

fears new questions that he would *rather* not answer, on his knowledge of the dirty dealings of arms, drugs, and terrorists uncovered in the Iran-Contras scandal.

Bush will not long be able to continue ignoring the Iran-Contragate scandal. In an Oklahoma City press conference Feb. 10 and one in Dallas two days later, Democratic presidential candidate Lyndon H. LaRouche charged that the allegations against General Noriega were part of a cover-up to hide drug-smuggling by the Nicaraguan Contras. He added, that if the Reagan administration keeps pushing Panama, Noriega will expose everything he knows about Vice President Bush, the Contras, and links to drug-running and money-laundering.

The indictments are designed "to lower the people's morale so that they will not fight anymore, and that of the other Latin American leaders who will also not fight, because he who fights gets indicted," Noriega told CBS.

Indeed. LaRouche is another whom the Department of Justice has tried to teach that "he who fights gets indicted." LaRouche has reported that his legal problems began with his refusal to support the Reagan administration's Contra policy, and his proposals for a war on drugs—all the way up to the drug bankers.

Noriega's bombshell

Poindexter's threats on Dec. 17, 1985 were known to most Panamanians long before the Wallace interview. Nor were they news to U.S. senators. A U.S. Senate Staff delegation which visited Panama in November 1987 was briefed on Poindexter's "arrogant and threatening" demand that the Defense Forces "serve as the future 'spearhead' of a Nicaragua invasion force," reported the delegation's December 1987 *Report on Panama*.

But when Noriega's accusations against the Reagan administration's NSC were broadcast on CBS's *60 Minutes* program on Feb. 7, the news could no longer be covered up.

In the Wallace interview, General Noriega, charging that the indictments against him on drug-trafficking charges were politically motivated—"a conspiracy forced by the Justice Department"—produced a thick sheaf of letters which the U. S. Drug Enforcement Administration had sent over the years, which praised Panama, and himself, for cooperating in the fighting drugs.

Quoting several of these on the air, Wallace asked: "Now that the U. S. Justice Department has indicted General Noriega, does John Lawn [administrator] of the DEA want to retract his praise for Noriega?" He answered his own question: "Not at all. When we spoke with him on Friday, he said he stands by everything he wrote. So here is something to contemplate: On the day the Justice Department brings General Noriega to trial, should that day ever come, one of Noriega's best defense witnesses could well be the DEA's own John Lawn."

Why did Noriega think he was being gone after? Noriega reported on his 1985 meeting with Poindexter. "He said he was coming on Reagan's behalf. He said Panama and Mexico were acting against U.S. policy in Central America, because we were speaking of peacefully solving the Nicaraguan crisis, and that was not good for the Reagan administration's plans. The only thing that will save us from being hit both politically and economically by the U. S. would be if we allowed the Contras to be trained in Panama in their fight against Nicaragua."

"He—Poindexter told you that, that you would be hit economically, if you failed to rein the Contras here in Panama?" Wallace pressed. "Panama would be affected economically. Their interest was for us to help the Contras, and we told them 'no,' " Noriega replied.

"Then, General Noriega dropped a bombshell. He said that Admiral Poindexter told him that the U. S. was planning to invade Nicaragua," Wallace reported. "Yes, they were going to hit Nicaragua. They were going to invade Nicaragua. And the only reason they hadn't done it was because Panama was in the way, and that all they wanted was Panama to get out of the way, and allow them to continue with their plans," Panama's general replied.

Captain Cortiso, Noriega's aide who attended the meeting with him, confirmed the report: "They wanted Panama forces to go in with American forces, but we'd go in first. Then we'd get the support from the American troops that would be taking part in the invasion."

Poindexter's former assistant, Norman Bailey, was the man who tried to recruit Panamanian officers to the Reagan administration's Contra plan, Noriega added.

There was also a hint that more than the Contra scandal may come to light before the end of this affair. Noriega reported that Panama is preparing to "show how politicians in the United States have been covering up for lawyers, bankers, and even Panamanian politicians who are involved in drug trafficking."

U.S. vs. Ibero-America?

The expectation was that the indictments of Noriega would either force him to resign, or, believed more likely, split the PDF, and trigger an uprising against General Noriega. Gabriel Lewis Galindo, the multimillionaire who runs the opposition from Washington, issued a radio appeal on Feb. 6 to the middle-level officers, name by name, to overthrow Noriega. The high point of his pitch was directed at Maj. Armando Palacios Góndola, an officer, said Lewis Galindo, who "is on the list of those people respected by Panamanians like me."

Major Palacios Góndola's answer was given on Feb. 8, when he read the communiqué of the PDF's middle-level commanders in support of Noriega (see *Documentation*.)

So, it is proposed in Washington that "force" be used against Panama. On Feb. 12, the *Washington Times* editorialized that the United States must make "prudent use of diplomacy, and (if necessary) force, in order to ensure Panama's freedom—and General Noriega's departure." Similarly, the *Baltimore Sun* proposed that President Reagan must "do whatever is necessary to get rid of General Noriega and the corrupt officials around him." The *Sun's* editorial implied perhaps that Panamanian Contras should be formed.

Such schemes are dangerously foolish. The reaction in Panama already has been overwhelmingly one of support for the government and military. Washington has, once again, misestimated the power of nationalism. In Panama, the U. S. indictment is viewed as an attempt to retake the Canal, and deny Panama its sovereignty.

"This is not a problem of a man, of a name; this is a problem of a people, of a state, of a nation, and of a cause," Noriega told a Democratic Revolutionary Party dinner Feb. 6. "Man's true life on Earth is to be born, to produce, and to die. . . . There are those who are only born and then die." Our job, he said, is "to produce a fatherland, to produce achievements, and to produce things that contribute to the continuation of life."

At a rally in Santiago de Veraguas on Feb. 9, Noriega accused the United States of seeking to use "weak governments and men . . . traitors . . . who can . . . live under the shade of tainted money that comes from their betrayal." He added: "I have heard the U. S. State Department, Elliott Abrams, and others say the solution is Noriega's ouster or death. They are wrong . . . because no generation will permit any traitors . . . to pawn the generation that will take over the country in the year 2000."

The issue is not merely a national one. "A Peronist group from Argentina once told me that Panamanians did not realize the role we were playing in history," General Noriega stated in his speech to the PRD. Middle-level officers were with me at a meeting in Mar del Plata where we, the Argentines and Panamanians, concluded that "here in Panama we were waging, and we are going to wage, the last battle of Latin American dignity against colonialism."

Norman Bailey on getting rid of the Defense Forces

Since September 1985, former U.S. National Security Council member Norman Bailey has functioned as case officer in the campaign against Gen. Manuel Noriega. Excerpted below is a speech by Bailey given on Dec. 8, 1987 at a George Washington University forum, "Crisis in Panama," where he specifies that the goal of the war is not to oust General Noriega, but to "get rid of" the institution of the Defense Forces itself.

Bailey's protestations against money laundering through the offshore banking center in Panama are almost humorous. Not only has Bailey long been a vociferous advocate of regulation-free financial activities worldwide, but, as he admits, his campaign against Panama's military was begun on behalf of "his friend, Nicky Barletta"—the man who ensured Panama's offshore center would be "more secret than Switzerland."

I first got involved in the Panamanian situation when I was chief economist in the NSC and one of the things we were trying to do was to trace currency movement having to do with arms trafficking and drug trafficking. . . . I soon discovered that Panama is one of the easiest places to trace currency movements, in terms of the total quantities involved—not in terms of who the money belongs to and so on—for the simple reason that Panama does not have a Central Bank, and it does not have its own currency. It uses the U.S. dollar as currency. . . .

At the same time, that this was going on—this investigation on our part—I became friendly, through my general interest in Latin America, with Nicky Barletta. Later he was elected President of Panama, and later he was thrown out. That made me mad. I don't like my friends being treated this way. So, I decided that I was going to do something about it. . . .

The case was taken all the way up to the National Security Adviser, who at that time was Admiral Poindexter. He went down to Panama and read the riot act to Noriega. . . .

About eight months ago, there was a conference at American University similar to this. . . . When the panel was over, the Chairman said, "Dr. Bailey, is there something you want to say before you leave?" And I said, "Well, the only thing I really want to say is that nothing is going to happen in Panama, and you are not going to get rid of Noriega, or the

institution of the PDF, unless the people of Panama go out in the streets, and subject themselves to being beaten up, and wounded, and perhaps killed. And that is not going to do any good, unless you got television out there, taking a picture of the people getting beaten up, and wounded and killed, because . . . nobody is going to know about it, no one is going to care. But if they are there, and it appears on prime television in the United States you are going to get some action."

Since that time, I sometimes have been accused of arranging Colonel Díaz Herrera's change of heart. I just want to say that there is no truth whatsoever to the rumor, I have not even met Colonel Díaz Herrera.

Getting rid of Noriega is not all that important. Getting rid of the system is what is important. Getting rid of the institution is what it's important. Getting rid of the fact that Panama is the most heavily militarized country in the Western Hemisphere, that's what is important. Without exception, it's much more heavily militarized than Chile . . . than Cuba. . . .

All of what I said is well known. There was a very good series of articles in the *New York Times* in 1986, detailing all of this, and they were 98% true as far as I know. Quite a bit came from me, so it better be true. . . .

Noriega is a pimple in the face of humanity. He should be given about as much importance as you would give to a pimple on your face. The cancer that it's eating out the body politic in Panama is a system of militarized control of the body politic, economic and social—that's what needs to be treated and cut out. You take care of a pimple with a pin; you take care of cancer with all kinds of very careful and very technical treatment.

In the first place, you do have to get rid of him. Secondly, you establish a Civilian Junta which declares that it is going to hold local elections, after several months, then congressional elections, and finally presidential elections—in a period no more than one year maximum. It's a very bad idea to stretch this thing out. It might be that one of the members of the Junta might be the Archbishop . . . representatives of the democratic party, a mix of people. Maybe a junta of five people.

In the meantime, the Civic Crusade has to maintain their activity and pressure, the worst possible thing for them to do is to disperse, to disband. . . . The PDF have got to realize that if they resist being reduced in size, being taken out of all the civilian functions . . . that the people will be back out in the streets. . . .

Panama's military responds

On Feb. 8, the middle-level commanders and officers of Panama's Defense Forces (PDF) issued a communiqué in

response to the indictments against Gen. Manuel Noriega. That communiqué, excerpted below, quashed hopes that the indictments would trigger a split in the Defense Forces.

Whereas the middle-level commanders and officers are the guarantors of the generational change of command, of discipline, honor, and loyalty to the institution:

1. Whereas the Panamanian nation has been subjected to ruthless political and economic aggression by the United States;
2. Whereas the PDF has been the chief target of this aggression, especially our commander in chief, General Manuel A. Noriega, and top PDF officers. The purpose is to break the unity within the institution and to prevent the generational struggle to achieve our national objective, that is, to regain total sovereignty in the year 2000.
3. Whereas bad Panamanians, including two retired officers harboring unbridled ambitions of power, have joined in this campaign against the Panamanian nation by inciting the PDF to rebellion.
4. Whereas, the objectives of this aggression are to ignore the Torrijos-Carter Treaties so as to extend the permanence of U.S. bases and troops beyond the year 2000 through the Southern Command; to force Panama out of the Contadora Group; and to use the PDF as an instrument of Washington's war policies in Central America.
5. Whereas the national government and the Panamanian people and their PDF have flatly rejected the plans by the United States and their local lackeys.

We resolve:

1. To maintain the solid unity of the PDF in view of this aggression and reject the call to rebellion by traitors who sell out their fatherland.
2. To reject the meddling of civilians in PDF internal affairs and its organic and hierarchical life, except for those civilians who are constitutionally entitled to do so. The PDF is a professional and disciplined institution; its men are part of the Panamanian people who have been attacked.
3. We reaffirm our loyalty oath to the fatherland and the institution.

We have maintained and will continue to maintain our strong support for our commander in chief, Gen. Manuel Antonio Noriega, and his general staff in their struggle for the country's sovereignty and independence; for their projects furthering the PDF's professional development; and for the legitimate demands by the people.

We respectfully ask President Eric Arturo Delvalle that

the U.S. Southern Command be withdrawn from our territory as its presence is not included in the Torrijos-Carter Treaties and annexed agreements. Its presence serves only the interest of projecting U.S. military power in the hemisphere, and meddling in the domestic affairs of friendly nations to the detriment of the good relations that exist between Panama and those countries, and in violation of the Neutrality Agreement of the Panama Canal.

We respectfully request our commander in chief and his general staff to authorize us to publicly defend our institution from the slander and libel to which it has been subjected. . . .

General Noriega exposes U.S. secret government

What follows are excerpts from Noriega's speech following the reading of the PDF statement at military headquarters.

Gentlemen: The U.S. strategy of war and maintaining its presence and its power has historically used different methods. Teddy Roosevelt used his Big Stick policy. . . . He imposed a treaty which all of us regretted and continue to regret. Afterward, the U.S. went on to use gunboat diplomacy during the Howard Taft administration to impose on the banana republics men who were docile to its strategy of power and submission. Later, they used Hoover's Iron Fist policy. The Marines could land on the beaches of those governments that did not agree with or follow the policies of that sphere of power. . . .

Adjusting its behavior to the evolution, maturity, and awareness of the Latin American peoples, the United States cannot continue using the policy of invasion, the Big Stick policy or the Iron Fist policy. . . . Therefore it became necessary to implement another form of aggression, which is more subtle, less open, and more creative. That is diplomacy through the legal system—by trial. They want to set a precedent in Panama for diplomacy by trial as a system so that no other Latin American leader can rise up to discuss, fight, and present his viewpoints because he, too, would then be put on trial. . . .

On Dec. 12, 1985—note the year, there were no problems—Poindexter arrived in Panama. He was aggressive, violent, and tried to impose rules for the game; he tried to subjugate the Republic of Panama. He tried to prevent our presence as a peace force in the Contadora forum; our presence as an armed force in search of a balance; a neutral armed force in search of peace. That language set a very bad example—in quotes, a very bad example—and could not be accepted. . . .

Poindexter was upset when he left. He left with a battle axe, which is what we are paying for now. . . .